

PORT OF HOOD RIVER COMMISSION
Tuesday, May 7, 2013
Marina Center Boardroom
Immediately Following Budget Meeting

Regular Session Agenda

1. Call to Order
 - a. Modifications, Additions to Agenda
 2. Public Comment (5 minutes per person per subject; 30 minute limit)
 3. Consent Agenda
 - Approve Addendum No. 4 to Pfriem Brewery Lease and Lease Guarantees
 - Ratify a Concession Permit with Susie Dow for Operation of the Sandbar Café at the Cruise Ship Dock for 2013-15 and Authorize a Concession Permit with Richard & Sherri Wilson for Operation of Pirates Fish & Chips at the Hook for the 2013 Season
 - Authorize Change Order No. 1 to Contract with JWC, LLC for Additional Costs Associated with Marina Office Building Improvements in the Amount of \$1,960
 - Approve Accounts Payable to D & F Plumbing in the Amount of \$9,273.80
 4. Reports, Presentations and Discussion Items
 - None
 5. Director's Report
 - Schedule
 - Staff & Administration
 - Waterfront Recreation
 - Waterfront Development
 - Airport
 - Bridge/Transportation
 6. Commissioner, Committee Reports
 - Waterfront Recreation Special Meeting – McBride
 7. Action Items
 - a. Authorize Contract with Bell Design to Evaluate Feasibility of an Improved Windsurf Launch Site at the Hook Not to Exceed \$3,500
 - b. Approve Resolution No. 2012-13-5 Authorizing SDAO Flex Lease Financing in the Amount of \$770,000 for the Marina Electrical Upgrade and Boathouse Dock Replacement
 - c. Authorize Public Improvement Contract with LaLonde, Electric LLC for the Marina Electrical Upgrade Project Not to Exceed \$457,387 Subject to Legal Counsel Review
 - d. Authorize Contract with Pacific Power for New Electrical Service at the Marina Not to Exceed \$5,978 Subject to Legal Counsel Review
 8. Commission Call
-

9. Executive Session under ORS 192.660(2)(e) Real Property

10. Adjourn

If you have a disability that requires any special materials, services, or assistance, please contact us at 541-386-1645 so we may arrange for appropriate accommodations.

*The chair reserves the opportunity to change the order of the items if unforeseen circumstances arise. The Commission welcomes public comment on issues not on the agenda during the public comment period. With the exception of factual questions, the Commission does not immediately discuss issues raised during public comment. The Commission will either refer concerns raised during public comment to the Executive Director for a response or will request that the issue be placed on a future meeting agenda. People distributing copies of materials as part of their testimony should bring **10 copies**. Written comment on issues of concern may be submitted to the Port Office at any time.*

Commission Memo

To: Commissioners
From: Steve Burdick
Date: May 7, 2013
Re: Pfriem Brewery, Fourth Addendum to Lease and Lease Guaranties

On April 15, 2013, the Port and Pfriem Brewery executed Addendum No. 3 to the Lease on Suites 101 and 102 in the Halyard Building. However, the dates and rents in the revised tables included in this addendum need to be revised.

RECOMMENDATION: Authorize execution of the Pfriem Brewery fourth addendum to the lease and lease guaranties.

FOURTH ADDENDUM TO LEASE AND LEASE GUARANTIES

On December 5, 2011, Port of Hood River, an Oregon municipal corporation, as Lessor, and Cascadia Brewing Company, LLC, an Oregon limited liability company, as Lessee, entered a Lease for premises known as Tenant Space 101 in the Halyard Building located 707 Portway Avenue, Hood River, Oregon.

On January 25, 2012, Lessee restated its Articles of Organization to change its name to Pfriem Brewing Company, LLC.

On February 9, 2012, Lessor and Lessee executed a First Addendum to Lease and Lease Guaranties.

On September 3, 2012, Lessor and Lessee executed Addendum No. 2 to Lease and Lease Guaranties.

On April 15, 2013, Lessor and Lessee executed Addendum No. 3 to Lease and Lease Guaranties. However, dates and rents in the revised tables included in this Addendum No. 3 need to be revised.

To correct these errors, the table in the fourth paragraph (Rental) is hereby amended to read as follows:

Date	Square Footage	Rate	Monthly Total
July 16, 2012 – December 31, 2012	4754 Manufacturing 905 Office / Storage	\$0.00 \$0.00	\$0.00
January 16, 2013 – January 31, 2013	4,754 Manufacturing 905 Office / Storage	\$0.88 \$0.22	\$2,262.08
February 1, 2013 – June 30, 2013	4,754 Manufacturing 905 Office / Storage	\$0.88 \$0.22	\$4,382.62
July 1, 2013 – June 30, 2014	4,754 Manufacturing 905 Office / Storage	\$0.88 \$0.44	\$4,581.72
July 1, 2014 – June 30, 2015	4,754 Manufacturing 905 Office / Storage	\$0.88 \$0.66	\$4,780.82
July 1, 2015 – June 30, 2017	4,754 Manufacturing 905 Office / Storage	\$0.88 \$0.88	\$4,979.92

Following this amended table in the fourth section, the Lease is hereby amended to add the following:

Upon commencement of the Term for Tenant Space 102, the table in the fourth section (Rental) will be amended to read as follows:

Date	Square Footage	Rate	Monthly Total
July 16, 2012 – December 31, 2012	4754 Manufacturing 905 Office / Storage	\$0.00 \$0.00	\$0.00
January 16, 2013 – January 31, 2013	4,754 Manufacturing 905 Office / Storage	\$0.88 \$0.22	\$2,262.08
February 1, 2013 – June 30, 2013	4,754 Manufacturing 905 Office / Storage	\$0.88 \$0.22	\$4,382.62
July 1, 2013 – Beginning of term for Tenant Space 102	4,754 Manufacturing 905 Office / Storage	\$0.88 \$0.44	\$4,581.72
Beginning of term for Tenant Space 102 – June 30, 2014	8,549 Manufacturing 905 Office / Storage 480 Patio Tasting	\$0.88 \$0.44 \$0.22	\$8,026.92
July 1, 2014 – June 30, 2015	8,549 Manufacturing 905 Office / Storage 480 Patio Tasting	\$0.88 \$0.66 \$0.22	\$8,226.02
July 1, 2015 – June 30, 2017	8,549 Manufacturing 905 Office / Storage 480 Patio Tasting	\$0.88 \$0.88 \$0.22	\$8,425.12

