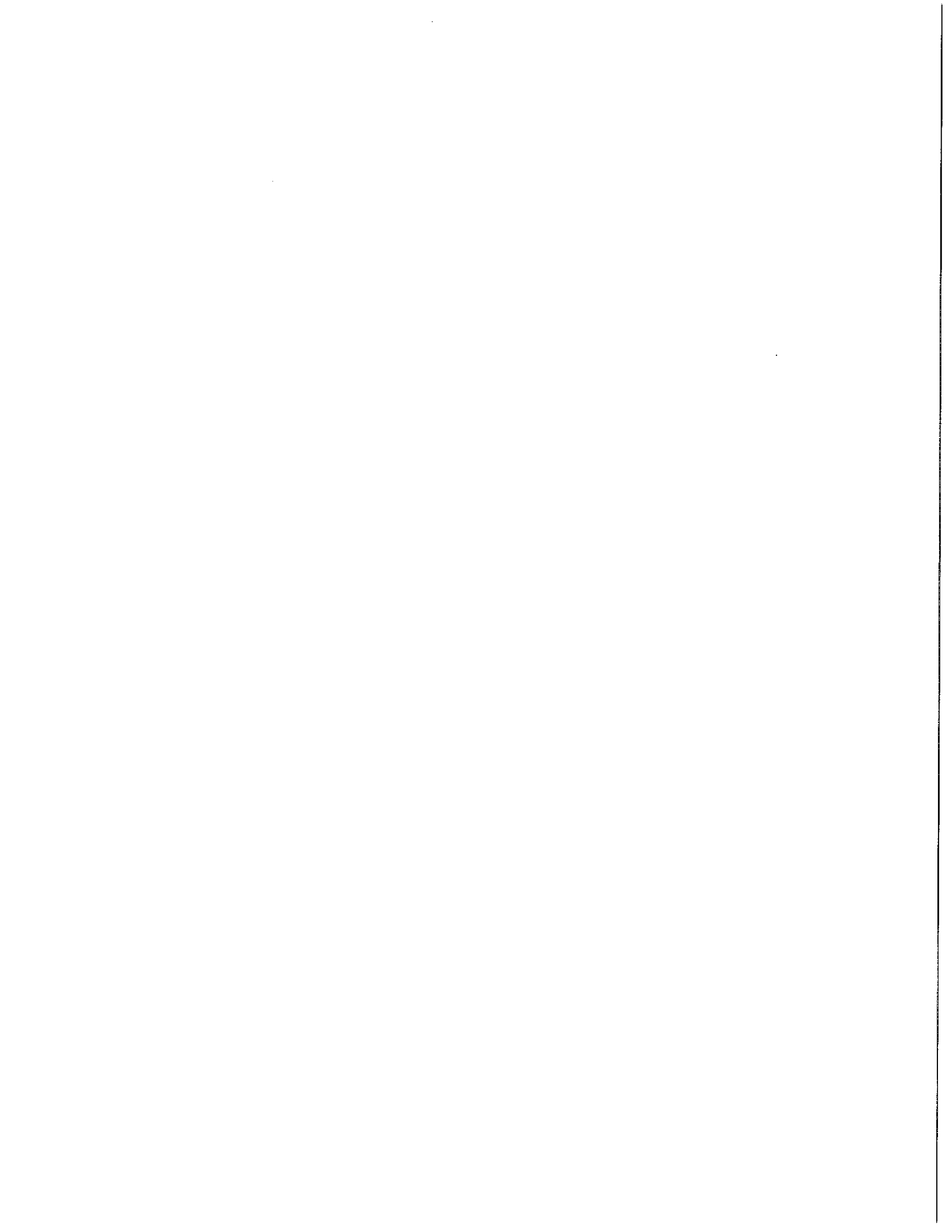


## CORRECTION TO MINUTES

At the Regular Meeting on March 6, 2017, the Board approved the Special Meeting Minutes of February 23, 2017 with the following correction to Commissioner Scott's report:

"Oyster House update; asbestos siding removed." Should read "  $\frac{3}{4}$  of the asbestos siding was removed."



