

PORT OF NEWPORT
MINUTES
July 27, 2010
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; Don Mathews, Treasurer; David Jincks, Assistant Secretary-Treasurer.

Commissioners Excused: Dean Fleck, Vice-President; JoAnn Barton, Secretary.

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

Others Present: Frank Berg, Joshua Dodson, and Glenn Schnaidt, Day CPM Services; Maryann Bozza, HMSC; Jim Cline, Rogue Ales; Yale Fogarty and Pat Ruddiman, ILWU Local 53; Lee Fries, CM/GC Selection Committee; Dave Morgan, Lincoln County Today; Kiera Morgan, KNPT-KYTE; Marguerite Nabeta, Governor's Office; Chris Olson, Newport Marina Store & Charters; Mandy Putney, EnviroIssues; Lee Ritzman, Derrick Tokos, and Jim Voetberg, City of Newport; Jim Shaw, South Beach resident; Sara Skamser, Foulweather Trawl; Newport resident Janet Webster.

II. MINUTES

A. Work Session and Regular Meeting—June 22, 2010

Commissioner Jincks moved, Mathews seconded, to approve the minutes of the Work Session and Regular Meeting of June 22, 2010 as submitted. The motion passed 3-0.

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 Jincks moved to approve the Financial Statements and Accounts Paid, Check Nos. 11399-11414/Construction Fund; Check Nos. 11208-11231/NOAA Checking-OCB; and Check Nos. 30295-30423/Operating Account. Commissioner Mathews seconded the motion and it passed 3-0.

C. Resolution 8-2010 Establishing Short-Term Investment Policy. Finance Director Patti Britton explained that Resolution 5-2007, adopted on March 27, 2007 establishing a short-term investment policy, was effective for only twelve months, so Resolution 8-2010 would reinstate a short term investment policy as it relates to investing bond proceeds for the renovation of the International Terminal and the NOAA revenue bond.

Commissioner Jincks moved to adopt Resolution 8-2010 Establishing Short-Term Investment Policy. Commissioner Mathews seconded the motion and it 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*
- Maureen Keeler, Special Projects Manager*
- Gina Nielsen, RV-Marina Office Supervisor*
- Ron Smith, Terminal Manager*
- Chris Urbach, South Beach Marina Harbormaster*

B. General Manager.

Project Manager Pete Dale had prepared an estimate on the cost of temporarily relocating the freezer units that are currently stored at the terminal to accommodate the Terminal Renovation Project. The estimated cost of the relocation was \$25,460, not including actual movement of the units, PUD costs, or electrical service to the fishing dock and hoist. In answer to a question from the chair, Finance Director Patti Britton said the annual revenue from the freezer units was approximately \$6,000 per year, and the General Manager added that the cost of relocating them would come out of the project budget. After some discussion, it was the recommendation of the commission that freezer units should be removed by their owners and the Port would not provide a temporary location for them at this time, since construction will be ongoing for at least a couple of years. The General Manager said he would notify the owners by letter that the units would have to be removed before September 24, 2010.

At the June regular meeting, Commissioner Jincks had asked for a breakdown of costs and expenses to refurbish the old South Beach launch ramp, along with projected income from the ramp over a period of ten years. General Manager Don Mann distributed an estimate detailing the repairs that would have to be made totaling \$130,500. It did not include projected income. The General Manager listed some options in dealing with the old launch ramp. They included removing it, filling in the area, and rip-rapping the bank; making a payment in the amount of approximately \$42,000 to Department of State Lands (DSL) in lieu of mitigation; or continue to make the repairs necessary to use the ramp when it is needed on special occasions. He said the Port could not afford to rebuild the ramp without grant money to do it. A discussion followed about dredging to the launch ramp sites and Commissioner Jincks said he would like to see some research on that because he was under the impression that the Army Corps of Engineers (ACOE) would dredge to one launch ramp or the other, not both. Mann said he would look into that, and would also identify the cost to remove and mitigate the old launch ramp, the cost of long-term maintenance of a second launch ramp, and projected revenue from the ramp.

