

AGENDA
THE PORT DISTRICT OF SOUTH WHIDBEY ISLAND
REGULAR MEETING

LOCATION: SWPRD Meeting Room, 5475 Maxwellton Rd, Langley WA

DATE: September 13, 2011

7:00 PM – 7:30 PM WORKSHOP: Commission review of vouchers and recent correspondence

7:30 PM – REGULAR MEETING CALL TO ORDER

1. Pledge of Allegiance

BUSINESS MEETING

1. Consent Agenda:
 - A. Vouchers: Vouchers dated **September 2011** as signed today in the amount of **\$64,212.79**

FINANCIAL ACTION ISSUES - Staff Report, Public Comment, Commissioners' Discussion

1. July 2011 Financial Report (distributed on August 17, 2011)
2. Resolution No. 11-06: Appointment of Finance Manager Ron Rhinehart as Auditing Officer
3. Initial Discussion of draft Preliminary Budget for 2012 – Rescheduled to Special Meeting, Sept 27 at 9:00am, with Public Hearing on Prelim Budget scheduled for 7:00pm, Oct. 11 (precedes Reg. Meeting)
4. 2008-2010 Accountability Audit now in progress: Initial results

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

1. Applications for Funds Presentations and Commission Discussion
 - A. Whidbey Island Garden Tour: Off-Island Advertising Campaign
 - B. Clinton Progressive Assoc: New Windows for Clinton Community Hall
 - C. Freeland Chamber of Commerce: New Brochure printing and 3 new Signs
 - D. Whidbey Island Arts Council: Off-Island Advertising
 - E. Late Request from WSU Beachwatchers for Sounds Waters Univ.
2. Resolution No. 11-05: Establishing Agreements for Port Grant Funding per Commission direction

PROJECT ACTION ISSUES - Staff Report, Public Comment, Commissioners' Discussion

1. Possession Beach Waterfront Park
 - A. Draft Lease transmitted to Berke/AT&T: No response received to date
2. South Whidbey Harbor
 - A. Expansion Project:
 1. *Status of Concept Design 266' + 133'*
 2. *SWH Expansion Permit Status:*
 - Hydraulic Proj. Appvl: HPA **approved** by WDFW (Issued 2/13/10, rev. 3/8/11), follow-up HPA for Temp. Breakwater Parking **approved** by WDFW (Issued 3/4/11, revis. TBD by Geo.)
 - USACE Permitting for Complete Expansion: JARPA **submitted** Aug, 2009. Review of Impact-driving underway per MM & MM PP from Geo (**submitted** 4/21/11). Review 6-24 mos.
 - USACE Permitting for 266+133: **Submitted** 8/19/11 c/o Joe Callaghan/GeoEngineers
 - City of Langley: Coordination in progress

3. *Boarding Floats & Uplands Design*: In progress, working toward 60% review submittal
4. *Boarding Floats & Uplands Permit Status*:
 - Permit Extension Request to USACE: Revised JARPA **submitted** 2/22/11; USFWS questions issued 6/3/11; Response **submitted** 6/9/11 by RM; Clean plans **submitted** 7/13/11.
 - Master Permit Appl. to Langley; **Approved** thru 12/29/11, w/ 1-year extension **pre-approved**.
 - DOE Water Qual. Cert & CZM: Valid through 12/29/11, with one-year extension **pre-approved**
 - HPA: #122942-2 **approved** on 3/3/11, with 30% grating requirement.
5. *Property Issues*: No update
6. *Funding Issues*
 - Port Security Grant (Phase 1A): FEMA site visit conducted 8/15, Signed MOA rec'd 8/23
 - Boating Facilities Grant (Floats only): **Approved** June 22, Funding Agreement rec'd 8/9/11
7. *Consortium Coordination*
 - InterLocal Agreement with ICFD #3: Waiting for FEMA
 - InterLocal Agreement with Is. Co. Sheriff: Waiting for FEMA

B. Harbor Operations

1. *Report from Dockstock 2011*
2. *Electrical Refurb*: Underway
3. *Proposed Special*: Off-Peak Day Use Coupon Book – 11 visits for the price of 10, expires June 30

