

**MINUTES
PORT OF ASTORIA REGULAR MEETING
MARCH 15, 2011
PORT COMMISSION CHAMBERS**

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

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

Staff present: Executive Director Jack Crider, Deputy Director Herb Florer, Terminal & Administrative Services Manager Rita Fahrney, Finance Manager Colleen Browne, Property Specialist Jessica Long, Property Manager Mike Weston, Boatyard Manager Steve Barkemeyer, Marina Manager Janice Burk.

CHANGES TO AGENDA. Chairman Holcom called for any changes to the agenda. None were noted.

APPROVAL OF MINUTES:

Regular Meeting, February 15, 2011. Commissioner Bland moved to approve the minutes of the February 15, 2011 commission meeting. Commissioner Hunsinger seconded the motion. The motion carried unanimously.

FINANCIALS

Vouchers/Financial Reports. Commissioner Bland reported that he has reviewed the vouchers for the month of February and the Financial Reports and found them in order. Finance Manager Colleen Browne noted the Budget to Actual has some high numbers for the month due to Seaport expenses that will be reimbursed. Chairman Holcom noted the Tongue Point monthly report is positive. Commissioner Bland moved to approve the financials for the month of February 2011. Commissioner Hunsinger provided the second to the motion. The motion carried unanimously.

PUBLIC COMMENT. Chairman Holcom called for public comment.

Lori Durham, 398 Atlantic Astoria. She had occasion to visit Tongue Point with Ted Thomas. She viewed the scrapping operation and it was messy – not like the lease document described. She observed open water flowing into a drain. Executive Director Jack Crider responded staff is closely monitoring their operation. They are employing seven people. Durham also commented on the log loading on pier one and asked for an update. Director Crider advised pier one repairs are on the agenda for discussion.

JOHN DUNZER – COLUMBIA ALTERNATIVE ENERGY FARM

Mr. Dunzer introduced himself, explaining he represents the property owner at Bradwood and is working as an unpaid consultant. He is here to explain the project details and ask for a letter of support from the Port of Astoria. The proposal he is presenting is for an alternative energy farm. He has designed an improved project to replace the Bradwood LNG Receiving Terminal that has been abandoned because of bankruptcy. The new project uses LNG natural gas as a resource for generating industrial gases as well as the first generation of alternative fuels. It will provide a reliable source for traditional natural gas applications with almost no additional gas pipeline infrastructure being required; it will require no river channel dredging or zone changes. It uses as its input existing Alaskan LNG domestic resources and Oregon biomass fuel. Mr. Dunzer went on to

explain more of the components of the alternative energy farm proposal for the Bradwood site. He introduced Ken Leahy, owner of the Bradwood site. Dunzer reiterated he is asking for local support from the Port of Astoria. Questions followed. Ken Leahy advised he purchased the property in 1986 and has worked to develop it for industrial/commercial use for many years. Chairman Holcom stated the project has been well thought out. Commissioner Hunsinger stated this is the first time the commission has had the project explained; he would like to have the full board present before voting on a letter of support for it. No action taken.

STAFF REPORTS

Colleen Browne, Finance Manager.

- A draft audit has been received. Staff is reviewing and it will be placed on agenda for board approval.
- The budget process for next year will begin in April. A budget committee vacancy exists. It will be advertised in the paper for people interested in serving.

John Overholser, Airport Manager.

- The Bar Pilot remodel is completed.
- The wind cone and beacon inspection will be on March 28th.
- Kits for hangar doors have arrived, project being finished
- The Airport Committee continues to meet once a month.

Steve Barkemeyer, Boatyard Manager.

- Haul-outs, despite inclement weather, are progressing well. A new sling has been purchased
- New lift at Tongue Point is 30 tons – more piling needed to extend the dock for haul-outs.

Janice Burk, Marina Manager introduced herself and reported the following:

- Waterline work underway at the East Basin
- Power-washing docks at the West Basin
- Navigational buoys reset
- Working with Oregon State Marine Board to get funding for repairs on the boat ramp

Jessica Long, Property Specialist.

- West Bay Lease was approved and will be ratified tonight.
- There is ongoing organization of the maps and blueprints. She has logged 1,700 of 2,400 maps
- Reviewing minutes to define dates of deeds
- Researching benefits of North Tongue Point for shipping purposes
- Setting aside documents to support the Beltline Rail history. Commissioner Hunsinger suggested she call Harry Utti, who did work on port-owned lands and titles. He would be happy to work with staff.

Mike Weston, Property Manager

- Port received dredging extension requested, with permission to go to -43'.
- Working on slurry permit renewals from regulatory agencies
- US Customs/Border Patrol is interested in leasing space at the pier one building. They have a 90 page application to fill out as Lessor that he is working on.
- Meeting with Oregon Department of Fish & Wildlife re: fish cleaning station

Herb Florer, Deputy Director

- Reported on damage at Red Lion. A truck ran into an awning
- Discussions with DSL re pier three use change.

