

Port of Umpqua

Regular Meeting Minutes
Wednesday, February 15, 2012 at 7 p.m.
Port of Umpqua
1841 Winchester Ave.
Reedsport, OR

THESE MINUTES ARE FINAL and APPROVED.

Commissioners Present:

President Steve Reese
Vice President Keith Tymchuk
Secretary Barry Nelson
Treasurer
Asst. Secretary Donna Train

Commissioners Not Present:

Port Staff Present:

Port Attorney Dave Anderson
Port Manager Charmaine Vitek
Administrative Assistant Karen Halstead

Proceedings:

The meeting was called to order at 7 p.m. by President Steve Reese.

APPROVAL OF AGENDA:

President Reese said there was one deletion request that was for item #4 - Financial Review Committee Formation. He asked if there were any other additions or deletions, and Commissioner Nelson asked if there was any planned discussion about the lack of lighting in the courtyard. Charmaine said that would get resolved; there wasn't any need to discuss it. This is the first time we have used the facility after dark, and were not aware there were no lights working in the courtyard.

APPROVAL OF MINUTES:

The draft version of the minutes for January 18, 2012 was presented for approval.

Commissioner Train made a motion, 2nd by Commissioner Tymchuk to approve the minutes as presented. Motion passed by unanimous vote.

APPROVAL OF BILLS:

Commissioner questions regarding bills:

Charmaine asked the board if there were any questions regarding the checks being paid and there were none. Steve said he did want to make note that the check for \$45,048.99 to Salmon Harbor for the pass through of the Coos Bay Wagon Road funds was included.

Commissioner Nelson moved to approve payment of checks in the amount of \$ **51,016.47** to be paid out of the General Fund, 2nd by Commissioner Tymchuk. Motion passed by unanimous vote.

PUBLIC COMMENT:

There was none.

REGULAR BUSINESS:

1. Port Attorney

Charmaine started by introducing Mr. Paul Nolte. She then gave some background as to what led up to this item being on the agenda. At a previous meeting the commission had approved the formation of a committee to work with Jim Bruce in finding replacement options for the Port attorney, since our current counsel would be retiring soon. Jim Bruce had come across the option of Mr. Nolte being a possible candidate. The committee had discussed this with Jim, and Dave, and after Charmaine spoke with Mr. Nolte she came to the same conclusion, that he would be a good fit for the Port of Umpqua.

Paul started by asking if there were any questions from the commission, anything they would like to know more about him or his background. He said he had been an attorney for local government for what he described as “too long”. Before he actually retired he was the in house counsel for the City of Ashland, as well as the in house counsel for Douglas County. Since retiring he represents five Southern Oregon Counties. He is also the city attorney for Central Point, which he explained is mostly done as he sees his work with the Port being done, and that is over the phone or over the internet. He does attend their council meetings twice a month. He explained further that he has very few clients and he only represents public entities. He also said he doesn’t anticipate building his practice anymore than what it is.

Dave added that Paul has also occasionally acted as a legal advisor to the City of Reedsport. Paul also does training for the League of Oregon Cities and with this he travels around the state instructing public officials on things that concern public meetings, public records, liability, land use, and anything that cities run across, which are also the types of things the Port of Umpqua will run across as well.

Dave said he has known Paul since 1975, when he was acting as county counsel for Douglas County. He said he has found Paul to be very easy to deal with, displays good common sense and gives good advice, and Dave said he felt that the Port could do no better, that he would be a perfect fit for the commission. He also noted that he doesn't usually make those kinds of statements openly when they will be recorded as part of the minutes of record, but in this particular case he had no reservations at all.

Barry asked if Paul had dealt with the Port in the past. Paul said he currently represents another special district, and he had dealt with the Port only in so far as it related to the Salmon Harbor Management Committee. He had drafted their first intergovernmental agreement that has since been replaced. That was his extent of dealings with the Port in the past.

Steve said he had read Paul's engagement letter and after reading that along with Dave's recommendation he felt it would be a privilege to have Paul represent the Port as their attorney. Keith added he felt the same way.

Donna agreed that the Port was very fortunate to have the opportunity to recruit Mr. Nolte.

