## Biomass processor prevails in fire insurance dispute

By MATEUSZ **PERKOWSKI** Capital Press

WALLOWA — A federal judge has ruled that an Oregon woody biomass processor is entitled to insurance compensation for business income lost due to a fire.

In 2019, a fire caused extensive damage to build-

Zac Knapp is off to a strong start in his senior

campaign for the Wallowa Valley cross-country

team. Knapp has won his first two races — the

Catherine Creek Scamper on Sept. 10, and, most

recently, last week's Wallowa County Invitational

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on Sept. 17. He won the race with a time of

16:20.2, more than 80 seconds ahead

**A BIG THANKS** to the following for the success of the couple's

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ings and machinery owned Integrated Biomass Resources, a company in Wallowa that makes heat logs, campfire wood, poles and electricity from forest project byproducts.

The biomass company filed a lawsuit against the Delaware-based AIX Insurance Co. for refusing to pay for income lost due to sus-

AIX claimed the damaged equipment was covered under a portion of the insurance policy that did not provide compensation for lost business income, but a federal magistrate judge disagreed with that interpretation of the contract earlier this year.

pended business operations

least \$670,000 in damages

for the insurance company's

alleged breach of contract.

The complaint sought at

in the fire's aftermath.

"The court finds no ambiguity in the terms of the policy — business income coverage is provided for losses to those buildings, which includes permanently installed machinery and equipment, and to personal property located within 100 feet of the buildings," said U.S. Magistrate Judge Patricia Sullivan.

The insurance company objected to the magistrate judge's findings and recommendations, arguing it had already paid for destroyed property under the policy but that its coverage didn't extend to lost business

A portion of the Integrated Biomass operation in Wallowa. It is now owned by Heartwood Biomass LLC.

income from damaged "out in the open" machinery.

U.S. District Judge Michael Mosman has now rejected the insurance company's objections, ruling that he agrees with the magistrate judge's "well-reasoned opinion" and adopts it as his own.

Though Integrated Bio-

mass Resources has prevailed in the dispute over insurance coverage, the ruling does not decide the amount of damages owed to the company.

Integrated **Biomass** Resources was started in 2009 with the goal of processing small-diameter logs after larger timber became unavailable in the region due to stricter environmental regulations.

The company largely relies on woody biomass from wildfire mitigation and forest health projects on federal lands in Northeast Oregon. Last year, it was bought for an undisclosed sum by Heartwood Biomass LLC.

## Grange donates to museum, young scholars

Chieftain staff

JOSEPH — The Hurricane Creek Grange of Joseph has been busy this summer handing out dona-

Melville

tions to benefit local institutions and individuals, according to a press release. On July

20, the grange presented a check for \$1,000 to the Wallowa County Museum in Joseph. The donation will go toward the purchase of three televisions and three chairs. the release stated. The TVs are to be used to inform the public about the Nez Perce



Hurricane Creek Grange/Contributed Photo

The Hurricane Creek Grange of Joseph donated \$1,000 to the Wallowa County Museum this summer to cover the cost of a variety of items. Presenting the check July 20, 2021, were, from left, Grange President David McBride, Claudia Boswell, Jude Graham, Bernice Bernatot and **Darrell Witty.** 

Tribe, World War II and local sented three local youths farms and ranches.

Also, the grange pre- \$500 each. They went to:

with college scholarships of

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South Dakota State University to study animal science and agriculture business. Brianna Micka, who gradu-

• Aubrina Melville, who graduated from Enterprise

High School. She is attend-



is going to Eastern Oregon University to study agriculture

education and elementary education. Casidee Harrod, who



graduated from Enterprise High School. She is going to the Oregon Institute of Technol-



dental hygiene.





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