

**PORT OF NEWPORT  
MINUTES  
December 22, 2009  
Combined Work Session and Regular Meeting**

**I. CALL TO ORDER**

Commission President Ginny Goblirsch 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 Yaquina Bay Yacht Club Clubhouse, 750 SE Bay Blvd., Newport, OR, the same being within the boundaries of the Port District.

**Commissioners Present:** Ginny Goblirsch, President; JoAnn Barton, Secretary; Don Mathews, Treasurer; David Jincks, Assistant Secretary-Treasurer.

**Commissioner Excused:** Dean Fleck, Vice-President.

**Port of Newport Management and Staff:** Don Mann, General Manager; Patti Britton, Director of Finance; Pete Dale, Project Manager; Kent Gibson, Port Operations; Patty Benjamin, Administrative Assistant.

**Others Present:** Frank Berg and Glenn Schnaidt, Day CPM Services; Yale Fogarty, Pat Ruddiman, Barry Tower, and Rod Worman, ILWU Local 53; Lee Fries, CM/GC Selection Committee; Mike Goff, TCB Productions; Wayne Hoffman, Midcoast Watersheds Council and Terminal Steering Committee; Connie Kennedy and Jim Meyer, Newport Fishermen's Wives.

**II. MINUTES**

**A. Special Meeting—November 19, 2009**

**B. Work Session and Regular Meeting—November 24, 2009**

Commissioner Jincks moved, Mathews seconded, to approve the minutes of the Special Meeting of November 19, 2009 and the minutes of the Work Session and Regular Meeting of November 24, 2009 as submitted. The motion passed 4-0.

Commissioner Barton expressed her appreciation to staff for getting the minutes of the special meeting out to the commissioners and members of the steering committee for review in a timely manner.

**III. FINANCIAL STATEMENTS**

**A. Financial Reports.** Commission President Goblirsch noted that capital purchases stood at 111% of the budgeted amount. Finance Director Britton explained that capital purchases included all the expenses to date for the NOAA Homeport project, but a fund and bank account had now been established for NOAA MOC-P project so those expenses would be separate on the financial statements going forward.

**B. Accounts Paid.**

Commissioner Barton moved to approve the Financial Statements and Accounts Paid, Check Nos. 11333-11338/Construction Fund and Check Nos. 29564-29673/Operating Account. Commissioner Jincks seconded the motion and it passed 4-0.

**IV. PUBLIC COMMENT**

There was no public comment.

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

**A. Department Reports.**

- Kevin Bryant, Commercial Marina Harbormaster\*
- Pete Dale, Project Manager—Commissioner Goblirsch commented on Dale's reference to it being essential that the local service community was qualified to provide the necessary facilities maintenance support for NOAA MOC-P.
- Maureen Keeler, Special Projects Manager\*

- Gina Nielsen, RV-Marina Office Supervisor\*
- Ron Smith, Terminal Manager\*
- Chris Urbach, South Beach Marina Harbormaster\*

**B. General Manager.**

The General Manager had nothing to add to his report.

**C. Commissioners' Reports.**

Commissioner Barton said she had been attending project meetings on Mondays, Tuesdays, and Wednesdays, and offered kudos to port staff on how hard everyone was working. She described staff's output as "mind boggling".

Commissioner Mathews had volunteered to serve on the Blue Ribbon Fairgrounds Panel in October and said he had attended every meeting so far.

Commissioner Jincks said he had stopped keeping track of the meetings he had been attending because there were too many to count. He also concurred with Commissioner Barton's comment about how hard the port staff was working, and said that included the entire crew because it was a busy season for the fishing industry. He recognized Kent Gibson, north side operations, in the audience and thanked him and the rest of the operations crew for getting the local fleet ready for crab season and the distant water fleet ready to go to Alaska. Jincks said their hard work meant a lot every year.

Commission President Goblirsch said she and Commissioner Barton and Patricia Patrick-Joling, Newport City Council, had made verbal progress in working with the medical community on increasing the availability of doctors in the Newport area.

