

MINUTES
PORT OF ASTORIA
WORKSHOP SESSION
AUGUST 14, 2007
PORT COMMISSION CHAMBERS

Chairman Dan Hess called the Workshop Session to order and took roll call.

Commissioners present: Dan Hess, Bernie Bjork, Larry Pfund, Kathy Sanders, and Bill Hunsinger.

Staff present: Ron Larsen, Rita Fahrney, Colleen Brown, Lora Eddy, John Hord, Ken Smith.

Chairman Hess reminded commission members that Congressman Wu will be at Lektro Monday, August 20, 2007 at 9:30 a.m.

LEKTRO/OECDD LOAN DISCUSSION. Ron Larsen introduced Vicki Goodman and Denny Houle, of OECDD. They are here to answer any questions about a loan being proposed to Lektro for infrastructure improvements that exceeded the original estimate/loan. Larsen provided a brief history of the Lektro improvement project that was funded by OECDD through the Port in the amount of \$2,591,900. They are requesting additional funding which OECDD can provide with a Strategic Reserve Fund for \$858,000 and a Special Public Works Fund of \$850,000. The Strategic Reserve Fund loan is a "forgivable" loan with creation of jobs per original loan/grant. Chairman Hess recalled this was part of a much larger infrastructure improvement that provided a water upgrade at the airport and a new fueling station for aircraft.

Ms. Goodman explained the terms of the loan and passed out a sheet with a table showing port loans, payments and balances. She and Denny Houle answered questions from commission members. Ron Larsen stated staff will be requesting permission to apply for the OECDD funding at the Regular Meeting next Tuesday.

DREDGE DISPOSAL SITE OPTIONS. Lora Eddy stated first there is good news – the Port of Astoria has been given authorization by regulatory agencies to flow-lane dredge not only the face of pier 1 and other areas they authorized last year, but now full flow-lane dredging in both slips one and two, including Bornstein's dock! Bill Hunsinger explained about a concept where a bucket was dragged diagonally across the slip so that the dredge spoils would be deposited in the center, away from the mooring areas. The dredge then only needs to remove the hump. The theory is that dredging that depth will move material from other

areas that need to be dredged into the "hole". Some discussion followed with agreement to look into the dredging concept and regulatory issues that may be involved with dredging to that depth.

Lora Eddy presented a handout containing 12 potential disposal sites. She briefly reviewed each of the proposed sites, citing pros and cons of each. After review, the closest option was decided to be shoring up of the east side of pier three with sheet piling. The first step in utilizing this option would be to get regulatory agencies' approval and then working to get funding needed. Bill Hunsinger suggested looking into purchasing the land DSL owns on pier three. Discussion followed.

PUBLIC COMMENT RULES. The Public Comment rules will be addressed at the Regular Meeting. The rules are meant to assist people in understanding rules for meetings and public comment.

Kathy Sanders stated she would like discussion on the medical retirement benefit in the labor contract, including opinion on options.

STAFF REPORTS.

Ken Smith, Marine Services Manager, reported on the handrail safety issue at the east basin and continuing to deal with sea lions. He stated the basins were busy with Regatta weekend and a Portland Yacht Club visit. Customers are voicing they are happy with the new fuel dock and facilities. Smith also commented on one of the potential dredge disposal sites listed earlier in the workshop – the Hammond dredge spoils area has a large area, but will fill fast.

Bruce Conner passed out information books to commission members with information on the Cruise Host Committee, 2007-2008 Cruise Ship schedule, an emergency call-out list during cruise ship visits and a form to be filled out by the Commission to attend events held on cruise ships while they visit in Astoria.

Ron Larsen stated a recent meeting was held with the Corps of Engineers regarding the Supplemental Environmental Project (SEP). The proposed project is becoming more complex; Larsen explained some of the concerns staff is encountering. There is concern the Corps may not approve it after completion, in which case the Port will have spent funding and time and still not have an approved project. He is also looking into options to pay the fine. Commissioner Sanders stated the Port may need to have an additional meeting with the Corps. She voiced her opinion if the project was falling through no fault of our own, then an "injustice has been done to the Port".

Commissioner Hunsinger stated he has some questions he would like discussed. He inquired about the cost of having the WOODBINE here, including attorney

fees. Larsen explained they are severely overdue on moorage payments. Colleen Brown reported on attorney fees to date. Hunsinger also stated there are problems with Da Yang's lease. The piling supporting the docks is unsafe. Da Yang is placing heavy equipment there. He looked at the fire damage and asked if it might not be covered. Ron Larsen reported the Port's carrier, SDAO, will cover Port of Astoria damage and will subrogate the cost to be covered by Da Yang. Hunsinger also questioned permits that Da Yang should have in place, stating they are not in compliance with lease requirements. Ron Larsen explained the Astoria Fire Marshal and the City of Astoria staff has been dealing with Da Yang on the permitting issues. Commissioner Bjork stated it is not staff's job to monitor permits issued. It is covered in lease requirements and is the responsibility of Da Yang. Commissioner Hunsinger continued to question the use by Da Yang of area they are not leasing. Some heated discussion followed. Chairman Hess called order to the meeting. Commissioner Sanders recommended a letter be sent to Da Yang stating consequences if they fail to abide by the terms of their lease. Hunsinger voiced concern about Da Yang's lack of insurance and potential Port liability. Staff responded Da Yang now has insurance coverage.

Due to the extent of issues the commissioners wish to address, it was agreeable to the members to hold two workshops a month in addition to the Regular Meeting date.

There being no further business, the workshop was adjourned.