

**PORT OF ALLYN
Regular Meeting
February 4, 2019
MINUTES**

The Regular Meeting was called to order at 6:00 p.m. with the Flag Salute

Present were Commissioners Scott Cooper (Chair); and Judy Scott. Commissioner Ted Jackson was going to call in but was unable to due to a last-minute work situation. Staff present were LeAnn Dennis, Operations Manager; Lary Coppola, Executive Director, Travis Merrill, Security Officer. Members of the public were Richard and Bonnie Knight, Jeff Carey.

CONSENT ITEMS

All matters listed under Consent Items have been distributed to each member of the Commissioner for reading.

- a. Minutes of Regular Meeting January 7, 2019
- b. Minutes of Special Meeting January 24, 2019

Commissioner SCOTT made a MOTION to approve the minutes. SECONDED by Commissioner COOPER. MOTION CARRIED.

ACTION

- a. Payment of GF Vouchers #190202001 to 190202029 for \$31,951.75
- b. Payment of Payroll Vouchers #190201001 to 190201012 for \$16,565.12
- c. Payment of Water Fund Vouchers #190203001 to 190203002 for \$86.02

Commissioner SCOTT made a MOTION to accept Action items a, b, & c. SECONDED by Commissioner COOPER. MOTION CARRIED.

COMMISSIONER REPORTS

Commissioner Scott Cooper – Attended the January Port meetings, the Special All-Ports Meeting and The EDC Board meeting

Commissioner Ted Jackson – Attended the December Port meetings and All-Ports Meeting

Commissioner Judy Scott – Reported she attended the December Port meetings and the All-Ports Meeting. That she and Mike Ross met with Jeremy Hicks from the Fire District about the Oyster House. She, the Executive Director and Mike Ross met with Nicholas Vann from the state DAHP about historical criteria questions about the Oyster House. She attended the PRTPO meeting, and noted they are working on the human resources plan, and on other organizational changes there. She also attended two NBHS meetings, including one about the April fundraiser for Sargent Oyster House, She attended the NMCV meeting, and reported that she and the Executive Director met with the Lobbyists and Senator Tim Sheldon in Olympia about the capital budget funding request for the Oyster House.

SECURITY REPORT

Security Officer Travis Merrill gave his report, noting that some customers that aren't paying, and that one vessel at the North Shore was broken into. A police report was taken.

EXECUTIVE DIRECTOR REPORT

*SEE ATTACHED

OLD BUSINESS

***see Executive Director Report**

The Sweetwater Park transfer paperwork has been signed around and received. Commissioner Cooper asked what's the next step? The answer was for a deed to be issued and sent to us.

The Board reviewed some photos emailed to the Commissioners by Ken VanBuskirk. The photos were of the Irene Davis property and homeless people there, but referenced Sweetwater Park. The Executive Director stated he had spoken with both Dr. Petersen and Dana Rosenbach, and both told him the homeless folks had been removed from Sweetwater Park. Dr. Petersen also said he was in the process of removing all the structures that attracted them there in the first place from the property.

NEW BUSINESS

The Board briefly discussed the 26-cent difference on the vouchers from January. They approved signing the corrected voucher page for \$15,373.86 (the incorrect one was for \$15,373.60).

Bonnie Knight addressed the Board about the funding request the NBHS made in to get the Oyster House stabilization done. Mike Ross supplied an estimate for how much it would cost for emergency stabilization. Ms. Knight handed out a proposal that shows the breakdown of what NBHS could do, and what the Port would be asked to contribute. She also discussed the standalone grant they already have been approved for. The lobbyists had previously asked if that grant could be re-allocated towards interior finish work rather than stabilization because that is included in the Capital Budget request. That grant is for 164,000, and the lobbyists are asking for 712,000 or 562,000 as a fallback position. Commissioner Cooper asked if the lobbyists are aware of the grant, and was told they are, as well as also looking for other funding avenues. Taylor Shellfish is also supportive, and has donated previously to the project.

