

**PORT OF LEWISTON
MINUTES OF REGULAR MEETING
April 8, 2015**

The regular meeting of the Port Commission was held at the Port District Office at the hour of 12:00 p.m. on April 8, 2015.

Present were Port Commission President, Mike Thomason, Port Commission Vice President, Jerry Klemm and Port Commission Secretary/Treasurer, Mary Hasenoehrl. Administrative staff in attendance were David Doeringsfeld, Port Manager, Jaynie Bentz, Assistant Port Manager, and Kelly VonLindern, Administrative Assistant. The meeting was called to order at 12:00 p.m. by Port Commission President, Mike Thomason.

AGENDA APPROVAL:

Commissioner Thomason called for review of the agenda and suggested the order of items listed be reorganized to discuss terminal operations before consideration of the Minutes. Commissioner Klemm made a motion to approve the agenda as suggested; seconded by Commissioner Hasenoehrl. The motion passed unanimously.

CITIZEN COMMENTS:

Commissioner Thomason called for citizen comments and went around the room inviting each visitor the opportunity to speak. Some visitors presented individual comments. Some comments were specific to the Port of Lewiston's primary steamship line announcing their decision to remove the Port of Portland from their rotation as a port of call. In general, comments conveyed concern over the announcement and negative impact to the local economy and the regional agriculture industry; concern regarding the ongoing dysfunction between labor and management at the Port of Portland; offers by attending agricultural stakeholders to provide wheat and pulse industry information; and offers of support and assistance by attending representatives within the economic development community to identify alternative intermodal opportunities and facility improvements to continue serving the regional economy and impacted industries. Other general comments included a question about who owns the Port of Lewiston; support regarding the Port of Lewiston's ongoing economic

development activities within the community; and visitors there to observe or to provide media coverage.

Commissioner Thomason thanked everyone for their comments.

TERMINAL II & DOCK OPERATIONS REPORT:

Manager Doeringsfeld reported on issues relating to Terminal II, the Port's 150,000 square foot public warehouse. He stated the facility is operated by Inland 465. He continued that there are no operational issues to report and inventories are strong.

Next, the Port Manager, reported on issues relating to Terminal I, the Port's public dock.

Referencing a news release, he officially announced that the Port of Lewiston was immediately suspending container on barge service until further notice. He continued that the Port of Lewiston is only as competitive as the Port of Portland. With the recent events of Hanjin omitting container service as of March, 2015 through the Port of Portland (approximately 80% of their container business) and this week's announcement by Hapag-Lloyd also discontinuing container service through the Port of Portland (approximately 90% of the Port of Lewiston's container business), the Port of Lewiston is unable to receive customer bookings via barge through the Port of Portland as equipment from the steamship lines is no longer available. He stated that the largest impact will be to the pulse industry which is approximately 15% of the total tonnage but "a very important 15% to our regional economy". He continued, stating the change in container service will not impact bulk grain shipments which continue to move on the Columbia-Snake River System at high volumes. Further, he is aware of various conversations happening around the region regarding alternative options for container service. However, he stated that time and patience will be needed for the best solution to develop. He concluded by stating that Hapag-Lloyd has been a great supporter of the inland system. In addition, he summarized the impacts to staff levels stating two employees will be laid off and one full-time employee will have reduced hours.

Open discussion was had between commissioners, the port manager and visitors. Discussion included, in general, the logistics of ordering and breaking up unit trains, box car service, long vs short hauls and pricing; the national truck driver shortage, limited equipment, limited opportunities for back hauls from Puget Sound and pricing;

the river providing competitive transportation costs; consider review of road and rail priorities of the Northport Transportation Study; pursuing import opportunities and break bulk commodities; bulk grain trending up; why pulses cannot be shipped as a bulk product; concern regarding vessel sizes calling the Port of Portland are too large for the port to remain competitive on the west coast; history shows the free market will eventually right itself over time and that the citizens of Nez Perce County own the Port of Lewiston.

Commissioner Klemm stated that he contacted the ILWU President in Portland requesting assistance in resolving the labor/management disputes.

Commissioner Hasenoehrl stated that she has had conversations with the Idaho Department of Agriculture. She also emphasized that shipping is very important to our region however the Port of Lewiston also has a lot of work to do in continuing to fulfill its role in the economic development arena.

ADOPTION OF MINUTES:

Next, the Port Commission examined the Minutes for Regular Meeting of March 10, 2015, and Special Meeting of March 25, 2015. A motion was made by Commissioner Hasenoehrl to accept the Minutes, respectively, as presented; seconded by Commissioner Klemm. The motion passed unanimously.

