

**PORT OF NEWPORT  
MINUTES  
February 22, 2011  
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 Port of Newport Conference Room, 600 SE Bay Boulevard, Newport, OR, the same being within the boundaries of the Port District.

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

**Commissioners Excused:** Dean Fleck, Assistant Secretary-Treasurer.

**Port of Newport Management and Staff:** Don Mann, General Manager; Patti Britton, Director of Finance; Pete Dale, Project Manager; Maureen Keeler, Special Projects Manager; Barb Martin, Accounts Receivable; Patty Benjamin, Administrative Assistant.

**Others Present:** Frank Berg, Mike Day, and Ray Glur, Day CPM Services; Jeff Boardman, commercial fisherman; Ron and Donita Cole, Yaquina Bay Yacht Club; Yale Fogarty and Pat Ruddiman, ILWU Local 53; Connie Kennedy, Jim Myers, and Sara Skamser, Newport Fishermen's Wives; Mark Reusser, Andersen Construction; Jim Shaw, South Beach resident; Grant Snyder, Wiggins Towboats; Terry Thompson, Lincoln County Board of Commissioners; Theresa Wisner, Aquamarine Power.

**II. MINUTES**

- A. **Supplemental Budget Hearing/Work Session & Regular Meeting—  
January 25, 2011**
- B. **Special Work Session—January 27, 2011**
- C. **Special Meeting—February 15, 2011**

Commissioner Jincks moved, Mathews seconded, to approve the minutes of the Supplemental Budget Hearing/Work Session & Regular Meeting of January 25, 2011, the Special Work Session of January 27, 2011, and the Special Meeting of February 15, 2011 as submitted. The motion passed 4-0.

**III. FINANCIAL STATEMENTS**

A. **Financial Reports.** There were no questions or comments on the Finance Director's written report or the financial statements.

B. **Accounts Paid.** There were no questions or comments on Accounts Paid.

Commissioner Barton moved to approve the Financial Statements and Accounts Paid, Check Nos. 11488-11499/Construction Fund; Check Nos. 11364-11373/NOAA Checking-OCB; and Check Nos. 31061-31157/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 comments.)**

A. **Department Reports.**

- Kevin Bryant, Commercial Marina Harbormaster—Commission President Goblirsch asked about the broken water pipes referenced in Bryant's report and Pete Dale answered that the water pipes are being replaced "as we go" with pipes made of material that doesn't freeze.
- Pete Dale, Project Manager—Commissioner Jincks asked about a reference in Dale's report to changes in the excavation and grade improvements for the South Beach Transportation Improvement Project that might impact Port property. Dale said the issue was that the slope in the grade as engineered might not be workable and if the grade has to be increased or lowered, it would extend further back into the parking lot area. He said the City was looking at it carefully and would run a test. Regarding the proposed

expansion of Rogue Ales, Commissioner Mathews suggested that the Port require that Rogue install a couple of lights, or perhaps even a surveillance camera, on the back of the building.

- Maureen Keeler, Special Projects Manager\*
- Gina Nielsen, RV-Marina Office Supervisor\*
- Ron Smith, Terminal Manager\*
- Chris Urbach, South Beach Marina Harbormaster—Commissioner Barton said she appreciated the detailed report on the South Beach operations crew's activities.

Lincoln County Commissioner and former commercial fisherman Terry Thompson had requested time on the meeting agenda to talk about a proposed fishermen's memorial in Newport. Thompson had to leave early for another engagement so Commission President Goblirsch moved the agenda item forward on the schedule. Thompson distributed pictures of the fishermen's memorials in Warrenton and Astoria. He noted that the fishermen's memorials in Newport, along the Fishermen's Memorial Walk and the Fishermen's Memorial Sanctuary at Yaquina Bay State Park, are for fishermen who were lost at sea, while the memorials in Astoria and Warrenton were open to everyone. He described his concept, which would be a series of small walls that have a fence between them. Thompson said he had been in touch with the Lincoln County Historical Society and the Newport Fishermen's Wives and they are interested in the project and willing to share data and research. He said no one had been resistant to the idea, so far, and the Port commissioners had no problem with the project moving forward. Thompson said the next step would be to put together a committee, including representatives from the Port, to work on plans and funding. He encouraged anyone with questions or an interest in working on the project to contact him at his office. Commission President Goblirsch said she would like to see sketches of what Thompson had in mind.

