

**OREGON INTERNATIONAL PORT OF COOS BAY**  
**Coos Bay, Oregon**  
**REGULAR COMMISSION MEETING**  
**11:00 a.m., Tuesday, February 20, 2024**

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

**ATTENDANCE**

**Commission:**

Eric Farm, President; Brianna Hanson, Vice President; Kyle ViksneHill, Treasurer; Kyle Stevens, Secretary; 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; Rick Adamek, Director of Asset Management; Ray Dwire, Charleston Marina Manager; Brian Early, Coos Bay Rail Line General Manager; and Krystal Karcher, Human Resources Generalist.

**Media & Guests:**

Ross Williamson, Local Government Law Group; Amanda McCleary-Moore, Moss Adams; Lesley Daggitt, Moss Adams; Rex Leach, F/V Ms. Julie and F/V Texas Lady; Anne Donnelly; Kyle Cox, Tarheel Aluminum; Karie Silva, F/V Jeanette Marrie; Brian McLaren, Pacific Seafood; Lou Leberti, Charleston Advisory and Budget Committees; Ray Cox, Giddings Boatworks; Jamie Hennricks; James Burns III; Christine Moffitt; and George Wales, Coos Bay Pilots.

**1. CALL MEETING TO ORDER**

President Farm called the meeting to order at 11:02 a.m.

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

**A. Presentation of FY 2022/23 Annual Financial Report, Amanda McCleary-Moore, Moss Adams**

Amanda McCleary-Moore introduced herself on behalf of Moss Adams to present the 2022/23 financial audit report. Lesley Daggitt spoke of the nature of services provided, including auditing the Port's financial statements in accordance with Generally Accepted Accounting Standards, compliance testing and reporting under Oregon Minimum Audit Standards, Single Audit of federal grant programs under Uniform Guidance, and reporting of the overall audit plan, results, internal control findings or any non-compliance findings.

Areas of critical audit focus include internal controls and the IT environment, investments, revenues and receivables, capital assets, long term debt, accrued liabilities such as PERS and OPEB, financial close and reporting, Oregon Minimum Standards, and Federal grants compliance. Financial statements are reviewed to ensure they are materially correct and accurate. Areas tested for non-compliance include use of approved banks, insurance, use of revenue from taxes on motor vehicle use and fuel funds,

investment of public funds, public contracts and construction of public improvement projects, and the preparation, adoption and execution of the annual budget. There was a budgetary over-expenditure this year in the dredge fund related to materials and services.

Ms. McCleary-Moore stated Moss Adams issued an unmodified (clean) opinion of the Port's financial statements, meaning that after all testing was completed the financial statements were determined to be materially correct. Sampling and analytics were used to determine materiality. There were no control deficiencies identified that rose to level of significant deficiencies or material weaknesses. There was one instance of an over-expenditure. The Port has decreased the number of over-expenditures in recent years through the use of planning and adoption of supplemental budgets when necessary. There were also no instances of non-compliance that had a significant impact to the financial statements or to internal control matters that would require communication. The Uniform Guidance report looked at the BUILD grant, and there were no instances of noncompliance.

The Port implemented two new accounting standards of the Government Accounting Standards Board (GASB) including the Statement No. 96 related to reporting of subscription based IT services and the Statement No. 94 which is related to public-private or public-public partnerships which did not have an impact on the Port's financial statements in the current year.

Ms. McCleary-Moore reported there were no significant or unusual transactions identified, as well as no significant difficulties encountered during the audit and there were no disagreements with management. No circumstances affected the form or content of the auditor's report. There were no other findings or issues arising from the audit to report.

Ms. McCleary-Moore thanked the Port and the Finance team for working well to provide the information needed to meet the audit deadline. Moss Adams team members were highlighted, with team members being consistent from year to year.

President Farm thanked Moss Adams for the thorough report, congratulated the Finance team for another successful audit, then asked if any Commissioner had questions.

President Farm asked about the risk mentioned with journal entries, and whether it was a process that needed better backup or additional information. Ms. McCleary-Moore stated there were no control deficiencies identified or recommendations that came out of that process. A tool is used to import all journal entries and then a sample of entries are selected to ensure that supporting documentation is present and that the review and approval process was followed. Based on the testing completed, there were no best practice recommendations identified.

### **3. PUBLIC COMMENT**

Commissioner Nick Edwards stated he is a Port Commissioner but also a commercial fisherman who utilizes the Charleston Shipyard infrastructure and declared a potential conflict of interest with discussion regarding the Charleston Shipyard properties and the ConnectOregon grant proposal under ORS 244.120(2)(a).

