

**THE PORT DISTRICT OF SOUTH WHIDBEY ISLAND
REGULAR MEETING**

Meeting held at South Whidbey Parks & Rec District, 5475 Maxwellton Rd, Langley WA
Tuesday, July 9, 2013 *at 8:00 p.m.*

AGENDA

WORKSHOP (7:30 – 8:00 P.M.): Commission review of vouchers and recent correspondence

REGULAR MEETING CALL TO ORDER and PLEDGE OF ALLEGIANCE

BUSINESS MEETING

Consent Agenda

1. Approval of Current Vouchers (dated July 2013) in the amount of \$108,784.38
2. Approval of Minutes from the Regular Meeting of March 12, 2013

FINANCIAL UPDATE

May 2013 Financial Statement

Finance Manager Update

PUBLIC COMMENT – Items not on Agenda: Please limit comments to 5 minutes

ACTION ISSUES

South Whidbey Harbor Update

1. Phase 1 Project: Breakwater Relocation with Uplands & Utility Improvements
 - A. Construction Issues
 - Progress to date
 - Current cost issues
 - B. Funding Issues
 - Cash flow projection for Phase 1
2. Overall Permit (submitted 2009):
3. Boat Ramp Boarding Floats
 - A. Contract close-out approved and completed
 - B. RCO funding: additional project possibilities
4. Harbor Operations
 - A. Outside Mooring: Design/evaluation update
 - B. Offsite Parking at LMS (ref. Memo of Understanding w/City & School District)

Possession Beach Waterfront Park

1. Ramp Rebuild BFP Planning Grant from RCO

Port Operations

1. Port Comprehensive Scheme for 2013-2019
2. Humphrey Road Parking Lot Fees
3. PSGP Marine Surveillance Camera Project
4. July Meeting Schedule

New Project Opportunities

1. Mukilteo Parking Issues

ACTIVITIES/INVOLVEMENT REPORTS

Economic Development Council (EDC): Gordon

Council of Governments (COG): Gordon

Skagit-Island Regional Transportation Policy Organization (RTPO): Gordon

1. Response from Port of Coupeville re: Annual Rotation of Policy Board and TAC positions

Marine Resources Committee (MRC): Gregoire

Washington Public Ports Association (WPPA): Jerome

1. Trade & Economic Development Seminar, August 22-23 at Great Wolf Lodge, Centralia

Langley Shoreline Master Plan Committee: Gregoire

Island County Shoreline Master Plan: Gregoire

OLD BUSINESS

NEW BUSINESS

ADJOURNMENT

PORT DISTRICT OF SOUTH WHIDBEY ISLAND

Minutes of the Regular Meeting

July 9, 2013

Langley, Washington

Commissioners Present: Curt Gordon (Clinton) and Chris Jerome (Langley) **Absent:** Dennis Gregoire (Freeland)

Others Present:

Port Staff: Ed Field (Port Operations Manager), Angi Mozer (Port Finance Manager) and Molly MacLeod-Roberts (Port Clerk); **Others:** Jim Sundberg (Langley City Councilmember)

MEETING CALL TO ORDER: Following a Workshop from 7:30 p.m. to 8:00 p.m. for informal Commission review of vouchers and recent correspondence, the Regular Meeting of the Port District of South Whidbey Island's Board of Commissioners was convened on Tuesday, July 9, 2013, at the South Whidbey Parks & Recreation District Meeting Room at 5475 Maxwellton Rd., Langley, Washington. Commissioner Curt Gordon (President) called the Regular Meeting to order at 8:03 p.m., followed by the Pledge of Allegiance.

CONSENT AGENDA

Approval of Current Vouchers: Vouchers audited and certified by the Auditing Officer as required by RCW 42.24.080 and those expense reimbursement claims certified as required by RCW 42.24.090 have been recorded on a listing which has been made available to the Board, and have been presented to the Board for review. The vouchers so listed and presented are summarized on the attached Voucher Listing (**EXHIBIT A**).

