

OREGON INTERNATIONAL PORT OF COOS BAY
Coos Bay, Oregon
REGULAR COMMISSION MEETING
6:30 p.m., Monday, December 17, 2018

Port Commission Chambers, 125 Central Avenue, Suite 230, Coos Bay, Oregon 97420

ATTENDANCE

Commission:

David Kronsteiner, President; Eric Farm, Vice President; Bob Garcia, Secretary; and James Martin, Commissioner. Brianna Hanson, Treasurer; was excused.

Staff:

John Burns, Chief Executive Officer; Anna Soderstrom, Chief Commercial Officer; Lanelle Comstock, Chief Administrative Officer; Patrick Kerr, Director of Rail Operations; Mike Dunning, Director of Maritime Operations; Megan Richardson, Director of Finance and Accounting; Cheryl Charitar, Charleston Office Administrator; and Mike Stebbins, Port Legal Counsel.

Media & Guests:

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1. CALL MEETING TO ORDER

President Kronsteiner called the meeting to order at 6:31 p.m.

2. INTRODUCTION OF GUESTS AND PORT STAFF

3. PUBLIC COMMENT

4. CONSENT ITEMS

- A. Approval of November 19, 2018 Regular Commission Meeting Minutes
- B. Approval of November Invoices
- C. Approval of November Contracts Awarded

Upon a motion by Commissioner Garcia (second by Commissioner Farm), the Board of Commissioners voted to approve the November 19, 2018 Regular Commission Meeting Minutes, November Invoices and November Contracts Awarded. **Motion Passed.**

5. MANAGEMENT REPORTS

All Management Reports were included within the Meeting Packet. President Kronsteiner thanked Staff for the written management reports.

6. ACTION ITEMS/REPORTS

A. 2018Res22: 2019 RV Park Rate Changes

As part of the annual budget process, the Marina Complex rates are reviewed each year and may be adjusted by the Consumer Price Index (CPI) and/or by market analysis. Each year staff surveys the rates and schedules of comparable facilities for comparisons.

RV Park rates are evaluated in December of each year to better serve our summer customers. This ensures that our long-term summer customers do not experience an unknown rate adjustment mid-season.

Port Staff compared similar RV Parks in the region and found the Port's daily and weekly rates continue to be below the market average. Port Staff recommends a CPI rate adjustment of 3% rounded to the nearest whole dollar.

The proposed changes are set forth in the table below:

Rate Type	2018 Rates	Recommended for 2019
Daily - Back In	\$36.00 reg. \$38.00 deluxe	\$37.00 reg. \$39.00 deluxe
Daily - Pull Thru	\$40.00	\$41.00
Weekly - Back In	\$203.00 reg. / \$215.00 deluxe	\$209.00 reg. / \$221.00 deluxe
Weekly - Pull Thru	\$227.00	\$234.00
Monthly - Back In	\$530.00 reg. / \$560.00 deluxe	\$546.00 reg. / \$577.00 deluxe
Monthly - Pull Thru	\$590.00	\$608.00
Yurts - Daily	\$51.00	\$53.00
Yurts - Weekly	\$245.00	\$252.00

Additionally, the proposed revised Charleston Marina 2018/19 Rate Schedule, effective January 1, 2019, was included within the packet. Pursuant to Port Policy, the Rate Schedule must be modified by resolution of the Port Commission. Upon Commission approval of the resolution, the revised Charleston Marina 2018/19 Rate Schedule will be republished with an effective date of January 1, 2019.

Commissioner Martin asked if an increase higher than the CPI would be made if needed. Port Staff confirmed that an increase higher than CPI would be made if needed.