**VI. OLD BUSINESS**

**A. Terminal Renovation—Day CPM Services.** Frank Berg, Day CPM, provided an update on the terminal project. He said the steering committee had met on December 9, 2009 to review KPFF's 40% documents with the proposed 60-foot extension on the west end, and agreed to recommend that the port proceed beyond those documents. On December 15, 2009, the Natt McDougall Company (NMC) had submitted its overall demolition plan and estimate for the cofferdam around the Pasley, remediation and removal of the Pasley, and removal of the cofferdam. The total for that estimate, which Berg described as "consistent and reliable", was approximately \$5.5 million. NMC's plan and estimate had been submitted to two other companies, Nuprecon and Northwest Demolition, for peer review. That review was expected to be complete by January 15, 2010. Berg said the budget was about 2% over expectations but the project team would continue to refine the numbers and look for value engineering ideas to reduce that cost moving forward. He said a master budget would probably be completed by the end of January, 2010. Further to the schedule, completion of the construction documents was expected at the beginning of April, and the Joint Permit Application (JPA) would possibly be completed by mid-to-late March. The team had recently found out that the proposed 60-foot extension on the west end of the cargo dock would have a potential habitat impact, so it was the team's recommendation that KPFF proceed beyond the 40% documents exclusive of the 60-foot extension, pending further information. Commissioner Barton noted that there was no line item for contingency built into NMC's cost projection, but Berg said he was comfortable with NMC's approach and thought the agencies would be too. He expected positive feedback from the peer review. General Manager Don Mann said NMC's report did not include a contingency but was conservative up to 15% in each category. Commissioner Goblirsch noted from the report that concern about catastrophic failure was still there. In answer to a question from Commissioner Barton, Berg said work could be done inside the cofferdam outside of the in-water work window. An ad hoc committee, comprised of a port commissioner, a member of the public, and a third person chosen at the port's discretion, would be formed to conduct a search for a firm to do an independent marketing analysis on the cargo dock and make a recommendation to the Port Commission as to which firm it should hire to do that analysis. General Manager Don Mann said the Economic Development Department has a program for Port Planning and Marketing, so funding might be available for the marketing study. A scope of work and description of the project would be required. Commissioner Barton volunteered to serve on the committee and work with the General Manager to identify two other people. A plan to market the terminal would be a separate step from commissioning the independent market analysis.

**B. NOAA MOC-P – Day CPM Services.** Glenn Schnaidt, Day CPM, led the discussion on the NOAA MOC-P Homeport project. He said the earliest construction estimate had come in at \$31.7 million, which was over the \$28 million GMP, but to date more than \$2.9 million had been trimmed from the budget and the schedule remained on track. The team had been awaiting a technical memorandum from the Army Corps of Engineers (ACOE) that had come in that day, and in-water sampling was scheduled for the first or second week of January, depending on the tides and availability of crews. He said it might be possible to “piggy back” the sampling with pile test activity, which could result in a cost savings. The team had been notified by NOAA of an issue with the configuration of the piers, which protruded into the navigable area of the channel. The pier design had been illustrated as such in the port’s best and final offer; however, NOAA had missed it and now said it was not acceptable. NOAA asked that the configuration be re-evaluated in an effort to bring the piers and amount of space the ships would occupy completely out of the navigable channel. KPFF had since produced a revised pier design, showing each specific ship at her individual berth, that accommodates NOAA’s requests. NOAA has reviewed those drawings and returned with comments and some additional requirements. Schnaidt said he expected positive feedback from NOAA in January. The revised pier designs for NOAA and the terminal renovation project are being carefully monitored because both will impact the JPA’s. Schnaidt said there was about a month and a half of “float” in both project schedules. Moving on to Leadership in Energy & Environmental Design (LEED) requirements, Schnaidt said the NOAA MOC-P project had gone in under the requirements of LEED version 2.2; however, while the proposals were being evaluated the organization that administers the LEED program abandoned the 2.2 version and updated to a 2009 version. The new version required a significantly higher number of points for a Silver certification level, but Schnaidt felt that the project would have a good margin of points to ensure certification under the LEED 2009 Silver program. The LEED 2009 version would add a cost of approximately \$100,000 to the project, but Schnaidt said he felt that amount could be absorbed into the budget without a significant detriment to the project. Commissioner Barton said the LEED issue could have been contentious but she thought accepting the 2009 version reflected well on the team and would benefit the project in the end. Schnaidt went on to report that Andersen Construction had met with sub-contractors, vendors, and suppliers in an outreach and kickoff meeting the previous week, and were meeting that day with electrical subcontractors. Bids would be accepted on January 6, 2010, with physical work to start on the NOAA site on January 18, 2010. In answer to a question from Commissioner Barton, Schnaidt said more than 70 sub-contractors and vendors had attended the meeting; and, in answer to question from Commissioner Goblirsch, Schnaidt said most of the attendees were from the local area. Commissioner Goblirsch added that she knew January 18, 2010, would not be an official groundbreaking but felt something should be done to mark the occasion of the start of physical work at the site. In answer to another question from Commissioner Barton, Schnaidt said he was not surprised that the construction estimate came in over the \$28 million target, because that estimate had been based on an incomplete set of documents. He added that everyone is cautious and conservative about pricing in the early phase of a project. A discussion followed about the issue of locating the utility lines that are buried under the bay, in order to facilitate the relocation of the NOAA piers. Schnaidt said the original civil engineer who designed those utility lines had been found and he still had a set of drawings so that had been very helpful. A probe would be sent down to determine where the lines are buried.