Commissioner Tymchuk then made a motion that under the letter of engagement for legal services provided by Mr. Paul Nolte's lawyer, he recommended that the Port of Umpqua engage Mr. Nolte as legal counsel beginning as of April 1, 2012. Steve asked Dave before there was a second to the motion, if this would serve as a contract, or would there still be the need to have a contract written. Dave said the letter of engagement that had been provided would constitute a contract between Paul and the commission. The motion was then 2nd by Commissioner Nelson. Motion passed by unanimous vote.

After the vote, Charmaine said that she and Dave had talked about the possibility of Dave spending time with whomever the commission chose for counsel, and she asked if Dave planned on meeting with Paul to cover things like Port history, or did he feel there was a need.

Dave said they had talked about that between the work session and the meeting tonight, and he felt what was needed was for ** Charmaine to send copies of the lease forms that were used recently with Marketron and the several intergovernmental agreements that the Port has, including the agreement in regards to the general operation of Salmon Harbor, the one regarding the West Spit, the agreement with the County for \$50,000 and then the intergovernmental agreement between the Port and the County as it relates to the Wagon Road Funds that are passed from the County through The Port to Salmon Harbor. The only other item he could think of would be the Tyree Lease. After Paul has received all of these, then if any history or background information came up that Charmaine couldn't answer, Dave would be happy to give him the information needed. Paul added that there would be no charge to the Port for this research before Dave's departure. Dave said he felt it would be a very simple transition.

Barry asked Dave if he had anything written on the general history of the port for the commissioners to read up on. Keith said that had been done. Dave said some of it had been done, until he had suggested several times during the 90's that more be done as it related to The Port and Salmon Harbor. Finally somebody decided to roll with this, and they were able to obtain recordings from a number of the past commissioners that had been involved. This list includes commissioners such as Butch Thompson, among others. So, there now is a recorded history.

Steve said he thought that those reports were kept by Douglas County. Linda Noel added that the Port does have a copy. Dave added that in recent years there hadn't been that much activity except for the sale of the shipyard to Fred Wahl Marine which occurred in the late 90's. So, if something did come up, Dave said he would be available, and that he would provide a way to contact him if he were to leave the community.

2. Lower Umpqua Economic Development Forum annual membership dues

Commissioner Tymchuk said this is one that the Port needs to be a part of, and so he made a motion to approve Lower Umpqua Economic Development Forum membership dues in the amount of \$100.00 to be paid from the General Fund. Commissioner Train 2nd the motion. Motion passed by unanimous vote.

3. Winchester Avenue Buildings

Fire Alarm System:

Charmaine said through her research on what to do with the fire alarm system in the Winchester Buildings, she has discovered that if the commission plans to not use it then it will need to be removed. It's very expensive to do this, because it was all setup as a special system. She did get another proposal from Advantage Security out of Roseburg and she reviewed this with the commission.

Charmaine said the one thing that has come out of her research is that every alarm business says the system must be in compliance with specific standard regulations, yet not one of these businesses have come up with the same standards. The fire Marshall said its fine the way it is, we simply need to get it certified, tested and then tested annually.

The proposals to have this done are as follows:

\$1,000 from Performance Systems

\$600 from Cascade Special Systems

Keith asked why is a system that is not in use required to be removed. Charmaine said she didn't know why. Steve said it may be that if someone sees a smoke detector from a system that is not in use, they may falsely feel protected by it. So it's more of a liability issue. Barry said that what he has found to be standard practice from his experiences; is if there is a system in place, it has to work or be removed.

Keith asked Dave if it was a liability issue, and he said the one thought he had on leaving it there non-operational, was the fact that if there were a fire, and there was no warning because the device was inactive, and that inactive device could have been brought up to a working condition and possibly could have saved a life or kept an individual from harm. The fact that it was nonoperational by choice could open up the possibility of a liability.

Steve said the other issue was the doors. It is a fire rated wall where the doors are in the hallway and they are on a release system that is tied directly into the fire alarm system. Charmaine added that there were sensors in the HVAC as well that would also need to be removed.

