

PORT OF NEWPORT
MINUTES
July 28, 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; Dean Fleck, Vice-President; JoAnn Barton, Secretary; Don Mathews, Treasurer; David Jincks, Assistant Secretary-Treasurer.

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; and Patty Benjamin, Administrative Assistant.

Others Present: Bob Buckman, ODFW; Carol Cole and Jim Shaw, South Beach residents; Pat Duggan, Lee Fries, and Larry Johnson, Newport residents; Loren Goddard and Roy Hageman, Depoe Bay Near Shore Action Team; Wayne Hoffman, Midcoast Watersheds Council; Kiera Morgan, KYTE-KNPT Radio; Pat Ruddiman and Rod Worman, ILWU Local 53; Mike Schmid, KPFF Consulting Engineers; David Shellshear, Friends of Yaquina Bay; Grant Snyder, Wiggins Towboats.

II. OATHS OF OFFICE

Commission President Goblirsch administered Oaths of Office for Commissioner Don Mathews, Position 4, and Commissioner David Jincks, Position 2. Mathews and Jincks had won seats on the Port of Newport Board of Commissioners in the May 19, 2009 Special Election. Both are for four year terms, expiring June 30, 2013.

III. ELECTION OF OFFICERS 2009-2010

Commissioner Jincks moved that Board of Commissioners retain the same slate of officers for the next year. By way of discussion, he noted that Board Chair Goblirsch had been in that office for only a few months, after replacing former Chairman Rob Halverson when he stepped down, and was doing a remarkable job. However, he suggested a discussion about a succession and rotation of officers in the future and the other commissioners agreed. Commissioner Barton seconded the motion and it passed 5-0.

IV. MINUTES

A. Budget Hearing/Work Session and Regular Meeting—June 23, 2009

Commissioner Fleck moved, Jincks seconded, to approve the minutes of the Budget Hearing/Work Session and Regular Meeting of June 23, 2009, as submitted. The motion passed 5-0.

V. FINANCIAL STATEMENTS

A. Financial Reports. Finance Director Patti Britton asked for questions on her written report, the financial statements, and the extra charts and graphs included in the commissioners' packets this month. There were no questions; however, Commissioner Jincks said he appreciated the comprehensive report.

B. Accounts Paid.

Commissioner Barton moved to approve the Financial Statements and Accounts Paid, Check Nos. 11302-11305/Construction Fund and Check Nos. 28961-29080/Operating Account. Commissioner Mathews seconded the motion and it passed 5-0.

VI. PUBLIC COMMENT

Newport resident Pat Duggan said she had questions about the costs related to removing the SS Pasley and SS Hennebique. Commission Chair Goblirsch said the terminal renovation project would be discussed later on the agenda under Old Business.

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

Referring to a copy of the minutes from a recent Safety Committee meeting, Commissioner Jincks noted that Port employees would be renewing their CPR certifications and said he thought that was an important thing for them to do. He also said he appreciated the commission being copied on those minutes.

B. General Manager.

The General Manager had nothing to add to his written report and the commission had no questions.

B. Commissioners' Reports

Commissioner Barton had been out of town but her husband, Bill Barton, had been working on establishing a contact with an attorney-lobbyist in Washington while she was away, relating to the NOAA homeport project. The contact did not work out.

Commissioner Fleck reported on the Oregon Tuna Classic Fishing Tournament. The event brought approximately 400 people into town. Sixty boats were registered and the sixty 4-man teams caught 210 tuna, resulting in a donation of 4,200 pounds of fresh albacore to Food Share. Some of the participants arrived on Thursday and stayed until Monday, contributing to the economy of the local community. Fleck said the tournament is starting to gain momentum and there is talk of filming it for outdoor shows. He complimented Walter Chuck, the local coordinator of the event, and South Beach Harbormaster Chris Urbach and his crew, who worked hard to get the old boat ramp and docks ready to go.

Commissioner Mathews had volunteered, as he does every year, for the Relay for Life in Newport.

Commissioners Jincks and Goblirsch had been working on the terminal renovation project, specifically the new plan after the restoration grant was not awarded. Commissioner Jincks noted that the presentation about the project earlier in the meeting may have seemed simple, but it had taken a lot of work to get to that point and there was still a long ways to go. Jincks had the opportunity to speak with Jane Lubchenko, the new head of NOAA, when she was in Newport recently, and they talked about Newport's bid to be the new homeport for NOAA's Pacific fleet. Lubchenko said that she was far removed from the selection process but Jincks said he had a good discussion with her.

VIII. OLD BUSINESS

For the convenience of the presenters, President Goblirsch moved the discussion of the Otter Rock Marine Reserve Memorandum of Understanding forward on the agenda.

