

Agenda for Tuesday, April 17, 2001
Klickitat County Port District
2nd Regular Monthly Meeting
Workshop
April 17, 2001 - 4:30 P.M. - PORT OFFICE

AGENDA

PUBLIC COMMENT - Limited to 10 minutes total; (5 minutes per person)

WORKSHOP / COUNSEL'S REPORT

- Marina Lease Review
- Multi-jurisdictional H2O Inter-local Agreement - Adoption
- NW Regional Power Lease

ADMINISTRATIVE MATTERS

Minutes - April 3, 2001 (5 minutes)
Vouchers - April 15, 2001 - Payroll (5 minutes)
Vouchers - April 17, 2001 (5 minutes)
Review Marketing Plan (10 minutes)
Resolution 4-2001 - Adopt Marketing Plan (5 minutes)

EXECUTIVE DIRECTOR'S REPORT

BINGEN POINT:

Inquiry Updates (10 minutes)
Outdoor Concert Proposal, July 4 (5 minutes)
Community Pride: Week of April 23 (5 minutes)
2002 WA DOT Fill - Hwy 14 (5 minutes)

DALLESPORT INDUSTRIAL PARK:

Inquiry Updates (10 minutes)

KC Shorelines Master Plan Corrections Ordinance (5 minutes)

MISCELLANEOUS

Water Conference - Yakima, May 22 (5 minutes)

PUBLIC COMMENT - Limited to 20 minutes total; (5 minutes per person)

ADJOURNMENT

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| | PORT OF KICKITAT BOARD OF COMMISSIONERS MEETING MINUTES April 17, 2001 REGULAR SESSION | |
| <u>TOPIC</u> | DISCUSSION/ASSESSMENT/FINDINGS | ACTION/FOLLOW UP |
| <u>ATTENDANCE:</u> | Commissioners/Staff Present: Port Commissioners (PCs) S. Wayne Vinyard, B. Marc Harvey, and Norm Deo; Executive Director (Exec.D) Dianne Sherwood; and Administrative Assistant (AA) Vickie Drew PC/Staff Absent: Port Counsel (Counsel) Teunis Wyers Guests Present: Tom Seifert (KC Res. Dev.); Matt Riley (Riley Bros.); Mike Smith (Dallesport); and Ken DeHart (The Dalles). | |
| <u>PUBLIC COMMENT</u> | Vice-Chair Vinyard opened the public meeting at 4:36. There was no public comment. | |

