

TOPIC	DISCUSSION / ASSESSMENT / FINDINGS	ACTION
<b>Attendance</b>	<b>Commissioner/Staff Present:</b> Port Commissioners (PCs) James Herman, William Schmitt, Wayne Vinyard; Executive Director (ED) Margie Ziegler; (MT) David Sauter, and Administrative Assistant (AA) Bonita Snyder. <b>PC/Staff Absent:</b> None. <b>Guests Present:</b> Dorie Cothren, Dallesport Log Yard; Mike Engel, SDS Lumber; Garret Stump, SDS Lumber; Krista Loney, City of Bingen.	Meeting called to order by PC Vinyard at 4:31 PM.
<b>Administrative Matters</b> Approval of Minutes  Approval of Vouchers	Minutes – May 2, 2023.  Vouchers – May 16, 2023, #29540-29560, \$22,832.61.  Payroll Vouchers – May 19, 2023, #D13488-D13495, \$12,258.66.	PC Vinyard M to approve the minutes as corrected, PC Herman S, MP 3-0.  PC Herman M to approve the vouchers, PC Schmitt S, MP 3-0.
<b>Old Business</b> 100 Dow Rd Potential Traffic Problem	ED Ziegler stated Port Attorney is still working on ensuring the Port moves forward correctly.	
<b>New Business</b> Dallesport Log Yard Bark Cleanup	ED Ziegler stated the Dallesport Log Yard was purchased by Paul and Dorie Cothren 16 years ago. Ziegler briefly reviewed changes in recent amendments to emphasize accountability for bark cleanup, and noted the need to continue monitoring cleanup progress.  Dorie Cothren introduced herself as the owner of Dallesport Log Yard. Cothren described their dissatisfaction with the trial basis of moving pulp logs. She noted it crowded their space, was hard to load, and breaks creating additional cleanup. Cothren stated Westrock brought in the chipper and that also left a mess. She acknowledged clean up was their responsibility, and they are working on it when possible given	

**New Business (cont.)**

Dallesport Log Yard Bark Cleanup  
(cont.)

restrictions of wet ground and heavy material. She described actions taken to clean up, and businesses they have partnered with to haul off material.

Cothren stated Paul Cothren is wanting to retire, and she has been seeking parties interested in taking over the operation. After inquiring of Weyerhaeuser and other parties who contract with Weyerhaeuser and not finding a buyer, she stated she started negotiation with WKO. She noted WKO is seeking wood to process in their mills. She said Dallesport Log Yard has three employees in addition to Paul. Cothren said WKO would like to assume the Dallesport Log Yard business, including employees, the land lease, and the liability for the cleanup. Cothren said WKO required a five year contract with the Port in order commit to purchasing Cothren's business assets and liabilities.

Mike Engle introduced himself as President of WKO's operating entities including SDS Lumber, WKO, and Mt. Hood Forest Products. He also introduced Garret Stump as President of High Cascade Inc. Engle stated he and Stump were key players in the SDS Lumber timber acquisition. Engle described the increase in production of the SDS Bingen yard since the WKO's acquisition and described their production flow. He stated WKO is interested in bringing wood in from outside areas, and stated he was interested in importing over the barge. He proposed cleaning up the facility in Dallesport using a water bath and a screen to separate and remove bark, rock, and fines. Engle said WKO has proved their willingness to invest in facilities and cleanup in all of their communities. He noted the investment for cleanup is a big undertaking and WKO wants at least a five year commitment to lease the land currently utilized by Dallesport Log Yard.

Ziegler stated the Port would need to consult with its attorney about how

**New Business (cont.)**

Dallesport Log Yard Bark Cleanup  
(cont.)

to address a liability transfer.

PC Vinyard disclosed his association with the lumber industry as a former forester and stated he would recuse himself if anyone was uncomfortable with his background. He stated he took seriously his responsibility to represent the public's interests as Port Commissioner.

Vinyard stated it was a critical interest for the Port that the barge dock would be used. Engle stated the availability of inbound barges is yet to be seen as he can not enter into negotiation for a service he is not yet able to perform. Engle said this is a big step to meet publicly to discuss future business operations, and this is the first time WKO's discussions with Cothren have been anything but private. He stated WKO would like to import over the barge dock, but can not guarantee volumes.

