

TOPIC	DISCUSSION / ASSESSMENT / FINDINGS	ACTION
Attendance	Commissioner/Staff Present: Port Commissioners (PCs) James Herman, William Schmitt, Wayne Vinyard; Executive Director (ED) Margie Ziegler via teleconference; and Administrative Assistant (AA) Bonita Snyder. PC/Staff Absent: None. Guests Present: David Flaiz, Kerrits.	Meeting called to order by PC Vinyard at 4:35 PM.
Administrative Matters Approval of Minutes Approval of Vouchers	Minutes – July 12, 2022. Payroll Vouchers – July 20, 2022, #D13244-D13253, \$12,997.54. Payroll Vouchers – July 20, 2022, VOID #D13249, Reissue #29145, \$0.00. Payroll Vouchers – July 20, 2022, NOT VOID #D13249, \$195.93. Vouchers – July 25, 2022, #29146-29159, \$39,171.93. Vouchers – August 2, 2022, #29160-29173, \$30,788.04. Payroll Vouchers – August 5, 2022, #D13254-D13270, \$14,433.03. PC Herman asked about the late fee on the Pacific Automation invoice. AA Snyder stated invoices have been arriving after the bill is due. She added Pacific Office will not email invoices as they prefer ACH payments. She noted the Klickitat County Treasurer currently does not support ACH payments for general billing. PC Vinyard noted high costs for leasehold tax and the event port-a-	PC Schmitt M to approve the minutes, PC Herman S, MP 3-0. PC Herman M to approve the vouchers, PC Schmitt S, MP 3-0.

<p>Administrative Matters (cont.) Approval of Vouchers (cont.)</p>	<p>potties. AA Snyder noted the Port pays the full cost for the port-a-potty but is reimbursed 1/3 the cost from the Cities of White Salmon and Bingen respectively.</p>	
<p>Old Business BPT Bldg 1A Kerrits Remodel</p>	<p>ED Ziegler stated she has been working with Port Attorney Bill Eling to come up with a way to support the remodel. She stated Eling produced a memo outlining the issues surrounding the remodel and its impacts as a public works project. She noted Eling spoke directly to the Kerrits team about the challenges the Port faces in funding a portion of the remodel. Ziegler noted Kerrits would like the Port to consider \$274,000 of improvements. Ziegler stated she was able to get an electrical estimate of \$63,588.00 for the LED lighting from Dana Hale, Hale Construction. Ziegler stated she was unable to get more detail on the plumbing costs, but felt the Port could benefit from engaging in more conversations about what work is included in various cost estimates.</p> <p>David Flaiz, Kerrits, asked if the Port would be willing to contribute more than \$110,000. He said Kerrits has questions about how the Port's financial benefit would be paid. He noted in the past the Port has done a rent credit over a number of years. He stated Kerrits would like to accelerate the rent credit to cover 100% of the rent until the agreed upon remodel value provided by the Port was covered. He said Kerrits was also interested in discussing rent abatement during the construction period. Flaiz stated Kerrits is also asking for the Port to address some ongoing maintenance issues including roof leaks, water ingress under the garage doors, and HVAC issues. Flaiz said he understood conversations would need to continue between Kerrits and the Port to work out details.</p> <p>Flaiz said in the meantime, Kerrits would like to move forward with the division of Suite E to form Suite F. He indicated the provided plans, and stated Kerrits was willing to cover the full cost of renovation and would like to get approval from the Port as soon as possible to move forward</p>	<p>PC Schmitt M to direct ED Ziegler to amend the Kerrits lease to include a portion of Suite E and allow for tenant alteration of Suite E to create Suite F, pending approval of plans by the Port Engineer, PC Herman S, MP 3-0.</p>

Old Business (cont.)

BPT Bldg 1A Kerrits Remodel (cont.)

with construction of Suite F. Ziegler stated Darrin Eckman, Tenneson Engineering, received a copy of the Suite E plans today, and had not yet had an opportunity to review them. Ziegler stated the next step will be for Eling to draft a lease amendment to include a portion of Suite E (to be called Suite F) in Kerrits's lease and address that the leasehold improvements in Suite F would be at Kerrits's sole cost, after which Kerrits could work with the building department for permitting and begin construction. Flaiz noted some of the plans refer to "Suite E" which is the current designation and "Suite F" which will be the designation of the Kerrits portion once work is completed. Ziegler added "Suite F" is also referenced as "the studio". Flaiz said Kerrits plans to use Suite F as a photo studio.

