

<p style="text-align: center;">PORT OF KLIICKITAT BOARD OF COMMISSIONERS MEETING MINUTES May 22, 2007 REGULAR SESSION</p>		
TOPIC	DISCUSSION/ASSESSMENT/FINDINGS	ACTION/FOLLOW UP
<u>ATTENDANCE</u>	<p>Commissioners/Staff Present: Port Commissioners (PCs) Norm Deo, Rodger Ford & Wayne Vinyard; Executive Director (Exec.D) Dianne Sherwood; Director Marketing/Public Affairs (DM/PA) James Donnelly; Port Counsel Teunis J. Wyers and Administrative Assistant/Bookkeeper, (AA/B) Margie Ziegler.</p> <p>PC/Staff Absent: none</p> <p>Guests Present: Matt Riley, (Rapid Ready Mix Inc); Morey Meacock and Jared Schock, (Flat Broke Metals) and Steve Maier, (ICE).</p>	Meeting called to order at 4:33 pm
<u>COUNSEL'S REPORT</u>	<p>Port Counsel Wyers said we have reached an agreement with AmeriGas and the lease is very close to what was originally proposed. PC Deo wanted to make sure there is language in the lease addressing AmeriGas' their needed conditional use permit from Klickitat County. PC Ford wanted to know if a final report has ever been submitted to the PC regarding the damaged to the rails during the fire. Exec.D Sherwood said AmeriGas said there was not sufficient damage to the tracks and if there was AmeriGas would repair it. PC Ford said large and small tanks are still being stored outside the fenced area. Exec.D Sherwood explained the renewal option and that the lease rate increases 3% each year and that the lease ensures they comply with all laws. She will outline the CUP requirement in her cover letter.</p> <p>Port Counsel Wyers reported that Herbrand has sold Dallesport Log Yard, LLC, to Paul & Dorie Cothren, who will operate under the same name. The Cothren's have exercised their option to renew, and Exec.D Sherwood has prepared a letter in response. Paul Cothren has been working at Dallesport Log Yard and has an excellent relationship with Weyerhaeuser, the transition should be seamless.</p> <p>Port Counsel Wyers said Verizon has asked for changes to the last lease agreement and it is still being negotiated.</p> <p>Port Counsel Wyers said he is waiting for a response from ICE's attorney regarding the pending lease. Steve Maier, ICE, said their attorney is on vacation for three weeks.</p> <p>There was general discussion regarding long term ground leases to tenants that would build their own buildings. Port Counsel Wyers was directed to prepare a master lease document so the Port will be ready for when we have interest from private investors. He already has a draft document and would like to tailor it for the Port. This type of lease is very common at other ports. The leases would be for longer periods of time and the Port would remain the owner of the land.</p>	By consensus, the PC authorizes Exec.D Sherwood to executed the lease with AmeriGas.
<u>AmeriGas</u>		
<u>Dallesport Log Yard</u>		
<u>Verizon</u>		
<u>ICE</u>		
<u>General Ground Leases - Draft</u>		
<u>ADMINISTRATIVE MATTERS</u>	<p>Items approved: Minutes of April 17, 2007 Vouchers - April 30, 2007 Vouchers - May 10, 2007 Vouchers - May 22, 2007 Wire Transfer - June 1, 2007 Financial Report - February & March 2007 Trend Report - 1st Qtr 2007 Annual Report - Status</p> <p>Exec.D Sherwood answered PC questions regarding expenses for DIP 101 Parallel Ave. Building improvements. The Health Care Authority payment included Sanchez and Donnelly premiums for April and May 2007. There was also discussion regarding the need for panel joint maintenance of the DIP 101 Parallel Ave. Building. The annual premium was paid to Bennett/Porter for the Port's annual maintenance contract for the accounting software. Payments were also made to Tenneson Engineering for the B.Pt grading plan</p>	<i>PC Vinyard M, PC Deo S a motion to approve the Consent Agenda as amended. MP</i>
<u>Consent Agenda</u>		