Ms. Knight said she would like to talk with the lobbyists so everyone is on the same page. The Executive Director said he will inform her when they are here next. The Board reviewed Page 2 of Ms. Knight's plan and Commissioner Cooper asked for clarification about what exactly she means when she said there are, "big things happening," and stated there are different grants and donations, etc. It was further clarified that the estimate for the stabilization from Art Anderson & Associates is based on prevailing wage. Ms. Knight is asking for the Port to pitch in another \$20,000 – perhaps borrowed as an IDD loan, which could be paid back with interest.

Commissioner Scott stated we need a Special Meeting soon to further discuss it, as the stabilization is an emergency. The Executive Director sent the email from Meg Van Schoorl addressing the grant questions and answers. They will set the meeting date and time when they know Commissioner Jackson can make it.

A discussion on the Comprehensive Scheme update was held, and the Board was in agreement with the Executive Director's recommendation to wait until next year to update it.

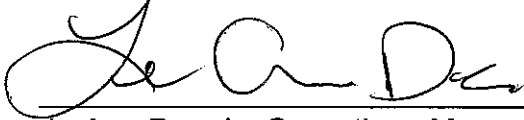
PUBLIC COMMENT

Jeff Carey: He discussed Tip Cap, saying the next meeting will be held the last week of March and he will inform the Board of the exact time and place when it's set. He also had a comment about the workshop on water rates, specifically saying Section 9 of the Water System Plan needs to be considered while they think about setting the new water rates.

Commissioner Scott discussed the North Shore parking upgrades, asking if the Port can write a letter to the County about reducing the speed limit in that area. She also asked about the totem pole, after Commissioner Cooper discussed lowering it and inspecting it to see if George Kenny, can repair it.

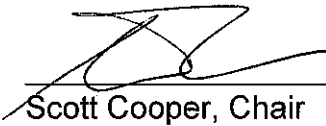
Meeting Adjourned at 6:55 p.m.

Respectfully Submitted,



LeAnn Dennis, Operations Manager

COMMISSIONERS:

