

**THE PORT DISTRICT OF SOUTH WHIDBEY ISLAND**  
**WORKSHOP and SPECIAL MEETING**  
Held at Port Office Conference Room, 1804 Scott Rd, Freeland, WA  
Tuesday, July 30, 2013 at 6:30 p.m.

**AGENDA**

WORKSHOP (6:00 – 6:30 P.M.): Informal discussion of recent correspondence and project status

SPECIAL MEETING CALL TO ORDER and PLEDGE OF ALLEGIANCE

ACTION ISSUES\*\*

**Port Operations (6:30 – 6:45 approx.)**

1. Port Comprehensive Scheme for 2013-2019: Schedule update
2. Resolution No. 13-05: Extension of Port Comp Scheme for 2007-2013 through December 2013

**South Whidbey Harbor (6:45 – 7:45 approx.)**

1. Permit and Planning Update
2. Phase 1 Construction update as needed
3. Operational Policy and Fee Schedule for 2014: Initial Review

**Possession Beach Waterfront Park (7:45 – 8:15 approx.)**

1. Boat Ramp Renovation: Review of Overall Schedule and Draft Consultant Solicitation

**New Business (8:15 – 8:30 approx.)**

1. Fairgrounds

ADJOURNMENT

\*\* Includes Staff Presentation, Commission Discussion & Decision/Direction as applicable

**PORT DISTRICT OF SOUTH WHIDBEY ISLAND**

Minutes of the Special Meeting

July 30, 2013

Freeland, 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), Molly MacLeod-Roberts (Port Clerk) **Others:** Jim Sundberg (Langley Councilmember) and Ben Watanabe (South Whidbey Record)

**MEETING CALL TO ORDER:** Following a Workshop from 6:00 p.m. to 6:30 p.m. for informal Commission review of recent correspondence and status updates, the Special Meeting of the Port District of South Whidbey Island's Board of Commissioners was convened on Tuesday, July 30, 2013, in the Port office conference room at 1804 Scott Rd. in Freeland, WA. As announced, the primary purpose of the Special Meeting was for Commission and Staff review, discussion and direction on Comprehensive Scheme issues; South Whidbey Harbor permit, project and operational policy issues; the Possession Beach Boat Ramp Renovation planning study; and other topics as time permits. Although the Meeting was of course open to the public, it was scheduled primarily for Commission and Staff consideration of those specific issues and public participation was not on the Agenda..

Commissioner Gordon, President, called the Special Meeting to order at 6:30 p.m., followed by the Pledge of Allegiance.

**ACTION ISSUES**

**Port Operations**

- **Schedule Update for Port Comprehensive Scheme for 2013-2019:** Port Finance Manager Angi Mozer reported that according to Julie Bassuk of Makers, Paul Sorenson (BST Associates) is working on the economic analysis. He will get that analysis to Makers next week and it will be ready for the Port to review the following week (about a week behind schedule). A draft Strategic Plan will be ready in late August, and the Port should be able to meet with Makers and Paul Sorenson in early September to discuss the draft Strategic Plan and the economic analysis.

Commissioner Dennis Gregoire suggested that once the Port receives the economic analysis, the Commission should meet to review and discuss it prior to the meeting with Makers and Sorenson, and Commissioner Chris Jerome and Gordon agreed.

The Open House to gather public input on the draft Comp Scheme would occur mid-October, with adoption of the Strategic Plan at the end of October/early November.

- **Resolution No. 13-05; Extension of Port Comprehensive Scheme for 2007-2013 through December 2013 (EXHIBIT A):** Mozer explained that the current Comp Scheme specifically states that it was adopted August 8, 2007. Although it doesn't have an expiration date, it does state that it is a six-year plan. She contacted the Municipal Research and Services Center of Washington, and their legal consultant said that a very conservative approach would be to extend the current Comp Scheme, but it is not really necessary. In order to not have a gap between the current and next Comp Scheme, Mozer recommended approval of the Resolution extending the current Scheme through the end of the calendar year.

**ACTION: A Motion was made by Jerome and seconded by Gregoire to approve Resolution No. 13-05 Extending the Six-Year Comprehensive Scheme of Harbor Improvements 2007-2013 through 12/31/13. The Motion passed unanimously.**

