

PORT OF NEWPORT
MINUTES
July 24, 2012
Regular Meeting

I. CALL TO ORDER

Commission Vice-President David Jincks called the regular meeting of the Port of Newport Board of Commissioners to order on Tuesday, July 24, 2012 at 6:00 p.m. in the South Beach Marina Activities Room, 2120 SE Marine Science Drive, Newport, OR, the same being within the boundaries of the Port District.

Commissioners Present: David Jincks, Vice-President; Walter Chuck, Secretary; Don Mathews, Treasurer; Dean Fleck, Assistant Secretary-Treasurer, who arrived at 6:05 p.m.

Commissioner Excused: JoAnn Barton, President.

Port of Newport Management and Staff: Don Mann, General Manager; Pat Albaugh, Director of Finance; Rick Fuller, NOAA Facilities Manager; Maureen Keeler, Special Projects Manager; Barb Martin, Accounting Assistant; Patty Benjamin, Administrative Assistant.

Others Present: Frank Berg, Day CPM Services; Wayde and Barb Dudley, Carl Finley, Jay Moeller, Lloyd "Oly" Olson, Laura Seager, and Doug Wills, Newport residents; Yale Fogarty and Pat Ruddiman, ILWU Local 53; Lee Fries, CM/GC Selection Committee; Wayne Hoffman, MidCoast Watersheds Council; Dr. David Landkamer and Jim Wright, Salmon for Oregon; Kiera Morgan, KNPT/KYTE Radio; Dr. Hal Pritchett, Facility Use & Design and Terminal Steering Committees; Joe Rohleder, Lobbyist, Waldport, OR; Jim Shaw, South Beach resident; Jim Wright, Salmon for Oregon.

II. MINUTES

A. Work Session—June 26, 2012

B. Budget Hearing & Regular Meeting—June 26, 2012

Commissioner Mathews moved to approve the minutes of the Work Session of June 26, 2012 and the Regular Meeting of June 26, 2012 as submitted. Commissioner Chuck seconded the motion and it passed 3-0.

III. FINANCIAL STATEMENTS

B. Financial Reports.

C. Accounts Paid.

There were no questions or discussion on the financial reports and accounts paid.

Commissioner Mathews moved, Commissioner Chuck seconded, to approve the Financial Statements and Accounts Paid, Check Nos. 11629-11630/Construction Fund; Check Nos. 11747-11762/NOAA Checking-OCB; and Check Nos. 32948-33050/Operating Account. The motion passed 3-0.

IV. PUBLIC COMMENT

There was no public comment.

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

A. Department Reports.

- Kevin Bryant, Commercial Marina Harbormaster*
- Pete Dale, Project Manager*
- Jim Durkee, Terminal Operations Supervisor*
- Rick Fuller, NOAA Facilities Manager*
- Maureen Keeler, Special Projects Manager*
- Gina Nielsen, RV-Marina Office Supervisor*
- Chris Urbach, South Beach Marina Harbormaster*

B. General Manager.

The General Manager reviewed topics included in his written report and added the following items:

- Final comments were received on the working draft of the Port's emergency response plan and staff will prepare a final draft for the commission's review within the next month.
- The Port's tariffs for the Newport International Terminal should be ready for the Commission in draft form at the regular meeting in August.
- Legal counsel continues to work on the definitions and general conditions sections of the Port Ordinance and estimates completion in the next two months.
- The Newport City Council approved the Port's zone change request, swapping water-dependent for water-related, and final legal review is pending.

C. Commissioners' Reports.

The commissioners had no reports apart from working on their normal Port committees.