Dated: _____, 2013

Cascadia Brewing Co, LLC
Pfriem Brewing Co, LLC

Port of Hood River

By: _____
Kenneth Stephen Whiteman
General Manager

By: _____
Michael S. McElwee
Executive Director

Personal Guarantor of Promissory Note

Rudolph Kellner

Kenneth Stephen Whiteman

Joshua Alden Pfriem

Commission Memo

To: Commissioners
From: Liz Whitmore
Date: May 7, 2013
Re: Food Vendor Concessions

Susie Dow, the new owner of the Sandbar Café applied for a concession permit to operate her business from the lower cruise ship dock during the 2013-15 seasons. The permit has been signed by Port staff in order to allow Susie to apply for her OLCC license in a timely manner.

Richard and Sherri Wilson, owners of Pirates Fish & Chips applied for a concession permit to operate their business from the Hook in the gravel area at the end of the paved waterfront trail. I have informed them of the challenges (dust and wind) of that location, but they would like to try it out. This permit is for the 2013 season only.

Justin Menasco of Big Papas has indicated verbally he is interested in continuing to operate from the Event Site in a new location on the lower cruise ship dock. The permit would be for the 2013-15 seasons. He has not provided a signed contract at this time.

Staff had considered locating a food vendor in the gravel lot between the Jensen Building and Waterfront Park, but is no longer going to pursue that location due to conflicts with parking and concerns raised by Jensen Building tenants.

RECOMMENDATION: Ratify a concession permit with Susie Dow for operation of the Sandbar Café at the Cruise Ship Dock for 2013-15 and authorize a concession permit with Richard & Sherri Wilson for operation of Pirates Fish & Chips at the Hook for the 2013 season.

Commission Memo

To: Commissioners
From: Fred Kowell
Date: May 7, 2013
Re: JWC, LLC Contract Change Order No. 1

The Port contracted with JWC, LLC to construct our new wash-down facility and money room. The contract was for a not-to-exceed amount of \$22,500. Due to the need of having additional electrical and IT capability to the room next to the new money room, an additional electrical and IT data outlets were installed, as well as some counter space around the restroom (Maintenance) sink. The contract would have been within budget otherwise.

RECOMMENDATION: Approve Change Order No. 1 with JWC, LLC and authorize increase in the amount of \$1,960.

Commission Memo

To: Commissioners
From: Fred Kowell
Date: May 7, 2013
Re: Accounts Payable Requiring Commission Approval

D & F Plumbing	\$9,273.80
Repair sewage lift station near jetty restroom, Team required for vault entry and pipe replacement	

TOTAL ACCOUNTS PAYABLE TO APPROVE	\$9,273.80
--	-------------------

Two whom it may concern,

Big Papas LLC has been in negotiation with the Port of Hood River since sept. 2012 regarding food vendor permitting for the 2013 summer season. During which time the Port of Hood River has offered multiple permitting sites excluding the site that has hosted Big Papas LLC for the previous three summer seasons. Each site offered posing its own list of logistical and financial challenges. Due to these challenges, a lack of equal treatment and a lack of caring by the Port of Hood River, Big Papas LLC will not be able to finance operations under such terms as the Port of Hood River has offered to "Just see how it goes."

This decision was reached due to the Port of Hood Rivers continuous efforts to limit Big Papas LLC in the following ways.

Limiting access to customer base.

Non designated power and water supply.

Unequal division of permitted space.

No access granted to on site storage.

Mobility of mobile food unit restricted due to craning requirements for placement upon and removal from permitted site.

Unequal treatment in regards to OLCC permitting.
(permission to apply for OLCC permits was denied for Big Papas and granted to other food vendor)

Showing little to no understanding of what a food business needs to survive or grow.

And by showing no desire to promote an equal opportunity for local, developing business.

When considering this list of restrictions and comparing it to Port of Hood River director Michael McElwees statement posted on the Port of Hood Rivers web site saying "actions to develop the waterfront demonstrate that the Port is committed to its community stakeholders to facilitate job creation, improve transportation and enhance the recreational sites." I am left to wonder.

Who are the stake holders?

As a local raised and living in this community am I a stakeholder?

Do the needs of Big Papas LLC fall under the Ports commitment to its community to facilitate job creation and to enhance recreational sites?

Big Papas LLC truly looks forward to a time when equal treatment and mutual respect will suport the needs of small business along the Hood River water front.



Justin Menasco

Big Papas LLC

Waterfront Recreation Committee Minutes

April 10, 2013 - 1:00 pm

Marina Center Boardroom

Members in Attendance: Sam Bauer, Cori Collins, Laney Gale, Pepi Gerald, Greg Stiegel, Rich McBride and Liz Whitmore

Members Absent: Doug Archbald, Bill Lake, Adam Lapierre, and Brian Shortt

Guests: Stephen Schneider, Steve Gates

Liz Whitmore opened the April 10 meeting at 1:07p.m. No items were added to the agenda.

Committee approved meeting minutes for March 14, 2013.

Public Comment

None

Proposal for Columbia Gorge SUP Club

- Steve Schneider presented his proposal to create a SUP club at the Nichols Basin to provide easy and affordable access for SUP. Hasn't decided if club will be profit or non-profit. Expects 200-400 to participate. Doesn't view club as a vendor and in competition with concessions/shops in town. Didn't come up with idea in the fall when RFP process was initiated, so would like to propose it now.
- Pepi Gerald: Concerned SUP club would be in competition with school concessions. RFP process should be upheld.
- Lori Stirn: Served on evaluation committee for RFP. Does not support concessions added after RFP process.
- Sam Bauer: RFP process was created to have a fair playing field; need to respect that. Looks at SUP club as a vendor because it is selling memberships to access equipment.
- Steve Gates: SUP club is proposing a duplication of services for a fee that Big Winds and other concessions are currently providing. Concessions went through a RFP process and made business decisions and investments per the outcome of that process. Opportunity for additional vendors comes again in three years during next RFP process.
- Laney Gale: Thinks it would be a great idea, but concerned about existing concessions. There was a process and a deadline that the SUP club should have met.
- Cori Collins: Likes the idea, but need to respect the RFP process. Suggested looking into Port of Klickitat as a potential location for club.

