

PORT OF NEWPORT
MINUTES
February 24, 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 Port Conference Room, the same being within the boundaries of the Port District.

II. INTRODUCTIONS

Commissioners Present: Ginny Goblirsch, President; Dean Fleck, Vice-President; Don Mathews, Treasurer; and David Jincks, Assistant Secretary-Treasurer.

Commissioners Excused: JoAnn Barton, Secretary

Port of Newport Management and Staff: Don Mann, General Manager; Patti Britton, Director of Finance; Pete Dale, Projects Manager; Kent Gibson, Port Operations; Maureen Keener, Special Projects manager; Patty Benjamin, Administrative Assistant.

Others Present: Carol Cole, South Beach resident; Lee Fries and Larry Johnson, Newport residents; Pete Gintner, Port legal counsel; Mike Pettis, commercial fisherman; Pat Ruddiman, ILWU Local 53; Mike Schmid, KPFF Consulting Engineers; and David Shellshear, Friends of Yaquina Bay. Local attorney Dennis Bartoldus arrived at 6:20 p.m.

III. MINUTES

A. Work Session and Regular Meeting—January 27, 2009.

Commissioner Fleck moved, Mathews seconded, to approve the minutes of the Combined Work Session and Regular Meeting of January 27, 2009 as submitted. The motion passed 3-0, with Commissioner Jincks abstaining because the meeting had taken place before his appointment to the commission.

B. Special Meeting—February 12, 2009.

Commissioner Jincks moved, Fleck seconded, to approve the minutes of the Special Meeting of February 12, 2009 as submitted. The motion passed 4-0.

IV. FINANCIAL STATEMENTS

A. Financial Reports. There were no questions or comments on Finance Director Patti Britton's written report or the financial statements, which included the Current Assets and Liabilities Statement, Revenue Statement, and Expense Statement.

B. Accounts Paid. Commissioner Fleck moved to approve the Financial Statements and Accounts Paid, Check Nos. 11268-11271/Construction Fund and Check Nos. 28431-28544/Operating Account. Commissioner Mathews seconded the motion and it passed 4-0.

V. PUBLIC COMMENT

Commercial fisherman Mike Pettis welcomed Commissioner David Jincks to the Port of Newport Commission and thanked him for his public service.

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

A. Department Reports.

- **Kevin Bryant, Commercial Marina Harbormaster***
- **Pete Dale, Project Manager***
- **Maureen Keeler, Special Projects Manager**—In answer to a question from Commissioner Fleck, Maureen Keeler and General Manager Don Mann explained that the Port had submitted a placeholder request for funding through ODFW to

NOAA/NMFS as part of the federal stimulus package. If it is granted, the funding would be used for the ship removal phase of the terminal renovation project. The project had been submitted but it would probably be 2-3 months before it is known whether the application was successful.

- **Gina Nielsen, Marina Office Supervisor**—Finance Director Patti Britton said the RV Park was full for the Seafood & Wine Festival. She had not seen a day-by-day breakdown of revenue over the festival weekend but the “unofficial” total for Friday was approximately \$8,000.
- **Ron Smith, Terminal Manager**—Commissioner Mathews commented on Ron Smith’s reference to the ro-ro dock’s getting soft. The General Manager said additional steel plates might have to be placed and, at best, there is another season left in the old wooden dock.
- **Chris Urbach, South Beach Marina Harbormaster***

B. General Manager.

There were no questions or comments General Manager Mann’s written report. He announced that the Port of Newport would host the 35th Annual Pacific Coast Congress of Harbormasters & Port Manager’s Conference. The conference will be held at the Best Western Agate Beach Inn April 14-17, 2009.

General Manager Mann said he had placed a call to Andy Jordan, Special Districts of Oregon, regarding training for the commissioners on public law, public meetings, and commission duties and responsibilities. The commissioners had set aside March 18, 2009 for training.

