

**Port of Morrow
Regular Commission Meeting**

June 9, 2010

#2 Marine Drive, Riverfront Center
Boardman, OR. 97818

PRESENT

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

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

Others: As listed on sign-in sheet

I. CALL TO ORDER AND INTRODUCTIONS

The regular session was called to order by Marvin Padberg at 1:30 pm.

II. APPROVAL OF MINUTES – May 12, 2010

Jerry Healy made a motion to approve the minutes of the May 12, 2010 regular meeting. Joe Taylor seconded the motion, motion approved.

III. OPEN BUDGET HEARING

Marv Padberg opened the budget hearing and asked for comments.

IV. OLD BUSINESS

A. Willow Creek Valley Economic Development Group

John Edmundson was here on behalf of WCVEDG, he commended Sheryll Bates for all she does for WCVEDG.

John reported that they are close to closure on the combined strategic plan that incorporates all of the South Willow Creek Valley Communities.

They are still working with Capeco on funding for training at the Residential Treatment Center.

They have met with the Oregon Scenic Byway Organization and have submitted an application for a 108 mile scenic byway bike route.

Marv reported that the cell towers are being erected in Lone.

B. Rail – Connect II project

Ron reported that HDR Engineering had resubmitted the 10% plans to the Union Pacific Railroad for their review. Due to the estimated cost of construction, we have moved the mainline siding back to Port-owned property. This required a revision to the plans and resubmittal to UPRR. The Port will then receive comments back from UPRR on the new design and a new preliminary estimate on the UPRR costs associated with the project. We may have bid documents ready to review in two weeks. Northwest Container is set up in their temporary location to operate their rail container yard.

C. LRA

Joe reported the next meeting is scheduled for June 17th at Umatilla Electric. They started a public comment period at the last meeting.

On the 21st Joe will go on another personal property walkthrough, how it will be divided is still questionable.

Use of the property has been approved based in the color coded maps presented to the Commissioners at the last meeting.

D. Ag Info Center update

RDC (Resource Demonstration Center) is the new name given to the Ag Info Center. Ron said they are waiting for the revised concepts from the Architect; the ones previously presented were not satisfactory.

Ron has met with ODOT regarding the permit process to remove the burm in their right of way.

E. RC&D Update

There was nothing new to report.

F. Other

None.

V. NEW BUSINESS

A. Close Budget Hearing – Adopt Budget Resolution 2010-04

Marv asked again if there were any comments or questions from the audience. Being none, he closed the budget hearing.

Don Russell moved to adopt Budget Resolution 2010-04, approving the budget for 2010-2011, making appropriations, and imposing taxes at our permanent rate of \$.0841/1000. Joe Taylor seconded the motion. Motion approved.

B. County Investment of Funds

Eileen requested the commission approve an authorization for the Morrow County Treasurer to invest our property tax funds for fiscal year 2010-2011.

Joe Taylor moved to approve the authorization. Jerry Healy seconded the motion. Motion approved.

C. Utility Rates Resolution 2010-05

Jerry Healy moved that we approve Resolution 2010-05 establishing new utility rates for the Port of Morrow Industrial Park Tenants. Joe seconded the motion, motion approved.

D. Annual Audit Contract

Jerry Healy moved to approve the annual audit contract with Brent Lewis of Seydel, Lewis, Poe, Moeller & Gunderson, LLC, with an increase of 2.35%. Don Russell seconded the motion, motion approved.

E. Governors Trade Mission to Asia

Gary gave a report on his trip to Asia. He was there for two weeks. Some of the places he visited are Tokyo, Seoul, Fujioh, Shanghai and Hong Kong. The hot topic in Japan is the US presence in Okinawa. Gary said they toured the third busiest Port in the world; it's located in Hong Kong. When in Shanghai they went to the World Expo, there were 450 thousand people there the day they visited. He said the trip was good and that he learned a lot.

F. Other

Marv commented on ZeaChem's groundbreaking ceremony, he felt they did a great job on it and it went well. Gary mentioned that ZeaChem went out for bid on Monday.

V. STAFF REPORTS

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

Regular Session was recessed to Executive Session at 2:50pm.

Executive Session under Leases and Legal Action – ORS 192.660

Executive session was adjourned at 4:00pm and the Regular Session was called back to order.

PURCHASE AND SALE AGREEMENT

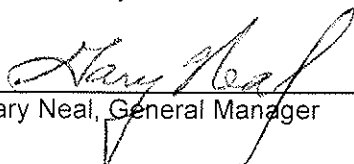
Don Russell moved to approve a purchase and sale agreement with Renewable Ag Energy Inc. for the Heppner Co-Generation Plant, with an Earnest Money deposit of \$20,000 and a potential sale price of \$4.2 million. Jerry Healy seconded the motion. Motion approved. Joe Taylor abstained due to a potential conflict of interest, as he has entered into a Growers Agreement with Renewable Ag Energy.

MEMORANDUM OF UNDERSTANDING

Joe Taylor moved to approve a Memorandum of Understanding with H4 Farms to jointly pursue the Navy Bombing Range for agricultural purposes with the addition of a termination date. Jerry Healy seconded the motion. Motion approved.

There being no further business, the regular session was adjourned at 4:05pm.

Submitted by:



Gary Neal, General Manager



Marvin Padberg, Commission President