

**OREGON INTERNATIONAL PORT OF COOS BAY
CHARLESTON MARINA ADVISORY COMMITTEE MEETING
12:00 p.m., Wednesday, January 15, 2020
Charleston Marina RV Park, Recreation Room**

MINUTES

ATTENDANCE

Advisory Members:

Nick Nylander, Chair; Mark Fleck, Vice Chair; Kyle Cox; Michael Armstrong; Kathleen Hornstuen; and Knute Nemeth.

Port Staff:

John Burns, Chief Executive Officer; Brandon Collura, Harbormaster; Mike Stonesifer, Maintenance Manager; Margaret Barber, Director of External Affairs; and Krystal Moffett, Administrative Assistant.

Guests:

Nick Edwards, F/V Carter Jon; John Payne; and Ed Fleming.

1. CALL MEETING TO ORDER

Chair Nick Nylander called the meeting to order at 12:00 p.m.

2. INTRODUCTION OF GUESTS

3. REVIEW AND APPROVAL OF MEETING MINUTES

A. Approval of October 16, 2019 Meeting Minutes.

Upon a motion by Nick Nylander (Second by Knute Nemeth), the Charleston Advisory Committee Members voted to approve the October 16, 2019 Meeting Minutes. **Motion Passed.**

4. FINANCIAL DATA REVIEW

Harbormaster Brandon Collura, prior to beginning the financial review, stated he will need to leave the meeting by 1:00 p.m. in order to catch a flight to Seattle to meet with NorthStar Manufacturing regarding a solution to rebuild the Ice Plant.

Mr. Collura stated most present are aware of a series of unfortunate incidents taking place recently in Charleston, beginning with the fire on December 20, 2019 in which the Ice Plant was a total loss. The Port has every intention of rebuilding a commercial grade ice plant at the Charleston Marina Complex. Temporary and permanent solutions are being aggressively pursued, and the

location and specifications are still being determined. The Port is well aware of the shrimp season beginning April 1 and the albacore season beginning June 1 which are both important dates for the fleet. Details will be communicated as quickly as possible once more is known. The investigative team will hopefully conclude their investigation by the end of January; then more will be known as far as timeline and other details.

The other current issue is dredging of the Charleston Marina. Mr. Collura stated as soon as resources are available, all avenues for dredging the marina will be pursued. These resources include manpower, access to dredging equipment currently under contract in Siuslaw, funding, permitting and an available in-water work window. There are hurdles that exist, including regulatory. There are options being discussed with the Army Corps about different prisms that exist as well as the disposal sites. Site G has typically been used, and as a flow lane requires the Army Corps approval. Approval to move any sizable amount of material to Site G can be difficult.

Kyle Cox asked where Site G is located. Mr. Collura stated it is in the outflow lane just out from the bar. Other sites further offshore are for clamshell disposal. Mark Fleck asked if there are any available sites shore side. Mr. Collura stated the Barview site is available as an upland disposal site, though the amount of material and the length of transport make it a non-viable option for this project. Mr. Cox stated the Shipyard is an option, to mitigate the mudflat area. Mr. Collura stated more research is needed and permits would be required. John Burns stated the Barview site has about an 88,000 CY capability, which needs to be maintained as much as possible for materials that cannot be disposed of in the water. Kathleen Hornstuen asked how much longer the dredging in Siuslaw will take. Mr. Burns stated it will likely run the entire season. Ed Fleming asked about a topographical/engineering study done years ago to look at rebuilding the upland site and building a pipe to the channel in order to drain water from that site. Mr. Burns stated the work has not been scheduled, and it will likely need to be re-engineered to be more cost effective.

Mr. Collura continued the meeting forward with the financial data review. At the half-year mark, Charleston is showing a gain of \$3,475 compared to a budgeted loss of \$202,974. This is due in part to the following factors: revenues were within 3% of plan, personnel services are under budget because Charleston has not been at full staff, and other revenues and expenses are below plan due to the timing of capital projects planned this year. Based on current information, operating results are projected to end the year at approximately \$91,000 better than budget.

