

PORT OF HOOD RIVER COMMISSION
Tuesday, October 18, 2016
Marina Center Boardroom

Regular Session Agenda

5:00 P.M.

1. Call to Order
 - a. Modifications, Additions to Agenda
 2. Public Comment (5 minutes per person per subject; 30 minute limit)
 3. Consent Agenda
 - a. Approve Minutes of October 4, 2016 Regular Session ([Genevieve – Page 3](#))
 - b. Approve Appointment of Mark Hickock (HRV Parks & Rec) and Bart Vervloet (CGWA) to Waterfront Recreation Committee ([Liz – Page 7](#))
 - c. Approve Appointment of Ken Musser, James Stuart, and Jeremy Young to Airport Advisory Committee ([Fred – Page 9](#))
 - d. Approve Contract with Griffin Construction for Siding at the Chamber Building Not to Exceed \$11,000 ([Anne – Page 11](#))
 - e. Approve Accounts Payable to Jaques Sharp Attorneys at Law in the Amount of \$6,380 ([Fred – Page 17](#))
 - . Reports, Presentations and Discussion Items
 - a. Annual Waterfront Report ([Liz – Page 21](#))
 - b. Marine Deputy Services in 2016, Deputy Quintin Nelson and Sheriff English ([Liz – Page 33](#))
 - c. Accounting System Conference Report ([Fred – Page 35](#))
 - d. FAA, Connect VI Project Update ([Anne – Page 37](#))
 - . Director’s Report ([Michael – Page 39](#))
 - . Commissioner, Committee Reports
 - Urban Renewal, Commissioners Streich and Davies (Oct. 10)
 - . Action Items
 - a. Approve Task Order 3 with Century West Engineering for Environmental Assessment Services at Ken Jernstedt Airfield Not to Exceed \$20,000 ([Anne – Page 43](#))
 - b. Approve Marina Fuel Pump Lease and Operation Agreement with Columbia Room, Inc., dba Hood River Shell and Marina Mart ([Fred – Page 45](#))
 - . Commission Call
-
9. Executive Session under ORS 192.660(2)(e) Real Estate Negotiations
 10. Possible Action
 11. 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.*

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Port of Hood River Commission
Meeting Minutes of October 4, 2016 Regular Session
Marina Center Boardroom
5:00 P.M.

THESE MINUTES ARE NOT OFFICIAL until approved by the Port Commission at the next regular meeting.

Present: Brian Shortt, Fred Duckwall, Rich McBride, and Commissioners Jon Davies (arriving at 6:08 p.m.); Legal Counsel Jerry Jaques; from staff, Michael McElwee, Fred Kowell, Genevieve Scholl

Absent: Commissioner Hoby Streich; and from staff, Laurie Borton and Anne Medenbach

Media: None

1. CALL TO ORDER: President Brian Shortt called the Regular Session meeting to order at 5:03 p.m.
 a. **Modifications, Additions to Agenda:** A new item regarding a contract amendment with Stafford Bandlow Engineering was added as an Action Item. A new report item regarding bridge replacement legislative strategy was also added.

2. PUBLIC COMMENT: None.

3. CONSENT AGENDA:

- a. Approve minutes of September 20, 2016 Regular Session
- b. Approve amendment No. 1 to contract with Steven Siegel Consulting not to exceed \$25,000

Motion: Move to approve Consent Agenda
Move: McBride
Second: Duckwall
Vote: **Aye:** Duckwall, McBride, and Shortt
Absent: Davies and Streich

MOTION CARRIED

4. REPORTS, PRESENTATIONS AND DISCUSSION ITEMS:

a. **Hood River Energy Plan and Steering Committee:** McElwee introduced Marla Harvey, RARE program volunteer who is serving as coordinator of the Hood River County Energy Plan project, funded in part by the Port and other agency partners. City Council member Kate McBride spoke, providing an introduction to Ms. Harvey, describing the project partners and how Ms. Harvey was selected to spearhead the project. Ms. Harvey described her academic and professional background, County energy-related projects, and the upcoming first meeting of the Steering Committee, currently scheduled for November 2. She noted the Steering Committee will meet once a month, and invited participation from the Port Commission or staff to serve on the committee. Ms. Harvey fielded questions from the Commission about the project budget, timeline, and expected outcomes.

b. **Bridge Replacement Legislative Strategy:** McElwee provided an update on the development of Port legislative strategies and goals related to the eventual replacement of the Hood River Bridge. He discussed key aspects of developing these strategies and work underway now with Thorn Run partners and Steve Siegel. He noted that the passage of a transportation funding package by the Oregon legislature in 2017 is a major focus, and how that effort relates to Port goals relating to bridge replacement. He highlighted the need to continue to engage with ODOT throughout the process and seek continued collaboration on bridge replacement. He noted the Port’s work to develop key messaging and background research/data to be utilized by staff and consultants in outreach efforts to public and private stakeholders

and partners. Consultant Steve Siegel and to a more limited degree Karen Williams have provided input in developing public and private financing models for further exploration. Parsons Brinckerhoff has completed their estimations of the bridge replacement project's pre-development scope and costs. They are now developing scope/fee alternatives for several "right-sized" funding opportunities. Commissioner McBride commended Port staff and consultants on the progress and thoroughness of this work. Commissioner Shortt asked McElwee when he expects a need for specific input or action from the Board in terms of legislative action, to which McElwee replied December and January would be important months leading up to the 2017 session.

c. **Hood River Fly-In Report and FBO Update:** Brian Prange, VP for TacAero, provided a report on the 2016 Hood River Fly-In at WAAAM, noting the second record breaking year in a row, with 538 aircraft participating. Prange provided an aerial photo of the Ken Jernstedt Airfield taken Saturday morning, showing heavy aircraft and vehicle traffic. He noted admissions were up 12% over last year, and over 400 meals were served during the spaghetti feed. WAAAM's fundraiser to support their new construction raised \$50,000. Prange reported that there were no incidents or accidents during the entire event. He noted anecdotally that he felt there was a 50/50 split between landings on the grass landing strip and the asphalt. McElwee noted how impressed he was by the number, dedication, and excitement of the event volunteers. Prange provided a brief update on TacAero noting there are now about 20 employees, including 15 FTEs. TacAero's fleet is now up to 17 airplanes, including 8 Cubs. He discussed improvements to the maintenance hangars and services in general. Prange reported on a recent noise complaint related to the increased training flights and the changes made to the flight paths as a response. He described how TacAero handled the complaint and addressed the concerns of neighboring residents. There is now a noise abatement zone over those neighborhoods. Prange also noted TacAero's Part 141 school application is still under FAA review and they expect to hear back in the next couple of months. He noted TacAero is providing pilot training for the Dept. of Interior operations in Alaska has been very beneficial to all participants, and that TacAero is now developing full life-cycle training curricula for them. Prange also described flight services for USGS for testing new search technologies.

5. DIRECTOR'S REPORT: Fall Planning has been tentatively set for November 15. OPPA meeting in Astoria included consideration of changes to ORS 777, expected to be small and not a general rewrite. Marina electrical problems continue on C Dock, despite replacement of all receptacles. McElwee has confirmed that the State of Oregon has deleted the 100 milliamp trip threshold that was in the code last April, because so many marinas were experiencing these same problems. Therefore the Port will raise the trip threshold and continue to test through the winter. Todd Clay at Gorge Electric is recommending installation of GFCI on the subpanels. Installing GFCI on each of the pedestals would cost \$15,000-\$25,000. McElwee noted an upcoming meeting with the FAA to address accelerating their environmental analysis of the planned development at the Airport. He also reported on the final recommended signage plan from DKS Associates for the Bridge, including the near term purchase of mobile, changeable displays. New aerial photos of the Hood River Waterfront, Ken Jernstedt Airfield, and Lower Mill site were taken last week by Smith Associates and shared on the overhead. Genevieve Scholl shared the video of the bridge crossing of the Patriot Guard Riders from the Port Facebook page while McElwee described Ron Runyan's coordination of the event.

6. COMMISSIONER, COMMITTEE REPORTS:

- a. **Waterfront Recreation Committee:** Commissioner McBride reported on the Committee's discussion of planned metered parking and unintended consequences for other parking areas. He also noted a discussion of desired beach replenishment at the Event Site.

7. ACTION ITEMS:

a. Approve Oregon Ethics Law Best Practices Checklist: Scholl explained that each year Special Districts Insurance Services (SDIS) provides an opportunity for member Districts to earn discounts on insurance premiums by focusing on recommended Best Practices. For this fiscal year, that focus is on Oregon Ethics Law. The Oregon Ethics Law Best Practices Checklist is not scored, but rather provides an opportunity for member Districts to self-assess staff and Board knowledge and practice of Oregon Ethics Law. Copies of the Guide for Public Officials and the 2015 Oregon Ethics Law Update supplemental were included in the meeting packets.

