



APPROVED 5/21/14
BOARD OF COMMISSIONERS
REGULAR MONTHLY MEETING
TUESDAY, APRIL 22, 2014

1. Call to order at 5:11 p.m.
Recognition of persons present - Commissioners - Carolyn Decker; Jim Young; Jack Mulder (via telephone); John Lewis at 5:28 p.m.
Staff - Michele Bradley; Pami Boomer; Josh Balmer; Aaron Palter at 6:03 p.m.
Carbon Solutions NW - Alex Schay; Clifton
Day CPM - Eric Eckfield at 5:59 p.m.
County - Paul Levesque at 5:59 p.m. Rachel Hagerty at 6:01
Food Roots - Emily Vollmer at 5:59 p.m.
2. Public Comment - None
3. Review of Budget Documentation for Fiscal Year 2013-2014 in Prep of Fiscal Year 2014-2015 Budget Committee Meetings - Ms. Bradley gave an overview of the need for a pre-budget meeting and the results/direction the board would like staff to take. Commissioner Young brought up that he would like to see revenue from the new Airport Business Park and FBO shown as a return to the port for the facilities built with Port funds. Ms. Boomer asked that she be able to combine contractual services and consultants. A job opening has been advertised for a part time non-benefited office assistant. It is within the current budget due to loss of staff. Ms. Bradley also would like to find someone to handle policy and other high level administrative items. Ms. Bradley also brought up the possibility of closing the airport during the winter. Commissioner Young brought up the possibility of having Near Space Corporation handling the Airport during the winter. Medical Insurance will be rising by 15% next fiscal year. Also our dues for Special District have been incorporated in our liability and workers comp. The dues will be separated out and workers comp and liability will go down the equivalent amount. A new budget item for dues will be on next year's budget. Also new insurance plans will be presented for next year as well. Commissioner Mulder would like to see an overall compensation cost and the possibility of having the employees pay a portion of the benefit cost.
4. Consent Agenda - Ms. Boomer gave a brief overview of the draft financials. Commissioner Lewis had questions about losses shown on the financials in the utilities. Next month's financials will show some biomass tax credits

and a payment from the County for Lightwave. No corrections were presented to the draft minutes. **Commissioner Decker moved to accept the consent agenda. Commissioner Lewis seconded the motion. No discussion. Motion passed (4-0-1 Commissioner Olsen absent).**

5. Discussion and Consideration of Selecting an Alternate Location for the Greenhouses Project, FEMA Alternate Project #2.14; and Authorizing the Preparation of a Version to PW955 / Emily Vollmer (Food Roots) and Port Staff **(Action)** - Ms. Vollmer of Food Roots gave a presentation on the proposed new location for the Greenhouse Project. With a short PowerPoint presentation and the distinction between types of Hoop-houses. Also discussed was soil composition at the current site being primarily composed of digester material and old saw mill fill instead of mineral soil. Commissioner Lewis asked if the Hoop-houses would withstand the winds along the coast. Ms. Vollmer indicated the tall designs have been over built to withstand the high winds along the coast. Ms. Bradley and Mr. Palter stated that the Project Worksheet would need to be reopened with a version needed and an additional environmental assessment would be needed. Mr. Palter estimated it would push the project back 6-8 months. Ms. Bradley brought up that the original plan called for 3 hoop houses with Food Roots leasing 2 and the Port having the 3rd to lease out. The new plan only calls for 2. Ms. Bradley does not have any issues with only having 2. Commissioner Young asked why the current location couldn't be scraped down and fill material be added to compensate for lack of soil. Ms. Vollmer stated cost would be cheaper at the new location and the new location is in a more publicly visible area. **Commissioner Lewis moved to approve the new site plan and authorization for a version to FEMA. Commissioner Decker seconded the motion. No discussion. Motion passed (3-0-2 Commissioner Olsen was absent and Commissioner Mulder abstained due to not being able to see the whole presentation.**
6. Update on Oregon Solutions Southern Flow Corridor Landowner Preferred Alternative Project / Paul Levesque, Tillamook County Chief of Staff - Mr. Levesque gave an update on the Oregon Solution Project. A need for a property purchase along the project location was discussed. DEQ will be involved with the project helping identify hazards within the project area. A general discussion was held with the outcome being that the project team has a plan to resolve any issues with the property purchase and any contamination. Also noted that they would be bringing in the Port as a previous owner without liability into the voluntary clean-up program.
7. Update on Digester Project – Examination of Additional Revenue Sources / Alex Schay, Carbon Solutions Northwest - Mr. Schay of Carbon Solutions NW gave an update on the possible additional revenue streams at the digester. Ron Alexander was hired to do an assessment on revenue streams for the digester. Mr. Alexander has presented a proposal to market the fiber as is. Also may be an opportunity to use the old digester facility to age the fiber for a more profitable fiber material. He also suggested adding wood

chips to the fiber material to add value. Mr. Schay asked for the Board to approve a \$19,000.00 budget for Mr. Alexander to market the fiber. He also asked that the Board to attend the bag opening of Organix to see if it would be viable for the Port. A discussion was held to decide if the Mr. Alexander's proposal is viable for the Digester. Mr. Schay suggested that the Port accept the proposal. Mr. Schay also suggested that the bedding master be removed from the project. Commissioner Mulder asked if Mr. Alexander would be willing to work on commission. Mr. Schay's opinion is that Mr. Alexander has enough work that he would most likely decline. **Commissioner Lewis moved to accept Mr. Alexander's proposal and to allow Ms. Bradley to sign the agreement. Commissioner Decker seconded the motion. Commissioner Mulder is concerned about the lack of revenue plan at the digester and marketing options. Discussion was held that we would look into Organix's bag process in June. Commissioner Decker asked if it would be marketed in bulk. Mr. Schay answered in the affirmative. Motion passed (4-0-1 Commissioner Olsen absent).**

