

THE PORT DISTRICT OF SOUTH WHIDBEY ISLAND
REGULAR MEETING

Meeting held at South Whidbey Parks & Rec District, 5475 Maxwelton Rd, Langley WA
Tuesday, June 12, 2012 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

CONSENT AGENDA

Approval of Current Vouchers (dated June 2012 in the amount of \$82, 206.57)

FINANCIAL ACTION ISSUES

April 2012 Financial Report

2011 Annual Report

Auditing Officer

1. Resolution No. 12-06: Appointing Auditing Officer and Alternate Auditing Officer
Edwards & Associates Letter of Engagement

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

ACTION ISSUES

Possession Beach Waterfront Park Update

1. Property Lease to AT&T
2. Ramp Rebuild – Recreation & Conservation Office (RCO) application for Boating Facilities Program (BFP) Planning Grant

South Whidbey Harbor Update

1. Phase 1: Breakwater Relocation and Boat Ramp Floats with Uplands & Utility Improvements
 - A. Permit Issues
 - City of Langley: Process update
 - Corps of Engineers: Recent inter-agency correspondence, incl. new work-window constraint
 - B. Property Issues
 - Proposed Port Management Agreement (PMA) & Aquatics Land Lease modifications with Department of Natural Resources (DNR). Initial plan being revised for resubmittal.
 - Lots 20 & 21: West side boundary location being investigated by escrow & title companies
 - C. Funding Issues
 - Port Security Grant (FEMA), including Consortium coordination
 - RCEDF InterLocal Agreement: Amendment requested 5/31/12 (schedule/permitting issue)
 - D. Design Issues
 - Commission Direction for Bid Package Prep
2. Phase 2 and Beyond
 - A. Planning Issues
 - School/City/Port Memorandum of Understanding for Langley Middle School Parking
3. Harbor Operations

Clinton Beach, Fishing Pier & Dock Update

1. Emergency Stabilization and Wood Ramp Demo & Removal Project

Port Operations Update

1. Finance Manager Position

New Project Opportunities

1. Mukilteo Parking Issues: Gordon

ACTIVITIES/INVOLVEMENT REPORTS

Economic Development Council (EDC): Jerome

1. Island County Sign Code Update: 1st Draft
2. Annual Luncheon on Friday June 15 in Oak Harbor

Council of Governments (COG): Gordon

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

Marine Resources Committee (MRC): Gregoire

Washington Public Ports Association (WPPA): Jerome

1. Finance & Administration Seminar, June 20-22 in Winthrop

Holmes Harbor Shellfish Protection District: Gregoire

Puget Sound Partnership: Policy Development/Technical Advisory Committee (ILIO): _____

Langley Shoreline Master Plan Committee: Gregoire

Island County Shoreline Master Plan: Gregoire

RCO WWRP Water Access Committee: Field

Island Co. Hazard Mitigation Plan Update:

OLD BUSINESS

Public Records Request: Rec'd 4/23/12; Initial release 5/14/12, 2nd release 5/23/12 including Document Viewing Station

NEW BUSINESS

Whidbey Island Garden Tour: Two sponsor tickets available for Tour or Pre-Tour June 22-23

ADJOURNMENT

PORT DISTRICT OF SOUTH WHIDBEY ISLAND

Minutes of the Regular Meeting

June 12, 2012

Langley, Washington

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

Others Present:

Port Staff: Ed Field (Port Operations Manager), Angi Mozer (Port Finance Manager) and Molly MacLeod-Roberts (Port Clerk); **Others:** Paul Schell (Langley) and **Clinton Residents:** Richard Engstrom, Clyde Monma and Marcia Monma

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, June 12, 2012, 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.

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**).

ACTION: A Motion was made by Commissioner Chris Jerome and seconded by Commissioner Dennis Gregoire to approve the Consent Agenda as submitted, including the authorization and acceptance of Vouchers dated June 2012 as signed today in the amount of \$82,206.57. The Motion passed unanimously.

