

**MINUTES**  
**REGULAR COMMISSION MEETING**  
**THE PORT OF PORTLAND**  
**August 14, 2013**

In response to due notice, the regular meeting of the Commissioners of the Port of Portland was held at 9:30 a.m. in the Chinook conference room of the Port's administrative offices located at 7200 NE Airport Way.

**QUORUM**

Commissioners present were Paul Rosenbaum, Vice President, presiding; Tom Chamberlain; Diana Daggett; Bruce Holte; Bob Levy and Tom Tsuruta. Also present were Bill Wyatt, Executive Director, participating staff members and members of the public.

**LEAVE OF ABSENCE**

Commissioner Rosenbaum called for a motion to grant a leave of absence to Commissioner Carter, who was home ill, and to Commissioners Bragdon and Pearce, who were out of town. Commissioner Daggett moved to grant the leave of absence. Commissioner Chamberlain seconded the motion, which was put to a voice vote. Commissioners Chamberlain, Daggett, Holte, Levy, Rosenbaum and Tsuruta voted in favor of the motion.

**MINUTES**

Commissioner Rosenbaum called for a motion to approve the minutes of the Regular Commission Meeting of July 10, 2013. Commissioner Holte moved to approve the minutes. Commissioner Daggett seconded the motion, which was put to a voice vote. Commissioners Chamberlain, Daggett, Holte, Levy, Rosenbaum and Tsuruta voted in favor of the motion.

**EXECUTIVE DIRECTOR'S REPORT**

Bill Wyatt said that the Executive Director's formal report is included in the Commission packet that is mailed to the Commissioners and other stakeholders in advance of the meeting; his comments reflect his observations about Port activities over the course of the last month.

Mr. Wyatt said that on the aviation side, we continue to see significant growth in passenger volume and new service, which will reflect itself in what will clearly be a record year for us. He said that we are currently anticipating around 15.5 million passengers, beating the record that was last set in 2008.

Mr. Wyatt said that Alaska Airlines will start servicing the Atlanta market in late August and Dallas in September. He noted that Delta will start four daily flights to Los Angeles in September as well, which will give us a tremendous volume of service on these north/south routes.

Mr. Wyatt said that Asiana is up to four frequencies a week due to the perishable season of cherries and blueberries. He said that the air freighter business is struggling; the price of oil has driven the cost up substantially enough that shippers are looking for alternatives, and in many cases, finding alternatives.

Mr. Wyatt said that while the European Union has given approval for the American and US Airways merger, the U.S. Department of Justice has filed objections and intends to oppose the merger. He said that he does not know much more other than what he has read in the paper, but he thinks most people in the industry were surprised by this.

Mr. Wyatt said that in mid-September, the Transportation Security Administration (TSA) will expand the population base that uses TSA Pre✓ through rules-based changes to Secure Flight, and we expect our daily TSA Pre✓ throughput to triple. Additionally, late this fall TSA will launch a new Trusted Traveler program that will allow passengers to apply for membership into TSA Pre✓ through TSA enrollment centers. Mr. Wyatt said that to date, there are seven air carriers participating in TSA Pre✓: American Airlines, United Airlines, US Airways, Delta Airlines, Alaska Airlines, Virgin America and Hawaiian Airlines. He noted that Jet Blue and Southwest are scheduled to come online this fall.

Mr. Wyatt said that there is an attempt to restart the Columbia River Crossing (CRC) project. He said that the State of the Washington chose not to participate in the CRC. The Washington legislature failed to make any appropriation for the state's share of the cost of the project, so a new concept has developed that would essentially have the State of Washington contract with the State of Oregon to build and operate the project. He said in return, Washington would not build the interchanges on their side of the river. Mr. Wyatt said Oregon would, by contract, collect the tolls in Washington, sell and back the bonds and construct the project. Mr. Wyatt said that this was stimulated by a letter that he and Oregon and Washington business leaders sent to the Governors of Oregon and Washington, who both indicated their support for this approach. He said that we have a ways to go, but there are signs of life. He said the main message for everyone is that we all have spent about \$170 million on the preliminary work that needed to be done and it would be a shame to have done that and not make every attempt to take advantage of this opportunity.

Mr. Wyatt said that both Korea and Japan have lifted their temporary suspension of Oregon wheat exports as a result of finding genetically modified wheat in Oregon. He said this is good news for the state and agriculture interests.

Mr. Wyatt said that while he is pleased to report that container volume in June was up 23 percent versus last year, he wants to clarify that June of 2012 was the start of the Terminal 6 labor disruptions, which led to some lines temporarily suspending service. As such, the June volumes of last year were significantly reduced. That said, it is a good sign to see that the volume has re-bounded.

Mr. Wyatt said that for the first time, we had all of our overseas agents from China, Korea, Japan and Taiwan in Portland at the same time. He said the visit was a good opportunity for them to interact with us about our strategy as it relates to our foreign operations.

