

**PORT OF ALLYN
Regular Meeting
January 7, 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 LeAnn Dennis, Operations Manager; Lary Coppola, Executive Director, Travis Merrill, Security Officer; Earl Iddings, Jeff Carey, and Ken VanBuskirk (public)

CONSENT ITEMS

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

Ken VanBuskirk asked that the Regular Meeting Minutes be removed from Consent Items for discussion later in the meeting

- a. Minutes of Regular Meeting December 3, 2018

ACTION

- a. Payment of GF Vouchers #190101001 to 190101026 for \$13,116.33
- b. Payment of Payroll Vouchers #190103001 to 190103010 for \$15,373.60
- c. Payment of Water Fund Vouchers #190102001 to 190102003 for \$196.60

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

Discussion of Regular Meeting Minutes of December 3, 2018

Mr. Van Buskirk would like his comment in regards to Sweetwater Park corrected in the minutes. There was some discussion about trees, and Mr. Van Buskirk stated that there were squatters on the property and that cedar boughs had been removed from the property. Commissioner Jackson then asked about private property owner's responsibility in regards to the squatters.

Commissioner COOPER made a MOTION to accept the minutes with the correction, Commissioner JACKSON SECONDED. MOTION CARRIED.

COMMISSIONER REPORTS

Commissioner Scott Cooper – Attended the EDC housing summit, discussing the logistics of, and conditions surrounding the local housing inventory. It was noted the County is a 1000 homes short of what is currently needed for effective economic development. The event stressed the need for homes for workers to live in if the EDC brings in new businesses.

Commissioner Ted Jackson – Attended the Port meeting in December

Commissioner Judy Scott – Attended the WPPA annual in Bellevue, and shared some documents from that event; met with Mendy Harlow from the Salmon Center, and WSDOT about the problems on Hwy 300; Attended the PRTPPO meeting; and hosted a Christmas party.

SECURITY REPORT

Security Officer Travis Merrill reported damage at the docks from recent storms, took a call from a concerned citizen about someone parking on Port property. He also reported on posting the vessels of non-paying moorage customers – one in Allyn and one at the North Shore.

EXECUTIVE DIRECTOR REPORT

*SEE ATTACHED

OLD BUSINESS

*see Executive Director Report

NEW BUSINESS

PFML Act - Discussion about having the Port pay the employee portion of the mandated PFML act, as employers can pay this in full. Commissioner SCOTT made a MOTION to approve the Port paying the full amount. Commissioner JACKSON SECONDED. MOTION CARRIED.

Attorney Contract – The Board reviewed the proposed contract from the Silverdale legal firm of Templeton, Horton, Weibel and Broughton. Commissioner Scott asked about drafting resolutions. While they offer that service, the Executive Director usually drafts those so it's a moot point. Commissioner Cooper asked about what a reasonable time of termination would be, and Commissioner Scott said she would like to add 60 days to the termination language. Commissioner SCOTT made a MOTION to approve the Executive Director signing the agreement. Commissioner JACKSON SECONDED. MOTION CARRIED.

Water Rate Analysis – The Executive Director discussed the fact that the Port's water system rates are WAY under other water systems. He recommended the Residential Base Rate be increased to \$59.95 – up from \$22.95, and the Commercial Base Rate become \$69.96 - up from \$29.95, noting these are still under other neighboring systems. Commissioner Cooper clarified that we don't have a Commercial Hook-up Fee, but we do have Commercial Base Rate. He then said he would like to take some time to review the suggestions, and Commissioner Scott said she would like to raise the rates in increments - not more than double them all at once. Commissioner Cooper recommended having a workshop to discuss all the water system issues, including the proposal from YERAC Community Utilities.

Commissioner Cooper agreed that based on the information presented, the Port's Hook-up Fees may be low. He agreed that the proposal to increase the Residential Hook-up Fee from \$3,750 to \$4,750 and establish a Commercial Hook-up Fee of \$6,000 were not out of line, but wanted to table the discussion until a workshop meeting was set.