Commissioner Tymchuk then made a motion to engage Cascade Special Systems to service and certify the fire alarm system for an amount not to exceed \$600, to be paid from the General Fund. Commissioner Nelson 2nd the motion. The motion passed by unanimous vote.

After the vote Barry asked if the annual inspection would be something that would be brought up before the commission for approval every year. Steve said he thought it would need to be voted on each year.

Dave said it would depend on the policy that was authorized and if the amount falls under the cap that the Port Manager can spend without getting commission approval. Charmaine's cap is \$150, the inspection is for a not to exceed of \$600, so yes this particular item would need yearly approval.

Heat Pumps:

Charmaine said while a thermostat was being repaired, it was discovered that the blower on unit #2 is not functioning. They didn't know this before because the thermostat was broken. There is now a proposal to fix the thermostat blower on unit #2 for an amount of \$650.32. The proposal was provided in the commissioner meeting packets.

There was also a proposal submitted for both an annual inspection and maintenance contract for the 6 heat pumps, as well as filter changes to be done quarterly. Karen was instructed to do some research, and found that The Port can change the filters themselves for a savings of \$190 per quarter.

At this time Charmaine was looking for direction on getting the blower unit fixed for \$650.32, and also to consider the annual maintenance agreement with Florence Heating and Sheet Metal that would include pump inspection and servicing for \$806 annually to be paid from the General Fund or if the commission so chooses she could go out for more proposals.

Keith and Steve both voiced their preference would be to fix the pump, but not enter into an annual agreement. They said after the Port gets more tenants, they could look at the other issue.

Commissioner Tymchuk then made a motion to engage Florence Heating and Sheet Metal to replace the blower on unit number 2 not to exceed \$651.00 to be paid from the General Fund. Commissioner Train 2nd the motion. The motion passed by unanimous vote.

Lease Rates:

Earlier during the work session there was discussion about lease rates. The topic discussed was the amount per footage and how to determine that square footage, so it could be included in a lease rate. After the discussion, the commission directed Charmaine to bring all negotiations before them for approval, after it's been reviewed by the Port Attorney.

4. ~~Financial Review Committee formation~~ This item was removed from the agenda at the beginning of the meeting.

5. Installation of lights in the Shed at the Port Dock in Winchester Bay

Charmaine reported that Commissioner Nelson had graciously installed a shelf in the back of the dock shed where the forklift is kept. The purpose of the shelf is to allow an area for the fish buyers, and fishermen to do their paperwork without having to stand out in bad weather situations. Now that we have a shelf, it's been discovered that there is no light in the shed, so they can't see especially at night. Charmaine and Steve had gone out to see what it might require to install some type of electrical outlet for lighting out there.

Steve said his opinion after looking at it was that it would probably cost around \$1,000 and \$1,500. This would require a trench be dug from the existing junction box on the dock to the shed, where they could install a light, a switch and an outlet. It was Steve's opinion that the dock assistant could benefit from having an outlet as well as a light.

Barry said he felt it was necessary, especially during crab season where it is not unusual to have boats unloading in the early morning hours as well as at night.

Steve added that whoever does the work, the light switch needs to be installed right inside the door.

Charmaine said that under ORS 279b.065 the commission can go up to \$5,000 for a small procurement. She said she would contact three different providers to get proposals, and move forward with this.

There was no need for a motion at this time, **Charmaine was directed to get the RFP's and then she would bring those to a future meeting for approval from the commission.

Donna asked if it would help in the meantime to have a battery operated light put into the shed, so there could be light in there right now.

******For the record, Linda Noel, Project Manager for Salmon Harbor addressed the commission and explained that there would be certain approvals required through the Harbor since The Port was under a lease with them. She said she would be glad to work with Charmaine, that all she would need is a letter of intent on what they plan on doing out there along with a schematic. With these two things, she said she could usually approve a project like this herself.

REPORTS:

PORT MANAGER'S REPORT:

Dock Report:

The Port Commercial Dock in Winchester Bay Brought in \$3,120 for the Month of January. We had reports of hydraulic oil leaking from the newly replaced hoses at the top of the hoist. I had ISSCO come down to look at it, they reported the swivels were worn out and needed to be replaced. I had them do the work which cost an additional \$584.10. That invoice is in this month's bills.

