

CAL KRAHMER

September 10, 1996

Tape 3, Side 1

M.O'R.: This is Michael O'Rourke for the Washington County Historical Society. The date today is September the 10th, and this is a continuation of the interview with Cal Krahmer. Today's interview is taking place in his home in Cornelius.

Well, I thought we might start today by talking a little bit more about the Tualatin and some of the various developments that took place that had to do directly with the river that you may know a little bit about as a result of your involvement out here on the Irrigation District and everything. The first question I'd like to ask you is one that probably didn't influence you that much, and that was when they slapped the building moratorium on Washington County, because they had concerns about the sewage that was going into the Tualatin, I guess. Do you remember when that happened?

C.K.: Yes, I do.

M.O'R.: Was there any sign that this was going to happen before the DEQ actually stepped in and did this?

C.K.: Well, the purpose of the moratorium may be - there may be some different ideas on what it was for. Those of us that are outside the cities and so forth kind of believed that that moratorium was a pressure tactic by the State to have the cities in the Tualatin Valley put in better equipment and to clean up their act. And of course most of you know that the result was a single sewer agency that all the cities joined with and that was what we ended up with, the Unified Sewerage Agency. The moratorium did what it was supposed to do, or what they felt it was to do: Either clean up their act or form an organization that would be held responsible for that.

M.O'R.: And did you feel that that was a good thing for the State to do at that point?

C.K.: Yes. I guess that I, as a farmer who had run out of irrigation water, had felt that the problems of the river - which was one of the major ones, low flows - was that this not only caused the creation of the agency but it caused action. And part of that action was bringing on the Hagg Lake and the reservoir to change the hydrology of the river so that we had more flows in the summertime. The irrigators themselves could have never created Hagg Lake. It took the cities and all the people in the Tualatin Basin to be cooperative and be able to get that project.

M.O'R.: Actually, maybe I should have started this conversation with the effort to get Hagg Lake. I know that that was a very important event on the Tualatin, and then the work to do it started actually before that 1970 building moratorium.

C.K.: I think this moratorium was '66 or '65, something like that.

M.O'R.: I thought it was a bit later than that.

C.K.: I thought it was right in that period of time when at least the pressure was put on, and I think the project was approved by Congress right around in the early part of the '70s or around 1970.

M.O'R.: You undoubtedly knew Henry Hagg, and probably Palmer Torbin as well?

C.K.: I knew Palmer Torbin real well because I was on the Irrigation District board when he was Manager. And then I took his place as the Manager of the District when he retired.

M.O'R.: And this was in the late '80s, then?

C.K.: Yes.

M.O'R.: Unfortunately, I think Palmer would have been a great interviewee for this, but he wasn't ...

M.O'R.: I guess that this was a somewhat new thing in terms of the assessments, too. People really weren't paying for the irrigation before then? I mean, the water that they took from the river?

C.K.: Not directly.

M.O'R.: I imagine that that took some getting used to on the part of the farmers.

C.K.: Yes, although paying for water or delivery of water is not anything really new in the West or in Oregon. And it don't make any difference how you get your water, whether it's through a project or a well or off the river, it still costs money to get it. And the County assessors have been very quick to pick those lands up and raise the assessment on all those lands that water is available to. So nothing's free.

M.O'R.: So if nothing else, you get those higher taxes.

C.K.: Yes.

M.O'R.: Now, you said that you weren't really part of the effort to get the project going in the beginning. Was that just because you were too busy, or was it not a priority for you at that time?

C.K.: I was a young farmer, and I hadn't really got involved in the community efforts outside of my farming enterprise, and that is something you walk into very gradually. And I was one of those that my first efforts was in my church, and my next efforts was with the Farm Bureau, and then I gradually moved from there into conservation and irrigation and those things.

M.O'R.: So it was just a question of where you were at.

C.K.: Right. And of course that development was all before I was 30 years old.

M.O'R.: Did people come to talk to you about it, though?

C.K.: Oh, yes. Oh, yes. There was people representing the District, and they came out and asked how many acres we would be willing to commit to the project and those kind of things, and I paid the assessment.

M.O'R.: Do you remember who it was you talked to?

