

PORT OF COLUMBIA
Regular Monthly Meeting Minutes
October 14, 2015

Chairman Warren opened the meeting at 7:30 pm at the Port office. Those present were Commissioners Warren and Marvin, Manager Dickinson, Auditor Shochet, EDC McMasters, members of the press Michele Smith and Loyal Baker, Sandra Massey representing Hearn Ditch Water District, Murray Eggers, Kathy Mobley and Don Curtis of Walla Walla Natural Foods.

The minutes to the September meeting were discussed.

MOTION was made by Commissioner Marvin, seconded by Chairman Warren to approve the September minutes as written. Motion carried with no further discussion.

Web hits were reviewed with no further questions. Web hits will be reported on a quarterly basis.

Dickinson reviewed the budget report. She explained that the USDA pays their rent on the following month. Their first full payment for November rent will arrive in December. Approximately \$290,000.00 has been drawn from the project Revenue Bond thus far. She said that maintenance expenses are over budget due to necessary repair projects.

Dickinson presented a comparison draft of the preliminary budget for 2016. The tax revenue figure is an estimate because the actual levy info is not yet available. The estimate is based on data from prior years and the projected increase of tax revenue from the wind farms. 2016 rental income will increase because of full BMS occupancy, kitchen rental fees, and new tenant USDA. On the expense side, she noted that the utility budget line was increased because the Port will pay USDA utilities. Payroll expenses will increase due to a large PERS increase. Salaries are up a bit due to the addition of 2 full-time employees. She said she would like to increase the maintenance and capital improvement line if we get more revenue. Commissioner Marvin asked about plans to get a new website. Dickinson replied that the expense should be within the current budget line item. There were no other questions. The commissioners instructed Dickinson to draft the budget based on the preliminary budget comparison. The Budget Hearing will take place at 10:00am, November 11, during the regular meeting.

Dickinson reviewed the draft of the 2016 meeting schedule. Commissioner Marvin requested that the evening meetings start at 7:00 instead of 7:30. A vote was taken to adopt the 2016 meeting schedule as discussed. Passed unanimously.

Murray Eggers of Walla Walla Natural Foods told the commissioners about his interest in building a processing and canning facility on Port property. He envisions working with various types of food ranging from culled sweet onions to fruit and vegetables. Although still in the preliminary stage, Eggers believes the facility could employ 50 to 100 people. Dickinson said that she's seen a very preliminary site drawing and that more analysis was necessary, including the potential impact on traffic. She said that discussions with Eggers have been ongoing and that she's applied rail bank funds for a siding at the prospective location. She also noted that engineers would need a copy of the BMS Development agreement when the time comes.

Dickinson and McMasters reported on the upcoming Oktoberfest event at BMS. It will take place on Saturday the 17th, from 11:00 to 3:00. Kiwanis will help with the food and beer. McMasters reported that Aardvark Granola will attend a food show in Spokane this weekend.

Dickinson reported that she applied for a \$230K railroad siding grant for either Walla Walla Foods. She's been told that funding has a better chance of approval if economic development is a component. No decision yet on hiring a rail lobbyist.

Dickinson reported that an Anderson Perry engineer will meet with the Port and the Lyons Ferry concessionaire to assist with water connection planning and writing a septic system manual. The Corps of Engineers approved the request to build a playground at the park. Dickinson said that the playground and engineering support is within budget.

Dickinson gave an update on the Hearn Ditch. She mentioned a recent incident of water coming up through a vent pipe. A ditch district member quickly fixed the problem by adjusting the flow. She and the Port attorney have researched how the Port can best minimize their risk of Port property damage and implied financial responsibility with the Hearn Water District. She reviewed a letter drafted under the direction of the Port attorney, and a petition requesting that the Port be excluded from the water district. Dickinson asked the commissioners if they would like to approve the letter and sign the petition.

MOTION was made by Commissioner Marvin, seconded by Chairman Warren to approve the letter as drafted and the petition for exclusion. Motion carried with no further discussion.