Upon a motion by Commissioner Farm (second by Commissioner Martin), the Board of Commissioners motioned to approve Resolution 2018Res22 revising the Charleston Marina 2018/19 Rate Schedule adjusting rates at the RV Park. **Motion Passed.**

B. 2018Res23: Emergency Railroad Response and Track Repair Work at Milepost 749.50 on the Coos Bay Rail Line

On Tuesday, November 27, 2018, at approximately 11:30PM, the Coos Bay Hauler experienced a derailment at MP 749.50 near Lakeside, OR causing 7 loaded rail cars to derail, with 5 of those cars on their side. There were no injuries. After receiving contact from the crew regarding the situation, the Operations Manager, Director of Rail Operations and the Track Inspector met in Lakeside to hiraill into

the location to assess the situation. Due to the remote location, darkness and proximity to Ten Mile lake, safety determined they leave the area and reassess the next day during daylight.

On Wednesday November 28, 2018, Port/CBRL staff immediately began work to clarify and confirm the scope of work necessary to affect the required repairs, and the time required to bring the track back into service. Port/CBRL staff contacted the Rick Franklin Corporation, (RFC) an Oregon based company that specializes in emergency railroad response and construction for over 40 years, providing service for Class 1, Regional and Short line railroads throughout the Pacific Northwest. Staff met with representatives of RFC and hired to the site for additional assessment for clearing the grade of rail cars not on their side and reconstruction of the rail infrastructure. Port/CBRL staff, in conjunction with RFC, immediately began work to clarify and confirm the scope of work necessary to affect the required repairs and the time required to bring the track back into service.

If the identified conditions are not repaired urgently, a prolonged continued rail service shutdown will be required, as it will be unsafe to operate trains on this section of track.

On Saturday, December 1, 2018, Port staff authorized Rick Franklin Corporation (RFC) to complete the necessary emergency railroad response and track repair work. RFC staff are already trained and familiar with emergency railroad response and construction performing similar track work for Class 1 and shortline railroads in the State of Oregon and to track on the national railroad network, which is necessary for safe and continued rail operations. Mobilization of specialized emergency railroad response equipment, materials and labor started December 3, 2018 and began work.

On December 5, 2018, all emergency work operations were completed, turning over the site for track reconstruction. The line is scheduled to return to service December 11, 2018, with cars delivered to UPRR interchange on December 12, 2018.

Final costs for the repairs are being settled with CBRL, but total project costs for Phase 1 emergency railroad response and Phase II rail reconstruction are estimated at \$180,040 for Phase I and \$239,010 for Phase II. On Friday, November 30, 2018 Port Chief Executive Officer John Burns signed the Declaration of Emergency for the necessary repairs to the track at milepost 749.50.

Port Procurement Rule 6.4.6 allows the Chief Executive Officer or his designee to award emergency contracts up to \$200,000 in value and requires a Commission Resolution to ratify the Declaration of Emergency at its next regularly scheduled meeting or as soon as practical.

Upon a motion by Commissioner Farm (second by Commissioner Garcia), the Board of Commissioners motioned to adopt Resolution 2018Res23 ratifying the Declaration of Emergency by CEO John Burns, including the execution of a contract with Coos Bay Rail Line, Inc and Rick Franklin Corporation, to effect emergency repairs to track at milepost 749.50 on the Coos Bay Rail Line. **Motion Passed.**

C. David Miller & Associates Task Order #12

At the March 28, 2016 Board of Commissioners meeting, the Commission authorized Commission President David Kronsteiner to execute an Amendment, Assignment, Assumption and Consent Agreement of the prime contract for consulting services for the Channel Modification Project from David Evans and Associates (DEA) to David Miller & Associates (DMA).

Much of the work budgeted for calendar year 2019 will be related to engineering design and environmental and regulatory compliance matters. The estimated 2019 annual budget for the project is \$3,548,893.

Task Order DMA #12 in the amount of \$1,458,801 describes the tasks to be undertaken during Q1 2019, along with projected costs including work on the project's Environmental Impact Statement. Many of the task categories will continue through the end of the year. Staff is only requesting authorization for the projected Q1 2019 budget at this time, in order to effectively monitor project spending pursuant to the updated Budget Management Plan for the project.

Funding for this Task Order will be provided through the Port's Reimbursement Agreement with Jordan Cove.