Mr. Collura asked if there were any questions on the financial data presented.

Mr. Cox asked if there was an estimate available on the cost to build a new ice plant. Mr. Collura stated it is difficult to say this early. The Port does have pricing for some of the components, but still needs information on others such as the refrigeration and the actual building structure. It is unknown the extent of damage to the dock, so it is too early to estimate the cost of replacement. Mr. Burns stated the Ice Plant was covered by insurance for full replacement value, so essentially it will be replaced without regard to depreciation on the equipment. The dock is also insured separately for full replacement. The current declared value placed on the Ice Plant for 2020 is \$4 million. Even if the replacement cost is more than that value, it should be covered by the full replacement insurance. Mr. Burns stated there was money set aside in the budget to replace the condenser and if the Ice Plant can be replaced with something bigger, better or newer, then the

possibility is there to utilize those funds in addition to the insurance. Mr. Fleck asked if the insurance would allow for a different location. Mr. Burns confirmed it will not.

Mr. Burns stated that just prior to this meeting, he spoke with the insurance agent. The next steps to be taken include an engineering firm, contracted by the insurance company and the Port, who will come out next week to look at the dock to ensure it is safe for investigators to access. While the engineers are here, they will be doing a structural analysis of that pier as it is today, to ascertain whether it can be reused or needs to be rebuilt. They will also be looking at Point Adams, as an alternative site. The week after that, there will be investigators here, including those sent by the insurance company. Once those inspections are completed in the final week of January, the Port can begin demolition. In the meantime, staff are traveling to Seattle this week to meet with NorthStar, a company who manufactures the necessary components to make flake ice. Staff will work with NorthStar to get this done as expeditiously as possible. Critical decisions will be made as early as next week, as to what equipment to purchase and to begin that manufacturing process.

Mr. Burns stated as a component of the insurance, there is a provision for business interruption. This means that as long as the plant is down, the insurance company has to compensate for the loss of business. The Port is not looking to make money off of this but will utilize the leverage provided to expedite the work needed in order to get up and running again. Discussions today with the insurance company centered on communicating with NorthStar for expedited service and how much that would cost; the insurance company is receptive. Communications will be provided as soon as decisions are made, so that everyone is aware. Ms. Hornstuen asked if the loss of business provision covered the cost of an interim solution. Mr. Burns confirmed it does; the issue being where to get ice from and alternatives are being evaluated. Mr. Fleck asked if there was a way for NorthStar to get the equipment here prior the facility being built and use that equipment in some type of mobile capacity. Mr. Burns stated it is possible but the question is where to set it up.

Ms. Hornstuen asked if any of the existing facilities are being utilized to cover some of the extra need. Mr. Burns stated that Port staff have reached out to those facilities and they have indicated they are at max already and not able to provide extra. Mr. Burns stated he has spoken to a facility in Reedsport but their system is unreliable. Discussions with them will continue and if the possibility of a partnership presents, it will be evaluated. Mr. Cox asked if the local Reddy Ice facility makes the right type of ice. Mr. Burns stated they do not. They were among the first to reach out to the Port. Reddy Ice makes block and crushed ice, which is not ideal for the fleet.

Mr. Fleming asked if there is any refrigeration technology that doesn't require the use of ammonia. Mr. Burns stated there is, but it is not economically viable for the Port's use. Knute Nemeth asked what type of ice the fisherman need. Nick Edwards stated flake ice is needed, and there is no alternative. Crushed ice can damage the product and freezes into large chunks which could potentially damage the vessel.

