

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

Meeting held at South Whidbey Parks & Rec District, 5475 Maxwellton Rd, Langley WA  
Tuesday, September 11, 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 September 2012 in the amount of \$37,765.03**

**Approval of Minutes from Regular Meeting of June 12, 2012.**

FINANCIAL ACTION ISSUES

**July 2012 Financial Report** (distributed Aug. 21, 2012)

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

ACTION ISSUES

**Applications for Funds**

1. Clinton Thursday Market – Clinton Chamber of Commerce
2. Off-island Promotion – Whidbey Island Arts Council
3. Advertising – South Whidbey Tilth Farmers' Market
4. Electrical Line Extension – South Whidbey Tilth Farmers' Market
5. Tourism Brochure - Freeland Chamber of Commerce

**Possession Beach Waterfront Park Update**

1. Ramp Rebuild – Preparations for RCO Evaluation on Sept. 25
2. Property Lease to AT&T

**South Whidbey Harbor Update**

1. Boat Ramp Boarding Floats
  - A. Construction Issues
    - Award to Mike Carlson Enterprises (MCE) underway
    - Upcoming schedule, possible Pre-Con Meeting Thurs. Sept. 20
  2. Phase 1: Breakwater Relocation with Uplands & Utility Improvements
    - A. Permit Issues
      - City of Langley: DRB issues and Building Permit+ status
      - Corps of Engineers: Update
      - WDFW: Mitigation HPA #122970-2 extended, Phase 1 HPA #118222-2 being re-issued
      - WDOE: Update
    - B. Design Issues
      - Proposal from Reid Middleton for Construction Administration Assistance
      - Testing & Inspection for Phase 1 construction
    - C. Property Issues
      - DNR: Proposed Port Management Agreement (PMA) & Aquatics Land Lease modifications
      - Lots 20 & 21: West side boundary location being investigated by escrow & title companies
      - Boatyard Inn Project
    - D. Funding Issues
      - Port Security Grant (FEMA), including Consortium coordination
    - E. Construction Issues
3. Phase 2 and Beyond
  - A. Permit Issues

4. Harbor Operations
  - A. Report from DockStock
  - B. Harbor Staffing

**Port Operations**

1. Float Removals upcoming at Bush Pt and Possession
2. Special Meeting TENTATIVE on September 26
3. Employment Law Seminar from Anderson Hunter (free) on Sept. 27 (9-11 am) in Everett
4. Dave Mackie/Maxwelton Park: Update on Island County drainage issue

**New Project Opportunities**

1. Mukilteo Parking Issues: Gordon
2. Traffic Calming Issues

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

1. Environmental Seminar at La Conner: Thurs. Oct. 11 (full day) and Friday Oct. 12 (half day)
2. Small Ports Seminar at Leavenworth: Thurs. Oct. 25 (full day) and Friday Oct. 26 (half day)
3. Annual Meeting (Nov. 28-30) and Continuing Legal Education (Nov. 27) in Seattle

**Puget Sound Partnership:**

**Langley Shoreline Master Plan Committee:** Gregoire

**Island County Shoreline Master Plan:** Gregoire

**RCO WWRP Water Access Committee:** Field (done for a while)

OLD BUSINESS

NEW BUSINESS

ADJOURNMENT

## **PORT DISTRICT OF SOUTH WHIDBEY ISLAND**

### **Minutes of the Regular Meeting**

**September 11, 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:** Donna Hood, Bruce Didier & Carol Flax (Clinton Thursday Market); Linda Good, Lynae Slinden & Anza Muenchow (South Whidbey Tilth); Frank Rose (Whidbey Island Arts Council); Leanne Finlay (Freeland Chamber of Commerce); Bob Schoeler (Langley Resident) and **Clinton Residents:** Marcia Monma, Maury Hood and Richard Engstrom

**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, September 11, 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**).

**Approval of Minutes:** Minutes from Regular Meeting of June 12, 2012

**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 September 2012 as signed today in the amount of \$37,765.03. The Motion passed unanimously.

#### **FINANCIAL ACTION ISSUES**

**July 2012 Financial Report:** The Commission acknowledged receipt of the July 2012 Financial Statement, which had been distributed to them previously (**EXHIBIT B**).

