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TASSI O'NEIL
COUNTY CLERK

MINUTES - TILLAMOOK COUNTY BOARD OF COMMISSIONERS' STAFF MEETING
Monday, February 9, 2004
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1 COMMISSIONERS PRESENT: Paul A. Hanneman, Chairperson
2 Charles J. Hurliman, Vice Chairperson

3
4 COMMISSIONER ABSENT: Tim Josi, Commissioner
5 (Attending AOC Meetings in Salem)
6

7 STAFF PRESENT: Paul Levesque, Management Analyst
8

9 STAFF PRESENT FOR PORTIONS OF MEETING: Aaron Suko, Public Works Director; Sara
10 Charlton, Library Director; Bill Campbell, Community Development Department Director; John
11 Robinson, Health Department Administrator; Craig Schwinck, Human Resources & Information
12 Services Director; Charles Anderson, Parks Director; Mary Wujcik, Board Assistant
13

14 GUEST: Mike Hurley, Tillamook Lightwave; Gus Meyer
15

16 CALL TO ORDER: By Chair Hanneman at 9:05 a.m. in the Commissioners' Meeting Room.
17

18 ITEM NO. 1: PUBLIC COMMENTS - NON-AGENDA ITEMS: There were no comments.
19

20 ITEM NO. 7: HEALTH DEPARTMENT UPDATE: a. Consideration of Professional Services
21 Agreement with Robert Moore for Services at South County Health Department Clinic: Mr.
22 Robinson explained the services Dr. Moore would perform for the Clinic. He would be paid \$80 per
23 hour, which was a good rate.
24

25 Commissioner Hurliman moved to sign the agreement, Chair Hanneman seconded, passed with two
26 aye votes.
27

28 The Commissioners signed the agreement.
29

30 c. Consideration of Modification #1 to Contract #3408 with Tillamook Medical Associates &
31 d. Consideration of Modification #1 to Contract #3407 with Tillamook Medical Associates:
32 Mr. Robinson said these modifications were for internal medicine and family practice services. He
33 explained the reasons for the increase. He did not yet have the signed contract for the Board's
34 approval.
35

36 b. Consideration of Modification #2 to Contract #3404 with Bay Ocean Medical: Mr. Robinson
37 said the amount paid to Bay Ocean Medical was being increased to keep them equal with Tillamook
38 Medical Associates.
39

40 Commissioner Hurliman moved to sign the modification with Bay Ocean Medical, Chair Hanneman
41 seconded.
42

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1 Commissioner Hurliman amended his motion for the Board to sign all three contract modifications
2 when Mr. Robinson had obtained the proper signatures and brought them to the Commissioners,
3 Chair Hanneman seconded the amended motion, passed with two aye votes.
4 The Chair discussed an earlier meeting that morning with Mr. Levesque, Mr. Robinson and Mr.
5 Wallace to review departmental management details.
6

7 **Non-Agenda Item: Consideration of Modification #4 to Local Public Health Authority**
8 **Agreement #106234 with Department of Human Services:** Mr. Robinson said the State was now
9 doing agreement modifications rather than grants to reflect changes in the amount of money to be
10 given to the Department. He said this was another change in the dollar amount.
11

12 Commissioner Hurliman moved to authorize the Chair to sign Modification #4 to Local Public
13 Health Authority Agreement #106234, Chair Hanneman seconded.
14

15 Chair Hanneman signed the modification.
16

17 **ITEM NO. 3: LIBRARY UPDATE: a. Update on Copeland Salvage/Demolition:** Mr. Levesque
18 said no letters of interest had been received for the salvage of the building. They were working on
19 a garage sale of various items stored in the building and then will work on the demolition. He
20 thought it could be done for under \$25,000, so he would request quotes for the demolition of the
21 three buildings on north of Third Street. They were hoping to salvage the old timbers in the building
22 south of Third Street for re-use in the new Library building.
23

24 **b. Discussion Concerning Designation of County Representative on Library Building Project:**
25 Mr. Levesque said they needed to identify a County representative on the project. He had spoken
26 individually with each Commissioners regarding having Craig Wakefield, Ms. Charlton and himself
27 working as a team.
28