### South Whidbey Harbor

- Overall Permit and Planning Update: Port Operations Manager Ed Field reported that Joe Callaghan of GeoEngineers has made some progress with the Army Corps of Engineers (the Corps) on the overall permit (submitted August 2009). Per Commission direction, Callaghan had proposed setting up an Advance Mitigation Agreement with the Corps that would allow the Port to pull the piles from the Hein dock while waiting for the Overall Permit to be issued. Project Manager Lori Lull had responded that the permits are too far along and the Corps is not interested in negotiating advance mitigation for the project. Instead, the Corps wants to issue the permit for the harbor expansion and allow for a five-year window to complete construction, with the Port responsible for keeping the permit up to date. That would allow the mitigation to be completed prior to other construction, but would still be credited to the project as long as the permits are active. The Corps has requested two items to complete the permits: 1) A revised mitigation plan and 2) A revised marbled murrelet monitoring plan. The Port must provide a response by August 16, 2013. GeoEngineers had prepared and submitted their proposal for a Change of Scope – Revision No. 2 for continued environmental permitting services (**EXHIBIT B**). The estimated budget for that additional scope of work is \$3,200 for the Mitigation Plan Update and \$2,800 for the Marbled Murrelet Monitoring Plan, for a total of \$6,000. The total cost for the previous work is \$30,300. Adding the \$6,000 for the Change of Scope Work brings the estimated total cost for the project to \$36,300. Field said the additional cost seemed reasonable and he recommended approval of the proposal.

In response to the Commission's concerns of the permit expiring and the Port losing the mitigation that is tied to the permit, Field explained that an extension of the five-year permit is possible if the Port is actively engaged in construction or planning of the project. The Corps also realizes that few agencies have the ability fund the full project at first, so once the Port has a Master Plan that demonstrates the next phase, it would be typical for the Corps to look at a permit modification and not a new permit for that phase. He added that having permits in hand while chasing grants is "huge."

*[Gregoire indicated he had not seen the email from Field that included GeoEngineer's proposal. He was provided copies and Gordon suggested they should continue with the Agenda while Gregoire reviewed the information. Although the meeting discussion then alternated between the Overall Permit topic and the Phase 1 Construction update, for clarity and continuity these Minutes have been prepared in the order listed on the Agenda.]*

Gregoire said the Agenda did not list an action item involving a budget item of \$30,000. Gordon said it is not listed specifically, but it is part of the discussion for the Overall Permit topic so they are allowed to take action on it. He clarified that the proposal is for an additional \$6,000 for a change of scope to an existing contract of \$30,300. Gordon noted that the Corps requires a response by August 16. Gregoire said he was confused about what was involved in the Task 1 Mitigation Plan Update, and Field provided an explanation and history of that plan which began with the temporary parking permit for the breakwater and the temporary shading caused by the breakwater. Gregoire said the costs for the five-year monitoring plan were not in there, but Gordon pointed out that they were listed in the email as \$5,000 per Year 1, 3 and 5 for a total of \$15,000.

Field said that if the Commission does not want to take action tonight but feels it is appropriate, he could pass that recommendation on to GeoEngineers and the Commission could formalize the action at the regular August meeting. Gregoire said, "I just don't feel comfortable taking action on an item that is not specifically on the Agenda, so I won't be voting on this tonight." Jerome believed that during Special Meetings, the Commission can discuss and take action on any item on the Agenda, and this is covered under the South Whidbey Harbor/Permit and Planning Update section. Gregoire argued that it is a budget amendment, and he would not vote for it tonight. He would like it to be on the agenda for the August meeting. Gordon asked Field about the urgency, and Field explained that if the response is not submitted to the Corps by August 16<sup>th</sup>, they will cancel the entire permit. He reiterated that if the majority of the Commission appears favorable to approval at the August meeting, he could give direction to Callaghan that he might want to be prepared. Gregoire asked which permit would be cancelled, and Field explained

it would be the overall permit for the full build-out that was submitted in August 2009. Gregoire said, *“Not the one for the current project, but the one down the road that we don’t have the financing for.”* Gordon explained the key issue is that the Port has been looking for an opportunity to remove the rest of the creosote pilings of the old Hein dock, and the only way the Port could do it was through advanced mitigation. The Corps responded to the request for advanced mitigation by indicating they would prefer to issue the overall permit but extend it for a longer period of time. Although he agreed with Jerome that the Commission could take action during this Special Meeting, if Field believed Callaghan could be prepared in time to submit the response by the deadline, Gordon said they could probably wait until the August 13<sup>th</sup> meeting. Jerome said he didn’t want to see the 5-year process go out the window because they failed to vote on it today.

**ACTION: A Motion was made by Jerome and seconded by Gordon to accept GeoEngineers’ Proposed Change of Scope – Revision No 2 for an estimated budget of \$6,000. The Motion passed with a margin of 2-1, with Gregoire voting against.**

- Phase 1 Construction Update: Field said the first batch of 4 piles has been fabricated and those piles are now being galvanized. Neptune Marine plans to start the pile installation on Wednesday, August 7 or whenever that first batch is ready. Neptune hopes to drive 1-3 piles per day and estimates it will take 1-2 weeks to drive the total of 14 piles. The Port’s recommended method for separation of the breakwater is coring the bolts out of it, but Neptune is considering another possible method: using a big band saw to cut the breakwater apart with the bolts in there. Field said that method is really appealing since coring the bolts out is so challenging.

