

**OREGON INTERNATIONAL PORT OF COOS BAY**

**Coos Bay, Oregon**

**REGULAR COMMISSION MEETING**

**10:00 a.m., Tuesday, October 18, 2022**

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

**ATTENDANCE**

**Commission:**

Eric Farm, President; Brianna Hanson, Vice President; Kyle Stevens, Secretary; Kyle ViksneHill, Treasurer; and Nick Edwards, Commissioner.

**Staff:**

John Burns, Chief Executive Officer; Lanelle Comstock, Chief Administrative Officer; Mike Dunning, Chief Port Operations Officer; Megan Richardson, Director of Finance and Accounting; Margaret Barber, Director of External Affairs and Business Development; Rich Lopez, General Manager Coos Bay Rail Line; Rick Adamek, Director of Asset Management; Laura Fortin, Administrative Assistant; and Mike Stebbins, Port Legal Counsel.

**Media & Guests:**

Yelena Nowak, Oregon Trawl Commission; Tim Novotny, Oregon Dungeness Crab Commission; Kari Silva, F/V Ms. Jeanette Marrie, Inc.; and Rex Leach, F/V Ms. Julie, and F/V Texas Lady.

**1. CALL MEETING TO ORDER**

President Farm called the meeting to order at 10:01 a.m.

**2. INTRODUCTION OF GUESTS AND PORT STAFF**

**A. Yelena Nowak, Offshore Wind Presentation**

Ms. Nowak, representing the Oregon Trawl Commission, shared a PowerPoint Presentation regarding Offshore Wind Production and the Oregon call areas set for leasing through the Bureau of Ocean Energy Management (BOEM). The slide presentation covered concerns for potential impacts to both environmental and ocean areas. The Oregon Trawl Commission is asking BOEM to slow down the current fast track leasing process, to provide a robust and upfront analysis on the environmental and economic impacts, to create a transparent process that includes all stakeholders and to consider a small demonstration site first. Ms. Nowak presented the Board of Commissioners with a proposed resolution asking for their support.

President Farm commented that the Commission Board has some new members, and they are all working to get up to speed regarding this topic. President Farm noted the Port does have a letter previously sent to BOEM that perhaps Ms. Nowak could include with her documents.

Commissioner Edwards commented on the importance of the Commissioners knowing the background in the resolution letters Ms. Nowak has presented. Commissioner Edwards stated that there are 18

municipalities in agreement and that the Offshore Wind Energy program does not work for Oregon nor for its natural resources.

Commissioner Hanson asked where she could find the previous weeks Oregon Department of Energy's report. Mr. Burns answered that he could get that for her.

**B. Tim Novotny, Oregon Dungeness Crab Commission**

Mr. Novotny, speaking on behalf of the Charleston Crab Fishermen, stated their main concerns are unanswered questions and the effect of the cables on the crabbing industry in our area. More studies are needed before BOEM should move forward. Mr. Novotny stated other concerns with Oregon Department of Energy not having adequate engagement (back and forth communication) with the community. Many agencies, from all sides of the political spectrum support the project, but believe issues need to be resolved before moving forward.

**3. PUBLIC COMMENT**

**A. Kari Silva, F/V Jeanette Marrie, Inc.**

Ms. Silva said she was elected to speak on behalf of the majority of the Charleston Fishing Families. Their concerns are for the unknown possible impacts to the ocean eco system, marine life, and the future of fishing on the Oregon Coast and more specifically in the local proposed call area. Ms. Silva expressed strong concerns for the future of the fishing industry if BOEM is allowed to move forward without environmental studies being done. She asked for the Port Commissioners to approve the resolution regarding development of offshore wind energy.

Commissioner Edwards commented he appreciated that this was the second public comment Ms. Silva has done for this cause and thanked her for her efforts.

**B. Rex Leach, F/V Ms. Julie & F/V Texas Lady**

Mr. Leach stated that he concurs with the comments and concerns presented before him, and that he would like to add the concern for unknown potential impacts that could occur to the Coos Bay and Charleston infrastructure. He questioned what will happen to local businesses if there is no more crabbing or fishing in the area.

President Farm commented, stating from a forestry perspective, the government moved slowly, and the forests burned, where in this case they seem to be moving quickly and not looking at all the possible alternatives. President Farm further commented that the Port would engage in Board education in the matter.