General Manager Don Mann also provided the following updates:

- The ACOE Dredge Yaquina is removing 9,000-10,000 yards each day and is expected to remove a total of about 200,000 yards this year. Because of heavy in-fill this year, dredging will probably not get down to project depth of 40 feet and Yaquina will be back for 4 or 5 days before crab season so the channel will be in good shape.
- Staff will poll the commission and schedule a tour of Port Docks 5 and 7, perhaps in the afternoon before the August commission meeting.
- The City Planning Commission approved the conditional use permit so the property the Port leases from Rondys can be used for dredge disposal for the NOAA project.
- The Port is working on a plan with Pacific Habitat Services to harvest roughly 8,000 eelgrass plants from an area that is going to be dredged for the NOAA Project. Wilbur Ternick, Florence, OR, is an eelgrass specialist and will conduct a training class for the volunteer group that will harvest the eelgrass. The harvest will take place on August 9-10, 2010 at minus tide. The Oregon Coast Aquarium will nurture the plants for the Port until they can be replanted at the project's mitigation site.
- Mann is working on a scope of work to advertise in August for an RFP for contract security services for the Port District, starting in October of this year. The Port's current security personnel have been notified of the change in writing.
- Illegal charters operating out of the South Beach Marina are still an issue. A charter policy and a means of enforcing it will be part of the ordinance review. The Port's legal counsel is working on some draft changes to the ordinance and those changes might be ready for the commission's review as early as August.

C. Commissioners' Reports.

Commissioners Jincks and Fleck had no reports.

Commission President Goblirsch said that she had been part of a contingent of eight people representing the community that had gone to Seattle, WA earlier in the month to meet with NOAA personnel and their families. She said the meeting had gone well and the Newport team might go back again later to discuss different topics. General Manager Mann said Captain Haines and Jim Barrows were part of the NOAA team meeting earlier in the day and they had thanked the group for making the trip.

VI. OLD BUSINESS

A. Terminal Renovation Project.

1. **Open House—Mandy Putney, EnviroIssues.** Mandy Putney provided a review of the open house that had been held on July 20, 2010. She said there had been a large crowd and the main topics were the remediation process, costs, and how asbestos would be removed and where it would go. She said the next step would be posting outdoor signage about the construction and remediation at both ends of the work site, and notices to the homes adjacent to the construction area.

Further to the Terminal Renovation Project, at the regular meeting in June General Manager Don Mann and Frank Berg, Day CPM, reported that they had been involved in several conference calls with consultant David Reif, from DCI Objectives, relating to services Reif could provide in developing a funding strategy for the Terminal Project. Reif had submitted a draft contract for the commission to review at that time, and DCI Objectives had been put on retainer. Based on further discussions, Mann recommended entering into a full contract for a total cost of \$6,750 and asked the commission to ratify that action.

Commissioner Mathews moved to approve entering into a contract with DCI Objectives at a cost of \$6,750. Commissioner Jincks seconded the motion and it passed 3-0.

2. **Day CPM Services.** See updates below.

3. **Natt McDougall Company, GMP Amendments**

- a) **GMP Amendment No. 1—Purchase of sheet pile for containment cell**
- b) **GMP Amendment No. 2—Site utilities and water main installation**

Frank Berg, Day CPM Services, explained the two amendments to the agreement between the Port of Newport and Natt McDougall Company (NMC) and asked the commission to authorize the General Manager to execute the documents. He said Amendment No. 1 was for the purchase of the specialized sheet pile that would go around the containment cell for the Pasley. He said it also covered the cost of loading and handling the sheet pile, which would need to be there by November 1, 2010, and the design fee for the cofferdam and the CM/GC's contingency fee, for a total of \$2,022,311.60. He added that the NMC was considering re-using some of the sheet pile on the bow of the Hennebique, which would constitute a savings of approximately \$800,000. That savings would be applied to Phase 2 of the project. Berg said that Amendment No. 2 would cover site utilities, the main water line, prep work and some surveying, and the contingency and contractor fee, for a total of \$190,111.13.

Commissioner Jincks moved to adopt and execute the GMP Amendments Nos. 1 and 2 as described. Commissioner Mathews seconded the motion and it passed 3-0.

Berg spoke briefly about the next GMP amendment that would likely be presented for the commissioners' review at the regular meeting in August, and provided an update on the status of the Joint Permit Application (JPA) and building permit.

B. South Beach Peninsula Transportation Refinement Plan—Lee Ritzman and Derrick Tokos, City of Newport

General Manager Don Mann introduced Lee Ritzman and Derrick Tokos from the City of Newport. Using maps and drawings, Ritzman and Tokos provided an update on the next phases of the South Beach Peninsula Transportation Refinement Plan. Tokos said the design was at 50% and the cost estimate was \$2.4 million. The project is being funded through grants, contributions, and matching funds. Tokos said the City felt this was an opportune time to look at the transportation network in South Beach and address the needs of the stakeholders in the peninsula area, as well as set the stage not only for NOAA but for future development of the South Beach Peninsula area. He reviewed the planning process, including the stakeholder meetings that had been held since November. He said those meetings had resulted in a finished plan that showed a series of improvements and realignment of the accesses and approaches to the high-traffic areas. There was a discussion of the proposed roundabout at the end of Marine Science Drive, and Tokos said a half-acre of additional right-of-way would be needed from the Port if the roundabout was built. There was also a discussion about the multi-use pathway that was proposed for the west side of Marine Science Drive. Tokos said he realized there were still questions to be answered about the impact on parking and truck and trailer access to Rogue Ales and Yaquina Bay Fruit Processors (YBFP), but he said the City was prepared to work with the South Beach stakeholders to come up with a solution that would meet their needs. In answer to a question from Commissioner Goblirsch, Tokos said there were no plans for improvements to the turnaround area at the end of Marine Science Drive, and the surface on the existing street would not change. A full open house on the design plan will be held during the week of August 16, 2010 and a second open house will be scheduled for mid-September. Tokos projected that the plan would move into 90% design after the open house, with construction to start in December. He said the project would be completed at about the same time as the NOAA facility.