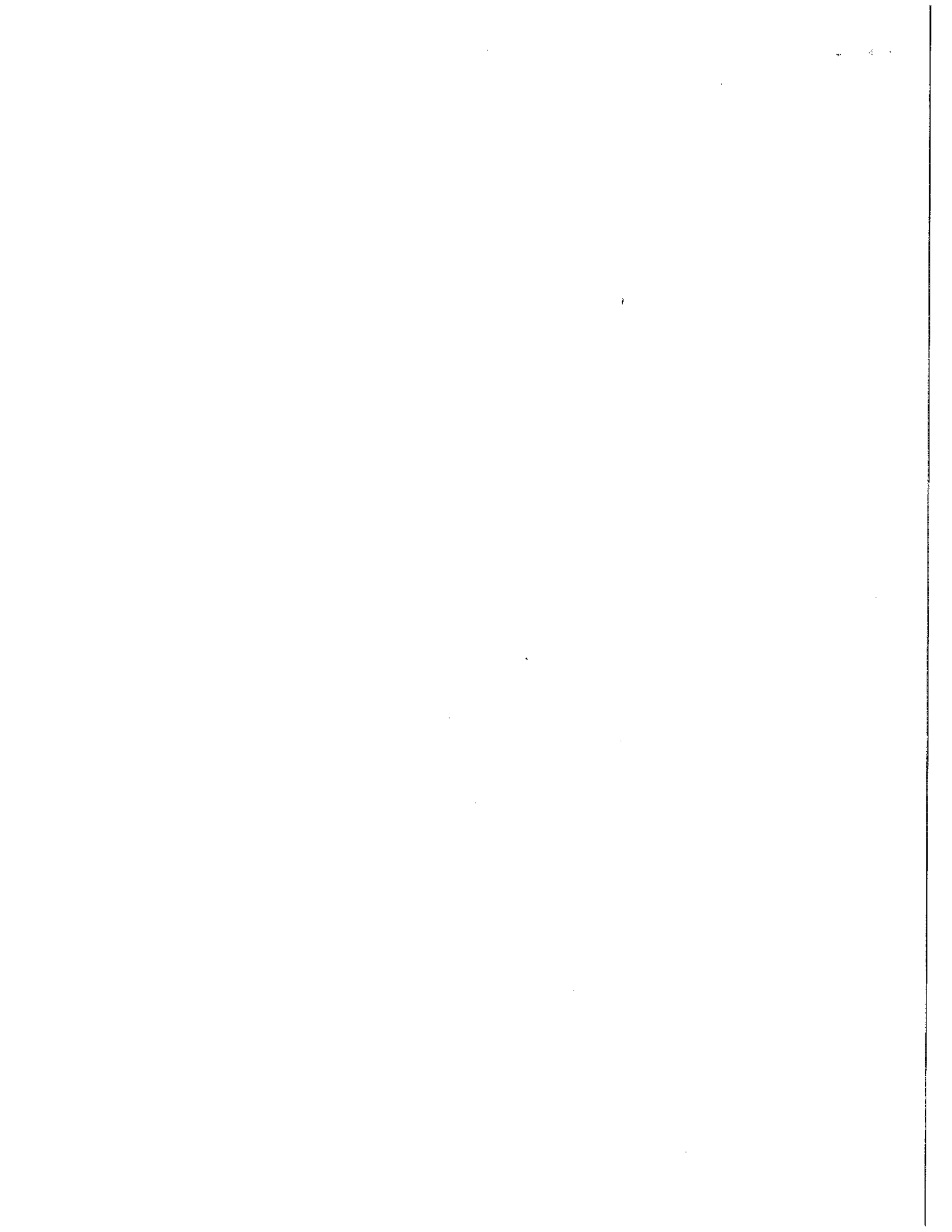


Scott Cooper, Chair

Ted Jackson, Vice Chair



Judy Scott, Commissioner



**Port of Allyn
Executive Director's Report
February 4, 2019**

Report Items:

Water System Issues: I am still in the process of calculating the proposed new water rates on the 5-year schedule that you all asked for at the recent Special Meeting. I will have this ready for your review and to you in advance of the March 4, Regular Meeting if you would like to schedule a Public Hearing for this at that meeting. Let me know so we can notice it.

As part of that, I need to put together the wording for accomplishing this via an amendment to the Policies and Procedures. I spoke with Doug Piehl at NWWWS and he said that we do not need the state's approval to do this, only for you all to adopt the new rates as changes to the Policies and Procedures manual, and do it in a public meeting.

Yerac Community Utilities Proposal: As we have discussed previously, we had received a proposal from Yerac Community Utilities to purchase water from our system. After the proposal was vetted by Joe Brogan at Foster Pepper, he suggested we enter into negotiation with Mr. Carey to purchase his system, as that is perhaps in the best interest of everyone. There is also money available from the state to do acquisitions that combine small water systems. I am looking into this, as well as holding discussions with Mr. Carey as to exactly what this transaction might look like in terms of price and terms.

Property Purchase: As reported previously, State law requires that we pay fair market value, which would be determined by a licensed appraiser. We have engaged the commercial appraisal firm of Schafer, Standaert and Hernandez in Silverdale at a cost of \$3,000. We are forced to use a commercial appraiser due to the fact the property is zoned Village Commercial – not residential.

I spoke with Jo Schaefer last week and she told me she did a site visit and is preparing the appraisal, but said that because of the uniqueness of the location, and the zoning, she is having difficulty finding comparables. We have also received the title report from Land Title in Shelton.

I am scheduled to do the final grant presentation on February 13, at 12:30. If we get the grant, it will fund in August. However, we may have to front the purchase price and be reimbursed from the grant.

Dock Issues: During the windstorm last month we suffered some serious damage to the floating dock portion below the gangway. Some of the floatation has separated from the deck surface. We had a similar problem some years ago, and Enduris covered it. I've contacted Enduris, and in the meantime, we have closed the dock at the gangway until the damage is repaired. We've taken photos to document everything for insurance, and the adjuster was out today to inspect the damage.