John van Staveren, Pacific Habitat Services, provided an update on the environmental aspects of both the terminal and NOAA projects. Relating to the terminal, he had toured the area with Dan Avery, ODFW, and said the proposed 60-foot extension had raised a concern about additional environmental impacts because there was eel grass growing in the northwest corner where the dock would be extended. KPFF Consulting Engineers had prepared a draft habitat map and were working on designs with and without the extra 60-feet. Relating to the NOAA project, van Staveren said the biological evaluation and joint permit application were on track. He said eel grass was also a concern at the NOAA site so the test piles’ locations had been changed, moving them further away from the eel grass. In answer to a question from Commissioner Barton, van Staveren said the test piles would remain in place, and Glenn Schnaidt added that there was a cost savings associated with leaving them there. A discussion followed about adding eel grass mitigation from the terminal project to the NOAA project, and van Staveren said the best location for an eel grass bed would be the dredge disposal site, although that was still under consideration until it was known what the impact would be. He said more locations would be checked to see if there was another small area that would fit the bill.

**C. South Beach Fuel Dock Lease Renewal.** General Manager Don Mann explained that the 10-year lease renewal for the South Beach Marina fuel dock was basically the same lease with some changes to the lease language relating to base rent, gallonage fees, and maintenance and service of the facility. Steve Carver was the new lessee, as the fuel dock

lease had been transferred to Carver over a year ago; however, the port still owns the fueling equipment. Mann recommended approval of the lease renewal.

Commissioner Barton moved to approve the South Beach fuel dock lease renewal. Commissioner Jincks seconded the motion. Commissioner Mathews asked for a comparison between the South Beach fuel dock lease and the lease for the fuel dock at Port Dock 5. The General Manager explained that the port provides space for the float and use of the dock to carry fuel for the fuel dock at Port Dock 5, but does not own the equipment. The chair called for a vote and the motion passed 4-0.

**D. State of Oregon Grant Agreement for NOAA MOC-P.** General Manager Don Mann explained that the State of Oregon Grant Agreement for NOAA MOC-P had been negotiated with the state and had been reviewed by both the port's legal counsel and the state's legal counsel. The revenue bond had been sold on November 10, 2009, and the sale closed on November 17, 2009. The grant agreement, if approved by the commission, would be sent to the state along with a letter from the port's legal counsel, proving that the port was authorized to accept the grant from the state. The General Manager recommended approval.

Commissioner Barton moved that the State of Oregon Grant Agreement for NOAA MOC-P be accepted as presented and that the General Manager be directed to sign and submit the agreement. Commissioner Mathews seconded the motion. After a brief discussion about the distribution of interest on the grant money, the chair called for a vote and the motion passed 4-0.