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| <u>WORKSHOP / COUNSEL'S REPORT</u> | <ul style="list-style-type: none">• Marina Lease: Counsel provided a copy of the latest draft lease with Gorge Harbor Marina for the PC to review and comment upon. Due to the nature and 80 year term of the lease he felt it was important for the PC to have an opportunity to review it and to get answers to any questions that may arise. Counsel stated we would like Gorge Harbor Marina to present a specific phased proposal with respect to the build-out. One of the issues that Steve Tessmer requested (but was not included in the revised lease) was acknowledgment by the Port that Gorge Harbor Marina has a substantial investment in the project and, therefore, should not be required to pay the 1% on gross sales until the invested amount had been recouped from profits. Exec.D Sherwood expects that at some point Mr. Tessmer will come to the PC for discussion of that issue. PC Harvey had some questions beginning with (1) Recitals #2 regarding transfer of ownership to the Gorge Harbor Yacht Club. Exec.D Sherwood stated that the Gorge Harbor Yacht Club will consist of the people that occupy the boat slips. Counsel stated that he is not aware of anything in writing yet that establishes the Yacht Club or the Houseboat Owner's Association and that it will be important to create a set of CC&Rs for the Marina development. Exec.D Sherwood asked if there was any concern as to protection for the Port regarding how the associations are formed and who belongs to them. Counsel replied that language should be included stating that there will be a set of CC&Rs and that the Port will have the ability to approve that document. (2) Page 6, 5b; What is to be included in Gorge Harbor Marina reimbursed expenses? Counsel stated that staff is recommending against refunding expenses. Exec.D Sherwood explained that as the document currently reads, it has to do with capital improvement expenses for development, not any prior expenses. (3) Page 7, Maintenance fund for dredging; What happens after 20 years and 50% of the principal in the fund | |
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| <p><u>WORKSHOP, cont.</u></p> | <p>has been refunded to the operator? Exec.D Sherwood explained that the fund will continue to accumulate and suggested that language be added to extend beyond the first 20 year period. (4) Page 8, #7, \$50,000 bond; Is it enough? Discussion followed regarding a sufficient amount of bonding to require. It was decided to change the amount to \$75,000. (5) Page 10, 12a; Clarify record retention term. Language to be added to read “for a period of ten (10) years <u>after the activity.</u>” (6) Page 11 & 12; Reference to Exhibits B & C which are not currently included in the document. Counsel stated that these conveyance documents will be significantly revised but that final versions will be included as part of the document. (7) Page 14, #2; Option to re-let the premises in case of Operator default. The Port is not liable to tenants for the operators default. The discussed changes will be made to the document and then presented to Steve Tessmer for his review after which a revised document will be brought back to the PC. PC Deo asked what would happen regarding insurance coverage in case of the operator's default. The Port would obtain additional insurance to cover the Marina as soon as lease termination proceedings are started. AA Drew will contact the Port's insurance company to determine if there are any concerns regarding coverage of the Marina.</p> <p>• Multi-jurisdictional H2O Inter-local Agreement: Exec.D Sherwood noted that there had been a small change in the document since the PC reviewed the document at the last PC meeting. The language of paragraph four under recitals was revised to include “and water system infrastructure improvements”. The City of Bingen is meeting tonight with the intention of signing the document and the City Council of White Salmon approved the document at their meeting on April 4. PC Vinyard questioned Part 11b, section (i) regarding the Port making individual commitments of water supply to industrial or commercial users not to exceed 30 g.p.m. Exec.D Sherwood explained that the intent was to insure that a potential business with large water supply needs sited at Bingen Point would not create a water domination situation and that this provision does not conflict with the Port's 5% allotment.</p> <p>• NW Regional Power Lease: Exec.D Sherwood reported that she and Tom Seifert toured the Goldendale Aluminum plant where Ty Ross has ten diesel units set up which will be up and running soon. They also toured the Rabanco energy production site which is presently in operation. She distributed pictures of the units and said they were quieter than she thought they would be. There was no bad smell and emissions were low. Each unit converts diesel to 1.6 megawatts of power and consumes 111 gallons of fuel per hour; two double tanker loads of fuel per day. Her main concern was a small amount of diesel spillage on the ground, however, Counsel assured the Port leases cover that issue very well. NW Regional Power would like to get underway as soon as possible so she asked the PC to review this draft lease and see if they had any concerns. SDS Lumber Co. has similar units that will go on line tomorrow.</p> | <p><i>AA Drew will contact the Port's insurance company to determine if there are any concerns regarding coverage of the Marina.</i></p> <p><i>PC Vinyard moved to approve the Multi-jurisdictional Water System Inter-local Agreement as written; seconded by PC Deo – motion carried.</i></p> |
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| <u>ADMINISTRATIVE MATTERS</u> <u>Minutes - April 3, 2001</u> | The minutes of April 3 were submitted for approval. | <i>PC Vinyard moved to approve the minutes of April 3, 2001 as written; seconded by PC Deo -- motion carried.</i> |
| <u>! Cash Balances Memo</u> | Exec.D Sherwood discussed the cash balances memo noting liquid funds of \$388,820.19. The Port's State Pool General investment account has a balance of \$386,890.00. At this time last year the balance in that account was \$189,900.00. | |
| <u>! Vouchers - April 15, 2001 - Payroll</u> | Exec.D Sherwood discussed the vouchers of April 15 which were for payroll. | <i>PC Vinyard moved to approve vouchers #16401 through #16403 on the General Fund in the amount of \$3,231.30; seconded by PC Deo -- motion carried.</i> |
| <u>! Vouchers - April 17, 2001</u> | Exec.D Sherwood discussed the regular vouchers noting payment for legal services. | <i>PC Vinyard moved to approve vouchers #16404 through #16415 on the General Fund in the amount of \$2,096.21; seconded by PC Deo -- motion carried.</i> |
| <u>! Review Marketing Plan</u> | Exec.D Sherwood discussed the table updates included in tonight's packet for the Port's draft Marketing Plan. She wished to omit a sentence regarding Bingen's low-to-moderate income rate until more current information is available and include a second table based on actual leads from the last 3-4 years indicating the number of potential jobs that would be created at the Dallesport Industrial Park. PC Harvey inquired if there was going to be enough time and money to implement this new plan. Exec.D Sherwood explained that this was something that we <u>have</u> to do and we may need to look at allocating funds for someone do a special marketing project. PC Harvey felt since we have gone this far with the project that funds to cover marketing activities should be included in the budget for next year. | <i>AA Drew will make a note in the budget file to include funds for marketing activities.</i> |
| <u>! Resolution 4-2001 - Adopt Marketing Plan</u> | Exec.D Sherwood discussed the resolution which adopts the new marketing plan. | <i>PC Deo moved to approve Resolution 4-2001 as written; seconded by PC Vinyard – motion carried.</i> |

