

PORT OF ALLYN
Regular Meeting
May 6, 2019
MINUTES

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. Staff present were Lary Coppola, Executive Director, LeAnn Dennis, Operations Manager; Travis Merrill, Security Officer; Trevor Justin, Brianna Murray and Josh Weiss of Gordon, Thomas Honeywell Government Affairs; Dana Kampa, press. Dan Orchard, Jeff Carey and Kaye Massie, public.

CONSENT ITEMS

All matters listed under Consent Item(s) have been distributed to each member of the Port Commission for reading.

- a. Minutes of Regular Meeting April 1, 2019

Commissioner SCOTT made a MOTION to approve Consent Item a. Commissioner JACKSON SECONDED. MOTION CARRIED.

ACTION

- a. Payment of GF Vouchers #190501001 to 190501022 for \$13,110.34
- b. Payment of Payroll Vouchers #190503001 to 190503012 for \$17,379.65
- c. Payment of Water Fund Voucher #190502001 for \$23.00

Commissioner SCOTT made a MOTION to approve Action Items a, b, & c. SECONDED by Commissioner JACKSON. MOTION CARRIED.

PRESENTATION BY GORDON THOMAS HONEYWELL

Commissioner Cooper introduced lobbyists Brianna Murray, Trevor Justin and Josh Weiss from Gordon Thomas Honeywell Government Affairs. They displayed a PowerPoint presentation and discussed the just completed Legislative session detailing their success in securing funding for the Sargent Oyster House project. They stated that they appreciated Commissioner Scott's and Executive Director Coppola's participation in Olympia and noted that Representative Griffey did a lot to help. The Board expressed its appreciation to the lobbyists for their hard work.

COMMISSIONER REPORTS

Commissioner Judy Scott - Reported she attended the previous Port meeting, and a Department of Natural Resources focus group meeting, as well as the Oyster House Pirates and Pearls fundraising event, where the North Bay Historical Society raised over \$3,000. She also met with Mike Ross, who donated the Sargent Oyster House plans, which she gave to the Executive Director. Additionally, she attended a number of meetings related to the reorganization of the PRTPO. They are working on an Interlocal Agreement and by-laws for the reorganized group, of which Kitsap Transit will be taking over as lead agency since WSDOT bowed out. She also attended a North Mason Community Voice meeting, where Michele Britton of WSDOT spoke about the Belfair Bypass, reporting it should be complete by 2025. Finally, she helped with the Tahuya Forest Cleanup.

Commissioner Ted Jackson - Attended the Port meeting, Oyster House fundraiser, and a Belfair Bypass meeting.

Commissioner Scott Cooper – Reported it was a slow month for him, attending the Port meeting, and apologizing for missing the Oyster House fundraiser due to being stuck in traffic in Seattle.

SECURITY REPORT

Security Officer Travis Merrill discussed the stolen lighting fixture issues in the restrooms. He also reported that there's more traffic in the evenings, and that he has had to ask some people to leave the park.

EXECUTIVE DIRECTOR REPORT

*SEE ATTACHED

OLD BUSINESS

*See Executive Director Report

Commissioner Jackson would like to clarify when they should walk the Sweetwater Park property. The Executive Director stated that we don't have the deed yet, but he will get on the County to get it done. There was a discussion about the garbage and if we should fence it or not after we have the deed in our possession. No decision was made.

NEW BUSINESS

The Executive Director outlined the challenges, as well as the legal options available to resolve the Allyn Dock situation. The Port can sue Enduris, but it could cost more than just fixing the dock, with no guarantee of a positive outcome. He stated we will know more once the diver we hired comes out and looks at the situation. At our request, Enduris sent their risk management representative here in December of 2017, and he didn't see any issues then. Marine Floats, the company that we have selected to fix the dock, had some suggestions that will protect the new dock after it's re-built. More discussion took place about the repairs and various options. Commissioner Jackson asked if we need an HBA permit. The Executive Director stated that the contractor is responsible for all permits. We will have a special meeting once the diver has inspected the dock and issues a report. The proposals were tabled until the divers report is back.