After the above discussion, the Waterfront Recreation Committee rejected Steve Schneider's request to apply for a permit for the Columbia Gorge SUP Club on Port of Hood River property.

Reviewed Approved Recreation Site Fees

- Concerned about restroom capacity. Restrooms should be opened up earlier and stay open longer.
- Concerned about trash removal. Port should look into underground trash receptacle similar to one at skate park.

Existing Concessionaires

- Discussed request from Kite the Gorge to apply for SUP permit post RFP process.
- Committee members agreed that RFP process should be upheld; also discussed the potential for an annual review process of operations.
- Big Winds opposes adding SUP on to an existing permit post-RFP process. Business decisions on investments and staffing were made based on the outcome of the formal RFP process.
- Kite the Gorge plans to attend the next Waterfront Recreation Committee meeting to discuss proposal.

The April 10, 2013 meeting was adjourned at 2:20 p.m.

Prepared by Liz Whitmore, 5/1/2013

Minutes
Airport Advisory Committee
April 18, 2013
FBO Ken Jernstedt Airport

Attending

Jeremy Young, Chair
Dayle Harris, Member
Gerraro Avolio, Member
John Benton, Member
Scott Gifford, Ex Officio Member
Bud Pepitone, Citizen
Judy Newman, Citizen
Doug Holzman, Citizen
Dave Koebel, Citizen
Joe Deem, Citizen
Randy Perkins, Citizen
Matt MacRostie, Century West Runway Shift Project Manager
Steve Burdick, Port Development Manager

Disposition of Excess Top Soil

Steve Burdick shared the grading plan prepared by Slca Consulting Engineers for the relocation and grading of the excess top soil from the runway shift project. There was general consensus that Steve had mis-understood the prior consensus of the AAC, that the intent was to raise the level of the berm crossing the ditch, and not to place the excess soil North of the ditch. The group further recommended that the soil: 1. Remain on site; 2. Be used to raise the level of the field East of the "C" T-Hangars where the ground is rough and where there are rocks which make the terrain difficult.

Steve will meet with Slca and they will evaluate how to best respond to these recommendations.

Runway Shift – Restart of Construction

Matt MacRostie and Steve updated the ACC on the runway shift construction restart situation. K&E Excavating has committed to:

- Providing a minimum of two weeks' notice prior to construction that requires a runway closure.
- Using best efforts to restart construction by mid-May.
- Using best efforts to fit the two 2 week notice periods and the two 18 day runway closures in before July 4, 2013.

There may be some construction occurring in the nearer term that does not require the closure of the runway. Steve will keep the ACC informed of both types (closure / non-closure) of construction.

The FBO and WAAAM both confirmed that they would be least affected by runway closures in May, that June closures are "OK" and that July, August and September closures would cause serious problems.

East End Wind Cone

Matt and Steve updated the ACC on the potential for a new wind cone at the East end of the shifted runway. FAA will allow a new cone and they will pay for 90% of the new cone. However, they will not allow the new wind cone within 250 feet of the center line of the runway. Century West, Michael McElwee, Steve, Dave Koebel and Scott Gifford all lobbied FAA to allow the new wind cone to be closer to the runway, but those appeals were rejected.

Scott will put up three poles with flagging along the closest allowed distance and, based upon observations over the next couple of weeks, make a recommendation to Century West on the best East / West location along that line.

ACC Terms

Steve reviewed the status of the ACC member terms all of which will end June 30, 2013. He asked the ACC for their recommendations for reappointments and for new members. Jeremy Young, John Benton, Scott Perry, Gennaro Avolio and Dayle Harris have all expressed a desire to

remain on the ACC. The committee recommends that Judy Newman be appointed as a new member. Steve will contact Edward Drew and William Veatch to determine whether they desire to remain on the ACC or not. Richard Clarke had previously requested to retire from the committee. The committee further recommended that the terms of existing members be extended for one year and that new appointments be made for three years. If the Port Commission desires the terms to be staggered, the committee recommends that newer members be asked to serve the longer terms.

Grass Runway Maintenance

The best management practices for maintaining the grass runway were discussed. The committee recommended:

- Allow / cut the grass on the grass runway higher than on a typical park green.
- Space out the watering to force the grass roots to grow deeper for water.
- During dry weather, drag the grass runway with an implement with teeth about once per month to break up clumps and clods.
- Check sprinklers for proper operations once per week.
- Use excess top soil to fill in holes, ruts, etc.

Steve will also continue to make contact with the maintenance manager at Indian Creek Golf Course to discuss these practices and to obtain his advice and possibly a proposal for maintaining the grass runway.

Airport Business Plan

Steve handed out copies of the Airport Layout Plan sheet, the ACC Mission & Goals from 2000, the Capital Improvement Plan submitted to FAA through the State in 2013 (not including the jet fuel tank which is not fundable by FAA). He said that the Port Commissioners had requested him to work up an airport business plan that would align revenues and expenses. Previous budgets have not reflected actual maintenance costs for Port staff, overhead or match to federal and state grants nor attempted to match revenues to costs.

The first step in developing this plan will be to ask the ACC to advise on maintenance standards achievable within presumed reasonably cost effective parameters. Steve will bring a list of maintenance items and suggested standards to the next ACC meeting.

The question was raised as to how much it costs to have the runway lights on all night every night vs controlled by pilot request. Several members responded that the cost difference was minimal and perhaps the cost of pilot controlled lighting was even greater than all night lighting.

Next Meeting

The members asked that the next ACC meeting be scheduled to coincide as closely as practical to the end of the first 18 day spring runway closure.

Commission Memo

To: Commissioners
From: Liz Whitmore
Date: May 7, 2013
Re: Hook Windsurfing Launch – Feasibility Study

A proposal for a feasibility study has been developed by Bell Design Company ("Bell") of Bingen, WA by request from the Columbia Gorge Windsurfing Association ("CGWA"). Bell has contracted with the City of Hood River to provide engineering services for the sewer outfall relocation project. The study will examine the feasibility of building two new windsurfing launches along the Hook exterior access zones. The first launch site is adjacent to the new outfall location at the western end. The second is from the area known as "Dirt Beach" at the end of the paved waterfront trail.

