

AGENDA
THE PORT DISTRICT OF SOUTH WHIDBEY ISLAND
SPECIAL MEETING of the BOARD OF COMMISSIONERS
Wednesday, December 8, 2010 at 8:30 am
Port Office Conference Room, 1804 Scott Rd Suite 101, Freeland, WA

SPECIAL MEETING CALL TO ORDER

1. Pledge of Allegiance

FINANCIAL ISSUES – Commission Action

1. Approval of Vouchers #4592 through #4638 (as signed today) in the amount of \$119,805.63

PROJECT ACTION ISSUES – Commission & Staff Review and Direction

1. Design, Cost & Schedule Issues for SWH Expansion Phase 1A
 - A. Proposed Feasibility Review of Possible Reconfiguration
 - B. Vibratory vs. Impact Hammer Criteria for Permitting?
 - C. Schedule Impacts

UPCOMING MEETING COORDINATION – Topics and Venues for:

1. December 14 Regular Meeting
2. January 11 Regular Meeting
3. Major Port Meeting & Event Schedule for 2011 – DRAFT – Incl. discussion of...
 - A. Meeting with IC FD #3 Commission re: Port Security Grant ILA: January 11 (Tent.)
 - B. Meeting with IC Sheriff (and Commission?) re: Port Security Grant ILA: TBD
 - C. RCO Grant Application Schedule for BFP: Float & Uplands Project

ADJOURNMENT

PORT DISTRICT OF SOUTH WHIDBEY ISLAND

Minutes of the Special Meeting

December 8, 2010

Freeland, Washington

Commissioners Present: Geoff Tapert (Freeland), Chris Jerome (Langley) and Curt Gordon (Clinton)

Others Present:

Port Staff: Ed Field (Port Manager), Dane Anderson (Port Finance Manager) and Molly MacLeod-Roberts (Port Clerk); **Others:** Tony Grove (Whidbey Examiner).

MEETING CALL TO ORDER: The Special Meeting of the Port District of South Whidbey Island's Board of Commissioners was convened on Wednesday, December 8, 2010, at the Port office conference room at 1804 Scott Rd. in Freeland, WA. As announced, the primary purpose of the Special Meeting in workshop format was to conduct a workshop for Commission and staff to evaluate the feasibility of alternate configurations for the first phase of the South Whidbey Harbor Expansion Project and related permitting considerations. The Board will also be reviewing schedules and events for the coming year. Although the Meeting was of course open to the public, this Special Meeting was scheduled to enable the Commission to address project and permit criteria in detail along with scoping and prioritization with Port staff, and public participation was not on the Agenda. Commissioner Tapert, President, called the Special Meeting to order at 8:35 a.m., followed by the Pledge of Allegiance.

FINANCIAL ISSUES – Commission Action

1. Approval of 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**).

ACTION: A Motion was made by Commissioner Gordon and seconded by Jerome to accept and authorize Vouchers #4592 through #4638 for a total amount of \$119,805.63. The Motion passed unanimously.

PROJECT ACTION ISSUES – Commission & Staff Review and Direction:

1. Design, Cost & Schedule Issues for South Whidbey Harbor (SWH) Expansion Phase 1A:

A. Proposed Feasibility Review of Possible Reconfiguration: Commissioner Gordon's proposed reconfiguration of Phase 1A was submitted to Reid Middleton (RM) for a preliminary cost review and a "first blush reaction" on technical, cost schedule and permit issues. Shannon Kinsella of Reid Middleton submitted a cover letter dated December 7, 2010 (**EXHIBIT B**) in response, along with Opinions of Probable Construction Costs for *Alternative A – New Nearshore B/W (Breakwater), 400' B/W & G Dock B/W* (**EXHIBIT C**) (based on Gordon's proposed reconfiguration) and *Alternative B – 400' B/W & New G Dock B/W* (**EXHIBIT D**). Due to the increased structural need for the connector float and the addition of G Dock, Port Operations Manager Ed Field said regarding Gordon's Alternative A (estimated at \$5.37 million), "The numbers didn't come out as favorably as we were hoping." He went on to say that RM got