3. Port Operations

- A. Maintenance & Operational Wrap-up:
 1. *City Ramp Cleaning*: Working with City to address winter-season cleaning
 - B. Re-Districting Process: Revised Resolution No. 11-04 to be signed (Boundaries unchanged, added Commis. Districts and term expirations)
 - C. Septic System Inspections per Island Co: Clinton Beach TBD
 - D. Float Removal Dates (Tentative, subject to change): Bush Pt on October 8, Possession on Oct. 15 (latest)
5. New Project Opportunities
- A. Sustainable Economic Development and IPZ Issues (Tapert & Gordon)
 1. *Potential Langley-area 'Green' Business Park*
 - B. Mukilteo Parking Issues (Gordon)

ACTIVITIES/INVOLVEMENT REPORTS

1. Economic Development Council (EDC): Tapert
2. Council of Governments (COG): Gordon
 - A. Port providing staff for Minutes for July, August & September meetings.
3. Skagit-Island Regional Transportation Policy Organization (RTPO): Gordon
4. Marine Resources Committee (MRC): Jerome
5. Washington Public Ports Association (WPPA): Jerome
 - A. Trade & Econ. Development Seminar, Sept 22-23 at Wenatchee
 - B. Environmental Seminar, Oct 6-7 at Lake Chelan
6. Holmes Harbor Shellfish Protection District: Tapert
7. Puget Sound Partnership: Policy Devel./Tech Advisory Committee: Gregoire
8. Langley Shoreline Master Plan Committee: Gregoire

OLD BUSINESS

NEW BUSINESS

ADJOURNMENT

PORT DISTRICT OF SOUTH WHIDBEY ISLAND

Minutes of the Regular Meeting

September 13, 2011

Langley, Washington

Commissioners Present: Curt Gordon (Clinton) and Geoff Tapert (Freeland) **Absent:** Chris Jerome (Langley)

Port Staff Present: Ed Field (Port Operations Manager), Ron Rhinehart (Port Finance Manager) and Molly MacLeod-Roberts (Port Clerk). **Others Present:** Tony Puma and Paul Schell (Boatyard Inn Co-owners), Terry O'Reilly (Representing Novawest, LLC), Elisa Miller and Sharon Collver (Clinton Progressive Association), Michael Muzos (Whidbey Island Arts Council), Toni Grove and Suzanne Dobrin (Whidbey Island Garden Tour) and Jeff Arango (City of Langley Community Planner); **Freeland Residents:** Carl Robinson and Dennis Gregoire; **Clinton Residents:** Bruce Buls and Richard Engstrom

WORKSHOP & MEETING CALL TO ORDER: Following a Workshop from 7:00 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 13, 2011, at the South Whidbey Parks & Recreation District Meeting Room at 5475 Maxwellton Rd., Langley, WA. Commissioner Chris Jerome (President) was absent, so Commissioner Curt Gordon, Vice President, called the Regular Meeting to order at 7:30 p.m. followed by the Pledge of Allegiance.

BUSINESS MEETING

Consent Agenda

A. 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 Tapert and seconded by Commissioner Gordon to approve the Consent Agenda as submitted, including the authorization and acceptance of Vouchers dated September 2011 as signed today in the amount of \$64,212.79. The Motion passed unanimously.

FINANCIAL ACTION ISSUES

July 2011 Financial Report: The Commission acknowledged receipt of the July 2011 Financial Statement, which had been distributed to them previously (**EXHIBIT B**).

Resolution No. 11-06 – Appointment of Finance Manager Ron Rhinehart as Auditing Officer (EXHIBIT C**):** The Resolution would replace former Finance Manager Dane Anderson with newly hired Finance Manager Ron Rhinehart as Auditing Officer effective Monday, September 19th. That date allows Anderson to complete the August Financial Statement and Rhinehart to authorize the September Reinvestment Letter.

ACTION: A Motion was made by Tapert and seconded by Gordon to approve Resolution No. 11-06, appointing Finance Manager Ron Rhinehart as Auditing Officer. The Motion passed unanimously.