**A. Joseph Ham** stated he is a commercial fisherman currently based in Kodiak, Alaska with four vessels that are brought to Giddings frequently. Mr. Ham stated he is concerned about the state of the facility and being able to continue doing vessel maintenance in Coos Bay. Improvements to the Shipyard

are vital in order to keep doing maintenance there. Mr. Ham stated he has spent \$4.2 million in the last three years in Coos Bay. Some of that money went to businesses around the county and the state. Mr. Ham stated he does not want to see the facility continue to go downhill where he would have to find another repair facility. He stated it is getting to that point now.

Commissioner Edwards asked if the infrastructure in the Shipyard was repaired how many vessels from Alaska would come here. Mr. Ham stated there has already been several from Kodiak.

**B. Kyle Cox** stated he appreciates the Shipyard grant proposal, and that he supports the grant, as long as it is done in a way that keeps stakeholders' opinions in mind. With the current grant proposal, the wash basin will be blocking the road, making it difficult to maneuver around. Boat washes take longer than an hour and with larger vessels they will take even longer. It is a safety issue if the road were to be blocked for that long. Opinions of the stakeholders who use the facility need to be considered. Mr. Cox stated if possible the whole dock needs to be filled in. Filling the dock in would provide more income and serve the people better. Mr. Cox also spoke of the relationship the Port has with the community and stated it hasn't been going well for a long time. Tenants and stakeholders need to be treated correctly. Mr. Cox stated that at a Charleston Advisory meeting Port staff had spoken of the container terminal and rail that would bring money in and help support Charleston. Mr. Cox stated it appears that someone made the decision it was okay to sacrifice Charleston for the end goal of the "pie in the sky" paying Charleston back in the future.

**C. Karie Silva** stated she is representing the F/V Jeanette Marrie. Regarding the proposal for the Shipyard infrastructure, Ms. Silva stated she is confident the fleet would favor joining docks 2 and 3. Many vessels need to prepare for their next fishery by switching gear at the docks in the Shipyard. By connecting the two docks, it would provide additional space for more fishing vessels and allow more work to be conducted without causing a bottleneck of vessels waiting their turn. Connecting the existing docks would benefit the fleet, as well as the Port. It would pave the way for acquisition of the much-needed 400-ton travel lift in the coming years. Ms. Silva stated the Port's improvement plan must consider the next generation of vessel owners. By connecting the two docks today, future generations of fishing vessel owners will be able to use the new expanded docks for many years to come. The permitting process could change drastically in the future, making it challenging or much more expensive if decisions are made at a later date. Including the extension between docks 2 and 3 now would save the Port money and time in the long run. Ms. Silva asked on behalf of the fleet for the Port to consider connecting the two docks. Ms. Silva extended gratitude to the Commissioners who came to Charleston to personally observe the current condition in the Shipyard.

**D. Lou Leberti** stated his concern is that the Port will not be able to do the job that needs to be done in a short period of time. Mr. Leberti stated he has worked on and around boats in the Charleston Marina and Joe Ney Slough, having removed docks for mitigation purposes. It should be considered what the facility users are proposing. There are safety issues that need to be addressed, and connecting the two docks would help with that. Enlarging the wash area for the boats doesn't appear to be feasible.

Commissioner Edwards stated he appreciated Mr. Leberti's comments as well as his presence on the Charleston Advisory Committee and Budget Committee.

**E. Rex Leach** stated he would like to see the Port plan ahead for a 400-ton travel lift. The needs of the fleet are getting bigger, longer and wider each year. In order to meet the future needs, planning needs to take place now. Mr. Leach stated he would support replacing the work docks and connecting docks 2 and 3 to allow for safer conditions and for more vessels to work at critical times. Mr. Leach stated

those docks are important to the community. A quick fix to the existing rail and carriage system was discussed at the last Charleston Advisory meeting and would buy time to go for the 400-ton travel lift. Mr. Leach stated it would serve the Port and stakeholders better if there was better communication so the Port could better understand what the fleet needs. This would allow the Commission to make better decisions on how to provide for the fleet.

**F. Christine Moffitt** provided hard copies of her testimony to Commissioners and then read from her statement:

*The need for more transparency in communications within and between the port and our community is clear. The structure of the commissioner appointments prohibits our voting on commissioners, and thus this also increases the need for communications and reporting. I again request that you form an advisory committee of community members that could hold a constructive dialog regarding revisions to your strategic planning and other items of concern to the port and community.*

*We have challenges that can benefit from the expanded expertise of the knowledge base here in the community. There are opportunities for economic development that could enhance our climate resilience. For example, restoring wetland habitats and enhancing selected tidal areas will help accommodate sea level rise and mitigate the increasing probability of flood flows. The science and engineering behind these activities is proven. All such activities produce jobs, decrease costs for repairs, and enhance training opportunities.*