Connie Kennedy and Sara Skamsner, Newport Fishermen's Wives, said they would be pleased to move forward on the agenda, as well. They distributed a financial statement from the first Newport Wild Seafood Weekend that had been held at Port Dock 7 on September 11-12, 2010. The statement showed a total profit to the Fishing Family Relief Fund of \$420.86. Kennedy said the event had been a learning experience but had gone well. The two biggest expenses had been the tent and electrical work, and they were looking to cut costs and increase revenue this year. They asked the Port to grant permission for them to hold a Second Annual Wild Seafood Weekend on Port property September 10-11, 2011. The General Manager recommended approval and it was the consensus of the commission that the NFW could plan the event working with commercial marina Harbormaster Kevin Bryant going forward.

#### **B. General Manager.**

General Manager Don Mann provided a verbal report to the commission.

The proposed expansion by Oregon Brewing Company/Rogue Ales had not been approved by the commission and issues with the City of Newport, including roadway requirements and utility easements, might have an impact on the project. He said he would like to schedule a meeting with Commissioners Fleck and Jincks, who had been appointed to the project committee, on Friday, February 25, 2011, to discuss issues and concerns about the proposed expansion, and then schedule a meeting with representatives from Rogue the following week. Commissioner Jincks said he would be available on Friday and Mann said he would follow up with Commissioner Fleck. In answer to a question from Commissioner Barton, Mann said it would be up to Rogue to communicate with the City and secure the required permits.

The General Manager had prepared a matrix for funding considerations for the Terminal Renovation Project. He asked the commissioners to review the matrix and get back to him with any ideas they might have for possible loans, grants, or appropriations. Commissioner Jincks pointed out that some of the commissioners had not been involved in the entire process and might not fully understand where the project was, relating to Phases I, II, and III. He also said he would like to discuss some points with the General Manager before he goes back to Washington, DC March 13-17, 2011 with the Pacific Northwest Waterways delegation. He asked Day CPM Project Manager Frank Berg to prepare a "white paper" on the project, and said he and Commissioner Goblirsch would meet with Berg and Mann prior to the DC trip. Berg's "white paper" would be available to the rest of the commission at the regular meeting in March.

A special work session had been scheduled for March 2, 2011, on the Port ordinance update. The General Manager said he had met with staff the previous week to work on the second draft of the ordinance and they had gotten through about half of it. He suggested cancelling the March 2 work session and, instead, the changes to the ordinance would be incorporated into a clean draft by legal counsel, and that draft would be e-mailed to the commissioners by March 9, 2011. A work session could be held prior to the regular meeting on March 22, 2011, to finalize the changes to the

document. Commissioner Jincks said he would be gone during the second week of March but would be available by e-mail. The chair suggested returning to work on the Strategic Business Plan with a view to getting it done this year, once the Port ordinance project was complete.

The General Manager reported that Malia Ashford from Oregon State University (OSU) would be at the Port office at 10:30 a.m. on February 28, 2011 to provide an update on what OSU is planning for wave energy testing this year. OSU had an offshore test site last year and deployed their buoy from the terminal. The General Manager said one or two commissioners would be welcome to attend that meeting.

At the chair's request, a special work session will be scheduled in April to prioritize the budget process.

The General Manager said he was working with Day CPM to identify facility management companies for the NOAA MOC-P Homeport facility, for the upcoming transition from construction to occupancy of the buildings. Commissioner Barton said she would like to attend that meeting. Mann said he also planned to set up a meeting with LtJG Andrew Colegrove and NOAA's new facility manager, John Vickers, to discuss the division of responsibilities so they don't overlap.

General Manager Mann said the final \$5.4 million sale of the GO Bond Series 2011 for the International Terminal Renovation Project was tentatively scheduled for March 24, 2011.

The General Manager and Commissioner Jincks had met with representatives from the Yaquina Bay Yacht Club (YBYC) in January to discuss a proposed dock project. YBYC would like to put in a couple of floating docks. The docks would require piling so Mann had recommended a local diver to find out what was on the bottom of the bay in that area. That information would be useful in the event that YBYC had to apply for a permit to do the work.

### **C. Commissioners' Reports.**

Commissioner Barton had attended a meeting that day with representatives from NOAA, the Oregon Coast Aquarium (OCA), and the Hatfield Marine Science Center (HMSC). She said there was interest in providing an open house for the community at the NOAA facility, apart from a formal ribbon cutting ceremony. She said discussion had centered on two or three days in May or June, from 10:00 a.m.-4:00 p.m., when people could visit the site before the facility is fully occupied. She added that the open house would have to be conducted in a secure manner and there would be areas where people would not be allowed to go, but those at the meeting thought it would be a good event for the community and it would be better to do it over a period of a couple of days, rather than trying to plan a one-day event.