the message loud and clear that the Port is trying to figure out something we can afford to build, so they came up with the modified version (Alternative B, or "Phase 1A Cheap"). Phase 1A Cheap is just the 400' B/W and G Dock with gangway access to it, and the estimate for that came in somewhat under \$4 million. Field reviewed it with Harbormaster Rick Brewer, who expressed concern about the gap between the 400' B/W and the existing stockade becoming a log trap. Kinsella initially suggested the possibility of realigning or lengthening G Dock so they could push the 400' breakwater offshore a bit and open up that gap. Operationally, Brewer liked that idea, and financially Field and Port Finance Manager Dane Anderson both liked it because opening the gap would allow for additional moorage revenue in that area. However, if that area is opened up, Kinsella is concerned that as waves come down from the north, they could bounce off the stockade and the breakwater and reflect around inside the harbor. That analysis would be the crux of the redesign if the Port proceeds with this option. Field said Phase 1A Cheap was "surprisingly benign" as far as potential permit concerns because it generally looks like the other one: it's in deep water, has less impact and ultimately we'll end up with what we started with – the original alignment. Both Joe Callaghan of GeoEngineers and Kinsella feel the changes are less impactful on the permit side than they are on the engineering, design and schedule side.

Anderson said another aspect to consider is the idea of getting as much of the footprint in the new design as possible within the Port Management Agreement (PMA) area. Right now, just the very south end of G Dock would be a new lease for the Port, and although it wouldn't be a huge amount, it would be an additional operating cost for the facility. Moving G Dock north so it would be within the PMA area, the Port would save about \$3,000 per year.

Gordon was not in favor of expanding G Dock just to accommodate this change, and the advantage to leaving G Dock farther south was to negate the "catcher's mitt" effect. He said, "If we have to live with it this far south for \$3,000 more per year and it makes it a lot more user friendly, I guess we've got to figure it out." Anderson and Field agreed.

The estimate for the original Phase 1A at 50% design is \$5.45 million, Gordon's Alternative A (Phase 1A Curt) is \$5.37 million, and Alternative B (Phase 1A Cheap) is \$3.78 million. The increased cost of upsizing the connector float is the main reason why Alternative A is not much less than the original Phase 1A. Alternative A does open up more revenue opportunity on the backside of the 180' connector float which is not available in Alternative B (Phase 1A Cheap), but staff has not done any financial modeling at this point due to the time and effort involved.

Gordon said he really wanted to "component the thing" so that all components are usable throughout the phasing. Anderson noted that the anchors on the north side of the Phase 1A Cheap design can probably be re-used when the 400' B/W is moved into its final location to anchor it on the south side.

Jerome said, "One thing that appeals to me about using G Dock in its intended location is that it removes the worry about exposure to the east and southeast, which is huge." If we can keep it essentially in that location, the whole thing is protected by Sandy Point, but if it's moved to use as the connector, that would leave it completely exposed to the east and southeast. Gordon, Anderson and Field agreed.

Jerome suggested, "If we wanted to increase moorage space (not in Phase 1A Cheap but shortly after), we could put a boardwalk outside of the stockade and we might be able to buy used mooring floats from another marina." He said the key thing was to establish a protected perimeter.

The Commission discussed mitigation issues briefly and some of the potential problems, such as 1) if you do more mitigation than needed, there is no way to hold onto that asset, and 2) if you have done all your mitigation and the permit expires – all that mitigation goes away. Both the sunken tire reef and the old

Hein dock are mitigation. Gordon said he would prefer that Phase 1A gets out further and avoids the sunken tire reef, which would then be used as mitigation for later phase(s).

B. Vibratory vs. Impact Hammer Criteria for Permitting?: Tapert noted that the Port could lose up to a year if they got permitting only for the vibratory hammer for pile driving and ended up requiring the use of an impact hammer instead. He said, "If we lose a year because of that issue, then we'd have another year to chase grant money for a bigger build-out." Anderson explained that an impact hammer requires additional monitoring and noise reduction measures such as bubble curtains, etc. The advantage of an impact hammer is that it provides the data needed to determine how far in the hammer is going or needs to go whereas the vibratory hammer does not give any information as to the stability of the driven piles.

Field read aloud the following from Kinsella's 11/8/10 email to Callaghan (GeoEngineers): *"The existing geotechnical information available for Langley consists of offshore borings near the new interior float systems that were taken during the previous feasibility phase of the project. At the start of the design phase we reviewed the costs and risks associated with pursuing or not pursuing additional offshore borings at the anchor pile locations for the floating breakwaters with the Port and it was decided not to perform additional offshore borings. Therefore we do not have offshore borings in the location of the offshore breakwater anchor piling. There is a potential risk of encountering hard driving conditions out in these deeper waters (or even in between the nearshore borings) that may require the use of an impact hammer to reach required embedment depths. Without borings in the deeper water, we can only make an educated guess based on extrapolating the borings next to shore on whether a vibratory hammer is sufficient to install all the piles. Our best guess is that there is a 70-80% likelihood that the piling can be installed with a properly sized vibratory hammer, and a 20-30% risk that an impact hammer may need to be brought in during construction which would then trigger the appropriate Orca and other monitoring requirements."*

