

OREGON INTERNATIONAL PORT OF COOS BAY
Coos Bay, Oregon
REGULAR COMMISSION MEETING
Thursday, November 17, 2011
7:00 p.m.

Port Commission Chambers, 125 Central Ave, Suite 230, Coos Bay OR 97420

ATTENDANCE

Commission: David Kronsteiner, President; Caddy McKeown, Vice President; Dan Smith, Secretary; Brady Scott, Treasurer; Jerry Hampel, Commissioner

Staff: Jeffrey Bishop, Chief Executive Officer - Absent; David Koch, Chief Operating Officer; Martin Callery, Chief Commercial Officer; Donna Nichols, Chief Financial Officer; Kathy Wall, Harbormaster; Elise Hamner, Communications & Community Affairs Manger; Mike Stebbins, Port Counsel; Donna Scholl, Executive Assistant

Media & Guests:

Gail Elber, Clair Farnsworth, Leslie Farnsworth, Mike Gaul, Jan Dilley, Marvin Caldera and Linda Anderson.

1. The meeting was called to order at 7:01 p.m. by Commissioner Kronsteiner.
2. Introduction of Guests: Commissioner Kronsteiner dismissed the introduction of guests and recognized former Port employee Mr. Gaul who was in the audience.
3. Recess to Executive Session: Commissioner Kronsteiner called for recess to executive session at 7:02 p.m. and gave the reasons for an executive session.
Return from Executive Session: The Commissioners returned from executive session and Commissioner Kronsteiner re-adjoined the regular session at 7:25 p.m.
4. **CONSENT ITEMS:**
 - A. Approval of the October 20, 2011, Regular Meeting Minutes
 - B. Approval of invoices through November 3, 2011, totaling \$2,592,538.19

Upon a motion by Commissioner McKeown (second by Commissioner Smith), the Board of Commissioners voted unanimously to approve the minutes of the October 20, 2011, Regular Meeting and invoices through November 3, 2011, totaling \$2,592,538.19. Motion carried.

5. **MANAGEMENT REPORTS:**

A. Chief Executive Officer: Jeffrey Bishop - EXCUSED

B. Chief Operating Officer: David Koch

Mr. Koch said projects were moving forward slowly but surely with the railroad rehabilitation. He thanked the commissioners for joining in the rail celebration in Reedsport on Nov. 8. Mr. Koch said the project has many supporters the Port was able to recognize, including Congressman Peter DeFazio who has stood by the Port from the beginning of the effort to reopen the rail line. He felt Commissioner Kronsteiner's comments were exactly right in identifying the terms of the need for the

Port to continue to explore opportunities to utilize the railroad for the economic benefit of the region. He said he hoped the state of Oregon recognizes it as well.

Mr. Koch said contracts continue to go out, including personal services contracts relating to the rail rehabilitation effort. Kyle Electric and a local engineering firm will do electrical work on the Coos Bay Rail Bridge related to replacing the underwater cable that runs out to the bridge and lighting system. Mr. Koch said there have been some setbacks including vandalism and deliberate damage to the rail line that occurred in the Noti area last week. It resulted in a minor derailment of one railcar as it was heading north. The locomotive and the first three lumber cars made it through the area and the fourth lumber car derailed. He said an investigation determined that someone had torn up 600 rail spikes and more than 200 tie plates that hold the rail to the ties through two segments. In one segment, 60 ties in a row were missing tie plates from both sides of the rail and in another area approximately 40 consecutive ties were missing tie plates. Mr. Koch said law enforcement including Lane County Sheriff's Office and FBI are investigating. He said the Transportation Security Administration also has contacted the Port for information since this qualifies as a federal offense. The train crew was very fortunate the train was traveling at 10 mph. There were no injuries and the railcar remained upright. Mr. Koch said once a car derails it causes significantly more damage. As this car was dragged across the ties, it resulted in a section of broken rail. Mr. Koch said that while it was only \$500 worth of stolen scrap metal, the Port incurred an estimated \$20,000 in repair costs, including getting the railcar back on the track. He said it is hard enough work without people deliberately damaging the tracks and the Port is very concerned about that. He encouraged anyone who sees people trespassing on the railroad right-of-way or appearing to vandalize the railroad to contact law enforcement immediately.