Approval of Minutes: Minutes from the Regular Meeting of March 12

ACTION: A Motion was made by Commissioner Chris Jerome and seconded by Gordon to approve the Consent Agenda as submitted, including the authorization and acceptance of Vouchers dated July 2013 as signed today in the amount of \$108,784.38.

FINANCIAL UPDATE

May 2013 Financial Statement and Finance Manager Report: The Commission acknowledged receipt of the May 2013 Financial Statement (**EXHIBIT B**) which had been distributed to them previously. Port Finance Manager Angi Mozer said the Port received \$123,000 in tax, operating and grant revenue and incurred \$196,000 in operating and capital expenses during May 2013. Ending cash balance at 5/31/13 was \$1,012,000, consisting of \$500,000 in the Bond Fund and \$512,000 in the General Operating Fund. She explained that the South Whidbey Harbor invoices for the next couple of months are anticipated to be substantial, so she proposed and recommended transferring \$289,387.35 from the bond fund to reimburse the general operating fund for Reid Middleton's expenses incurred for the Harbor Expansion project from 2008 through 2011. She presented Memorandum 2013-2 (**EXHIBIT C**) for that purpose. After this transfer, Mozer's current projection indicates no other transfers would be needed until after December.

ACTION: A Motion was made by Jerome and seconded by Gordon to approve Memorandum 2013-2 as presented and authorize the transfer of \$289,387.35 from the General Obligation Bond Account to the General Operating Account. The Motion passed unanimously.

Gordon provided his signature as President.

PUBLIC COMMENT – Items not on Agenda: There were none.

STATUS REPORTS

South Whidbey Harbor Update

Phase 1 Project

- **Construction:** Port Operations Manager Ed Field said construction progress has been fairly slow the last couple of weeks and that will continue for the next week or so. The contractor has been working on concrete repairs and replacement of the walers on the breakwater, and there is a lot of off-site fabrication being done during this time. The contractor will be mobilizing next week and the pre-construction meeting has been scheduled for Monday, July 22nd. Field expects that next week the contractor will provide a more detailed schedule of the marine activities for the next 4-5 weeks.

Field said the contractor had given him a “heads up” that the Port would need to plan an inspection next year of the new facility, including checking and tensioning of the lines, maintenance, etc. as needed. The contractor recommended the Port budget \$20,000-\$50,000 for that process.

Minor cost changes: The anchor bolts holding the walers had corroded and were actually replacement bolts, so Neptune Marine is putting in new anchor bolts all the way around to hold the walers in. DynaCrete (a high tech, low viscosity sealant) will be used on the areas where the concrete is cracking and will provide a better wear surface and better integrity long-term. There will be additional costs involved with the new utility hangars that are currently being fabricated. Field noted that the old hangars were “just completely gone” so there was no choice but to replace them.

Gordon asked for the total of cost overruns to date, and Mozer said it was \$19,672. City Councilmember Jim Sundberg asked if the Port had any additional information regarding the cost of adding outside mooring to the breakwater. Field said it is a little more involved than he hoped it would be and noted that there are a fair amount of ancillary costs (complete cleaning of the outside face, etc.) that would be part of it. It does appear that it would not be much more expensive to do it next year vs. this year.

Jerome asked if there was any indication that the inspection would be an annual maintenance expense and Field thought it would be a *decreasing* annual maintenance expense. Jerome said it should be included in the asset inventory maintenance matrix and Staff agreed.

Field noted that the last major inspection of the Harbor (the existing marina) was done ten years ago in conjunction with the Harbor Master Plan process, and the resultant report suggested that the Harbor had a remaining design life of 10-15 years. As the contractor began work on the gangway platform, Field said they observed that the timbers and structural members around that area appear to be in “good, sound, solid shape,” but when they lifted the deck boards, they noticed that the nails and nail heads had corroded, so connections in the structure might be deteriorating even as the structural members remain sound. He believes another engineered inspection (including underwater) is needed. Jerome agreed, adding that it should be done before the Port embarks on any new phase because it might be that the whole thing has to be replaced. Gordon agreed completely, and said they could do a thorough inspection of the existing marina at the same time as the inspection/adjustment of the completed Phase 1 project in 2014. Field thought that could be a very good approach.