Initial Discussion of draft Preliminary Budget for 2012: Rescheduled to Special Meeting on September 27, 2011, at 9:00 a.m., with the Public Hearing on the Preliminary Budget then scheduled for 7:00 p.m. on October 11 (preceding the Regular Meeting). The Commissioners agreed that, following

their Budget review on September 27th, the Public Hearing will be advertised in the newspaper and copies of the draft Preliminary Budget will be available to the public as of September 28th.

2008-2010 Accountability Audit now in progress – Initial results: Courtney Craft, Assistant State Auditor, has completed the on-site portion of the audit, which began Tuesday, September 6th. She is finishing up paperwork at her office, but the initial results indicate no problems with the receipting procedures and no major findings, results or adverse recommendations on any large issues. Craft did review the Applications for Funds grant process. Under the Economic and Tourism promotion categories, she reviewed a number of different grants awarded over the last few years. The only one they would recommend against in the future was the grant awarded to the Clinton Progressive Association for the purchase of chairs for the Clinton Community Hall. Craft said the purchase of chairs would not be allowed because there was no direct tourism or economic development benefit. Although Emergency Preparedness is included in the Comp Scheme and the Hall is a designated emergency shelter, the Port does not own the facility so granting capital funds for the purchase of the chairs was generally not considered appropriate, although the Port received free use of the hall as partial consideration.

PUBLIC COMMENT – Items not on Agenda:

Applications for Funds Presentations and Commission Discussion

A. Whidbey Island Garden Tour (Off-Island Advertising Campaign):

B. Clinton Progressive Association (New Windows for Clinton Community Hall):

C. Freeland Chamber of Commerce (New Brochure Printing and 3 New Signs):

D. Whidbey Island Arts Council (Off-Island Advertising):

E. Late Request from Washington State University (WSU) Beachwatchers for Sound Waters University:

Gordon noted that the Port is just starting to work on the 2012 budget, and there are a lot of questions about what next year will look like. Additionally, the Port had asked the State Auditor and the Port Attorney to weigh in on the Application for Funds process. He continued, *“Even though we don’t have any money left in this year’s budget for this grant cycle, we’ve invited people back to make application and I don’t want to change that. But our president (Jerome) was unable to attend tonight due to illness, and I would really like to have our full Commission present to consider the Applications for Funds.”*

ACTION: A Motion was made by Tapert and seconded by Gordon to delay discussion and decision on the Applications for Funds Presentations until the regular October meeting.

Noting that Clinton Progressive Association had submitted an Application for capital funds and that the Port had recently learned that a similar request might no longer be considered allowable, Gordon suggested that postponing the presentations would also allow the Association to contact Staff and make sure a proposed project is appropriate and allowable.

The Motion passed unanimously.

Tapert said existing applications that were submitted on time could be supplemented to justify the request and show compliance with the State Auditor and the Port’s standards, but that the request should remain unchanged and no new applicants would be allowed. Gordon agreed.

Field said WSU Beachwatchers had dropped off a letter that afternoon requesting funds for Sound Waters 2012. They did not complete an Application for Funds, and the deadline for Applications was 6 days before the meeting. The Commission agreed the request was not eligible for this grant cycle.

Resolution No. 11-05 – Establishing Agreements for Port Grant Funding per Commission direction:
Moved to the agenda for the regular October meeting.

Tapert noted that agenda item "Public Comment" had been skipped. Gordon asked if anyone wished to comment on items not on the agenda and asked them to limit their comments to 5 minutes. **Tony Puma** asked if the marina was on the agenda. Gordon said it was and asked Tapert if they could stretch the rules for Puma and allow him to speak longer on that agenda item. Tapert agreed.

PROJECT ACTION ISSUES

Possession Beach Waterfront Park

A. Draft Lease transmitted to Berke/AT&T: No response received to date, and Rhinehart said he would try to connect with Berke at AT&T.

