

Agenda for Tuesday, December 04, 2001
Klickitat County Port District
1st Regular Monthly Meeting
DECEMBER 4, 2001 - 4:30 P.M. - PORT OFFICE

AGENDA

PUBLIC COMMENT - Limited to 10 minutes total; (5 minutes per person)
COUNSEL'S REPORT

ADMINISTRATIVE MATTERS

Consent Agenda: (5 minutes)
Minutes - November 20, 2001
Vouchers - Nov. 30, 2001 & Dec. 4, 2001
Budget Update; Hwy 14 Project (5 minutes)

BINGEN POINT

Dock/Ramp Project (10 minutes)
Gorge Delights (15 minutes)
Gorge Harbor Marina Lease (15 minutes)
MALA Property (10 minutes)

DALLESPORT INDUSTRIAL PARK

Draft Grading Plan

MISCELLANEOUS

WPPA Annual Meeting; Dec. 12-14 (Double Tree - Bellevue)
Committee Representative Assignments (10 minutes)

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

ADJOURNMENT

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| | <p align="center">PORT OF KICKITAT BOARD OF COMMISSIONERS MEETING MINUTES December 4, 2001 REGULAR SESSION</p> | |
| <u>TOPIC</u> | DISCUSSION/ASSESSMENT/FINDINGS | ACTION/FOLLOW UP |
| <u>ATTENDANCE:</u> | <p>Commissioners/Staff Present: Port Commissioners (PCs) B. Marc Harvey and S. Wayne Vinyard; Port Counsel (Counsel) Teunis Wyers; Executive Director (Exec.D) Dianne Sherwood; and Administrative Assistant (AA) Vickie Drew</p> <p>PC/Staff Absent: PC Norm Deo</p> <p>Guests Present: Rodger Ford (Lyle), Matt Riley (Riley Bros. Concrete); Ron Wherry (Gorge Delights); and Mike Smith (Dallesport).</p> | |
| <u>PUBLIC COMMENT</u> | Chair Harvey opened the public meeting at 4:30. There was no public comment. | |
| <u>COUNSEL'S REPORT</u> | <ul style="list-style-type: none"> • Counsel reported that there has been no progress regarding the Pacific Rock agreement. Their Counsel has been on vacation. • Gorge Delights is waiting for the letter of credit from the lender and two resolutions from the State. Once the letter of credit is issued, the State will release the resolutions for signature by the Willis'. • MALA: Counsel has spoken with Jim Herman, CPA, who represents MALA. He is willing to participate in a meeting with the PC and MALA to discuss the sale of their property to other than the Corps for an in-lieu site. • Marina Lease: A policy decision is needed regarding reimbursement of the startup costs to the developer, Steve Tessmer. Steve commented that the intent of the provision in the original agreement regarding the matter of reimbursement (which was a \$3,000.00 deduction from gross sales before calculating the 1% of net profit to the Port) was to limit the amount that could be charged. It was to prevent extravagant deductions against the net proceeds. He has investors that made expenditures on good faith that the Port would live up to the original agreement to repay the startup costs. The possibility of the Port's costs being reimbursed also was posed. After discussion, it was determined to have a workshop with Steve when all the PC were present. PC Harvey asked how much profit Steve anticipates this project will generate. Steve replied that it depends on the number of combination townhouses that will be permitted. A marina would not be profitable on its own. A tentative date of December 18 (the next PC meeting) was set for the workshop pending confirmation with PC Deo that he could attend. | |