Received Longevity refund check for \$1,275.00 from SDAO for the rate lock guarantee program.

The Coos Bay Wagon Road Fund check for \$45,048.99 arrived this month, and as the Intergovernmental Agreement between Douglas County and the Port, is being passed to Salmon Harbor today. The original anticipated amount, and what was budgeted for was \$64,101 however it appears the fed's notified Douglas County the week after they approved their budget that they had made a mistake in their calculations and we were not going to get what they told us we would. Linda Noel is present to accept the check for Salmon Harbor.

Dredging funding:

We are very happy to report again, the Army Corp of Engineers approval of funding for the Umpqua River channel and mouth at \$721,710 for this year. Unfortunately, we also got notice that the President's 2013 budget excluded funding for all but the largest Ports in Oregon. So now we start the process all over again working with our partners to get funding. They are trying to get the specific funding that the Corp got this last time, as a bundle that would allow the Corp to do whatever they want at their discretion. There is a congressional delegation working on that.

It was a exceptional combined effort by FBB Relations, Ray Bucheger's group, PNWA, the Oregon Coastal Caucus, the Governor's office, Congressmen DeFazio, Senators Wyden and Merkley with the ACOE Ms. Darcy, assistant Secretary of the Army Civil Works, Portland District, Northwestern Division and our local coastal Program Manager Kate Groth. They all fought very hard for us, and I'm preparing appreciation letters now. It was a great effort by all.

Steve added that Charmaine had done an excellent job as well. ******He said he would like to see a story in the newspaper about what the \$721,000 funding means to the port district. An excellent letter was put together for the government explaining what it does for us, and he

would like to see that get to the media, and it may help the public understand a little more of what goes on to secure this funding.

I was supposed to meet with Dave Harlan while at the SDAO annual conference last week to work on the Intergovernmental Agreement part of the SBP but we were not able to hook up. We've been in contact since that time and are reviewing it to present to the commission when it is ready.

SALMON HARBOR MANAGER:

Linda Noel was present on behalf of Salmon Harbor. She relayed apologies from Jeff, and explained he was out of town for the week.

She thanked the Port for being a member of PNWA. It is so important to keep the dredging funds coming into our area to help support jobs and retain business.

She then gave a report on the happenings of the Marine Activity Center (MAC). This month the local hospital is going to hold their strategic planning session there, and then later in the month there is going to be a 50th wedding anniversary party for a local couple. In March there will be the REEF dinner, and Douglas County is going to use it for a Tsunami Training Class. In April the Siskiyou RV group are coming for four days, and while there they will be able to use the MAC. In June there is a bridal shower scheduled for a local couple, and another RV group called the Oregon/Washington Coaches for Christ Pre-Rally is going to be here with 17 units for three days. It is turning out to be work exactly as had been planned when the MAC was built, to attract groups during the winter months when the occupancy is low at the park.

Keith asked if there was a group that is there for a few days does that preclude the use of the MAC for other groups while they are there. Linda said no there are specific policies for the groups that list a maximum amount of time that they can use the MAC for free. Its 8 hours in a single day, but some of the groups have requested to split that over a couple of days. If they want it exclusively in addition to their allotted time they have to rent it just like anyone else.

At the joint meeting in January it was mentioned that work would be started on Dock 8 in the West Basin, it's the first time in 34 years that the whalers are going to be replaced. Work begins March 5, so they are in the process of reassigning 37 boats to other slips within the harbor. They are being reassigned based upon their length, draft and width to Dock A, Breakwater and Dock 7. The estimated finish date is Mid-April, so the hope is they will meet that deadline. The work is being done in house using Shutter Creek prisoners for labor.

At this time Linda handed out the Salmon Harbor Marina FY 12-13 Capital Outlay projects. (See handout in on-line packet). The items on the list were prioritized and Linda said this would be presented at the next Salmon Harbor Management Committee meeting that will hopefully be held before the end of the month, it will depend on whether or not they will have enough for a quorum. Jim Mix is currently in Arizona, but he can always participate via telephone.

