

<b>PORT OF KLICKITAT BOARD OF COMMISSIONERS MEETING MINUTES February 7, 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 and Administrative Assistant/Auditor (AAA) Vickie Drew. <b>PC/Staff Absent:</b> Port Counsel Teunis J. Wyers <b>Guests Present:</b> Byron Hanke (Port Consultant), Don Struck (KC BOC), Lee Ast (Bingen), Wayne Wooster (KC Econ. Dev.), Ron Kawamoto, Randy Young, Kevin La Berge, Tom Dechenne (Norris, Beggs & Simpson).	
<ul style="list-style-type: none"> <li>● <b><u>PUBLIC COMMENT</u></b></li> <li>● <b><u>COUNSEL'S REPORT</u></b></li> <li><b><u>ADMINISTRATIVE MATTERS</u></b></li> <li>● <b><u>Consent Agenda</u></b></li> <li>● <b><u>Facilities &amp; Maintenance Operator - New Hire</u></b></li> <li><b><u>EXECUTIVE DIRECTOR'S REPORT</u></b></li> <li><b><u>*Bingen Point*</u></b></li> <li>● <b><u>Bldg 1E Update:</u></b></li> <li>● <b><u>Bldg 1E Update, cont.</u></b></li> <li><b><u>*Dallesport Industrial Park* (DIP)</u></b></li> <li>● <b><u>Williams Pipeline</u></b></li> <li>● <b><u>Glass Plant Project</u></b></li> </ul>	<p>Chair Deo opened the public meeting at 4:34. There was no public comment.</p> <p>Counsel's presence not requested.</p> <p>Items approved:</p> <ul style="list-style-type: none"> <li>• Minutes of January 24, 2006 - KC/Port Joint Mtg.</li> <li>• Minutes of January 24, 2006</li> <li>• Voucher #20290; \$175.00</li> <li>• Vouchers #20291-20307; \$10,492.61</li> <li>• Vouchers #20308-20331; \$9,138.15</li> </ul> <p>AAA Drew found and corrected an error in the minutes regarding PC Deo's title.</p> <p>Exec.D Sherwood reported that she and PC Deo interviewed candidates for the Facilities &amp; Maintenance Operator position. Jared Ladwig from Trout Lake accepted the position and he began work on Monday. He will work with Ron for the next few months to learn the position.</p> <p>Exec.D Sherwood reported that work on the building site pre-load is well underway. A progress meeting was held last Monday attended by Exec.D Sherwood, PC Deo, Bob Westermann, two geo techs and three representatives from L.L. Lindberg. There had been a tremendous amount of rain at that time and the contractor requested if the port would pay for another piece of equipment and an operator which they want to use on the site. This is an unusual request which was turned down, as it is the contractor's responsibility. The contractor left the job site for the rest of the week. The continual rain made the site even worse, especially since the contractor made no provision for de-watering. After a letter from Exec.D Sherwood and several conversations, de-watering began on Saturday and the crew returned to the job site on Monday and have made very good progress. The contractor felt they may be able to complete the project by Friday. PC</p> <p>Deo was surprised about the confusion over who was responsible for the de-watering. Exec.D Sherwood discussed the floor plan for the building which will be similar to Building 1B. A change order for additional geo-fabric to support a structural wall will be forthcoming.</p> <p>Exec.D Sherwood sent a follow-up letter to Williams Pipeline last week regarding the previously requested move of their pipeline. A copy was included in the packet. It currently intersects six parcels in the core of the industrial park and all of the aggregate area to the north. She asked for guidance from the PC regarding whether to insist that the pipeline also be moved in the aggregate area. (Yes)</p> <p>Exec.D Sherwood reported that she met with Scott Hege of Design Structures, who is preparing the site design for the proposed project. She displayed a site plan for the proposed building and two options for how it would fit at the site. \$500,000-\$750,000 plus engineering for additional fill and grading would be necessary. A rail spur extension to the site would cost approximately \$210,000-\$250,000. The estimated cost for power redundancy improvements is \$1.5MM. Exec.D Sherwood spoke with Cynthia Weed (Preston Gates &amp; Ellis) to inquire</p>	<p><i>Motion Ford/Vinyard to approve the Consent Agenda with the noted correction. Motion carried.</i></p> <p><i>Motion Vinyard/Ford to amend the 2006 budget to include a base salary of \$28,000 and benefits for new employee Jared Ladwig. Motion carried.</i></p>

about issuing bonds and timing to pay for the improvements. The PUD infrastructure improvements would be a benefit to the remaining port property as well.