Upon a motion by Commissioner Martin (second by Commissioner Farm), the Board of Commissioners motioned to authorize Commission President David Kronsteiner to execute Task Order DMA #12 for professional services related to the Coos Bay Channel Modification Project in an amount not to exceed \$1,458,801 for work to be performed on the project during the first quarter of 2019. **Motion Passed.**

D. Disposal of Real Property at Aquaculture Facility

Located at the end of Transpacific Parkway, the property is 32 acres and is developed for industrial use, consisting of 15 acres of tidelands and 17 acres of uplands. Eight acres are fenced and enclose four existing buildings of various sizes. The main administrative building is 94' X 90' and was used as a combination operations and shop area.

The facility was originally constructed by Weyerhaeuser in the late 1970's. The hatchery was later operated by a company called Anadromous Inc., a subsidiary of British Petroleum Nutritional. Some additional improvements to the facility were made during the 1980's to enlarge and improve the overall facility. The Port acquired the property through a purchase of land from Weyerhaeuser and had leased the facility to Anadromous, Inc. for approximately 10 years. The facility was last operated in 1989 and has been inactive since that time. On November 15, 1993, Anadromous, Inc. deeded the capital improvements to the Port and terminated its' lease with the Port for the property. Last assessed value in 1992 for improvements was \$357,143 and land value was \$289,840.

Building structures on the property include:

1. Main building – single story 3,760 sq. feet
2. Pump building – single story with basement 1,040 sq. feet on top level, 546 sq. feet on lower level
3. Feed shed – 476 sq. feet
4. Storage – 1,648 sq. feet

All buildings are wood frame, except the basement of the pump building, which is concrete.

A May 2008 North Spit Salmon Hatchery Rehabilitation Report conducted by The Dyer Partnership Engineers and Planners, Inc., highlights the overall deterioration of the buildings due to the severe weather conditions on the North Spit. The current condition of the buildings has since seen an additional ten years of deterioration, vandalism, theft and lack of maintenance. The cost to rehabilitate the buildings in the 2008 report were significant, the operations/maintenance building required over \$100K, general

upgrade costs were over \$315K and the total project cost to bring the Fish Farm to an operational condition exceeded \$2.8 million.

Koos Environmental will commence asbestos abatement of the maintenance/office building out at the old fish farm (permits have been submitted). This is the first step in preparation for a “Burn to Learn” of the building in cooperation with North Bay Fire Department. This building and the other three structures on the property are in dilapidated condition and experience frequent vandalism. Under considerations of no foreseen future use of the buildings, their condition, extensive and recurring vandalism and the cost to repair and maintain them, staff recommends that all four structures be demolished.

Upon a motion by Commissioner Farm (second by Commissioner Garcia), the Board of Commissioners motioned to authorize Chief Executive Officer John Burns to proceed with demolition of the four identified buildings at the North Spit Aquaculture Facility. **Motion Passed.**

7. **OTHER**

8. **COMMISSION COMMENTS**

President Kronsteiner said over the last 10 months, Port Staff has pulled together to ensure the Port is in a position to begin rail operations. While all Staff played some role in the process, there was a core group that was responsible to make sure that all aspects were covered such as ensuring state and federal agencies regulatory requirements were met, hiring and onboarding new employees, etc., all while maintaining their everyday job. President Kronsteiner thanked Rick Adamek, Margaret Barber, John Buckley, Lanelle Comstock, Thomas Durand, Patrick Kerr, Megan Richardson and Anna Soderstrom for their great work in creating Coos Bay Rail Line, Inc.

9. **NEXT MEETING DATE** – Tuesday, January 22, 2019 at 6:30 p.m.

10. **ADJOURN**

President Kronsteiner adjourned the meeting at 6:46 p.m. and entered into Executive Session to:

(e) conduct deliberations with persons designated by the governing body to negotiate real property transactions;

(g) consider preliminary negotiations involving matters of trade or commerce in which the governing body is in competition with governing bodies in other states or nations;

(h) consult with counsel concerning the legal rights and duties of a public body with regard to current litigation or litigation likely to be filed; and

(j) carry on negotiations under ORS Chapter 293 with private persons or businesses regarding proposed acquisition, exchange or liquidation of public investments.