C.K.: Palmer Torbin was one of them.

M.O'R.: Was he the extension agent at that time?

C.K.: Yes. I thought there was one other, and I don't remember who I talked to other than that, but I did know most of the board that was working on it.

M.O'R.: I guess there was more than one project on the board - at least a couple, maybe three or four. Well, there was the main stem of the Tualatin, and then there was the Scoggins, and I guess there was even maybe one further north.

C.K.: There was the concept of providing irrigation water to all the lands in the County, and the present project goes out to North Plains, but there was also a proposal that was made up of Rock Creek and McKay Creek. McKay Creek, there was a dam site on it that would have created about 30,000 acre feet. And so in all these concepts, it was thought that that development would come on and be put in place in the Helvetia-West Union-Bethany area, and those lands were ripe for irrigation.

The Hagg Lake project was first, and then this other was coming on second. The people pushing the Hagg Lake project pushed it through the Bureau of Reclamation. But those that were pushing the McKay-Rock Creek project was pushing it through the Conservation District. And of course these are two entirely separate federal laws, and there's different requirements to it. But at the end of World War II, the conservation districts throughout the nation went about mapping and identifying water projects that would be necessary and needed in the future. And there was just a lot of

them. I think in Washington County there was about four or five alone. And then in about 1975, the Federal Soil Conservation Service Agency asked the districts to cut back those projects that they didn't feel were going to make it and not have so many on the books. And so we did that. And I was on the conservation district board by then. Well, McKay-Rock Creek was still a very viable project at that time, and it was time to get it implemented. It was just a matter of getting enough federal funds to do that. And so we in the conservation district kept it alive and pushed on it. Well, when land use planning came into being in Oregon, which was I believe '72, and then by the time they got everything organized it was getting to '75 - well, the counties were supposed to develop a land use plan. And so in that plan, well they created a big industrial park out by North Plains and into West Union, and put an awful lot of land in that. And a whole bunch of that land was in the McKay-Rock Creek project.

When they changed the use of that land from agriculture to industrial, well, those farmers all pulled out of the project. And so it came down that the District board had to make a decision on what to do with that, and eventually the board decided that that project was not viable and it wouldn't fly. So they just plain killed the project then.

Less than a year later, LCDC took a look at Washington County's plan and said, "County, you didn't do that right. You put more land in the industrial use than what was necessary, and the land you put in at North Plains did not follow the criteria of LCDC." It was good viable farmland, and industrial land is not supposed to be that. And they actually forced the County to renege on that land use designation and return it back to agriculture.

Of course, now all those lands would like to have irrigation water, and the project has been dead for fifteen years. Sorry to

say I was part of the board that killed that, and I wish I could bring it back again because I think it's a viable project - even today, especially with the non-point pollution thing that we have in this County.

My concept of the pollution problem is that basically it's not a man-made problem, it's something that has been here for thousands of years. It's a phosphorus-load problem that comes from the sediment layers of what they call Old Bonneville Lake, and the only way that we're going to change the phosphorous levels of the river, now that USA has cleaned their act up, is going to be by adding clean water to the flows at the critical time of the year when they need it, and that additional water is going to have to come from small reservoirs throughout our tributaries in the County. And of course, McKay Creek is one of those. Rock Creek had two dams on it that could very well supply some in-stream flows that would help that.

M.O'R.: I guess part of the problem is that there's only a certain amount of federal money available for irrigation projects, and there's lots of other places in the country that need them as well. Do you think that there will be a second project built here with federal funding?

C.K.: It's going to be somewhat of a long dialogue.

On the policy of federal funding, the federal government - there's a couple of subsidies, if that's what you want to call them. But in non-point pollution, the federal government will pay a high percentage of the development of water to correct a pollution problem. USA and their buying water out of the Hagg Lake project is only paying about 30 percent of the total cost of that water. And flood control the federal government pays a hundred percent. And irrigation, the only subsidy is the interest on the 50-year payoff for that money.

We've always said that irrigation really pays the government its investment because, through the income taxes of the commodities that the irrigation created, it was a real good investment for the federal government to get into, in that they've always got their money back as far as irrigation is concerned. And industrial city use of water, that payback is a hundred percent. It is not subsidized in any way.