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| <u>ADMINISTRATIVE MATTERS</u> <u>! Consent Agenda</u> | <p>Items approved: • Minutes of November 20, 2001</p> <ul style="list-style-type: none"> • Vouchers #17095 - #17107; \$7,428.90 • Vouchers #17108 - #17137; \$15,265.87 • Check #156; \$131.25 <p>PC Vinyard was not present at the last meeting , so approval of the minutes will be held over for the next meeting.</p> | <p><i>PC Vinyard moved to approve the Consent Agenda with exclusion of the minutes; seconded by PC Harvey – motion carried.</i></p> |
| <u>! Budget Update; Hwy 14 Project</u> | <p>Exec.D Sherwood reported that she spoke with KC BOC Ray Thayer regarding the Port's proposed donation to the WADOT/City of Bingen's Highway 14 project as discussed at the budget hearing. He felt that the project would be funded in other ways, and although it was a nice gesture, he would rather see the Port spend the \$5,000 towards Port projects. Therefore, the budget does not include that expenditure. She also discussed the MALA issue with him, asking if he had any ideas on how the Port could finance the purchase or if KC would be willing to purchase the property. KC will be making some personnel changes. A long-term debt schedule and cash-flow analysis are not available to them at this time. Until that information is available, they would be unable to make any commitments. KC BOC's commitment for the EDA's recommended grant of \$300,000. for a new building at Bingen Point is contingent, pending that information as well.</p> | |
| <u>! EXECUTIVE DIRECTOR'S REPORT</u> <u>*BINGEN POINT*</u> <u>! Dock/Ramp Project</u> | <p>A pre-construction meeting was held on November 29 with Mr. Betz and his on-sight supervisor, Chad Lindley, and Aaron Eder and John Buzzzone of Kennedy/Jenks. All contract documents are in place and the performance and payment bonds are here. A Notice to Proceed has been issued and they are expected to begin work immediately.</p> | |

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| ! <u>Gorge Delights</u> | Exec.D Sherwood reported that she and Ron Wherry met yesterday and continued work on the agreement. She introduced Ron Wherry, General Manager of Gorge Delights to give a brief presentation of their proposed operation. Mr. Wherry provided a sample of one of their products (dehydrated fruit bar) which is targeted for the school lunch program, the Defense Dept. and NASA. Their operation will produce five different products, any one of which will sustain the plant. He anticipates 40 to 43 jobs in the first year. Bell Design's survey reveals that there is 3.02 acres of Parcel #13 that is not impacted by a future road in the Master Plan. They may need a portion of Parcel #12 for future development, and so have asked that the Port grant them a first-right-of-refusal on that parcel should the PC ever decide to sell it. Their engineer is reviewing the plan to determine if the building will fit in light of the new survey information. If it is determined that a portion of Parcel #12 is needed for the building, the binding site plan could be updated with a boundary line adjustment to change that parcel line. Mr. Wherry stated that they hope to reach agreement with the Port quickly and then be able to start construction at the end of December or early January. The PC have a copy of the latest letter outlining terms for the agreement. Exec.D Sherwood asked the PC to review the letter and offer any comment's as soon as possible. | |
| ! <u>Gorge Harbor Marina Lease</u> | Discussed during Counsel's report. | |
| ! <u>Mount Adams Loggers' Assoc. (MALA) Property</u> | Along with the Port, the City's of Bingen and White Salmon, Columbia Gorge Windsurfing Assoc. and KC have all sent letters to the Corps regarding the proposed siting of a tribal in-lieu site on the MALA property. Exec.D Sherwood requested a copy of the appraisal of the property from the Corps. She continues to investigate options for the purchase of the property. | |
| * <u>DALLESPORT INDUSTRIAL PARK*</u> ! <u>Draft Grading Plan</u> | Fowler's estimate for blasting of Lots #21 and #31 and the twin peak area (Lots #20 and #32) is \$150,000.00 to \$420,000.00. A preliminary grading plan for DIP has been prepared by Kennedy/Jenks. An associate will come out to further evaluate the site before moving further on the grading plan. Although PC consensus was reached at the last meeting, Exec.D Sherwood preferred a motion approving an addendum to the existing contract with Kennedy/Jenks to do the grading plan. | <i>PC Vinyard moved to approve Addendum #1 to the existing Kennedy/Jenks engineering contract to include preparation of a grading plan; seconded by PC Harvey – motion carried.</i> |
| ! <u>Weyerhaeuser</u> | Check Lappe has been approached by a truck driver interested in obtaining an old shed at DIP that was used by Paul Mossbrucker a couple of years ago. Mr. Mossbrucker has apparently abandoned the shed and any improvements would normally stay with the property. She asked the PC to consider surplusing the shed. A Hold Harmless agreement would have to be signed by anyone dismantling the shed. It was determined to try and contact Mr. Mossbrucker regarding any interest he may have in the shed. | <i>PC Vinyard moved to surplus the old shed contingent upon contacting Paul Mossbrucker, giving him one week to respond and remove the building; seconded by PC Harvey – motion carried.</i> |

