

MINUTES  
PORT OF ASTORIA  
REGULAR COMMISSION MEETING/  
LOCAL CONTRACT REVIEW BOARD  
MAY 17, 2011  
PORT COMMISSION CHAMBERS

Chairman Floyd Holcom called the Regular Meeting to order. Roll call was taken.

Commissioners present: Floyd Holcom, Bill Hunsinger, Larry Pfund, Jack Bland via telephone. Dan Hess excused.

Staff present: Executive Director Jack Crider, Deputy Director Herb Florer, Finance Manager Colleen Browne, Terminal & Administrative Services Manager Rita Fahrney, Property Manager Mike Weston, Airport Manager John Overholser, Boatyard Manager Steve Barkemeyer, Marina Manager Janice Burk and Maintenance Supervisor Harold Culver.

**2. CHANGES TO AGENDA**

Chairman Holcom announced the Director's evaluation/Contract (15) will be a separate item for discussion at the next regularly scheduled meeting.

**3. MINUTES**

Regular Meeting, March 15, 2011. *Commissioner Hunsinger moved to approve the minutes of the March 15, 2011 meeting. Commissioner Pfund seconded the motion. The motion carried unanimously.*

**4. FINANCIAL REPORTS – APRIL 2011**

Vouchers. Unusual expenses include fuel purchase and security crowd controls for pier one – repaid with grant funds.

Financial Reports. Profit and Loss for April shows operating revenue of \$513,618; net \$6,053. Finance Manager called for any questions. None were asked. *Commissioner Bland moved to approve the financial reports for April 2011. Commissioner Pfund seconded the motion. Motion carried unanimously.*

**5. PUBLIC COMMENT**

Chairman Holcom explained the public comment process.

John Dunzer, 2964 Keepsake Drive, Seaside, Oregon is here to answer any questions on the progress of his request for a letter of support to Oregon Business for the Alternative Energy Farm proposal. Oregon Business requests a letter of support that the land use is compatible and that there is interest in seeing the project develop. Questions followed. Mr. Dunzer emphasized the use does not include ship export operations. He also noted he hopes to work with the rail line to export alternative energy to the rest of the country.

Ted Thomas, 398 Atlantic, Astoria, Oregon provided a demonstration using dry ice to show that they maintain solid state throughout air temperature range. He talked about the difficulty of pumping carbon dioxide into a hold of an LNG ship due to temperatures required for various states. This is a crucial aspect to consider.

Carbon dioxide exists in only two forms – solid when frozen, and gas. He explained the difficulty of logistics of pumping into a freighter. Discussion followed on conditions of transport and liquid phase of carbon dioxide. Lori Durham, 398 Atlantic, Astoria, Oregon reminded the commission that the first time the Alternative Energy Farm was introduced, Ken Leahy said “it is going to be an export terminal”.

## **6. INSURANCE AGENT OF RECORD INTRODUCTION**

Executive Director Jack Crider introduced Tammy Jeffries and Tammy Fitch with Wilison-Heirgood Associates. They have spent the last two days going through the Port’s insurance coverage. He noted it is nice to have this thorough look at the coverage. Tammy Fitch thanked the board for selecting the firm and explained they will concentrate on timely service, loss prevention and comprehensive risk management services. They are currently conducting a physical inspection, identifying any current risk exposure and challenges and future opportunities. She praised the assistance from staff and stated they look forward to the opportunity to serve in a long-term partnership as the Port’s agent. Questions followed. Director Crider explained how they will be doing a risk management analysis and auditing tenant contracts to ensure liability coverage is adequate.

## **7. STAFF REPORTS**

Steve Barkemeyer, Boatyard Manager reported the following:

- Busy, busy at the boat yards. Explained current projects ongoing.
- Need for a boat washing facility at Tongue Point. Discussion was held on additional services needed.

John Overholser, Airport Manager reported the following:

- Wind cone and beacon project underwent final inspection.
- First surveyors for AIP Project 19 lighting rehab have been on site.

Harold Culver, Maintenance Supervisor reported the following;

- Pier 2 west bull rail replacement and repair is underway. Finished APS, now working at DaYang site.
- Portable fencing purchased with Port Security Grant funds has been placed at pier one.
- Tongue Point gutter work underway and working on electricity for pier four. Some discussion was held on clean up efforts at Tongue Point. Rail crossings are responsibility of rail line.