Okay, in all these other projects, like Phase II and all these others that I just happened to mention, there is opportunity for federal help in developing those projects. Phase II, the problem with it is, I personally believe, is that the Washington County Board of Commissioners was not really interested in that. If they would have been interested, they would have hired a man to run that project and see to it that it was developed. But they never did that. They just screwed around with it and never got serious about it because they weren't really interested in having it developed.

So I believe there's still opportunity and ways to get these other projects in, and I think these smaller projects on some of the tributaries are very viable projects because they're related to non-point which is kind of the big push, the thing that's on everybody's - the tip of their tongue right at the moment. And they could be multiple purpose projects connected with not only water quality, but also irrigation. The City of Banks needs a supply of water for industrial in there, and domestic, and then there's recreation opportunities with these smaller projects too. So they are very viable and still are.

M.O'R.: Now, you said that Washington County Board of Commissioners tended to really push the Phase II. Phase II would be the dam on the main stem of the Tualatin?

C.K.: Yes.

M.O'R.: Why do you think that was, given that it would obviously be a real benefit to agriculture, and possibly to clean up the river as well?

C.K.: The Irrigation District board didn't think it was a good project. They didn't think they needed the water. What they didn't understand is that in water law, the amount of water that's available don't mean nothing. It's the amount of acres that is in the Congressional authorization that counts. And right now the Irrigation District has a lot of water, and they could put it on a lot more land than they've got. But they can't because the law only allows them - I think it's 18,000 acres in the County. And so that's one of the limitations.

M.O'R.: The law, now. Which law?

C.K.: Authorization law of the project in Congress.

M.O'R.: Okay. It only allows 18,000 acres to ...

C.K.: To be irrigated. And they cannot go any further than that.

M.O'R.: Even though there's water available?

C.K.: Even though there's water available. Lousy conservation law.

M.O'R.: It doesn't sound too good. Doesn't sound logical.

C.K.: No. No. And my big complaint about Hagg Lake is that it was taxpayers that helped create that, but they're not getting their money out of it. I mean, it's a lousy return on their dollar because of poor management and the poor management just comes from the dumb rules they've set up.

On Phase II, when I was the Irrigation District Manager I did put in for some more acres. I didn't know how many, but I got agriculture at least had their foot in the door. But I do know that when you look at the water and water availability in Northwest Oregon, Phase II is a project that's needed not only in Washington

County, but probably more in Yamhill. There was an opportunity to put more flow in the North Yamhill River, which is very short of flows and has water quality problems on it just as bad as the Tualatin, just not as many people.

There's also an opportunity to put in an irrigation system like Washington County has down through all the way to Dundee. And there's lots of land in there that needs the water. But you know, when people in Washington County meet, you can't talk about helping Yamhill County out very much. I tried to tell some people in Yamhill County there was an opportunity there, but they couldn't hear me, either. But I just didn't get ahold of the right people. But Phase II is a very good project, if they would just open their minds up and look at all the opportunities there are that it's needed for.

M.O'R.: I guess there was at least some resistance at the time when Phase II was on the board and when Hagg Lake was picked, and probably still potential resistance from some of the communities that would be directly impacted by that reservoir, like Cherry Grove, for instance, if they built the dam at the lower site. Even the upper site, either one of the sites, I guess. Were you aware of resistance in the Cherry Grove area?

C.K.: Oh, yes. I'm aware of that, and I can tell you on the Hagg Lake project that all those that were involved in that project and the buyouts and so forth ended up a lot better off than they were before. And as far as agriculture in those areas, I don't care whether you take the Patton Valley lands or the Scoggins lands or the Gale Creek lands, their harvest dates are two weeks after the rest of us. Their growing period is almost a month shorter, almost 30 days less than what we have in the main part of the valley here.

So there's some real limitations to what they can do in those valleys, and probably a well-planned project is worth a whole lot more than what those lands are otherwise. The only thing we would be doing is we would be eliminating some homes. But I really don't recall anybody up Patton Valley that we would be taking out of a home that has been in a family for several - for a hundred years, for instance, or something like that. There's nothing like that going on.