Newport resident Janet Webster said she had been employed by the Hatfield Marine Science Center (HMSC) since 1989 and had been involved in the discussions about the South Beach Peninsula design. She said steadily increasing traffic in the peninsula area has resulted in some serious safety issues for pedestrians and bicycle riders so she was in favor of the improvements. She cited concerns about a proposed expansion at Rogue Ales because she said that would change the character of the area and result in more truck traffic. However, she encouraged the Port to support the City's request for a half-acre right-of-way so the proposed roundabout could be built, and also encouraged the Port to think about a master plan for South Beach.

C. NOAA MOC-P – Day CPM Services. Glenn Schnaidt, Day CPM, reported that the NOAA MOC-P Project was going very well. Concrete wall panels were being poured and would go up August 3-6, 2010. Schnaidt said that shortly after the walls are tilted up, the structural steel will be brought in and the roof will go on after that. Plans are now being made for testing the windows for weather tightness. Schnaidt said the Guaranteed Maximum Price (GMP) contract has been signed and insurance paperwork completed, and the project is on schedule and on budget. He added that Andersen-WWC will provide a complete construction schedule by Friday, July 30, 2010. Schnaidt provided an update on the Joint Permit Application (JPA). He also reported that during excavation for some underground utilities, a sunken barge had been found. The barge had been buried in sand for decades. Wood samples were taken and analyzed for hazardous materials, but none of the materials found would require depositing the wood in a specialized landfill. The barge was estimated to be about 60-feet long and thought to be about 80 years old. It was made of Port Orford cedar and fir.

VII. NEW BUSINESS

A. Rogue Request For Expansion. Jim Cline, Rogue Brewery, presented a preliminary sketch of a proposed expansion of the brewery's existing warehouse in South Beach. The expansion would be approximately 20,000 square feet to the east and south ends of the existing building. A short discussion followed about truck access, the potential loss of some parking spaces, and the relocation of the pedestrian ramp to the pier. The General Manager said he would continue to work with Rogue, and a to-scale drawing overlaid on a drawing of the footprint of the site would be produced for the commissioners to consider. Cline said that if the expansion is approved construction would start in 2011.

B. OCZMA Membership. The General Manager explained that the issue before the commission was not membership in OCZMA, which is sustained and budgeted annually, but selection of the Designated Representative, which must be an elected official, and Designated Alternate, which can be a non-elected official.

Commissioner Jincks moved to appoint Commissioner Goblirsch as the elected Designated Representative to OCZMA. Commissioner Mathews seconded the motion and it passed 3-0. General Manager Don Mann will serve as the Designated Alternate.

VIII. MEETING RECESS at discretion of the chair.

There was no meeting recess.

IX. OTHER

There was nothing under Other Business.

X. PUBLIC COMMENT

South Beach resident Jim Shaw commented on the reimbursement received by the Port of Bellingham from NOAA for its legal fees relating to the protest of Newport's selection as NOAA's new homeport, and on the flyers that are being produced locally welcoming NOAA to the community.

Lee Fries, CM/GC Selection Committee, complimented the Port on Terminal Project open house and outreach program, and on the high visibility, including trimming the trees at the terminal, of the Port's projects. He said he appreciated the recent press releases and the Port's website.

Chris Olson, Newport Marina Store & Charters, talked about illegal charters and how they create unfair competition with legal charters and their potential liability issues. He offered to provide the commission with more information on the ongoing problem.

XI. UPCOMING MEETINGS

- A.** City of Newport Public Hearing, Port CUP Dredge Material Disposal, July 26, 7:00 p.m.
- B.** Fishermen's Forum, Port Conference Room, August 11, 8:30-9:30 a.m.
- C.** Sixth Annual Wooden boat Show, August 20-22, Port of Toledo
- D.** Port Commission Work Session and Regular Meeting, August 24, 6:00 p.m., YBYC Club House

XII. ADJOURNMENT

There being nothing more to come before the Board of Commissioners, the meeting adjourned at 7:45 p.m.

ATTEST:

Ginny Goblirsch, President

JoAnn Barton, Secretary

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