

August 22, 2023
6:00 P.M.
Newport, OR

PORT OF NEWPORT COMMISSION MINUTES

This is not an exact transcript. The video of the session is available on the Port's website.

The Port of Newport Commission met on the above date and time at the Administration Building, 600 SE Bay Blvd., and virtually via Microsoft Teams. In attendance were Commissioners Retherford, Ruddiman, Chuck, Lackey, and Sylvia. Also in attendance were General Manager Paula Miranda, Director of Business and Finance Services Mark Brown, Operations Director Aaron Bretz, Administrative Assistant Gloria Tucker, OSU Intern Madeline Judokusumo, PR Consultant Angela Nebel, and visitors Jack Craven, Rachel Craven, and Rex Capri.

CONSENT CALENDAR

MOTION was made by Chuck, seconded by Lackey, to approve the consent calendar as presented. The motion carried unanimously in a voice vote.

OLD BUSINESS

Public Hearing and Adoption of Ordinance 2023-01 Amending the Bylaws. Sylvia introduced the agenda item. Miranda reported this refers to the title change that was brought to Commission at the last meeting.

MOTION was made by Retherford, seconded by Ruddiman, to read by title only and adopt Ordinance No. 2023-01, an Ordinance Amending the Bylaws of the Port of Newport. The motion carried unanimously in a voice vote.

Approval of Amendment to Customs Lease – Termination. Sylvia introduced the agenda item. Bretz reported there was not a termination clause in the original lease, so he has brought an amendment to lease to terminate. He noted this would allow the Port to remove the modular office building Customs has been using the last 10-12 years. He stated this would not result in any loss of revenue for the Port. He explained Customs hasn't had a permanent officer in over a year, and they determined they are not going to have one in the near future. Sylvia asked how long Customs was here, and why they are not occupying it. Bretz replied Customs has been at the Port since the 1980s. He explained the positions for Customs officers are difficult to fill and often go vacant. He noted the Port does not have a lot of calls for Customs services. Miranda noted the position hasn't been filled in nearly four years. Bretz indicated if the Port needs Customs, it can call Coos Bay and they will send an officer up.

Sylvia asked when Customs officers are needed. Bretz replied they are necessary the first time a foreign flag vessel comes to the US through this Port, for example a Canadian sailboat will need to have a Customs boarding. He stated the Coast Guard has Customs authority, and often Customs will ask them to do it. He added if a foreign cargo vessel needed Customs services, the Port would schedule that.

MOTION was made by Retherford, seconded by Chuck, to authorize the Executive Director or her designee to sign the lease amendment as presented. The motion carried unanimously in a voice vote.

Approval of Amendment to RV Park Redesign Contract. Sylvia introduced the agenda item. Bretz reported in the process of talking to Good Work Architects, staff suggested looking at the dry camp area and considering it as a potential new location for the RV Park Annex, in favor of creating more parking where the Annex is currently. He stated it was too good of an idea to pass up, but it wasn't in the original scope of the project. He explained staff want them to look at it and see how the numbers work as far as available spaces and costs. Miranda stated the more staff talked about this, the more excited they got about that location. She noted all the utilities are going to have to be done anyway at the current annex. She added if the Port goes that route, the Port could do the work and use the current location for stays.

Retherford stated she thinks it is a brilliant idea. She noted she is excited staff are looking at the option because sometimes recreating something isn't as easy as starting over. She confirmed with staff the annex could be made bigger and possibly create more revenue. Bretz noted there are things to consider about the current annex site, two swales collect rain runoff from the current parking lot. He added that could be addressed with culverts, though. Commission thanked staff for maximizing opportunities.

MOTION was made by Chuck, seconded by Lackey, to authorize the Executive Director or her designee to amend the contract with Good Work Architects in an amount not to exceed \$89,600 to complete the conceptual redesign of the RV Annex with a site comparison as specified in the new project scope and the attached AIA document. The motion carried unanimously in a voice vote.