Sandra Massey, Secretary of the Hearn Ditch District spoke to the group. She reported that the district has elected new officers. The new President and ditch master is Bill Massey. He would be responsible for turning off the water in the event of another leak, and there is a local backup person in place. She mentioned the original leak points, and expressed her hope that the new board members would reinvigorate the partnership with the Port. Stating that the district has no funds, she asked for assistance with writing a grant to move the pipe out of the Industrial Park. She also stated that the pipe was here longer than the Industrial Park, implying the Port should pay the repair invoices. Dickinson said that with no evidence to support that the Port caused the leak, the entire water district membership should pay for the repair, not just the Port. She also noted that it is normal for seals to fail on 70 year old pipes. Commissioner Marvin, a retired civil engineer, said he feared this is just the beginning of the leaks, and was worried about future water damage to Port buildings. Dickinson thanked Sandra for coming and said she'd try to think of a way to help. She agreed that it would be a good idea to get the pipe out of the Industrial Park.

Dickinson gave an update on the USDA project. The renovation is complete. Only one bid came in for the cleaning service and it was too expensive. Therefore another solution would be to contract with a local company to clean the building and the Port would pay for the supplies. This strategy would be more cost effective while still satisfying the USDA cleaning requirements. She reported that there will be one more government required inspection tomorrow. All will be finalized on 10/26 and it is necessary for a Port person to sign the Acceptance Document. Dickinson, who will be traveling, suggested designating Auditor Shochet to sign the acceptance document. Tenants will start to move their furniture in on the 27th.

MOTION was made by Commissioner Marvin, seconded by Chairman Warren to authorize Cathy Shochet sign the acceptance documents. Motion carried with no further discussion.

Dickinson said she is considering a bid from Walla Walla Electric to replace all of the big sodium lights in IB#3.

Dickinson reported that Columbia Pulp is "gaining more traction." They've hired a controller, a plant manager and an HR Manager. They're estimating that the funding will be finalized by the end of November. Dickinson said the fact that they're done some hiring is a very good sign.

McMasters reviewed his business leads report. He described several prospective co-packing and food processing leads. He also shared his Quarterly ADO report with the Commissioners. The purpose of the report is to show evidence of achieving the deliverables set forth by SEWEDA. He organized a free workshop that will take place at the Best Western on 10/27. It will teach the public how to use Social Media to grow their business. He is promoting the workshop throughout the region.

Dickinson described a recent presentation made by Dwight Robanske detailing how the County is purchasing some of the Seneca property in the labor camp area. She said she'd watch this closely, and noted that buildings would be torn down due to age and asbestos. She also noted that the property being purchased is zoned light industrial, which could be a good category for future economic growth.

The amount of vouchers approved for payment was \$196,542.04

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|-------------------------------|-------------|---------------------------|--------------|
| Payroll & related expenses | \$14,719.82 | Basin Disposal of WW | \$124.89 |
| WCIF | \$658.43 | TVTV | \$60.00 |
| Banner Bank GO Bond | \$2,266.07 | Dayton Chronicle | \$87.44 |
| Banner Bank Ind Bldg 6 N/P | \$4,680.32 | Smith Brothers | \$2,074.40 |
| Banner Bank Ind Bldg 2 | \$797.39 | Jennifer Dickinson | \$682.71 |
| Cardmember Services | \$1,763.85 | Gillespie Roofing | \$7,337.33 |
| Total Office Concepts | \$90.90 | City Lumber | \$4.06 |
| Pacific Power | \$744.04 | KOA at Lyons Ferry Marina | \$199.83 |
| City of Dayton | \$1,043.88 | Dept. of L&I | \$317.02 |
| Department of Revenue | \$5,158.59 | Walla Walla Web Weavers | \$300.00 |
| US Linen and Uniform | \$78.36 | Opp & Seibold | \$146,230.55 |
| Employment Security | \$105.87 | Bly Plumbing | \$1,007.19 |
| Cathy Shochet | \$29.53 | WEDA | \$400.00 |
| NPR | \$512.00 | RC&D Council | \$200.00 |
| Oxarc | \$56.59 | DC Lock & Key | \$143.44 |
| Basin Disposal Inc | \$15.08 | Artmil | \$80.00 |
| Stenkamp Architecture | \$2,102.25 | Dayton Mercantile | \$20.40 |
| CenturyLink | \$250.25 | Walla Walla Electric | \$1,083.94 |
| Sun Pest Management | \$53.95 | Agri-Times | \$20.00 |
| Crown Paper Janitorial Supply | \$80.58 | Aardvark Granola | \$200.00 |
| Incidental Fund | \$95.99 | Bradley McMasters | \$665.10 |
| | | TOTAL WARRANTS | \$196,542.04 |

The meeting was adjourned at 8:40 pm. Next meeting will take place on November 11th at 10:00 am at the Port office.

Earle Marvin, Secretary