

**OREGON INTERNATIONAL PORT OF COOS BAY**  
**Coos Bay, Oregon**  
**SPECIAL COMMISSION MEETING**  
**3:30 p.m., Monday, September 21, 2020**  
Port of Coos Bay, 125 Central Avenue, Coos Bay, Oregon 97420  
Zoom Webinar

**ATTENDANCE**

**Commission:**

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

**Staff:**

John Burns, Chief Executive Officer; Lanelle Comstock, Chief Administrative Officer; Mike Dunning, Director of Maritime Operations and Asset Management; Krystal Moffett, Administrative Assistant; and Mike Stebbins, Port Legal Counsel.

**Media & Guests:**

Nick Edwards; Maeora Mosieur; Ty Cutting; Yelena Nowak, Oregon Trawl Commission; and Rex Leach.

**1. CALL MEETING TO ORDER**

President Kronsteiner called the meeting to order at 3:36 p.m.

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

**3. PUBLIC COMMENT**

**Ty Cutting**, stated he is concerned about the price increase at the Ice Plant, from \$75 to \$91 per ton. He said \$91 is nowhere near the price of other facilities on the Oregon Coast and a 21% increase. Mr. Cutting stated vessels might be better off becoming more self-sufficient as this increase is difficult to afford and that the price increase is not feasible at this time for his operation.

**Rex Leach**, stated he does not buy all of his ice from the Port; he has three boats in the harbor and fishes for Hallmark Fisheries. He said the current situation with COVID-19 and the market downturn has production down by 50%; shrimp prices are down 38% and groundfish are also down accordingly. Hallmark in the past would take three deliveries per week of groundfish and they are down to one. He said the money is just not there for the fleet at this time. On the occasion that Hallmark breaks down and Mr. Leach needs to purchase ice from the Port, he said the new rate increase would be devastating. The increase of approximately 20% with a profit margin of only 10-12% in the current market situation will be devastating to small fleets. Mr. Leach stated he wanted to bring this issue to light and hopes to work together for a solution.

**Yelena Nowak**, stated the Oregon Trawl Commission is one of 23 state commodity commissions established through legislative assembly representing the commercial trawl fleet, which includes Oregon pink shrimp and ground fish. Ms. Nowak thanked the Port for the proactive approach with the Ice House project; at the same time, there is concern about the price of the ice. She said the 21% increase is not something the fleet can absorb easily, especially in a COVID year.

Ms. Nowak explained the value lost to the fleet coastwide this year: in sablefish has been 69%, Oregon pink shrimp lost 22%, rockfish lost 39% and dover sole lost 36%. Just these four species equal more than \$10 million lost. The volume is down 48% on sablefish as well as value. Oregon pink shrimp is the only species that increased in volume. Ms. Nowak stated production at the local Hallmark plant is down by 50%.

She said Charleston is the third largest fishing port in Oregon, but there are challenges in the industry such as higher costs this year, not much production, and infrastructure has been reduced. It is extremely important to try and keep the costs as neutral as possible, especially in the downturn years.

Ms. Nowak said that although the landings and value are down, there is a new initiative at some processors related to the quality, as they are requiring the fleet to purchase more ice, while on strict rotation and trip limits so the fleet is catching less and also getting paid less, while the costs remain high. She said the business of fishing is tough and the margins are thin. Ms. Nowak shared appreciation for working together on this issue and thanked the Port for the willingness to find a mutually beneficial solution for all.

#### **4. ACTION ITEMS/REPORTS**

##### **A. Authorization to Execute BUILD Grant Agreement**

Under previous Commission authorization, Port staff submitted a grant application to the 2018 BUILD grant program. The Port's application for the CBRL Bridge Rehabilitation Project was selected for award in December 2018. The BUILD Grant funds will be used to rehabilitate or replace bridge infrastructure at various locations within the rail corridor. These locations have been determined to be strategic and in the greatest need of repair or replacement due primarily to deferred maintenance and current FRA Bridge Safety Standards. The bridges identified in this application are near or past the end of their useful life and repairs or replacement of the existing structures are necessary to continue safe and reliable service on the entire line. The total project cost is estimated at \$25 million. The BUILD grant will cover \$20 million and was matched with \$5 million in lottery backed bonds authorized by the Oregon Legislature in 2019. Due to short falls in lottery bond revenues because of COVID-19, the state determined it would be unable to issue lottery bonds this biennium. Subsequently, the Port worked with the state of Oregon to secure the \$5 million match through Connect Oregon Funds in 2020.

Port staff worked with USDOT MARAD grant team members to finalize the project scope, schedule, and budget information in July to prepare the initial draft grant agreement concurrent with the NEPA certification efforts. The MARAD team has finalized internal draft requirements and approvals and a final draft agreement has been submitted to the Port for signature.

Upon receipt of the final draft grant document, staff submitted the grant agreement for legal review, and began conducting an internal technical scope, schedule, and budget review. The grant agreement must be ready to execute by the end of September upon completion of these reviews.

Upon a motion by Commissioner Garcia (second by Commissioner Hanson), the Board of Commissioners motioned to conditionally authorize Port Chief Executive Officer John Burns to execute the Grant Agreement between the Port and USDOT Maritime Administration for the 2018 BUILD grant covering the CBRL Bridge Rehabilitation Project upon completion of final legal and staff reviews. **Motion Passed.**

5. **OTHER**

6. **COMMISSION COMMENTS**

7. **NEXT MEETING DATE** – Tuesday, October 20, 2020, 3:00 p.m.

8. **ADJOURN**

President Kronsteiner adjourned the meeting at 3:50 p.m.