29 Mr. Wakefield said he had spoken with the Building Official, Ms. Steiner, who was his supervisor.
30 Ms. Steiner had felt it could be worked out. Ms. Charlton said she would be taking digital pictures
31 every day and sending them to the architect for review.
32

33 Mr. Levesque talked about retired Lt. Pickett's offer to act as the project manager, as he had done
34 when the jail was constructed. Unfortunately, no money had been budgeted for such a position. He
35 explained the division of duties among each member of the team. All the partners would meet with
36 the contractors and the architect on Fridays to review the previous week's work.
37

38 Commissioner Hurliman expressed his concern over the electrical problems that had occurred on the
39 hospital project.
40

41 Mr. Campbell and Mr. Wakefield discussed the official inspections and the impact Mr. Wakefield's

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1 work on the building would have on the Community Development Department. They were confident
2 they could work it out.

3
4 Commissioner Hurliman said he thought the County always had a project engineer. Mr. Levesque
5 said no; in the past they had hired project construction managers, and he explained the difference.

6
7 **ITEM NO. 2: DISCUSSION CONCERNING PROPOSED LEASE BETWEEN TILLAMOOK**
8 **LIGHTWAVE AND PUD FOR CONSTRUCTION OF A FIBER OPTIC LINE:** Mr. Hurley
9 distributed a handout on the lease agreement, together with a synopsis of the lease details. He
10 discussed the background. PUD wanted the dark fiber at their new sub-station, with 24 fibers
11 designated for PUD's use. The other 24 fibers would be leased to the Tillamook Lightwave (TLW)
12 for twenty years. The construction costs would be \$60,000 to \$70,000, with a lease payment of \$250
13 per month. That price would need to be renegotiated after the twenty years.

14
15 Mr. Hurley said the path of the fiber would run by the Courthouse. PUD had the option of asking
16 TLW to purchase the fiber, and he reviewed the possible terms of such a purchase. Maintenance
17 costs would be shared. The fiber would only be running about 1.5 to 2 miles, so the possibility of
18 damage was low. He said the monthly lease payments had been reduced so that TLW would take
19 over half the maintenance costs.

20
21 Commissioner Hurliman asked if the County would outgrow the 24 fibers. Mr. Hurley said he did
22 not think so, and he explained why. He noted that it was not difficult to add more fiber if needed.
23 Commissioner Hurliman then asked about PUD's pole charge. Mr. Hurley said it would not apply
24 as they were the owners of the fiber. If the County bought it, then the pole charge would apply.

25
26 Mr. Hurley said that if a third party wanted to buy the fiber, TLW would be given the right of first
27 refusal, but the purchase price would be a market rate. That could be well beyond what was
28 estimated in the lease. They were going back to the PUD Board with the counter proposal that TLW
29 would be able to purchase the fiber for the balance due on the lease.

30
31 Mr. Hurley said the PUD Board would be meeting on Tuesday, February 17, at 4:00 p.m. He would
32 like one or more Commissioners to attend. Mr. Levesque said he would like the Board to agree to
33 sign the lease as presented with the counter proposal. That was his primary concern.

34
35 Mr. Hurley directed the Commissioners' attention to Page 3 of the lease and the change in language.
36 Mr. Levesque thought the Commissioners might contact the PUD Board members.

37
38 Commissioner Hurliman moved to support the change in the language to be presented to the PUD
39 Board, Chair Hanneman seconded.

40
41 Commissioner Hurliman said he could not make the meeting on the 17th and mentioned the pole

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1 charges again.

2
3 Mr. Schwinck commented on the first right of refusal. He said Tillamook County itself was not
4 given an option to purchase the fiber.

5
6 There was a consensus to add the County as to a right of refusal.

7
8 Motion passed with two aye votes.

9
10 Chair Hanneman recessed the meeting at 9:50 a.m. and reconvened at 10:02 a.m.

