

**MINUTES
PORT OF ASTORIA
REGULAR COMMISSION MEETING
JULY 19, 2011
PORT COMMISSION CHAMBERS**

Chairman Holcom called the Regular Meeting to order. Roll call was taken.

Commissioners present: Floyd Holcom, Dan Hess, Jack Bland, Larry Pfund. Bill Hunsinger is excused.

Staff present: Executive Director Jack Crider, Deputy Director Herb Florer, Finance Manager Colleen Browne, Terminal & Administrative Services Manager Rita Fahrney, Property Manager Mike Weston, Boatyard Manager Steve Barkemeyer, Airport Manager John Overholser and Maintenance Supervisor, Harold Culver.

CHANGES TO AGENDA.

Captain Kaup presentation to be moved ahead of Election of Officers.
Robert W. Trumball CEO, Eco Mineral & Steel Corp. presentation.

OATH OF OFFICE – JACK BLAND

Chairman Holcom swore in commission-elect Jack Bland. Commissioner Bland assumed his position on the board.

CAPTAIN KAUP PRESENTATION.

Chairman Holcom introduced Coast Guard ex-Captain Kaup. Holcom explained in port history books, the first Captain of the Port, in 1940, was located in Astoria. He voiced his support of having the Captain of the Port back in Astoria, noting Captain Kaup did a fantastic job in the region. On behalf of the Port of Astoria and in appreciation of Captain Kaup's service, Chairman Holcom presented him with a plaque. Captain Kaup voiced his support of the Port, acknowledging Astoria is the right location for the Captain of the Port. He really enjoyed his service time in Astoria and plans to make it his home.

ELECTION OF OFFICERS

Chairman Holcom reviewed accomplishments during the past year:

- 100 year celebration
- Due diligence, financials –audit
- Long Strategic Plan process
- Korea history – Sister port with Busan
- Great improvements completed at airport
- Enable Tongue Point property as destination
- Passed budget – 1st time reducing taxes

- Log exports

Discussion followed. Chairman Holcom stated the need to continue efforts to bring rail to the Port district and work on improving relationships with other entities.

Commissioner Bland moved to elect officers using rotation basis as follows:

President – Dan Hess

Vice President – Jack Bland

Secretary – Larry Pfund

Treasurer – Bill Hunsinger

Assistant Secretary/Treasurer – Floyd Holcom

Commissioner Pfund seconded the motion. The motion carried unanimously.

MINUTES

Regular Meeting, May 17, 2011; Special Meeting, June 14, 2011; Regular Meeting, June 21, 2011

Commissioner Holcom moved to approve the minutes of the aforementioned meetings. Commissioner Bland seconded the motion. The motion carried unanimously.

FINANCIALS – MONTH OF JUNE 2011

Vouchers. Commissioner Bland advised he has reviewed the vouchers and has no questions. *He moved to approve the vouchers for the month of June. Commissioner Holcom seconded. The motion carried unanimously.*

Financials. Finance Manager Colleen Browne reported net income from operations for June is \$34,975. Increased fuel sales at airport and marina. Commissioner Holcom noted the fact that non-ethanol gas is available at the port fuel dock. Sales may increase if more of the public is aware of that. *Commissioner Holcom moved and Commissioner Bland seconded, to approve the financial reports for the month of June. The motion carried unanimously.*

PUBLIC COMMENT.

Robert Trumbull, Seaside, Oregon. Mr. Trumbull stated he is the CEO of Eco Mineral, a company established in 1963. He briefly explained the background of his company and thanked Director Jack Crider and the Commission for their assistance and interest in his company and its processes for marketing the Columbia River sands. He voiced appreciation for the Director arranging a meeting held recently with Mr. Seung Ho Park of KOAM International and Mr. Kim Young Kil of Seungjeon Scrap Co. Ltd representing POSCO (Pohang Iron & Steel Company). He stated he has two requests: He asks that the Port withdraw its application for a state lease to excavate Rice Island and recommend rejection by the state of the Peter Gearin application for renewal of his expired lease. Trumbull stated these requests will aid in his company promptly securing a bulk ore contract and further financing – bringing additional revenue and jobs to the Port. The ore when it is processed is 67% iron content, making it the richest and most competitive iron ore available in the market today. He explained what facilities the company needs to be able to load a ship. Discussion followed. Commission consensus was to hold an Executive Session to further discuss Mr. Trumbull's proposal.

STAFF REPORTS

Steve Barkemeyer, Boatyard Manager , reported the following:

- Busy season at boatyard. Saw cutting done for electrical improvements.
- Working on Tongue Point wash-down system. Some complications with City of Astoria, working through.
- Tarps and clean-up enforcement is being monitored at the boat yard.
- Process for treating for copper.
- Tuna fleet season is beginning and are starting to use the yard

John Overholser, Airport Manager, reported the following:

- Fuel sales \$153,245 total in revenue – jet fuel is big seller. Reported the breakdown of sales.
- The T-hangar negotiations are continuing. There is discussion of putting new roof over top of existing to save labor costs. Expensive, due to two roofs and concerns with moisture.
- Discussion was held on Coast Guard housing needs.

