



## **MINUTES APPROVED 5/17/11**

**OF THE PORT OF TILLAMOOK BAY  
BOARD OF COMMISSIONERS REGULAR MONTHLY MEETING  
HELD ON  
TUESDAY, APRIL 19, 2011 AT 6:00 P.M.**

**Port of Tillamook Bay  
4000 Blimp Boulevard  
Tillamook, Oregon 97141**

1. Commissioner Dove called the meeting to order at 6:00 P.M.
2. Recognition of Persons Present
  - a. Commissioners: Jerry Dove (President); Jim Young (Vice President); John Ficher (Secretary); Bill Baertlein (Treasurer); and Georgine Beveridge.
  - b. Staff: Michele Bradley (General Manager); Karin Gitchel (Office Administrator).
  - c. Media: Samantha Swindler (Tillamook Headlight Herald)
  - d. Public: Eric Eckfield (DAY CPM); Gus Meyer (Private), Butch Parker (Tillamook County), Carolyn Decker (Tillamook Urban Renewal), Eric Eckfield (DAY CPM); Jennifer Purcell (TC Waste Coordinator); Charles Egigian-Nichols (Tetra Tech); Keith Henn (Tetra Tech); Tim Lachenmeier (Near Space Corporation).
3. Public Comment
  - a. Carolyn Decker shared that she was in attendance to this board meeting as a supporter to the OSCR and their work.
4. BioEnergy Feasibility Project Update: Tetra Tech (Consultant – Charles Egigian-Nichols)
  - a. Commissioner Dove welcomed the team and introduced Jennifer Purcell, the County Waste Coordinator who is the project manager for the Tillamook Biomass Feasibility project. This project focuses on the waste of cow mortality, anaerobic digester feasibility and composting. This project is supported by EDC, USDA Rural Development, the County, TPUD and Creamery Association and the Port. The group petitioned for contracts and signed on to Tetra Tech and she then turned the program over to them for further discussion.
  - b. Commissioner Dove shared that the Board is interested in this project and supportive of this becoming a Port owned and operated facility if feasible.
  - c. Ms. Purcell then introduced Keith Henn and Charles Egigian-Nichols from Tetra Tech to provide the board with their project process.
  - d. Mr. Henn introduced himself and provided an overview of bioenergy and where the team is in their process. After a brief review of what and the benefits of this type of energy, Mr. Henn then shared the various steps involved in bioenergy.

- e. Commissioner Young queried to Mr. Henn that it appeared he was talking mostly about manure, and he thought this was more about cow mortality. Mr. Henn shared that this was a co-mixing of the two.
- f. Transitioning to the specifics of this project, Mr. Henn provided an overview of the goals and deliverables that have been identified and set forth. He identified locations project feedstock of cow mortalities and manure from Tillamook County and the secondary project feedstock which would supplement the needed amount of product to produce the energy. One of the concerns is that this project would take away from the digesters in place and being planned, the secondary feedstock such things as brewery wastewater, meat processing, and supermarket spoilage.
- g. The board members asked about how this project affects the current Hooley Digester, and Commissioner Dove questioned whether the fact that we are upgrading our digester right now and perhaps it should be on hold to meet the needs of this project. Ms. Purcell identified that this project is separate from the digester, and that there were permitting differences between the two facilities. The Port's current is only permitted for manure, and the changing of permits would take some time to identify.

#### 5. Consent Agenda

- a. Port Financial Report
- b. Railroad Financial Report
- c. Minutes from 3/11/2011 (Special), 3/22/2011 (Regular) and 4/8/2011 (Workshop)
- d. ACTION: Commissioner Young moved to accept the Consent Agenda and minutes from 3/11/2011, 3/22/11 and 4/8/11 with recommended changes to the minutes. Commissioner Baertlein seconded the motion. There was no further discussion. The Motion was carried by unanimous vote of all Commissioners present (5-0).**

#### 6. FEMA Alternate Projects Update

- a. Mr. Lachenmeier, Near Space Corporation, President provided an overview of his business and goals with his company. He shared the background and financing and solidity of their business. He recommended making this a multifunctional facility, though continued to state his interest in being the main tenant pending governmental contracts.
- b. Mr. Eckfield updated the Board on the contractor training scheduled for Wednesday, April 20, 2011 at 6 P.M. that was advertised to local companies, providing further education on how to properly bid the FEMA Alternate Fund projects.
- c. FEMA Project Contract Updates
  - i. Digester RFP has been submitted and is set to publish on ORPIN. The current RFP focuses on manure, but the current design does say that the design has to build to for other substrates. There are some complex issues with DEQ and permitting, but the concept of the digester to be built will be developed for future feasibilities.
  - ii. The Contractor RFQ is currently at our legal team whom is providing comments with anticipated publishing within the next week or so.
  - iii. Stimson Building, Project 2.6 is ready to go to permitting.
  - iv. In regards to the Board FEMA Workshop that occurred on 4/8/11, Mr. Eckfield asked to clarify several items.
  - v. Blimp Hangar - He updated the Board on the current exploratory issues with the project, with two received bids for the engineer. It is anticipated that the process will be completed by the next board meeting.