**PORT OF ALLYN  
SPECIAL MEETING  
February 23, 2017  
MINUTES**

The Special Meeting was called to order at 6:00 p.m. with the Pledge of Allegiance.

Present were Commissioners Scott Cooper, Chair; Judy Scott, and Jean Farmer; Lary Coppola, Executive Director; LeAnn Dennis, Operations Manager; Lynn Longen, Economic Development Council Director; Ken Van Buskirk, public and Brianna Loper; press. James Thomas, EDC Board Chair.

**Commissioner Reports**

**Jean Farmer**

Nothing to report

**Scott Cooper**

Unable to attend the EDC meeting. Nothing else to report

**Judy Scott**

Oyster House update; asbestos siding removed. \$5,000 grant from Taylor Shellfish received. Commissioner Scott attended and reported about the PRTPO TAC meeting and the North Mason Community Voice meeting. She also attended Port Legislative Day with Executive Director Lary Coppola, where they met with local legislators.

**Lynn Longen, Mason County EDC**

Commissioner Scott Cooper introduced Lynn Longen, Economic Development Council (EDC) Director, who introduced Board Chairman James Thomas. She reported she is actively recruiting foreign investors and other large businesses trying to boost economic development in Mason County. The EDC has its "Zoom Prospector" software tool up and running on its website and they will be expanding on that. Zoom Prospector is a web-based application that shows available land, office space and buildings that are available for businesses to buy or lease. They handed out their brochures and answered some questions from the Port Commissioners and audience members. The EDC will hold its next retreat at the Port of Allyn meeting room on March 16, 2017.

**Executive Director's Report**

See Attached Report

**OLD BUSINESS**

Review and approve one of the three bids for replacement of the heat pump compressor. They discussed the differences in the bids and the different quality and warranty with different brands of heat pumps. Commissioner Scott pointed out one bid had tax included and the other did not. After discussion, Commissioner Scott made a MOTION to accept Sullivan Heating and Cooling bid as presented. Commissioner Farmer SECONDED. MOTION CARRIED.

The strategic planning session, which had been postponed from Jan 19th meeting, began with Mr. Coppola discussing updating the Port's Goals and Objectives, and the need to review and reassess these. He presented documents that were color coded for easier review. The Board reviewed the Goals and Objections line by line deciding to

remove what was no longer relevant or had been achieved, as well as discussing what was ongoing and what needed amended.

They also discussed possible land acquisition on several different site options. The Executive Director discussed the matrix of higher levy dollars he put together for informational purposes. Due to the time, he suggested the Board review the strategic planning considerations at a later date so the meeting could move on to Public Comment.

**PUBLIC COMMENT**

Mr. Van Buskirk addressed the Board. He presented an old newspaper article about the Water System upgrade to remind the Board about their previous goals and objectives, and strategic planning efforts. He went on to suggest the Port take an active role in the County sewer issues and the Urban Growth Area discussion as the County is currently looking to make adjustments to the Allyn and Belfair UGA's. He brought up other issues he would like to see the Port become involved in as well. He also suggested the EDC should take part in helping the Port expand and recruit business to increase the water hookups as there have only been a few since 2008.

The Board discussed the relative merits of becoming actively involved in the sewer and UGA issues as Mr. Van Buskirk suggested, among others. The consensus was that active involvement by the Port in such controversial, and politically charged issues could be counter-productive to achieving some of its desired outcomes. However, involvement by the Commissioners as individual community members, and not officially representing the Port, was encouraged.

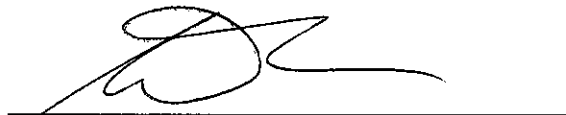
Motion to Adjourn at 8:11 p.m.