Commissioner Jincks said he had been attending meetings on the terminal project, and added that they don't require a lot of effort besides being there, thanks to the team that is involved. He also had the opportunity to discuss the terminal project with Senator Wyden's aide, Fritz Graham, ahead of the General Manager's meeting with Senator Wyden in DC in March.

Commissioner Goblirsch said she was looking forward to the work sessions on Port repairs and maintenance, and the one on how to oversee the NOAA lease post-construction. She added that it would be good to get back to the Port's "normal" business, after so much of the focus has been on the NOAA and terminal projects.

## **VI. OLD BUSINESS**

**A. Terminal Renovation—Day CPM Services.** Frank Berg, Day CPM, provided an update on the Terminal Renovation Project. He showed photographs of the completed cofferdam, the whaler on the inside of the cofferdam, and containment bins to hold material that will be removed from the ships and treated. Berg reported that asphalt is being removed for the vibroflotation, which was scheduled to start the following week, and said the water treatment system would be installed in March. There had been eight amendments for a total GMP of \$10,350,000. In answer to a question from the chair, Berg said the late permit cost the project approximately \$140,000 in double shifts and overtime, but that figure wouldn't be exact until that portion of the work is completed. In answer to a question from Commissioner Barton, Berg said the late permit had also had an impact on the schedule. Pulling down the warehouse had been delayed from March until sometime in the summer, and the remediation work, originally scheduled for completion on April 4, would probably not be completed until August. Commissioner Barton noted that there was still interest in salvaging some of the timbers from the warehouse. Berg reminded the commissioners of a meeting later in the week with GRI Consulting regarding grouting of the permanent bulkhead wall, which he said could be a "big ticket item".

**B. NOAA MOC-P—Day CPM Services.** Ray Glur, Day CPM, and Mark Reusser, Andersen-WCC, presented slides and an update on the NOAA MOC-P Homeport Project. Reusser pointed out the progress of the pier, including the small boat dock, concrete beam spans, and the installation of the bull rail. Fender piles had also been installed. Reusser said the only in-water work remaining to be done was a small amount of dredging to open a channel into the area where the eel grass would be re-planted. He showed pictures of the utility building, which has switch gear inside for the two transformers that will power the dock. He said power was now online in the office building and finishing work was being done. Reusser expected the cabinets to be in by the end of the week. A short discussion followed about security measures that will be taken at the facility. The project remains on time and within budget.

**C. South Beach Marina Fuel Facility.** General Manager Don Mann distributed a matrix with bid estimates from two contractors, Pettijohn, Inc. and 4C's Environmental, on the repair and retrofit project at the South Beach Fuel Dock. Mann noted that it was the Port's procurement policy to get at least three competitive quotes for a project of that size, and four estimates had been requested and documented but only two companies responded. 4C's Environmental had the lower estimate at \$90,088.14, below Pettijohn, Inc. at \$98,945.14. Both of those estimates included a 15% markup on the equipment. Mann said the markup could be avoided if the Port purchased the equipment but there were liability issues to consider. Project Manager Pete Dale had prepared a question and answer sheet based on concerns expressed by the commissioners at the Special Meeting on February 15, 2011, and on his discussions with Bob Baxter, who is a sales representative for Mascott Equipment, a company that supplies petroleum product handling equipment to the industry. Dale said he had been told that the agency/owner purchases the equipment and the selected contractor does the installation in 90% of the installations that are done. In answer to a question from Commissioner Jincks, Dale said the completion date for the project would depend on when the equipment was ordered. He estimated that it would take 4-5 weeks for the equipment to arrive after it was ordered, because the dispensers would be fabricated when the order was received, and the Port would be asking for a particular type of metering system. Dale added that the old piping system would have to be flushed and removed prior to the arrival of the new equipment, and the Coast Guard and agencies that use the dock for fueling would have to be notified that the facility would be out of service. Dale said he had been told that there would be a price increase of 6-7% on the equipment after March 1, 2011. In answer to a question from Commissioner Jincks, Dale said the timeline on accepting the bid estimate was 30 days. Mann suggested that the contract would be written so there was room for negotiations in cost and division of responsibilities. He went on to say that the contract had not been prepared as yet, nor had a contractor been selected. A discussion followed about the reputation and track record of 4C's Environmental. Commissioner Jincks recommended that the contractor with the lowest bid estimate, 4C's Environmental, be offered a second job description, and part of that would be the supply of materials and pumps. He said it was his personal position that the Port should steer clear of purchasing equipment for installation by other contractors. He added that "sometimes when we try very hard to save money, it ends up costing us money", and he recommended proceeding with caution. The General Manager said he would e-mail the final cost to the commissioners as soon as he had that conversation with the contractor. Commission President Goblirsch said that it would have been good to have had the bid estimates and question and answer sheet before the meeting started, since there was so much interest in the fuel dock project on the part of the commission, but she understood the short timeline.

