Tillamook subsidiary files lawsuit against troubled dairy

By MATEUSZ PERKOWSKI
EO Media Group

A subsidiary of the Tillamook County Creamery Association has filed a lawsuit seeking to stop accepting milk from a troubled Boardman dairy in bankruptcy proceedings.

Lost Valley Farm began supplying Columbia River Processing, the subsidiary, when the dairy opened last year. It has since run into serious regulatory and financial problems.

The company's owner, Greg te Velde, owes about $67 million to Rabobank, a major agricultural lender that sought to foreclose on Lost Valley Farm's cattle herd.

A liquidation auction of the cattle was halted in April by te Velde's Chapter 11 bankruptcy filing, which protects the company from actions by creditors while it's restructuring.

However, the dairy's ability to sell milk to Columbia River Processing has been a major point of contention in the bankruptcy proceedings, with the Tillamook cooperative vowing to stop accepting deliveries at the end of May.

Tillamook CEO Patrick Criteser argued that his company has terminated its contract with Lost Valley Farm, but te Velde maintains the contract is valid and threatened to sue.

Columbia River Processing has filed an adversary case — a complaint related to the bankruptcy proceedings — asking a bankruptcy judge to declare that the contract was terminated before the Chapter 11 case was filed.

The company submitted a letter terminating its contract with te Velde in late February, citing the dairy's failure to pay debts and the appointment of a receiver to oversee its operations.

Reputational damage to the Tillamook cooperative and high bacteria levels in Lost Valley Farm's milk have also been cited by CRP in ending the milk-buying agreement.

When Columbia River Processing offered to negotiate a reinstatement of the contract, te Velde did not respond, according to the complaint.

If the judge isn't willing to declare the contract invalid or allow CRP to terminate the agreement, the complaint seeks a judgment that would cause the dairy to its lose bankruptcy protections for any further contract violations.

The issue of CRP's continued acceptance of milk is key to Lost Valley Farm's ability to restructure and remain operational.

Rabobank cited the impending end of milk sales to CRP as a reason to lift the dairy's bankruptcy protections, which would allow the cattle auction to move forward.

U.S. Bankruptcy Judge Fredrick Clement denied that request during a hearing last month, but may revisit the matter.

"Frankly, I think this issue is going to resolve itself one way or the other," he said. "If Columbia River refuses to accept milk and the debtor is unable to force them to do so, undoubtedly this issue will ... rise to the top of the matters under consideration and will be addressed again by this court."

The other major factor affecting Lost Valley Farm is its settlement of a lawsuit with Oregon farm regulators over improper wastewater disposal.

In court documents, te Velde acknowledged he was facing a contempt hearing because ODA claimed the dairy was out of compliance with the deal.

The judge declined to lift the dairy's bankruptcy protections on these grounds, though he could reconsider if the ODA actually shuts down its operations.

"My guess is the Oregon Department of Agriculture has its remedies without seeking stay relief," Clement said.

Kishpaugh to speak at Relay for Life

Had surgery to remove brain tumor

By TAMMY MALGESINI
East Oregonian

Piper Kishpaugh, who was diagnosed with cancer as a 5-year-old, is the special guest speaker for Relay for Life of Umatilla and Morrow Counties.

Now 31, the Pendleton woman is excited about the opportunity to give back. In addition to the emotional support provided by involvement with Relay for Life, Kishpaugh received several scholarships from the American Cancer Society.

"So many people have done things for me," she said. "It's a great honor to return the favor."

Event lead Carol Preston called childhood cancer "the most heartbreaking." She is looking forward to having Kishpaugh share her story as part of the opening ceremonies.

The relay is Saturday from 10 a.m. to 10 p.m. at Roy Raley Park, 1205 S.W. Court Ave., Pendleton. Several food trucks will be stationed at the park.

Preston wants to remind people that even though the name includes "Relay," it's a walking event. Also, participants don't have to register in advance.

"You don't have to come spend the whole day," Preston said. "Even a few minutes and a few dollars will make a difference."

Contributed photo

Piper Kishpaugh stands with her thoroughbred Appaloosa, Ginger, who died of cancer in 2015. Kishpaugh, who was diagnosed with cancer as a child, is the special speaker at the Relay for Life on Saturday.

Initially experiencing headaches, Kishpaugh's family thought she had migraines. That progressed to episodes of passing out. In October 1992, an emergency CAT scan due to symptoms of paralysis revealed a tumor. A large cancerous mass was removed near her brain stem, followed by radiation treatments and then chemotherapy to treat medul blastoma.

