

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

Meeting held at South Whidbey Parks & Rec District, 5475 Maxwellton Rd, Langley WA
Tuesday, January 8, 2013 at 7:30 p.m.

AGENDA**

WORKSHOP (7:15 – 7:30 P.M.): Commission review of vouchers and recent correspondence

REGULAR MEETING CALL TO ORDER and PLEDGE OF ALLEGIANCE

BUSINESS MEETING

Election of Board Officers for 2013

Appointment of Auditing Officer and Alternate Auditing Officer: Resolution No. 13-01

Review of Commissioner Appointments and Committee Assignments

1. Economic Development Council (EDC): *Jerome in 2012*
2. Council of Governments (COG): *Currently Gordon*
3. Skagit-Island Regional Transportation Policy Org. for 2-yr term (RTPO): *Currently Gordon*
4. Marine Resources Committee (MRC): *Gregoire in 2012*
5. Washington Public Ports Association (WPPA): *Jerome in 2012*
6. Puget Sound Partnership: Policy Devel./Tech Advisory Committee: _____
7. Langley Shoreline Master Plan Committee: *Gregoire in 2012*
8. Island Co. Shoreline Master Plan Committee: *Gregoire in 2012*

Consent Agenda

1. Approval of Current Vouchers (dated January 2013) in the amount of **\$51,911.26**

FINANCIAL ACTION ISSUES

November 2012 Financial Report (distributed Dec. 20, 2012)

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

ACTION ISSUES

South Whidbey Harbor Update

1. Phase 1: Breakwater Relocation with Uplands & Utility Improvements
 - A. Permit Issues
 - Corps of Engineers: **Phase 1 Permit issued Jan. 7, 2013**
 - Bid and Construction Scheduling
 - City of Langley: Variance for Replacement Light Poles on Breakwater
 - B. Funding Issues
 - Port Security Grant (FEMA) status, including Consortium coordination
 - C. Property Issues
 - Lots 20 & 21 - West side boundary location being investigated by escrow & title companies
 - Boatyard Inn Project: RCO input on Air Rights Easement
 - D. Construction Issues
 - Reid-Middleton proposal for Federal Bidding Requirements (12/10/12)
 - GeoEngineers proposal for Monitoring Services (12/10/12, Task 2) during Construction
 - Commission authorization to proceed to Final Prep of Phase 1 Bid Docs and Solicitation in 2013
 - Commission direction to request Island Co. grant funding per RCEDF InterLocal Agreement
2. Boat Ramp Boarding Floats
 - A. Construction Issues
 - Mike Carlson Enterprises (MCE) progress update
3. Harbor Operations

Possession Beach Waterfront Park Update

1. Property Lease to AT&T
2. Upper Trail Access

Port Operations

1. Port Comprehensive Scheme for 2013-2019: Review of RFQ submissions
2. Port Holidays

New Project Opportunities

1. Mukilteo Parking Issues
2. Mutiny Bay Property Donation to Island County

ACTIVITIES/INVOLVEMENT REPORTS

Economic Development Council (EDC): Jerome

Council of Governments (COG): Gordon

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

Marine Resources Committee (MRC): Gregoire

Washington Public Ports Association (WPPA): Jerome

Puget Sound Partnership:

Langley Shoreline Master Plan Committee: Gregoire

Island County Shoreline Master Plan: Gregoire

Enduris Risk Management Seminar with Gordon Graham (Feb. 6 in Burien): Field & Mozer

OLD BUSINESS

NEW BUSINESS

ADJOURNMENT

PORT DISTRICT OF SOUTH WHIDBEY ISLAND

Minutes of the Regular Meeting

January 8, 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), Molly MacLeod-Roberts (Port Clerk), and Julie James (Harbormaster); **Others:** Jim Sundberg and Bruce Allen (City of Langley Councilmembers), Jim Larsen (South Whidbey Record), Fred Lundahl (Langley Main St. Association) and Marcia Monma (Clinton Resident).

MEETING CALL TO ORDER: Following a Workshop from 7:15 p.m. to 7:30 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, January 8, 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 7:30 p.m., followed by the Pledge of Allegiance.