**4. CONSENT ITEMS**

- A. Approval of September 20, 2022 Regular Commission Meeting Minutes
- B. Approval of September Invoices
- C. Approval of September Contracts Awarded
- D. Approval of Community Giving Donations
- E. Approval of 2022 SDIS Best Practices Program Checklist

Upon a motion by Commissioner Hanson (second by Commissioner Edwards), the Board of Commissioners motioned to approve the September 20, 2022 Regular Commission Meeting Minutes,

September Invoices, September Contracts Awarded, Community Giving Donations, and 2022 SDIS Best Practices Program Checklist. **Motion Passed Unanimously.** (Ayes: Farm, Hanson, Stevens, ViksneHill, and Edwards. Nays: None).

## 5. MANAGEMENT REPORTS

All Management Reports were included within the Meeting Packet.

## 6. ACTION ITEMS/REPORTS

### A. **2022Res11: City of Veneta IGA Amendment Re: Community Dog Park**

In 2011, the Board of Commissioners of the Oregon International Port of Coos Bay approved an Intergovernmental Agreement between the City of Veneta and the Oregon International Port of Coos Bay to allow the City of Veneta to maintain a certain section of railroad right-of-way located within the city limits of Veneta. The entire property subject to the 2011 IGA is located between Territorial Highway and 3rd Street in Veneta and is approximately 135 feet wide and 575 feet long. Since then, the City of Veneta has maintained a portion of this property to a manicured park like status.

In November 2021, the City of Veneta contacted Port Staff, asking the Port to allow the City to develop part of this property into a fenced community dog park. Port Staff collaborated with the City of Veneta to draft an amendment to the 2011 IGA, outlining the terms and conditions of the dog park on Port property.

Per the IGA amendment, in exchange for the Port to allow the City of Veneta to develop the dog park and for the City to create and enforce the dog park rules, the City of Veneta will:

- Enclose the dog park with a chain link fence (8' on the north along the railroad, and 6' tall around the remaining perimeter) and add dog park features to the property while continuing to maintain the property as outlined in the 2011 IGA;
- Conduct activities 30' from the centerline of the railroad tracks;
- Include the Oregon International Port of Coos Bay and the Coos Bay Rail Line, Inc. as named partners in the development of the dog park;
- Obtain and maintain the minimum insurance requirements as outlined in the IGA exhibit.

The amendment will remain in effect for 10 years, with the option to renew every 5 years. In addition, if the dog park is deemed to be a danger to the public or to rail operations, the amendment will be terminated. The amendment has been reviewed and accepted by both the Port's legal counsel and insurance broker of record.

The original 2011 IGA and the new Amendment to the IGA for the Dog Park were attached as exhibits to the resolution within the Commission packet.

Commissioner Edwards asked how this project came about. Ms. Comstock explained, the city of Veneta had proposed the project during previous property discussion meetings.

Upon a motion by Commissioner Edwards (second by Commissioner Stevens), the Board of Commissioners motioned to adopt Resolution 2022Res11 approving the Intergovernmental Agreement Amendment between the Oregon International Port of Coos Bay and the City of Veneta to develop Port

property into a fenced community dog park and to authorize Chief Executive Officer John Burns to execute the Agreement Amendment. **Motion Passed Unanimously.** (Ayes: Farm, Hanson, Stevens, ViksneHill, and Edwards. Nays: None).

## **B. 2022Res12: Amended 2022/23 Port of Coos Bay Rate Schedule**

The following fees have been added to the proposed draft Port of Coos Bay Rate Schedule:

- **Charleston Area Lodging Tax**  
On the May 2022 ballot, Coos County voters approved Ballot Measure 6-194, authorizing a tax on short term lodging in the Charleston Area. The 9.5% lodging tax, which was effective October 1, 2022, is collected by Coos County and assessed on all reservations within the Charleston Marina RV Park.
- **Impound Fees**  
Fees are currently assessed to a customer's account when a Storage Unit or Vessel is impounded due to delinquency of payment or abandonment. These fees include the cost of a lock (and chain) if needed, and the administrative cost of preparing the impound notice, posting the notice, and preparing for the auction process.
- **Tenant / Lessee Credit Checks**  
Businesses or individuals interested in leasing Port property (buildings, office space, land, etc.) are subject to a credit check. These fees are the actual cost to run the report with a third party company plus an administrative cost to process and review the report.

The proposed amended red lined 2022/23 Port of Coos Bay Rate Schedule was attached as Exhibit A to the resolution within the Commission packet.