Although diagnosed as cancer-free when she was about 8 years old, Kishpaugh has residual effects from the treatments that saved her life. A hormone deficiency will require her to take medication for the rest of her life. Also, she sees an endocrinologist every six months and has a brain scan every 12-24 months.

Kishpaugh remembers participating in her first Relay event — still weak from treatments, she only managed to walk a partial lap. Over the years she has walked with others from Jr. Jam, where she's a dance instructor, and has presented Zumba classes. In addition, a trained beautician, Kishpaugh has also cut hair during the event.

In addition to walking laps, Relay for Life features a free survivor's meal (11 a.m.), silent auction (11 a.m. to 4 p.m.), team booths with fundraising activities, live entertainment by local amateur performers, music with the Severe family (12-1:30 p.m.), yoga with Tania Wildbill (2 p.m.) and Table Talk by local Toastmasters. Also, Pendleton Center for the Arts will host several activities, including Free for All at 9:30 a.m. Stations will have supplies for people to paint rocks and create luminaria bags. The luminaria and closing ceremonies begin at 8:30 p.m.

Preston said in addition to combining area events into one regional Relay for Life, the American Cancer Society has less hands-on involvement. Both changes have resulted in more money going directly to cancer research and to support those battling the disease, rather than administrative costs, Preston said.

"It has been a great change for us as volunteers, we have a little more freedom but have found out how much our support really helped us behind the scenes," she said.

For more information, contact Preston at relaypendleton@yahoo.com, 541-379-6294 or visit www.relay.acsevents.org.

PENDLETON

Whisky Fest will sell extra tickets Friday

East Oregonian

After quickly selling out tickets to its July 14 show, Pendleton Whisky Music Fest is opening up a limited number of unused artist and sponsor tickets at 10 a.m. Friday.

In the same announcement, Whisky Fest announced additional openers for headliners Pitbull and Blake Shelton as well as another musical act for the Friday Night Kickoff Party.

A free event on Main Street the night before Whisky Fest, the kickoff party will start at 7 p.m. and feature Precious Byrd as the main act. According to the act's website, Precious Byrd is a "dance band" from Bend that covers "modern and classic hits" as well as original songs.

A returner from last year's Whisky Fest, DJ Sovern-T will also perform at the kickoff party in addition to being the first musical act at 4 p.m. when Whisky Fest opens its gates.

Britnee Kellogg will follow DJ Sovern-T. Originally from Vancouver, Washington, the country artist has appeared on "American Idol" and has shared a stage with Martina McBride and Lee Brice.

The Shadowboxers will take the stage at 6 p.m. to play their R&B-influenced music. Based out of Nashville, The Shadowboxers have opened for Justin Timberlake.

From there, Pitbull will play from 7:30 p.m. and Shelton will take the stage at 9:30 p.m.

Pendleton Whisky Music Fest will take place on July 14 at the Pendleton Round-Up Grounds. For more information on tickets, visit www.pendletonwhiskymusicfest.com.

HERMISTON

Fire near DHS spreads quickly

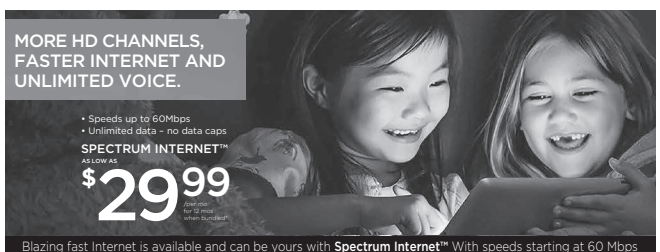
HERMISTON — A fire at the south end of Hermiston caused employees to evacuate multiple buildings Thursday afternoon.

A fire started in some shrubs around 2:35 p.m. on 950 S.E. Columbia Drive, right next to the Department of Human Services parking lot, and the wind blew embers over into an alfalfa field across the street, causing a fire that burned about three acres.

Scott Goff, fire marshal for Umatilla County Fire District 1, said no cause has yet been determined for the fire. He said because of the wind, crews would likely be out there mopping up the fire all evening.

Though no structures were affected, the blaze required many DHS and Worksource Oregon employees to move their cars. DHS, Worksource Oregon and Blue Mountain Community College employees also had to leave their buildings for close to an hour.

"The shrubs went up into flames in a matter of seconds," said Hilda Martinez, a Worksource Oregon employee.



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