

**Port of Morrow**  
**Regular Commission Meeting**  
September 8, 2010  
#2 Marine Drive, Riverfront Center  
Boardman, OR. 97818

**PRESENT**

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

**Staff:** Gary Neal, Eileen Hendricks, Lisa Middlesdorf, Ron McKinnis, Dori Drago, Justin Recore and Mark Patton

**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 – August 11, 2010**

Joe Taylor made a motion to approve the minutes of the August 11, 2010 regular meeting. Don Russell seconded the motion, motion approved.

**III. OLD BUSINESS**

**A. Willow Creek Valley Economic Development Group**

Sheryll Bates was here to give an update. She said some of the things they are still working on are: the combined Strategic Plan, services for the windfarm crews, the housing shortage and marketing tourism.

**B. Rail – Connect II project**

Ron reported there were 10 bidders and the low bidder was Tapani Underground, Inc., we have given the notice of intent to award. We are now ready to go out for bid on the materials.

Marv asked Ron to provide a map with the locations of the Cascade Natural Gas lines.

Lisa asked the Commissioners to consider approving Tapani Underground, Inc. Don moved to approve awarding the project to Tapani Underground, Inc., in the amount of \$2,883,576.25. Joe Taylor seconded the motion. Motion carried.

**C. LRA**

There is nothing new to report. The next meeting is scheduled for the 21<sup>st</sup>, Joe said he asked Kim to add personal property to the agenda.

**D. RDC – Resource Demonstration Center update**

Mark said the building concept and floor plan design is complete. He is hoping to have the construction documents ready to bid by November first and construction start time around December 1<sup>st</sup>.

Next week they are meeting with Formations, the exhibit designer, and are going to tour the facilities at the Port and meet the following day to go over exhibit ideas for the inside of the building.

Mark said he was hoping to start site excavation this week but it has been postponed by other activities going on here at the Port.

Mark said he will be applying for the building permits this week.

**E. Heppner Facility Update**

Ron said he has contacted the previous Consultant and he has a proposal on some options to look at to get the NFA letter.

Justin has been exchanging emails with a gentleman from a mulch plant.

Kurt Christiansen was here with representatives from Agri-Energy. He said the purchase process is continuing to move forward. He said they exercised the extension option on the purchase agreement for an additional 45 days because they are still working on financing. They already have 600 acres of crops growing in the area.

**F. Connect III**

Gary said we have been awarded a grant to assist in more improvements to T3. Ron said we plan to lengthen the slip, digging inland and expanding the slip 50 feet. We plan to put in sheet piling to secure the edges of the slip. We will replace the east side rail support system on the inland side and the bumper systems on the east side of the slip and we will replace the area they store containers on. In addition to the improvements we are also getting some new equipment, 6 super chassis and 1 container handler. We are also moving the turn cell. We plan to complete all the work during the extended lock closure.

**G. Other**

None

**IV. NEW BUSINESS**

**A. Zone Amendment on Port Property**

Gary said on September 14<sup>th</sup> at 7 pm there is a hearing for Zone Amendment on Port property to rezone Port Industrial. An amendment to land use requires 3 hearings, 2 with the Planning Department and the last one with County Court.

**B. Logo on East Beach Tank**

The East Beach tank has been repainted, Gary asked the Commissioners for input on where to put the Port of Morrow logo, on the river side or the road side. The consensus was to put it on the water side.

**C. October Commission Meeting Date**

Gary asked the Commissioners to move October's meeting date to Tuesday the 12<sup>th</sup> because the 13<sup>th</sup> conflicts with PNWA's annual meeting. The Commissioner's agreed to changing the date from the 13<sup>th</sup> to the 12<sup>th</sup>.

**D. Recovery Zone Area Designation**

Gary and Eileen asked the Commissioners to consider adopting Resolution 2010-06, designating the Port area as a recovery zone. Eileen provided the criteria used to show we qualify which shows the unemployment rate in Morrow County December 2007 –January 2010 increased 59%. Approving this Resolution today will enable us to start site work on the Transload III building prior to the September 22<sup>nd</sup> Bond Financing hearing.

Jerry Healy moved to approve Resolution 2010-06. Joe Taylor seconded the motion. Motion carried.

**E. Other**

Gary mentioned the Irrigon Chamber meeting is on the same day as our Commission meeting but it would be nice if we could have a Port of Morrow representative there. Joe said he would try to make it to these meetings, Marv and Don both said when they do not have a Windwave / Inland Development meeting they would try and make it as well.

Lisa said we went out to bid on a construction project for an 80,000 square foot building. There are two tenants and one of the tenants needs their space by December 1<sup>st</sup>, so we need to award the bid the same day as we open them. This requires determination by the Contract Review Board.

Jerry Healy moved to approve waiving the 7 day review period and awarding the bid for the 80,000 square foot building at the time of opening. Joe Taylor seconded the motion. Motion carried.

Gary reminded the Commissioner's of the Special Commission meeting at 1:30 on the 22<sup>nd</sup> regarding Bond Financing.

Gary reminded the Commissioners of the Port of Portland dinner here on the 7<sup>th</sup> of October.

**V. STAFF REPORTS**

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

Regular Session was recessed to Executive Session at 2:45 pm.

**Executive Session under Leases and Legal Action – ORS 192.660**

Executive session was adjourned at 4:05 pm and the Regular Session was called back to order.

**ADDITIONAL 45 DAY EXTENSION FOR AGRI-ENERGY**

Jerry Healy moved to approve an additional 45 day extension to Agri-Energy, if needed, at the end of the initial 45 day extension, for the same fee. Based on progress shown toward closing the transaction. Don Russell seconded the motion. Motion approved. Joe Taylor abstained, due to possible conflict of interest.

**CONTRACT REVIEW BOARD**

Lisa informed the Commissioners that according to State Statutes they have the authority to delegate a representative on behalf of the Contract Review Board.

Jerry Healy moved to delegate Gary Neal as a representative of the Contract Review Board, in order to award the bid for the Transload III warehouse at the time of opening. Joe Taylor seconded the motion. Motion approved.

**CONNECT OREGON III GRANT AGREEMENT**

Lisa said she received the Connect III Grant Agreement in the amount of \$1,367,072.00 from ODOT and asked for approval.

Joe Taylor moved to approve the Connect Oregon III Grant Agreement for T3 improvements. Jerry Healy seconded the motion. Motion approved

**COMPARATIVE INCOME STATEMENTS**

Eileen provided the Commissioners with a draft of the comparative income statement by segment. She pointed out our revenues are very close to the last 3 years. Labor is up due to overhead and we have 2 more employees and the repairs are up a little, but overall it has been a good year.

**STORAGE POND**

Gary said he has received a letter from the Mayor of Irrigon concerning the odor from the storage pond. Gary informed the Commissioners of the steps we are taking to eliminate the odor.

Marv suggested Gary write a letter to the Mayor of Irrigon, explaining what our plans are to better the odor situation.

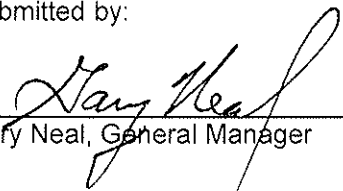
**INTERN PROGRAM**

Ron informed the Commissioners that Justin Recore will be headed back to school, as his internship is almost over. The Commissioners commended him on the work he has done for the Port and wished him well.

There being no further business, the regular session was adjourned at 4:45 pm.

**Executive Session under Leases and Legal Action – ORS 192.660**

Submitted by:

  
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Gary Neal, General Manager

  
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Marvin Padberg, Commission President