PC Herman stated he felt Kerrits has very low rent, and the current lease agreement states tenant improvements are done at the tenant's cost. Herman stated if Kerrits felt improvements were needed, they would make their investment back by having inexpensive rent for the next 15 years. Flaiz stated he understood the adjustments would be made through a lease amendment where the lease rate may change. Herman noted the PC feels certain improvements are Port responsibility, but most of the proposed renovations are not. He said if the Port were to pay for them, the rent may need to be adjusted.

Flaiz said Kerrits asked Hale to put together an estimate that covered landlord obligations, of which about \$50,000 was for HVAC, \$30,000 for plumbing, and \$136,000 for electrical work. Herman asked for clarification on what plumbing work needed to be done. PC Schmitt stated there is a big difference between bringing a bathroom to code and moving a bathroom. Flaiz said Schmitt had a fair point, and stated Hale's breakdown was not entirely clear on where the line was between bringing the bathrooms to code and installing plumbing for the proposed break room. He said they requested Hale's estimate be reflective of the

Old Business (cont.)

BPT Bldg 1A Kerrits Remodel (cont.)

cost for a landlord to get the building up to speed. Flaiz said he understands the metal siding and windows are preference of Kerrits, but the electrical and HVAC seem to be specifically Port responsibility. Herman said the PC agrees, as the fixtures are old. PC Vinyard said the building has a heartbeat and is maturing. He noted there are things the Port needs to address to keep the building in proper functioning order.

Vinyard stated the Port needs to be careful about defining the boundaries between tenant improvements and Port building maintenance, and is seeking a way to work it out. He expressed the opinion the Port would need to have the project reviewed by its attorney and auditor in order to do this correctly. Vinyard restated Eling's position if the Port contributed money to the project as described, it would become subject to the public works process.

Flaiz stated he understood the Port would need more detail in the estimates provided by Hale. Vinyard said the project blends boundaries between Port responsibilities (subject to public works) and improvements that solely benefit, and should be paid for by Kerrits. Vinyard noted those elements would have to happen concurrently, and for a seamless renovation, by the same person; however, the Port's public works bidding requirements means the Port does not have the ability to accurately estimate costs until bids have been returned, and must select the lowest responsible bidder. Schmitt stated no matter how the Port is involved, more contractors than Hale would be involved in order for the Port to be compliant with the public works process. Vinyard stated the Port has enjoyed working with Hale in the past, and he has been a competitive bidder that does good work. He added he did not want Flaiz to think the PC was balking at Kerrits, as the PC appreciated Kerrits as a tenant. He noted Kerrits was a compliment in diversifying Port tenants. Schmitt stated he wanted Kerrits to understand the Port will work with

Old Business (cont.)

BPT Bldg 1A Kerrits Remodel (cont.)

Kerrits any way it can.

Schmitt said it would be helpful to do a comparison of the difference between the existing bathrooms and the cost to bring them to current ADA compliance, which would be the portion the Port would cover. Schmitt added the Port should take responsibility to improve the leakage under the roll-up doors. He said he felt changing the light fixtures to LED should be Port responsibility, but not any additional rewiring. He said he felt replacing the HVAC units should be Port responsibility. Schmitt stated it would be asking a lot of a contractor to come and bid a job based on two sets of expectations. Vinyard said Kerrits has already selected a contractor, and if the Port becomes financially involved, other contractors will bid affecting Kerrits's relationship with their chosen contractor. Vinyard expressed a desire to be clear the Port valued Kerrits as a tenant but noted the project is complicated, and will take time for the Port to find a way to support the renovation within legal limitations. Flaiz said Kerrits is eager to move forward, but understands the Port's limitations.

