

MINUTES
PORT OF SIUSLAW COMMISSION
REGULAR MEETING
Wednesday, 21 January 2009

Commission President Scott called the Regular Meeting of the Port of Siuslaw Board of Commissioners to order at 7:00 p.m. in the Port office conference room located at 1499 Bay Street, Florence, Lane County, Oregon.

ATTENDANCE: Commission: Commissioner John Scott (Scott), Commissioner Bud Saulsgiver (Saulsgiver), Commissioner John Buchanan (Buchanan), Commissioner Bob Thorp (Thorp); Commissioner Joshua Greene (Greene). Staff: Port Manager Mark Freeman (Freeman), Recording Secretary Susy Lacer (Lacer). Audience: Brien Mill, Ryan Cronk of The Siuslaw News, Ken Urwin of the Siuslaw Fisherman's Association.

MINUTES: On the **MOTION** made by Buchanan, seconded by Greene, the Board unanimously approved the Minutes of December 17th, 2008, as submitted.

PRESENTATIONS: None

REMARKS FROM CITIZENS/GROUPS: None.

FINANCIAL REVIEW: Freeman noted the Port had substantial bills this month, with increasing day to day costs to operate the Port. He highlighted the following bills paid: payment for the required annual audit was \$5,600, the annual insurance payment to SDAO was over \$34,000, a \$7,400 loan payment, and approximately \$2,500 to remove the old F/V Alava. Buchanan stated SVFR had wanted to burn the Alava to remove it and save the Port money, but laws would not allow that. Scott noted that removal of the Alava had been one of the items concerned campers brought to the Board last fall so it was good to get that job completed. Greene asked about the cost for insurance. Freeman stated it was the annual premium cost for liability, property, etc. Thorp asked why the payment for County Room Tax was made to the City of Eugene. Buchanan explained the City has a contract to administer the room tax program. Freeman reported expenses versus budget are tracking closely, but that revenues are down quite a bit in the Campground from last year. Last winter we had several campers who were working on construction projects; with fewer construction jobs, we have fewer workers staying here, as well as fewer tourists. Buchanan reported SVFR has had fewer accident/ATV calls also. Greene asked if the Port had seen a report of the number of tourists in the county/state, typically released by CVALCO. Freeman stated he had not seen those figures. Thorp suggested, as part of the SBP, to look at possible events the Port could do to help bring tourists to Florence. Greene reported the Winter Folk Festival had increased attendance this year. He added there are several events the Port could partner with the Chamber on, offering lodging packages at the campground, for instance. Freeman stated he has met with the Chamber regarding combined events, including a wine event on the boardwalk. Scott asked about page 6 in the audit report, referring to the amount of Port accounts covered under FDIC insurance. Scott asked if Port funds were covered adequately. Freeman stated the auditor did not raise any concerns about that, and that Siuslaw Bank, where the Port has funds, is a 5 star rated bank. Scott asked if the Port could break the accounts up to avoid any potential unsecured funds. Buchanan stated SVFR had looked at that issue recently and was advised by their attorney to not worry about it. **MOTION: On the Motion, made by Buchanan, seconded by Saulsgiver, the Board unanimously voted to ratify payment of bills listed in the amount of \$93,205.83 and to accept the 2007/08 Audit report by Gregor Professional Corp.**

OLD BUSINESS: Approve Formation of a Port of Siuslaw Coastal Resources Committee. Freeman referred the Board to his synopsis of the new committee being proposed. He stated this would be an advisory committee to address marine resource

issues, including wave energy, marine reserves, etc. He stated this committee, Central Coast Resources Committee of the Port of Siuslaw, would be similar to FINE and SOORC and would be an inclusive group. Freeman added that the Port has time to organize this committee and that he intends to work with Sea Grant and OCZMA in the process. Prospective members of the committee would include members of the public at large, Commodity Commissions, Conservation groups, fishing, etc. He stated this committee would report back to the Port Commission. Scott asked about the financial responsibility to the Port. Freeman stated some reimbursement from grant funds might be possible. He stated FINE is discussing mapping of the Oregon coast and that they believe this is a prudent and necessary step. Freeman stated he envisions all key stakeholders being involved in this committee and that this will be an inclusive, not exclusive, group. Freeman stated the Board would interview and appoint committee members. Scott asked about costs to the Port and asked if there wouldn't be some minimal costs involved. Scott also asked about any potential liability to the Port. Freeman stated he did not believe there was any liability and that there would be some nominal costs for facilitating the group. Greene asked if we should compare notes with other existing groups and learn from their experiences. Freeman stated yes, he has worked with the other groups. He noted not all communities have a resource group to represent them and that he expects all resource groups to work together. Scott asked about the next step. Freeman stated the entire process would likely take 3-4 months and that the next step is to solicit interested people, interview them and then appoint them to the committee. Thorp asked if people from out of the area would likely attend these meetings. Saulsgiver stated he was sure they would and that he had talked with diving and other groups who were very interested in these issues. Freeman stated the Port wants involvement from all interested parties, including the City, Chamber, Fishing, the Public, Conservation, Commodities, etc. Saulsgiver stated the new group needed to operate transparently. **MOTION: The Motion was made by Saulsgiver, seconded by Buchanan, to Proceed in Formation of a Port of Siuslaw Coastal Resources Committee.**

