

Port of Morrow
Regular Commission Meeting
January 14, 2009
#2 Marine Drive, Riverfront Center
Boardman, OR. 97818

PRESENT

Commissioners: Marvin Padberg, Don Russell, Larry Lindsay and Jerry Healy

Staff: Gary Neal, Lisa Mittelsdorf, Eileen Hendricks, Ron McKinnis and Dori Drago

Others: As listed on sign-in sheet

I. CALL TO ORDER AND INTRODUCTIONS

The regular session was called to order by Marvin Padberg at 4:00 pm.

II. APPROVAL OF MINUTES

Don Russell made a motion to approve the minutes of the November 12, 2008 regular meeting. Larry Lindsay seconded the motion, motion carried.

III. ELECTION OF PORT OF MORROW COMMISSION OFFICERS FOR 2009

Don made a motion to keep the officers the same. Larry seconded the motion. The motion passed unanimously.

Marvin Padberg - President
Joe Taylor - Vice President/Treasurer
Larry Lindsay – Secretary

IV. OLD BUSINESS

A. East Beach

Gary reported on the progress in the East Beach area. The roof is going on the structure over the sand separator and we should be able to start chlorinating the mixing tank - contact chamber by the end of the week, this process takes about a week.

We anticipate finishing the water and sewer line on the Lewis and Clark Extension by the first of March and paving the road the first of April.

The parking lot for the transload building should be done in April and it looks like the Contractor is getting close to tilting the walls up.

B. Willow Creek Valley Economic Development Group

Dave DeMayo asked if the Port of Morrow would object to them expanding the advertising and marketing of the Kinzua site to their website. All Commissioners agreed that would be beneficial and gave their consent.

Dave also reported that a Mental Health Facility will be coming to Heppner in the near future.

Discussion took place regarding the agreement the County entered into considering the allocation of the taxing funds collected from the Windfarm Industry. A hearing is scheduled at the end of the month.

C. T-3 Update

Ron reported that he had obtained the Corps permit and we should have our portion of the project, installing the rebar on the shore side portion of the rail, completed by lock closure. Gary anticipates the Contractor will be here sometime in February to do the pile driving and dredging. Lock closure begins on the 7th of March and lasts for two weeks. In this period of time we will be making a 6 foot extension on the width of the crane.

D. Heppner Site NFA Status

Ron reported that the site visit that was scheduled for December was postponed until next week due to bad roads. The reason for the visit is to evaluate whether and where we may need to do further testing.

E. PGE – Boardman Coal Fire Plant

Gary attended public hearings in Hermiston and the Dalles where they discussed the proposed modifications of the plant related to the haze rule. PGE has asked for a change in the timing for what they may or may not be required to do at the plant for the haze rule process. They should have a decision in April. The first phase of improvements they are proposing are estimated at \$32 million and should be completed by 2012. In 2012 they will need to make a determination whether or not to proceed with the next level of improvements which will be an additional \$250 million. This would push the closing date to 2029. If they choose not to make the \$250 million improvements the plant should be operating until 2020. Phase two improvements they are proposing will cost about \$200 million, the deadline for them to determine whether or not they will proceed with phase two is 2015, this phase would push the closing date to 2040. DEQ would like PGE to commit to doing both phases.

There are a lot of other variables that may cause additional costs associated with the compliance of future rules. The coal fire plant is the lowest cost producer of generation, so they are hoping to be able to meet all the deadlines and the requirements to keep the plant open for as long as possible.

F. Rail Logistics

Gary reported that the Engineering Contract is back from review from our Attorney and ready to be signed. Our Agreements with Northwest Container have been reviewed by Sam, he is forwarding them to their Attorney for review so we can get those Agreements in place before we take the next steps.

V. NEW BUSINESS

A. Oregon Water Coalition Membership vs. Umatilla Water Coalition

The membership fee for the Umatilla Water Coalition is about \$2500 per year. The membership fee for the Oregon Water Coalition runs about \$1000 per year. There is no reason we should be a member of both Coalitions. Gary suggested we move forward with the Umatilla Water Coalition membership and asked the Commissioners for direction. All were in agreement that we discontinue our membership with the Oregon Water Coalition and it would be in our best interest at this time to move forward with the Umatilla Water Coalition membership.

B. PNWA Conference – Mission to Washington DC: Schedule and Agenda

Lisa reported she will be attending the conference in March and we have reservations on hold for an extra room if one of the Commissioners decided to go. Discussion took place regarding the agenda and the structure of the conference and how it would be in our best interest to be there.

C. Legislative Session

Oregon legislature started Monday and we will coordinate a Legislative meeting via video conferencing with Representative Greg Smith and Senator David Nelson every other week.

D. IFA – Committee

Gary is participating on behalf of the Ports Group, on the Infrastructure Finance Authority Committee. This is a new committee that has formed as part of the reorganization of the Oregon Development Department. Gary feels this will give him an opportunity to give input on some of the processes that he feels could be better.

E. Tangent Contract

Tangent Services has been doing rail consulting for the Port for about a year and a half. Lisa gave the Commissioners a draft copy of the revised contract to work with them for another 12 months. Since it's over \$50,000 we sent it to Sam for his approval. His only comment was he would like us to have the ability to terminate any month with 30 days notice. Lisa spoke to Ann Marie about it and they agreed it is acceptable so she will be adding that verbiage to the contract. Jerry moved to accept the contract with Tangent, Don seconded the motion. Motion carried.

F. Strategic Planning Workshop Date

Gary requested a date be set for the Strategic Planning Workshop. The date was tentatively set for January 29th, if that does not work for everyone they will meet the 30th.

G. Retirement Plan Amendment

There have been a couple of amendments and various Law changes since the last revision of the plan. We need to amend the Plan and submit it back to the IRS for a redetermination letter. Eileen provided a copy of the amended Plan to the Commissioners with the various changes. After the Plan is approved and signed by the Commission President and Secretary, we will need to issue notice to our Employees by Friday and submit it to the IRS by February 3rd. Don moved to adopt the amendments to the retirement plan, Jerry seconded the motion. Motion carried.

H. 2009-2010 Budget

Gary provided the Budget Calendar for the upcoming year, he mentioned that the dates coincide with the Commission meeting dates and if there are any conflicts they will need to be discussed as soon as possible so consideration can be made in changing the calendar. Jerry moved to appoint Gary as the 2009-2010 Budget Officer, Larry seconded the motion. Motion carried.

I. Average Annual Wage Report

Gary shared statistics provided by Oregon Economic Development Department. Morrow County is listed as number 5 in average family wages in the State of Oregon. This is a direct reflection of the Enterprise Zone program for extended tax abatement requirements coming into play.

VI. STAFF REPORTS

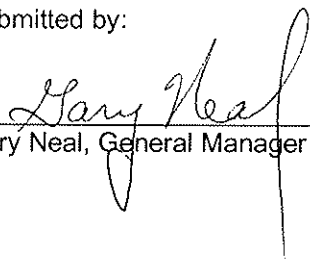
Building use, container activity and water usage were all discussed.

The regular meeting was recessed to executive session at 5:20 pm.

Executive Session under Leases and Legal Action – ORS 192.660

There being no further business, the meeting was adjourned at 6:00 pm.

Submitted by:



Gary Neal, General Manager



Marvin Padberg, Commission President