

**OREGON INTERNATIONAL PORT OF COOS BAY**  
**Coos Bay, Oregon**  
**REGULAR COMMISSION MEETING**  
**3:00 p.m., Tuesday, December 15, 2020**

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

**ATTENDANCE**

**Commission:**

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

**Staff:**

John Burns, Chief Executive Officer; Lanelle Comstock, Chief Administrative Officer; Mike Dunning, Director of Maritime Operations and Asset Management; Brandon Collura, Charleston Harbormaster; Margaret Barber, Director of External Affairs; Rick Adamek, Project Manager; Krystal Moffett, Administrative Assistant; and Mike Stebbins, Port Legal Counsel.

**Media & Guests:**

None Present.

**1. CALL MEETING TO ORDER**

President Kronsteiner called the meeting to order at 3:02 p.m.

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

**3. PUBLIC COMMENT**

**4. PORT PROJECT UPDATE**

**A. Closeout of Tunnel Rehabilitation Project, Project Manager Rick Adamek**

John Burns stated Project Manager Rick Adamek will present the final update of the Tunnel Rehabilitation Project. Mr. Burns stated that Mr. Adamek has done great work on behalf of the Port, and before the year ends will have been responsible for managing projects in excess of \$30 million. This includes projects for Charleston and the railroad.

Mr. Adamek stated he will share images from each of the tunnels and talk through the work that was done. Before work began, Tunnel 15 had standing water inside the tunnel and in the ditches outside. Tunnel 15 also had a large amount of obstructive rock, which was the biggest issue in this tunnel as well as the culverts at the north end. Drainage ditches at the south end were cleaned out and cobbles installed. Tunnel 15 is complete.

Tunnel 17 had ineffective ditch lines, as well as concrete invert slabs underneath the track bed causing water obstructions. The concrete invert slabs were removed, and the ditch lines dug out. There was no culvert work for this tunnel, just track and track bed work. At Tunnel 18, there was a waterfall coming down the side of the north portal. The track bed was reworked with new rock and ties installed and a small wing wall was built to divert the waterfall into a new ditch line. Tracktex was installed, which is a super heavy filter fabric.

Tunnel 19 was the longest tunnel included in the project, at a little over 4,000 feet in length. The ditch lines on both sides required hammering of obstructive rock through the whole length, which is taking more time than anticipated. In the past couple of weeks, crews have only made a few hundred feet of progress each day. On the left side of the south portal is a year-round creek. Water was diverted, environmental specialists removed the fish from the stream, and a precast concrete channel was installed. The completed channel runs 1,400 feet south of the tunnel with nearly a foot of water flowing for almost 2,000 feet before crossing back under the track through a new culvert and then eventually into Tenmile Lake. Tunnel 19 had water flowing in both directions, which required a gabion basket wall at the north end. An artificial streambed was built with cobbles, rocks, wood debris, and even logs; now there is a good stream flow for about 800 feet to the north into another new culvert.

Tunnel 20 was one of the shorter tunnels included in this project and work was done there first. Most of the work was inside the tunnel and consisted of removing the track and installing new track bed with the Tracktex fabric, then installing new ties and rail. Rail anchors were installed to help stop the expansion and contraction of the track due to weather. The anchors prevent snaking over the course of the ties and help to maintain gauge. Work in Tunnel 21 was similar to that of Tunnel 20, with most of the work inside the tunnel and just some ditch cleanout on either end. New ties were placed, and where the new heavier rail transitioned into lighter gauge rail there was a difference in elevation that needed to be accounted for.

Work in all of the tunnels is complete, except for Tunnel 19 where crews are still hammering obstructive rock. This work should be completed within a week. Subcontractors will then be able to finish the track work in that tunnel. All the welding has been done, so the work remaining is to place the last of the ballast in the ditches and complete the track and grading.

Work is scheduled to be completed by the end of December, then staff can close out the grant. President Kronsteiner thanked Mr. Adamek for his presentation and great work on this project.

## 5. CONSENT ITEMS

- A. Approval of October 20, 2020 Regular Commission Meeting Minutes
- B. Approval of October and November Invoices
- C. Approval of Community Giving Donation

Upon a motion by Commissioner Garcia (second by Commissioner Hanson), the Board of Commissioners voted to approve the October 20, 2020 Regular Commission Meeting Minutes, October and November Invoices and Community Giving Donation. **Motion Passed.**

## 6. MANAGEMENT REPORTS

All Management Reports were included within the Meeting Packet.