The feasibility study would provide a preliminary analysis reviewing the structural integrity of existing rip rap and the extent to which fill will need to be added in order to construct access ramps. A cost estimate will also be provided to determine the budgetary impact. The work would be carried out by mid-June. The feasibility study will help determine the scope of additional engineering required for permit and construction drawings.

CGWA has expressed interest in partnering with the Port to provide funding for the construction of these new launch sites. However, they do not have funds for engineering or feasibility analyses.

Please see attached MOU from Bell Design Company. This agreement would be revised as a contract between the Port of Hood River and Bell Design Company, due to the fact CGWA is unable to access their funding until the project is approved.

RECOMMENDATION: Authorize contract with Bell Design Company for a Windsurfing Launch Feasibility Study at the Hook not to exceed \$3,500 plus reasonable reimbursable expenses.

Columbia Gorge Windsurfing Association Launch Site
MEMORANDUM OF UNDERSTANDING



TO: Greg Stiegel
Columbia Gorge Windsurfing Association
P. O. Box 182, 202 Oak Street, Suite 150
Hood River, OR 97031
(541) 386-9225

FROM: Devry A. Bell, P. E.
Bell Design Company
PO Box 308, 1000 E Steuben Street
Bingen, WA 98605
(509) 493-3886

DATE: March 19, 2013

SUBJECT: Port of Hood River Windsurfing Launce Site Feasibility Study

PROJECT: Bell Design Project Number: 13B084

LOCATION: Port of Hood River Hook

Greg,

This is a memorandum of understanding between Bell Design Company (BDC) and the Columbia Gorge Windsurfing Association (CGWA) for a feasibility study at the Port of Hood River for two proposed sailing launch sites. It is BDC's understanding that you would like to find out the feasibility of constructing the new launch sites at the Port of Hood River Hook. It makes sense at this time to consider the costs and potential regulatory requirements because the City of Hood River is currently engaged in the process of permitting a new wastewater treatment plant (WWTP) outfall nearby. Perhaps there can be some cost savings because of the timing and proximity between these projects.

It is BDC's understanding that CGWA desires to evaluate the costs associated with the construction of a permanent launch site near water level along portions of the western edge of the Hook and an alternate launch site similarly situated near the "Crook in the Hook" nearer to the beginning of the Hook arm. Preliminary discussion with Stuart Cato, engineer for the Port of Hood River, indicate that he has concern with the integrity of the hook's rip rap armor plating along the Hook's riverside slopes. This preliminary discussion sets the direction of the feasibility study regarding construction costs for this project, because we will need to *add* suitable fill against the existing slopes in order to construct the access ramps for the proposed launch site. With this understanding it would be our privilege to provide you with a feasibility study as outlined below.

1. Provide a preliminary grading plan and fill estimates based on topographic or other information obtained during Bell Design Company's WWTP Outfall work for the City of Hood River.
2. Develop a budgetary cost estimate for the proposed work.
3. Develop a preliminary list of potential required permits for the proposed work.

Total Feasibility Study Professional Cost. (West end of Hook only)	\$3000
4. Add Alternative Crook of the Hook site	\$500
Grand Total (all alternatives)	\$3500

If CGWA would like to proceed based on the work described above, please authorize Bell Design Company to do the work according to this agreement by signing below:

Bell Design Company's Representative

CGWA's Representative

Name: _____

Name: _____

Position: _____

Position: _____

Date: _____

Date: _____

Commission Memo

To: Commissioners
From: Fred Kowell
Date: May 7, 2013
Re: Financing Resolution – Marina Electrical Upgrade and Boathouse Dock Replacement Project

Attached is a resolution regarding the SDAO FlexLease financing agreement for the Marina Electrical Upgrade and Boathouse Dock Replacement Project. This action is similar to the agreement approved by the Port Commission in September 2010 for the Marina Dock Expansion Project.

This principal amount of the bond is \$770,000, with a maximum term of fifteen years, and a maximum average interest rate of 5%.

RECOMMENDATION: Adopt Resolution No. 2012-13-5 authorizing SDAO FlexLease Financing in the amount of \$770,000 for the Marina Electrical Upgrade and Boathouse Dock Replacement.

RESOLUTION NO. – 2012-13-5

NAME OF DISTRICT: PORT OF HOOD RIVER
LOCATED IN: HOOD RIVER COUNTY, OREGON
MAXIMUM PRINCIPAL COMPONENT: \$ 770,000.00 DOLLARS
MAXIMUM FINANCING TERM: (15) YEARS
MAXIMUM AVERAGE INTEREST RATE: FIVE PERCENT (5.00%)
EXECUTING OFFICIALS: PRESIDENT, EXECUTIVE DIRECTOR, FINANCE
MANAGER, SECRETARY

RESOLUTION APPROVING THE FINANCING AGREEMENT WHEREBY THE DISTRICT FINANCES CERTAIN REAL OR PERSONAL PROPERTY; AND AUTHORIZING THE EXECUTING OFFICIALS OF THE DISTRICT TO EXECUTE THE FINANCING AGREEMENT AND SUCH OTHER DOCUMENTS AND CERTIFICATES AS MAY BE NECESSARY TO CARRY OUT THE TRANSACTIONS CONTEMPLATED BY THE AFOREMENTIONED AGREEMENT.