Approval of Purchase of a Crane for NIT. Sylvia introduced the agenda item. Brown reported the crane works fine, but the Port is seeing increasing breakdowns due to loads hitting maximum capacity. He explained Bretz and his team found a new, older crane with less than 10 hours on it that saves the Port \$200,000 versus a new crane. He stated Business Oregon is putting financing together, and interest would be 3.61 to 4.02 percent. He noted the Port could pay it off early or offset some of the cost by selling the old crane. Retherford asked how long is the length of the loan. Brown replied looking at the life of the crane, 20 years at a fixed rate.

Miranda stated as soon as the Port has the new crane, staff can put the existing crane to market to sell. Ruddiman confirmed with staff the market value on the current crane is around \$150,000. Lackey confirmed with staff the Port would find out the interest rate next week. Retherford confirmed with staff the age of the current crane is 10 years old.

Lackey asked when the Port sells the crane, would the money go toward principle or something else. Miranda replied that depends on what is going on. She noted the Port has a lot of projects and will know a little bit better at the end of next month. She indicated staff will listen to the Commission's preference, but they would like to evaluate where the Port stands first fiscally. She explained staff have been working on a five-year plan and should be able to bring that next month to the Commission. Brown explained there are \$65 million in projects, \$62 in general operating fund, and \$30 million for Port Dock 7. He suggested looking at all the loans and determining where crane proceeds would work the best.

Sylvia asked if anyone needs the special procurement justification. Miranda replied that is put on paper in case anyone else questions the purchase. She explained the Port made an exception

to competitive bids, but it does not do that very often. Brown explained in a special procurement, certain provisions must be met, which the Port did. He noted Business Oregon asked to see the justification. Bretz noted staff got other quotes so they could know what the savings are. He added this is a credit to Don Moon for finding this particular crane.

Retherford asked when the Port gets to the point of selling the crane, will these options for spending be brought forward. Miranda replied staff will do that. She noted the Commission will have to allow selling the surplus property, and the recommendation for the funds will come with that. Ruddiman confirmed with staff that the training is the same for the new crane.

MOTION was made by Chuck, seconded by Lackey, to authorize the Executive Director or designee sign the attached special procurement sales contract and execute financing documents through Business Oregon to procure the crane. The motion carried unanimously in a voice vote.

NEW BUSINESS

Approval of Surfrider and SOLVE MOU – Bay Cleanup. Sylvia introduced the agenda item. Miranda reported there has been cleanups on the bay for many years, which involves a special use permit and application fee. She indicated in the past, the Port waived the use fee of the facility, and they provided insurance indemnification. She noted SOLVE agreed to jump in and provide insurance instead. She added the Port requests notification of cleanups, so operation folks have time to get ready.

Chuck noted Surfrider contacted him about this. He stated they would like to be able to do multiple cleanups every year or if weather causes something to happen without going through the permit.

MOTION was made by Lackey, seconded by Retherford, to authorize the Executive Director to execute the Memorandum of Understanding, as attached. The motion carried unanimously in a voice vote.

Presentation Rethinking Waste: Strategies for Effective Disposal and Circular Economy. Sylvia introduced the agenda item. Judokusumo reported this was her project for the summer, focusing on waste disposal around Port of Newport. She explained the types of waste Port users and visitors produce, including recyclables, marine use oils, garbage, and fish offal. She explained fish offal is any parts of the fish thrown away at the fish cleaning stations in South Beach. She noted the Port uses 300-gallon totes, located near the fish cleaning stations, so the fish decompose. She indicated the Port will dump them even when not completely full and is charged for every tipping. She added the cost for disposing of waste at the landfill has increased significantly every year since Fiscal Year 20/21.

Judokusumo reported more than 50 percent of garbage disposal cost comes from South Beach, and more than 40 percent of that comes from the fish totes. She stated fish offal is organic matter and still has value. She suggested moving from a linear disposal system to a circular system. She explained staff would have to make sure no one is disposing of garbage in the fish totes and then transport the fish offal to compost and fishmeal companies. She noted although they are not in Newport, they will accept fish offal for free. She indicated while working on transportation and scheduling issues, the Port can address the labels on the totes, dumpsters, and recycling bins. She noted a lot of labels have faded and adding pictures might help. She added the Port could also consider charging a disposal fee and overviewed potential fees by user.