FINANCIAL ACTION ISSUES

April 2012 Financial Report: The Commission acknowledged receipt of the April 2012 Financial Statement, which had been distributed to them previously (**EXHIBIT B**). On behalf of the Commission, Gordon welcomed Port Finance Manager Angi Mozer to the Port Staff. Mozer reported \$182,000 in tax and operating revenue in April, including the first installment of property tax revenues at \$168,000. The Port received \$879,000 in bond proceeds and incurred \$48,000 in operating expenses and \$6,900 in capital expenses. The yearend cash balance is forecast at \$531,000.

Jerome asked about the revenue at the Harbor this year compared to last year, and Mozer believed it was slightly lower in 2012 than in 2011. Port Clerk Molly MacLeod-Roberts said she would provide a year to date comparison for the Commission later in the week.

2011 Annual Report: MacLeod-Roberts said the 2011 Annual Report (**EXHIBIT C**) was submitted to the State Auditor prior to the May 29th deadline.

Auditing Officer: Per Commission direction during the June 5th Special Meeting, Staff had prepared Resolution No. 12-06 (**EXHIBIT D**) to appoint Commissioner Curt Gordon as Auditing Officer and Charles Edwards, CPA as Alternate Auditing Officer effective Wednesday, June 13, 2012.

ACTION: A Motion was made by Jerome and seconded by Gregoire to approve and adopt Resolution No. 12-06 appointing Commissioner Gordon as Auditing Officer and Charles Edwards, CPA as Alternate Auditing Officer. The Motion passed unanimously.

Edwards & Associates' Letter of Engagement (EXHIBIT E): Edwards & Associates, CPAs has agreed to compile (from information provided by the Port) the annual and interim Statement of Receipts and Disbursements versus Budget arising from the Cash Transactions of the General Fund and Bond Fund (the monthly financial statements). The estimated fees for the services are \$40-\$80 for the compilations.

ACTION: A Motion was made by Gregoire and seconded by Jerome to authorize Gordon to sign the Letter of Engagement with Edwards & Associates as presented. The Motion passed unanimously.

PUBLIC COMMENT – Items not on Agenda: There was no public comment.

ACTION ISSUES

Possession Beach Waterfront Park Update

1. Property Lease to AT&T: Mozer said AT&T has not signed the lease yet. She plans to contact their representative later in the week to try to follow up.

Clyde Monma of Clinton said, *"It's kind of interesting that it's been 7 months and they haven't responded. So I've been saying all along that it's going to be decided at the County level and there's a lot of hoops they need to jump through in terms of variances and so on. We're just going to make sure the hoops are as difficult as possible – we're against the cell tower. We'll make it difficult and if necessary, we'll get the Island County Commissioners involved."* Monma then said to Gordon, *"And it's nothing personal, but gotta be sure you're not one of those Commissioners."*

Marcia Monma of Clinton said that a new AT&T cell tower had been installed in August 2011 halfway between Hilltop Rd. and Rolling Hills Rd. She said, *"And it's higher than the one would be at the Dorothy Cleveland Trail and the coverage is for more of Whidbey than the one at the Trail would be."* She provided two printouts of Google Maps (**EXHIBIT F**). She had titled one *"PROPOSED Dorothy Cleveland Trail AT&T Tower: Tower Structures – (8231 Lupine Ln, Clinton, WA 98236)"* and the other *"Existing High Point Dr. AT&T Tower: Tower Structures – (6941 High Point Dr., Clinton WA 98236."* she had "Tower Structures. She had drawn a circle on each of the maps and claimed it indicated the coverage area of each of the cell towers.

(Marcia) Monma said that Craig Johnson (one of the top bird photographers on Whidbey Island) had noticed that the Dorothy Cleveland Trail signs at the trailhead and at the Park parking lot had significantly faded. Johnson subsequently created two new maps of the Trail that included photos of birds. Monma provided one of the maps (**EXHIBIT G**). Port Operations Manager Ed Field said the maps could replace the existing ones that are faded in the kiosk, etc.