VII. OLD BUSINESS

A. Terminal Renovation – KPFF Consulting Engineers. Mike Schmid, KPFF, reported that after the most recent meeting with the state and federal agencies he felt there was some clear direction with regard to the final application for the joint permit and now the focus had shifted to five alternatives for a comparable alternatives analysis. Schmid listed those five alternatives as: 1.) remove one ship; 2.) remove two ships; 3.) build a bulkhead wall five feet off the ship hulls; 4.) “snug” the bulkhead wall up against both ship hulls; and 5.) take no action. Schmid said he expected to submit the Joint Permit Application (JPA) on March 9, 2009, or March 12, 2009 at the latest. He said a detailed list had been compiled of tasks and assignments with regard to the JPA and team members were contacted daily to make sure the tasks were getting done according to schedule. He said valuable feedback had come from the Division of State Lands (DSL) and the Army Corps of Engineers (ACOE) and the team was more confident that they understood what the agencies were looking for and how to get the application done to their specification. He said he had researched alternatives analyses required of the Portland District and found none that was as complete, accurate, or detailed as the one that would be submitted by the Port. Schmid concluded by saying that he found it interesting that the agencies had focused so much energy on the Port’s project, but because of all the interaction with the agencies he felt the project was on track and the permit would be submitted in a way that that it would be reviewed and approved so the project could move forward.

The General Manager and Project Manager Pete Dale showed photographs taken within the last two weeks of new cracks in Pasley hull and fissures that had developed showing separation between the bank and the side of the ship. Dale emphasized that there was no conclusive evidence but it appeared that there is now motion in the forward part of the ship.

General Manager Don Mann called on KPFF engineer Mike Schmid to discuss some of the measures that had been suggested during the January regular meeting as steps the Port could take to stabilize the Pasley prior to the start of construction on the terminal renovation project. Starting with the option of driving piling in front the stern section, Schmid he and his team frankly didn’t know of any piling that would be large enough, without a tie back system, to prevent the stern section from rolling into the bay. He said one possibility would be to construct a row of piling in front of the stern and tie it back to a dead man system on the shore side, but he didn’t see just using piling in the stern section as a solution. He said the second option of removing some of the fill material was intriguing, but considering the forces that were acting on the stern section—weight of the ship, weight of the fill material, and weight of the soil, plus buoyancy, friction, and lateral and hydrostatic forces—removing weight might help or might actually worsen the

problem. Schmid pointed out that the ship had been scuttled on an incline, so the weight was actually a stabilizing force that decreased the ability of vessel to slide. Schmid then discussed a third option of taking oil off the ship as quickly as possible. He said that he and Project Manager Pete Dale were fairly certain the starboard tank was pressurized with sea water, so the last thing they would want to do would be to poke a hole in the tank, but from his perspective removing the oil was probably the most viable of the three alternatives. He said he had spoken to Terry Hosaka, of Kennedy/Jenks, and Hosaka said it was doable from a DEQ permitting perspective and they could start taking oil off as soon as they came up with a method they felt comfortable using. Commissioner Goblirsch noted that the oil would have to be removed anyway, under any circumstance. Schmid said he shared the commission's anxiety regarding the potential of something disastrous happening with the ship; and after the JPA was submitted, the commission could ask the engineers to look into stabilizing the stern section and incorporating, to the greatest extent possible, whatever method they used into the final solution. He cautioned, however, that there would be expense associated with the engineers doing that. Commissioner Fleck asked if the engineers had looked into pounding pilings around the outside perimeter of the ship in order to deploy an oil boom, as Commissioner Jincks had suggested at the January meeting, and Schmid said they hadn't yet. Commissioner Jincks said his concern was based on the fact that, even if the oil were removed, a boom would have to be deployed around the ship during construction anyway. He said mooring buoys could also be used to hold the boom in place, and that might work even better than piling because of the currents and tides. Jincks asked if anyone had contacted the oil responders who are part of a federal program. The General Manager said they would respond only if there were an event; however, NWFF Environmental had been on site the previous week and their response time would be 1-3 hours if there were a spill. Commissioner Goblirsch asked if they would be willing to leave a response trailer and equipment at the Port, and Project Manager Pete Dale said he had talked with them about that and would do so again to find out what the rental fee would be on the equipment. He said asking them to stage the equipment was one of the smart things the Port could do right now, and added that there were six trained haz-mat responders on the Port staff and vessels to deploy the equipment if needed. In summary and as a follow up to the discussion at the January meeting, General Manager Mann said the priority would be to submit the JPA during the first week of March, but the Port would prepare simultaneously for the possibility of an event by contacting NWFF Environmental to see if they would be willing to stage response equipment at the terminal. As far as cost, he said he had planned for the cost of taking preventive measures in preparing for construction, but this would be a longer window than what had been planned for. Commissioner Goblirsch said the Port had to be ready for an event, sooner rather than later, and Commissioner Jincks agreed, adding that the Port had already declared an emergency so it needed to show that it was ready for one. Commissioner Goblirsch said she would defer to Kennedy/Jenks and KPFF as far as whether to proceed with removing the oil. She asked if security checked the Pasley at night to watch for oil spills and was told that it was too dangerous to send a guard out onto the ship. General Manager Mann said he would ask security to check the cables going forward but they were to stay away from the water side.