Jerome said another reason he supports the inspection project is that he is starting to think the Port should not proceed to anything beyond this Phase 1 until there is a new Harbor Master Plan and a new InterLocal Agreement (ILA) with the City of Langley, because the current ILA will no longer apply once this project is done. He believes completion of Phase 1 will discharge the contractual obligations the Port has under the existing ILA. Field agreed, adding that the Port will have accomplished all the improvements identified in the ILA in exchange for the transfer of ownership of the marina.

Within the next year, Jerome said the Port would need to have a discussion with the City about what happens next and do a Harbor Master Plan, and the Port will need the information from the inspection to feed into it. Field was directed to get some estimates for the inspection project for the 2014 budget.

Funding: Mozer referred the Board to their copies of the Predicted SWH Construction Project Cash Flow Scenarios (with one-month and two-month RCEDF turnaround time (EXHIBIT D)). As requested at the previous meeting, it broke out the 10% contingency on a separate line and added a line for the change orders already experienced.

Mozer also reported that May's Harbor revenue was very good; higher than the previous 2 years. Gordon reiterated his belief that once Phase 1 is complete, the Harbor should be operationally self-sufficient and no longer paid for with tax dollars. Jerome agreed, and added that when the Port and City have discussions regarding planning issues, he has tried to emphasize to the mayor and his staff that this project is benefitting the City – the Port is not winning anything here. He said, *"I feel quite strongly about this. I would like the City to act like this is for them and not act like they are doing us a favor."*

Jerome reiterated the need for a Harbor Master Plan and stressed that it must be done jointly with the City of Langley, because the City needs to have some vested ownership in this. As a Port Commissioner, he is very leery about doing any other development without a Master Plan that the City and the Port have agreed to and actually describes what we're doing. Gordon asked if the Port should then shelve the grant applications that would need to be submitted in September/October for the next phase. Jerome said his sense is that the process will take 2-3 years before the Port is ready to build anything else, so unless the grants can be funded and set aside without saying "this is what we're going to build and this is when we're going to build it," then we shouldn't apply for them. He added that in order to have a successful grant application, the Port would need a long range plan and would need the operational experience of running the expanded Harbor for a length of time. There's also a major project coming up at Possession and there is lot more to the Port District besides the Harbor. Gordon agreed and said he was good with the next phase being a planning phase. Field said the Port's chances for grant funding for the next phases would be hurt without a Master Plan in place and greatly helped by having a Master Plan (awarded points).

Jerome added, *"And before we build anything else, we all have to have agreed what the parking solution is. I'm tired of having the City ask me and us 'What are you going to do about parking?' It should not be our problem, quite frankly and I want the City and the Port to agree how it is going to work. Because I strongly feel we are doing these projects to benefit the economy of the City of Langley, and every time we try to move forward we get 'Oh, yeah, yeah – but what are you going to do about parking?'"* The Commission agreed that there must be an agreement for parking in place before the Port does anything else in the Harbor.

Overall Permit: Field spoke with Joe Callaghan of GeoEngineers earlier in the day and reported the latest information regarding the mitigation banking issue. Callaghan is aware of wetland banks; he's not aware of marine banks. There is a distinction at the Corps between the two. He also said that any of the banked mitigation for marine stuff that he's aware of is something that a major port is doing in-house (larger scale).

The mitigation agreement in place right now for the Port involves 5 years of monitoring (in Years 1, 3 and 5) and Callaghan estimates that cost at \$5,000 per monitoring and reporting event for a total of \$15,000.

The Commission discussed Commissioner Dennis Gregoire's concerns that by doing the eelgrass monitoring as mitigation, it would preclude the Port from doing anything in that area. Field noted that the original Master Plan had a boardwalk all along the waterfront and it was the first thing to go in the permit process because it was "shading along the beach." The eelgrass beds existed everywhere except

underneath the Hein dock before the Port took ownership. If you wanted to cover it up, you would have to mitigate that by providing 2-3 times as much space for eelgrass and monitoring somewhere else. The eelgrass monitoring was mitigation that the Port had on-site, and the plans at the time indicated the Port would not be using that area. Since the conversation with Callaghan took place on the phone, the Commission directed Field to ask GeoEngineers to provide a report summary and have them address Gregoire's specific questions/concerns in it as well. Jerome said, *"So basically we may have lost the ability to just rebuild the Hein dock (if that's what we wanted to do), but there is no bigger project that we could realistically have done."* Gordon and Field agreed that was very well put.

