

PORT OF NEWPORT
MINUTES
April 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; JoAnn Barton, Secretary; Don Mathews, Treasurer; David Jincks, Assistant Secretary-Treasurer.

Commissioner Excused: Dean Fleck, Vice-President.

Port of Newport Management and Staff: Don Mann, General Manager; Pete Dale, Project Manager; Kent Gibson, Port Operations; Maureen Keeler, Special Projects Manager; Gina Nielsen, Marina Office Supervisor; Patty Benjamin, Administrative Assistant.

Others Present: Frank Berg, Joshua Dodson, and Glenn Schnaidt, Day CPM; Yale Fogarty, Pat Ruddiman, and Barry Tower, ILWU Local 53; Lee Fries, CM/GC Selection Committee; Pete Gintner, Port Legal Counsel; Connie Kennedy and Maria Rock, Newport Fishermen's Wives; Dave Morgan, Lincoln County Today; Brad Nile and Mark Reusser, Andersen-WCC; John Peterson, Belfor USA; Dr. Hal Pritchett, Facility Use & Design and Terminal Steering Committees; Jim Shaw, South Beach resident.

II. MINUTES

A. Work Session and Regular Meeting—March 23, 2010

A. Special Meeting—April 14, 2010

Commissioner Mathews moved, Barton seconded, to approve the minutes of the Work Session and Regular Meeting of March 23, 2010 and the Special meeting of April 14, 2010 as submitted. The motion passed 4-0.

III. FINANCIAL STATEMENTS

A. Financial Reports. There were no questions or comments on the Financial Reports or Accounts Paid.

B. Accounts Paid.

Commissioner Jincks moved to approve the Financial Statements and Accounts Paid, Check Nos. 11149-11173/NOAA Checking-OCB; Check Nos. 11368-11379/Construction Fund; and Check Nos. 29969-30107/Operating Account. Commissioner Mathews seconded the motion and it passed 4-0.

IV. PUBLIC COMMENT

There was no public comment.

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

A. Department Reports.

- Kevin Bryant, Commercial Marina Harbormaster—Commissioner Goblirsch noted that hoist dock activity was steadily increasing and said that was a “look into the future”.
- Pete Dale, Project Manager—In answer to a question from Commissioner Barton, Pete Dale said that the fire in the RV Annex restroom was an electrical fire caused by a ventilation blower; and in answer to a question from the chair, it was reported that a meeting had been held with the tenants at the International Terminal regarding the upland buildings. Commissioner Jincks had attended that meeting.
- Maureen Keeler, Special Projects Manager*

- Gina Nielsen, RV-Marina Office Supervisor*
- Ron Smith, Terminal Manager—Commissioner Jincks said the Port crew had done a great job of unloading the Alaska boats when they returned and told Kent Gibson, Port Operations North, that the fishermen were particularly pleased with the new tie up cleats.
- Chris Urbach, South Beach Marina Harbormaster*

B. General Manager.

General Manager Don Mann reported that he, Commissioner Fleck, and South Beach Harbormaster Chris Urbach had met with representatives from the Longview Hills Fishing Club about streamlining boat traffic during the busy fishing days at South Beach, starting with the first salmon season in June. Mann said he would write a letter to Lt. Dave Teem, Newport Police Department, requesting ten volunteers to direct traffic at the launch ramp entrances, collect launch fees in advance, and keep traffic moving during the busiest times. Mann said he was looking into signage and South Beach staff would make some repairs to the old launch ramp, which would be used on the busy weekends. He said the Newport Police volunteers were enthusiastic about working with the Port and there would be follow up meetings before June. Commissioner Goblirsch noted that the halibut opener was the same weekend that ODOT planned to close a portion of Highway 20 while they blast a slope near Eddyville and remove the soil from the explosion.

The General Manager reported on a meeting that he, Commissioners Goblirsch and Jincks, and Yale Fogarty and Pat Ruddiman from ILWU Local 53 had attended at Port Legal Counsel Pete Gintner's office that day. Fogarty had presented a letter to the Port in February regarding a standard wage agreement with Local 53 as it related to future work at the terminal. Legal counsel said that the Port could not enter into that type of agreement. However, Commission President Goblirsch recommended the appointment of Commissioner Jincks as chair of a committee, to include members of the public, to develop the operating standards for the terminal, not just relating to labor and shipping but to all phases of terminal activity, including safety standards practices. Jincks said he would be willing to serve as chair of that committee and added that some of the work would have to start soon, as traffic patterns would need to be established and regulated during the construction period. Commission President Goblirsch asked Jincks to provide an update at the next regular meeting on the committee's structure and how it would operate.

Oh behalf of Commissioner Fleck, Commission President Goblirsch mentioned the issue of non-registered, free-based charter operators using the South Beach Marina to board passengers and operate their businesses. The General Manager said he would like to address that problem as one of many policy issues in a review and update of the Port's Ordinance.

