

<b>PORT OF KLUCKITAT BOARD OF COMMISSIONERS MEETING MINUTES November 28, 2006 REGULAR SESSION</b>		
<b>TOPIC</b>	<b>DISCUSSION/ASSESSMENT/FINDINGS</b>	<b>ACTION/FOLLOW UP</b>
<b><u>ATTENDANCE:</u></b>	<b>Commissioners/Staff Present:</b> Port Commissioners (PCs) Norm Deo, Rodger Ford & Wayne Vinyard; Executive Director (Exec.D) Dianne Sherwood; Port Counsel Teunis J. Wyers and Administrative Assistant/Bookkeeper, Margie Ziegler <b>PC/Staff Absent:</b> none <b>Guests Present:</b> none	
<b>• PUBLIC COMMENT</b>	Chair Deo opened the public meeting at 4:40pm. There was no public comment.	
<b>• COUNSEL'S REPORT</b>  <b><u>Amerigas</u></b>	<p>Port Counsel Wyers reported that the Amerigas(AG) lease expired by its own terms. Negotiations with Amerigas have begun for a new lease and Amerigas appears to be cooperative. John Pianki is the new regional manager for Amerigas. This company has had three ownership and name changes since they have been on DIP property so assignments and buyouts are common place. A conditional use permit (CUP) is now needed from Klickitat County for this use and doesn't appear that one was secured at the time of original occupancy. Counsel Wyers explained the Amerigas accident and how the Dallesport Fire Department was not trained properly to handle a propane fire, so did not put water on the tanks. By removing the small tanks from site, Amerigas said the chances of a fire will be reduced. The Port was told employee training has been improved to prevent further accidents. The EPA issued a fine to Amerigas, which allowed the purchase of a new fire truck for the Dallesport Fire Department and training of the fire department personnel on how to prevent propane fires. The railroad tracks are going to be inspected and Amerigas will be required to pay for any damage that must be repaired.</p> <p>The CUP process will force AG to comply with all applicable laws. Jim Riley submitted written comments to the Port regarding a lack of a CUP. Ex Dir Sherwood will respond to Jim Riley's comments. PC Ford asked if there will be generation of revenue with Amerigas' use of the rails. (Yes) AG parking in easement was discussed and Counsel Wyers said Amerigas has been made aware of all the port's concerns. PC Deo asked if a fire hydrant should be placed in that area. Ex Dir Sherwood agreed that the hydrant location is something that should be considered and the fire department should give input on the hydrant location now that training has provided expertise. PC Vinyard suggested a temporary lease be signed due to liability.</p>	Port Counsel Wyers and Exec. Dir. Sherwood will continue negotiations with Amerigas for a new lease.
<b><u>ICE Bldg. 1B</u></b>	ICE lease for building 1B expired 11/15/06 and Counsel Wyers will respond to ICE with a letter. The lease will be upgraded for compliance to our current master lease.	Port Counsel Wyers will write a letter to ICE to start lease negotiations.
<b>• COUNSEL'S REPORT</b>  <b><u>Continued</u></b>  <b><u>ADMINISTRATIVE MATTERS</u></b> <b>• <u>Consent Agenda</u></b>  <b>• <u>Port Account Balances as of 11-28-06</u></b>	<p>Counsel Wyers recommends that Resolution No. 9-2006 be passed but then brought back to the PC after it has been updated in better keeping with master lease provisions. Counsel Wyers and Exec. Dir Sherwood will review the resolution and make recommendations.</p> <p>Items approved:</p> <ul style="list-style-type: none"> <li>• Minutes of November 7, 2006</li> <li>• Vouchers #20968-20972 ; \$4,414.35</li> <li>• Wire Transfer to Bank of New York; \$64,796.25</li> <li>• Vouchers #20973-20990 ; \$9,796.26</li> </ul> <p>Admin Asst/Bkbp Ziegler presented the Port Account balances as of November 28, 2006. Exec. Dir Sherwood explained the wire transfer '03 Bond debt payment. She said of the Bldg. 1E construction funds, approx.</p>	<p>PC Ford M, PC Vinyard S a motion to approve the Consent Agenda as presented MP.</p>

