

**Port of Allyn
Executive Director's Report
November 2, 2020**

Report Items:

Financial Issues: We have gone through BIAS line by line and have fixed a multitude of things that were put in wrong during the original setup, as well as since then. Jan Lusignan - who helped us get the budget done - has helped us clean up numerous issues in BIAS, and I am confident that when we are finished, it will run smoother than it has since we made the switch. We have put in a number of Saturdays and some evenings on this, but it's nearly done. And while most things are reconciled, and up to date, we still have some additional work to do, but we're in the home stretch.

Some of these are issues that BIAS got wrong in the initial set-up back in 2018. We were their very first Port client, so some of that is understandable. Because our system has entries over multiple years, we can't change some things, and Jan has fixed as much as possible so that going forward, we won't see these problems - which also makes things easier for the State Auditor.

Water System Issues: As noted last month, we will need to hire or contract with a certified Water System Manager. We are negotiating with Northwest Water Systems – the company that did the update to our Water System Plan - about exactly what the contract will cover. I believe we're close to a very workable plan, at a reasonable cost, and significantly under what we budgeted for 2021. It will add cost as the system grows, but will still be under that budgeted amount at full system build out. It also includes water sampling and testing – which we pay for separately now – as well as all the paperwork submission our current water system manager does. So between what we pay for testing, and pay the current water system manager, we will save \$3,100 per year, which will offset some of the cost of the management contract.

I am also in preliminary talks with Northwest Water about planning for our infrastructure upgrades and extensions to service both Cedarland and the Housing Kitsap when they are ready to start construction.

As you know, we have requested a three-year extension on the new well installation deadline, and Ecology has expressed a willingness to grant that if we could address and satisfy the concerns of the Squaxin Tribe.

We have contracted with Aspect Consulting - the firm that addressed the tribal concerns in our original Water Right Application. Those same concerns were raised again after our well extension request to Ecology. We are working directly with the very same person who handled the original application, and after discussions with the tribe, he says everything they expressed concern about for our extension request has been satisfied and the Tribe will recommend to Ecology that we be granted the extension. I forwarded Aspect's email to all of you saying this a couple of weeks ago.

We've also had a request from the Allyn Carey Water System to use our well as a comparison well for pressure testing. We were led to believe it is a State requirement. Mr. Carey forwarded a letter to me from Robinson Noble – who also did the original engineering for our system and Water Right - explaining what the purpose of this test is, and exactly what it entails in relation to our well. I included this letter in your meeting packet, and at Mr. Carey's request, sent a copy to our current Water System Manager for his input.

I also spoke with the engineer who wrote the letter, and asked him exactly why this test is required. He told me the Allyn Carey Water System is attempting to expand their Water Right, and this is a requirement in that process. I have serious reservations about allowing this, because if the Allyn Carey Water System is granted an expansion of their Water Right, it could put them in a position to directly compete with our system for customers in our designated service area. Currently, they are limited by their existing Water Right to 14 hook-ups and/or 5,000 gallons a day draw from the aquifer.

I confirmed this with the engineer, who later qualified his remarks by saying he can speak directly to the hydrology issues but not the business issues. However, he did reluctantly say he agreed with my assessment of the situation – as did our Water System Manager.

However, the engineer also told me the loan/grant program that we were originally going to use to acquire The Allyn Carey Water System is still active. I confirmed this with the DOH, and the manager there – who we dealt with originally – and she sent me a lot of information about what we can do to facilitate this if there is interest on the part of the Careys. Also, in a worse-case scenario, we do have the option of Eminent Domain if we were so inclined.

So I have put this on the agenda for your discussion, and a decision on how to proceed.

Housekeeping Issues: There are a number of Resolutions on tonight's agenda. Except for the Public Records Policy update they are primarily end-of-the-year housekeeping issues like the required resolution to approve the 2021 Budget, the one-percent Levy increase, the Levy Certification form – which doesn't need a Resolution, and we need to update and extend the expired Covid-19 Resolution.