A. Otter Rock Marine Reserve Memorandum of Understanding. Loren Goddard, chair of the Depoe Bay Near Shore Action Team and owner/operator of a charter boat service out of Depoe Bay, introduced Roy Hageman, another member of the Depoe Bay Near Shore Action Team, to explain the draft Memorandum of Understanding (MOU) that was before the commission for action. Hageman explained the four-page document and the changes that had been made to it since it was first introduced to the commission at the regular meeting on October 28, 2008. The major changes since then related to the collaborative nature of the proposed boundary, ensuring that representatives from all signatories would have the opportunity to engage in discussion prior to boundary modifications; and allowance for the

removal of crab pots that may drift into the marine reserve area without penalty. In answer to a question from President Goblirsch, Hageman said the Port of Newport's level of participation in working with the Near Shore Action Team and ODFW on the Otter Rock Marine Reserve would be up to the commission; and in answer to a question from Commissioner Barton, Hageman explained that the Memorandum of Understanding was not a legal document or commitment, but more of a "handshake". Commissioner Fleck said he liked the idea of having "a place at the table" for the next five years, while data from the Otter Rock Marine Reserve was being analyzed to see if it was working. Commissioner Jincks agreed. Jincks said he recognized the amount of work that had gone into the marine reserves project and the MOU and said he would support the Port's participation at any level. Commissioner Barton pointed out that the Port's Board of Commissioners was made up of elected officials and could change over the next five years, resulting in a very different board that may or may not be in favor of marine reserves. Hageman said that had been taken into consideration when the MOU was drafted, and that was why it allowed for annual review by the signatory parties. Commissioner Barton noted that the MOU was still in draft form and Hageman said no one had physically signed it yet. He did not anticipate any further changes before the MOU was presented in final form but would certainly bring them before the board if there were any.

Commissioner Jincks moved that the Port of Newport support the Otter Rock Marine Reserve Memorandum of Understanding. Commissioner Fleck seconded the motion and it passed 5-0.

B. Terminal Renovation—KPF Consulting Engineers. Commission President Goblirsch provided an update on the terminal renovation project. She reported that the Port of Newport was not successful in its bid to receive federal restoration funds; however, in keeping with the proposal in the restoration grant proposal, the plan is to remove the SS Pasley and move the dock back to create habitat mitigation, and the SS Hennebique would be remediated and left in place for later removal as funds become available. Goblirsch said that representatives from ODFW appear to be satisfied with the proposal and had agreed to work closely with the Port and its environmental consultants on the Joint Permit Application (JPA). Goblirsch emphasized that their assistance is welcome. General Manager Mann had spoken with representatives from some of the other agencies and they had sounded positive about the plan, as did the fishermen and longshoremen when Commissioners Jincks and Goblirsch had met with them. Goblirsch said the Port's consulting engineers are working on developing a budget and timeline for the revised project. Commissioner Jincks expanded on plans for the Hennebique, saying that after the ship is opened up and samples are taken, the Port would be able to determine more accurately the years of life left in the ship and develop a timeline for its removal. The Hennebique would be part of the overall biological assessment and be included in the reports that are submitted with the JPA. Goblirsch added that the fishermen's dock would be a pier-supported rebuild, and Commissioner Jincks reiterated that removal of the Pasley would create mitigation, which had been a problem with previous alternatives.

General Manager Don Mann introduced Mike Schmid, KPF Consulting Engineers, who presented slides showing drawings of the new proposed design and plan for the terminal dock. The plan includes encapsulation of the Pasley with a temporary sheet pile containment wall and then demolition of the ship. The Port's remediation consultant, Kennedy-Jenks, will oversee the operation. The top layer of the bow and stern of the Hennebique would also be removed because those two sections are higher than the final dock elevation. The new concrete dock would be built over the top of the existing wooden dock after steel pilings are driven through to create a support system. The existing ro-ro dock would be demolished and rebuilt. Schmid said the cargo dock would be 475 feet long and the fishermen's dock 320 feet long. In answer to a question from President Goblirsch, Schmid said there would probably be a 15%-20% savings to the Port because of the work previously done on engineering plans for the earlier alternative; and in answer to a question from Commissioner Barton, Schmid said the engineers did not move forward with the design proposed in the restoration grant because of the expense and additional dredging involved in demolishing approximately 1/3 of the Hennebique. Schmid explained the dredge work and stabilization that would be required at the bow of the Hennebique and went on to say that the design is a difficult process and there was a significant amount of work to do before the engineers could be sure that the proposed design would have structural integrity. Commissioner Barton asked if NOAA/NMFS had seen the design and Schmid said they had not. Bob Buckman, ODFW, said the proposed design fundamentally addressed the problem ODFW had with the initial proposal, and added that he got a sense that NOAA feels the same but he could not speak for them. Commissioner Jincks said it would be premature to go to agencies with the new proposal before a budget was finalized and the Port was certain it could afford the design. General Manager Mann said he had a conversation with Cathy Tortorici, National Marine Fisheries Service, and she indicated it would be better to wait until the Port had a more complex and detailed presentation before scheduling an all-agency meeting. Schmid estimated that a 30% design and more refined construction plan would be