Field explained that with a vibratory hammer, you don't actually get any data from the hammer. He said, "If you're supposed to be getting to 20 feet and you're driving like crazy but you're only 10 feet in, you don't know whether it's strong enough to hold the lateral loads for the anchors or whether you're bouncing on a rock and you're not in that deep at all. With an impact hammer, you measure how many blows per foot it takes to drive it, and you plug that number into an evaluation equation that tells you how much lateral capacity the piling has. The impact information gives the information needed to know if the piles will hold, whereas the vibratory gives no information." On two other Reid Middleton projects, the Army Corps of Engineers (the Corps) has strongly recommended they get a Marine Mammal Monitoring Program (MMMP) not just for an impact hammer, but for the vibratory hammer as well. One of the comments the Port received on its Biological Evaluation (based on the existing permit using a vibratory hammer) was *"... in order to get a "not likely to adversely affect" ruling, it may be necessary to develop a Marine Mammal Monitoring Program. Please consider submitting a monitoring plan to ensure that pile driving will not take place when mammals are in the area."*

On the technical side, if the Port does do a redesign (and there would certainly be permit delays associated with that), it's worth considering taking care of the impact hammer at the same time as a fallback for the vibratory. Gordon thought the Port should plug in the costs for that and the worst-case scenario numbers for GeoEngineers' costs as well. Field noted that there are basically three alternatives on the table. Callaghan's recommendation is that if the Port looks at realignment or reconfiguration of Phase I, it should be termed strictly as a feasibility study at this point. Field explained they didn't want to get too far into the cost and feasibility analysis until the Commission provided direction to do so. He guessed it would take Staff and Reid Middleton 2-4 weeks to nail down the numbers and fine tune the design while still pursuing the permits "as-is."

Jerome didn't think much had changed since the Port accepted the 20-30% risk that a vibratory hammer might not be sufficient. The Commission had agreed that the cost for an impact hammer would be too high and the delay would be too long and decided to go with a vibratory hammer. All that has changed is that the Corps might want an MMMP for the vibratory hammer. Jerome said, "My guess is that just doing an MMMP is not that expensive, but the cost for bubble curtains and all the rest that goes with an impact hammer is significant." Anderson explained that the engineers aren't requesting a determination as to whether the \$100,000 drilling program is needed. He said, "I think what's being requested is...through the permit process...putting in place the documents, studies and the program we need to use an impact hammer IF we need it." Jerome asked what that cost would be, and Anderson said it would be the cost of an MMMP (which it sounds like we'll have to do anyway) and any other mitigation associated with using an impact hammer (and we don't know what those are).

Tapert believed that getting approval for the monitoring plan, etc. might not take that long, but it might take long enough to bump us out of certain windows and cost us a season. A redesign might hold us up for another year anyway, and during that time he hopes the Port's financial picture improves to the point that we can afford to build a bigger project. Field agreed and said, "I think we either make a series of decisions that say we're charging ahead this year regardless of the risks or we fall back with getting other permit stuff in place."

Gordon thought Staff should redo the timeline, and take out anything that is ancillary and just put in the "drop dead" dates on permitting and project. He said they should "minimize the details, give us a couple of timelines, and allow the Commissioners to come back to you and get the particulars." Field said he could prepare the timeline based on the following scenarios: 1) Charging ahead with Phase 1A Cheap in 2011, 2) Phase 1A Cheap in 2012, and 3) the original, "as-is" Phase 1A that we've been permitting, which would need to be a 2012 schedule due to the lack of funds. Jerome said, "Not only that – Phase 1A (as originally designed) does not include G Dock, which leaves us exposed to the east. Part of it is money, but if we want to get a protected perimeter – we can get it with Phase 1A Cheap for \$3.7 million. Granted, it's not very big, but it's a lot bigger than what we've got right now."

Jerome asked Anderson to list the current potential funding, which is \$1.2 million from Rural County Economic Development Funds (.09 money), \$1.5 million from Boating Infrastructure Grant, \$1.4 million from Port Security Grant and \$1.2 million in bonding capacity (the caveat being that ties up the Port for the next 20 years). Noting the total is \$5.3 million, Jerome said, "If we can spend \$4 million and get a functional thing and have \$1.3 million we can then use to put in extra mooring floats and increase the capacity..." and Gordon interjected, "I've got other things I want to do. I'm working on a parking lot in Mukilteo and if we're going to use our bonding capacity I think we should share the wealth a little bit." Jerome agreed and added, "If \$5.3 million is all we're going to have, we might not want to spend it all on the marina. That's a good point."

