

**PORT OF NEWPORT**  
**MINUTES**  
**October 28th, 2014**  
**Regular Meeting**

**I. CALL TO ORDER**

Commission President Walter Chuck called the regular meeting of the Port of Newport Board of Commissioners to order at 6:03 pm in the Central Lincoln PUD board room.

**Commissioners Present:** Walter Chuck (Pos. #1), President; Dean Fleck (Pos. #5), Vice President; JoAnn Barton (Pos. #3); David Jincks (Pos. #2).

**Commissioners Absent:** Ken Brown (Pos. #4), Secretary/Treasurer.

**Port of Newport Management and Staff:** Kevin Greenwood, General Manager; Stephen Larrabee, Director of Finance; Rick Fuller, NOAA Facilities Manager; Darlene Webster, Administrative Assistant.

**Others Present:** Dennis Anstine, News Times; Yale Fogarty, Pat Ruddiman and Yale Fogarty, ILWU Local 53; Jim Shaw, South Beach Resident; Lee Fries, Newport; Harold D. Pritchett, Professor Emeritus of OSU Construction Engineering Department; Dick Beemer, Newport City Council; Kiera Morgan, KYTE FM Radio; Jennifer Stevenson and Ginny Goblirsch, Newport Fishermen's Wives; Barb and Wayde Dudley, Newport Residents; Jiah Quayle; Quayle Builders; and Erik Knoder, Regional Economist/Worksource Oregon.

**II. Changes to Agenda:** Item "D" under New Business was moved up to Correspondence/Presentations.

**III. Public Comment:** No public comment was made.

**IV. Consent Calendar:**

Commission reviewed minutes from September 23rd regular meeting, financial reports, declared surplus property and renewed Newport Belle lease (Greenwood noted an amendment was made to the Newport Bell lease agreement prior to this meeting as follows: All that is currently presented in the consent calendar is the same except instead of an increase of 10% and 7½% the tenant would make two biannual payments of \$4800.00.)

Motion by Barton, seconded by Jincks to approve the Consent Calendar as amended. Motion carried 4-0.

**V. Correspondence/Presentations:**

**A. Rob Mills, SDIS/Seal Rock Water District Mgmt Practices Assessment**

Mills requested that the commission participate in a pilot program that is under development. This project is an assessment tool called "Management Practices Assessment" to be utilized by special districts to evaluate and assess their own performance of governance through the SDIS division of the SDAO. This program would assist board members to better identify strengths and weaknesses, identify key performance areas, and to determine actions needed to improve best management practices. SDAO has identified those districts those that are classified as "High" and "Low" risk to gather more data from those districts. The Port is in the "Low" risk category and so gathering data from the Port would be helpful to develop the criteria for this category. It was the consensus of the commission to proceed and participate in this project. A special work session would be set up after the New Year as to how to proceed with this new project and the assessment would count toward the Commission's annual board training.

**B. Bill Lackner/David Gomberg**

Continued correspondence from Lackner to the Port regarding pollution concerns that clam diggers face on Yaquina Bay. Lackner was invited to attend and present within the standard three minute limitation and if the commission viewed that the subject needed further discussion it could be added to the agenda at the next meeting. But for the most part the concerns are out of the area of the Port's jurisdiction and ability to address. The commission did agree that Lackner had some valid concerns, but even if the Port agreed with these concerns, it does not have the ability or jurisdiction to resolve

the problems. The commission did reaffirm its long standing record of going beyond the minimums when it comes to the protection of the environment. Lackner did request a hearing but the commission only holds hearing for topics required by statute. It was the consensus of the commission to offer an open invitation to hear Lackner's concerns in the future during public comment.

#### C. USCG Request for Fast Response Cutters

The Coast Guard is looking to homeport two fast response cutters between Neah Bay, Washington and Coos Bay, Oregon. The question was asked if the NOAA facility could accommodate these two cutters and the response was that it could with some retrofitting as the cutters would need a floating dock. No expenditures were noted. Port does not have any facilities that could accommodate the FRCs but USCG consultants will be touring the NOAA facility next month.