2. Ramp Rebuild – Recreation & Conservation Office (RCO) application for Boating Facilities Program (BFP) Planning Grant: Field said the application is nearly complete (99%) and will be submitted by July 2nd.

South Whidbey Harbor Update

1. Phase 1: Breakwater Relocation and Boat Ramp Floats with Uplands & Utility Improvements

A. Permit Issues

- **City of Langley Process Update:** Field said he has been in detailed communication with the City addressing the building permit and other process permits associated with it since May 9th. In a letter dated

June 8th, Jeff Arango (Langley's Director of Community Planning) requested information or response to five questions. Field said the letter asked some very specific questions regarding parking and existing conditions at the bottom of the hill and the capacity of the existing restroom. Since a number of the issues were already addressed during the SEPA process, Field said it is a little frustrating to have to revisit them. They will prepare a response, but he is very concerned about the amount of process time required for that, the Design Review Board, the Zoning Compliance Review, and all the other processes. Shannon Kinsella of Reid Middleton plans to have the building permit set out on Friday. He said, *"It's a little frustrating that these issues are coming up so late, because we've been asking."* He plans to schedule a meeting for himself, Arango, Kinsella and Building Official Bob Snyder to review and discuss the issues. Gordon said he would attend if needed.

- **United States Army Corps of Engineers (the Corps):** Field said, *"At this point, we are approaching the construction process with a single project which will include the boat ramp floats. I'm presuming the building permit for the boat ramp floats would not involve the vast majority of these issues because it doesn't have utilities, etc. I mention this because the permits for Phase 1 (Breakwater Relocation) have yet to be issued by the United States Army Corps of Engineers (the Corps). The permits for the boat ramp floats have already been extended and will expire on December 29, 2012. Recent correspondence from the Corps indicates that we're at least 2 months out from getting the federal permits for the Phase 1 project."* He spoke with Kinsella and asked about the drop dead dates to get the boat ramp going if it had to be pulled out from the Phase 1 project. She said the City of Sammamish has a comparable project and provided him with a copy of their schedule (**EXHIBIT H**). The schedule shows bid solicitation by July 26 and bid opening August 15 so they can complete construction by December 31. Field concluded, *"I'm afraid that if we keep the boat ramp floats project tied to the Phase 1 project, we will die a slow death in everyone's permit process and lose the permits we have (for the boat ramp floats). I think there are some other advantages to separating the two projects. If we get the Port Security Grant (FEMA), there are federal requirements for it and if the boat ramp floats project is done separately, there won't be any need for federal involvement. The Port's fiduciary agent for the Port Security Grant has indicated they would prefer the boat ramp floats project not be included on the estimate as it is confusing since it is not associated with the grant at all."* Additionally, the Port is still working with the Department of Natural Resources (DNR) on the modifications to the Port Management Agreement and Aquatics Land Lease for Phase 1 construction, and that might not be completed quickly enough to allow for the construction of the boat ramp floats before the permits expire.

B. Property Issues

- **Proposed Port Management Agreement (PMA) and Aquatics Land Lease modifications with Department of Natural Resources (DNR):** Initial plan being revised for resubmittal.
- **Lots 20 & 21:** West side boundary location being investigated by the escrow and title company.

C. Funding Issues

- **Port Security Grant (FEMA) including Consortium coordination:** Mozer, Field and MacLeod-Roberts met with Ken Canete, Financial Grant Monitor for the Marine Exchange (the Port's fiduciary agent for the grant) last Friday. Canete provided a packet of Monitoring Questions that would need to be answered prior to the Port being approved to proceed to bidding. Field summarized, *"It's not rocket science and it's not something that we can't do, but it is a pile of stuff to put together."*

At that point, Gregoire said there have been five separate issues discussed so far, and he would like to address just the boat ramp floats project by itself. Gordon agreed.