VI. OLD BUSINESS

A. Terminal Renovation Project—Frank Berg, Day CPM Services.

Frank Berg Day CPM Services, presented an update on the International Terminal Renovation Project. He reported that steel salvage continued on what is left of the Pasley and from AZ50 sheet pile. A credit of \$777,884 has been rolled back into the project from the salvage, which is \$457,884 over the estimated credit. All formwork, reinforcing steel, and tension tie backs were installed for the dead man/pile cap in the GAP area and for the whaler at the sheet pile permanent bulkhead wall. Piles have been cut to length and the framework for the formwork of the pile caps has been started at the west end of the east dock. The final environmental report has been submitted to the DEQ for a "No Further Action" letter. Efforts continue to review potential cost savings through the value engineering process. Natt McDougall has been working on a final project schedule but that has been delayed due to the complicated work that is ongoing in the gap area. Berg showed a series of slides, including stainless steel tie back rods, intricate formwork with steel tubes running through at various angles, and an aerial photograph showing the west dock nearly completed and work going on in the gap area. Berg was hopeful that the Connect Oregon grant, if awarded, would cover some of the six components of the project that remain unfunded at this time. General Manager Don Mann had attended a hearing on the Connect Oregon grant earlier in the month and he reported that a final determination regarding the award would be made next month.

B. Port Dock Marina Fuel Dock, Dale and Kathy Weber Assignment of Lease to Carver's, Inc.

The General Manager explained that the current lessees of the Port Dock Marina Fuel Dock, Dale and Kathy Weber, are in the process of selling their business to Steve Carver, of Carson Oil. That sale will be final on August 1, 2012, and the Webers would like to assign the remaining portion of their lease, which is approximately two years, to Mr. Carver. The lease assignment had been reviewed by the Port's legal counsel and the lease has all relevant provisions for assignment. The General Manager recommended approval. In answer to a question from Commissioner Chuck, the General Manager said Mr. Carver does intend to make improvements and upgrades to the fuel dock and he would provide a schedule of the work to be done. Commissioner Jincks said he supported the lease and called for a motion.

Commissioner Flecked moved to approve the assignment of the lease agreement between Dale and Kathy Weber and Carver's, Inc. Commissioner Mathews seconded the motion and it passed 4-0.

C. Salmon for Oregon, Jim Wright.

General Manager Don Mann introduced Jim Wright, from Salmon for Oregon. Mr. Wright had made a short presentation at the regular meeting in May, and had asked the board for a letter of support endorsing the Salmon for Oregon project in Yaquina Bay. Mann said he had had an opportunity to discuss the Salmon for Oregon plan with Oregon Department of Fish & Wildlife (ODFW) personnel in Salem the week before, and had learned that ODFW was preparing to start a series of public meetings in August or September to review and discuss an overall multi-species conservation plan of their own. Mr. Wright took the floor and said he understood that the MidCoast Watersheds Council had written the Port Commission about their concerns about Salmon for Oregon's proposal in general, and said he had addressed those concerns in a draft letter which he would share with the Port Manager and Commission. He emphasized that Salmon for Oregon was an education association and advocacy group, and said they recognized that ODFW, along with the Department of Environmental Quality (DEQ) and Environmental Protection Agency (EPA), would have the "final say" on permitting any and every plan that was finalized. He added that Salmon for Oregon was advocating a plan for spring Chinook in four estuaries up and down the coast, but was not in a position to administer the program. He also emphasized that Salmon for Oregon was not attempting to bring back Ore-Aqua. Salmon for Oregon's goal was an acclimation program where salmon are raised in a hatchery and brought into the lower estuary, at a site to be determined by ODFW. Net pens, or acclimation pens, would sit in the bay for six weeks. Wright added that ODFW and others had expressed concern about plans to barge the salmon smolts from the acclimation pens so barging had been "taken off the table". He said they were seeking a general