Chuck noted charters are seasonal. He asked if charges would be every month. Judokusumo replied all of the fees need special conditions. She suggested a maximum fee may work for them.

Retherford asked how many totes are set out for fish. Judokusumo replied two totes are set out for each station. She explained pickups vary from 12 per month to 141. Retherford asked if a garbage bin is next to the fish cleaning stations. Judokusumo replied they don't have a bin next to them, but there is a dumpster a few steps away. She noted the dumpster is not right next to it because staff want to prevent fish offal going into the dumpster. Retherford recommended the Port relabel the bins and help educate users on recycling.

Lackey asked why the Port disposal cost has gone up 35 percent in a few years. Bretz replied it's the cost of everything, just the rates. Jack Craven suggested labeling containers with the phrase improper use of trash result in higher user fees. Judokusumo noted while doing research on what other ports, who manage their waste, do, she found they charge the vessels mooring there a disposal fee to encourage the vessels to stop throwing things in the water and throw them away in the facility. She explained because vessels have already paid for it, they would want to use the facility.

Sylvia asked how did Judokusumo get these precise numbers for fees. Judokusumo replied the numbers come from the bills. She explained she distributed South Beach's disposal costs to South Beach's users, so launch fees are small because the percentage is spread over many transactions. Sylvia stated recyclable may be a better word than sustainable. He noted putting waste into landfills may be quite sustainable, but it is not ideal or green. He noted the Port may want to reduce garbage even if the costs don't pencil out because the Port is trying to do the right thing and recycle more.

Miranda noted if there were savings, the fees would go down. Sylvia indicated there was a study looking at using this waste for crab bait. Judokusumo replied she looked at that study, but the costs were too high for industrial processing, cold storage, and staff.

STAFF REPORTS

Executive Director's Report. Miranda reported staff are working on a plan for the RV Park and would like to present that at a work session next month. She noted the plan will cause some excitement. She explained staff took Commission direction and put together a plan that slowly gets to where they want to be, not too fast or super slow. She indicated it may upset some people because the plan shrinks the amount of long-term stays. She added the plan still tries to accommodate people who have moorage, and off-season will be open for long-term. She added a lot of long-term stayers attend meetings and provide input, but staff take many calls for short-term stayers that have to be turned away. She stated it is better to make the RV Park plan before putting together a plan for the annex.

Miranda reported NOAA dredging will start Aug. 31. She stated the derelict vessels program is moving forward. She explained the Governor got involved, created an oversight committee, and Bretz will represent the Port on the committee with DSL. She indicated the funding will address derelict commercial vessels too. Sylvia clarified with staff a date has not been set for funding appropriation. Bretz explained the fund is \$18.6 million, and some of the money will go toward creating a catalog of derelict vessels in the state and some toward administrative costs. He stated the state needs to make the waste chain more affordable for people so they will do the right thing. Miranda added she hopes this will help the Port of Toledo with their costs too. Retherford

Bretz reported for the Rogue Seawall project, engineers are establishing a plan for how to drill and will provide an estimate on the permitting cost if the Port wants to address the service dock at the same time. Miranda noted for the service dock, there has to be a rate of return, and the Port may have to get an extension to the in-water work window because of timing. Bretz explained there are mitigation savings if the Port does the project in a certain order. He noted if the Port fixes the seawall and doesn't address the docks now and just removes them, the Port will lose all the mitigation credit.