The Rate Schedule may be modified by Resolution of the Port Commission. Upon approval by the Board, the proposed Fiscal Year 2022/23 Port of Coos Bay Rate Schedule will become effective immediately.

Commissioner Hanson asked if the Port recovers any of the Impound Fees. Ms. Comstock along with Ms. Richardson answered, typically no, the account is sent to collections.

Commissioner Stevens asked if a tenant sent to collections is then allowed to rent from the Port again. The answer again from both Ms. Comstock and Ms. Richardson typically they are red flagged and become a cash only customer.

Upon a motion by Commissioner Stevens (second by Commissioner Hanson), the Board of Commissioners motioned to approve Resolution 2022Res12 amending the 2022/23 Port of Coos Bay rate schedule. **Motion Passed Unanimously.** (Ayes: Farm, Hanson, Stevens, ViksneHill, and Edwards. Nays: None).

## **C. Update Signature Authority of Local Government Pool**

Port Policy Chapter 12 outlines the internal controls and authorization for financial management of the Port of Coos Bay. All Port bank accounts must be authorized and approved by the Board of Commissioners.

The Port invests excess cash with the Oregon State Treasury Local Government Investment Pool, which provides a higher rate of return than the Port's other bank accounts. Funds are transferred between the Local Government Investment Pool (LGIP) and the Umpqua bank accounts as needed for cash flow purposes. LGIP transfers are only permitted to and from bank accounts that are linked to the LGIP account. Changes to the linked bank accounts must be approved by two individuals.

With the resignation of Past President David Kronsteiner, Port staff wishes to update the signature authority documents for the LGIP. Any two of the following individuals are required to initiate bank account information changes for the Local Government Investment Pool account #5347:

John Burns	Chief Executive Officer
Lanelle Comstock	Chief Administrative Officer
Megan Richardson	Director of Finance & Accounting
Eric Farm	President
Brianna Hanson	Vice President

Upon a motion by Commissioner Hanson (second by Commissioner Edwards), the Board of Commissioners motioned to approve updating signature authority and access of bank account changes to the Local Government Investment Pool #5347. **Motion Passed Unanimously.** (Ayes: Farm, Hanson, Stevens, ViksneHill, and Edwards. Nays: None).

#### **D. 2022Res13: Update Signature Authority on Umpqua Account**

Port Policy Chapter 12 outlines the internal controls and authorization for financial management of the Port of Coos Bay. All Port bank accounts must be authorized and approved by the Board of Commissioners. With the resignation of Past President David Kronsteiner, Port staff wishes to update the signature authority documents for the following bank accounts, to be effective October 18, 2022:

ZBA Disbursement Checking Account #2511  
ZBA Payroll Checking Account #5360  
Money Market Sweep Account #3394  
General Concentration Sweep Account #3139  
Business Development #0198

The following individuals will be authorized signatories on these Umpqua Bank accounts:

John Burns	Chief Executive Officer
Lanelle Comstock	Chief Administrative Officer
Megan Richardson	Director of Finance & Accounting
Eric Farm	President
Brianna Hanson	Vice President

A resolution is required for signature authorization for the bank accounts.

Upon a motion by Commissioner Hanson (second by Commissioner ViksneHill), the Board of Commissioners motioned to approve 2022Res13 updating signature authority for the banking accounts at Umpqua Bank, Coos Bay Branch. **Motion Passed Unanimously.** (Ayes: Farm, Hanson, Stevens, ViksneHill, and Edwards. Nays: None).

## **E. Award Vaughn Viaduct Contract**

On April 13, 2021, the Port Commission authorized Port staff to solicit Invitations to Bid (ITB) for five separate construction contracts for the CBRL Bridge Rehabilitation Project (BUILD).

On May 7, 2021, the Oregon International Port of Coos Bay / Coos Bay Rail Line solicited bids for the BUILD Project (Phase 1) to replace the Vaughn Viaduct on the Coos Bay Rail Line. Bid responses were due to the Port by June 24, 2021. All bids received were substantially over the Engineers estimated cost for construction, so the Port decided to cancel the Invitation to Bid. The Port decided that rather than replace the bridge entirely, it would be in the Port's best interest to rehabilitate the existing bridge. Following authorization from MARAD to adjust the scope of work for this phase, the Port authorized Stantec Engineering to redesign the project and on June 30, 2022, issued a revised Invitation to Bid for rehabilitation of the existing bridge. Bids were received on September 6, 2022. Two bids were received, with the lowest responsive bidder being West Coast Contractors (WCC) with a price of \$7,135,530.00, which was still considerably over the Engineers estimated cost for construction. In accordance with public contracting law, the Port entered into negotiations with West Coast Contractors to "Value Engineer" the project for potential savings. WCC determined that the project could realize savings in excess of \$200,000.00 by completely replacing the two leg towers, in lieu of rehabilitating the existing legs. West Coast Contractors revised price is \$6,584,005.00.