*I bring to your attention the recently completed Coos County Estuarine Resilience Action Plan [https://www.oregon.gov/lcd/OCMP/SiteAssets/Pages/Estuary-Planning/FINAL\\_CoosCountyERAP\\_2023.pdf](https://www.oregon.gov/lcd/OCMP/SiteAssets/Pages/Estuary-Planning/FINAL_CoosCountyERAP_2023.pdf). This important document was produced by DLCD with financial assistance from the National Fish and Wildlife Foundation National Coastal Resilience Fund. It was produced with expertise from our county and state partners including the South Slough Estuarine Research Reserve. It details many of the challenges and potential solutions that can help our communities address coastal resilience into the future.*

*The report recognizes that many businesses on the waterfront, particularly in downtown Coos Bay, are threatened by sea level rise and flooding. The report shows that industries such as tourism, fisheries, ports, retail, and leisure and hospitality are all vulnerable. Five particularly vulnerable areas were noted: Southwest Oregon Regional Airport, Pony Village Mall, Mill Casino, downtown Coos Bay, and the Charleston Marina/Barview area. The resilience study of our area ranks the vulnerability of the transportation sector as especially high.*

*Planning for and executing appropriate restorations can provide essential habitat and also mitigate flood damage and disruption to businesses and highways and other transportation infrastructure. The transportation sector of US 101 was recently highlighted by Senator Anderson, who is acutely aware of the safety of highway 101 calls for the Department of Transportation to address many of these concerns with SB 1563 (attached).*

*Other concerns focus on impacts to habitats, fish, and wildlife, particularly with respect to healthy harvests of shellfish and salmonids, which support natural resources jobs and make important contributions to the regional economy.*

*There is an immediate opportunity through a FEMA Technical Assistance grant (attached) to fund cost/benefit analyses of various flood protection infrastructure projects in the Coos Bay area and*

*potentially fund engineering and design work (some of which can then be used in subsequent National Fish and Wildlife Foundation funding pursuits). The expertise to address this and the project is available here in the community and with its partners. This requires a 2-page form to be completed by the end of this month, but the applicant must be in a local jurisdiction. We are urging your support to make this possible.*

*I urge you to engage with the community here and work to protect the estuarine habitat that is essential for the community's future.*

Commissioner Hanson asked about the deadline for the FEMA grants. Ms. Moffitt stated it is a two-page application due at the end of February. President Farm stated Ms. Moffitt's email has been entered into the public comment portal so it can be tracked and staff will respond.

**G. Anne Donnelly** stated it would greatly benefit the Port and the Commission to be more careful and diligent about responding to comments. Ms. Donnelly stated to the best of her knowledge, there has been no response to requests to release the MEGA grant application. There are sections that would not be considered proprietary but they have not been released, despite many requests for the Port to do so. Ms. Donnelly stated core issues that keep occurring go back to the strategic planning process and strongly encouraged the Port to obtain an independent consultant to facilitate the strategic planning process. Doing this would help the Port to identify serious gaps in policy and framework which are at the root of the discomfort and dissatisfaction seen in the community. There are no clear statements or policies as to how to prioritize the continuing pursuit of the marine terminal versus existing assets. What has been happening over the last 20 years is that there is an implicit message to the public, although never articulated or adopted formally, that current assets be allowed to deteriorate in the hopes that someday "our ship will come in." Ms. Donnelly stated the policy area most in need of attention is asset management. It has been suggested the Port build an asset management plan. The Shipyard and Marina both have extensive potential but are not listed as an asset in the management structure. Ms. Donnelly stated the Charleston Advisory Committee should have membership outside of the commercial fishing industry, including representation from the visitor economy. Ms. Donnelly encouraged the Port to begin thinking creatively and productively about how to use real property.

**H. Brian McLaren** stated he is concerned about the disconnect between the Port and the merchants and stakeholders in Charleston. Mr. McLaren stated it seems lately there has been no cooperation and a lot of push-back, which is concerning as a business owner. There was a recent dispute over a fence line which turned into an unfortunate situation. Mr. McLaren stated he eventually had a lawyer send a cease-and-desist letter. Work should be done ahead of a project to involve the property owners and stakeholders to understand the scope of the project and find common ground.

Commissioner Edwards stated the Commissioners appreciate Pacific Seafood and other processors as a strategic partner for the Charleston harbor.

**I. George Wales** stated his companies, Coos Bay Pilots and Harbor Tug, do a lot of work in the Shipyard moving vessels around. The grant will help the Shipyard with the addition of a larger travel lift that can bring in more vessels. Consideration of safe navigation aids can help these vessels transit the Shipyard. It is not uncommon for out-of-town boats to get hung up. Connecting the docks would provide more space. The marine ways cannot accommodate vessels as they had previously.