BUSINESS MEETING

Election of Officers for 2013:

ACTION: A Motion was made by Jerome and seconded by Gordon to nominate Gordon for President. The Motion passed unanimously.

ACTION: A Motion was made by Gordon and seconded by Jerome to nominate Jerome for Vice President. The Motion passed unanimously.

ACTION: A Motion was made by Gordon and seconded by Jerome to nominate Gregoire for Secretary. The Motion passed unanimously.

The following slate of officers was elected for 2013:

- Commissioner Curt Gordon – President
- Commissioner Chris Jerome – Vice President
- Commissioner Dennis Gregoire – Secretary

Appointment of Auditing Officer and Alternate Auditing Officer: Gordon read aloud Resolution No. 13-01 (**EXHIBIT A**), appointing Port Finance Manager Angi Mozer as Auditing Officer And Commissioner Curt Gordon as Alternate Auditing Officer effective January 9, 2013.

ACTION: A Motion was made by Jerome and seconded by Gordon to approve and adopt Resolution No. 13-01 as presented. The Motion passed unanimously.

Review of Commissioner Appointments and Committee Assignments:

1. Economic Development Council (EDC) – Jerome in 2012: The Commission agreed Gordon would be the Port's EDC representative in 2013.
2. Council of Governments (COG) – Currently Gordon: No change.
3. Skagit Island Regional Transportation Policy Organization (RTPO) – Currently Gordon: No change.
4. Marine Resources Committee (MRC) – Gregoire in 2012: No change.
5. Washington Public Ports Association (WPPA) – Jerome in 2012: No change.

6. Puget Sound Partnership (PSP) – Policy Council/Technical Advisory Committee: Gordon explained that technically, as an extension of the COG, he represents the Policy Council on the PSP. It's never a separate meeting; it is part of the COG meetings. However, the Technical Advisory Committee is an appointment that the ports still need to make – it cannot be filled by a Commissioner.
7. Langley Shoreline Master Plan Committee – Gregoire in 2012: No change.
8. Island County Shoreline Master Plan Committee – Gregoire in 2012: No change.

Gordon said he would like to add one more Assignment to the list – a Clinton Community Council representative, to be filled by the Port's District 3 (Clinton) Commissioner. The Commission agreed to add it and Gordon said he would attend their meetings.

Port Operations Manager Ed Field was directed to notify the Committees of the Port's 2013 appointments/assignments.

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 B**).

ACTION: A Motion was made by Jerome and seconded by Gordon to approve the Current Vouchers as submitted, including the authorization and acceptance of Vouchers dated January 2013 as signed today in the amount of \$51,911.26. *The Motion passed unanimously.*

FINANCIAL ACTION ISSUES

November 2012 Financial Report: The Commission acknowledged receipt of the November 2012 Financial Statement, which had been distributed to them previously (**EXHIBIT C**). The Commission agreed to discuss the remainder of the financial action issues later in the agenda following the South Whidbey Harbor discussion.

PUBLIC COMMENT – Items not on Agenda:

Bruce Allen said the South Whidbey Parks & Rec District (SWPRD) has a van and a bus that they are willing to donate to The HUB (an after-school program in Langley). Allen said the HUB could own the vehicles, but would need to find a collective group of people that could help support and/or maintain them and use them at will. He said, *“So, I'm bringing the idea to you guys because you might have a use for them. I also want to talk to the Langley Main St. Association, and the City of Langley is very interested in doing it as well. The vehicles would be available for general use.”*

ACTION ISSUES

South Whidbey Harbor Update

1. Phase 1: Breakwater Relocation with Uplands & Utility Improvements

A. Permit Issues

- **U.S. Army Corps of Engineers (Corps):** Field reported the Phase 1 permit was issued January 7, 2013 (**EXHIBIT D**). He picked them up in person from the Project Manager yesterday afternoon. He said, *“By going there and listening to her appeal discussion and then reviewing the permit on the spot, I cut about a month of the cycle time of review/approval/back out again. As issued, the initial document said: ‘You shall not conduct work authorized by this permit from February 16th through July 15th in any year this permit is valid.’ That would have meant no work whatsoever on the project during the fish window, as opposed to no ‘in water’ work. I was able to get them to add the words ‘in water’ to the permit, so that allows work on the gangway, etc. to continue during the fish window. On that basis, we signed it and we're good for three years.”* Gordon thanked Field for doing that and said, *“Nice job!”*

Field said kudos should also be given to Joe Callaghan of GeoEngineers who was “bird dogging” and calling the Project Manager on a daily basis.