Bruce Buls asked, "*Did you guys stipulate a price for the lease?*" Rhinehart said "*Yes, \$1,100 per month.*"

Richard Engstrom asked, "*How long is the lease for?*" Rhinehart replied, "*Five-year lease with 4 five-year renewals.*"

Carl Robinson asked, "*Has anyone been in contact with Stephen Berke? Because I haven't been able to contact him for quite a while.*" Field responded, "*Not in the last two weeks.*"

South Whidbey Harbor

A. Expansion Project

1. Status of Concept Design 266'+133':
2. SWH Expansion Permit Status
 - Hydraulic Project Approval (HPA): Approved by Washington State Department of Fish & Wildlife (WDFW): Issued 2/13/10, revised 3/8/11. Follow up HPA for Temporary Breakwater Parking approved by WDFW: Issued 3/4/11, revision being coordinated by Joe Callaghan of GeoEngineers.
 - United States Army Corps of Engineers (USACE) Permitting for Complete Expansion: Joint Aquatic Resource Permit Application (JARPA) submitted August 2009. Review of impact-driving underway per pending Marbled Murrelet and Marine Mammal (MM&MM) Protection Plan from GeoEngineers, submitted on 4/21/11. Review may take 6 to 24 months.
 - USACE Permitting for 266'+133': Submitted 8/19/11 by Joe Callaghan of GeoEngineers.
 - City of Langley: Coordination in progress

Field had checked with Callaghan earlier in the day on the permit status. The main permit with the USACE is being considered along with the Endangered Species Act (ESA) review and the MM&MM Protection Plan. He said, "*All of that is in the hopper with the new plan (266'+133') which has been in for about a month now. Based on what he has heard so far, Callaghan's expectation is about a 6-month period for review for that small segment of the project without any changes.*"

Staff has started discussions with the City of Langley as far as modifying the current permitting for which the City is the primary agency.

Field summarized, "*We're in discussions with everybody and right now the focus seems to be on Langley.*"

3. Boarding Floats & Uplands Design: In progress, working toward 60% review submittal (about a month out). Field said, "*We are proceeding with design and plans to have it ready for bidding in early 2012, either independently or as part of the larger project.*" He noted that it would be much more cost effective if part of a bigger project.

4. Boarding Floats & Uplands Permit Status:
 - Permit Extension Request to USACE: Revised JARPA submitted 2/22/11, U.S. Fish & Wildlife Service questions issued 6/3/11; Response submitted 6/9/11 by Reid Middleton; Clean plans submitted 7/13/11.
 - Master Permit Application to City of Langley; Approved through 12/29/11 with one-year extension pre-approved.
 - Department of Ecology (DOE) Water Quality Certification and Coastal Zone Management (CZM) valid through 12/29/11 with one-year extension pre-approved.
 - HPA: #122942-2 approved on 3/3/11, with 30% grating requirement.
5. Property Issues: No update
6. Funding Issues
 - Port Security Grant (Phase 1A): Federal Emergency Management Agency (FEMA) site visit conducted 8/15/11; Signed Memorandum of Agreement (MOA) received 8/23/11
 - Boating Facilities Grant (Floats only): Approved June 22nd, Funding Agreement received 8/9/11.
7. Consortium Coordination
 - InterLocal Agreement with Island County Fire District #3: Waiting for FEMA.
 - InterLocal Agreement with Island County Sheriff's Office: Waiting for FEMA.

Gordon said Puma had requested 10 minutes to speak. Tapert had no objection.

Puma said, *"At the last meeting, I thought you were going to ask Reid Middleton to give you some notion of what subsequent phases would be. The reason for that is to give us some sort of "cartoon" and some number that if we could acquire additional funding, what might that be? So we'd have something to shop. Where is that?"* Field said the report is due by September 27th. He explained that the Port submitted a lot of questions for Reid Middleton to answer in that report.