ACTION: A Motion was made by Gregoire and seconded by Jerome to direct the Staff to separate the boat ramp floats project from the Phase 1 project and proceed to bid and build the boat ramp floats project before the permits expire.

Gordon noted that the Port had been awarded a Boating Facilities Program grant that requires a 25% match for the boat ramp floats project. He asked if breaking out the ramp project would affect the other matching grants for Phase 1. Field said the ramp floats project is not part of the Port Security Grant (wouldn't qualify) and was not addressed in the Rural County Economic Development Funds Grant. It was basically a standalone design project we inherited from the City of Langley. Gordon said, *"I agree with pulling these two projects apart if (and only if) we stay on Phase 1 until we know for sure we can't get it this year."*

Gordon asked about the additional costs if the projects are separated. Field said it would require a second mobilization and two different bid packages, but he still thinks it can be done close to the budget. Jerome asked about the mitigation for the boat ramp floats, and Field said the removal of the 9 or 10 existing piles would suffice – it's all self-contained. Noting that the Port had realized more dollars than expected in bond proceeds and that the boarding floats project absolutely needs to get done, Jerome said he wasn't that concerned about the matching fund issue.

Jerome asked Gregoire for permission to amend the Motion just to say *"...we resolve to move forward with the Boarding Ramp Float Project"* because at the moment we really don't have a large project. Gregoire gave his permission. Gordon said, *"I do not want to see any less effort on the large project or the permits to gain that project this year."*

The Motion was amended as discussed. Gordon called for a vote and the Motion passed unanimously.

- **Rural County Economic Development Funds Grant:** Field provided copies of the *"Request for Amendment of InterLocal Agreement (Contract #RM-BUD-10-0216) Rural County Economic Development Funding for Harbor Expansion Project South Whidbey Harbor at Langley"* (**EXHIBIT D**) he sent to Helen Price Johnson, Chair of the Board of Island County Commissioners on May 31, 2012. The request is to simply revise the construction duration to reflect the permitting issues which have unavoidably extended the proposed construction duration. Specifically, the Port requests that the ILA be amended with an *additional phrase* added to the first sentence in Article #3, such that it will read: *"Work on the Project shall be substantially complete within 24 months from the effective date of this Agreement and the approval of all permitting necessary to commence construction."*

Regarding Arango's letter with questions regarding the Phase 1 permitting, Jerome said some of the issues raised seem to have arisen from the 5 or 6 conditions attached by the Hearing Examiner. It might be worth reviewing that to make sure all the I's are dotted and T's crossed. He then asked, *"Do we have any sort of plans for the uplands? Because it sounds like the City is looking for more detail on the parking, etc."* Field said Reid Middleton should have the final set out to us on Friday; he'll call Kinsella and ask what it looks like.

Paul Schell (co-owner of The Boatyard Inn, neighbor to the South Whidbey Harbor) said, *"FYI: We are proceeding to expand the Inn with 2 units and going for the permits. We expect to be on the ground this fall."* He asked, *"How comfortable are you that you will at least remove the planks on top of the pilings of the old Hein dock? From the operation of the Inn and for the safety of the guests, those planks are a hazard and should be removed. I wouldn't mind if all the pilings were left."* Field said, *"I absolutely agree. That's exactly what we're doing as mitigation for Phase 1 – Breakwater Relocation."*

Schell said if there is anything there anything they can do to help, just ask. As soon as a decision is reached on what will be done regarding parking at the Harbor, he asked the Port to let them know. He pointed out that the long trailer spaces absorb several parking spaces, so it would be in their interest to get those moved to the top of the hill. Field explained that the Port is working on additional parking up at the

top of the hill, but it is limited by grant conditions. The property was purchased with Recreation & Conservation Office funding and according to the grant conditions, the Port is supposed to have 18 trailer spaces down there.

