

**AMENDED PORT OF NEWPORT COMMISSION REGULAR MEETING**

Tuesday, September 27, 2022, 6:00 p.m.  
South Beach Activity Room  
2120 SE Marine Science Dr.  
Newport, OR 97365

*This will be a hybrid meeting, which means you can attend in-person, or you can view the live stream of this meeting on our website: <https://www.portofnewport.com/2022-09-27-commission-meetings-2022-september-27-2022-6-00-p-m>*

*Anyone interested in making public comment must complete the form on our website and submit it by 11:00 a.m. on Monday, September 26, 2022: <https://www.portofnewport.com/2022-09-27-commission-meetings-2022-september-27-2022-6-00-p-m>*

**I. Call to Order**

**II. Changes to the Agenda**

**III. Public Comment (3-minute limit per person)**

**IV. Consent Calendar**

**2022**

- A. Minutes.....August 23 and August 29.....Page 2
- B. Financial Reports.....Page 14
- C. Accounts Paid .....Page 27

**V. Old Business**

- A. Items Removed from Consent Calendar
- B. Authorize Contract with KPFF Engineers for Terminal RORO Dock Repair Plan - *Bretz*.....Page 34
- C. Public Hearing and Approval of Ordinance 2022-02 Regarding Code Changes - *Bretz* .....Page 35
- D. Approval of Third Amendment to Rogue Lease Agreement - *Miranda* .....Page 37

**VI. New Business**

- A. Report Regarding Increase in Pallet Costs – *Bretz*.....Page 73
- B. **Authorize Pickup Truck Replacements for NIT, Admin, South Beach, and Commercial Marina – *Bretz*.....Page 74**

**VII. Staff Reports**

- A. General Manager – *Miranda*.....Page 75
  - 1. Director of Finance & Business Services – *Brown*.....Page 80
  - 2. Director of Operations – *Bretz*.....Page 83

**VIII. Commissioner Reports**

**IX. Calendar/Future Considerations 2022**

Next Commission Meeting.....Oct. 25, 2022

August 23, 2022  
6:01 P.M.  
Newport, OR

**PORT OF NEWPORT COMMISSION MINUTES**

*This is not an exact transcript. The video of the session is available on the Port's website.*

The Port of Newport Commission met on the above date and time at the South Beach Activity Room, 2120 SE Marine Science Dr., and virtually via Microsoft Teams. In attendance were Commissioners Burke, Lackey, Sylvia, Retherford, and Chuck. Chuck was excused at 7:20 p.m. Also in attendance were General Manager Paula Miranda, Director of Finance and Business Services Mark Brown, Operations Director Aaron Bretz, and Administrative Assistant Gloria Tucker. Visitors from the public included Mike Sorensen, Andy Skinner, Diane Collins, Jim Collins, Susan McCormick, Ed Olson, Duane Johnson, Tim Weiner, and Kristen Low.

**PUBLIC COMMENT**

Tucker read written public comment received from Burke Hales, Alan Burke, and Charles Boyd into the record. Sorensen, Charter operator, thanked Commission for their service and the covers over the fillet stations. He stated last month when he talked to Mark Brown, he was told the lottery would be status quo for one year. He noted the lottery system is completely different. He indicated even if new staff don't know, many people have been staying at the park for many years and know how the lottery system worked. He suggested they be reached out to. He added he has been telling folks not to worry because the lottery would be status quo.

Sorensen overviewed the lottery system and stated in the past any place in the park could be chosen. He noted some of those spots have been eliminated. He suggested a meeting for the RV Park users to discuss the lottery. He indicated there are users who have been here years and years, but if they can't get their spot, they will go somewhere else. He added there is one person who brings in \$40,000 with their boat to the Port of Newport. He listed other ports they could go to instead.

Skinner stated he has been here three years, and the experience he had this year was a mess. He noted he understands when systems change, there will be problems. He indicated there needs to be some consideration for those here long-term who have a business here or moor a boat here; they should have some kind of higher tier in the lottery because the Port could lose two revenues.

Diane Collins stated she is confused why a lottery category was raised to two months from one month. She noted she loves it here, and it has been an awesome park to be a part of. She added the office staff don't know why that change was made.

Jim Collins stated five years ago, he came here and has continued to stay each year for a month. He indicated he loves it here and spends a lot of money. He added he would like to have an established spot, and he does not understand why he would be pushed out.

McCormick stated four years ago she started coming here short-term, and it's gotten longer and longer term. She noted long-term visitors spend money at the stores and gas stations. She indicated they can go to a lot of other places but choose to come here because the Port allows people to stay for six months. She added thousands of dollars are spent in restaurants, grocery stores, and on fishing gear, and the Port has to think beyond the port to the community.

Johnson stated he has been here since 2009, and he has seen a lot of change. He stated he would like to have a parking pass and moorage for his boat for six months out of the year. He

indicated he would like some of the old stuff to come back for long-term visitors. Brown asked Johnson for clarification. Johnson replied moorage went up.

Olson stated this is his seventh or eighth year here, and every year he would wait for the lottery. He noted everything is confusing. He indicated the park is a family and community. He added making a reservation seems to be getting harder and harder, costs are higher, internet is bad, cable tv has channels that are frozen, and there are ants.

McCormick stated the Park has a massive ant problem near the trailers. She suggested exterminating in the area. Brown stated he would deal with that tomorrow.

Weiner stated he has been coming here a long time. He noted some of the ways of doing the lottery has improved. He asked who approved the lottery system. Miranda replied the lottery is handled at a staff level, not by Commission. Brown stated he is willing to have a meeting next week on this.

Weiner stated he does not think this is a good representation of people in the Park. He noted this is a huge concern for people who are fishermen and rent RV spots. He indicated he always thought of this Park as a fishing community. He explained how the Park gets busy during the summer. He added he does not think it benefits the Park to eliminate or show unappreciation to the people who come here for the whole summer.

Weiner stated his concern is the 45 sites for lottery. He noted he has heard there are 57 people who are long-term, two months or longer. He indicated some of the sites that cannot be chosen are not great sites. He added he thinks all of this is confusing and doesn't make sense from a business standpoint.

Weiner stated he does not care how the lottery is done as long as people get the opportunity to choose the spaces they want. He noted people want to be put together so they can do diners together. He indicated this has gone down the wrong road and needs to be re-evaluated. He added he appreciates Commission time and attention. He asked if Commission approved the lottery. Burke replied the lottery is part of operations.

Miranda stated there is often confusion between staff and Commission duties. She noted the Commission hire the General Manager to hire the staff to do the operations of the Port. She explained when it comes to policies and spending funds, it goes to Commission. She indicated these concerns are not policy, but the Port wants to listen and address concerns. She added there are Commercial Marina and Recreational Marina groups who meet, but there is not an RV group.

Miranda reported the lottery is done at the staff level. She stated staff will put together a meeting to listen to concerns and invite a couple of Commissioners. She added there will not be a decision made at the Commission level, but they will be involved.

Weiner clarified with staff the General Manager's office is at Port Dock 7. He suggested if there is a meeting to give the Park notice and not wait too long because in September, people start to leave. Miranda replied staff will post notice at the office and contact people at the RV Park. Sorensen offered to pass the message on.

Low overviewed potential revenue from different visitors. She stated the Port is looking at folks worth more than \$100,000 in guaranteed income. She emphasized these people should be factored in.

Olson suggested people who pay for six months should get to choose their spots. Miranda replied that will be part of the discussion.

Burke stated the Commission appreciates how invested the speakers are in the community. He noted that is the reason they sit up here, and that passion is not lost with them.

## **CONSENT CALENDAR**

MOTION was made by Lackey, seconded by Retherford, to approve the Consent Calendar as presented. The motion carried unanimously in a voice vote.

## **OLD BUSINESS**

**Approval of Amendment to US Customs Lease.** Burke introduced the agenda item. Miranda reported the Port currently has a lease with Customs, but they haven't used it much. She stated they do want to renew it. She noted staff are not ready to talk about offering the new building yet. She indicated if staff decide to do that in the future, the Port can always amend their lease. She added the lease goes for another five years with a small increase. She explained finance made sure the Port is in tune with pricing.

MOTION was made by Lackey, seconded by Chuck, to authorize the General Manager to execute the lease amendment as presented. The motion carried unanimously in a voice vote.

## **NEW BUSINESS**

**Closure of NOAA Checking and Money Market Accounts.** Burke introduced the agenda item. Brown reported with the new accounting system, it is no longer necessary to have separate checking accounts. He noted having a single account makes reconciliation easier and staff's job easier. He indicated by the beginning of next fiscal year; staff have the opportunity to close those accounts. He added staff are getting close to understanding the new systems. Retherford added anytime someone can innovate in business, it's good.

MOTION was made by Sylvia, seconded by Lackey, to authorize the Director of Finance Services to close the NOAA Money Market and NOAA checking accounts at First Interstate Bank prior to July 1, 2023. The motion carried unanimously in a voice vote.

**Public Hearing Regarding Ordinance No. 2022-02 Update to Facilities Code.** Burke introduced the agenda item. Bretz reported he received a request from a moorage holder who wants to sell tuna off his boat in the South Beach Marina. He explained this is covered in the Facility Code under the general section, so the same code addresses Commercial and Recreational. He noted the Port allows this use in the Commercial Marina and used to have the White Swan in South Beach, so he approved the request.

Bretz reported he got more information later that there was an intent several years ago by the Port Commission to stop that practice in South Beach. He stated if that is still the intent, the right way to do that is to treat the two marinas separately. He explained the Code can be changed to not allow vessels to sell commercially off the boat in South Beach. He recommended defining wholesale vs retail so people who get tuna landing license and sell to a restaurant aren't prohibited. He emphasized this change assumes this is the Port Commission's intent. He read Section 2.41 and noted buying stations was not defined. He added the Port needs to define it and make clear what that applies to.

Sylvia stated being a newer Commissioner, he doesn't understand the logic. He asked what the reasoning was. Chuck explained the Commission's intent was to have the Commercial Marina for commercial use only and keep the two marinas separate. He explained in the past there were no charters or recreational allowed in commercial, and there was even some contention for research

vessels there. He indicated once the last vessel stopped selling, the Commission intended to no longer have commercial sales of tuna in the sport marina.

Sylvia stated the reasoning sounds arbitrary. He asked to what degree is that separation a benefit to clients or the Port. He asked if there are any problems. Chuck replied the Commission can debate it and come up with new policies. He noted at the time, it made sense to keep them separate. He added if that is no longer the wish of the Commission, he is fine with that.

Sylvia asked in the big picture, what are the benefits or costs to the Port overall. He asked if Commission likes the idea that tourists can purchase products directly from vessels in the north and south. He noted people can't do that many places, and it's rather unique. He asked if there is an infrastructure reason, safety reason, or food license reason to prohibit it.

Lackey stated as he thinks through this, he could talk himself into either side. He noted he can see vessel owners wanting separation, but he can also see Sylvia's point.

Miranda asked Bretz if it does make any difference for staff. Bretz replied parking is an issue all around, and from a liability standpoint there is no difference for them to be on the docks on either side. He noted it is less easy to access docks in South Beach. He stated if Commission is going to restrict the activity, each side should be addressed differently.

Bretz reported the Commission needs to be careful of wording and define what is prohibited and not prohibited. He noted he could talk to a bunch of people and get more opinions. He stated for him, it's not a huge difference. He added if the Commission is looking to stop it in South Beach, he can give them a way to do that, if the Commission wants to allow it, he can do that too.

Burke stated he does not see a problem with it currently, but he will follow recommendations from staff. Retherford stated keeping commercial and sport separate is OK. She emphasized the importance of giving the same opportunity in the Port for both.

Miranda stated in her view as long as they are permitted to sell, she doesn't mind which side they sell from. She noted staff don't want to get into how those permits are enforced. She added Bretz can do some surveying and figure out if there is more to it.

Chuck stated the selling stations were always supposed to be the Chelsea Rose and the barge because those are leased areas. He noted the selling off the boats popped up, and the Commission did not keep track of that because they thought it was a good thing to do. He indicated it allowed people to interact with fishermen and be part of the working harbor.

Sylvia stated OSU did surveys 20 years ago working with the Port looking at this question, what is the optimal way to structure sales off boats to meet the needs of the Port and tourists. He noted they looked at the concept of clustering. He explained in the surveys, one of the things that intimidated tourists or confused them was not knowing where to go or where the boats were located. He confirmed with staff it is legal for a small, permitted commercial boat to launch, come back, and sell fish to clients.

Bretz emphasized the need to define buying stations clearly. He pointed out the Port doesn't have a permit system for this. He noted under the Code, the Commission by resolution can establish criteria and restrictions for issuing permits. He explained permits are exclusive by nature, and the Port would have to carefully develop criteria.

Retherford stated she agrees with defining retail and wholesale in the code. She added staff are on the right track.

Lackey stated wherever the Port ends up, it would be best to wargame things out and think about worst case scenarios. He noted he doesn't want to have unintended consequences.

Retherford stated if there are permits, there has to be some kind of limit. She suggested working out a policy.

## STAFF REPORTS

**General Manager.** Miranda reported this time of the year is busy in South Beach. She stated the RV Park is pretty much full and sold out. She noted it sold out in the spring through the end of September. She indicated it is busier than usual, and it doesn't help when the Port has a reservation system that is not up to par. She added the amount of complaints hasn't been easy.

Miranda reported she appreciated the public comments made. She noted some of those things have been addressed, including implementation of the parking on September 1. She stated staff have been giving notices to people. She indicated, meanwhile, there are a lot of people getting tickets for violations to the current code that the Port has not been good about enforcing in the past. She added some people complain about enforcements, and some people complain about not enforcing.

Miranda reported she put together a letter addressing a lot of the issues about trailer parking, general violation parking, and upcoming parking enforcement. She noted that letter was put on the website and Facebook. She stated staff put together a FAQ sheet that the Marine Store brought to the Port's attention. She indicated a lot of those things have been posted today, and that will address some concerns. She added this will be a living FAQ where staff try to address things people bring up.

Miranda reported anytime there are changes, there will be complaints. She stated staff will listen, and if some things are reasonable, staff want to know and balance things out. She noted the reservation system should be going live by September 1. She indicated staff have been testing some of the problems. She added reservation staff have gotten too many calls to handle, but she thinks they are finally caught up.

Miranda reported the Port is hiring one more position and hoping things will calm down. She stated at the Administration Building, the roof is on, which was salvaged from old roofing being stored. She indicated the siding going on right now. She added the decking is from the Port Dock 5 pier.

Miranda reported the project was still on budget as of Friday. She stated she since learned the power to the building may not be up to par, and there is a chance for a change order. She indicated she may be able to stay on budget or close to budget. She explained staff decided to go forward with finishing the rental space but didn't realize this would come up. She stated by finishing the rental space, the Port can obtain more rent, so in the long-term that was a good move. She added she will need Commission approval to give Baldwin more funds for the electrical change.

Miranda reported she is waiting on the exact amount and hopes to do a special meeting, so materials are not delayed. The Commission agreed to hold a special meeting on Monday, August 29 at noon virtually. Miranda stated Bretz has been participating with Army Corps channel dredging. She noted they were supposed to do a survey for eel grass, but that work has been attached to construction instead. She indicated although that would be good to know, usually the Port pays 50 percent, but now the Port will pay 10 percent through the construction phase. She added the Army Corps will pay 90 percent of the mitigation too.

Miranda reported staff are working on Port Dock 7 planning and asking for proposals because everyone who applied for the RFQ was qualified. She noted there may be a change order

with the engineer on power pedestals. She stated for Port Dock 5 repairs, she thinks the cost could be around \$15,000, but it will be paid for by insurance. She indicated a consultant has been chosen for the RORO pilings. She explained Bretz attendance at city parking committee meetings. She added some funds the Port provided in the past were used for hiring consultants, and the Port is not contributing funds now.

Miranda reported TCB is following the Port code for parking. She noted staff have been receiving a lot of appeals, and some of those make sense while others do not. She stated for people where waiving does not make sense, they may not like her answer, and they may come to Commission. She noted TCB is doing a good job and issuing warnings, not just citations. She indicated if Commission has concerns, to contact staff. She added there is a process for appeals.

Miranda reported staff are working on the fillet table covering donation. She noted she met with the City of Newport City Manager, Airport Director, and Lincoln County Administrator to work on how to get commercial flights to airport. She stated she doesn't want to wait until the NOAA lease is up to try to get long-term service. She indicated she is working on chasing grants on the federal and state level for air service.

Miranda apologized for not having financial reports to Commission. She stated she wants to ensure the report is accurate. Brown stated he completed the first draft, but staff have to close the books for June and July. He noted staff are learning all new processes and getting close. He indicated it will be slick once processes are in place.

Miranda overviewed upcoming conferences. She noted OPPA will be hosted by Ports of Alsea, Toledo, and Newport at the Best Western at the end of September. She stated in PNWA she will step into the Treasurer role and then become President. She added she thinks that will put the Port in good position at the federal level.

Lucky asked for the upcoming meeting, will there be a list of questions and answers that the Commission can look at. Miranda replied the meeting will be similar to the South Beach Users Group. She stated staff will compile things they've heard, address misinformation, come with answers, and listen to attendees. She suggested one or two Commissioners attend. Burke suggested including the FAQ sheet with the agenda.

### **COMMISSIONER REPORTS**

Retherford presented an update on offshore wind energy. She noted after the Port of Newport signed a resolution, many others followed including cities, ports, and counties. She stated Heather Mann is still working on getting resolutions signed. She indicated BOEM finished the mitigation comment period, and they are still moving along,

Miranda reported PNWA was putting together a support letter, and she told them ports would rather not make a statement until the issues outlined in the resolution are addressed. She noted they changed their letter to reflect the resolution.

### **PUBLIC COMMENT**

Sorenson thanked the Commission for listening to everyone. He noted a lot of folks will be leaving before Labor Day. He suggested setting a meeting at the end of next week. He offered to spread the word. He added email doesn't always work here because of internet. He stated with sale of tuna, people can get a one-day landing permit, but that can't be sold off the boat without a special license.

Sorenson stated he thinks it is a good opportunity to offer sales in South Beach. He noted it should be limited. He added if this is going to be a sports marina, then the marinas need to be completely separated.

### **ADJOURNMENT**

Having no further business, the meeting adjourned at 7:41 p.m.



August 29, 2022

Noon

**PORT OF NEWPORT COMMISSION SPECIAL MEETING MINUTES**

Newport, OR

*This is not an exact transcript. The video of the session is available on the Port's website.*

The Port of Newport Commission met on the above date and time virtually via Microsoft Teams. In attendance were Commissioners Burke, Sylvia, Retherford, and Chuck. Commissioner Lackey was excused. Also in attendance were General Manager Paula Miranda, Director of Finance and Business Services Mark Brown, Director of Operations Aaron Bretz, Administrative Assistant Gloria Tucker, and Architect Dietmar Goebel.

**OLD BUSINESS**

**Approval of Change Order with Baldwin - Admin Building.** Burke introduced the agenda item. Miranda reported when doing a building, things happen that don't go as expected. She explained a couple of months ago staff felt that change orders would be smaller and gave the go ahead to the contractor to finish up the rentable space. She noted, initially, the Port talked about roughing up the space and having either the tenant pay for improvements or negotiate rent. She stated staff figured there was enough money in the budget to go ahead and finish, and then charge more rent. She indicated, unfortunately, there were several unforeseen costs mostly related to electrical.

Miranda reported an electrical load is estimated and, usually, a subcontractor designs the electrical system based on what is needed. She stated she was just told a week and half ago that the original 400 amps anticipated was not good enough to sustain this type of building. She noted even if the Port went to 600 amps, the building is too close to capacity. She indicated the building needs 800 amps, making the cost go from \$36,000 to over \$90,000, which includes trenching for wires plus additional cost for increasing capacity with the PUD for transformers. She added beyond that, there were some costs related to the sewer connection required by the City.

Miranda reported, originally, the permit with City allowed a type of insert, which is what most contractors do. She stated the City of Newport started requiring another type of insert, which is more costly and, supposedly, in long run will be a better connection. She noted that is another \$15,000 plus other related costs.

Goebel stated Miranda put it nicely. He explained for many years the City has allowed Insert-a-tee, where contractors dig down to the pipe, cut a hole in it, and insert a T and fill it back up. He noted they recently changed whole process to a wye system, and that is the only thing they will accept now. He indicated that means digging up the whole pipe, cutting the pipe, and inserting a wye with a gasket. He added the wye alone costs \$5,000.

Goebel stated that was an unexpected cost. He explained when the estimate was done, it suggested 400-amp service with 308 connected load. He noted the engineer consultant for the contractor said the building needed 550 connected load, which means 600 amp service was pushing it. He indicated the best way to go is 800-amp service, which means different panels and guts, which are expensive. He added it will give the Port opportunities in the future to have additional things like electrical vehicle charging stations.

Goebel stated those are the big two items that are causing the budget to increase. He explained the trenching increased because the Port already installed pipe for 400-amp service, and now has to install additional pipe for another 400 amps.

Miranda reported there was a lot of confusion between the contractor, subcontractor, and IT on who was going to do low voltage for all the connections. She stated they got a quote, expecting it to be \$15-20,000, but the request was for \$53,000. She noted she is still working with contractor on that. She emphasized she is in shock with that number. She indicated she is still trying to figure out other quotes, so she does not know at this point in time where that is standing. She added the contract says two different things on two different pages, unfortunately.

Miranda reported she needs to increase this request to at least \$80,000 to cover some of that. She stated, increasing this to \$80,000 would mean the building is \$50-60,000 over budget from the original ask. She noted she is asking to comingle funds, as furniture costs will not be as much. She indicated one thing that was extremely expensive was the sign for the building. She explained staff wanted the sign to be lit up, and that sign cost \$26,000. She added she would like add another \$30,000 to her original ask.

Sylvia asked when the City originally approves a plan, and then halfway through install, they change the policy, is that the way it works. He noted that seems ad hoc. Goebel replied the City has changed what they require for connecting to public systems, and they will not accept a T any longer. He noted they've also hired a new City Engineer which is making changes, and a new Public Works Director who is making changes. He suggested if Commission wants to push it with the City, the Port needs to communicate with the City Manager. He indicated that might be worth pursuing.

Sylvia suggested the Port pursue that. He noted as public policy, they should not change after the fact unless there is a dire safety issue. He stated he would be open to having a conversation with the City. He asked why did the contractor underestimate the actual amperage. He asked did they not have the expected number of true amperage use, even with the addition of the extra space. He asked if there was a mathematical mistake. Miranda replied, the additional office space is under a separate voltage, so this is just for the main building. She stated she was shocked the misestimate would be so great. She noted, from what she understands, often this size of building has a typical amount, a certain amount of computers and systems, and a lot was not accounted for.

Goebel stated in the start of the project, the Port hired a cost estimator, and that's what was put in the specs. He noted that was the best guess at the time. He indicated when the original numbers were put together, they tried to keep it reasonable, now with all the connected systems, the load is bigger than anticipated at the start.