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| <u>MISCELLANEOUS</u> <u>! January meeting</u> | Exec.D Sherwood noted that the first meeting in January would normally fall on New Year's Day. She asked if the PC wanted to reschedule the first meeting or just cancel the January 1 meeting and have only the one meeting on January 15. PC consensus to cancel the January 1 meeting and meet only on January 15. | |
| <u>! WPPA Annual Meeting - Dec. 12-14, Bellevue</u> | PC Deo will be attending the Annual meeting which begins on December 12 and PC-elect Rodger Ford will be attending the New Commissioner meeting which will be held December 11. | |
| <u>! Committee Representative Assignments</u> | Committee representatives need to be determined for the coming year. Wayne will stay on as representative to the KC EDA. It was determined to select PC Deo as the WPPA representative with PC-elect Ford as backup. Representatives for MCEDD, the Airport Commission, RTC, the Watershed Committee and the Hwy 35 Steering Committee will need to be determined. | |
| <u>! Committee Meetings</u> | PC Vinyard will attend an EDA meeting and PC Harvey will attend a MCEDD meeting tomorrow. | |
| <u>PUBLIC COMMENT</u> | | |
| <u>! Matt Riley - Water rates</u> | <p>Matt asked if the Port would consider giving a discount rate for water to be used in their crushing operation in order to improve the Port's water rights; possibly considering an annual rate. They use 400 to 500 gallons per minute when they are crushing, which would go along way to improving the water rights but he doesn't want to pay a lot more than it costs for him to pump water. They may start crushing on Thursday and would like to see something by then. Exec.D Sherwood will fax a copy of the Port's current water rates to the Riley's main office. Matt will have Jim Riley contact Exec.D Sherwood as he is aware of what it costs for them to pump water also. PC Harvey asked if they have a well. Matt said they recycle the water that runs back into the drainage. Exec.D Sherwood asked if the pit has water in it all the time, even in the summer. Matt replied that although it does not in the floor of the pit, it does in the corner where it is dug down. PC Harvey asked if they have dug down into the water table. Matt stated that they have dug a four-foot diameter hole 20 feet deep in the pit to extract water which they currently use when crushing. PC Harvey clarified that the Riley's intention is to continue pumping water out of the hole unless the Port gives them a special rate which would be less than their cost of pumping. Matt replied that as far as he knew that was their plan, but reduced water rates would be very advantageous to the Port to increase the water rights creating a win/win situation for both parties. Exec.D Sherwood asked if the Riley's had obtained a permit to dig a well to extract water. Matt stated that they got a permit to de-water the pit in 1996 during the flood. Matt said he did not contact the Dept. of Ecology (DOE) for a permit to dig a 20-foot hole to extract water.</p> | <i>Exec.D Sherwood will fax the water rates to the Riley's main office in Goldendale.</i> |

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| <u>! Mike Smith</u> | Mike discussed concerns regarding the Port's water runoff plan for DIP. Mr. Eiesland was concerned about his septic drain field. Kennedy/Jenks believes the water would flow from Eiesland's onto Port property. Steve Tessmer clarified that in a high water year, water flows from the Eiesland property through the culvert under Highway 197 and onto Port property. Mike said that Mr. Eiesland's concern is that the east side of the culvert not be blocked by any Port activity, thereby restricting the flow and backing it up into his drain field. Exec.D Sherwood stated that storm water issues will be addressed in the grading plan and that Mr. Eiesland will be involved in the process. | |
| <u>! Steve Tessmer</u> | Steve wished to clarify that Gorge Harbor Marina is not asking for "reimbursement" as reflected in the November 20 minutes. They want the startup costs to be treated as "capitalized expense" for the purposes of calculating rent. Steve also felt it was important to keep the pressure on RTC for the underpass access. With the possible Gorge Delights operation, the underpass will be more and more critical. | |
| <u>! Rodger Ford</u> | Rodger stated that he is looking forward to the WPPA New Commissioner meeting next week. | |
| <u>ADJOURNMENT</u> | | <i>PC Vinyard moved to adjourn at 6:09; seconded by PC Harvey - motion carried.</i> |

Approved on: _____
submitted _____
(Date)

Respectfully

Vickie L. Drew, Administrative Assistant

Dianne Sherwood, Executive Director

B. Marc Harvey, Chairman