Commissioner Edwards asked Mr. Wales how many of his current fleet of tugs cannot utilize the ways but would if the Port were to obtain a 400-ton travel lift. Mr. Wales stated at least six to eight of the

local tugs would. Shipyard and dock space is limited throughout the West Coast. President Farm asked about the size of tugs. Mr. Wales stated he has 75' and 76' tugs. Coos Bay Towboat has two other tugs that would be too big for even the 400-ton lift. Billeter Marine and Knutson also have a tug fleet.

## **J. Additional Comment Period**

President Farm asked John Burns to address the requests to release the MEGA grant. Mr. Burns stated the Port has been instructed by the USDOT not to release the application at this time. Port staff are meeting with USDOT to debrief from the last grant request and have been asking to be allowed to release the document. Port staff hope to have direction in the next several weeks as to how to proceed.

Ms. Donnelly questioned what jurisdiction the USDOT has on the Port's ability to release reports the Port itself has commissioned. People have repeatedly asked for the information the Port has relied upon to be released to the public. Ms. Donnelly stated it is clear to many that Port staff continually delay and provide reasons not to release. President Farm assured Ms. Donnelly that the Port is attempting to get the information out. Ms. Donnelly stated numbers have been presented to the public with no supporting documentation. President Farm stated the information will be released as soon as possible in accordance with the USDOT guidance.

Mr. Cox stated it is not right that Commissioners Edwards had to declare a potential conflict of interest, that he is representing the Charleston fishing fleet, and if he has to declare a conflict of interest with the Shipyard, he should have to declare one for the Ice House, the dock rates, fuel and other matters of interest to Charleston. Mr. Cox stated his belief that Commissioners Edwards has been forced to declare this conflict. President Farm stated this is in accordance with the Oregon Government Ethics Commission and Oregon law.

Ms. Donnelly stated the statute specifically defines a conflict of interest as having a financial interest in the outcome of the decision, with exceptions listed. One of those exceptions is if the official is a member of a class that would all benefit from a decision. Ms. Donnelly stated Commissioner Edwards is one of many commercial vessel owners who make use of the marina.

President Farm stated that becoming part of a class requires certification from the Oregon Government Ethics Commission. President Farm stated Commissioners look to Mr. Edwards for his input. He said with a potential conflict of interest, a Commissioner can still vote but must declare the potential conflict exists; if it is an actual conflict of interest, then the Commissioner must excuse themselves from discussion and vote, unless there is not enough for a quorum. Commissioner Edwards stated he has been in contact with the Oregon Government Ethics Commission and a potential conflict of interest must be declared to protect the Port from possible litigation if not stated.

## **4. PORT PROJECT UPDATE**

### **A. Charleston Marina Project Update, Ray Dwire, Charleston Marina Manager**

Mr. Dwire shared a PowerPoint presentation with an update of Charleston Marina projects for 2023/24, including the Marina office rehab, doors for the inner basin showers, the Shipyard work docks, piling project, dock repair, the ice plant, access gates and the G & H dock gates.

Upgrades were made to the maintenance shop in order to make in-house repairs easier. Upgrades to the shop included an electrical area, allowing for more in-house work on dock pedestals. Port staff are able to make pile hoops at about one-third the cost of outsourcing. Mr. Dwire shared before and after photos of the pile hoops. These are being made out of stainless steel so they will last a long time. This enables the Port to get the most out of the dollars spent while maintaining a quality product.

Mr. Dwire shared photos of the Marina office restoration. Staff painted and replaced siding, trim, and all windows. A contractor was utilized to replace the roof. \$30,000 was budgeted for this project. Similar upgrades will be made to additional building in the Marina Complex in the coming years.

New shower doors were installed in the Inner Basin showers. These are heavy duty doors mounted into the concrete structure and are expensive to replace. These doors have been subject to vandalism and are being updated with a new key card access system which restricts access to Marina guests only. Each of these locks costs about \$1,600. These locks have also been added to the G & H dock gate. The only people who will have access to this dock will be the people who have boats moored there.

New access gates have been installed on Albacore Lane and Guano Rock Lane. Port staff is waiting on the fire department to install access lock boxes and then gates will be locked after hours. This will funnel all traffic through one entrance by the RV Park and will help Security staff to monitor people accessing the facility afterhours (10 pm to 5 am).

One of the bigger projects this year was replacing the condenser fans in the Ice Plant. There was a design problem with the previously installed fans, where the control panel and all electronics were housed as part of the fan itself and exposed to the weather. The newly designed fans were installed in November. The plant was down for almost two months, from October 6 to November 29. There was an issue identified with part of the ice delivery system, where ice would get plugged up and staff would need to access the chute. Staff utilized a recycled platform from the Terminal One facility and modified it to work with the Ice Plant.

Repair work was recently completed to a section of dock that had become unusable. Staff were able to place a steel plate as a temporary fix, providing another two years of usability. Staff utilized materials available to accomplish the temporary fix, which will allow time to budget a more permanent solution. Mr. Dwire shared a photo of a Maintenance Apprentice who is going to school to learn welding, shown using his newfound skills for the Port's benefit.