Field noted that both U.S. Representative Rick Larsen’s aide and U.S. Senator Patty Murray’s aide had emailed him to let him know the permit was due to be issued this week almost simultaneously with it being issued, so our representatives were clearly working hard to move this forward.

- **Bid and Construction Scheduling:** Field said his intention is to give Reid Middleton direction to proceed. It will probably take 2-3 weeks to put the bid documents together, so by mid- to late January the bid documents should be out on the street for a 3-week bid period with bid opening in mid- to late February. Due to the “in water” restrictions, in order to be open for the 2014 summer boating season all work must be done by February 15, 2014. He continued, *“So at this point, I would say if we are going for just a normal construction bid without any federal money in it, we’d be looking for substantial completion around the end of January 2014 and final completion by about March 1, 2014. If we’ve got FEMA funding, our understanding is that money would need to be spent in the 2013 calendar year. If that’s the case, an earlier completion date of December 1, 2013 would be needed and there will be some significant acceleration for the contractor to get done faster.”* Mozer added that an extension from FEMA is not likely and Field pointed out that including federal requirements would increase the bid prices.

Regarding FEMA funding, Mozer pointed out that the Port does not have an actual signed document saying they can release the FY2009 Port Security Grant funds to us. That documentation has gone to the federal level at OMB (Office of Management and Budget), and the Port’s fiduciary agent was told they should get an answer by the end of next week (but the agent said they’ve heard “next week” several times already).

After brief discussion, the Commission agreed to authorize Reid Middleton to move forward with only one set of bid documents (non-federal, assuming no FEMA funding). If FEMA provides a response next week, the Commission can reconsider preparing bid documents to include federal requirements.

At that point in the meeting, Gordon invited Fred Lundahl to present Langley Main Street Association’s (LMSA) Request for Port Contribution to Assist with the Purchase of Multi-Passenger Golf Cart (**EXHIBIT E**). Lundahl explained that LMSA will own and operate the proposed golf cart for the economic development of both the Port and the City of Langley, and they are asking each of those two main stakeholders to grant LMSA \$5,000 for the purchase of the cart. The rest of the expenses, including the remaining money needed for the purchase as well as insurance, maintenance, and other operating costs will be borne by LMSA. The golf cart will be used to shuttle people throughout the City of Langley, including boaters to/from the South Whidbey Harbor. In addition to easing parking congestion at the Harbor by providing a shuttle to and from the Park & Ride, the shuttle might also attract additional boaters who have avoided the Harbor in the past due to the difficulty of getting up the steep hill (Wharf St.) to get to Langley businesses. On weekends during the summer, the shuttle could stop at the dock every 30 minutes on the hour and half-hour from 9 a.m. – 9 p.m., and maybe hourly on the less busy weekdays. A special phone number could be provided for anyone needing a ride during the less busy hours. The Commission agreed they liked the idea. Lundahl indicated that if the Port would prefer LMSA submit the request as part of the usual grant cycle (in March), they would be happy to complete the required Application for Funds and present it at that time.