Regarding the Corps permitting for the breakwater relocation, Gregoire questioned the six-month Programmatic Permit process that the Port has been pursuing vs. the Standard Individual Permit. He said he was confused because the Corps' recent letter indicates that it is being reviewed as a Standard Individual Permit at this point. Gregoire said he wanted the Commission to give him permission to go to the Corps office in Seattle and find out what is going on, because he has never seen a project processed this way. Gordon suggested that Gregoire should first talk to Joe Callaghan at GeoEngineers. Jerome said the Port already has a consultant (Callaghan) dealing with this, and it seems to him that having multiple contacts going to the Corps would potentially cause problems. Gordon said that in his management experience, "you don't hire individuals to work for you and then go over their head." He encouraged Gregoire to speak to Callaghan rather than going to the Corps as an elected official. Field noted that they had only received the Corps' letter that afternoon, and he hasn't even had the chance to discuss it with Callaghan yet. After additional discussion, Gregoire withdrew his request to go directly to the Corps.

D. Design Issues: No additional discussion.

2. Phase 2 and Beyond

A. Planning Issues

- **Memorandum of Understanding (MOU) between the South Whidbey School District (SWSD) / City of Langley / Port of South Whidbey for parking at Langley Middle School (LMS):** As authorized at the Special Meeting, Gordon had signed the MOU, and he will meet with City and School representatives to walk the parking lot this week. He explained that basically, the City probably doesn't have any money for this and the SWSD is hoping the Port will pay for the improvements to the parking lot in exchange for the use of it.

3. Harbor Operations: No update.

Clinton Beach, Fishing Pier & Dock Update

A. Emergency Stabilization and Wood Ramp Demolition and Removal Project: Field reported that Rex Lukinich (sole proprietor of Greenbank Metalworks) began work on the project within 24 hours of Commission authorization during the Special Meeting on June 5th. Lukinich is pulling up his truck and loading debris into it in between ferries, and the first load was over 1,100 pounds. Field said they've already discovered some of the bolts holding the pile guides on the easternmost post have sheared off and the welds were starting to go.

Port Operations Update

A. Finance Manager Position: Per Commission direction and following Gordon's discussion with Moser, Field had prepared a revised offer letter to Moser based on hourly compensation rather than salary (**EXHIBIT J**). The letter also states, *"In September or at such time as you are able to come on board on a full-time basis, the Commission looks forward to a comprehensive evaluation and review of responsibilities, compensation and benefits."*

ACTION: A Motion was made by Jerome and seconded by Gregoire to approve the Offer Letter to Angi Moser for the Finance Manager position as presented. The Motion passed unanimously.

New Project Opportunities

A. **Mukilteo Parking Issues (Gordon)** Gordon attended the local ferry community meeting earlier in the evening. It appears the letter that he and representatives from Island County, the City of Langley and the City of Mukilteo signed encouraging Washington State Ferries to modify the new multimodal terminal so the parking lot aligns with the commuter train was successful. He remains a little discouraged because there is still no net gain for parking. At the meeting, he asked about “priority loading.” Gordon believes one of the economic development issues South Whidbey has that keeps some Island prices for goods and services higher is the problem commercial vehicles have timing-wise to get on & off the ferry with long lines, etc. Washington State Ferries (WSF) might be implementing priority loading for commercial vehicles by reservation in 2014. Gordon said WSF is potentially going to put a 144-car ferry on the Clinton/Mukilteo route at least part of the time, and under the new multimodal facility design, they have included overhead passenger loading in Mukilteo. That makes a lot of sense as it will shorten the amount of time spent loading/unloading. At the meeting earlier tonight, he suggested to WSF that they need to add a little to the \$130 million and do overhead loading in Clinton as well. He was told there was no money for it, but at least a seed has been planted. WSF’s Environmental Impact Study said that more than 10 minutes would be saved per round trip if there was overhead passenger loading on both sides, so it could actually keep the Clinton/Mukilteo running from needing a third boat in the foreseeable future. The absolute “best, best case scenario” for starting construction is 2015.