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<p>● <u>AA/Bkkper: Probationary Period</u></p> <p>● <u>December PC Meeting</u></p> <p>● <u>Executive Session Personnel</u></p> <p>● <u>2007 Budget Hearing</u></p>	<p>\$142,000 will be reserved for sales tax as a tax deferral has been filed for Bldg. 1E with the Dept of Revenue. She is estimating a year end carry over of total port funds to be approx. \$1million.</p> <p>Exec Dir. Sherwood said Margie Ziegler has successfully completed her six month probation period on 11-15-06, and recommended that she should be placed on permanent status and further recommended an increase of one dollar per hour effective 1-1-07. PC Vinyard asked if an evaluation has been completed. Exec Dir Sherwood said she is simplifying the evaluation form and will complete AA/Bkkp evaluation this week. PC Vinyard said it is important to have the evaluation completed and in the personnel file before any pay increase takes effect.</p> <p>PC Deo and PC Ford will be gone in December but will return by December 19<sup>th</sup>. PC Deo asked for an executive session at the December 19th meeting to complete the employment evaluation for Exec. Dir. Sherwood. She will email the evaluation form from 2005 and a blank form for 2006 to the PC Commission.</p> <p>PC Deo adjourned the regular PC Meeting at 5:10pm and went into Executive Session to discuss Personnel. Those present were Port Commissioners: Norm Deo, Rodger Ford &amp; Wayne Vinyard.</p>	<p><i>Evaluation will be completed for AA/Bkkp Ziegler this week.</i></p> <p><i>Next PC Meeting will be Dec. 19<sup>th</sup> with an executive session for Exec. Dir Sherwood's annual evaluation.</i></p>
	<p>PC Deo adjourned the regular PC Meeting at 5:10pm and went into Executive Session to discuss Personnel. PC Deo re opened the regular PC Meeting at 5:30 pm</p> <p>PC Deo opened the 2007 Budget public hearing at 5:31pm There were no public comments</p> <p>Exec. Dir Sherwood explained changes from the last draft budget and discussed the fixed assets/capital improvements detail sheets. Building 1E's final payout and retainage will not be competed in 2006 so funds will carry forward to 2007.</p> <p>The underground power line project at DIP was added to the CIP budget for \$65,000 so that DIP lots #40, 41, and 42 could become shovel ready. Interested tenants are limited because of the power lines. PC felt there needs to be more funds budgeted for road improvements at DIP and the entry road is going to need repairs. Future discussion needs to happen to develop a plan for DIP road maintenance.</p> <p>Exec. Dir. Sherwood suggested instead of hiring a seasonal, part-time person that the Port add an additional full-time maintenance employee. She said that in our advertising search for a part-time employee we are not getting response from the caliber of employee we need. She is not pleased with the current landscape company and suggests not renewing their contract and use that savings to pay for half of the new FT employee salary. The landscape contract would need to be increased due to the addition of Bldg 1E landscaping. She said Jared Ladwig is becoming ever more responsible for facilities management and has taken a huge burden off her desk. Many times Jared is pulled from one job at the port to respond to another tenant complaint, so with the addition of another employee, the port will be better served. As part of the Employee and Salary Benefit expenses were discussed, PC Vinyard said there is pressure on the port to keep up with employee benefits. PC Deo said having employees pay for a portion of medical benefits is something to consider, but he feels is a great benefit to offer our employees. PC Ford ask to see the WPPA Salary and Benefit survey. It was determined that all ports our size do pay for medical benefits for employee and dependants. PC Deo suggested being consistent with other ports and pay for employee and dependants while the Port can. PC Vinyard wanted the total benefit package cost to be shared with each employee during their annual evaluation. PC Vinyard said adding an additional maintenance person would put the Port ahead of the curve and continue</p>	

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● **2007 Budget Hearing continued**

to get projects completed. Exec Dir Sherwood explained with only one maintenance person there is no back up in case of an emergency or when Jared is on vacation. Jared will be able to take on more and more facilities management duties. PC Ford said he was skeptical at first about adding more payroll burden on the port's budget, but sees how it will be so valuable to have additional trained staff as we grow.