I previously reported that we had a small electrical fire on the dock. While there wasn't any major damage, we do have to repair the fire damage and replace all the flexible Liquidtite conduit and wiring. While we're at it, according to the NEC we need to upgrade the receptacles on the dock to GFCIs as well. We contacted a number of local electrical contractors to give us a price on doing the work, but no one was interested in getting under the dock to do it. We ended up with a singular bid from a marine electrical contractor from Tacoma that was in excess of \$14,000. We re-contacted some local firms and Mason County Electric – which has done work for us previously - is working up a bid on it for us. However, after talking to Enduris, they have decided they are going to revisit covering that as well.

Parking at the North Shore: I have submitted the permit application to the County and we have a bid from Zephyr's for \$7,162 to remove the old culvert, install 2 new 18" culverts, grade the lot after the tress are cut, and bring in some rock.

Earl Iddings has agreed to take down the trees on the perimeter of the cleared area in exchange for the wood, so we have no cost for that.

The only other cost I can see will be a couple of hundred dollars for signage directing boaters where to park and establishing the ingress and egress pattern. I originally guesstimated this project would cost us around \$7,500, so we are right in the ballpark.

This is a small project with big benefits for not just the Port, but the community as well in terms easier access to parking, and especially safety considerations. As soon as the permit is issued, we will get started.

3D Building Acquisition: I reported previously that the 3D Building on Highway 3 that WSDOT used for offices during the widening project is for sale. I inquired about a governmental transfer, as I think this would make an ideal co-working facility, as it's already laid out for something similar. WSDOT said they couldn't do it unless we had some kind of transportation-related use in mind for it. So I have contacted all of our legislators, as I'm sure there is some way to make this happen. Representative Griffey and Senator Sheldon are working on it for us.

I also found out that North Mason Resources was interested in it, so I spoke with Jason Ilazzra about it, and he said they'd be happy to work with us on it – perhaps as tenants. I have mentioned this to Dan Griffey and Tim Sheldon as well, so let's see where this goes.

Update to the Comprehensive Scheme: If we are going to revisit the Comprehensive Scheme as you suggested recently, we need to do it at a Special Meeting this month. Any updates would be due to RCO by March 1. This isn't required, as our 2018 update is good for six years, and I don't see us having the time – or resources – to pursue any additional projects this year other than what is on our plate currently. The only project we are working on that isn't in the plan is the property purchase – which doesn't need to be in there unless we begin doing something with the property.

My recommendation would be to just leave it alone for this year and update it next year once some of what we are currently doing is completed. This is on the agenda for discussion however.

Mudfest: I'm happy to report that the Northwest Automotive Press Association's annual off-road event - Mudfest - will be coming back to Mason County again this year. The dates are April 30 to May 2. This is a premier event on the National Automotive Industry Calendar, and is a head-to-head manufacturer's competition where 25 Northwest Auto Writers drive and score new vehicles in a series of on and off-road maneuvers.

It's been so successful here over the past 4 years, I didn't really need to sell Mason County to NWAPA like I had to previously. The event will completely fill Alderbrook for at least three days, plus some of it for a couple of other days. It will also occupy the Ridge Motorsports Park in Shelton for at least 2 days, plus the prep time. Overall, it will bring approximately \$600,000 in revenue to Mason County in about a week's time.

Totem Pole Issue: We've had so much else going on, that this has slid on to the back burner for now. We will need to coordinate this with the fellow Commissioner Cooper knows to do the restoration, and with Mr. Kelsey and his boom truck to move this forward.

WPPA and Other Meeting Schedules: The annual BIAS Rally is February 19 to 22, which includes a special class put on by the WFOA. LeAnn, myself, and Commissioner Cooper are scheduled to attend this, as we feel strongly it is necessary. And now that we know what we're doing in BIAS, that it will be much more helpful than previous BIAS events. It was also included in the travel budget for this year.

Also, the EDC's annual lunch is February 20, at Little Creek. Since myself and Commissioner Cooper both be in Spokane, I wanted to see if either of you are planning on going so I can RSVP.