Harold Culver, Maintenance Supervisor, reported the following:

- Airport drainage system repair underway.
- Electrical work done on pier one completed so generators are not needed for power sources when cruise ships call.
- Purchased a hydro- crane. It needs some attention.
- A lot of work being done on repairs of the pier one building. A lot of finishing work was not completed.

Jack Crider, Director, reported Finance Manager Colleen Browne is doing 13th month adjustments for audit work. Additionally she is working on current month accounting. Some discussion followed on benefits of having an additional person to assist in day-to-day accounting functions.

Herb Florer, Deputy Director, reported for the Marina staff as follows:

- General maintenance work is ongoing at the docks repairing water lines and lights and power washing the dock.
- East Basin boat ramp dock repairs will be done this week
- New signs have been placed by the West Basin dumpster, banners are up at the motel parking lot for parking and there is a new informational sign at the Pier One building.

Herb Florer, Deputy Director, went on to report the following:

- Working with Maintenance crew for design of time capsule. They believe they can fabricate it themselves, saving costs.
- The Kiosk contractor is selected (Hyde Park Construction) and scheduled to begin work August 1st. Director Crider added there will be a special event to bury the time capsule soon and it will be scheduled to have it placed inside a hole in the kiosk and covered with concrete during the event.
- He did a presentation with Commissioner Pfund at the Lower Columbia Solutions Group, and attended the CREST meeting to discuss potential mitigation sites for port projects.
- Offices at pier one building are being painted – close to being ready to occupy.
- The Security RFP for camera surveillance system process is underway.
- He was asked by the Director to report on endangered sea animal issues affecting pier work permitting. He gave a report on his findings pertaining to Steller Sea Lions and Smelt.

Commissioner Holcom questioned the practice of the Corps of Engineers dredging the Lower Columbia River during seasons where there are known endangered species, yet the Port of Astoria is only permitted to dredge during the winter season.

RESOLUTION NO. 2011-16 BUSINESS MATTERS

Director Jack Crider advised this resolution designates appointment and authorization for different business matters. This is a process done every year, updated when board members change office. *Commissioner Holcom moved to approve Resolution 2001-16 Business Matters. Commissioner Pfund seconded the motion. The motion carried unanimously.* Holcom recommends changes to the web-site be expedited to reflect the changes of officers.

AIRPORT ENGINEER'S CONTRACT

Executive Director Crider advised this is for Precision Approach Engineering for AIP 19 for design phase services and construction services. This was discussed previously at the last port meeting. *Commissioner Holcom moved to approve the engineering contract. Commissioner Bland seconded the motion. The motion carried unanimously*

AREA-WIDE CONTAMINATION – DISCUSSION

Director Crider stated responding to DEQ's Request for Comments on Area 4 involves a lot more issues that affect the other four areas of contamination. He would like to respond and request DEQ to extend the comment period so the Port can properly address concerns on Area 4 and other areas. Commission members voiced concurrence that Director Crider proceed as requested.

DIRECTOR'S REPORT

- Spent the last week as a tour guide – Eco Minerals, and Korean companies representatives here. Dr. Park gave up his time to be interpreter for Koreans. Came for the Iron Ore and Seafoods potentials. One principal represents 200 seafood companies. Pitching for lumber below deck and logs above deck. Meeting with Koreans about that prospect.
- Tour with Governor's economic advisers went well, the bus driver for the tour was late, creating extra time for him to discuss Port history and projects. They toured Port and Bornstein's facilities. Spent over an hour with them.
- Another round of meetings with Red Lion and their financing and Bond Attorney. A little frustrating they have not identified the equity funder - that is one of the challenges the Port has with other potential investors. With that option out there they are not willing to negotiate at this time.
- Fishing season good – short this week, but still going with Whiting. Bornstein Seafood is doing well with the volume of product. Logistics of moving so much traffic has been challenging. Some discussion followed.
- Permitting picking up some speed for the pier 3 project. Don't see potential shipper stepping up to fund this project and buy the steel. Also awaiting opportunities for grant funding. Waiting on approval of sampling plan so can start doing the samples. Each sample costs \$800.
- Pier 3 log yard has started up, compacting the road and preparing for paving is underway.

COMMISSION – REPORTS

Commissioner Holcom reported on:

- A fantastic change of command ceremony at the Coast Guard station. Three Port people represented.
- A meeting with WOW is planned to discuss a garbage train project to export trash from the County.
- He was impressed with Dr. Park and the delegation. He met with them Thursday night. Sister Port - Port of Busan interest in working with Port of Astoria has slacked off.
- President of Bumble Bee Seafoods is coming for Regatta.
- Attended the Astoria City Council meeting
- In-water work period discussion. Crider stated contractors like Bergerson have four months to do 80% of their yearly work consisting of in-water work. They will have to shrink down their operation to adhere to the regulations.

Commissioner Bland attended the Seaside City Council meeting and with Jack Crider a CEDR meeting, they have just gone through a change of director.

DIRECTION

Commissioner Holcom inquired about the rail line progress. Crider responded staff is moving equipment in to collect piles of debris and trees along the railroad. A plan is in place.

PUBLIC COMMENT.

Chairman Hess called for public comment. None was received.

OTHER BUSINESS

Chairman Hess called for any other business.

There being no further business, the meeting was adjourned.