Boat Ramp Boarding Floats: Contract close-out approved and completed; all that remains is to invoice the State for approximately \$6,000 reimbursement funds. Staff was still trying to come up with additional project possibilities for the \$100,000 of unused Recreation and Conservation Office (RCO) grant funds. Harbormaster Duncan McPhee noted that the grating on the existing gangway is wearing out. Since the gangway was paid for with Boating Facilities Program funding, he wondered if the unused grant funds could be used for its replacement. Field and Mozer said they would ask the RCO agent if it would qualify.

Harbor Operations

- Outside Mooring Design/Evaluation: No update.
- Offsite Parking at Langley Middle School: No update.

Possession Beach Waterfront Park

- **Ramp Rebuild Boating Facilities Program (BFP) Planning Grant from RCO:** The grant manager has requested a schedule for the scope and process. Based on the Port's experiences on all its projects, Field questioned: Does this project need to be one that's led by an environmental/permitting specialist or one that's led by a designer as far as a consultant lead? He explained there are three different aspects of the design process: 1) Technical design, 2) Coastal engineering (wind/wave exposure, conditions and possibly major computer modeling), and 3) Biological piece. All 3 aspects go into design and permitting, and Field explained that historically an agency would hire a designer who would then incorporate all those aspects. Now, to be more efficient he said you almost have to start on the permitting piece of it. Jerome suggested this is similar to the way the Commission sought consultants for the Comprehensive Scheme, with those consultants presenting their "pitch" for the process. Gordon agreed, and said the Port could send out a Request for Qualifications (RFQ) that identifies the project, and consultants could present their plans on which way they would handle it (with an environmental lead or with a designer lead).

Gordon asked about the grant manager's deadline and Mozer said they should be able to provide a "skeleton" schedule to RCO by July 15th as requested.

The Commission agreed to send out an RFQ for the project and interview consultants just as the Port did with the Comp Scheme. Field noted that Port Orchard had sent out a request for Letter of Interest and Statement of Qualifications rather than a full-blown proposal, in anticipation of doing a detailed interview. He agreed to provide a draft for the Commission at the Special Meeting on July 30th.

Port Operations

- **Port Comprehensive Scheme for 2013-2019:** Makers has provided an updated Schedule for the Strategic Plan and Comprehensive Scheme (**EXHIBIT E**). Mozer explained that it basically pushes completion of the Comp Scheme out until the end of October, which is 3 months later than originally planned. She noted that the current Comp Scheme expires in August, so she will follow up with the Port's legal resources to determine if it can be "re-adopted" for the interim. Any formal action needed will then occur at the regular August meeting. The next meeting with Makers is planned for the 3rd week of August.

- Humphrey Road Parking Lot Fees: Notice of the change in daily rates as of August 1st has been posted at the parking lot and new signs have been ordered.
- Port Security Grant (PSG) Program – Marine Surveillance Camera Project: Mozer has a rough draft of the Request for Proposals and said she will work with Field on it. She will then check with the Marine Exchange (Port's fiduciary agent) to make sure all the federal requirement language is in it.
- July Meeting Schedule: Special Meeting on July 30th at 6:30 p.m., following a workshop from 6:00-6:30 p.m.

New Project Opportunities

- Mukilteo Parking Issues: No update.

ACTIVITIES/INVOLVEMENT REPORTS

Gordon: Economic Development Council (EDC), Council of Governments (COG) and Skagit-Island Regional Transportation Policy Organization (RTPO), and Clinton Community Council (CCC)

EDC: Did not meet in June; will meet later this month.

COG: Did not meet.