Salaries included in the 2007 budget are: Port Commissioners, \$100.00 per month plus per diem; Executive Director, a full-time position at \$66,600.32; Administrative Assistant/Bookkeeper, a full-time position at \$36,607.30; Facilities & Maintenance Operator, a full-time position at \$33,800.00 a Maintenance Operator, a full-time position at \$30,066.00, and a Marketing/Public Relations fulltime position at \$46,800.00.

There was discussion regarding snow removal. PC Deo suggested purchasing a front end loader backhoe because it would have more uses at the Port. Exec Dir Sherwood said she would like money budgeted if a good used backhoe can be found. PC Deo said he would do an evaluation and appraisal on the backhoe before making a purchase. Adding snow plows to trucks or movers was discouraged.

The purchase of a new truck was discussed. The current truck is costing the port a considerable amount in fuel because it is being driven to DIP two days a week and only gets 6 to 7 miles per gallon. With the addition of a new maintenance employee, another vehicle will be needed.

There was discussion on the mower. PC Deo said how valuable it is for Jarred to continue the preventative maintenance his is doing on all equipment. PC Deo said when the mower starts to smoke and has trouble starting then it's time to talk about replacement.

Exec. Dir. Sherwood asked if there are any concerns on salary and staff recommendations. There were no concerns. PC Deo closed the 2007 Budget public hearing at 6:20 PM

The Industrial Development District (IDD) will be an increase of .45 per thousand dollars of assessed value, as allowed under RCW 53.36.100. This is not very much of an impact compared to other agencies as evidenced by the pie chart in the PC conference room. PC Ford asked if there has been any input as far as bringing in the rest of the county into the port district. As DIP grows, the job opportunities for Goldendale area residents are going to increase. PC Vinyard finds it hard to believe that Glenwood is involved and not Goldendale. PC Ford said there are a lot of people interested about port business in our county.

Exec Dir Sherwood requested the PC consider passing resolution 9-2006 with the understanding that it needs to be brought back and updated after PC Counsel and staff have reviewed each fee. For example it calls for CIP increases and the Port has been using a flat 3% per year increase. A water rate study should be completed to see that our rates comply with our needs of the water system.

**EXECUTIVE DIRECTOR'S REPORT**

**\*Bingen Point\***

**● Bldg 1E Update:**

Exec Dir Sherwood gave an update on Bldg 1E. The Port has received a temporary occupancy permit from the county. Insitu has been authorized to install anti-static paint on the floor in the manufacturing area. There is still work to be done in the restroom and office areas. The painters still need to finish painting the outside of building. The landscaping is a concern because it is too wet, and will need to be done in the spring.

Exec Dir Sherwood asked for input from the PC Commission regarding extending Team's contract or pursuing liquidated damages. The holidays and weather have slowed down work. She feels Team has made a good effort and has had extra crews working weekends during nice weather. The biggest delay has been caused by

*PC Vinyard M, PC Ford S a motion to approve Resolution 6-2006 adopting the Port's Final 2007 Budget. MP*

*PC Vinyard M, PC Ford S a motion to approve Resolution 7-2006 authorizing an increase of the port's tax levy. MP*

*PC Vinyard M, PC Ford S a motion to approve Resolution 8-2006 adopting an Industrial Development District Property Tax Levy for 2007 through 2012. MP*

*PC Vinyard M, PC Ford S a motion to approve Resolution 9-2006 authorizing proprietary-type user charges for Port goods and Services. MP*

*By consensus the PC extended the contract with Team Construction and no pursuit of liquidated damages at*

