

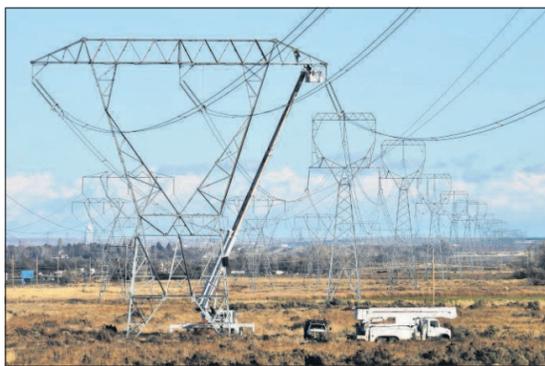
# BLM approves 300-mile transmission line

## Feds release record of decision for B2H

By George Plaven  
EO Media Group

The Bureau of Land Management signed off on a controversial 300-mile, 500-kilovolt overhead transmission line that would run from Boardman to near Boise, boosting electrical capacity between the two regions for future growth.

It is a major step forward for the Boardman to Hemingway project, or B2H, which was first proposed by Idaho Power in 2006. More than a decade later, the BLM released its record of decision for the power line on Friday, which would cross five Eastern Oregon counties en route



EO Media Group/E.J. Harris

**A crew works on a transmission line tower Friday outside of Boardman. The Bureau of Land Management has announced a 300-mile, 500-kilovolt transmission line that will be built from Boardman to just outside of Boise.**

to southwest Idaho.

Secretary of the Interior Ryan Zinke said in a statement that building B2H is a Trump administration priority, focusing on infrastructure that supports America's energy

independence.

"Today's decision is the result of extensive public involvement and will support the environmentally responsible development of resources to meet the needs of commu-

nities in Idaho, Oregon and the surrounding region," Zinke said.

Yet despite the announcement, B2H is still years away from becoming a reality. The BLM record of decision only addresses the power line as it crosses over federal lands, so Idaho Power must now shift its efforts to obtaining state permits through the Oregon Department of Energy, and specifically the Energy Facility Siting Council.

Mitch Colburn, who manages transmission and distribution of strategic projects for the utility, said the line will not be completed until 2024 at the earliest. Idaho Power has already invested \$90 million in B2H, and the total cost is expected to be \$1 billion to \$1.2 billion when all is said and done.

Do the math, and that is up to \$4 million per mile of trans-

mission. Still, Colburn said B2H remains the most cost-effective way of filling the company's projected demand.

"The need is still strong," he said.

According to project documents, B2H is intended to share roughly 1,000 megawatts of electricity between the two regions, which traditionally experience peak demand at different times of the year — summertime for the Intermountain West, and wintertime for the Pacific Northwest.

Routing the line, however, has been a source of controversy in Umatilla and Morrow counties, especially among farmers worried about losing high-value cropland. The BLM decision, meanwhile, takes into account things like sensitive vegetation, wildlife and cultural resources as directed under the National Environmental Policy Act.

While Colburn said there is no such thing as a transmission line without impacts, he feels the chosen route takes steps to minimize environmental impacts.

"This is the culmination of much analysis, and many stakeholders coming together," Colburn said. "It's a long process, and we're certainly supportive of getting it right."

As expected, the transmission line would plug in to Oregon at the Bonneville Power Administration's proposed Longhorn Substation east of Boardman. From there, it would run approximately 12 miles south along Bombing Range Road in Morrow County before heading east through Umatilla County, south of Pilot Rock and the Umatilla Indian Reservation then southeast through Union, Baker and Malheur counties on its way to Idaho.

## State ethics commission denies Kitzhaber settlement

By Paris Achen  
Capital Bureau

The Oregon Government Ethics Commission on Friday voted 7-to-1 to deny a proposed settlement in which former Gov. John Kitzhaber agreed to pay \$1,000 to resolve ethics complaints that he and first lady Sylvia Hayes used their public positions for profit, failed to disclose conflicts of interest and inappropriately accepted gifts.

Kitzhaber on Wednesday admitted he violated state ethics laws on four occasions and said he did so unintentionally. The former governor said he did not disclose a conflict of interest related to Hayes' paid consulting contracts based on the advice of his attorney at the time.

Kitzhaber said he was surprised by the commission's decision, because ethics commission staff members had proposed the terms of the agreement. He had made no further comment as of 12:30 p.m. Friday.

News of the proposed settlement earlier this week spawned criticism that the penalty was too lenient on Kitzhaber's missteps during his role as the state's highest elected official.

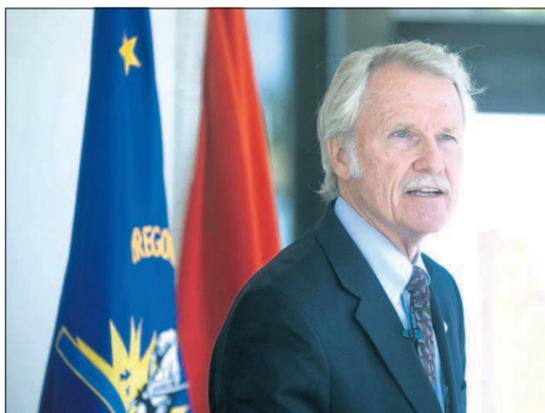
Several ethics commissioners said they wanted to require Kitzhaber to pay a more severe fine given the former governor's high-profile position. Accepting the settlement could threaten the legitimacy of the watchdog agency, they asserted.