- **City of Langley – Variance for Replacement Light Poles on Breakwater:** Gordon said, *“This is the last piece that we’re dealing with on the Phase 1 project. To me, that lighting issue has to with public safety (and our electrical engineer has documented that) and usability (and our lighting design has every advantage to the dock). The City’s Shoreline Plan; however, specifies a much shorter light. When I researched this with former City Planner Jack Lynch, he thought the 3’ height was just an arbitrary number and not based on research.”* Gordon stated that the Port is adamant about having safe lighting on

the dock and following through on the recommendations of the Port's electrical engineer. The Port's cost for going through the City's variance process is estimated to be at least \$5,000. He said, *"If I could go to the City of Langley and ask them to somehow figure out how to handle this problem for us, I personally can justify money that we're going to spend on the marina anyway going into that shuttle as soon as we have that answer."*

Jerome noted that part of the variance process is a recommendation from the City Planner to the Hearing Examiner, and his guess is that if the Planner says "No way" then the Hearing Examiner is going to deny the variance and tell the Port they must use the 3' lighting. Similarly, if the Planner has no problem with changing the lighting as requested, then the Hearing Examiner will not have a problem with it either. He continued, *"And I think all of the information that is germane to the decision is already known to the City Planner, so it seems they could at least let the Port know which way they will lean on this."*

Gordon explained that he did not intend to suggest that there wouldn't be a cost to the City, or that they had a "magic wand" and could solve the problem without going to the Hearing Examiner. He added, *"But there is a question whether there would even be a public meeting. The City's own Design Review Board approved the concept but could not approve the project because of the code. To me, this is one of these frustrating places in government. I just want to keep it simple here. It is unrealistic that we, as partners, are spending on a project and the Port has to go spend \$5,000 because of a small error in the City's code when I'd much rather give that \$5,000 to LMSA so we can shuttle people around. I think if we can get the City to solve this problem, I can't imagine anyone in the public that has paid into the Port of South Whidbey that would complain about us using the money we would have paid to consultants and for planning fees to instead buy something that will improve economic development, transportation and parking on our Harbor project."*

ACTION: A Motion was made by Gordon and seconded by Jerome to (in concept) get on the agenda for the City's next meeting in order to lay out the situation as discussed and ask the Langley City Council to work out a solution without additional expense to the Port. The Motion passed unanimously.

Jim Sundberg (Langley City Councilmember) said, *"I think that among other things, the Council would be very happy to hear firsthand of the success with the Corps as a good starting point. Just giving them an official update on that and the schedule firsthand...I think your presence there would be a real plus for the City."*

Gordon suggested they discuss the presentation to the Council later in the Agenda under New Business. Jerome agreed.

B. Funding Issues

- **Port Security Grant (FEMA), including Consortium coordination:** No additional discussion.

C. Property Issues

- **Lots 20 & 21:** No update.
- **Boatyard Inn Project – Recreation and Conservation Office (RCO) input on Air Rights Easement:** Field said RCO's response provided 3 different processes where their director can decide that it's a small conversion and it works. RCO needs some sort of an appraisal or valuation as to the worth of the air rights and evidently the smaller the dollar value, the easier it will be to work out. If it's under \$75,000, the director can make a decision. Regarding the donation of the tidelands, RCO said there is no specific provision under the grant program we're in that will reflect that donation. Field has forwarded the information the attorney for the Boatyard Inn project to see if he can generate a reasonable enough justifiable cost basis for a 20 sq. ft. air rights easement. Field noted that since the property is already

encumbered, the value to the Port is already small, so it should have a “real low value” and should therefore be okay with RCO for a small conversion.

D. Construction Issues

- **Reid Middleton 12/10/12 proposal (EXHIBIT F) for Federal Bidding Requirements**
- **GeoEngineers 12/10/12 proposal (EXHIBIT G) for Monitoring Services during Construction (Task 2)**
- **Commission authorization to proceed to Final Prep of Phase 1 Bid Docs and Solicitation in 2013**

Field said, “Based on tonight’s discussion, I request Commission authorization to direct Reid Middleton to proceed with *non-federal* bid documents immediately. That will include preparation of bid documents and going into both the Construction Admin for Reid Middleton and the Monitoring Services for GeoEngineers.” The Commission authorized Field to proceed as discussed.

- **Commission direction to request Island County grant funding per Rural County Economic Development Fund (RCEDF) InterLocal Agreement:** The Commission authorized Staff to request the funds.