- Motion:** Move to approve Oregon Ethics Law Best Practices Checklist.
- Move:** Duckwall
- Second:** Davies
- Vote:** **Aye:** Davies, Duckwall, McBride, and Shortt
Absent:Streich

MOTION CARRIED

b. Authorize Contract Amendment No. 2 with Stafford Bandlow Engineering, Inc. for lift span engineering services not to exceed \$48,000 plus reasonable reimbursable expenses: McElwee reported on the results of testing of lift span to verify proper function and balance condition, conducted by Stafford Bandlow Engineering (SBE), noting that the results indicated some areas of significant concern. These test results showed high measured friction during lifting and lowering, cross indexed rack pinion shafts, irregular movements of the span during a specific phase of lifting. Testing also showed a possibility of micro-fracture in the rack pinion shafts from the high friction and added torque during irregular movement phases of raising and lowering. Additional testing and analysis of the shafts and bearings are required.

- Motion:** Move to approve Contract Amendment No. 2 with Stafford Bandlow Engineering, Inc. for lift span engineering services not to exceed \$48,000 plus reasonable reimbursable expenses.
- Move:** McBride
- Second:** Davies
- Discussion:** President Shortt commented on rapidly increasing maintenance costs due to the age of the bridge.
- Vote:** **Aye:** Davies, Duckwall, McBride, and Shortt
Absent:Streich

MOTION CARRIED

8. COMMISSION CALL: Davies thanked the Commission for accommodating his late arrival in order to attend his daughter’s sporting event.

9. EXECUTIVE SESSION: Regular Session was recessed at 6:35 p.m. The Commission was called into Executive Session under ORS 192.660(2)(h) Current Litigation or Litigation Likely to be Filed.

10. POSSIBLE ACTION: None.

11. ADJOURN: At 6:38 p.m. there was unanimous approval to adjourn the meeting.

Respectfully submitted,

Genevieve Scholl

ATTEST:

Brian Shortt, President, Port Commission

Jon Davies, Secretary, Port Commission

Commission Memo



Prepared by: Liz Whitmore
Date: October 18, 2016
Re: Waterfront Recreation Committee Membership

Two positions on the Waterfront Recreation Committee have been vacated due to the resignations of Lori Stirn, Hood River Valley Parks & Recreation District (HRVPRD) and Greg Stiegel, Columbia Gorge Windsurfing Association (CGWA). Mark Hickock and Bart Vervloet are the new executive directors for HRVPRD and CGWA, respectively. Staff recommends their appointment to the Waterfront Recreation Committee.

RECOMMENDATION: Approve appointment of Mark Hickock and Bart Vervloet to the Waterfront Recreation Committee with terms ending June 30, 2018.

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Commission Memo



Prepared by: Fred Kowell
 Date: October 18, 2016
 Re: Annual Reappointments – Airport Advisory Committee

Several members of the Airport Advisory Committee have retired, lapsed, or are impacted due to the FBO change. Due to these changes, staff recommends the following changes to the Airport Advisory Committee:

Airport Advisory Committee

Current Member	Replaces Past Member	Term Expires	Years Left on Term
John Benton		6/30/2017	One-year left on 3 year term
Dayle Harris- President		6/30/2018	Two-years left on 3 year term
Gennaro Avolio		6/30/2018	Two-years left on 3 year term
Judy Newman		6/30/2019	Renew 3 year term
Ken Musser	Scott Perry	6/30/2019	Renew 3 year term
James Stuart	William Veatch	6/30/2017	One-year left on 3 year term
Jeremy Young	Scott Gifford	FBO	
Fred Duckwall	Commissioner	Ongoing	
Hoby Streich	Commissioner	Ongoing	
Fred Kowell	Port Staff	Ongoing	
Anne Medenbach	Port Staff	Ongoing	

RECOMMENDATION: Approve the appointment of Ken Musser, James Stuart, and Jeremy Young to the Airport Advisory Committee.

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Commission Memo



Prepared by: Anne Medenbach
Date: October 18, 2016
Re: Griffin Construction, LLC

The Chamber Building is in need of some exterior repair work. The second story siding is cedar and is failing in places. There is need for re-nailing, caulking, and replacement of some of the underlayment. The first story siding is in good condition and is not exposed to the elements due to the wrap around porch roof. Other work, such as, adding a roof vent to the east side and other repairs may be needed as well.

Griffin Construction LLC did the remodel of the Chamber Building a number of years ago. They did great work and are available now. Staff is proposing to contract them on a time and materials basis for up to \$9,000 to complete the siding and some additional work. Because staff anticipates additional repairs may be needed, staff recommends the not to exceed amount for the contract be set at \$11,000. Depending on the weather, painting of the new siding may be delayed; however, this shouldn't impact its longevity and we will be painting the entire building next spring. Doing the work now will ensure that we prevent leaks through the siding, caulked areas, and any breaches of the underlayment.

RECOMMENDATION: Approve contract with Griffin Construction LLC for exterior repairs to the Chamber Building for \$9,000, with a total contract amount not to exceed \$11,000.

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Intermediate Procurement Contract

1. This Contract is entered into between the Port of Hood River ("Port") and Griffin Construction. ("Contractor"). Contractor agrees to perform the Scope of Work described in attached Exhibit A to Port's satisfaction. Port shall pay Contractor in an amount not to exceed \$9,000.
2. This Contract shall be in effect from the date at which every party has signed this Contract through November 15, 2016. Either Contractor or Port may terminate this Contract in the event of a breach of the Contract by the other. Port may terminate this Contract for any reason by giving 15 days written notice to Contractor at Contractor's address listed below. If Port terminates this Contract, Contractor shall only receive compensation for work done and expenses paid by Contractor prior to the Contract termination date.
3. All work products of the Contract, which result from this Contract, are the exclusive property of Port. Port shall have access to all books, documents, papers and records of Contractor which relate to this Contract for purpose of making audit, examination, excerpts, and transcripts for a period of three years after final payment.
4. Contractor will apply that skill and knowledge with care and diligence to perform the work in a professional manner and in accordance with standards prevalent in Contractor's industry, trade or profession. Contractor will, at all times during the term of the Contract, be qualified, professionally competent, and duly licensed to perform the work.
5. Contractor certifies that Contractor is an Independent Contractor as defined in ORS 670.600 and shall be entitled to no compensation other than that stated above.
6. Contractor shall indemnify, defend, and hold harmless Port, its Commissioners, officers, agents, and employees from all claims, suits, or actions of whatsoever nature resulting from or arising out of the activities of Contractor or its subcontractors, agents or employees under this Contract, except to the extent the Port is negligent and responsible to pay damages. Contractor shall provide insurance in accordance with attached Exhibit B.
7. This Contract may be executed in any number of counterparts, and any single counterpart or set of counterparts signed, in either case, by all parties hereto shall constitute a full and original instrument, but all of which shall together constitute one and the same instrument.
8. This Contract shall be governed by the laws of the State of Oregon and any litigation involving any question arising under this Contract must be brought in the Circuit Court in Hood River County, Oregon. If any provision of this Contract is found to be illegal or unenforceable, this Contract shall remain in full force and effect and the provision shall be stricken.
9. Contractor shall adhere to all applicable federal, state, and local laws and regulations, including those governing its relationship with its employees.
10. This Contract contains the entire agreement between Contractor and Port and supersedes all prior written or oral discussions or agreements. Any modification to this Contract shall be reduced to writing and signed by the Contractor and Port. Contractor shall not assign this Contract or subcontract its work under this Contract without the prior written approval of Port.
11. The person signing below on behalf of Contractor warrants they have authority to sign for and bind Contractor.

Contractor Name:	Port of Hood River
Date: 9/30/16 Griffin Construction LLC	Date:
<i>Shiralee Griffin</i>	
Signed by: Its: Shiralee A Griffin	Signed by: Michael McElwee Its: Executive Director
Address: 1411 NW Murray Ct Prineville, OR 97734	1000 E. Port Marina Drive, Hood River, OR 97031
Phone: 541-447-7234	(541) 386-1645/ porthr@gorge.net
Email: Sherry@griffinconstruction.com	

**Intermediate Procurement Contract
Exhibit A**

I. SCOPE OF WORK:

Location: 700 E. Port Marina Way, Hood River, OR

Summary: Repair and replace upper level cedar siding with same dimension cedar siding. There are two buildings, this contract includes both.

Items included in contract:

1. Replace cedar siding boards that are to warped or too damaged to repair
2. Re-nail all existing boards to prevent further warping
3. Caulk above and below the existing siding
4. Replace all small cedar siding that is on the very top level with a hardieplank wrap siding.

II. DELIVERABLES AND TIMEFRAME:

Project to be completed no later than November 15, 2016

III. CONSIDERATION:

This contract is not to exceed \$9,000.