## **VII. NEW BUSINESS**

**A. Fishermen's Memorial—County Commissioner Terry Thompson.** This agenda item had been moved up on the agenda.

**B. Newport Wild Seafood Weekend.** This agenda item had also been discussed earlier in the meeting.

**C. Aquamarine Power—Theresa Wisner.** Theresa Wisner introduced herself as the Oregon Outreach Coordinator for Aquamarine Power, a wave energy developer based in Scotland. The Newport, OR office had opened in November of 2010. Wisner was working in the community to find areas to site Oyster, a wave power energy converter designed to produce electricity from ocean waves. Using a PowerPoint presentation, she displayed pictures of the Oyster device, which is a buoyant, hinged flap that is attached to the sea bed near the shore with a large anchor. The flap is almost entirely submerged, and sways back and forth in the waves pushing high pressure water onshore into a hydro-electric turbine. Wisner said all generation takes place onshore at an electrical plant so no electromagnetic field is created at sea. She said there had been one Oyster device in operation in Orkney, Scotland since September of 2009. The next installation would be three devices, and a full array would be 20 devices. Each oyster is 59 feet long by 33 feet wide and generates about 800 kilowatts. Wisner said Aquamarine currently had a lease application with the Department of State Lands but planned to reduce the area they were looking to lease from the 7,000 acres they had originally asked for. Once the land is leased, Wisner said a couple of acoustic

Doppler current profilers (ADCP) would be installed to measure the strength of the waves as they go over the areas of land. The ADCPs would stay in the water for 12-24 months and, at that point, a 3-device array would be placed in one of the eleven sites along the coast, and go up to a 20-device array after that. Wisner pointed out, however, that nothing could be put in the water until after the territorial sea plan was completed. Commissioner Barton asked about storage capacity and Commissioner Jincks noted that there would be limitations as to the areas that could be used for the shoreline feed. Wisner said she would be making her presentation to the city and county boards the following week and would be pleased to answer questions after the meeting.

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

There was no meeting recess.

**IX. OTHER**

There was no other business.

**X. PUBLIC COMMENT**

Commercial fisherman Jeff Boardman reported that a computer had been stolen from his boat when it was moored at Port Dock 5 and there had been thefts from other vessels, including wheels from a couple of the wooden boats. He suggested that the Port install security cameras at the ends of each dock and increase foot patrols on the docks by the security guards. Commissioner Jincks recommended that the annual savings the Port would realize by hiring the new security company, estimated at \$40,000, be put towards a good security system and additional lighting, not just for Port Docks 5 and 7 but for the terminal as well. The General Manager pointed out that the savings this year would be closer to \$30,000 because the security service was started later into the fiscal year. Commissioner Mathews endorsed Commissioner Jincks' suggestion and added that signage might be a deterrent in the meantime. Commission President Goblirsch thanked Boardman for bringing his concerns to the commission and said steps would be taken to resolve the problem.

Yale Fogarty, ILWU Local 53, commented on the South Beach Transportation Improvement Project at South Beach.

**XI. UPCOMING MEETINGS**

- A. 34<sup>th</sup> Annual Newport Seafood & Wine Festival, February 25-27
- B. Fishermen's Forum, March 9, Port Office, 8:30-9:30 a.m.
- C. PNWA Mission to Washington, DC, March 13-17
- D. Port Commission Work Session and Regular Meeting, March 22, 6:00 p.m.

**XII. ADJOURNMENT**

There being nothing more to come before the Board of Commissioners, the meeting was adjourned at 8:05 p.m.

ATTEST:

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Ginny Goblirsch, President

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David Jincks, Secretary