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| <p><u>EXECUTIVE DIRECTOR'S REPORT</u> <u>*BINGEN POINT*</u> <u>! Inquiry Updates</u></p> | <p>Exec.D Sherwood gave an update on some of the inquiries for Bingen Point. Proposal for a fruit dehydration operation is still underway. They are trying to get some grants for which Exec.D Sherwood wrote a letter of support. The hope is that they will choose to site at Bingen Point rather than in Oregon. They would create approximately 68 full-time and 15-18 seasonal jobs.</p> <p>Rock Storage: Exec.D Sherwood proposed Parcel 10 as a preferred location for a proposed rock storage site, with a response anticipated within two weeks. Under KC zoning, this operation would be a conditional use, however, the PC can determine any use on Port property. The Underwood Fruit bins would provide a break for any dust blowing east. PC Harvey inquired about possible concern from Underwood Fruit regarding dust and dirt getting into the bins. Exec.D Sherwood will contact Underwood Fruit regarding that issue.</p> | <p><i>Exec.D Sherwood will contact Underwood Fruit regarding the proposed rock storage and any concern they may have regarding additional dust and dirt in the bins.</i></p> |
| <p><u>! Outdoor Concert Proposal, July 4</u></p> | <p>Exec.D Sherwood reported that Michael van Sisseren has requested the use of Port property for an all-day outdoor concert on July 4. This is the same gentleman that produced the concert for Gorge Games last year so he is aware of the fee and the insurance requirements specified in a MOU. PC consensus to pursue the proposal.</p> | |
| <p><u>! Community Pride: Week of April 23</u></p> | <p>Community Pride Week will be the week of April 23 this year. Counsel will donate one and a half days of cleanup and stump removal with the heavy equipment that will be on site. Rotary is one of the sponsoring agencies and Exec.D Sherwood is scheduled to be a greeter on Friday from 1 to 4.</p> | |
| <p><u>! 2002 WA DOT Fill - Hwy 14</u></p> | <p>Exec.D Sherwood discussed the WA DOT inquiry for listing Bingen Point as the dump site for 20,000 to 30,000 cubic yards of fill from the Hwy 14 project next year. She has contacted the KC Planning Dept. to determine if any permits are required.</p> | |
| <p><u>! Lake Tour</u></p> | <p>Last Friday Exec.D Sherwood and Maint. Tech. Lethco toured the lake boundary markers with representatives from Tenneson Engineering. She reported that the rock berm was in exactly the right position; James Dean Construction did an excellent job moving it to the correct location. Discussion followed regarding the level of the lake. It would be beneficial to complete the berm to further define the lake and wetland boundary.</p> | |