Sylvia stated at the beginning if the estimator had asked right questions, rather than using a rule of thumb, the estimate would have been different. Miranda noted sometimes when someone wants something to come in lower, they tend to look on the bright side of things. She suggested maybe there was some of that. She added it would have been better to have a realistic approach.

Goebel stated the Port had a contingency built into original building, and that was used to complete the lease space. He suggested had the Port not developed that space, the cost would have been on target. He explained when staff made the decision to go ahead with lease space, they asked the contractor if they saw any big items coming down the pike, and they said no. He added had staff known, they would not have spent the contingency.

Burke asked if Baldwin can evaluate that RFI for amperage. He stated he has a building from 2018 that Capri designed with 8 closed offices, 36 workstations, 6,300 square feet, 64 occupancy, and two 200 amp services. He added they also have a server room. He noted it seems

strange with a smaller building with a lot less workstations to need such high service. Goebel replied that can be challenged. Miranda replied she did talk to the contractor and, they seem to believe going down to 600 will not cover the bases. She added she is not sure what can be cut to achieve that number.

Goebel stated the building is 5,000 square feet with four mechanical systems. He noted he puts his faith in the engineer, but maybe a second bid might be warranted. Miranda stated staff talked about getting other evaluations, especially for low voltage. She noted that could delay completion of the building; it becomes a domino effect. She added but if it is important to save several thousand dollars, maybe that is what staff need to do.

Chuck stated the Port needs to revisit with the City. He noted they need to honor permits they put out, not reinvent the wheel, especially when they cause a public entity to acquire more cost. He asked how close the Port is working with the contractor. He stated he thinks they should have had an idea on this sooner. Miranda replied staff and Baldwin have been meeting every week. She stated she was frustrated this has not come up until now. She noted the contractor did not know because they were not notified by the subcontractor. She indicated she will go back to the City Manager. She added the folks that issued the permit don't want to change their mind, but they should stand by what they issued originally.

Goebel stated the load estimate used gas, which would have reduced the electrical load. He noted during the process of going forward, it was decided to do electrical rather than gas, because connecting to gas cost a lot of money. He indicated to be fair to the estimator and contractor that change added 150-200 amps of service. He added he thinks that decision kicked the building over the original estimate.

Burke stated if staff don't think it needs a second evaluation, then he is ready to move forward. Goebel replied he does not think another evaluation will be fruitful. He recommended keeping 800 amps.

Retherford noted when she had her house built, she ended up going with propane. She asked if the furnaces are set to electric or if propane can be added. Goebel replied staff talked about that and decided to go with electric. He noted the furnace doesn't have capacity for propane, and consumption would be larger than a house. He explained the Port would have to bury a 500- or 1,000-gallon tank. He added he does not think there is a possibility to go to propane or gas system without significantly changing systems installed.

Retherford asked if the low voltage bid is the lowest bid. Miranda replied she is asking for other quotes. She noted that may end up delaying the building, but, quite frankly, she would like to see another quote. She added she is hoping to cut that number. Retherford clarified with staff the same electrical company that is doing the low voltage is doing all the other electrical work.

Burke asked if Miranda and Goebel are satisfied with Baldwin, or if they felt taken advantage of. Miranda replied they have been working well up to this point. She noted everything was going smoothly. She stated she does not think the Port is being taken advantage of. She explained every time staff ask them for additional research, they have done it. She indicated the Port has backup information for every single one of the quotes received; all the numbers are documented. She added she feels good working with Baldwin.

Goebel stated he likes Baldwin and thinks they are doing a good job. He noted he had a disagreement with them over this low voltage and argued strongly that it should have been in the bid. He indicated there was a miscommunication between Baldwin and sub, and the long and short of it is, Baldwin did not have low voltage in their number, so the sub is asking for additional

money. He indicated he agrees with getting additional numbers, and there might be some local people who can run it cheaper.

Retherford stated having another option might be wise. She noted there is not a whole lot who do it on the coast, but plenty in the valley. Goebel stated as far as the system goes, the tubes and boxes are already installed, all that is left is running the wire itself. Miranda added staff are checking with Hyak on the correct amount of hours for that work. She noted every time staff have to wait for approval, that delays the project. She stated her understanding is the Port is at a point of very little change.

Burke asked if the amount should be \$103,000. Miranda replied that would be ideal. She noted that would cover low voltage and leave slightly less than \$30,000 in contingency. She explained that would put the Port around \$80,000 over original the budget. Sylvia confirmed with staff this is the worst-case scenario amount. He noted he is trying to avoid another conversation on this in two months.

Chuck stated no one likes surprises, and it sounds like the ball got dropped a couple of times. He requested staff have a meeting with Baldwin and subs and ask for no more surprises. Miranda replied she did that, and it's frustrating. Chuck noted he hopes the City will see error in their ways. He stated the Port is spending public dollars and needs to make sure there are no more surprises. Miranda replied she has told them exactly that and she hopes they got the message.

Goebel stated when staff decided to finish the lease space, they had a meeting with Baldwin and asked if they see any additional cost, and they said a couple thousand here or there. He noted that put staff in the frame of mind to finish. He explained if they had said there may be electrical costs, he does not think Miranda would have ever finished the space. Chuck asked staff to tell them of Commission's frustration. Miranda replied she will pass that on. She added there may not be a flagpole in front of the building because of cost.

Retherford stated there is no way Miranda could have foreseen this electrical issue. She noted she would have thought Baldwin would have. She indicated they should be a little bit ashamed of themselves for not foreseeing this as electrical is a huge part of the project. She added this is a big error on their part, but there is no way the Commission expects Miranda to foresee it. Retherford stated she is good with doing what is needed to move forward. She indicated the City needs to relook at this, and the low voltage should not hold up the job. She added she appreciates staff efforts.

Retherford stated the subs have made more money by being able to finish the space, so Baldwin should ask them to work with the Port more on making this feasible. Miranda noted there were a few situations where some things were miscommunicated, and Baldwin paid for it. Goebel stated he will talk to Baldwin about sharing low voltage. He noted he is not letting go of that. Burke confirmed with staff the weekly meeting is every Friday. Goebel added he requested to go biweekly.

MOTION was made by Sylvia, seconded by Retherford, to add an additional \$103,000 to be used to complete the Administration Building and direct General Manager to commingle the Baldwin funds and the additional administration funds as needed to approve payments related to the Administration Building. The motion carried unanimously in a voice vote.

**Extension of Agreement with Alliance for PD5 Electrical.** Burke introduced the agenda item. Bretz reported what caused this is several factors. He explained the Commission has talked about listing of the pedestal because the plug was UL listed but the pedestal was not UL listed. He noted that has since been rectified and the Port put pedestals on order. He stated that chewed up

the budget to this point. He indicated staff changed options on amperage a couple of times, and along the way, there was a number of other meetings with the consultant to make sure the Port got the right answer to the questions being asked. He added he is asking for a higher level of support from the engineer consultant as the Port gets into the construction phase of the project.

Bretz reported this is an electrical project and more technical than he is comfortable trying to manage. He stated the cost includes bid and closeout meetings; this request will put the Port in clear for the rest of the project. He noted this is engineering support needed to get the Port to the finish line for PD 5 and 3.

Sylvia asked what would happen if Commission didn't approve it. Bretz replied he is not comfortable going into meetings and finishing this out without this level of engineering support. He noted the final plans need to be put together to accurately reflect the wiring. He indicated, basically, he does not think it is possible to finish the project without this level of support. He added the consultant started this in early 2021, and he has not raised his rates any. Miranda added he was the lowest bidder. She noted, unfortunately, the Port does not have an engineer inhouse, so staff have to depend on outside consultants. Burke expressed support.

Chuck asked if this would have any budget implications. Brown replied there are budget implications, but staff will take a look at all the projects going on and figure out which projects could be a tradeoff for all of these changes. He noted every quarter, Miranda and he are going to meet on the Port's projects and cash position and what the Port can afford to do. Miranda stated the Port seems to be able to find funds one way or another. As an example, she noted the engineering for RORO docks at NIT was \$30,000 plus under budget, so staff can allocate that toward these projects.

Miranda reported that the Port doesn't always complete everything budgeted. She noted staff are positive, but completing all of them is unrealistic. She explained some projects cost more, some are under budget, and some do not happen at all. Retherford asked staff to make a list of what is dropping, so Commissioners don't wonder why certain projects don't get done. Miranda replied she will.

MOTION was made by Retherford, seconded by Chuck, to authorize the General Manager or designee to contract with Alliance Consulting Engineers to make project plan changes and remain on board through the end of Construction in an amount not to exceed \$54,000. The motion carried unanimously in a voice vote.

### **ADJOURNMENT**

Having no further business, the meeting adjourned at 1:08 p.m.



PON BALANCE SHEET

Period: 07/01/21..06/30/22

Port of Newport

Fiscal Start Date: 07/01/21

Fund Filter: 100 GENERAL FUND

All amounts are in USD.

Description	Balance
<b>Assets</b>	
<b>Current Assets</b>	
Cash Deposits	3,136,556.33
Cash on hand - Petty Cash	550.00
Cash on hand - Cash Drawers	925.00
Accounts Receivable	369,849.21
Allowance for Bad Debt	(30,000.00)
Interfund Activity Receivable	164,429.15
Prepaid Expenses	184,122.83
Assets Held for Sale	31,886.74
<b>Total Current Assets</b>	<b>3,858,319.26</b>
<b>TOTAL FIXED ASSETS</b>	<b>49,010,359.46</b>
<b>TOTAL ASSETS</b>	<b>52,868,678.72</b>
<b>LIABILITIES</b>	
<b>Current Liabilities</b>	
Accounts Payable	198,651.95
Credit Cards Payable	606.48
Accrued Retainage	109,289.76
Accrued Lodging Taxes	9,199.31
Unclaimed Property	6,484.38
Interfund Activity Payable	635,378.25
Payroll Payable	(46,020.73)
Compensated Absences	51,655.89
Accrued Payroll Taxes	(21,252.55)
Retirement Withholdings Payable	(5,072.70)
Garnishment Withholdings Payable	(2,316.28)
Benefit Deductions Payable	(999.50)
Accrued Interest	14,011.00
Deferred Revenue	521,857.61
Current Portion - Bonds Payable	1,101,960.00
<b>Total Current Liabilities</b>	<b>2,573,432.87</b>
<b>Non-current Liabilities</b>	
Long-term Debt	10,706,856.72
Bond Discounts (Contra)	(5,628,918.36)
Less Current Portion - Long-term Debt	(1,101,960.00)
Bond Premiums	(550,980.00)
<b>Total Non-current Liabilities</b>	<b>3,424,998.36</b>
Deferred Inflows of Resources	393,061.45
<b>Total Liabilities</b>	<b>6,391,492.68</b>
<b>Equity (Fund Balance)</b>	
Restricted Fund Balance	(246,841.00)
Committed Fund Balance	1,334,000.00



PON BALANCE SHEET

9/21/2022  
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MBROWN

Period: 07/01/21..06/30/22

Port of Newport

Fiscal Start Date: 07/01/21

Fund Filter: 100 GENERAL FUND

All amounts are in USD.

Description	Balance
Assigned Fund Balance	(667,000.00)
Unrestricted Fund Balance	73,355,791.36
Contributed Capital	(22,416,319.68)
Prior Period Adjustment	(7,130,788.00)
<b>Total Equity (Fund Balance)</b>	<b>44,228,842.68</b>
Retained Earnings	885,317.81
<b>Net Assets</b>	<b>46,477,186.04</b>
<b>Total Liabilities and Equity</b>	<b>(52,868,678.72)</b>



PON Summary Inc Statement

9/22/2022  
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MBROWN

Period: 07/01/21..06/30/22

Port of Newport

Fiscal Start Date: 07/01/21

FY2022, Fund Filter: General Operating Funds,

All Depts

All amounts are in USD.

Description	Actual	Budget	Variance
<b>OPERATING REVENUE</b>			
Lease Revenue	745,110.43	793,160.00	(48,049.57)
Moorage	1,974,251.96	1,718,250.00	256,001.96
Services	595,368.49	831,106.00	(235,737.51)
Shipping	2,175.10	28,812.00	(26,636.90)
RV Park Space Rentals	1,365,036.39	1,258,500.00	106,536.39
Fees	524,846.41	1,146,901.47	(622,055.06)
Property Tax Revenue	125,503.71	115,984.00	9,519.71
Discounts and Refunds	(60,504.60)	0.00	(60,504.60)
Miscellaneous Operating Revenue	(49,938.68)	500.00	(50,438.68)
<b>Total Operating Revenue</b>	<b>5,221,849.21</b>	<b>5,893,213.47</b>	<b>(671,364.26)</b>
<b>OPERATING EXPENSES</b>			
Personnel Services	1,908,845.18	2,372,838.00	(463,992.82)
Materials, Services & Deprec	3,911,773.53	5,476,285.00	(1,564,511.47)
<b>Total Operating Expenses</b>	<b>5,820,618.71</b>	<b>7,849,123.00</b>	<b>(2,028,504.29)</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(598,769.50)</b>	<b>(1,955,909.53)</b>	<b>1,357,140.03</b>
<b>NON-OPERATING REVENUES</b>			
Grants	901,721.08	616,362.00	285,359.08
Interest	7,344.25	1,500.00	5,844.25
Gain/Loss on Sale of Assets	(1,520.00)	0.00	(1,520.00)
Transfers In from Other Funds	667,000.00	2,902,334.00	(2,235,334.00)
Miscellaneous Non-operating Revenue	5,125.97	0.00	5,125.97
<b>Total Non-operating Revenues</b>	<b>1,579,671.30</b>	<b>3,520,196.00</b>	<b>(1,940,524.70)</b>
<b>NON-OPERATING EXPENSES</b>			
Debt Service	552,910.56	1,349,570.00	(796,659.44)
Capital Outlays	1,213,309.05	4,862,000.00	(3,648,690.95)
Transfers Out to Other Funds	100,000.00	100,000.00	0.00
<b>Total Non-Operating Expenses</b>	<b>1,866,219.61</b>	<b>6,311,570.00</b>	<b>(4,445,350.39)</b>
<b>Non-Operating Income (Loss)</b>	<b>(286,548.31)</b>	<b>(2,791,374.00)</b>	<b>2,504,825.69</b>
<b>Net Income (Loss)</b>	<b>(885,317.81)</b>	<b>(4,747,283.53)</b>	<b>3,861,965.72</b>
<b>Non Budget Expenditures</b>			
Overhead Cost Allocation	67,809.44	0.00	67,809.44





PON Summary Inc Statement

Period: 07/01/21..06/30/22

Port of Newport

Fiscal Start Date: 07/01/21

FY2022, Fund Filter: General Operating Fund, Administration

All amounts are in USD.

Description	Actual	Budget	Variance
<b>OPERATING REVENUE</b>			
Fees	2,171.32	2,000.00	171.32
Property Tax Revenue	125,503.71	115,984.00	9,519.71
Discounts and Refunds	(2,027.58)	0.00	(2,027.58)
Miscellaneous Operating Revenue	11,431.07	0.00	11,431.07
<b>Total Operating Revenue</b>	<b>137,078.52</b>	<b>117,984.00</b>	<b>19,094.52</b>
<b>OPERATING EXPENSES</b>			
Personnel Services	755,961.72	914,940.00	(158,978.28)
Materials, Services & Deprec	679,747.50	872,951.00	(193,203.50)
<b>Total Operating Expenses</b>	<b>1,435,709.22</b>	<b>1,787,891.00</b>	<b>(352,181.78)</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(1,298,630.70)</b>	<b>(1,669,907.00)</b>	<b>371,276.30</b>
<b>NON-OPERATING REVENUES</b>			
Grants	709,795.00	160,162.00	549,633.00
Interest	6,602.57	1,500.00	5,102.57
Transfers In from Other Funds	667,000.00	2,902,334.00	(2,235,334.00)
<b>Total Non-operating Revenues</b>	<b>1,383,397.57</b>	<b>3,063,996.00</b>	<b>(1,680,598.43)</b>
<b>NON-OPERATING EXPENSES</b>			
Debt Service	9,060.00	986,153.00	(977,093.00)
Capital Outlays	944,409.03	2,425,000.00	(1,480,590.97)
Transfers Out to Other Funds	100,000.00	100,000.00	0.00
<b>Total Non-Operating Expenses</b>	<b>1,053,469.03</b>	<b>3,511,153.00</b>	<b>(2,457,683.97)</b>
<b>Non-Operating Income (Loss)</b>	<b>329,928.54</b>	<b>(447,157.00)</b>	<b>777,085.54</b>
<b>Net Income (Loss)</b>	<b>(968,702.16)</b>	<b>(2,117,064.00)</b>	<b>1,148,361.84</b>
<b>Non Budget Expenditures</b>			
Overhead Cost Allocation	(130,537.40)	0.00	(130,537.40)



PON Summary Inc Statement

9/22/2022  
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MBROWN

Period: 07/01/21..06/30/22

Port of Newport

Fiscal Start Date: 07/01/21

FY2022, Fund Filter: General Operating Fund, International Terminal

All amounts are in USD.

Description	Actual	Budget	Variance
<b>OPERATING REVENUE</b>			
Lease Revenue	148,751.20	173,440.00	(24,688.80)
Moorage	186,704.44	169,125.00	17,579.44
Services	314,726.32	491,208.00	(176,481.68)
Shipping	2,175.10	28,812.00	(26,636.90)
Fees	179,346.30	0.00	179,346.30
Miscellaneous Operating Revenue	809.25	0.00	809.25
<b>Total Operating Revenue</b>	<b>832,512.61</b>	<b>862,585.00</b>	<b>(30,072.39)</b>
<b>OPERATING EXPENSES</b>			
Personnel Services	201,799.36	225,008.00	(23,208.64)
Materials, Services & Deprec	1,509,071.93	1,857,412.00	(348,340.07)
<b>Total Operating Expenses</b>	<b>1,710,871.29</b>	<b>2,082,420.00</b>	<b>(371,548.71)</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(878,358.68)</b>	<b>(1,219,835.00)</b>	<b>341,476.32</b>
<b>NON-OPERATING REVENUES</b>			
Grants	0.00	10,000.00	(10,000.00)
Miscellaneous Non-operating Revenue	125.97	0.00	125.97
<b>Total Non-operating Revenues</b>	<b>125.97</b>	<b>10,000.00</b>	<b>(9,874.03)</b>
<b>NON-OPERATING EXPENSES</b>			
Debt Service	296,251.08	325,552.00	(29,300.92)
Capital Outlays	2,469.49	230,000.00	(227,530.51)
<b>Total Non-Operating Expenses</b>	<b>298,720.57</b>	<b>555,552.00</b>	<b>(256,831.43)</b>
<b>Non-Operating Income (Loss)</b>	<b>(298,594.60)</b>	<b>(545,552.00)</b>	<b>246,957.40</b>
<b>Net Income (Loss)</b>	<b>(1,176,953.28)</b>	<b>(1,765,387.00)</b>	<b>588,433.72</b>
<u>Non Budget Expenditures</u>			
Overhead Cost Allocation	1,100,334.62	0.00	1,100,334.62



PON Summary Inc Statement

Period: 07/01/21..06/30/22

Port of Newport

Fiscal Start Date: 07/01/21

FY2022, Fund Filter: General Operating Fund, Commercial Marina

All amounts are in USD.

Description	Actual	Budget	Variance
<b>OPERATING REVENUE</b>			
Lease Revenue	161,230.24	164,720.00	(3,489.76)
Moorage	631,175.08	569,125.00	62,050.08
Services	273,262.97	435,108.00	(161,845.03)
Fees	110,175.00	0.00	110,175.00
Discounts and Refunds	(6,628.29)	0.00	(6,628.29)
Miscellaneous Operating Revenue	(63,384.58)	0.00	(63,384.58)
<b>Total Operating Revenue</b>	<b>1,105,830.42</b>	<b>1,168,953.00</b>	<b>(63,122.58)</b>
<b>OPERATING EXPENSES</b>			
Personnel Services	418,631.07	526,331.00	(107,699.93)
Materials, Services & Deprec	738,542.92	1,329,109.00	(590,566.08)
<b>Total Operating Expenses</b>	<b>1,157,173.99</b>	<b>1,855,440.00</b>	<b>(698,266.01)</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(51,343.57)</b>	<b>(686,487.00)</b>	<b>635,143.43</b>
<b>NON-OPERATING REVENUES</b>			
Grants	63,857.02	49,000.00	14,857.02
<b>Total Non-operating Revenues</b>	<b>63,857.02</b>	<b>49,000.00</b>	<b>14,857.02</b>
<b>NON-OPERATING EXPENSES</b>			
Debt Service	7,914.60	7,915.00	(0.40)
Capital Outlays	209,607.50	1,847,000.00	(1,637,392.50)
<b>Total Non-Operating Expenses</b>	<b>217,522.10</b>	<b>1,854,915.00</b>	<b>(1,637,392.90)</b>
<b>Non-Operating Income (Loss)</b>	<b>(153,665.08)</b>	<b>(1,805,915.00)</b>	<b>1,652,249.92</b>
<b>Net Income (Loss)</b>	<b>(205,008.65)</b>	<b>(2,492,402.00)</b>	<b>2,287,393.35</b>
<b>Non Budget Expenditures</b>			
Overhead Cost Allocation	(863,402.57)	0.00	(863,402.57)



PON Summary Inc Statement

9/22/2022  
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MBROWN

Period: 07/01/21..06/30/22

Port of Newport

Fiscal Start Date: 07/01/21

FY2022, Fund Filter: General Operating Fund, South Beach

All amounts are in USD.

Description	Actual	Budget	Variance
<b>OPERATING REVENUE</b>			
Lease Revenue	434,269.78	455,000.00	(20,730.22)
Moorage	1,156,372.44	980,000.00	176,372.44
Services	7,349.20	(95,210.00)	102,559.20
RV Park Space Rentals	1,365,036.39	1,258,500.00	106,536.39
Fees	231,039.53	1,144,901.47	(913,861.94)
Discounts and Refunds	(51,848.73)	0.00	(51,848.73)
Miscellaneous Operating Revenue	21.08	500.00	(478.92)
<b>Total Operating Revenue</b>	<b>3,142,239.69</b>	<b>3,743,691.47</b>	<b>(601,451.78)</b>
<b>OPERATING EXPENSES</b>			
Personnel Services	540,025.25	706,559.00	(166,533.75)
Materials, Services & Deprec	976,459.92	1,416,813.00	(440,353.08)
<b>Total Operating Expenses</b>	<b>1,516,485.17</b>	<b>2,123,372.00</b>	<b>(606,886.83)</b>
<b>OPERATING INCOME (LOSS)</b>	<b>1,625,754.52</b>	<b>1,620,319.47</b>	<b>5,435.05</b>
<b>NON-OPERATING REVENUES</b>			
Grants	40,291.00	397,200.00	(356,909.00)
Gain/Loss on Sale of Assets	(1,520.00)	0.00	(1,520.00)
<b>Total Non-operating Revenues</b>	<b>38,771.00</b>	<b>397,200.00</b>	<b>(358,429.00)</b>
<b>NON-OPERATING EXPENSES</b>			
Debt Service	237,601.55	29,950.00	207,651.55
Capital Outlays	108,116.78	360,000.00	(251,883.22)
<b>Total Non-Operating Expenses</b>	<b>345,718.33</b>	<b>389,950.00</b>	<b>(44,231.67)</b>
<b>Non-Operating Income (Loss)</b>	<b>(306,947.33)</b>	<b>7,250.00</b>	<b>(314,197.33)</b>
<b>Net Income (Loss)</b>	<b>1,318,807.19</b>	<b>1,627,569.47</b>	<b>(308,762.28)</b>
<b>Non Budget Expenditures</b>			
Overhead Cost Allocation	(980,770.91)	0.00	(980,770.91)



PON BALANCE SHEET

Period: 07/01/21..06/30/22

Port of Newport

Fiscal Start Date: 07/01/21

Fund Filter: 500 NOAA Lease Revenue

All amounts are in USD.

