

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

Meeting held at South Whidbey Parks & Rec District, 5475 Maxwellton Rd, Langley WA
Tuesday, August 13, 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

Consent Agenda: Approval of August 2013 Vouchers in the amount of \$502,488.50 and approval of Minutes from the Regular Meetings of April 9 and May 14, and Special Meetings of April 25 and May 20, 2013

FINANCIAL UPDATE

June 2013 Financial Statement and Finance Manager Report

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

STATUS REPORTS

South Whidbey Harbor Update

Phase 1 Project

- Construction Issues
- Funding Issues

Overall Permit

Boat Ramp Boarding Floats

Harbor Operations

- Outside Mooring
- Existing Condition Survey
- Offsite Parking at Langley Middle School
- Assistant Harbormaster Position
- Operational Policy and Fee Schedule for 2014

Possession Beach Waterfront Park

RCO Project Agreement

Ramp Rebuild Consultant Solicitation

Port Operations

Port Comprehensive Scheme for 2013-2019

Marine Surveillance Camera Project (Port Security Grant)

2014 Budget

ACTIVITIES/INVOLVEMENT REPORTS

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

Jerome: Washington Public Ports Association (WPPA)

Gregoire: Marine Resources Committee (MRC), Langley Shoreline Master Plan (SMP) Committee and Island County SMP Committee

OLD BUSINESS

NEW BUSINESS

ADJOURNMENT

PORT DISTRICT OF SOUTH WHIDBEY ISLAND

Minutes of the Regular Meeting

August 13, 2013

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), Molly MacLeod-Roberts (Port Clerk) and Duncan McPhee (Harbormaster); **Others:** Celeste Erickson (South Whidbey Record)

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, August 13, 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.

CONSENT AGENDA

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

Approval of Minutes: Minutes from the Regular Meetings of April 9 and May 14, and Special Meetings of April 25 and May 20, 2013

ACTION: A Motion was made by Commissioner Dennis Gregoire and seconded by Commissioner Chris Jerome to approve the Consent Agenda as submitted, including the authorization and acceptance of Vouchers dated August 2013 as signed today in the amount of \$502,488.50. The Motion passed unanimously.

FINANCIAL UPDATE

June 2013 Financial Statement and Finance Manager Report: The Commission acknowledged receipt of the June 2013 Financial Statement (**EXHIBIT B**) which had been distributed to them previously. Port Finance Manager Angi Mozer said the Port received \$168,000 in tax, operating and grant revenue and incurred \$123,000 in operating and capital expenses during June 2013. Ending cash balance at 6/30/13 was \$1,055,000, consisting of \$500,000 in the Bond Fund and \$555,000 in the General Operating Fund. She noted that \$289,000 was transferred from the Bond Fund to the General Operating Fund in July and it will show up on next month's report.

Mozer reviewed the 2013 Projections (**EXHIBIT C**) and reported the Port is experiencing an under-run of \$60,000 in operating expenses. Mike Carlson, Enterprises (contractor for South Whidbey Harbor Phase 1 project) is running a little behind schedule so the Port's cash balance is higher than originally anticipated. She added that although \$15,000 was budgeted for the Harbor's DNR lease in 2013, after the budget was adopted the Port learned it would only be \$4,000. Based on the projections, Jerome said it seems like there is a decent chance that the Harbor will breakeven in 2014 and Mozer agreed it was quite possible that it would at least break even. Gordon asked Port Operations Manager Ed Field where the Port is with the 10% contingency for the Phase 1 project, and Field said we are running under 10%.

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

STATUS REPORTS

South Whidbey Harbor Update

Phase 1 Project

- **Construction:** Field said Neptune Marine mobilized last week, and it's been a slower start than expected. Only one of the 14 piles is in as of today, and they will start on the second one tomorrow morning. Those are the most inshore piles on the north side and once they're in they will work clockwise around the perimeter to come back around. When they get to the south end, at that point they will have to take the breakwater off the dock because some of the piles have to go below where it is docked. After all 14 piles are in, the next step is to separate the breakwater and they will probably use a wire saw rather than coring out the bolts, etc. The major marine construction should occur within the next month and a half, and the onshore work will start after Labor Day. Field said his first meeting with Langley's new Public Works Director Maria Cablao was productive.

- **Funding:** No additional discussion.

Overall Permit: Joe Callaghan of GeoEngineers prepared and submitted the Draft Mitigation Response Memorandum (**EXHIBIT D**) to on August 8th within the 30-day requirement. The Port is hoping to get a five-year permit.

Boat Ramp Boarding Floats: No update.