[End of Tape 3, Side 1]

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Tape 3, Side 2

M.O'R.: So you think on balance those lands' best use might be for a reservoir?

C.K.: Well, I think so. And of course a viable resistance always makes money for those people. So, you know, a good viable resistance will increase the amount of money they're going to get out on a buyout.

M.O'R.: You think that's actually a factor in terms of the politics?

C.K.: Oh, I know it is. Definitely so.

M.O'R.: How do you know this?

C.K.: Well, those people are not stupid.

M.O'R.: Okay. So Phase II on the Tualatin, as far as you're concerned, is a good viable project, and also the McKay Creek going down on your side of the highway.

C.K.: Right. There's a possibility of a project in Toke Canyon up by Banks that would be very viable. And I don't know all the sites, but I understand there's some thought about putting a small one on Fanno Creek and to add water for water quality, and our south side of the river, you know, like in these hills we've got hundreds of dams already on the Tualatin, and they're all small privately-owned dams. Some of them go up to 15. 20 acre feet, which is quite a bit of water. But I know of places up here where there's a creek that's got five or six dams on it in two miles.

M.O'R.: So these are just small projects for individual farmers?

C.K.: Right. And so, you know, the dams are already there. I guess they haven't got down to the management of them to bypass the flows in the summertime when it's critical.

M.O'R.: These smaller dams are just managed by the individuals who own them?

C.K.: Right.

M.O'R.: So there's no coordinating management.

C.K.: No.

M.O'R.: What do they do with the excess water in the Hagg Lake project? They just dump it?

C.K.: Hell, this is part of my complaint about mismanagement. Originally, the Bureau of Reclamation said that if there was 20,000 acre feet left over, they would use that for next year then, and they would start to fill at that point. Well, as you remember, about eight years ago there got to be a drought in the Northwest. Especially in Idaho. And of course the management of the Bureau of Reclamation is in Idaho. And all of a sudden they came out and says any water left over needs to be used for next year so they can fulfill their contracts - and of course all of their water that's used is by contract. They do have a clause that if their reservoirs don't fill, there is a reduction in the contract. But at that time the Bureau went to the flood control committee, which is headed up by the Corps of Engineers for all of the Northwest, and asked them to change the criteria of Hagg Lake, that they would stop discharging anything, or if anything was left over up to 30,000 acre feet, it would be used for next year.

So what that did was it reduced 10,000 acre feet for flood control. And there is often that, quite often, that there is that 30,000 acre feet left over. And my complaint is that they should be using really 10- or 15-, even 20,000 acre feet that's left over

to release in the river in the fall of the year for water quality. And they're not, they're just holding it up there.

And I have'nt run the figures out, but my guess is that if that reservoir was totally emptied every year, that it would fill up to total, completely full, 80 percent of the time. And the 20 percent of the time that it didn't, it would still fill up to over 90 percent. Which is, when you're running over half of the reservoir as excess, it doesn't mean a thing, you know. You're still filling your contracts.

So this is where the taxpayers're being ripped off, I believe, is because we're being shorted on our flood control and also on our water quality by having a rule that we can leave that 30,000 acre feet behind. The only people that it really benefits is the Bureau filling its contracts and the recreation people.

M.O'R.: But you said they could fill their contracts anyway.

C.K.: They could fill them anyhow.

M.O'R.: And the recreation would be an issue at the tail end of the summertime?

C.K.: Yes, and the way Washington County is controlling the recreation up there, it wouldn't amount to that much for that, either, because they usually shut the lake off around the first of October.

M.O'R.: They don't allow people to go up there then?

C.K.: Yeah, they close the boat ramps and everything down.

M.O'R.: Of course by that time it's probably getting pretty low, I imagine.

C.K.: No. It only holds 52,000 acre feet, and if there's 30,000 left over, it's over half of it.

M.O'R.: Do they close it down in October just because they think the season's over, that people won't be using it much anyway?

C.K.: I don't know what the deal is with that. I don't agree with Washington County's way of running the recreation area. I think they need some campgrounds up there, and they need some campground hosts up there. Vandalism is a very serious problem up there. They need to get some people up there to control that vandalism.

