

## DAIRY: On 7,000 acres of former tree farm

Continued from 1A

Wym Matthews, program manager for Confined Animal Feeding Operations with ODA, said they will address those concerns at Friday's meeting.

"We will definitely be considering what our response should be," Matthews said.

The coalition is also asking whether Lost Valley Ranch violated any laws by starting construction, even though it still hasn't registered as a business with the Secretary of State's Office. In fact, there is already a Lost Valley Ranch, LLC in Eastern Oregon, registered to Robert and Joan Wade of Condon.

Ivan Maluski, policy director for Friends of Family Farms — one of a dozen groups in the coalition — said the dairy is not only a threat to the environment and small farms, but is apparently operating outside the rules.

"It suggests the company perhaps doesn't take the permits seriously," Maluski said. "That's very problematic as well."

Other coalition members include: the Oregon Chapter of the Sierra Club; the Center for Biological Diversity; Columbia Riverkeeper; Oregon Physicians for Social Responsibility; WaterWatch of Oregon; Food & Water Watch; Socially Responsible Agriculture Project; the Center for Food Safety; the Humane Society of the United States; Friends of the Columbia River Gorge; and Humane Oregon.

California dairyman Greg te Velde is trying to develop Lost Valley Ranch on approximately 7,000 acres of the former Boardman Tree Farm. He did not comment on the coalition's complaints, except to say the company is working through the



Photo contributed by Paloma Ayala

**Construction is already underway at a proposed mega-dairy in Morrow County, which has raised alarm from a coalition of environmental groups.**

permitting process.

Te Velde did say they have built milk barns and stalls on site. He did not say exactly how much money has been spent so far, but that it was "a lot."

Lost Valley Ranch has garnered significant public interest since te Velde applied for the confined animal feeding operation, or CAFO, permits in August 2016. For the last 15 years, te Velde has run Willow Creek Dairy on land leased from nearby Threemile Canyon Farms, the state's largest dairy with a whopping 70,000 cows.

When the Boardman Tree Farm sold a year ago, te Velde jumped at the opportunity to expand. Willow Creek Dairy currently trucks 70,000 gallons of milk every day to Tillamook Cheese at the Port of Morrow.

In his CAFO permit application, te Velde describes a closed-loop system with liquid manure stored in six main lagoons. The nitrogen-rich wastewater would then be used to irrigate 5,900 acres of farmland, growing feed for the dairy's own cattle. Whatever is left over would be used to make animal bedding or transferred off site.

However, the coalition has spearheaded a campaign

urging the state to deny the dairy permits. More than 4,200 comments have poured in on the proposal, which Matthews said are still being processed before a final decision is made.

"The agencies are working diligently to get that done," he said.

The coalition commissioned its own aerial photos of Lost Valley Ranch last year, estimating that construction began sometime in spring or summer of 2016 and is at least 70 percent finished.

On Nov. 1, 2016, ODA did instruct Lost Valley to stop building its wastewater system without the CAFO permit, since those need to be inspected and approved by the agency prior to use. Matthews said the dairy did comply with that advisory, though there are other structures the state can't prohibit them from building.

"We're trying to be very specific about things they can't construct," he said.

Matthews said potential actions against Lost Valley could include additional citations of non-compliance or civil penalties, if they determine Lost Valley broke any laws.

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## FRUIT: Packages up to 1M boxes of apples yearly

Continued from 1A

Cider and Watermill Winery in Milton-Freewater, though Blue Mountain Cider was not included as part of the sale.

All together, Earl Brown & Sons employs about 160 people. Ron Brown predicts the company will be able to tap into even more niche markets with the backing of Foreman Fruit.

"Both families are real forward-thinkers," he said.

Alan Groff, president and CEO of Foreman Fruit Company, said they first heard Earl Brown & Sons was up for sale in April 2016. Though it was well off their radar — Wenatchee is 200 miles away from Milton-Freewater — Groff said they drove down for a meeting, and the two families immediately hit it off.

"They've created a number of businesses, and

a number of very excellent orchards and vineyards," Groff said. "There's a nice intersection of our capabilities."

Foreman Fruit Company was founded in the early 1980s by Dale Foreman, a Wenatchee attorney and former chairman of the Washington Apple Commission. Groff, who is Foreman's son-in-law, said the business started out primarily growing pears before branching out into apples, cherries and grapes.

Earl Brown & Sons is Foreman's first Oregon acquisition. Groff said they were impressed by the people, and wanted to keep their current team together.

"We share a common set of values and purpose in business," he said.

Earl Brown & Sons was founded in 1977, and now packages between 850,000 and 1 million boxes of fresh

apples every year. Varieties include Honeycrisp, Red Delicious, Golden Delicious, Granny Smith, Fuji and Lady Alice.