Puma presented a diagram of a Transient Moorage Alternate (**EXHIBIT D**). He said, *"Obviously, I am disappointed that the marina can't be bigger. This diagram represents an opportunity that is 4-fold. The diagram is very similar to what you're doing, but it doesn't break apart the Bremerton breakwater. That breakwater is placed in the same aspect in my diagram but it's a little further away. The reason for that is that it allows you to create a bigger basin. Within that basin, I have tried to show you how 3 different resources come to bear that you do not have right now."*

He went over the diagram in detail, identifying 6 components as follows:

- A. Existing Bremerton Breakwater 400'
- B. Wave Attenuator 100' (FEMA funded), off the southeast end of the breakwater. Puma said Bellingham Marine estimated wave attenuators at a cost of \$200 sq. ft. so it would be about \$300K.
- C. Six 40' slips (Langley-funded from a portion of the lodging tax), off the northwest end of the breakwater. Puma said, *"These 6 slips will generate a significant amount of money."*
- D. Eight 40' slips, south of "C" and built onto the west side of the existing stockade/marina. Puma explained, *"I call this the hospitality dock, because the three hotels in town are prepared to either buy that dock, fund it, or guarantee its debt service for the duration of the debt."*
- E. Gangway float, coming off the north wall of the existing stockade/marina. Puma said, *"That's something that I would ask the Port to bond, because it is supported by moorage revenue, and I will show you that it more than pays for itself."*
- F. Six 40' slips (Seattle Yacht Club or some other entity would buy it), also built onto the existing stockade marina.

Puma said, *"The importance of this is that if you add it all up, it comes out to 1,528 linear feet of moorage, rather than 400 ft., which is what you are planning on building. It is almost a doubling of existing moorage. So if you cobble together the resources of the lodging tax, the hotels in town, and other private entities and add them to your resources, you could double the size of the Langley marina. That is persuasive to me and that's what I'm asking you to consider. I'll send you the numbers for this."*

He stated, *"Even at the risk of delay, I'd rather do this right or not do it at all. I have confidence that we have a shot at this – to do something really meaningful and not something modest. A bigger picture that is satisfying to the community and that will have almost no impact – it's all transient moorage so there are no parking issues. There are some financing questions that have to be resolved, and I don't know how you do that, but I believe that the possibility exists for 3 parties (the private sector, you & the City) to get together and figure this out. This diagram tells me it is possible, and that's why I'm here."*

Paul Schell said, *"I would rather do nothing than something that really is a totally missed opportunity that will alienate the community that you're supposed to serve. I will oppose what you are doing, and I think you should stop spending money right now. Normally you would get a community census and a plan, and then you hire engineers. You don't hire engineers without a plan. I think you should take a big time out. You have potential partners to make something work that would be useful. I'd rather see this delayed a whole year and get it right than proceed just because you want to get it done and off the agenda."*

Schell said another potential funder would be the State Aeronautics Board for a float plane dock. He claimed that when they presented the idea to the City, they *"not only got nods, but enthusiasm."*

He continued, *"We'd much rather be your partners and enthusiastic players than be people who say 'No! Stop!'. But right now, I am saying 'No! Stop!' Do it right or don't do it."*

Terry O'Reilly introduced himself as representing NovaWest Properties and the Wharf Street Landing Project. They have been trying to get the waterfront project going, and it's been sort of stalled for a while but they've been slowly moving it forward. After explaining the project earlier today, the first question was "So, what's happening at the marina?" O'Reilly said, *"Because they see the expansion and a fully functional marina as a component to the success of any other project down there."*

O'Reilly continued, *"As I look at the numbers – totaling up the engineering against what's upcoming in construction (if this is all that ever gets done), you're looking at 70% of your costs for engineering. Almost \$1 million in engineering and \$1.4 million in construction."* Gordon explained that \$400,000 of the engineering was for the purchase and relocating the breakwater alone, and that the \$1.1 million of engineering was for the entire project – not just for the first phase. The Port is still working on permitting the full project.

Tapert provided a summary of the events leading up to now. He said, *"First there was the original plan in 2004 with a pretty picture of the marina expanded, but it didn't work. In 2009, the Port accepted the existing marina and agreed to expand it. The Port went through various iterations, got the bathymetry, etc. and realized that 'pretty picture' was not going to work."* He further explained that an economist concluded that in order to be economically viable, the marina would need at least 200 slips, but Langley felt that was "too big." The Port scaled back the project somewhat and went to the voters for a levy lift that would have been specifically to fund the nearly \$9 million marina expansion. Tapert said, *"That's what we always looked at – what was the ultimate project? When the levy failed to pass, we then started chasing grants and we got some."* He told Puma, *"I like your plan, but the thing is – after 5 years of going through all these iterations – there is always another solution. In general, I agree that we should be thinking a little bit bigger and we should be partnering with private interests."*

