

**PORT OF NEWPORT
MINUTES
October 12, 2010
SPECIAL MEETING**

I. CALL TO ORDER

Commission President Ginny Goblirsch called the special meeting of the Port of Newport Board of Commissioners to order on Tuesday, October 12, 2010, at 12:00 p.m., in the Port of Newport Conference Room, 600 SE Bay Blvd., Newport, OR, the same being within the boundaries of the Port District.

The purpose of the meeting was to discuss and act on Amendment Nos. 5, 6, and 7 to the negotiated CM/GC construction agreement with Natt McDougall Company, and an Additional Services Request by Project Managers Day CPM Services, all having to do with the International Terminal Renovation Project; and an Oregon Business Development Department Grant Application for NOAA MOC-P dredging.

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

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

Others: Frank Berg, Day CPM; Yale Fogarty, Pat Ruddiman, and Rod Worman, ILWU Local 53; Dr. Hal Pritchett, Facility Use & Design and Terminal Steering Committees; Grant Snyder, Wiggins Towboat; Joshua Dodson, Day CPM, by speaker phone.

II. BANK RESOLUTIONS

- A. Resolution 9-2010, West Coast Bank
- B. Resolution 10-2010, Umpqua Bank

Finance Director Patti Britton explained that the resolutions were for distribution of NOAA revenue bond funds to local banks, where the Port would receive a higher interest rate and a better return on the funding than currently being realized. She added that the Port already had deposit relationships with the two banks but the resolutions were required as a formality.

Commissioner Jincks moved for adoption of Resolution 9-2010, West Coast Bank, and Resolution 10-2010, Umpqua Bank. Commissioner Barton seconded the motion and it passed 5-0.

III. TERMINAL RENOVATION – Day CPM

- A. Amendment No. 5—For Soil Stabilization, Deadmen Anchorage, Installation of Tie-Beam, and Cost of Pollution and Builders' Risk Insurance

Frank Berg, Day CPM, provided a cost summary of the amendments for the commission. The total GMP for Amendment No. 5 was \$514,856.90 plus \$50,000 contingency, bringing the total GMP to date to \$4,527,717.31. Commissioner Barton asked if it was customary on a project for the owner to pay for pollution and builder's risk insurance. Berg said it was. The policy was specific to the project, and NMC, the Port, and Day CPM were all named as insured on the policy.

- B. Amendment No. 6—For the Complete Remediation of the S.S. Hennebique

Berg noted that the remediation of the Hennebique had been moved up on the schedule because it made sense to apply the findings from that remediation to the remediation of the less stable S.S. Pasley. The total amount of Amendment No. 6 was \$2,054,050.28 plus \$100,000 contingency, bringing the total GMP to date to \$6,581,767.59. A discussion followed about the permitting process and Berg said Natt McDougall was working directly with DEQ on the filtration system that would be used in the remediation process.

- C. Amendment No. 7—For the Installation of the AZ-50 Sheet Pile Containment Cell

The total GMP for Amendment No. 7 was \$1,095,200.38 plus \$50,000 contingency, bringing the total amount of the GMP to date to \$7,676,967.97. A discussion followed about working inside the cofferdam, and in answer to a question from Commissioner Barton, Berg said the sheet pile on site now was for the bulkhead wall, not the cofferdam. He added that the sheet pile for the cofferdam will arrive by flatbed truck and will have to be bigger and stronger than what is on site now, because it will have to "hold back the bay for 23-feet deep". Commissioner Goblirsch noted that the arrival of the larger sheet pile sounded like a "photo op".

Commissioner Barton moved that the commission approve GMP No. 5. Commissioner Jincks seconded the motion and it passed 5-0.

Commissioner Barton moved that the commission approve GMP No. 6. Commissioner Fleck seconded the motion and it passed 5-0.

Commissioner Barton moved that the commission approve GMP No. 7. Commissioner Mathews seconded the motion and it passed 5-0.

It was the consensus of the commission that General Manager Don Mann be authorized to sign the amendments.

D. Additional Services Request for Phases 1 and 2—Day CPM Services

Joshua Dodson provided a summary by conference call of Day CPM's additional services request for Phases 1 and 2 of the Terminal Renovation Project. He said the focus of the original contract was on getting the project on track, which had been done, and it is now clear what it will take to bring both phases of project to successful completion. Day CPM was asking for \$250,000 in addition to the original contract and an extension of eight months. Dodson noted that the original contract was at 1.69%, while 2.5-4% is normal. The increase was calculated to be 3%. A discussion followed about remedial grant money, projected interest on the bond money, and additional savings that might be made going forward that could cover some or all of the \$250,000 increase. Commission President Goblirsch said she could not imagine the project proceeding without Day CPM; Commissioner Jincks said the strong involvement of the Port, NMC, Day CPM, and John Van Staveren of Pacific Habitat Services are making a unique project doable; and Commissioner Mathews added that "we wouldn't be here today if it weren't for the CM/GC process and a team that knows how it works".

Commissioner Jincks moved that the Port of Newport extend the Day CPM contract through Phases 1 and 2 of the Terminal Renovation Project. Commissioner Mathews seconded the motion. It passed 5-0.

IV. PUBLIC COMMENT

There was no public comment.

V. OTHER

A. Oregon Business Development Department Grant Application for NOAA MOC-P Dredging

General Manager Don Mann explained that the grant application was through the Marine Navigation Improvement Fund and would be applied toward dredging costs at the NOAA MOC-P facility. The Port was eligible to apply for the grant because the new facility would be connected to the existing Army Corps of Engineers' federal navigation channel. The application was for funding in the amount of \$585,000 grant and \$179,500 Port match.

Commissioner Barton moved that the General Manager proceed with the application to the Infrastructure Finance Authority for a grant in the amount of \$538,500. Commissioner Jincks seconded the motion and it passed 5-0.

VI. UPCOMING MEETINGS/EVENTS

- A. Fishermen's Forum, Port Conference Room, October 13, 8:30-9:30 a.m.
- B. Port Commission Work Session and Regular Meeting, YBYC Clubhouse, Oct. 26, 6:00 p.m.

VII. ADJOURNMENT

There being no further business to come before the Special Meeting of the Port Commission, the meeting was adjourned at 12:40 p.m.

ATTEST

Ginny Goblirsch, President

David Jincks, Secretary