

Boardman company plans \$61.3 million ethanol plant



Speaking at the Sunriver Farms reception for the announcement of the ethanol plant were: (left to right) Lawrence Lindsay, Ronald Dodson, John Cook, Congressman Al Ullman and Fred Behrens.

Sunriver Farms Inc. of Boardman announced last Friday plans to build a \$61.3 million ethanol plant in north Morrow County.

The plant is expected to use 7.7 million bushels of locally grown corn per year to produce 20 million gallons of ethanol. One part ethanol to nine parts gasoline makes gasahol.

The Morrow Ag Energy Corp., a new company affiliated with Sunriver Farms, said in a news release that the alcohol fuel plant represents a new market for agricultural products which will lead to energy independence for Oregon and the rest of the United States.

Ethanol is a synthetic fuel that the federal government is providing incentives for to develop. Incentives include grants, loans, tax credits and exemption from the four cents per gallon motor fuel excise tax.

Oregon legislation includes a future property tax and

corporate income tax exemption for alcohol fuel plants.

Distillers dried grains, the material that remains after sugars have been extracted from the grains (corn) and fermented to produce alcohol are in demand as a high-protein animal feed. The plant will produce 75,000 to 80,000 tons a year of that grain.

Construction on the plant is expected to begin this fall with completion scheduled for the early summer of 1982. It will be built on 17 to 20 acres of Port of Morrow property.

Employment will total 200 to 300 during construction and 190 when the plant is operating.

Water from effluent from nearby potato processing plants will be used. The water is high in starch, which additional sugar can be extracted from for the alcohol production.

The plant expects to use coal, which is being brought into Morrow County from Portland General Electric's

coal-fired plant, to produce the power for the ethanol plant.

become a self sufficient company that markets only end products to realize the highest profit.

It will grow the corn for the fuel plant. The distillers dried grains will be fed to its dairy and beef cattle. The cattle will produce organic waste that will be used as fertilizer for its own farms, reducing the need to purchase and transport fertilizer from outside the system.

The farming operation will grow alfalfa hay for the dairy herd and fall forage crops for the beef cattle.

Boardman's ethanol plant, when completed, will be able to produce about one-sixth of all of the ethanol produced in the U.S. today.

Sunriver Farms Inc. is made up of family farmers from the Boardman area. They have incorporated to save money on estate taxes and also to make the

operation large enough to make it possible to get corporate financing.

Sunriver Farms has recently completed the purchase of three Boardman area farms totaling 37,000 acres (28,900 irrigated) plus 54 acres of waterfront property in Boardman.

Ronald L. Dodson, chairman of the board of Sunriver Farms, said the transactions totaled approximately \$60 million.

The largest purchase, from Sabre Farms Inc., involves 20,000 acres of Morrow County Farmland, including 137 irrigation circles totaling 16,000 acres. Acquired along with the farmland was a 36-acre tract including grain and potato storage buildings at the Port of Morrow in Boardman.

Also in Morrow County is a 4,000-acre farm acquired from Far West Farms Inc. This includes 2,700 acres under irrigation, in 24 circles.

Sunriver acquired 13,000 acres across the Columbia

River in Benton County, Washington, from Three Wells, a partnership. The Three Wells farm includes 105 irrigation circles totaling 10,200 acres.

The final purchase, from Morrow Produce Co., involves an additional 18 acres at the Port of Morrow and includes a fresh potato packing and storage facility.

The three farms are being operated as the Sabre, Three Wells and Far West divisions of Sunriver Farms. Dodson said, Farm product processing and marketing facilities will be established on the waterfront property, which will be known as the Port of Morrow Division.

End products sold by Sunriver Farms will include the alcohol fuel and distillers dried grains along with pinto beans, milk and beef. Present crops are beans, alfalfa, wheat, turnips and asparagus.

The official announcements (Continued on Page 3)

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HEPPNER, OREGON

Weather

by Don Gilliam

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Kinzua, union reach 'tentative' agreement

Kinzua Corp. and International Woodworkers of America Local 3-312 have reached a tentative contract agreement, according to union business agent Rick Johnston of Lexington.

Johnston said the local union members who work at Kinzua will vote on the agreement at a meeting this Sunday.

The negotiating committees for the union and Kinzua reached the agreement last Thursday. The agreement is said to be for the next three years. The previous contract expired June 10 and the one that was tentatively agreed on was made June 19. If approved, the new agreement will be retroactive to June 10.

The union members had a strike vote June 8 and 105 of the 107 members voted in favor of a strike if an agreement could not be made.

As for the overall situation at Kinzua, General Manager Harry Kennison said the "market is still bad and there are no good signs."

Logging trucks have been traveling through Heppner more often recently because rains have kept the loggers out of the woods for a few weeks, Kennison said. Fresh trees are now being logged on private Kinzua land and are being taken to the sawmill. The Forest Service salvage sale logs are not being hauled yet. Kennison said the depleted log supply in the log deck yard at Kinzua will remain that way probably for at least the of the summer.