WHEREAS, the above-named District (the "District"), is authorized under Oregon Revised Statutes ("ORS") § 271.390 and § 287A to enter into binding financing agreements to finance and/or refinance certain real or personal property; and

WHEREAS, the Special Districts Association of Oregon (the "Association") has established its cooperative asset financing program (the "Asset Program") which includes the FlexLease Program (the "Program"). The Program allows members of the Association who are authorized by law (the "Participating Districts"), to participate in a pooling of the individual Participating Districts' financing agreements in order to achieve better interest rates and lower administrative and legal costs; and

WHEREAS, to accomplish the Program, the Association has entered into an Amended and Restated Master Financing Agreement, dated as of December 1, 2005, as amended (the "Master Financing Agreement"), currently with Robert W. Baird & Co. (the "Underwriter") pursuant to which financing and refinancing will be made available by the Underwriter to Participating Districts under the terms set forth in the Master Financing Agreement and interests in such financings will be certificated pursuant to an Amended and Restated Master Trust Agreement, dated as of December 1, 2005, as amended (the "Master Trust Agreement") between the Underwriter and the Trustee; and

WHEREAS, it is intended that the District will enter into one or more taxable and/or tax-exempt Financing Agreements (the "Financing Agreement") to finance and/or refinance certain real or personal property more particularly described in Exhibit A, attached hereto and incorporated herein as if fully set forth (the "Project") and as agreed and approved to by the Executing Officials subject to the terms and conditions and for the purposes set forth in the Financing Agreement; and

WHEREAS, the District anticipates incurring expenditures (the "Expenditures") to finance the costs of the Project and wishes to declare its official intent to reimburse itself for any Expenditures it may

make from its general funds on the Project from the proceeds of Certificates of Participation (the "COPs"), the interest on which shall be excluded from gross income under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code");

NOW, THEREFORE, THE BOARD OF THE DISTRICT DOES HEREBY FIND, DETERMINE, DECLARE AND RESOLVE AS FOLLOWS:

Section 1. Recitals. All of the above recitals are true and correct and the Board of the District so finds and determines. The District hereby determines that the Project is needed for District purposes.

Section 2. Approval of Financing Agreement. The Executing Official or their designee is hereby authorized to negotiate the terms of the Financing Agreement within the parameters of this Resolution. The Financing Agreement shall be approved and executed by an Executing Official or a designee of an Executing Official of the District to finance the Project as set forth in Exhibit A, said Executing Official's or designee's execution thereof to be conclusive evidence of said approval. The Board designates the Executing Officials or a designee of an Executing Official and authorizes and directs them to execute, attest to and deliver the Financing Agreement and negotiate and execute such other documents, certificates and instruments, and take any actions, as may be necessary or desirable to carry out and comply with the intent of this Resolution on behalf of and as the act and deed of the District. The Executing Official is authorized to determine if the Financing Agreement will be issued on a taxable and/or tax-exempt basis.

Section 3. Terms of Financing. The District shall participate in the Program. The District hereby agrees to the appointment of Mersereau Shannon LLP as bond counsel for the Program. The total principal component of payments shall not exceed the Maximum Principal Component designated above. In no event shall the maximum average interest rate exceed the Maximum Average Interest Rate designated above. The term of the financing shall not exceed the Maximum Financing Term set forth above provided that the term may be rounded up or down to coincide with the payment dates of principal component under the Program. Execution of the Financing Agreement by the Executing Official shall be deemed to be final approval of the final payment schedule to the Financing Agreement.

Section 4. Security. The District hereby pledges its full faith and credit and all lawfully available funds including any ad valorem property taxes, if any, subject to the limitations provided in Section 11 and 11(b), Article XI of the Constitution of the State of Oregon and any limitations which may hereafter be imposed by law.

Section 5. Disclosure Relating to Financing Agreement. The Executing Official is authorized to do the following: (a) review the disclosure information on the District in the disclosure document prepared by the Underwriter, and upon conformance with any changes requested by the Executing Official, to deem it a final disclosure document (the near final official statement) under Securities and Exchange Commission Rule 15c2-12 (the "Rule"), and (b) if required, execute and deliver a continuing disclosure certificate whereunder the District will agree to comply with the information reporting requirements of the Rule.

Section 6. Further Authority. The District shall, and the officers and agents of the District are hereby authorized and directed to, take such action, expend such funds and execute such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Resolution and to carry out, comply with and perform the duties of the District with respect to the Financing Agreement.

Section 7. Tax Covenant. The proceeds of a tax-exempt Financing Agreement shall be used and invested in such manner that the tax-exempt Financing Agreement shall not become “arbitrage bonds” within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the “Code”), and the applicable regulations. The District covenants that, within its lawful powers, it will not do, and will refrain from doing, anything in the issuance of the tax-exempt Financing Agreement and in the investment and expenditure of the proceeds thereof which would result in any interest on the tax-exempt Financing Agreement becoming taxable for federal income tax purposes.

Section 8. Designation as Qualified Tax-Exempt Obligations. The Executing Official is hereby authorized to designate a tax-exempt Financing Agreement for purposes of paragraph (3) of Section 265(b) of the Code as “qualified tax-exempt obligations” so long as that portion of the tax-exempt Financing Agreement does not constitute a private activity bond as defined in Section 141 of the Code, and that not more than the aggregate principal amount of obligations, the interest on which is excludable under Section 103(a) of the Code from gross income for federal income tax purposes (excluding, however, private activity bonds other than qualified 501(c)(3) bonds) including that portion of the tax-exempt Agreement, have been or shall be issued by the District, including all subordinate entities of the District, if any, does not exceed the amount permitted under the Code for such designation during the calendar year in which that portion of the tax-exempt Financing Agreement is issued.

Section 9. Reimbursement of Prior Expenses. The District hereby declares its official intent to reimburse itself with the proceeds of the Financing Agreement for any of the Expenditures incurred by it prior to the issuance of the Financing Agreement.

Section 10. Effective Date. This Resolution shall take effect and be in full force and effect from and after its passage and approval.

APPROVED BY THE BOARD OF DIRECTORS THIS ___ DAY OF MAY 2013.

**PORT OF HOOD RIVER
HOOD RIVER COUNTY, OREGON**

By: _____
Jon Davies, President

By: _____
Hoby Streich, Secretary

EXHIBIT A

PROJECT DESCRIPTION

Re: Financing Agreement, Series 2013B, between the U.S. Bank National Association, as Trustee and the Port of Hood River, Hood River County, Oregon, as Borrower (the “2013B Financing Agreement”).

The Project is as follows:

Marina upgrades, including electrical infrastructure and restoration of floats and docks and related capital improvements, and costs of issuance of the 2013B Financing Agreement and COPs.

Commission Memo

To: Commissioners
From: Michael McElwee
Date: May 7, 2013
Re: Marina Electrical Upgrade Construction Contract

At the April 29, 2013 meeting the Commission ratified the issuance of a Notice of Award of the Marina Electrical Upgrade to LaLonde Electric, L.L.C. The 7-day protest period is now over and we are prepared to enter into a contract (attached) to construct the project.

