

OREGON INTERNATIONAL PORT OF COOS BAY
Coos Bay, Oregon
REGULAR COMMISSION MEETING
11:00 a.m., Thursday, July 16, 2020
125 Central Avenue, Coos Bay, Oregon 97420
Zoom Webinar

ATTENDANCE

Commission:

David Kronsteiner, President; Eric Farm, Vice President; and Brianna Hanson, Treasurer.

Bob Garcia, Secretary; and James Martin, Commissioner; were excused.

Staff:

John Burns, Chief Executive Officer; Brandon Collura, Charleston Harbormaster; Margaret Barber, Director of External Affairs; Mike Dunning, Director of Maritime Operations; Jake Jacobs, Director of Infrastructure Support Services; Rich Lopez, General Manager, Coos Bay Rail Line, Inc.; Krystal Moffett, Administrative Assistant; and Jim Coffey, Port Legal Counsel.

Media & Guests:

Geneva Varga, Scholarship Recipient; and Bill Hall.

1. CALL MEETING TO ORDER

President Kronsteiner called the meeting to order at 11:04 a.m.

2. INTRODUCTION OF GUESTS AND PORT STAFF

3. PUBLIC COMMENT

4. PORT PROJECT UPDATE

A. Ice Plant Rebuild Project Update, Harbormaster Brandon Collura

Brandon Collura stated that June concluded with the setting of the first-floor walls, joists, and structural steel work on the first-floor ceiling as well as preliminary work on the dock head building on the shore. This work included new cement footers being poured as well as the new foundation for the electrical building. As of July 1, the main equipment skids were lifted onto the second-floor inclusive of the compressor and LPR skids. The condenser lift took place on July 7. Pipe welding, electrical work, plumbing, and roofing are all on schedule for the week of July 13-18. The dock head building will have new electrical equipment installed shortly and will continue being framed and re-roofed as well.

The project is still on schedule for a completion date near the beginning of August. North Star will conduct professional training as part of their installation process. They are currently slated to be on site toward the end of July to begin powering up the facility.

A detailed look into the schedule shows all major components in place on the second floor by July 7. The last of the cement top slabs were poured on July 10. This week there are more subcontractors on site, including electrical, welding, and roofing. The latter part of the month will focus on tying all systems together and installing the new security cameras. The first week of August should see the powering up of the facility and then operations can resume shortly thereafter.

To date, there has been approximately \$5.383 million spent with a remaining budget of \$3.286 available. The estimated billing for the remainder of the project is coming in at about \$3 million. This estimate is inclusive of all subcontractor work to be completed this month. Completion of the project should be just under budget and within the timeline estimated.

B. Scholarship Award Presentation

President Kronsteiner stated the Port of Coos Bay began a scholarship program last year to support graduating seniors within the Port District. The Port's mission is to promote sustainable economic development that enhances the economy of southwestern Oregon and the State. One way to cultivate our local economy is to support the development of local youth and grow the workforce of tomorrow. Applicants were evaluated based on criteria including academic achievement, involvement in extracurricular activities and the community, and the expectation of future success in the academic setting.

This year, one student was selected who exemplifies academic success, as well as engagement in and commitment to the community. On behalf of the Port of Coos Bay, the Board of Commissioners is pleased to present the 2020 Port of Coos Bay Scholarship Award to Geneva Varga.

Geneva attended Winter Lakes High School and Southwestern Oregon Community College, and will attend Oregon State University this fall, transferring over 140 college credits with her. Geneva's goal is to receive two bachelor of science degrees (in environmental engineering and sustainability) in addition to minors in mathematics and Asian studies. Upon graduation as a bilingual engineer, Geneva envisions using her knowledge developed at the university along with her language skills and life experience to communicate more effectively with others and work alongside private and public agencies to revitalize our local economy while also sustaining our diverse environment. Congratulations to Geneva.

Geneva Varga thanked Commissioners for their support in her pursuit of helping the environment and being a good citizen of the community. President Kronsteiner stated Commissioners are pleased to offer her this scholarship.