- vi. Airport Business Park – Project 9, Mr. Eckfield requested finalization on this decision. **The consensus of the board is to move forward on the project going forward at \$6.3 million dollars.**
- vii. HQ building – Mr. Eckfield requested that the Board provide him with their decision on proceeding. Commissioner Dove asked each of the Board members to provide their feedback and research, indicating their opinion in regards to repairing HQ or not.
  - 1. Commissioner Baertlein expressed that he is leaning toward not repairing the HQ, he shared that his conversations with community also said no.
  - 2. Commissioner Young did talk to people but he felt that they were not aware of the issues and thus he wasn't sure on his opinion. His current stance is that there might be some political feelings involved and that he wondered if the people who were helping us with funding would have issues. He felt if we did fix it, then Port staff should move in to it.
  - 3. Commissioner Dove shared that he could not find a person who like the project and he continued his belief that this project not move forward.
  - 4. Commissioner Ficher indicated that his feelings were evident in these discussions, and that because of that, he did not ask anyone. He wants to finish it, and he wondered why we were willing to spend this much money on Project 9, for tenants that could not commit due to funding, but unable to do this project of historic value.
  - 5. Commissioner Beveridge that she did talk to people, and shared that one person said they felt we would be candy coating a turd. In addition, she stated that the further explained the process and historic value, the people she spoke with felt it would be of some value.
  - 6. Ms. Bradley stated that she posted it on Facebook and everyone's response there was that it should be preserved.
  - 7. Commissioner Young also noted that the we need to consider what Ms. Bradley shared that if we do not fix this, that in 5 years what is the eye sore of the facility. Commissioner Baertlein asked how long the Board could put white paint on it.
  - 8. Mr. Palter shared that the Port is under no obligation from FEMA to repair this project. Though if the Port did continue, it would be a completed with concurrence from SHPO. Commissioner Dove asked if the Port could get the historic covenants taken off. Mr. Palter stated that he would find out. Commissioner Baertlein cautioned the Board on tearing the structure down, and indicated that we should proceed with caution. Commissioner Young said that the time to remove that structure is not now.
  - 9. Commissioner Young asked regarding the current main office building and what would be necessary to enhance them. Mr. Eckfield provided an overview of the current plans, and then shared what additional items he would recommend to make the building increase in value for the Port administration. He felt that it would only need approximately \$1.5 million added to the current plans.
  - 10. The Board finished their questions.
- viii. **ACTION: Commissioner Dove entertained a motion to remodel the current Port headquarters building and do nothing with the HQ building. Commissioner**

**Baertlein so moved the motion. Commissioner Young seconded the motion. All if favor voted with a yes, which included: Commissioners Baertlein, Young and Dove. Those opposed voted with a no: Commissioners Ficher and Beveridge. There was no further discussion. The motion was passed by a 3-2 vote of all the board members present.**

- ix. Mr. Eckfield then asked about the current facility, what were the board feelings on this project. Commissioners Young, Baertlein and Beveridge stated that this should be a first class building. Commissioner Young stated that the archives from the HQ building needed to come over here. Commissioner Dove agreed and noted that the archives be moved as the HQ building is a fire hazard.
- x. For the record, Commissioner Young said that this decision to not move forward on the HQ building was the hardest decision he has made on this board, and Commissioner Baertlein agreed. Commissioner Young wanted the commissioners that voted no to know that he did struggle with this building. Commissioner Ficher reiterate that he felt that the staff should do something to fix it up and not abandon it, as it was a sad thing to have the building in disrepair.
- d. Miscellaneous Information:
  - i. **Discussion and Consideration of** Contract with Harper Houf Peterson Reghellis (HHPR) for Civil Engineering for FEMA Alternate Projects: Roads, Septage Receiving Station Upgrade and Water Loop Connection
  - ii. Ms. Bradley updated the board on the status of this contract, sharing that this is set up as a not to exceed contract.
  - iii. **ACTION: Commissioner Dove entertained a motion to accept the Contract with Harper Houf Peterson Reghellis (HHPR) for Civil Engineering for FEMA Alternate Projects: Roads, Septage Receiving Station Upgrade and Water Loop Connection. Commissioner Young so moved the motion. Commissioner Baertlein seconded the motion. There was no further discussion. The Motion was carried by unanimous vote of all Commissioners present (5-0).**
- e. Monthly Update – Day CPM Services
- f. Mr. Eckfield noted that each project was updated on the FEMA Monthly update, and asked if the board had any questions regarding those details.
- g. Commissioner Young asked about the timeline and which project was going to be the first project. Mr. Eckfield shared that while we had thought that it would be the scales, the first project will most probably be the Stimson Building.