The draft contract states that substantial completion of the project will occur by July 30 and final completion by the end of August. Work occurring by these dates does not include wiring for the boathouses which is wholly contingent upon the receipt of in-water work permits for the new Boathouse Docks. The best case is that the permits will be in-hand by late summer. Therefore, the electrical work would be completed late in the year after installation of the docks.

The contract amount is \$457,387. We already know this amount will increase because Pacific Power recently determined that the Marina will require a larger transformer and this will require additional excavation and installation of a below-grade vault. This work will be carried out through a contract change order after Commission approval.

Funds for this construction contract will be borrowed through the SDAO Flex Lease program.

RECOMMENDATION: Authorize Public Improvement contract with LaLonde, Electric L.L.C. for the Marina Electrical Upgrade Project not to exceed \$457,387 subject to legal counsel review.

**PORT OF HOOD RIVER
PUBLIC IMPROVEMENT CONTRACT
Hood River Marina Electrical Upgrade**

This Contract is entered into between the PORT OF HOOD RIVER, an Oregon municipal corporation, (hereinafter called "PORT") and La Londe Electric (hereinafter called "CONTRACTOR"), shall become effective on May 8, 2013, or the date this Contract has been signed by all the Parties and all of the required Port approvals have been obtained, whichever is later.

WITNESSETH:

WHEREAS, CONTRACTOR, having examined the project site and become familiar and satisfied with conditions, has submitted an acceptable bid for the following described scope of work: electrical upgrades to the Port of Hood River Marina which includes new electrical service to 160 boat slips and 11 boathouses as noted on contract documents.

WHEREAS, the parties hereto desire that this contract be undertaken and completed on the terms and conditions as hereafter set forth;

THEREFORE, IT IS AGREED AS FOLLOWS:

Terms of Performance

Contractor agrees to perform the described work and provide all machinery, tools, apparatus, materials, equipment, labor and other means of construction necessary to complete the work at the designated location in accordance with all terms specified, attached hereto and incorporated herein, and in accordance with the Contract Documents, which consist of the following:

- A) Invitation to Bid
- B) Bidding Instructions
- C) First-Tier Subcontractor Disclosure Form
- D) Bid Form/Bid Schedule
- E) Bid Bond
- F) Performance Bond
- G) Payment Bond
- H) Certificate of Insurance
- I) General Conditions of Public Works Contracts
- J) Notice of Intent to Award
- K) Notice to Proceed
- L) Prevailing Wage Rates
- M) DRAWINGS prepared for/or issued by Port
- N) SPECIFICATIONS prepared for/or issued by Port
- O) All affidavits and certifications submitted by CONTRACTOR as part of CONTRACTOR's Bid Documents, which affidavits and certifications CONTRACTOR agrees will remain effective throughout the term of this Contract.

Contract Price:

Subject to the provisions of all Contract documents and in consideration of the faithful performance of the terms and conditions thereof by the CONTRACTOR, the PORT agrees to pay CONTRACTOR **in an amount not to exceed \$ 457,387.00**, in the manner and at the times provided in the General Conditions. The Contract price includes the following items: Base Bid and all Alternative A (Boathouse Electrical) \$ 89,832.00.

Note: The Boathouse Electrical Work cannot be performed until permits are obtained and after replacement of the Boathouse docks has occurred. Therefore, the project start date for the Boathouse Electrical Work is dependent upon the work being permitted by the U.S. Army Corps of Engineers. Once permitted, the bid of \$89,832, which includes labor, will be honored by La Londe Electric. Material costs above the bid units identified in the

Schedule of Values must be approved as a Change Order. If the permits are not obtained or the Boathouse Docks are not replaced in the sole discretion of the Port of Hood River Commission then \$89,832 will be deducted from the contract price.

Contract Dates:

Project Start Date: 10 calendar days from issuance of Notice to Proceed.
Substantial Completion for Base Bid Work: July 30, 2013.
Final Completion for Base Bid Work: August 30, 2013.

Liquidated damages

If the CONTRACTOR fails to complete the Base Bid work within the time specified or within any extension of time agreed to by both parties in writing, CONTRACTOR shall pay liquidated damages of \$250.00, for each day of delay beyond the completion day identified above. (If no dollar amount is specified this paragraph shall not apply to this Contract.)

Representatives

Unless otherwise specified in the Contract Documents, the Port designates Michael S. McElwee, as its Authorized Representative in the administration of this Contract. The above-named individual shall be the initial point of contact for matters relating to performance, payment, authorization, and to carry out the responsibilities of the Port. Contractor has named Michael Gross as its Authorized Representative to act on its behalf.

Integration

The Contract Documents constitute the entire agreement between the parties. No waiver, consent, modification or change of terms of this contract shall bind either party unless in writing and signed by both parties. Such waiver, consent, modification or change, if made, shall be effective only in the specific instance and for the specific purpose given. There are no other understandings, agreements, or representations, oral or written, not specified herein regarding this Contract. Contractor, by the signature below of its authorized representative, hereby acknowledges that it has read this Contract, understands it, and agrees to be bound by its terms and conditions.

IN WITNESS WHEREOF the parties have executed this Contract on May _____, 2013.

LA LONDE ELECTRIC

By _____
Bruce LaLonde

Its _____

PO Box 2311
Estacada OR 97023
bruce@lalondeelectric.com
(503) 630-5571
Federal Tax ID: _____

PORT OF HOOD RIVER

By _____
Michael S. McElwee

Its Executive Director _____

1000 E. Port Marina Drive
Hood River OR 97031
porthr@gorge.net
(541) 386-1645

Commission Memo

To: Commissioners
From: Michael McElwee
Date: May 7, 2013
Re: PP&L Marina Electrical Agreement

Pacific Power will need to install a new transformer and power lines as part of the Marina Electrical Project. To schedule this work Pacific Power will require a signed contact and advance payment of funds.

The attached contract provides two options, one that allows refunds if additional customers are added to the power supply within 60 months and one that allows for a slightly reduced fee if the possibility of a refund is waived. Because additional customers will not be added to the system, the second option is appropriate. Therefore the cost to the Port would be \$5,978.