11
12 **ITEM NO. 4: MISCELLANEOUS PERSONNEL MATTERS & INFORMATION SERVICES**

13 **UPDATE:** Mr. Schwinck reported that he had filed the six-month ADA report, as required by the
14 County's agreement with the Department of Justice, on Friday, February 6. He also attended a CIS
15 Insurance conference on that date. The County needed to budget for a 20-25% increase in health
16 insurance, but they were looking at high deductibles using savings accounts. Mr. Schwinck said both
17 of his staff would be going to the CIS Conference on Thursday and Friday. He also noted that the
18 County's liability insurance costs would increase 8-10%.

19
20 Mr. Schwinck said bargaining with the Teamsters Union would begin April 8 and 9. He would be
21 working on a total compensation package. He asked the Board to contact him with anything they
22 wanted included in the contract. He was doing a comparable benefit spread sheet showing other
23 counties.

24
25 Mr. Schwinck said that on Friday, he had met with County managers who discussed SB 1145 under
26 Measure 30 and its shortfalls. He would discuss this with the Sheriff.

27
28 Mr. Schwinck discussed an e-mail regarding the need for property files in Excel. He discussed
29 alternatives for dealing with the text file.

30
31 Mr. Schwinck asked about opening the Sanitarian position. Chair Hanneman suggested that Mr.
32 Campbell address that as his first item. The Chair also asked for a memo from Mr. Schwinck
33 regarding estimated insurance cost options that he had outlined orally at the meeting. Mr. Schwinck
34 spoke about the AFSCME negotiations coming up in September. He discussed the need to budget
35 for that, notwithstanding the timing.

36
37 **ITEM NO. 5: COMMUNITY DEVELOPMENT UPDATE:** Mr. Campbell asked for direction
38 on the vacancy in the Sanitarian position, including an in-house option, as well as state-wide
39 recruitment alternative. He suggested doing both. DEQ urged that both be done.

40
41 Commissioner Hurliman agreed. He also wanted to include the possibility of installers. Mr.

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1 Campbell stated that would involve soliciting applications from non-certified persons. If the position
2 could not be filled, they would have to re-visit the idea of DEQ taking over the program again, with
3 one person covering both Clatsop and Tillamook counties.
4

5 The Board discussed the recruitment timing. There was Board consensus to begin recruitment for
6 employment of both the certified Program Manager and trainee.
7

8 Mr. Campbell distributed the weekly inspection report. Commissioner Hurliman discussed the
9 confusion of new arrivals regarding permit/licensing jurisdictions between the County and the cities.
10 He suggested a check list by each city for starting a business. Mr. Campbell would discuss that at
11 the next Mayors & Administrators meeting in Garibaldi.
12

13 Mr. Campbell began a discussion regarding the abatement of dangerous buildings and how it was
14 funded. Chair Hanneman suggested it be funded with seed money from the General Fund in the next
15 budget. This money would be reimbursed when the County collected on the lien.
16

17 Mr. Campbell discussed his memo of February 4 regarding the sanitary survey sub-agreement and
18 his proposal to cease the survey after the current work was completed. He did not feel additional
19 expense for another mailing was warranted.
20

21 Commissioner Hurliman moved to close the project by mutual consent with DEQ, Chair Hanneman
22 seconded.
23

24 Mr. Campbell said the action would not capture all the budgeted grant funds, but would save money.
25

26 Motion passed with two aye votes.
27

28 Mr. Campbell said Mr. Bacon, Manager of the Port of Garibaldi, had sent a letter to the Board
29 regarding a Goal Amendment for the Corps of Engineers-designed groin at the base of the North
30 Jetty. Mr. Campbell said a Goal exception may not be required. The Corps should apply for a
31 development permit. It should not require a post-acknowledgment Plan amendment. The Chair was
32 concerned with timing and whether or not to rely on the Corps for the application. Mr. Campbell
33 discussed the coordination his department was providing, and he said they would make the findings.
34 He would call Mr. Bacon. He had talked to him the previous week.
35

36 Commissioner Hurliman asked about the complaint regarding the Waldron property. Mr. Campbell
37 said the situation had been existing for a long time. ODFW had raised the issue quite some time ago.
38 Mr. Suko and Mr. Campbell had agreed that code enforcement should conduct an investigation. Mr.
39 Suko and Ms. Schwinck had concluded that the problem did not constitute solid waste because of
40 certain ordinance exceptions for agricultural uses. Mr. Campbell suggested holding a workshop with
41 the Board. He said there appeared to be riparian violations, but he was not ready to draw
42 conclusions.