IV. BILLING AND PAYMENT PROCEDURE:

The Contractor shall submit to the Port for payment an itemized invoice in a form and in sufficient detail to determine the work performed for the amount requested. The invoice shall contain at a minimum:

- Invoice date
- Contract project title
- Record of hours worked and a brief description of activities
- Billing rate applied

Invoices for services will be submitted on a monthly basis. Payments due which exceed 90 days from date of invoice may be subject to a monthly charge of 1.5% of the unpaid balance (18% annual).

The Port shall process payment in its normal course and manner for Accounts Payable, net 30 days.

Intermediate Procurement Contract
Exhibit B

INSURANCE

Contractors, please send this to your insurance agent immediately.

During the term of this Contract, Contractor shall maintain in force at its own expense, each insurance noted below:

- 1. Workers' Compensation insurance in compliance with ORS 656.017, which requires subject employers to provide Oregon workers' compensation coverage for all their subject workers. (Required of contractors with one or more employees, unless exempt order ORS 656.027.)

Required and attached OR Contractor is exempt

Certified by Contractor: Shirley Griffin member
Signature/Title

- 2. Commercial General Liability insurance on an occurrence basis with a limit of not less than \$1,000,000 each occurrence for bodily injury and property damage and \$2,000,000 general aggregate. The Liability Insurance coverage shall provide contractual liability. The coverage shall name the Port of Hood River and each of its Commissioners, officers, agents, and employees as Additional Insured with respect to the Contractor's services to be provided under the Contract.

Required and attached Waived by Finance Manager _____

- 3. Automobile Liability insurance with a combined single limit of not less than \$1,000,000 each occurrence for bodily injury and property damage, including coverage for owned, hired, or non-owned vehicles, as applicable.

Required and attached Waived by Finance Manager _____

- 4. Professional Liability insurance with a \$1,000,000 per claim and \$1,000,000 in the aggregate for malpractice or errors and omissions coverage against liability for personal injury, death or damage of property, including loss of use thereof, arising from the firm's acts, errors or omissions in any way related to this Contract.

Required and attached Waived by Finance Manager _____

- 5. **Certificate of Insurance.** As evidence of the insurance coverage required by this Contract, the Contractor shall furnish acceptable insurance certificates to the Port at the time Contractor returns the signed Contract.

The General Liability certificate shall provide that the Port, its Commissioners, officers, agents, and employees are Additional Insured but only with respect to the Contractor's services to be provided under this Contract.

Endorsement CG 20 10 11 85 or its equivalent must be attached to the Certificate. The Certificate must contain a standard 30 day notice of cancellation clause which guarantees notification in writing to the Certificate Holder (Port of Hood River). Insuring companies or entities are subject to Port acceptance. If requested, complete copies of the insurance policy shall be provided to the Port. The Contractor shall be financially responsible for all pertinent deductibles, self-insured retentions, and/or self-insurance.

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Commission Memo



Prepared by: Fred Kowell
Date: October 18, 2016
Re: Accounts Payable Requiring Commission Approval

Jaques Sharp	\$6,380.00
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Attorney services per attached summary

TOTAL ACCOUNTS PAYABLE TO APPROVE	<u>\$6,380.00</u>
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JAQUES SHARP

— ATTORNEYS AT LAW —

205 3RD STREET / PO BOX 457
HOOD RIVER, OR 97031
(Phone) 541-386-1311 (Fax) 541-386-8771

CREDIT CARDS ACCEPTED

HOOD RIVER, PORT OF
1000 E. PORT MARINA DRIVE
HOOD RIVER OR 97031

Page: 1
October 04, 2016
Account No: PORTOHaM

Previous Balance	Fees	Expenses	Advances	Payments	Balance
MCELWEE EMPLOYMENT CONTRACT					
0.00	160.00	0.00	0.00	0.00	\$160.00
LEASE (Mid Columbia Council of Government)					
378.00	0.00	0.00	0.00	-378.00	\$0.00
MISCELLANEOUS MATTERS					
JJ					
399.00	520.00	0.00	0.00	-399.00	\$520.00
AGREEMENT-FENCE (Young, Jeremy & Veach, William)					
608.00	120.00	0.00	0.00	-608.00	\$120.00
EXPO SITE DEVELOPMENT (Key Development;Pickhardt)					
0.00	140.00	0.00	0.00	0.00	\$140.00
NAITO DEVELOPMENT CONSERVATION EASEMENT					
228.00	0.00	0.00	0.00	-228.00	\$0.00
AGREEMENT (NAITO/NBW, LLC)					
0.00	1,140.00	0.00	0.00	0.00	\$1,140.00
CONTRACT (H.D.R. ENGINEERING)					
0.00	160.00	0.00	0.00	0.00	\$160.00
2,337.00	1,000.00	0.00	0.00	-2,337.00	\$1,000.00
WATER ISSUES ODELL (Crystal Springs Water District					
38.00	0.00	0.00	0.00	-38.00	\$0.00

HOOD RIVER, PORT OF

Account No: Octob
F

Previous Balance	Fees	Expenses	Advances	Payments	Balance
LOT 1 PRELIMINARY SUBDIVISION (Berger ABAM)					
0.00	20.00	0.00	0.00	0.00	\$20.00
TRANSPORTATION ISSUES - PART C					
1,805.00	460.00	0.00	0.00	-1,805.00	\$460.00
LEASE (PFriem Brewing)					
0.00	40.00	0.00	0.00	0.00	\$40.00
BRIDGE REPLACEMENT 2016 (ODOT/WDOT)					
380.00	500.00	0.00	0.00	-380.00	\$500.00
LEASE (Pacific Source Health)					
722.00	800.00	0.00	0.00	-722.00	\$800.00
LEASE (Mid-Columbia Community Action)					
0.00	20.00	0.00	0.00	0.00	\$20.00
190.00	0.00	0.00	0.00	-190.00	\$0.00
CONTRACT (S M E Solutions, LLC)					
95.00	0.00	0.00	0.00	-95.00	\$0.00
266.00	0.00	0.00	0.00	-266.00	\$0.00
228.00	0.00	0.00	0.00	-228.00	\$0.00
THROUGH THE FENCE AGREEMENT (Timothy O'Donnell)					
190.00	480.00	0.00	0.00	-190.00	\$480.00
CRUISE SHIP DOCK AGREEMENT					
57.00	0.00	0.00	0.00	-57.00	\$0.00
FAA GRANT (2016)					
0.00	300.00	0.00	0.00	0.00	\$300.00
DOCK REPAIR CONTRACT (Hale Construction NW Inc.)					
0.00	100.00	0.00	0.00	0.00	\$100.00
ETHICS LAW POLICY					
0.00	280.00	0.00	0.00	0.00	\$280.00
0.00	100.00	0.00	0.00	0.00	\$100.00
SOUTH RUNWAY PROJECT					
0.00	40.00	0.00	0.00	0.00	\$40.00

	Previous Balance	Fees	Expenses	Advances	Payments	Balance
CONTRACT FOR LOBBY SERVICES (Summit Strategoes) JJJ	38.00	0.00	0.00	0.00	-38.00	\$0.00
MARINA FUEL CONTRACT (HR Chevron)	437.00	0.00	0.00	0.00	-437.00	\$0.00
	<u>8,396.00</u>	<u>6,380.00</u>	<u>0.00</u>	<u>0.00</u>	<u>-8,396.00</u>	<u>\$6,380.00</u>

THIS STATEMENT REFLECTS SERVICES PROVIDED AND PAYMENTS RECEIVED THROUGH THE 30th OF SEPTEMBER UNLESS OTHERWISE STATED

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Commission Memo



Prepared by: Liz Whitmore
Date: October 18, 2016
Re: 2016 Waterfront Annual Report

Please see attached 2016 Waterfront Annual Report. The report provides a summary of the usage, site improvements, and events along the waterfront this past season. Also included in the report is information on Event Site parking receipts, and Waterfront Recreation revenue and expenditures.

RECOMMENDATION: For discussion.

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PORT OF HOOD RIVER WATERFRONT ANNUAL REPORT

2016 Overview

This year marked the completion of a major milestone of Hood River Waterfront recreational development – the completion of the Waterfront Trail. Thanks to the support of Oregon Parks and Recreation, Hood River Valley Parks and Recreation District, the City of Hood River, the Port of Hood River, State and Federal agencies, and many community partners, the goal of a continuous bicycle and pedestrian path along the entire waterfront was finally accomplished. The trail has received wide praise from the community and was extremely popular during the busy summer season.



The westernmost point of the trail ends at the Hook where a new rigging area and viewpoint was built this past spring. The Hook is experiencing expanded use with the extension of the Waterfront Trail as well as the rigging area and launch. An increase in windsurfing, stand-up paddle boarding and kayaking at the Hook has helped to spread out recreational activity along the waterfront.