M.O'R.: What kind of vandalism do they have?

C.K.: Oh, tearing down the gates and the fences and even painting.

M.O'R.: And that's probably all that there is in the period when it's closed, most of it occurs then?

C.K.: Well, at night. See, it's closed at night, too.

M.O'R.: That's right. If they had camping then ...

C.K.: Yeah. See, if they had camping, there would be people there that would see what was all going on, and they'd have campground hosts that they could afford to have there and so forth, that would be able to observe all this.

M.O'R.: Have you brought these ideas to the County Commission?

C.K.: No. I don't think they want to hear from me.

M.O'R.: Why is that?

C.K.: I guess I've got a reputation of being a little bit radical.

M.O'R.: Since we're talking about water quality here, let's backtrack a little bit again to the building moratorium that led to the creation of the Unified Sewerage Agency.

Your brother Gary at that time was the manager of the Aloha Sanitary District, and they had just put in some new equipment out there. But I guess there were a lot of sewer districts in the

County at that time were really small and weren't really doing an adequate job on treating sewage. Can you tell me what you saw then in terms of what these small sewerage districts, how they were operating, what they were doing?

C.K.: Okay. I don't know a lot about this, but they had to go to tertiary treatment. Secondary wasn't enough, and these small plants were only doing secondary. To go to tertiary was quite expensive and the bigger it was, the more economical it was. And so that was one of the reasons they went to the large district.

M.O'R.: And of course the largest district was able to get federal funding for some of these plants.

Then of course USA did get the money. They built the Durham plant, and I guess the Rock Creek plant out here at Jackson Bottom with federal assistance and got, I think, some other federal monies as well to help ...

C.K.: Yeah, they upgraded Forest Grove, and - I'm not sure. They ended up with Gaston and Banks, and they did operate them as only secondary for a long time. But eventually they did pump all that sewerage to Forest Grove. And I don't know if they run it through those plants before they pumped it to Forest Grove, or what. I don't know. I do know that Gaston, they had run it secondary and were pumping it out on a pasture right there by the plant at Gaston until a few years ago.

M.O'R.: Well, at least that's better than dumping it straight into the river.

C.K.: Yes.

M.O'R.: The irony of it, though, in a way, was that USA was formed as a result of the DEQ crackdown here, and then they got the federal money to build these plants. They were built in the mid-to-late '70s, and then of course almost as soon as these plants went on line is when the folks down at the other end of the river

here got together and decided that their water quality problems had to do with the high amount of phosphorus that USA was discharging in its effluent, from these almost brand new plants.

Then of course it resulted in the activities of Jack Smith and Jack Churchill and some of the other people from there. They themselves I guess didn't necessarily - well, Churchill did live in Lake Oswego, come to think of it. But Smith was from somewhere else at the time.

C.K.: Smith lived in Yamhill County.

M.O'R.: But they represented anyway some of the downriver interests, and brought the lawsuit. First they sued the Environmental Protection Agency, I guess, to enforce the Clean Water Act on the Tualatin. And there was a companion lawsuit that was filed against the Unified Sewerage Agency that charged them with violating their discharge permits.

C.K.: As I understood that, that lawsuit was directed at DEQ and the State of Oregon. Well, it was with EPA, directed at EPA, that they were not enforcing it in the State of Oregon through DEQ. And the Tualatin was one of those basins that was named, but I believe there was eleven others. And it was DEQ's choice to make the Tualatin the model, or the first one, to be dealt with.

In that lawsuit, though, USA became a friend of the defendants, which was EPA and DEQ. So when that suit was then won by the Lewis and Clark students, the judge then slapped a fine on DEQ for violating the Clean Water Act. And that's where that million dollar fund was created from, was that fine that the judge had levied against USA for being a friend of the defendants.

M.O'R.: Now, you said that you knew both Jack Smith and Churchill, two kind of primary initiators of this action. Let's start with Churchill. When did you meet him for the time?

C.K.: Well, the first time I met him, I was on an advisory committee for DEQ for agriculture, and he was working for DEQ as a staff person, and he was the staff person for that advisory committee. And of course Bill Young was the Director of DEQ at that time, and so that's when I first got acquainted with Jack Churchill.