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

#### **ACTION ISSUES**

##### **Applications for Funds**

1. Clinton Thursday Market – Clinton Chamber of Commerce (**EXHIBIT C**): Carol Flax (Market Manager), Bruce Didier and Donna Wood were on hand to present a \$6,500 request to assist the Chamber with the costs of initiating and staging the first season of the Clinton Thursday Market. Flax explained the Market is the outgrowth of the Clinton Future Search Conference as a way to bring local economic development and create a more thriving community in Clinton. Didier explained the effort was two-fold: give Clinton residents an activity and gathering point, and snare some of the visitors arriving by ferry on Thursday late afternoons/evenings without interfering with other local markets that take place Friday-Sunday. The turnout was very good (averaged 250 people per week), and there were a lot of off-island

visitors, including many that walked on the ferry in Mukilteo and walked up the hill to come to the Market.

Jerome noted that the costs for the first year were nearly \$11,000, and expressed concern about the sustainability of the effort. He asked if they anticipate similar costs every year. Flax said, *"No, because a lot of them were initial costs only and non-recurring (10-year permit, signage, etc.), and a fair amount of the costs listed were in-kind."* They hope to be reimbursed for the actual out-of-pocket expenses, which total about \$3,500. Jerome noted that the Application indicates the group hopes the Port will annually fund the Market for \$3,000 or more. He said, *"I would urge you to figure out a way to do this that does not rely on \$3,000 per year from the Port."* Didier said the Chamber gets the 2% lodging tax and could contribute some of that for the Market as they did for the Future Search. Gordon agreed with Jerome, saying, *"I would like to see these grants be more of a kick-off grant to get a program started, rather than a long-term recurring request."* Now that they've established the Market, Hood said it would be easier for them to get sponsors.

Gregoire said he would like to see the Port come up with better criteria to give more uniformed direction to all the groups applying for these grants in terms of justifying their activities.

2. Off-island Promotion – Whidbey Island Arts Council (WIAC) (**EXHIBIT D**): Frank Rose, WIAC President, was on hand to present a request of \$1,500 for off-island promotion of their 4 big events: Island Shakespeare Festival, Whidbey Island Music Festival, Whidbey Art Trail, and Whidbey Open Studio Tour. Rose thanked the Port for support provided in previous years. The 4 programs are expected to draw at least 4,300 attendees, with 1,950 from off-island. Art sales of \$110,000 from the Art Trail and Open Studio Tour should have an economic multiplier effect on the local economy of about 2.5 times, or \$275,000. The Shakespeare Festival had a 25% increase in attendance this year, and there were attendees from at least 18 states and Canada. The Music Festival had 800 attendees at 7 performances.

3. Advertising – South Whidbey Tilth Farmers' Market (**EXHIBIT E**) and

4. Electrical Line Extension – South Whidbey Tilth Farmers' Market (**EXHIBIT F**): Linda Goode (President), Lynae Slinden (Market Manager) and Anza Muenchow (Land Steward) were on hand to present the Tilth's request of \$2,221 for advertising and request of \$3,750 for an electrical line extension jointly. They thanked the Port for previous grant funding for Tilth in 2007 and for the Port's continued support for the Farm Tour. The request for advertising includes funding for highway signage and the state permitting process for it. Tilth is seeking funds to extend the electrical line to the public restroom and the Market. It will allow the restrooms to stay open in the winter and support the outdoor educational program, as well as provide for a future winter farmers' market and therefore providing year-round tourism development.

5. Tourism Brochure – Freeland Chamber of Commerce (**EXHIBIT G**): Leanne Finlay was on hand to present the Chamber's \$2,500 request for updating, printing and distribution of Visitor Information Brochures for tourists on all Washington State ferries, the Boeing Tour Center, and the visitor's kiosk in Clinton. With regard to tourism in general, she noted that all the groups seeking funding are all related – everything they do helps the Island community and they are all linked together. Gregoire noted that the Chamber had provided important and useful information regarding tourism in their application, including historic trends, etc. He noted that the brochure map included references to the boat ramps in the Freeland area (Mutiny Bay and Holmes Harbor) as well as Dave Mackie/Maxwelton. He said, *"My hope is that over the next few years, the Port might be able to make those closer to the 'world famous' description you've got there. Because they could function and appear better than they are, but we've not seen any money in those three that I could find. If you're advertising and promoting those, I think we need to make sure that they are as functioning and visually appealing as the brochure says."*

**Commission Discussion:** Gordon noted that in March, the Port had already approved \$9,810 of the \$7,500 budgeted for Administrative sponsorships, and that \$7,500 still remained in the Capital sponsorship budget. Jerome said, *"I think these are all worthy projects and I don't mind going a little over budget, but I don't think we can fully fund all these requests. I would like to spread the funds around a bit, so my bias is to limit our maximum contribution to say, \$2,500. But some of these requests were less than that, so it's not necessarily the right number."*

Gordon suggested granting an additional \$10,000, with \$3,500 for the Clinton Thursday Market, \$1,500 for WIAC, \$3,000 for South Whidbey Tilth and \$2,000 for the Freeland Chamber. Gregoire agreed with most of that, but felt the Freeland Chamber should receive the full request of \$2,500.