Mr. Koch said Port staff and community members had an opportunity Nov. 3 to meet with representatives from the Gov. John Kitzhaber's office. The governor's economic policy advisor, Scott Nelson, came to discuss the Invest Oregon Act. Mr. Koch said they are looking at ways to free additional money to provide capital for businesses looking to expand in Oregon. Mr. Nelson got an earful on the south coast on some of the Port's projects and was told that access to capital is not the issue. Rather, projects must have access to fair regulatory approval to move forward. In addition, Fred Granum visited. He has been designated by the governor and the attorney general to evaluate the way the state regulates business and business opportunities in Oregon. Mr. Koch said he thought it was a very good meeting and Mr. Granum is looking for ways to fix the regulatory process and streamline it. One of the comments that everyone at the meeting agreed with is that businesses are not looking for ways to get around environmental regulations and it's not the substance of the regulations that is at issue, but it is the way agencies process the regulations that is obstructionist at times and counter productive to the ultimate goal of the regulations.

Mr. Koch recognized Commissioner Kronsteiner for receiving the prestigious SIR award from the Associated General Contractors – Oregon Columbia Chapter. The SIR award represents the skill, integrity and responsibility associated with contractors in Oregon. It is the highest honor the organization awards in recognition of the outstanding contributions to the construction industry. There were only four recipients this year, including Dick Alexander who is a partner with Stoel Rives; David Evans, Chairman Emeritus with David Evans Enterprises; Larry Hannan, retired president of Hannan-Mossman Construction; and the Port's president, David Kronsteiner, owner and president of West Coast Contractors. Mr. Koch said he was very happy to be able to attend the event and was very proud of Commissioner Kronsteiner on his achievement. The other commissioners congratulated Commissioner Kronsteiner on his award.

C. Chief Commercial Officer: Martin Callery - ABSENT

D. Chief Financial Officer: Donna Nichols

Ms. Nichols said the port received a short-term loan from the state of Oregon for \$2.7 million, which will help with invoices for the railroad rehabilitation project. She said she had attended the recent Special Districts Association of Oregon/SDI trust board meeting. Discussion items included health insurance. Special Districts offers up to 15 different preset insurance plans. It is hard to get comparative quotes because other insurance agencies don't offer the same type of packages. The Trust has suggested opening it up for new options. The board is also setting up a trust investment reserve policy. It is providing online training for safety classes, as well as online and on-site board training. Ms. Nichols said the port has not done board training for many years and it might be a good idea to offer the training in the future. She said SDAO executive director Greg Baker is retiring at the end of February and that Frank Stratton will be taking over.

Ms. Nichols spoke about the used Ford F250 hyrail vehicle, which was purchased approximately a year and a half ago for \$1,000. The vehicle caught fire on Nov. 7 eight miles north of Gardiner. She said it had backfired and then burned. The driver got out safely. The vehicle was hauled to Mast Bros. in Reedsport. The truck was destroyed but hyrail component parts will be salvaged. Commissioner Smith said he had passed the burning truck on the highway. Mr. Koch commented that there have been other incidents occurring on the rail line with locks cut off switch gates and switches misaligned in a way that would cause a derailment had they not been seen by the rail operators. He said these incidents over the past few weeks, including the incident with the truck, have made staff a little paranoid about folks who may be against the railroad and trying to find ways to create a disaster in a way that could be harmful to people. He said he didn't think that is what happened with the Ford F250 and felt it may have been an electrical malfunction. Staff is being extra vigilant with all rail assets because some of these incidents are clearly deliberate.