Jeff Carey commented that when you look at commercial rates, it brings in fire flow and other issues to the forefront including costs for engineering. He also noted that some water systems charge by the size of the waterline going in to the business.

Ken Van Buskirk suggested informing the customers of the possible rate increases, while Commissioner Cooper and Scott stated that would be discussed at a public hearing.

It was agreed to schedule a water system work session for Thursday, January 24 at 6 p.m., and to schedule a public hearing after the Board discusses details at that meeting. Operations Manager LeAnn Dennis will then send letters to the water customers advising them of the public hearing.

All Ports Meeting – Set for January 17.

Representative for PRTP - Commissioner COOPER made a MOTION to re-appoint Commissioner SCOTT to the PRTP. Commissioner JACKSON SECONDED. MOTION CARRIED.

Oyster House Discussion – A discussion about Mike Ross being paid as the project manager ensued. Commissioner Scott handed out his proposal.

Commissioner Cooper has concerns about having a project manager and paying \$25,000 over the next 2 years. He has questions and concerns and believes that the Executive Director could manage the project. Commissioner Scott countered with the fact that when the project is funded, managing it will be a full time job. She urged the other commissioners to look over the proposal, and voiced her support of the project.

The Board needs to meet with the lobbyists to make sure the funding will be there, and Commissioner Cooper said he would like more time to review and discuss the proposal. The Executive Director suggested Mr. Ross attend the water rate work session to discuss what his proposal, and the condition of the Oyster House. Commissioner Cooper noted that as it transitions from volunteers to government project, prevailing wage will apply.

Commissioner Jackson said that it will all roll together, mentioning that the money will come in from the lobbyists, stating that it's a lot of money but he believes it will work out.

A discussion then ensued about what can be done by volunteers and what falls under public works. The Executive Director will get a clarification. Further discussion was Tabled until the 24th workshop.

Commissioner Jackson stated that the Board needs to go with the lobbyists when they need support at the legislature. He is also concerned about the initial phase of the project, expressing a fear that if there is a second phase that wasn't funded, that the project would come to a screeching halt. He asked for clarification from Historical Society for a time line of any Phase Two if it becomes a two phase project.

PUBLIC COMMENT

Earl Iddings thanked the Board for black rocking the parking lot at the North Shore. He also would like to assist in the expansion of the parking lot, believing it will enhance the neighborhood during busy seasons. He would also like to see a slower speed limit there - 20 or 15 miles per hour with the two proposed entrances with the new parking lot.

He also mentioned that hyperdermic needles are being tossed in his yard lately, and asked about perhaps adding another light to deter those people.

He said the last issue he brought up was in regards to litigation between DNR and residents in Dewatto concerning tidelands and an adverse possession issue, and asked for support for the residents from the Board. Commissioner Jackson said he would have to recuse himself due to his former employment at DFW, and the fact he is a witness in the case.

Jeff Carey talked about Tip Cap, saying the County Capital Facilities Plan doesn't seem to include Sweetwater Park. He recommended the Board take a look at the County plan and get involved if they need to.

He offered a clarification to the Executive Director's report, stating that the Port's water system is a Group A system – as is his. He also clarified that the Port doesn't service some of the areas that he does, although technically the Port can service the entire UGA - but it would be complicated and expensive. He said that's why the proposal he offered works well with the Port. The Executive Director said he will make sure the attorney looking at the proposal understands what Mr. Carey is talking about.

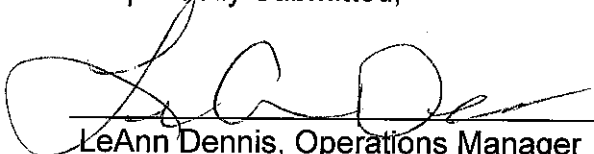
He also talked about the history of the Oyster House. He is concerned about the time frame, and believes a serious feasibility study should be done. He noted the price has gone from

\$100,000 to where it is today. He's also concerned about cost of maintenance and future upkeep once it gets done. Commissioner Scott asked if he would like to do the feasibility study.

Ken Van Buskirk commented about the North Shore parking project, saying he doesn't think the lot will be large enough for 15 vehicles. He would also like to see the speed limit lowered saying he had a friend killed on that corner.