Janice Burk, Marina Manager reported the following:

- Marina Committee being formed. Four confirmations. First meeting scheduled for June 26<sup>th</sup> at the Lazy Spoon Café.
- Continuing process to secure fish carcass disposal alternatives.
- East Basin causeway is getting repairs on the rail.
- Long-term parking signs are up.

Colleen Browne, Finance Manager reported the following:

- Working on Budget. Requested any changes needed for budget calendar.

Rita Fahrney, Terminal and Administrative Services Manager reported the following:

- Busy with log ships and cruise ship calls
- Rose Festival ships calling at the Port of Astoria will include a USS Cruiser and the Coast Guard Cutter Active, Dredge Essayons and two minesweepers. Arrangements are underway to hold a reception on June 7<sup>th</sup> and June 8<sup>th</sup>. Commissioners were invited and requested to respond to her if they will be able to attend to represent the Port.

Mike Weston, Property Manager reported the following:

- A Seafarer center is being constructed in the Pier one Building for ship crews. Wi-Fi service will be available.
- The newly acquired vibrocore is being used at pier 3 drilling for samples.

Herb Florer, Deputy Director reported the following:

- Working with DSL on the Westerlund Log Handlers lease amendment.
- Pier one expense from damage by inclement weather has been completed and paid. Awaiting FEMA reimbursement.

#### **8. ADJOURN TO LOCAL CONTRACT REVIEW BOARD.**

Chairman Floyd Holcom announced the Regular Meeting is being recessed in order to convene a meeting of the Local Contract Review Board.

The Local Contract Review Board was called to order. Present: Floyd Holcom, Bill Hunsinger, Jack Bland, Larry Pfund. Dan Hess is excused.

#### **9. RATIFY & AFFIRM RESOLUTION 2011-12 EXEMPTING CONTRACT.**

Chairman Holcom announced Resolution 2011-12 is presented to the Local Contract Review Board to present findings for exemption of competition in award of a contract for engineering services for bulkhead/dock construction on pier three east. The Port of Astoria has determined that an open-cell system installation on the east side of pier three provides benefits in terms of timely installation, decreased permit requirements and cost benefits. Because of patents held by Peratrovich, Nottingham and Drage (PND) they are the only firm available for engineering of this proposed system on pier three. *Commissioner Hunsinger moved to approve Resolution 2011-12 Exempting the Contract from competitive bidding. Commissioner Pfund seconded the motion. The motion carried unanimously.*

#### **10. RECONVENE MEETING.**

Chairman Holcom reconvened the Regular Meeting.

#### **11. CONSIDER CONTRACT – PND, PIER THREE**

*Commissioner Bland moved to approve the Contract for PND, Pier Three Engineering. Commissioner Hunsinger seconded the motion. Chairman Holcom declared a potential conflict of interest, not affecting his decision on a vote. The motion carried unanimously.*

#### **12. SEASIDE FLOODING PARTICIPATION**

Commissioner Jack Bland explained the request for the Port to participate in a study recommendation for removal of berms on the Necanicum River, to increase water level 12 inches, before highway flooding would occur, to allow traffic to continue on Highway 101 in the worst possible conditions. The study (which he has not yet received) estimates the cost at \$50,000. Seaside officials are requesting contributions from other cities and entities to help pay the cost. The cost to the Port of Astoria is 3% of the \$50,000. Chairman Holcom stated the Port of Astoria assisted Seaside years ago to build Highway 101 and bridges. Given the fact that our local jurisdiction relies on Highway 101 for traffic of cargo and products coming and going at the Port, he supports the request to participate. *Commissioner Bland moved to authorize up to \$5,000 contribution for the*

removal of berms in Seaside to reduce flooding, when specific information on the project is received. Commissioner Hunsinger seconded the motion. The motion carried unanimously.

### **13. HOTEL PROPOSALS**

Deputy Director Herb Florer reported staff requested proposals for a tenant to operate a portion of the former Red Lion Motel, owned by the Port. The Port received two proposals and reviewed both. He summarized the proposal by Krishna Laxmi LLC and Astoria Rivershore Motel. Based on the point total of the review, staff is recommending the Port proceed with a lease with respondent Jitesh Patel, representing the Astoria Rivershore Motel. He requested staff authorization to prepare and complete a lease with Astoria Rivershore Motel, based on the respondents proposal, for commission consideration at a Special Commission session, with the goal to commence hotel operations as soon as possible.