Gordon reiterated to Staff that he would like to see a timeline breakdown for Phase 1A Cheap so he knows what year it is doable "in your mind." He added, "I'd also like to have Staff estimates to pile onto Reid Middleton estimates so we can get a realistic cost on that." Gordon agreed with Jerome and Tapert that the Port should go ahead with the MMMP – get the cost identified first and then jump on it.

Field said he would work on preparing the breakdown and schedule for Phase 1A Cheap for 2011 and 2012, and then work on doing the same for Phase 1A Curt for 2012. He pointed out that getting the permits for Phase 1A Cheap for the 2011 construction season would be really challenging. Tapert agreed, noting that because of the fish windows, etc. he has already conceded that "...we've lost next year (2011)." Jerome said, "I definitely agree. I feel the credibility of the Port rests on getting something done here, and we're obligated under the InterLocal Agreement. 2011 is highly unlikely at this point, but we need to get it done in 2012."

Tapert suggested that if the Port gets the permits in 2011, the Hein dock could then be removed (as mitigation for Phase 1A) in 2011. Then there'd at least be some activity down there. Field pointed out that piecing the project out like that and paying for an additional mobilization/demobilization would be costly. Gordon asked Staff to do some costing on that.

For the regular Port meeting on December 14, Field said he would focus on the schedule breakdown for Phase 1A Cheap for 2011 and 2012, and the cost and schedule impacts for the MMMP for either vibratory only or vibratory and impact hammer as the preferred approach. He'll also try to throw together some quick numbers on the removal of the Hein dock as a solo project. Jerome said, "If the Port could do it without putting the project at risk by losing future mitigation, I would like to see the Port remove the Hein dock and the sunken tire reef." He'd like to know what the risks are for future expansion if the Hein dock and tire reef are removed now, since there would still be the stockade to use for mitigation. Anderson said if there is an agreement in place that the Port pulls the mitigation now for a future phase, and the mitigation stays with any renewal of the permit, that would be the best-case scenario. He said, "If we're able to do that with the tires, and then subsequently we pull out the 680 piles that constitute the stockade, then we've got an asset we could sell for a lot of money – possibly \$1 million." The other side is that the permits are usually for 3 years and can be extended for only 2 more years (total of 5 years). Gordon wondered if the Port could look into selling the mitigation to someone who needs it. Anderson explained that although there is a market with projects paying "in lieu funds" for mitigation, there's no identifiable way to access it.

C. Schedule Impacts: Discussed earlier. Field will provide additional information at the regular meeting.

UPCOMING MEETING COORDINATION – Topics and Venues for:

1. **December 14 Regular Meeting:** No change

2. **January 11 Regular Meeting:** No change

3. **Major Port Meeting & Event Schedule for 2011 – DRAFT – Including discussion of:**

A. Meeting with Island County Fire District #3 (ICFD#3) Commission re: Port Security Grant InterLocal Agreement: January 11 (tentative)

B. Meeting with Island County Sheriff (and Commission?) re: Port Security Grant InterLocal Agreement: To be determined.

C. Recreation and Conservation Office (RCO) Grant Application Schedule for Boating Facilities Program (BFP) – Float and Uplands Project: Anderson said the application is due January 14th, even though the Washington State Legislature probably won't know if that program is funded for 2011 until April. He summarized, "Just FYI – we're glancing down the road at a BFP grant for the floats at Langley in 2011 or 2012, depending on the timeline. We might not get it, because there might not be any money. Staff is not recommending submitting a BFP grant application for the renovation of the ramp at Possession. The intent is to do that in the 2012 grant cycle." Anderson explained that the BFP grant for Possession is a planning grant – it is not a construction grant. The money from the grant would be used for architectural engineering and get to permit and contract stages. The Port would then apply for another grant for the construction in the 2013 cycle at the earliest.

ADJOURNMENT: The Special Meeting was adjourned at 10:00 a.m.


Approved:



Commissioner Geoff Tapert, Freeland
CURT GORDON, CLINTON




Commissioner Chris Jerome, Langley



Commissioner Curt Gordon, Clinton
GEOFF TAPERT, FREELAND

Minutes prepared by:



Edwin S. Field, Port Manager

- Exhibit A: Voucher Listing
- Exhibit B: Letter from Reid Middleton re: Phase 1A Reconfiguration dated 12/7/10
- Exhibit C: Opinion of Probable Construction Costs – Alternative A (“Phase 1A Curt”)
- Exhibit D: Opinion of Probable Construction Costs – Alternative B (“Phase 1A Cheap”)