

**PORT OF ALLYN
Special Meeting
January 24, 2019
MINUTES**

The purpose of the Special Meeting was to discuss the Oyster House project and the Port's Water System rates.

The Special Meeting was called to order at 6:00 p.m. with the flag salute.

Present were Commissioners Scott Cooper (Chair), Judy Scott, and Ted Jackson; Lary Coppola and LeAnn Dennis, staff; Mike Ross, Oyster House; Jeff Carey, Dan? (didn't sign in).

SARGENT OYSTER HOUSE

Commission Chair Scott Cooper introduced Mike Ross who gave a PowerPoint presentation about the status and economic development potential of the Sargent Oyster House.

Commissioner Cooper clarified the statement he made at the previous meeting about Mr. Ross' potential engagement as the consultant for the restoration of the building

Mr. Ross discussed support for the project and work that is ongoing. He stated Mr. Coppola *could* manage the project as Commissioner Cooper had previously suggested, and gave a list of items that need followed up on. He asked about management of the project, since it is not being led by anyone now. He also discussed past fundraising efforts that have failed and the supported the Lobbyists trying for Capital Budget Funding.

The Executive Director talked about the recent conversations he had with Meg Van Schoorl and Trevor Justin of Gordon Thomas Honeywell (GTH) concerning what a reduced Capital Budget request would fund – stabilization and launch ramp removal and preparation for the building.

Mr. Ross talked about public promotion of the project, and believes that a massive public relations effort is needed for fundraising. He also showed some current condition slides (pictures of the interior). He firmly believes it must be stabilized by winter 2019, and provided project steps that are needed. He also provided a work flow chart generated by his project software.

The Board thanked Mr. Ross for his efforts. He asked the Board if they have read his proposal. Commissioner Cooper asked why the concrete floor being removed was bad. He answered that it was important for stabilization and until the floor was removed, he felt volunteers could work on it, but now it will need to be suspended. Commissioner Scott stated this was the previous contractor's decision. The Executive Director said Mr. Ross has done a good job putting this all together.

Jeff Carey stated his opinion. Commissioner Jackson said community support is necessary for any project's success. Commissioner Cooper stated the Board DOES support the project and noted that the Executive Director secured the lobbyists.

The Executive Director asked about just building a new building, and Commissioner Cooper answered that was discussed five years ago. Commissioner Scott reminded them all that there are a lot of "irons in the fire" meaning lobbyists are already working on it.

They then discussed the launch ramp removal. Bill Rehe is working on launch ramp removal management. It was also mentioned that there is a replica Oyster House Museum in Willppa Bay that does quite well.

Commissioner Cooper then discussed legal counsel and what we are allowed to do working with volunteers, and handling bids. Dan (public member) asked if we secured Capital Budget funds, could they can use funds for a replica IF the building can't be rebuilt.

Commissioner Cooper suggested the Executive Director continue on the management of the project, and continue with lobbyists until we know if we have funding or not. He also noted that the Executive Director has several projects and is it more than he wants/can manage and we should have Mr. Ross manage this project after a discussion of what would be best for the Port

to do, manage it ourselves or not. The Executive Director will discuss this with Mr. Ross, and Commissioner Cooper wants to make sure we CAN legally hire him as a consultant. Commissioner Jackson suggested waiting to see if we get the funding before we go to the effort of figuring out the details like that. Commissioner Cooper stated they do need to address Mr. Ross' proposal. The Executive Director suggested Mr. Ross manage the day-to-day restoration activities and he manage the finances.

WATER RATES

Commissioner Cooper asked what percent of rate increase the Executive Director is proposing. He believes that the suggested increase is not fair to 13 rate payers, but would support an increase – just not what's being suggested. This evolved into a discussion about the Port's expenses (water system plan, and will need another one in ten years, we paid an unusual amount because re-doing the plan) Jeff Carey said \$13,000 – \$14,000 is what he's paid, and everyone figures it might be \$15,000 in 10 years.

They then discussed how much has been spent and will be spent on the water system. The Board reviewed the proposed rates. Commissioner Cooper suggested hook up fees could go up and gradually increase rates for customers. There needs to be public input also

The Executive Director stated that he needed to make the Board aware of exactly how much the system is costing. Commissioner Cooper asked about if we have the rights to provide water within the whole UGA and not just our little area? Jeff Carey discussed service areas, noting that different water purveyors service areas can overlap. He also stated that Ports aren't allowed to utilize latecomer agreements like are allowed in the private sector, so that makes considering different options a little more complex without going into the actual complexity between two systems.

The Port needs to figure out how much it wants to subsidize the system. The Commissioners talked about projected growth (2%, 1.47% actual, OFM 1.5%). Mr. Carey said that as a taxpayer he would like to see the grandfathered customers be phased out.

Commissioner Cooper would like to know what Lakeland's rates are. PUD1's rates were discussed, Beard's Cove, Aquarius (Lynch Cove), and several others. It was suggested phasing the rate increase over 5 years. The Executive Director stated it doesn't matter what other systems charge - we need to cover our costs. But Commissioner Cooper doesn't think the rate increase should be built on the backs of 13 customers when the Port decided to build a system large enough to cover the whole UGA.

The Executive Director will work the numbers over 5 years. Maintenance issues would have to come out of the general fund Commissioner Jackson is in favor of rates increasing over 5 years and increasing the hookup fee. It was suggested we establish different commercial and residential hook-up fee rates rates.

The Board asked the Executive Director to put together some 5-year rates.

PUBLIC COMMENT

Jeff Carey mentioned the Department of Ecology having a test coming up. Then there was discussion about incorporation and municipality and some statement in ecology's plan.

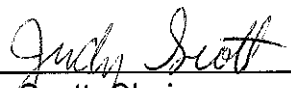
Good to the order: plan a board retreat was discussed.

Meeting Adjourned at 7:59 p.m.

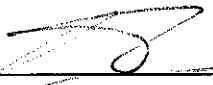
Respectfully Submitted,


LeAnn Dennis, Operations Manager

COMMISSIONERS:



Judy Scott, Chair



Scott Cooper, Vice Chair

Ted Jackson, Commissioner