Description	Balance
<b>Assets</b>	
<b>Current Assets</b>	
Cash Deposits	3,856,038.82
Interfund Activity Receivable	1,909.92
Prepaid Expenses	106,554.17
<b>Total Current Assets</b>	<b>3,964,502.91</b>
<b>TOTAL FIXED ASSETS</b>	<b>21,523,070.58</b>
Deferred Outflows of Resources	(435,616.04)
<b>TOTAL ASSETS</b>	<b>25,923,189.53</b>
<b>LIABILITIES</b>	
<b>Current Liabilities</b>	
Accounts Payable	14,090.40
Interfund Activity Payable	143,604.69
Compensated Absences	10,260.80
Retirement Withholdings Payable	490.34
Accrued Interest	189,784.00
Current Portion - Bonds Payable	1,320,000.00
<b>Total Current Liabilities</b>	<b>1,678,230.23</b>
<b>Non-current Liabilities</b>	
Long-term Debt	15,245,000.00
Less Current Portion - Long-term Debt	(1,320,000.00)
<b>Total Non-current Liabilities</b>	<b>13,925,000.00</b>
Deferred Inflows of Resources	12,992.00
<b>Total Liabilities</b>	<b>15,616,222.23</b>
<b>Equity (Fund Balance)</b>	
Restricted Fund Balance	1,761,721.00
Committed Fund Balance	432,000.00
Unrestricted Fund Balance	10,827,504.31
<b>Total Equity (Fund Balance)</b>	<b>13,021,225.31</b>
Retained Earnings	4,164,050.07
<b>Net Assets</b>	<b>10,306,967.30</b>
<b>Total Liabilities and Equity</b>	<b>(25,923,189.53)</b>



PON Summary Inc Statement

9/22/2022  
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MBROWN

Period: 07/01/21..06/30/22

Port of Newport

Fiscal Start Date: 07/01/21

G/L Budget Filter: FY2022, NOAA LEASE REVENUE FUND

All amounts are in USD.

Description	Actual	Budget	Variance
<b>OPERATING REVENUE</b>			
Lease Revenue	2,552,488.56	2,595,900.00	(43,411.44)
Discounts and Refunds	145.00	0.00	145.00
<b>Total Operating Revenue</b>	<b>2,552,633.56</b>	<b>2,595,900.00</b>	<b>(43,266.44)</b>
<b>OPERATING EXPENSES</b>			
Personnel Services	122,273.82	205,044.00	(82,770.18)
Materials, Services & Deprec	1,709,785.89	2,609,410.00	(899,624.11)
<b>Total Operating Expenses</b>	<b>1,832,059.71</b>	<b>2,814,454.00</b>	<b>(982,394.29)</b>
<b>OPERATING INCOME (LOSS)</b>	<b>720,573.85</b>	<b>(218,554.00)</b>	<b>939,127.85</b>
<b>NON-OPERATING REVENUES</b>			
Interest	11,211.40	2,496.00	8,715.40
Transfers In from Other Funds	0.00	843,886.00	(843,886.00)
<b>Total Non-operating Revenues</b>	<b>11,211.40</b>	<b>846,382.00</b>	<b>(835,170.60)</b>
<b>NON-OPERATING EXPENSES</b>			
Debt Service	1,760,919.32	1,760,950.00	(30.68)
Capital Outlays	258,471.00	191,000.00	67,471.00
Contingency	0.00	278,241.00	(278,241.00)
Transfers Out to Other Funds	2,876,445.00	3,046,445.00	(170,000.00)
<b>Total Non-Operating Expenses</b>	<b>4,895,835.32</b>	<b>5,276,636.00</b>	<b>(380,800.68)</b>
<b>Non-Operating Income (Loss)</b>	<b>(4,884,623.92)</b>	<b>(4,430,254.00)</b>	<b>(454,369.92)</b>
<b>Net Income (Loss)</b>	<b>(4,164,050.07)</b>	<b>(4,648,808.00)</b>	<b>484,757.93</b>
<b>Non Budget Expenditures</b>			
Overhead Cost Allocation	1,920.18	0.00	1,920.18



PON BALANCE SHEET

9/21/2022  
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MBROWN

Period: 07/01/21..06/30/22

Port of Newport

Fiscal Start Date: 07/01/21  
Fund Filter: 600 NOAA Capital Maintenance

All amounts are in USD.

Description	Balance
<b>Assets</b>	
<b>Current Assets</b>	
Cash Deposits	1,696,587.68
Interfund Activity Receivable	528,118.69
<b>Total Current Assets</b>	<b>2,224,706.37</b>
<b>TOTAL ASSETS</b>	<b>2,224,706.37</b>
<b>LIABILITIES</b>	
<b>Current Liabilities</b>	
<b>Total Current Liabilities</b>	<b>0.00</b>
<b>Non-current Liabilities</b>	
<b>Total Non-current Liabilities</b>	<b>0.00</b>
Deferred Inflows of Resources	0.00
<b>Total Liabilities</b>	<b>0.00</b>
<b>Equity (Fund Balance)</b>	
Retained Earnings	2,224,706.37
<b>Net Assets</b>	<b>2,224,706.37</b>
<b>Total Liabilities and Equity</b>	<b>2,224,706.37</b>



PON BALANCE SHEET

9/21/2022  
Page 1 / 1  
MBROWN

Period: 07/01/21..06/30/22

Port of Newport

Fiscal Start Date: 07/01/21

Fund Filter: 400 Bond Debt Fund

All amounts are in USD.

Description	Balance
<b>Assets</b>	
<b>Current Assets</b>	
Cash Deposits	112,772.86
Accounts Receivable	46,963.58
<b>Total Current Assets</b>	<b>159,736.44</b>
<b>TOTAL FIXED ASSETS</b>	<b>160,734.97</b>
Deferred Outflows of Resources	(661,701.64)
<b>TOTAL ASSETS</b>	<b>982,173.05</b>
<b>LIABILITIES</b>	
<b>Current Liabilities</b>	
Current Portion - Bonds Payable	410,000.00
<b>Total Current Liabilities</b>	<b>410,000.00</b>
<b>Non-current Liabilities</b>	
Long-term Debt	11,235,000.25
Less Current Portion - Long-term Debt	(410,000.00)
Bond Premiums	704,598.00
<b>Total Non-current Liabilities</b>	<b>11,529,598.25</b>
Deferred Inflows of Resources	0.00
<b>Total Liabilities</b>	<b>11,939,598.25</b>
<b>Equity (Fund Balance)</b>	
Restricted Fund Balance	(11,528,780.43)
<b>Total Equity (Fund Balance)</b>	<b>(11,528,780.43)</b>
Retained Earnings	161,355.48
<b>Net Assets</b>	<b>(10,957,425.20)</b>
<b>Total Liabilities and Equity</b>	<b>982,173.05</b>





PON BALANCE SHEET

Period: 07/01/21..06/30/22

Port of Newport

Fiscal Start Date: 07/01/21

Fund Filter: 300 - Construction Fund

All amounts are in USD.

Description	Balance
<b>Assets</b>	
<b>Current Assets</b>	
Cash Deposits	13,072.51
<b>Total Current Assets</b>	<b>13,072.51</b>
<b>TOTAL ASSETS</b>	<b>13,072.51</b>
<b>LIABILITIES</b>	
<b>Current Liabilities</b>	
<b>Total Current Liabilities</b>	<b>0.00</b>
<b>Non-current Liabilities</b>	
<b>Total Non-current Liabilities</b>	<b>0.00</b>
Deferred Inflows of Resources	0.00
<b>Total Liabilities</b>	<b>0.00</b>
<b>Equity (Fund Balance)</b>	
Unrestricted Fund Balance	13,071.09
<b>Total Equity (Fund Balance)</b>	<b>13,071.09</b>
Retained Earnings	1.42
<b>Net Assets</b>	<b>13,072.51</b>
<b>Total Liabilities and Equity</b>	<b>13,072.51</b>



PON BALANCE SHEET

Period: 07/01/21..06/30/22

Port of Newport

Fiscal Start Date: 07/01/21  
Fund Filter: 200 Facilities Maintenance

All amounts are in USD.

Description	Balance
<b>Assets</b>	
<b>Current Assets</b>	
Cash Deposits	526,516.41
<b>Total Current Assets</b>	<b>526,516.41</b>
<b>TOTAL ASSETS</b>	<b>526,516.41</b>
<b>LIABILITIES</b>	
<b>Current Liabilities</b>	
<b>Total Current Liabilities</b>	<b>0.00</b>
<b>Non-current Liabilities</b>	
<b>Total Non-current Liabilities</b>	<b>0.00</b>
Deferred Inflows of Resources	0.00
<b>Total Liabilities</b>	<b>0.00</b>
<b>Equity (Fund Balance)</b>	
Assigned Fund Balance	475,911.12
Unrestricted Fund Balance	(102,795.57)
<b>Total Equity (Fund Balance)</b>	<b>373,115.55</b>
Retained Earnings	153,400.86
<b>Net Assets</b>	<b>526,516.41</b>
<b>Total Liabilities and Equity</b>	<b>526,516.41</b>

Accounts Paid  
August 1 to 31 2022

Posting Date	Document No.	Vendor Name	Description	Line Func	Original Amount
8/3/2022	10184	Business Oregon - IFA	Business Oregon - IFA	100	2,083.33
8/3/2022	10185	Central Lincoln PUD**EFT**	Central Lincoln PUD**EFT**	100	2,592.49
8/3/2022	10186	City of Newport Room Tax	City of Newport Room Tax	100	6,583.38
8/5/2022	10187	Advanced American Construction Inc	Advanced American Construction Inc	100	109,289.76
8/5/2022	10188	Amazon Capital Services Inc	Amazon Capital Services Inc	100	336.58
8/5/2022	10188	Amazon Capital Services Inc	Amazon Capital Services Inc	100	58.41
8/5/2022	10188	Amazon Capital Services Inc	Amazon Capital Services Inc	100	25.78
8/5/2022	10188	Amazon Capital Services Inc	Amazon Capital Services Inc	100	45.00
8/5/2022	10188	Amazon Capital Services Inc	Amazon Capital Services Inc	100	588.98
8/5/2022	10189	Barrelhead Supply Inc	Barrelhead Supply Inc	100	49.12
8/5/2022	10189	Barrelhead Supply Inc	Barrelhead Supply Inc	100	86.81
8/5/2022	10189	Barrelhead Supply Inc	Barrelhead Supply Inc	100	44.36
8/5/2022	10190	Clima-Tech Corporation	Clima-Tech Corporation	100	3,984.00
8/5/2022	10191	Copeland Lumber Yards Inc	Copeland Lumber Yards Inc	100	14.16
8/5/2022	10192	Doug's Electric Inc	Doug's Electric Inc	100	183.00
8/5/2022	10193	Ecolube Recovery LLC	Ecolube Recovery LLC	100	40.95
8/5/2022	10194	Englund Marine Supply Co Inc	Englund Marine Supply Co Inc	100	32.90
8/5/2022	10194	Englund Marine Supply Co Inc	Englund Marine Supply Co Inc	100	131.11
8/5/2022	10195	First Interstate Bank MC	First Interstate Bank MC	100	415.74
8/5/2022	10195	First Interstate Bank MC	First Interstate Bank MC	100	199.00
8/5/2022	10195	First Interstate Bank MC	First Interstate Bank MC	100	505.70
8/5/2022	10195	First Interstate Bank MC	First Interstate Bank MC	100	103.92
8/5/2022	10195	First Interstate Bank MC	First Interstate Bank MC	100	103.07
8/5/2022	10195	First Interstate Bank MC	First Interstate Bank MC	100	442.48
8/5/2022	10196	Hyak	Hyak	100	5,042.00
8/5/2022	10196	Hyak	Hyak	100	199.00
8/5/2022	10197	Integrity Data	Integrity Data	100	715.00
8/5/2022	10198	Kings III of America LLC	Kings III of America LLC	100	142.20
8/5/2022	10199	Kody Robinson	Kody Robinson	100	150.00
8/5/2022	10200	Mark Harris	Mark Harris	100	80.35
8/5/2022	10201	Mobile Modular	Mobile Modular	100	380.00
8/5/2022	10202	Northwestern Bus Nuts	Northwestern Bus Nuts	100	3,277.80
8/5/2022	10203	Orkin	Orkin	100	53.33
8/5/2022	10204	Pioneer Connect	Pioneer Connect	100	227.41

Accounts Paid  
August 1 to 31 2022

8/5/2022	10204	Pioneer Connect	Pioneer Connect	100	41.88
8/5/2022	10204	Pioneer Connect	Pioneer Connect	100	181.37
8/5/2022	10205	Pacific Northwest Waterways Assoc.	Pacific Northwest Waterways Assoc.	100	450.00
8/5/2022	10206	Quadient Finance USA Inc	Quadient Finance USA Inc	100	45.17
8/5/2022	10207	Road & Driveway Co Inc	Road & Driveway Co Inc	100	355.93
8/5/2022	10208	Special Districts Insurance Services	Special Districts Insurance Services	100	20,808.12
8/5/2022	10208	Special Districts Insurance Services	Special Districts Insurance Services	100	48,719.51
8/5/2022	10209	T & L Septic & Chemical Toilet Service	T & L Septic & Chemical Toilet Service	100	145.00
8/5/2022	10209	T & L Septic & Chemical Toilet Service	T & L Septic & Chemical Toilet Service	100	145.00
8/5/2022	10209	T & L Septic & Chemical Toilet Service	T & L Septic & Chemical Toilet Service	100	85.00
8/5/2022	10209	T & L Septic & Chemical Toilet Service	T & L Septic & Chemical Toilet Service	100	145.00
8/5/2022	10209	T & L Septic & Chemical Toilet Service	T & L Septic & Chemical Toilet Service	100	93.70
8/5/2022	10209	T & L Septic & Chemical Toilet Service	T & L Septic & Chemical Toilet Service	100	340.00
8/5/2022	10209	T & L Septic & Chemical Toilet Service	T & L Septic & Chemical Toilet Service	100	320.00
8/5/2022	10210	AlSCO Inc	AlSCO Inc	100	32.95
8/5/2022	EFT 2208	VOYA-OREGON SAVINGS GROWTH PLAN	VOYA-OREGON SAVINGS GROWTH PLAN	100	630.00
8/15/2022	10236	Doug's Electric Inc	Doug's Electric Inc	100	12,089.00
8/15/2022	10237	Amazon Capital Services Inc	Amazon Capital Services Inc	100	30.94
8/15/2022	10237	Amazon Capital Services Inc	Amazon Capital Services Inc	100	440.68
8/15/2022	10237	Amazon Capital Services Inc	Amazon Capital Services Inc	100	25.78
8/15/2022	10238	Barrelhead Supply Inc	Barrelhead Supply Inc	100	296.28
8/15/2022	10238	Barrelhead Supply Inc	Barrelhead Supply Inc	100	84.41
8/15/2022	10239	Dahl Disposal	Dahl Disposal	100	172.55
8/15/2022	10240	Englund Marine Supply Co Inc	Englund Marine Supply Co Inc	100	103.78
8/15/2022	10240	Englund Marine Supply Co Inc	Englund Marine Supply Co Inc	100	11.40

Accounts Paid  
August 1 to 31 2022

8/15/2022	10240	Englund Marine Supply Co Inc	Englund Marine Supply Co Inc	100	146.62
8/15/2022	10241	Enterprise Marine LLC	Enterprise Marine LLC	100	2,029.25
8/15/2022	10242	First Interstate Bank MC	First Interstate Bank MC	100	199.00
8/15/2022	10242	First Interstate Bank MC	First Interstate Bank MC	100	103.92
8/15/2022	10242	First Interstate Bank MC	First Interstate Bank MC	100	505.70
8/15/2022	10242	First Interstate Bank MC	First Interstate Bank MC	100	442.48
8/15/2022	10242	First Interstate Bank MC	First Interstate Bank MC	100	415.74
8/15/2022	10242	First Interstate Bank MC	First Interstate Bank MC	100	103.07
8/15/2022	10243	KOPIS	KOPIS	100	12,918.36
8/15/2022	10243	KOPIS	KOPIS	100	10,081.52
8/15/2022	10244	MacPherson, Gintner & Diaz	MacPherson, Gintner & Diaz	100	787.50
8/15/2022	10245	Mascott Equipment Co Inc	Mascott Equipment Co Inc	100	1,970.55
8/15/2022	10246	Charles Ryan Metcalf	Charles Ryan Metcalf	100	180.00
8/15/2022	10246	Charles Ryan Metcalf	Charles Ryan Metcalf	100	135.00
8/15/2022	10247	Mike Morgan	Mike Morgan	100	1,367.50
8/15/2022	10248	TWGW Inc NAPA Auto Parts	TWGW Inc NAPA Auto Parts	100	51.98
8/15/2022	10249	Newport Sign Shop	Newport Sign Shop	100	2,626.00
8/15/2022	10250	Platt Electric Supply Inc	Platt Electric Supply Inc	100	1,163.00
8/15/2022	10251	Port of Toledo Boat Yard	Port of Toledo Boat Yard	100	19,776.41
8/15/2022	10252	Proctor Sales Inc	Proctor Sales Inc	100	11.09
8/15/2022	10253	Special Districts Insurance Services	Special Districts Insurance Services	100	61,017.75
8/15/2022	10253	Special Districts Insurance Services	Special Districts Insurance Services	100	22,827.49
8/15/2022	10254	Sherwin-Williams	Sherwin-Williams	100	86.68
8/15/2022	10255	Sierra Springs	Sierra Springs	100	30.88
8/15/2022	10256	Silver Quest Fisheries	Silver Quest Fisheries	100	766.68
8/15/2022	10257	Spiro Landscapes Inc	Spiro Landscapes Inc	100	990.00
8/15/2022	10257	Spiro Landscapes Inc	Spiro Landscapes Inc	100	460.00
8/15/2022	10258	TCB Security Services Inc.	TCB Security Services Inc.	100	12,309.00
8/15/2022	10259	Thompson's Sanitary Service Inc	Thompson's Sanitary Service Inc	100	8,495.12
8/15/2022	10260	Barrelhead Supply Inc	Barrelhead Supply Inc	100	66.56
8/15/2022	10260	Barrelhead Supply Inc	Barrelhead Supply Inc	100	202.12
8/15/2022	10261	Carver Inc	Carver Inc	100	795.75
8/15/2022	10261	Carver Inc	Carver Inc	100	146.73
8/15/2022	10262	Englund Marine Supply Co Inc	Englund Marine Supply Co Inc	100	163.77
8/15/2022	10263	Newport Rental Service	Newport Rental Service	100	565.20
8/15/2022	10264	Quadient Finance USA Inc	Quadient Finance USA Inc	100	701.28

Accounts Paid  
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8/15/2022	10265	OR Dept of Human Services	OR Dept of Human Services	100	290.71
8/15/2022	EFT00052	City of Newport Water**EFT**	City of Newport Water**EFT**	100	256.01
8/15/2022	EFT00053	City of Newport Water**EFT**	City of Newport Water**EFT**	100	1,979.01
8/15/2022	EFT00054	City of Newport Water**EFT**	City of Newport Water**EFT**	100	465.42
8/15/2022	EFT00055	City of Newport Water**EFT**	City of Newport Water**EFT**	100	1,832.79
8/15/2022	EFT00056	City of Newport Water**EFT**	City of Newport Water**EFT**	100	124.08
8/15/2022	EFT00057	City of Newport Water**EFT**	City of Newport Water**EFT**	100	1,112.43
8/15/2022	EFT00058	City of Newport Water**EFT**	City of Newport Water**EFT**	100	1,459.00
8/15/2022	EFT00059	City of Newport Water**EFT**	City of Newport Water**EFT**	100	235.67
8/15/2022	EFT00060	City of Newport Water**EFT**	City of Newport Water**EFT**	100	217.53
8/15/2022	EFT00061	City of Newport Water**EFT**	City of Newport Water**EFT**	100	71.15
8/15/2022	EFT00062	City of Newport Water**EFT**	City of Newport Water**EFT**	100	666.42
8/15/2022	EFT00063	City of Newport Water**EFT**	City of Newport Water**EFT**	100	592.51
8/15/2022	EFT00064	City of Newport Water**EFT**	City of Newport Water**EFT**	100	292.35
8/15/2022	EFT00065	City of Newport Water**EFT**	City of Newport Water**EFT**	100	631.96
8/15/2022	EFT00066	City of Newport Water**EFT**	City of Newport Water**EFT**	100	1,704.32
8/15/2022	EFT00067	City of Newport Water**EFT**	City of Newport Water**EFT**	100	1,847.09
8/15/2022	EFT00068	City of Newport Water**EFT**	City of Newport Water**EFT**	100	273.24
8/15/2022	EFT00069	City of Newport Water**EFT**	City of Newport Water**EFT**	100	1,238.94
8/15/2022	EFT00070	City of Newport Water**EFT**	City of Newport Water**EFT**	100	571.02
8/15/2022	EFT00071	City of Newport Water**EFT**	City of Newport Water**EFT**	100	87.86
8/15/2022	EFT00075	Direct TV**EFT**	Direct TV**EFT**	100	441.48
8/16/2022	EFT0080	ADP, Inc.	ADP, Inc.	100	128.42
8/16/2022	EFT0081	Carson Oil Co Inc**EFT**	Carson Oil Co Inc**EFT**	100	1,739.08
8/16/2022	EFT0082	Carson Oil Co Inc**EFT**	Carson Oil Co Inc**EFT**	100	430.73
8/16/2022	EFT0083	Central Lincoln PUD**EFT**	Central Lincoln PUD**EFT**	100	17,241.07
8/16/2022	EFT0084	City of Newport Water**EFT**	City of Newport Water**EFT**	100	61.82
8/16/2022	EFT0085	Direct TV**EFT**	Direct TV**EFT**	100	798.06
8/16/2022	EFT0086	Thompson's Sanitary Service Inc	Thompson's Sanitary Service Inc	100	2,633.20
8/16/2022	EFT0087	Thompson's Sanitary Service Inc	Thompson's Sanitary Service Inc	100	3,662.65
8/16/2022	EFT0088	Thompson's Sanitary Service Inc	Thompson's Sanitary Service Inc	100	1,265.61
8/16/2022	EFT0089	Windcave**EFT**	Windcave**EFT**	100	165.00
8/17/2022	EFT00080	DE LAGE LANDEN **EFT** FINANCIAL SERVICES, INC	DE LAGE LANDEN **EFT** FINANCIAL SERVICES, INC	100	640.00
8/17/2022	EFT00081	PERS	PERS	100	23.10
8/18/2022	10271	Bay Area Enterprises Inc	Bay Area Enterprises Inc	100	15,502.82

