

| PORT OF KCLICKITAT BOARD OF COMMISSIONERS MEETING MINUTES May 2, 2006 REGULAR SESSION | | M = moved S = seconded MP = motion passed |
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| <u>TOPIC</u> | DISCUSSION/ASSESSMENT/FINDINGS | ACTION/FOLLOW UP |
| <u>ATTENDANCE:</u> | <p>Commissioners/Staff Present: Port Commissioners (PCs) Rodger Ford & Wayne Vinyard; Port Counsel Teunis J. Wyers; Executive Director (Exec.D) Dianne Sherwood and minutes secretary Peter Frothingham</p> <p>PC/Staff Absent: Chairman PC Deo;</p> <p>Guests Present: Matt Riley (Rapid Readymix), Tim Hearn (Bingen City Council), Don McDermott (Dallesport Community Council), Vickie Drew, Mike Smith (Dallesport)</p> | Next meeting May 23, 2006, 4:30 pm. |
| <u>• PUBLIC COMMENT</u> | <p>Meeting opened at 4:30 by PC Ford. He asked for public comment. Vickie Drew spoke to the PC, saying she wished to withdraw her letter of resignation and asked to be reinstated. Exec.D Sherwood said that she sympathizes with her position but that the Port in the 5 weeks since her resignation had offered the position to another person and who has accepted the position. Mike Smith from Dallesport raised questions about the Port's practice regarding annual evaluations. He noted that a part of Vickie's request for reinstatement had to do with the absence of annual evaluations. He expressed his opinion that the Port's process for raises and dismissals was faulty.</p> <p>Tim Hearn asked that a letter be sent to the Council to express what is wanted for July 4th. Exec.D Sherwood said that there is a meeting planned for May 15th to set that out.</p> | |
| <u>• COUNSEL'S REPORT</u> <u>Parcel 39 - Bill of sale;</u> <u>Rapid Readymix,</u> <u>Underground</u> <u>Specialties, LLC Lease</u> | <p>Rapid Readymix is vacating Parcel 39 and selling the building and fence back to the Port. Counsel Wyers stated that the proposed bill of sale has been discussed between him and the Rapid Readymix's attorney. He suggested some revisions. As presented, the bill of sale calls for the Port to pay any applicable taxes. When Riley acquired the building from Groves, it should have gone onto the tax roles because it was segregated from the land and became personal property. There should have been a tax paid on the transfer. The building will be reconnected back to the property which is not a taxable transaction. The bill of sale will say that the sale settles a matter that has been under dispute in the past. If there were taxes that had not been paid, would the County have grounds to go back and seek to collect any unpaid taxes? Counsel Wyers said that if that happened Riley would likely go after the Port given the language in the bill of sale. Counsel Wyers has also included language that would transfer any real property interest that Riley has in the building to the Port. The changes need to be run past Jim Riley.</p> <p>PC Ford said that the language about paying the taxes should be taken out of the bill of sale so that the Port does not have to pay something that is not its responsibility. PC Vinyard says that he is ok with the \$5000 increase in price but was concerned about a back tax matter.</p> <p>Jim Riley has apparently given the proposed tenant a key to his gate, although the lease is not complete nor ready to execute. PC Vinyard expressed concern about possibly losing an opportunity, but recognized that neither the sale or lease are yet ripe. Exec.D Sherwood gave the bill of sale to Matt Riley and asked that he</p> | <i>PC Vinyard M to approve the voucher for \$50,000 to purchase the building and fence located on Parcel 39, after the issues have been resolved so that the Port can receive clear title. PC Ford S MP</i> |