endorsement of their concept, not a specific endorsement of Salmon for Oregon's particular plan, but rather recognition that the enhancement of Yaquina Bay with spring Chinook would extend the fishing season and benefit the economy. Wright introduced Joe Rohleder, Waldport, OR, who is a lobbyist representing sport and commercial fishermen at the legislature. Mr. Rohleder spoke briefly about the percentage of hatchery-origin salmon and steelhead that are caught now, and said future fisheries will rely more and more on hatchery production. He said he felt that Salmon for Oregon was a good project that would increase the opportunity to catch fish, and added that fishermen were going to have to make that opportunity happen. Mr. Wright introduced Dr. David Landkamer, Sea Grant Aquaculture Specialist, OSU Extension in Newport, OR. Dr. Landkamer endorsed Salmon for Oregon as a grass roots acclimation program that would enhance commercial and recreational fisheries, and combine conservation with economic benefits habitat conservation as well. He distributed copies of an article from a hatchery scientific review group. The article concluded that conservation and commercial and recreational fisheries harvests could be combined for a workable solution. After a discussion about timelines and release numbers, the General Manager said he didn't think anyone disagreed about enhancing the salmon population for Oregon; however, he recommended taking no action on any plan until results are in from ODFW's public process, and he encouraged Salmon for Oregon to advocate for that process and remain partners with ODFW. He added that ODFW might announce their plan in the next couple of weeks. Commissioner Jincks endorsed the General Manager's recommendation and Mann said he would stay in touch with ODFW. Commissioner Jincks added further: "There is not one person on this Port Commission or on staff that does not support salmon enhancement in the Yaquina estuary. It's just that we need to work closely with ODFW also. I feel strongly that we are headed in the same direction and we're all going to get to the same spot. Personally, I thank you for your efforts in this. It is very important."

D. Resolution 4—2012 Establishing the Pedestrian/Vehicle Safety Plan Task Force.

The chair offered copies of the resolution, task for membership roster, and task force guidelines to the public. General Manager Don Mann reviewed the process of establishing the joint City/County/Port Pedestrian/Vehicle/Safety Plan Task Force, which had begun with a draft resolution at the June 26,2012 Work Session. He added that Newport City Council would consider its own resolution, in partnership with the Port, at the council meeting on August 6, 2012. The chair called for a motion.

Commissioner Chuck moved to adopt Resolution 4-2012 establishing a Pedestrian/Vehicle Safety Plan Task Force. Commissioner Mathews seconded the motion and it passed 4-0.

1. Membership Roster

General Manager Don Mann read the sixteen names on the list and said that others had offered to participate if any of the original sixteen members were unable to serve. A discussion followed about whether county and city staff would be voting members or ex-officio, and if that was something that needed to be stipulated in the Port's resolution. It was the consensus of the commission and staff that the resolution would stand as is but could be amended at a later date if necessary.

Commissioner Fleck moved to approve the membership roster for the Pedestrian/Vehicle Safety Plan Task Force. Commissioner Mathews seconded the motion and it passed 4-0.

2. Task Force Guidelines

Commissioner Fleck moved to approve the guidelines for the Pedestrian/Vehicle Safety Plan Task Force. Commissioner Mathews seconded the motion. By way of discussion, Commissioner Chuck asked if there was a provision for extra meetings if needed to keep the process within a 90-day time frame. It decided that the frequency of meetings would not be stipulated in the guidelines or as part of the motion, but could be carried through at the direction of the task force chair. The motion was passed 4-0.

VII. NEW BUSINESS

A. IFA Port Planning and Marketing Grant—Strategic Business Plan and Capital Facilities Plan.

The General Manager recommended approval of the grant application, which would require Commissioner Jincks' signature and was a precursor to adopting the personal services contract with The Benkendorf Associates Corp,

Commissioner Chuck moved to approve the IFA Port Planning and Marketing Grant. Commissioner Fleck seconded the motion and it passed 4-0.

B. Port of Newport Strategic Business Plan and Capital Facilities Plan—Personal Services Contract, The Benkendorf Associates Corp.