Schmitt suggested moving ahead with leasing Suite E. Ziegler stated the Port has received plans with an estimated expense of \$51,795.72 paid at Kerrits sole cost. She noted their plans include a mezzanine in Suite F which would give the Port more leasable space. She said the next step is for Eling to make an amendment to the lease to include the space and note the improvements will be done at Kerrits's sole cost. She noted once that was completed, Kerrits could proceed to get building department approval. Ziegler proposed leasing Suite F at the same rate of their current lease because of Kerrits substantial investment. Schmitt and Herman agreed.

Vinyard questioned if the Port should continue a below market rate for a new space. Herman asked the length of the proposed lease term.

Old Business (cont.)

BPT Bldg 1A Kerrits Remodel (cont.)

Herman stated he did not know what market rate for Bingen was, but estimated Kerrits's comparative rate (including insurance and utility costs) is approximately \$0.86 as opposed to a rate for commercial space in White Salmon. Ziegler stated the Kerrits rate escalates based on CPI. Flaiz stated the lease rates for each suite are different based on the proportion of finished space versus warehouse space. Discussion followed about value added to the Port building based on the proposed plans for Suite F. Herman stated Kerrits is proposing a large investment which means they intend to remain a tenant of the Port many more years.

Flaiz asked for the amendment to be drafted with a forward view to address future tenant improvements. Ziegler stated she believed it would be best to keep the amendments separate, as she felt it would accelerate the process of making Suite E available.

Ziegler reviewed the building improvements determined to be Port responsibility including roof leaks, overhead door leak, HVAC replacement, LED light fixtures, and ADA restrooms to current code. Vinyard stated the Port had not planned or budgeted for this kind of activity in 2022. Ziegler added the Port also did not budget for reduced revenue if rent was abated.

Ziegler stated BPT Lot 18 is about to become available. Ziegler noted Flaiz had requested to place storage containers for when they have to vacate, and noted she would work with him to create a lease amendment to rent the square footage used at the per acre rate when they are ready.

PC Vinyard stated he met a roofer who has requested to be on the small works roster. He stated he learned about a coating that covers the entire roof and lasts approximately ten years. He said he was encouraged, as the coating was a fraction of the cost and time of re-roofing.

<p>Old Business (cont.) DIP 151C Office Construction – Acceptance</p>	<p>ED Ziegler stated the office has been painted. She said Darrin Eckman, Tenneson Engineering walked through the office with her and noted a collar should be affixed around the exterior HVAC piping. Ziegler stated Rolls Royce requested the office be repainted to eliminate streaky paint.</p> <p>Eckman suggested the Port put up a sign that says “No overhead storage”. If overhead storage is desired in the future the Port can add railings and load limit signs.</p> <p>Ziegler stated she would followup with Dana Hale, Hale Construction to ensure the office is completed correctly. Ziegler stated she sent staff up today to paint the exposed building brackets, and evaluate the paint job on the walls.</p> <p>Ziegler suggested this agenda item be brought back at the next meeting, after she has had a chance to discuss the outstanding issues with Hale.</p>	
<p>New Business OPMA/PRA Training Scheduling</p>	<p>ED Ziegler asked if the PC would like to attend the Open Public Meetings Act and Public Records Act trainings all together prior to the next meeting. PC Herman stated he will be unavailable for the August 16 meeting. PC Vinyard stated he will be gone the last half of August.</p>	<p>By consensus the PC wanted to complete the training together starting at 3:00PM on September 6, and canceling the August 16 meeting.</p>
<p>New Business (cont.) KC Planning – BPT Shoreline Permit</p>	<p>ED Ziegler stated the Port has a shoreline and conditional use permit for Bingen Point which covers filling lots, installing water and sewer lines, adding walking path, paving the marina parking lot, moving pump houses, adding irrigation to Sailboard park, etc. Ziegler stated the Port has lowered utilities on Lots 17 and 18, fixed the erosion under the boat ramp and built up a berm around the lake. Ziegler stated Darrin Eckman, Tenneson Engineering is going to update the project description to change estimates on needed fill and reflect what the Port still plans to do.</p> <p>Ziegler noted Dean’s has brought fill from the Courtney Road project during the heat wave and placed it on Lot 6.</p>	