Watermill Winery has also sold roughly 3,500 cases of wine in past years. Groff said they are still in the early phases of looking at the wine business, though they are excited to be working in The Rocks District of Milton-Freewater and believe the product has plenty of upside.

"I think this is really great wine that is, perhaps, undersold," Groff said.

Brown said the transition with Foreman Fruit has been smooth, and will ensure that Earl Brown & Sons has the resources to stay competitive.

"You have to be a certain size anymore to compete with all the regulations that come down on smaller companies," he said.

## PERS: Some unions question legality of changes

Continued from 1A

Both bills' chief sponsors are Knopp and Sen. Jeff Kruse, R-Roseburg, who said that the two bills might not be the only proposals to expect from Senate Republicans this session.

"We're still kind of dancing around a few things," Kruse said Wednesday.

Currently, PERS beneficiaries who were hired prior to Jan. 1, 1996 — known as Tier 1 employees — are promised an assumed 7.5 percent rate of return on investment, credited to their regular accounts every year.

Kruse said changing that 7.5 percent rate, which the market has failed to match, could be legally permissible but that it and other ideas were still being vetted.

"We don't want to propose anything that we don't think would survive a legal challenge because it would be a waste of time," Kruse said.

Legislative Counsel, in a memo to Knopp and Johnson in late August, noted that the

court hasn't addressed the method of calculating final average salary and whether it is a term of the PERS contract. If it is, they said, changes to the calculation are permissible "if the changes protect accrued benefits."

Calls to Knopp and Johnson Wednesday afternoon were not immediately returned. Lawmakers were gathering at the Capitol this week to organize for the upcoming session and attend a slew of mandatory trainings.

Attempts at reform could face an uphill battle politically; some union representatives have already publicly questioned the legality of possible changes to the system.

In her inauguration speech Monday, Gov. Kate Brown called for "smarter government," including better management of PERS, just over a month after she nudged Oregon business leaders to contribute ideas to address the state's budget shortfall in the wake of the failure of Measure 97, a tax

on corporate sales.

Supporters said the tax would have raised about \$3 billion per year and could have fixed the state's persistent budget shortfalls.

Brown said in her speech Monday that beside her proposal — outlined in SB 107 — to bring more investment functions in-house under a new Oregon Investment Department, she looked forward to "the other solutions proposed in the months ahead."

"As we consider our next steps, let's agree to keep our promises to retirees," Brown said, according to her prepared remarks. "Let's ensure that no one can (take) advantage of the system. And let's seek solutions that are legally viable, so that dead ends aren't left to languish in court while the challenge of PERS only continues to grow."

In a phone interview in late December, Sen. Johnson said there was "very little political enthusiasm to engage in the discussion to find a solution or a partial solution."

## BOUTIQUE: Began serving EAS communities in 2014

Continued from 1A

Before he started working for Boutique, Butcher worked as a pilot for SeaPort Airlines when it was the city's commercial service provider.

Between optimistic speeches from Mayor John Turner and airport manager Steve Chrisman, Butcher recalled his days attending the Round-Up and expressed excitement that the pilot's house on airport grounds has been renovated.

Butcher also provided a brief history of Boutique, which grew from one plane in 2007 to its current fleet of 20 serving airports across the country.

While the positive vibes were strong at the airport, it was only eight years ago that SeaPort arrived in town as the young, expanding company looking to replace the previously entrenched incumbent.

With passenger numbers falling and the U.S. Department of Transportation threatening to pull Pendleton's Essential Air Service subsidy, SeaPort began 2016

by filing for bankruptcy and ended it by grounding all its flights after the city council selected Boutique as its new provider.

Although Boutique only began serving EAS communities in 2014, Butcher said Boutique's structure puts it in better position to avoid SeaPort's pitfalls.

Instead of SeaPort's fleet of leased Cessna Caravans, Butcher said it owns all of its Pilatus PC-12, a make and model of plane faster and more comfortable than the Cessna.

"The quality of the plane goes a long way," he said.

Butcher said Boutique is also better suited to weather pilot shortages, a setback SeaPort pointed to when explaining its bankruptcy, because it pays its pilots better than the competition.

In an interview, Chrisman said the early feedback on Boutique has lived up to the company's pitch when it bid for Pendleton's services.

Chrisman said the city's best way to help prevent Boutique from replicating SeaPort's struggles in Pendleton is to keep an open line

**"Not to dance on SeaPort's grave, but this was a good move."**

**— Steve Chrisman,**  
Eastern Oregon Regional Airport manager

of communication.

"Not to dance on SeaPort's grave, but this was a good move," he said.

Chrisman said he saw opportunities to grow Boutique and the airport's customer base by stepping up marketing efforts to the regions other population centers like Hermiston, La Grande, Baker City and Walla Walla.

Butcher said some of the early returns from the first few weeks of service have shown positive signs. If passenger numbers continue to grow, he could see Boutique adding more flights or enlisting larger planes sometime in the future.

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