

Agenda for Tuesday, December 18, 2001
Klickitat County Port District
2nd Regular Monthly Meeting
Workshop
December 18, 2001 - 4:00 P.M. - PORT OFFICE

AGENDA

EXECUTIVE SESSION - Potential Litigation

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

ADMINISTRATIVE MATTERS

Consent Agenda:

1. Minutes - September 28, 2001 - PC Retreat
2. Minutes - November 20, 2001
3. Minutes - December 4, 2001
4. Vouchers

Financial Report - November
2002 Mileage Reimbursement Rate
Roy-G-Biv Lease Renewal
USFS Grants

EXECUTIVE DIRECTOR'S REPORT

BINGEN POINT:

Dock/Ramp Project Update
• Pre-construction Meeting & Schedule
Gorge Delights

DALLESPORT INDUSTRIAL PARK:

Wastewater Treatment Project
Riley Bros. Concrete

WORKSHOP: Gorge Harbor Marina Lease

MISCELLANEOUS

WPPA Annual Meeting - PC Update

- Legislative Committee Discussion Agenda

Klickitat County WACERT Rankings

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

ADJOURNMENT

PORT OF KLICKITAT BOARD OF COMMISSIONERS MEETING MINUTES December 18, 2001 WORKSHOP		
<u>TOPIC</u>	DISCUSSION/ASSESSMENT/FINDINGS	ACTION/FOLLOW UP
<u>ATTENDANCE:</u>	<p>Commissioners/Staff Present: Port Commissioners (PCs) S. Wayne Vinyard; B. Marc Harvey; and Norm Deo; PC-Elect Rodger Ford; Port Counsel (Counsel) Teunis Wyers; Executive Director (Exec.D) Dianne Sherwood; and Administrative Assistant (AA) Vickie Drew</p> <p>PC/Staff Absent:</p> <p>Guests Present: Matt & Jim Riley (Riley Bros.); Byron Hanke (Port Consultant); Steve Tessmer (Gorge Harbor Marina); and Mike Smith (Dallesport).</p>	
<u>EXECUTIVE SESSION - Potential Litigation</u>	<p>Chair Harvey opened the public meeting at 4:06 and immediately went into Executive Session. Those present: Port Commissioners (PCs) S. Wayne Vinyard; B. Marc Harvey, Norm Deo; PC-Elect Rodger Ford; Port Counsel (Counsel) Teunis Wyers; Executive Director (Exec.D) Dianne Sherwood; and Administrative Assistant (AA) Vickie Drew.</p>	<i>PC Vinyard moved to adjourn the Executive Session at 4:49; seconded by PC Deo – motion carried.</i>
<u>PUBLIC COMMENT</u>	<p>Chair Harvey reopened the public meeting at 4:52. There was no public comment.</p>	
<u>COUNSEL'S REPORT</u>	<ul style="list-style-type: none"> • <u>Pacific Rock Products (Pac Rock):</u> Exec.D Sherwood has received a layout of the proposed aggregate conveyor. There are a few problems that she illustrated for the PC. She will relate these concerns to Pac Rock. Counsel is still waiting to hear from Pac Rocks' attorney regarding the agreement documents. • <u>Gorge Delights:</u> The non binding letter of intent has not been signed and returned to the Port. • <u>Roy-G-Biv</u> has submitted a written request for renewal of their lease. This is their final option for a three-year period. At the current CPI, their lease rate would increase approximately 3.5 cents per square-foot. The actual increase will be determined when the year-end CPI information is available. 	