2. Boat Ramp Boarding Floats: Port Operations Manager Ed Field reported that the contract still needs to be closed out but the work is essentially done with nothing but paperwork remaining. With the installation of the floats and access to them, Field explained that Staff has been discussing the possibility of reworking where the ADA space is located and maybe putting a loading space next to the ramp. The City is asking for a final parking plan, but the Port has responded that until all the utilities in (and the hydrants, bollards, etc.), we don’t know what it’s going to look like out there so everything is in draft form and we are just working our way through it. Field said, “I don’t know what instigated it, but I got a slug of emails today from people outraged about the change in the parking configuration at the ramp. And although we are talking about, it is certainly not done or finalized, so I’m not sure why everyone is so lit up.” Jerome said that Ed Young had sent an email to the Whidbey Island Sea Kayaking group with a .pdf that said the Port was considering making that an ADA space and encouraging people to email the Port and request that it be designated a loading zone so the kayakers could utilize it.

3. Harbor Operations: At Gordon’s request, Harbormaster Julie James related an incident that took place in the Harbor regarding an electrical fire that she was able to detect and extinguish before it spread.

FINANCE ACTION ISSUES (Part 2): Mozer said the Port received \$90,000 in tax and operating revenue and incurred \$84,000 in operating expenses in November. The November 30th ending cash balance was approximately \$1.2 million (\$879,000 in the bond fund and \$312,000 in the general fund). In December, the Port spent \$176,000 from the general fund. Excluding any revenue received in December, that leaves \$136,000 in the operating fund. Mozer has invoiced RCO for \$20,000, and will send a second invoice soon for the bulk of the work done by Mike Carlson Enterprises on the boat ramp floats. She said, “But the bottom line is that I think we should probably at least set up a process for invoicing the bond fund to reimburse the general fund for capital expenses.” Mozer had prepared draft Resolution No. 13-02 (**EXHIBIT H**), which would authorize the Auditing Officer to transfer funds between the accounts, provided that each transfer is documented and has prior Board approval. She explained that each time a transfer is needed, she will prepare an invoice and provide the Commission with a form for them to approve the transfer. The Commission accepted Staff’s recommendation for the process, and Mozer said she would have the Resolution ready for their consideration at the Special Meeting later in the month.

Mozer referred the Commission to the spreadsheet she prepared showing project funding, matching funds and invoicing to FEMA, Rural County Economic Development Funds (RCEDF) and the Bond Fund (**EXHIBIT I**). The first table was titled “Including FEMA Funds for Construction” and the second table

was titled "Including FEMA Funds for Vessels Only." The spreadsheet identifies costs already incurred of \$665,763. The remaining project costs for total \$2.6 million for Table 1 (construction and boats) and for \$2.3 million for Table 2 (boats only). The difference of \$337,672 is attributed to the Construction Federal Requirements and Additional Admin. Jerome suggested adding the General Fund totals to the spreadsheet, and Mozer said she would do that. Gordon added he would like to see it on a timeline over the 13 months of the project, and Mozer said, "Yes. That is certainly my next planned step." She will work with Field to get the estimated construction schedule and she will work the cash flow in accordingly.

Mozer added that she will be meeting with Elaine Marlow at Island County later in the week to discuss the details of the RCEDF grant reimbursement process and timing.

In the 2013 budget, the amount on Line 87 – Principal & Interest Payment is listed as \$16,140. The \$16,140 was actually paid in December 2012, and the amount that must be paid in 2013 is actually \$62,538.

Possession Beach Waterfront Park Update

1. Property Lease to AT&T/Cingular: Mozer reported the Commission-signed lease documents were submitted to AT&T/Cingular on December 19, 2012, and is now awaiting AT&T's countersignature.

Marcia Monma of Clinton presented a sketch titled "Proposed Cell Tower Site on Port of South Whidbey property" (**EXHIBIT J**). The sketch (which Goodman Networks originally supplied) indicated where the platform would be located. The platform is required to have a 50' setback from the ridge, but according to her calculations 1/3 of the platform would be within the setback, as well as a major portion of the access road. She also noted that there are 24 trees identified on the downhill side and she doesn't understand why that is the case – it doesn't make any sense. She said, "So, basically, why are we wasting our time with this? They can't move it 28' feet – it's already one tower-length from our house." Gordon said, "If these are valid points, and they might be, this will be something that has to come up between AT&T and the County."