The pay-station for Allyn proposal was provided to the board (via email). Since the cost exceeds the Executive Director's spending authority, Commissioner Scott made a MOTION to direct the Executive Director to purchase the pay-station from Northwest Parking Equipment for \$12,042.42. Commissioner JACKSON SECONDED. MOTION CARRIED.

A discussion ensued concerning the proposed Interlocal Agreement with PRTPO. Commissioner Scott discussed why WSDOT is getting out of managing the PRTPO, saying they have been bowing out of all of their lead agency responsibilities. She noted that this is last one they had, and is obviously a cost-cutting move. Kitsap Transit has everything in place to manage the group and Jefferson County will manage the financial part of the agreement. Commissioner Scott asked that the Port Commissioners agree to join the new organization and then sign the agreement. The Board reviewed the documents and discussed other entities that attend. Commissioner JACKSON made a MOTION to agree to sign on to ILA for PRTPO. Commissioner SCOTT SECONDED. MOTION CARRIED.

PUBLIC COMMENT

Jeff Carey asked how much of our annual insurance premium that we pay to Enduris is allocated for coverage of the dock. The Executive Director answered that he didn't know exactly but would find out. Commissioner Jackson asked if there is a way to see what we've paid Enduris in premiums, versus what they've paid in claims. The Executive Director answered he was only aware of two in the almost five years he's been here – one for a boat that was damaged in a storm at the North Shore Marina, and another where a visitor to the park fell and hurt his arm.

Commissioner Jackson said he was disappointed by the insurance report concerning sealife growth on the dock, and stated that as a taxpayer, he would like to see the Board move forward with the dock repair.

The Executive Director noted that he is researching other insurance options.

Kaye Masey had questions about Sweetwater Park. She asked what ever happened with the gas tanks and other pollution. The answer is that the tanks were removed years ago as part of a cleanup effort funded by the federal government. While there were low levels of arsenic present according to the monitoring wells, it is naturally-occurring, not only there, but throughout Belfair. However, where the main source location of it will be paved over for parking, so it will not be accessible or create a danger to the community.

GOOD OF THE ORDER

Eric Johnson, the longtime Executive Director of WPPA, has resigned to accept a new position as Executive Director of the Port of Tacoma. The main question now is, who will replace him at WPPA?

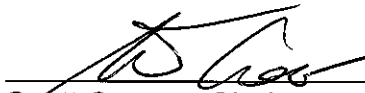
Meeting Adjourned at 7:15 pm.

Respectfully Submitted,

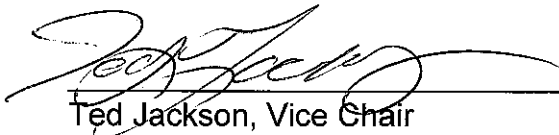


LeAnn Dennis, Operations Manager

COMMISSIONERS:



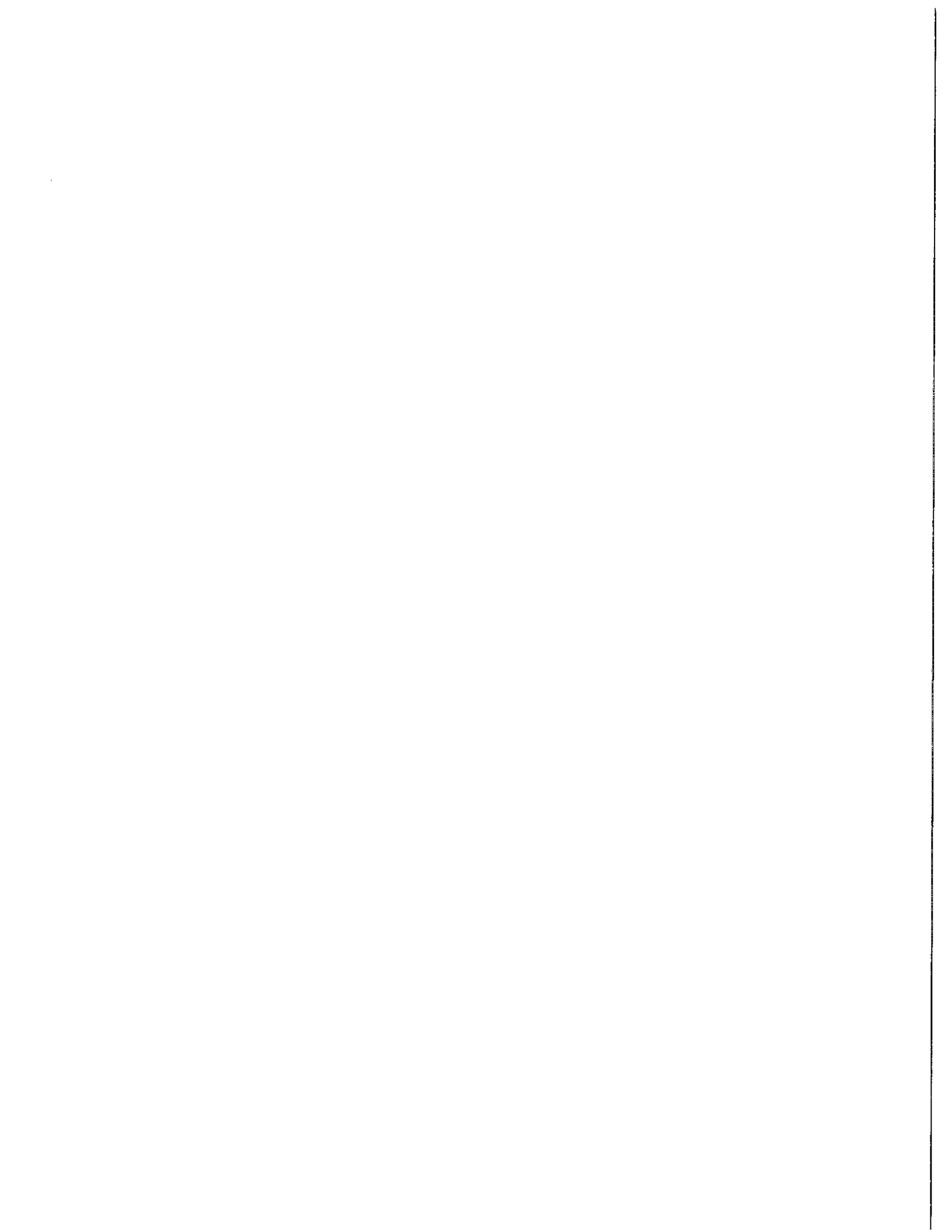
Scott Cooper, Chair



Ted Jackson, Vice Chair



Judy Scott, Commissioner



**Port of Allyn
Executive Director's Report
May 6, 2019**

Report Items:

Water System Issues: We recently issued Water Availability Letters for 15 lots situated between Wheelwright and Blackwell Streets to Cedarland Homes. I spoke with Joe Cedarland a week or so ago, and he told me they are moving forward, and have two sets of house plans being designed now, and will have four models total. They will hopefully start construction this summer. He also said they have purchased the seven-acre parcel in front of Haven of Rest and will be developing that as well, and inquired about water availability for that. I told him we have an 8" main that can be extended to that parcel as well.

We also had an inquiry from HousingKitsap about water availability for a plat they are considering purchasing for a self-help home project like the ones they've built in Kitsap County. I followed this up with a phone call last week, but haven't heard anything back.

Yerac Community Utilities Proposal: As we have discussed previously, we had had some informal discussions with Yerac Community Utilities to purchase their water system, which is adjacent to ours. After discussing this with Mr. Carey, we've decided the best path to begin moving this forward is to have the system appraised. However, finding someone who actually does these kinds of appraisals has been the problem. I contacted PUD #1, as they had purchased more than 30 small systems in the past year. However, they referred me to Evergreen Rural Water — of which we are members. They said they would look into it and report back, but as of yet, I haven't heard anything. I also spoke with a couple of other water purveyors, and they too referred me to Evergreen Rural Water. A call on Friday to the Executive Director was just leaving a voice mail, so we are still at Square One.

