

COMMISSIONERS' MEETING MINUTES

July 22, 2014 – 10:00 a.m.

Attendees:

Gary Weaver
Chairman,
Commissioner

Terry
Thompson
Commissioner

Doyle Palmer
Executive
Director

Kim Coreson
Admin
Assistant

Angela Davis
Admin
Assistant
Trainee

Guests:

Eric Clark
State Auditor

Jake
Santisteven
State Auditor

Mike Bailey
Financial
Advisor

Jon Sperl
Union
Elevator

Todd Roney
Wolfkill

Tim Kelly
Columbia
Basin
Railroad

Chairman G. Weaver called the meeting to order.

The agenda was approved by a motion from T. Thompson, seconded by G. Weaver. Meeting minutes from June 25th were approved in a motion by T. Thompson, seconded by G. Weaver. Vouchers were approved in a motion by T. Thompson, seconded by G. Weaver.

G. Weaver turned the meeting over to D. Palmer, who introduced Eric Clark from the State Auditor's office. Eric presided over the Exit Conference, which consisted of reviewing the document he passed out. There were no findings, only some suggestions for improvement. His Supervisor, Jake Santisteven, helped to delineate between GAPP (accrual) accounting and Cash Basis accounting. The next audit is scheduled for 2017 unless we have over \$500,000 in federal funds, in which case the Port will contact the State Auditor's office to schedule another Single Audit.

D. Palmer then introduced Tim Kelly from the Columbia Basin Railroad. Tim presented the board with the problem facing the rail users. This portion of the rail is a private spur which is utilized by the businesses in the Bruce Industrial Area. There is some significant deterioration along the rail crossing that must be repaired. It is urgent that something be done from a safety standpoint, as the split railing presents a high risk of derailment. He was asking for the Port's financial and administrative assistance in the repair. T. Thompson asked why the Port would be obligated to help pay for the repairs. D. Palmer said that we are not obligated to, but we would want to in order to maintain the integrity of the area. D. Palmer asked for a detailed accounting of the projected cost of the repair, and agreed to request participation from the businesses that would be affected if the rail crossing was closed down.

Todd Roney asked if the Port had or knew of documentation that indicated who owns what rail and associated easements. D. Palmer said he was not aware of any documentation that he has ever come across, but that he would look into it and get an answer right away.

T. Thompson made a motion that D. Palmer to take the lead in facilitating the repair. G. Weaver seconded the motion.

The grass at the airport has not come up. T. Thompson after reviewing correspondence from JUB and the contract itself, made a motion that we will withhold \$50,000 of Kerr Contractor's retainage, until the grass is replanted and comes up. Motion was seconded by G. Weaver.

MOTION:

D. Palmer facilitate the coalition created to make the repairs to the Rail Crossing on Lee Road in the Bruce area.

Acceptance of the AIP 08 project was presented by D. Palmer. G. Weaver requested that D. Palmer notify JUB that it will not be signed until the grass issue has been resolved.

The Conner Lease, Fly In event and Advertising were tabled until K. Schutte returns.

The hangar painting project is out to bid. As of today there are not enough bids to commence. D. Palmer is going to have an add put in the local paper and reach out to businesses in the vicinity to acquire more bids.

MOTION:

\$50,000 will be withheld from Kerr's retainage until we get a stand of grass at the airport where it was unsuccessfully seeded.

The S. Broadway property now has a "For Lease/Build to Suit" sign. It was discussed possibly putting in an incubator building. G. Weaver asked "How do other ports do it?" According to D. Palmer, they build a building, a business comes in and usually has a five to ten year lease.

D. Palmer outlined some of his research on natural gas. He is waiting on a phone call from Avista in order to get more information.

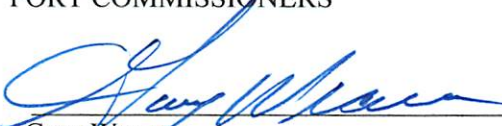
A person in the community has approached D. Palmer inquiring about purchasing eight of the 42 acres in the Bruce Industrial Site. D. Palmer asked the board what they felt would be a fair price per acre. G. Weaver expressed concern about breaking up that piece in case a large company wants to come in. It was decided to wait for the feasibility study to be completed before a decision was made.

The Board went into Executive Session at 11:20 in order to do an employee evaluation. The outcome was to give D. Palmer a five percent pay increase.

Resolution 2014-02 "A Resolution Adopting a No-Deposit Policy for Leases Associated with the Port of Othello" was signed.

There being no further business, it was moved by T. Thompson and seconded by G. Weaver that the meeting be adjourned

PORT COMMISSIONERS



Gary Weaver



Terry Thompson





Attest: Angela Davis, Clerk