

TOPIC	DISCUSSION / ASSESSMENT / FINDINGS	ACTION
Attendance	Commissioner/Staff Present: Port Commissioners (PCs) James Herman, William Schmitt, Wayne Vinyard; Executive Director (ED) Margie Ziegler; (MT) David Sauter; and Administrative Assistant (AA) Bonita Snyder. PC/Staff Absent: None. Guests Present: Dorie Cothren, Dallesport Log Yard; Mike Haglund, SDS Lumber; Melissa Haglund.	Meeting called to order by PC Vinyard at 4:31 PM.
<p>Administrative Matters Approval of Minutes</p> <p>Approval of Vouchers</p>	<p>Minutes – June 6, 2023.</p> <p>Minutes – July 10, 2023.</p> <p>Payroll Vouchers – June 20, 2023, #D13512-D13519, \$12,324.08.</p> <p>Vouchers – June 20, 2023, #29579-29592, \$11,150.09, and VOID #29593-29594.</p> <p>Vouchers – June 29, 2023, #29595-29604, \$25,676.09.</p> <p>Payroll Vouchers – July 5, 2023, #D13520-D13537, \$15,244.39.</p> <p>Vouchers – July 11, 2023, #29605-29621, \$86,114.55.</p> <p>Vouchers – July 18, 2023, #29622-29628, \$53,827.03.</p> <p>Payroll Vouchers – July 20, 2023, #D13538-D13546, \$12,478.51.</p>	<p>PC Schmitt M to approve the minutes, PC Herman S, MP 3-0.</p> <p>PC Schmitt M to approve the minutes, PC Herman S, MP 3-0.</p> <p>PC Herman M to approve the vouchers, PC Schmitt S, MP 3-0.</p>
Old Business	None.	

<p>New Business Resolution 2-2023 CERB Application – 151E Bldg.</p>	<p>ED Ziegler noted the presented resolution is to apply for a \$1,000,000 of Community Economic Revitalization Board (CERB) grant/loan combination for a 10,000 square foot building on Lot 39 campus. Ziegler stated CERB authorized the Port to begin the second tier of the application process. She noted the deadline for the application is July 31, then the Port will have the opportunity to present the project to the CERB board in September at Dayton, WA.</p> <p>PC Vinyard stated he would not be able to attend the Klickitat County Public Economic Development Authority meeting and asked either MT Sauter or Ziegler to go in his stead. Ziegler stated they will attend to request a letter of support for the project.</p>	<p>PC Schmitt M to approve Resolution 2-2023 PC Herman S, MP 3-0.</p>
<p>Executive Director’s Report 2022-04 DIP Well #2 Disinfection and Improvements</p>	<p>ED Ziegler stated Beam Construction and Tenneson Engineering are continuing to troubleshoot the Well #2 flow meter. They have disconnected the pipe, inspected the meter, installed isolation rings, rotated the meter, added a grounding rod, and dropped the reservoir from 72 feet to 48 feet because the valve was not seating. The project deadline is July 20, so they intended to reconnect the flow meter and will inspect again tomorrow.</p>	
<p>Executive Director’s Report (cont.) Dallesport Log Yard Bark Cleanup</p>	<p>ED Ziegler introduced Mike Haglund, legal council for SDS Lumber and Dorie Cothren, Dallesport Lumber. She stated the Port was not able to negotiate, but would listen to any requests or offers. She added if the Port did choose to accept SDS Lumber’s proposal, there would need to be a public meeting in which terms were discussed. PC Vinyard noted any confidential information that needed to be discussed, should be discussed with the ED outside of the public meeting.</p> <p>Haglund introduced himself and stated SDS is interested in taking over the Dallesport Log Yard lease. He stated SDS has a letter of intent with Dallesport Lumber to purchase all equipment, and assume the lease as</p>	

Executive Director's Report (cont.)
Dallesport Log Yard Bark Cleanup
(cont.)

soon as possible with the contingency of successful negotiation of a five year lease with the Port. Haglund stated the lease SDS would like to enter into has the same conditions and terms as Dallesport Log Yard's lease, with the exception of a flat rate escalation of 3% instead of annual CPI adjustment.

He described the bark screening equipment SDS would use and noted rock would be used onsite once lots were level and consistent with surrounding terrain, with a natural look. He described how other materials would be trucked out and utilized. He stated the mulch would take some time to sell, but the large piles on the east side of the yard will be first priority, with movement east to west to address all the other piles.

Haglund said time is of significance in order for SDS to perform lot cleanup prior to the rainy season. He noted SDS personnel was onsite again today evaluating what would need to be done to perform the cleanup. The present estimate is 2,000 yards need to be removed, with an estimated cleanup time of three or more months. Haglund said it would be helpful to have a mutually agreeable lease and assignment by August 1, in order to begin staging cleanup equipment.

Haglund stated the long term plan is to expand the geographic reach of SDS Lumber, and noted the river is a great asset to that end. He said public timber offerings have been decreasing and private land is more important in supplying mills. Haglund stated WKO previously have sourced logs out of Umatilla to the Carson Mill before Home Valley was silted in. Currently, SDS would like to source volume from eastern Washington by river, then truck to the Bingen mill. Logs will not be stored long term in Dallesport.

Haglund restated his request for a five year lease, and stated SDS does not need the 0.74 acre lot included in the current Dallesport Log Yard

Executive Director's Report (cont.)
Dallesport Log Yard Bark Cleanup
(cont.)

lease. Haglund wanted to make it clear that purchasers of public timber, like WKO, are prohibited from export activities and export could cause WKO to be debarred. As such, he noted SDS would not participate in any log export activity, which is a change in how the barge dock has historically been used.