#### D. Res. Advocating USCG Air Station Retention

The Port has been working closely with several bodies of government to bring more awareness into this matter by the following actions: stakeholder's meeting by the Port, City of Newport's "Town Hall" Meeting and a Web Page link provided by the Port to collect all data (letters, petitions, etc) pertaining to this subject. Due to timing, the Port is the last of the three agencies to adopt a resolution objecting to the air station closure. Chuck assisted in the development of this resolution. Goblirsch thanked the community for their efforts thus far. Goblirsch mentioned that this is not just a fishermen's or a local issue but a community/Northwest issue. The ramifications of the displacement of the aircraft would be detrimental to all on the coast. The Coast Guard is greatly under staffed from Northern California to Southern Washington which makes this even more serious. Goblirsch noted that thousands of dollars had already been spent to accommodate these aircraft and now to cut them off and move them elsewhere does not make any sense. Goblirsch noted that it should be as American citizens our right to insist on basic and adequate search and rescue for our community and our area, given all the new development we have going on currently (i.e.NOAA operations, thousands of sport boats and our commercial fleet etc.). Goblirsch noted that the core value of the coast guard is "rescuing mariners at sea in distress". Goblirsch reviewed recent documents from congress regarding budget reviews and found that the last two Commandants have assured congress that they could uphold high standards and do more with less. Goblirsch noting that how they spend their budget is at their discretion. Goblirsch also noted that this situation is out of the hands of local government but recognizes the great support they have given thus far and they are our local hero's. Merkley and Schrader had a conference call today with the Commandant and the outcome was that he would delay closure by two weeks. It is hard to say when if anything else can be done and that it will be a tough fight. Goblirsch and Stevenson both commented that continued efforts will be done and thanked the commission for their support. Chuck asked if more could be done by the commission and Goblirsch noted that most efforts need to be done in Washington DC by our congressional delegation at this point. Goblirsch mentioned that she would like to see a hearing review as they do for homeland security, noting that meeting the standards have yet to be met since 2011 (failing each time). Goblirsch noted also that the cutters will not have any air support as well. Jincks requested for Greenwood to contact our Port Lobbyist Ray Bucheger from DC (FBB Federal Relations) to set up a meeting and to start efforts with the appropriate people in getting assistance in Washington prior to this hearing. Goblirsch added that the lobbyist needs to be in contact with the delegation aides as well and that communication needs to cohesive with those supporters in Washington. Bucheger has been kept informed with our situation and has been apprised of the information that can be accessed on our website. Greenwood noted that congress is to reconvene on November 11<sup>th</sup> and then the new budget will rollover on December 10<sup>th</sup> that he will convey to Bucheger that action needs to happen prior to December 10<sup>th</sup>. Another additional option which Greenwood has already taken action on would be to work with the other Ports

that would be affected in Northwest California (Port of Humboldt Bay backup rescue response time would be delayed for one), South Carolina and Southwest Washington thus creating a need and working with their congressional delegation as well for support. This was a recommendation by the Port's own lobbyist in Washington DC by making this a more national supported issue that this would bring this more attention from those in Washington DC. Greenwood to follow up and keep the commission informed.

Motion by Jincks, seconded by Fleck, to Pass The Port of Newport Resolution 2014-14 A Resolution Requesting Preservation of USCG Air Facility at Newport, Oregon Motion carried 4-0.

## **VI. OLD BUSINESS:**

### **A. Financial Report-Accounts Paid**

Accounts Payable conflict was noted by Fleck of "Englund Marine" who was paid this month and would abstain from voting. This would be a quorum vote.

Motion by Barton, seconded by Jincks to approve the Accounts Paid as presented. Motion carried 3-0.

### **B. International Terminal Engineering/Geotech Contract w/ GRI**

The current focus is on the mitigation portion of the project which is the grounds around the culvert area that it was mentioned that possibly a bridge was previously erected around this area and it is the recommendation from Frank Berg to do borings to find out if old pilings or bridge material is still in this area. The contract is for the identification of sub ground conditions around the culvert area. GRI will also be doing the engineering work on this area as well. This would allow McDougal to get us a true cost after the analysis is done. All agencies are in agreement with the process of this work (DEQ, ODFQ & DSL); permits are on hand and have met all reviews back in spring/summer. The contract is for \$35,340 and we do have a credit of \$25K bringing the total cost to the original budget at \$10K over.

Motion by Fleck, seconded by Barton to approve the General Manager to enter into a Contract with GRI for the International Terminal Engineering/Geotech Contract in the amount of \$35,340 Motion carried 4-0.

