

Agenda for Tuesday, January 15, 2002
Klickitat County Port District
1st Regular Monthly Meeting
January 15, 2002 - 4:30 P.M. - PORT OFFICE

AGENDA

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

COUNSEL'S REPORT

Pacific Rock Products Lease

ADMINISTRATIVE MATTERS

Election of Officers

Consent Agenda:

1. Minutes - December 18, 2001
2. Vouchers - December 31, 2001 - Payroll
3. Vouchers - January 15, 2002
4. Checks - January 15, 2002 - B. Pt. Project Acct.

Financial Report - November & December

PC Annual Personal Financial Affairs Statement

PC Committee Assignments

- Bridge/Hwy 35 Crossing Committee
- MCEDD
- Water Shed

New Bank Signature Cards

Approval of Servpro Lease

Resolution 1-2002: Delegation of Authority

Riley Bros. Concrete - Option to Renew Operating Agreement

USFS Grant

EXECUTIVE DIRECTOR'S REPORT

BINGEN POINT:

Dock/Ramp Project Update

Gorge Delights

DALLESPORT INDUSTRIAL PARK:

Scale Shack - CRT/Mosbrucker

Pacific Rock Products - Gravel Conveyance System Alignment

MISCELLANEOUS

KC EDA Meeting - Jan. 16, 2002

Bridge/Hwy 35 Crossing Mtg., Jan. 29, W.S. Park Ctr., 5-7:30 p.m.

Executive Director Vacation, January 16-29

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

ADJOURNMENT

	PORT OF KLINKITAT BOARD OF COMMISSIONERS MEETING MINUTES January 15, 2002 REGULAR SESSION	
<u>TOPIC</u>	DISCUSSION/ASSESSMENT/FINDINGS	ACTION/FOLLOW UP
<u>ATTENDANCE:</u>	Commissioners/Staff Present: Port Commissioners (PCs) Norm Deo, Rodger Ford and S. Wayne Vinyard, Port Counsel (Counsel) Teunis Wyers, Executive Director (Exec.D) Dianne Sherwood and Administrative Assistant (AA) Vickie Drew. PC/Staff Absent: Guests Present: Marc Harvey (Lyle), Matt Riley (Riley Bros. Concrete) and Mike Smith (Dallesport).	
<u>PUBLIC COMMENT</u>	Vice-chair Vinyard opened the public meeting at 4:33. There was no public comment.	
<u>! Election of Officers</u>	In the normal rotation, PC Vinyard would be Chair, PC Deo would be Vice-chair and PC Ford would be Secretary.	<i>PC Vinyard moved to appoint PC Vinyard as Chair, PC Deo as Vice-chair and PC Ford as Secretary; seconded by PC Ford – motion carried.</i>
<u>ADMINISTRATIVE MATTERS</u> <u>! Consent Agenda</u>	Items approved: <ul style="list-style-type: none"> • Minutes of December 18, 2002 • Vouchers #17160-17174; \$9,435.39 • Vouchers #17175-17177; \$3,617.90 • Vouchers #17178-17210; \$54,080.76 • Check #157 - \$38,472.03 PC Ford noted a typo on the first page of the minutes which will be corrected.	<i>PC Deo moved to approve the Consent Agenda with noted correction; seconded by PC Ford – motion carried.</i>
<u>! Financial Report - November</u>	AA Drew discussed the financial statement ending November 30. The balance sheet shows the excess cash receipts over expenditures at \$224,870.34. This amount does include receipt of the \$129,521.00 KC Grant. She discussed revenue and expense account percentages (actual vs. budget) against the target of 92%. Marine Terminal revenues are at 110% of budget, Sale of Water revenues are at 126%, and Property Rental revenues are at 93%, and total revenues are at 99%. Marina Expenditures are at 99%, Water System Expenditures are at 102% and Property Rentals Maintenance is at 84%. Port Counsel Expense is at 74% and Office Expense-Supplies is at 86.5%. Total expenditures are at 69% overall leaving a net income of \$224,870.34.	