Commissioner Barton thanked Yale Fogarty and Lee Fries for volunteering to serve on the committee to review the responses to a Request for Consultant Qualifications (RFQ) for the International Terminal Cargo Market Analysis Plan. That project had been postponed. Barton pointed out that, given the volatility of cargo markets, a cargo market analysis that the Port got this year might well be outdated by the time the terminal was completed in about three years. She emphasized that the Port would come back to that project and thanked Fogarty and Fries again for their commitment.

The General Manager reported on a meeting he had attended that day with Army Corps of Engineers (ACOE) District Representative John Craig and two representatives from the Environmental Protection Agency (EPA). Craig had provided an overview and schedule for the upcoming dredging season, and there had also been discussion about certifying the north dredge disposal site, which had been used for ten years, as a permanent site. Mann reported that it now appeared that the \$200,000 that was designated in the federal budget for the study and Section 102 process was not guaranteed. Mann said he would work with the congressional delegation and other agencies involved in the Section 102 process, to emphasize the importance to Newport and Yaquina Bay of designating the north dredge disposal site as permanent. He said Craig had indicated that ACOE would try to maintain the capability in the district budget to do some of the studies, depending on what other activities they had within the district. Newport was scheduled for nineteen days of dredging starting in mid-June or July 2010. A discussion followed about the "fall back" dredge disposal site on the south side, and also about legislation to ensure that money collected by the Harbor Maintenance Trust Fund (HMTF) was used to maintain harbors and ports and not expended on unrelated initiatives.

C. Commissioners' Reports.

Commissioner Barton reported that she had been attending weekly project meetings; had gone on a Highway 20 project “field trip” arranged by Dr. Hal Pritchett; and had attended a meeting at the Hatfield Marine Science Center (HMSC) on the Ocean Observing System.

Commissioner Mathews reported on the bayfront road construction project. He said the project was on schedule and paving would start in early June.

Commissioner Jincks provided a report on the implementation of a catch share program by the Pacific Fishery Management Council (PFMC) starting January 1, 2011. He explained that catch shares pertain primarily to the trawl fisheries and regulatory problems within the system had created an accumulation problem in the past. Jincks said that PFMC has now created stringent accumulation caps as to what shares each participant can hold, how they have to be used, and when. Jincks said there was no “grandfather clause” so some participants would have to divest of shares they had accumulated. He said another big component of the ruling was the observer program, with observers required on all trawl vessels and observers monitoring catch at all fish plants. \$52 million had been earmarked in the federal budget to offset the cost of the observer program for 2011-2012, with the west coast getting a \$12 million portion of the ear mark to cover two years of observer coverage. Fishermen would cover 10% of the cost and take over full responsibility after two years. Jincks said there was still controversy over the program but he saw it as a positive change with new safeguards in place that would improve utilization of the resource and allow for the use of different techniques in the fisheries. In answer to a question from Commissioner Goblirsch about the program’s effect on the Port of Newport and the community, Jincks said there might be consolidation, with some vessel owners finding it more efficient to put their quota shares onto another vessel and share expenses, and the product might hit the marketplace differently, thus improving its availability to the consumer. Jincks emphasized that the ruling had been seven years in the making and he felt PFMC had done a good job of studying the issues over the years. Jincks reported that he had also been working on the Terminal Renovation Project and was pleased that the work load was decreasing and the meetings were getting shorter. He complimented Port staff and the project team on pulling together.

Commission President Goblirsch said she had been introducing Lt. Andrew Colgrove, NOAA, to the community. They had visited the city and county offices, Chamber of Commerce, and Lincoln County Schools. Commissioner Jincks had agreed to introduce Lt. Colgrove to the marine suppliers in the area. Goblirsch had also been working with the General Manager on providing comments on the city’s budget, specifically as it related to fire coverage in South Beach. Goblirsch had attended the city council meeting the previous week and she and the General Manager would attend the upcoming meeting the next day.

VI. OLD BUSINESS

A. Terminal Renovation Project—Day CPM Services. Joshua Dodson, Day CPM, introduced the terminal project team: Dr. Hal Pritchett, Frank Berg, and Glenn Schnaidt. Frank Berg, Day CPM, led the discussion, outlining the progress and changes in the project since the last commission meeting. Berg said there had been a slight change in the phasing of the project. Contingent on cost savings from the first phase, Phase 2 would now include filling in the void between the new west dock and Hennebique bow. That component of the project had previously been part of phase 1, but had been removed to bring the cost of Phase 1 within budget. Berg said the intent would be to enter into Phase 2 before Phase 1 was finished, so the void between the docks would not be there for long. Berg reported that the 95% documents had been received from the design team, KPFF Consulting Engineers, and would be reviewed by the project team on May 6, 2010, with final documents expected on May 14, 2010. Berg said the goal was to submit the Joint Permit Application (JPA) for both the Terminal Renovation Project and the NOAA MOC-P Homeport Project together during the first week of May.