VIII. NEW BUSINESS

A. Street Vacation—SW 12th Street. Local attorney Dennis Bartoldus explained the location of the property owned by his clients, Peter Lawson and Nancy Jane Reid, who were asking for a street vacation, and said the Port had been notified as required by law, since the property was within 5,000 feet of a pier head. His clients were requesting the street vacation to allow for the renovation and remodeling of a garage that sits on the property. The request had been approved unanimously by the planning commission and would go to the city council for final action if the Port approved. The General Manager recommended approval and the commission had no objection, as vacating the piece of property would in no way interfere with Port operations.

Commissioner Jincks moved to approve the street vacation of a portion of SW 12th Street, as described and requested. Commissioner Mathews seconded the motion and it passed 4-0.

Commissioner President Goblirsch signed the consent form; Attorney Bartoldus said he would send a copy back to the port and then left the meeting.

B. Comprehensive Plan Map Amendment Request—Map 11-11-27, Tax Lot 207. Using an overhead map, General Manager Mann described some property that was under consideration for rezoning from planned marine to a residential

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designation. The Port owns a five-acre parcel in the same area, which includes marsh land that the Port had considered offering as mitigation for the terminal project. Even though that idea is “probably off the table”, Mann said there was concern about a possible conflict as a result of changing marine related property into a residential zone. Citing Kevin Hill’s Marine Service business which is located in that same area, Commissioner Jincks pointed out that Mr. Hill sometimes works all night so noise would definitely be a consideration. The commission had discussed this rezoning issue before and it was the consensus of the commissioners that there was no action necessary at the present time. General Manager Mann said he would like to talk with Kevin Hill before the hearing that is scheduled on March 11. Mann plans to attend the hearing and may present testimony based on his conversation with Mr. Hill. He said he would keep the commission apprised.

C. Surplus—1996 Ford Pickup. General Manager Don Mann explained that the Port was in possession of a 1996 Ford Pickup that was in need of work and no longer in service. He asked the commission to declare it surplus so that it could be sold or otherwise disposed of.

Commissioner Mathews moved, Fleck seconded, to declare the 1996 Ford Pickup surplus to the Port’s needs. The motion passed 4-0.

IX. OTHER

There was nothing under Other Business.

X. UPCOMING MEETINGS

- A. 2009 PNWA Mission to Washington DC, March 1-5
- B. Fishermen’s Forum, March 11
- C. Blessing of the Fleet/The Great Newport Seafood Cook-Off, March 21
- D. Port Commission Work Session and Regular Meeting, March 24, 6:00 p.m.

XI. ADJOURNMENT

The combined work session and regular monthly meeting of the Port of Newport Board of Commissioners was adjourned at 7:00 p.m.

ATTEST:

Ginny Goblirsch, President

JoAnn Barton, Secretary

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