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1 Mr. Suko said there were two public nuisance areas: the inoperable vehicles and littering in certain
2 areas, such as old oil drums, oil filters and wrappers). He said it all boiled down to the solid waste
3 elements being minor because of the agriculture zoning. . There were issues about running a logging
4 business in that zone. Mr. Rieber was complaining from the water quality standpoint.

5
6 Mr. Campbell and Mr. Suko were meeting with Ms. Phipps and Mr. Wallace that afternoon
7 regarding the Pacific City matter.

8
9 **ITEM NO. 6: PUBLIC WORKS UPDATE:** Mr. Suko asked about the February 25th Board
10 meeting. Chair Hanneman said he would not be going to Reedsport. Commissioner Hurliman said
11 he would like to go if the other two Commissioners would be here. There was Board consensus to
12 hold the scheduled February 25 Board meeting.

13
14 Mr. Suko said the Cape Meares slide had again been stabilized and the road was open. He reported
15 on a culvert problem in Cape Meares and a slide on Borba Road.

16
17 Mr. Suko reported on his ODOT meetings the previous week regarding the 2006-09 maintenance
18 program, including a passing lane on a bridge north of Hebo. Chair Hanneman said the ODOT
19 director would be in Tillamook on February 26 with his staff and a candidate for Congress.

20
21 The Board discussed turnouts, passing lanes and signage in south County. The Chair said signage
22 requiring slow moving vehicles to turn out was effective in Washington.

23
24 Mr. Suko outlined other ODOT projects. The Fred Meyer to Suppress Road project on Highway 101
25 was only currently funded at 35%. They were looking at phasing it. Commissioner Hurliman
26 discussed the cattle crossing issue as it related to the proposed passing lane north of Hebo, and the
27 access to Evergreen Road in the same area.

28
29 Mr. Suko distributed a chart showing the relationship between the Road Advisory Committee, the
30 subcommittees and the Farm/Forest Committee (attached). The Board concurred by consensus that
31 this was appropriate and asked Mr. Suko to put it on the website.

32
33 Mr. Suko said the Public Works' budget did not look good, with only a slight increase in the Safety
34 Net payment and with shrinking ODOT funds. He would not be proposing O & C but there were
35 no equipment purchases and almost no paving. In addition, cost reimbursement to the General Fund
36 negatively influences his budget.

37
38 The Chair recessed the meeting at 11:43 a.m. and reconvened at 11:53 a.m.

39
40 **ITEM NO. 8: STAFF UPDATE/CALENDAR REVIEW & SCHEDULING/AGENDA**
41 **REVIEW/SUGGESTION BOX/INTER-OFFICE MATTERS:** Ms. Wujcik said there were no

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1 suggestions, and she confirmed Budget Committee applicant interviews for the 23rd. Mr. Kahrs had
2 asked not to be reappointed. The Board discussed the February 25th Board meeting and the
3 possibility of interviewing Planning Commission applicants that day, but nothing was set. She asked
4 the Board to make sure they had the budget meeting schedule on their calendars.
5

6 **ITEM NO. 9: BOARD CONCERNS - NON AGENDA ITEMS & ANNOUNCEMENTS:** Mr.
7 Levesque asked about using the County Surveyor for the Library building project. The Board
8 consented to it being a County Surveyor project, as long as the Surveyor agreed he had the time.
9

10 Mr. Levesque said departmental budgets were due to the Budget Officer by Friday, February 13. He
11 outlined his plan for developing budgets for no increases over last year, with one exception. He
12 discussed the need to increase the Forest Trust Land account by amounts sufficient to cover the legal
13 opinion on the Forest Defense Fund raid by the Legislature (\$12,000); and FDF legal challenge
14 (\$40,000); and challenge to the 50/50 Ballot Measure (\$40,000) and book reprinting (\$20,000). The
15 Board concurred that it was necessary to budget for these items.
16