Security Issues: I thought I may have found a camera system that will do what we need. However, there isn't one single system that will allow us to tie all our facilities together via Bluetooth and/or the internet because there is no Wi-Fi at the North Shore. So we will need at least three of these – and possibly four. I also had a representative from ADT out to look at our sites and see what they had to offer.

It was then I discovered we were going to have a problem tying the cameras at the marina to the rest of the system here in the park due to voltage drop created by the length of the dock.

Except for that, the Lorex system I originally thought would work here, still will. I'm looking into ways to solve the voltage drop issue. Another solution could be to use several smaller systems – which could all be monitored separately. ADT may have a product that will work but the rep was going to check and get back to me this week. However, the North Shore is more of a challenge due to the lack of Wi-Fi out there. However, the Lorex system will work at the launch for sure but the marina is still a question mark.

I'm going to keep working at this though. We may end up with three or four different systems that can be monitored remotely, but separately, and I'm still hopeful we can find one that will tie everything together. I've also contacted our grant manager for the marina project and sent her a Scope of Work Amendment to cover the cost of this for the marina. That way, at least we would not have to pay for that portion of it. Any change in scope has to be approved by the legislature, and I have reached out to both Rep. Griffey and our lobbyists trying to push this forward.

WPPA Meeting Schedules: The Annual Meeting is set for Wednesday, December 2, starting at 8 a.m. and running until Friday, December 4 at noon. This was changed from an in-person meeting to a virtual meeting. We are waiting on registration and agenda items from WPPA.

Since this is a Zoom meeting, we could watch it downstairs on the big screen and still be able to social distance. We could also have breakfast and lunch brought in if you wanted to do that. I need to know your availability for the Annual Meeting so I can get everyone registered.

Port Day in Olympia is set for Tuesday, February 2, at the Capital.

Policy Updates: Early in the year, I told you I would be looking at our Policies and Procedures and updating them where it was appropriate. On the agenda is an update to our Public Records Policy. Our previous Policy only stated that we would comply with any and all state statues concerning this, and called them out by the specific WACs. However, this is a much more detailed version and doing this update was strongly recommended by Steve DiJulio, who provided the boilerplate language for it. There is a Resolution on the agenda for its adoption. Also, next month I will have an updated cyber-security policy.

Redistricting: At the Small Ports Meeting two sessions were spent on the process of Redistricting. When the census results become available in May, we will have 8 months to draw new Commissioner District boundaries consistent with the census information. Our deadline for completing this process is January 15, 2022. This will require engaging a consultant, some public hearings, and cost upwards to an estimated \$10,000 or so. We will have to budget for this in late 2021, and I anticipate we will be doing a mid-year budget review, so we can address it then. I'm going to contact some of the other Ports and see if they would be agreeable to sharing a consultant to hopefully reduce costs and see what they say – as well as some of the other taxing districts as they all have to go through this process. I'll keep you all in the loop as this moves forward.

Marina Float Maintenance: We had a diver scheduled on Friday to clean the growth off the floats at the marina, but because of the 25-knot winds the day he was supposed to do it, he was forced to reschedule. I also had him inspect the ones on the North Shore as well.

The North Shore has never been cleaned in the 19 years LeAnn has been here - which means they most likely never have been at all. The diver said the growth on them goes to the bottom. He is going to submit a written proposal for cleaning everything sometime this week.

Computer Upgrades: The computers we have now are almost 5 years old and are dying slowly but steadily. They were top-of-the line Dell laptops when we bought them, but they have had problems almost from Day One. Mine is especially problematic at this point and as much as I'm babying it, I expect it to die sometime in the very near future. LeAnn's isn't quite as critical but isn't too far behind mine. They both have startup issues and every week when Microsoft does its weekly security patches, there is some kind of new software compatibility issue semi-regularly.

All of your iPads are out of date as well. Since all of you are Microsoft users, would you prefer to change your iPads to Microsoft Surface tablets, an Android-based tablet, or the latest iPads?

I intend to switch our office computers to Macs. Their lifecycle is longer – usually more than 5 years - they have much fewer maintenance problems, fewer software compatibility issues, and are much more secure. They also aren't subject to the ongoing problems created by those weekly Microsoft security patches.