The fencing and gate assembly has been fabricated and installed at the head of the gangway (with some swing issues to be resolved), and Field said they are waiting on the last of the platform steel and structure to start the re-planking where the utility/operator shed will go. Later this week they might start the electrical rough-in with all the trunk lines, etc. underneath the dock.

- Initial Review of Operational Policy and Fee Schedule for 2014: Mozer had prepared the following items for Commission review and discussion:

- 1) Past Harbor Revenue Data (**EXHIBIT C**)
- 2) Utilities Analysis (**EXHIBIT D**)
- 3) Moorage Rates Comparison (**EXHIBIT E**)
- 4) Current South Whidbey Harbor Revenues and Expenses Chart (**EXHIBIT F**)
- 5) Moorage Rate Scenarios A-F, including Assumptions (**EXHIBIT G**)

Mozer explained that the Commission does not have to make decisions regarding policies or fees during this meeting because there is still plenty of time to work any decision into the 2014 budget.

Scenario A assumes no increases to the established rates, Mystic Sea moored from Mar-May, 80 ft. of commercial space on the breakwater and no additional annual moorage. Based on current usage, the calculated total annual revenue under Scenario A is projected at \$231,737.53.

Scenario B assumes rate increases of about 10% across the board for total revenue of \$251,414.24.

Field noted that although the Port made adjustments to how rates were charged (from a rate per slip to charging a rate per linear foot), moorage rates have not really increased since ownership was transferred in January 2009. Mozer added that the comparison of other marinas indicates the Port is right in line with its moorage rates. Regarding the annual moorage rate, Gordon said the Harbor is not really comparable to any other marina. Because there are only six spaces available and over 100 people on the waiting list, those spaces are very valuable and he believes the annual moorage rate could be raised.

Scenarios A-D have separate rates for moorage and utilities and Scenarios E-F combine moorage and utilities into one flat rate. Jerome asked if all the scenarios assume the same occupancy rate if the rates increased, and Mozer said yes, just to make it simpler. His reason for asking is that the Port doesn't know how much of a demand there is for more space, so if the Port expands the marina and increases rates at the same time and ends up with a lower occupancy, we won't know if it's because the rates are too high or if it's because we have more space than we need. Mozer said the Harbor currently cannot accommodate boats over 65', so she thinks at a minimum we will continue with the current revenue plus the additional market of the larger boats on the breakwater.

Scenario C assumes the Mystic Sea would moor year-round and no already-established rate increases. Although that would potentially reduce transient moorage in the height of the summer, the Mystic Sea brings people to the Island and contributes to economic development. Scenario C also includes 40' of moorage on the breakwater for a "premium paying annual customer" who would be allowed to moor for just one year and pay a premium cost of \$20/ft. per month. Mozer explained it's just one way to possibly get the lengthy waiting list moving. Total projected revenue for Scenario C is \$220,912.63. Jerome noted that was the lowest of all the scenarios, and Mozer explained that was because the Mystic Sea and the premium paying customer would be taking up transient moorage space. Field noted that under this scenario, parking in the summer would definitely be an issue and there would need to be an offsite parking area and a reliable shuttle service.

Scenario D had the same rate increases as Scenario B, 155 ft. of breakwater dock space available for monthly customers Nov-May, the Mystic Sea year-round, 80 ft. of commercial moorage on breakwater and 40 ft. for premium-paying annual customer. Projected revenue for Scenario D is \$243,329.45.

Scenario E assumes no rate increases and combines Moorage & Utilities into one rate. Projected revenue is \$237,875.57. Scenario F also combines Moorage & Utilities and the same rate increases as B and C, with a projected revenue of \$252,694.46.

The Commission discussed various issues including length of stay on the unencumbered new space, occupancy rates, the amount of economic development provided by transient vs. annual moorage customers, and the importance of the Harbor becoming self-sustaining/revenue neutral.

Noting that Scenario B included an increase of 12% for the annual moorage customers, Gordon suggested that since there is such a demand it could go up to 20% higher because that space is very valuable. He would like to see that waiting list move, and the Commission agreed. The Commission directed Mozer to "tweak" Scenario B and draft some additional scenarios that included the 10-12% increase for transient moorage, but increased the long-term moorage rates and commercial moorage rates.

#### **Possession Beach Waterfront Park**

- Review of Overall Schedule and Draft Consultant Solicitation for Boat Ramp Renovation: Field reported the Milestone Worksheet (**EXHIBIT H**) had been submitted to Recreation & Conservation Office (RCO) Project Manager Myra Barker. He explained it was proposed and developed in order to position the Port to apply in the 2016 grant cycle for construction funds.