Mr. Fleck asked if the Port were to use Point Adams for the new ice plant facility, whether the old ice dock would be repaired and if that could be turned into another public hoist. Mr. Burns confirmed the dock will be repaired, stating the dock is covered by insurance. Mr. Burns stated the decking used on the docks has been an issue with the Army Corps, and using pressure treated decking over water doesn't work anymore. To the insurance carrier, the decking has to be replaced

and if a different product needs to be used, then that is what will be used. The end result will be better than it was. Mr. Nemeth stated the use of Point Adams will be greatly limited unless dredging is completed. Mr. Fleming stated the ice dock is critical as a breakwater. Mr. Burns confirmed there are no plans to remove the structure. As plans move forward, the Port will enlist input from users of the facilities.

Mr. Nemeth asked if there should be a hazardous marker placed in the water near the spit by Point Adams. Mr. Cox stated it needs to be dredged. Mr. Nemeth confirmed, stating the marker should be placed until dredging can be completed. Mr. Collura stated that preliminary discussions with Senator Merkley have taken place, as well as with the Army Corps. Prior to August, that spit was much larger but the last bit of it fell outside of the prism. Due to obligations with the state owned equipment, the Port is not able to dredge in Charleston at this time. Moving forward, that is a priority as soon as resources are available. Mr. Cox asked if the in-water work window could be by-passed for safety reasons. Mr. Burns stated that an extension can be applied for. The Army Corps may give a short grace period but will not often grant permission too far outside of the window. The work window is in place due to fish spawning seasons.

Mr. Nemeth asked about the Port's plan to recognize Curtis Green for his act of bravery in saving the individuals on the capsized F/V Darean Rose. Mr. Burns confirmed this will take place at the upcoming Commission meeting. Mr. Nemeth stated there was another heroic rescue last night. The Hauser and North Bend Fire Departments rescued individuals trapped in the capsized F/V Pacific Miner. These people should also be honored. Mr. Burns agreed, stating that the response of the fire departments have been outstanding, from the recent Ice Plant fire to the rescue of individuals on the capsized fishing vessels. These first responders display courage and dedication.

Mr. Edwards shared that he is one of the only fishing vessels on the West Coast to have a portable fire suppression system on board. It is a hand-held aerosol system; to use, you pull the cord and throw it into the fire. There is no water damage and it is quick to use. Mr. Edwards recommended the Port have two of these on hand, and shared information on where to find it.

5. NEW ISSUES/PROJECTS

Mr. Collura stated the two largest projects have already been discussed, but there are always new maintenance needs. Ms. Hornstuen stated there have been complaints the electricity on D dock keeps going out. Mike Stonesifer stated he had not heard this and will look into it. Mr. Edwards stated on the end of D dock there are two large bolts sticking out. Mr. Stonesifer stated this will be checked as well. Ms. Hornstuen asked about boats tying up to the dock and using tires as bumpers. Mr. Collura stated that Port Policy Ordinance 143 would need to be consulted, though the use of tires is not encouraged. Boats should be tied to the dock with room to move a little with weather; use boat bumpers if needed. Old tires could end up in the water, and that is a concern.

Mr. Edwards stated he is encouraged to hear of the direction things are moving in for the Ice Plant. Mr. Nylander asked if there is an estimated timeline for reconstruction. Mr. Burns stated it is too early to tell and more will be known next week. Mr. Cox asked the likelihood of an April completion. Mr. Burns stated it depends on the structural integrity of the dock and what needs to

be done to repair it. Mr. Burns stated the speed of the insurance company should not be an issue; they have already issued a check to keep the process moving forward.

Mr. Edwards asked if NorthStar has equipment available for lease. Mr. Collura stated at this time they do not lease equipment. It is not economically viable to buy a temporary system, then soon after buy a permanent system. Negotiations this week will include the possibility of leasing.

6. ROUNDTABLE DISCUSSION ON FACILITIES MAINTENANCE NEEDS

Mr. Nylander asked if there were any additional facilities maintenance needs. Mr. Fleming shared that on F & E docks there are quite a few power pedestals missing lids, exposing the socket to possible water damage. Also with the light posts there seems to be a continuing problem of the conduits getting broken. The last light post on F dock is in bad condition. Mr. Collura stated that many of these issues are on the current list. Mobilization to Siuslaw is now complete and manpower will return to Charleston and begin to tackle that list. Mr. Fleming offered to email pictures. Mr. Collura asked that Mr. Stonesifer be included in that email.

