

PORT OF NEWPORT
MINUTES
August 26, 2008
Combined Work Session and Regular Meeting

I. CALL TO ORDER

Commission President Rob Halverson called the combined work session and regular meeting of the Port of Newport Board of Commissioners to order at 6:00 p.m. in the Port Conference Room, the same being within the boundaries of the Port District.

II. INTRODUCTIONS

Commissioners Present: Rob Halverson, President; Ginny Goblirsch, Vice-President; Dean Fleck, Secretary; JoAnn Barton, Assistant Secretary-Treasurer.

Commissioners Excused: Don Mathews, Treasurer.

Port of Newport Management and Staff: Don Mann, General Manager; Patti Britton, Director of Finance; Patty Benjamin, Administrative Assistant.

Others Present: Paul Amundson, Water Task Force; Dr. George Boehlert, Director, OSU-Hatfield Marine Science Center; Jim Hawley, Lincoln County Emergency Services, Terry Thompson, Lincoln County Commissioner, and Dean Sawyer, Emergency Planning; Kaety Hildenbrand, OSU-Oregon Sea Grant Extension; Patricia Patrick-Joling, Newport City Council, and daughter Lauren Joling; John McKnight, Wells Fargo Insurance Services; Rob Mills, Seal Rock resident; Kate Rowland, News Times; Pat Ruddiman, ILWU Local 53; Mike Schmid, KPFF Consulting Engineers; Grant Snyder, Wiggins Towboats.

III. MINUTES

A. Work Session and Regular Meeting—July 22, 2008.

Commissioner Barton moved to approve the minutes of the Work Session and Regular Meeting of July 22, 2008 as submitted. Commissioner Fleck seconded the motion and the minutes were approved 4-0.

IV. FINANCIAL STATEMENTS

A. Financial Reports. Finance Director Patti Britton asked for questions on her written report or the financial statements, which included Current Assets and Liabilities, Revenue Statement, Expense Statement, and International Terminal Revenue and Expense Statement. Commissioner Goblirsch remarked that the marina was down 20% but revenue was down only 4%, which she considered very good in a tight year. Hearing no further comments or questions, the chairman called for a motion on the financial reports and accounts paid.

B. Accounts Paid.

Commissioner Goblirsch moved to approve the Financial Statements and Accounts Paid, Check Nos. 11212-11222/Construction Fund and Check Nos. 27801-27919/Operating Account. Commissioner Fleck seconded the motion and it passed 4-0.

V. PUBLIC COMMENT

There was no public comment.

VI. STAFF REPORTS (* Indicates no questions or additional comments.)

A. Department Reports.

- **Betty Ballhorn, Marina Office Supervisor***
- **Kevin Bryant, Commercial Marina Harbormaster***
- **Pete Dale, Project Manager***
- **Maureen Keeler, Special Projects Manager***
- **Ron Smith, Terminal Manager***
- **Chris Urbach, South Beach Marina Harbormaster***

B. General Manager.

General Manager Don Mann had nothing to add to his written report. Commissioner Fleck asked about charter boat issues and Mann said the committee would meet again after the season was done.

VII. OLD BUSINESS

A. Terminal Renovation—KPFF Consulting Engineers/Natt McDougall Company. Mike Schmid, KPFF Consulting Engineers, reported that August had been a busy month in terms of meetings with agencies. The Oregon Department of Fish & Wildlife (ODFW), National Marine Fisheries Service (NMFS), Department of State Lands (DSL), and the Army Corps of Engineers (ACOE) had provided feedback on what they would expect the Joint Permit Application (JPA) to include. He added that KPFF will have the 50% design ready for Natt McDougall Company (NMC) on August 27, and NMC is on track to have a Guaranteed Maximum Price (GMP) ready to present to the Port at the end of September. General Manager Mann said that the JPA had been sent to the ACOE and DSL that day, and the mitigation plan and biological assessment would follow in a week to ten days. He noted that the mitigation plan has been “tough” and would be the result of a team effort. He said he has asked each agency to expedite the permit as quickly as possible but NMFS said it could be up to six months for final approval due to understaffing at their offices. Commissioner Goblirsch asked if there would be a point in the process where the agencies would be available to meet with the public and answer questions, and Mann said there would be a public comment period but it would be up to the agencies if they wanted to schedule separate meetings with the public. Commissioner Barton asked about a letter that had been received from NOAA relating to whether the bulkhead would be permanent or would be removed. Mann and Schmid explained that the letter referred to a proposed alternative that had approached the in-water work in two parts but that plan had since been abandoned. They said the issue had been satisfactorily addressed with NOAA at a meeting on August 8, and the JPA that had been submitted that day was for all of the in-water work. Commissioner Goblirsch said that she and Commissioner Barton, along with General Manager Don Mann and Mike Schmid from KPFF, would attend a meeting on September 5 with members of the conservation community to answer questions and provide information on the project.

