

Agenda for Tuesday, May 22, 2001
Klickitat County Port District
2nd Regular Monthly Meeting
Workshop
May 22, 2001 - 4:30 P.M. - PORT OFFICE

AGENDA

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

COUNSEL'S REPORT

ADMINISTRATIVE MATTERS

Consent Agenda:

1. Minutes - May 1, 2001
2. Vouchers - May 15, 2001- Payroll
3. Vouchers - May 15, 2001

Financial Report - April

DIP Water Rates

- Increase
- Hydrant Rate

WORKSHOP: ANNUAL STATE OF THE PORT ADDRESS

GUEST: James Herman, CPA

EXECUTIVE DIRECTOR'S REPORT

BINGEN POINT:

- Entry Landscape Project
- Design

- Clean-up
- Sprint Easement
Marina Park Irrigation
Wedding
NMFS Discussion

DALLESPORT INDUSTRIAL PARK:

- Pacific Rock Products
Infrastructure Improvements
- USFS Grant / Port Match
 - KC EDA Board Presentation
 - Engineer RFQ
- Waste Water Treatment Facility

MISCELLANEOUS

Brian Shortt - USFS; Hog Fuel Project
WPPA Finance & Admin. Seminar - June 20-22, Leavenworth

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

ADJOURNMENT

PORT OF KLICKITAT BOARD OF COMMISSIONERS MEETING MINUTES May 22, 2001 REGULAR SESSION		
<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; 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 Riley (Riley Bros.); Jeff Eiesland (Dallesport); and Mike Smith (Dallesport).</p>	
<u>PUBLIC COMMENT</u>	<p>Chair Harvey opened the public meeting at 4:37.</p> <p>There was no public comment.</p>	
<u>COUNSEL'S REPORT</u>	<p>Counsel had no report.</p> <ul style="list-style-type: none"> • Exec.D Sherwood discussed the proposed attorney agreement noting that the previous agreement expired February 1, 2000, however, it does have a provision for automatic renewal unless terminated. She stated that Counsel has done a great job for the Port and has been a mentor to her, helping her better her skills for the Port. She felt it was appropriate to increase his fees. The new agreement would be effective July 1, 2001 through December 31, 2001 in keeping with the fiscal year. The PC would have the option to review the agreement on a yearly basis. The fee schedule would remain on a tiered basis in five hour segments and reflects a \$35.00 per hour increase at the top end with \$15.00 difference between tiers. The current rates charged by Counsel are substantially less than the going rate for the Gorge area. The requirement for attendance at a minimum of two meetings a month has also been changed to "attendance as requested by the Executive Director". • Exec.D Sherwood discussed the portion of the agreement that states that Counsel would be covered under the Port's liability policy. AA Drew checked with the Port's insurance carrier and determined that this, in fact, is not the case. That portion of the agreement will be stricken and initialed by both parties. • <u>Miscellaneous Items:</u> Exec.D Sherwood reported that a letter addendum regarding the Insitu lease will allow them to continue on a month-to-month basis at \$.38 per square foot. She and Counsel are working on the Weyerhaeuser lease and are waiting to hear back from Steve Tessmer regarding the Marina lease. Counsel urged Tessmer's response be in written form. 	<p><i>PC Vinyard moved to accept and execute the legal service agreement for general counsel between Teunis J. Wyers, P.C. and the Port of Klickitat - effective July 1, 2001 through December 31, 2001; seconded by PC Deo – motion carried.</i></p>

