

**Port of Morrow
Regular Commission Meeting**

August 12, 2009

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

PRESENT

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

Staff: Gary Neal, Lisa Mittelsdorf, Eileen Hendricks, Ron McKinnis, Ben Foster 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 1:35 pm.

II. APPROVAL OF MINUTES – July 8, 2009

Jerry Healy made a motion to approve the minutes of the July 8, 2009 regular meeting. Don Russell seconded the motion, motion carried.

APPROVAL OF MINUTES – July 14, 2009

Jerry Healy made a motion to approve the minutes of the July 14, 2009 special meeting. Don Russell seconded the motion, motion carried.

APPROVAL OF MINUTES – July 30, 2009

Jerry Healy made a motion to approve the minutes of the July 30, 2009 special meeting. Don Russell seconded the motion, motion carried.

III. OLD BUSINESS

A. East Beach - Paving

The striping at the end of Lewis and Clark has been completed by Morrow County. They also striped the beach road off Marine Drive.

The lower well is in production. The upper well is now in compliance as well, we hope to either utilize both wells into our system or go back and forth between the two.

B. Willow Creek Valley Economic Development Group

George Koffler reported they are trying to create housing for the people moving to town, thanks to all the jobs that have been created. They have met with builders to try to determine what kind of housing would be feasible. They are now doing a rent survey to determine if building duplexes and triplexes would be economical. Next they plan to introduce some investors with the builders.

C. Heppner Site NFA Status

Ron said he has been conversing with the Consultant, DEQ and Steve Lawn. It looks like what is going to happen is the Consultant will make a recommendation and DEQ will turn it over to the Risk Assessment Group within the Department to see if they concur. A NFA will not be issued on the 20 acre parcel because it did not contain a large amount of wood storage and is not a concern. They can either exclude it if we request them to or they would allow us to sign a respective purchasers agreement.

D. Rail

In regards to the South Spur - H & H Engineering plan to start dirt work the first week of September and they plan to start construction September 8th. Miller & Sons have been hired to haul the rock.

Regarding the Connect II Rail Project - The portion of the project funded by Federal money is subject to a more complicated process, ODOT is required to issue and advertise the contract for that portion of the work. Based on their workload at this time it could be anywhere from February to April before it is started.

By the end of the year we should be going out to bid on at least 80% of the project. The other 20% should be going out in February. We are hoping the time frame gets moved up so we can do it all at the same time and use the same Contractor.

E. Transload Building Update

Project is complete. We have two Lessees in the building now and have others looking at the remaining space.

F. T2 Update

Steve Lawn reported he did an initial site visit, finding the Cooling Tower may need some work and the Electrostatic Precipitator for pollution control has a bad cell and may have some more issues as well. He said they looked at the production logs from the last time it ran and it was between 6 and 7 megawatts which raised a flag he is thinking it may just be a fuel issue.

They have inquired with DEQ regarding the NFA status. There are options to get this deal closed once DEQ makes a determination. He also reported a House Bill has passed grandfathering in the older Power Plants under the Renewable Energy Portfolio, however, there is a possibility the Governor will veto the Bill.

G. Other

Marv reported that the US Cellular tower in Lone is progressing well. The majority of the landowners are in agreement.

Gary reported 5 of the 6 buildings at the Umatilla Army Depot are in pretty rough condition. The Army intends to leave all the buildings and they will need to be removed or demolished. There are a lot of issues the LRA will have to deal with. There are major concerns about the clean-up. Lisa assured the Commissioners she has stressed to the Engineering firm that they make sure it is cleaned up properly. Gary said, "60% of the property is in Morrow County, so we need to make sure we are doing our fiduciary responsibilities, in making sure it is done right."

IV. NEW BUSINESS

A. Approval of HB 2001 Project

Under House Bill 2001 the Port of Morrow was awarded 10.71 million dollars for road improvements. As a requirement we need to have Commissioners approval of the proposed project.

Joe Taylor moved to approve the HB 2001 Project proposal. Larry Lindsay seconded the motion. The motion carried.

B. Stimulus Grant Application

Lisa informed the Commissioners there is another Federal Grant opportunity for Transportation projects. She will be submitting an Application. No approval is required at this time, but it may require a Consultant to help with the application package. Direction was requested the Commissioners agreed and approved moving forward with hiring a Consultant.

C. Other

Rick Minster thanked the Port of Morrow for hosting the Executive Director and Management Team meeting of the Oregon Business Development Department.

V. STAFF REPORTS

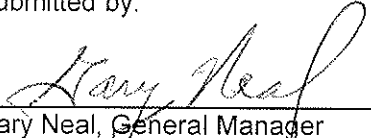
Building use, container activity and water usage were all discussed.

The regular meeting was recessed to executive session at 2:35 pm.

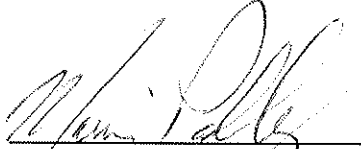
Executive Session under Leases and Legal Action – ORS 192.660

There being no further business, the meeting was adjourned at 3:45 pm.

Submitted by:



Gary Neal, General Manager



Marvin Padberg, Commission President