Referring to the Draft Request for Letter of Interest with Qualifications (RFQ) for Environmental/Pre-design/Permit Preparation & Submittal Work (**EXHIBIT I**), Field explained that the Port has typically had a design firm leading this type of effort, but on this project we might be better off with an environmental specialist as the lead. He tried to write the draft so teams can structure themselves and submit. He noted that there is a long list of project deliverables, and he is not sure if the Port will be able to get all of those deliverables for the budget amount. Field didn't know if an Environmental Site Assessment would be needed since it is a renovation of an existing facility.

Gregoire said the option of having a very good coastal engineering firm that does the work pairing with the environmental, because we don't want the biological people telling us how to build boat ramps. The way the RFQ is structured, he thinks the Port will be able to get both. Gordon and Jerome agreed the RFQ was very well done.

**ACTION: A Motion was made by Jerome and seconded by Gregoire to send out the Request for Letter of Interest with Qualifications for Environmental /Pre-design/Permit Preparation & Submittal Work for the Possession Boat Ramp Renovation Work as presented. The Motion passed unanimously.**

Field said he would update the schedule accordingly.

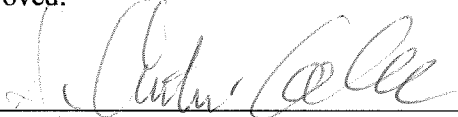
Gregoire hopes the Port will be able to use the data from this project to get more information for the other boat ramps for a few more dollars. That data could then be brought into the Shoreline Master Plan process.

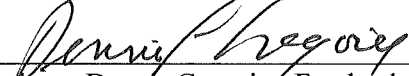
**New Business**

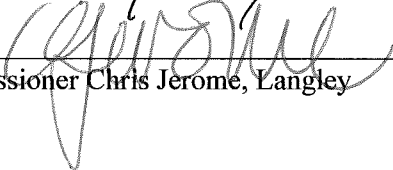
- Fairgrounds: Jerome had attended the Fair Association's first meeting that had representatives from various jurisdictions and public agencies. Gordon had attended the 2<sup>nd</sup> and 3<sup>rd</sup> meetings plus an additional meeting with Fair Association Director Dan Ollis, Island County Commissioner Helen Price Johnson and Langley Mayor Fred McCarthy. The Association found a highly recommended consultant who has been involved in the design of 150 fairs. Many other fairs have the same issue Whidbey Island has – what to do with the facility when it is not Fair time. Gordon explained that based on the consultant's recommendation, the Association thinks it would be good to restructure the Fair to have two functioning groups: one to manage the facility (landlord) throughout the year and one for just the Fair itself, with control over use of the facility during that time only. Then the Fair Board could focus just on the Fair rather than spending time, energy and money on maintaining buildings, etc. A planning study for the Fairgrounds would cost an estimated \$60,000, and the Fair Association hopes other jurisdictions and agencies can help provide the funding. Price Johnson looked up the state statutes for Rural County Economic Development Funds (RCEDF) and learned that the Island County Economic Development Council staff and Port staff can be legally financed with those grant monies. Gordon anticipates that the Fair Association will submit an RCEDF grant application to the Island County Council of Governments (COG) to fund the study, and he would like his fellow Port Commissioners to join in his support of the application as it is an economic development opportunity. The Commission agreed to support his vote (as the Port's representative on the COG) in favor of the Fair's RCEDF application.

**ADJOURNMENT:** The Special Meeting was adjourned at 8:20 p.m.

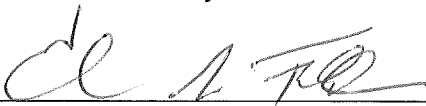
Approved:

  
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Commissioner Curt Gordon, Clinton

  
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Commissioner Dennis Gregoire, Freeland

  
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Commissioner Chris Jerome, Langley

Minutes reviewed by:

  
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Edwin S. Field, Port Operations Manager

- Exhibit A: Resolution 13-05 - Extension of Port Comprehensive Scheme 2007-2013
- Exhibit B: GeoEngineers' 7/26/13 Proposed Change of Scope – Revision 2
- Exhibit C: Past Harbor Revenue Data
- Exhibit D: Utilities Analysis
- Exhibit E: Moorage Rate Comparison
- Exhibit F: Current South Whidbey Harbor Revenue and Expenses Chart
- Exhibit G: Moorage Rate Scenarios A-F
- Exhibit H: RCO Milestone Worksheet
- Exhibit I: Draft Request for Letter of Interest with Qualifications for Possession Ramp Renovation