With consistent wind throughout the season, windsurfing and kiteboarding schools reported great business. The Event Site was as busy as ever and volunteer camp hosts, John and Sharon Chow, continued to do a fantastic job keeping the peace with the many different users and activities. A major project this season was the relocation of the electrical panel station providing a clear open space at the Marina Green. The scope involved extensive trenching and utility relocates and was accomplished by the Port's facilities department and outside contractor. With Port waterfront recreation expenses exceeding revenue, the Port of Hood River spent \$373,721 to fund waterfront recreation sites for 2016.



PORT OF HOOD RIVER WATERFRONT ANNUAL REPORT

Waterfront Recreation Statistics

- A total of (28) user groups scheduled events from March through October.
- Parking pass revenue for the Event Site decreased by 9% from 2015 for a total of \$101,580 sold.
- Event Site parking lot was at full capacity 15 times from June through Labor Day. More than twice the amount from last summer.
- 127 items were turned into Lost & Found by Event Site hosts, a 60% decrease from the previous year due to the new system of on-site bins.
- The Army Corp of Engineers traffic counters reported a 10% increase from 2015 for vehicles from June 1 through September 30 at the following sites:
 - Event Site : 115,731
 - Boat Launch: 60,004
 - Marina: 63,194
- New businesses at the waterfront:
 - Dhaba Dhaba sold Indian food along the Nichols Basin trail.
 - WhatSUP Kayaking located at the Hook provided kayaking and SUP rentals and tours of the Columbia Gorge.
 - Stawicki Photography operated from the Event Site and by boat and provided shots of recreational activity on the water.

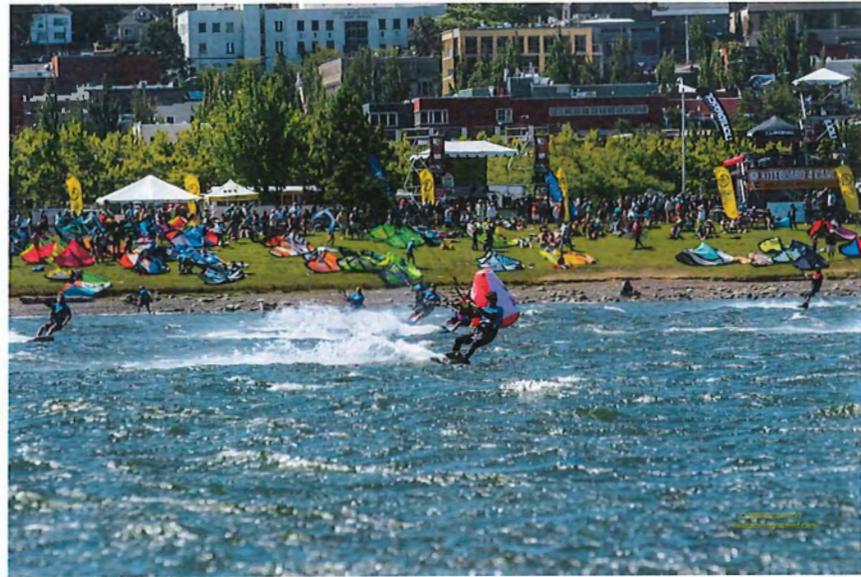




PORT OF HOOD RIVER WATERFRONT ANNUAL REPORT

Waterfront Recreation

Photos by Bob Stawicki





PORT OF HOOD RIVER WATERFRONT ANNUAL REPORT

Waterfront Community Group Highlights

GORGE Junior Sailing

Founded over 11 years ago by Jaime and Andy Mack, GORGE Junior Sailing offers full week classes for kids of all ages and skill levels. For 2016, the program had 152 students including a new adult class. Often students who take lessons will join the high school sailing team and return to the program as teen instructors.



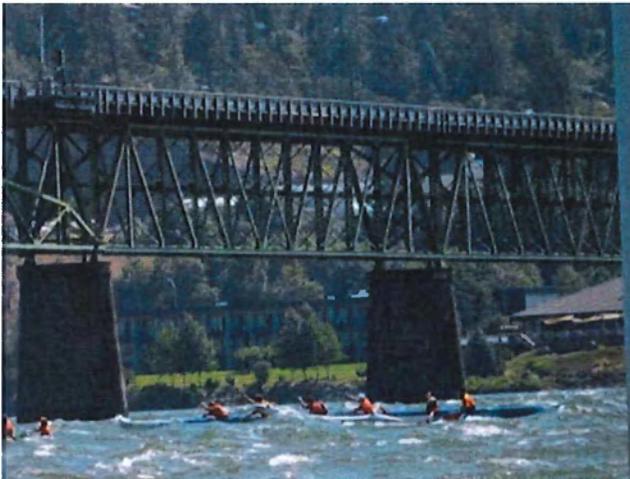
Hood River Yacht Club

HRYC ran the 10th annual Double Damned regatta from Cascade Locks to The Dalles.

This year's record breaking race drew competitors from all over the western U.S. The club also sponsored the Hood River High School regatta which was so successful it will now be opened up to schools from all over the Pacific Northwest.

Hood River Outrigger Canoe Club

HROCC celebrated their 4th year of paddling together. More than 50 club members paddled 2-4 times weekly between April and October, rain or shine. In 2016, teams competed in races in Hood River, Stevenson, and Tacoma. Some members even had the opportunity to race in Hawaii in the Queen's Cup as well as a 40 mile Napali Coast Race in Kauai.



Columbia Gorge Windsurfing Association

GCWA reported a banner year for windsurfing in the Gorge. The Beach Bash event was well attended and a fun weekend. The new ramp at the Hook saw a significant increase in usage with beginner windsurfers.

Columbia Gorge Kiteboarding Association

CGKA continued their main focus as advocates for safe and accessible kiteboarding from the Port's waterfront properties.

Slider Project

Professionals and amateurs from Australia, Europe, and Mexico came to Hood River to spend months at the Slider Park in order to train for a new world tour of kiteboarding based entirely on slider and kicker riding. The Slider Project raised \$10,000 for a new beginner kicker, which resulted in more entry level kiteboarders coming to the park to try it out.



PORT OF HOOD RIVER WATERFRONT ANNUAL REPORT

2016 Waterfront Recreation and Marina Events

#	LOCATION/EVENT	DATE	FEE	WAIVED
	Event Site			
1	CGWA Gorge Cup	May - Aug	\$800	
2	Loco Wednesdays	June		\$300
3	CGWA Beach Bash	June 27	\$1,950	
4	Kiteboarding 4 Cancer	July 11-12	\$1,900	
5	Harvest Festival	October 16-18	\$4,350	
6	Columbia Gorge Marathon	October 25	\$1,000	
7	Outrigger Canoe Club Storage	Nov-March	\$125	
	Lot #1			
8	Meadows Employee Bus Parking	Nov - May	\$600	
9	Lila May Memorial Tutu Trot	April 25-26		\$175
10	Union Pacific Parking	March - April	\$500	
	Jensen Parking Lot			
11	CGWA Swap Meets	June - Aug	\$150	
	Nichols Beach			
12	Big Winds SUP Demo	March 12	\$100	
13	Kayak Shed Demo	June 4	\$150	
14	Global Sessions	July 29	\$150	
15	Global Sessions	Sept 7	\$150	
	The Spit			
16	4th of July Fireworks	July 3-5		\$1,100
	Marina Park/Picnic Shelters			
17	(25) Picnic Shelter Reservations	May - Sept	\$850	
18	Oregon Beach Wrestling Championships	June 4		\$150
19	Windsurfing Camp - ABK Boardsports	July 6-10	\$400	
20	Gorge Downwind Paddle Festival	July 20-24	\$700	
	Marina Green			
21	Hood 2 River Relay	May 30	\$1,000	
22	Relay for Life	July 9	\$900	
23	Real Promotions Concert	August 20	\$1,000	
	Marina Basin			
24	Oregon Model Yacht Club/Radio Regatta	July 22-24	\$300	
25	GORGE Junior Sailing	July-August	\$300	\$2,000
26	HRVHS Sailing Program	March - May		\$2,000
27	Cross Channel Swim	Sept 7	\$250	
	Hook			
28	King of the Hook	August 8		\$125
	Cruise Ships			
29	(35) Cruise Ship Stops	June -Nov	\$4,850	
	2016 Total Revenue from Events		\$22,475	
	2016 Total Waived Revenue from Events			\$5,850
	2015 Total Revenue from Events		\$16,650	
	2014 Total Revenue from Events		\$15,860	
	2013 Total Revenue from Events		\$14,275	
	2012 Total Revenue from Events		\$21,925	