Schell said, *"I know how painful it is and I understand all the starts and stops. The conventional wisdom is that you need 200 hotel rooms for a viable project, but the truth is you can do a very profitable project with 12 rooms, 30 rooms or 5 rooms – it's a matter of how much staffing you have and how you do it. But the Port doing this now, spending a lot of money and getting no income, makes matters worse. So if you've got a low cost way with some partners to create some income-producing property that pays for itself, why isn't that worth exploring? I understand how painful it is to sort of start over, but some of the work can be rescued. At one time you had a plan similar to this. What's missing is a willingness (so far) to work with others to generate a community-based plan where the Port takes the lead and makes it happen. I think that's possible here, and I think you have a spirit now within the government of the City of Langley where that's possible, and you have private sector players that would like to be constructive partners in this. So far, other than being given the chance to speak, we have not been able to play with this and make it really work successfully for the community. And we can convince Langley to be a partner."*

Gordon thanked them for their comments. He hopes the Port is entering into a tighter phase with the City, and noted that he and Field had a good, brainstorming meeting last with the mayor and some of the City staff last Friday. He said, *"Your comments are frustrating, because the Port is already trying to form a collaborative effort. For example, I had O'Reilly help me get some information because I was working really hard with the Port's former Finance Manager to try and create a private/public partnership. After many conversations with the Department of Revenue, there was nothing but push back. It's not fair to say we didn't try."* He added that in his conversations with O'Reilly and Brian Stowell, they weren't just talking about the size of the marina – they were talking about the fact that something had to be done sooner rather than later. Gordon said he has heard from everybody in the City that it's not just about what we are building today, but how soon are we going to get going with something. He agreed that the people in Langley have a vision of what the harbor would like, but not everyone has the same vision, and there was no vision attached to the InterLocal Agreement. Gordon added, *"In fact, the Master Plan needs to be redrawn so that it fairly reflects what our vision is. I don't think any of us on the Port Commission have ever lost track of the full build-out as the ultimate goal of the Port of South Whidbey. And I did get some suggestion from the City of Langley and some of their staff that they don't believe we'll do that. This Port District is trying to get the first phase going. There isn't enough parking for anything but transient, and we can make huge improvements. We've got a \$2.5 million project that we can fund, but to do it we're going to have to borrow everything we can against what our available revenue is in the form of a bond."*

Gordon continued, *"Any one of these additional ideas that we look at means that we stop what we're doing and we're into 2013. That's fine if the public is in favor of that."* He believes these first steps are not going to be wasted, as it will get construction going and the City will see that the Port is moving forward on this. He said, *"And it will add slips – you kept saying it wouldn't. It will potentially add 20 slips, varying upon the size of the boats. It's something we know we can pay for, and if additionally money becomes available we can build something larger right away. That's why I came up with the idea of the additional dock, because I wanted our engineers to be thinking about immediate drawings on the next phase even if it's a year away. This first phase that we came up with is the only thing we can afford. If we heard from our constituency that they would rather have nothing than have this first phase, I would turn away from it, but that is not what I have been hearing. I believe that what we are proposing is a first phase and we're not letting go of the bigger project. This first phase will deploy the breakwater, put boarding floats in per the ILA, and it can be added onto as funding becomes available. We've discussed this numerous times and I have a pile of different plans. This plan (Puma's) would cost over \$4 million."*

Schell said he had talked to the City Council and the mayor and they don't feel involved at all, and he thinks there needs to be a partnership. He said there was one meeting (last Friday), and one Council meeting where Jerome talked about it a little bit. Schell said, *"What you haven't done, and what Field*

hasn't done.... Other than what they've heard from Puma and me, the City has no idea what you are planning for their marina."