The WPPA Spring Meeting is May 15-17 at the Davenport Hotel in Spokane. The WPPA finance Seminar is June 12-14 at Alderbrook, and the annual Commissioners Seminar will be July 22nd to 24th at Suncadia. The Executive Director's Seminar is July 11 & 12 at Skamania Lodge and the Environmental Seminar is September 26 and 27 at Campbell's Lodge in Chelan. As these get closer, we will ask for commitments about attendance so we can make reservations.

Old Business:

Transient Moorage Expansion Project: We are waiting for a letter from the Squaxin Tribe signing off on the Archeological Survey we were forced to do so we can get this out to bid. That survey was completed on November 21, and no artifacts were found. I received draft report on December 21, and approved it. The consultant forwarded it to the Squaxin Tribe, and they sent

an email approving it as well, but the Department of Commerce wants a letter from them. That will allow the final report documents to be forwarded to the Department of Archeology and Historic Preservation so our project can finally move forward.

In the vouchers you approved tonight were invoices for the engineering and the archeological survey totaling a little over \$19,000 – for which we will be reimbursed out of the capital budget grant.

Sweetwater Park: We received and signed the property transfer confirmation letter. Dana Rosenbach hand-delivered it. We sent it back to Kim Sellers from RCO last week via Certified Mail. I have a call into her to find out what the next step is.

We also got an email from Ken Van Buskirk about some homeless folks camped out there. Dana Rosenbach said they had been removed, but I'm looking into the cost of a tall fence around the majority of the site to discourage any new sunauthorized people.

Oyster House: There has been quite a bit of movement on this since the last meeting. The lobbyists put together a funding proposal for the Capital Budget request for the full amount of the engineer's estimate - \$712,000 - and a backup proposal for \$562,000 that would include stabilizing the building, taking out the old launch ramp, driving the new pilings, and getting everything set to move the building in place once it's stabilized. It wouldn't include the interior finish work, which the lobbyists say could be another request next session. They believe once we got the initial money to get the project underway, the legislature would most likely fund finishing it with a second request.

I met with Trevor from GTH on Port Day in Olympia last week and we visited a number of legislators – including Dan Griffey to lay out a strategy for the request, as well as met with Michelle Caldier from the 26th and pitched the request to her. Michelle said she would support it as well. We also had a brief meeting with Senator Christine Rolfes – who is the chair of the Ways and Means committee as well. Overall, the reception was pretty positive. The next day Commissioner Scott, myself, Trevor and Brihana all met with Tim Sheldon, and that meeting was pretty positive as well. The cost breakdown and timeline GTH prepared answered a lot of his questions about the project.

I also met with Mike Ross last week, and we cleared the air about all the issues that were of concern on both sides. He understands you all are committed to this project, but that nothing will happen until we know about funding. He also is comfortable with working as the project manager under the conditions Commissioner Cooper outlined at the last meeting – Independent Contractor, licensed, bonded, insured, etc.

There has also been a potential proposal for the Port to fund the stabilization work immediately, and be reimbursed from the Capital Budget Request. I put in a call to Meg Van Schroom at GTH to find out if that's possible. She said that if the Port advances money for building stabilization and receives a Commerce grant that includes that activity in the scope of work of the grant request, the Port can be reimbursed for capital expenditures made up to three years prior.

However, to state the obvious, since we don't know for sure that we'll get the Commerce grant, the Port could advance the money and then not get the grant, so there's not money to reimburse. There will be mucho documentation required to back up the reimbursement request.

Complicating all this are the rules surrounding the Historical Society Heritage Grant the NBHS has applied for. Reimbursement Grant funds are available on a reimbursement basis only and cannot be advanced. Reimbursable costs are those that a grantee has already incurred and paid. No funds spent prior to being under contract will be reimbursed, and the final 10 percent of funds will be reimbursed after a closeout site visit and meeting have been completed.

Perhaps Commissioner Scott has some additional comments to share...

Criminalization of Marina Rules: After the All-Ports meeting with Sheriff Salisbury, he came by the next day to talk to me. Saying he now understands the issue.

Kitsap All-Ports Association:

At the January 28 Kitsap All-Ports meeting, I was the program doing a demonstration of BIAS. The next Kitsap All Ports meeting is April 29.