Harbor Operations

- **Outside Mooring Design/Evaluation:** Reid Middleton had prepared an initial design and two cost estimates for Cleat and Rub Board for Outside of Breakwater (**EXHIBIT E**). Field explained the basic concept is to build a structural "saddle" over the wave wall and then mount cleats on the saddle. The "Two Positions" estimate of \$93,000 is for setting up outside mooring on both sections of the floats, and the "One Position" estimate of \$51,000 is for a single 120' position on one float or the other. Neither estimate includes the additional cleaning of the outside face. He and Harbormaster Duncan McPhee believe it is a large investment, but the revenue from the opportunities (Victoria Clipper, Hat Island Ferry, etc.) would be fairly light. It is also not known how the breakwater will "behave" once it is in position and they have some concerns about public safety because the existing rails would be removed to accommodate the saddle structure. Considering the unknowns and the cash flow issues, their recommendation is that during the next 8-10 months they further evaluate the value of the outside position and observe weather conditions to see how often it would be useful and then consider conducting the work during next summer's major maintenance project.

Gordon agreed they should wait and that Staff should evaluate and determine if there is an economic need, and added that there are grant opportunities (including RCEDF) that could pay for it later. He said, "We just don't have \$90,000." Jerome asked, "If we were to do this now, would we have to go out for bid or could it be a change order?" Field said they could ask the contractor for a change order price. Jerome said he was kind of inclined to do part of it – the single 120' position on one float or the other. Since \$14,000 of the \$50,000 is for mobilization, if it is done as a change order the cost would only be about \$35,000 because the equipment is already in place. Gordon said he's not in favor of spending \$40-\$50,000 right now on this and he's not sure he likes the design. However, if it doesn't cost anything to have the contractor look at it and give the Port a cost estimate, he has no problem with that. Field said he will ask Mike Carlson for a cost estimate on the one position option.

Jerome asked if the SWH Revenue Scenarios assumed no outside mooring, and Mozer said that was correct. She added that she had done some very quick calculations on the passenger ferries (the Clipper and the Hat Island ferry). If they stop occasionally, the Port could make between \$15,000 and \$30,000

per year. Gregoire suggested that since those visits benefit the City of Langley, it should be done in partnership with the City and the Commission agreed.

- Existing Condition Survey: Field said he does not have it written yet.
- Offsite Parking at Langley Middle School: The City has asked some questions: How much parking is needed? How often? How much are the boarding floats used? Mozer spoke with McPhee and will get back to the City with the responses.
- Assistant Harbormaster Position: Staff recommendation is to hire a full-time Assistant Harbormaster. Field said if the position is posted in the next few days and advertised through Labor Day, the interviews could be conducted the 2nd or 3rd week of September. The Commission agreed with the Staff recommendation and authorized Field to proceed as discussed.
- Operational Policy and Fee Schedule for 2014: Following the Special Meeting in July, Mozer had incorporated the Commission's guidance on rate increases into Scenario 1 (**EXHIBIT F**). Scenario 1 includes a 10% increase in transient moorage, a 15% increase in monthly moorage and a 24% increase in annual moorage rates, as well as a new \$15 day use rate for boats over 50' and 3 months' moorage from the Mystic Sea (Mar-May). She also provided copies of the previously discussed Scenario E (**EXHIBIT G**), which contained no rate increases but with utilities and moorage combined into one rate. Mozer had prepared a Summary of all of the 2014 SWH Revenue Projection Scenarios (**EXHIBIT H**). The total projected revenue for Scenario 1 was the highest at \$272,669 and Scenario E was at \$249,611. Harbormaster Duncan McPhee supported the combined moorage and utility rates and recommended approval of Scenario 1, and Mozer agreed. He believed customers would accept the increases as comparable to other marina rates in the area, noting that the SWH provides much more in the form of guest services.

ACTION: A Motion was made by Jerome and seconded by Gregoire to approve and adopt Scenario 1 as submitted.

Mozer noted that the draft Scenario 1 actually had three different rates for the overnight moorage: \$1.15, \$1.17 and \$1.20 per night, resulting in an increase of 7.66%, 9.54% and 12.35%, respectively. She explained that per Staff feedback, the rate of \$1.17 would be more difficult to calculate than the \$1.15 or \$1.20 rate. Gordon noted that the annual revenue difference between the low and high is just \$8,000, and he preferred the lower rate for this year. Gregoire said he would go for the higher rate. Jerome clarified that the Scenario 1 revenue projection of \$272,669 were based on the \$1.17 rate, so the \$1.15 rate would only reduce that total by \$2,000.

A Motion was made by Jerome and seconded by Gordon to Amend the Motion to add the language: "...based on the \$1.15/ft. per night rate." The Motion to amend passed unanimously.

Gordon called for a vote on the Motion as Amended. The Motion passed by a margin of 2-1, with Gregoire voting against.

Gregoire explained he voted against it because he wanted the higher rate.