Gordon asked Field to respond to Schell's comment. Field said, *"We've been in conversations with the City all along, but there has been a fairly substantial change in administration over there. The formative process is ongoing. The marina was transferred to the Port so we could do our job, and part of what ports do is move a little bit faster than the city process to get something done. We've been trying to put the Bremerton breakwater in place for 4 years."*

Schell said, *"All I can say is, the way you get a public project done is to involve the public as soon as you can so you don't run down the road with a plan, and when the public finally sees it they go 'That's it?'".* Gordon agreed and said that's why the Port is trying to schedule a meeting with the Council. Schell said, *"If you do that and they agree with you, okay. But I really think you've got this one opportunity and you're blowing it. You need to reach out quickly with the community and with the property owners. We've spent a lot of time and money and Tony (Puma) has spent a lot on ferry rides twice from Bainbridge to come to meetings to see the expansion plan but we never see it. We don't get the feeling that there is any effort whatsoever. There are 4 or 5 yacht clubs in Eagle Harbor – they are all over, and they are all in DNR land and have leases – it's possible. You need to build partnerships and then build the project and if it's a little delayed, so be it."* Gordon said the Port would continue to look into such partnerships.

Gordon asked, *"Would you prefer to just wait and try to find a better plan, and just put this thing off and not start any harbor construction next year for completion in 2013?"* Schell replied, *"Yes."* Tapert said, *"I would agree with that. I'd rather wait a year to get it right. I was more in favor of pulling the IDD trigger and just getting the thing done in Phase 1. But I'm a short-timer, so..."*

Gordon reiterated, *"People seem to really want us to get something going at the marina right now. Everyone needs to know that if we stop to do anything now, it puts everything that we're doing on hold, which means there is no chance for construction in 2012."* He added that he didn't know that there was a real chance of getting funding from a yacht club, and he hasn't heard anything from the City of Langley indicating that they are willing to fund anything with the lodging tax or anything else. He said to Schell and Puma, *"So you're saying there's another plan on the table, but I'm not seeing it. So what we did is to take the money we had - \$2.5 million – and we came up with this plan. We're going to put \$2.5 million into Langley, get the boarding floats in, upgrade the utilities, and add a lot more moorage space. If the FEMA grant comes through, we'll even have a Sheriff's boat and a Fire boat. We're hoping we can get a lot more people in and out of the marina, and at the same time we redo the Master Plan and start to figure out where people can park."* He said to Schell, *"Earlier you said this would all be 100% transient – that's not going to be popular here and it's not going to get us a new levy."* Schell said the new slips would all be transient and the old slips could then become permanent. Tapert said they would have to transfer the RCO encumbrances, but it could be done. Schell referred to that as "bureaucratic nonsense."

Since Jerome was absent, Gordon said the Port should add the South Whidbey Harbor issue to the agenda for the Special Meeting on September 27th so that all 3 Commissioners have the opportunity to discuss it. Tapert agreed, and Staff was directed to add it to the agenda.

B. Harbor Operations

1. Report from DockStock 2011: Field said the event is extremely popular with boaters and locals. With the collected sponsorships, the event came within \$200 of breaking even. Tapert said he heard lots of positive feedback at the event and in Langley from visitors.
2. Electrical Refurbishment: Underway.

3. Proposed Special: Off-Peak Day Use Coupon Book – 11 visits for the price of 10, expires June 30th. The Commission agreed the Port should try it on a trial basis.

Port Operations

A. Maintenance & Operational Wrap-up

1. City Ramp Cleaning: Working with City of Langley to address winter season cleaning.

B. Redistricting Process: Revised Resolution 11-04, Assigning Commissioner Districts and Term Expirations (**EXHIBIT E**). Staff noted that content and boundaries are unchanged from the previous version which was signed at the August regular meeting, but that this version was cleaned up by fixing typos and adding Commission District designations and term expirations which were missing from the original.

ACTION: A Motion was made by Tapert and seconded by Gordon to approve and adopt revised Resolution No. 11-04 as presented. The Motion passed unanimously.

C. Septic System Inspections per Island County: Clinton Beach - To be determined.

D. Float Removal Dates (Tentative; subject to change): Bush Pt. on October 8th and Possession on October 15th (at the latest).