PORT OF HOOD RIVER WATERFRONT ANNUAL REPORT

2016 Event Site Parking Receipts

EVENT SITE										
	Daily	Oversize	Annual	Annual	Weekly	Weekly	School	2nd Car	Instruct	
Fees	\$7	\$15	\$60/\$75	\$135/\$175			NC	\$40	\$35	Total
2016	5171	239	768	21			11	93	19	\$101,580
2015	6019	184	819	24			19	110	16	\$111,968
2014	6626	172	595	17			11	96	20	\$77,439
2013	6186	148	573	20	0	0	7	103	0	\$73,445
2012	5331	181	642	17	0	0	11	63	2	\$61,845
2011	4660	101	510	12	0	0	5	64	8	\$51,160
2010	3333	72	440	28	0	0	11	47	12	\$43,425
2009	4104	168	497	28	0	0	9	49	17	\$51,255
2008	3491	135	423	31	0	0	1	55	21	\$44,485
2007	4365	150	91	7	14	1	0	10	3	\$29,250
2006	5231	206	258	18						\$37,684
2005	4597	151	253	17						\$34,248
2004	5406	129	228	15						\$35,749
2003	8387	149	205	15						\$35,711
2002	7163		161							\$20,652
2001	7666		161							\$30,886
2000	5888		131							\$24,059



2015-16 Fiscal Year Waterfront Recreation Expenditures/Revenue

EXPENDITURES	ACTUAL
Event Site	
Personnel Services	\$91,483
Materials and Services	\$31,057
Capital Outlay*	\$4,000
Total	\$126,540
Hook and Spit	
Personnel Services	\$39,499
Materials and Services	\$5,293
Capital Outlay*	\$93,574
Total	\$138,366
Marina Park	
Personnel Services	\$181,931
Materials and Services	\$69,693
Capital Outlay*	\$46,811
Total	\$298,435
Total Waterfront Recreation Expenses	\$563,341
REVENUE	
Events, Parking Passes, Concessions, HR Yacht Club	\$147,459
Grant-Contributed Capital	\$42,161
Total Waterfront Recreation Revenue	\$189,620
2016 Expenses Exceeding Revenue	-\$373,721
2015 Expenses Exceeding Revenue	-\$339,117
2014 Expenses Exceeding Revenue	-\$358,396
2013 Expenses Exceeding Revenue	-\$332,388
2012 Expenses Exceeding Revenue	-\$326,320

Capital Outlay Project Descriptions*

Event Site: Engineering for Event Site Dock

Hook: Waterfront Trail and Rigging Area

Marina Park: Electrical and utility relocation at Marina Green

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Commission Memo



Prepared by: Liz Whitmore
Date: October 18, 2016
Re: Marine Deputy Report

The Port of Hood River entered into an IGA with the Hood River County Sheriff's office to provide additional services patrolling the Event Site area by boat or Jet Ski between the dates of June 15 through September 15. Marine Deputy Quintin Nelson will be presenting a report on the number of days on the water, incidents, and recommendations for increasing safety in the area.

RECOMMENDATION: For discussion.

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Commission Memo



Prepared by: Fred Kowell
Date: October 18, 2016
Re: Microsoft Dynamics GP Conference

Three Port staff traveled to Bellevue, Washington on September 16th to receive a heightened level of training at the Microsoft Dynamics conference put on by Fine Solutions.

Each staff member received one-on-one training in their area of expertise and came away with improvements to current business processes. Staff is now able to provide ACH payments instead of producing a check. This allows provide greater efficiency to certain vendors. Additionally, the Port is now using a fraud prevention feature called Positive Pay. When a check run is completed, a file is sent to the bank with the check number, check date, vendor name and amount. When the check is presented at our bank the data has to match up against the file before the bank releases any funds. Although Positive Pay has been around for a while, Great Plains has not had this functionality and we were able to capitalize at the conference training in putting it in place.

The other points of interest were mainly in the area of knowing more about each module (ie. AP, AR, GL, Payroll, etc.) and using them more effectively.

In addition, we looked at multiple applications that would benefit either the Maintenance Department or Property Management such as work order system, a preventative maintenance system, or a project management system. Since Microsoft has a multitude of vendor applications that integrate with Microsoft Dynamics GP, we were able to setup future demonstrations to assist the Port in how best to integrate our business applications.

RECOMMENDATION: Discussion.

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Commission Memo



Prepared by: Anne Medenbach
Date: October 18, 2016
Re: FAA Environmental Assessment of Connect VI Project

On September 1, Port staff learned, during a conference call with the FAA regarding the Connect VI project, that the FAA now requires an Environmental Assessment (EA) on any ALP change and before any construction occurs at the Airport, regardless of the source of funding. This is a change in policy by the FAA.

Due to the wetland located on the north side of the airport, a full Environmental Assessment (EA) is required and must be led by the FAA. Staff has determined that we can use Century West (CW) under their existing contract to conduct the EA which includes: biological, cultural, endangered species, wetland and archeological studies. The FAA must review each chapter and report and will coordinate the notification process with each of the agencies associated with the above reports. The process takes between 12-18 months to complete.

The FAA had an EA scheduled in 2018 for the north ramp. Connect VI work is planned to begin in 2017, if the EA schedule could not be initiated sooner, that work would not be able to begin until 2019. Port staff worked with Hal Hiemstra of Summit Strategies, congressional staff, and the regional FAA to identify a more responsive schedule for the EA. During a meeting on October 7, the FAA was very cooperative and supportive, allowing the Port to initiate the EA process now. Once we have a project description and Scope of Work to them for review, they will respond with a hard schedule for review and agency coordination. So, we are now looking at EA completion within 12-18 months, keeping the project on schedule per the revised Connect VI timeline.

\$150,000 of the EA can be reimbursed through Non Primary Entitlement funds that are already locked in for 2018. Any additional cost can be reimbursed through future years entitlement funding. The FAA also suggested that we may add additional cost to the apron work in 2019/20. Between these two options, we are likely to get the full cost of the EA (estimated at \$250,000) reimbursed through the FAA.

RECOMMENDATION: Informational.

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Executive Director's Report

October 18, 2016

Staff & Administrative

- Attached is a first draft agenda for the fall planning meeting on November 15. Please review and provide comments at the meeting.
- I attended the PNWA annual meeting in Vancouver, WA on October 12, 13 and 14.

Recreation/Marina

- Ground faults continued to occur on C Dock North after installation of replacement outlets. Review of the GFCI monitoring data showed that that some trips were occurring at 7 Amps and greater. We have ordered GFCI breakers for all pedestals on C Dock North. Our objective is to have them all installed by the end of October.
- We are receiving inquiries about the use of Unmanned Aerial Vehicles (UAVs) on Port property. The FAA has specific rules for use but also allows for additional “community-based safety guidelines.” Staff and legal counsel will consider this issue over the next several months and determine if additional restrictions are appropriate for Port properties.
- Staff met with representatives of the Outrigger Canoe Club to discuss waterfront locations that would accommodate their expected future needs and growth potential. The most likely areas for consideration are Marina, Swim Beach and Nichols Basin.
- Installation of the new pump and nozzle at the Fuel Dock is complete. This upgrade was funded by a small grant from OSMB.
- Naito Development has completed the concrete retaining wall adjacent to the Seawall driveway. We are expecting completion of the removable bollards east of the hotel soon.
- Harvest Fest is October 14, 15 and 16. Heavy rain is in the forecast for those days.



Development/Property

- Legal counsel has determined that Key Development will need to prepare a DDA Amendment for the Commission to consider for their requested changes to the “Turtle Island Building,” adjacent to Anchor Way. The changes include use and exterior design. We expect to have a draft amendment for Commission review in November.

- The Lease Agreement with Columbia Room, Inc. (Shell Station) still has not yet been executed pending final resolution of insurance requirements.
-

Airport

- We have retained outside counsel to assist Jaques Sharp with preparation of a draft MOU for the FBO/North Ramp Project.
 - Fred and Anne travelled to Seattle to meet with the FAA regarding the required Environmental Assessment (EA) for the North Ramp Project. The FAA responded favorably and will move up their timeline for EA management and review. Summit Strategies was very helpful obtaining much faster turnaround.
-

Bridge/Transportation

- Union Pacific (UP) has offered to settle the claim for damages associated with the Mosier Oil Train accident. UP offered to pay \$12,000 for the deck welding and oil containment booms but not the loss of bridge revenue. This may be a Commission action item.
- Stafford Bandlow Engineers (SBE) is now expected to carry out the magnetic particle testing and trunnion bearing inspection on October 27, 28, 29. Lifting will begin mid-morning Thursday Oct 27th and go until 4:00pm. Friday and Saturday we are looking at lifting from 7:00am – 4:00pm, 20-30 minute delays.
- Steve, Louis, and John attended all or part of the annual ODOT-sponsored bridge conference in Portland on October 13 and 14. This conference provides excellent peer-to-peer contacts and maintenance best practices forum.