Along with dock work that is ongoing, there are unexpected issues that come up. Recently there was a sinkhole that developed around a stormwater drain in the Outer Basin parking lot. Future plans will include looking at additional pipe in the Marina to see what other repairs are needed.

The piling project this year included 12 piling. Four of the piling replaced were in the Shipyard. This is just a small percentage of the piling that needs replacement, but these were the greatest need.

President Farm thanked Mr. Dwire for the update and asked if Commissioners had any questions.

Commissioner Edwards asked to look again at the photo of the Ice Dock, stating his concern has been brought up previously. Depending on the tide, a vessel could go under the Ice Dock causing extensive damage to the facility and potentially shutting it down. There needs to be two piling and a dock in front so no boats can go underneath and damage the superstructure. Commissioner Hanson stated there have

been previous comments regarding this issue and asked for staff to look into it and provide additional information.

**5. CONSENT ITEMS**

- A. Approval of December 19, 2023 Regular Commission Meeting Minutes
- B. Approval of January 17, 2024 Special Commission Meeting Minutes
- C. Approval of December & January Invoices
- D. Approval of December & January Contracts Awarded

Upon a motion by Commissioner Hanson (second by Commissioner Edwards), the Board of Commissioners voted to approve the December 19, 2023 Regular Commission Meeting Minutes, January 17, 2024 Special Commission Meeting Minutes, December & January Invoices and December & January Contracts Awarded. **Motion Passed Unanimously.** (Ayes: Farm, Hanson, ViksneHill, Stevens, and Edwards. Nays: None).

**6. MANAGEMENT REPORTS**

All Management Reports were included within the Meeting Packet.

**7. ACTION ITEMS/REPORTS**

**A. Annual Financial Report for FY 2022/23**

Moss Adams has completed the annual financial report on behalf of the Oregon International Port of Coos Bay for fiscal year ending June 30, 2023. The financial statements are presented in accordance with the financial reporting model in the Governmental Accounting Standard Board (GASB) Statement No.34. There were no adjustments that had a material effect on the Port's reporting process. There were also no material weaknesses or reportable conditions for internal control, or any instances of non-compliance to the general-purpose financial statements.

Ms. Amanda McCleary-Moore of Moss Adams attended this Commission meeting and presented the audit report. A copy of the audit has been provided to Commissioners for review.

Upon a motion by Commissioner Stevens (second by Commissioner Hanson), the Board of Commissioners motioned to approve the Annual Financial Report for Fiscal Year 2022/2023. **Motion Passed Unanimously.** (Ayes: Farm, Hanson, ViksneHill, Stevens, and Edwards. Nays: None).

**B. Appointment of FY 2024/25 Budget Officer**

Oregon Local Budget Law (ORS 294.305 through 294.565) governs the preparation of the Port's annual budget. Pursuant to ORS 294.331, the Port Commission is required to designate one person to serve as the Budget Officer, who shall prepare or be responsible for preparing the budget document under the direction of the Chief Executive Officer. The Budget Officer also presents a balanced budget to the budget committee, publishes all notices required by Local Budget Law, monitors budget expenditures during the budget year and notifies the governing body of the need to make any budget changes required after adoption.



Port staff recommends Megan Richardson, the Port's Director of Finance & Accounting, to be appointed as the Budget Officer for the fiscal year 2024/25 budget process.

Upon a motion by Commissioner Edwards (second by Commissioner Stevens), the Board of Commissioners motioned to approve the appointment of Megan Richardson, Director of Finance & Accounting, as the Budget Officer for the fiscal year 2024/25 budget process. **Motion Passed Unanimously.** (Ayes: Farm, Hanson, ViksneHill, Stevens, and Edwards. Nays: None).

### C. ConnectOregon9 Grant Application

The Oregon International Port of Coos Bay owns the Charleston Shipyard facilities and operates travel lift services, which include long and short-term storage of vessels. As owner of the Shipyard, the Port retains responsibility for capital repairs, rehabilitation, and replacement of infrastructure. The Shipyard services local, regional, and distant commercial and recreational vessels. The ability to maintain and improve infrastructure to support the maintenance, construction, and repair of these vessels is important to the success and viability of the community.

On January 11, 2024, the Oregon Department of Transportation (ODOT) announced it is accepting applications for the ConnectOregon9 grant cycle. Approximately \$46 million is available for aviation, marine, and rail capital projects. The grant requires a 30% match from the Grantee. Following an analysis conducted by Port staff, which included a review of the Charleston Master Plan, 2015 BST travel lift demand study, 10% engineering and design/basis of estimate and input from stakeholders, staff recommends the following improvements:

- 1) Lengthen and widen the travel lift slip (approx. 54' inland x 27' wide),
- 2) Replace 160' of dilapidated dock between docks 1 and 2 (160' x 20'),
- 3) Install approximately 200' of sheet pile behind dock 1 and 1A (new dock),
- 4) Install a new wash pad (approx. 30' x 60'), perpendicular to the lift slip, and
- 5) Replace approximately 230' of existing dilapidated floating dock at dock 3.