The Port must obtain authorization from MARAD for this proposed change. Port staff does not foresee any obstacles to obtaining MARAD permission for a scope of work change.

Port procurement rule 2.8.1(E) requires the Port Commission, acting in its capacity as the Local Contract Review Board, authorize solicitations and awards of contracts in excess of \$150,000.00.

President Farm asked how much the original Engineer's estimate was. Mr. Adamek said the original estimate was \$6,116,500.00. Mr. Farm asked if the grant funds are all in place for this. Mr. Adamek assured him the funds are there.

Upon a motion by Commissioner Edwards (second by Commissioner Stevens), the Board of Commissioners motioned to authorize Chief Executive Officer John Burns to award and enter into a contract for the Vaughn Viaduct Rehabilitation Project (BUILD Phase 1) with West Coast Contractors. **Motion Passed Unanimously.** (Ayes: Farm, Hanson, Stevens, ViksneHill, and Edwards. Nays: None).

## **F. 2022Res14: Wells Fargo Rail Corporation Locomotive Lease Agreement**

The Port of Coos Bay currently owns six locomotives and leases two locomotives from Wells Fargo Rail Corporation. Due to an anticipated increase in carloads and tonnage on the rail line, Port and Rail Staff have solicited a proposal from Wells Fargo Rail Corporation to lease one locomotive to join the existing rail fleet.

Wells Fargo Rail Corporation provided a proposal to lease one GP38-2 locomotive for a term of 12 months at the rental rate of \$110.00 per unit per day. During the term of the agreement, the Port/Rail is responsible for the maintenance, service and repair of each unit. Upon expiration of the agreement, the term shall continue on a month-to-month basis.

Although the annual expense is within the CEO's spending authority, per the requirements of the lease, the Port's Board of Commissioners must authorize execution of the lease agreement and an opinion letter from the Port's legal counsel must be provided (which is currently being prepared).

Commissioner Hanson asked if there was a parallel agreement regarding the estimated number of car loads attached to the lease. Mr. Burns answered there is no mention of car loads in the agreement with Wells Fargo, and there are no agreements regarding car loads.

Commissioner Stevens asked how the previous two rented locomotives worked out regarding maintenance requirements. Mr. Lopez said that they have been good. Mr. Lopez assured the Commissioners that the locomotives are inspected by both the Port and Wells Fargo before entering into a lease agreement.

Commissioner Edwards asked if this would be the third rented locomotive, to which Mr. Lopez answered that is correct, the Port would have a total of nine locomotives.

President Farm asked if the lease rate was similar or the same as the previous two. Mr. Lopez said the lease rate is the same.

Commissioner Stevens asked if there is a cap on repairs. His concerns were about renting a "lemon". Mr. Lopez answered there is not a cap and there is always a risk.

Upon a motion by Commissioner Hanson (second by Commissioner Edwards), the Board of Commissioners motioned to approve Resolution 2022Res14 authorizing Oregon International Port of Coos Bay Chief Executive Officer John Burns to execute a twelve-month lease agreement for one locomotive at the rental rate of \$110.00 per unit per day with Wells Fargo Rail Corporation. **Motion Passed Unanimously.** (Ayes: Farm, Hanson, Stevens, ViksneHill, and Edwards. Nays: None).

## 7. OTHER

President Farm announced his decision for new Commission Officer Appointments. The new appointments are Brianna Hanson, Vice President; Kyle ViksneHill, Treasurer; and Kyle Stevens, Secretary.

## 8. COMMISSION COMMENTS

9. NEXT MEETING DATE – Tuesday, November 15, 2022, 10:00 a.m.

## 10. ADJOURN

President Farm adjourned the meeting at 10:53 a.m. and entered into Executive Session to:

- (d) conduct deliberations with person designated by the governing body to carry on labor negotiations;
- (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;
- (j) carry on negotiations under ORS Chapter 293 with private persons or businesses regarding proposed acquisition, exchange or liquidation of public investments; and
- (n) discuss information about review or approval of programs relating to the security of a number of specified structures, activities and materials relevant to the operation of the state's infrastructure.