Port of Hood River
2016
Fall Planning Work Session

November 15, 2015 – 12:00 Noon
 Marina Center Boardroom

Agenda

	<i>Stop Time</i>
I. Overview/Objectives (<i>Shortt</i>)	12:15 p.m.
II. Financial Summary (<i>Kowell</i>)	12:30 p.m.
• 10-year Financial Model	
III. Priority Discussion Topics	3:00 p.m.
A. <i>Hood River Bridge</i> (<i>McElwee</i>)	
• Capital Planning	
○ 30-Yr. Model	
○ 2017-19 Work Plan	
• 2017 Toll Increase	
• Replacement Planning	
B. <i>Real Estate Development</i> (<i>Medenbach / Mann</i>)	
• Real Estate Development Alternatives (2-5 Year)	
• Lot #1: Urban Renewal Vision Plan & Project List	
• Lower Mill: Plan, Development Goals, Schedule	
C. <i>Marina</i> (<i>Kowell / Borton</i>)	
• 2016 Rates	
• Future Projects	
D. <i>Airport</i> (<i>Kowell / Medenbach</i>)	
• Business Model	
• Capital Projects Timeline	
• TTF Policy	
E. <i>Special Projects</i> (<i>Scholl / McElwee</i>)	
• OneGorge Collaborative Legislative Advocacy	
• Economic Trends & Future Role of Port	
F. <i>Strategic Business Plan Key Projects List Update</i> (<i>McElwee</i>)	

Adjourn

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Commission Memo



Prepared by: Anne Medenbach
Date: October 18, 2016
Re: Century West Task Order No. 3
Airport Engineering and Consulting

The FAA requires the Port conduct an Environmental Assessment (EA) for the north apron development area at the Airport. The EA must be completed before work can commence on the Connect Oregon VI grant funded site development project.

Century West Engineering (CW) is the engineer of record at the Airport until 2019, so the Port is not required to go through an additional selection process to conduct the EA. CW has completed many Airport specific EAs with the FAA and is very familiar with the process. They have the staff capacity and time to complete the work on the project timeline, to begin immediately and complete within 12-18 months.

This Task Order No. 3 is created under the existing contract to address the scope of work for the EA. The initial scope will outline the preliminary work that needs to begin the EA process. Then, either an additional task order or amendment will need to be executed once the final scope and fee are approved by the FAA. Staff anticipates this expanded scope and task order to be determined within the next 30-60 days for Commission review.

Staff will provide the Task Order No. 3 document at the meeting, as Century West is still preparing the document at the time of printing.

RECOMMENDATION: Approve Task Order No. 3 with Century West Engineering for environmental assessment services at the Airport not to exceed \$20,000.

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Commission Memo



Prepared by: Fred Kowell
Date: October 18, 2016
Re: Marina Fuel Operations Lease

Port staff has been working with Columbia Room Inc., dba Hood River Shell and Marina Mart in renewing a new fuel operation lease agreement. The attached draft lease continues using the Hood River Shell as fueling operator, but has added more insurance requirements. Besides the general liability provisions, there is a new requirement for fuel tank pollution liability insurance coverage in the lease agreement. Hood River Shell has agreed to pay for this additional coverage which has a \$1 million combined single limit (CSL). The agreement also includes a Hold Harmless clause with regard to Port staff, officers and commissioners. Otherwise, Hood River Shell will pay a \$25/month fee to the Port, plus a \$0.20 per gallon fuel flowage fee.

RECOMMENDATION: Approve the Marina Fuel Operations Lease Agreement with Hood River Shell and Marina Mart.

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**PORT OF HOOD RIVER
MARINA FUEL OPERATIONS LEASE AGREEMENT**

THIS AGREEMENT is made and entered into this ____ day of October, 2016, by and between the **Port of Hood River**, an Oregon Municipal Corporation, hereinafter referred to as "PORT", and **Columbia Room, Inc.** dba Hood River Shell and Marina Mart, an Oregon Corporation, hereinafter referred to as "LESSEE", to lease the spaces and areas now situated in the Port of Hood River Marina containing one combination above-ground gasoline-diesel storage tank, gasoline pump and pump house and related pumps, pipes and piping relating thereto (said equipment being owned by PORT) in the location shown on the map attached as **Exhibit A ("fuel pumping facility")**.

1. **TERM.** This Agreement will commence October 19, 2016 and end July 31, 2021. During the term either party may terminate this Agreement at any time by serving upon the other a written notice of such intent to terminate not less than ninety (90) days prior to the termination date.
2. **COMPENSATION.** PORT gives and grants to LESSEE the exclusive right to operate the fuel pumping facility for the sum payable by LESSEE to Port of \$25 per month as a use fee plus a fuel flowage fee of **20 cents** per gallon of all fuel pumped at the fuel pumping facility based on monthly fuel flowage reports, which shall be provided by LESSEE to PORT at the time of payment. Payments shall be sent to the Port of Hood River, 1000 E. Port Marina Drive, Hood River, Oregon 97031, by LESSEE on the first day of each month beginning November 1, 2016.
3. **RESPONSIBILITIES.**
 - a. LESSEE shall pay for all fuel placed in tanks.
 - b. LESSEE will be available to dispense fuel for the PORT during normal business hours (8:00 a.m. – 6:00 p.m.), including weekends and holidays. Response time shall be within fifteen (15) minutes.
 - c. All personnel of LESSEE shall be adequately trained to operate fuel-dispensing equipment in accordance with all applicable local, state and federal laws.
 - d. LESSEE shall pump fuel in accordance with the requirements of the State of Oregon Fire Code Chapter 23, Section 2310 Marine Motor Fuel Dispensing Facilities and all amendments and revisions, and shall obtain and keep current all permits and inspections.
 - e. During the lease term, LESSEE shall comply with all provisions of the Spill Prevention Control & Counter Measures Plan attached as **Exhibit B**.
 - f. LESSEE will ensure LESSEE's personnel will be fully aware of the operation, mechanics and hazards inherent to fueling of boats and who know how to control fuel spills, eliminate possible ignition sources, operate emergency shutoff equipment, and notify emergency responders.
 - g. LESSEE will require LESSEE's personnel to be trained in emergency shutdown of the system.
 - h. LESSEE will secure the leased area and equipment when not in use by appropriate shut-down devices and security locks.
 - i. LESSEE will inspect containment devices weekly for their physical integrity and maintain them in good condition. Signs of leakage or spillage of contained material shall be investigated and cleaned up immediately by LESSEE and reported to PORT.
 - j. LESSEE will keep records of fueling including deliveries, dispensing, collections, and reconciling collections against fuel dispensed, which PORT shall have the right to inspect.

- LESSEE shall also monitor all deliveries of fuel by distributor and immediately notify PORT any discrepancy or spillage.
- k. LESSEE will perform all inspections and tests in accordance with all legal requirements, and as may be requested by PORT.
 - l. LESSEE shall immediately advise PORT of any fuel spillage or the malfunction, breakage, potential damage to, or any deviation from normal operation of fueling equipment. A Spill Contingency Plan shall be developed for all fuel storage and dispensing areas by LESSEE. Such plan must specify the quantities and types of fuels stored and dispensed on-site, prevention measures, and spill emergency procedures, including health and safety, notification, and spill containment and control measures, including a drainage plan. Any spill or release MUST BE reported by LESSEE immediately to the Oregon Emergency Response System (OERS) (800-452-0311) or the National Response Center (800-424-8802).
 - m. PORT will provide appropriate containment and control materials which will be stored in a clearly marked location, readily accessible to work and storage areas. Emergency phone numbers shall be posted in a conspicuous location.
 - n. PORT will provide routine maintenance on all fuel equipment and will supply parts and materials for routine maintenance, spill containment, and fire suppression, including fire extinguishers and signage.

4. STANDARD TERMS.

- a. COMPLETE AGREEMENT. This Agreement contains the entire understanding of the parties and supersedes all prior agreements, oral or written, and all other communication between the parties relating to the subject matter of this Agreement.
- b. WRITTEN NOTICE. Any notice of termination or other communication having a material effect on this Agreement shall be served by U.S. Mail on the signatories listed below.
- c. GOVERNING LAW/VENUE. This Agreement shall be governed by the laws of the State of Oregon. Any action commenced in connection with this Agreement shall be in the Circuit Court of Hood River County. The prevailing party shall be entitled to reasonable attorney fees and costs, including an appeal. All rights and remedies of PORT shall be cumulative and may be exercised successively or concurrently. The foregoing is without limitation to or waiver of any other rights or remedies of PORT according to law.
- d. COMPLIANCE. LESSEE shall comply with all applicable federal, state, and local laws, rules and regulations.
- e. JUDICIAL RULINGS. If any provision of this Agreement as applied to either party or to any circumstances shall be adjudged by a court to be void or unenforceable, the same shall in no way affect any other provision of this Agreement or the validity of enforceability of the Agreement.
- f. INDEMNIFICATION. LESSEE shall save harmless, indemnify, and defend PORT, its commissioners, employees and agents from any and all claims, damages, losses and expenses including but not limited to reasonable attorney's fees arising out of or resulting from LESSEE's performance of or failure to perform the obligations of this Agreement, to the extent same are caused by the negligence or misconduct of LESSEE or its employees or agents.
- g. INSURANCE. LESSEE shall purchase and maintain at LESSEE's expense, general liability insurance that will provide coverage at a minimum of \$1,000,000 per occurrence and a \$2,000,000 aggregate limit. In addition, LESSEE shall purchase and maintain at LESSEE's

expense, Fuel Tank Pollution Liability insurance with a combined single limit of \$1,000,000 limit. The LESSE shall list the Port of Hood River as an additional insured across both policies with a guarantee notice of cancellation within 30 days.