17 **Pelican Pub Parking Lot Discussion:** Mr. Anderson reported that the Pelican Pub was developing
18 its parking lot. He described the need for the Pub to recontour a portion of the County parking lot
19 to facilitate the drainage. There was Board consensus to prepare a letter concurring to the work,
20 provided the letter stated that it granted no right of use, interest or title to the Pub.
21

22 **ITEM NO. 10: PUBLIC COMMENT:** There was none.
23

24 The Chair adjourned the meeting at 12:13 p.m.

25
26 **RESPECTFULLY** submitted this 24 day of March, 2003.
27

28 County Clerk: Tassi O'Neil

29
30 
31
32 Mary Wujcik, Recording Secretary
33 & Special Deputy
34

35 **APPROVED BY:**

36
37 
38 
39 
Chairperson Vice Chairperson Commissioner



CALL TO ORDER – February 9, 2004

1. **9:00 a.m.** Public Comments – Non-Agenda Items – **REQUEST TO SIGN GUEST LIST**
2. Discussion Concerning Proposed Lease Between Tillamook Lightwave and PUD for Construction of a Fiber Optic Line/Paul Levesque
3. Library Update/Sara Charlton
 - a. Update on Copeland Salvage/Demolition
 - b. Discussion Concerning Designation of County Representative on Library Building Project
4. Miscellaneous Personnel Matters & Information Services Update/Craig Schwinck
5. Community Development Update/Bill Campbell
6. Public Works Update/Aaron Suko
7. Health Department Update/John Robinson
 - a. Consideration of Professional Services Agreement with Robert Moore, M.D., for Services at South County Health Department Clinic
 - b. Consideration of Modification #2 to Contract #3404 with Bay Ocean Medical
 - c. Consideration of Modification #1 to Contract #3408 with Tillamook Medical Associates
 - d. Consideration of Modification #1 to Contract #3407 with Tillamook Medical Associates
8. Staff Update/Calendar Review & Scheduling/Agenda Review/Suggestion Box/Inter-Office Matters
9. Board Concerns - Non Agenda Items & Announcements
10. Public Comment

ADJOURNMENT

The Tillamook County Courthouse will be **CLOSED** on **Monday, February 16, 2004**, for Presidents' Day. All County offices in the Courthouse, as well as the State Circuit Courts will be closed.