## 7. ACTION ITEMS/REPORTS

### A. **2020Res14: Amendments to Personnel Policy 14.5, Time Off & Benefits**

The Port of Coos Bay currently allows employees who work a paid holiday to either receive 8 hours of standard pay for the holiday (in addition to the hours worked on the holiday), or choose to use the holiday (as time off) at a later date.

To ensure employees who choose to use the holiday at a later date receive the holiday pay that they deserve in a timely manner, Port Staff is recommending Unused Holiday to be used within the calendar year in which it was accrued. If the accrued Unused Holiday is not used within the calendar year in which it was accrued, it will be paid out in full value in the first paycheck of the following calendar year.

Before being presented to the Port Commission, Section 14.5 has been reviewed and approved by Port's legal counsel and discussed with the Port's Management Team and staff. The red lined draft version of the recommended policy was included in the meeting packet. The policy will be effective January 1, 2021.

Upon a motion by Commissioner Farm (second by Commissioner Hanson), the Board of Commissioners motioned to approve Resolution 2020Res14 Authorizing the Amendments to Port Policy Manual Chapter 14: Personnel Policy, Section 14.5: Time Off & Benefits. **Motion Passed.**

### B. **2020Res15: Charleston Marina RV Park Rates for 2021**

As part of the annual budget process, the Marina Complex rates are reviewed each year and may be adjusted by the Consumer Price Index (CPI) and/or by market analysis. Each year staff surveys the rates and schedules of comparable facilities for comparisons.

RV Park rates are evaluated in December of each year to better serve our summer customers. This ensures that our long-term summer customers do not experience an unknown rate adjustment mid-season.

Port Staff compared similar RV Parks in the region and found the Port's daily, weekly, and monthly rates continue to be below the market average. Port Staff recommends a rate adjustment of 3% per category based on both market analysis and the CPI (rounded to the dollar).

The proposed changes are set forth in the table below (these rates do not include the 1.5% Lodging Tax and 2% Visitor Fee):

<b>Rate Type</b>	<b>2020 Rates</b>	<b>Recommended for 2021</b>
Daily - Back In	\$39.00 reg. / \$41.00 deluxe	\$40.00 reg. / \$42.00 deluxe
Daily - Pull Thru	\$44.00	\$45.00
Weekly - Back In	\$215.00 reg. / \$228.00 deluxe	\$221.00 reg. / \$235.00 deluxe
Weekly - Pull Thru	\$241.00	\$248.00
Monthly - Back In	\$573.00 reg. / \$606.00 deluxe	\$590.00 reg. / \$624.00 deluxe
Monthly - Pull Thru	\$638.00	\$657.00
Yurts - Daily	\$55.00	\$57.00
Yurts - Weekly	\$260.00	\$268.00

Pursuant to Port Policy, the Rate Schedule must be modified by resolution of the Port Commission. Upon Commission approval of the resolution, the revised Charleston Marina 2020/21 Rate Schedule will be republished with an effective date of January 1, 2021.

Upon a motion by Commissioner Garcia (second by Commissioner Farm), the Board of Commissioners motioned to approve Resolution 2020Res15 revising the Charleston Marina 2020/21 Rate Schedule for the RV Park. **Motion Passed.**

**C. Stantec Task Orders 36-43 for the CBRL Bridge Rehabilitation Project**

In July 2012, the Port entered into a Professional Services Agreement, which was amended in July of 2017, with Stantec Consulting Services Inc. that included initial task orders in support of the rail line’s bridges. Port staff has utilized the expertise of Stantec Consulting Services as a resource for bridge and water crossing engineering, project management support services, and technical support services for the development of the Coos Bay Rail Line Bridge Management plan.

Under the PSA, Stantec provided engineering design and support services for the scope of work identified in the BUILD Bridge Rehabilitation Project awarded to the Port in 2019. With the project grant agreements fully executed and in place, the Port is ready complete and finalize all necessary engineering and design for the project. In addition to engineering support for the project, Stantec will also provide construction management services and contract administration support.