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| <p><u>Bldg 1E Pre-load</u></p> | <p>investigate the tax question and get back to the Port. Bills of sale are not usually recorded and so there should be no excise tax. PC Vinyard wanted the Port to be able to pay the \$50,000 and proceed without any tax issue. Counsel Wyers said that the Port should not release any payment for Parcel 39 until the Port Commission is satisfied with the bill of sale. Exec.D Sherwood noted that if the check is approved at this meeting, the Port could move forward quickly when there is a satisfactory bill of sale.</p> <p>Exec.D Sherwood reported about building 1E and the potential of a claim. There has been no response from LL Lindberg to the correspondence and phone calls from the Port. Exec.D Sherwood said that Counsel would be kept in the loop.</p> | |
| <p><u>ADMINISTRATIVE MATTERS</u> <u>• Consent Agenda</u> <u>3/21 & 4/18 minutes</u> <u>Personnel</u> <u>Acct Training</u> <u>Chng date PC mtg</u></p> | <p>PC Vinyard asked about the additions to the vouchers. Exec.D Sherwood replied that some vouchers came in at the last minute, since this meeting is so early in the month..</p> <p>Exec.D Sherwood discussed the offer of employment letter that had been sent to Margie Zigler, who is currently employed by the City of White Salmon (for 11 years). She applied for the position of Admin. Asst. and bookkeeper. She has multiple abilities which will benefit the Port including certification as a Water Distribution Manager 1. Margie has agreed to go to the accounting system training, by utilizing her own vacation time. The cost is \$1600 for the 4 day training. Exec.D Sherwood explained the basic training on modules--Payroll, Accounts Payable, General Ledger--on the Mas 90 system in Tigard, OR. PC Ford and Vinyard supported having Margie go on the Port's behalf. Margie has not used MAS 90 but has extensive parallel experience.</p> <p>Exec.D Sherwood requested that the 5-16 meeting be moved to 5-23. The Commissioners concurred. Newspapers, PC Deo, etc. will be notified.</p> <p>The website is up and running. Exec.D Sherwood invited everyone to visit the website and provide any needed feedback. The project with MCCED is now complete. The Port will be able to update the data itself.</p> | <p><i>PC Vinyard M to approve the minutes and the consent agenda with the additional voucher for the purchase of the building.(see previous motion) PC Ford S MP</i></p> <p><i>PC Vinyard M that Margie Zigler be sent to training on May 9, 11, 12, 16 and the Port will pay all expenses PC Ford S MP</i></p> <p><i>Exec. D Sherwood will notify PC Deo, the newspapers, etc. of the change in May 16 meeting date.</i></p> |
| <p><u>EXECUTIVE DIRECTOR'S REPORT</u> <u>Bldg 1E, Fill request,</u> <u>The Dalles Yacht CI Req</u> <u>Grading Project</u></p> | <p>Exec.D Sherwood just got a document from Northern regarding earth settlement. Settlement averaged 3.3 inches. This occurred mostly in the 1st 38 days. The geotech says that the site is ready for building. 30 copies of the plans have been printed, plans will go to area plan centers. Bids will be requested and opened on 5/25 at 3 pm and the apparent low bidder will have an hour to get their list of subcontractors to us. After the Architect's review with all information verified, then the PC could award the bid at the next PC meeting.</p> <p>Exec.D Sherwood attended a meeting regarding Building 1E with PC Ford at the KC Board of Commissioners (BOCC) office today. Exec.D Sherwood explained the time table due to the pre-load and the anticipated increase in project cost. There was about ½ hour of questions. The BOCC says that there is consensus to honor its grant commitment of \$300,000 for this project. The MOU does need to be re-done and re-signed. PC Ford suggested that the Port needs to initiate the MOU. The County was presented with some of the options the Port has outlined for reducing the cost of the building. INSITU has added 106 new FTE positions since the CERB application was written in March 2005; 176 FTE, 20 interns working this summer, and 4-5 consultants. Exec.D Sherwood stated that she has had conversations with Insitu's top people and they have indicated that they want to stay in this area. PC Ford reported that the County said that this was very likely to be the last funding help in Bingen urging future development to occur in Dallesport. The Port has been pushing to prepare Dallesport for development.</p> | |

