



APPROVED 5/22/18

MINUTES

BOARD OF COMMISSIONERS

REGULAR MONTHLY MEETING

TUESDAY, APRIL 17, 2018, 6:00 P.M.

POTB MAIN OFFICE – CONFERENCE ROOM

4000 Blimp Boulevard, Tillamook, Oregon 97141

1. Call to Order: Bob Olsen @ 6:04 p.m.
Recognition of Persons Present: Commissioners Gerry Opdahl; Bob Olsen and Jim Young - Jack Mulder and Carolyn Decker absent.
Port Staff: General Manager Michele Bradley; Pami Boomer and Margaret Amick
Larry Condon – Biogas Corporation; Heather Taksdal – Zwald Transport
Jason Mitchell and Joe Cassone – Farm Power Northwest
2. Public Comment: None
3. Discussion and Consideration of 2nd Draft Lease Agreement with Tillamook BioGas (TBG) Corp., LLC – Larry Condon spoke of working with local farmers for about 1½ years toward getting a lease and restarting the digester. He anticipates it will take 30 – 45 days and \$160 thousand dollars for improvements and delayed maintenance to be able to start cycling manure. That will produce methane to generate electricity with a fiber byproduct that the farmers will buy for bedding with the excess available for sale to the public. Larry has met with PUD to discuss the purchase of electricity generated by the digester and have it available for local use. If TBG & PUD can't reach an agreement then TBG will assume the Port's contract with PGE and the BPA agreement. Gerry Opdahl asked whether the lease rate will be renegotiable. Michele replied that the contract calls for two 4 year extensions and that the rate will be negotiable as each term ends. TBG asked for the first 6 months to be rent free due to the initial expenses in bringing the digester online. The lease is to begin May 1, 2018. Jim Young asked what will be the standard for solids in the manure accepted by TBG and Larry said 12%. He said they intend to get a permit for substrates fairly quickly if the figures pencil out. Michele asked Larry how many people he anticipates employing, he figures it will take 4 - 6 to get the digester up and operating smoothly, and 2 or 3 to run it. Jim asked Larry if he was comfortable with the lease and he stated yes, that he feels that all the parties; and the community, have been supportive. Michele told the Board about a change in the lease to the alterations clause. The change in this lease states that if TBG purchases an alteration which stands alone (such as an RNG

facility) then they will be allowed to take it if they vacate the lease. Bob asked how much it would cost the Port to keep the digester as is and Pami said about \$3500.00 a month.

Jim Young moved to accept the Lease Agreement with Tillamook Biogas Corp., LLC as corrected with a May 1, 2018 effective date. Gerry Opdahl seconded, motion carried (3-0); Jack Mulder & Carolyn Decker absent.

4. Financial Report – Pami Boomer
 - a. March 2018 Financials: The financials are looking really good with expenses less than projected. Funds continue to accumulate in the pool toward debt service and building up funds for upkeep and improvements to the Port.
 - b. Budget Calendar: The Budget Meeting scheduled for May 3, 2018 @ 4:00 p.m. and the proposed 2018-19 budget to be available for pick up on April 27, 2018. The advertisements have been submitted to the local paper for publication over 2 weeks.
5. Discussion and Consideration of three Oregon Water Resource Water Rights Issues and Authorization for General Manager to Sign Time Extensions
 - a. Application for Extension of Time for Transfer T-9962 (14 pages in packet)
 - b. Application for Extension of Time for Permit G-16311 (31 pages in packet)
 - c. Application for Extension of Time for Permit G-15966 (available at meeting)