MANAGER'S REPORT:

ACTIVE AGENDA:

Discuss and consider for approval a Pioneer Ports Cooperative Agreement (Ports of Whitman, Clarkston and Lewiston) to establish an information and education outreach program to engage citizens in the role of the Ports' economic development and transportation activities in the amount of \$10,000 per port. Manager Doeringsfeld stated that the Port of Whitman County had already approved the Agreement as presented; the Port of Clarkston's Commission was considering this same agreement at their meeting today. After discussion, a motion was made by Commissioner Klemm to approve the Pioneer Ports Cooperative Agreement as presented, with typos corrected; seconded by Commissioner Hasenoehrl. The motion passed unanimously.

Discuss and consider for approval a \$1,500 grant request from the city of Lapwai. Manager Doeringsfeld stated a letter requesting additional information has been sent to the city of Lapwai as directed by the Port Commission as well as a follow up telephone call. However, additional information has not been received so he recommended the Port Commission table this action. A motion was made by Commissioner Hasenoehrl to table consideration for approval of a \$1,500 economic develop grant request until further information was received; seconded by Commissioner Klemm. The motion passed unanimously.

NON-ACTIVE AGENDA:

Port Manager, David Doeringsfeld, reported on miscellaneous Port projects:

Harry Wall Industrial Park – A draft plat has been submitted to the city. The sewer line project is complete. Manager Doeringsfeld commended the quality of work and communication. The sewer line improvement will allow service to the current EKO site as part of future land development planning.

Fiber Optic Network Project – The final design to expand into south Lewiston is delayed approximately 2-3 weeks but preliminary review estimates construction costs at approximately \$800,000 from the Memorial Bridge out to Southport Industrial Park. Further review pending. The Port's participation in the fiber under construction along Hwy 12 & Down River Road, in the amount of \$30,000, is due in less than 60 days. A Right-of-Way agreement with the city is pending.

Port FY16 Budget – Work session dates were established. A draft budget will be sent to the Commission at the end of the week or first part of next week as beginning point for discussions.

Community Outreach – The Port Report was mailed this week. Congratulated Clearwater Canyon Cellars, a port tenant, on receiving Idaho Winery of the Year. Tentative Open House dates were determined for Culdesac, Lenore and Lapwai, pending facility availability.

Upcoming meetings/events –

April 14-16 – IEDA Annual Conference at Red Lion, Lewiston

May 13 – Port Commission meeting at 8:00am

COMMISSION COMMITTEE REPORTS:

Commissioner Thomason/Valley Vision/LC Chamber Board – No report.

Commissioner Hasenoehrl/Chamber Ag Committee, Urban Renewal Agency – Reported she testified at the both the Idaho House and Senate Committees regarding HJM011 introduced by Representative Troy; she also provided year end reports to our legislators..

Commissioner Klemm/LC Valley Chamber Government Affairs Committee (GAC), Chamber Natural Resource Committee (NRC), PNWA Board of Directors – Shared a handout provided by Valley Vision to the Government Affairs Committee regarding jobs by industry.

FINANCIAL REPORT:

As the next order of business, the Port Manager presented a Financial Statement prepared by the Port Auditors for nine months ending March 31, 2015. After review and discussion, Commissioner Hasenoehrl made a motion to approve the Financial Statement as presented; seconded by Commissioner Klemm. The motion passed unanimously.

The Port Manager next presented a Port Financial Report concerning the status of Port funds on March 31, 2015.

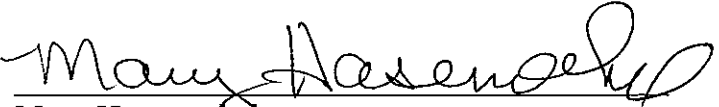
ACT ON CLAIMS:

The next order of business was a review and discussion of claims against the Port reflected by the Check Detail Sheet. A motion was made by Commissioner Hasenoehrl to approve and pay Port vouchers Nos. 17616 through 17720, transfers and EFTPS for a total amount of \$195,294.87; seconded by Commissioner Klemm. The motion passed unanimously.

OTHER BUSINESS: Manager Doeringsfeld stated that the overall expense for the crane repairs would be approximately \$35,000. Commissioner Klemm complimented employee, Chad Smith, for researching pricing and the availability of parts to help reduce costs.

EXECUTIVE SESSION: None

Being no further business, the meeting adjourned at 1:45 p.m.



Mary Hasenoehrl
Secretary