<p>New Business (cont.) KC Planning – BPT Shoreline Permit (cont.)</p>	<p>Ziegler stated the Port needs a new shoreline permit and conditional use permit. Eckman will update the plan, then Ziegler will work with Klickitat County Planning Department. Ziegler stated the Klickitat County Planning Department would like to tour the site. Ziegler stated it would be a good opportunity for the Port to show off what it has accomplished.</p>	
<p>Executive Director’s Report 2022-03 BPT Lot 9 Boundary Fill</p>	<p>ED Ziegler stated she spoke with Darrin. He has been reviewing the project and the compaction and toe of the slope looks good. The only challenge is the manhole does not reflect what Eckman expected, so the Port is waiting for Artistic Excavation to return estimates a for the different type of lid needed for the manhole. She said the majority of the work for the boundary of the wetland has been completed within the permitted time frame. Ziegler clarified further fill and compaction on Lot 9 will require a new permit.</p>	
<p>Executive Director’s Report (cont.) DIP Mine Expansion Permit</p>	<p>ED Ziegler stated quotes were received from Archaeological Investigations Northwest (AINW). Darrin Eckman, Tenneson Engineering is reviewing the quotes, then Ziegler and Eckman will meet with AINW. Ziegler said she would present results at a future meeting.</p> <p>Ziegler met with Eckman and Jim Dean, James Dean Construction to discuss taking concrete from Hamilton. Vinyard asked if the concrete was considered hazardous waste. Ziegler stated Eckman does not consider it to be hazardous. Ziegler stated Eckman is working on how the concrete should be compacted. Vinyard stated he hoped it would provide stability to the native sand.</p>	
<p>Commissioners Remarks</p>	<p>PC Vinyard stated he went to the Washington Public Port’s Association Port Commissioners Seminar and his main take away was to make good use of the Port’s Attorney and Auditor. He said he felt it was important to attend these seminars in order for the Port to be visible and added there is a lot of good information. Vinyard shared some of the</p>	

Commissioners Remarks (cont.)

information he learned including the impacts of proposed dam removals on the Snake River on energy and transportation of goods. Vinyard stated he spoke with Ziegler about ways to effectively communicate what the Port contributes to the community.

ED Ziegler mentioned Herman's idea of having tenant signs at Dallesport and suggested signage that would display how many employees were working in the Industrial Park in the Summer of 2022.

Ziegler stated she met with Richard Foster and he presented several options that exceeded the Port's current infrastructure. She said they discussed presenting the feasibility study findings at the April 2023 EDA meeting. Vinyard suggested including a quick overview of Bingen Point. Ziegler suggested the PC all attend and be part of the presentation.

PC Schmitt stated a property owner in Lyle reached out to him with a concern about a wildlife survey around his leased BPA lines, and expressed concern about the purpose of the survey. Schmitt brought it up to so the Port can be watchful. He stated he would try to learn more.

PC Herman stated he went to a meeting attended by stated Sen. King, both Bingen and White Salmon mayors, and representatives from BNSF and Washington State Department of Transportation (WSDOT) concerning the proposed underpass. Herman stated BNSF is firm on removing an existing crossing. Herman stated the proposed crossing has not been designed to be not compatible with log trucks. Herman noted there have been several design versions, and there are significant space issues. Herman stated WSDOT is sending various versions to BNSF to demonstrate the options considered. BNSF is also considering limiting the crossing on Walnut to minimize public access. Schmitt noted he attended a meeting at the beginning of the project and BNSF wanted to close a crossing at that time. Herman expressed concerns about future

Commissioners Remarks (cont.)	<p>congestion if a crossing was closed. Vinyard stated he felt WSDOT may have to shift to an overpass, which he personally felt was a better answer. Ziegler noted if WKO accepted a restricted crossing, it may limit future use of that property.</p> <p>Ziegler thanked AA Snyder for her work.</p>	
Public Comment	None.	
Adjournment	PC Vinyard adjourned the PC Meeting at 6:28 PM.	

Approved on August 16, 2022
(Date)

Margie Ziegler
Margie Ziegler, Executive Director

Bonita Snyder
Bonita Snyder, Administrative Assistant

Jim Herman
Jim Herman, Secretary