<p><u>ADMINISTRATIVE MATTERS</u> <u>! Consent Agenda</u></p>	<p>Items approved:</p> <ul style="list-style-type: none"> • Minutes of September 28, 2001 - PC Retreat • Minutes of November 20, 2001 • Minutes of December 4, 2001 • Vouchers #17141 - #17143; \$3,293.38 • Vouchers #17144 - #17159; \$4,111.84 <p>Minutes corrections: PC Deo noted that he was absent at the December 4 meeting and therefore could not have seconded the motion to adjourn. Mike Smith stated that his comment regarding</p>	
<p><u>ADMINISTRATIVE MATTERS</u> <u>! Consent Agenda, cont.</u></p>	<p>the direction of water flow under Hwy. 197 was reported incorrectly. It has never been his impression that the water flowed from Port property onto Eiesland's property. The incorrect sentence will be stricken from the December 4 minutes.</p>	<p><i>PC Vinyard moved to approve the Consent Agenda with the noted changes; seconded by PC Deo – motion carried.</i></p>
<p><u>! Financial Report - November</u></p>	<p>Postponed until next meeting.</p>	
<p><u>! 2002 Mileage Reimbursement Rate</u></p>	<p>Exec.D Sherwood reported that the mileage reimbursement rate for 2002 will be \$.365 per mile.</p>	
<p><u>! Roy-G-Biv Lease Renewal</u></p>	<p>Discussed during Counsel's Report.</p>	
<p><u>! USFS Grants</u></p>	<p>Exec.D Sherwood requested PC approval to apply for available grants from the USFS. She would be applying for a grant for infrastructure engineering for Parcel #13 and a grant for engineering for a new building for I.C.E. The deadline for these applications is January 10.</p>	<p><i>PC Vinyard moved to authorize Exec.D Sherwood to apply for grants with the USFS; seconded by PC Deo – motion carried.</i></p>
<p><u>! Potential New Tenant</u></p>	<p>Exec.D Sherwood reported that she has been approached by a firm for a one-year lease for space within the SBDC. The firm cleans household items that have been damaged by smoke, water, or fire and has four employees. She is concerned about the chemicals and smell that may result from their process. MSDS sheets would be provided and all of the solvents that they use are approved to run through septic/sewer systems. The company is willing to finish construction of the partition wall between Bay B and the Port office and shop. PC consensus to approve the lease.</p>	
<p><u>EXECUTIVE DIRECTOR'S REPORT</u> <u>*BINGEN POINT*</u> <u>! Dock/Ramp Project Update</u></p>	<p>Exec.D Sherwood reported that construction has begun with excavation of the old ramp. Crestline Construction is doing the excavation work. Mr. Betz plans to have the job completed by the end of February. A copy of the construction schedule was included in the packet. Exec.D Sherwood gave the PC the opportunity to view a video of the construction she took with the Port's new digital camera.</p>	

<p>! Gorge Delights</p>	<p>Discussed during Counsel's Report.</p>	
<p>*DALLESPORT INDUSTRIAL PARK*(DIP) ! Wastewater Treatment Project (WWTF)</p>	<p>Exec.D Sherwood reported that work is going very well at the WWTF site. Riley Bros. Concrete is doing the concrete work. Fowler Construction broke the Port's main water line again this morning. All of the Port's water users were without water until about 3:30 when the line was repaired.</p>	
<p>! Riley Bros. Concrete</p>	<p>Exec.D Sherwood reported that she and PC Deo met with Jim Riley at the Riley pit to inspect their site. She is concerned that there may be a liability issue for the Port since DOE has not granted a permit for a well. John Buzzzone (Kennedy/Jenks) looked at the site on Wednesday and felt it is definitely a well and that DOE needs to look at it. She and John Buzzzone also met with Bob Eiesland on Wednesday to discuss the water flow issues pertaining to his property and the Port's property within the Industrial Park. She assured Mr. Eiesland that any storm water created on Port property would be channeled toward the new Port road that would be created adjacent to Hwy. 197. A wetland area which holds the storm water south of Eiesland's drain field is owned by the City of The Dalles.</p>	

