

OREGON INTERNATIONAL PORT OF COOS BAY
Coos Bay, Oregon
REGULAR COMMISSION MEETING
6:30 p.m., Monday, March 18, 2019

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; Anna Soderstrom, Chief Commercial Officer; Lanelle Comstock, Chief Administrative Officer; Patrick Kerr, Director of Rail Operations; Megan Richardson, Director of Finance; Margaret Barber, External Affairs Manager; Fiona Bai, Marketing Media Specialist; Krystal Moffett, Administrative Assistant; and Mike Stebbins, Port Legal Counsel.

Media & Guests:

Maedora Mosieur, Budget Committee; Karleen Burgett for Paul Burgett, Attorney, ARG Transportation; Daniella Williams, NeighborWorks Umpqua; Emma Kornetsky, student, MIT; and Nick Judson, student, MIT.

1. CALL MEETING TO ORDER

President Kronsteiner called the meeting to order at 6:31 p.m.

2. INTRODUCTION OF GUESTS AND PORT STAFF

3. PUBLIC COMMENT

4. PORT PROJECT UPDATE

Margaret Barber presented a legislative update for the 2019 session. The Port engages with the legislature in a number of ways, both direct and indirect. The Port contracts with Markee & Associates as lobbyists, as well as being involved with multiple organizations that engage in lobbying for the industry at large. Each session, the Port will identify key issues to focus individual efforts on; while relying on entities such as OPPA, AAPA, PNWA, and ORULE for other issues as they come up. The Port has hosted a number of legislative tours, typically one per year. These are very successful as they allow personal engagement with the legislatures and a firsthand view of the infrastructure. The Port also provides testimony and written statements for various committee meetings.

During this session, the Port is emphasizing the Channel Modification Project. Legislation passed in 2007 that allocated \$60 million to support the project. It is scheduled to come through in three installments; the first was \$5 million, then \$15 million was allocated in 2017, and the final \$40 million

is slated to be allocated this session. Even though it is in statute, the Port will continue to communicate how important this project is to our region. The bond bill measure will come towards the end of the session.

The Oregon Transportation Commission is now actively looking at the intermodal transfer facility project that came from the transportation package passed in 2017 allocating funding to support the development of several intermodal transfer facilities, specifically to be constructed in the Willamette Valley. Finalists include one in Millersburg and one in Brooks. If it is determined that neither of those are suitable, then the money will revert back to Connect Oregon or potentially to the special projects fund. That could provide additional funding the Port could seek for projects.

One of the biggest issues currently in front of legislatures this session is the cap and trade bill, HB 2020. It is a very complicated bill as written, with the goal to reduce the amount of greenhouse gas emissions to 80% less than 1990 levels. To do that, there would be a cap placed on the amount of carbon emissions a company was allowed, though they could elect to purchase the ability to expend more carbon emissions.

PERS reform is another issue under consideration; there have been a number of bills drafted to manage the increasing costs. It is unclear whether any of those will move out of committee.

SB 695 is a piece of legislation the Port requested Senator Roblan's office to introduce. Last year, the Port was looking to borrow money through a revolving loan fund but was unable to, due to ORS 777.447 which places a limitation on the amount that ports can borrow through promissory notes. The Port was able to work around this limitation, but it added time and cost. For the future, the Port is looking to have that limitation removed, as well as the five year requirement for payback. The bill entered committee last week and the Port provided testimony which was well received.

The oil train contingency plan issue has come up in previous sessions, and there are a number of different variations of the bill. The Port has been working closely with the committee to get amendments that would minimize impacts. It is likely that something will pass, despite discourse with certain elements of the bill.

HB 2970 is a bill that would require two man crews on all locomotives. The Port has provided a written statement, stating that the FRA is the most appropriate entity to dictate staffing, not the state. Future technological advances might require less staffing, not more.

HB 2272 is related to the Department of State Land leases, which the Port has a number of for submerged lands. The Port pays lease fees to DSL, and in certain cases sublets that land out. This bill would institute a surcharge on these leases for the state to cover the cost of insurance, though the Port already insures these lands. The Port has not lobbied against this bill because the financial impact is minimal, though the requirement would be redundant. OPPA is actively opposing this legislation.

HB 2415 would reduce the dollar amount of retainage allowed. A public entity is allowed to retain a certain portion of the contract amount to ensure satisfactory performance. Reducing the amount of retainage will reduce the leverage with public contracting. OPPA is opposed.

HB 2978 would implement a state funded short line tax credit program similar to the Federal 45G, which has not been renewed as of yet. The Port provided testimony in support today. Both Senator Roblan

and Representative McKeown are sponsors of this bill. This would provide funding for short line railroads contingent upon investments in infrastructure.

Ms. Barber asked for any questions. Commissioner Martin asked who is sponsoring the legislation related to locomotive crews and why. Ms. Barber stated she would find out and let Commissioners know. President Kronsteiner thanked Ms. Barber for the presentation.

5. CONSENT ITEMS

- A. Approval of February 19, 2019 Regular Commission Meeting Minutes
- B. Approval of February Invoices
- C. Approval of February Contracts Awarded

Upon a motion by Commissioner Farm (second by Commissioner Garcia), the Board of Commissioners voted to approve the February 19, 2019 Regular Commission Meeting Minutes, February Invoices and February Contracts Awarded. **Motion Passed.**

6. MANAGEMENT REPORTS

All Management Reports were included within the Meeting Packet.

7. ACTION ITEMS/REPORTS

A. David Miller & Associates Task Order 13

At the March 28, 2016 Board of Commissioners meeting, the Commission authorized Commission President David Kronsteiner to execute an Amendment, Assignment, Assumption and Consent Agreement of the prime contract for consulting services for the Channel Modification Project from David Evans and Associates (DEA) to David Miller & Associates (DMA).