available by mid-September. A meeting with the Construction Manager/General Contractor, Natt McDougall Company, was scheduled for Friday, July 31, 2009 at the Port office.

IX. NEW BUSINESS

A. OCZMA Membership. Commissioner Barton said she would like to respectfully withdraw as Designated Representative to OCZMA. After a brief discussion, Commissioner Fleck said he would serve as Designated Representative, with General Manager Don Mann as alternate.

B. Resolution 4-2009, Resolution Amending Section 5.3, Holidays to the Port of Newport Personnel Manual. During the budget process, cost of living and merit increases were frozen for Port personnel and paid holidays were reduced to Christmas only. Resolution 4-2009 was a formality reflecting those changes and amending the personnel manual.

Commissioner Jincks moved, Barton seconded, to adopt Resolution 4-2009, amending Section 5.3 of the Port of Newport Personnel Manual. The motion passed 5-0.

C. Central Oregon Coast, California Sea Lion Disentanglement Cooperation. The General Manager said he had talked with the Director of ODFW that day and discussions were ongoing about the program. If a grant is awarded for construction, Mann said the Port would donate some labor and floats. Information on the program was included in the commissioners' packets. No action was taken by the board.

X. MEETING RECESS at discretion of the chair.

There was no meeting recess.

XI. OTHER

Finance Director Patti Britton reported that she and Administrative Assistant Patty Benjamin had a meeting that morning with Lisa Gray, who designed the Port's website. The commissioners had expressed interest in having their meeting packets added to the website; however, Ms. Gray said the packet would have to be split up into about fifteen different files and would be "unwieldy" on the website. It would, however, be possible to put the financial statements online and the commissioners were in favor of doing that, while continuing to work towards becoming as "paperless" as possible. Commissioner Barton encouraged members of the public to simply call and ask if they would like copies of specific information in the packets.

XII. PUBLIC COMMENT

Pat Duggan, Newport citizen, asked several questions about the terminal renovation proposed design and budget. As a point of order, Commissioner Jincks said he appreciated public comment but turning it into a question and answer period would shorten other people's time to speak. He suggested returning to the agenda and assured Ms. Duggan that her questions would be answered if she would like to stay after the meeting and talk to the commissioners and the consulting engineer.

Wayne Hoffman, Midcoast Watersheds Council, said he was pleased with what occurred with respect to the plans for the terminal project; however, he felt the commission needed to "get a handle" on various budgetary projections, which he described as "fluctuating wildly". He used as an example the \$2 million in the restoration grant proposal for restoring the bottom of the bay behind the sheet piling after the ship is taken out. He allowed that he had never been involved in deep water restoration but said he could not imagine that it would cost that much to re-shape the bottom of the bay. He urged the commission to come up with some realistic projections for the project.

Commissioner Jincks suggested keeping the possibility open for a mid-month work session on the terminal project. He said it did not have to be scheduled at that time but, given the timeline and amount of work there was to do, he thought a mid-month work session would be better than waiting an entire month for a public update on issues going forward. Commissioner Goblirsch agreed, as did Commissioner Barton. Commissioner Barton added that she understood how it felt to be in the audience, knowing that discussions were going on and decisions being made and not feeling as though things were coming to completion. She assured the audience that there was no one on the Port Commission who wasn't anxious to hear answers to those same questions, and the public could be assured that those answers would be shared with them as soon as they were available.

XIII. UPCOMING MEETINGS

- A. "Fishing for Energy" Media Event, International Terminal, August 5, 11:00 a.m.
- B. Fishermen's Forum, August 12, Port Conference Room, 8:30 a.m-9:30 a.m.
- C. Port Commission Work Session and Regular Meeting, August 25, 6:00 p.m.
- D. SDAO Board Training, Best Western Agate Beach Inn, August 28, 8:30 a.m.-5:00 p.m.

XIV. ADJOURNMENT

Commission President Goblirsch adjourned the meeting at 7:15 p.m.

ATTEST:

Ginny Goblirsch, President

JoAnn Barton, Secretary

L:\Minutes\WS RM 07 28 09