## **VII. NEW BUSINESS**

**A. Newport Wild Seafood Weekend—Newport Fishermen's Wives.** Connie Kennedy and Jim Meyers, Newport Fishermen's Wives (NFW), led the discussion about the Newport Wild Seafood Weekend. The festival was scheduled for September 11-12, 2010, and Meyers and Kennedy proposed holding the event on a portion of the paved area on port property at Port Dock 7. A 50'-70'X100' tent would be raised to house a seafood cook-off, a seafood auction, and a brunch over the course of the weekend. The event would also feature vendors, bay tours, a public seafood market, and a beer/wine garden. Meyers emphasized that the focus would be on showcasing the wild seafood industry, the port, and Newport's working waterfront. Discussions followed about the logistics of parking and facilitating electrical power to the tent. Kennedy noted that September might seem a long way off but a lot of planning would have to be done to make the event a success, so the Fishermen's Wives would need to know now if the commission would approve the use of port property for the event, so that an aggressive promotion and marketing campaign could get underway to bring in underwriters and secure insurance coverage. General Manager Don Mann said the portion of property under discussion was on the east end by the main entrance to Port Dock 7, near the restrooms. He added that, if the commission approved the use of the area, the next step would be to produce a site plan to scale out where the tent would be and where parking would be available. Kent Gibson, port operations, noted that the tuna fleet is active during September, which could affect parking availability, and Kennedy said they would take that into consideration. Commissioner Jincks said he thought it was a worthwhile venture and Commission President Goblirsch agreed.

Commissioner Jincks moved that the Port of Newport proceed in working with the Newport Fishermen's Wives to promote the Wild Seafood Weekend, September 11-12, 2010. Commissioner Mathews seconded the motion. Commission President Goblirsch noted that there would be no cost for the use of port property for the first year or two, but once the event was established the Newport Fishermen's Wives would have to rent the space. The motion passed 4-0.

## **VIII. MEETING RECESS at discretion of the chair.**

There was no meeting recess.

## **IX. OTHER**

Commissioner Jincks asked the status of F/V Helen McColl, the boat that had sunk at its moorage at Port Dock 5 in November, 2009. Mann said three estimates were being solicited on removing the vessel and the port had started legal procedures against the owner. Jincks said it was urgent that the boat be removed and the owner held responsible, because the vessel posed a danger to the rest of the fleet and occupied two critical moorage spaces. Mann said there was a possibility that funding might be available through the state, Oregon State Marine

Board, or Department of State Lands for the boat's removal, but there was also a possibility that the boat would have to be treated as an abandoned vessel with the port absorbing part of the cost. In answer to a question from Commissioner Barton, Project Manager Pete Dale said it had not been established whether or not the boat could be floated out in one piece but it would be expensive, in any case. Commissioner Jincks said that he would like to see an assessment done someday on how many vessels there are in port in the same condition as F/V Helen McColl was before she sank. A brief discussion followed about the difficulty of enforcing the proof of insurance requirement on the port's Moorage License Agreement form.

Commission President Goblirsch made a presentation to the General Manager in appreciation for his ongoing leadership and guidance.

#### **X. PUBLIC COMMENT**

Wayne Hoffman, Midcoast Watersheds Council and Terminal Steering Committee, inquired about the meeting schedule for Terminal Steering Committee going forward, and whether the Natt McDougall Company had indicated a Guaranteed Maximum Price on the terminal renovation and if NMC would be doing the work on the project.

#### **XI. UPCOMING MEETINGS**

- A. Christmas Holiday, December 25 (Port Office Closed)
- B. New Year's day, January 1 (Port Office Closed)
- C. Fishermen's Forum, Port Conference Room, January 13, 8:30-9:30 a.m.
- D. Port Commission Work Session and Regular Meeting, January 26, 6:00 p.m., YBYC Club House

#### **XII. ADJOURNMENT**

There being nothing more to come before the Board of Commissioners, the meeting adjourned at 7:40 p.m.

ATTEST:

---

Ginny Goblirsch, President

---

JoAnn Barton, Secretary