The Benkendorf Associates Corp. had been selected as the consultant to prepare the Port of Newport's Strategic Business Plan and Capital Facilities Plan, and Al Benkendorf had made a presentation at the noon work session. The General Manager noted a change in the wording of the final contract, which was not to exceed \$60,625 without written approval from the Port

Commissioner Mathews moved to approve the Personal Services Contract with The Benkendorf Associates Corp for the Port of Newport's Strategic Business Plan and Capital Facilities Plan, contingent upon the grant award from the Oregon Business Development Department. Commissioner Chuck seconded the motion and it passed 4-0.

VII. MEETING RECESS at discretion of the chair.

There was no meeting recess.

IX. OTHER

Referring back to the regular meeting of June 26, 2012, when General Manager Don Mann had announced that he would retire at the end of the year, Commissioner Jincks said that Commission President JoAnn Barton and others had been meeting with Mann and talking with him about his retirement plans. He then read into the minutes a letter from the Commission President (see attached) respectfully asking Mann to extend his retirement through December of 2013. Mann's acceptance of that offer was followed by a round of applause.

X. PUBLIC COMMENT

- South Beach resident Jim Shaw pointed out a discrepancy between the dates of the NOAA Celebration on the Port's agenda of upcoming events and a flyer that had been included in the PUD statements.
- Lloyd "Oly" Olson read a statement pertaining to a petition that had circulated requesting a public forum on the Teevin Brothers' proposal to site a log handling yard at the Newport International Terminal, and also requesting that a public forum be held to review the final agreement between Teen Brothers and the Port of Newport. His statement also addressed the issue of funding a bypass road as a safer route from Highway 20 than the John Moore Road.
- Jay Moeller, who lives on Yaquina Bay Road, expressed concern and opposition to the Teevin Brothers' proposal, and said the log trucks would negatively impact his family's safety, his property values, and his quality of life. He said he had only just learned of the log yard proposal and felt there had been a lack of public process and outreach.
- Lee Fries, CM/GC Selection Committee and Newport resident who lives above the Embarcadero, pointed out that this discussion had been going on for the last five or six years and it has been a public process. He said it had been in the news and there had been public meetings. He added that to have the public involved in the contract negotiations was out of line. He said there were elected officials and management staff whose job it is to oversee the lease negotiations.
- Newport resident Laura Seager echoed Mr. Moeller's concerns about safety and the lack of public outreach, and said she had learned about the log yard proposal at a meeting where General Manager Don Mann had made a presentation about it.
- Yale Fogarty, ILWU Local 53, pointed out that the terminal site is industrial property and had been, probably long before many Newport residents had purchased their homes. He said shipping and commercial fishing had built Yaquina Bay and suggested that a certain degree of safety is incumbent on individuals themselves. He said the terminal is a piece of commercial property that has huge economic impact on Newport and the state of Oregon, and added that when the bond measure to renovate the terminal was passed in 2006, the Port was very public about its intended use and this was "nothing new". He thanked the commission for working with the public.

Commissioner Jincks stated that, as always, this commission respects and is grateful for public comment, and would take the message back and continue on.

XI. UPCOMING MEETINGS/EVENTS

- A.** Fishermen's Forum, Port Operations Shop, August 8, 8:30-9:30 a.m.
- B.** NOAA MOC-P Celebration, August 10, Port Dock 7, 4:30- 6:30 p.m.
- C.** Great Albacore BBQ Challenge, August 11, Port Dock 7, 10:00 a.m.-4:00 p.m.
- D.** Marina Users Meeting, August 15, South Beach Marina, 8:30-9:30 a.m.

- E. Work Session, South Beach Marina Activities Room, August 28, 12:00 p.m.
- F. Regular Meeting, South Beach Marina Activities Room, August 28, 6:00 p.m.

XIII. ADJOURNMENT

There being nothing more to come before the Board of Commissioners, the meeting was adjourned at 7:25 p.m.

ATTEST:

JoAnn Barton, President

Walter Chuck, Secretary