Accounts Paid  
August 1 to 31 2022

8/18/2022	10272	Advanced Remediation Technologies Inc	Advanced Remediation Technologies Inc	100	1,540.00
8/18/2022	10272	Advanced Remediation Technologies Inc	Advanced Remediation Technologies Inc	100	1,490.00
8/18/2022	10272	Advanced Remediation Technologies Inc	Advanced Remediation Technologies Inc	100	1,275.00
8/18/2022	10273	Amazon Capital Services Inc	Amazon Capital Services Inc	100	69.97
8/18/2022	10273	Amazon Capital Services Inc	Amazon Capital Services Inc	100	481.29
8/18/2022	10273	Amazon Capital Services Inc	Amazon Capital Services Inc	100	235.84
8/18/2022	10273	Amazon Capital Services Inc	Amazon Capital Services Inc	100	49.98
8/18/2022	10274	Astound CoastCom By Wave	Astound CoastCom By Wave	100	1,516.03
8/18/2022	10276	Century Link	Century Link	100	83.29
8/18/2022	10277	Englund Marine Supply Co Inc	Englund Marine Supply Co Inc	100	20.95
8/18/2022	10277	Englund Marine Supply Co Inc	Englund Marine Supply Co Inc	100	51.84
8/18/2022	10278	Harvey's Lock & Key Service	Harvey's Lock & Key Service	100	448.75
8/18/2022	10279	Iron Owl Inc	Iron Owl Inc	100	452.39
8/18/2022	10280	Lincoln County Public Works	Lincoln County Public Works	100	347.54
8/18/2022	10281	MASA	MASA	100	84.00
8/18/2022	10282	Mobile Modular	Mobile Modular	100	1,200.00
8/18/2022	10283	Newport Gutter Cleaning	Newport Gutter Cleaning	100	1,033.00
8/18/2022	10284	Newport News Times	Newport News Times	100	835.40
8/18/2022	10285	OR Association of Municipal Recorders	OR Association of Municipal Recorders	100	500.00
8/18/2022	10286	Platt Electric Supply Inc	Platt Electric Supply Inc	100	68.69
8/18/2022	10287	Suburban Propane	Suburban Propane	100	473.28
8/18/2022	10288	TOPCON	TOPCON	100	578.08
8/18/2022	10289	TWGW Inc NAPA Auto Parts	TWGW Inc NAPA Auto Parts	100	19.98
8/18/2022	10291	Wells Fargo Financial Leasing	Wells Fargo Financial Leasing	100	283.00
8/18/2022	10292	Road & Driveway Co Inc	Road & Driveway Co Inc	100	329.58
8/18/2022	10293	Ryan Marks	Ryan Marks	100	191.57
8/18/2022	10294	Mark Perez	Mark Perez	100	103.07
8/18/2022	10295	OAA Inc	OAA Inc	100	1,223.68
8/18/2022	10296	Ocean Fierce, LLC	Ocean Fierce, LLC	100	2,210.51
8/18/2022	10297	US Bank	US Bank	100	660.00
8/18/2022	10298	Toyota Industries Commercial Finance Inc	Toyota Industries Commercial Finance Inc	100	659.55

Accounts Paid  
August 1 to 31 2022

8/18/2022	10299	Foress Sign & Manufacturing, LLC	Foress Sign & Manufacturing, LLC	100	223.64
8/19/2022	EFT00083	VOYA-OREGON SAVINGS GROWTH PLAN	VOYA-OREGON SAVINGS GROWTH PLAN	100	630.00
8/19/2022	EFT00084	Washington State Support Registry	Washington State Support Registry	100	200.00
8/26/2022	10319	Century Link	Century Link	100	41.21
8/26/2022	10320	Hyak	Hyak	100	207.00
8/26/2022	10320	Hyak	Hyak	100	14,855.00
8/26/2022	10321	Industrial Welding Supply, Inc.	Industrial Welding Supply, Inc.	100	52.00
8/26/2022	10322	Kern & Thompson LLC	Kern & Thompson LLC	100	3,000.00
8/26/2022	10323	KOPIS	KOPIS	100	250.00
8/26/2022	10324	Les Schwab Tire Center Inc	Les Schwab Tire Center Inc	100	49.00
8/26/2022	10325	Newport News Times	Newport News Times	100	79.00
8/26/2022	10326	NW Natural	NW Natural	100	125.57
8/26/2022	10326	NW Natural	NW Natural	100	17.18
8/26/2022	10327	Pacific Habitat Services Inc	Pacific Habitat Services Inc	100	1,254.00
8/26/2022	10327	Pacific Habitat Services Inc	Pacific Habitat Services Inc	100	2,895.00
8/26/2022	10327	Pacific Habitat Services Inc	Pacific Habitat Services Inc	100	3,123.00
8/26/2022	10328	Performance System Integration LLC	Performance System Integration LLC	100	3,154.10
8/26/2022	10329	Sierra Springs	Sierra Springs	100	42.20
8/26/2022	10330	Suburban Propane	Suburban Propane	100	266.37
8/26/2022	10331	Toyota Lift Northwest	Toyota Lift Northwest	100	1,370.93
8/26/2022	10331	Toyota Lift Northwest	Toyota Lift Northwest	100	148.18
8/26/2022	10331	Toyota Lift Northwest	Toyota Lift Northwest	100	169.10
8/26/2022	10331	Toyota Lift Northwest	Toyota Lift Northwest	100	148.18
8/26/2022	10332	Verizon Wireless	Verizon Wireless	100	496.90
8/26/2022	10333	Western Pacific Crane & Equipment LLC	Western Pacific Crane & Equipment LLC	100	332.33
8/26/2022	10334	OR Dept of Human Services	OR Dept of Human Services	100	298.72
8/26/2022	10335	Deere & Company	Deere & Company	100	743.40
8/26/2022	10335	Deere & Company	Deere & Company	100	9,021.01
8/31/2022	10340	Amazon Capital Services Inc	Amazon Capital Services Inc	100	484.93
8/31/2022	10340	Amazon Capital Services Inc	Amazon Capital Services Inc	100	476.95
8/31/2022	10340	Amazon Capital Services Inc	Amazon Capital Services Inc	100	183.99
8/31/2022	10340	Amazon Capital Services Inc	Amazon Capital Services Inc	100	154.00
8/31/2022	10341	Barrelhead Supply Inc	Barrelhead Supply Inc	100	86.85
8/31/2022	10341	Barrelhead Supply Inc	Barrelhead Supply Inc	100	77.09



Accounts Paid  
August 1 to 31 2022

8/18/2022 10275	Bill's Pest Control LLC	Bill's Pest Control LLC	500	135.00
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# **OLD BUSINESS**

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**DATE:** September 20, 2022  
**RE:** RORO Dock Inspection  
**TO:** Paula Miranda, General Manager  
**ISSUED BY:** Aaron Bretz, Director of Operations

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## **BACKGROUND**

It has been a decade since the last time the Port performed a thorough inspection on the RORO Dock pilings at the Terminal. Not all of those pilings are under cathodic protection, and consequently these pilings should be monitored very closely for corrosion so that we can take any corrective action early.

## **DETAIL**

We performed a qualification-based selection process to determine who to take proposals from to perform this work. KPFF came out with the highest marks out of four firms, and we have negotiated a scope of work and contract with them for the inspection, development of any repair plan required, and the permitting to perform any required work.

We budgeted this year \$230K for this project. It appears we will be able to get this work done well under-budget; after revising the scope, KPFF projected the cost of the work to be \$117,124. I am requesting adequate funding based on those projections plus a 10% contingency.

## **RECOMMENDATION**

I RECOMMEND A MOTION TO AUTHORIZE THE GM OR HER REPRESENTATIVE TO CONTRACT WITH KPFF ENGINEERS TO PERFORM INSPECTIONS AND CREATE A REPAIR PLAN FOR PILINGS UNDER THE RORO DOCK AT THE INTERNATIONAL TERMINAL IN AN AMOUNT NOT EXCEEDING \$129,000.

# OLD BUSINESS

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**DATE:** September 22, 2022  
**RE:** Facilities Code Changes  
**TO:** Paula Miranda, General Manager  
**ISSUED BY:** Aaron Bretz, Director of Operations

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## **BACKGROUND**

We were recently asked by a moorage holder to be allowed to sell tuna from his vessel in South Beach directly to the public. Previously, the Port had allowed one vessel in South Beach to sell tuna in this fashion, and that vessel is now gone. When we were approached with this inquiry, the Harbormaster allowed the request and I concurred. With the proper licensing, this practice is widely allowed in the Commercial Marina.

## **DETAIL**

Seafood Product Sale or Purchase is covered under the general provisions of the Port Facilities Code under 2.41. Because it is covered under the general provisions, that means it applies *throughout* the Port (irrespective of South Beach or Commercial Marina):

“No person may set up buying stations without first obtaining all required licenses and permits and leasing from the Port, on the terms provided by the Port, the area at which any buying station is to be established.”

Because the term “buying station” is not defined in the facilities code, it is subject to interpretation. Due to other contextual references in the code, I don’t believe the term “buying station” was intended to apply to those selling directly to consumers from their vessel moored in the marina. I could be incorrect about that intent, but regardless of the original intent, because of the ambiguity this section is problematic to enforce.

After allowing the vessel to sell tuna from the boat in South Beach, it was brought to my attention that there was a desire in years past to end that practice in South Beach once the last boat that was still doing so was gone from the Marina. After finding this out, we notified the vessel that was selling tuna that we would end that practice at the end of the weekend after he set up.

If we continue to intend to prohibit the retail sale of seafood from vessels in South Beach, I have recommended here a manner in which to do that. I specified retail sales because there are a number of regular South Beach users who would be impacted by also banning wholesale seafood sales in South Beach. I do not advise that we should ban wholesale seafood sales anywhere in the Port.

## **RECOMMENDATION**

I MOVE TO READ BY TITLE ONLY AND ADOPT ORDINANCE NO. 2022-02 ADDITIONS TO PORT FACILITY CODE

**PORT OF NEWPORT  
ORDINANCE NO. 2022-02  
AN ORDINANCE REGARDING ADDITIONS TO THE PORT FACILITY CODE**

WHEREAS, the Port of Newport is a duly organized municipal corporation of Lincoln County, Oregon (ORS 777); and

WHEREAS, it is in the best interest of the citizens of the district of this Port and the public generally to have certain ordinances and regulations regarding and relating to the public process of policy development codified; and

WHEREAS, Ordinance No. 1-2013, adopted on May 28, 2013, created the Port Facilities Code.

**NOW THEREFORE, THE PORT OF NEWPORT BOARD OF COMMISSIONERS  
ORDAINS AS FOLLOWS:**

Add to Section 1.2 Definitions:

“(qq) **Retail Sales:** Sales of goods that are made directly to the consumer. For the purposes of this definition, a consumer is a person who purchases goods for personal use, and services do not apply.

(rr) **Wholesale:** Sales of goods that are made to retailers, or to industrial, commercial, institutional, or other professional business users, or to other wholesalers and the like.”

Add to Chapter 5 Recreational Marina:

“**5.31 Seafood Product Sale or Purchase.** Retail sales on the marina premises are prohibited except by tenants that operate under an active lease from the Port. Moorage holders shall not operate a retail sales business in the marina unless they are a tenant under a lease that specifically covers the retail sales business.”

# STAFF REPORT

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**DATE:** *September 27, 2022*

**RE:** *Oregon Brewing Company (Rogue Brewery) Third Amendment to Lease*

**TO:** *Port of Newport Board of Commissioners*

**ISSUED BY:** *Paula J. Miranda, General Manager*

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## **BACKGROUND**

Rogue has been working on their wastewater system with the city for quite a while. Recently they were required by the city to invest on a much robust system, which would cost them \$25 million dollars.

Instead of building the wastewater system themselves, Rogue has negotiated with another company Cambrian Water Operations Project Company, LLC to build the system and charge them for the usage of it.

The company would be building the system right next to the Rogue Brewery on the west side of the building, which would require a sublease from Rogue to Cambrian. Therefore, an approval from the Port.

Because of the size of investment, Cambria has required additional time on the lease to make the investment worth it. So, Rogue has made a request for 2 additional extensions of 5 years. The last Rogue extension expires on 2032.

I would typically use this opportunity to renegotiate the lease. However, due to the burden/cost already taken by Rogue, I would recommend we just add the additional 2 extension as requested. Rogue has been a good tenant of the Port and they currently pay \$20,032.53 per month for their brewery lease plus \$3,158.68 for the House of Spirits and 8,683.62 for the Distillery.

I have our attorney review the lease and legally he felt the documents do cover what we need. I have asked Rogue to also add the Port on the indemnification and as a loss payee on the insurance under the sublease.

I am also working on trying to learn more about any possible pollution a wastewater system may cause, which may lead us to require pollution insurance.

## **RECOMMENDATION**

I recommend “A MOTION TO AUTHORIZE THE GENERAL MANAGER TO EXECUTE THE ATTACHED THIRD AMENDMENT TO LEASE AGREEMENT SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT AS PRESENTED PENDING ADDITIONAL RESEARCH AND ADDITIONAL LANGUAGE SUFFICIENT TO SATISFY PORT’S ATTORNEY’S REQUIREMENT.”

**THIRD AMENDMENT TO LEASE AGREEMENT**

DATE: July 15, 2022

LESSOR: Port of Newport  
A Port duly authorized and existing under ORS 777.  
600 SE Bay Blvd.  
Newport, OR 97365

LESSEE: Oregon Brewing Company  
An Oregon Corporation  
2320 SE OSU Drive  
Newport, OR 97365

This Amendment (“Amendment”), by and between Oregon Brewing Company, an Oregon Corporation, hereinafter referred to as “Lessee” and the Port of Newport, a municipal corporation of the State of Oregon, hereinafter referred to as “Lessor”.

Lessor and Lessee previously amended the terms of the 2007 Agreement for Lease of Business Premises to provide for the option of extending the aforementioned lease for five (5) consecutive extension of terms of five (5) years each, with the first option to extend taking place on July 1, 2012.

For valuable consideration, the Parties now agree to add to that lease an additional two options extending the aforementioned lease for (2) additional consecutive terms of five (5) years, totaling seven (7) consecutive terms of five (5) years each.

The current Lease sections shall be amended as follows:

Section 2. Extension of Term is now deleted in its entirety:

“Subject to the conditions hereafter set forth, Lessor hereby grants to Lessee the right, privilege and option of extending the aforementioned Lease for up to five (5) additional consecutive terms of five (5) years each, with the first such option commencing on July 1, 2012.”; AND

Replaced with the following language:

“Subject to the conditions hereafter set forth, Lessor hereby grants to Lessee the right, privilege and option of extending the aforementioned Lease for up to seven (7) additional consecutive terms of five (5) years each, with the first such option commencing on July 1, 2012.”

This Amendment, in conjunction with the Lease and subsequent extensions or amendments, sets forth the entire agreement between the Parties. All other terms and conditions of the original agreement remain in full force and effect as written.

LESSOR: Port of Newport

LESSEE: Oregon Brewing Company

\_\_\_\_\_  
Paula Miranda, General Manager

\_\_\_\_\_  
Dharma Tamm, President

## **Sublease Agreement (LAND)**

This Sublease Agreement (defined herein as the “Sublease”), dated as of the day of \_\_\_\_\_ (the “Effective Date”), is made by and between Oregon Brewing Company d/b/a Rogue Ales & Spirits, an Oregon Corporation (“Sublessor”), and Cambrian Newport Oregon LLC, a Delaware limited liability company (“Sublessee”) (each a “Party” and collectively, the “Parties”).

### **WITNESSETH**

WHEREAS, Sublessee is in the business of installing, owning and operating wastewater treatment and water recycling systems and seeks to install such a system on the Property for the delivery and sale to Sublessor of treated wastewater;

WHEREAS, the Premises (defined in Section 1 below) are a portion of that certain real property (the “Property”) that Sublessor controls and leases from the Port of Newport, a \_\_\_\_\_ (“Port”) pursuant to a [Real Property Lease] dated [month, day, year] (attached as Exhibit A and known herein as the “Overlease”); and

WHEREAS, concurrently with the execution of this Sublease, Sublessor, as Customer, and Sublessee, as System Owner, are executing that certain Wastewater Services and Energy Purchase Agreement (the “WEPA”), pursuant to which Sublessee shall install, operate, and maintain the System on the Premises (as defined below); and

WHEREAS, capitalized terms that are used in this Sublease without definition and that are defined in the WEPA are used herein as so defined; and

WHEREAS, pursuant to the WEPA, Sublessee desires to sublease certain portions of the Property described herein in order to construct, install, develop, own, operate, maintain, repair, replace and remove the System, and Sublessor desires to sublease to Sublessee such portions of the Property described herein in order to permit such construction, installation, development, ownership, operation, maintenance, repair, replacements and removal of the System on the terms and conditions set forth in the WEPA and contained herein;

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, and intending to be legally bound hereby, Sublessee and Sublessor hereby agree as follows:

1. **Sublease and Related Rights.** Sublessor hereby subleases to Sublessee, and Sublessee hereby subleases from Sublessor, for the Term (as defined in Section 8 below) a portion of the Property as identified and shown on Exhibit A attached hereto (the “Premises”) for purposes of constructing, installing, developing, operating, using, modifying, maintaining, repairing and replacing, from time to time, the System. Sublessor hereby also grants to Sublessee, as appurtenant to the Premises (a) the right to install, operate, maintain, improve and replace, from time to time, the System; (b) a right-of-way to access the Premises across or through the Property and any surrounding or adjacent lands or buildings owned by Sublessor as

may be reasonably required for (i) the delivery, installation, operation, maintenance and repair of the System; (ii) utility lines, pipes and conduit for the transmission of electricity or otherwise serving the System; and (iii) as may be otherwise reasonably required by Sublessee in connection with this Sublease and the System, passage through which is necessary or convenient, to gain access to the System or the Premises; (c) the right to use the areas on the Property shown on Exhibit A for the temporary storage and staging of tools, materials and equipment and for the parking of construction crew vehicles and temporary construction trailers and facilities reasonably necessary during the installation, modification, repair or any future expansion of the System, and access for rigging and material handling, and for construction lay down; (d) the right to erect, maintain and operate a gated and locked perimeter fence system, a perimeter intruder detection system, a closed-circuit television monitoring system, a video recording system, and any other components and systems deemed necessary, in Sublessee's sole opinion, to prevent, detect and monitor unauthorized entry to the Premises, and/or theft, and/or vandalism or other damage to the System; and (e) the rights as further described in Section 3 below.

2. **Rent.** Sublessee shall pay Sublessor the annual sum of Twelve Dollars (\$12.00) in monthly payments of One Dollar (\$1.00) (the "Monthly Rent") for the Premises for each year during the Term. Additionally, Sublessee shall pay a monthly sum of 16 cents (\$0.16) for each square footage of Port parking lot used (the "Port Rent"); provided, however, that such Port Rent shall (a) be payable only during the use of the parking lot during the construction of the System; (b) be payable with respect to a rectangular portion of the parking lot, with dimensions not to exceed 65' x 80', having a total square footage not to exceed 5,200 square feet (the "Construction Space"), with the final area of Construction Space to be determined by Sublessee and Sublessor prior to commencement of construction; (c) reimburse Sublessor for 50 (fifty) percent of the amounts actually billed to Sublessor by the Port for the Construction Space; and (d) terminate on the day Cambrian vacates the Construction Space. The Monthly Rent and the Port Rent sometimes hereinafter are referred to collectively as the "Rent." Such Rent shall be payable in equal monthly installments, in advance, on the first day of each and every calendar month during the Term, at Sublessor's address, or at such other place as Sublessor may from time to time designate by written notice to Sublessee, in lawful money of the United States. If the Term includes any part of a month, the Rent for such part of a month shall be adjusted proportionately.

3. **System Construction, Installation and Operation.**

(a) Sublessor hereby grants to Sublessee the rights, at no cost to Sublessor, to construct and install, in accordance with the WEPA, the System on the Premises, and all other necessary or desirable components thereof and appurtenances thereto.

(b) Sublessor hereby grants to Sublessee the following rights:

(i) to construct, install and operate the System on the Premises;

(ii) to maintain, clean, repair, replace and dispose of part or all of the System;



- (iii) to add to or remove from the System or any part thereof;
- (iv) to access the Premises with guests for promotional purposes in accordance with and pursuant to Section 17.12 of the WEPA; and
- (v) to perform (or cause to be performed) all tasks necessary or appropriate, as reasonably determined by Sublessee, to carry out the activities set forth in this Section 3.

4. **Access to Premises.** Sublessee shall have possession of the Premises to allow Sublessee to perform the installation work and maintain the System, including ingress and egress rights to the Premises for Sublessee and its employees, contractors and subcontractors. Sublessor shall use commercially reasonable efforts to provide sufficient space at the Property for the temporary storage and staging of tools, materials and equipment and for the parking of construction crew vehicles and temporary construction trailers and facilities reasonably necessary during the furnishing, installation, testing, commissioning and, if necessary, during any period of repair or deconstruction, disassembly, decommissioning and removal of the System. Sublessor shall provide Sublessee a commercially reasonable area for construction laydown. Sublessor and its authorized representatives shall at all times have the right to observe the installation and operation of the System (and in the event of an emergency when necessary to in order to prevent injury to people or damage to property, Sublessor shall have immediate access), subject to compliance with Sublessee's safety rules; provided however, that Sublessor shall not interfere with the installation work, the operation of the System or handle any Sublessee equipment or the System without prior written authorization from Sublessee unless in case of an emergency. In addition, Sublessee shall have ongoing access to the Premises to allow Sublessee to perform the operation and maintenance work, including ingress and egress rights to the Premises for Sublessee and its employees, contractors and subcontractors. Sublessor shall provide necessary space on the Property for storing parts, supplies and any necessary data and/or communications equipment. For all portions of the Property except the Premises, Sublessee's access to the Property (including its ingress and egress rights, storage needs, construction laydown, rights to observation, any other activity permitted under this Sublease, and any presence on the non-Premises portion of the Property by Sublessee) shall not interfere with Sublessor's or Sublessor's guests' and customers' use of the Property. Sublessee's use of the Premises under this Sublease shall not unreasonably interfere with Sublessor's or Sublessor's guests' and customers' use of the Property.