- Compiling presentation information for Koreans for long-term planning at Tongue Point
- Meeting with Warrenton officials regarding the levies

Rita Fahrney, Terminal & Administrative Services Manager

- Pre-cruise ship planning meeting was held recently
- Submitted updated log ship statistics on revenue

RESOLUTIONS

2011-03 West Bay Fisheries (Ratify Lease)

2011-06 Pier One Vendor Fees

2011-08 Marina Moorage Rates

Commissioner Bland moved to approve the above noted resolutions. Commissioner Hunsinger seconded the motion. Discussion followed on the vendor fees. Executive Director Crider reported the car rental companies have been asked to submit proposals. Chairman Holcom asked that the car rental companies be taken out of the motion for approval of vendor fees. Commissioner Bland amended his motion to reflect removal of car rental fees. Commissioner Hunsinger's second was also so amended. The motion carried unanimously.

FLEX LEASE – PURCHASE CONTRACT

Executive Director Jack Crider reported on the Flexlease Purchase Contract details for the 30-ton haul-out trailer and wash-down system for Tongue Point boat yard. *Commissioner Bland moved to approve the Flex Lease Purchase Contract. Commissioner Hunsinger seconded the motion. The motion carried unanimously.*

SECURITY REQUIREMENTS

Chairman Holcom cautioned that any discussion of Port security not violate security-sensitive issues. Crider reported on current coverage requirements and acknowledged the increased activities at the Port indicate a need for more coverage. Chairman Holcom voiced concern about discussing numbers and manning and requested media confidentiality. Further discussion followed on the change in the fencing of the secured pier one area to accommodate a log ship on the west side of pier one and a cruise ship on the face of the pier.

PIER ONE IMPROVEMENTS

Director Crider advised while the West Side of Pier One was built for log loading operations, the machinery and logs stored are extremely heavy. Also dredging has pulled the bulkhead down – causing sinking surface. What started as a small section of the surface that needed repaired at a cost of \$5,000 has turned into six sections at a cost of \$30,000. There will be a need to constantly add rock until there is enough revenue to put sheet piling in place. Director Crider emphasized the need to continue the repair and recommended declaring an emergency situation. Chairman Holcom acknowledged Ports are authorized to declare emergencies to protect interstate commerce. *Commissioner Bland moved to declare an emergency and authorize the Executive Director to expend funds up to \$40,000. Commissioner Hunsinger seconded the motion. The motion carried unanimously.*

RED LION SETTLEMENT

Director Crider advised the Red Lion Settlement Agreement is set to expire March 18th. He recommends the commission authorize a 30-day extension to wrap up the settlement. *Commissioner Bland so moved. Commissioner Hunsinger seconded. The motion carried unanimously.*

DIRECTORS REPORT. Executive Director Jack Crider reported on the following:

Turn Basin and Pile Dikes. Submitted a funding request in the Corp's budget to remove 35K cy from the Central Waterfront's turn basin – hasn't been dredged in 14 years and has created a 36-37 foot hump outside the Port's dredging area. Cargo volume now crossing port facilities is helping to improve justification of spending.

Highway 101 Airport Access. Draft agreement distributed for providing a 4-legged access and traffic signal at Harbor Street. He has requested POA be party to agreement as the intersection enters Port property and is critical for future development.

DSL Property Purchase Request. Update on pier 3 and Skipanon property purchase request. DSL will send public notices to local governments, complete a resource review, market analysis and preliminary purchase price on pier 3 and then a recommendation to the State Land Board. The Skipanon property is more of a challenge as Jim Neikes owns property between the Port's and State's – properties must be adjoining.

Tongue Point Boat Wash System. After months of bids, design modifications, discharge analysis, and location changes, staff has accepted the Oil Traps separation system for \$45,000. Will be delivered April 11th.

Stern Anchors and Buoys. The Corps of Engineers, Ports of Portland, Vancouver, Longview and Kalama have entered into an agreement to fund seven stern anchors and buoys for \$3 million to increase upriver anchorage due to the increase in grain ships. He reminded them of our authority of the river in Clatsop County. They would agree to add another sponsor if we pay a pro-rated share. He has asked for a copy of the agreement. Some discussion followed.

COMMISSION – REPORTS

Commissioner Hunsinger reported on his continued discussions with Hampton/Bonner re lumber exporting. He explained how some lines are bringing cargo into the Columbia River and leaving empty. He recalled 12 million board feet being stored in the past on the port's pier two east dock facility. Discussion followed on pier repairs needed for accommodating increased cargos.

Chairman Holcom noted that WOW has discussed shipping steel using the Tongue Point facility.

PUBLIC COMMENT

Lori Durheim, 398 Atlantic, Astoria. Inquired about the For Lease signs on the Skipanon property. Deputy Director Herb Florer explained they are there for general marketing purposes. Durheim also gave comment on the letter to Business Oregon requested at John Dunzer's presentation. She is glad the commission is going to look further into it and not jump into it, cautioning them to be "fully aware of what's going on".

OTHER BUSINESS.

No other business was discussed.

There being no further business, the Regular Meeting adjourned.