

**Port of Allyn  
Executive Director's Report  
April 6, 2020**

**Report Items:**

**Financial Issues:** I have concerns about us being able to completely meet our obligations until we receive our property tax collections. The Treasurer had floated a trial balloon concerning deferring this payment until June 1, and asked for feedback. It appears that everyone else's response was similar to ours – saying we would not be able to successfully operate if that happened.

She elected not to extend the deadline, but to deal with non-payers on a case-by-case basis. So we will receive a partial payment on April 30 – primarily everyone whose mortgage company paid their taxes for them. She also said we would continue to receive what does come in monthly as usual. Since the majority of our tax payments come from Lakeland, I expect that while things will be very tight, and we will need to tap our reserves, we'll be okay.

What has really hurt us, was the fact our audit was significantly higher - \$8,800 - than we anticipated and budgeted for, and the Treasurer unexpectedly withdrew \$7,500 directly from our account for election costs – even though we only had one Commission seat up for election – which was unopposed. Also, we have not yet received expected reimbursements from RCO due to a computer issue. Meanwhile, we have zero revenue coming in – no moorage or launch fees, and no Gazebo rentals – which we usually see a spike in right about now every year. Also, we have had to refund both deposits and advance payments for Gazebo rentals because of the Covid-19 stay at home order for events that have been cancelled.

However, there is some light at the end of the tunnel – and it isn't the oncoming train. We have issued a total of 27 Water Availability Letters, which are required for building permits to be issued, and only collected on 10 of those so far. So that is an unbudgeted additional \$80,000+ we expect to receive sometime this year.

We just need the Governor's construction shutdown to end. I do know that the Department of Homeland Security has classified construction as an "essential" service, and that we are only one of four states that have had it shut down. The Building Industry Association of Washington, the Associated General Contractors, and the Association of Washington Business are all working behind the scenes to convince him to allow construction to move forward. His decision appears to be more about political payback than anything else, since all three of those groups didn't support his presidential bid or his current re-election. So we'll just have to wait and see what happens.

Finally, I am looking into what help from the President's stimulus program is available to us. There is a possibility we can recoup some of the money we've lost from Gazebo rentals and launch fees. Banks are administering this via the SBA, so I put in a call to our banker at Kitsap Bank, and he said they are just now getting up to speed on this and he would connect with me this week.

**Yerac Community Utilities Proposal:** Our loan application to the State Department of Health to purchase the Allyn Carey Water System has been approved. There are some hoops we have to jump through, and we still need to negotiate the final sale price and terms with Jeff Carey, but due to the Covid-19 situation, nothing is happening at this point.

**Water System Issues:** As you are aware, we were notified by the Department of Ecology that construction of a new well should have been completed by March 1 - which came as a complete shock to us, but it had been agreed to around 2005 or so in the Water System Plan previous to our 2018 plan. We have requested a three-year extension on the deadline, and Ecology has expressed a willingness to grant that if we can address and satisfy the concerns of the Squaxin Tribe in relation to impacts on Sherwood Creek.

Commissioner Jackson, myself, and Bill Rehe had a conference call with the biologist from the Squaxin Tribe in reference to this. She asked us a bunch of questions, and did say the tribe doesn't want this approval process to be adversarial and they were willing to work with us any way they could to be helpful.

I had previously contacted Doug Piehl of NW Water, about how to proceed with the new well issue and he responded that this is going to be a somewhat large undertaking. He stated that we

could also have NW Water look into this and then set up a meeting with us, them and Ecology and map out a plan of action. However, the more critical focus right now is the Tribe and its concerns.

Doug recommend the first thing we do is contact the hydrogeologist that originally worked on the water right – Robinson Noble - and get them involved. I reached out to them and received a response basically saying, “We’ll be glad to help. Open your checkbook.” Doug also noted that everyone will likely be charging us for their assistance.

The consultant that dealt with the Tribe’s concerns is different than Robinson Noble. I have reached out to them, but have not received a response – most likely due to the Covid-19 situation, but I will be persistent.

Ecology’s main concern with our current well is salt water intrusion due to its proximity to the bay – which is why the requirement for a second well is in the original plan. We test regularly for that and have had no issues at all – which we made it a point to make Ecology aware of in our request for an extension. The tribe is simply wanting to make sure Sherwood Creek is protected.

At this point we continue to explore our options for moving forward. I reached out to Kathleen Barrantes and she told me there is no grant money available for drilling new wells, and suggested we look into the Public Works Trust Fund. She also said there possibly is money available for the acquisition of an adjacent system with an approved well.

One possibility is to expand the Allyn Carey Water System well, but getting someone to look into this has been stalled by both the Covid-10 situation coupled with the Governor’s shutdown of construction. So we are basically in a holding pattern for now on just about all of the issues surrounding this.