She said the list is a combination of purchasing equipment, replacing equipment and revenue enhancing projects. The top item is replacing the network server. There are six computers in their main office and all of them work through the main server, which needs to be replaced. The next item, transfer station dumpster is one of the very large dumpsters like you might see at a construction site that goes on a low boy, they are used by their shop and one of them needs to be replaced. Item #3 is where they are entertaining the idea of purchasing a park model cabin to put in for rent. This would be similar to the RV resorts managers office.

Construct sewer dump improvements, they are currently working with the Winchester Bay Sanitary district to see if they can improve the RV Sewer dump on the middle spit.

Item #5 – They would like to purchase two antennas for the middle spit so that there is better Wi-Fi for their customers. If this works, then they plan on opening it up to the public at no charge.

They need to replace a work cart. The middle spit needs some pavement sealing and the camp host site needs to be enhanced. Currently that host spot is without any water, electricity or sewer, and they hope by improving that site; they would be able to attract a volunteer camp host.

The washing machine replacement would be at the RV resort. There are 8 washing machines in there now, and they hope to put them on a rotation so that they can replace one every year.

They would like to explore the idea of constructing a boat wash facility, starting with the hiring of a consultant to do a feasibility study. This project list item is in the amount of the actual construction, but Linda explained that under their budget for professional services there is a line item to hire a consultant. She also explained that they need to call this project a Boat Wash because that is what it is zoned for.

The last item listed is for a much needed electrical upgrade for the breakwater dock.

There is also an item on the list that is not listed with a priority number and that is for the rehabilitation of D-Dock creating 12 side-ties. This is on the list so that the committee can discuss what they want to do, proceed with D-Dock or not, and if they do, they will have to eliminate quite a few of the other items on the list.

COMMISSIONERS:

Barry asked Keith to give an update on what is happening with the Territorial Sea Plan and what was going to be happening later in the week that would be discussed with the community.

Keith said he thought it was just the same informational meetings as they have had elsewhere. He said he had attended and spoke at a Territorial Sea Plan Meeting in Florence 2 weeks ago that was essentially designed by information on the Territorial Sea Plan and what had started it all. He had spoke from a historical perspective of wave power as part of a 9 or 10 member

panel who were addressing the Lane County Commissioners and the Florence City Council. The meetings going on now up and down the coast are just part of the same show and are being held to provide a chance for public input and to provide information to the public on what the TSP is going to look like and what the process has been so far.

Barry said the reason for him asking was because he was on the SOORC committee that had made the maps that the state is using and that they have used it as leverage to go up and down the coast so that all the ports would do it. He said they are NOT very happy with the outcome. The complaint is that they drew up a map that showed how much money is generated for the communities up & down the coast, especially crabbing, and their map was set, but then it went to Paul McClaren and at some point the map was diluted by 35 – 50%. When the map came back it was not what had been provided. Barry said he'd asked one of the representatives why they did this, and was told that they had diluted the map down by throwing in sport fishing and a few other things. He pointed out you do not dilute a resource by adding more to it.

Keith explained this for others in the room. What the state has done is try to design a territorial sea plan which includes the state waters out to 3 miles, and they did this through a very extensive process in trying to determine what water was used for what fishery, and how heavily it was used. They then color coded the whole coast. As it turns out, no one seems very pleased with the results.

Oregon was pioneering this, now there are some eastern states like Virginia, and some of the northern states as well, but it was Oregon that lead the pack in Territorial Sea Planning. Ironically the history begins in Reedsport, and its origins were with the applications for wave permits, and what was the value of the water to the traditional users like commercial fishing and crabbing. So this whole thing is an off shoot of the whole Reedsport process. He said he has only glanced at the maps.

Barry said his unhappiness came from the fact that it seems like they are going to do what they like with the areas, so why did they spend all the money, time and resources to come up with a map that isn't going to be used.

PORT ATTORNEY:

There was no report at this time.

The meeting was adjourned at 8:03 p.m.

The next Port of Umpqua Regular Meeting will be held March 21, 2012 at 7:00 p.m. at the Port of Umpqua building, 1841 Winchester Ave., Reedsport, Oregon 97467.

Steve Reese, President

Karen Halstead, Admin. Assistant