

**OREGON INTERNATIONAL PORT OF COOS BAY**  
**Coos Bay, Oregon**  
**REGULAR COMMISSION MEETING**  
**6:30 p.m., Monday, November 19, 2018**

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

**ATTENDANCE**

**Commission:**

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

**Staff:**

John Burns, Chief Executive Officer; Lanelle Comstock, Director of Administrative Services; Patrick Kerr, Director of Rail Operations; John Buckley, Project Manager; Rick Adamek, Project Manager; Krystal Moffett, Administrative Assistant; and Mike Stebbins, Port Legal Counsel.

**Media & Guests:**

Natalie Ranker; Jan Dilley; and Christine Moffitt.

**1. CALL MEETING TO ORDER**

President Kronsteiner called the meeting to order at 6:33 p.m.

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

**3. PUBLIC COMMENT**

Natalie Ranker provided comment on the Oregon Resources Corporation and GMA Garnet. Ms. Ranker stated her understanding that ORC was previously at the Mullen Rd. site and now GMA Garnet is a new company at that site. Ms. Ranker stated that GMA Garnet is requesting that 63776 Mullen Rd in Coos Bay as a place of business, with a primary business address in Woodlands, Texas. They have a registered agent in Beaverton, Oregon. ORC has a registered agent in Oregon as well, in Keizer, and a place of business at 63776 Mullen Rd, Coos Bay. Ms. Ranker asked how two companies with the same address can both request an enterprise zone abatement. Commissioner Hanson stated that the Secretary of State might be the office that would have more information than the Port.

Ms. Ranker then asked whether it would be good for the county to provide these enterprise zone exemptions to both companies. Ms. Ranker spoke of Clausen Oysters being fined in the past for discharging water into the bay that had been used to wash oysters and expressed concern over plans by GMA Garnet to discharge wash water into the bay. Ms. Ranker provided written comment from Katy Eymann concerning research on GMA Garnet's proposed agreement to pay employees 150% of the 2015 average county wage. Ms. Ranker shared concern with the language as written concerning new employees.

#### 4. **PROJECT UPDATES**

##### **A. Coos Bay Rail Line, Inc.**

John Burns shared that Coos Bay Rail Line, Inc. is up and running effective November 1. The startup was a little slower than anticipated. Operations began under an agency agreement between the Port and the CBRL; with 10 former CBR employees now employed by CBRL, 1 former CBR employee now employed by the Port, 2 new employees have since started with 2 more new employees who will start in December, and advertisement has gone out for 2 additional jobs. On November 2, there were two locomotives operational; the third locomotive came online on November 13, and the fourth locomotive came online today. As to the interchanges, again it was a slow start. The first week of business there were 17 cars handled. After continuous improvement, the second week brought 274 cars to the interchange yard in Eugene.

On October 28, the Port filed the second submission to the Surface Transportation Board to transfer operating authority from the Port to CBRL. The STB has given notice they will abbreviate the 30-day filing period so long as no disruption is sent by November 21; it is anticipated the authority will be transferred on November 22.

##### **B. Rail Tunnel Project Update**

John Buckley spoke of the tunnel rehabilitation project currently underway. It was a slow start but that has improved; now at 33% complete. Tunnel 18 is just about done, and tunnel 17 is nearly three-quarters of the way done. The micropiles are progressing well. Mr. Buckley shared pictures including LRL's concrete mixing truck on site; drilling rock bolts into the base of the wall; installing a hollow bar inside the wall to fill with concrete and stabilize the wall; also, concrete forms inside tunnel 18 and micropiles in tunnel 17. Mr. Buckley stated that crews will be moving to tunnel 19 in early December.

Commissioner Garcia thanked Mr. Buckley for the pictures.

##### **C. Rail Bridge Project Update**

Rick Adamek shared an update on the current bridge projects. Starting with the swing span bridge, work is underway to get the bridge operational again as soon as possible. Completion date is estimated for the end of the year. All pile driving is complete, and the shoring is installed under the motor control room. The jacking steel and bracing has arrived on site and welding has begun. Review of the shop drawings by Stantec is nearly complete, and Koppers is working to expedite delivery of the structural steel. Hardesty & Hanover has been doing the design work on the shoring system; they will also be working on the electrical-mechanical system that turns the bridge and were onsite last week. Mr. Adamek stated today there was a conversation with the State Historic Preservation Office regarding work on the house currently in place; they will not require preservation, rather some type of mitigation.

The Reedsport bridge is another ongoing project. There is one bent that has a failed pile on it, so it is sagging to one side. There have been some test piles driven and preliminary engineering. The test piles show inconclusive results but it was enough to provide Stantec with information for design work. Two more test piles will be drilled to finalize the design. The intent is to do the repair work within a couple of 3-4 day shutdown windows to minimize impact to customers.

The timber bridge project is going quite well. To date, there are 20 bridges out of 37 that are complete. Others are in various stages of repair due to the scope of work. Nine change orders have been signed to date, for nearly \$278K. The most recent change order was deductive. The completion date has been moved out to April 11, 2019. Work started this week on bridge 33.

Commissioner Hanson asked about the Coalbank Slough bridge, after having been removed due to budget needs. Mr. Adamek said Stantec is still working to finalize the design.

5. **CONSENT ITEMS**

- A. Approval of October 15, 2018 Regular Commission Meeting Minutes
- B. Approval of October Invoices
- C. Approval of October Contracts Awarded

Upon a motion by Commissioner Martin (second by Commissioner Farm), the Board of Commissioners voted to approve the October 15, 2018 Regular Commission Meeting Minutes, October Invoices and October Contracts Awarded. **Motion Passed.**

6. **MANAGEMENT REPORTS**

All Management Reports were included within the Meeting Packet.

7. **ACTION ITEMS/REPORTS**

A. **CBRL Management Agreement**

It is anticipated that the Surface Transportation Board (STB) will issue approval to transfer the Ports operating authority from the Port to CBRL by the 28<sup>th</sup> of November 2018. This operating agreement will address the relationship between the Port and its wholly owned non-profit subsidiary Coos Bay Rail Line.

On November 1, 2018, OIPCB and CBRL began operating under an agency agreement with CBRL acting as the Port's agent and operating under the Port's STB operating authority. The management agreement between the parties will be necessary to articulate the relationship between the Port and CBRL as well as the terms.

The OIPCB has petitioned the STB to accelerate their ruling to provide the transfer of operating authority in less than the standard 30-day process.

Mr. Burns stated that the Port and CBRL have common interests, and that is protection of assets and the optimum safe operation of the rail line. Commissioner Garcia stated the agreement will maximize the amount of funds available to repair the rail while meeting other obligations.

Upon a motion by Commissioner Farm (second by Commissioner Martin), the Board of Commissioners motioned to authorize CEO John Burns to negotiate and execute a Management Agreement between the OIPCB and CBRL for the expressed purpose of providing rail service to the Port owned rail line between Coquille, Oregon and Eugene, Oregon. **Motion Passed.**

**8. OTHER**

**9. COMMISSION COMMENTS**

Commissioner Martin shared written comment from Robert Hampton, owner of the F/V Halo, regarding Charleston policies to help small fishing vessel owners, specifically regarding public sales.

President Kronsteiner thanked staff for the information included in the meeting packet.

**10. NEXT MEETING DATE – Monday, Decmeber 17, 2018, 6:30pm.**

**11. ADJOURN**

President Kronsteiner adjourned the meeting at 6:56 p.m. and entered into Executive Session to:

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

(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.