<p><u>Financial Report</u></p> <p><u>Annual Report</u></p> <p><u>Signatures on Safe Deposit Box</u></p> <p><u>Per Diem Rate for Port Commissioners</u></p> <p><u>KC Auditor Election Openings</u></p> <p><u>Executive Director's Report Bingen Point</u></p> <p><u>Bldg 1E Update:</u></p> <p><u>Pikeminnow Sport Reward Program</u></p> <p><u>Sheriff's Report</u></p> <p><u>Dallesport Industrial Park* (DIP)</u></p> <p><u>Aggregate Mining - Update</u></p> <p><u>Underwood Fruit Project</u></p>	<p>contract.</p> <p>PC Ford requested an addition to page four of the minutes under Committee Updates regarding meeting with PC Ford and Andrea Klaus, add improvements at DIP also to the comment regarding the airport.</p> <p>AA/B Ziegler presented the February 2007, March 2007, and the 1st Qtr 2007 Trend financial reports.</p> <p>Exec.D Sherwood said the POK Annual report has been sent to George Fox, CPA, for review, after which, the report will be submitted to the State Auditor's Office and Key Bank by May 31, 2007. PC Deo wanted to know when the Port's next audit will be. Exec.D Sherwood said the Port will be audited in 2007, but we have not yet been called with dates.</p> <p>Exec.D Sherwood said AA/B Ziegler's name needs to be added to the signature card of the safe deposit box at Sterling Savings, and Vickie Drew's name needs to be removed.</p> <p>Exec.D Sherwood reported Senate House Bill 1368 was signed by the Governor and will increase the Port Commission per diem rate from \$70.00 to \$90.00 effective July 22, 2007.</p> <p>Exec.D Sherwood shared that the Port of Klickitat's Position #2 is opened. PC Ford said he plans to run again. Exec.D Sherwood said the landscaping and irrigation is completed.</p> <p>The asphalt repair is scheduled May 24-27, 2007 (weather permitting) and that will work with Insitu's schedule. Grinding will begin on Thursday, seal coating on Friday & Saturday, and striping on Sunday.</p> <p>Exec.D Sherwood said the Department of Fish and Wildlife has contacted the Port and will be doing the Pikeminnow Sport-Reward Program again at the marina.</p> <p>Exec.D Sherwood shared the KC Sheriff's Dept. report regarding a car being found in the Bingen Marina. She said KC Sheriff McComas said he will come to Port and meet with her. She asked where the car had gone off into the water. The KC Sheriff's Dept should contact the Port if we have any other incidents in the future.</p> <p>The 4th of July fireworks at Bingen Point were also discussed. Exec.D Sherwood said she will start the planning meetings.</p> <p>Exec.D Sherwood gave an update on the Aggregate Mining progress. More information has been requested from two operators. Some of the information arrived today and Exec.D Sherwood should have the rest of the information by the end of the week.</p> <p>Exec.D Sherwood asked the PC for direction and feedback regarding long-term leases. The lease could be as long as 30 years with two, ten year options. PC Deo said he is supportive of this particular project and stated that the investment will enhance the Port and the County. PC Vinyard said this project has a broader effect for the agriculture business as well as employing people. These employees are long term citizens of our community and we want them to stay in our area. PC Ford asked if there is a year round use for the building. Exec.D Sherwood said Underwood Fruit is considering all uses.</p>	<p><i>PC Deo M, PC Vinyard S a motion to approve the signature card of the safe deposit box at Sterling Bank to adding Ziegler and deleting Drew. MP</i></p> <p><i>By consensus, the PC agreed to having the 4th of July fireworks celebration at Bingen Point.</i></p> <p><i>By consensus, the PC directs the Exec.D to proceed with negotiations for a long-term lease.</i></p>
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DIP 101 Parallel Building

The roof of the 30K sq ft building was discussed. Exec.D Sherwood said the engineer did not give a cost estimates. They did recommend a complete tear off. Exec.D Sherwood would like to approach the replacement of roof after a tenant is selected. A new tenant may not want the skylights replaced for example. Bids will be requested once it is determined exactly what needs to be done to the roof.

DM/PA Donnelly handed out an advertisement for the 101 Parallel Building that was put on the Port's website. The Washington Prospector website has been updated, and a Goggle ad has been posted. DM/PA Donnelly has updated the property listing on the Columbia Gorge Economic Development division website.

DM/PA Donnelly said there have been four companies interested in the building and he discussed the types of businesses.

DM/PA Donnelly said this is just a start on marketing the property as there are many marketing techniques to use.

Dallesport Salvage

DM/PA Donnelly said a scrap metal recycling company is interested in siting on property at DIP with rail access. They are currently trucking materials to Schnitzer Steel in Portland. Exec.D Sherwood said since parcel #4 is the only property that has public access to the rail spur, the Port would prefer a month-to-month agreement. Environmental issues associated with that use were discussed. DM/PA Donnelly and Exec.D Sherwood thanked Flat Broke Metals for their interest and they will be in contact with them.

MARKETING REPORT

DM/PA Donnelly attended the Workforce Housing Summit and gave an update. The cost of housing has outpaced the increase in wages. He shared a report of the economics of housing in the Columbia Gorge. He said the report showed that tourism and agriculture are primary employers (behind government) of the Columbia Gorge and the wages paid are far below what people are earning in manufacturing jobs.

DM/PA Donnelly attend the WPPA Spring Conference and gave highlights of the meeting.

MISCELLANEOUS

PC Ford: MCEDD meeting did not attend because it was held while he was on vacation.

Committee Update:

PC Deo: Attended Airport meeting on May 18th, 2007. He said that funding has been approved for the engineer to develop an RFP for well drilling. With the hiring of the new management the Airport prognosis looks really good. Constructing additional hangers was also discussed.

KC Project Priorities

WPPA Finance and Administration Seminar

PC Vinyard: KC Public Economic Development Authority meeting was held on 5/10/07. DM/PA Donnelly also attended the meeting and gave a quick review of the Port and handed out the "Port at a Glance". All entities are focusing on infrastructure funding. Columbia Gorge Airport lobbied our senators for funding for runway extension and improvement dollars, as a line item. He said the Airport is requesting CERB funding for the well development project.

DM/PA Donnelly attended the Dallesport Community Council and they thanked him for attending.

PC approved AA/B Ziegler to attend the WPPA Finance meeting June 20-22, 2007 in Bellingham.

Exec.D Sherwood shared the KC 2007 Project priority list that will be submitted to MCEDD.

Public Comment

Steve Maier, ICE, discussed his interest in building a new facility at BPT on Parcels #16 and #19 and

By consensus, the PC agreed to send AA/B Ziegler to the WPPA Finance meeting.

By consensus, the PC is in support

Maier would like to purchase the land. Exec.D Sherwood said that Steve is aware of the process: that any sale would need to go through the public process and the property price would be at fair market value. Steve showed a plot diagram with the building layout. Looping of infrastructure systems and funding, road layout, and building design were discussed. Steve stated that DIP does not work for his company because of the extensive HVAC needs, due to climate and his composite process. Exec.D Sherwood thanked Steve Maier for his interest and was glad to hear that his company is doing so well and in need of more space, and they will continue their discussions. *of the ICE Building Project.*

ADJOURNMENT

Meeting adjourned at 6:38 pm

Approved on: _____
(Date)

Margie Ziegler, Administrative Assistant

Dianne Sherwood, Executive Director

Rodger Ford, Chairman