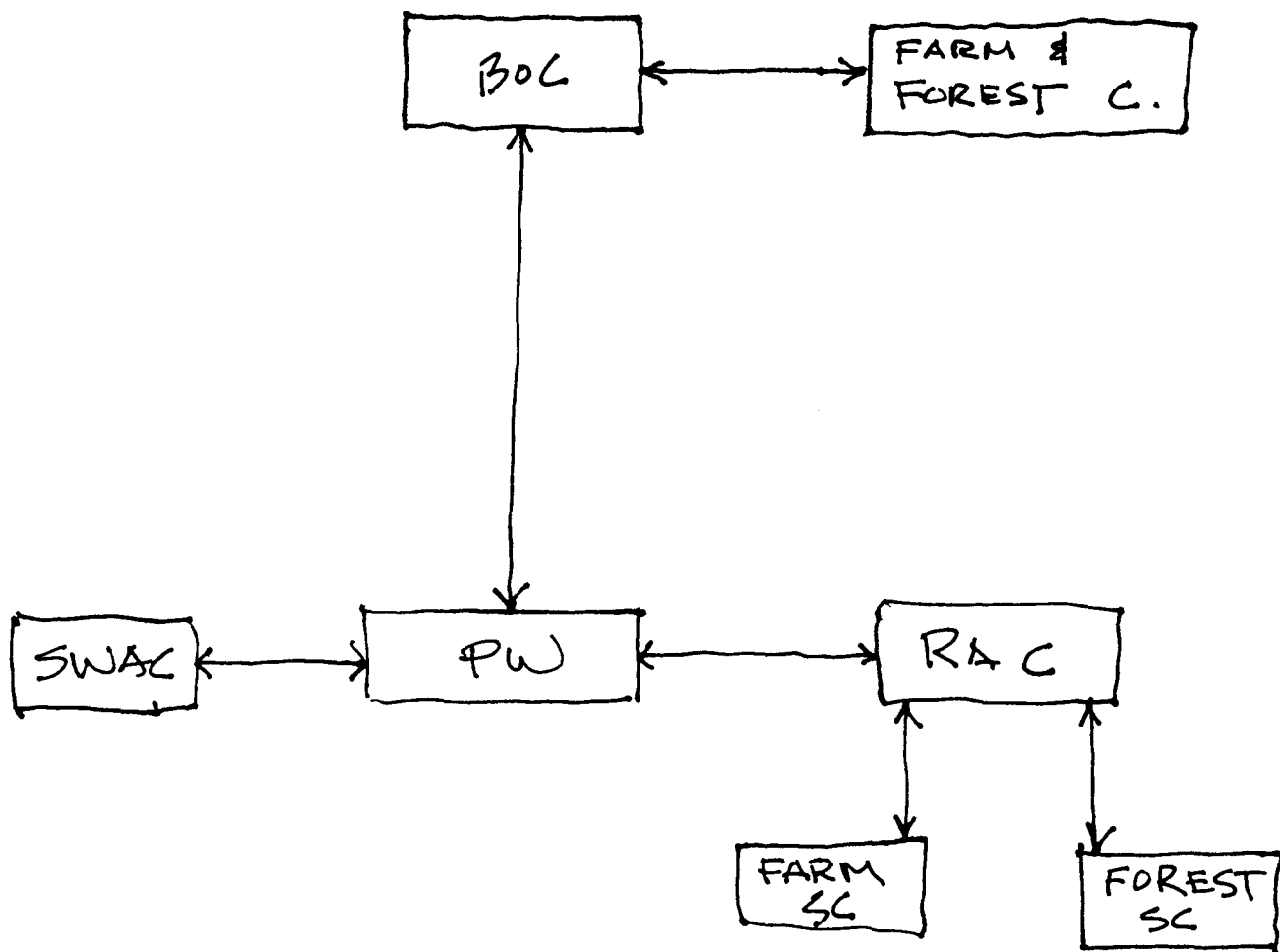
On **February 18, 2004**, the Commissioners will be holding their weekly Board Meeting in north County. The meeting will begin at **6:30 p.m.** at the North County Recreation District, 36155 9th Street in Nehalem.

BOARD OF COMMISSIONERS'
STAFF MEETING
Monday, February 9, 2004

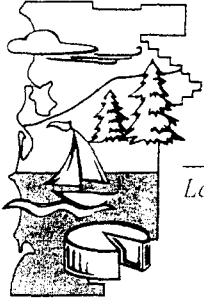
PLEASE PRINT CLEARLY

Name	Mailing Address	Item of Interest
Arnon Syko	PW	#6
Mike Hurley	TLW	
Sara Charlton	Library	
Brid Campbell	TOD	#5.
Gus Meyer	On Record.	General
John Papp		Health
Betsy Schumacher		AS/Personnel

(Please use reverse if necessary)



DRAFT FLOW
CHART
2-6-04



DEPARTMENT OF COMMUNITY DEVELOPMENT

BUILDING, PLANNING & ON-SITE SANITATION SECTIONS

201 Laurel Avenue
Tillamook, Oregon 97141

Building (503) 842-3407

Planning (503) 842-3408

On-Site Sanitation (503) 842-3409

FAX (503) 842-1819

Toll Free 1 (800) 488-8280

Land of Cheese, Trees and Ocean Breeze

MEMORANDUM

To: Board of Commissioners

February 4, 2004

From: Bill Campbell, Director
Community Development Department

A handwritten signature in black ink, appearing to read 'Bill Campbell', is written over the printed name of the sender.