F. Harbormaster: Kathy Wall

Ms. Wall said Marina staff had just wrapped a busy tourist season. She said staff had done an experiment at the launch ramp with scare tape trying to control birds and their impact on the launch ramp. She was happy to report the idea that came from staff was very successful and they only had to power wash the ramp once or twice the entire season. There were virtually no complaints about bird droppings on the ramp.

Ms. Wall said the maintenance crew talked to a local processor. The port keeps barrels for fish carcasses on the dock heads and normally disposes of them by permit approximately every other day on an outgoing tide. She said with the arrangement that was made, folks were coming by with fork lifts picking up the carcasses from the dock heads resulting in no staff time and one trip to dispose of carcasses this season.

Ms. Wall said halfway through the season, Marina staff evaluated whether the office needed to be staffed on Saturdays. Several visitors had commented they were surprised to find the office open. In order to save on contract labor, the office is now closed on Saturdays and there have not been any negative comments regarding the closure.

Ms. Wall referenced a lease for Oregon Seafoods LLC, which was in the Commission packet. Maintenance staff has temporarily repaired the leaking roof until they know that the lease has been confirmed for adding a second story and a potential hoist to the electrical shed at the ice dock.

Ms. Wall said Sister Art Tie Die is a new business that opened on the weekend.

The fish markets are getting ready for a season change in product. The crab commercial crabbing season has been pushed back to at least Dec. 15 based on the percent of weight of meat in the crab. It could start later, because some re-test reports aren't showing as great of an increase in meat as had been hoped. Ms. Wall said that Charleston is an interesting place for crab gear readying. People might want to visit Charleston to see stacks of crab pots coming out of dry storage. Ms. Wall said with the change in fishing season, the Marina will see a dramatic drop in ice sales. The tonnage total in September was 700 tons, 540 in October and the first half of November to date sales total 37 tons. The crab fishery is a live fishery, which typically brings a dramatic decrease in ice sales.

Ms. Wall said the time that would normally be spent delivering ice is being used to power wash and paint the ice dock. Slip numbers are also being replaced in the entire Marina with red on a white reflective background. There have been a lot of positive comments about that, especially from the security department staff who take slip inventory in the dark. Staff is also preparing for piling maintenance work utilizing in-house welding skills to remake six piles from scrap piles that had been pulled out. The average cost of a new pile is approximately \$3,000 whereas staff has spent slightly more than \$1,300 to build six piles out of recycled materials. She said the crew is continuing to do cleanup in the impound yard and will be working on the timing and advertising for the sale of the surplus equipment that was authorized at the last Commission meeting.

Ms. Wall reported that the U.S. Army Corps of Engineers has a contract dredge in Charleston and has been working on the shoaling at Point Adams for the last few weeks. It will then move over to the Coast Guard Motor Lifeboat Station before dredging in the upper bay. A moorage holder on the Miss Linda offered to move to another slip to accommodate the dredge transport vessel at the end of F dock.

Ms. Wall said the Coast Guard has been doing radio announcements reminding people that bad weather is expected and to make sure their vessels are secure. The maintenance crew has added a dock walk to check mooring lines when expecting foul weather. The RV park has moved into its shoulder season and is offering storage opportunities for RVs at a discounted rate.

Ms. Wall said she is still waiting for the federal permits to continue the tsunami repair. Staff has rebuilt dock fingers on the ground and is waiting for authorization to float them out to be reattached to the main docks. The piling replacement RFQs will also be going out in the next week or so. She said the shipyard has been busy with haul outs and the work docks are busy with boats changing gear to get ready for the crab season. Staff did replace a valve at the travel lift washdown because it was old, exposed and rusted in a semi-open position, which would have meant processing rain water through the wash system so it was important that it was fixed.

Ms. Wall reported the safety committee is discussing changes to the bloodborne pathogen policy, which the commission could expect to see in an upcoming meeting. Staff also received CPR and AED training this week. Also an SDAO safety grant is allowing staff to modify the ice dock by

adding lighting for use during after-hours delivery, so that vessels coming in and crews have better lighting. The delivery shed will also be modified to fix safety problems.