M.O'R.: So he was the staffer for DEQ?

C.K.: Yes he was, for a period of time, and then while we were still working on that, he was transferred to Portland State to an education job, he was transferred out of DEQ.

M.O'R.: And you made a remark earlier that you may have had a role in that move?

C.K.: That committee had a role in that move because the committee did not believe that he was doing his job appropriately, and went to the Director, and the Director then changed Jack's responsibility.

M.O'R.: When was this exactly?

C.K.: I was trying to remember, and it was like about 1974.

M.O'R.: That early?

C.K.: Yes.

M.O'R.: Early in the game. Long before the lawsuit, then?

C.K.: Oh yes, long before the lawsuit. I was with the Conservation District at that time. I got on the Conservation District in 1972. But my job in the local district was to participate on state and national affairs, and so I got on to the State board in about 1974, and so that committee was basically picked out from conservation people, because DEQ thought the Conservation Districts were going to play a key role in non-point pollution.

M.O'R.: Just as an aside, how did you become involved with the conservation board? Did you just decide it was time for you to get active?

C.K.: No, it was because I opened my mouth and was critical of what the board was doing. And they happened to have an opening, and they says, "Okay, you're on the board."

M.O'R.: You weren't in a position to refuse the offer at that point, right?

C.K.: And I'm not sorry I went. I took a man by the name of Hatfield, his position on the board. He went to Canada to farm. And I enjoyed my work on the Conservation District board.

M.O'R.: Was your criticism at the time of the board some of the things you've already talked about, about the management?

C.K.: No. No.

M.O'R.: What were the issues for you then?

C.K.: Well, it was in the awards. They always give a conservation award, and it always went to a dairyman for erosion control. Well, as you know, most dairies, well, they have pastures. Well, hell, any damn fool can have a good conservation erosion record with a pasture. You know? They need to recognize somebody that has an important role in agriculture that has to till his ground. Those are the people that need to be recognized for good erosion, not a dairyman with a pasture.

M.O'R.: So that was your complaint at that time?

C.K.: That was my complaint at that time.

M.O'R.: And they put you on the board.

C.K.: They put me on the board.

M.O'R.: Was that your first involvement out here in terms of the politics of farming?

C.K.: No, it wasn't. I was the County President for Farm Bureau in the early '60s. And I had won some awards at that time,

the County did for doing a good job for their people in the County. It was in 1960, those early years and the 1964, mid-'60s, that I got onto the State Natural Resources Committee, and that committee had responsibilities to water and land use and all those things, and I was on that committee and pretty active in Salem at the time that Senate Bill 100 came through. And Hector McPherson has been a very good friend of mine. He's the one that is called the father of the land use in the State of Oregon. And we used to sit on that Natural Resources Committee together, and he'd say, "Now, you take care of the water, and I'll take care of the land." So that was really my first involvement in some of those things, was in the mid-'60s.

M.O'R.: You had said earlier that during the Hagg Lake project you weren't too involved. I guess that must have been even earlier.

C.K.: Yes. Yes. Some of those assessments for the Hagg Lake project was before 1960. And some of them - well, some of them were in the mid-'60s. I forget when the legislation went through, now; I'd have to look it up. I know the first water we got was I believe was in '74. And you know, they provided it, the first water, for USA. For their water quality. And of course they had access to 50,000 acre feet of water, and they were only entitled to I think 12- or 14,000 acre feet, is what they bought. Well, none of us could get that water as irrigators.

And then the project, we couldn't get that water yet. So I'd get on the phone and I'd call Gary and I'd say, "Hey, the river's getting low, order some more water." And so he'd get on the phone and he'd say, "Gosh, we gotta have a little more water for water quality." So then all of us irrigators could irrigate without jeopardizing their problem.

M.O'R.: So you worked together with Gary and USA, then.

C.K.: Yes. Yes. I think that was two years it went that way.

M.O'R.: And why was it that the water wasn't available to the rest of the customers at the time?

C.K.: The only reason I can think is that the problem was is that those that were on the pipeline, it wasn't available to them. And so, until at least part of the pipeline and the pump plant was partially in operation, they didn't deliver water to anybody.