Subject: Sanitary Survey Sub-Agreement with Tillamook Estuary Partnership

The Sanitary Survey Sub-Agreement was jointly executed by the Board of Commissioners (BOC), upon departmental recommendation, and the Tillamook Estuary Partnership (TEP) on November 6, 2002. We provided our second progress report to the TEP on October 14, 2003 and met with them and DEQ on October 17, 2003 to discuss the projects progress and next steps. In that meeting a focal point of the discussion was on the results of the property owner contact and consent to map individual on-site sanitary system locations and provide a visual evaluation of the systems operation. Results of the survey work at that point in time were:

- Total mailing of survey response cards to property owners, five river basin – **2,772**
- Total affirmative responses/OK to enter private property – **440/16% - surveyed**
- Total number of surveyed systems referred for further evaluation – **27/6.1%**
- Total number of surveyed systems found to be failing – **3/6.8%**
- Total negative responses/non-participatory – **500/18%**
- Total cards not returned, no response – **1,699/61%**
- Total cards returned with no response – **133/5%**
- Total hours provided by Survey Technicians – **256**
- Total grant funded personnel costs - **\$7,936.31**
- Total personnel in-kind cost, DCD - **\$18,499.89**
- Total grant reimbursements - **\$10,698.61**

The meeting on October 17, 2003 was focused upon the need to increase the number of properties surveyed. The sub-agreement for the DEQ 319 Grant funding called for the county to “conduct a complete survey of all on-site sewage disposal systems in the Tillamook Bay watershed for the purpose of identifying failing systems”. Approaches discussed to increase the number of systems surveyed included rewriting and sending the initial contact letter to emphasize the mapping aspect of the project over the evaluation element; we were requested to focus on five (5) hot spots identified in a final report to DEQ entitled, Determination of Major Sources of Fecal Coliform Bacteria along the Lower Reaches of the Wilson and Trask Rivers, April 2003. TEP staff and DEQ felt that the information provided conclusive evidence of on-site sewage system failures in the

five key areas. In those locations, we indicated that we would discuss the need to enter upon property without owner consent with the BOC, if proofs were sufficient to constitute "probable cause" and provided sufficient evidence to support a preliminary determination of an existing on-site system failure. Based upon this discussion and the points of agreement, subject to BOC concurrence, we agreed to modify the term of the sub-agreement and extend it to December 31, 2004 and to modifications of the Survey Technician agreement with our in-field contractor. From October to the present we have processed the sub-agreement amendments between the TEP and the BOC; modified the personal services contract with our in-field Survey Technician; identified 105 properties along the lower reaches of the Wilson and Trask Rivers that were missed in the initial mailing; mailed them the letter and survey card and compiled the results, which are:

- Total mailing of survey response cards to property owners – 105
- Total affirmative responses/OK to enter private property – 17/16%
- Total negative responses/non-participatory – 23/21.9%
- Total cards not returned, no response – 60/57%
- Total cards returned with no response – 5/4.7%

The response to the second mailing by the department is almost identical to the initial mailing with the largest percentage of respondents not even returning the contact card. The level of response raises a serious question of being able to generate sufficient interest and consent in the project to warrant its continuation. In discussions with TEP staff we have concluded that we are not going to materially increase the affirmative response and participation rate. Whether we generate a second mailing or not, put pro-active articles in the paper or use other devices or approaches to change the participation rate from the present 16% to 60 or 70%. It is the mutual belief, that regardless of the approach, we probably cannot substantially increase the percentage of participation; which from a different perspective was an excellent response for a direct mailing survey. In evaluating the project and the results to this point in time I recommend the following course of action:

Mutually agree with the Tillamook Estuary Partnership to terminate the project upon:

- (a) The completion of the remaining on-site survey work of the 17 affirmative properties from the second mailing;
- (b) Compile all data into a final report for submittal to the Tillamook Estuary Partnership;
- (c) Prepare and submit a final accounting and final cash request for reimbursement of project expenses; and
- (d) Formally close the project within 30 days of the submission of the final report in accordance with the sub-agreement.

Cc: Mark Trenholm
Tim Franz
David Godsey
Bruce Apple

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- (d) Formally close the project within 30 days of the submission of the final report in accordance with the sub-agreement.