Replacing dock 1A will improve dockside access by 42%, greatly reducing increased waiting times during routine dockside maintenance and gear change outs. The Port owned and operated travel lift is the only one in the Coos Bay region. The existing slip was constructed in the 1980's and is quickly approaching the end of its useful life. The existing runners are spalling and soil underneath the wash pad is eroding. The new dimensions will allow the Port to fully utilize the 100MT travel lift and increase the number of boats that can be serviced with the lift.

Port staff is requesting authorization from the Port Commission to apply for a ConnectOregon9 grant that would be used to fund the costs of replacing and improving the infrastructure described above. The total project cost will not exceed \$5 million; \$3.5 million from the state and the Port's match of \$1.5 million. The Port will pledge matching funds from existing reserves and Charleston operational revenues. Port staff will also look to other resources to obtain the match funds.

The recommended motion is to authorize Port staff to apply for a ConnectOregon9 grant for a total project cost not to exceed \$5 million, with a total Port pledged match not to exceed \$1.5 million.

Commissioner Stevens stated that Commissioners have heard the comments from people at today's meeting that the community may want changes from what has been presented.

A motion was made by Commissioner ViksneHill (second by Commissioner Stevens) to authorize Port Staff to apply for a ConnectOregon9 grant for a total project cost not to exceed \$5 million, with a total Port pledged match not to exceed \$1.5 million. The vote will follow further discussion.

Commissioner Stevens stated he concurs with the interest of the community in connecting docks 2 and 3 and the additional sheet pile needed, and stated this project should be completed in a way that fixes the slip while also being conscious of the needs of the community.

President Farm stated the application is already a large ask and questioned whether more should be added at the risk of losing the grant, or creating a permitting situation that would make the application not competitive.

Commissioner Stevens asked for clarification of what specific costs were included in the \$5 million.

Mr. Burns provided the following:

- 1) Lengthening and widening of the travel lift slip: approx. \$1 million
- 2) Reconstruction/replacement of the concrete dock between docks 1 and 2: approx. \$1.3 million
- 3) Concrete access to the new dock 1A (20' x 20'): approx. \$152,000
- 4) Fender piles for the new dock: approx. \$455,000
- 5) Sheet pile behind docks 1 and 1A: approx. \$700,000
- 6) Floating dock piles between docks 2 and 3: approx. \$150,000
- 7) Floating dock: approx. \$305,000

Mr. Burns stated the estimate for connecting docks 2 and 3 is approx. \$700,000 including materials, construction, and permitting. The sheet piling behind docks 2 and 3, if taken to the top of slope, is approximately \$840,000 but could be closer to \$1 million. There could then be permitting issues.

Commissioner ViksneHill stated the cost is a separate issue from the timeline and permitting concerns. The issue with connecting docks 2 and 3 is that the permits are not in hand and may not be obtained in time to complete the project.

Mike Dunning stated mitigation for a new dock would include mitigating for cover. Any time water is covered or shaded, there has to be mitigation in another location to remove shade or cover. This could mean removing docks from another area in the bay. Mr. Dunning stated permitting for the work between docks 2 and 3 is unclear. Mr. Dunning further stated that mitigation for putting sheet pile to the back of the dock would require filling of intertidal wetland and the permitting and mitigation could be extensive, as well as cost being an unknown.

Commissioner Edwards stated he had a conversation with a representative of the Army Corps and of the Oregon Department of Fish and Wildlife who both stated this project is doable between docks 2 and 3. There are different ways to implement mitigation. A recent project in Newport installed lights with a steel grate in the dock. The timeline of permits for this would be 4-6 months. Commissioner Edwards stated there are multiple dock locations in the Marina that could be used for mitigation.

Mr. Dunning stated NMFS (National Marine Fisheries Service) is the agency that would make the determination and Port staff have not engaged with NMFS yet as the scope of work is not final. They will be engaged in a pre-application meeting once the scope is approved.

Mr. Cox stated it is a relatively small area of mitigation needed and the permits are relatively easy to get, pointing out the permits needed to connect docks 2 and 3 are the same permits needed to connect docks 1 and 2. President Farm stated this is different than what has been discussed previously. Mr. Dunning stated there are different permitting routes. One area of consideration is that by adding additional scope, the permitting may be pushed to an individual permit, which requires a biological assessment and opinion and takes much longer. There are projects that are taking two years or more for individual permits.