B. Emergency Planning. General Manager Don Mann provided background by saying that the Port had been discussing the need for a formal emergency plan, particularly at the urging of Commissioner Goblirsch, for over a year. He then introduced Jim Hawley from Lincoln County Emergency Services, Dean Sawyer who has trained CERT teams, and Lincoln County Commissioner/former commercial fisherman Terry Thompson, and asked them to talk about the planning process that the city and county had been through and how those plans would effect what needs to be done at the Port. Commissioner Thompson described the plan implemented by the county, where fishing vessels of various sizes have signed up on a voluntary basis to help move equipment and people in the event of an emergency. He pointed out that the fleet would be an asset even if it ended up on the beach, since the boats would still carry fuel and supplies. He said the plan was unique in the United States, although interest in similar programs is now being indicated by other coastal communities. Thompson stressed the importance of training the fishermen in how to respond in the event of a catastrophe, and said the Port’s emergency plan, when finalized, would be useful in coordinating that training. Jim Hawley recommended that the Port consider meeting with Morgan Rider, the consultant who had helped put together emergency plans for the city and county. She is recognized by the State of Oregon and the emergency plans she sets up are FEMA-compliant, which can be a determining factor in applying for federal grant money. Rider will be in Newport on September 10, and Hawley offered to be the liaison if representatives from the Port wanted to meet with her. Hawley said he thought the price for the Port’s emergency plan would be substantially less than the county or city paid, since many of the same elements would apply in the Port’s plan and only those factors specific to the Port would be new. A discussion followed about the effects of a tsunami on the Central Oregon Coast, and what structures (the airport, jail, Waldport Bridge, new terminal dock, and probably the OSU dock) were built to stand a 9.0 earthquake. Hawley said that the Port’s emergency plan would fit seamlessly with the county and city’s plans. Commissioner Goblirsch will work with emergency services as the project moves forward, and Kaety Hildenbrand from OSU Oregon Sea Grant Extension will also participate. Commissioner Thompson said he would follow up with fishing industry leaders in November.

VIII. NEW BUSINESS

A. Ocean Observation System (OOS). Dr. George Boehlert, Director, OSU Hatfield Marine Science Center, made a presentation to update the commission on an effort to

establish Newport as the hub for ocean observing activities in the Pacific Northwest. Dr. Boehlert and Port Manager Don Mann had been working on the framework for the project for over two years, developing it as one of the Yaquina Bay Economic Foundation's priority projects. Dr. Boehlert described the complexities of ocean observing, and said that about \$350-500-million would be spent over the next ten years on putting instruments and cable observatories in the water, and an immense investment would go into ships, aircraft, satellite, buoys of various kinds. Citing the elements and infrastructure already in place in Newport, such as the fishing industry, science and research, and especially Newport's location, Dr. Boehlert said the community was in a key position to be the site for monitoring and supporting that equipment and effort. He said the potential for economic development, employment opportunities, and benefits would be tremendous, and noted that it was assumed that Seattle and San Diego would be the centers for those activities, so no one else was attempting to position themselves to be the site. He emphasized that this was not just a Newport activity but would have coastwide benefits. Dr. Boehlert distributed a report on the project and said the document had also been given to the city, county, and Oregon's congressional delegation. The next step would be to develop "community ownership" of the project, and identify roles and responsibilities of the different parties in moving forward. Commissioner Goblirsch pointed out that the effort to become a hub for ocean observation would cause NOAA to take Newport "more seriously" as a potential home port for its research vessels. Dr. Boehlert agreed and said that he and General Manager Mann would both sign a letter to NOAA to send with a copy of the OOS report. Mann said he would keep the commission apprised of the project's progress, and Commissioner Barton offered to serve on a sub-committee if needed.

B. Boardwalk Interpretive Signs/Fishermen Involved in Natural Energy Committee (FINE).

1. Interpretive Signs: Kaety Hildenbrand, OSU Oregon Sea Grant Extension, provided an update and samples of the interpretive signage that will be installed at the sea lion dock at Port Dock 1 and along the boardwalk on the bayfront. The project is a collaborative effort between OSU Sea Grant and the Oregon Coast Aquarium, with funding by the Port of Newport and others, to provide educational opportunities about marine mammals, local fisheries, and fishing vessels. The goal is to get all the signs in place by June 2009. The signs will be built to withstand the weather and will be fastened directly to the railing along the boardwalk. A discussion followed about producing smaller versions of the signs as handouts, other educational sign ideas, and the use of Plexiglass to protect the signs from vandalism.

