



APPROVED 11-17-2009

**MINUTES
OF THE
BOARD OF COMMISSIONERS
MEETING**

HELD ON

**Tuesday, October 20, 2009
6:00 p.m.**

AT

**Port of Tillamook Bay
4000 Blimp Boulevard
Tillamook, Oregon**

1. Call to Order

Board President Jerry Dove called the meeting to order at 6:00 p.m.

2. Recognition of Persons Present

Commissioners: Jerry Dove (President); Ken Bell (Vice President); John Ficher (Secretary); Arthur Riedel (Treasurer); and Jim Young (Commissioner).

Staff: Michele Bradley (General Manager); and Aaron Palter (Project Coordinator).

Public: Floyd Holcom (IBIS Group, LLC); Daniel Patsula and Dick Carr (ISI/The Bunkers Group); Gerald "Butch" Parker, Director, Tillamook County Department of Community Development; Gus Meyer; Georgine Beveridge; Jill Williams; Don Gragert, C. Wayne Cook and Randy Richardson (Tillamook Gun Club);

3. Public Comment

There was no public comment at this time.

4. Floyd Holcom, IBIS Group LLC

Mr. Holcom read a prepared statement (attached) to the Board following which the Board said it had no comment as the matter has been referred to legal counsel. Mr. Holcom responded this was unfortunate that he had not been notified about this and that he would have to obtain his own legal counsel.

5. Port Financial Report

Ms. Bradley said the year-to-date figures are good. The Museum figures are down.

6. Railroad Financial Report

Ms. Bradley said the year-to-date figures are not so good. Operation income is not too bad, however. Banks moved 13 cars.

Commissioner Bell requested that expenses and income be grouped for the report akin to a departmental report.

7. Approval of Minutes from 9/9/09. 9/15/09 Special meeting and 9/15/09 Regular meetings

The draft Minutes were reviewed. Corrections have been provided and made.

Commissioner Bell questioned why he was listed in the Minutes of one of the meeting as leaving early. The response was that he had left a meeting early. The commissioners confirmed he had indeed left the meeting early.

Commissioner Ficher made a motion to approve the Minutes. Commissioner Young seconded the motion. The Motion was carried by a unanimous vote.

8. Resort Report

(a.) Monthly Status Report (September 2009)

Ms. Bradley referred to the October 5, 2009 letter from Miller-Nash to the Planning Commission. She said that Bunkers Group had not provided their September monthly report to the Port in time for the Board packets which went out on October 15. It has since been received by e-mail.

Commissioner Dove referenced the upcoming November 12 Planning Commission deliberations. He discussed a recent issue with the gun club. Mr. Patsula said Bunkers is extremely concerned with recent activities at the gun club; and he discussed some elements of the resort project's permits. He noted the detailed requirements for wetlands in the area; and he said the gun club is working within those wetland areas. He said he has referred to these concerns in previous monthly reports to the Board. Mr. Patsula is recommending the Port obtain the proper permitting for this purpose. He discussed his and Mr. Carr's recent arrival in Tillamook to discover the gun club removing lead shot at the club's site and their shock at seeing the large amounts of equipment on-site. Mr. Carr discussed the amounts of fines as he understands them to be for violations of wetland requirements, up to \$10,000 per day.

Commissioner Young asked Bunkers if they have the area staked adjacent to the gun club's work. Mr. Patsula responded no; and he discussed the historical wetlands delineation process for the resort

project. Mr. Carr said that Bunkers has no problem with the gun club's removal of this lead; however, the concern is the permitting process. Mr. Carr said he knew nothing about the gun club's activities prior to arriving back from Portland on October 15. Ms. Bradley referenced an August 2008 e-mail from Dick Carr and said he acknowledged the gun club's activities at that time. A discussion was held about the start of the lead removal activity. Mr. Patsula discussed the windrow creation; and Mr. Carr discussed a meeting with the previous Port Director (Van Borssum) regarding the removal activity.

Commissioner Dove then asked the gun club to respond to these statements.