<p><u>ADMINISTRATIVE MATTERS</u> <u>! Consent Agenda</u></p>	<p>Exec.D Sherwood discussed this first try at doing a consent agenda which included the minutes of May 1, 2001 and vouchers from May 15.</p>	<p><i>PC Vinyard moved to approve the items on the Consent Agenda of May 22, 2001; seconded by PC Deo -- motion carried.</i></p>
<p><u>! Vouchers - May 22, 2001</u></p>	<p>Exec.D Sherwood discussed these vouchers which were not included in the consent agenda noting payment for local telephone service for two months due to non-receipt of the previous months bill.</p>	<p><i>PC Vinyard moved to approve Vouchers #16459 through #16464 on the General Fund in the amount of \$774.63; seconded by PC Deo -- motion carried.</i></p>
<p><u>! Cash Balances Memo</u></p>	<p>AA Drew discussed the cash balances memo noting liquid funds of \$421,569.66. The Port's State Pool General investment account has a balance of \$419,690.00. At this time last year the balance in that account was \$201,500.00.</p>	
<p><u>Financial Report - April</u></p>	<p>AA Drew discussed the financial statement ending April 30. The balance sheet shows the excess cash over expenditures at \$40,478.86. She discussed revenue and expense account percentages (actual vs. budget) against the target of 33%. Marine Terminal revenues are at 48% of budget, Sale of Water revenues are at 55% due to 4th quarter billings received this year, and Property Rental revenues are at 42%. Total revenues are at 31%. Water System Expenditures are at 42% and Property Maintenance Expenses are at 29%. Marina Expenses and Utilities Expenses are at 22% and 20% respectively. Property Rentals-Other is already at 89% due to the repairs to the truck. Port Counsel Expense is at 42% and Office Expense-Supplies is at 34%. Total expenditures are at 27% overall leaving a net income of \$40,478.86.</p>	
<p><u>! Dallesport Industrial Park Water Rates</u></p>	<ul style="list-style-type: none"> • Increase - Exec.D Sherwood discussed the note in the Sale of Water portion of Appendix A in Resolution 13-99 which states that the rates would be adjusted yearly by 3% beginning January 1, 2001, which has not yet been done. She also discussed the spreadsheet which shows the water usage at the Dallesport Industrial Park over the last eight years. She compared the usage by Riley Bros. rock crusher in 1993 (9,106,000 gals.) against their usage in 2000 (10,960 gals.) PC Deo noted that the Riley's began recycling the water at some point during that period (Matt later stated that recycling began in 1997). PC Harvey also noted the Ramco building shut down during that same time and also questioned why the Oregon Cherry Growers used so much water early on. Exec.D Sherwood stated that they had a leak which was eventually repaired. Discussion followed regarding an increase of the rates. Counsel suggested leaving the rates as they are and revisiting the issue again next year. PC consensus not to increase the current water rates. • Eiesland agreement - Exec.D Sherwood discussed the 2-year special agreements that have been in place with Columbia Hills R.V. Park to sell them water from the Industrial Park. She recommended a new agreement that would be open ended. 	

<p><u>! Dallesport Industrial Park Water Rates, cont.</u></p>	<p>• Hydrant rate - Exec.D Sherwood discussed the fact that the Port has not addressed the issue of establishing a hydrant rate although Dallesport Log Yard uses Port water for dust suppression on the roads at Dallesport. Currently there is no meter on the hydrant and no specific rate for use of water from the hydrant. We currently rely on Dallesport Log Yard to report the correct number of 2,000 gallon truck loads. Discussion followed regarding the cost of installing a water meter. PC Deo suggested an in-line flow meter would be less expensive. PC Harvey stated that there is a 2.5 inch line on the east side of the Foundry that may have a meter on it. He also said there is an old meter on the line going out to the slag pile.</p>	<p><i>PC Deo moved to approve the special agreement regarding the sale of water to Columbia Hills R.V. Park; seconded by PC Vinyard – motion carried.</i></p> <p><i>Exec.D Sherwood will follow up with Kennedy/Jenks regarding the costs of water meters.</i></p>
<p><u>! Attorney Agreement</u></p>	<p>Discussed during Counsel's report.</p>	
<p><u>WORKSHOP: Annual Report</u></p>	<p>Exec.D Sherwood introduced Jim Herman to present his analysis of the Port's annual report. Mr. Herman discussed the fact that in 1997 the Port was selling assets to cover expenses. He stated that it is always desirable that operating revenues cover operating expenses. Looking at the annual report, cash generated by operations is the best it's ever been. He said things are looking very good for the Port. The amount of grants received in 2000 are almost as much as the amounts received in years 1995 through 1999 combined. This is a nice way to get money to generate assets and places for businesses to come into the area. He was pleased to be able to give the PC good news as compared to what it was a few years ago. He made several suggestions: 1) prepare a complete balance sheet which would include a sub-schedule of the Port's assets including not only the cost of the asset but also the estimated fair market value. He commented that looking at the balance sheet, all of the Port's assets are cash; it doesn't show any of the property or equipment that the Port owns. A possible threshold could be any property greater than \$5,000 in value. 2) He also suggested a report of the payrolls of all the Port tenants including use of the multiplier effect to show what the Port's activities have brought to the area by providing a location for those businesses. Counsel suggested including a provision in all Port leases requiring tenants to provide this information. Mr. Herman discussed the beautiful full-color graphs that AA Drew provided with the annual report noting that they lend a visual perspective to the numbers. The PC thanked Mr. Herman for his report and his suggestions.</p>	