President Farm stated this illustrates his original comment about adding additional scope at the risk of the project. If the permitting and mitigation issues cause the project to not meet the timeline of the grant, then it may be unsuccessful. A smaller application would ensure the project goes forward and additional improvements could be made down the road.

Mr. Cox stated it appears the dock project has been replaced with a slip project, perhaps looking to accommodate derelict vessels from up and down the coast. President Farm asked Mr. Burns to discuss why the travel lift slip is an important component of the grant application. Mr. Burns stated the ConnectOregon grants are designed to improve the transportation system of the state, primarily for railroads, airports and maritime interests, and are not designed for maintenance or repair work. The expansion of the travel lift slip offers greater proof to the argument that the Port is improving the overall transportation system by then being capable of lifting more larger vessels. Mr. Burns stated the argument will be made that more dock space allows for vessels to get in and out more quickly. It would be difficult to argue that more boats would use the docks than there are today. Commissioner Edwards stated the additional 240' of dock space would bring a large influx of vessels, if all three docks were connected.

Commissioner Edwards stated in last year's ConnectOregon grant cycle, Mr. Cox was in the running but the project stalled with permitting and did not move forward. This application was to connect all three docks together, not to make improvements to the travel lift slip.

Mr. Cox stated this opportunity might be the only opportunity to connect all of the docks. It would offer convenience and safety and improved time. Mr. Burns asked how there would be more vessels with the connection between docks 2 and 3 than with a floating dock over the same footprint. Mr. Cox stated the floating dock is not really accessible as a work dock.

Commissioner Edwards stated a majority of the work done in the Shipyard is on dock 3. Connecting the docks would provide a bigger work space, which is what the stakeholders at today's meeting are saying is needed. The dock connection would increase the amount of work that goes into the Shipyard. There has not been investment into the dock infrastructure for that last 38 years.

Mr. Burns stated the Port must anticipate and be prepared for unknowns with any project. With the ConnectOregon grant 30% match, if there are issues with permitting or financing, there could be a requirement to pay potentially more. Mr. Burns clarified the Port would be obligated to cover the match funds for the original ask, even if the scope of work were reduced to a lesser cost. Mr. Burns stated another important consideration is where the match money will come from. Mr. Dunning clarified that the match amount is established and does not fluctuate.

President Farm asked about the concern with permitting for the connection of docks 2 and 3 and given the increase in complexity of the permit, whether those projects could be separated into different permits. Mr. Dunning stated it would have to be permitted as one project with one application. President Farm stated his concern that a more complex permitting process would delay the application and the project. The project as presented is the first step in fixing the work docks, which has been a need for a long time.

Commissioners have been strategically planning the details of this application but it hasn't been well vetted with a large stakeholder group. President Farm stated his question to Commissioners is whether to put everything in the application, and risk making the application too big of an ask. There is \$46 million total available and the application as written is \$5 million.

Commissioner Edwards stated the motion on the table caps the cost at \$5 million. President Farm stated a new motion would be needed to go over the \$5 million. Commissioner Edwards stated he believes it is worth the risk.

Ms. Donnelly asked for clarification on what the motion on the floor is and whether it will include defining the scope of work for the \$5 million. Mr. Burns stated it is not just about expansion of the slip, which gives leverage to the argument that the Port is improving infrastructure to accommodate more vessels but it is also about the failing infrastructure of the slip. Failure of the slip could be dire to the fleet in Charleston.

Mr. Cox stated his support for the modification of the travel lift slip, but stated it needs to be done the right way. The location of the wash pad should not block the road. President Farm asked if there is flexibility in the application to move the wash pad. Mr. Dunning stated there could be options within the application. The location of the wash pad is an efficiency issue for the Port, as the travel lift moves slowly. Mr. Burns stated there is a method to give the option of locating the wash pad where suggested, or an alternative location within the Shipyard if it is deemed to be more appropriate. The price of the pad should be consistent at either location.

President Farm stated the additional information received from the audience today is appreciated, although it is out of the norm of procedure for typical board meetings, Commissioners are trying make the best decision possible. President Farm asked if there were any final questions from Commissioner prior to a vote on the motion.

Commissioner Hanson asked for clarification on what the total cost would be if the additional work was added. Mr. Burns stated the proposal as it was written within the action item is approximately \$5 million. If there is a motion to add the additional connection between docks 2 and 3 and the sheet piling, then the total would increase by approximately \$1.8 million. The total would then be approximately \$6.8 million. Mr. Dunning suggested if that is the desired route, then to vote on a not to exceed amount of \$7 million to give room for the engineer's fine tuning of the project scope within the limited timeline.

President Farm stated he is concerned the grant application would be unsuccessful if the additional work is added now and would rather see the project completed in two phases. Commissioner ViksneHill stated his agreement with this assessment, that it is much harder to go back to a granting agency after an unsuccessful attempt, and a more strategic application is preferred over a risky approach.