Meeting Adjourned at 7:23 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
January 7, 2019**

Report Items:

Water System Issues: We recently had a call from a developer inquiring about pricing for commercial water hook-ups. I then came to realize that while we've always had a residential connection fee, we do not have a commercial one. Additionally, in our recently approved Water System Plan, we did not address this issue at all or even include our established rate schedule.

So on your agenda for discussion and possible action, is wording for doing so 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.

At the recent WPPA Annual Meeting, it also became very clear in one of the sessions I attended that our average rates are well below market. In a couple of our previous meetings we had discussed raising the water system rates for 2019, so what I'd appreciate you all doing is dealing with all of these issues at one time – raising the rates, and formally establishing residential and commercial connection fees as an amendment to the Water System Policies and Procedures Manual. The recommendations for those rates are included in your meeting packets

You may want to consider holding a public hearing for this – or not – as one is not required.

Yerac Community Utilities Proposal: As discussed previously, we had received a proposal from Yerac Community Utilities to purchase water from our system, since as a Class B water system, they are only allowed to draw 5,000 gallons a day from the same aquifer as we have the water right to. I sent their proposal to Joe Brogan to be vetted. I got an email from him saying he recommended against us doing the sewer billing Mr. Carey had originally proposed, and he wanted to talk directly to Jeff Carey to clarify exactly what he was looking for and come to an understanding about what an agreement to sell water would encompass.

I didn't hear from Joe for quite awhile on this, but came to find out the reason was that he had been involved in litigation in the Tri-Cities for several weeks before Christmas.

I received an email from Joe the day after Christmas requesting a copy of the complete water system plan, saying he needed to see that for water right purposes and to review/reference the Port's Service Area. He also said he was coordinating with DOH regarding the Agreement to make sure we have all our ducks in a row to do this, and protect ourselves as well. According to Joe, Mr. Carey maintained he was not in our Service Area for a number of years, and he wanted to make sure that DOH did not approve anything to the contrary for him.

I had hope to have a draft agreement for you all to look at for this meeting, but I haven't received anything from Joe at this point.

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.

We have also ordered a 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 this past weekend 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. Since we are scheduled to endure another high wind period this week, I'm waiting to contact Enduris as I only want to file one claim. If we file one for this and a second claim for additional damage, it is recorded as two claims and impacts our overall rating – and our 2020 rates. In the meantime, we have closed the dock at the gangway until the damage is repaired. I'll be taking photos tomorrow to document everything for the insurance.

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, we should 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 using a marine electrical contractor from Tacoma. They are submitting a bid for the project this week. The upside of all this is that they are also interested on bidding on our marina project.

I had also contacted Enduris to see if this might be covered, but they determined it is a "wear and tear" issue, which is not covered, so we're on the hook for the repair cost.

US Bank: We received notification from US Bank that they had made deposits to our holding account in the amount of \$194.36 This was for the rebates on our Port credit cards.

Totem Pole Issue: Our totem pole here at is rotting out at the base and needs to be taken down and refurbished. After months of trying to find out which tribe it came from, we came to find out it wasn't a tribal gift at all, as we had been led to believe, but one from George Kenny. Therefore, we are not bound by any tribal issues that prevent us from taking it down and doing what's needed to refurbish it.

Commissioner Cooper has been in contact with someone who can do the actual restoration work, but we will need a boom truck to get it down. Local artist James Kelsey has onehas agreed to do this for us. All we need to do now is coordinate this with Mr. Kelsey and the fellow Commissioner Cooper knows to move this forward.

Parking at the North Shore: We had previously discussed the potential of widening the space across from the North Shore Boat Launch for trailer parking. Olsen & Associates has surveyed the property and marked the corners. There appeared to be quite a bit of marketable timber on the back of the property that could potentially be logged and generate enough money to pay for the project.

I've met with some loggers and came to the conclusion that the timber on the back will cost us more to take it out of there than we can sell it for.