Exec.D Sherwood stated that a dinner meeting is being planned for 6:00 p.m. Feb. 16 at the Hood River Inn with the project principles and representatives from the PUD, Worksource, MCEDD and the wine industry. PC Vinyard will attend with PC Deo as backup.

PC Deo would like more financial information before committing to the cost of issuing bonds. Exec.D Sherwood offered that she could prepare a cost/impact analysis regarding issuing bonds. Don Struck stated that KC can commit something to the project as well. Discussion followed regarding site layout and the costs of financing the improvements.

Exec.D Sherwood reported that the client told her that a representative from Burlington Northern Santa Fe Railroad (BNSF) stated that any new user must go through a review process. The representative left the client with the impression that no rail service would be available. Exec.D Sherwood spoke to the BNSF representative. After learning that the port does have rail spurs, he confirmed that rail service was available and he will clarify that with the client.

**GUEST PRESENTATION  
Norris, Beggs & Simpson**

Ron Kawamoto, Randy Young, Kevin La Berge and Tom Dechenne of Norris Beggs & Simpson (NBS) introduced themselves. Ron handed out a marketing proposal booklet. He asked several questions regarding the port's history, acquisition of and proposed future use envisioned for the DIP property. Exec.D Sherwood answered his questions and outlined the port's property on the aerial map. Randy asked where the PC see the port's target market. PC Deo replied that the environment and living conditions are a big plus as well as the available labor force. Ron suggested that the port sell it's rock and end up with developable land and money for infrastructure development. Tom asked about the level of economic assistance from Olympia. Exec.D Sherwood stated that the port has been very much supported by the Community Economic Revitalization Board (CERB); over \$4MM in grants and low cost loans in the last seven years.

**GUEST PRESENTATION  
Norris, Beggs & Simpson,  
cont.**

Ron discussed the marketing package which was given to the PC earlier. He stated that the port brochure was a great package and very complete, which is very helpful to a broker. Sample marketing flyers and company information are included in the package. NBS would report once a month or as agreed. Randy discussed history and resources of NBS. Ron continued discussion of the various sections of the package. Documents for a one-year contract were included. The contract includes a 30-day provision for termination. Ron stated that they would be happy to assist the port in marketing it's property. Exec.D Sherwood asked: "how important are shovel ready sites? and how important is it to have infrastructure to all sites?" Randy replied that it is critical. PC Ford asked Ron how, after seeing the site and the discussion regarding shovel readiness, do they feel about the marketability of the property. Ron felt there was enough ready property to work with. Randy asked if there were any restrictions on contracting someone to mine the rock and get rid of it. Exec.D Sherwood explained that there is an exclusive arrangement in the current operator's agreement, however, the agreement will be up in 2007. Discussion followed regarding aggregate demand. Exec.D Sherwood thanked the guests for coming.

**• Marketing**

Exec.D Sherwood reported that she, Byron and Wayne Wooster met with Andrea of the Port of The Dalles. Exec.D Sherwood will get maps of the industrial park marked for Byron and Andrea noting infrastructure, and indicating which properties are taken or available.

**MISCELLANEOUS  
• Port of The Dalles / POK  
Joint Board Meeting Date  
Options-Set Date**

Exec.D Sherwood reported that Andrea felt that the PC should just pick a date and the Port of The Dalles commissioners will be here. Andrea suggested that a lunch meeting be set in the future which would include a tour of The Port of The Dalles and then Dallesport. After discussion it appears that March 16 or 17 looks best.

**• Committee Updates**

AIRPORT: PC Deo's next meeting is Feb 24.  
MCEDD: PC Ford's next meeting is Feb. 15  
KC EDA: PC Vinyard's next meeting is Feb. 9 to review community requests.

**PUBLIC COMMENT**

Lee Ast stated that Ron Kawamoto is a fine broker. Lee stated that the glass plant would be a wonderful fit at

February 7, 2006

**ADJOURNMENT**

DIP. He stated his appreciation to the PC for looking at the letter he sent. His business is tied to the community and he looks forward to working with the port in any capacity that he is able. He will attend the port meeting on Feb. 21. Exec.D Sherwood asked if Lee was involved in the Insitu deal at Arlington. Lee replied slightly.

*Chair Deo adjourned the public meeting at 6:48.*

Approved on: \_\_\_\_\_  
(Date)

Respectfully submitted \_\_\_\_\_  
Vickie L. Drew, Administrative Assistant

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

\_\_\_\_\_  
Norm Deo, Chairman