This project would be funded through the Flex Lease program that will finance the entire Marina Electrical project. If the Commission does not authorize that financing or does not approve the Marina electrical construction contract then this agreement with Pacific Power will not be necessary.

RECOMMENDATION: Authorize contract with Pacific Power for new electrical service at the Marina not to exceed \$5,978 subject to legal counsel review.

**GENERAL SERVICE CONTRACT
(1000 KW OR LESS)
between
PACIFIC POWER
and
PORT OF HOOD RIVER**

This General Service Contract ("Contract"), dated April 23, 2013, is between PacifiCorp, doing business as Pacific Power ("Company"), and **Port of Hood River** ("Customer"), for electric service for Customer's Port Marina Boat Moorage operation at or near Hood River Boat Marina, Hood River, Oregon.

The Company's filed tariffs (the "Electric Service Schedules" and the "Electric Service Rules") and the rules of the Oregon Public Utility Commission ("Commission"), as they may be amended from time to time, regulate this Contract and are incorporated in this Contract. In the event of any conflict between this Contract and the Electric Service Schedules or the Electric Service Rules, such schedule and rules shall control. They are available for review at Customer's request.

- 1. Delivery of Power.** Company will provide 120/240 volt, single-phase electric service to the Customer facilities.
- 2. Contract Demand.** The specified Demand in kW that Customer requires to meet its load requirement and Company agrees to supply and have available for delivery to Customer, shall be 100 kW (diversified, based on Customer's submitted load prior to the signing of this Contract) unless otherwise agreed in writing in accordance with the terms of this Contract. Within fifteen (15) days of the written request for additional demand, Company shall advise Customer in writing whether the additional power and energy is or can be made available and the conditions on which it can be made available.
- 3. Extension Costs.** Company agrees to invest \$6,608.00 (the "Extension Allowance") to fund a portion of the cost of the improvements (the "Improvements") as per tariff. Customer agrees to pay Company the estimated construction costs in excess of the Extension Allowance ("Customer Advance"). Customer has paid for engineering, design, or other advance payment for Company's facilities in the amount of \$0.00, which amount is reflected in the balance due in the Customer selected option below. (**Customer must initial** selected option on the blank space at the beginning of the option and pay the balance due given in that option.)

_____ **Refund Option.** The total Customer Advance for this work is \$6,228.00, the **balance due is \$6,228.00**, and Customer remains eligible for refunds. Company will refund part of the Customer Advance if additional customers connect to the Improvements within sixty (60) months of the date the Company is ready to supply service. Company will refund 25% of the refundable Customer Advance allocable to the **shared** Improvements for three additional applicants. The Company will try to inform Customer when a refund is due. However, in the event Company is unable to locate Customer or has not identified that a refund is due, **Customer is**

responsible for requesting a refund within twenty-four (24) months of the additional applicant connecting to the Improvements.



Contract Administration Credit Option. Customer chooses to receive a Contract Administration Credit of **\$250 and waives their right to refunds should additional applicants connect to the Improvements.** Accordingly, Customer's balance due is **\$5,978.00.**

4. **Contract Minimum Billing.** Customer agrees to pay a contract minimum billing (the "Contract Minimum Billing") during the first sixty (60) months beginning from the date the Company is ready to supply service. The Contract Minimum Billing shall be the greater of: (1) the **Customer's monthly bill**; or, (2) \$152.08 (the **monthly facilities charge**) plus eighty percent (80%) of the **Customer's monthly bill**. Billings will be based on Rate Schedule No. 28 and superseding schedules. The Company will reduce the minimum charges by the amount of the facilities charges associated with refunds due from additional applicants connecting to the Improvements.
5. **Effective.** This Contract will expire unless Customer signs and returns an original of this Contract along with any required payment to Company within ninety (90) days of the Contract date shown on page 1 of this Contract.
6. **Term.** This Contract becomes binding when both the Company and Customer have signed it, and will remain in effect for five (5) years following the date when the Company is ready to supply service.

In the event Customer terminates service or defaults (which results in termination of service) within the first five (5) years of this Contract, Customer shall be responsible for paying the remaining Contract Minimum Billing for the remainder of the five (5) year term.

If Customer is not ready to receive service from Company within one-hundred fifty (150) days of the Customer signature date given on page five (5), then Company may unilaterally terminate this Contract. If Company has not installed Improvements, then such termination of this Contract shall not be treated as a Customer default and Customer shall not be responsible for paying the Contract Minimum Billing for the five (5) year term, only Customer's Advance will be applied to Company costs incurred for design, permitting and other associated Contract costs. However, if Company has installed Improvements so that Company is ready to supply service, but Customer is not ready to receive service from Company within said one-hundred fifty (150) days, then the failure of Customer being ready to receive service from Company may be treated as a Customer default, and Customer shall be responsible for paying the Contract Minimum Billing for the five (5) year term.

7. **Customer Obligations.** Customer agrees to:
 - a) Provide legal rights-of-way to Company, at no cost to the Company, using Company's standard forms. This includes rights-of-way on Customer's property and/or adjoining property and any permits, fees, etc. required to cross public lands;
 - b) Prepare the route to Company's specifications;
 - c) Install all Customer provided trench, conduit, equipment foundations, or excavations for equipment foundations within the legal rights-of-ways; and,
 - d) Comply with all of Company's tariffs, procedures, specifications and requirements.

8. Special Provisions: None

- 9. Underground Facilities.** If service is provided by an underground line extension, Customer will provide, or Company will provide at Customer's expense: all trenching and backfilling, imported backfill material, conduit and duct, and furnish and install all equipment foundations, as designed by the Company. Company may abandon in place any underground cables installed under this Contract that are no longer useful to Company.

Customer warrants that all Customer provided trench and excavations for equipment foundations, and Customer installed conduit and equipment foundations are installed within legal rights-of-ways, and conform to the specifications in the Company's Electric Service Requirements Manual and other specifications as otherwise provided by the Company. Customer's liability for breach of warranty shall be limited to the cost of the Company relocating the facilities to within the right-of-way, providing right-of-way for the installed facilities, or repair or replacement of improperly installed conduit or foundations.