**ACTION:** A Motion was made by Gregoire and seconded by Gordon to approve the requests for a total of \$11,500, allocated as follows:

- **South Whidbey Tilth Farmer's Market (combined):**
  - Advertising/Signage & Electrical Line Extension**      **\$4,000**
- **Freeland Chamber of Commerce: Tourism Brochures**      **\$2,500**
- **Whidbey Island Arts Council: Advertising/Promotion**      **\$1,500**
- **Clinton Chamber of Commerce: Thursday Market**      **\$3,500**

**The Motion passed unanimously.**

Staff said the standard enabling Resolution would be prepared and formally adopted and approved at the Special Meeting later in the month.

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

1. **Ramp Rebuild – Preparations for Recreation & Conservation Office (RCO) Evaluation on September 25<sup>th</sup>.** Port Operations Manager Ed Field and Port Finance Manager are preparing the presentation for RCO's Boating Facilities Program planning grant application. While in Olympia, Mozer will have lunch with Don Olmsted from the Department of Natural Resources to discuss the proposed modifications to the Port Management Agreement and the Aquatics Land Lease.

2. **Property Lease to AT&T/Cingular:** Rather than go through the lease line by line, the Commission agreed to have the Port Attorney review just the changes and make recommendations. Clinton resident Clyde Monma had previously requested a copy of the redlined lease, and the Port Attorney stated that the draft lease does fall under an exemption and the Port didn't have to provide it. Jerome paraphrased the attorney's statement as: *"You could withhold it; that doesn't mean you should."* The Commission agreed Mozer should provide Monma with the requested copy.

#### **South Whidbey Harbor Update**

1. **Boat Ramp Boarding Floats**

A. **Construction Issues**

- **Award to Mike Carlson Enterprises (MCE) underway:** MCE was awarded the bid and they are currently processing the draft contract documents. A pre-construction meeting is scheduled for Thursday, September 20<sup>th</sup>.

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

A. **Permit Issues**

- **City of Langley - Design Review Board (DRB) issues and Building Permit status:** Field said, *"On Thursday, we delivered a massive permit package to the City, including 8 sets of plans and various back up documents and CD's intended to address the Building Permit, the Zoning Review, the Water Dept./Public Works Review and the Engineering Review. We sent it with a major cover letter that I think*

*answers all the various questions, and we requested they notify us of the fee amounts by Monday in order to process them this month."*

The main issue in front of the DRB is the height of the light poles on the 400' breakwater, and the Port is proposing to match the existing height of 13'-14' which is very similar to those on the existing marina but is significantly different than the 3' height in the City's Shoreline Master Plan (SMP). Jeff Arango (Director of Community Planning) doesn't feel he can override that SMP regardless of how valid the reasons are, but the DRB can and might at the meeting next week. Field explained that the Port has presented a lot of engineering, navigational, functional, and operational reasons why higher light poles are needed.

- **U.S. Army Corps of Engineers (Corps) update:** Field said that U.S. Senator Patty Murray's aide had emailed him that the permits for both Phase 1 and the "big" project appear to be moving at this point. The Public Notice period ended on September 7<sup>th</sup>, and it appears there were no significant comments made. Field said all of the state and federal permits seem to be moving.

#### B. Design Issues

- **Proposal from Reid Middleton for Construction Administration Assistance (EXHIBIT H):** Field provided copies of the \$105,000 proposal for services that include additional final bid document coordination, Design Review Board documentation, and Building Permit coordination, bid services and construction administration services. He said approval would be needed at the regular October meeting, after he has had a chance to line up other details such as testing, inspection, monitoring, etc. Field said the Port would direct hire for those tasks so they would not be included in the bid package.

#### C. Property Issues

- **Proposed Port Management Agreement (PMA) and Aquatics Land Lease modifications with Department of Natural Resources (DNR):** Initial plans being revised for resubmittal.
- **Lots 20 & 21:** West side boundary location still being investigated by the escrow & title companies.
- **Boatyard Inn Project:** As discussed at the previous regular meeting, the owners of the Boatyard Inn requested an air space easement for the project. The City of Langley is demanding a hard easement from the ground instead. Field has not yet discussed it with the Port's representative at RCO because she has been on vacation. When the representative returns, he will ask whether that would qualify as a small conversion. The Commission agreed that the Boatyard Inn owners and their attorney should take up the issue with the City. The Port prefers an air space lease and if the Boatyard Inn gets it, the Port will sign it. Field said he will find out the specifics of the ground easement prior to having the conversation with RCO.

