

**Regular Commission Meeting**  
**MINUTES**  
**April 14, 2022**  
**1:00 p.m.**  
**Port of Arlington**

**1. The Port of Arlington Commission meeting was called to order at 1:00 pm by President Leah Shannon.**

**Present:** President Leah Shannon, Vice President Ron Wilson, Commissioners Kathryn Greiner, Gibb Wilkins, Kip Krebs, Attorney Ruben Cleaveland (zoom), Executive Director Jed Crowther.

**Absent:** None

**Presenter:** Justin Long (Waterbear Energy, Inc.)

**Audience:** Gilliam County Commissioner Pat Shannon, Denny Newell, Rita Miciak, Maintenance Worker James Metzger, Gilliam County Staff Miranda Rees (zoom).

**2. Presentation by Waterbear Energy, Inc.**

Justin Long outlined his interest over the past year in the Arlington community and the potential growth for renewable energy. Waterbear is an energy developer that focuses on suitable sites in the Pacific Northwest. Their site search focuses specifically on micro-grid or co-located industrial. As an example, for large loads placed next to 300-acre solar farm; the future looks like hydrogen plant co-located with industrial; ideal in terms of regulation, streamlining projects, and reducing the cost of energy for the end-user using the power. Their business goals are to establish 5 to 10 sites and gain capital for pre-construction. Their motivation for the Arlington area is to serve as a good logistics point for hydrogen. Hydrogen is a renewable fuel which is less-carbon-intensive. Industry anticipates Class 8 long-haul trucking running on hydrogen by 2030 and to prepare for upcoming transition. Arlington locational benefits include renewable energy, located 2 hours from Portland, major interstate, rail going through, abundant resources including water that are viable for producing hydrogen, have metro area to sell it to, and thermal industry nearby. Exponential growth is anticipated for hydrogen, with sites starting now in Washington.

The Willow Creek site industrial advantages; near the interstate and renewable energy. Waterbear is interested in putting up to 25 MW of electrolyzers for hydrogen production, co-locate at least 50 MW of solar to power electrolyzers, and sync with Pacific Power. Commissioner Krebs identified locations of related Pacific Power installations nearby. Justin appreciated the added info and explained that expansion would involve upgrading the Pacific Power substation consistent with specifications and engineering standards.

Waterbear had developed a draft lease option for the Willow Creek site from the Port, but further details for ownership and use would need resolved first, including title review, Corps of Engineers input, and interaction of the existing lease for use as a rock quarry. Waterbear would work with the Port to develop clarity, details, and site preparation. Timeline would involve pre-construction planning, with construction in 3 to 5 years.

Commissioner Greiner asked about water supply, because viable water sources are not resolved and further coordination with the city or other entities must occur first. Justin said that 50,000 gpd minimum water supply is needed for a viable 10-ton hydrogen plant. Further review is needed by the Port to determine water availability.

The Willow Creek site contains 63.77 acres; a Phase 1 start would use about 15 acres, but would eventually need most of the site for expansion. Director Crowther said it is important to maintain the existing lease as rock quarry while evaluating new opportunity.

Commissioner Gibbs inquired about water treatment. Justin replied that the difference was mostly warmer temperature, not contamination, but could not discharge to the river. Cooling or re-use of re-claimed water by compatible industry such as ag would be ideal. Use by neighboring ownership could also mesh with established industrial zoning.

Gilliam County Commissioner Pat Shannon cautioned that solar and hydrogen permitting timeline might be five years or longer; however, hydrogen marketing was advancing.

Commissioner Greiner asked if the project could start with Pacific Power electric supply, then proceed to Phase 2 development for solar. Justin said that co-located solar helps to reduce the energy cost of producing hydrogen.

Commissioner Shannon expressed her concerns of tying up the property for 3 to 5 years, and how it might affect the gravel pit. Justin responded that Waterbear may be open to continue the rock quarry and establish physical limits of its extent. Predictability is key, and to not interfere with immediate sources of revenue by the Port.

Attorney Ruben Cleaveland expressed concerns of restrictive easements in Section 6 of the draft contract not necessarily leased for electrolyzers, which could narrow usability.

Commissioner Greiner reiterated concern that water supply needed nailed down first. President Shannon stressed the importance to meet with the city regarding water supply. Attorney Cleaveland said the lease could be conditioned on Waterbear obtaining water, whether from the Port or a third party, leaving Waterbear an “out” in the lease agreement. Justin suggested a workshop including the city. President Shannon recommended in an upcoming presentation to diagram electrolyzer components to understand the process.

Justin said the construction phase would involve at least 200 jobs, while the operation of the hydrogen plant would only require about 10 employees for full-time operation.

Commissioner Krebs asked about anticipated hydrogen distribution. Justin said that liquefied compressed gas was the way to be able to transport long distances efficiently. He had conducted initial outreach to Metro and their subcontractor, Walsh Trucking.

Justin briefly mentioned potential development at the Arlington Mesa for solar and small data center, and consideration of the portion leased from the city by Harry Lee.

Justin inquired of potential excess methane production at Waste Management landfill. President Shannon said not enough excess methane is consistently produced currently. Commissioner Krebs cited another potential methane source of 3 Mile Canyon Farms with a digester and natural gas pipeline, plus potential “gateway” link for power and solar.

Denny Newell asked of any data or experience how a facility is valued for tax purposes. Justin said to check on the recent Wenatchee Electrolyzer facility.