Macs are compatible with BIAS because it's web-based and hosted. It's not platform-specific software residing on our machines. I confirmed that again with BIAS on Friday. There is also a Mac software translator that mirrors Windows on the Mac that it can be used with as well. I personally have used that software translator to run QuickBooks on my own Mac with no problems. There is also a Mac version of Microsoft Office 365. Since that is hosted in the cloud, it's compatible as well.

We have \$8,000 in the 2020 budget for upgrades for both the office and all of you that we haven't used, and we have \$9,000 in the 2021 budget for these. I would like to move forward with this as soon as possible – perhaps upgrading our office computers right now and your tablets right after the first of the year.

Totem Pole Issue: Commissioner Cooper suggested that since the totem pole has no tribal or historical significance, maybe we should just take it down and replace it with something else.

Port Centennial: In 2021, the Port will be 100 years old. Perhaps we should have some kind of public open house event to celebrate this, and I wanted to get your input on it. I need to find out the exact date the Port was chartered, and we could plan it for that date – or a weekend around there. Maybe having some kind of commemorative plaque or monument would be appropriate – and it could be placed where the totem pole is now.

Old Business:

Oyster House: We have both the Geotech Report and Topographical Survey complete and received a set of draft engineering drawings. However, Bill Rehe said we needed the drawings to be more complete to be able to apply for the Army Corp permit, which we need to remove the launch ramp. Art Anderson said we will have those this week. Once we have that permit in hand, we can take out the ramp – which we need to do by year's end or the fish window closes. We also need the drawings completed to be able to go out to bid for construction of the platform.

My biggest concern is the time it may take the ACOE to approve and issue the permit. I will reach out to Rep. Kilmer and our lobbyists if need be to see if we can move it forward quickly.

Sweetwater Park: As reported previously, we have been approved for an RCO grant of \$486,436. However, the project was Number 60 out of 80 projects listed, so whether or not it gets funded will depend on at what level the legislature funds RCO's projects. However, Rep. Griffey has told our Lobbyists that he expects all 80 projects to be funded. When I know more, I'll pass on what I learn.

I talked to the Salmon Center and they are willing to pay for half the cost of a large sign announcing the project.

Staging Area Development:

We are almost finished with this project. We are still waiting for the PUD to set the light pole and we will run a water line and conduit for security cameras to what will become the median – which still has to be built. After that, all we need is to put the signage – which we have – in place, and at least one more layer of rock. But I'm leaning towards two layers for the staging lanes – one soon to be naturally compacted - and another right before we open. There is no real rush on this as we're not busy at the ramp at all right now and won't be until spring.

Boating season opens the first Saturday in May, so as long as we're ready by then, we'll be good – although I'm shooting for a ribbon cutting in late March or early April.

I had turned in all the invoices I had for reimbursement for this project well over two months ago. However, PRISM continues to have issues, and twice since I submitted them, weeks later, I'd gotten letters from RCO saying they need to be finalized to be processed. I've talked to our Grant Manager when I got the first one, and she went in and looked at it and said there wasn't any problem, and it had been finalized and approved for processing.

Then last week I got another letter saying the same thing. I called her again and contacted the IT manager who said he'll look into it as well. However, the next day I received a notice from him saying it had been processed and approved, and we received the reimbursement funds this past Thursday. Between both this and the Oyster House, we have collected over \$50,000 in reimbursements in the past two weeks.

Transient Moorage Expansion Project: This project is complete, except for the potential of expanding the fire flow capacity - which we are not going to move forward on at this time. However, before the grant closes on June 30, as noted earlier in this report, I'm seeking an expansion of the scope of the project to include security cameras. I'm going to keep it open until a final decision is made on that and how we are going to proceed with the fire flow extension – if at all.

All-Ports Meetings: As of now, with the Governor's most recent dictate, things are up in the air, with nothing scheduled.

Criminalization of Marina Rules: Once we get the cameras in place, we can move forward on this. Until then, we are in a holding pattern.

Timber Tax: Commissioner Cooper has asked me to look into Timber Tax revenue. In September, we received a little over \$2,100.