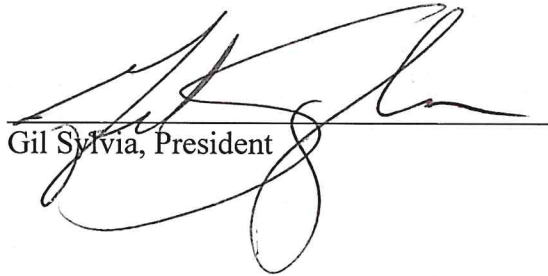
COMMISSIONER REPORTS

Chuck reported on his meetings with PacWave, OSU, and legislators. Miranda overviewed upcoming conferences. Tucker reminded the Commissioners to read the Business Emergency Preparedness packet.

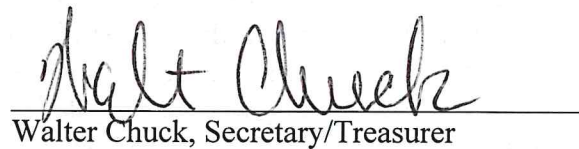
ADJOURNMENT

Having no further business, the meeting adjourned at 8:12 p.m.

ATTESTED:



Gil Sylvia, President



Walter Chuck, Secretary/Treasurer

confirmed with staff the Port is using a different dredge for the NOAA dredge than the Port of Toledo on their current dredge work.

Miranda reported the Port Dock 7 and commercial channel dredging plan's sampling cost is way higher than expected at \$1.2 million. She explained staff are working on splitting projects to see if the Army Corps portion of the project can be done sooner. She noted the Port may need a special meeting for the sampling contract, which could be held online. She noted there will be a Commercial Fishing Users Group meeting to discuss parking on Bay Blvd on Sept. 6, at 9 a.m. She explained the city will present their plan, and then the Port will evaluate what it can do to move forward.

Miranda reported the 343 SW Bay Blvd. property is on schedule to sell in September. She stated the International Terminal RORO Dock funding from the federal government may not be funded until next year depending on the Congress' decision. She noted she may hear about the MARAD grant at the end of September. She indicated she will be meeting with Congresswoman Val Hoyle's representatives. Retherford asked if she could mention the issue with DEQ changing discharge water permit regulations. Miranda replied the Port needs to talk to Gomberg and Anderson since the state is directly responsible for DEQ. Sylvia reminded that, ultimately, the federal level is responsible, as the State follows the Clean Water Act.

Miranda overviewed the Association of Pacific Ports Conference she attended. She noted the audit will be presented next month. She stated she will have knee surgery on September 7, and may be out of the office for a week.

Sylvia asked if there is any way for staff to try to estimate increases in regulatory costs over the last 5-10 years as a portion of projects, and then the next 10-20 years. Miranda replied she can work with other ports who have similar projects. She noted the Port of Newport's projects are very different from each other and not done very often. She added talking to federal legislators, she does not see funding for these regulation costs, and environmental costs continue to increase. She indicated NOAA fisheries has some tools specific to figuring out regulatory costs, but that wouldn't apply to past years. Sylvia added the port associations may be able to assist with this kind of analysis.

Retherford confirmed with staff the Port has not drafted its parking rates plan. Miranda suggested bringing a photographer to the next meeting to update Commissioner photos on the website. She asked for the Commission's input on permitting community use of the Commission Room and Conference Room. She explained she expected to allow maritime related groups and Port stakeholders to reserve the rooms for reduced fees. She stated she has been approached by a few folks who are non-profit who expect to use the rooms for free and waive all fees. She indicated the problem is that is not the Port's mission. She added if the Port allows one group to use it for free; it has to allow everyone. Retherford asked if there is a written policy. Miranda replied there is a permit that outlines using Port property and criteria for waivers. Retherford stated she would like to have a policy in place before allowing folks to reserve the space. Chuck stated he would like to see what city and county do. Sylvia noted the OSU Extension policy. He suggested tying the policy to the Port's mission and fiscal reality.

Lackey asked in the five-year cash flow report, will there be scenarios for different projects. Brown replied staff discussed all the projects and put the projects into separate years and funds. He noted the reality is Port Dock 7 would be split over a few years. He stated the report does not look at what-if scenarios. Miranda noted the numbers are estimates, and the plan may shift. She added she has no issues with debt as long as it is tied to rate of return.