5. **System and Output Ownership** Subject to the terms and conditions of Sublessor's Termination Purchase Option contained in the WEPA, Sublessor acknowledges and agrees that Sublessee (or its successors and assigns) is the exclusive owner and operator of the System, that all equipment comprising the System shall remain the personal property of Sublessee and shall not become fixtures, notwithstanding the manner in which the System is or may be attached to the Premises and the Property, and Sublessor shall have no right, title or interest in the System or any component thereof, notwithstanding that any such System may be physically mounted or adhered to the Premises.

6. **Representations and Warranties, Covenants of Sublessor.**

(a) Authorization. The execution and delivery by Sublessor of, and the performance of its obligations under, this Sublease have been duly authorized by Sublessor and all necessary action, and do not and will not require any further consent or approval of any other person and do not contravene any provision of, or constitute a default under, any indenture, mortgage or other material agreement binding on Sublessor or any valid order of any court, or regulatory agency or other body having authority to which Sublessor is subject and of which it is aware after review of all documents in its possession or control. This Sublease constitutes a legal and valid obligation of Sublessor, enforceable against Sublessor in accordance with its terms.

(b) Governmental Consent. Any consent, approval, order or authorization of, or registration, qualification, designation, declaration or filing with, any federal, state, local or other governmental authority or agency, including without limitation the Port ("Governmental Authority"), that is required in connection with the execution and performance of this Agreement or the transactions contemplated hereby has been obtained, and is attached as Exhibit   .

(c) Sublessor's Possession of Property; Quiet Enjoyment. Sublessor represents, warrants and covenants that Sublessor has lawful possession of the Property pursuant to the Overlease, and to the best of its knowledge, after review of all documents in its possession or control, the Property is free and clear of all encumbrances made by or through Sublessor or the Port, except for encumbrances of record, and that, subject to the foregoing, Sublessee shall have quiet and peaceful possession of the Premises and the appurtenant rights granted in Section 1, free from any claim of any entity or person of superior title thereto or interest therein without hindrance to or interference with or molestation of Sublessee's quiet enjoyment thereof, throughout the term of this Sublease. Sublessor represents, warrants and covenants that to the best of its knowledge, no encumbrances will materially interfere with the construction, installation, development, ownership, operation and maintenance of the System and represents and warrants that there is currently no mortgage or deed of trust encumbering the Property or any portion thereof. Sublessor shall provide notice to the Port, and any purchaser, assignee, or other successor to the Port's interest in the Property, of Sublessee's rights in the Premises and the appurtenant rights granted in Section 1 as set forth herein. Sublessor's notice will include a specific reference to Section 5 of the Sublease, which identifies Sublessee as the exclusive owner and operator of the System.

(d) No Interference With and Protection of System. Sublessor will not conduct activities on, in or about the Premises or the Property that have a reasonable likelihood of causing damage, impairment or otherwise adversely affecting the System. Sublessor shall take all reasonable steps to limit access to the Premises to Sublessee and Sublessee's employees, invitees, agents and representatives. Sublessor shall implement and maintain reasonable and appropriate security measures on the Property to prevent Sublessor's employees, invitees, agents and representatives, and other unrelated third parties, from having access to the Premises or the System, and to prevent from occurring any theft, vandalism or other actions that have a reasonable likelihood of causing damage, impairment or otherwise adversely affecting the System. Notwithstanding the foregoing, in the event of an emergency when necessary in order

to prevent injury to people or damage to property, Sublessor shall have immediate access to the Premises.

(e) Mortgage Subordination. Sublessor covenants that it will obtain a subordination, non-disturbance and attornment agreement (“SNDA”) from the Port and any lender under a Future Mortgage, ground lessor or any other entity or person holding an interest in the Property or any part thereof that has or may have priority over this Sublease who now has or may have in the future obtained an interest in the Property. Such SNDA shall be substantially in the form of Exhibit B attached hereto, with such changes to the substance thereof reasonably acceptable to Sublessee and shall in particular : (i) acknowledge and consent to Sublessee’s rights in the Premises and the Property, (ii) acknowledge that such third party has no interest in the System and shall not gain any interest in the System by virtue of the parties’ performance or breach of this Sublease, (iii) waive any lien under applicable law or otherwise such third party may have in and to the System and other property of Sublessee that is or may, from time to time, hereafter be located at the Property or the Premises, and (iv) recognize and not disturb Sublessee’s rights under this Sublease, in the event that the third party forecloses on the Property and Sublessee is not in default under this Sublease beyond applicable notice and cure periods herein.

(f) Maintenance of Premises. Sublessor shall give Sublessee prompt notice of any damage to or defective condition in any part or appurtenance of the Premises of which it is aware. Sublessor agrees to provide and maintain all roads, driveways and walkways that are now located in and around the Premises and the Property necessary for proper ingress and egress to and from, and occupancy of, the Premises.

(g) Utilities. Sublessor shall provide Sublessee with Station Power during the Term of this Sublease at the sole cost and expense of Sublessee. For purposes of this Sublease, “Station Power” shall mean electric energy consumed in the start-up and operation of the System. Sublessor shall provide Sublessee, during the Term of this Sublease at the sole cost and expense of Sublessor, with access to all water, sewer and wastewater mains, pipelines, valves, connections and any other water or wastewater supply or disposal facilities to which Sublessee may connect or hook up the System in accordance with the Final Design for the System.

(h) Premises Conditions. Sublessor’s and Sublessee’s rights and obligations with respect to the condition of the Premises, including without limitation any conditions that would increase the cost of installing the System or adversely affect the System’s ability to produce Treated Water, or any latent or patent defects, shall be as set forth in the WEPA.

(i) Exclusivity. Sublessor agrees that during the Term, it shall not grant a lease, license, easement or any other rights (i) to the Premises, or any portion thereof, to any other person, or (ii) to the remainder of the Property, or any portion thereof, to another wastewater treatment system supplier or another Treated Water supplier if such agreement would invalidate Sublessee’s existing permits or interconnection status, or (iii) to any portion of the Property in which Sublessee has been granted appurtenant rights pursuant to Section 1, to any

other person if such agreement would materially interfere with Sublessee's exercise of such appurtenant rights.

**7. Representations and Warranties of Sublessee.**

(a) Authorization. The execution and delivery by Sublessee of, and the performance of its obligations under, this Sublease have been duly authorized by all necessary action, do not and will not require any further consent or approval of any other person (other than permitting and from any Governmental Authority that Sublessee may need), and do not contravene any provision of, or constitute a default under, any indenture, mortgage or other material agreement binding on Sublessee or to Sublessee's knowledge any valid order of any court, or regulatory agency or other body having authority to which Sublessee is subject. This Sublease constitutes a legal and valid obligation of Sublessee, enforceable against Sublessee in accordance with its terms.

(b) Maintenance of Premises. Sublessee shall give Sublessor prompt notice of any damage to or defective condition in any part or appurtenance of the Premises of which it is aware. Sublessee shall exercise reasonable care to keep and make the Premises safe and to warn those lawfully on the Property of existing dangers as it relates solely to the System.

(c) No Interference With Sublessor's Use of the Property. Sublessee will not conduct activities on, in, or about the Premises or the Property that have a reasonable likelihood of causing damage, impairment, or otherwise adversely affecting Sublessor's business or use of the Property. Sublessee will not conduct activities on, in, or about the Premises or the Property that are contrary to the requirements imposed on Sublessor and Sublessee under the Overlease.

(d) Assumption of Obligations Required by Overlease. Sublessee assumes and agrees to the obligations applicable to a sublessee under the Overlease, including those set forth under Section 12 of the Overlease.

**8. Term and Expiration.** The term of this Sublease shall be coextensive with the Term of the WEPA (which shall include any Extension Term thereof). Any extension of the WEPA Term automatically shall be an extension of the term of this Sublease, and if the WEPA expires or is terminated for any reason, then this Sublease also shall terminate as of the same date. All of the terms and condition of this Sublease shall be applicable during each Extension Term, except that Sublessee shall have no right to extend the term of this Sublease beyond the Extension Term. As used herein, "Term" means the term of this Sublease, including any exercised Extension Term.

Unless Sublessor exercises its purchase option pursuant to Article VIII of the WEPA, upon Sublessee's vacation of the Premises it shall remove the System and repair all damage to the Premises caused by such removal. The provisions of this Section shall survive expiration or termination of the Sublease until the actual removal of the System has been completed hereunder. Sublessee shall leave the Site in the same condition as it was on the Effective Date except for any reasonable wear and tear, damage by casualty and eminent domain. If Sublessee fails to remove or commence substantial efforts to remove the System within ninety

(90) days after the Expiration Date or any earlier termination of the Term of this Sublease, Sublessor shall have right, at its option, to remove the System to a public warehouse at Sublessee's expense. For avoidance of doubt, Sublessee shall have no obligation with respect to the removal of the System except as expressly provided in this Section. Notwithstanding anything else to the contrary in this Section, if the WEPA or this Sublease terminates solely because of a default by Sublessor, Sublessee may, but shall have no obligation to, remove the System from the Premises.

9. **Insurance; Waiver of Subrogation.** Sublessee shall maintain with respect to the Premises, comprehensive general liability insurance for bodily injury in an amount not less than \$5,000,000 per occurrence and for property damage in an amount not less than \$5,000,000 per occurrence, in responsible companies qualified to do business in the state in which the Property is located and in good standing therein insuring Sublessor as well as Sublessee against injury to persons or damage to property as provided. Sublessee shall deposit with Sublessor certificates for such insurance at or prior to the Effective Date, and thereafter within thirty (30) days prior to the expiration of any such policies. All such insurance certificates shall provide that such policies shall not be cancelled without at least ten (10) days' prior written notice to each insured named therein. Sublessor and Sublessee each waive, and release each other from and against, all claims for recovery against the other for any loss or damage to the property of such party arising out of fire or other casualty coverable by a standard property insurance policy. This waiver of subrogation rights applies even if such loss or damage shall be brought about by the fault or negligence of the other party or its agents, employees or representatives. This waiver and release is effective regardless of whether the releasing party actually maintains the insurance required and is not limited to the amount of insurance actually carried or to the actual proceeds received after a loss. Each party shall have its insurance company that issues its property coverage waive any rights of subrogation and shall have the insurance company include an endorsement acknowledging this waiver, if necessary.

10. **Taxes.**

(a) Sublessee shall pay all taxes levied on Sublessee's personal property or required under the WEPA (including, but not limited to the System, trade fixtures installed on the Premises by Sublessee, any other personal property, franchise fees, all levies, permits, inspection and license fees and other public charges), in each case applicable to the Premises, as the same shall become due and payable from time to time and before interest or penalties accrue thereon. Sublessee shall deliver to Sublessor receipts evidencing the payment of such tax upon demand. If Sublessee shall fail to pay any such taxes when due, then, in addition to any other right that Sublessor may have in law or in equity or pursuant to this Sublease, Sublessor shall have the right, but not the obligation, to pay the same on behalf of Sublessee and add all such payments to future Rent obligations or deduct such payments from any other payment due from Sublessor to Sublessee under the WEPA.

(b) Other than taxes for which Sublessee is responsible pursuant to Section 10(a), Sublessor shall pay all taxes now or hereafter levied or assessed against the Property as liens or assessments of every kind and nature (including real and personal property, franchise fees, all general and special assessments), and all levies, permits, inspection and license fees and other public charges as the same shall become due and payable from time to time and

before interest or penalties accrue thereon. Sublessor shall deliver to Sublessee receipts evidencing the payment of such tax upon demand. If Sublessor shall fail to pay any such taxes when due, then, in addition to any other right that Sublessee may have in law or in equity or pursuant to this Sublease, Sublessee shall have the right, but not the obligation, to pay the same on behalf of Sublessor and deduct all such payments from future Rent obligations or from any other payment due from Sublessee to Sublessor under the WEPA. Sublessor shall pay all transfer taxes, or any tax imposed with respect to the sale, exchange or other disposition by Sublessor, in whole or in part, of the Property or Sublessor's interest in this Sublease. Sublessee shall pay transfer or recordation taxes imposed in connection with the transfer of the Property to Sublessee.

#### 11. **Liability and Indemnity.**

(a) Sublessee Indemnity. Sublessee shall indemnify, defend and hold harmless Sublessor and its affiliates, and its and their officers, directors, agents and employees (the "Sublessor Indemnitees") from and against any claim, demand, lawsuit, or action of any kind for injury to or death of persons, including, but not limited to, employees of Sublessee or Sublessor, and damage or destruction of property, including, but not limited to, property of Sublessee, any utility company or Sublessor, or other loss or damage incurred by Sublessor, arising out of (i) the negligent acts or omissions or willful misconduct of Sublessee, its agents, officers, directors, employees or contractors; or (ii) the material breach by Sublessee of any of its obligations, representations or warranties under this Sublease. The obligation to indemnify shall extend to and encompass all reasonable costs incurred by Sublessor and any Sublessor Indemnitee in defending such claims, demands, lawsuits or actions, including, but not limited to, reasonable attorney, witness and expert witness fees, and any other litigation related expenses. Sublessee's obligations pursuant to this Section 11(a) shall not extend to claims, demands, lawsuits or actions for liability to the extent attributable to the negligence or willful misconduct of Sublessor, the Sublessor Indemnitees, or their respective contractors, successors or assigns, or to the acts of third parties. Sublessee shall pay any reasonable cost that may be incurred by Sublessor or the Sublessor Indemnitees in enforcing this indemnity, including reasonable attorneys' fees.

(b) Sublessor General Indemnity. Sublessor shall indemnify, defend and hold harmless Sublessee and its affiliates, and its and their officers, directors, agents and employees (the "Sublessee Indemnitees") from and against any claim, demand, lawsuit, or action of any kind for injury to or death of persons, including, but not limited to, employees of Sublessee or Sublessor, and damage or destruction of property, including, but not limited to, property of either Sublessee or Sublessor, or other loss or damage incurred by Sublessee, arising out of: (i) negligent acts or omissions or willful misconduct of Sublessor, its agents, officers, directors, employees or contractors; or (ii) the material breach by Sublessor of any of its obligations, representations or warranties under this Sublease. The obligation to indemnify shall extend to and encompass all reasonable costs incurred by Sublessee and any Sublessee Indemnitee in defending such claims, demands, lawsuits or actions, including, but not limited to, reasonable attorney, witness and expert witness fees, and any other litigation related expenses. Sublessor's obligations pursuant to this Section 11(b) shall not extend to claims, demands, lawsuits or actions for liability to the extent attributable to the negligence or willful misconduct of Sublessee, the Sublessee Indemnitees, or their respective contractors, successors or assigns, or

the acts of third parties. Sublessor shall pay any reasonable cost that may be incurred by Sublessee or the Sublessee Indemnitees in enforcing this indemnity, including reasonable attorneys' fees.

(c) Consequential Damages. With respect to consequential damages, Section 10.2 of the WEPA shall apply as though fully set forth herein.

(d) Environmental. With respect to hazardous materials or conditions, Sections 3.4, 4.1 and 12.1(e) of the WEPA shall apply as though fully set forth herein.

12. **Condemnation.** In the event of an award related to eminent domain or condemnation of all or part of the Premises, Sublessee shall have no claim for the value of its leasehold interest in the Premises and the entire award shall belong to Sublessor: provided, however, that, Sublessee shall be entitled to separately pursue an award for the taking of the System and the costs to relocate the same to a new location; and provided further, however, that if the condemning authority issues Sublessor one, unallocated award for the value of the Premises and the value of the System, then Sublessee shall be entitled to receive from Sublessor the portion of the unallocated award issued for the taking of the System and the costs to relocate same to a new location.

13. **Assignment.**

(a) Neither Party shall have the right to assign any of its rights, duties or obligations under this Sublease without the other Party's prior written consent, which may not be unreasonably withheld; provided, however, that Sublessee may in its sole discretion, without the consent of Sublessor, assign any or all of its rights, duties or obligations under this Sublease (i) a Qualified Assignee, (ii) as security to a Lender (a "Financing Party" or (iii) otherwise with Sublessor's consent. Sublessor may assign its rights, duties and obligations under this Sublease to any transferee of all of Sublessor's interest in the Overlease or the Property, which shall in all cases remain subject to this Sublease, provided that the transferee execute an agreement in favor of Sublessee assuming the Sublessor's obligations under this Sublease in form reasonably acceptable to Sublessee.

(b) With respect to an assignment pursuant to Section 13(a)(ii) above, Sublessor acknowledges and agrees that, upon receipt of written direction by Financing Party, and notwithstanding any instructions to the contrary from Sublessee, Sublessor will recognize Financing Party, or any Qualified Assignee to whom Financing Party has reassigned the rights of Sublessee under this Sublease, as the proper and lawful tenant of the Premises and as the proper and lawful successor to Sublessee with respect to access to the Premises and fully entitled to receive the rights and benefits of Sublessee hereunder so long as Financing Party (or its assignee) cures any existing defaults of Sublessee hereunder and performs the obligations of Sublessee hereunder arising on and after obtaining possession of the Premises and System. Sublessor shall be protected and shall incur no liability in acting or proceeding in good faith upon any such foregoing written notice and direction by Financing Party which Sublessor shall in good faith believe (i) to be genuine and (ii) a copy of which to have been delivered to Sublessee. Sublessor shall be under no duty to make any investigation or inquiry as to any statements contained or

matters referred to in any such foregoing notice and direction, but may accept and rely upon them as conclusive evidence of the truth and accuracy of such statements.

(c) In addition, Sublessor agrees and consents as follows:

(i) Sublessor agrees to notify Financing Party in writing, at the address to be designated by Financing Party (as provided in writing to Sublessor by Sublessee) upon not less than five (5) business days' written notice to Sublessor prior to any notice by Sublessor hereunder, of any act or Default Event (as hereinafter defined) of Sublessee under this Sublease of which Sublessor has knowledge that would entitle Sublessor to cancel, terminate, annul or modify this Sublease or dispossess or evict Sublessee from the Premises or otherwise proceed with enforcement remedies against Sublessee, and Financing Party shall have the same amount of time as Sublessee, but at least ten (10) days after expiration of grace periods with respect to any monetary default and at least thirty (30) days after expiration of grace periods with respect to any non-monetary default, to cure any default by Sublessee under this Sublease; provided that in no event shall Financing Party be obligated to cure any such default. Sublessor agrees, upon the request of Financing Party, to enter into a new lease with Financing Party, or any designee of Financing Party, upon the same terms and conditions of this Sublease (or such other terms and conditions as Sublessor and Financing Party may agree).

(ii) Subject to the terms and conditions hereof, Sublessor hereby waives any lien it may have, by operation of law or otherwise, in and to or against the System.

(iii) Sublessor consents to Financing Party's security interest in the System and waives all right of levy for rent and all claims and demands of every kind against the System, such waiver to continue so long as any sum remains owing from Sublessee to the Financing Party. Sublessor agrees that the System, shall not be subject to distraint or execution by, or to any claim of, Sublessor.

(iv) Sublessor hereby irrevocably agrees and consents to refrain from taking any action to bar, restrain or otherwise prevent Financing Party from the Premises and the Property for the purpose of inspecting the System. Financing Party shall request approval from Sublessor to access the Premises in writing at least two (2) business days prior to any anticipated Premises visit, such approval by Sublessor not to be unreasonably withheld, denied, conditioned or delayed.

(v) At the request of a Financing Party, Sublessor shall agree to reasonable modifications to this Sublease, provided that no such modifications shall materially increase Sublessor's obligations hereunder or materially lessen Sublessor's rights hereunder.



(d) In no event shall any transfer of stock, equity or other interests in Sublessee be deemed an assignment of this Sublease.

#### 14. **Defaults and Remedies.**

(a) **Default.** If a Party (the “Defaulting Party”) commits an Event of Default under the WEPA or materially breaches or fails to perform its obligations hereunder and such breach, failure or proceeding remains uncured for either the time permitted for cure under the WEPA (with respect to a WEPA Event of Default) or, with respect to breaches of this Sublease, ten (10) business days for any monetary breach or failure, or for thirty (30) days for any non-monetary breach or failure, from receipt of written notice of such breach, failure or proceeding, or Sublessor becomes subject to a foreclosure proceeding, such breach, failure or proceeding shall be an event of default (an “Default Event”); provided, however, that if the nature or extent of the obligation or obligations is such that more than thirty (30) days are required, in the exercise of commercially reasonable diligence, for performance of such obligation(s), then the Defaulting Party shall not be in default if it commences such performance within such thirty (30)-day period and thereafter pursues the same to completion with commercially reasonable diligence.

(b) **Payment Under Protest.** The Defaulting Party may cure any monetary Default Event by depositing the amount in controversy in escrow with any reputable third party escrow, or by interpleading the same, which amount shall remain undistributed until final decision by a court of competent jurisdiction or upon agreement by the Parties. No such deposit shall constitute a waiver of the Defaulting Party’s right to institute legal action for recovery of such amounts.

(c) **Remedies.** The non-Defaulting Party shall have and shall be entitled to exercise any and all remedies available to it at law or in equity (other than as set forth in Section 11(c) above), including the right to terminate this Sublease pursuant to Applicable Law, all of which remedies shall be cumulative. Such remedies shall include the right of the non-Defaulting Party to pay or perform any obligations of the Defaulting Party that have not been paid or performed as required hereunder, and to obtain (i) subrogation rights therefor and (ii) immediate reimbursement from the Defaulting Party for the actual, reasonable and verifiable out-of-pocket costs of such payment or performance.

15. **Notices.** All notices, communications and waivers under this Sublease shall be in writing and shall be (a) delivered in person, (b) mailed, postage prepaid, either by registered or certified mail, return receipt requested, (c) sent by reputable overnight express courier, or (d) transmitted by email if such email is not returned as undeliverable, addressed in each case to the addresses set forth below, or to any other address either of the Parties shall designate in a written notice to the other Party:

If to Sublessor:

Oregon Brewing Company d/b/a Rogue Ales & Spirits  
2320 OSU Drive,  
Newport OR 97365  
Attention: Jason Pond  
JasonP@rogue.com

With a copy to:

If to Sublessee:

Cambrian Newport Oregon LLC  
15 Main St Suite 318  
Watertown, Ma 02472  
admin@cambrianinnovation.com

With a copy to:

Cambrian Water Operations, LLC  
15 Main St Suite 318  
Watertown, Ma 02472  
ea@cambrianinnovation.com

All notices, communications and waivers to any Financing Party lenders under this Sublease shall be to the name and address specified in a notice from Sublessee to Sublessor. All notices sent pursuant to the terms of this Section 15 shall be deemed received (i) if personally delivered, then on the date of delivery, (ii) if sent by registered or certified mail, then on the earlier of the third (3rd) business day following the day sent or when actually received, or (iii) if sent by reputable overnight, express courier, then on the next business day immediately following the day sent, or (iv) if transmitted by email, on the date transmitted (if not returned as undeliverable).