Ms. Wall said she has been working on the Boat Basin Drive project coordinating with engineers and Oregon Department of Transportation working through design and drainage issues. Staff thought they would be getting replacement drainage pipes on Metcalf and Charleston Avenue, but ODOT has decided those upgrades cannot be part of the project costs. Staff is working with Coos County to see if there is a way to come up with in-kind contribution staff time to clean out the drainage pipes and correct some of the grade to facilitate drainage on the project.

6. PUBLIC COMMENT:

There was no public comment.

7. ACTION ITEMS/REPORTS:

A. Resolution No. FY11/12 – 5 for Ratification of a Declaration of Emergency for the 2011 Preliminary Bridge Repair Project.

Mr. Koch said the requested action was for Commission approval of Resolution No. FY11/12-5 Ratifying a Declaration of Emergency for the 2011 Preliminary Bridge Repair Project. The Port is undertaking the renovation and repair of the Coos Bay rail line that is owned by the Port. The renovations and repairs include work planned for several dozen fixed-span bridges located along the 134-mile rail line. In consultation with Crouch Engineering, the Port has identified certain critical work on 8 bridges that pose the greatest threat of creating an unsafe operating condition if not immediately performed. The Port issued a Request for Written Quotes for the 2011 Preliminary Bridge Repair Project, and written quotes were received from five firms on Nov. 9, 2011. The Port's estimate for the cost of the 2011 Preliminary Bridge Repairs was less than the dollar limit for requiring an Invitation to Bid contained in LCRB Rule 8.7. Pursuant to LCRB Rule 8.7, the Port chose to solicit the contract for this project by a Request for Written Quote. The lowest written quote for the project was received from Osmose Railroad Services in the total amount of \$138,684, which is in excess of the dollar limit contained in LCRB Rule 8.7 that allows the Port to seek written quotes as opposed to the more formal bid process. Because of the nature of the work and to avoid any further delay in awarding a contract to perform the critical bridge repair work, the Port's chief executive officer has issued a Declaration of Emergency related to the critical bridge repairs so that the contract for such work may be awarded on the basis of competitive quotes. Mr. Koch said he executed the declaration as the CEO's designee pursuant to LCRB Rule 8.3. He said tonight staff was seeking a motion to approve Resolution No. FY 11/12-5 for ratification of a declaration of emergency for the 2011 Preliminary Bridge Repair Project that will allow the Port to accept the quotes that were received for the project and to award the contract to Osmose as the low quote in the amount of \$138,684.00.

RESOLUTION NO. FY11/12 - 5

RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE OREGON INTERNATIONAL PORT OF COOS BAY ACTING IN ITS CAPACITY AS ITS OWN LOCAL CONTRACT REVIEW BOARD, RATIFYING THE DECLARATION OF AN EMERGENCY BY PORT STAFF FOR THE 2011 PRELIMINARY BRIDGE REPAIR PROJECT TO THE COOS BAY RAIL LINE

AND AUTHORIZING THE EXECUTION OF A CONTRACT WITH OSMOSE FOR THIS PROJECT.

WHEREAS, the Board of Commissioners of the Oregon International Port of Coos Bay (hereinafter "Port"), pursuant to ORS 279A.060 is the Local Contract Review Board (hereinafter LCRB) for the Oregon International Port of Coos Bay; and

WHEREAS, the LCRB on June 16, 2005, adopted Permanent Public Contracting Rules and Rules of Procedure for Public Contracting for the Oregon International Port of Coos Bay; and

WHEREAS, the Chief Executive Officer of the Port has authority under ORS 279C.320, ORS 279B.080, and Section 6.1 A. 3 of its local public contracting rules to declare the existence of an emergency and authorize entry into an emergency public improvement contract in any dollar amount; and