<p><u>! Financial Report - December</u></p>	<p>AA Drew also discussed the financial statement ending December 31. The balance sheet shows the excess cash receipts over expenditures at \$226,088.24. (This amount also includes the \$129,521.00 KC Grant which has not been expended. With the grant funds backed out, the true net income is \$96,567.24. She discussed revenue and expense account percentages (actual vs. budget) against the target of 100%. Marine Terminal revenues are at 115% of budget, Sale of Water revenues are at 126%, and Property Rental revenues are at 105%. Total revenues are at 104% Marina Expenditures are at 110%, Water System Expenditures are at 111% and Property Rentals Maintenance is at 92%. Port Counsel Expense is at 83% and Office Expense-Supplies is at 104%. Total expenditures are at 74% overall (since construction expenses have not been expended), leaving a net income of \$226,088.24. Non-expenditure of the IAC Grant funds and the overage in the dockage amount were discussed. A trend report for the fourth quarter was included in the packet.</p>	
<p><u>COUNSEL'S REPORT</u></p>	<ul style="list-style-type: none"> • <u>Pacific Rock Products (Pac Rock):</u> Counsel stated that the copy of the Pac Rock lease is for PC review; approval is not requested at this time. He stated that the only item left unresolved is the issue of what Pac Rock would charge the Port per hour to use their conveyor system to move Port material. Exec.D Sherwood stated that previously a ballpark figure of \$78.00 per hour was discussed, however, Pac Rock wants to determine what their costs will be before determining a final rate. Counsel was impressed with the job Pac Rock did on reaching a middle ground on the issues he was concerned about. PC Deo had some questions on a couple of the points. He would like to see firmer language regarding Pac Rock's determination of a suitable time for the Ports' and other producers' use. He was also concerned that the design of the conveyor should allow feasible midstream injection of third party material. It may be important to decide how much of the design the PC want to see before signing the lease. There are still a few issues to work out in the design and alignment of the conveyor. Discussion followed regarding the amount of acreage, options to renew and CPI adjustments and the wharfage rate of \$.11 per ton. PC Ford inquired regarding the disposition of improvements at the end of the lease term. Counsel directed him to Section 8, page 4 of the document. Discussion followed. PC Deo asked if there is any time pressure to complete the lease. The PC will review the document for later discussion. • <u>Servpro Lease:</u> Counsel and Exec.D Sherwood are resolving whether Servpro is a company, a LLC or a Corporation and is Joel Olsen's title owner or member. Exec.D Sherwood has requested a copy of the articles of organization from Mr. Olsen. 	
<p><u>! PC Annual Personal Financial Affairs Stmt.</u></p>	<p>Exec.D Sherwood stated that it is time again for the PC to complete their Annual Personal Financial Affairs Statements. They are due by April 15, 2002.</p>	

<p><u>! PC Committee Assignments</u></p>	<p>Exec.D Sherwood noted the need to assign a PC to the committee seats that were vacated by PC Harvey.</p> <ul style="list-style-type: none"> • <u>Bridge/Hwy 35 Crossing</u>: Meetings are held quarterly at the Expo Center in Hood River. PC Ford will be the Port's representative. Next meeting: Jan. 29, White Salmon Park Center, 5-7:30 p.m. • <u>Mid-Columbia Economic Development District (MCEDD)</u>: Meets every two months at Columbia Gorge Community College in The Dalles on the third Wednesday of the month from 7:15 to 9 p.m. PC Ford will be the Port's representative. <p>PC Vinyard will continue to be the Port's representative to the Klickitat County Public Economic Development Association (KC PEDDA) Board and PC Deo will continue as the Port's representative on the Airport Board.</p> <ul style="list-style-type: none"> • <u>Water Shed</u>: This is a new committee which has approximately 20 members including Mike Smith. Meetings are at the PUD meeting room in Goldendale, and the group is in the process of determining the best day and time to meet. Exec.D Sherwood had agreed to participate unless one of the PC was willing. PC Ford will take the position pending schedule determination. Exec.D Sherwood has substituted for the PC's when they have been unable to attend their committee meetings. PC Vinyard stated that we should make arrangements with the various committees to allow Exec.D Sherwood to substitute for the PC, and clarify if she has the same voting authority as the PC. 	
<p><u>! New Bank Signature Cards</u></p>	<p>Exec.D Sherwood asked PC Ford if he is willing to be a signatory on the Port accounts. It is necessary to fill out a new signature card to remove Marc Harvey's name and add PC Ford.</p>	<p><i>PC Vinyard moved to modify and approve Exec.D Sherwood, PC Deo and PC Ford as signatories on all of the Port's bank accounts; seconded by PC Deo – motion carried.</i></p>
<p><u>! Approval of Servpro Lease</u></p>	<p>Although the PC agreed at the previous meeting to enter into the agreement, Exec.D Sherwood requested a motion for approval of the Servpro lease.</p>	<p><i>PC Deo moved to approve the Servpro lease with the changes that will be clarified by Counsel; seconded by PC Ford – motion carried.</i></p>
<p><u>! Resolution 1-2002</u></p>	<p>Tabled until George Fox can lead a discussion regarding delegation of authority and after Exec.D Sherwood and he can modify the resolution to be more specific to our small Port's needs.</p>	