### **C. International Terminal Mitigation Construction Contract Amendment No. 31B w/ Natt McDougal Co**

This amendment supersedes the previous Amendments 31 and 31A and replaces Amendment 30. Amendment 31B is for the following: Mitigation dredging of the existing dike to the east of Hatfield Road for a GMP of \$223,895.10, Eel Grass dredging required to the west of the NOAA site for a GMP of \$220,885.50 (trying to save money by combining efforts as proposed by Pacific Habitat to dredge this specific area that may promote growth which may resolve the current lack of Eel grass growth mostly on the surrounding beaches due to height; this topic will be addressed further with DSL as to how much or what is the limit to the Eel grass growth issue at a later time but to bear in mind that we are following the lines of what we previously agreed we would accomplish bearing the cost. Commission did spend considerable time and effort by abstaining consultants and experts to assist in this Eel grass matter to be sure to execute the correct process i.e. height level when originally dredging), Provide Rip Rap armoring over a portion of area below the RO-RO dock for GMP of \$33,077.00 and for Additional dredging at the Cargo dock and the removal of the existing RO-RO dock piles to a minimum depth of -35 feet for a GMP of \$157,334.10 (includes upland disposal, disposal onto the Ports 8 acres, includes prep of hard rocky material, includes dredge permit but no water discharge permit due to minimal water drainage into the bay; commission noted to Greenwood to be aware that that area is a low lying area and that we should be watchful, Greenwood would follow up to assure the commission of the design and process), General liability insurance \$1,688.16, and GMP contingency \$20,000.00. Total amount of Amendment 31B is \$656,876.86 and work will begin with the 2014-15 in water work period. A work schedule is still in progress in order to plan a window to resolve the Eel grass issue. Commission did request Greenwood to follow up with an end date/cost and or resolve to the Eel grass requirement.

Motion by Jincks, seconded by Barton to adopt Amendment No 31B to the CMGC agreement between the Port of Newport and Natt McDougall Co. for the International Terminal Renovation in the amount not to exceed \$656,876.86. Motion carried 4-0.

D. Rondys Lease Addendum

Greenwood met with the Hall Family who was also in attendance at the Marine Technologies Summit last week. They spent a considerable amount of time in discussion regarding the lease addendum. Reluctance on behalf of the Hall's to adopt this addendum was felt due to not including a "Memo of Understanding" as part of this lease. Some of the Hall's family would just as well back out the 10 acres in question now and Greenwood agrees as a motion of good faith so the Hall's family can proceed with the Teevin Brothers and the necessary negotiations that needs to happen. The Port would still continue with the MOU to concentrate on areas of concern such as the relocation of the fishermen storage and the balance of the dredge spoils; which could financial impact the Port. Greenwood recommends that this be a priority to the Port and the commission to resolve. Greenwood recommended that after Teevin has completed the construction that the Port take over the management of the spoils. By the Port taking over the property management of this land (grading annually etc necessary to properly maintain this land) it could oversee the site that it does not become a wetlands area. Understanding that there is a future cost associated with this management that we will need to get more information on. Another issue is the paving to the west of the International Terminal Building which was last estimated at a cost of \$130K to pave 1.5 acres which would bring about the needed storage area needed for the fishermen's gear but would take the Port 3 years to recover this expense.

Motion by Barton, seconded by Fleck to adopt the Rondys Lease Addendum and to approve this agreement between the Port of Newport and Rondys Incorporated Motion carried 4-0.

**VII. NEW BUSINESS:**

A. Turkey Trot Special Event Permit

This event brought to light the inconsistency of charges applied to special use permits. This event applicant indicated that they were a non-profit and that the proceeds would be going to Sam Case Elementary as they did last year. In Greenwood's research he did not receive confirmation as such through no response from the school but through staff's research he believes this event is as presented. But this still brings issues of what to charge consistently to applicants, across the board some events are charged \$5K, \$1K, \$500, \$250 and some no charge. Presented to the commission was a criteria list to establish cost and some sample documents were included for review as well. A base rate would be set and a list of questions with values would determine credit to bring down the base rate. Some questions would be for example is the event applicant a non-profit vs. for-profit, is this event open to the public etc. It was the consensus of the commission to have a standardization of the charges being made, that all applicable permits (i.e. insurance and city permits) are in place, validate that the funds are being allocated as intended and that we also are included in the marketing of the event as contributors. Greenwood noted that it would be difficult to regulate all facets of application (i.e. if the applicant is a legitimate, if city permits have been issued etc) but could be part of the checklist of questions asked.