He described the challenge to acquire adequate wood to feed the mills and keep 435 people employed in the Columbia River Gorge. Engle underscored the impact on the local community. He provided examples of local sources no longer producing adequate wood supply, competition for local sales, and stated they have to bring supply from farther afield.

Vinyard described the interest of using the dock to import and export materials other than timber, and described the Port's objective to ensure multi-use function of the dock area as a critical need. Engle stated he was aware of the multi-use purpose of the dock and would ensure the terminal area was kept clean. Engle stated he would be glad to work out scheduling to allow rock export over the barge. He noted he would have issue with any other log activity over the barge as it conflicts with their purpose at that location. He stated any other log transport would undermine his motivation of being at that site. He expressed his opinion the Port would have a better chance of exporting rock with WKO as they have the resources to maintain and keep the terminal area clean. He

**New Business (cont.)**

Dallesport Log Yard Bark Cleanup  
(cont.)

added they would pave the area. Discussion followed about the bark cleanup efforts for the staging area.

Engle described the competitive log market and the market changes that make barging or trucking equally economically feasible for the buyer. He said barging is not a competitive advantage for buyers at this time, and he did not feel it penciled as a benefit to export through Dallesport for property owners to sell timber either. He projected local exports over the barge would decline whether or not WKO took possession of the Dallesport Log Yard's lease. Cothren agreed and said they recently had a customer transition to trucking instead of export by barge. She stated there is less and less export to find. Stump added Weyerhaeuser has sold a large majority of their local timber land. Stump stated in Bingen, SDS is bringing in about 75 truck loads per day. Engle noted SDS has shifted completely away from export as their mills require all they can provide. Discussion followed about the competition for local timber sales, and the loss of the China export market.

PC Herman also detailed his prior professional relationships with involved parties.

Engle summarized by saying Cothren may not renew the lease at the end of the year, whether or not she sells her business, causing the property to sit with no revenue for the Port. He stated he has provided a solution that addresses the Port's interest in local economy, a clean barge terminal area, and lease revenue. He stated he can not guarantee barge volumes, but he could provide the Port with guaranteed lease revenue for the next five years. He stated he guaranteed if WKO was not at that location, he would make it difficult on anyone who was.

Ziegler asked how WKO businesses currently use their barge dock

**New Business (cont.)**

Dallesport Log Yard Bark Cleanup  
(cont.)

facilities. Engle stated he moved chips and sawdust from the Bingen mill. He noted he had additional unused barge capacity. He said the dolphins at the Home Valley Mill are silted in and the water depth by the dolphins is only three feet making them unfit for barge import or export.

Engle stated he understood the Port's need to confer with legal council, but wanted to arrange a time to meet and discuss options moving forward. He noted they are in a tight time frame about whether or not to complete the deal. Cothren stated she has to provide notice to her buyer to prevent future timber purchases. Vinyard stated one way to resolve the market issue, is to advertise for bids. Vinyard stated he felt it was important the Port speak with their attorney to determine what the Port should do. Cothren asked if her lease was assumable. Vinyard noted assignment requires Port consent and approval, which is provided based on the recommendation of the Port's legal council.

Engle stated his agreement with Dallesport Log Yard is contingent on the Port's consent to a five year lease agreement. Vinyard stated further use of the dock is contingent on the area being cleaned up, which WKO has expressed an interest in doing. Vinyard encouraged WKO to continue to work with Ziegler for further negotiation. Ziegler stated she would like WKO to put together information about their proposed cleanup, timeline, and future use of the land, and barge volumes to help her determine if WKO would be a good fit for the Dallesport Industrial Park water front properties. Engle stated WKO has people on staff who are familiar with permitting and they would take over permitting the site with Department of Ecology.

Vinyard stated the cleanest way to demonstrate the Port's fiscal responsibility in selecting a tenant for the barge dock, is to advertise the space for bid. Vinyard stated the Port can also collect information to evaluate a positive benefit and justify a selection without a bid. Engle