16. **Waiver.** No waiver of any provision of this Sublease shall be effective unless set forth in writing signed by the Party granting such waiver, and any such waiver shall be effective only to the extent it is set forth in such writing. The waiver by either Party of any breach of any term, condition, or provision herein contained shall not be deemed to be a waiver of such term, condition, or provision, or any subsequent breach of the same, or any other term, condition, or provision contained herein. No failure or delay by either Party in exercising any right, power, privilege, or remedy hereunder will operate as a waiver thereof.

17. **Remedies Cumulative.** No remedy herein conferred upon or reserved to Sublessee or Sublessor shall exclude any other remedy herein or by law provided, but each shall be cumulative and in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

18. **No Third-Party Beneficiaries.** This Sublease is solely for the benefit of the Parties hereto and no right or cause of action shall accrue by reason hereof for the benefit of

any third party not a Party hereto, other than the Sublessor Indemnities, the Sublessee Indemnities and any Financing Party.

19. **Headings.** The headings in this Sublease are solely for convenience and ease of reference and shall have no effect in interpreting the meaning of any provision of this Sublease.

20. **Governing Law; Jurisdiction; Forum.** This Sublease shall be governed by and construed in accordance with the internal laws of the state in which the Property is located, without regard to its conflict of laws principles. Any legal action or proceeding with respect to or arising out of this Sublease shall be brought in or transferred to the courts of the state in which the Property is located. By execution and delivery of this Sublease, Sublessor and Sublessee accept, generally and unconditionally, the jurisdiction of the aforesaid courts. The Sublessor and Sublessee hereby waive any right to stay or dismiss any action or proceeding under or in connection with this Sublease brought before the foregoing courts on the basis of forum non-conveniens.

21. **Dispute Resolution.** Upon the occurrence of any dispute, controversy or claim arising out of or relating to this Sublease or the breach, interpretation, termination or validity thereof, the procedure set forth in Section 16.1 of the WEPA shall apply as though fully set forth herein.

22. **Binding Effect.** This Sublease and its rights, privileges, duties and obligations shall inure to the benefit of and be binding upon each of the Parties hereto, together with their respective successors and permitted assigns.

23. **Counterparts.** This Sublease may be executed in counterparts, which shall together constitute one and the same agreement. Facsimile, .PDF or electronic signatures shall have the same force and effect as original signatures.

24. **Entire Agreement.** This Sublease, together with all the Exhibits attached hereto which are incorporated herein by this reference, represent the full and complete agreement between the Parties hereto with respect to the subject matter contained herein and therein and supersede all prior written or oral agreements between said Parties with respect to said subject matter.

25. **Amendment.** This Sublease may be amended only in a writing signed by Sublessee and Sublessor or their respective successors in interest, and if required, consented to by the Port and any mortgagee of the Premises or the Property to which this Sublease is subordinate.

26. **Further Assurances.**

(a) **Additional Documents and Actions.** Upon the receipt of a written request from the other Party, each Party shall execute such additional documents, instruments and assurances and take such additional actions as are reasonably necessary to carry out the terms and intent hereof. Neither Party shall unreasonably withhold, condition or delay its compliance with any reasonable request made pursuant to this Section 27.

(b) Recording of Sublease. It is agreed that neither Sublessor nor Sublessee, or any successor or assignee of either of them, may record this Sublease in the public records of any county or state, and in the event of any such recordation, this Sublease shall automatically be rendered null and void and of no force and effect.

(c) Recording of Memorandum of Sublease. Notwithstanding the foregoing, Sublessor and Sublessee shall, together after the execution of this Sublease, execute, acknowledge and record a memorandum of this Sublease that is reasonably acceptable to the Sublessor and Sublessee, in the real property records of the city or county where the Property is located at the sole cost and expense of Sublessee. Sublessee shall be entitled to, and is hereby authorized to, file one or more precautionary financing statements or fixture filings (identifying such filings as precautionary and which recite that Sublessor is not intended to be a debtor of Sublessee), naming Sublessor as the party of record, in such jurisdictions as it deems appropriate with respect to the System in order to protect its rights in the System or in connection with the grant of a security interest in the System to any Financing Party.

(d) Estoppel Certificate. From time to time, upon written request by Sublessee (or any Financing Party), Sublessor shall provide within thirty (30) days thereafter (i) a lien waiver from any party purporting to have a lien, security interest or other encumbrance on the Premises, confirming that it has no interest in the System, or (ii) an estoppel certificate attesting, to the actual knowledge of Sublessor, of Sublessee's compliance with the terms of this Sublease or detailing any known issues of noncompliance, and making such other representations, warranties, and accommodations reasonably requested by such Financing Party including, without limitation, giving a Financing Party reasonable notice of and a reasonable opportunity to cure defaults by Sublessee hereunder, and agreeing to reasonable modifications of this Sublease as may be requested by a Financing Party so long as the same do not materially increase Sublessor's obligations or decrease Sublessor's rights hereunder. Sublessor shall have the right from time to time to make a written request to Sublessee for (i) Sublessee to deliver an estoppel certificate attesting, to the actual knowledge of Sublessee, of Sublessee's and/or Sublessor's compliance with the terms of this Sublease or detailing any known issues of noncompliance, and making such other representations, warranties, and (ii) accommodations reasonably requested by such Financing Party including, without limitation, giving a Financing Party reasonable notice of and a reasonable opportunity to cure defaults by Sublessee hereunder, and agreeing to reasonable modifications of this Sublease as may be requested by a Financing Party so long as the same do not materially increase Sublessee's obligations or decrease Sublessee's rights hereunder.

**[Signature Page to Sublease Follows]**

**[Signature Page to Sublease]**

**IN WITNESS WHEREOF**, the Parties have executed this Sublease as of the Effective Date.

“Sublessor”

**Oregon Brewing Company d/b/a Rogue Ales  
& Spirits,**

By: \_\_\_\_\_

Name:

Title:

By: \_\_\_\_\_

Name:

Title:

“Sublessee”

**Cambrian Newport Oregon LLC**

By: \_\_\_\_\_

Name:

Title:

By: \_\_\_\_\_

Name:

Title:

**EXHIBIT A**

**Description of Property and Delineation of the Premises**

The location of the Premises is materially/approximately as shown with final location subject to mutual approval of Sublessor and Sublessee.

**Description of the Premises and the Site**

The Premises is located at \_\_\_\_\_ at the Customer's brewery.

Same description as WEPA Exhibit A

**Figure A-1: Location Map of Site Premises**

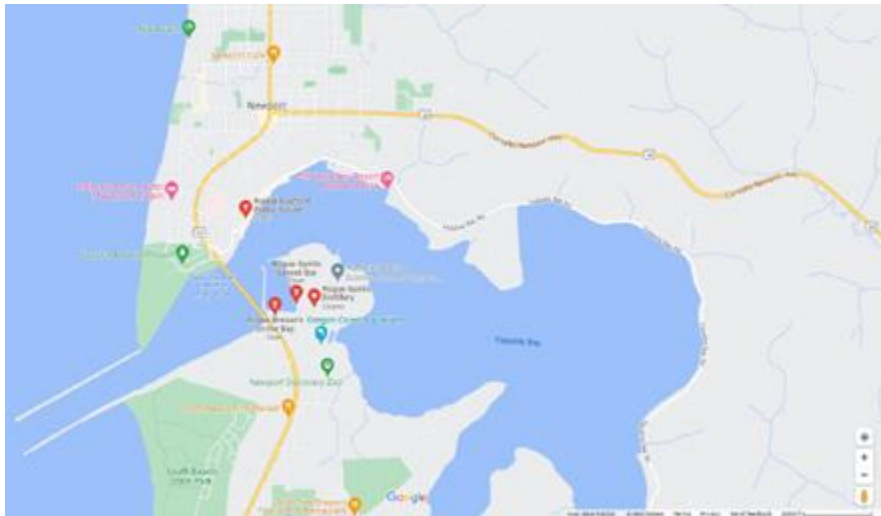
## **EXHIBIT A**

### **Description of the Premises and the Site**

#### Rogue Ales and Spirits - Site Background:

The Rogue Brewery in Newport, Oregon currently has an MBBR system treating all gray water from their brewing and bottling facility. All gray water is directed to a lift-station sump from which it is sent to a solids removal screen, a pH adjustment tank, an equalization tank, a screw press for solids removal, a mixed bed bioreactor (MBBR) for biological treatment, a pH adjustment neutralization tank, a final sampling station, and pump station to the city sewer system. Prior to entering the city sewer lines, all effluent passes through a city sampling point which is housed in a small shed at the edge of the parking lot. All black water from the facility is sent to a lift-station sump adjacent to the gray water sump. There is no mixing of the process and sanitary waste streams. No storm drain water is sent to either lift stations.

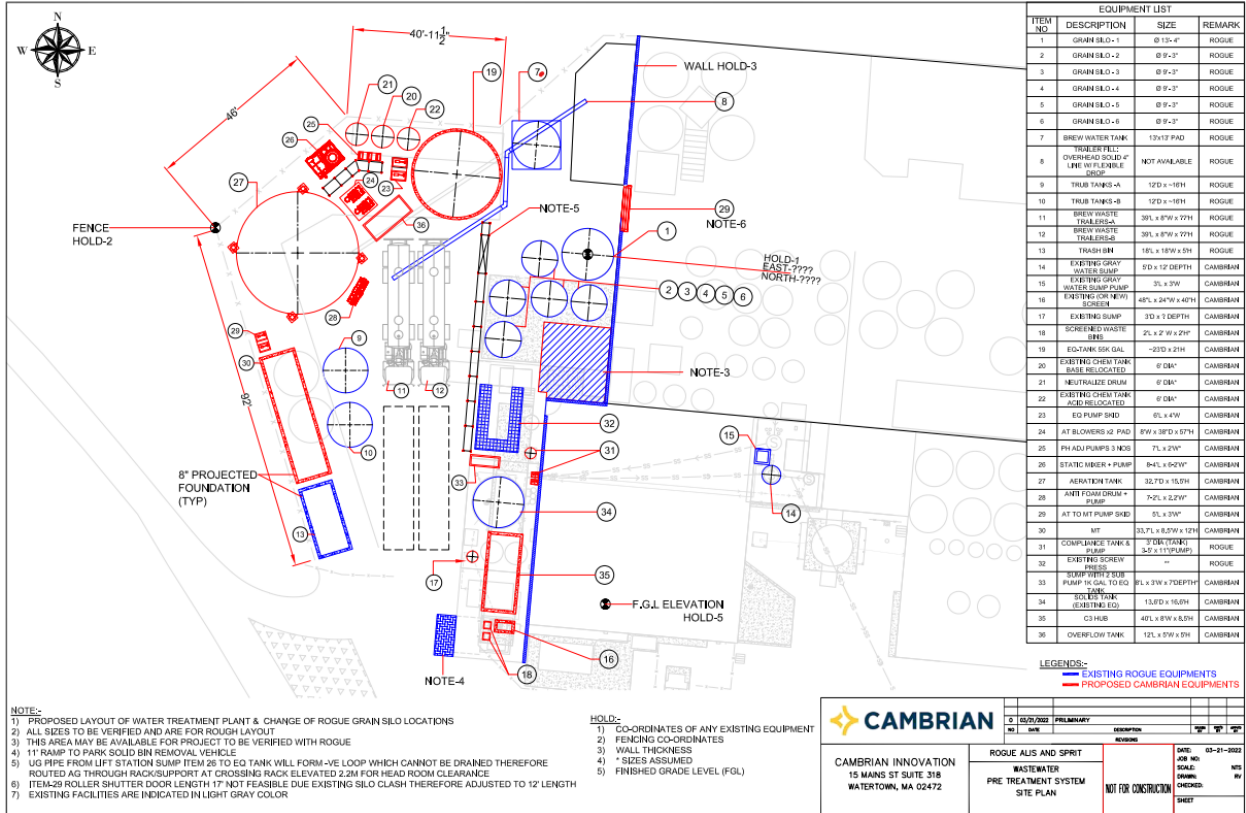
**Figure A-1: Location Map of Site Premises**



**Figure A-2: Satellite View**



# Proposed System Layout



EQUIPMENT LIST			
ITEM NO	DESCRIPTION	SIZE	REMARK
1	GRAN.SILO-1	Ø 13x 4'	ROGUE
2	GRAN.SILO-2	Ø 9'-3"	ROGUE
3	GRAN.SILO-3	Ø 9'-3"	ROGUE
4	GRAN.SILO-4	Ø 9'-3"	ROGUE
5	GRAN.SILO-5	Ø 9'-3"	ROGUE
6	GRAN.SILO-6	Ø 9'-3"	ROGUE
7	BREW WATER TANK	19'X17 PAD	ROGUE
8	TABLET FEED OVERHEAD SILO # LINE W/ FLEATABLE HOSE		NOT AVAILABLE ROGUE
9	TRUB TANKS-A	12'D x 10'H	ROGUE
10	TRUB TANKS-B	12'D x 10'H	ROGUE
11	BREW WASTE TREATING-A	30' x 8'W x 7'H	ROGUE
12	BREW WASTE TREATING-B	30' x 8'W x 7'H	ROGUE
13	TRASH BIN	18' x 18'W x 5'H	ROGUE
14	EXISTING GRAY WATER SUMP	5'D x 12' DEPTH	CAMBRIAN
15	EXISTING GRAY WATER SUMP PUMP	3'L x 3'W	CAMBRIAN
16	EXISTING GREY TANK	48' x 24'W x 4'H	CAMBRIAN
17	EXISTING SUMP	3'D x 3' DEPTH	CAMBRIAN
18	SCREENING WASTE BIN	2' x 2' W x 2'H	CAMBRIAN
19	EQ TANK 50K GAL	~2'D x 2'H	CAMBRIAN
20	EXISTING CHEM TANK BASE RELOCATED	8' Ø	CAMBRIAN
21	NEUTRALIZE DRAIN	8' Ø	CAMBRIAN
22	EXISTING CHEM TANK ACID RELOCATED	8' Ø	CAMBRIAN
23	EQ PUMP SHED	6'L x 4'W	CAMBRIAN
24	AT BLOWERS 2 PHD	8'W x 3'D x 5'H	CAMBRIAN
25	PH ADJ PUMPS 3 MDS	7'L x 2'W	CAMBRIAN
26	STATIC MIXER + PUMP	8'L x 6'W	CAMBRIAN
27	AERATION TANK	32'D x 15'W	CAMBRIAN
28	ANTI FOAM DRAIN + SUMP	7'2' x 2'2'W	CAMBRIAN
29	AT TO MT PUMP SHED	6'L x 3'W	CAMBRIAN
30	MT	33.7'L x 8.3'W x 12'H	CAMBRIAN
31	COMPLIANCE TANK + PUMP	3' Ø TANK 3.5 x 11' (PUMP)	ROGUE
32	EXISTING SCREW PRESS		ROGUE
33	PUMP 1K GAL TO EQ	6'L x 3'W x 7'DEPTH	CAMBRIAN
34	SOLUBLE TANK (EXISTING EQ)	13.8'D x 16.8'H	CAMBRIAN
35	CS HUB	48' x 8'W x 8'H	CAMBRIAN
36	OVERFLOW TANK	12'L x 8'W x 5'H	CAMBRIAN

- NOTE:-**
- 1) PROPOSED LAYOUT OF WATER TREATMENT PLANT & CHANGE OF ROGUE GRAIN SILO LOCATIONS
  - 2) ALL SIZES TO BE VERIFIED AND ARE FOR ROUGH LAYOUT
  - 3) THIS AREA MAY BE AVAILABLE FOR PROJECT TO BE VERIFIED WITH ROGUE
  - 4) 11' RAMP TO PARK SOLID BIN REMOVAL VEHICLE
  - 5) UG PIPE FROM LIFT STATION SUMP ITEM 26 TO EQ TANK WILL FORM-VE LOOP WHICH CANNOT BE DRAINED THEREFORE ROUTED AG THROUGH RACK/SUPPORT AT CROSSING RACK ELEVATED 2.2M FOR HEAD ROOM CLEARANCE
  - 6) ITEM-28 ROLLER SHUTTER DOOR LENGTH 17' NOT FEASIBLE DUE EXISTING SILO CLASH THEREFORE ADJUSTED TO 12' LENGTH
  - 7) EXISTING FACILITIES ARE INDICATED IN LIGHT GRAY COLOR
- HOLD:-**
- 1) CO-ORDINATES OF ANY EXISTING EQUIPMENT
  - 2) FENCING CO-ORDINATES
  - 3) WALL THICKNESS
  - 4) SIZES ASSUMED
  - 5) FINISHED GRADE LEVEL (FGL)

0	15/03/2022	PRELIMINARY	REVISION	DATE	03-21-2022
1				JOB NO.	WWS
2				SCALE	AS SHOWN
3				CHECKED	BY
4				SHEET	

**CAMBRIAN INNOVATION**  
15 MAINS ST SUITE 318  
WATERTOWN, MA 02472

**ROGUE ALIS AND SPIRIT**  
WASTEWATER  
PRE TREATMENT SYSTEM  
SITE PLAN

NOT FOR CONSTRUCTION



**RECORDING REQUESTED BY  
AND WHEN RECORDED MAIL TO:**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

SPACE ABOVE THIS LINE FOR RECORDER'S USE

**SUBORDINATION, NONDISTURBANCE  
AND ATTORNMENT AGREEMENT**

THIS SUBORDINATION, NONDISTURBANCE AND ATTORNMENT AGREEMENT (this "**Agreement**") is entered into as of \_\_\_\_\_, 202\_, by and among a Oregon Brewing/Rogue Ales and Spirits, a \_\_\_\_\_ [corporation/limited liability company] ("**Sublessor**"), Cambrian Newport Oregon LLC, a Delaware limited liability company ("**Sublessee**"), and \_\_\_\_\_, a \_\_\_\_\_ corporation ("**Lender**"), with reference to the following facts:

A. Pursuant to an unrecorded Sublease Agreement (LAND), dated as of \_\_\_\_\_, by and between Sublessor and Sublessee (the "**Sublease**"), Sublessee has obtained or will obtain possession, use and enjoyment of that certain premises (the "**Premises**") that are a portion of that certain real property, commonly known as \_\_\_\_\_, more particularly described in Exhibit A attached hereto and incorporated by reference herein (the "**Property**").

B. Sublessee is in the business of installing, owning and operating wastewater treatment and water recycling systems and has installed such a system (the "**System**") on the Premises for the delivery and sale to Sublessor of treated wastewater.

C. Sublessor has requested a loan and other financial accommodation from Lender (collectively, the "**Loan**").

D. The obligations of Sublessor to Lender under the Loan will be secured by a Mortgage and an Assignment of Rents, recorded herewith, executed by Sublessor in favor of Lender (the "**Mortgage**") which, among other collateral, encumbers the Property and the Sublease, and all rents and other sums due under the Sublease (the "**Rents**").

E. To induce Lender to make the Loan to Sublessor, Sublessee is willing to acknowledge Lender's lien against the Property, the Sublease and the Rents under the Mortgage and to subordinate the Sublease to the lien of the Mortgage and to attorn to Lender, subject to the terms and conditions of this Agreement.

NOW THEREFORE, in consideration of the foregoing facts and the mutual covenants contained herein, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Assignment of Sublease. Sublessee acknowledges and agrees that it has notice that the Lender has obtained or will obtain a lien on the Property, the Sublease and the Rents pursuant to the Mortgage. In the event Lender notifies Sublessee of the occurrence of an Event of Default under the Mortgage and demands that Sublessee pay Rents due under the Sublease directly to Lender, Sublessee shall honor such demand and pay such sums due under the Sublease directly to Lender or as otherwise directed pursuant to such notice. In complying with these provisions, Sublessee shall be entitled to rely solely upon the notices given by Lender, and Sublessor agrees to indemnify and hold Sublessee harmless from and against any and all loss, claim, damage or liability arising out of Sublessee's compliance with such notice. Sublessee shall be entitled to full credit under the Sublease for any Rents paid to Lender in accordance with the provisions of this paragraph to the same extent as if such Rents were paid directly to Sublessor. Any dispute between Lender and Sublessor as to the extent, nature, existence or continuance of such an Event of Default under the Mortgage, or with respect to foreclosure of the Mortgage by Lender, shall be dealt with and adjusted solely between Lender and Sublessor, and Sublessee shall not be made a party thereto except to the extent required by law.

2. Subordination. Subject to the terms and conditions hereinafter set forth, the Sublease, and the rights of Sublessee in, to and under the Sublease and the Property, are hereby subjected and subordinated to the lien of the Mortgage and all extensions, renewals, modifications and additions thereto and consolidations and restatements thereof.

3. Attornment. If the interests of Sublessor in the Property and under the Sublease shall be acquired by Lender or a third person by reason of foreclosure of the Mortgage or any other act or proceeding made or brought to enforce the rights of the Lender, including by deed in lieu of foreclosure, Sublessee agrees to attorn to Lender or such third person and to be bound to Lender or such third person under all of the terms, covenants and conditions of the Sublease for the balance of the term and any renewals thereof with the same force and effect as if the Lender or such third person were the original landlord under the Sublease. The within attornment shall be effective and self-operative without the execution of any other instruments on the part of any party hereto, immediately upon Lender or such third person succeeding to the interests of Sublessor under the Sublease. Upon receipt by Sublessee of notice from Lender or such third person that Lender or such third person has succeeded to the interests of Sublessor under the Sublease, Sublessee will make all payments of monetary obligations due by Sublessee under the Sublease, after receipt of such notice, to Lender or such third person at the address provided by Lender or such third person.

4. Nondisturbance. If Lender or a third person shall succeed to the interests of Sublessor under the Sublease, Lender or such third person shall be bound to Sublessee under all of the terms, covenants and conditions of the Sublease, provided that, and so long as, Sublessee is not in default (beyond any period given Sublessee in the Sublease to cure such default) in the payment of any Rents or in the performance of any other term, covenant or condition of the Sublease to be performed by Sublessee. In such an event Sublessor shall remain liable to Sublessee for any obligations or claims which arise from Sublessor's breach of the Sublease or from other acts or omissions of Sublessor which occur prior to Lender or such third person acquiring title to the premises, and provided further that Lender or such third person shall not:

(a) be liable for any acts or omissions of Sublessor or any prior landlord under the Sublease, except that if the act or omission of Sublessor or any prior landlord relates to

Sublessor's obligation, if any, to maintain, repair and restore the leased premises described in the Sublease, then Lender or such third person shall be liable to so maintain, repair and restore such leased premises within a reasonable time period after becoming the owner of the Property; or

(b) be liable for any consequential damages attributable to any acts or omissions of Sublessor or any prior landlord under the Sublease; or

(c) be liable for any consequential damages attributable to any latent or patent defects in construction with respect to the Property; or

(d) be subject to any offsets or defenses which Sublessee may have against any prior landlord under the Sublease; or

(e) be bound by any prepayment (or liable for the repayment) of any monies not actually paid to Lender, greater than one (1) month's rental paid by Sublessee under the Sublease, including rent and security deposits, unless Lender or such third person actually received possession of such monies; or

(f) be obligated to complete or install any tenant improvements at the Property or be bound by or otherwise be obligated to pay or perform any obligation of the Sublessor to provide any monetary payments or concessions to Sublessee; or

(g) be bound by any provision of the Sublease permitting Sublessee to cancel the Sublease and requiring return of any additional rent, advance rent or allowances, or interest thereon; or by any provision granting Sublessee any option to purchase the Property, or any right of first refusal upon any sale of the Property; or

(h) be obligated or liable with respect to any indemnification, representation, or warranty contained in the Sublease; or

(i) be bound by any amendment, modification or cancellation of the Sublease made without Lender's prior written consent; or

(j) subject to the terms and conditions of this Agreement, interfere with Sublessee's rights in the Premises or the Property; or

(k) have any interest in the System and shall not gain any interest in the System by virtue of the parties' performance or breach of the Sublease, and in that regard, Lender hereby waives any lien under applicable law or otherwise that Lender may have, or that Lender may acquire by virtue of the Mortgage, in and to the System and other property of Sublessee that is or may, from time to time, hereafter be located at the Property or the Premises.