Cc: Mark Trenholm
Tim Franz
David Godsey
Bruce Apple

Tillamook Lightwave – PUD Lease Agreement Synopsis

February 9, 2004

Highlights

- 20 Year Dark Fiber Lease – TLW leases 24 of 48 fibers – 24 fibers are retained for exclusive use by PUD to support technological advancements
- Monthly lease rate to be ½ of construction costs + 4-5% spread over 240 months ~\$250/month
- TLW does not own fiber at end of lease
- Route is from BPA/Wilson River Substation to PUD
- TLW has first right of refusal should PUD want to dispose of fiber – Port has second right of refusal
- PUD can require TLW to purchase fiber at sum of unpaid MRC remaining on lease

Items for discussion

- PUD insists maintenance costs are equally shared with TLW
- First right of refusal to be at price offered by third party

Tillamook Lightwave
Seven Year Income Statement Projections
Cash Basis

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Total MRC	94,633	134,656	141,389	148,458	155,881	163,675	171,859
Beginning Cash	5,000						
Total Revenue	99,633	134,656	141,389	148,458	155,881	163,675	171,859
Dark Fiber Lease	2,500	3,000	3,000	3,000	3,000	3,000	3,000
Debt Service for POP Installation	6,000	7,200	7,200	7,200	7,200	7,200	7,200
NoaNet Charges	23,883	31,487	33,062	34,715	36,451	38,273	40,187
Reserve for maintenance/repair	6,000	6,000	10,000	10,500	11,025	11,576	12,155
Operations	44,400	46,620	48,951	51,399	53,968	56,667	59,500
Technical Support(part time)	11,000	12,000	35,000	37,100	39,326	41,686	44,187
Total Expenses	93,783	106,307	137,213	143,913	150,970	158,402	166,229
Net Income	5,850	28,349	4,176	4,545	4,911	5,274	5,630
Cum Cash Flow	5,850	29,923	34,099	38,644	43,555	48,829	54,459

Assumptions:

Financials based on conservative 5% annual growth in revenue with expenses tracking accordingly beginning in Year 2
 No allowance was made for fiber build to Nedonna - to be treated seperately when appropriate
 Financials do not include membership in NoaNet. Tillamook Lightwave will be a retail customer of NoaNet
 Beginning cash balance in Year 1 adjusted to include prepaid accounts
 Numbers developed on a "cash basis" and do not reflect non cash flow entries such as depreciation expense

Tillamook Lightwave
Seven Year Income Statement Projections
Cash Basis

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Total MRC	51,650	66,780	70,119	73,625	77,306	81,172	85,230
Beginning Cash	5,000						
Total Revenue	56,650	66,780	70,119	73,625	77,306	81,172	85,230
Fiber Installation							
Dark Fiber Lease	2,500	3,000	3,000	3,000	3,000	3,000	3,000
Debt Service for POP Installation	6,000	7,200	7,200	7,200	7,200	7,200	7,200
NoaNet Charges	23,883	25,560	26,838	28,180	29,589	31,068	32,622
Reserve for maintenance/repair	6,000	6,000	10,000	10,500	11,025	11,576	12,155
Operations(part time)	44,400						
Technical Support(part time)	11,000	12,000	15,000	15,900	16,854	17,865	18,937
Total Expenses	93,783	53,760	62,038	64,780	67,668	70,710	73,914
Net Income	5,850	13,020	8,081	8,845	9,638	10,462	11,316
Cum Cash Flow	5,850	14,594	22,675	31,520	41,158	51,620	62,936

Assumptions:

Only government accounts included

No Tillamook Lightwave personnel to grow business

Technical support outsourced

2/9/2004

Dept. of Community Development - Building Section

Week Ending	Plan Review	Structural Inspections	Mechanical Inspections	M.D. insp.	Mileage for str. Insp.	Electrical Inspections	Plumbing Inspections	Investigate Proj. check	Citations Issued	Stop Work Orders	Court Hours
12/19/03	20	49	18	1	1090	26	19	1	0	0	0
12/26/03	15	36	12	0	944	15	24	0	0	0	0
01/02/04	7	29	5	0	740	10	12	0	0	0	0
01/09/04	16	39	11	0	657	29	13	0	0	0	0
01/16/04	9	48	13	3	925	39	25	1	0	0	0
01/23/03	10	59	20	0	970	40	23	0	0	0	0
01/30/04	6	65	15	1	1016	50	18	0	0	0	0
02/06/04	16	176	8	0	1338	34	22	1	0	0	0
Total											
YTD	64	416	72	4	5645	202	113	2	0	0	0
G:\Build\forms\Insp Log.xls											

For the week ending _____

Submitted By: _____