## 7. Industrial Park Update and General Business

- a. Policy Discussion: Community Meeting Room Use
  - i. Ms. Bradley asked what the board intention and desire. Commissioner Beveridge stated that the two policies provided were both extreme and she felt that there should be a merge between the two. Commissioner Young asked what we do if they rent the room for the evening and what they have access to, and Ms. Bradley shared that they come in with a key and use the room, clean up after and leave us the key. Commissioner Dove asked how much time is being used to do this project, that this should be a simple process not too complicated. Ms. Bradley shared that only research had been done until this point.
  - ii. Ms. Bradley said that she would accommodate the board and just make a simple ground rules for this room, create an application. The board agreed that she should write up something simple and no fees for the current conference room.
- b. Update on Tillamook Lightwave (Commissioner Jim Young)

- i. Commissioner Young: There is a grant that the team is applying for, but there was limited information to share until further meetings. Commissioner Dove asked if the new TPUD General Manager was going to be asked to join the board. Commissioner Young indicated that he would ask and follow up with that information.

#### 8. Railroad Division Reports

- a. Ms. Bradley discussed the situation with the Werner property off of 3<sup>rd</sup> Street that there has been some discussion of who gets the rails and the ties. OSCR has said that they assumed that the scraps were theirs for no charge if they removed the materials. Mr. Werner was going to scrap the material and give the increase over removal costs to the Port, if that was their decision. After some discussion, Commissioner Dove said that we need to find out the value of the whole thing and see what the cost would be, and then offer the price to OSCR. Ms. Bradley shared that she would follow up with them outside of the other negotiations and let the board know what was finalized.

#### 9. Digester Update

- a. Biomass Tax Credits have been completed and Ms. Bradley shared how all participants incurred fewer amounts of fees this year.

#### 10. Airport Division Report

- a. FAA-AIP Updates – Fencing/Drainage: Ms. Bradley updated the board on how the bid opening was last week, and that six companies supplied information. She is currently waiting for recommendation from the coordinator as to the notice of intent to award. The apparent low bid was noted, and the coordinator was finalizing all the background information.

#### 11. Lease Issues

- a. IP-11-10 Bluhm, Dennis – RV/Storage, month to month (2 months)
- b. IP-11-11 Scott, Ray – Building 69 for Storage/Mechanics, month to month
- c. AP-11-12 Browning, Robert – Hangar A-6, month to month
- d. **ACTION: Commissioner Dove entertained a motion to accept the lease orders. Commissioner Young moved to approve the lease orders. Commissioner Baertlein seconded the motion. There was no further discussion. The Motion was carried by unanimous vote of all Commissioners present (5-0).**
- e. Farm Lease Schedule Update
- f. Ms. Bradley said that there had been some discussion on the lottery decision for the property. Commissioner Ficher presented that he has spent some time thinking on this, and that he is having second thoughts regarding this idea. Commissioner Young agreed.
- g. Ms. Bradley said that she was hearing that the board wants to instead increase the rate.
- h. **ACTION: Commissioner Dove entertained a motion to accept the 2011 Farm Lease rent of 25 % structure, effective on July 1, 2011. Commissioner Baertlein moved to approve the motion. Commissioner Young seconded the motion. There would be a letter to the tenants regarding the increase. There was no further discussion. The Motion was carried by unanimous vote of all Commissioners present (5-0).**

12. Commissioner Dove recessed the Regular Board meeting 9:12 P.M.

13. Commissioner Dove opened the Executive Session at 9:14 P.M. per:

- a. ORS 192.660 (2)(e) for real property transactions; and
- b. ORS 192.660 (2)(h) to consult with counsel with regard to litigation likely to be filed

14. Commissioner Dove adjourned the Executive Session at 9:50 P.M.

15. Commissioner Dove returned to the Regular Board meeting at 9:51 P.M.

- a. **ACTION: Commissioner Dove entertained a motion follow the legal counsel advice and not to proceed with renewal of the Port's DSL permit. Commissioner Young moved to approve the motion. Commissioner Baertlein seconded the motion. There was no further discussion. The motion was carried by unanimous vote of all Commissioners present (5-0).**

16. Communications

- a. Supplemental Budget Meeting 10 AM on 4/29/11
- b. Next Regular Port Board Meeting, Tuesday, 5/17/11, 6:00 pm
- c. Tentatively Scheduled Special Board Meetings, if needed, Fridays at 10:00 am

17. Other Business

- a. There was no other business to discuss.

18. Commissioner Comments

- a. There were no additional commissioner comments.

19. Commissioner Dove adjourned the meeting at 9:54 P.M.