"We are not going to carry any inventory to speak of," Kennison said. "We can't afford to. We will not have an inventory this summer but we may in the fall if the market strengthens."

County budget fails, Heppner ballot wins

Morrow County voters voted down the county budget but approved the Pioneer Memorial hospital budget while Heppner voters approved the city budget at Tuesday's election.

Heppner passed its city budget by a vote of 266 to 169. The voting for the county budget and the hospital budget was close as the final precinct to report, Heppner, decided both ballots. The county budget was being passed by 19 votes before Heppner reported and the hospital ballot was only being passed by one vote. But Heppner voted down the county budget 260 - yes and 317 - no to cause that budget to be voted down for the second time. Heppner approved the hospital measure 440 to 141.

In the other precincts, Boardman favored the county ballot 85 to 72, Ione passed it 105 to 75, Lexington passed it 71 to 60 and Irrigon voted 62 - yes and 97 - no.

For the hospital budget, Boardman voted against it 60 to 97 as did Irrigon 26 to 133. Ione voted for it 133 to 47 and Lexington did too 95 to 36.

Bridge to be built despite local protest

Paul Hansen, 260 East May St. in Heppner, recently wrote a letter to Gov. Victor Atiyeh in protest against the Oregon State Highway Department's rebuilding the bridge across Willow Creek on May Street, near the Morrow County Courthouse.

But his protest may be too

late as construction of the bridge is scheduled to be completed by the end of the summer.

Assistant resident engineer Ton Penner said the bridge, which was built in 1921, is not going to be completely torn down and reconstructed. It is going to be extended 12 feet on each side to make a 34-foot, 8-inch roadway. The total width would be 46 feet, 8 inches between the guard rails including a six-foot sidewalk on either side of the road.

Penner said the reason the bridge is being widened is because of a traffic study that was done. That study showed the span needs to be wider for safety reason.

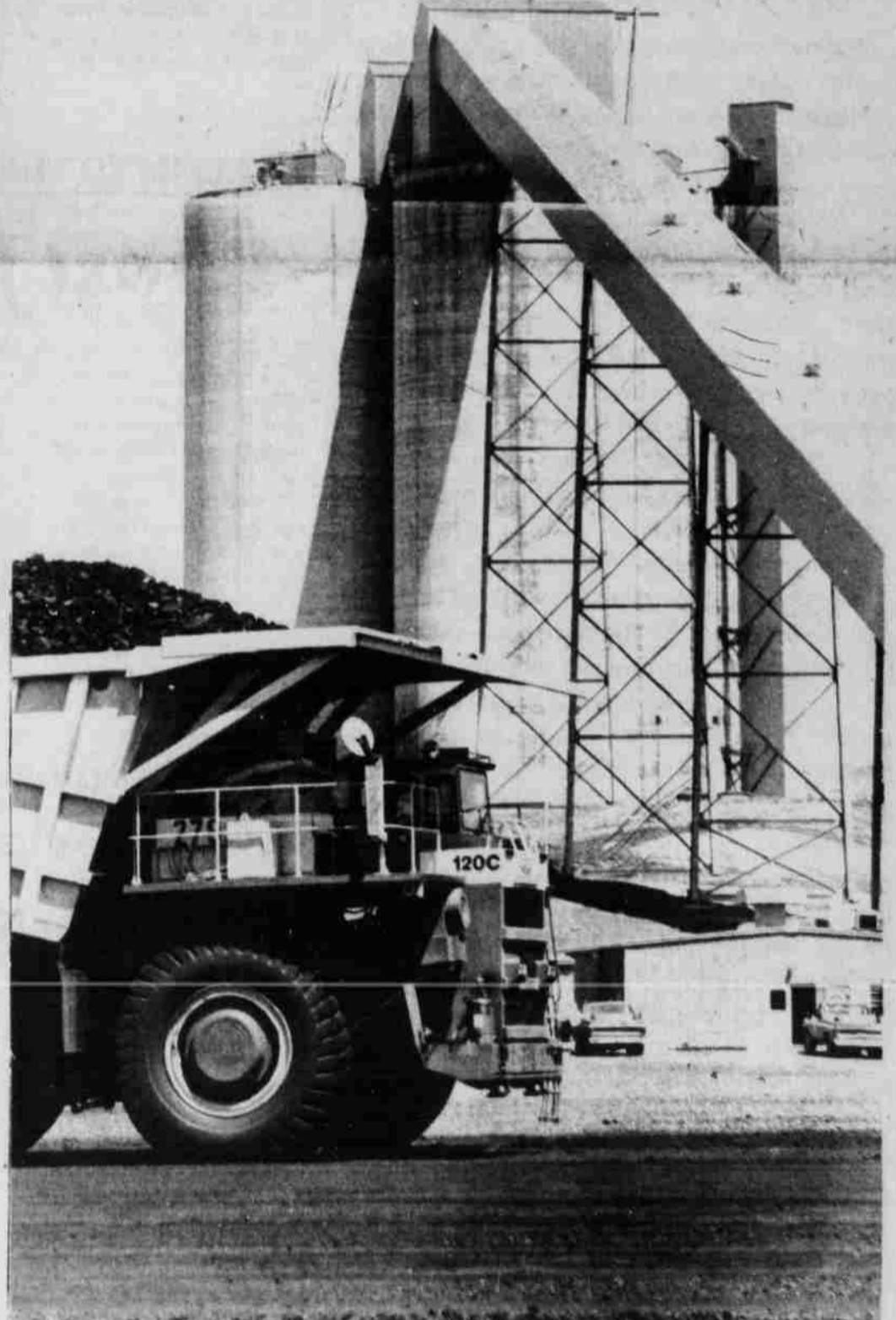
Hansen said in his letter to Atiyeh that if the Willow Creek Dam is built, logging trucks will be rerouted so the bridge will not have to be widened.