Mr. Wyatt said that recent cover articles in a local community newspaper have inaccurately suggested that the Port's Terminal 4 will soon accommodate a confined disposal facility (CDF) to store contaminated sediment from the Lower Willamette within the Superfund site. He said that no decision has been made and there is currently no decision on the forefront that would determine the site of a CDF at Terminal 4 or elsewhere. Mr. Wyatt said that while Terminal 4 could potentially accommodate a CDF, there are other options and locations being considered. He said that it is yet to be determined as the Environmental Protection Agency (EPA) is considering a variety of cleanup and disposal options. He said that the decision of whether

there would be a CDF and where it might be located will be part of the Portland Harbor Superfund cleanup proposal which will be released by the EPA sometime towards the end of 2014 and the public will be invited to weigh in.

Mr. Wyatt said the Port's Seaport Celebration is this Saturday at Terminal 4. He thanked our tenants and stakeholders who are participating in the event. Those companies include: Burgerville, U.S. Coast Guard, Customs & Border Protection, ESCO, Evraz Steel, Fred Meyer, Gunderson, Lower Willamette Group, Portland Harbor Natural Resource Trustee Council and Schnitzer Steel.

Mr. Wyatt said that the Port hosted the Hillsboro Air Show in late July. This year's show had the highest-ever attendance on Friday night despite being down about 25 percent overall, which was most likely caused by the show not having a military jet team, due to Sequester cutbacks.

Mr. Wyatt said that the Port hosted a reception in Pendleton to thank Steve Corey for his years of service on the Port Commission. He said that the reception was well attended and included current Commissioners Carter and Levy and former Port Executive Director Mike Thorne.

Commissioner Rosenbaum called for a motion to approve the Executive Director's Report. Commissioner Daggett moved to approve the Executive Director's Report. Commissioner Chamberlain seconded the motion, which was put to a voice vote. Commissioners Chamberlain, Daggett, Holte, Levy, Rosenbaum and Tsuruta voted in favor of the motion.

## **GENERAL DISCUSSION**

### **Fiscal Year 2012-2013 Environmental Management Program Performance**

Dorothy Sperry, Environmental Affairs Manager, provided an overview of the Port's environmental performance for 2012-2013. She said that under the Environmental Management System, the Port identified the following five environmental programs: air quality, energy management, natural resources, water resources and waste minimization. Ms. Sperry briefly discussed the targets and objectives for each of the programs and noted that the Port completed 10 of the 14 environmental targets last year. She said that some of the targets are defined actions or milestones within a multi-year target.

## **ACTION ITEMS**

### **Agenda Item No. 1**

**RESOLUTIONS TO AMEND POLICY FOR INTEREST RATE EXCHANGE AGREEMENTS; TO AUTHORIZE ADHERENCE TO CERTAIN DODD-FRANK PROTOCOLS; AND TO AUTHORIZE USE OF THE END-USER EXCEPTION TO EXCHANGE TRADING AND CENTRAL CLEARING REQUIREMENTS FOR SWAPS**

This agenda item requested adoption of Resolutions to amend the Port of Portland's Policy No. 6.1.14 for Interest Rate Exchange Agreements; to authorize adherence to certain Dodd-Frank Protocols; to authorize use of the end-user exception to exchange trading and central clearing requirements for swaps; and to execute documentation required in connection with the provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

Tatiana Starostina presented the Executive Director's recommendations as follows:

BE IT RESOLVED, That the revised Policy for Interest Rate Exchange Agreements, in the form presented to the Port of Portland Commission, is hereby approved and adopted, and shall supersede that certain policy of the Port titled, Interest Rate Exchange Agreements, dated January 14, 2004, Policy No. 6.1.14; and

BE IT FURTHER RESOLVED, That the Commission approves adherence to the Dodd-Frank Protocols with respect to interest rate exchange agreements (and the taking of all related actions, including but not limited to, obtaining a legal entity identifier); and

BE IT FURTHER RESOLVED, That the Commission approves use of the end-user exception in connection with interest rate exchange agreements subject to a mandatory clearing determination by a competent regulatory authority; and

BE IT FURTHER RESOLVED, That the Executive Director or his designee is authorized to execute the necessary documents on behalf of the Port of Portland Commission in a form approved by counsel.

Commissioner Rosenbaum called for a motion to approve the Executive Director's recommendations. Commissioner Tsuruta moved that the Executive Director's recommendations be approved. Commissioner Holte seconded the motion, which was put to a voice vote. Commissioners Chamberlain, Daggett, Holte, Levy, Rosenbaum and Tsuruta voted in favor of the motion.