Much of the work budgeted for calendar year 2019 will be related to engineering design and environmental and regulatory compliance matters. The estimated 2019 annual budget for the project is \$3,548,893.00.

Task Order DMA 13 in the amount of \$667,701.00 describes the tasks to be undertaken during Q2 2019, along with projected costs including work on the project's Environmental Impact Statement. Many of the task categories will continue through the end of the year. Staff is only requesting authorization for the projected Q2 2019 budget at this time, in order to effectively monitor project spending pursuant to the updated Budget Management Plan for the project.

Funding for this Task Order will be provided through the Port's Reimbursement Agreement with Jordan Cove.

Upon a motion by Commissioner Farm (second by Commissioner Martin), the Board of Commissioners motioned to authorize Commission President David Kronsteiner to execute Task Order DMA 13 for professional services related to the Coos Bay Channel Modification Project in an amount not to exceed \$667,701.00 for work to be performed on the project during the second quarter of 2019. **Motion Passed.**

B. Charleston Marina Launch Ramp Dock Replacement

In August 2017, the Port and the Oregon State Marine Board entered into a grant agreement to perform repairs to the deteriorating launch ramp docks. This repair was expected to extend the life of the existing docks by about five years. The Port removed five of the existing dock pods to perform the repair but determined that the deterioration was worse than originally thought. A cooperative decision between the Port and OSMB was made to stop the repair process and work towards a complete replacement. As a result of this decision, the agreement was terminated, and an application was submitted to replace the floats with a new aluminum hull design.

The OSMB engineer estimates to build and install the new floats will be \$385,000.00 (with contingency). As a condition of the grant, the Board targets a 25% match from the grantee. The Port proposed a \$30,000.00 cash match and \$32,000.00 in-kind match (force labor) for the installation, contract administration, permitting, and management of the project.

The OSMB drafted a set of engineered construction drawings and specifications for a complete set of replacement floats. An RFQ was drafted and bids were requested from multiple vendors and advertised as required by local Contracting Rules on March 4, 2019.

Due to the dollar amount of this project, the Port is required to enter into an IGA with the OSMB. In 2007, the Port entered into a similar agreement following a complete rehabilitation of the launch ramp facilities. This agreement has approximately eight years remaining before it sunsets. This new agreement will supersede the existing one. The IGA will require the Port to adhere to the terms of the agreement for a period of 20 years.

Commissioner Martin asked whether there are any use restrictions imposed as part of the IGA. Mike Dunning confirmed there is no commercial use allowed, covering the launch ramp dock area only. President Kronsteiner asked if the move to aluminum frame is due to the Corps resistance to allowing treated wood, and whether it is more costly. Mr. Dunning stated it is a more intricate design using concrete ballast and fiberglass decking with a slight cost increase, though the expected usable life is 20 years or more. Commissioner Garcia asked if the cost is covered mostly by the grant from the Marine Board. Mr. Dunning stated there are also some funds from ODF&W.

Upon a motion by Commissioner Martin (second by Commissioner Farm), the Board of Commissioners motioned to authorize Chief Executive Officer John Burns to execute a procurement contract to purchase the new aluminum replacement launch ramp floats, and following legal review, enter into an Intergovernmental Agreement with the Oregon State Marine Board. **Motion Passed.**

C. 2019Res08: Local Government Grant Application

The Oregon Parks and Recreation Department is accepting applications for the Local Government Grant Program. This program is to award funds for outdoor park and recreation areas and facilities such as the Charleston Marina RV Park. The Oregon International Port of Coos Bay qualifies as an eligible applicant as a port district. The grant will be applied under the category of Rehabilitation Projects.

Port staff is seeking funding to replace 55 existing wooden picnic tables in the Charleston Marina RV Park, many of which are approaching 20 years of use, with 50 recycled plastic picnic tables and 5

recycled plastic ADA picnic tables. The primary goals of the project are: (1) to provide a better customer experience in the Charleston Marina RV Park to accommodate, (2) attract more types of tourists to Charleston, and (3) provide a long-term sustainable solution to upgrade current aging infrastructure while saving costs. The main objectives of the project are to reduce cost and time of maintenance, provide an impervious and cleanable surface, improve the appearance of the Charleston Marina RV Park, update old destination infrastructure, provide better customer service, increase environmental health and improve customer safety.

As one of the requirements for applying for the grant, the Oregon Parks and Recreation Department is requesting a “Resolution to Apply for Grant” approved by the Port’s Board of Commissioners.

The addition of the 5 ADA picnic tables would bring the Port above the number required for ADA compliance. The cost of the project is around \$42,725.00 with grant stipulations for a 50% match. If successful, the award would be \$21,362.50 and the Port has pledged a \$13,727.50 cash match and approximately \$7,500.00 in-kind staff time.

Upon a motion by Commissioner Garcia (second by Commissioner Farm), the Board of Commissioners motioned to approve Resolution 2019Res08 authorizing Port Staff to apply for the Oregon Parks and Recreation Department Local Government Grant Program. **Motion Passed.**

8. OTHER

9. COMMISSION COMMENTS

10. NEXT MEETING DATE – Monday, April 15, 2019, 6:30pm.

11. ADJOURN

President Kronsteiner adjourned the meeting at 6:52 p.m. and entered into Executive Session to:

- (e) conduct deliberations with persons designated by the governing body to negotiate real property transactions;
- (g) consider preliminary negotiations involving matters of trade or commerce in which the governing body is in competition with governing bodies in other states or nations;
- (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; and
- (j) carry on negotiations under ORS Chapter 293 with private persons or businesses regarding proposed acquisition, exchange or liquidation of public investments.