

Port of Cascade Locks

The Port of Cascade Locks Commission Work Session Meeting was held Thursday, December 4, 2014 at the City of Cascade Locks Council Chambers, Cascade Locks, OR 97014.

1. **Meeting called to order/ Pledge of Allegiance:** Commission President Groves called the meeting to order at 6:01 pm.

2. **Roll Call:** Port Commissioners Groves, Cramblett, Mohr & Haight were present.

Others Present: IGM Paul Koch, Sally Moore, Marketing Manager Holly Howell, Maintenance and Construction Manager Todd Mohr, City Administrator Gordon Zimmerman, Dave Paláis, Scott Reynier, David Hearn, Jon Davies, and Philip Watness.

Commissioner Caldwell arrived at 6:10pm

3. **Declaration of Potential Conflicts of Interest:** Commissioner Cramblett declared a direct conflict of interest on item 6c, stating she is employed at the Portland Spirit. Commissioner Caldwell declared a direct conflict of interest on 6c. Her brother is employed at the Portland Spirit

4. **Modifications, Additions to Agenda:**

IGM Koch stated he would like to speak about the planning of the Pacific Northwest Waterways Association (PNWA) conference to be held February 28-March 5, 2015 in Washington D.C. He added that the approved confidentiality agreement would be presented for all Commissioners to sign. There are potential dates for the joint meetings with the Port of Hood River and the Port of Skamania County to be discussed. He added he would like to discuss the upcoming Sailing Symposium.

5. **Items from the floor: (Special presentations, outside resource presentations and other reports not requiring action)**

- a.

Comments from the General Public – Dave Palais, representative for Nestle Waters, stated that they continue to explore test drilling sites for water in the Moody Rd and Sadie Ave area of Cascade Locks.

6. **Work Session Discussion Topics:**

- a. **Presentation/request from City regarding the City and ODFW water right cross transfer -**

Cascade Locks Mayor, Tom Cramblett and City Administrator, Gordon Zimmerman gave a presentation on the new approach to a cross transfer concept to proposed water rights transfer between the City of Cascade Locks and the Oregon Department of Fish and Wildlife (ODFW). Mayor Cramblett stated that trading water, gallon for gallon has been discussed since 2010. The

Oxbow Springs Fish Hatchery cannot rear fish year round, as the stream of spring water runs low in late summer and early fall. Trading City water with them would allow them to use the city water during the low water times of the year at the hatchery. The Oxbow Fish Springs Fish Hatchery would then transfer or trade 0.5 cubic feet per second, of spring water to the City in exchange for an equal amount of ground water. This concept offers a quicker approach for making the desired changes to the City's and ODFW's water rights. Under this approach, ODFW and the City would actually trade water rights and make permanent changes to the water rights by means of a transfer application process. The two transfers would be filed and processed simultaneously with approval of each one being contingent on approval of the other. They asked the Commission to approve and send a letter of support to request an accelerated process between the City and ODFW regarding the water right cross transfer.

b. Review insurance coverages and options -

As a beginning for next year's 2015-2016 budget process, Jon Davies, Port of Hood River Commissioner, and Insurance Broker for Columbia River Insurance reviewed the insurance coverages for the Port. David Hearn with Durham and Bates Insurance Brokers was also present. They cover the Hood River Bridge. After a brief review of coverages, Jon recommended keeping the insurance coverage that Special District Insurance Services (SDIS) and ACE Insurance provides to the Port. He did recommend to identify risks to protect against, update and verify underwriting information and identify the areas the Port can save money on. IGM Koch stated ensuring public safety is the most important factor for the Port, and steps to insure this will be proposed in next year's budget. IGM Koch will recommend bringing the Marsh insurance agent in a few times a year to review policies and to build a working relationship with the Port.

c. Begin annual review of Portland Spirit Operations –

In preparation for the annual meeting in 2015, with Dan Yates of the Portland Spirit, the Port Commission reviewed and discussed the January 9, 2013 list of concerns and identified issues related to the operations of the Sternwheeler. Maintenance and Construction Manager, Todd Mohr and Commission President Jess Groves conducted the annual inspection at the Visitor Center and the Sternwheeler two weeks ago. They discussed the inspection, viewed pictures of certain outside repairs that the Port will fix. In addition, IGM Koch stated the new dolphin will have to be protected and this will be part of the discussion; as this will be the responsibility of the Portland Spirit. Fenders (rubber tires) need to be installed around the dolphin to protect the boat as well as guests on the boat. IGM Koch stated the Portland Spirit should conduct regular health inspections on the Sternwheeler, and provide copies to the Port. IGM Koch stated that Staff Mary Hutton and Melissa Warren will begin a complete inventory of buildings at the Port including the Visitor Center in January 2015. Commissioner Caldwell stated she feels the Commissioners should be able to go on the boat once a month free of charge, on an excursion to determine what the quality of the food is, and how the boat looks. IGM Koch suggested buying a ticket for a member to

COMMISSIONER HAIGHT MADE A MOTION OF SUPPORT OF THE CITY'S REQUEST, AND AUTHORIZE THE PRESIDENT TO SIGN A LETTER INDICATING PORT SUPPORT FOR THE WATER RIGHTS CROSS TRANSFER. SECONDED BY COMMISSIONER CALDWELL. The motion was passed unanimously by Commissioners Mohr, Groves, Haight, Cramblett and Caldwell. 5-0.