We did come up with another idea however, which is to harvest the timber on the outside edges of the cleared area on the property, which would widen it enough to park about 15 or 16 trailers and tow vehicles lengthwise. We need to put two culverts in the ditch at the road, cover them, and make a new entrance and exit so we had a clear in and out traffic pattern just like we do across the street at the launch. Since this is a county road, and they have jurisdiction, I spoke with County Commissioner Neatherlin about it. He made the case for us to Public Works as to how this will improve safety on North Shore Road by eliminating the vehicles that park on both sides of the road, and reduce the traffic from tow vehicles turning around on the road.

I also met with Earl Iddings, and he is willing to take down the trees on the perimeter of the cleared area in exchange for the wood, so we'd have no cost for that.

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 safety considerations. I have submitted the paperwork for permitting, and it should only take a couple of days to do. As soon as the permit is issued, we will get this out to bid.

Local Attorney: Last month you all approved using the Silverdale legal firm of Templeton, Horton, Weibel and Broughton for routine matters instead of Foster Pepper. Their rate would be \$275 per hour compared to the \$575 we pay Foster Pepper.

They sent me a draft agreement which I've reviewed, and am comfortable signing. I have included it in your meeting packet, and highlighted the sections I expect you would normally have questions about. It is on the agenda for discussion and approval.

Steel Door for the Kayak Park: We had to order this, and Don had it installed before Christmas.

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 spoke with Senator Sheldon on the 27th, and he said WSDOT was basically closed through the end of the year, but he would follow up this month and get back to me.

Appointment of PRPTO Representative: We received a letter from PRPTO Askiong who will be our representative for 2019. This is on tonight's agenda for action.

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.

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 in July, but WPPA hasn't set the date or booked a hotel yet, but will let us know when and where once they've booked it. 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.

All-Ports Meeting: We are convening a Mason County All Ports meeting for January 17, here in this room. We've had responses from all of the Ports - Shelton, Hoodspout, Grapeview, and Dewatto. We also invited the Port of Bremerton as well, and got a response from one Commissioner. We also invited Jack Bailey from the Port of Brownsville, who heads up the Kitsap All-Ports Association.

Old Business:

Transient Moorage Expansion Project: As I reported previously, the state Department of Archeology and Historic Preservation (DAHP) forced us to do an Archeological Survey on the area where we are going to be digging the trench for the power and water conduits. Bill Rehe had suggested we have the survey done on the entire park because additional projects - like the Oyster House - will require one as well, and we will save us money and time in the long run.

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 to the Squaxin Tribe who have approved it as well. Those approvals will allow the final report documents to be forwarded to the Department of Archeology and Historic Preservation as well as the Squaxin Tribe so our project can finally move forward.

Sweetwater Park: Nothing new to report on this. We are still waiting on the property transfer confirmation letter, which somehow got lost at RCO. I emailed Kim Sellers from RCO on December 28, and asked her to look into the status of this. I copied Dana Rosenbach on it and got a response from her saying she had just received an email confirmation and would bring me the paperwork to sign as soon as she received it. We spoke again at the EDC Housing Summit on Thursday and she then told me she had received the paperwork from RCO, but was instructed to sign it and return it, and that they would then send it to me for signatures. Still waiting...

Oyster House: Not a lot new to report on this either. We have had some interest from a couple of contractors in the restoration work, but have had difficulty over the holidays getting everyone who needs to be there in the same place at the same time so all the questions can be asked and answered. I will continue working to set this up.

We did have some back and forth communications with the lobbyists and engineers about getting all the specific numbers right so they can look for funding in the right places.

We are also at the end of Mike Ross's agreed upon time of donated work. He is expecting to be paid from this point forward. He is revising his proposed agreement for us, but I have yet to receive a copy, so I have nothing to pass on at this point.

However, this is on your agenda for discussion. We did meet with Mike this morning, and he has completed and submitted all the bid drawings, so this project can start getting into gear at this point.

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

Criminalization of Marina Rules: Commissioner Jackson is working with Sheriff Salisbury and hopefully, we will soon be able to put this to rest once and for all.

Kitsap All-Ports Association:

The next Kitsap All Ports meeting is January 28.