Commissioner Edwards stated he thought the ConnectOregon application was originally going to be for connecting the docks, then the travel lift slip was added into it. Commissioner Edwards stated he was surprised to hear it announced at the Charleston Advisory meeting that the travel lift slip would increase. President Farm stated the travel lift slip was part of the original directive to staff. Mr. Burns confirmed.

Commissioner Hanson stated this discussion should have taken place in a work session and it is difficult to pass a motion at the same time as working through it. Commissioner Hanson stated that after hearing from the community they want the docks connected but there is concern about permitting and whether everything could be done, her inclination is to move ahead with the project as it is then look to a second

phase to complete the additional work. Commissioner ViksneHill stated that not including the additional work in the current grant does not mean that that work is not important. President Farm stated there can be an additional action item to direct Port staff to look for funding sources for the additional work outside of the current grant.

Commissioner Edwards stated that he would like to look to the future to obtain a grant for a 400-ton travel lift. Connecting the docks is creating the infrastructure for a larger travel lift.

President Farm called for a vote on the motion to authorize Port Staff to apply for a ConnectOregon9 Grant for a total project cost not to exceed \$5 million with a Port pledged match not to exceed \$1.5 million, for the scope of work as presented:

- 1) Lengthen and widen the travel lift slip (approx. 54' x 27'),
- 2) Replace 160' of dilapidated dock between docks 1 and 2 (160' x 20'),
- 3) Install approximately 200' of sheet pile behind dock 1 and 1A (new dock),
- 4) Install a new wash pad (approx. 30' x 60'), location to be determined, and
- 5) Replace approximately 230' of existing dilapidated floating dock at dock 3.

**Motion Passed 3-2.** (Ayes: Farm, Hanson, and ViksneHill. Nays: Stevens and Edwards.)

Upon a motion by Commissioner Hanson (second by Commissioner Edwards), the Board of Commissioners motioned to direct Port staff to develop a scope of work that includes the additional Shipyard work items discussed, including to connect docks 2 and 3, and install sheet pile, fill, black top, and rip rap, and to work on securing sources of funding. **Motion Passed Unanimously.** (Ayes: Farm, Hanson, ViksneHill, Stevens, and Edwards. Nays: None).

#### **D. 2024Res01: Declaration of Emergency: Derailment at MP 694.2**

On December 15, 2023, Port staff was notified by the staff of Coos Bay Rail Line of a train derailment at MP 694.2 and an immediate need to clear and rebuild the main line at MP 694.2 which was affecting the useability of the main line.

Until permanent repairs were to be made, rail service would be interrupted. Without timely repairs, CBRL customers would have been without service for an excessive amount of time.

On December 15, 2023, Chief Executive Officer John Burns declared an emergency and authorized the Port to enter into sole source contracts with Rick Franklin Construction and Schad Co Railroad Construction (Schadco) to perform the re-railing, removal and salvaging of the affected railcars and lading and to rebuild approximately 800 feet of main line track. Rick Franklin Construction has extensive knowledge of derailment cleanups and has the specialized equipment, ability and work force to re-rail and remove damaged rail cars in the time frame necessary to limit the rail down time to our customers. Schadco has the specialized equipment, ability and work force to repair the main line. The contracted total price of the project was \$391,770.

Rick Franklin completed the cleanup and salvaging operation on December 21, 2023 and Schadco completed temporary repairs to line and it was reopened on December 23, 2023. Final permanent repairs were completed January 4, 2024.

Commissioner ViksneHill asked what caused the derailment. Brian Early stated the cause is still under investigation. President Farm asked if this would be subject to an insurance claim. Mr. Burns confirmed it is, with a deductible of \$25,000.

Upon a motion by Commissioner ViksneHill (second by Commissioner Edwards), the Board of Commissioners motioned to adopt resolution 2024Res01 ratifying the Declaration of Emergency for derailment cleanup and main line rebuild at MP 694.2. **Motion Passed Unanimously.** (Ayes: Farm, Hanson, ViksneHill, Stevens, and Edwards. Nays: None).

8. **OTHER/INFORMATION ITEMS**

9. **COMMISSION COMMENTS**

10. **NEXT MEETING DATE** – Tuesday, March 19, 2024, 11:00 a.m.

11. **ADJOURN**

President Farm adjourned the meeting at 1:58 p.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;
- (f) consider information or records that are exempt by law from public inspection;
- (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;
- (i) review and evaluate the job performance of a chief executive officer, other officers, employees and staff, if the person whose performance is being reviewed and evaluated does not request an open hearing; and
- (j) carry on negotiations under ORS Chapter 293 with private persons or businesses regarding proposed acquisition, exchange or liquidation of public investments.