

**Port of Morrow
Regular Commission Meeting**

June 8, 2011

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

PRESENT

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

Staff: Gary Neal, Ron McKinnis, Mark Patton and Dori Drago

Others: As listed on sign-in sheet

I. CALL TO ORDER AND INTRODUCTIONS

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

II. APPROVAL OF MINUTES – May 11, 2011

Joe Taylor made a motion to approve the minutes of the May 11, 2011 regular meeting. Jerry Healy 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

Sheryll Bates was here to report on behalf of the Willow Creek Valley Economic Development Group.

They are still working on family housing issues and are now also working on senior housing. They are continuing to work on the combined strategic plan. They are also still working on marketing and tourism.

They are trying to get BMCC and other local colleges to help accommodate some of start-up level positions for the wind farms.

B. Rail – Connect II project

Ron reported that as of yesterday one of the main line switches is done. They will be back to install the second one on the 21st. The signal people should be here sometime between now and the middle of September.

Once both of the hardware systems for the main line turnouts are in the UP main line and the signal is operational, they will remove our existing turnout from the East Beach Rail Facility from the main line. The Contractor will then come back and do all of the reconfiguration of our East Beach connection so it will connect the two new rails.

C. T3 – Connect III

Ron said the brakes on the crane have been installed, there are still a few minor things that need to be done but the crane is operable and safe.

D. SAGE Center update

Mark reported that Ron has completed the structure calculations. The plumbing and electrical plans are complete and are being reviewed. The SAGE Center logo is complete and will be on the billboard in 2 weeks with a removable sticker that says, coming soon. We will be going out for material quotes in the coming week. The permitted footing plan should be completed by the end of the month.

E. Strategic Plan Workshop

Gary said there is nothing to report at this time.

F. Other

Joe reported at the RC&D meeting last month they voted to continue as a non-profit organization. They are now trying to find a temporary coordinator.

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

V. NEW BUSINESS

A. Tidewater Terminal Update

Greg Zanavich was here to give an update. He said they are operating their entire fleet along with two boats from another Company. Because of the extra water in the river they are only able to tow two barges at a time. On the upper Snake River between Lower Monumental and Lewiston they can only handle one barge at a time.

They are also focusing on non traditional container business, for example in 2005 with conjunction with Hickey Marine they barged dredged soil from the Willamette River to the Boardman Terminal to be transported to the Waste Management landfill. Another project was old dry docks that were barged down from Swan Island to go out to the landfill. The most recent project is 50,000 tons of pressed limestone barged in for the Shepherds Flat Wind Farm.

They are also looking into intermodal business, partnering with the rail road instead of competing with it.

There is another project coming up in August and September Exxon's Canadian Company Imperial Oil, has a large oil sands project being constructed in Alberta. The plant is being built in Korea and shipped to Alberta. They cannot take it into BC due to the highway passes and tunnels, so they are barged into Lewiston and trucked through Idaho and Montana.

There is a fertilizer Company in Pasco, Two River Terminals looking at importing it in from Asia to the Boardman terminal.

Greenwood Industries is looking at exporting logs out of Boardman to China.

RDO Calbee is building a new line so their export numbers should increase.

B. Legislative Update

Gary went over some of the things going on and said the goal is that the Legislative Session should be complete by next week. Next Wednesday at noon is the next update. He said he would try to get Dave and Greg to come in and give us an update.

C. 2011-2012 Budget Resolution 2011-02

Jerry Healy moved to approve the 2011-2012 Budget Resolution 2011-02. Don Russell seconded the motion. Motion carried.

D. Fresh Water Rate Resolution 2011-03

Joe Taylor moved to approve the 2011-03 Fresh Water Rate Resolution, increasing the fresh water rate from \$.50 to \$.52 ½ per 1,000, effective July 1, 2011. Don Russell seconded the motion. Motion carried.

E. Audit Contract

Joe Taylor moved to approve the annual audit contract with Brent Lewis of Seydel, Lewis, Poe, Moeller & Gunderson, LLC, with an increase of 2% from last year. Jerry Healy seconded the motion, motion approved.

F. County Investment of Funds

Gary requested the Commission approve an authorization for the Morrow County Treasurer to invest our property tax funds for fiscal year 2011-2012.

Don Russell moved to approve the authorization. Joe Taylor seconded the motion. Motion approved.

G. Approval of Community Service Fee Agreement

Gary said the County negotiated an Agreement with Carty that authorizes the taxing entities within that District to vote on how the Community Services Fees will be allocated. They have opted to defer the decision on the Community Services Fees until 2013.

Jerry Healy moved to approve the Community Service Fee Agreement and authorize Gary to sign it. Joe Taylor seconded the motion. Motion approved.

H. Other

None

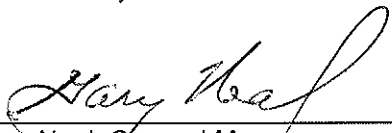
V. STAFF REPORTS

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

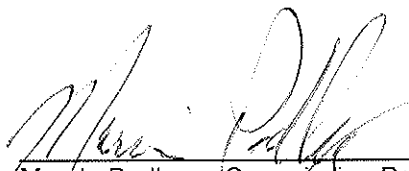
There being no further business, the regular session was adjourned at 2:55 pm.

Executive Session under Leases and Legal Action – ORS 192.660

Submitted by:



Gary Neal, General Manager



Marvin Padberg, Commission President