#### D. Funding Issues

- **Port Security Grant (FEMA), including Consortium coordination:** Mozer reported on the tasks she completed subsequent to the Special Meeting on August 30<sup>th</sup>. She said, *"We do have an agreement with FEMA – it's an agreement between the Port of South Whidbey and the Marine Exchange, which is the fiduciary agent. It was signed in August of 2011. It basically describes the project and has a lot of legal information about what we'll do, what we need to submit prior to the project starting, how the funding will work, how a construction contract must be structured, etc."* Gordon asked about the Port's time commitment (in perpetuity?), and Mozer said it is not described in the agreement – she's waiting for a return call the fiduciary agent for an answer. The agreement does not include any language that says the Port would need to pay money back. However, it does say that if FEMA and the Port can come to agreement on something, both sides will do their due diligence to resolve the issue and get legal involved if needed. As far as the financial monitoring piece is concerned, Mozer said she did find a questionnaire that the Port needs to submit, but it's only two pages and it's very high level. She said it appears that previous Finance Manager Dane Anderson submitted the completed questionnaire in February 2011, but she doesn't have a copy of it.

Gordon asked when the Commission would need to make a decision regarding the grant, and Field responded, "Soon." Now that Reid Middleton has submitted the plans to the City, their next step is putting together the specs and bid documents. When their draft specs and bid documents and the permit comments from all the agencies come together, there will be "one final shake on the plans and then we'll be ready." Jerome asked how the federal compliant bid differs from a bid that the Port would otherwise do, and Field said, "*A vast amount of paperwork, basically.*" The Commission discussed the possibility of preparing two different bid sets – one that would be federally compliant and the other non-federal. Mozer was asked to find out what the long-term encumbrances would be if the Port accepted FEMA funding, and also to look into potential conflict with reimbursement from the Rural County Economic Development Funds grant and a FEMA grant. Jerome said they needed to figure out how much money will be left over if they accept the FEMA money. Gordon said they also needed to determine how much it was going to cost over 25 years to get that money upfront (net present value calculation).

Mozer presented copies of the Economic Impact Model and Long Range Revenue Forecast spreadsheets (**EXHIBIT D**) she had prepared. The Model showed the annual total revenue for the existing marina as \$140,258. After Phase 1 completion, revenue would increase by \$43,800 annually (31.2% increase) with no response vessels and by \$29,127 (20%) with the response vessels. Over the next 15 years, the total revenue from Harbor Operations baseline capacity is projected to be \$2,644,745. With new capacity (additional linear 400') the delta would be \$705,044 additional dollars. With the response vessels using 133' of the 400' new capacity, the delta would be \$468,814. The Commission agreed they needed to have additional discussion regarding the FEMA grant during the Special Meeting tentatively scheduled for September 26th. Mozer was tasked with gathering additional information from the fiduciary agent regarding the following issues: 1) If FEMA provides a grant for the response vessels only and not the dock, can the Port collect moorage from the Sheriff's and Fire Department, 2) If the dock doesn't last for 25 years, what is the Port's commitment, 3) What assurances can be provided that FEMA won't take back money previously provided because of scope changes, etc.

3. Phase 2 and Beyond: No further update.

4. Harbor Operations

A. Report from DockStock: Field said all reports indicate this year's event was again a "resounding success."

B. Harbor Staffing: Field expressed concern regarding Harbor staffing. He explained that with the expanded capabilities the Port would need at least as much staffing as we currently have. The Commission agreed to include the issue as part of the budget discussion during the Special Meeting later in the month.

#### **Port Operations Updates**

1. Float Removals upcoming at Bush Pt and Possession: Dates have not yet been set.

2. Special Meeting TENTATIVE on September 26.

3. Employment Law Seminar from Anderson Hunter (free) on September 27 (9-11 AM) in Everett: Field said he would attend and Mozer and Gordon indicated they might as well.

4. Dave Mackie/Maxwelton Park – Update on Island County Drainage Issue: Earlier that day, Phil Cohen (Surface Water Manager, Island County Public Works) emailed Field with a proposal for a 3-phase project for flood relief at Maxwelton Park. However, Cohen's email stated, "*I don't see the Port of South Whidbey getting involved in this project.*" Gregoire said, "*The Port has an interest in the boat ramp at Maxwelton and any work done there should solve two problems: They should put more sand up against the Park there and eliminate the lagoon that has been created by Mother Nature. They have to hire a*

*coastal engineer to figure out what's going on down there because they have no idea. Someone needs to push them, and since we have an interest there it should be us. They're dealing with a drainage issue, but in solving that issue, they can also solve a much bigger problem that affects property owners there, affects our interests, affects boat use, affects the stability of the park, etc. – if they do it right."* He strongly believed the County needed to get the expertise of a coastal engineer. The Commission agreed that Gregoire should contact the County as the Port's representative to discuss the issue further.