Motion by Barton, seconded by Fleck to approve the General Manager to authorize a Special Use Permit to the Turkey Trot. Motion carried 4-0.

B. Hearing on Findings and Exempting Public Contracting for Admin Building (ORS 279C.335 (5) (a))

Greenwood opened with what members make up the Admin Building committee as follows: Pritchett, Fuller, Jincks, Brown, Greenwood and Chuck substituted when needed. For the CM/GC (alternate contract method) to be facilitated the Port commission needs to develop findings to make a case for the exemption. Fuller and Greenwood attended a CM/GC public workshop and came away with a list of thirteen findings that need to be commented on. The resolution covers and comments on thirteen findings noting that the findings are not a list of one thru thirteen but overall cover a combination thirteen findings. In overview this will allow the Port to better identify possible areas for cost savings and possibly attain higher quality product at the end. In recap the commission needs to review the findings and pass the resolution to

allow the Port to move forward with the CM/GC contracting method. Fuller added that history for CM/GC type of contracting is good. Greenwood reiterated the conclusion points as presented on page 5.

October 28<sup>th</sup> meeting was adjourned at 7:29 pm.

Opened Public Hearing on Findings and Exempting Public Contracting for Admin Building in accordance to (ORS 279C.335 (5) (a)) at 7:30 pm.

Chuck asked for any public comments and no public comments were made.

Public Hearing adjourned at 7:31 pm.

October 28<sup>th</sup> meeting re-adjourned at 7:32 pm.

#### C. Res. Adopting Findings and Exempting Public Contracting for Admin Building

Commission comments made were in thanking staff and Professor Emeritus Pritchett for assisting the Port in this CM/GC process that the Port has continued for sometime in their past projects. Greenwood noted that an upcoming meeting on November 3rd will allow commission to approve the final schematic drawing and the bid documents that will be used and issued on November 5<sup>th</sup>.

Motion by Barton, second by Fleck to adopt Resolution 2014-13 A Resolution Exempting Contract from Competitive bidding for the Port Admin Building. Motion carried 4-0.

### VIII. STAFF REPORTS:

#### Discussion

Chuck asked if the issue with the boats to be siezed was resolved and Greenwoods response was that two of the three have been liquidated.

#### B. General Manager's Report

##### 1. Ports of Newport/Toledo Goal Setting Work Session

Greenwood presented the agenda for the upcoming joint work session meeting.

##### 2. Port Attorney Evaluation

This is still in progress and more information will be presented at a later date.

##### 3. Rogue Brewery Expansion

This is still in progress and awaiting more information from Rogue and will be presented at a later date.

##### 4. Insurance Renewal

This is still in progress (Greenwood will need to take one quick class in order to proceed) and more information will be presented at a later date.

### IX. COMMISSIONER REPORTS:

Fleck gave the results of the "Udaman" tournament that it was very successful, with over 54 boats that entered, a beautiful day, lots of fish caught, most of the prizes this year going to local residents, 10 year old boy won first place this year, Dustin Boatwright 1<sup>st</sup> place, Don Schmidt 2<sup>nd</sup> place and Mark Sax 3<sup>rd</sup> place. Coho competition had an entry fee of \$10 with a collection of \$850.00 giving ½ the proceeds to this winner Chad Freeborn \$425.

Barton attended the Marine Technology Summit this year 135 registered to attend over the 85 from last year. The keynote speakers were fantastic and that this is a sector of the economy that can/should continue to grow with support from relevant members of the community. Barton also noted that she would be resigning as the Port Liaison from Yaquina Bay Ocean Observing Initiative (YBOOI) steering community in June of 2015.

Chuck reviewed with the commission the upcoming holiday schedule to remain on the 25<sup>th</sup> of November but to move up the regular meeting in December to the 16<sup>th</sup> of December. Chuck presented an email sent to the commission from Chris Olson of Newport Marina Store &

Charters regarding the policy change made last month and how other charters are not operating under the guidelines as presented by the Port in South Beach. Greenwood would follow up and get more information and would try to set up a written policy to present at a later date.

**X. PUBLIC COMMENT:**

No public comments.

**XI. UPCOMING MEETINGS/EVENTS:** Calendar was reviewed with no comments.

**XII. ADJOURNMENT**

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

ATTEST:

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Walter Chuck, President

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Ken Brown, Secretary/Treasurer