- 10. Design, Construction, Ownership and Operation.** The Company shall design, construct, install, and operate the Improvements in accordance with the Company's standards. The Company will own the Improvements, together with the Company's existing electric utility facilities that serve or will serve Customer. Construction of the Improvements shall not begin until (1) both the Company and Customer have executed (signed) this Contract, and (2) all other requirements prior to construction have been fulfilled, such as permits, payments received, inspection, etc. Any delays by the Customer concerning site preparation and right-of-way acquisition or trenching, inspection, permits, etc. may correspondingly delay completion of the Improvements.

The Company warrants that its work in constructing and maintaining the Improvements shall be consistent with prudent utility practices. **THE COMPANY DISCLAIMS ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO THE WARRANTY OF MERCHANTABILITY, FITNESS FOR PARTICULAR PURPOSE, AND SIMILAR WARRANTIES.** The Company's liability for breach of warranty, defects in the Improvements, or installation of the Improvements shall be limited to repair or replacement of any non-operating or defective portion of the Improvements or the Company's other electric utility facilities. Under no circumstances shall the Company be liable for other economic losses, including but not limited to consequential damages. The Company shall not be subject to any liability or damages for inability to provide service to the extent that such failure shall be due to causes beyond the reasonable control of the Company.

No other party, including Customer, shall have the right to operate or maintain the Company's electric utility facilities or the Improvements. Customer shall not have physical access to the Company's electric utility facilities or the Improvements and shall engage in no activities on or related to the Company's electric utility facilities or the Improvements.

- 11. Payments.** All bills shall be paid by the date specified on the bill, and late charges shall be imposed upon any delinquent amounts. Company reserves the right to require customer payments be sent by EDI or wire transfer. If Customer disputes any portion of Customer's bill, Customer shall pay the total bill and shall designate the disputed portion. Company shall decide the dispute within sixty (60) days after Customer's notice of dispute.

Any refund Company determines Customer is due shall bear interest at the rate then specified by the Commission or, if no rate is specified, the then effective prime rate as established by the Morgan Guaranty Trust Bank of New York.

The Company may request deposits from Customer to the extent permitted under the applicable Electric Service Rules and the applicable Electric Service Schedule. In the event of a default by Customer in any of its obligations, the Company may exercise any or all of its rights and remedies with respect to any such deposits.

- 12. Furnishing Information.** Upon the Company's request, and upon Company entering into a confidentiality agreement with Customer, Customer shall submit its year-end financial statements to the Company, certified to be true and correct and in accordance with GAAP (General Accepted Accounting Principles). Furthermore, Customer shall submit additional information as the Company may reasonably request from time to time in furtherance of the purposes of this Contract. Such information shall be deemed confidential. The Company will base its decision with respect to credit, deposits or any other material matter on information furnished under this section by Customer, and shall reserve its rights with respect to such decisions should such information be inaccurate.
- 13. Governing Law; Venue.** All provisions of this Contract and the rights and obligations of the parties hereto shall in all cases be governed by and construed in accordance with the laws of the State of Oregon applicable to contracts executed in and to be wholly performed in Oregon by persons domiciled in the State of Oregon. Each party hereto agrees that any suit, action or proceeding in connection with this Contract may only be brought before the Commission, the Federal courts located within the State of Oregon, or state courts of the State of Oregon, and each party hereby consents to the exclusive jurisdiction of such forums (and of the appellate courts therefrom) in any such suit, action or proceeding.
- 14. Assignment.** The obligations under this Contract are obligations at all times of Customer, and may not be assigned without the Company's consent except in connection with a sale, assignment, lease or transfer of Customer's interest in Customer's facility. Any such assignment also shall be subject to (i) such successor's qualification as a customer under the Company's policies and the Electric Service Rules, the applicable Electric Service Schedule, and (ii) such successor being bound by this Contract and assuming the obligation of Customer from the date of assignment, which may be evidenced by written agreement of such successor or other means acceptable to the Company. The Company may condition this assignment by the posting by the successor of a deposit as permitted under the applicable Electric Service Rules and the applicable Electric Service Schedule.
- 15. Remedies; Waiver.** Either party may exercise any or all of its rights and remedies under this Contract, the applicable Electric Service Rules, the applicable Electric Service Schedule and under any applicable laws, rules and regulations. No provision of this Contract, the Electric Service Rules, or the applicable Electric Service Schedule shall be deemed to have been waived unless such waiver is expressly stated in writing and signed by the waiving party.
- 16. Attorneys' Fees.** If any suit or action arising out of or related to this Contract is brought by any party, the prevailing party or parties shall be entitled to recover the costs and fees (including, without limitation, reasonable attorneys' fees, the fees and costs of experts and consultants, copying, courier and telecommunication costs, and deposition costs and all other costs of discovery) incurred by such party or parties in such suit or action, including,

without limitation, any post-trial or appellate proceeding, or in the collection or enforcement of any judgment or award entered or made in such suit or action.

17. **Waiver of Jury Trial.** TO THE FULLEST EXTENT PERMITTED BY LAW, EACH OF THE PARTIES HERETO WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT. EACH PARTY FURTHER WAIVES ANY RIGHT TO CONSOLIDATE ANY ACTION IN WHICH A JURY TRIAL HAS BEEN WAIVED WITH ANY OTHER ACTION IN WHICH A JURY TRIAL CANNOT BE OR HAS NOT BEEN WAIVED.

18. **Entire Agreement.** This Contract contains the entire agreement of the parties with respect to the subject matter, and replaces and supersedes in their entirety all prior agreements between the parties related to the same subject matter. **This Contract may be modified only by a subsequent written amendment or agreement executed by both parties.**

PORT OF HOOD RIVER

By _____
signature

Michael McElwee, Executive Director
NAME (type or print legibly) TITLE

DATE

Customer's Mailing Address for Executed Contract

Michael McElwee
ATTENTION OF

1000 E Port Marina Drive
ADDRESS

Hood River, OR 97031
CITY, STATE, ZIP

PACIFIC POWER

By _____
signature

Jackie Carter Manager
NAME (type or print legibly) TITLE

DATE

Pacific Power's Mailing Address for Executed Contract

1290 Tucker Road
ADDRESS

Hood River, OR 97031
CITY, STATE, ZIP