#### **New Project Opportunities**

1. **Mukilteo Parking Issues:** Gordon reported that Langley Mayor Larry Kwarsick "got turned down flat" by Island Transit to partner up on a mobility grant for getting people between the Clinton ferry dock and Langley, because without parking in Mukilteo, it doesn't work and the buses would be empty. Kwarsick is going to apply for the grant as a placeholder, and he might come back to the Port for help with it.
2. **Traffic Calming Issues:** The letter to the Island Sub-Regional RTPO Technical Advisory Committee requesting assistance for implementation of traffic calming measures along Highway 525 was sent September 7<sup>th</sup>, and was co-signed by representatives of the Port (Gordon), the Clinton Chamber of Commerce and the Community of Clinton.

#### **ACTIVITIES/INVOLVEMENT REPORTS**

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

**Council of Governments (COG):** (Gordon) Gordon said there was a lot of discussion about Sustainable Whidbey.

**Skagit-Island Regional Transportation Planning Organization (RTPO):** (Gordon) Gordon said the transportation concurrency issue came up again, and he and Kwarsick were able to get a majority to agree that with the White Paper they are developing, RTPO needs to recommend changes. The option of "no change" was taken off the table.

**Marine Resources Committee (MRC):** (Gregoire) Gregoire said the MRC is gathering information in support of off-site mitigation.

**Washington Public Ports Association (WPPA):** (Jerome)

1. Environmental Seminar in La Conner Thursday, Oct. 11 (full day) and Friday, Oct. 12 (half-day)
2. Small Ports Seminar in Leavenworth Thursday, Oct. 25 (full day) and Friday, Oct. 26 (half-day)
3. Annual Meeting in Seattle Nov. 28-30 and Continuing Legal Education Nov. 27

**Puget Sound Partnership (PSP):** No report. Gordon noted that the Port is not getting a lot at the policy level.

**Langley Shoreline Master Plan Committee:** (Gregoire) No update.

**Island County Shoreline Master Plan:** (Gregoire) Gregoire reported, *"They've got their trains moving pretty quickly. It's getting better, but the volume of material is sort of overwhelming for our small group. One thing we've come up with that is getting some support for is a special zone to be laid over our boat ramp facilities. The Shoreline Act says water-dependent activities (boat ramps and public access) are priority uses. So we're creating an Environmental Zone that says this area (ramps at Bush Pt., Maxwellton, Freeland, Possession & Mutiny Bay) are priority zones, so every single maintenance operation that is needed to support those activities is allowed to be on a fast-track. We're getting some blowback from the Audubon Society, etc., but we're also getting a lot of support."* He explained that the Committee is trying to set up the regulations and make the necessary changes so that when money for improvements becomes available, the work can be done. Gregoire continued, *"Now, the other piece is*



*off-site mitigation, which is really moving pretty well. They have a restoration plan that lists 88 potential sites, 10 of which are on South Whidbey, that are available to do mitigation.”*


**Recreation & Conservation Office (RCO) Washington Wildlife & Recreation Program (WWRP) Water Access Committee:** Field attended the most recent meeting in August and is now “done for a while.”

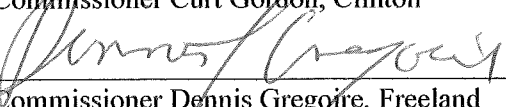
**OLD BUSINESS:** There was no old business.

**NEW BUSINESS:** There was no new business.

**ADJOURNMENT:** The Meeting was adjourned at 9:56 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 prepared by:

  
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Edwin S. Field, Port Operations Manager

- Exhibit A: Voucher Listing
- Exhibit B: July 2012 Financial Statement
- Exhibit C: Application for Clinton Thursday Market funding – Clinton Chamber of Commerce
- Exhibit D: Application for off-island promotion funds – Whidbey Island Arts Council
- Exhibit E: Application for advertising/signage funds – South Whidbey Tilth Farmers’ Market
- Exhibit F: Application for electrical line extension funds – South Whidbey Tilth Farmers’ Market
- Exhibit G: Application for printing/distribution of brochure funding – Freeland Chamber of Commerce
- Exhibit H: Reid Middleton 9/7/12 Proposal for Construction Administration Phase
- Exhibit I: Economic Impact Model and Long Range Revenue Forecast spreadsheets