Commissioner Young asked about the progress on the permit for the substrates. Ms. Bradley indicated that it was still moving forward. He also asked about the old cells and if the debris removal was in the contract with DariTech. Mr. Eckfield answered it was not. Where would the material be removed to? Ms. Bradley suggested that the material would be moved to our bio-solids application fields. Commissioner Mulder left the meeting at 7:57 p.m.

8. FEMA Alternate Projects - Mr. Eckfield gave an update on the digester issues that are ongoing at this time. The change in feed stock at the farms have affected the bugs in the digester and resulting in a sickness in the cells. The sickness has limited gas production and resulted in the shutdown of the generator. The Port staff has tried everything in their knowledge to fix the sickness. Mr. Eckfield has contacted DariTech to contract them into assisting the Port in fixing the issue at the digester. A PW version for the iron sponge, carbon cost and manure haul cost has gone through the system. OEM has allowed the version for the iron sponge and carbon but not the manure at this time. Mr. Palter has contacted OEM and they will allow a version for the manure minus any credits received for manure costs. Airport FBO project has received occupancy and the ribbon cutting will be this Friday. Roads issues are moving forward. Warehouse A&B and Mess Hall roofing bids will go on the street this week. Roughly \$9 million left on the FEMA budget.

Now sitting as the local contract review board at 8:19.

Mr. Eckfield gave a brief overview of the apparent low bidder on the Port Shops Project is Baldwin General Contractors. Mr. Eckfield researched the proposed contractor. Mr. Eckfield's opinion on Baldwin contract is to accept the bid and authorize Ms. Bradley to sign the contract.

Commissioner Decker moved to approve the Notice of Intent to Award the contract to Baldwin General Contractor in the amount of \$1,899,999.00 allowing the General Manager to sign the contract. Commissioner Lewis seconded the motion. No discussion. Motion passed (3-0-2 Commissioners Olsen and Mulder absent).

Commissioner Decker moved to approve the line extension with TPUD allowing the General Manager to sign the agreement. Commissioner Lewis seconded the motion. Discussion held on cost and labor. Motion passed (3-0-2 Commissioners Olsen and Mulder absent).

9. Update on the Port's Marketing Plan / Valerie Schumann (Berkshire-Hathaway) - Tabled
10. Manager's Report – March 2014
 - a. Thank You Letters - Ms. Bradley went over the thank you letters in the packet.
 - b. OCSR – Army Corps Cease and Desist - Updated the Board on the judgment against the OCSR. OCSR has asked to be added to the May 1st meeting.
 - c. SDAO – SDIS Update - SDAO/SDIS update and the separation of dues from the rates and rate increases.
 - d. Tenant Issue - Ms. Bradley gave an update on tenant issue. The tenant sent a letter requesting a list of all tenants that get a 3%. Staff responded with board policy for Freedom of Information Act.
11. Discussion and Consideration of Special Districts Insurance Services (SDIS) Trust, First Restatement of Declaration of Trust for Port of Tillamook Bay Membership to SDIS and Authorization for Board President to sign Exhibit A **(Action) - Commissioner Decker moved to accept the first restatement of deceleration of trust for Port of Tillamook Bay membership to SDIS and authorization for Board President to sign. No discussion. Motion passed (3-0-2 Commissioners Olsen and Mulder absent).**
12. Lease Orders **(Action)** - Ms. Bradley gave an overview of the lease orders. She also informed the board that Degarde Brewing had exercised there right to lease Unit B in Building 90. **Commissioner Lewis moved to approve lease orders 14-05 and 14-06. No discussion. Motion passed (3-0-2 Commissioners Olsen and Mulder absent).**
13. Executive Session per ORS 192.660 (2)(e) to discuss Real Property Transactions – Session started at 8:56 p.m. and ended at 9:00 p.m.
14. Communications / Upcoming Meetings
 - a. Airport Office Ribbon Cutting: 5/25/14 2:00 p.m., Dedication at 2:30 p.m.
 - b. Next Special Meeting: 5/1/14
 - c. Next Regular Meeting: 5/20/14 at 6:00 p.m.
 - d. Budget Committee Meeting: May 6, 2014; time TBD

15. Commissioner Comments - Commissioner Lewis asked if fines were brought against the OCSR and RFC. Ms. Bradley answered in the Affirmative. \$10,000.00 to OCSR and \$6,000.00 to RFC by ODSL.
16. Adjournment at 9:02 p.m.