

**PORT OF NEWPORT
MINUTES
September 23, 2008
Regular Meeting**

I. CALL TO ORDER

Commission Vice-President Ginny Goblirsch was asked to chair the regular meeting because Commission President Rob Halverson had to leave the meeting early. Goblirsch called the regular meeting of the Port of Newport Board of Commissioners to order at 6:55 p.m. in the Port Conference Room, the same being within the boundaries of the Port District.

II. INTRODUCTIONS

Commissioners Present: Rob Halverson, President; Ginny Goblirsch, Vice-President; Don Mathews, Treasurer; JoAnn Barton, Assistant Secretary-Treasurer.

Commissioners Excused: Dean Fleck, 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; Chris Urbach, South Beach Marina Harbormaster; Patty Benjamin, Administrative Assistant.

Others Present: Jeff Bertuleit, Katherine Pedersen, and Marcia Williams, Friends of the Aquatic Center; Mark Cooper and Jim Seavers, commercial fishermen; Stan Deroe, Newport resident; Glenn Dolphin, Oregon State Marine Board; Shems Jud, Environmental Defense Fund; Rob Mills, facilitator; Pat Ruddiman, ILWU Local 53; Mike Schmid, KPFF Consulting Engineers.

III. MINUTES

A. Combined Work Session and Regular Meeting—August 26, 2008.

Commissioner Barton moved that the minutes of the Combined Work Session and Regular Meeting of August 26, 2008, be approved as submitted. Commissioner Mathews seconded the motion and the minutes were approved 4-0.

Vice-President Goblirsch asked for a motion on Resolution 8-2008, which had been discussed by the commission during the work session prior to the regular meeting.

Commissioner Halverson moved to adopt Resolution 8-2008 supporting the Pacific Fisheries Management Council's development of an Individual Fishing Quota system for the West Coast trawl groundfish fishery and opposing allocation of harvesting shares to fish processing companies. Commissioner Barton seconded the motion and it passed 4-0.

Commissioner Halverson left the meeting at 6:59 p.m.

IV. FINANCIAL STATEMENTS

A. Financial Reports. Finance Director Patti Britton called for questions or comments on her written report, the Current Assets and Liabilities Statement, Revenue Statement, Expense Statement, and the Terminal Revenue and Expense Statement. There were none.

B. Accounts Paid. There were no questions or comments on Accounts paid.

Commissioner Mathews moved, Barton seconded, to approve both the Financial Statements and Accounts Paid, Check Nos. 11223-11231/Construction Fund and Check Nos. 27920-28004/Operating Account. Motion passed 3-0.

V. PUBLIC COMMENT

There was no public comment.

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

A. **Department Reports.**

- **Betty Ballhorn, Marina Office Supervisor***
- **Kevin Bryant, Harbormaster***
- **Pete Dale, Project Manager***
- **Maureen Keeler, Special Projects Manager***
- **Ron Smith, Terminal Manager***
- **Chris Urbach, South Beach Marina Harbormaster***

B. **General Manager.**

General Manager Don Mann reported that the cruise committee would meet on Thursday, September 25, at 5:30 p.m. in the Port Conference Room. He asked for a commissioner to serve on the committee and Commissioner Barton said she would, with Commissioner Goblirsch as alternate.

As discussed previously with the commission and agreed by consensus, Mann said that active construction on the buildings for the upland development of the terminal project would be delayed until more was known about the timing on the permitting process. Quade Commercial Construction, the company that had submitted the single bid on the project, will proceed with getting the bonds required and start the preliminary design for the design/build project, but the Port will hold off on issuing any further work orders until next year, when there is a better feel for the permit process. A discussion followed about the timing on the permits and a possible increase in construction costs if the work is delayed. The commissioners had agreed to this action by telephone consensus but Commissioner Barton suggested a motion for the record.

Commissioner Barton moved to instruct General Manager Don Mann to work with the contractor to slow down the upland development until the Port has a better idea of the permitting process. Commissioner Mathews suggested substituting the word "suspend" for "slow down", and seconded the motion as amended. The motion passed 3-0.

General Manager Mann said a meeting was scheduled in Salem on September 29, 2008, with the Division of State Lands, Department of Environmental Quality, Oregon Department of Fish & Wildlife, and the Oregon Economic & Community Development Department. The meetings had been set up at the agencies' request. Following meetings with the state agencies, meetings with the federal agencies would be scheduled, and then another public meeting with interested citizens would be held in Newport. In answer to a question from Commissioner Barton, the General Manager said that a site visit by a representative of the Governor's Economic Revitalization Team and a Natural Resource policy advisor to the governor had focused some of the state regulatory agencies' interest on the project.

The General Services Administration (GSA) had been leasing space at the terminal office for their customs agent's office but, due to the deteriorating condition of the building, the customs office had been temporarily moved to the Coast Guard station. Since construction on the new buildings at the terminal has been suspended until next year, the Port is obligated to provide office space for the customs officer at least until GSA's lease runs out in June of 2009. A temporary trailer office will be provided for the customs agent within the next month. The trailer will stand next to the Port Administration Office.

The General Manager had written a letter to Wilburn Hall asking to extend the lease on the 39 acres that the Port leases from Hall's corporation, Rondys, Inc. A meeting had been tentatively scheduled for September 25, 2008, between Mann, Hall, and Hall's daughter, Margaret Hall. The meeting had not yet been confirmed. The lease, which includes the two acres of storage area that the Port had improved, expires in 2012, and the Port would like to extend it further under the same terms and conditions. Mann said that if the Halls are not interested in extending the lease on the entire 39 acres, he would like to extend it on at least the two improved acres. The lease includes an option to purchase. Mann said he would keep the commission informed.