There is money available from the state to do acquisitions that combine small water systems, and I am researching that.

PRTPO Draft Interlocal Agreement: The Peninsula Regional Transportation Planning Organization — of which we are members, and Commissioner Scott is our representative — is restructuring. They have presented us with a draft Interlocal agreement. Commissioner Scott has asked that we put this on the agenda for review and discussion. A copy of the draft agreement is in your meeting packets.

Property Purchase: We received the appraisal back, but it isn't anywhere near what the asking price was, or what the sellers told me their bottom line is. So now we'll have to enter into negotiations with the seller and see where it goes. I've had some discussions with the seller, and am convinced we can make this work one way or another.

The decision was scheduled to be made on what gets funded on April 24, and if we are funded, we will see the money in August. Meanwhile, we may have to front the purchase price once its negotiated, and be reimbursed from the grant through a Waiver of Retroactivity.

I did receive a call from Kim Sellers, our RCO grant manager after the projects had been ranked, and she told me we scored at number 10 of the 18 applications they received. But at the time I talked to her she didn't know the level of funding they would receive from the Legislature, so she didn't know how many applications would be funded. She did feel that we would be, but I'm not banking on that until it's confirmed.

Dock Issue: As reported earlier, during the January windstorm we suffered some serious damage to the floating dock portion below the gangway. Some of the floatation has separated from the deck surface and it appears some of the support beams were seriously damaged as well. I contacted Enduris, and they sent an adjuster out to inspect the damage. After a lot of back and forth, Enduris has denied our claim, saying the dock had reached the end of its "useful life." I find this ironic, since in 2001, they replaced the entire dock — which at that time was 42 years old. This one is 18 years old. Meanwhile, Enduris' diver and engineer claim the entire dock needs to be replaced — not just the damaged section.

We have hit a dead end with Enduris, and engaged Foster Pepper to deal with them. I enclosed the note from the attorney to Enduris notifying them of this in your meeting packet. They feel this is a bogus denial at best, but unless Enduris is willing to negotiate, we may be stuck with the cost of the entire repair until the matter is settled — perhaps in court. This happened in January and Enduris has delayed dealing with it, so I have also asked the attorney to include lost moorage revenue as part of our claim since we are losing most of boating season — which officially opened this past Saturday. That may become a negotiating point if we can get Enduris to the table.

We have our own diver coming out on May 13 to do an inspection to see exactly what condition the underside of the dock is actually in, and what if anything is damaged and needs to be replaced. I will forward their report on to the attorney when I receive it.

I had a conference call with the attorneys on Thursday, and they cautioned that depending upon just how far we want to push this, we could incur as much in legal costs going to court as it will cost to fix the dock. Where we left it, is to see what our diver has to say next week — when we have a clearer picture of exactly what condition the bottom-side structure is in — and decide where to go from there. No matter what, the southern section has to be replaced — whether we do it or Enduris does.

The dock is built in three sections — each one 33' long and 12' wide. We had contacted Tim Zech about doing the replacement work on the damaged section, but he says he's too busy to do it and wouldn't be able to get to it for another three months. We even offered to pay a premium if we could move to the front of the line, but he said no. So I have gotten a bid from a company called Marine Floats to replace the damaged section, and for replacement of each of the other two sections just in case. Those bids are in your meeting documents.

My recommendation is that we approve the proposal to replace the southern section. We can borrow the cost from the IDD fund if we need to, but I would fund it initially out of our cash on hand, and if we run short later in the year, then borrow from IDD. In the meantime, hopefully, we can work this out with Enduris and not have to borrow anything.

Marine Floats said it would take about 6 weeks to do the project, and has included a recommendation that we use a different type of float that will allow the dock to sit higher in the water, which will help mitigate future wave damage to both the floats as well as the dock's bottom-side structure and metal hardware. I have also asked for a price to retrofit the other two sections of the dock with these — assuming their bottom-side structure doesn't need to be replaced.