Haglund summarized that SDS needed the Port to approve an assignment of the Dallesport Log Yard lease from August 1 to December 31, 2023 including a description of cleanup activity SDS will be engaging in during August 1 and October 31, and a new lease to become effective January 1, 2024 with a term of five years and two five year extension options. Haglund restated the proposal to have flat rate escalation, and added SDS proposes to maintain the same wharfage rate for incoming barges, but proposes converting footage to tonnage.

Vinyard asked how the tonnage is determined and when it was scaled. Haglund stated they would be buying by the ton, so there would be a record of what was delivered by load from the log trucks when barge was loaded. Haglund stated the conversion calculation would be stipulated in the lease.

Ziegler stated the Port needs to look at how the dock should be used and evaluate how to increase revenue for barge dock use, given the loss of revenue from export logs. Ziegler noted the Port will need to assess how to run it more like a terminal in order to accommodate more users which may include barge scheduling and fees per barge. She noted to encourage multiple users, barges will not be able to be moored at the dock for extended periods, keeping it open for the next opportunity.

Cothren stated it would be easier for SDS to have quick barge turnaround because they are just offloading, and not waiting for trucks to bring

Executive Director's Report (cont.)
Dallesport Log Yard Bark Cleanup
(cont.)

product to load. Haglund clarified any local area logs purchased will be trucked directly to the Bingen mill. There will be no deliveries by truck into Dallesport; only import by barge.

Ziegler shared the old binding site plan as compared to the new binding site plan and discussed the need for bark cleanup. Ziegler stated the cleanup will be monitored by the Port Engineer and must be completed to his standards. Cothren asked how the Engineer would measure accumulation. Ziegler noted Eckman was onsite determining accumulation, and gave example of the staging area and near the power boxes where accumulation was unacceptable. Cothren stated there is still cleanup happening and fine bark being hauled away. She agreed additional cleanup was needed in the staging area and by the power boxes.

Ziegler shared the Port's plans to improve the terminal area. She discussed the need to have rubber tired loading equipment in order to preserve asphalted areas. Ziegler stated the current asphalted area needs to be completely replaced due to the damage it has incurred. Ziegler noted any tenant improvements would need to be approved by the Port Engineer. Cothren stated rubber treads could be purchased on tracked equipment.

Ziegler stated she talked with Haglund about including equipment in the Assignment letter. Haglund stated they have a letter of intent which will become a contract; and can become an exhibit to the lease.

Ziegler stated insurance and security deposit are something we need to review with Port Attorney Bill Eling. Haglund stated he proposed to leave it the same, but he was sure the company would adjust to current insurance economics. Discussion followed about the merits of annual CPI versus a flat rate escalation for lease rates.

<p>Executive Director's Report (cont.) Dallesport Log Yard Bark Cleanup (cont.)</p>	<p>Vinyard asked about how soon importing could begin. Haglund stated he guessed there would be volume in the first year as the logging season in eastern Washington is longer, as they are less impacted by winter weather. Discussion followed about material imports. Haglund stated the chip barges need less draft than log barges, so SDS cannot bring logs directly to the Bingen yard. Haglund stated they would not be importing any pulp logs, only saw logs. WKO now has plywood which gives the flexibility on what logs they can accept. Haglund restated he would like the lease to be agreed upon and signed August 1, effective January 1, 2024.</p>	
<p>Executive Director's Report (cont.) 3rd Qtr 2023 Strategic Planning</p>	<p>ED Ziegler stated she included a document for the PC and asked them to call her with questions after they had reviewed it.</p>	
<p>Executive Director's Report (cont.) MCEDD Board Member</p>	<p>ED Ziegler stated she was approached by Pat Albaugh, Port of Skamania requesting the Port of Klickitat take a two-year term on the Mid Columbia Economic Development District board. PC Herman stated he would be willing to serve on the board. Ziegler stated there are quarterly meetings with two Zoom meetings.</p>	<p>PC Schmitt M to nominate PC Herman to serve on the Mid Columbia Economic Development District board, PC Vinyard S, MP 3-0.</p>
<p>Executive Director's Report (cont.) General Updates</p>	<p>ED Ziegler thanked PC Schmitt for supporting Port staff on 4th of July with a fire truck.</p>	
<p>Commissioners Remarks</p>	<p>PC Vinyard stated he is trusting ED Ziegler and MT Sauter to represent the Port at the next KCPEDA. Sauter stated the support letter is on the agenda, and he is preparing for future funding. PC Schmitt expressed the opinion the Port has used prior funding well. Sauter stated he is gathering data to support the investment Klickitat County has made in the Port, and the incredible return on investment. Vinyard stated there is misunderstanding about the purpose of .09 funds. Discussion followed about the RCW specified purpose of the .09 funds and allowable expenses. Vinyard thanked PC Herman for representing the Port on the MCEDD board.</p>	

Commissioners Remarks (cont.)	<p>PC Schmitt thanked Port staff for the work on the funding the next building.</p> <p>PC Herman asked if the drum circle would provide proof of liability insurance. Herman stated the Aeromodeling club responded very positively to the letter informing them they could not continue to use the space. Sauter stated the former flight area was fully vacated.</p>	
Public Comment	None.	
Adjournment	PC Vinyard adjourned the PC Meeting at 5:49 PM.	

Approved on August 1, 2023
(Date)

Margie Ziegler
Margie Ziegler, Executive Director

Bonita Snyder
Bonita Snyder, Administrative Assistant

Jim Herman
Jim Herman, Secretary