**Security Issues:** As you know, we have been discussing installing high-resolution wireless, remote cameras here at the park as well as the Hood Canal boat launch and marina. We want a system that will transmit images from multiple cameras in multiple locations and store them in the cloud for any necessary law enforcement documentation. Commissioner Jackson and myself met with a potential vendor on January 15, and received a bid last month. It was way out of our ballpark - which we expected - but she did offer some suggestions for us to follow up on.

**Electrical Issue:** We believe we have tracked down the problem here, and it will require some additional ground fault circuit interrupter equipment be added that wasn’t part of the original engineering. I have told the vendor for the pedestals – Eaton – to connect with the electrical contractor and solve the problem. Once I get the cost, I’ll submit it to Commerce for reimbursements.

**WPPA Meeting Schedules:** Next up is the Finance Seminar, June 10 to 12 at Campbell’s Resort in Chelan; the Executive Director’s Seminar is July 9 & 10 at Alderbrook; and the Commissioner’s Seminar is July 21 & 22 in Walla Walla at the Marcus Whitman Hotel;

**Renting Our Small Office:** Nothing new to report on this.

**Totem Pole Issue:** James Kelsey and I finally connected and agreed to try and meet next month – which is as soon as he is available.

**Old Business:**

**Oyster House:** As you know, our current part of the project is to get the launch ramp removed and the pilings driven.

You previously approved a contract with Art Anderson for all the engineering, design work and bid document preparation for this of \$52,590. I had also asked them for a recommendation of a firm for the Geotechnical report about the soils and where the pilings need to be driven. They recommended a firm they work with quite a bit - Krazan. They submitted a bid of \$10,875, which is higher than the \$6,800 bid we got from Envirotech. I asked Bill Rehe to review this as it appears to include a lot more work than the Envirotech bid, and am still waiting on an answer. Bill did suggest asking another company he recommended for a bid. I contacted them, and received a response saying they were out of the office until April 20. So once again, we are just marking time.

Once the design work is finished, and the Geotech report is done, we can proceed with the Army Corp of Engineers (ACOE) permit. Once we have that we can begin the demolition, although

because of the fish window we have to wait until July. But aside from getting these things ready to roll, we are in a holding pattern until we get the work done and the ACOE permit.

**Sweetwater Park:** As reported previously, Joe Brogan has said the water rights issue is a red herring, and that if the Salmon Center wants to do the water wheel, they will have to coordinate with Ecology to apply for permission for non-consumptive use. That doesn't have anything to do with us. So I have given Joe the go-ahead to close.

However, we believed the easement issue could require a survey to find exactly where that easement is located. Ken Van Buskirk actually told me that a survey had been done, and I have reached out to the NMSD to ask for a copy. Also, while it is customary for the seller to pay for the title insurance, the NMSD is balking on that since this is an intergovernmental transfer and no money is changing hands. Joe recommends that we insure against the title issues, and pay the difference between the standard title policy and an enhanced one. The total cost is around \$1,800. Joe has the closing documents in the works and I should receive them shortly.

**Staging Area Development:** Not much to report on this. I did turn in about \$6,200 worth of reimbursements, but since only 75 percent will be reimbursed, we'll see a little over \$4,800. However, the entire PRISM system at RCO went down, along with its backup server, and it looks like I will have to redo the entire submission process from square one. I have also begun looking for consultants to determine the amount of mitigation we need to do for things like hazardous materials, but like everything else, because of Covid-10, this is in slow motion.

**All-Ports Meetings:** The next Kitsap All-Ports meeting is April 27. Whether it will be held or not, or rescheduled, is still up in the air. Any of you are welcome to attend, as Commissioners are usually there as well.

**Transient Moorage Expansion Project:** This project is essentially complete, I have submitted the additional reimbursements, and had previously submitted a Scope of Work amendment form to our grant manager at Commerce to deal with the fire issue, and it's been approved.

We asked Art Anderson & Associates to work up an Engineer's Estimate so we at least have an idea of how much money we'd need, as well as get a clarification of exactly what we would need to do. They contacted the fire marshal, as in reviewing the code requirements, one question that would significantly impact costs is whether or not a sprinkler system is required for the dock. Art Anderson believes it is not required, and cited several code sections dealing with this in a note to the Fire Marshal. However, the Fire Marshall says if we do anything, we will need to put sprinklers in – period. Scott was going to try and talk to him and see if there's an alternative or some kind of mitigation – or we can just do nothing.

I will have some additional reimbursements to submit for the additional ground fault circuit interrupter equipment once it's installed.

**Criminalization of Marina Rules:** Once we get the cameras in place, we can move forward on this. Until then, nothing is going to happen.