5. CONSENT ITEMS

- A. Approval of June 18, 2020 Regular Commission Meeting and Budget Hearing Minutes
- B. Approval of June Invoices
- C. Approval of June Contracts Awarded

Upon a motion by Commissioner Farm (second by Commissioner Hanson), the Board of Commissioners voted to approve the June 18, 2020 Regular Commission Meeting and Budget Hearing Minutes, June Invoices and June Contracts Awarded. **Motion Passed.**

6. MANAGEMENT REPORTS

All Management Reports were included within the Meeting Packet.

7. ACTION ITEMS/REPORTS

A. 2020Res11: Railroad Capital Projects Surcharge Tariff

The Oregon International Port of Coos Bay owns and contracts for the operation of the Coos Bay rail line with Coos Bay Rail Line, Inc., a wholly owned nonprofit subsidiary of the Oregon International Port of Coos Bay. As owner of the rail line, the Port retains responsibility for capital repairs, rehabilitation, and replacement of the infrastructure on the rail line. Since acquiring the line the Port has undertaken a comprehensive capital rehabilitation campaign designed to restore and improve service to regional employers that ship and receive cargo by rail.

In 2013, the Port of Coos Bay instituted a surcharge fee on every revenue rail car transported on the Coos Bay Rail Line for the purpose of establishing a revenue stream to pay for debt service and other expenses related to the Port's acquisition of the rail line, as well as any capital repair and rehabilitation costs that are not covered by grant funds. Any fees not expended during the fiscal year collected are held in a reserve to be used for approved expenses in future fiscal years.

The existing surcharge fee (CBR 8500-A) has been in place since November 1, 2018 with no increase in 2019. The current fees range from \$50 to \$100, depending on the commodity shipped and the distance travelled on the rail line. The proposed fees range from \$52.50 to \$105.00, depending on the commodity shipped and the distance travelled on the rail line.

In order to meet future anticipated expenses related to the rail line, including the estimated \$520,000 in annual debt services for the purchase of the rail line which began in 2018, Port staff recommends that the fee be increased. After reviewing multiple scenarios related to the projected reserve fund balances for future years, Port staff is recommending a new Zone structure and increase in the surcharge fees, to be effective August 15, 2020.

Proposed Zone structure and 2020 rates are shown in Exhibit A, attached to the resolution included in the meeting packet.

Commissioner Hanson stated information regarding the competitive value of shipping options is good to keep up to date with to ensure that competitive advantage. John Burns stated Port staff will continue to ensure that the environment created does not encourage customers to leave the rail line in favor of other transportation options.

Upon a motion by Commissioner Farm (second by Commissioner Hanson), the Board of Commissioners motioned to approve Resolution 2020Res11 authorizing Coos Bay Rail Line, Inc. to issue the revised and updated Capital Projects Surcharge Tariff for 2020. **Motion Passed.**

B. 2020Res12: Amended Charleston Marina Rate Schedule for FY 2020/21

Throughout the rebuild process of the Charleston Ice Plant, Port Staff collected rates for commercial grade flake ice from 19 ice making facilities who provide ice to commercial fishing fleets between San Francisco and the Puget Sound. Between private and public enterprises, it was determined that the average price per ton for this product was \$91 with a median price of \$80. The Charleston Marina Ice Plant specifically provides several services and a production capacity that put it in the top tier of facilities along the West Coast.

Taking into account the current market research data as well as the costs required to repay the various loan obligations to rebuild the ice plant, the recommended motion is to increase pricing across all ice and ice dock services.

The proposed red lined amended 2020/21 Charleston Marina Rate Schedule was attached to the resolution included in the meeting packet.

The Rate Schedule may be modified by Resolution of the Port Commission. Upon approval by the Board, the proposed amended 2020/21 Charleston Marina Rate Schedule will become effective July 16, 2020.

Upon a motion by Commissioner Farm (second by Commissioner Hanson), the Board of Commissioners motioned to approve Resolution 2020Res12 revising the Charleston Marina Rate Schedule, amended to include the rates for ice and ice dock services, as presented for Fiscal Year 2020/21. **Motion Passed.**

8. OTHER

9. COMMISSION COMMENTS

10. NEXT MEETING DATE – Thursday, August 20, 2020, 11:00 a.m.

11. ADJOURN

President Kronsteiner adjourned the meeting at 11:21 a.m.