M.O'R.: I see. So it was a question of the delivery system catching up with the building of the dam.

C.K.: Right.

M.O'R.: Well, back here just momentarily, you say Hector McPherson was a good friend.

C.K.: Yes.

M.O'R.: Can you tell me a little bit about him? How did you first meet him?

C.K.: Well, he was a dairy farmer in Linn County, and he was on the Farm Bureau, and worked through Farm Bureau. And like I say, he was on that natural resources committee, even though he was a legislator in the state legislature. And that's how I first got to know him, and then him and I were both on that committee for 25 years. And so we had a lot of input for a lot of influence on how Farm Bureau felt about a lot of things.

But in the land use issue, the big problems at that time was leapfrogging, and those developments that were done that way really created a cost for the services that it needed to go forward. So it was our idea that we were not going to restrict development, but we were going to have orderly development, that the subdividers needed to prove that it was economical to bring in water, sewerage, fire, schools, and so forth into those projects, or else they

shouldn't be because it was going to cost the taxpayers too much money.

We knew that agriculture was going to be restricted. And it was really the only - well, agriculture and forestry are the only things that are really restricted in land use, even at this point in time. So constitutionally, it's really illegal to restrict anything on your land unless it's paid for. So our concept of that restriction being paid for was through a new assessment process. At that time, and it was legal, and it was upheld legally, that the appraisers could appraise the land at its highest and best use. Well, what they did for industry inside the cities was that they used the basis of income and profitably as to what the assessment of those industrial lands should be. But when it came to agriculture, they assessed the highest and best use was all subdivisions. No matter where it was. I mean, subdivisions were selling for \$5,000 an acre, that's what they were appraised at.

So we said that we would accept those restrictions if we were assessed at its farm value. And so they said, "What was the farm value?"

And we said, "The average rental for that land times eight, which would be eight years, and that would be a fair assessment."

And so in the land use authorization and legislation, there was legislation to change the way that agriculture was being assessed, and it made a big difference on our taxes, I can assure you. And so that is what is the return that agriculture has for being restricted on their lands.

M.O'R.: And by restricted, what do you mean by that exactly?

C.K.: That it can only be used for agriculture, if it's zoned agriculture.

M.O'R.: I see. And you say that agriculture and forestry are the only two that are restricted?

C.K.: I believe so.

M.O'R.: You mean, if you have a piece of industrial land, you can farm on it?

C.K.: Yes, you can. You can farm on it. You can't put houses on it. But that really would probably be downgrading the land rather than upgrading it.

M.O'R.: I see. Because the industrial use is the highest use, eh?

C.K.: It's a high use, but they found that those cross-uses in town usually downgrades the land rather than upgrades it in value.

M.O'R.: You actually had a hand in SB 100, too?

C.K.: I was on a committee in agriculture that supported it.

M.O'R.: And do you think that the bill wound up being a good deal for farmers?

C.K.: Yes, I believe it's been a good deal for farmers. I've had some real concerns about it, especially the first director of LCDC, he was a very vicious man and I thought at one time that he was going to kill land use in the State of Oregon for sure.

M.O'R.: Who was that?

C.K.: Name just slipped my mind. L.B. Day. Yes. L.B. Day was the person, and he was director of DEQ also. He was a very ruthless man and there was occasions that sometimes they needed a person like that in some agencies. For DEQ to get started and its foot in the door, it took a man that had a lot of backbone and was pretty ruthless to implement it. But on LCDC, I'm not real sure that that was the way it should be, and for a long time I thought that McCall in his choice of L.B. Day as that person was going to kill that whole program.

M.O'R.: Just because they were too aggressive?

C.K.: Yes.

M.O'R.: And you thought there would be a political backlash?

C.K.: Oh, yes.

M.O'R.: Coming from where, from farmers?

C.K.: Yes. From those that originally supported it, it could have come from them because it was being implemented so ruthlessly.

M.O'R.: And do you think - your own views of land conservation at that time, did they square with most farmers out here in the valley?

C.K.: I'm not sure of that.

[End of Tape 3, Side 2]