Possession Beach Waterfront Park

- Recreation and Conservation Office (RCO) Project Agreement: Field recommended going ahead with the Agreement with one "significant but small" condition: The document RCO returned to the Port includes the addition of "60% Plan Submittal" and "Bid/Document Submittal" and Field explained that the Port does not expect to get past 30% in this effort. He suggested they should sign for the "boilerplate terms" and submit another Milestone Schedule with the needed changes. The Commission authorized Field to sign the Agreement with conditional approval of the Milestone Schedule.
- Ramp Rebuild Consultant Solicitation: The solicitation is out with responses due August 20th. Staff will review the submittals and distribute the copies to the Commission. Field and Mozer recommended a

Special Meeting the evening of Tuesday, August 27th, to include the following topics: Possession Ramp Rebuild and Consultant Solicitations, the 2014 Budget, economic data from BST Associates, and SWH construction update as needed. The Commission agreed to schedule the meeting as recommended.

Port Operations

- **Port Comprehensive Scheme for 2013-2019:** A Special Meeting will be held Thursday, September 5th with representatives from Makers and Paul Sorenson of BST Associates. Sorenson will review his Economic Analysis and address Commission questions/concerns. Makers will present the draft Strategic Plan and a draft Project List for the Comp Scheme.
- **Port Security Grant (PSG) Program – Marine Surveillance Camera Project:** As Mozer was getting ready to send out the Requests for Proposals, she was combing through the EHP (Environment and Historical Preservation) paperwork and noticed that it differed a little bit. Per the Fiduciary Agent's recommendation, it has therefore been resubmitted. Mozer explained that she is a little nervous about the time now, since the deadline for reimbursement is the end of January, but she is staying in close contact with the Agent.
- **2014 Budget:** Jerome noted that in 2014 there would be expenses associated with the Possession Boat Ramp project and the proposed SWH inspection/maintenance project. Once the Commission has the Comp Scheme Project List, he suggested the Port should budget a little more for consultants in 2014 so they can start fleshing out some of those ideas that in the Comp Scheme. He added that if the Port decided to work on the Master Plan with the City of Langley next year, it would increase the consultant expenses, so he thinks the 2014 Budget should have plenty of money for consultants.

Gregoire said he would like to leverage the work at Possession to find out what to do with the other boat ramps in general and begin to lay the foundation for a boat ramp program. He agreed that additional consultants would be needed, but he believes next year is too early to spend money on the Master Plan, which will be very expensive. They should wait at least a year after the construction is complete to gather data, etc. When Jerome spoke with the City of Langley, his position was that the Master Plan is primarily the City's responsibility because the Port's property is a relatively small part of the overall waterfront in Langley. It seemed to him that it would be inappropriate for the Port to pay the bulk of that expense.

Gordon said he would like to see Mozer's actual year-end projections for 2013 before they really "hit the wish list." He prefers a fund balance of \$400,000 for 2014.

ACTIVITIES/INVOLVEMENT REPORTS

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

EDC: The main discussion was regarding the economic development impact of the US Navy in Island County. There are some estimates that suggest 80% of the revenues generated in Island County are because of the Navy's presence. In response to Gregoire's question regarding the EDC's role in GMA, since there is no economic development element in GMA after the County opted not to do it. Gordon said he didn't hear anything at EDC regarding GMA, but at the COG he advocated the use of RCEDF money for planning purposes.

COG: Nothing additional to report.

RTPO: Gordon suggested funding for a walk-on ferry study, but they said it would not be appropriate.

CCC: The Port received an ILA (InterLocal Agreement) from the County today for the speed signs in Clinton. The Port's match for the grant is 13% (just under \$2,000). Staff will provide copies of the ILA to the Commission for consideration at the Special Meeting on August 27th.

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

Gregoire: Marine Resources Committee (MRC), Langley Shoreline Master Plan (SMP) Committee and Island County SMP Committee:

MRC: Gregoire said he is not making much progress there, but the Port needs to be at the table because they are doing some things of value.

Langley SMP: Gregoire said he needs to get back into it because DOE (Department of Ecology) is currently reviewing it with comments due September 20th. He will prepare draft comments and bring them to the Special Meeting on August 27th for Commission review.


Island County SMP: DOE received a lot of comments and the County planners (including the new Planning Director) are busy sorting through them.

OLD BUSINESS: There was none.


NEW BUSINESS: There was none.

ADJOURNMENT: The Meeting was adjourned at 9:21 p.m.

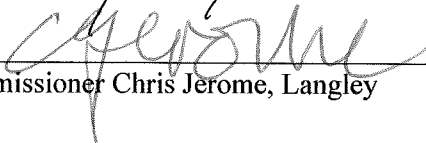
Approved:



Commissioner Curt Gordon, Clinton



Commissioner Dennis Gregoire, Freeland



Commissioner Chris Jerome, Langley

Minutes reviewed by:



Edwin S. Field, Port Operations Manager

- Exhibit A: Voucher Listing
- Exhibit B: June 2013 Financial Statement
- Exhibit C: 2013 Projections
- Exhibit D: GeoEngineers' Draft Mitigation Response Memorandum
- Exhibit E: Reid Middleton's Initial Design and Cost Estimates for Outside Mooring
- Exhibit F: SWH Scenario 1
- Exhibit G: SWH Scenario E
- Exhibit H: Summary of 2014 Revenue Projection Scenarios