<p><u>WORKSHOP: Gorge Harbor Marina Lease</u></p>	<p>Byron Hanke was present to mediate the workshop discussion regarding the question of Gorge Harbor Marina's start-up costs as a capitalized investment for the purposes of calculating rent. Steve brought an accounting of the expenses he is talking about which totals approximately \$280,000. Byron has read the original lease document and subsequent documents. The original lease agreement provided for Port profit of 1% of net with \$3,000.00 a month allowed as a deduction to net income in perpetuity. The original agreement has expired and the Port and Mr. Tessmer have been attempting to (agree on) work out a new agreement. The Port is now requesting 1 percent of gross; therefore, Gorge Harbor Marina is asking that \$275,000.00 be allowed as a capitalized expense. It was clarified that reimbursement was not an appropriate term, the \$275,000 would simply be allowed as capitalized expenses that would be deductible from future rent payments. Byron was unclear when the \$3,000.00 (referred to in the original document) became payable. Steve replied that the expense would begin once the project is viable. Since the project will pay itself back first, this expense merely delays the time when the Port receives its share of the profits in the form of rent payments from the project. Steve stated that this project was never intended to be a money maker for the Port. Byron stated that his role is to help determine (1) is anything fair, (2) is a different number fair, and (3) when is it due and payable. It is important to determine if these are developer up-front costs that might not even pertain to what the Port should be responsible for. He suggested that there are probably some other ways that could make this more of a win/win project for all parties. Byron stated that the Port should have a minimum amount of money from the project for the value of the property Steve pointed out that it was important to keep in mind that after the term of the lease, all the project improvements become the property of the Port and <u>all</u> the revenues go to the Port. PC Deo asked how Steve's investors feel about the project at this point. Both of his major investors are ready to move forward. PC Vinyard pointed out that the Port has made improvements and have expenses obligated that he feels are not being recognized. It was determined to seek the advice of other Marina operators regarding ways to structure a lease that would be beneficial to all parties. Rodger Ford asked what time frame Steve is looking at for the permitting. Steve replied that he has some corrections to make to the mitigation documents and then return them to Carl Dugger of the Washington Dept. of Fish and Wildlife. He feels that they are very close to getting the permit.</p>	<p><i>Exec.D Sherwood and Byron will meet to discuss possible lease structures.</i></p>
<p><u>MISCELLANEOUS</u> <u>! Appreciation to PC Harvey</u></p>	<p>Exec.D Sherwood wished to thank PC Harvey for his six years of work as a PC, stating that it has been a pleasure working with him. The Port has purchased a gift for him which, unfortunately, was not ready for presentation this evening. She did present all the PC, including PC-elect Ford, a denim shirt with the Port's logo on it. PC Harvey stated that he is very impressed with the job that Exec.D Sherwood is doing, that AA Drew has risen up to her position really well, and that he appreciates the work that Maint. Tech Lethco has done. PC Vinyard stated that it has been a pleasure working with him and appreciates his friendship.</p>	

<p><u>! WPPA Annual Meeting - PC Update</u></p>	<p>PC Deo reported that he attended the WPPA Annual Meeting and found it to be very informative. He felt he may not be the best representative for the Port as he had some trouble staying focused on the issues due to concerns of his own business. Exec.D Sherwood told him that at the last meeting, the other PC voted him to be the WPPA representative. Rodger Ford attended the New Commissioner meeting at the same conference. He was really impressed with the WPPA and found it very informative. He wished that it had been extended to two days since some of the early speakers went long, so others had to be cut short. He met several knowledgeable people that will be invaluable for future networking. A copy of the WPPA Legislative Committee discussion agenda was included in the PC packets.</p>	
<p><u>! KC WACERT Rankings</u></p>	<p>In consideration for a USFS grant, KC confirmed that they will move the Port's projects to numbers one and two on the WACERT priority ranking list.</p>	
<p><u>! Kennedy/Jenks Award</u></p>	<p>Exec.D Sherwood reported that Kennedy/Jenks is a potential award recipient for the Dallesport WWTF. An awards banquet will be held January 9 at the Governor Hotel in Portland. Exec.D Sherwood may be able to attend.</p>	
<p><u>PUBLIC COMMENT</u></p>		
<p><u>! Matt Riley</u></p>	<p>Matt stated that he thought tonight went very well with four Port Commissioners, maybe the Port should look into having more PCs.</p>	
<p><u>! Jim Riley</u></p>	<p>Jim stated that he felt it was hard enough to get three decent people let alone five.</p>	
<p><u>ADJOURNMENT</u></p>		<p><i>PC Deo moved to adjourn at 6:55; seconded by PC Vinyard -- motion carried.</i></p>

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Approved on: _____
submitted _____
(Date)

Respectfully

Vickie L. Drew, Administrative Assistant

Dianne Sherwood, Executive Director

S. Wayne Vinyard, Chairman