Mr. C. Wayne Cook (President, Tillamook Gun Club) discussed his understanding of the Van Borssum meeting; and said he does not believe they have been working within the wetlands. He said that Bunkers is the driving force in this activity; Bunkers approached them in early 2008 saying the project was proceeding and they would need to move within two weeks, that they needed to get the lead shot removed as a part of the moving process. He continued that when Mr. Carr believed they were only removing the easily-reached lead shot, a meeting was set up at the Port with Bunkers and the Gun Club with Mr. Carr agreeing to scour away more area to the north for future lead shot reclamation. He said that Mr. Carr never performed this activity, as agreed. The lead removal contractor is on-site now to finish what he started last year. Weather is a factor in this activity.

Commissioner Young asked how to fix the problem. Mr. Parker said the first thing to determine is where the work is actually occurring, whether in or out of wetlands. Ms. Bradley said she would be sending a letter to the gun club on the activity. Commissioner Dove said the Port has been notified and will be looking into the matter. Mr. Cook said that his belief is that if the gun club does not have to move, they do not have to be removing the lead. However, this activity was started at the request of Bunkers Group.

Mr. Palter discussed the amount of staff time which has been put to this effort following Mr. Carr's email letter of October 16 at 4:00 p.m. which made a lot of statements about the gun club's activity, however provided no evidence with the letter showing any of the wetland locations. Mr. Palter said he has contacted the Corps of Engineers and the Department of State lands to determine the wetlands locations to see if the gun club's activities are affecting wetlands. He said that caution must be taken when talking about impacts to wetlands and that evidence should be provided when making these types of claims. A discussion was held regarding the history of the site. Staff is continuing to work on this issue.

9. Railroad Division Reports

(a.) ODOT Inspection

Ms. Bradley said there were no violations with the recent inspection.

(b.) Sterling Bank line of credit discussion

Ms. Bradley said that recent communications with Sterling produced no changes in the current status of the account, but the line of credit will be extended for one (1) more year.

OTHER

Ms. Bradley said there were \$57 Billion worth of requests for the recent \$1.5 Billion TIGER grant opportunity.

10. Airport Report

(a.) Exxon Inspection – 100%

Pictures of the hangar from 1944 were shown to the Board. Ms. Bradley said the Port received 100% on the recent Exxon inspection report.

Commissioner Bell asked if the Port is still paying Exxon on the cardlock installation. Ms. Bradley responded this has been paid off; however, the Port still pays a monthly credit card fee to Exxon.

(b.) TPA Newsletter.

The TPA Newsletter was presented to the Board.

11. Digester Report

(a.) Production Tax Credits – Lobbyist

There was a discussion about the Port's hiring a lobbyist for pushing forward on tax credits. This would involve about 3-4 months' worth of work prior to moving to the next level, if needed. Ms. Bradley is seeking a consensus of the Board to proceed. This is a credit to the Port for producing green energy.

Commissioner Dove asked who is pushing the Bill. Ms. Bradley read a recent email with a description of the project. Commissioner Ficher asked how much money the credits would bring to the Port. Ms. Bradley responded the Port would have received \$24,000 last year and about \$21,000 this year.

The consensus of the Board was to proceed.

(b.) Fiber Dryer

The demo dryer has arrived at the digester and does not look too promising for the Port's needs. Commissioner Dove discussed his understanding of the unit's need for additional equipment for drying the material. Ms. Bradley responded the company has stopped giving the Port a date when it would be ready.

12. Industrial Park Report

(a.) Feasibility Study for Gasification

Ms. Bradley discussed a recent email from Marshall Doak (EDCTC) regarding a successful grant application for a feasibility study involving a cow mortality project. This would be a separate facility from the digester.

(b.) Information – LD Jellison, Inc; Biomass Facility

Ms. Bradley discussed an upcoming workshop on Tuesday, October 27, 2009, at 4:30 p.m. for the purpose of a presentation on the potential for development of a woody biomass facility in Tillamook.

(c.) Statewide Port Strategic Plan

Ms. Bradley said there will be a regional meeting in Tillamook County on October 28, 2009 at 4:00 p.m.