Justin said at some point he would like to re-introduce Bill Reed for housing at the Port. He gave an example of a recent facility in Gresham, linked to workforce housing.

Justin concluded his presentation thanking the Board for their interest and engagement.

President Shannon complimented meeting participants for good questions and progress to understand better.

Commissioner Greiner asked about Bioeconomy Development Opportunity (BDO) Zone designation and connection to development in Gilliam County. Basic info was outlined.

**3. Public Comment – None**

**4. Additions to the agenda – None**

**5. Consent Agenda:**

**A. Motion by Commissioner Wilson to approve March 16, 2022 Minutes. Commissioner Wilkins seconded. Motion approved unanimously.**

**B. Motion by Commissioner Wilkins to approve March 2022 Financials. Commissioner Greiner seconded. Motion approved unanimously.**

Commissioner Greiner requested revenue/deposit/bank balance on future reports.

**6. Budget Process and Timeline**

**A. Motion by Commissioner Greiner to approve the Budget Calendar. Commissioner Wilkins seconded. Motion approved unanimously.**

**B. President Shannon appointed Budget Committee Members: Louie Rucker, Tim Wetherell, and Denny Newell; and reaffirmed continued existing terms by Denise Ball and Larry Hardie.**

## 7. President's Report

- Waterbear – President Shannon said that more work is needed on the lease.
- Gronquist – She reported Space #3 was filled by the Victim's Advocate lease, Gilliam County use is anticipated in the front office downstairs. She gave ideas to market the rest of downstairs: Fitness center, partner with school, or other community need. Columbia Room rentals are very busy, fence was repaired, work on hillside started and she will contact city to please help remove piles.

## 8. Commissioner Reports

- **Commissioner Wilson** – Reported good progress by James Metzger on maintenance activities at the Gronquist building and spring work. Prepare a list of overall maintenance resources needed. Doors to apply via county grant.
- **Commissioner Greiner** – Outlined upcoming preparation of the Port Budget. She asked staff to review past payments for water to the airport in Condon, and billboard advertising near Rufus by Meadow Advertising from The Dalles. Commissioners also discussed the Arlington sign on the grain elevator.
- **Commissioner Krebs** – Outlined potential lighting incentives by Energy Trust and heating incentives by State Home Oil Weatherization (SHOW) program. He will check program eligibility for the Gronquist building doors, as potential match for the upcoming Gilliam County Court grant submittal. Quote was \$2000 each for door assembly to upgrade mullion, locking mechanism, and keypad. Commissioners discussed potential nameplates for the downstairs office rooms in the Gronquist building, based on local long-term establishments: Honker, Blalock, Leghorn, Rhea, Rock Creek, and others.
- **Commissioner Wilkins** – Reported the pickup donated by City of Condon to the Port. Commissioners expressed appreciation.

## 9. Director Report

Director Crowther provided a written outline report in the Board agenda packet.

Administration & Partnerships – Kayla Rayburn will start as Administrative Assistant on April 18. Intergovernmental Partnerships began, plus initial Legislator outreach.

Lease Summary – Primary detail of current leases was provided for: MCP, Insitu, Alpine Power Systems, Paul Jayo Arlington Towing, Watco, W.I. Construction, Inc.

Economic Development – Outreach efforts occurred with Painted Hills Natural Beef; Waterbear Energy, Inc; and a Non-Disclosure Agreement for large industrial use. Upcoming work with Obsidian Renewables LLC, and Genus Industries LLC (iCoir). Jed may use prior Port materials to promote and market parcels to best advantage. He invited Commissioners to consider refreshing the target, approach, and value.

Maintenance – Consider policy for limited duration of stay in Dry Camp of 7-10 days. Commissioner Krebs asked about using special events or short-term work category. President Shannon emphasized the current heightened need for workforce housing. Attorney Cleaveland will review statute to avoid creating landlord/tenant relationship.

President Shannon suggested prioritizing updating the Website and Strategic Plan, together with mutual efforts on the Intergovernmental Agreement with City of Arlington relating to the Insitu building. Detailed airport paving review had occurred previously.

Upcoming: Town Hall by Senator Wyden, Governmental resources meeting with Nate Stice (Governor's Office) and Ryan DeGrofft (Business Oregon).

#### **10. Donation Requests**

Commissioners outlined past practice of \$1000 total budget, with \$200 awarded to: Little League, Saddle Club, 4-H Auction Committee, High School Rodeo, and Oregon Frontier Chamber.

**Motion by Commissioner Greiner to award \$200 to the Arlington Saddle Club and \$200 to the Arlington Little League. Commissioner Wilkins seconded. Motion approved unanimously.**

#### **11. Storage Yard Request**

Director Crowther outlined a request for storage yard for wind turbine equipment. Consensus of the Commission was for Director to identify sites and manage offers.

In closing, President Shannon gave genuine appreciation for development outline. She shared her enthusiasm for high economic development interest in this area.

#### **12. Executive Session – Not held.**

#### **13. Decision or Deliberation of Executive Session Discussion – Not held.**

#### **14. Tour of Industrial Properties**

Zoom closed at 3:38 p.m.

On-site tour of Shutler Station, Arlington Mesa, and Willow Creek Industrial. Participants: Port Commission and Director Crowther. No further business.

Commissioner Shannon adjourned the meeting at 5:52 p.m.

**The next Port of Arlington Commission meeting will be held Thursday, May 12th at 5 p.m. at the Port of Arlington.**

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President Leah Shannon

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Vice President Wilson