<p><b>New Business (cont.)</b> Dallesport Log Yard Bark Cleanup (cont.)</p>	<p>stated he felt they provided a positive economic benefit, but were not interested in an open bid scenario. Engle stated he is interested in the same lease, with the same rights and responsibilities. He felt his proposal was a win-win. PC Schmitt stated he was open to any suggestions but wants the blessing of Port council.</p>	
<p><b>New Business</b> DIP Lot 39 Campus Prospective Tenant</p>	<p>ED Ziegler started with a review of the information provided so far by Maul Foster Alongi’s feasibility study.</p> <p>Ziegler requested a discussion to detail the pros and cons of the Wood Family proposal in order to gain a clearer understanding of the Port Commission’s position. Discussion followed about the DIP Lot 39 site plan and how it could accommodate the processing center proposed by TomWood, Wood Family Spirits. Discussion covered building size, location, funding, and traffic patterns. Discussion followed relating the proposed use of DIP Lots 4, 11, 12, and 13. Discussion followed about storage, security, rail viability, and seeking funding to put the rail in service. Discussion followed relating to the proposed use of DIP Lots 24 and 26. PC Vinyard stated the Port should consider the feasibility study when discussing options with Wood. Discussion followed about the feasibility study in progress, the best and highest use of the cornerstone properties, and the proposed distillery storage needs. Discussion followed regarding the proposed use of DIP Lot 46. Further discussion followed about various site and utility needs, including archaeological review, and land use for storage.</p>	<p>By consensus, the PC determined that due to its proximity to heavy industrial traffic, and the barge dock DIP Lot 46 was unsuitable for public access, and should be reserved as a future barge dock area, encouraged ED Ziegler to work with Wood to learn more about the Lot 39 building size, grant funding opportunities, utilities needed on the cornerstone properties, archaeological review and possible mitigation options, and the feasibility of restoring the rail spur to operable condition.</p>
<p><b>New Business</b> Radio Controlled Airplane Flying Area</p>	<p>ED Ziegler stated she toured the proposed and current flight areas and was shocked by how easy it was to access the mine area. Ziegler proposed two gates with signs preventing access to all except Williams Gas, James Dean, and the fire department. Ziegler stated she felt it was unwise to mix industrial property and recreation. Ziegler recommended letting the Aeromodeling Club know the Port needs to secure its property</p>	<p>By consensus, it was determined that Port could no longer allow use of industrial land for recreation and directed ED Ziegler to notify them.</p>

<p><b>New Business (cont.)</b> Radio Controlled Airplane Flying Area (cont.)</p>	<p>due to the liability of the mine and fire risk. She noted James Dean had stated they were concerned about the liability of unauthorized persons in the mine area as well as remote controlled aircraft flying over their managed area.</p> <p>Ziegler said the Port has provided recreational access at Bingen Point, and has accommodated that by providing parking areas and restroom facilities for the public which are daily monitored by Port staff. She added no such facilities exist in the Dallesport Industrial Park, and it would require additional staff time to monitor those areas.</p> <p>PCs Herman and Schmitt expressed strong feelings of support for allowing the use of property for the Aeromodeling club, as the property has been used responsibly for many years. PC Vinyard expressed concern about liability, and gave an example of trespassers camping illegally. He said it is harder to provide access to some public and not open the path to all public use. Vinyard noted he was surprised at the height of the grass, and was concerned about vehicles causing fire risk. Ziegler stated the proposed location even if granted for use, would be impacted by the expanding mine and the club would have to be moved again. A brief discussion followed about alternative locations and the pros and cons of those locations.</p>	
<p><b>Executive Director's Report (cont.)</b> 2022-04 DIP Well #2 Disinfection and Improvements</p>	<p>ED Ziegler stated the door for the Well #2 Disinfection and Improvements project is in Hood River, but she had not received further updates prior to the meeting.</p>	
<p><b>Executive Director's Report (cont.)</b> MT Sauter Update</p>	<p>MT Sauter reviewed his work on the 1B HVAC bids, troubleshooting the 1D HVAC, and the lift station power failure.</p>	
<p><b>Commissioners Remarks</b></p>	<p>PC Vinyard said historically the Port determined not to graze sheep as their output is incompatible with rock processing and sales. Vinyard stated he had filed for reelection.</p>	

<b>Commissioners Remarks (cont.)</b>	PC Herman asked about wharfage for incoming loads. ED Ziegler suggested a special meeting to discuss further in executive session. Discussion followed.	
<b>Public Comment</b>	None.	
<b>Adjournment</b>	PC Vinyard adjourned the PC Meeting at 7:49 PM.	

Approved on June 6, 2023  
(Date)

Margie Ziegler  
Margie Ziegler, Executive Director

Bonita Snyder  
Bonita Snyder, Administrative Assistant

Jim Herman  
Jim Herman, Secretary