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	<p>Garco. Insitu has informed her that there is not a rush and they have been patient. There has not been any more discussion on fencing of the parking area. PC Deo wants to give Team an extension although PC Vinyard does not want the extension to weaken the contract with Team and PC Ford wants the extension to be for a date certain.</p>	<p>this time.</p>
<p>● <u>Normark Innovations Lease</u></p>	<p>Normark Innovations Inc is an off shoot company of Luhr Jenson, and the lease is a standard boiler plate lease. The security deposit as previously agreed by the PC for the small space is three months rent. Exec Dir Sherwood recommends the lease be approved as presented as the tenants are eager to move in. Jarred and Estabon are painting the warehouse area this evening.</p>	<p>PC Ford M, PC Vinyard S a motion to approve Lease with Normark Innovations, Inc. MP</p>
<p>● <u>Lake Pump Electrical</u></p>	<p>The conditions of the electrical panel at the Bingen Lake pump needs to be updated. Starters and fuses are blowing, as it was determined that amp fuses are not correct. PC Deo gave a history of the problems and said how repairs were always being done in emergency situations under winter weather conditions.</p>	<p>By consensus the PC agreed to seek prices for upgrading the electrical for the Bingen Lake Pump.</p>
<p>● <u>Grading and Infrastructure Plan</u></p>	<p>The personal service contract has been completed with Tenneson Engineering Corp for completion of a grading and infrastructure plan for a portion of Bingen Point property.</p>	<p>By consensus the PC agreed to direct Exec. Dir Sherwood to enter into a PSC with Tenneson Eng. Corp. for a grading plan at B.PT.</p>
<p><u>Dallesport Industrial Site</u></p>		
<p>● <u>Lake Pump Electrical</u></p>	<p>Exec Dir Sherwood discussed that the City of White Salmon is having water rights discussions with the City of Bingen and how they are trying to come up with an agreement to help White Salmon solve it's water moratorium problem. The City of White Salmon is exploring a temporary water rights transfer from the PUD's Goldendale Aluminum Plant. The Port got 5% use of water from its investment in the White Salmon/City of Bingen/Port's multi-jurisdictional water system project.</p>	
<p>● <u>Water Rights</u></p>	<p>PC Deo said how it is important for the Port to be represented at meetings in order to protect our water rights. He said KC has been very supportive of the Dallesport Airport. Exec Dir Sherwood said the Port's application for water rights at Bingen Point was applied for in 1994 (for irrigation) and the application is ahead of the City of White Salmon's pending water right application.</p>	
<p>● <u>Appraisals</u></p>	<p>John Wooden previously has done appraisal work for the Port in 2003. He will look at Lot 17, Block 34 through 36 and Block 40 through 42. Lot 17 will be difficult to appraise "as is" since it has no improvements and the topography is extreme. An engineer may have to determine grading and fill expenses associated with that lot.</p> <p>The reclamation plan has been submitted to the DNR. George Bennett is moving forward in helping the Port to establish RFP criteria for aggregate mining. The operator's agreement with Riley Brothers Concrete will expire March 7, 2006. Exec Dir Sherwood wants to make sure the RFP is advertised well in advance so that all interested companies have adequate time to respond before the current agreement's expiration.</p>	<p>By Consensus the PC recommends Exec Dir Sherwood to execute a PSC with John Wooden for appraisals.</p>
<p>● <u>Miscellaneous</u></p>	<p>Exec Dir Sherwood requested attendance to the WPPA Annual Meeting in Seattle, December 6-8, 2006.</p>	<p>By Consensus the PC recommend Exec Dir Sherwood attend the WPPA Annual Meeting.</p>
<p>● <u>Committee Updates</u></p>	<p><u>KC EDA</u>: PC Vinyard attended the meeting on November 9<sup>th</sup>.</p> <p><u>MCEDD</u>: PC Ford will attend the next meeting will be December 13<sup>th</sup></p> <p><u>Airport</u>: PC Deo - said the new full time maintenance person has been hired. Chuck has resigned as chair and was very dedicated. They are still working on funding.</p>	

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<b><u>PUBLIC COMMENT</u></b>	None	
<b><u>ADJOURNMENT</u></b>	Adjournment 7:08 PM.	<i>Chair Deo adjourned the public meeting at 7:08pm.</i>

Approved on: \_\_\_\_\_

Respectfully submitted \_\_\_\_\_  
(Date)

\_\_\_\_\_  
Dianne Sherwood, Executive Director

\_\_\_\_\_  
Margie Ziegler, Administrative Assistant

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Norm Deo, Chairman