#### Agenda Item No. 2

#### PUBLIC IMPROVEMENT CONTRACT AMENDMENT – TAXIWAY C EAST REHABILITATION AND RUNWAY 10R-28L REPAIR – PORTLAND INTERNATIONAL AIRPORT

This agenda item requested approval to amend an existing public improvement contract with K&E Excavating, Inc. (K&E), to provide for K&E's construction of the Air Trans Center Phase IV project at Portland International Airport. K&E is currently constructing the Taxiway C East and Runway 10R/28L Repair Rehabilitation project at PDX.

Chris Edwards presented the Executive Director's recommendations as follows:

BE IT RESOLVED, That approval is given to amend the existing public improvement contract with K&E Excavating, Inc., to provide for K&E's construction of the Air Trans Center Phase IV project at Portland International Airport, in accordance with K&E's proposal; and

BE IT FURTHER RESOLVED, That the Executive Director or his designee is authorized to execute the necessary documents on behalf of the Port of Portland Commission in a form approved by counsel.

Commissioner Rosenbaum called for a motion to approve the Executive Director's recommendations. Commissioner Levy moved that the Executive Director's recommendations be approved. Commissioner Daggett seconded the motion, which was put to a voice vote. Commissioners Chamberlain, Daggett, Holte, Levy, Rosenbaum and Tsuruta voted in favor of the motion.

Agenda Item No. 3

## CONTRACT – SHUTTLE BUS PROCUREMENT PROJECT – PORTLAND INTERNATIONAL AIRPORT

This agenda item requested approval to award a procurement contract to EIDorado National-California, Inc., for six new shuttle buses at Portland International Airport, for a contract value of \$2,421,984.

Walt Haynes presented the Executive Director's recommendations as follows:

BE IT RESOLVED, That approval is given to award a contract for the Shuttle Bus Procurement Project at Portland International Airport to EIDorado National-California, Inc., in accordance with its price quote; and

BE IT FURTHER RESOLVED, That the Executive Director or his designee is authorized to execute the necessary documents on behalf of the Port of Portland Commission in a form approved by counsel.

Commissioner Rosenbaum called for a motion to approve the Executive Director's recommendations. Commissioner Holte moved that the Executive Director's recommendations be approved. Commissioner Chamberlain seconded the motion, which was put to a voice vote. Commissioners Chamberlain, Daggett, Holte, Levy, Rosenbaum and Tsuruta voted in favor of the motion.

Agenda Item No. 4

## PUBLIC IMPROVEMENT CONTRACT – P1 PARKING GARAGE LIGHTING UPGRADE – PORTLAND INTERNATIONAL AIRPORT

This agenda item requested approval to award a public improvement contract to Global Electric, Inc., for the P1 Lighting Upgrade project at Portland International Airport for a contract value of \$732,834.

Stan Snyder presented the Executive Director's recommendations as follows:

BE IT RESOLVED, That approval is given to award a public improvement contract for the P1 Parking Garage Lighting Upgrade project at Portland International Airport to Global Electric, Inc., in accordance with its bid; and

BE IT FURTHER RESOLVED, That the Executive Director or his designee is authorized to execute the necessary documents on behalf of the Port of Portland Commission in a form approved by counsel.

Commissioner Rosenbaum called for a motion to approve the Executive Director's recommendations. Commissioner Daggett moved that the Executive Director's recommendations be approved. Commissioner Chamberlain seconded the motion, which was put to a voice vote. Commissioners Chamberlain, Daggett, Holte, Levy, Rosenbaum and Tsuruta voted in favor of the motion.

Agenda Item No. 5

SERVICE CONTRACT AMENDMENT – ELEVATOR MAINTENANCE AND UPGRADE –  
PORTLAND INTERNATIONAL AIRPORT

This agenda item requested approval of a service contract amendment with Schindler Elevator Corporation in the amount of \$608,180.44 to replace and/or upgrade select elevator equipment at Portland International Airport.

Robin McCaffrey presented the Executive Director’s recommendations as follows:

BE IT RESOLVED, That approval is given to award a service contract amendment for the Elevator Maintenance and Upgrade project at Portland International Airport to Schindler Elevator Corporation in accordance with its proposal; and

BE IT FURTHER RESOLVED, That the Executive Director or his designee is authorized to execute the necessary documents on behalf of the Port of Portland Commission in a form approved by counsel.

Commissioner Rosenbaum called for a motion to approve the Executive Director’s recommendations. Commissioner Levy moved that the Executive Director’s recommendations be approved. Commissioner Daggett seconded the motion, which was put to a voice vote. Commissioners Chamberlain, Daggett, Holte, Levy, Rosenbaum and Tsuruta voted in favor of the motion.

The meeting adjourned at 10:29 a.m.

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President

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Assistant Secretary

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Date Signed

An audio recording of these proceedings and the full Commission agenda is available by contacting the Port of Portland administrative offices, 7200 N.E. Airport Way, Portland, Oregon 97218.