8. Staff Reports:

- a. **Interim General Managers Report:** IGM Koch reported the Commission received a letter from Travelers Insurance stating the dolphin damage claim was denied, due to "normal wear and tear". Tommy stated that litigation at proving it was not normal wear and tear, would be very expensive. IGM Koch stated that the new dolphin will need fenders around it to protect it. This should be the responsibility of the Portland Spirit. The Port received approval from the Army Corp of Engineers today for the installation of the dolphin contract. Mark's Marine will install the new dolphin in the middle of February 2015. The estimate to replace the dolphin is \$52,450.00. IGM Koch stated that the Port is waiting for short haul vehicles sign to be done. It may be early summer before they are placed on the Bridge of the Gods. A One Gorge meeting will be on January 14, 2015 at 3pm. All Commission members are encouraged to attend.
- b. **Economic Development Update** – Economic Development Manager Don Mann gave an update on recent developments in the Business Park. The Puff Factory Letter of Intent was sent to the Puff Factory, and neither Port Attorney Brooks nor the Port has had any response. He stated there are numerous inquiries into renting the Flex Building and the need to move forward is imperative. CP Groves stated discussion on this will be put on next month's agenda as an action item to decide if the Port will move forward with other opportunities regarding the Flex Building. A letter will be sent out asking their intentions and letting them know that there are other inquiries into the Flex Building. Don stated they will continue to attempt to reach their attorney or Jacqueline Alexander. Port Attorney Tommy Brooks stated there was not a need to recess into Executive Session regarding the Nestlé First Right of Offer. The proposed First Right of Offer gives Nestlé the first right to purchase property, and takes the property off of the market. They will pay the Port \$15,000. They have the option of First Right of Refusal in the second year for an additional \$15,000. This would allow Nestlé the option to be offered the property before anyone else, and give them the right of refusal or purchase.

Nestle Right of First Offer Agreement

Commissioner Caldwell moved TO AUTHORIZE, ACCEPT AND EXECUTE THE RIGHT OF FIRST OFFER BETWEEN NESTLÉ WATERS NORTH AMERICA, INC. (NWWA, Inc.) AND THE PORT OF CASCADE LOCKS, TO AUTHORIZE PRESIDENT GROVES TO SIGN ON BEHALF OF THE PORT OF CASCADE LOCKS AND FURTHER TO EXECUTE IT WITH MODIFICATIONS TO THE MAP KNOWN AS EXHIBIT A THAT STAFF HOWELL WILL PROVIDE. SECONDED BY COMMISSIONER CRAMBLETT. The motion was passed unanimously by Commissioners Grove, Haight, Caldwell, Mohr and Cramblett. 5-0.

9. Recess into Executive Session under ORS 192.660 2 (h) Legal Counsel

a. Nestlé Right of First Offer Agreement

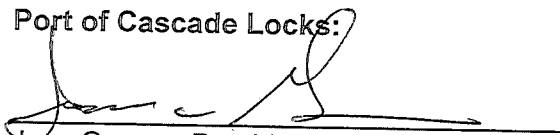
10. Any Action as a result of the Executive Session – The Commission did not recess into Executive Session.

IGM Koch introduced the topic of the conditions for approval on the Port's Business Park sub-division plat. He stated the Commission needs clarity, what the terms mean, and what the limitations may be. The Commission will set up a Special Session to further discuss the conditions of approval for the plat that was approved last week by the Planning Commission. This Special Session will be held in January 2015 with Port Attorney, Tommy Brooks and City Planner, Stan Foster. The Commission would like more clarification where the public access will be in the Business Park. Staff Howell stated the City provided the draft staff report a few weeks before the public hearing. These conditions were developed during the planning commission public meeting to provide a walking space on Port property along Herman Creek only. The Port Commission would like to ensure that property sales are not encumbered because of a walking trail through private property. Commissioner Mohr said item number four on the listed conditions is a concern. CA Zimmerman stated the intent will not be changed, but the language may. It states "The Port will take steps to ensure that "Connect Cascade Locks" Plan which is part of the City Comprehensive Plan designating bike paths and bikeways are clearly marked and protected from proposed development within the Port Industrial Park." CA Zimmerman explained that roads in the public right of way will have sidewalks for walking and a bike lane. It does not impact private property. It has designated bike access to public areas. There will also be signage on the public right of way, not on private property. Preserving the public access is the plan stated IGM Koch. CA Zimmerman stated there has to be a bike lane on the public right of way. CA Zimmerman's suggestion was to ask for clarification of language from the Planning Commission.

President Groves expressed the Port's deepest sympathy to Wayne Kingley's family. He was the chairman of the Portland Spirit. A bouquet of flowers was sent to Joan Kingsley, wife of Wayne, to the Portland Spirit office.

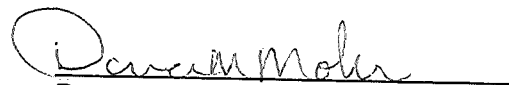
11. Recess/Adjournment: Commission President Groves adjourned the meeting at 8:56PM.

Port of Cascade Locks:



Jess Groves, President
Port Commission

Attest:



Donna Mohr, Secretary Treasurer
Port Commission

DATE APPROVED: _____
Prepared by: Sally Moore