There had been meetings over the past several months to address boat charter businesses operating out of the South Beach Marina that are considered in non-compliance with the Port's ordinance and policy for conducting business on Port property. General Manager Don Mann said that not only are there safety and insurance issues, but the freelance charter operators have an unfair advantage over Port lessees who rent office space and pay overhead in order to operate their businesses. The Port has no written policy for charter operators at this time, but Mann said that he would be working with staff and the charter committee over the winter and hopes to have a policy for the commission to review in time to get it in place for the next

summer season. In answer to a question from Commissioner Barton, Mann said that other ports have the same issues with freelance charters.

VII. OLD BUSINESS

A. RV Terminal Renovation—KPF Consulting Engineers/Natt McDougall Company. Mike Schmid, KPF Consulting Engineers, reported that the 60% drawings and specifications had been completed and delivered to the Natt McDougall Company (NMC) for pricing, but the Port, with input from KPF, will hold off on setting the GMP until the state and federal agencies' concerns have been resolved and the Port has the assurance that the project currently on the books can be built within budget. Schmid said a lot of time had been spent on the biological assessment, mitigation plan, and joint permit application (JPA). He said he felt that communication with the agencies had been good and the feedback and comments were useful and would save time going forward. Schmid had prepared a detailed response to a request from Kirk Jarvie of DSL regarding the Alternatives Analysis Report and would present it to Don Mann and Pete Dale for review before submitting it. He said he still felt that the Port had made the right decision in regards to the alternative that should be built, in spite of the fact that one of the agencies appeared to be leaning towards removing the ships altogether, which makes the response even more important. Schmid said the best case scenario would be a four-month turnaround after submitting the permit application, but he thought six months was more realistic with in-water work to start in November 2009. Schmid said he was still optimistic that construction would be completed in 2010, although it may be December of 2010, if construction extends into the second in-water work window. Commissioner Mathews suggested issuing a press release after the agency meetings have been held and a projected time line is known. A discussion followed about scheduling the actual construction so that the project would have the least possible impact on the fishing fleet.

B. Emergency Planning—Morgan Rider, Ecology and Environment, Inc. Ms. Rider could not make the meeting and had called to reschedule.

VII. NEW BUSINESS

A. Clean Marina Program Presentation—Glenn Dolphin, OSMB. Glenn Dolphin, Oregon State Marine Board, presented background on the Clean Marina Program, which is an environmental certification program for recreational and commercial marinas around the state. Dolphin said the facilities that participate in the voluntary program show outstanding strides towards environmental stewardship of the activities at their marinas, and he was pleased to present the certification award to the Port of Newport's South Beach Marina. He named some of the projects that Harbormaster Chris Urbach and his crew had to complete over the past year in order to qualify for the certification, including engaging facility-users to protect water quality, implementing Best Management Practices rules, upgrading the fuel dock and oil recycling facility, and signage promoting the prevention of the spread of aquatic invasive species. Dolphin presented a certificate of appreciation and certification to Urbach, along with a Clean Marina flag that will be flown at the marina. The Clean Marina Program was started about three years ago. Port of Newport Manager Don Mann served on the committee that established the standards and developed the program. There are thirty-two certified Clean Marinas in Oregon, and an additional twenty marinas are in the process of working through the program.

B. Friends of the Aquatic Center—Katherine Pedersen. Katherine Pedersen introduced herself and gave a brief review of the history on the Friends of the Aquatic Center. She said the organization was formed three years ago to evaluate the existing municipal swimming pool in Newport with a view to renovating that facility. Planning and design results showed that it would cost \$1-2 million to upgrade the pool and those upgrades would still not expand its size or alleviate its problems. Further research and study led the group to a design based on the Great Wolf Lodge in Chehalis, WA for a municipal family aquatic center with elements of a water park. The group feels the facility would enhance the community and have a positive economic impact on Newport. A DVD was played showing the design and various features of the water park. Pedersen said they had met with the Siletz tribe, the county commission, and the city council asking support for the project. They are now seeking funding and approximately four acres of land for the facility. In answer to a question from Commissioner Barton, Marcia Williams, who is secretary for the group, said the project is estimated at \$13-15 million with 20% of that being the cost of the property, and they hope to reach their goal without going out for a bond measure. The group will host an upcoming fund raiser called "Dive Into Jazz". It was the consensus of the Commission that General Manager Don Mann should write a letter to the Newport City Council stating the Port of Newport's support for the project.

C. Resolution 8-2008, Individual Fishing Quota (IFQ) Groundfish Trawl Fishery. This resolution was discussed during the Work Session and passed 4-0 earlier in the Regular Meeting.

IX. OTHER

The ACOE Hopper Dredge Yaquina will dredge the entrance to Yaquina Bay October 6-11.

X. UPCOMING MEETINGS

- A. Fishermen's Forum, October 8, 8:30-9:30 a.m.
- B. PNWA Annual meeting, October 15-17, Portland
- C. Pacific Coast Congress Semi-Annual Conference, October 21-24, Seattle
- D. Port Commission Work Session and regular Meeting, October 28, 6:00 p.m.

XI. ADJOURNMENT

The meeting was adjourned at 8:15 p.m.

ATTEST:

Rob Halverson, President

Dean Fleck, Secretary

L:\minutes\Regular Meeting 09 23 08