Chairman Holcom declared a conflict of interest – he was a former partner with Krishna Laxmi, LLC. He will not vote. Following discussion, *Commissioner Pfund moved to authorize staff to proceed with preparation of a lease with Jitesh Patel, representing the Astoria Rivershore Motel. Commissioner Bland seconded the motion. Commissioners Hunsinger, Bland and Pfund voted yes. Chairman Holcom abstained. Motion carried with majority vote.*

### **14. PIER THREE NEW BULKHEAD MAINTENANCE.**

Discussion was held on additional maintenance and dredging costs for pier three bulkhead if it is not built as existing bulkhead, but instead the facility being constructed closer to the bulkhead. Chairman Holcom asked for additional cost expectation. Deputy Director Herb Florer responded the difference between option #1 (as exist) and #2 (closer to bulkhead) will result in additional 65,200 square yards to be dredged, adding an additional 8% to the existing 130,000 square yards now permitted. Initially, the amount will be 10,000 yards at \$3/yard. Chairman Holcom questioned why the tenant would not pay the maintenance costs. Director Crider explained the pier is not leased to the tenant, but will be a public pier. Discussion continued. Staff will determine additional dredging costs to add to next year's budget.

### **15. DIRECTOR'S EVALUATION/CONTRACT.**

Chairman Holcom announced the evaluation/contract will be discussed at the next meeting.

### **16. DIRECTOR'S REPORT**

Executive Director Jack Crider reported on the following:

Pier 3 Docking Potential Funding. Discussion ongoing between WLH and Sojitz to fund \$8.5 million to construct 750 foot docking facility. Explained the next step is to draft a terms and conditions sheet that all parties can agree to before drafting a final agreement.

Airport Harbor Street Access. Kurt Fausett has a potential offer to sell his property that borders the airport. The potential offer only requires the permitted right in/right out access which was in the process of being transferred to the Harbor Street four-way access onto Port property. Kurt prefers to sell the property to the Port or provide access to the third party through Port property. Staff is discussing potential purchase price and City required timelines to install the intersection access.

West-East Scrap Metal Cleanup. The tenant is cleaning scrap and tires from the property. Challenge will be cleaning the oil from the concrete. Tenant has found new location.

Astoria Marine Construction. Discussion ongoing on possible options to save the service and jobs at AMCCO if the business decides not to continue. Explained some options being looked at for keeping the haul-out locally. Hampton Lumber Shipping. Staff has located six 60-ton roll trailers and three tractor tugs for approx \$130K. Working on a cost per thousand to move lumber from the storage area to the ship. Discussion followed.

#### **17. COMMISSION – REPORTS**

Commissioner Hunsinger reported on Department of Fish & Wildlife meetings he attended regarding changes to gillnet seasons. Hunsinger attended the meeting of the County Commission. He heard excellent statements from audience regarding timber harvests; however, he doesn't understand the outcome, with the County Board discussing a "fifth" draft of letter to be sent to Oregon Department of Forestry regarding the Astoria District Forest Implementation Plan.

Commissioner Pfund also attended the Clatsop County Board meeting. He acknowledged there is a recession in our area – a sleeping giant has been awoken. This area's livelihood is forest industry and natural resources. He voiced his gratitude to the people of Clatsop County who attended the County Board meeting.

Chairman Holcom stated the existing County Commission is playing with fire. There is a strong basis to argue they are interfering with interstate commerce that the Port of Astoria is involved in. He urged the board members to take a strong stand to protect the forest industry. Commissioner Bland voiced his agreement.

#### **17. COMMISSION – DIRECTION**

Chairman Holcom stated managers at the Port need to ensure they are taking care of their tenants. He wants to see the rail area at Tongue Point cleaned up. Commissioner Hunsinger commented the Port needs to settle ownership for jurisdiction and clean up. Discussion followed on the Tongue Point property.

#### **18. OTHER BUSINESS**

Commissioner Hunsinger stated the Port's recent Economic Impact Study needs to be publicized. There are huge requests from the people of Clatsop County for this information. Chairman Holcom suggested inviting Daily Astorian Editor, Steve Forrester, to attend a Port meeting and ask questions of the commission.

#### **19. PUBLIC COMMENT.**

Chairman Holcom called for public comment. None was received.

There being no further business, the Regular Meeting was adjourned at 8:00 p.m.