WHEREAS, in making the findings required by ORS 279B.080 and OAR 137-049-0150 the Chief Executive Officer of the Port may consider the circumstances creating the Emergency and the anticipated harm from failure to enter into Emergency Repair Contracts and such other factors as may be deemed appropriate; and

WHEREAS, the Board of Commissioners of the Oregon International Port of Coos Bay, acting in its capacity as its own LCRB, has determined that emergency circumstances exist which required the Port to promptly execute a contract for the 2011 Preliminary Bridge Repair Project to the Coos Bay Rail Line.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. The recitals above are true and accurate and are incorporated herein by this reference.
2. The findings contained in the Declaration Emergency by Port Chief Executive Officer, Jeffrey Bishop, identified as Exhibit "A" to this resolution, attached hereto and incorporated herein by this reference, document the nature of the emergency and describe the methods used by Port for the solicitation of a contractor for the 2011 Preliminary Bridge Repair Project are hereby adopted and ratified by the LCRB for the Oregon International Port of Coos Bay.
3. Based upon the contents of Exhibit "A", the LCRB hereby ratifies the declaration of an emergency by the Chief Executive Officer of the Port and further authorizes and ratifies the Chief Executive Officer, or his designee, to enter into a contract for the 2011 Preliminary Bridge Repair Project with Osmose Railroad Services.

ADOPTED THIS 17th DAY OF NOVEMBER, 2011

David Kronsteiner, Commission President

Daniel Smith, Commission Secretary

Upon a motion by Commissioner Smith (second by Commissioner Scott), the Board of Commissioners voted unanimously to approve Resolution No. FY11/12 – 5 for Ratification of a Declaration of Emergency for the 2011 Preliminary Bridge Repair Project. Motion carried.

B. Commission authorization to solicit bids for major track repairs

Mr. Koch said staff was seeking approval for solicitation by invitation to bid for the 2012 Coos Bay Rail Link Rehabilitation Project. The Oregon International Port of Coos Bay as owner of the Coos Bay rail line is undertaking a program for the long-term rehabilitation of the rail line from Danebo to Coquille. As a part of that project, the Port will install approximately 90,000 crossties, 60,000 tons of ballast, several miles of rail, and perform other rehabilitation and repairs. The Port has previously awarded a contract for the purchase of crossties on the basis of sealed bids and has authorized the solicitation of ballast by invitation to bid. A summary of the work to be performed as part of the 2012 Coos Bay Rail Link Track Rehabilitation Project was included in the Commission packet. The total contract amount for the work is expected to exceed \$150,000 which is the threshold for seeking invitation to bid. Pursuant to Section 2.8.1 (C) (Resolution No. FY10/11 – 7), the solicitation of a contract in excess of \$150,000 requires prior approval of the Port Commission serving as its own Local Contract Review Board. Mr. Koch said the action staff was seeking tonight is a motion to authorize a solicitation of competitive sealed bids for the 2012 Coos Bay Rail Link Track Rehabilitation Project.

Upon a motion by Commissioner McKeown (second by Commissioner Scott), the Board of Commissioners voted unanimously to approve authorization to solicit bids for the 2012 Coos Bay Rail Link major track repairs. Motion carried.

C. Commission approval of a real estate agent commission agreement for Kidder Matthews.

Mr. Koch said this item is to seek approval of a real estate agent commission agreement with Kidder Matthews as was discussed in executive session tonight. On Oct, 17, 2011, the Port's chief executive officer executed an Exclusive Negotiating Agreement with certain parties related to the potential sale or lease of Port real property for the development of a dry bulk marine terminal. The proposed development project has been identified as Project Mainstay. The Project Mainstay partners have engaged Kidder Mathews as buyer's agent in the transaction. As is customary in such transactions, the Port has been requested to execute an agreement with the agent to ensure that it will receive a commission in the event the Port is successful in selling or leasing real property to the Project Mainstay partners. The final terms of the agreement are being negotiated by legal counsel therefore staff is seeking approval for the Chief Executive Officer or his designee to execute a real estate agent commission agreement with Kidder Matthews subject to final approval of the terms of the agreement by legal counsel. The estimated commission is below the limits set forth in Local Contract Rule 5.2.1 that allows for a direct engagement without a competitive solicitation process. The motion staff is seeking tonight is for authorization for the Chief Executive Officer or his designee to execute an agreement with Kidder Matthews subject to final review and approval by Port legal counsel.