The Board reached a Consensus to give General Manager Michele Bradley permission to authorize GSI Water Solutions to file the Applications for Extension of Time Permits G-16311 & G-15966 to the Oregon Water Resources Department on behalf of POTB.
6. Discussion and Update of Water Issues – General Manager
 - a. City of Tillamook Water Rate Increase: Michele provided the new rate sheet from the agenda of the City of Tillamook's recent board meeting.
 - b. City Water Consolidation Study – FCS Group is conducting a Water Utility Consolidation Feasibility Study of outside water districts serviced by the City with the purpose of eventually absorbing them into the City's Water District. FCS provided a list of information requested; including data on the Port's water system Assets, Operations, and Financial Records. Most of the information has been provided to FCS, but will not include the Financial Records on Reserve Information. Jim asked if it is reasonable to think about having the City take over the Port's water system and Michele said that the Port asked the City to consider the possibility at the time the Port was doing its water project. After doing an analysis on converting the meters to a wireless system, and deciding there were too many unknowns regarding the condition of the piping throughout the Port, the City decided it didn't want to assume the risks. Jim asked if we have an analysis of the water piping on the Port and Michele said that Mike Christie is working on one. This will help to determine the priorities on upgrading the pipes based on composition and condition. Michele would like to have an annual schedule for maintenance and upgrades now that funds are being set aside for that purpose.
 - c. Update on Port Consultant work (GSI Water Solutions, Inc.) on Port Distribution based on Water Development Options (Information)

7. Discussion and Consideration of Final Draft of Personal Services Agreement with Precision Approach Engineering, Inc. for Airport Engineering Services as Engineer of Record for Tillamook Airport as directed by the Port's Local Contract Review Board in March 2018, designating the Board President and Board Secretary to sign. Required by FAA to qualify for grants. **Jim Young moved to Approve the Final Draft of Personal Services Agreement with Precision Approach Engineering, Inc. for Airport Engineering Services as Engineer of Record for Tillamook Airport as directed by the Port's Local Contract Review Board in March 2018, designating the Board President and Board Secretary to sign. Bob Olsen seconded and motion carried (3-0); Carolyn Decker and Jack Mulder absent.**
8. Consent Agenda – Motion to Approve Consent Agenda
 - a. Prior Meeting Minutes – Special Meeting on March 13, 2018 and Regular Meeting of March 20, 2018
 - b. Lease Order 18-09 Recology Western Oregon; .5 acres on Airport Circle; Parking; mo. to mo.
 - c. Lease Order 18-12 Rusty Sandage; Airport; Parking; mo. to mo.
 - d. Lease Order 18-13 North Coast Interiors; Bldg. 54 Unit C; Storage; mo. to mo.
 - e. Lease Order 18-14 Tillamook Country Smoker; Bldg. 90 Unit B – F; Office Space and Storage; mo. to mo.
 - f. Lease Order 18-15 Dan West (dba Stowaway Gourmet); Bldg. 90 Unit A; Manufacturing; mo. to mo.
 - g. POTB Board Pre-Authorization per Resolution Number 1 for lineal railroad easements: Eugene and Nancy Braukman (processing fee only). Will encroach while building retaining wall on their property. Will not need STIA approval.
 - h. Approval of Final Engineering Design for Hogan Manure Line Easement

Bob feels that \$15 per month for parking at the airport isn't enough to offset the costs of billing the account and that the processing fee for new leases should be more since the recording fee at the Tillamook County Courthouse is a minimum of \$46. There was discussion of "teaser" leases as a courtesy to users since these Airport parking leases don't get recorded. **Gerry Opdahl moved to approve the Consent Agenda after removing Item "e" from Consent Agenda due to Tillamook Country Smoker canceling lease. Bob Olsen seconded and the motion carried (3-0), Carolyn and Jack absent.**

9. Manager's Report
 - a. March Safety Meeting Minutes – for Board information.
 - b. Follow up: TBCC Truck Driving School – The college has found funding to subsidize several students in the first class and is advertising for 2 instructors; one for the classroom instruction (could be retired with no CDL) and one with a current CDL for the driving instruction. TBCC has a donated truck and is looking for a donated trailer to be able to offer the class in the fall. The college wants to use land at the Port, at a reduced rate, space for the driving instruction and parking. They will gravel and fence the lot and maintain it. TBCC will also pay the road fee when it is implemented. There were no objections voiced by the commissioners.
 - c. Update: Looking for Waste Water Consultant to review and analyze site, funding options and opportunities