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| <p><u>*DALLESFORT INDUSTRIAL PARK*</u> <u>! Inquiry Updates</u></p> | <p>Exec.D Sherwood reported that she met with the fifth largest energy producer in the nation who is looking at DIP. A proposal for a central fish buying site was presented last week. (Her main concern was waste disposal.) PC Harvey inquired if there was any possibility of processing the fish there. Exec.D Sherwood stated they were not interested in doing that. A large rail welding firm needs 1600 feet of long straight track to off-load long lengths of rail. Parcel #8 has approximately 1400 feet of straight track and the area between parcels #4 and #11 also has a very long straight-a-way.</p> | |
| <p><u>! KC Shorelines Master Plan Corrections Ordinance</u></p> | <p>Exec.D Sherwood reported that she and PC Vinyard attended the hearing where the ordinance to correct the scrivener errors was signed by the KC BOC.</p> | |
| <p><u>! Pacific Rock Products</u></p> | <p>Exec.D Sherwood reported that she met with John Shafer of Pacific Rock Products (Pac Rock) yesterday and presented the PC response to their proposal. Discussion followed. John said there is no need to do a formal reclamation plan; the DNR requirement has been eased. Exec.D Sherwood will investigate to confirm if it is still necessary to complete a new reclamation plan for the Riley pit. John hopes to have a response to the Port within two weeks.</p> | |
| <p><u>! DIP Sewer Trench Blasting</u></p> | <p>In response to PC concerns regarding the bluff removal for the sewer line trench, Kennedy/Jenks prepared alternatives to the 20 foot corridor provided in the original plan for the area near Dow Road. Alternative 2 would provide for blasting the entire future roadway easement plus five additional feet on either side of the trench, increasing the cost by \$30,000 to \$50,000. Alternative 3 would provide for blasting the rock from the entire future roadway easement as well as blasting the entire rock protrusion increasing the cost by \$125,000 to \$175,000. The KC BOC will determine if one of the alternatives is selected and Exec.D Sherwood suggested that the PC make their preferences known to them.</p> | |
| <p><u>MISCELLANEOUS</u> <u>! Water Conference Yakima, May 22</u></p> | <p>Exec.D Sherwood discussed the Eastern Washington Water Summit Conference that will be held in Yakima on May 22 & 23. She would like to attend on Tuesday for the discussions regarding Port District water rights and Storm water run-off. Exec.D Sherwood will attend unless a representative from KC will be attending.</p> | |
| <p><u>! DIP Tour</u></p> | <p>PC Harvey suggested a tour of the Dallesport Industrial Park for a future meeting.</p> | |
| <p><u>! Crane Digital Pictures</u></p> | <p>PC Deo reported he has lost the digital pictures he took of the crane. Exec.D Sherwood may use his digital camera to take some new pictures to assist in selling the crane.</p> | |

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| <u>! Airport Update</u> | PC Deo discussed various airport issues. The committee discussed inviting Steve Tessmer to give an update on the Golf Course project. There are three months left of the agreement between KC and the City of The Dalles and felt there are some inequities in that agreement. He will recommend to the KC BOC that they address those inequities before the agreement is renewed. | |
| <u>! Kate Vandemoer</u> | PC Vinyard has been unable to contact Kate Vandemoer of NMFS. He will continue his efforts to contact her to arrange a joint meeting. | |
| <u>! Tom Seifert</u> | <ul style="list-style-type: none"> • CGEDA is scheduling a visit to Portland where they will meet with area brokers and site selectors. The Port now has marketing materials that can be presented to them. • The Water Conservancy Board is meeting tonight and will be discussing the transfer of water rights at Dallesport for the golf course. • Rural Development Council met today and will meet again tonight to discuss solutions for rural development. Tom asked if the PC had any recommendations for the Council. • Tom introduced Ken DeHart, who was representing a group interested in diesel power generating at Dallesport. Ken said he was not prepared to present a proposal at this time and was here merely to listen and observe procedure. • Groundbreaking for the Goldendale Energy Project is coming up soon. Tom will let the PC know when it is scheduled. Work is proceeding on the project in spite of the pending lawsuits. | |
| <u>PUBLIC COMMENT</u> | | |
| <u>! Lake Boundary</u> | Mike Smith offered information regarding "hydric soil" and suggested that the Port should delineate the Lake boundary buffer border as soon as possible. | |
| <u>ADJOURNMENT</u> | | <i>PC Deo moved to adjourn at 6:38; seconded by PC Vinyard -- motion carried.</i> |

Approved on: _____
submitted _____
(Date)

Respectfully

Vickie L. Drew, Administrative Assistant

Dianne Sherwood, Executive Director

B. Marc Harvey, Chairman