ACTIVITIES/INVOLVEMENT REPORTS

Economic Development Council (EDC): (Jerome) Jerome said he would not be able to attend the EDC Annual Luncheon on June 15. Washington State Senator Mary Margaret Haugen and Representatives Barbara Bailey and Norma Smith will be there. Gregoire said he would attend, and Gordon asked him to call if that changed and he would take his place.

Jerome said they had received the Island County Sign Code Update but he had not read it yet. Field explained that it was mostly concerning commercial sign ordinances and therefore does not directly affect the Port. Gregoire said he would like to look at the Update and Jerome gave him the copy to review.

Council of Governments (COG): (Gordon) Field had provided a presentation on Phase 1 of the SWH Expansion project for the RCEDF InterLocal Agreement.

Skagit-Island Regional Transportation Planning Organization (RTPO): (Gordon) Gordon said the RTPO is really digging into the transportation concurrency law that is only specific to islands with highways of significance on them, which only applies to Whidbey Island. He said the level of service standard required by the law could have a negative impact on economic development as the economy recovers.

Marine Resources Committee (MRC): (Gregoire) Gregoire said Ian Jefferds of Penn Cove Shellfish had discussed the disastrous sinking of the derelict vessel (“Deep Sea”) in Penn Cove.

Washington Public Ports Association (WPPA): (Jerome)

A. Finance & Administration Seminar June 20-22 at Sun Mountain Lodge in Winthrop: Mozer will attend.

Puget Sound Partnership (PSP) - Island County Local Integrating Organization (ILIO): The representative position remains open (cannot be filled with an elected).

Langley Shoreline Master Plan Committee: (Gregoire) Langley hired a consultant to help write the Plan, and Gregoire told Arango, “*We need to sit down and talk before you turn that guy loose.*” Regarding the five additional processes that Arango’s letter said the Port has to go through, Gregoire said

it was ludicrous for Langley to have a Shoreline Permit process and then require the Port to go to the Design Review Board, because the Shoreline Permit process is the review – everything gets covered by that.

Island County Shoreline Master Plan: (Gregoire) Nothing new to report.

Recreation & Conservation Office (RCO) Washington Wildlife & Recreation Program (WWRP) Water Access Committee: Field attended the session last week in Olympia.

Island County Hazard Mitigation Plan Update: Nothing new to report. Mozer was directed to look into it to find out if anything is happening.

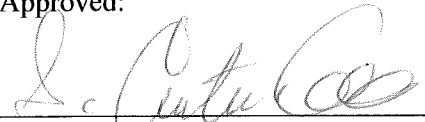
OLD BUSINESS

Public Records Request: Received April 23, 2012. Initial response issued April 30, initial release May 14, second release 5/23/12 including Document Viewing Station.


NEW BUSINESS: Field said there were two sponsor tickets available for the Whidbey Island Garden Tour or Pre-Tour June 22-23, 2012, and Gordon accepted them.

ADJOURNMENT: The Meeting was adjourned at 9:35 p.m.

Approved:



Commissioner Curt Gordon, Clinton



Commissioner Dennis Gregoire, Freeland



Commissioner Chris Jerome, Langley

Minutes prepared by:



Edwin S. Field, Port Operations Manager

- Exhibit A: Voucher Listing
- Exhibit B: April 2012 Financial Statement
- Exhibit C: 2011 Annual Report
- Exhibit D: Resolution 12-06: Appointing Auditing Officer & Alternate Auditing Officer
- Exhibit E: Engagement Letter from Edwards & Associates
- Exhibit F: Copies of Google Maps printouts of tower structures provided by Marcia Monma
- Exhibit G: Proposed replacement map for Dorothy Cleveland Trail provided Marcia Monma
- Exhibit H: City of Sammamish Schedule for comparable project
- Exhibit I: 5/31/12 Request for Amendment to RCEDF ILA
- Exhibit J: Finance Manager Offer Letter to Mozer