- h. LIABILITY INSURANCE AND HOLD HARMLESS AGREEMENT. LESSEE agrees to indemnify and hold harmless LESSOR, LESSOR's Port Commissioners, Officer and Agents acting within the scope of their employment duties, from any claim by any person, firm or corporation to the extent arising from any wrongful act or omission of LESSEE, LESSEE's employees, or LESSEE's agents acting within the scope of their employment or duties in or about the Leased Premises or resulting from Lessee's breach of any duty under this lease, and if any legal action or proceeding is brought against LESSOR by reason of any such claim, LESSEE upon notice from LESSOR agrees to resist and defend such action by legal counsel.

- i. LESSEE shall not sell, assign, or transfer its interest in this Agreement.

COLUMBIA ROOM INC.,
dba Hood River Shell and Marina Mart
1108 E. Marina Way
Hood River OR 97031

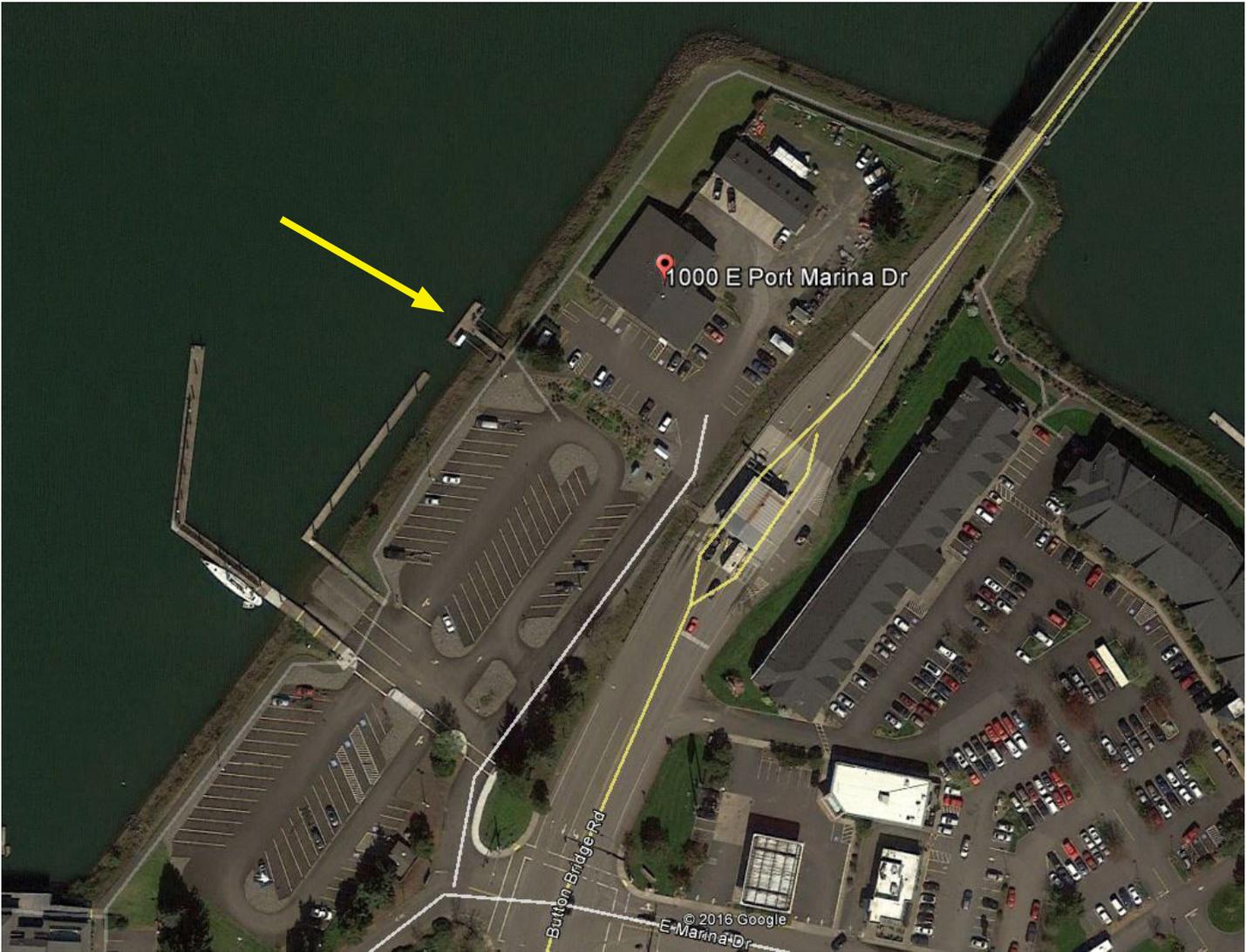
PORT OF HOOD RIVER
1000 E Port Marina Drive
Hood River OR 97031

By: _____
Chuck Hinman, General Manager

By: _____
Michael S. McElwee, Executive Director

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EXHIBIT A



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Permit Review for: Port of Hood River Marina Fueling Dock

July 21, 2005

Jeff Walker, Fire Marshal (541) 386-3939 ext 12 jeffw@ci.hood-river.or.us

The following requirements of the International Fire Code (IFC), 2003 edition, shall be met prior to operation of fueling service. (the applicable section of the IFC is listed in parentheses).

(105.1.1) Permits required. Permits required by this code shall be obtained from the fire code official. Permit fees, if any, shall be paid prior to issuance of the permit. Issued permits shall be kept on the premises designated therein at all times and shall be readily available for inspection by the fire code official.

(105.2.2) Inspection authorized. Before a new operational permit is approved, the fire code official is authorized to inspect the receptacles, vehicles, buildings, devices, premises, storage spaces or areas to be used to determine compliance with this code or any operational constraints required.

The inspections described in this section are necessary for the fire code official to determine that the application for an operational permit complies with the code prior to issuing that permit. Operations may not proceed without an operational permit.

(105.6.17) Flammable and combustible liquids. An operational permit is required:

1. The storage or use of Class I liquids in the fuel tank of a motor vehicle, aircraft, motorboat, mobile power plant or mobile heating plant, unless such storage, in the opinion of the code official, would cause an unsafe condition.

MARINE MOTOR FUEL-DISPENSING FACILITIES

(2210.1 General.) The construction of marine motor fuel-dispensing facilities shall be in accordance with the *International Building Code* and NFPA 30A. The storage of Class I, II or IIIA liquids at marine motor fuel-dispensing facilities shall be in accordance with this chapter and Chapter 34.

(2210.2) Storage and handling. The storage and handling of Class I, II or IIIA liquids at marine motor fuel-dispensing facilities shall be in accordance with Sections 2210.2.1 through 2210.2.3.

(2210.2.1) Class I, II or IIIA liquid storage. Class I, II or IIIA liquids stored inside of buildings used for marine motor fuel-dispensing facilities shall be stored in approved containers or portable tanks. Storage of Class I liquids shall not exceed 10 gallons (38 L). **Exception:** Storage in liquid storage rooms in accordance with Section 3404.3.7. This section addresses the storage of flammable and combustible liquids inside marine motor fuel-dispensing facility buildings. The provision limits the storage of Class I liquid (e.g., gasoline) to 10 gallons (38 L) unless the building has a

flammable and combustible liquid storage room constructed in accordance with the code.

(2210.3) Dispensing. The dispensing of liquid fuels at marine motor fuel-dispensing facilities shall comply with Sections 2210.3.1 through 2210.3.5.

The dispensing of fuel at a marine service station requires special consideration because of the location of the dispensing equipment on piers and floating docks and the movement of the pier or dock in relationship to the shore. Dispensing of fuel at marinas generally requires longer dispensing hoses and greater quantities of fuel.

(2210.3.1) General. Wharves, piers or floats at marine motor fuel-dispensing facilities shall be used exclusively for the dispensing or transfer of petroleum products to or from marine craft, except that transfer of essential ship stores is allowed.

This section restricts the use of the area adjacent to the fuel-dispensing area to the exclusive use of transferring fuel, with the exception of transferring essential ships' stores. This provision is not intended to restrict the berthing and other uses on the pier or floating structure away from the fuel-transferring docking area. Fuel-dispensing hoses must not be stretched over one vessel to reach another; that is, one vessel cannot be docked parallel and alongside another vessel while taking on fuel.

(2210.3.2) Supervision. Marine motor fuel-dispensing facilities shall have an attendant or supervisor who is fully aware of the operation, mechanics and hazards inherent to fueling of boats on duty whenever the facility is open for business. The attendant's primary function shall be to supervise, observe and control the dispensing of Class I, II or IIIA liquids or flammable gases.