Respectfully submitted,



Leann Dennis, Operations Manager

COMMISSIONERS:



Scott Cooper, Chair



Judy Scott, Vice Chair



Jean Farmer, Commissioner

**Port of Allyn  
Executive Director's Report  
February 6, 2017**

**Report Items:**

**Water System Issue:** Regina Grimm finally got back to me with the final list of what we need to update to submit this. I have passed it on to both Steve Holloway and Todd from NWWWS.

Todd asked for some new information – meter reading data and some other things, and we rounded that up and sent it. I did authorize him to do some comparisons we need for this. He estimated 2-3 hours max at \$130 per hour. I also got a list of some additional information Steve needed, and LeAnn put that together for him.

However, late Tuesday – in fact, within 5 minutes of sending out the meeting documents - I received a note from Todd Krause at NWWWS. Long story short, and without going into a lot of technicalities, for us to update the plan for submission, we are looking at approximately an additional \$6,000 to \$10,000 in costs. How much of that is negotiable I don't know, as I haven't been able to talk to either Todd or Steve Holloway yet. I can forward Todd's email to you all if you're interested in the technical aspects of all this.

I've kept Joe Brogan in the loop on all of our communications just in case we eventually have to file a claim for damages of some sort.

**Bias Software Upgrade:** We have had some interaction with BIAS Software since our last regular meeting. They have provided us with pricing, and then after additional discussion, provided revised pricing. Both proposals are included in your meeting packet.

This is not software we would own as we do with Quickbooks. It is what's called SaaS – which stands for Software as a Service – and is the business model most software companies are quickly moving to.

SaaS has its pros and cons, but the reality here is if we want to change to BIAS, we do it on their terms. On the pro side is they maintain it and provide technical support. Also, it's never out of date. Like Microsoft 365, which we are already using, every time there's an update, we get it for free so there's no additional costs to upgrade. Also, we're always working with the latest version. On the con side – we pay an ongoing fee and don't own anything, and we do have to pay for annual update training. On the other hand, every time QB does an update, we have to buy and install that, so the cost isn't a wash, but it is comparable.

However, it will be more convenient and give us options we don't now have in terms of reports once we get past the learning curve. We will also have to run parallel systems – BIAS and QB until we know it is all going smoothly and the kinks are worked out – at least 3 months according to them. They will convert and load our QB data, however, we will need to go to Spokane for training. BIAS provides training for one person, with an additional \$500 per person after that initial person. I believe that second person is negotiable if that's the only roadblock to a sale for them, but we would still be responsible for transportation, hotel and meals for our people for that week.

The bottom line is I believe this is a much better solution than QB for us over the long haul. It isn't cheap to adopt, but over the course of time will pay for itself in terms of labor saved, and accuracy in budgeting and reporting.

**Derelict Vessel:** We have posted the vessel "Scamper," and filled out and submitted all the required DNR paperwork to have the vessel - which is moored at our dock in Allyn - to legally be declared as a Derelict Vessel and sold. We allowed a family member, Mr. Chris Aldrich, to tow it over to our dock after he promised to move it the following week. However, he didn't move it, and attempts at making phone contact with the family failed, and the registered letter we sent to them was returned as undeliverable and unable to forward - which is why we moved forward with the Derelict Vessel designation.

What will happen is that after 30 days – today – we are free to schedule an auction and sell the vessel. Frankly, I don't expect it will bring much at auction – certainly not enough to pay its moorage costs at \$1 per foot per day – plus all our administrative costs as well as DNR's costs. However, it's my understanding that DNR will reimburse us for 90 percent of our costs, and then

go after the Aldrich's for payment of the difference between what it brings at auction, and the actual costs.

The Aldrich family also has 30 days from today to appeal the Derelict Vessel designation and any sale. I did manage to connect with John Aldrich, the father of the owner yesterday, and he agreed to waive any appeal, so we are free to sell it. I sent him a letter to sign stating that, which I hope to receive back shortly.

Meanwhile, the bow of the vessel began to fill with a mixture of water and other stuff. We contacted the Dept. of Ecology about what we needed to do to pump it out, and they told us we could use our sewage disposal pump and do it with no repercussions. They said to pump it out, and then keep an eye on it – which is what we did and are doing.