"That is really troubling to me that we are excusing the behavior of the highest official of our state because he sought counsel," said Commissioner Charles Starr.

"I think a larger fine is necessary for our reputation as a commission ... because anybody serving at the highest level has a greater responsibility to the public."

Commission Chairman Dan Golden was the dissenting vote in the rejection of the settlement. He said the \$1,000 sanction was appropriate, based on the commission's formula for calculating fines. Kitzhaber had no prior ethics violations, which factored into the recommended penalty, said Ron Bersin, commission executive director.

The proposed settlement "treated this former governor like we do other officials at a higher level," Golden said. "There is no amount that ad-



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**Former Gov. John Kitzhaber has agreed to pay a \$1,000 fine to settle ethic complaints against himself and former first lady Sylvia Hayes that alleged they used their offices for personal benefit.**

resses the loss of credibility and the things associated with the fall of this public figure."

Friday's denial means that ethics investigators will write a report on the findings of their probe of the allegations. Once submitted to the commission, the report becomes a public record. Settlement negotiations could continue simultaneously.

The proposed settlement, which Kitzhaber signed, stated that he violated Oregon law four times by benefiting from frequent flier miles he accrued from state travel between 2011 and 2013 and failing to disclose conflicts of interest related to Hayes' consulting company in 2013.

The company, 3E Strategies, received paid consulting contracts from 2011 to 2013.

In a statement Wednesday, Kitzhaber said he accepted full responsibility for the violations.

"I apologize to Oregonians for failing to disclose a potential conflict of interest, although the ethical violations at issue were wholly

unintentional," Kitzhaber said.

"In the case reviewed by the Ethics Commission, I did not perceive a conflict of interest because I understood the work that Ms. Hayes was doing for various non-profit organizations was not directed at trying to shape or influence state policy but, rather, to educate people regarding the issues to which she had committed her professional career."

Kitzhaber argued that he also received advice from his attorney that he did not need to disclose a potential conflict.

Ethics Commissioner Alison Kean said she would like to see evidence of that legal advice, which had not been revealed to date as part of the investigation.

The commission voted unanimously in July to pursue an official investigation of the former governor and his fiancée.

The agency in February 2015 had suspended a preliminary review of three complaints of alleged ethics violations against the couple,

triggered by pending state and federal investigations.

Kitzhaber and Hayes had been under criminal investigation for more than two years after Willamette Week reported the first lady may have used her position to win several consulting contracts. The scandal eventually prompted Kitzhaber to resign from office in February 2015.

The commission resumed its ethics investigation in late June after the U.S. Attorney's Office announced no criminal charges would be filed against the couple. The state Department of Justice abandoned its investigation of the couple because its statute of limitation had expired during the federal probe.

Even though Hayes was an unpaid adviser in Kitzhaber's office, she and other volunteers are still subject to state ethics law.

Disclosures at the time showed Hayes used a desk, office and computers at the Capitol, according to a report by The Oregonian. Complaints further state that Hayes filed expenses with the state, advised on energy policy related to her environmental consulting business, and had staff from the governor's office make her travel arrangements. She benefited from receiving consulting contracts as a result of her public office, according to the October 2014 complaint. An Oregon Business Council grant paid \$35,000 to give Hayes her own spokesperson while Kitzhaber was promoting the council's interest in the Oregon Business Plan, the complaint states.

## OHA director details another \$112 million in possible Medicaid errors

By Claire Withycombe  
Capital Bureau

Oregon may have erroneously paid, allocated, inaccurately recorded or over-claimed \$112.4 million in health care funds, according to a letter Oregon Health Authority Director Pat Allen sent to Oregon Gov. Kate Brown Friday.

That figure is on top of the state's estimated overpayment of \$74 million to coordinated care organizations, or CCOs, the state's regional networks of Medicaid providers, between 2014 and 2016.

Allen's letter follows his statement to legislators this week that the state was likely to see more processing problems come out of the state's health agency.

"... We note that this is likely not an exhaustive and final list of all known issues facing the agency," Allen wrote Friday. "It is also likely that the details of these issues will evolve as we research them and consult in more detail with subject matter experts."

Allen documented two main types of issues: those relating to \$44.5 million in possible payment errors; and issues relating to the allocation of about \$67.9 million of funds, which range from charging the wrong section of the state's budget to claiming federal funds for certain proce-

dures that cannot be paid for with federal money.

Allen was careful to note that all of those numbers are estimates, and subject to change based on deeper research into the problems.

Two weeks ago, it came out that the state had overpaid CCOs by approximately \$74 million for certain patients who were eligible for both Medicaid and Medicare due to classification errors.

But the state says \$74 million is still an estimate. Medicare, a program funded solely by the federal government, may share some of the tab.

The state has already recouped \$10.1 million of that \$74 million figure from CCOs.

In Oregon, about 1.1 million people are on Medicaid, which is funded jointly by the state and the federal government and covers the poor and other qualifying groups. Medicare is the health care coverage program for those 65 and older.

Allen said in the Friday letter that the agency will create an issue log to document ongoing problems and provide bi-weekly reports to the governor and state lawmakers.

The news also comes prior to the completion of an OHA audit by the secretary of state, expected to be released by early December.

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to You & Yours

From the staff at the Blue Mountain Eagle

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