New Project Opportunities

A. Sustainable Economic Development and IPZ (Innovative Partnership Zone) Issues: (Tapert & Gordon)

1. Potential Langley area “Green” Business Park and “Impact Washington” Possibilities: No report.

B. Mukilteo Parking Issues: (Gordon) Gordon and Representative Norma Smith met with Senator Patty Murray’s assistant, who sent some info about TIGER Grants after the meeting. He will continue to try to exhaust efforts to get access to the slabs at the tank farm.

ACTIVITIES /INVOLVEMENT REPORTS:

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

Council of Governments (COG): (Gordon) Gordon said they had been trying to address the RCEDF grant process. Commissioner Helen Price Johnson wants to make sure Island County is involved with the Puget Sound Partnership, and there was a lot of discussion about that. PSP is reaching out for local implementing agencies to identify what PSP should really be doing to help clean up Puget Sound instead of pet projects down in the south Sound. There are a lot of different groups at the table, including the Tribes, and Gordon said he insisted that the Port be represented both at the full policy level and the advisory level. He said, “*The Tribes agreed with me, and the individual that’s doing this (Morgan Schneider) somehow just dropped off businesses and ports from their Technical Advisory Group. I learned about it when Nancy Waddell called me after their 3rd meeting! When PSP was at the COG, I asked why the Port wasn’t represented and they said they didn’t think it was necessary and they were going to have another meeting. And then I learned they were going into an application phase, with agencies pre-applying for grants, and one of the grants was specifically for new planning requirements to protect freshwater environments, etc. I thought we should at least have someone from business or the ports to give feedback, so I held my ground and the COG agreed they needed somebody. Port of Coupeville Commissioner Benye Weber jumped on with me and they allowed us to appoint someone. Thankfully, Dennis Gregoire was available so he is our technical advisory representative, at least temporarily.*”

A. Port providing staff for Minutes for July, August and September meetings: Noted.

Skagit-Island Regional Transportation Planning Organization (RTPO): (Gordon) No meeting.

Marine Resources Committee (MRC): (Jerome) Absent; no report.

Washington Public Ports Association (WPPA): (Jerome) Absent; no report.

A. Trade & Economic Development Seminar, September 22-23 at Wenatchee:

B. Environmental Seminar, October 6-7 at Lake Chelan: Gordon said he might attend.

Holmes Harbor Shellfish Protection District (HHSPD): (Tapert) No report.

Puget Sound Partnership (Policy Development/Technical Advisory Committee): (Gregoire) The Committee met and had 5 or 6 grant proposals, all of which were good. They passed all of the proposals up the ladder to the COG without prioritizing them, instead leaving it up to the COG to prioritize the projects.

Langley Shoreline Master Plan Committee: (Gregoire) Gregoire said, *"I think we need to make a case that the urban harbor in Langley is a gem, a resource that historically has been developed a certain way, and we need to figure out how we can preserve that option in the future. The ILA says Langley wants to have the dock for bringing in materials in case we lose the other means of bringing in materials (the bridge and the ferry). Even Washington State Ferries signed onto our Port Security Grant application. Trying to build those things into the Shoreline Plan will take some effort. It's been postponed for now on the basis that a more detailed study is needed."* Regarding the shoreline designations on South Whidbey, Tapert said, *"You're right. Langley is the only one to have an urban designation, and you're right that we cannot let that go to conservancy or anything else like that. It's the only one we've got."*

OLD BUSINESS: None.

NEW BUSINESS: None.

ADJOURNMENT: The meeting was adjourned at 9:10 p.m.

Approved:

Minutes prepared by:

ABSENT
Commissioner Chris Jerome, Langley

Edwin S. Field
Edwin S. Field, Port Manager

[Signature]
Commissioner Curt Gordon, Clinton

[Signature]
Commissioner Geoff Tapert, Freeland

Exhibit A: Voucher Listing

Exhibit B: July 2011 Financial Statement

Exhibit C: Resolution 11-06: Appointing Ron Rhinehart as Auditing Officer

Exhibit D: Puma's Transient Moorage Alternate 9/12/11 diagram

Exhibit E: Resolution 11-04: Redistricting