Discussion: Green asked about the previous ad-hoc committee of the Port which was formed to achieve intervenor status for the Port in the wave energy arena—will this new committee replace that one, include the same members, or? Freeman stated that anyone who is interested can be a part of this committee. Greene asked if these were basically unrelated groups. Freeman stated yes. **On hold for discussion, the Motion carried unanimously.**

NEW BUSINESS: Select and Award Campground Electrical Upgrade Proposal.

Freeman stated this project has been suggested by campers and has been a goal of the Port's for many years. The electrical upgrades will include the inner circle, the gravel sites, and the B row, and will also include required transformer updates. Thorp stated the lowest bid, Reese Electric, does not specify the type of pedestal they plan to use and asked if the Port had that information. Freeman stated he did not have specifications on the manufacturer of the pedestals. Thorp clarified that if the Board approves this proposal they are not sure what kind of pedestal they are approving. Freeman stated we can make that a condition of the award. Buchanan stated Reese is a good business and they do good work, and their proposal was the lowest cost. Scott agreed that Reese Electric was a reliable business. **MOTION: The Motion was made by Buchanan, seconded by Thorp, to accept the submitted proposal from Reese Electric for \$52,122, subject to the Port Manager approving the type of equipment to be used.** Discussion: Thorp stated he spoke with Ken Hill regarding the types of pedestals to be used and noted that, depending on the type and design, we may be able to use fewer pedestals. Freeman stated that based on what he has heard from the designers, this plan will centralize breakers and equipment. Saulsgiver asked if the outer circle was being upgraded now also. Freeman stated it was not being

done at this time. He noted we had originally requested proposals to do the upgrades in two phases, one this year and one next year. He reported he opted to change the proposals to complete the entire project this year to save potential cost increases in the future and to have the upgrades finished in the campground. Discussion on best location of pedestals. **On hold for discussion, the Motion carried unanimously.** Freeman stated he will clarify with Reese what type of pedestals he is using and that the project should be able to begin in 1-2 weeks.

(Tentatively) Award Marina Dredging Project Proposal, Conditional on Permit Approval. Freeman stated the dredging permit is still waiting on the National Marine Fisheries Service. He stated the Port has received lots of help from COE. NMFS has stated they will have a permit to us in January. Freeman stated he has spoken with NMFS already about an extension of the in-water work window, if needed, to complete dredging this winter; he reported their response was favorable, however, the extension would be a separate arrangement from the original permit. Freeman stated the lowest cost proposal was from Nehalem Dredging at \$225,000. Freeman stated we have \$225,000 in grant funds plus a \$75,000 loan budgeted for the project, allowing for some extra costs, if needed, above the proposal amount. Scott stated it would be best to get everything possible done at one time. Freeman agreed the dredging was long overdue and that this dredging will allow us to rent moorage slips we have not been able to rent for years and will prevent our docks from resting in the mud at low tide. Scott asked if the Port would need approval to dredge 24 hours per day, as proposed. Freeman stated we would and that he has been working on that issue with the City. Discussion on method of dredging to be used. Thorp asked about the substantial difference in price between the two proposals received. Freeman stated the Port of Coos Bay had a similar price spread when they last dredged and they used Nehalem Dredging and were satisfied with the quality of the work. Greene asked if there were any concerns with the tides when working at night. Freeman stated the dredge would still be able to work. He confirmed that all materials will go on the dredge spoils site here (#19). **MOTION: The Motion was made by Greene, seconded by Saulsgiver, to Accept the submitted proposal from Nehalem River Dredging for \$225,000, contingent on dredging permit approval.** Freeman noted that if we don't get this permit we will have to re-bid the project for the next in-water work window. Greene asked if we don't get the permit now will we lose anything. Freeman stated no, the Port could start the project 1 November. Thorp asked if a personal visit from the Commission would help the approval process. Scott stated these projects—transient dock replacement, marina dredging, and campground upgrades—are vital for economic development in this area. Thorp stated perhaps the Commission could increase NMFS' appreciation of the importance of these projects. Freeman stated this situation illustrates the huge amount of taxpayer's money wasted on bureaucracy in government. Scott noted the issues that are delaying these permits are minor issues and are not ones of noncompliance on the part of the Port. Freeman stated Wilbur TERNYK has been working with the Port on the eelgrass mitigation plan required by NMFS and that he has worked for months on this issue. Thorp asked where the NMFS office was located. Freeman stated it is in Portland and noted that the Port had even agreed to a longer eelgrass monitoring period to encourage permit approval. Thorp stated a personal visit is always helpful. Greene agreed and noted there is a real need for these permits to be approved so that these vital projects can go forward. Freeman stated the dredging work could take about 2 weeks to complete and that NMFS has stated they can extend the work window by perhaps 2-3 weeks. He added that the Port may also need a dock project extension up to 9 March. Greene stated the Port Commission would like to visit the official in charge of approving these permits. The Board directed Freeman to call and make an appointment for the Commission to have a face-to-face meeting with the official in