Because of the uniqueness of dispensing fuel at marinas and the inherent dangers, the dispensing must be supervised by a trained attendant or supervisor who knows how to control fuel spills, eliminate possible ignition sources, operate emergency shutoff equipment and notify emergency responders.

(2210.3.3) Hoses and nozzles. Dispensing of Class I, II or IIIA liquids into the fuel tanks of marine craft shall be by means of an **approved-type hose equipped with a listed automatic-closing nozzle without a latch-open device.**

Hoses used for dispensing or transferring Class I, II or IIIA liquids, when not in use, shall be reeled, racked or otherwise protected from mechanical damage.

The automatic-closing-type nozzle is designed to operate with automotive-type fuel receivers. Many marine craft are not equipped with automotive-type fuel receivers with the vent line terminating in the receiver tube. It is the fuel returning in the vent line that shuts off the automatic-type nozzle. Therefore, the latch-open device must not be used on marine craft. Hoses at marinas are not restricted to an 18-foot (5486 mm) maximum length as are those at automotive motor fuel-dispensing facilities. Therefore, the longer hoses are more susceptible to damage and must be properly protected by being placed on a rack or rolled on

a reel. It is also wise to mark the nozzle to identify it with a certain dispenser. Because of the length of hose, the operator may attempt to use the wrong nozzle when multiple dispensers are on the pier.

(2210.3.4) Portable containers. Class I, II or IIIA liquids shall not be dispensed into a portable container unless such container is approved.

The attendant must supervise the dispensing operation and assure that approved containers are being used. All portable fuel containers must be removed from the marine vessel and placed on the pier or floating dock before being fueled. The nozzle must be in contact with the container before the fuel is dispensed so as to dissipate static electricity.

(2210.3.5) Liquefied petroleum gas. Liquefied petroleum gas cylinders shall not be filled at marine motor fuel-dispensing facilities unless approved. Approved storage facilities for LP-gas cylinders shall be provided. See also Section 2207.

Many marine vessels use LP-gas for heating and cooking. LP-gas cylinders may not be refilled at a marina unless specifically approved by the fire code official. Section 2207 has requirements for dispensing LP-gas at motor fuel-dispensing facilities, and this section can be used by the fire code official in making the decision on whether or not to approve the dispensing of LP-gas at marinas.

(2210.4) Fueling of marine vehicles at other than approved marine motor fuel-dispensing facilities. Fueling of floating marine craft with Class I fuels at other than a marine motor fuel-dispensing facility is prohibited. Fueling of floating marine craft with Class II or III fuels at other than a marine motor fuel-dispensing facility shall be in accordance with all of the following:

1. The premises and operations shall be approved by the fire code official.
2. Tank vehicles and fueling operations shall comply with Section 3406.6.
3. The dispensing nozzle shall be of the listed automatic-closing type without a latch-open device.
4. Nighttime deliveries shall only be made in lighted areas.
5. The tank vehicle flasher lights shall be in operation while dispensing.
6. Fuel expansion space shall be left in each fuel tank to prevent overflow in the event of temperature increase.

The dispensing of fuel into floating marine craft at locations other than approved marine motor fuel-dispensing facilities is limited to Class II and III liquids (diesel fuel). Gasoline must be dispensed at approved marine motor fuel-dispensing facilities only. Diesel fuel must be dispensed in accordance with all of the six special provisions.

(2210.5) Fire prevention regulations. General fire safety regulations for marine motor fuel-dispensing facilities shall comply with Sections 2210.5.1 through 2210.5.7. This section contains special provisions regarding fire safety at marinas.

(2210.5.1) Housekeeping. Marine motor fuel-dispensing facilities shall be maintained in a neat and orderly manner. Accumulations of rubbish or waste oils in excessive amounts shall be prohibited.

This provision limits fuel sources that may readily ignite if subjected to an ignition source or may spontaneously combust.

(2210.5.2) Spills. Spills of Class I, II or IIIA liquids at or on the water shall be reported immediately to the fire department and jurisdictional authorities.

The key point in this requirement is to immediately report spills. Petroleum products have a lower specific gravity than water; thus, they will float on the surface of water and a small amount of fuel can be spread over a large area of water.

(2210.5.3) Rubbish containers. Metal containers with tight-fitting or self-closing metal lids shall be provided for the temporary storage of combustible trash or rubbish.

The best fire extinguisher for a fire in a metal trash can is the lid. A tight-fitting lid will extinguish the fire by starving the fire of oxygen. Furthermore, if the lid is in place, the combustibles are not likely to ignite in the first place.

(2210.5.4) Marine vessels and craft. Vessels or craft shall not be made fast to fuel docks serving other vessels or craft occupying a berth at a marine motor fuel-dispensing facility.

The intent of this provision is to prevent two or more vessels from mooring alongside each other at a fuel dock. If an accident happens at a marine fuel-dispensing facility, the vessels should be able to cast off their docking lines and get underway without having to untie another vessel. Also, the fuel-dispensing hose should never cross one vessel to get to another.

(2210.5.5) Sources of ignition. Construction, maintenance, repair and reconditioning work involving the use of open flames, arcs or spark-producing devices shall not be performed at marine motor fuel-dispensing facilities or within 50 feet (15 240 mm) of the dispensing facilities, including piers, wharves or floats, except for emergency repair work approved in writing by the fire code official. Fueling shall not be conducted at the pier, wharf or float during the course of such emergency repairs.

The intent of this requirement is to control possible ignition sources within 50 feet (15 240 mm) of the fuel-dispensing area. In order to control the common ignition hazard of smoking, all hot work within 50 feet (15 240mm) of a fuel-dispensing area requires a permit from the fire code official in writing and the fuel-dispensing operation must be placed out of service.

(2210.5.5.1) Smoking. Smoking or open flames shall be prohibited within 50 feet (15 240 mm) of fueling operations. "No Smoking" signs complying with Section 310 shall be posted conspicuously about the premises. Such signs shall have letters not less than 4 inches (102 mm) in height on a background of contrasting color.

No smoking signs must be conspicuously placed around the fuel-dispensing area.

(2210.5.6) Preparation of tanks for fueling. Boat owners and operators shall not offer their craft for fueling unless the tanks being filled are properly vented to dissipate fumes to the outside atmosphere.

Most liquid fuel vapors are heavier than air. Therefore, the vapors, if not properly vented to the atmosphere, will accumulate in the vessel's bilges, causing a very dangerous explosion hazard.

(2210.5.7) Warning signs. Warning signs shall be prominently displayed at the face of each wharf, pier or float at such elevation as to be clearly visible from the decks of marine craft being fueled. Such signs shall have letters not less than 3 inches (76 mm) in height on a background of contrasting color bearing the following or approved equivalent wording:

**WARNING
NO SMOKING—STOP ENGINE WHILE FUELING,
SHUT OFF ELECTRICITY.
DO NOT START ENGINE UNTIL AFTER BELOW DECK
SPACES ARE VENTILATED.**

One of the greatest dangers in dispensing fuel into marine craft is the accumulation of explosive vapors in the vessel's bilges and below-deck spaces. The intent here is to warn the vessel operators to control ignition sources until the bilges and below-deck spaces have been cleared of explosive vapors.

(2210.6) Fire protection. Fire protection features for marine motor fuel-dispensing facilities shall comply with Sections 2210.6.1 through 2210.6.4. This section addresses the requirements for fire protection at marine fuel-dispensing facilities.

(2210.6.1) Standpipe hose stations. Fire hose, where provided, shall be enclosed within a cabinet, and hose stations shall be labeled:

FIRE HOSE—EMERGENCY USE ONLY.

Section 2210.1 states that the construction requirements for marine motor fuel-dispensing facilities will be found in the IBC and NFPA 30A. NFPA 30A states that marine fuel-dispensing facilities that are located on piers that extend more than a 500-foot (152 400 mm) travel distance from shore are required to have a Class III standpipe installed in accordance with NFPA 14.

(2210.6.2) Obstruction of fire protection equipment. Materials shall not be placed on a pier in such a manner as to obstruct access to fire-fighting equipment or piping system control valves.

The intent of this section is to make all fire protection equipment, including means for turning off fuel supply lines in an emergency, readily accessible in an emergency.

(2210.6.3) Access. Where the pier is accessible to vehicular traffic, an unobstructed roadway to the shore end of the wharf shall be maintained for access by fire apparatus.

(2210.6.4) Portable fire extinguishers. Portable fire extinguishers in accordance with Section 906, each having a minimum rating of 20-B:C, shall be provided as follows:

1. One on each float.
2. One on the pier or wharf within 25 feet (7620 mm) of the head of the gangway to the float, unless the office is within 25 feet (7620 mm) of the gangway or is on the float and an extinguisher is provided thereon.