Marine Floats comes highly recommended, is on the MRSC Small Works Roster, and has done work for the Port of Bremerton, Port of Manchester, City of Bainbridge Island and just did the new floats at the Port of Grapeview among others.

In the meantime, we have closed that section of the dock until the damage is repaired.

Parking at the North Shore: We had talked with Earl Iddings about cutting the trees around the perimeter of the property so we had enough room for drive through parking. He asked if his company, Cascade Excavators, could submit a bid for the entire project, so I told him I'd take a look at it if they did. We had a previous bid from Cascade of \$2,900 for the tree cutting and stump removal. Earl had previously offered to donate the tree cutting in exchange for the wood. Their bid was \$2,061 cheaper than the previous bid from Zephyr's. Zephyr's bid was \$7162 for the grading, culverts, and rock, but not the tree cutting or stump removal. Cascade's bid was \$5,100 for everything, with them keeping the wood from the trees.

The permit had been approved and issued in Zepher's name — not ours, as they were going to be the original contractor. The County changed the permit to Cascade with no problem.

The only other costs I can see is about \$250 for directional signage establishing the ingress and egress pattern. This entire project should be finished before shrimp season opens.

I originally guesstimated this project would cost us around \$7,500, so we are more than \$2,000 under that figure. I found out this would have qualified for RCO money, but since we didn't decide to do it until after the grant cycle had closed, it wouldn't. A call to Kim Sellers at RCO to see if we could ask for a waiver of retroactivity and submit it next year for reimbursement resulted in a negative answer — but at least we saved some money on it overall.

Also, I met with Dave Smith from the County in response to my letter requesting a lower speed limit approaching the boat launch on the North Shore. With tow vehicles and trailers crossing the

road there, coupled with the limited sight distances to the west, it just makes good sense to slow down the traffic right there if at all possible.

Dave was very helpful, but hinted in a follow-up email they want to study some issues surrounding that. And if the County does lower the speed limit, we may have to pay for signage for that. He also doesn't see a need to lower the speed limit all year. We discussed doing so from May 1, through Labor Day – which is workable for us.

Security Issues: I haven't really had much time to research security systems since the last meeting, but have done some online research. I'm looking into the costs and what it will take to install some kind of high-resolution wireless, remote camera system here at the park. There are systems available that will transmit images to cell phones from multiple cameras and store them for downloading if necessary for law enforcement documentation. I'm hoping to be able to set up about a half-dozen cameras for under \$1,000. More on this as I learn more.

There is a place in Tukwila called 25/7 Security I'd like to go visit. I have to pick up the signs for the boat launch in Auburn, so I thought it might be good to combine the trip.

I have also asked Don to install Sharps Containers in all the restrooms here and at the Kayak Park. We have ordered these, but they haven't arrived yet. We are dealing with more discarded syringes than ever before, and I believe we need to take steps to attempt to protect both our staff from harm as well as the general public.

We've also had a problem with people stealing the light fixtures from the bathrooms as well. We've replaced them — and used one-way screws to install the replacements, so hopefully, that will solve that problem. We're also looking into the blue-lights Commissioner Jackson has talked about previously.

We have restricted the hours the restrooms are open in an attempt to minimize all this, but it is still a growing problem.

3D Building Acquisition: Nothing new to report on this. However, a new co-working space called VIBE, which is what I envisioned us doing with that building, recently opened in Poulsbo. I was there for another function, and got to speak with the owners and get a tour of the facility. They offered to give all of you a tour as well if you want to see this, and answer any questions you may have about how the entire concept works.

Derelict Vessels: Out on the North Shore we have one on-again off-again customer who owed us for several months as well. He's one of these guys who has always run up a bill, but paid us. Only this time he didn't. He came in and gave us a series of post-dated checks, the first of which bounced, but he came in and paid cash and an additional \$35 returned check fee. His second check also bounced, but when LeAnn called him, he ironically, was at the bank making a deposit. I talked to him and told him LeAnn would meet him there with a deposit slip, take his cash for the total amount he owed us plus the bad check charge. He agreed, and she put his money in the bank.

