



APPROVED 9/22/15

**BOARD OF COMMISSIONERS
REGULAR MONTHLY MEETING
TUESDAY, AUGUST 18, 2015, 6:00 P.M.**

1. 6:01 Call to Order by Vice President Bob Olsen
and Recognition of Persons Present:
Commission: John Lewis, Jack Mulder, Carolyn Decker, Bob Olsen.
Absent: Jim Young
Steve Beveridge; TPA
Nick Zwald, Zwald Transport
Valerie Schumann, Berkshire-Hathaway
Alex Schay, Carbon Solution Northwest
John Johnston, POTB – Digester Operator
Michele Bradley, POTB General Manager
Phyllis Rice, Tillamook Air Museum Operation Manager
Aaron Palter, POTB Project Coordinator
Heather Zwald, Zwald Transport (at 6:40 pm)

2. Public Comment for Items not on Agenda; Tillamook Pilot's Association
Comments: Steve Beveridge mentioned he had heard that there may be fees contemplated at the airport (road fees, road maintenance). Ms. Bradley responded that, yes, staff is working on a road maintenance fee for all users of the Industrial Park and Airport Property.

3. NAST Tillamook Update, Phyllis Rice, Operations Manager:
Getting ready for the car show the weekend of September 22nd.
The B-17 is coming in on September 8-14th. The Menu for the Cafe is being revised. Visitors are up 10% from 2014 from previously reported numbers. Phone conference with the Kelsey Group and the Navy are forthcoming to discuss additional exhibit items. Ms. Bradley noted that Jet A Fuel sales have exceeded 10,000 gallons during the first 6 months of the year, due to the increased amount of Jet traffic have been coming in. Commissioner Olsen asked if the Runway has been repaired (paved); this will be confirmed and reported at the next meeting.

4. Discussion and Consideration of Fiber Off-Take Draft Agreement with Nutrient Control System – Alex Schay, Carbon Solutions NW and Port Staff:

Changes made to paragraph 3 & 4 – updated with exhibits are on the table. Contract considers selling 18,000 CY of fiber to NCS. Commissioner Olsen said that he would like to see that amount broken by month or at least quarterly. Alex will go back to NCS. NCS the right of first refusal.

Ms. Bradley noted that staff is concerned that right now all of the available operational funds that the Port received for sale of property has all gone to pay for transport of manure. Bradley is not 100% sure that the Port can wait until January running the digester at a loss. The Staff is exploring options from fiber sales and substrates to turning off the digester.

Staff is working with the on a cost-share of hauling. Also asked was where we were on the permits for substrates. Aaron Palter said that at this time we are nowhere with the permits, the new permit for the facility is sitting on the permit coordinator desk at DEQ. Mulder explained that for substrates, locally sourced, could give you data from the last 12 months of dates, gallons, etc. just an indicative number of substrates that can go into the digester. Palter asked if there is anything written in the agreement that provides for damages against the Port should the digester go out of business during the duration of that agreement? Schay stated there is a provision in the agreement that says if it's no longer economically feasible to manufacture fiber then the Port can walk away. Bradley asked what if the Port takes substrates, lessening the amount of manure, what does that do to the volume of fiber coming out? Johnston said that by limiting water intake, the solid content should not change because we will be pushing more fiber manure solid and taken less of the lower solid % coming in. Mulder stated that increasing substrates can boost gas production by 50%.

Motion to Approve the NCS Fiber Takeoff Agreement subject to modification of Article 9 to change from annual 18,000 cy to 1,200 to 1,500 cy/mo made by Commission Mulder. Decker seconded the motion. Discussion: if we make more than 1,500 cy/m, the Port is allowed to sell the fiber to a third party. Lewis asked if we are entering to the Agreement with a 2 year non-disclosure, which is the next item on the agenda. **Yes: Decker, Mulder and Lewis; No: Olsen; Absent: Jim Young**

5. Discussion and Consideration of Non-Disclosure Agreement with Nutrient Control System – Alex Schay, Carbon Solution NW (Action): Olsen questioned the benefit for the Port; it seems to protect NCS. Decker noted that it seems one-sided. Mulder stated that these agreements are standard. The POTB has signed them before **Mulder moved to approve the non-disclosure agreement, the non-disclosure confidentiality and the non-circumvention agreement and Lewis seconded it.** Discussion: What is public record under discloser? Mulder gives an example **Yes to the motion: Decker, Mulder and Lewis. No: Olsen. Absent: Young**