<b>Description</b>	<b>Labor</b>	<b>Subs</b>	<b>Expenses</b>	<b>Total</b>
TO 36 – Vaughn Viaduct Bridge Replacement Engineering Support	\$33,108	\$0	\$4,000	\$37,108
TO 37 – Vaughn Viaduct Bridge Replacement Construction Management Support	\$85,680	\$220,574	\$9,000	\$315,254
TO 38 – Swingspan Repairs Engineering Support	\$389,880	\$0	\$18,450	\$408,330
TO 39 – Swingspan Repairs Construction Management Support	\$453,222	\$0	\$155,200	\$608,422
TO 40 – Wildcat Creek Steel Span and Urgent Need Bridge Repairs Engineering Support	\$148,321	\$0	\$10,080	\$158,401
TO 41 – Wildcat Creek Steel Span and Urgent Need Bridge Repairs Construction Management Support	\$173,678	\$0	\$14,500	\$188,178
TO 42 – Coal Bank Slough Replacement Engineering Support	\$124,896	\$40,000	\$0	\$164,896
TO 43 – Coal Bank Slough Replacement Construction Management Support	\$122,332	\$0	\$9,500	\$131,832
<b>TOTAL</b>	<b>\$1,531,117</b>	<b>\$260,574</b>	<b>\$220,730</b>	<b>\$2,012,421</b>

To gain efficiencies and effectively manage the project schedule, staff is requesting approval of Task Orders 36-43. This will allow all phases of the project to work in parallel, as necessary to achieve success.

Staff requests the Port Commission authorize Stantec Task Orders 36-43 for the CBRL Bridge Rehabilitation Project in the amount of \$2,012,421. Funding for these task orders is covered by the grant agreements with the Maritime Administration (BUILD) and Oregon Department of Transportation.

Upon a motion by Commissioner Farm (second by Commissioner Garcia), the Board of Commissioners motioned to authorize Chief Executive Officer John Burns to execute Stantec Consulting Services, Inc. Task Orders 36-43 for the CBRL Bridge Rehabilitation Project Engineering and Construction Management support services in the amount of \$2,012,421. **Motion Passed.**

#### **D. Authorization to Issue RFP for Swingspan Bridge Repair**

In November of 2020, the Port's Railroad Engineer of Record (EOR) conducted a reevaluation of the Bridge Rehabilitation Project components and scope of work. During this inspection, six severely deteriorated posts on spans 6 and 7 of the North Bend Swing Span Bridge were identified. The EOR highly recommends that these posts be replaced as soon as possible.

Port procurement rule 2.8.1(E) requires the Port Commission, acting in its capacity as the Local Contract Review Board, authorize solicitations and awards of contracts in excess of \$150,000. Port staff intends to open the RFP period following the completion of bid documents and legal review. Upon closing the RFP period, Port staff will review the proposals and make a recommendation for award to the Commission at the next regularly scheduled Board of Commissioners meeting.

The replacement of the six posts will be funded through the application of 2021 State of Oregon Short Line Railroad tax credits (1/3 of costs) and the Ports General Fund. Port staff requests the Commission authorize staff to issue a Request for Proposals (RFP) for the replacement of six severely deteriorated posts on spans 6 and 7 of the North Bend Swing Span Bridge.

President Kronsteiner asked about the timeline of the RFP, given the dire need of repairs. Mike Dunning stated that staff are working on the RFP right now and it will be released as soon as it is ready.

Upon a motion by Commissioner Garcia (second by Commissioner Hanson), the Board of Commissioners motioned to authorize Port staff to issue a Request for Proposals for the replacement of six severely deteriorated posts on spans 6 and 7 of the North Bend Swing Span Bridge. **Motion Passed.**

#### **E. 2020Res16: Declaration of Emergency for Repairs to Rail Bridge at MP 739.14**

On December 8, 2020, the CBRL track inspector identified two deteriorated pile caps at MP 739.14. Additionally, crews that were operating trains across the bridge at MP 739.14 were providing reports to the General Manager about a change in track conditions. The concerns were investigated, evaluated and photos and videos were taken. The General Manager was briefed and a decision to place a "Slow Order" on the bridge was made due to safety concerns. The "Slow Order" notification was added to the rail operations bulletin, and crews were verbally notified. On December 8, 2020, the Port's Rail Engineer of Record (EOR) recommended the immediate replacement of the two pile caps. Scott Partney Construction was contacted to provide an estimate for repairs. Partney has the caps in stock and stated that the work can be completed starting December 18, 2020. The estimate for this work is \$12,876.00.