Upon a motion by Commissioner McKeown (second by Commissioner Smith), the Board of Commissioners voted unanimously to approve authorization for the Chief Executive Officer or his designee to execute a real estate agent commission agreement with Kidder Matthews subject to final review and approval by Port legal counsel. Motion carried.

D. Approval of a commercial long-term lease agreement with Oregon Seafoods LLC
Ms. Nichols said the action was for commission approval of the Oregon Seafoods LLC long-term lease agreement. Mike Babcock of Oregon Seafoods LLC is interested in making improvements to, and leasing dock property near the Ice Dock facility. He is proposing to remove and replace the small hoist which is not operational at the west end of the dock and make improvements to the small building adjacent to the hoist by adding a second story. By improving the facility, Oregon Seafoods LLC will be able to offload seafood, provide storage and have a small office space. The company is processing and packaging fish at a facility in Coos Bay that would otherwise be shipped out of the area/country. These improvements also will provide fishermen more options for selling their fish. Oregon Seafoods LLC would provide the improvements to the dock areas, with the Port providing a long-term land lease that would be discounted for the duration of the initial lease to offset the improvement costs. The lease includes the current land lease rate, and on July 1 of each subsequent five-year renewal, the rent will be increased to adjust to current market value for the area. The Port will collect \$100 per month in rent, which could be used for maintenance of the dock and dock facilities and the balance used for amortization toward the improvement costs. The proposed lease agreement drafted by Port counsel is for a period of five years commencing Nov. 1, 2011, and allows for two additional five-year renewal options. Ms. Nichols said the motion was to approve a long-term lease agreement between the Oregon International Port of Coos Bay and Oregon Seafoods LLC.

Commissioner Kronsteiner asked Ms. Nichols if there were any design or permit requirements for adding to the building. Ms. Nichols responded this was a draft lease and the design and permits were being worked through and in place. She said Mr. Babcock was going to contract to have the work done and was going to buy a new/used crane that he will use exclusively. The lease will be associated with the building only.

Upon a motion by Commissioner Hampel (second by Commissioner McKeown), the Board of Commissioners voted unanimously to approve a commercial long-term lease agreement with Oregon Seafoods LLC.

8. OTHER: Elise Hamner

Ms. Hamner said she wanted to give commissioners an update on alternative energy projects. She said Port staff and the city of Coos Bay are in very preliminary discussions about partnering on a grant to seek funds to install two electric vehicle charging stations. The Port has been looking at this concept for over a year and staff has not been able to find any grant funding up to this point. Grants were available for lighting and equipment upgrades at the Marina and those projects have been done. Ms. Hamner said the Port is very energy efficient in its operations. She said a design has not been settled on. The city is waiting to see whether there is support for the Port to keep talking with the city, then staff will move forward with more design and other concepts. One of the benefits is electricity is an alternative fuel for residents. The stations would be fast charging meaning vehicles could be super charged in 20 minutes rather than 8 hours like it would be if it were done in a garage. Ms. Hamner felt this might be good for businesses if they wanted to start converting to electric vehicle fleets and there is currently no place that vehicles can be charged quickly. She said the Marina had an electric work truck vehicle for several years. Oregon is on a big push to develop charging stations along major tourist routes. There has been a lot of funding for these types of programs mostly in the Willamette Valley. She said it looks like if the community wants something like this, then it will have to pursue its own stations because they are not going to come to us. Ms. Hamner said two locations have been discussed. The city is considering putting the charging stations in the parking lot