<p><u>! Riley Bros. Concrete Option to Renew Operating Agreement</u></p>	<ul style="list-style-type: none"> • Exec.D Sherwood reported that Riley Bros. Concrete has requested their automatic renewal of their operator's agreement for the final five-year option period. • The Riley's have also inquired if the PC would consider selling or trading Lot #39 where their batch plant is located. PC Deo felt it was important to get a property inventory designating lots to be considered for sale and those only for lease, but was open to discussion of the matter if the price was right and the sale would assist in resolving some of the issues with the Rileys. PC's Vinyard and Ford were not opposed to the discussion either. PC Ford requested further 	
<p><u>! Riley Bros. Concrete Option to Renew Operating Agreement, cont.</u></p>	<p>information regarding the unresolved issues. Exec.D Sherwood gave a brief rundown of those issues. Matt Riley was requested to submit a written proposal for PC review.</p> <ul style="list-style-type: none"> • A copy of a letter that Exec.D Sherwood wrote to the Riley's stating the Port's concerns regarding the recycle well was included in tonight's packet. 	
<p><u>! USFS Grant</u></p>	<p>Exec.D Sherwood reported that she completed applications for two Forest Service Grants. The first was a \$20,000.00 grant for infrastructure engineering and design for the Gorge Delights project, extending infrastructure to Phase III. KC would contribute \$8,800 to a Port match of \$8,000.00. The application will be presented on the 22nd and 23rd and we will know by the end of the month if the grant was approved. The second was an application for a \$50,000 grant for pre-design engineering and engineering for a building for I.C.E.'s proposed expansion. Mike Ferris (USFS) felt it was best to hold off on the application for the I.C.E. building until the next meeting in March rather than risk neither Port project being funded. The KC PEDa Board made a motion to grant the Port \$300,000.00 for the construction of a building for I.C.E., but it is contingent upon getting grant money from CERB and with the KC BOC approval. The KC BOC need to be better advised regarding their financial situation.</p>	
<p><u>! EXECUTIVE DIRECTOR'S REPORT</u> <u>*BINGEN POINT*</u> <u>! Dock/Ramp Project</u></p>	<p>Exec.D Sherwood reported that the Dock/Ramp project is progressing very well. Betz Construction is doing a very good job and is working well with Kennedy/Jenks. They anticipate that the project might be completed by the end of the month.</p>	
<p><u>! Gorge Delights</u></p>	<p>Exec.D Sherwood reported that she has received the signed letter of intent via fax from Gorge Delights. The Port and Gorge Delights will each get an appraisal of the property to establish value. Gorge Delights are still waiting for the letter of credit from Bank of America.</p>	
<p><u>*DALLESPORT INDUSTRIAL PARK*</u> <u>! Scale Shack</u></p>	<p>Exec.D Sherwood reported that Paul Mosbrucker had removed the old scale shack from DIP within the one week grace period the Port gave him.</p>	

<u>! Pacific Rock Products - Gravel Conveyance System</u>	Exec.D Sherwood reported that she and Byron Hanke met with John Shafer to discuss the conveyor alignment issues. A new alignment map should be available by the end of the month. PC Deo felt it was important to get input from Jim Riley regarding the Pac Rock lease. Counsel's advice had been for the PC to iron out all concerns they have with the agreement before sharing it with anyone else. PC Vinyard was hesitant to go against Counsel's advice.	<i>Exec.D Sherwood will discuss with Counsel the matter of sharing the Pac Rock agreement.</i>
<u>MISCELLANEOUS</u> <u>! KC PEDA Meeting</u>	The next KC PEDA meeting will not be held January 16. New information was received that the meeting has been changed to January 23.	
<u>! Bridge/Hwy 35 Crossing Meeting</u>	PC Ford will attend his first Bridge/Hwy 35 Crossing meeting January 29 at the White Salmon Park Center from 5:00 p.m. until 7:30 p.m.	
<u>! Exec. Director Vacation</u>	Exec.D Sherwood will be on vacation from January 16 through 29.	
<u>! Tribal In-lieu Site</u>	PC Ford inquired regarding the status of the proposed tribal in-lieu site on the MALA property. Exec.D Sherwood reported that Mount Adams Loggers' Association (MALA) has not received a written offer from the Corp. at this time. She will stay up on the progress.	
<u>PUBLIC COMMENT</u>		
<u>! Marc Harvey</u>	Marc wished to reiterate his and his wife's thanks for the parting gift (a back splash platter from Collage of the Gorge) acknowledging his contributions to the Port. He presented the Port with a framed picture of all the Port staff from the Building 1B ribbon cutting ceremony.	
<u>! Matt Riley</u>	Matt stated that as the Port's rock agent, he felt it was important for the Port to have Riley Bros. Concrete's input regarding the Pac Rock lease.	
<u>! Mike Smith</u>	Mike felt if the Port was going to have a discussion of the lease with Riley Bros., then why not make it a public meeting and get the opinions of all concerned, especially the barge companies. PC Deo would like it to be a public document as soon as possible, preferably before it is signed.	
<u>ADJOURNMENT</u>		<i>PC Ford moved to adjourn at 6:39; seconded by PC Deo - motion carried.</i>

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Approved on: _____
submitted _____
(Date)

Respectfully

Vickie L. Drew, Administrative Assistant

Dianne Sherwood, Executive Director

S. Wayne Vinyard, Chairman