## PORT OF CORTES

P.O. BOX 297 / ANACORTES, WASHINGTON 98221-0297 U.S.A. / TELEPHONE (206) 293-3134 / FAX (206) 293-9608

March 22, 1989

Mike Johnson Frontier Industries 1610 Commercial Ave. Anacortes, WA 98221

Dear Mike,

We are pleased that Port Commission formally approved the new two year Operating Agreement between Frontier Industries and the Port at last Thursday's regularly scheduled Port meeting. know, the contract which addresses the basic operations of the log yard, debarker operations and maintenance of the facilities and equipment, identifies you as the key man. In that key man position the Port staff will be looking to you for the necessary coordination and communication that will be required to ensure an ongoing, successful operation.

Two recent instances that have been brought to my attention have given cause for concern and I believe need to be identified to ensure that they not happen again during the next two years. First, during the week of 13 March the scheduling and ordering of trucking between the Port's satellite and main yard took place without the knowledge of Port staff. As you know, we are all very concerned regarding the large volumes of logs that we anticipate to be entering our facilities this year. It is imperative, both for cost accounting and inventory control, that any movements of logs to and from our log yards be communicated Detailed inventory and financial information must be accurately maintained by the Port if we hope to successfully handle the very active year we anticipate.

The second incidence occurred on Friday March 17 when debarking operations were extended to 7:00 P.M. without our knowledge. While I applaud you efforts to extend operations to meet our typically difficult schedule I am concerned that no one on staff was notified. Specifically, this lack of communication resulted in subsequent problems that were incurred when the bark in the storage bin was discharged Monday afternoon. It is our feeling that the required additional time and effort that was involved in the bin's discharging could have been avoided if either staff or Skagit Soils had been notified of the additional debarking done on Friday evening.

MERRILL THIBERT

COMMISSIONER

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We recognize that neither of the above instances, by themselves, are major issues. However, we are concerned over the apparent lack of communication and do not anticipate this occurrence again.

As I said earlier, coordination and communication between yourself and Port staff is vital to our success in the operation of the log yard. We do look forward to the next 2 years of operation and hope that the lines of communication between yourself and staff remains open and continues to improve.

Sincerely

Joseph E. Baier Executive Director

cc: Port Attorney