Port Procurement Rule 4.6.3 allows the Chief Executive Officer or his designee to award emergency contracts up to \$200,000 in value, and rule 4.6.5 allows the CEO to enter into a direct award for construction. These actions require a Commission Resolution to ratify the Declaration of Emergency at its next regularly scheduled meeting or as soon as practical.

Upon a motion by Commissioner Farm (second by Commissioner Hanson), the Board of Commissioners motioned to adopt resolution 2020Res16 ratifying the Declaration of Emergency by Chief Executive

Officer John Burns, including the execution of a contract with Coos Bay Rail Line, Inc and Scott Partney Construction to effect emergency repairs to the bridge at milepost 739.14 on the Coos Bay Rail Line. **Motion Passed.**

#### **F. Maxwell Road Street Vacation**

Per Oregon Revised Statutes 271.180 and 271.190, municipalities are required to seek approval from Ports and other adjoining property owners for proposed vacation of streets, alleys, and common public places within 5,000 feet of the harbor or pierhead lines of the Port. Port Policy Manual Section 13.6 Street Vacations in the Cities of Coos Bay and North Bend, states anything within 1,000 feet from the harbor and pierhead lines requires Port Commission approval.

Red Moon Development has requested the vacation to subdivide lots 200 and 4000, and approval from the City of North Bend to access that subdivision via Connecticut Avenue. The only properties potentially served by the section of Maxwell proposed for vacation are in the newly created subdivision; because the subdivision gains access from Connecticut, this section of Maxwell is no longer needed for access. *(As required by Resolution 90 91-14, Port must approve proposed vacations within 1,000 feet of the harbor and pierhead line of the Port).*

Port staff have reviewed the area of the proposed vacation and believe the street vacation action will not create a negative impact on the rail or marine transportation infrastructure serving the Coos Bay harbor.

Prior to the City of Coos Bay taking any formal action on the proposed right-of-way, the Port's Board of Commissioners must approve the vacation.

Upon a motion by Commissioner Garcia (second by Commissioner Farm), the Board of Commissioners motioned to approve the request for consent from Red Moon Development to vacate the undeveloped 50' X 160' section of Maxwell Street. **Motion Passed.**

#### **G. Assignment of Track Miles for 45G Tax Credit**

Port staff has worked with Mickelson & Company in the past to arrange assignment of the Port's Section 45G tax credit on behalf of its 151-track miles of rail line to a third-party Class II railroad for allowable track mile maintenance tax credits.

The Short Line Railroad Rehabilitation and Investment Act, Section 45G of the Internal Revenue Code, creates an incentive for the private sector to invest in rail infrastructure by providing a tax credit of 50 cents for every dollar a railroad spends on track improvements. The credit is based on a track mile formula and is limited to \$3,500 per mile of rail line owned, leased, or assigned to such a Class II or Class III railroad at the end of the railroad's taxable year.

Mickelson & Company is able to assign the Port's 151-track miles solely for the purpose of the Section 45G credit for \$2,100 per track mile or \$317,100. The fee for this Agreement of Assignment is not to exceed 8% or \$25,368 which provides the Port with revenue of \$291,732. The funds will be deposited in the Port's General Fund and are used to offset overhead and other expenses related to the Port's ownership of the rail line.

Mickelson & Company has worked with the Port since 2013 and has provided exemplary service in the marketing and assignment of the Port's 45G Tax Credit.

Upon a motion by Commissioner Garcia (second by Commissioner Hanson), the Board of Commissioners motioned to approve agreement to assign track miles for purpose of receiving tax credit revenue under Section 45G of the Internal Revenue Code, including signature authority for the Port Chief Executive Officer to execute the document. **Motion Passed.**

8. **OTHER**

9. **COMMISSION COMMENTS**

10. **NEXT MEETING DATE** – Tuesday, January 19, 2021, 3:00 p.m.

11. **ADJOURN**

President Kronsteiner adjourned the meeting at 3:36 p.m.