B. NOAA MOC-P – Day CPM Services. Joshua Dodson, Day CPM, introduced the NOAA MOC-P team members: Dr. Hal Pritchett, Mark Reusser, and Brad Nile. Dodson said the biggest piece of the project currently was the submission of the Joint Permit Application (JPA) during the first week of May. He said that time frame would provide about a month’s buffer before the in-water work window started in November, assuming the agencies take the full time they are allowed to review the JPA and issue the permits. Dodson said there was almost daily contact with the agencies to streamline the process, and NOAA was involved in the weekly project meetings to provide input and answer questions as the project moves forward. Dodson added that the project was still on schedule; in fact, the site demolition and grading had finished early. Mark Reusser, Andersen/WCC, said 3,500 yards of recycled concrete had been laid

down, along with imported rock to fill in, and the site was essentially ready for the upland construction to begin. Bids were being submitted for the structures. Brad Nile, Andersen/WCC, presented a bid package schedule and explained the bid process. The schedule was split into six bid packages to allow the project to move forward while some of the early work was underway. Nile said the final financial report was expected the following week on the site demolition and grading, which was already completed, and the cost savings there would be carried forward into the next phase. Bids on the building shells had been received that day and were being analyzed. Dodson noted that the CM/GC, Andersen/WCC, was required to publicly advertise any work they wanted to self-perform on the project, and Andersen/WCC's bids were received separately by the Port and Day CPM. Nile explained that request for bids to pre-purchase the piling material had gone out early, due to a cost escalation in the steel piling material. He said two bids had come in 20% over budget and two others were very close. The bid prices were good for only seven days so Andersen would make a recommendation to the Port by the end of the week to proceed with procurement. In answer to a question from Commissioner Barton, General Manager Mann said the Port would get mitigation credit for removing cement and creosote pilings from the estuary. Dodson said high aerial photographs were being taken of the site each month, as well as photographs by site cameras a couple of times each day. Those photos would be compiled to create a time-lapse movie of the project being built. Commissioner Goblirsch asked about landscaping and Reusser said that sand topsoil was stockpiled at the site and the design would be appropriate without requiring an inordinate amount of maintenance.

C. Newport Wild Seafood Weekend. Connie Kennedy and Maria Rock, Newport Fishermen's Wives (NFW), presented an update on the Newport Wild Seafood Weekend scheduled for September 11-12, 2010, at Port Dock 7. Kennedy distributed a packet containing site maps, a schedule of events, a list of sponsors, and the event's budget. She said NFW was working with the city on using the boardwalk for dry goods vendors and on using boot prints on the sidewalk to lead people to fishing boats and local businesses. Negotiations were underway for a tent to house the seafood cook-off, and seafood for that event would be from local producers and processors. Rock noted that an upgrade would be necessary to the Port's electrical panel for the event and the cost of that, \$1,400, would be included in the underwriting budget. Kennedy said she realized the Port would have to charge NFW for the event in the future but hoped the electrical upgrade would buy them some credit against those future costs. The event committee meets weekly on Friday at noon at the NFW office, and Kennedy invited representatives from the Port to attend those meetings.

VII. NEW BUSINESS

A. Draft CM/GC Contract International Terminal Project—Port of Newport and Natt McDougall Company (NMC). General Manager Don Mann had provided the commission with copies of the draft contract, and the contract had also been reviewed by the Port's legal counsel. Frank Berg, Day CPM, outlined various points in the draft contract, noting that the contract covered all three phases of the project, and when the budget was finalized there would be a target Guaranteed Maximum Price (GMP) for full completion of the work. He said that the costs for each phase would be brought back to the board for approval of that portion of work, and the way the contract was designed would limit the possibility of going over budget. Any future amendments to the contract would be defined at that time and any savings would go toward future phases of the work. The chair asked for a motion.

Commissioner Jincks moved to approve the draft contract between the Port of Newport and Natt McDougall Company and to authorize the General Manager to sign the contract. Commissioner Mathews seconded the motion.

In answer to a question from Commissioner Barton, Berg said there was a mechanism in the contract that would guarantee that any savings came back to the project. Commissioner Jincks added that the terminal renovation was a very favorable project for a "rolling GMP". The General Manager said that comments by NMC's legal counsel would be forwarded to Attorney Gintner, and Gintner suggested that if there were any major changes in the draft, a special meeting might be necessary. Berg said he did not foresee any major changes.

The chair called for a vote and the motion passed 4-0.

VIII. MEETING RECESS at discretion of the chair.

There was no meeting recess.

IX. OTHER

There was nothing under Other Business.

X. PUBLIC COMMENT

There was no public comment.

XI. UPCOMING MEETINGS

- A. 54th Annual Loyalty Days, April 29-May
- B. Fishermen's Forum, Port Conference Room, May 12, 8:30-9:30 a.m.
- C. Budget Committee Meeting, May 12, 5:30 p.m., Port Conference Room
- D. Port Commission Work Session and Regular Meeting, May 25, 6:00 p.m., YBYC Club House
- E. Memorial Day Holiday, May 31, Port office closed

XII. ADJOURNMENT

There being nothing more to come before the Board of Commissioners, the meeting adjourned at 7:35 p.m.

ATTEST:

Ginny Goblirsch, President

JoAnn Barton, Secretary

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