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| <p><u>EXECUTIVE DIRECTOR'S REPORT</u> <u>(continued)</u></p> | <p>Exec.D Sherwood talked about the fill request from Colville Tribal Services, who were awarded the project for the new sewer line extension. The Port will allow the three feet and smaller rocks and dirt to be placed on parcels 1 and 2 at B. Pt.</p> <p>There has been a request from The Dalles Yacht Club for a variance to allow members who no longer have boats to park their RVs here overnight on Memorial Day weekend. Typically they come and stay in the boat basin. The Port supports that, but no longer allows RVs or overnight parking. PC Vinyard expressed concern about the precedent and asked what the community benefit would be. Tim Hearn suggested that Port might allow RV use on holiday weekends only. Don McDermott expressed concern about the precedent. PC Vinyard concurred expressing concern over the ability to monitor fee collection, day by day issues, and policing.</p> <p>Exec.D Sherwood discussed discussions with Tenneson Engineering regarding the scope of work for a grading and utility project master plan for Bingen Point. The proposed cost for creating the master plan is \$45,000. Because of the amount, Exec.D Sherwood suggested the Port might have to break the project up into phases. About 23 acres may be impacted, and the fill may be better used in the area where the Port will be looping the utility systems. In parcels 2 and 3 the Port is already pretty well at grade, even though there are some pretty large rocks under the top grading. Using the map, Exec.D Sherwood pointed out and explained some of the options. All the infrastructure will go down the planned roadway. The road bed probably needs to come up at least a foot or two. PC Vinyard asked whether the proposal is within budget. Exec.D Sherwood said that the budget reflects approximately \$65,000 in engineering. PC Vinyard asked whether the Port needs to get another estimate or RFP. Exec.D Sherwood likes the responsiveness of Tenneson, and they have been designated the Port Engineer. PC Ford said that he would like to see the Port move forward on this. Exec.D Sherwood confirmed consensus for her to proceed to negotiate a personal services contract with Tenneson for grading at Bingen Point as proposed.</p> <p>George Bennett has given the Port a scope of work for assistance with the Dallesport aggregate pit reclamation plan project. PC Ford had questions about the three tasks that need to be completed. Might the Port just do part of them? PC Ford believes the Port needs to do all three. It would cost \$6000 to get the reclamation project ready for completion. The reclamation plan has not yet been sent in to DNR for processing, due to concerns that in its present form it would be likely to be kicked back. Final grades should not produce a situation where there will be storm water pooling. PC Ford said that George Bennett had originally said that it would be flat, and the final grading needs to produce a natural flow in the grading. There is a level at which the Port should stop mining even if there is additional aggregate below. PC authorized negotiation with George Bennett to move it forward, while still providing an opportunity for PC Deo to comment regarding the scope of work.</p> <p>Exec.D Sherwood talked with Marty Hudson at Klickitat County noxious weed board and he has arranged for sheep and goats with Max Hernandez to arrive the 4th and or 5th of May. The animals will utilize the north side of parcel #40 (Southside Enterprises lot), which will have one fenced side.</p> <p>Bruce Schmid has stated that he will fix the logs that have encroached onto parcel #41. Exec.D Sherwood clarified that an amendment to the lease will be written that will split the lot from East to West. Bruce must fix</p> | <p><i>Exec.D Sherwood will notify The Dalles Yacht Club of the decision to stick to the current policy.</i></p> |
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| <p><u>EXECUTIVE DIRECTOR'S REPORT (concluded)</u></p> | <p>the damaged fence.</p> <p>Exec.D Sherwood reported on the Port's water system out at Dallesport, as the mercuriod relay switch had stuck open causing the reservoir to overflow which caused flooding over the weekend. An electrician or the Port's engineer will help assess the problem and fix it. The chlorination levels were low due to the mechanical failure, so Jared notified the DOH and Port tenants regarding the absence of adequate chlorination in the water.</p> <p>Exec.D Sherwood had an hour meeting with Ross Island Sand and Gravel's Chuck Steinwandel, Jim Rue and Larry Nicholas about the alignment of a haul road and access agreement. Their attorney will contact Counsel Wyers. PC Vinyard asked when they want to move materials. Exec.D Sherwood replied that they want to move materials beginning this November. Exec.D Sherwood has calls in to Rinker to explore concerns about where the road would intersect their planned conveyor sometime in the future. PC Vinyard expressed concerns about a possible conflict between the conveyor and a future extension of the rail line, as well. Exec.D Sherwood said that the conveyor would have to go overhead or underground with the preferred option being underground. Moving forward with an agreement is in the Port's interest because Ross Island will be paying wharfage fees for moving the aggregate materials. Ross Island also requested incidental use of the Port's roadways. Exec.D Sherwood clarified that it is not Ross Island's intention to use Port roads to access Washington or Oregon highway systems, and Ross Island assured her that was not their intention. If there is to be commercial use on the roads PC Vinyard wants a mechanism in place to pay for the maintenance of roads. Ross Island expressed an interest in any RFP that may be issued for the aggregate pit at Dallesport. Don McDermott suggested that Counsel Wyers be asked to look at any leases.</p> | |
| <p><u>MISCELLANEOUS Committee updates WPPA Exec Dir Mtg Sun Mtn Lodge, Winthrop</u></p> | <p>PC Ford - no committee report PC Vinyard- no committee report. KC EDA is expected on the 11th which appears to conflict with another meeting. PC consensus that Exec.D Sherwood attend the WPPA Executive Directors meeting July 12-14th. PC Ford cannot go to the spring meeting, although his schedule may allow him to attend the WPPA's Port Commissioner's conference.</p> | |
| <p><u>PUBLIC COMMENT</u></p> | <p>No public comment</p> | |
| <p><u>ADJOURNMENT</u></p> | | <p>PC Ford adjourned the meeting at 6:18</p> |

Approved on: May 23, 2006
 (Date)

Respectfully submitted Peter Frothingham
 Peter Frothingham, Minutes Secretary

[Signature]
 Dianre Sherwood, Executive Director

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 Norm Deo, Chairman