Ironically, we have received two separate inquiries from individuals who are highly interested in acquiring the vessel and restoring it. Both said they will stay in touch, and if it goes to auction, will be bidding on it. Which prompted me to wonder if we had a buyer, could we either avoid the derelict vessel situation and just sell it outright? I contacted the DNR and they said we could do that. The hang up here is that we need to sell it for enough to cover 90 percent of our expenses. If we can't we're better off letting the DNR process run its course and take the 90 percent reimbursement – which should be in the neighborhood of \$4,000.

**Allyn Dock Gangway Damage:** The wave action in the bay recently caused the brackets holding the gangway to the floating dock where the oyster scow moors, to wear through, shearing off the bolts holding the two platforms together. To replace these is more of a project than you might imagine, and we originally thought it was going to be quite costly. I had Don looking into what our repair options are and he figured out how to fix it relatively inexpensively, and within our maintenance budget. He and Brodie got it done last week.

I had originally contacted Enduris, our insurer, who told me the cost of the repair would be covered, but we did it in-house for about what our deductible would be.

**Legal Costs for Eberhart:** Scott had asked me to look into the additional cost of having Enduris cover us for legal costs if we were to become involved in a lawsuit.

Turns out we already are covered. So I asked Enduris if the legal costs we sustained in the battle over Eberhart Street would be covered, and it turns out they may be. Enduris asked us for a detailed list of the costs we paid out of pocket, and to get them copies of the invoices. Joe Brogan had Foster Pepper's accounting department compile all the invoices for Eberhart, and send us copies, which I submitted to Enduris. They totaled over \$85,000, so there is a possibility that we may come into some unbudgeted revenue via the reimbursement process. I spoke with our adjuster a few minutes ago, and he says it looks good for us to recover the majority of this, but he will let me know for certain before our meeting.

**Heat Pump Issue:** The heat pump for this building has died. We've had three vendors out to look at it and all three – Sullivan Heating, who installed it – Air Masters, and Hood Canal Heating and Cooling. All three have reached the same conclusion – that the compressor is shot, and that it was installed in a location that isn't suitable for its most efficient operation because the air can't circulate correctly. That is what all three believe caused the failure. At our February 6 meeting, Travis, who is actually trained in HVAC, suggested that might not be the case. So he came and looked at it, and when he actually saw where it is, agreed with all three of them.

We have secured bids from all three to repair it. The copies are in your packet, but in reality, to avoid this in the future, the unit needs to be moved, which is included in the bids, although we also need an electrician as well. None of them included that.

Don and Brodie have done the site preparation, and poured a new concrete pad for it, which will minimize some of that cost. There will be an additional cost for moving the electrical, but it shouldn't be that much – around \$1,000 I estimate.

**Public Records Issues:** I have continued to work on our plan to make all our documents available on the Port's website so we can refer Public Records Requests to the website and eliminate the redundant cost of researching and producing those documents multiple times.

The first option we looked into was buying our own dedicated public records server, but I'm now convinced the cloud option is much better. That way, our data is always there – even if our building burns down or the server dies.

After spending several months trying to determine the best way to deal with responding to requests for specific documents, the most cost-effective solution seems to be converting all our existing documents to electronic files that can be read with key word software, and storing them in the cloud for future retrieval.

The documents must be OCR scanned and saved as readable documents, not saved as images the way PDFs typically are. This could be a fairly easy solution to implement, although it may exceed our Public Records Budget. How this process would work is that we would add a public records link on our website, where members of the public could search for specific documents by key word, and we wouldn't even need to deal with anything but the response acknowledgement once we had everything scanned in and uploaded. We can also upload copies of audio/video recordings.

One of our current vendors – Kelley Imaging – markets OCR conversion software, which I believe is the most viable option. Kelley can also provide the cloud, or we can use another cloud vendor like Amazon or Microsoft. I received a quote from Kelley for the software and cloud pricing that I thought was high, and asked them if they could sharpen their pencil. They looked at it again and said yesterday that's the best they can do. I'm looking for other vendors at this point, but am convinced this process is the best solution.