<p>! EXECUTIVE DIRECTOR'S REPORT *BINGEN POINT* ! Entry Landscape Project</p>	<p>Exec.D Sherwood discussed the preliminary landscaping plan provided by CIDA for the entrance road. Now that the area along Lakeview Blvd. is cleared of the dead trees, she asked them for a plan to assist the Port in knowing where to plant 200 Douglas Fir and Ponderosa Pine seedlings which would be planted by the Boy Scouts. An agreement for professional services was included in tonight's packet. The contract sum is \$1,530.00 and she would like the PC to execute the agreement. She would also like to advertise for bids for someone to clear the area of the stumps and further develop the site in preparation for planting. PC Vinyard suggested heeling in the little trees at some other location just to get them in the ground for now as they will eventually begin to sprout buds even</p>	
<p>! Entry Landscape Project, cont.</p>	<p>under refrigeration. He felt the time it would take to get the site prepared may be longer that the trees should remain refrigerated. The Scouts could replant them later when the site is fully prepared. Discussion followed. PC consensus for Exec.D Sherwood to sign the professional services agreement with CIDA and proceed for bids for the cleanup.</p>	
<p>! Sprint Easement</p>	<p>Exec.D Sherwood discussed the Sprint easement and the fact that after all considerations, the original proposal was the best. A change was made in that they will have non-exclusive use of the access road. Screening of the site was discussed and a provision for future landscaping (once irrigation is run to that area) could be included, in keeping with the Port's adopted Landscape Master Plan and CC&R's.</p>	
<p>! Marina Park Irrigation</p>	<p>Exec.D Sherwood discussed the irrigation problems at the Marina Park. Some of the lines are bad and there are many different sizes of sprinkler heads. She hopes to make the irrigation plan part of the dock/ramp project if the funding agency would allow its inclusion. The cost of improvements is estimated in the neighborhood of \$3,500 to \$5,000.</p>	
<p>! Wedding</p>	<p>Exec.D Sherwood reported that a couple has asked to have their wedding at the Marina Park on June 30. PC consensus to allow the use.</p>	
<p>! NMFS Discussion</p>	<p>Exec.D Sherwood discussed the meeting that was scheduled with Dr. Kate Vandemoer of National Marine Fisheries Service (NMFS). PC's Deo and Harvey were unable to attend, however, it was decided to meet as planned with Exec.D Sherwood, PC Vinyard, and Steve Tessmer in attendance to discuss the Marina project. Dr. Vandemoer discussed the permit and why she thought things were stalled. She said there is a lot of history between NMFS and the Corp. of Engineers (Corp) and even possibly personality conflicts. She had some suggestions that may help move the process along, including having the Port be the applicant instead of the Corp (on the Port's behalf). She thought the marina was such a small area that it should have minimal impact. Exec.D Sherwood felt it was a very informative meeting and well worth the effort to arrange Dr. Vandemoer's visit.</p>	