6. Discussion and Consideration of Intergovernmental Agreement EA # TG15LA13 (in re TGM Grant Agreement No. 30907) with the Oregon Department of Transportation for Land Use Activities Associated with the Salmonberry Trail Local Adoption Project. **Motion to approve: Mulder moved to approve the Intergovernmental Agreement EA #TG15LA13 with ODOT associated with the Salmonberry Trail Local Adoption Project. Decker seconded it.** Discussion: Decker asked if it is going to create more work for staff. ODOT and DLCDD will do the heavy lifting. Staff will need to attend a few meetings.
Yes: Decker, Mulder and Olsen. No: Lewis. Absent: Young

Discussion and Consideration Regarding the Port's Applications Filed to ODOT Rail to Exempt Certain Railroad Crossings Located in the City of Tillamook (3rd Street and 12th Street [portion]), Tillamook County (12th Street [portion], McCormick Loop Road and Long Prairie Road) and Washington County (Timber Road), Oregon. Bradley discussed the process and notes that the School District has offered to pay for all the signage and the installation. OCSR will do the installation. **Decker moves that the Port Manager signs the orders for ODOT and the exemption of the railroad crossing when available as discussed. Mulder seconded the motion. No discussion. Yes: Decker, Mulder, Olsen, Lewis. Absent: Young**

7. Consent Agenda **(Action)**

Bradley reminded the Board that Ms. Boomer is coaching so she won't be attending the Tuesday meetings for the next 3 to 4 months so the financials, DAY report, Museum report, and Southern Flow Corridor are moved to First Thursday Meeting.

There were no changes to the minutes of 7/21/15 or 7/30/15.

Lease Orders #15-12, Master Lease for de Garde Brewing – for entire space in Building 90 (6000 Blimp Blvd.) until February 2017 when it is renegotiated. The entire building is now leased to de Garde Brewing.

Olsen asked if this price was for each unit or are we negotiating each one (for other building)? Michele answered by informing the Board not all tenants pay the same amount.

8. Manager's Report

- a. Monthly Digester Performance Report – Solid percentage is up this month. The electricity revenue price will increase in January.
- b. Thank You Notes – Ladies of the Elks, A Because for Paws, Tillamook Serenity Club
- c. Conditional Use Request Administrative Review – Animal Shelter. This is not the one that had been in the news about breaking ground. The County and Tillamook Animal Shelter parted ways earlier. The lease for this area is to Tillamook County.

- d. Update on Fee Increases – Aaron is working on all fee increases at this time, as staff is deciding to bring forward as an ordinance for all fees, or continue to handle separately. Any potential ordinance will be run by legal counsel.
9. Executive Session per ORS 192.660 2(e) to discuss Real Property Transactions at 7:47 until 8:55.
 10. Communications
 - i. Next Special Meeting – September 3, 2015. No quorum is available for this meeting, date moved to September 9, 2015
 - ii. Next Regular Meeting – September 22, 2015, 6:00 pm
 - iii. September 23 – Salmonberry Governance Group Meeting and IGA Signing – Mess Hall 2:00 pm

Commissioner Comments –

Mulder cautioned that the Port's farm leases are being used to grow crops and we have had discussion about getting good value for that. But as we think about the future of that land and possibly conversion of it to industrial uses or other uses we should be sensitive to impacts to the dairy industry which is a very important industry in the County and the County is the headquarters to an \$800 million company. If industrial land continues to be sold by trimming the amount of acres, the impact could be felt. He heard specific comments about the Braxling sale.

Lewis asks about the financials after Pami gets done coaching. The financials will be back to regular meeting after the season. Ms. Boomer has stated that the financials can be provided for the regular meeting, but she will not be available until the next meeting to discuss details, but offered again to meet individually with any commissioner to discuss.

Olsen asked how much we are short in operations monthly. Probably \$75,000.00 a month – which is the hauling cost at the digester. Staff is working with the farmers on a cost share, and also on pursuing substrates, which could bring in additional tipping fee revenue.

11. Adjournment at 9:04

Minutes recorded and transcribed by V. Unger; edited by M. Bradley