Nothing herein shall be construed as a waiver of any contractual claim that Sublessee may have against Sublessor, or as a release of Sublessor from liability to Sublessee on account of the non-performance of any obligation of Sublessor under the Sublease which is not binding upon or is not required to be paid or performed by Lender pursuant to the foregoing provisions of this Section 4.

5. Liability. Anything herein or in the Sublease to the contrary notwithstanding, in the event that Lender shall acquire title to the Property, Lender shall have no obligation, nor incur any liability beyond the then-existing interests, if any, of Lender in the Property, and Sublessee shall look exclusively to such interest of Lender in the Property for the payment and discharge of any obligations imposed upon Lender hereunder or under the Sublease, and Lender is hereby released and relieved of any other liability hereunder and under the Sublease. As regards Lender, Sublessee shall look solely to the estate or interest owned by Lender in the Property and Sublessee will not collect or attempt to collect any judgment out of any other assets of Lender. Lender shall only be liable for the performance of the obligations under the Sublease which accrue while Lender is the owner of the Property.

6. Termination; Notice. If Lender shall succeed to the interests of Sublessor, Sublessee agrees that, without the prior written consent of Lender, Sublessee will not cancel, terminate or surrender, except at the normal expiration of the term of the Sublease, the Sublease or modify, amend or supplement the Sublease. Sublessee agrees with Lender that Sublessee will not seek to terminate the Sublease by reason of any act or omission of Sublessor or for any other reason until Sublessee has given written notice to Lender of said act or omission and Sublessee's intent to terminate the Sublease, and until a period of sixty (60) days shall have elapsed following Lender's receipt of such notice (or such longer period as may reasonably be required by Lender), during which period Lender shall have the right, but not the obligation, to remedy such act, omission or other matter and avoid such termination. Any notice of default under the Sublease sent by Sublessee to Sublessor shall be sent by Sublessee to Lender at the same time such notice is sent to Sublessor. Lender may, but shall not be obligated to, cure any default by Sublessor.

7. Lender's Option to Cure Sublessor's Default. Sublessee agrees that Sublessor shall not be in default under the Sublease unless written notice specifying such default is given to Lender. Sublessee agrees that Lender shall have the right, but not the obligation, to cure such default on behalf of Sublessor within thirty (30) days after the receipt of such notice; provided, however, that said 30-day period shall be extended so long as within said 30-day period Lender has commenced to cure and is proceeding diligently to cure said default or defaults. Sublessee further agrees not to invoke any of its remedies under the Sublease until said thirty (30) days have elapsed. Sublessee shall not be exonerated from the Sublease by reason of any default by Sublessor or failure of Lender to cure any of the provisions of the Sublease which have been amended without Lender's express approval.

8. Further Assurances. So long as the Mortgage shall remain a lien upon the Property or any part thereof, Sublessee, its successors or assigns or any other holder of the leasehold estate created by the Sublease shall execute, acknowledge and deliver, upon Lender's demand, at any time or times, any and all further subordinations, agreements, estoppel certificates or other instruments in recordable form reasonably sufficient for that purpose or that Lender, its successors or assigns may hereafter reasonably require for carrying out the purpose and intent of the foregoing covenants.

9. Notices. All notices of any kind which any party hereto may be required or may desire to serve on the other shall be deemed served upon personal delivery, or, if mailed, upon the first to occur of receipt or the expiration of seventy-two (72) hours after deposit in United States Postal Service, certified mail, return receipt requested, postage prepaid, and addressed as follows:

If to Sublessor:

Oregon Brewing/Rogue Ales and Spirits  
2320 OSU Drive,  
Newport OR 97365

If to Sublessee, to:

Cambrian Newort Oregon LLC  
15 Main Street, Suite 318  
Watertown, MA 02472  
admin@cambrianinnovation.com

With a copy to:

Cambrian Water Operations, LLC  
15 Main Street, Suite 318  
Watertown, MA 02472  
ea@cambrianinnovation.com

If to Lender, to:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

10. Modification and Release. Sublessee acknowledges and agrees that the Lender may, without waiving, reducing, altering, releasing or discharging any of Sublessee's obligations or agreements under this Agreement, including the subordination of the Sublease: (a) release or compromise any obligation of any nature with respect to the Mortgage or the promissory note or any other document, certificate, instrument or agreement evidencing the Loan (the "**Loan Documents**"); (b) release its security interest in, or surrender, release or permit any substitution or exchange of all or any part of any properties securing repayment of the Loan; (c) retain or obtain a security interest in any property to secure payment of the Loan; or (d) modify, amend or supplement any of the original or subsequent Loan Documents.

11. No Notice. Except where required by law, Lender shall not be obligated to give Sublessee notices of any kind, including those in connection with the following circumstances: (a) for any default, whether of money or of any other term or condition in the Loan Documents; or (b) for any modification, amendment, deferral, extension, consolidation or supplement to the original or any subsequent Loan Documents.

12. Captions and Interpretation. The captions and headings of various sections of this Agreement are for convenience only and are not to be considered as defining or limiting in any way the scope or intent of the provisions of this Agreement. The words "approval" and "notice," when used in this Agreement, shall be deemed to be preceded by the word "written." The word

"including," when used in this Agreement, shall be deemed to be followed by the words "without limitation" or "but not limited to."

13. Miscellaneous. This Agreement shall be governed by and construed in accordance with the laws of the State where the Property is located. This Agreement may not be modified, amended or supplemented except in writing signed by all parties hereto. In the event any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Agreement, but this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein. This Agreement constitutes the entire and integrated agreement among the parties in respect of the matters addressed herein and supersedes all prior negotiations, communications, understandings, commitments and agreements of the parties, whether written or oral. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which, taken together, shall constitute one and the same agreement.

14. Binding Effect. This Agreement inures to the benefit of and binds Sublessor, Sublessee and Lender and their respective successors and assigns. All rights of Lender under this Agreement shall inure to the benefit of any person or entity that acquires the Property or other property encumbered by the Mortgage in a foreclosure sale, trustee's sale or other proceedings brought to enforce the rights of the holder of the Note secured by the Mortgage, or by deed in lieu of such foreclosure or otherwise.

15. Sublessee Representations. Sublessee hereby represents and warrants to Lender that (a) the Sublease has not been canceled, modified, assigned, extended or amended, (b) the Sublease is in good standing and in full force and effect, and (c) there are no defaults of Sublessor under the Sublease nor any existing conditions which upon the giving of notice or lapse of time or both would constitute a default under the Sublease.

[Signature Page to Agreement Follows]

[Signature Page to Agreement]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

“Sublessor”

Oregon Brewing/Rogue Ales and Spirits,

By: \_\_\_\_\_

Name:

Title:

By: \_\_\_\_\_

Name:

Title:

“Sublessee”

Cambrian Newport Oregon LLC

By: \_\_\_\_\_

Name:

Title:

By: \_\_\_\_\_

Name:

Title:

“Lender”

\_\_\_\_\_

By: \_\_\_\_\_

Name:

Title:

[NOTARIAL ACKNOWLEDGMENTS TO BE ADDED]

**EXHIBIT A**

[TO BE ADDED]



**RECORDING REQUESTED BY  
AND WHEN RECORDED MAIL TO:**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

SPACE ABOVE THIS LINE FOR RECORDER'S USE

**SUBORDINATION, NONDISTURBANCE  
AND ATTORNMENT AGREEMENT**

THIS SUBORDINATION, NONDISTURBANCE AND ATTORNMENT AGREEMENT (this "**Agreement**") is entered into as of \_\_\_\_\_, 202\_, by and among Oregon Brewing/Rogue Ales and Spirits, a \_\_\_\_\_ [corporation/limited liability company] ("**Rogue**"), Cambrian Water Operations Project Company, LLC, a Delaware limited liability company ("**Sublessee**"), and the Port of Newport ("**Port**"), with reference to the following facts:

A. The Port, as landlord, and Rogue, as tenant, are parties to that certain [Real Property Lease] dated [month, day, year] (the "**Master Lease**"), pursuant to which the Port leased to Rogue that certain real property more particularly described on Exhibit A attached hereto and incorporated herein by reference (the "**Property**").

B. Rogue, as sublessor, and Sublessee, as sublessee, are parties to that certain unrecorded Sublease Agreement (LAND), dated as of \_\_\_\_\_, 2022 (the "**Sublease**"), pursuant to which Sublessee has obtained or will obtain possession, use and enjoyment of that certain premises (the "**Premises**") that are a portion of the Property.

C. Sublessee is in the business of installing, owning and operating wastewater treatment and water recycling systems and will install or has installed such a system (the "**System**") on the Premises for the delivery and sale to Rogue of treated wastewater.

D. On the terms and conditions set forth herein, the Port and Sublessee desire to (1) acknowledge Sublessee's attornment to the Port, and (2) provide for the recognition of Sublessee's rights under the Sublease and the non-disturbance of Sublessee's rights thereunder.

NOW THEREFORE, in consideration of the foregoing facts and the mutual covenants contained herein, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Attornment. The Port hereby expressly consents to the Sublease and the terms and provisions set forth therein. The Parties agree that in the event that the Port shall terminate the Master Lease, and provided that Sublessee is not then in default in the performance of any of the terms of the Sublease or this Agreement beyond the expiration of all applicable notice and cure periods, the Port shall succeed to the interests of Rogue under the Sublease and recognize

Sublessee as the Port's tenant, and the Port shall be bound to Sublessee under all of the terms of the Sublease for the remaining term of the Sublease with the same force and effect as if the Port were the sublessor under the Sublease. In such event, Sublessee shall: (a) perform and observe its obligations under the Sublease; and (b) attorn to the Port as its sublessor, such attornment to be effective and self-operative, without the execution of any further instrument by any of the Parties, immediately upon the Port's termination of the Master Lease and corresponding succession to the interests of Rogue under the Sublease, and all future rent or other amounts due to Rogue under the Sublease shall be paid to the Port and Rogue shall hold Sublessee harmless therefrom. From and after such attornment, the term "Sublease," as used in this Agreement, shall mean the Sublease, as amended in accordance with this Section 1. Upon such attornment, the respective rights and obligations of the Port and Sublessee shall be the same as set forth in the Sublease for the then-remaining term of the Sublease, it being the intention of the Parties to incorporate the Sublease into this Agreement by reference with the same force and effect as if set forth herein.

2. Quiet Possession. Upon the attornment by Sublessee described in Section 1 hereof, and so long as Sublessee is not then in default beyond any applicable notice and cure periods under the Sublease, Sublessee's rights under the Sublease and Sublessee's use, quiet possession and enjoyment of the Premises leased under the Sublease shall not be disturbed, and the Port shall be bound to Sublessee under all of the terms of the Sublease, as amended in accordance with Section 1 hereof.

3. Nondisturbance. If the Port or any third person shall succeed to the interests of Rogue under the Sublease, the Port or such third person shall be bound to Sublessee under all of the terms, covenants and conditions of the Sublease, provided that, and so long as, Sublessee is not in default (beyond any period given Sublessee in the Sublease to cure such default) in the payment of any amounts or in the performance of any other term, covenant or condition of the Sublease to be performed by Sublessee. In such an event Rogue shall remain liable to Sublessee for any obligations or claims which arise from Rogue's breach of the Sublease or from other acts or omissions of Rogue which occur prior to the Port or such third person acquiring title to the premises, and provided further that the Port or such third person shall not:

(a) be liable for any acts or omissions of Rogue or any prior sublessor under the Sublease, except that if the act or omission of Rogue or any prior sublessor relates to Rogue's obligation, if any, to maintain, repair and restore the Premises, then the Port or such third person shall be liable to so maintain, repair and restore such Premises within a reasonable time period after becoming the owner of the Property; or

(b) be liable for any consequential damages attributable to any acts or omissions of Rogue or any prior sublessor under the Sublease; or

(c) be liable for any consequential damages attributable to any latent or patent defects in construction with respect to the Property; or

(d) be subject to any offsets or defenses which Sublessee may have against any prior sublessor under the Sublease; or

(e) be bound by any prepayment (or liable for the repayment) of any monies not actually paid to the Port, greater than one (1) month's rental paid by Sublessee under the Sublease, including rent and security deposits, unless the Port or such third person actually received possession of such monies; or

(f) be obligated to complete or install any tenant improvements at the Property or be bound by or otherwise be obligated to pay or perform any obligation of the Rogue to provide any monetary payments or concessions to Sublessee; or

(g) be bound by any provision of the Sublease permitting Sublessee to cancel the Sublease and requiring return of any additional rent, advance rent or allowances, or interest thereon; or by any provision granting Sublessee any option to purchase the Property, or any right of first refusal upon any sale of the Property; or

(h) be obligated or liable with respect to any indemnification, representation, or warranty contained in the Sublease; or

(i) be bound by any amendment, modification or cancellation of the Sublease made without the Port's prior written consent; or

(j) subject to the terms and conditions of this Agreement, interfere with Sublessee's rights in the Premises or the Property; or

(k) have any interest in the System and the Port shall not gain any interest in the System by virtue of the Parties' performance or breach of the Sublease, and in that regard, the Port hereby waives any lien under applicable law or otherwise that the Port may have, or that the Port may acquire by virtue of the Master Lease, in and to the System and other property of Sublessee that is or may, from time to time, hereafter be located at the Property or the Premises.

Nothing herein shall be construed as a waiver of any contractual claim that Sublessee may have against Rogue, or as a release of Rogue from liability to Sublessee on account of the non-performance of any obligation of Rogue under the Sublease which is not binding upon or is not required to be paid or performed by the Port pursuant to the foregoing provisions of this Section 3.

4. Liability. Anything herein or in the Sublease to the contrary notwithstanding, in the event that the Port shall terminate the Master Lease and Sublessee shall attorn to the Port hereunder and under the Sublease, the Port shall only be liable for the performance of the obligations under the Sublease which accrue while the Port has succeeded to the interests of Rogue in the Sublease.

5. No Amendment Without Notice. Sublessee agrees that, without the prior written consent of the Port, Sublessee will not modify, amend or supplement the Sublease until Sublessee has given written notice to the Port, and until a period of sixty (60) days shall have elapsed following the Port's receipt of such notice (or such longer period as may reasonably be required by the Port), during which period the Port shall have the right to object to any such modification, amendment or supplement, or to request changes thereto.

6. Right to Cure Defaults Under Master Lease. Notwithstanding any other provisions of this Agreement, should Rogue be in default of its obligations under the Master Lease, the Port shall provide Sublessee with copies of any notice of default delivered by the Port to Rogue at Sublessee's address set forth in the Sublease. Sublessee shall have the same opportunity (without any obligation) to cure such default by Rogue, subject to the applicable cure periods to which Rogue would be entitled under the Master Lease.

2. Port's Option to Cure Rogue's Default. Sublessee agrees that Rogue shall not be in default under the Sublease unless written notice specifying such default is given to the Port. Sublessee agrees that the Port shall have the right, but not the obligation, to cure such default on behalf of Rogue within thirty (30) days after the receipt of such notice; provided, however, that said 30-day period shall be extended so long as within said 30-day period the Port has commenced to cure and is proceeding diligently to cure said default or defaults. Sublessee further agrees not to invoke any of its remedies under the Sublease until said thirty (30) days have elapsed. Sublessee shall not be exonerated from the Sublease by reason of any default by Rogue or failure of the Port to cure any of the provisions of the Sublease which have been amended without the Port's express approval.

3. Further Assurances. Sublessee, its successors or assigns or any other holder of the leasehold estate created by the Sublease shall execute, acknowledge and deliver, upon the Port's demand, at any time or times, any and all further agreements, certificates, instruments or other documents, in recordable form if necessary, that the Port, its successors or assigns may hereafter reasonably require for carrying out the purpose and intent of the foregoing covenants.

4. Notices. All notices of any kind which any party hereto may be required or may desire to serve on the other shall be deemed served upon personal delivery, or, if mailed, upon the first to occur of receipt or the expiration of seventy-two (72) hours after deposit in United States Postal Service, certified mail, return receipt requested, postage prepaid, and addressed as follows:

If to Rogue:

Oregon Brewing/Rogue Ales and Spirits  
2320 OSU Drive,  
Newport OR 97365

If to Sublessee, to:

Cambrian Water Operations Project Company  
15 Main Street, Suite 318  
Watertown, MA 02472  
admin@cambrianinnovation.com

With a copy to:

Cambrian Water Operations, LLC  
15 Main Street, Suite 318  
Watertown, MA 02472  
ea@cambrianinnovation.com

If to the Port, to:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

5. Modification and Release. Sublessee acknowledges and agrees that the the Port may, without waiving, reducing, altering, releasing or discharging any of Sublessee's obligations or agreements under this Agreement: (a) release or compromise any obligation of any nature with respect to the Master Lease; or (b) modify, amend or supplement the Master Lease.

6. No Notice. Except where required by law or in this Agreement, the Port shall not be obligated to give Sublessee notices of any kind, including those in connection with any modification, amendment, deferral, extension, consolidation or supplement to the Master Lease.

7. Captions and Interpretation. The captions and headings of various sections of this Agreement are for convenience only and are not to be considered as defining or limiting in any way the scope or intent of the provisions of this Agreement. The words "approval" and "notice," when used in this Agreement, shall be deemed to be preceded by the word "written." The word "including," when used in this Agreement, shall be deemed to be followed by the words "without limitation" or "but not limited to."

8. Miscellaneous. This Agreement shall be governed by and construed in accordance with the laws of the State where the Property is located. This Agreement may not be modified, amended or supplemented except in writing signed by all parties hereto. In the event any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Agreement, but this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein. This Agreement constitutes the entire and integrated agreement among the parties in respect of the matters addressed herein and supersedes all prior negotiations, communications, understandings, commitments and agreements of the parties, whether written or oral. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which, taken together, shall constitute one and the same agreement.

9. Binding Effect. This Agreement inures to the benefit of and binds Rogue, Sublessee and the Port and their respective successors and assigns. All rights of the Port under this Agreement shall inure to the benefit of any person or entity that acquires the Property or succeeds to the Port's interest under the Master Lease.

10. Sublessee Representations. Sublessee hereby represents and warrants to the Port that (a) the Sublease has not been canceled, modified, assigned, extended or amended, (b) the Sublease is in good standing and in full force and effect, and (c) there are no defaults of Rogue under the Sublease nor any existing conditions which upon the giving of notice or lapse of time or both would constitute a default under the Sublease.

[Signature Page to Agreement Follows]

[Signature Page to Agreement]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

“Rogue”

Oregon Brewing/Rogue Ales and Spirits,

By: \_\_\_\_\_

Name:

Title:

By: \_\_\_\_\_

Name:

Title:

“Sublessee”

Cambrian Water Operations Project Company

By: \_\_\_\_\_

Name:

Title:

By: \_\_\_\_\_

Name:

Title:

“Port”

\_\_\_\_\_

By: \_\_\_\_\_

Name:

Title:

[NOTARIAL ACKNOWLEDGMENTS TO BE ADDED]

**EXHIBIT A**

[TO BE ADDED]



# NEW BUSINESS

---

**DATE:** September 21, 2022  
**RE:** Pallet Costs  
**TO:** Paula Miranda, General Manager  
**ISSUED BY:** Aaron Bretz, Director of Operations

---

## **BACKGROUND**

In the Commercial Marina, pallets are used to efficiently move gear stored on the lot by way of forklift. Palletized gear allows for quick and easy access by forklift so that the cost of labor is kept down and risk of injury is reduced.

The Port collects used pallets from a number of local businesses that don't need them, but they accumulate a large number from inbound freight shipments. We then sort through the used pallets and retain the serviceable ones for storage on the lot. We charge a fee for pallets that leave the lot because a significant portion of them do not return. This fee is intended to cover the cost of acquiring, transporting, and sorting the pallets for use. Our current charge for pallets leaving the lot is \$7.70; those who keep the pallets within the lot do not get charged. Some users acquire their own pallets for use, and they also don't get charged.

If we have to purchase new pallets at current prices, they will cost between \$15.00 and \$28.00 each (depending on what type we select). We aren't trying to equal that cost yet because of the sudden nature of the increase.

## **DETAIL**

Due to the sharp increase in material cost and the availability of pallets, our normal sources for pallets are not currently giving any serviceable pallets away, so we will need to either find new sources or purchase pallets, which will create an exponential increase in cost. To mitigate this risk and reduce the demand for Port pallets leaving the property, in the near future we may need to introduce a two dollar increase in the pallet charge to \$9.70.

Looking ahead, if the cost remains elevated, we may need to change the pricing structure for the cost of pallets. Only about 20% of the pallets we acquire leave the lot, and under the current structure those are the only pallets that incur a charge. The rest of the pallets remain on our lot, live their useful life here, and then have to be replaced. In a market where the material for pallets costs nothing, we could possibly continue to cover the cost of the pallets, but if we have to purchase pallets, we may need to either increase all storage fees and get rid of the per pallet charge, increase the cost for pallets leaving the lot even more, or make some other change to our processes to cover the cost of procuring pallets. We're still researching the best option, but this is an issue we should all be aware of.

**RECOMMENDATION:** This report is informational. If we continue to experience high prices in the sourcing of pallets, the General Manager may implement the \$2 price increase.

# **NEW BUSINESS**

---

**DATE:** September 22, 2022  
**RE:** Compact Pickup Replacements  
**TO:** Paula Miranda, General Manager  
**ISSUED BY:** Aaron Bretz, Director of Operations

---

## **BACKGROUND**

Several of our Rangers are degraded due to corrosion from sitting outside in the salt air, and age. I spoke with a fleet manager this week who was the point of contact on a state contract, and they are just getting ready to submit orders for the year. We still have an opportunity to replace several of our light pickup trucks before orders close for the season.

## **DETAIL**

We budgeted \$25K each for a replacement at the International Terminal, South Beach, Admin, and the Commercial Marina.

I am currently awaiting quotes for the replacement vehicles, but I have identified brand new compact pickups under the state contract that will come back under our budgeted amount.