13. FEMA Updates

(a.) Open PW's – 870, 759, 912

Ms. Bradley discussed the recent Hangar B door repair. Tunnel 25 and debris cleanup extensions have been requested, but the work was completed on time. The final payment request is in the process of being submitted.

(b.) Alternate Projects Update

Ms. Bradley said that Section 4's alternate project requests have been submitted to OEM for process. Representatives from OEM and FEMA will be coming to the Port on Friday to discuss this and other project requests as we move forward. Commissioner Dove said he would be attending that meeting.

14. Discussion and Consideration of South Prairie Water District request for water line easement through Port property and authorization for Board Chair to sign

Ms. Bradley said the documents have been presented by the title company; and these would be reviewed by Port Counsel prior to signature.

Commissioner Bell made a Motion to approve the request and authorize the Board Chair to sign. Commissioner Ficher seconded the Motion. The Motion was carried by a unanimous vote.

Ms. Bradley said she would get the final okay from the attorney and contact Commissioner Dove for his signature.

15. Recess into Executive Session per ORS 192.600 (2)(e) for Real property transactions and ORS 192.660 (2)(f) regarding Exempt Public Records; Reconvene regular meeting

(Whereupon Commissioner Dove read the appropriate statute for the Executive Session under ORS 192.660 (2)(e) and (2)(f), and the meeting was recessed into Executive Session between the hours of 7:00 p.m. and 7:35 p.m.)

16. Discussion and Consideration of Port of Tillamook Bay application to Columbia-Pacific Economic Development District for a Technical Assistance Grant for Airport Business Park and authorization for Board Chair to sign documents

Ms. Bradley said this application represents available monies for consulting work on the FEMA Airport Business Park development project and is similar to what the Board has applied for on past projects.

Commissioner Bell made a Motion to approve the request and authorization. Commissioner Ficher seconded the Motion. The Motion was carried by a unanimous vote.

17. Lease Orders

(a.) Washington County Communications – RR Encroachment MP 797.33

(b.) James Peak – IP Building #4 – personal auto repair

Commissioner Dove read the lease orders; and said he would entertain a motion to approve them. Commissioner Young asked about the rate calculations for the leases. Ms. Bradley responded the lease amounts are calculated by a square footage price and said the hope is that the current Strategic Business Plan process should provide the Port with a structured lease rate schedule. Commissioner Ficher asked about any lease restrictions. Ms. Bradley responded the Peak lease is restricted for personal auto repair only. No car storage is allowed.

Commissioner Bell made a Motion to approve the lease orders. Commissioner Young seconded the Motion. The Motion was carried by a unanimous vote.

18. Communications

(a.) 10/28/09 TLW Board Meeting 11:45 am at TPUD

(b.) 10/29-30/09 Telecommunications Conference/TLW – Newport

(c.) 11/05/09 NWACT 1:00-3:30 Cannon Beach

(d.) 11/12/09 OPPA – Salem, time and location TBA

(e.) 11/12/09 Tillamook County Planning Department deliberations regarding POTB's Conditional Use Permit appeal; 7:00 pm at Courthouse

Ms. Bradley said she would be attending the Telecommunications conference in Newport.

19. Public Comments

Ms. Bradley announced the arrival a new baby for one of the Port's employees. There were no other comments.

20. Commissioner Comments

Commissioner Riedel informed the Board he will be gone until December. He commented that the Port should try to settle the IBIS bill.

Commissioner Young asked if the data presented tonight by IBIS was what was requested by the Port. The documents would need to be reviewed with the records.

Commissioner Dove said that if OEM approves the amount, FEMA could still deny it. Ms. Bradley responded that the Port would have to pay the entire amount prior to this decision being made, as any payments are made on a reimbursed basis.

Commissioner Young said the Port should not capitulate just because someone threatens it. Commissioner Bell responded that sometimes it's cheaper to pay.

There was a brief discussion held about the cardlock system and Sheldon.

21. Adjournment

There being no further business, the meeting was adjourned at the hour of 7:43 p.m.