Mr. Burns stated Charleston has been short staffed due to the dredging project in Siuslaw and several staff have been out recently. It has been a challenge to optimize the available resources. Ms. Hornstuen asked if all positions are currently filled. Mr. Burns confirmed they are, as well as temporary positions.

Mr. Fleming thanked the Port for replacing the piling rings on E dock. Mr. Fleming also thanked Port staff for putting the draft Advisory minutes into the Commission packet. Mr. Fleming asked for a status update on the Shipyard dock replacement. Mr. Burns stated the Port is currently looking at different alternatives for that project. Ms. Hornstuen stated it would be good time to reevaluate the master plan and look at updating it. The last update was in 2013. Mr. Burns stated that will be looked at in the 2020/21 budget cycle.

7. PUBLIC COMMENT

Mr. Nylander stated he is encouraged by the discussions regarding the Ice Plant and the positive working relationship the Port has with the insurance provider. Mr. Burns stated that Lanelle Comstock has done a great job working with the carriers to ensure the proper coverage and valuation for all Port assets.

Mr. Fleming asked whether dredging for the Channel Modification Project will be limited to the in-water work window. Mr. Burns confirmed, stating that it will be subject to the same window the Army Corps has, which is approximately June through February. It will take three years, if all goes according to plan. The mobilization and demobilization costs for those three years add to the overall cost of the project. Mr. Fleming asked if Pembina would cover those costs. Mr. Burns stated that the Port of Coos Bay has invested about \$60 million into this project and will look to all beneficial users to contribute to the cost. If Pembina is here, they will be solicited to cover a portion of the costs. All users need to contribute to support the beneficial increased depth of the

channel. Mr. Burns stated that Roseburg Forest Products currently has their chip exports to Japan limited because they can't get large enough ships in to be competitive in that market. If they could bring in a ship with 45' draft as opposed to 37' draft, they would be open to a much larger market, which would give them a greater competitive advantage. Mr. Fleming asked if money the Port receives in benefit from the increased vessel traffic could be directed to Charleston. Mr. Burns stated that the Port will look to the highest and best use of dollars received and that includes Charleston.

Mr. Fleming asked about the management hours and billing of wages for time spent on the Channel Modification Project. Mr. Burns stated that has come from two sources. One of which was a \$5 million grant from the State of Oregon, and the other a reimbursement agreement with Pembina for certain project related costs. Not to be confused, Pembina has their own dredging project for Jordan Cove. That is what the recent hearings with the City of Coos Bay have been about. They are widening a portion of the channel at the behest of the pilots. That dredging is independent from the dredging for the Port's Channel Modification Project. As the non-federal sponsor of the navigation channel, the Port is required to engage with the Army Corps, as a private business cannot directly engage.

Mr. Fleming asked if the Port has been going into debt, citing the large grants that require matching funds. Mr. Burns stated the recent BUILD grant for \$20 million from the federal government did require a \$5 million match, but the Port was fortunate to get a grant from the State to cover that. Mr. Burns stated the Port will do everything possible to ensure solvency as well as look out for today, and the future.

8. COMMITTEE COMMENT

Mr. Nemeth thanked the Port for printing event cards that encourage people to visit and recreate in Charleston. The Oyster Feed is coming up on Saturday, April 25, 2020 from 12-4 p.m. This is a fundraiser for CCEC and various organizations and projects.

9. NEXT MEETING DATE

The next Charleston Advisory Committee Meeting is scheduled for Wednesday, April 15, 2020 at 12:00 p.m.

10. ADJOURN

Chair Nick Nylander adjourned the meeting at 1:09 p.m.