charge. **On hold for discussion, the Motion passed unanimously.** Scott asked if we know who the person is. Freeman stated he knew where the office was, but not who.

Resolution #01-21-09 Revise Port Service Rates Scott noted the proposed rate increases were basically cost of living type increases. Greene asked about the vessel pump out fee increase to \$80. Freeman noted this was for emergency pumping of vessels in danger of sinking and that there were increased costs for labor, cleaning out the pump, etc. Thorp noted these were hazardous situations which often occurred at night and an increased fee was not inappropriate. Saulsgiver stated he was okay with these fee increases and he suggested posting them on the bulletin board on the docks. Freeman noted our fees are also posted on our website in their entirety. Buchanan stated these were common rates with other public agencies. Scott suggested a laminated sheet of the rates be posted in the marina. Freeman noted some of these rates are rarely levied, but the Port needs to have parameters in place if needed. **MOTION: On the Motion, made by Thorp, seconded by Saulsgiver, the Board voted unanimously to adopt Resolution #01-21-09 to Revise Port Service Rates as submitted.**

Scott asked for an update on the MSLTD project. Freeman stated the project was given a notice to proceed from ODOT; ODOT has been a partner on this project for years. Freeman stated an ODOT biologist noticed that coho salmon were not listed on our COE approved permit. Freeman stated multiple ODOT projects have been delayed because of this notice raised by the biologist. He added that the COE worked quickly to resubmit the needed paperwork and now we are waiting on NMFS again. Scott stated this would be a major problem if MSLTD was derailed. Freeman stated the latest word is that the contractor for the project, Laskey-Clifton, will be given the notice to proceed with in-water work as soon as we hear from NMFS. We are supposed to hear by the end of this week. Freeman noted costs for the project are increasing daily and the contingency for the project (\$52k) has already been used up due to extra time spent on permit issues. Scott asked if the Port would lose any grant funds if the project is delayed. Freeman reported he checked on that and we can get an extension on at least some of the grants. Greene suggested the need for a second visit to NMFS. Freeman stated the pilings were to arrive this week but we cannot do any in water work until we have the permit. Greene stated the Commission needs to get involved in this and that Freeman should not have to handle this himself. Freeman stated he appreciated these suggestions and that he will call NMFS and see what he can set up. He added that additional expenses due to these delays are unknown at this time. Freeman stated that all ports are experiencing these same delays and expenses due to regulatory authorities. Thorp stated these delays are costing taxpayer's money for no apparent reason. Scott noted that the practices the Port intends to employ, mitigating eelgrass and using a bubble ring and vibratory hammer for pile installation, are exactly what is required and that the Port is in compliance. Freeman agreed the Port is doing what needs to be done.

REPORTS: Greene reported his term as the Port's rep on the Urban Renewal Agency is up. He stated he was willing to renew his term and believed this was an important connection for the Port to maintain and that Urban Renewal is accomplishing good things. The Board agreed Greene should remain the representative to Urban Renewal. Scott congratulated Lacer on becoming President of Merchants of Old Town and noted this was an important link to encourage and maintain with Old Town businesses. Scott asked what the width of the new transient dock would be. Freeman stated it was 8-10' depending on location. Scott stated the Port will see a lot of foot traffic on the dock because of its premium location and easy access from the new Maple Street landing. Freeman agreed and noted the project brings in more possibilities to open the river to the public and to potential river boardwalks. Greene stated the City is still planning to do an interpretive center on a floating dock near the Waterfront Depot. He noted that center would be a good destination to draw

visitors from one end of a river boardwalk to another. Freeman noted the CVALCO tourism consultants suggested doing a boardwalk on pilings along the river on the back side of Bay Street. Scott stated the Port had had a difficult time when they attempted to build over the water when the marina boardwalk project was underway.

Greene asked if the Board wanted to set another date for a work session on the Strategic Business Plan. He stated he would like time to look closely at the Plan and create a template to guide Freeman and staff in direction for the Port. Thorp agreed. The Board agreed to meet for a work session on Wednesday, 11 February, from 2-6pm at the Port office.

ADJOURNMENT: Scott adjourned the meeting at 8:10 pm.

President