2. Upper Trail Access: Not discussed.

Port Operations

1. Port Comprehensive Scheme for 2013-2019 – Review of Request for Qualifications (RFQ) Submissions: There were submittals from three consulting firms, and the Commission agreed they would like the opportunity to interview and listen to presentations from all three firms. After brief discussion, they agreed to set aside one hour for each firm to include a 20-minute presentation followed by a Q&A session from the Commissioners. Staff was directed to coordinate schedules for special meeting(s) January 22-24, 2013.

2. Port Holidays (**EXHIBIT K**): As discussed at a previous meeting, Mozer had prepared a document identifying the Port's current holiday structure (7 full days and 2 half-days, does not include President's Day or Veteran's Day) and providing information regarding the 10 federal holidays as well as the holidays recognized by Island County and the City of Langley. Additionally, it was noted that 7 of the 11 Class C Port Districts are closed on both President's Day and Veteran's Day (3 were not available to answer our poll and one is open on those days). Based on that information, she proposed the Port's holiday structure be modified to include 7 holidays when the Port office will be closed (New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, the day after Thanksgiving and Christmas Day) and 3 floating holidays for Staff to choose. Gordon didn't like the idea of 3 floating holidays. After brief discussion, the Commission agreed to the 7 holidays as proposed, but instead of 3 floating holidays it would be changed to President's Day, Veteran's Day and one floating holiday. The

Port office would be closed on those 9 days. Jerome said it's important that the dates the office is closed are known and published on the website.

New Project Opportunities

1. Mukilteo Parking Issues: No update.
2. Mutiny Bay Property Donation to Island County: Island County will take action on receiving the property donation next week.

ACTIVITIES/INVOLVEMENT REPORTS

Economic Development Council (EDC): (Jerome) No report.

Council of Governments (COG): (Gordon) Meeting cancelled; no report.

Skagit-Island Regional Transportation Planning Organization (RTPO): (Gordon) Meeting cancelled; no report.

Marine Resources Committee (MRC): (Gregoire) Gregoire absent; no report.

Washington Public Ports Association (WPPA): (Jerome) No report.

Langley Shoreline Master Plan Committee: (Gregoire) Gregoire absent; no report.

Island County Shoreline Master Plan: (Gregoire) Gregoire absent; no report.

Enduris Risk Management Seminar with Gordon Graham: Feb. 6 in Burién; Mozer and Field will attend.

OLD BUSINESS: There was no Old Business.

NEW BUSINESS

Langley City Council Presentation: The Commission agreed that Gordon would make the presentation and Jerome will attend the meeting in support. Gordon reiterated that he will implore the Council to solve the problem for us, and if they can, LMSA will benefit from money the Port was going to have to spend on something that was a minor issue. The Commission agreed they should leave the mechanics up to the City.

ADJOURNMENT: The Meeting was adjourned at 9:45 p.m.

Approved:



Commissioner Curt Gordon, Clinton

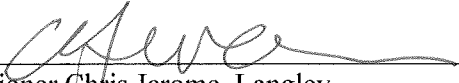
Minutes prepared by:



Edwin S. Field, Port Operations Manager

ABSENT

~~Commissioner Dennis Gregoire, Freeland~~



Commissioner Chris Jerome, Langley

- Exhibit A: Resolution No. 13-01: Appointing Auditing Officer/Alternate Auditing Officer
- Exhibit B: Voucher Listing
- Exhibit C: November 2012 Financial Statement
- Exhibit D: Department of the Army Permit
- Exhibit E: LMSA Request for Port Contribution to Purchase of Multi-Passenger Golf Cart
- Exhibit F: Reid Middleton Proposal dated 12/10/12
- Exhibit G: GeoEngineers Proposal dated 12/10/12
- Exhibit H: Draft Resolution No. 13-02: Transfer Funds from Bond to Operating Account
- Exhibit I: Spreadsheet detailing project invoicing and match funding, etc.
- Exhibit J: Monma's sketch of "Proposed Cell Tower Site on POSW Property"
- Exhibit K: Port Holiday Structure Information