RTPO: Did not meet. The Port of Coupeville had provided a letter (**EXHIBIT F**) in response to the Commission's request regarding current representation on the RTPO and the Technical Advisory Committee (TAC). Coupeville agreed that it should remain unchanged until January 2014, but their Board would prefer to rotate positions every two years rather than every year. The Commission agreed that would be fine, and directed Field to notify the Port of Coupeville of their agreement.

CCC: The CCC is now an official 501c(4) organization. They are still working on getting Island Transit to provide bus service on Sundays and additional buses on Saturdays.

Jerome: Washington Public Ports Association (WPPA): No report. Gordon said he might attend the Trade & Economic Development Seminar August 22-23.

Gregoire: Marine Resources Committee (MRC), Langley Shoreline Master Plan (SMP) Committee and Island County SMP Committee: Since Gregoire was absent, there were no reports.

OLD BUSINESS: There was none.

NEW BUSINESS

Island County Fairground Strategic Planning Process: Jerome had attended one meeting and thought it was very interesting. Gordon and Sundberg both attended the meeting held earlier today that was called by Island County Commissioner Helen Price Johnson and was attended by various local representatives who might be able to help fund the consultant's estimated cost of \$65,000 for a Strategic Plan for the Fairground. Dan Ollis was the only representative from the Fair Board, and he indicated they could come up with about \$20,000. Gordon said there was representation from South Whidbey Parks & Rec, South Whidbey School District, City of Langley, Port of South Whidbey, Washington State University Extension, EDC, and the Chamber of Commerce, but no one has any money. He told the group that there are planning grants available and suggested they should try to obtain one for the process using the \$20,000 for the match.


Gordon further explained that the Fair Board is considering having an entirely separate management group that would manage the rest of the facilities leaving the Fair Board to run just the 4-day annual Whidbey Island Area Fair (fka Island County Fair). Jerome said the consultant who presented the concept at the 1st meeting had noted that a lot of fairs have done it (separated it into a property management piece and a fair production piece). Gordon and Jerome agreed the Strategic Plan was a good idea, but thought \$65,000 might be a little high. They would encourage the Fair to send out an RFP and engage in a competitive bid process.

Gordon said Price Johnson had an interesting idea that was very creative. With the Rural County Economic Development Funds (RCEDF), there have been so many poor applications for them and such controversial use of them (i.e. sewer, etc.) that the law locally has been just picked over for a very clear understanding of what those funds can be used for. They are specifically for economic development infrastructure (utilities, road, harbor facility), but Price Johnson was able to find leeway for an EDC to use the funds themselves. So they are trying to find a way to get an RCEDF grant to pay EDC to hire the consultant to do the Fairground's Strategic Plan. Gordon said in that case it would behoove the Port to go in together on that grant since there is an economic development piece to it that is worthwhile. Jerome agreed.

EXECUTIVE SESSION: At Field's request, the Board of Commissioners went into Executive Session at 9:45 p.m. for an expected duration of 15 minutes to discuss the performance of an employee. The Board came out of Executive Session at 10:03 p.m.

ADJOURNMENT: The Meeting was adjourned at 10:04 p.m.

Approved:



Commissioner Curt Gordon, Clinton

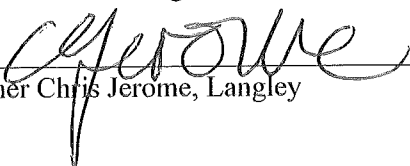
Minutes reviewed by:



Edwin S. Field, Port Operations Manager

ABSENT

Commissioner Dennis Gregoire, Freeland



Commissioner Chris Jerome, Langley

- Exhibit A: Voucher Listing
- Exhibit B: May 2013 Financial Statement
- Exhibit C: Memorandum 2013-2: Transfer of funds from Bond Account to General Operating Account
- Exhibit D: Predicted SWH Construction Project Cash Flow Scenarios
- Exhibit E: Makers' Revised Schedule for Strategic Plan and Comprehensive Scheme
- Exhibit F: Port of Coupeville letter dated 6/21/13 regarding RTPO/TAC positions