<p><u>! Multi-jurisdictional Water Update</u></p>	<p>Exec.D Sherwood discussed the update information provided regarding the Multi-jurisdictional Water System. Well #2 has been drilled to 1,242 feet and the water quality is even better than that of Well #1. The project is expected to be completed by October 1. 2001. Dock grade is open to traffic on Wednesday.</p>	
<p><u>*DALLESFORT INDUSTRIAL PARK*</u> <u>! Pacific Rock Products</u></p>	<p>Exec.D Sherwood discussed the Pacific Rock Products' (Pac Rock) proposal with Byron Hanke who had some suggestions that she will discuss with John Shafer of Pac Rock. The PC would like some time to review the proposal and will have their comments back to her by next Tuesday.</p>	
<p><u>! Infrastructure Improvements</u></p>	<p>Exec.D Sherwood discussed funding options for the Port's infrastructure improvements at the Dallesport Industrial Park (DIP) to be done in conjunction with the development of the Waste Water Treatment Facility, if possible.</p> <ul style="list-style-type: none"> • A grant request has been made to the USFS for \$50,000 for part of the \$189,521 engineering costs of the project. A decision is due May 23. • Exec.D Sherwood will be giving a presentation to the KC EDA board on May 30 to request a grant of \$129,521 (with Port match of \$10,000) for the remainder of the engineering costs. For construction of the project, the Port could ask KC for a partial grant and a loan with deferment of payment until a building could be constructed to help with a revenue stream. Construction cost is \$1.8 million. • A letter was received from Ed Hoyle which stated that KC has rejected both of the alternatives proposed which would provide for blasting of the two peaks in preparation for the Port's access road along the utility trench. • Exec.D Sherwood asked the PC if they wanted to move forward (if the \$50,000 USFS grant is approved) with approaching KC for a \$129,521 grant for engineering which would then dovetail with asking them for money to do the infrastructure project. She requested the PC to contact the members of the KC EDA board and let them know how important this project is to development at DIP and why the Port is seeking assistance from KC. There are not a lot of options. CERB requires a "bird in hand" (a company committed to site their business at the DIP) and Rural Development has loan funding at 5-6% which would create debt with no cash flow to support it. Discussion followed. The Port will have to have some amount of matching funds for construction costs and Exec.D Sherwood suggested \$65,000. PC Vinyard suggested a joint PC and KC Board of Commissioners (KC BOC) meeting to discuss this project. The Port could do the project in stages; the engineering now and then construction in phases beginning with those parcels that are more easily developed. PC consensus to move forward with a grant request for \$129,521 from KC (with Port match of \$10,000) for the balance of the engineering costs. PC Harvey suggested a letter requesting funds from KC which all the PC could sign. 	<p><i>Exec.D Sherwood will see if a meeting can be arranged between the PC and the KC BOC.</i></p> <p><i>Exec.D Sherwood will draft a letter for PC signatures to KC regarding funding for the Infrastructure improvements.</i></p>