Pacific Coast Congress of Harbormasters and Port Directors: This is a group I was invited to join recently. It consists primarily of Port Directors and Harbormasters from Ports as far north as Alaska and as far south as California. I attended their recent meeting in Newport, Oregon and came away with some valuable information about vendors as well as best practices. I also made some great contacts there that will be beneficial to us in the future. For example, one of the vendors has just come out with new power and water pedestals for docks – of which we need to order six of for the marina expansion project. The ones he has are about \$500 cheaper than what we had previously been considering, and are state of the art. That savings alone paid for the cost of the membership, the conference, and the hotel, and will still save us \$2,000.

WPPA and Other Meeting Schedules: The AWB has its Spring meeting in Spokane May 8 and 9. Ted and I are going for the 8th only. 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 22 to 24 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.

We have made reservations for everyone for the Spring meeting in Spokane as well as the Finance Seminar at Alderbrook. We need commitments about attendance so we can finalize the reservations for both of those.

Totem Pole Issue: Nothing new to report on this.

Old Business:

Transient Moorage Expansion Project: We are all but stopped on this until the dock is repaired. I had previously submitted the paperwork to the Dept. of Commerce to get reimbursed for our expenses up to this point – which were slightly over \$18,000 - and we received that money two weeks ago.

We had put this out to bid to qualified contractors on the MRSC Small Works Roster the week before Enduris' engineer's report came back saying the entire dock needed to be replaced. We do have some interest from contractors, and have received one bid, with two other interested parties as well. I had also ordered the power/water pedestals – which I cancelled in favor of the ones mentioned above.

I'm thinking we could pre-wire and pre-plumb the sections of the new dock with the pedestals in place before the dock sections are fitted into place. That way, all that we would need to do is connect them together once the sections were set into place.

This is the same principle as the Valdez oil refinery for the Alaskan Pipeline, which was actually built in the Port of Tacoma. It was then barged up there, and the inter-connections of all the electrical and other piping were done once the modules were in place.

However, with Enduris is saying the dock has outlived its "useful life," at his point, we can't really move forward until this is resolved — unless we want to foot the bill and hope the lawyers can eventually force Enduris' hand to pay for it. This is on the agenda for discussion tonight.

I did however, order the pay station for the boat launch, and since it exceeds my spending authority, it's on the agenda for discussion and approval tonight. It's several weeks out for delivery.

Sweetwater Park: Not much new to report on this. Dr. Peterson is in the process of removing the debris from his property there, but some fallen trees blocking the exit route have slowed down the progress. We did have a report of some homeless people filtering back in there, but Dr. Petersen told me has been up there several times in the past couple of weeks and that isn't the case. He is also going to see if he can borrow Jack Johnson's excavator to finish up the work once the down trees are cleared.

I also spoke with Mendy Harlow from the Salmon Center. She told me they got some money from the Capital Budget, and may go ahead and purchase Dr. Petersen's property with it, which moves all this one step further ahead.

Oyster House: As I reported to all of you when I got the news last Sunday morning, the final State Capital Budget included the \$218,000 for the Oyster House, and \$160,000 for the NBHS grant. Trevor Justin from GTHGA emailed me after the session adjourned at midnight, to let me know. I saw it when I woke up Sunday and immediately forwarded his email to all of you.

The folks from GTHGA are here to discuss the session and answer any questions you may have. However, this wouldn't have happened without Rep. Dan Griffey running the point on this, with help from Rep. Drew McEwen and Senator Tim Sheldon — and of course Brianna, Meg and Trevor doing all the behind the scenes leg work necessary.

I have a call in to my contact at the Department of Commerce, which administers the Capital Budget, to see what we need to do to get started. There will be paperwork...

Criminalization of Marina Rules: Nothing new has happened on this, however, after the All-Ports meeting I think if we press this issue in conjunction with the other Ports we may get somewhere.

All-Ports Meetings: The Port of Shelton offered to host our next Mason County Ports meeting, which should have taken place last month. But they said they wanted to wait until fall. The last Kitsap All Ports meeting was April 22, but nothing of substance took place except several people besides us complaining about Enduris.