next to the maritime mural. A station would take up two parking places that are covered. There is also room in the Port's Charleston parking area north of the Sea Basket restaurant with utility systems in the parking lot where two spaces could be utilized without impacting trailer parking. She said during festivals if people aren't charging cars people could park there. The facilities under discussion are partially solar so it wouldn't mean installing a system and then immediately pulling power out of the grid. They also have battery packs that can be in-ground or above ground. People would pay for charging so the stations would have a credit card swipe system generating income. Ms. Hamner felt it would not bring a great return on the investment. The Port's goal would be to do in-kind grant matches with property and labor for some site preparation. She said she and the city engineer have talked a lot about this program and how the Port Commission likes a return on its investments. He said from the city's perspective they agree but this is an infrastructure transportation issue and if we want to be competitive someone in the community needs to take a little bit of risk. In 2008, the Oregon Department of Energy estimated there would be 170,000 electric vehicles in Oregon by 2022. Ms. Hamner said she would be surprised if that number wasn't exceeded in 10 years. The state has three projects under way. The largest one that most people have heard about is Ecotality which is putting electric vehicle quick-charge stations in Portland, Salem, Eugene and Corvallis. This is a commuter system so that people can drive to work, charge at work or charge in town. They have expanded it with a West Coast Green highway project to electrify the I-5 corridor from Eugene south. There was a state Tiger II grant last year for \$2M and they are putting 20 stations in with some down the coast to Florence and over the passes to Sisters. However, for tourists who are buying cars in the Willamette Valley, they really can't get here because there aren't places to charge. Ms. Hamner said from the Port's Charleston Marina perspective, the benefit is that when these tourists come to town with their RVs, it is likely in the future some will tow electric vehicles. They will want to use Charleston as their base and be able to go to the State Parks, Bandon and explore the area.

Ms. Hamner said before she came to the Port, Mr. Callery started a partnership with Oregon State University and Energy Trust of Oregon to put wind test anemometers on the North Spit. There was speculation there was enough wind out there to make a viable commercial operation. She said the Port worked on the project, used Urban Renewal money for conditional use permitting process to put test towers on Weyerhaeuser's capped landfill and on another spot by the lagoon. There would have been two units measuring wind for 12 months. She said they are plastic tubes about the size of a microphone stand that would have gone 60-80 feet in the air. The costs continued to escalate, including a requirement for blinking red lights for pilots. Each of the lights would need to be solar powered resulting in an \$8,000 cost. The towers would have had to be anchored resulting in another cost. Ms. Hamner said the more staff looked at the project, the more it seemed less feasible and Oregon Energy Trust didn't want to pay for the extra lighting. That agency also had change in staff and in talking with the Port they determined it wasn't worth the expense. Weyerhaeuser also wanted a percent of the revenue should anything prove viable and Oregon Energy Trust didn't think it could get another commercial investor with that requirement, if indeed there is enough wind. Ms. Hamner said the Port is recommending dropping the project.

Ms. Hamner said, however, she talked with individuals visiting from Alaska who work at a wildlife refuge, which is part of a pilot project with U.S. Fish and Wildlife to install vertical axis wind turbines. There is still a 60-foot-tall tower but the turbines are like a cone or wide tube that spins depending on the wind direction. She said they are relatively inexpensive, costing \$7,000 per installation, and they work at consistent speeds of 4 mph or greater. She felt potentially down the road this is a technology the Port could look at because it was more affordable and doesn't require the constant winds.

9. **INFORMATION ITEMS:**

- A. November Business Center Newsletter
- B. Electric Vehicle Charging Station

10. **COMMISSION COMMENTS:**

11. **NEXT MEETING DATE:** December 15, 2011

12. **ADJOURN:** Commissioner Kronsteiner adjourned the meeting at 8:10 p.m.

By: _____
David Kronsteiner, President

By: _____
Dan Smith, Secretary