	<ul style="list-style-type: none"> • Exec.D Sherwood reported that she has advertised a Request for Qualifications (RFQs) for an engineer for the Dallesport project (pending funding) and for the Bingen Point Dock/Ramp project. Information indicating that Washington state does not require agencies to hold interviews when selecting consultants was handed out. The Statements of Qualifications (SOQs) can be scored by one or two persons which would speed up the selection process. PC Deo will work with Exec.D Sherwood in scoring the SOQs. 	
<p><u>! Waste Water Treatment Facility</u></p>	<p>Exec.D Sherwood reported that 100% complete drawings are done but that the Port does not yet have a copy of them. A copy of the conditional use permit application for the water treatment facility site was included in the packet. She stated that KC expects the Port to deed the property over to them for the facility site. It will be important to insure that there is room for a conveyor system across that parcel in consideration of Pac Rock's proposal. KC has been talking with the City of Bingen regarding operation of the facility. Discussion of this issue occurred at a meeting between the City of Bingen and the KC BOC on May 4, which PC Deo attended on the Port's behalf. PC Deo reported that a list of expectations will be prepared by both agencies. The Port will be receiving copies for review. The City of Bingen would do the accounting for the facility and customer billing with a computer system provided by KC.</p>	
<p><u>MISCELLANEOUS</u> <u>! Brian Shortt-USFS:</u> <u>Hog Fuel Project</u></p>	<p>Brian Shortt presented information regarding a possible project to use fuel from the forest floors to enable an alternative fuel project which would benefit private companies such as SDS and the pellet plant in Cascade Locks. The Forest Service has in their brush disposal funds approximately \$800 million of available monies for rural initiatives. Brian said the Willamette fire planner commented to him that "in the northwest there is enough need for reducing the fuel load in the national forest systems that we could take everybody that had been laid off in the forest industry over the last ten years and re-employ them again over the next decade, and still not get all the fuel loading out of the forests that's necessary". There should be partial opportunities for employment, alternative power programs, and reducing the fire-loading. A grant application is due to the Forest Service by June 15. A workshop will be held on May 25 to discuss the issue. He asked if the Port Commission or Executive could allocate some time to attend this meeting. Brian stated that the help the Port could provide is it's political advocacy. PC Deo expressed concern regarding the donation of Port money in light of the grant funding the Port has received from KC; it doesn't seem appropriate to give money to others when we are asking for money ourselves. Brian stated he is not asking for money at this time; he is focusing his efforts on the upcoming meeting. PC's Vinyard and Harvey will attend the meeting and Exec.D Sherwood may be able to attend after the Air Shed meeting which is also on Friday.</p>	

<p><u>! WPPA Finance & Administrative Seminar</u></p>	<p>Exec.D Sherwood discussed the seminar that will be held June 20-22 at Leavenworth. Two topics of particular interest are a leasehold excise tax update and fixed asset accounting. PC consensus for AA Drew and possibly Exec.D Sherwood to attend.</p>	
<p><u>! Thank you letter</u></p>	<p>Exec.D Sherwood pointed out the copy of a letter to the editor which was published in the Enterprise last week thanking Counsel Wyers and Brad Roberts for the work they did on Parcel 1 during Community Pride week.</p>	
<p><u>! Dallesport/Murdock Town Council</u></p>	<p>Exec.D Sherwood discussed the meeting she and Tom Seifert had last Thursday at the Columbia Hills R.V. Park with Jeff Eiesland. Discussion included things the community would like to see and keeping the Murdock/Dallesport Town Council better informed about Port projects. She suggested that possibly the PC could meet with their Council periodically. To start, it would be beneficial if she and Marc Harvey would attend their Council meetings.</p>	
<p><u>PUBLIC COMMENT</u></p>		
<p><u>! Public speaking, reclamation, and aggregate</u></p>	<ul style="list-style-type: none"> • Mike Smith suggested that PC Vinyard should keep his testimony focused or risk losing his audience. • Mike stated that he met with PC Harvey to discuss reclamation plans. He asked if PC Harvey had any other questions. PC Harvey did not, but stated he would like to see the plan. • Mike asked if the PC had a timeline regarding the Pac Rock proposal. He was concerned after hearing that the last people are being laid off at the Goldendale Aluminum Plant. He also spoke with Mike Henry (Bernert Barge Lines) regarding barging activity. Mike Henry told him they are getting maxed out. He felt time is of the essence regarding the Pac Rock proposal. PC Deo was concerned about tying up the property and then not doing anything with it. Mike asked what Pac Rock could do that would change his feelings. PC Harvey suggested not getting into a discussion regarding the proposal. 	
<p><u>! Aggregate Facility</u></p>	<p>Jeff Eiesland stated that he feels that the Port is dragging its feet in moving forward with an aggregate facility. He was concerned that it doesn't seem that things are happening fast enough for him. Discussion followed.</p>	
<p><u>ADJOURNMENT</u></p>		<p><i>PC Vinyard moved to adjourn at 7:49; seconded by PC Deo -- motion carried.</i></p>

Approved on: _____

Respectfully

submitted _____
(Date)

Vickie L. Drew, Administrative Assistant

Dianne Sherwood, Executive Director

B. Marc Harvey, Chairman