Hansen's major complaint is that the widening of the bridge will devalue the residences in the area because it will reduce street frontage and eliminate street parking for four residences and the Court Street Market grocery store.

Penner said the bridge will take out most of the street frontage for those buildings but the State of Oregon has that right because it is state right of way for 40 feet on both sides of that street's center line.

"We have been letting them park on state right of way but they will not be able to anymore," Penner said.

The construction work on the bridge is going to be done by the Douglas Coates Construction company from Bend. Coates submitted the low bid of \$94,930, which will be paid completely by state taxes. The high bid was \$145,050.



A truck carrying 120 tons of coal drives up to a hopper near the four silos at Amax's Eagle Butte Mine near Gillette, Wyoming.

Boardman coal plant to generate in August

by Steven A. Powell

Portland General Electric's Carty coal-fired plant near Boardman is scheduled to begin generating power sometime in August.

Two million tons of coal have been piled in the storage yard at Carty for the past six months. The coal has been packed tightly to reduce the chance of spontaneous combustion.

Coal trains pass through a thaw shed since the trains

have to travel across the Rocky Mountains. At the end of the thaw shed is a rotary car dumper which rotates the railroad cars and dumps the coal into hoppers. A rotary coupling enables the cars to be dumped without disconnecting the car from the rest of the train. Cars are dumped every 105 seconds.

Conveyor belts take the coal to the main pile, an emergency dump pile or directly to the power plant. A rotating scoop wheel picks up the coal

and dumps it on the conveyor belt that leads to the plant.

Coal in railroad cars arrives about the size of tennis balls so before the coal can be burned in the plant's boiler, crushers reduce the coal to about 1 1/2 inches in size and then a pulverizer smashes it to a fine powder.

A 10,000 ton coal train arrives every two and one half days with a little more than one day's fuel. A magnet pulls out any tools that may be in (Continued on Page 11)

Reedsport couple buy Gazette-Times

Jerome and Jane Sheldon, owners of the Heppner Gazette-Times newspaper for the past 11 months, announced Monday that they are selling the paper to Dave and April Sykes of Reedsport.

The sale becomes effective tomorrow.

"We have had an interesting year here but for health

reasons we have decided to leave," Jerome Sheldon said. "A young couple (both are 30) is taking over the paper that is experienced in the business and I am sure they will fit in with the community."

The Sheldons came to Heppner after a short stay in Seattle after publishing a newspaper in Palmer, Alas-

ka. They have no distinct plans on where they will go from here except to say they will be traveling to the Portland area for awhile.

The Sykes have two sons, Christopher, 2, and Andrew, two months. The young couple ran the Reedsport Courier newspaper from 1976-80 with Dave Sykes the publisher and

his wife, April, the editor.

Since March, they have been in Yakima as Dave Sykes worked in ad sales for a radio station.

Dave Sykes has attended the journalism school at the University of Oregon before dropping out in 1976 to run the family newspaper at Reedsport after his mother died. April Sykes graduated from the UO with a degree in English.

The Sykes attend the Episcopal Church. Dave Sykes was the president of the Chamber of Commerce at Reedsport. They like to camp and fish.

"We want to cover the entire county," Dave Sykes said. "Our paper was a community paper and we want this one to be a community paper. We want news of what the people around here are doing. Any announcements, club news and family news we want in the paper."

"The newspaper reflects the community not us (the owners)," he continued.

"The paper has been here a long time and all of the readers and subscribers should feel it is their paper."

"We encourage people to stop by and talk anytime you want."



Handing the key to the Heppner Gazette-Times office to symbolically note the change of ownership is (left to right) Jerome Sheldon. The new owners are David (holding Christopher) and April (holding Andrew) Sykes.