

Comment [COMMENT1]: 8/31/98 .5 setting up minutes format, 9/1 4:15 agenda setup, meeting @ 4:30-7:20 9/2 11:20-12:15

| <p style="text-align: center;">PORT OF KLICKITAT BOARD OF COMMISSIONERS MEETING MINUTES July 3, 2007 REGULAR SESSION</p> | | |
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| <u>TOPIC</u> | DISCUSSION/ASSESSMENT/FINDINGS | ACTION/FOLLOW UP |
| <u>ATTENDANCE</u> | <p>Commissioners/Staff Present: Port Commissioners (PCs) Norm Deo, Rodger Ford & Wayne Vinyard; Executive Director (Exec.D) Dianne Sherwood; Director Marketing/Public Affairs (DM/PA) James Donnelly; and Administrative Assistant/Bookkeeper, (AA/B) Margie Ziegler.</p> <p>PC/Staff Absent:Port Counsel Teunis J. Wyers excused.</p> <p>Guests Present: Matt Riley, (Rapid Ready Mix Inc); and Tony Riley, (Riley Brothers Concrete).</p> | Meeting called to order at 4: |
| <u>COUNSEL'S REPORT</u> <u>Status of Leases</u> | <p>(Exec.D) Sherwood said all pending leases are still underway and making progress and there was nothing new to report from Port Counsel Wyers.</p> <p>(Exec.D) Sherwood will be meeting with Leslie Haskel-Apple to update the 1993 Personnel Policy.</p> | |
| <u>ADMINISTRATIVE MATTERS</u> <u>Consent Agenda</u> <u>Financial Report</u> <u>Facilities and Maintenance Operator</u> <u>Executive Director's Report Bingen Point</u> <u>Bldg 1E Update:</u> <u>Team Construction</u> <u>Irrigation Pump & Systems</u> | <p>Items approved: Minutes of June 5, 2007 Vouchers - June 15, 2007 Vouchers - June 19, 2007 Vouchers - July 3, 2007</p> <p>(AA/B) Ziegler presented the May 2007 financial report. PC Ford asked that the percentage of the year completed be included at the top of the financial reports in the future.</p> <p>(Exec.D) Sherwood reported that 13 applicants have applied for the vacant facilities and maintenance operator. PC Deo was asked to sit in on the top three interviews with Maintenance Assistant Esteban Sanchez and (Exec.D) Sherwood.</p> <p>(Exec.D) Sherwood said the punch list for bldg. 1E items have been addressed. Change Order #3 was presented, consisting of previously approved COP's (change order proposals) for a pressure reducer, deleting painting of overhead doors and connecting the irrigation system to potable water. (Exec.D) Sherwood recommended the approval of Change Order #3 adding \$2,148.51 to Team's contract for a total contract price of \$1,889,258.71.</p> <p>(Exec.D) Sherwood explained the irrigation filter problems. The scope of services from Hopper Dennis Jellison was presented to the PC but the expense of \$5,000 is too high. Clark Bryant from Bryant Pipe and Supply will only charge \$50.00 per hour for consulting. Clark Bryant recommended a self cleaning pre-filtering system for the entire irrigation system. PC Vinyard recommended a standpipe be installed for access to the irrigation water for back-up fire flow.</p> <p>(Exec.D) Sherwood said she has had inquiries from private developers. Steve Tessmer presented a binder to the Port regarding a marina project, which was also sent to Byron Hanke, Port Consultant, for review. She will contact Maritime Services and Gorge Harbor to clarify issues and then make a recommendation to the PC. Another private developer is also interested in property at Bingen Point.</p> | <p><i>PC Deo M, PC Vinyard S a l to approve the Consent Age MP</i></p> <p><i>PC Vinyard M, Deo S a moti approve Change Order #3 to increase Team Construction contract by \$2,148.51 for a t \$1,889,258.71.</i></p> <p><i>By consensus, the PC agree use Clark Bryant, Bryant Pip Supply, for consultation on t irrigation system.</i></p> <p><i>By consensus, the PC agree have (Exec.D) Sherwood co to meet with developers.</i></p> |
| <u>Private Development Opportunities</u> | | |

4th of July Fireworks

(Exec.D) Sherwood reported that dumpsters and porta potties are scheduled to be delivered. The tenants have all been notified about the fireworks event. The adult and juvenile probation people are scheduled for litter pick-up. The fire dept will first spray down the grounds and will be on hand during the event. KC Sheriff Dept. and Bingen/White Salmon Police Department will be available, and two reserve officers will be on site.

Dallesport Industrial Park* (DIP)

PC Deo said he met with James Dean as he was concerned about the basalt mining verses aggregate rock mining. PC Deo presented language to the PC and asked that a paragraph be added to the aggregate mining contract. (Exec.D) Sherwood will forward the language to Port Counsel Wyers for review. PC Deo suggested that special incentive should be given to Dean when they are asked to drill and blast areas that the Port wants to be readied for building sites at DIP. PC Deo said Dean's rock needs are geared more towards road surfacing and general construction, then for concrete aggregate. (Exec.D) Sherwood said Dean is interested in opening new markets with aggregate. PC Deo asked if the Port wants to deplete the aggregate used for concrete production by allowing Dean's crushing it into gravel. PC Deo said that it is more costly to crush the Port's round river rock then it is to crush blasted basalt rock. The fact that the Port's aggregate can be extracted without blasting could offset this additional crushing cost. The Ports round river rock resource is more valuable for concrete production, and should be considered and promoted as such.

Executive Director's Report Continued

PC Vinyard did not want restrictions put on the operator that would force them to stockpile aggregate for a better market that my not come.

PC Ford and PC Vinyard are in support of adding language to the aggregate mining contract.

Aggregate Operator RFP Determination

PC Ford wanted to ensure that the operator close up an area before moving on to the next area. (Exec.D) Sherwood said that the operator is required to provide an operating plan to the Port.

PC Deo M, to direct (Exec.D) Sherwood to further negotiate and take into consideration his additional language into the operator's agreement; inform all other respondents of the winning bid; and to work with Jim Riley to advise him of what date the new operator will operate the pit, PC Vinyard S, MP

Dept of Ecology

(Exec.D) Sherwood said the Dept of Ecology sent a routine letter stated they have discovered a second disposal site that was reported to them by Jim Riley. (Exec.D) Sherwood asked Bob Swackhamer, DOE, to consider helping the Port to investigate, sample, test, and determine the scope of the clean up. His supervisor, Don Abot, DOE, has been out and has not responded back to the Port. The site is within the BPA right-of way, Bob Swackhamer, DOE, said they have not yet contacted the BPA.

MARKETING REPORT

Water Rate Analysis

(DM/PA) Donnelly presented a detailed water rate study. The current resolution for water rates does not provide for system development charges nor does it encourage water conservation. At the current water rates, the Port is not covering its expenses or building a reserve for future water improvements. Water rates were compared to other water systems in our area. The six-year capital improvement costs determined in the Water System Master Plan are \$515,041 and the burden of those costs will be on the general fund because no reserve fund is in place.

The suggested rates and charges were discussed.

PC Vinyard said that if system development charges are routinely assessed, then the Port should have them in place.

PC Deo stressed it is important to continue to push for a municipal water system with the Airport and other water purveyors.

PC Ford would like to see Goldendale's water rates added to the rate study as well as the Port of Hood River, Webber Park, and the Port of the Dalles.

(Exec.D) Sherwood would like the PC to consider the proposed rate structure as presented and when the PC is ready to set the rates the DIP tenant's need to be informed so that public comments can be heard.