**Entrepreneurial Classes:** I met with Lisa Smith, the representative for the contractor, Enterprise for Equity, about the classes. She is excited about partnering with us for these, as well as a number of other future things that could be mutually beneficial. They operate in a 5-county area, and have a number of programs that could be good for us, and the North Mason community to become involved in. We are going to meet again, and I will let you know more as it develops.

**Coder Dojo Classes:** We were planning on the next one of these being Saturday, February 11, but it was cancelled due to lack of participation. We have been trying to round up stakeholders and other interested community members to get this underway, but haven't had much luck. Charles and Dona Keating provided that part of the program the first time, but if this is going to be an ongoing Mason County effort, we need to engage our local community. I am continuing to work on this, and have some interest from both the school district, and the Skokomish Tribe, so I am hopeful we can make it work. I met with the economic development guy from the tribe on Monday, and he is going to connect me to the tribal chair, who has expressed interest in this. Charles Keating has agreed to be part of that meeting when it happens.

**ROII:** I haven't scheduled the mandatory safety class for this yet. I spoke with the BIAW rep for this so I could schedule it, but our original rep is no longer with BIAW and our new rep said we may have to qualify all over again with L&I since it's a new year. Waiting for a determination on this before scheduling anything.

**LTAC Money:** I'm going to apply for LTAC money as soon as I can get access to the application form. I'd like to use it to promote our small wedding venue as well as the marina at Hood Canal. I spoke with the person in the Commissioner's office who handles this, and she said there will be an RFP going out for people to submit their requests, but she wasn't exactly sure when that will be. She is going to follow up with me about the date of the next LTAC meeting, and let me know when the RFP is issued so we can apply.

**Power and Water at Allyn Marina:** I wrote the RFP for this and forwarded it to the county grant writer for her input as to how it would look for trying to find money. She suggested a number of changes, which I completed and then sent back to her to review before posting it on MRSC. After all that, she suggested we not post anything on MRSC until we had funding sources lined up.

We could fund this with a loan from the IDD, but would not be allowed to repay it out of whatever grants she finds for us, so that's a decision for you all to make.

For grant funding purposes she suggested making it part of a larger project. By adding power and water on the Allyn Dock, we could create a small, full-service destination marina. However, the overall scope of the larger project could include paving both parking lots with pervious pavement, which allows the rain back into the soil to recharge the aquifer. We could also install a pay station at the boat launch; tear out the old boat launch; and build the foundation for the Sargent Oyster House.

While this is not included in our Comprehensive Scheme, it could always be amended, or use this project as an update for next year. According to the grant writer, there may be grant money available from several sources to do this project – RCO, Environmental Grants, USDA, etc. - and doing so would help reduce our overall maintenance costs in the long haul.

The grant writer and I are trying to schedule a time she can come here and physically look at all we have and get a better idea of how to approach funding for this project as well as know what other facilities we have for potentially funding future projects.

**Romance Hill Property:** I met with Jack Johnson on February 1, and toured the 40 acres he has at the top of Romance Hill as a potential site for our proposed sports complex and business park. The site begins at the end of the current paved road, is level, and has all utilities – water, sewer, 3-phase power, and natural gas on site, with broadband available. It also adjoins the Shindlehiem property, but doesn't have its environmental concerns. Mr. Johnson is very open to any kind of proposal we might want to make to acquire it. If we're serious about doing this project, I recommend we should at least take the discussion to the next level.

**WPPA Meetings:** WPPA has given us a schedule of all its meetings for 2017. The Spring Meeting is May 17-19 at Suncadia. The Finance and Administration Seminar is June 14-16 at Semiahmoo. The Small Ports Seminar is October 25-27 in Leavenworth, and the Annual Meeting is November 15-17 in Seattle.

**WPPA Appointment:** I have officially been appointed to the WPPA Legislative Committee. I already am part of the Economic Development Committee.

**Surgery Recovery Schedule:** Two more Physical Therapy appointments...