2. Wave Energy/FINE Committee: The Fishermen Involved in Natural Energy (FINE) group, comprised of commercial, charter, and recreational fishermen, was started in 2006 to study and report on the effects of wave energy on the fishing industry. Hildenbrand delivered an update on various testing sites along the Oregon Coast, reporting on the two buoys that were moored off the Yaquina Head lighthouse this summer, one of which sank and was recently recovered. She said there are plans to put another prototype buoy in the water in early September, weather permitting. The buoy will be about 22-feet long and 11-feet in diameter, and will be tethered to a boat. She reported on another proposed buoy site off Beaver Creek in Lincoln County, one in Tillamook County, and another proposed 10-buoy site in Reedsport that is moving forward rapidly and could be in the water as early as 2010. She said the buoys off Reedsport will be moored in concrete in a honeycomb fashion. There is another proposed buoy project in Coos Bay that grew in number from 50 to 200 buoys. The buoys would take up five miles of ocean space and would stretch about one mile long. Hildenbrand distributed information on the Minerals Management Service's proposed rules on alternative energy and alternate uses in the ocean. Lincoln County and FINE had submitted comments on the proposed rules, and Hildenbrand encouraged others to do the same. The commission had no objection to the Port's submitting comments in support of Lincoln County's stated position. The deadline for filing comments is September 8. General Manager Mann asked the commissioners to get back to him with their input after the Labor Day holiday, on September 2.

C. Fresh Water Treatment Facility. Paul Amundson, representing the Water Treatment Task Force, presented the results of a study he and his group had done over the past year. The group is comprised of nine citizens who volunteered to work with city staff, public works, and the water processing distribution staff to examine Newport's water processing distribution system. The task force concluded that the drinking water processing plant does not meet peak demand quantity requirements; that the processing plant meets federally mandated quality standards now but will not in the future; the drinking water distribution system does not meet pressure and safety needs; and the processing and distributions systems are vulnerable to equipment failure. To solve these problems, the task force recommends upgrades to the processing plant and distribution system; adding new storage tanks to meet pressure and quantity needs; and a new filtration system to improve the quality of water going into the

processing plant. The estimated cost of these improvements is about \$16-million. A general obligation bond to pay for these improvements will be on the November 4 ballot and a group is being organized to advocate for passage of the bond initiative. The task force will complete a final review of the comprehensive water treatment plan and water conservation plan, and when that is done the task force will be disbanded.

D. Yaquina Bay Marketing DVD—Oregon Tourism Commission, Matching Grants Program.

Commissioner Barton moved to approve the Port's application for an Oregon Tourism Commission grant to provide matching funds for the Yaquina Bay Marketing Video. Commissioner Goblirsch seconded the motion and it passed 4-0.

E. City of Newport Enforcement of Port Parking Lots per Municipal Code 6.20.

Commissioner Goblirsch moved to approve the city ordinance amendment that would allow Newport's city parking enforcement officer to enforce the Port of Newport's parking regulations. Commissioner Fleck seconded the motion and it passed 4-0.

F. Resolution 7-2008 Authorizing a Loan for the Reconstruction of H-Dock in South Beach.

Commissioner Fleck moved to approve Resolution 7-2008 authorizing a loan for the reconstruction of H-Dock in South Beach. Commissioner Goblirsch asked if the loan had been amortized and was plausible from a financial standpoint, and both the General Manager and Finance Director said it had and was. Hearing that, Commissioner Goblirsch seconded the motion and it passed 4-0.

IX. OTHER

Chairman Halverson proposed instructing staff to evaluate the cost of hiring a professional public relations team on a short term basis to help the Port provide better communication with the public about the terminal renovation and other projects that the Port is involved in at this time. With staff operating at full capacity on so many projects, Halverson said they really don't have time to provide the communication that the district needs and deserves about what the Port is doing. Commissioner Goblirsch said that she could relate to that because, as a commissioner, just trying to keep up and do a good job of communicating was very challenging. General Manager Mann said that the inquiry would be exploratory only, to determine what the firm would offer and what the cost would be to help the Port use the tools it has to their fullest advantage. Commissioner Barton cautioned that hiring a professional public relations team should not be a substitute for keeping relevant stakeholders engaged from beginning to end on any project, which is why a lot of agencies find themselves having to do damage control later on. The chairman said his thought was more effective communication, not a substitute for it. It was the consensus of the commission that staff should evaluate the cost of hiring a communications management team and get more specifics on what services they would provide.

Commissioner Goblirsch noted the passing of local fisherman Chris Martinson, who had been a strong leader in the fishing industry and a good friend to the Port for many years. Martinson died August 21 while halibut fishing in Adak, Alaska.

X. UPCOMING MEETINGS

- A. Yaquina Bay Economic Foundation, August 25, 5:30 p.m.
- B. Offshore Aquaculture in the Pacific Northwest, September 9-10, Hatfield Marine Science Center
- C. Fishermen's Forum, September 10, 8:30-9:30 a.m.
- D. Port Commission Work Session and Regular Meeting, September 23, 6:00 p.m.

XI. ADJOURNMENT

The regular meeting of the Port of Newport Board of Commissioners was adjourned at 7:50 p.m.

ATTEST:

Rob Halverson, President
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Dean Fleck, Secretary