In the event the quotes come back over budget, we would not proceed with this purchase.

## **RECOMMENDATION:**

I RECOMMEND A MOTION FOR THE GENERAL MANAGER OR HER REPRESENTATIVE TO EXECUTE A PURCHASE ORDER UNDER A STATE CONTRACT FOR FOUR COMPACT PICKUP TRUCKS NOT TO EXCEED \$24K EACH.

# GENERAL MANAGER MONTHLY REPORT

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**DATE:** 09/23/22  
**PERIOD:** 08/22/22  
**TO:** Board of Commissioners  
**ISSUED BY:** Paula J. Miranda, General Manager

---

## **OVERVIEW**

September has been another challenging month dealing with issues at South Beach, and more specifically with the RV Park, as well as keeping the new Administration building on time and on budget.

Here are some of the highlights for the month:

### **South Beach**

**Reservations System:** Unfortunately, our new reservations system didn't work as expected, which meant we had to take it out of line for about three months until the bugs were fixed. That happened during the busiest season of the year. That generated all kinds of unhappy customers, as we were short of staff, as a new hire quit within a couple weeks and the number of calls were more than we could handle. There was a backlog of 100 to 200 calls daily, truly overwhelming our staff. The good news is that the system is back online and working like it should, allowing for some breathing room and a better customer service experience.

**Parking Issues:** There are two things going on at the same time. One, we have been doing better on enforcing our Facilities Code, as we have added one additional security officer from TCB to oversee issues at the marina/RV park, which creates all kinds of complaints, as users are not used to the enforcement. Two, we had our first month of enforcement of the new parking fees. We are still issuing a fair number of tickets. However, we also had a lot of issues with vandalism in our bathrooms and dump divers at the site, which took away from other enforcements at the time.

**Security:** As mentioned above, with so much vandalism, we received a lot of complaints from our RV users. Some majorly concerned about their safety. I have reached out to the City and Chief of Police to see if there is anything they can do about the right of way immediately in front of the park. I understand housing is one of the biggest issues right now and removing homeless folks out of the street is very problematic. We have a meeting scheduled for October 10<sup>th</sup> to discuss ways the City can address the issue.

**RV Park:** As you heard from some of the long-term users during our last Commission meeting, there are a lot of folks unhappy about their long-term situation. We had a listening session on 08/31/22, which lasted approximately 3 hours. We have close to 40 people attending and about 30 people spoke. Meanwhile, we have also been getting a lot of complaints from the short-term folks complaining about never being able to get a spot in the park. I think before we had into the next busy season, we need to have a Work Session,

so staff can get some direction in what Commissioners would like to see, so staff knows how they should run the park. Unfortunately, we can't make everyone happy. We have been following the policies in creating guidelines in order to operate the park. But we have been pulled in many opposite directions.

Marina Users: We have also heard from some sports fishermen regarding some issues they have at the marina. They would like a meeting to discuss some of their concerns. We have arranged to have a listening session on Monday, October 3<sup>rd</sup> at 2 p.m. A couple of Commissioners are welcome to attend. Invitations will be out soon.

### **North Commercial**

Administration Building: We had several meetings and emails trying to address the overbudget issue for the new administration building. We met with Hyak, Western States Electric and Baldwin to figure out how we could shave the cost of the low voltage. At the end we were able to make enough modifications without compromising service to the building and saved about \$30K. We also went back and forth with the City regarding the sewer connection, and finally compromised on a connection acceptable to the City that still meets the price originally quoted. At this point I am still waiting to hear about the building schedule. We might still be able to have it completed by mid-December.

Port Dock 7 Plan: We have requested quotes for all the qualified candidates interested on the Port Dock 7 Plan. The deadline to submit quotes is September 29<sup>th</sup>. We will probably bring our selection to the October Commission meeting.

Dredge Access: Aaron is continuing to work with the Army Corps on moving this forward.

Port Dock 5 & 3 pedestals: We have been working with the engineer and should be ready to obtain bids, but parts are 40 weeks out.

Port Dock 5A: The Port is still searching for a marine contractor to repair Port Dock 5A after the events following the sinking of F/V Western Breeze. Unfortunately, most contractors are tied up with bigger projects and unable to take small work like this. We will continue working on it.

### **Newport International Terminal**

RORO Dock Piling Assessment: Staff has made a consultant selection for the RORO Dock Piling Assessment, which should be included in this meeting's packet. The overall cost was much lower than the Port originally budgeted.

Maritime Administration (MARAD): We are still waiting to hear from MARAD on the grant application that includes equipment and grading for NIT. In a recent conversation with MARAD, they have indicated that we will most likely find out at the end of September. If not, because of elections, it may not be until November.

### **Miscellaneous:**

Dredging: We are still working on acquiring permits for dredging NOAA and NIT this year and the South Beach Marina next year.

City of Newport Airport Committee: We now have an ongoing schedule of meetings to discuss the opportunity to bring commercial flights to Newport. Again, this is a very important tool on helping keep NOAA in town. I am trying to assist on possible funding resources.

Committees: I joined the Special Districts Association of Oregon (SDAO) board during our last conference. Meanwhile, I asked to be removed from the Northwest Oregon Works as soon as they find a replacement. There are just so many boards I can dedicate my time to. This year also marks the year that I will be leading the Yaquina Bay Economic Foundation, so more time will be needed to help with that. I will also be stepping up to treasurer for PNWA in October. All these organizations are important to have Port participation.

Yaquina Bay Estuary Management Plan Update: The Steering Committee is now in the process of working on a Needs and Gaps Assessment. There is still a long process to go.

Marinas Reorganization: We are about to complete the reorganization of the two marinas, where we will go from two harbormasters to one harbormaster and two assistant harbormasters. The process should be completed by next week. Once the process is completed, we will announce details to users, so they know who to contact moving forward. We believe this will help streamline our services around the marinas.

### **Meetings/Trainings/Summits:**

- 08/22/22 - PNWA Strategic Plan Core Team Meeting
- 08/23/22 - Operations Recurring Meeting
- 08/23/22 - Finance Recurring Meeting
- 08/23/22 - Commission Meeting
- 08/25/22 - Administration Staff Meeting
- 08/26/22 - Communications Meeting
- 08/26/22 - Northwest Oregon Works Board
- 08/29/22 - Operations Recurring Meeting
- 08/29/22 - Finance Recurring Meeting
- 08/29/22 - Special Commission Meeting
- 08/29/22 - Port Dock 7 Plan interview with consultants
- 08/29/22 - PNWA Strategic Plan Core Team Meeting
- 08/31/22 - Administration Building meeting - Baldwin/Hyak
- 08/31/22 - Long term RV users meeting
- 09/01/22 - Administration Building meeting - Baldwin/Western States Electric
- 09/01/22 - Yaquina Bay Estuary Management Plan Steering Committee
- 09/01/22 - Economic Development of Lincoln County Board meeting
- 09/01/22 - Administration Building Contractor Meeting
- 09/05/22 - Labor Day
- 09/06/22 - Business Oregon - Maritime Minds with MARAD
- 09/08/22 - City of Newport Vision 2040 Meeting and Port presentation

- 09/09/22 - Administration Building Contractor Meeting
- 09/12/22 - Operations Recurring Meeting
- 09/13/22 - OCWCOG/Coastal Meeting
- 09/15/22 - SDAO Conference
- 09/15/22 - SDAO Board Meeting
- 09/16/22 - Pacific Northwest Waterways Association (PNWA) Strategic Plan Task Force
- 09/16/22 - Administration Building Contractor Meeting
- 09/19/22 - Operations Recurring Meeting
- 09/19/22 - Finance Recurring Meeting
- 09/20/22 - Port Directors Meeting
- 09/21/22 - Meeting with OPPA sponsor ports (Toledo and Alsea)
- 09/22/22 - Rogue Seawall Permit Meeting with Consultant
- 09/23/22 - Administration Building Contractor Meeting
- 09/23/22 - Communications Meeting
- 08/19/22 - Administration Building Contractor Meeting

#### **Upcoming Schedule:**

- 09/26/22 - Operations Recurring Meeting
- 09/26/22 - Finance Recurring Meeting
- 09/27/22 - Commission Meeting
- 09/28/22 - Meeting with Pacific Maritime Museum Director
- 09/28/22 - Yaquina Bay Economic Foundation (YBEF) Board Meeting
- 09/29/22 - Administration Staff Meeting
- 09/29/22 - Port Tour with PNWA and Port of Cascade Locks
- 09/30/22 - Oregon Public Ports Association Conference
- 10/03/22 - Operations Recurring Meeting
- 10/03/22 - Finance Recurring Meeting
- 10/05/22 - Business Oregon Training
- 10/07/22 - Communications Meeting
- 10/07/22 - Administration Building Contractor Meeting
- 10/10/22 - Meeting with City Chief (Regarding RV Park Issues)
- 10/10/22 - Operations Recurring Meeting
- 10/10/22 - Finance Recurring Meeting
- 10/11/22 - Department Heads Meeting
- 10/11/22 - OCWCOG/Coastal Meeting
- 10/12-10/14/22 - Pacific Northwest Waterways Association (PNWA) Conference
- 10/12/22 - PNWA Executive Board Meeting
- 10/17/22 - Operations Recurring Meeting
- 10/17/22 - Finance Recurring Meeting

- 10/18/22 - Chamber Board Meeting
- 10/19/22 - Port's Directors Meeting
- 10/20/22 - Meeting with the City regarding Airport Commercial Flights
- 10/21/22 - Communications Meeting
- 10/21/22 - Administration Building Contractor Meeting
- 10/23-25 - Business Oregon Brownfields and Infrastructure Summit



## FINANCE DEPARTMENT MONTHLY REPORT

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**DATE:** September 27, 2022  
**PERIOD:** July 1, 2022 to August 31, 2022  
**TO:** Paula Miranda, General Manager  
**ISSUED BY:** Mark Brown, Director of Finance and Business Services

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Financial reports for Fiscal Year ended 30 June, 2022 are included in the commission packet and a copy is attached for your convenience. Please note there were a series of days in June that PacSoft did not export data properly. We have been able to identify the specific data, but the revenues are not included in the Financial reports, this will increase June 2022 revenues. Once these are included the revenues and deferred revenues will increase.

### Issues of Importance

#### Financial/ERP System

- PacSoft has been configured, the revised online reservation system has been tested, and is now operational. For the period September 1 – 20, 2022, 129 (about 7 per day) reservations have been made using the new online system. This has enabled staff to keep up with calls.
  - There are some minor issues with the new online reservation system, most of these should be corrected by September 22, 2022.
- Business Central is running with little to no issues. Closing months has been slow, but each time we close a month, the speed increases, by December 31, 2022, the month will close by the 15<sup>th</sup> of each month.
- A review of processes and procedures is underway in all areas of the Port. New processes are being adopted based on industry standards and system operations.

#### Parking Fees

- In two months, the Port has collected a net of \$1,730 in parking fees. This was during the time period the Port was issuing warnings to customers for non-payment. These funds are being set aside in the General Fund for blacktop replacement.

#### Employee Handbook

- The Employee handbook is undergoing a final review and then Departments Heads will review the Handbook. Once the review is complete, the handbook will be sent to the Port's attorney and/or HR answers for legal review, only then will it be brought forward to the commission for approval.

○

#### Fiscal Manual

- Work will begin shortly on writing a new fiscal manual. The level of detail



is much greater than the current manual, and more policies and procedures are included in the manual. The goal is to clarify and keep a written document on the policies and procedures in detail, this will allow newly hired accounting staff to understand the Port's accounting methodology and will also act as a reference manual to when a question arises.

### **GOF Balance Sheet (year to year comparison)**

- The cash balance as of June 30, 2022 is \$3,1136,556.33.

### **Profit and Loss -**

*The Financial Reports are attached for your review and are included in the commissions packet. The final adjusting entries are not made, so the profit and loss actuals will be adjusted substantially prior to final.*

*The month-to-month budget is based on a straight line forecast of revenues and expenditures. As time permits the revenues/expenses will be reforecast to match prior years.*

### **General Operating Funds (GOF) FY 2022– all divisions:**

#### **Budget vs. Actuals**

- **Operating income** is favorable by \$671,364.26 (before additional adjustments)
- **Operating expenses** are favorable by \$2,028,504.29
- **Other income** is unfavorable by \$1,940,524.70
- **Other expenses** are favorable by \$2,791,374.0
- Overall, Net income is favorable.

### **Breakdown of programs**

#### **Administrative Budget**

#### **Budget vs. Actuals**

- **Income** is favorable by \$19,094.52
- **Expenses** are favorable by \$371,276.30
- Capital Outlays are favorable.
- **Overall**, Administration budget is favorable.

#### **International Terminal**

#### **Budget vs, Actuals**

- **Revenues** are unfavorable by \$30,072.39
- **\*Operating Expenses** are favorable by \$371,548.71
- **Net Income** is favorable by \$588,433.72

#### **Commercial Marina**

#### **Budget vs. Actuals**

- **Operating Revenues** are unfavorable by \$63,122.58
- **\*Operating expenses** are favorable by \$635,143.43
- **Net income** is favorable by \$2,287,393.35

#### **South Beach**

#### **Budget vs. Actuals**

- **Operating Revenues** are unfavorable by \$601,451.78
- The Port continues to be sold out in the Main RV park and many spots in

- the Annex are sold. Some customers are declining to stay in the Annex.
- **\*Operating Expenses** are favorable by \$606,866
- **Net Income** is favorable by \$308,762.28

**NOAA Lease Revenue Fund  
Balance Sheet**

As of August 31, the Port had a cash balance of \$3,856,038.82 with an available balance of \$2,094,317.32; the remaining \$1,761,721 is reserved for the annual maximum debt service payment on bonds, as required in the bond contracts.

**Income Statement**

**Budget vs. Actuals**

- Revenues are slightly unfavorable.
- Expenses are favorable by \$835,171.
- Net income is favorable by \$484,757.

**NOAA Capital Maintenance Fund**

- The General Operating fund has paid the first installment to the NOAA Capital Maintenance Fund for the loan for the South Beach Load Center project. The fund has \$1,696,858 of cash available.

**Bonded Debt Fund:**

**Balance Sheet**

- The current available in the Bond Debt fund is \$112,722.

**Construction Fund:**

- No changes to report.
- All reimbursements from the State for the Administration building will come into this fund, then transferred to the General Operating Fund.

**Facility Reserve Fund.**

- No changes to report, once the Port Dock 3/5 Electrical upgrade project begins, \$138,000 will be transferred to the General Operating funds to cover a portion of the upgrade.
- The current cash balance in this fund is \$526,516.

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## **DIRECTOR OF OPERATIONS REPORT**

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**DATE:** 9/20/2022  
**PERIOD:** July-August 2022  
**TO:** Paula J. Miranda, General Manager  
**ISSUED BY:** Aaron Bretz

### **OVERVIEW DIROPS**

#### **Summary:**

Tuna has continued to come into the Port on both the South Beach side and the Commercial side, although it has slowed a little in recent days. I've been working hard on the feasibility study with the Army Corps for dredging in the Commercial Marina; we've stepped up the amount of collaboration time, and are working hard to produce design alternatives and identify mitigation opportunities. I've also spent a fair amount of effort working with firms proposing on the design and permitting for the new Port Dock 7.

#### **Detail:**

- **Army Corps CAP Section 107 Project (Commercial Marina Channel Dredging)**

Participated in two lengthy workshop meetings with the various Army Corps personnel who are contributing to the project. We're still moving along and the details that continue to come out are working mostly in our favor for a successful project.

- **Admin Building**

Continued to work on details and potential resolution on the right of way permit issues. Paula finished up those conversations with the City.

- **RORO Dock Piling Assessment**

Have gone back and forth several times with the engineering firm to be sure we get the most economical use of their time. At the time of this writing, I am awaiting their final draft.

- **Port Dock 5 & 3 Electrical**

Engineer made changes to the plans and specs as requested; we're moving forward with bidding. We are reviewing bid documents for construction; lead time for parts is over 40 weeks.

- **Port Dock 7 Planning**

We evaluated four highly qualified firms who responded to the request for qualifications. We held a Teams meeting with the purpose of filling in details of the

project and accepting questions from the firms. Proposals are due by the close of business on the 29<sup>th</sup> of September; one firm dropped out, but we still anticipate three proposals from highly qualified firms.

- **Rogue Brewery/Dry Moorage Building**  
Seeking acceptable repair plans and firms interested in preparing that work.
- **Port Dock 5A Evaluation**  
Seeking Contractors for repair work
- **Enforcement Efforts**  
TCB has focused more efforts on businesses that are attempting to circumvent the Port's permitting requirements for charter vessels. I did field a couple phone calls from guide boats who were unhappy with the requirement to get a permit and sought explanations about the Port's authority to require them to attain a permit from the Port to use our facility. In the end, each pledged to attain the proper charter permit.
- **Security in the Coming Year**  
I do anticipate that we will see more pressure from thieves and vandals in the near future. We continue to experience an increased number of complaints about these sorts of issues, and response to these complaints will inform a number of recommendations I plan to make in the coming year. I anticipate making recommendations to increase physical barriers and also security coverage. Unfortunately, this may mean more hoops to jump through for our regular Port users, but when a facility is wide open and people can freely roam through whenever they like, it's expected that we will have these kinds of problems.

## **Newport International Terminal- Don Moon, Supervisor**

### **Billable Services Performed this (August)**

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> Forklift – 36.5 hrs              | <input checked="" type="checkbox"/> Moorage – 44 days            |
| <input checked="" type="checkbox"/> 30 Ton Hydraulic Crane – 9.5 hrs | <input checked="" type="checkbox"/> Hoist Dock Tie Up – 34.5 hrs |
| <input checked="" type="checkbox"/> Labor – 51.5 hrs                 | <input checked="" type="checkbox"/> 120V power – 0 days          |
| <input checked="" type="checkbox"/> Other (over time) – 0 hrs        | <input checked="" type="checkbox"/> 208V power – 38days          |

### **Special Projects:** *(Not regular maintenance & repair tasks. Enter project name and notes)*

- Completed  In Progress    Paving west gravel lot by shop and re-paving west paved lot.

## **Commercial Marina Harbormaster- Vacant**

### **Billable Services Performed this Period:**

- |  |   |
|--|---|
| <input checked="" type="checkbox"/> Forklift – 155Hrs      | <input checked="" type="checkbox"/> Hoist Dock Crane(s) – 4 Hrs |
| <input type="checkbox"/> 30 Ton Hydraulic Crane - Enter #. | <input checked="" type="checkbox"/> Dock Tie Up – 418 Hrs       |

Launch Tickets - Enter #.

Other (Axles) – 141

**Special Projects:** *(Not regular maintenance & repair tasks. Enter project name and notes)*

Completed In Progress

**Dock 5c repairs**

Completed In Progress

**Hoist dock electrical repair**

Completed In Progress  
**restrooms.**

**Deep cleaning and repainting the moorage holders**

Completed In Progress

**Hoist #2 repairs**

**Other:** *(Enter issues, events, large purchases, and other notable items)*

- The parts for the Hoist #2 rebuild are in, I am just waiting on Yaquina boat to get us on the schedule.
- We ordered the pedestals for the dock 5 & 3 electrical upgrade.
- We are currently repainting the moorage holder's restrooms when we have time.

**Challenges:**

- Getting to dock maintenance has been difficult with the number of staff we have and the amount of offloading that has been going on.
- Finding free pallets has been a challenge as of late, people are having a hard time acquiring pallets, so they do not want to give any free pallets away unless they are not very usable also finding the time to send someone out for an hour or two has been a challenge because the hoist dock has been so busy with offloads.

**Opportunities:**

•  
I think we should investigate buying a truckload of new pallets, either wood or plastic, also I think we need to adjust our rate for pallets leaving the lot, as pallets cost about \$12+ each with new pallets costing upwards of \$25 each.

•

**NOAA MOC-P Jim Durkee, Maintenance Supervisor**

**Special Projects:**

Vessels Using the Facility Since My Last Report – NOAA vessels Hi'ialikai, Fairweather, & Shimada, R/V Thomas G. Thompson, R/V Robert Gordon Sproul, R/V Roger Revelle, USACOE Dredge Yaquina.

Power failure on 8-29. Emergency generator ran as designed.

HVAC Annual with Coastal Refrigeration.

Fire Extinguisher Annual with Valley Fire Control.

Overhead door annual.

## **South Beach Marina, Kody Robinson, Harbormaster**

**Boat launch from Aug 1<sup>st</sup> to Sep 1<sup>st</sup>, 1897 launches @ \$17078  
Boat Trailer Storage - 676 @ \$2179**

**1: All Park Mobile Signage is in place, we will be adding/updating some signage throughout the facility to help with any further confusion and frustration**

**2: Multiple GFI's have been installed in various pedestals in the marina.**

**Action: Continue every month installing GFI's when time is available. G and H dock are almost complete. The cost of electric gear has gone up immensely so with any larger scale projects some major planning will be needed.**

**3. All riding mowers are in repair mode and waiting on parts, mowers have been repaired**

**Action: Purchased new zero turn John deer mower to help with efficiency. The new mower has cut mow time for the larger areas in half if not more.**

**4. Installed new speed bumps on washdown lane**

**Action: Install three more sets to slow people down**

**Speed bumps working as planned. Speed Bumps on hold until later this winter.**

**5. Planning phase of 15 additional single car parking located by dredge spoils**

**Action: Started clearing and cutting curb to start hauling and moving materials, waiting on hot saw repairs to continue project, still waiting for parts to come in.**

**6. Multiple piling hoops are failing, along with dock triangles, 2 finger docks in need of rebuild,**

**Action: Repair what we can when time and crewing allows, we are getting close to being able to do dock repairs while keeping up with customer services.**

**7. Multiple black top projects will be getting quoted on**

**Action: Once approved will get paving done for Rogue sink holes, washdown, new parking, due to the current construction environment its taking more time than ever to get quotes.**

**8. Day patrol seems to be working out very well, we will continue to show a presence.**

**Action: Continue to work with TCB and show our presence and keep up on enforcement**

**TCB is also helping us with code enforcement down in the Marina, we will soon be issuing citations related to conditions stated in the MLA which in turn should help with any problem boats. Our local Marine Deputies plan on helping with getting people to get there Oregon State Marine Board stickers and doing general enforcement.**

**9. Trash and fish totes has slowed down to a more manageable level**

**Action: Due minor repairs and maintenance on compactor and dumpsters as needed**

**10. Started clearing lot adjacent to cherry plant for trailer/overflow parking. Should be completed before labor day weekend.**

**Action: Lot has been in use for boat trailers and seems to be working as it should.**

**With having been an extremely busy year and still ongoing, some maintenance was neglected due to the amount of traffic and general customer service base we provide.**

The port has been experiencing more vandalism in restrooms, fish cleaning stations, boat wash down, and general day use areas. With the added repairs and time, we still managed to get things done but hopefully with time and more security presence, we can lower the amount of vandalism.