- d. General Manager Vacation Time – Michele wanted to let the commissioners know that she won't be as accessible as usual because she has accumulated the maximum vacation time allowed. She will be taking off every other Friday to use up some time until she can take some a vacation the end of June into July.
- e. SDAO 2018 Regional Training Schedule – Michele reminded the commissioners that the Port gets a break on insurance premiums of Board training. Jim Young is interested in taking a training class in Astoria on May 22.
- f. Michele spoke to Mark Donofrio, an associate professor in architectural design at the U of O who is deeply interested in Hangar B and POTB. He is running an architectural studio where he is having his students study the Port and its Strategic Goals and Future Land Use Plan. They will use the information to develop design guidelines for POTB based on Tourism & Recreation; Industry & Agriculture; and Research & Development. Then the students will design structures to fill the needs of varied tenants. Mark asked Michele to meet with his class to provide background information and input as to the types of businesses the Port wants to attract. He hopes that the students' work will be useful to the Port as it goes forward in its plans. Michele met with Mark and his class on Friday, April 6, 2018.
- g. Michele told the Board that she has been hearing some talk proposing using 30 acres of Port land that is unsuitable for agriculture to build housing. Tillamook County is working with the Oregon Dept. of Land Conservation and Development to get an exemption for the Port's M-1 zoning. An application has been submitted to the Oregon Housing Authority for grant funds to create a pilot project for housing. There has also been some support in the community of the idea of moving the Tillamook County Fairgrounds to the Port and constructing housing on the current acreage. The board was supportive of continued involvement.

10. Committee Reports

- a. Tillamook Lightwave – Commissioner Young is concerned that the Wave Group isn't as forthcoming as CoastCom was as a network operator. He has heard that Wave wants to take over the landing station, collecting the revenue and passing on only 8% of the rent to the partners. The meeting scheduled for April 24 was canceled because the Wave Group is having an executive meeting that day and no one from their organization would be available to attend. Jim wants to keep the Commissioners aware of his concerns.
- b. Salmonberry Trail – Commissioner Mulder was absent so Michele reported that the STIA/POTB lease has been signed by both parties as of April 6, 2018. Jack Mulder and Dennis Wiley from OCSR will be meeting to review lease requests to smooth out the process of dealing with them.
- c. Friends of Tillamook Air Museum (FOTAM) – Commissioner Opdahl reported that Phyllis Rice will be contacting Dr. Ames of Ames Roofing to set a date for him to address the FOTAM board regarding options for repairing the roof on Hangar B. He and Phyllis had spoken about it and Dr. Ames knows of a durable, flexible and lightweight coating that may work. Carolyn and Gerry will open a checking account at Fiber Federal/TLC with a check drawn from donations saved in the pool. Michele informed the board that the rust from

the hangar roof is starting to affect the quality of the storm water runoff and may lead to having to treat the water before discharging it if something isn't done to mitigate is in the near future. The board agrees that a grant writer is needed since the time and/or knowledge involved in applying for grants is more than the board can spare. Alan Evans, FOTAM Board member, knows of grants available to cover the salary and will bring the list to the next meeting.

A consultant has been hired to advise the Port on the lagoons. The lagoons are not performing as well as expected and it looks as if they will need to be dredged sooner than anticipated along with replacing the liners. The Port will need to obtain a loan for the work.

11. Communications
 - a. Next Special Meeting – Thursday, May 3, 2018 with Budget Committee meeting – time TBD
 - b. Next Regular Meeting – Tuesday, May 22, 2018 @ 6:00 p.m. with Budget Committee meeting
12. Commissioner Comments: Bob Olsen asked for the status of the agreement with Parkside Café. Aaron Palter will follow up with Union Pacific re the title transfer of the parking lot to the Port so the sale can be completed.
13. Adjournment @ 8:45 p.m.