

AGENDA
THE PORT DISTRICT OF SOUTH WHIDBEY ISLAND
REGULAR MEETING

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

DATE: January 10, 2012

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. Oath of Office for Commissioner-elect Gregoire
2. Election of Board Officers for 2012
3. Appointment of Alternate Auditing Officer: *Currently Gordon*
4. Review of Commissioner Appointments and Committee Assignments
 - A. Economic Development Council (EDC): *Tapert in 2011*
 - B. Council of Governments (COG): *Currently Gordon*
 - C. Skagit-Island Regional Transportation Policy Org. for 3-yr term (RTPO): *Currently Gordon*
 - D. Marine Resources Committee (MRC): *Jerome in 2011*
 - E. Washington Public Ports Association (WPPA): *Jerome in 2011*
 - F. Holmes Harbor Shellfish Protection District: *Tapert in 2011*
 - G. Puget Sound Partnership: Policy Devel./Tech Advisory Committee: *Gregoire in 2011* (Is this ILIO?)
 - H. Langley Shoreline Master Plan Committee: *Gregoire in 2011*
 - I. Other? Island Co. Shoreline Master Plan Comm., Island Local Integrating Organization?
5. Consent Agenda:
 - A. Vouchers: Vouchers dated **January 2012** as signed _____ and today in the amount of \$ _____.
6. Approval of Minutes
 - A. Minutes on file: Minutes from Regular Meetings of October 11 and November 8, 2011.
7. Resolution No. 12-01: Commendation for Geoff Tapert

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

1. November 2011 Financial Report (distributed on December 29, 2011)

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

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

1. Possession Beach Waterfront Park
 - A. Property Lease to AT&T: Port signed lease 12/28/11, awaiting countersignature
2. South Whidbey Harbor
 - A. Phase 1: Breakwater Relocation and Boat Ramp Floats with Uplands & Utility Improvements
 1. *Design Status*: Reid-Middleton submitted 90% Plans & Specs on 12/19/11
 2. *Permit Status – Breakwater Relocation*
 - City of Langley: JARPA **submitted** 11/21/11, New SEPA Checklist **submitted** 12/12/11, Additional Info requested by City 1/5/12: Usage patterns & traffic impacts, Site details, etc
 - USACE Permitting: JARPA **submitted** 11/18/11 c/o Joe Callaghan/GeoEngr, with SPIF and Letter **Submitted** 12/12/11 to modify NWS-2007-1672
 - Hydraulic Proj. Appvl: HPA #122970-1 for Temp Storage Mitigation **approved** by WDFW (Issued 3/4/11, revis. TBD by Geo.), New HPA for Relocation to be issued pending new SEPA
 3. *Permit Status - Boarding Floats & Uplands*
 - Permit Extension Request to USACE: ESA Informal Consultation **issued/OK** on 10/4/11, Letter of Permission NWS-2005-396 **approved** 11/9/11, valid thru July 31, 2013.
 - 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.

4. *Property Issues*: No update
5. *Funding Issues*
 - Boating Facilities Grant (Floats only): Progress report submitted 12/21/11
 - RCEDF Grant: ILA approved, but extended performance schedule to be submitted (Gordon)
 - Debt Financing: Preparing for indicative ratings request
 - Port Security Grant: No update
6. *Consortium Coordination*
 - InterLocal Agreement with ICFD #3: Waiting for FEMA
 - InterLocal Agreement with Is. Co. Sheriff: Waiting for FEMA
- B. Phase 2 & Beyond: The Rest of the Story...
 1. *Planning*: Port Comp Scheme & Master Planning process with Langley TBD
 2. *Permit Status*:
 - Hydraulic Proj. Appvl: HPA #118222-2 **approved** by WDFW (Issued 2/13/10, rev. 3/8/11),
 - USACE Permitting for Complete Expansion: JARPA **submitted** Aug, 2009, Review of ESA and Impact-driving issues (Geo MM & MM PP **submitted** 4/21/11) underway: 6-24 mos?
 3. *Design Status*: On hold pending permit action and planning direction
 4. *Funicular*: Request from Langley for supporting redirection of RCEDF \$250k from Wharf St to Funic.
- C. Harbor Operations
 1. *Electrical Maintenance Project*: Project status update, incl. Enduris input on US L&H Ins. Reqs.
 2. *2012 Ramp Cleaning*: Latest news on sand lance eggs and ramp cleaning
3. Port Operations
 - A. Possession Ramp Operations: *Thanks for late-night help with rescue operation*, from ICFD 3
 - B. 2012 Landscape Maintenance: Award and start-up underway
 - C. Surveillance / Port Security Project: Application in, EHP submitted 11/16/11
 - D. Facility Reservations, Fees & Services: Initial discussion of Staff proposals for improved usage & revenue
 - E. Septic System Inspections per Island Co: Clinton Beach TBD
4. New Project Opportunities
 - A. Mukilteo Parking Issues (Gordon)
 1. Draft Negotiation Proposal for Mukilteo Site (Gordon)
 - B. Oak Harbor Opportunity for Nichols BBB: Update (Ron)
 - C. Saratoga Passage Walk-on Ferry Concept: Update (Ron)

ACTIVITIES/INVOLVEMENT REPORTS

1. Economic Development Council (EDC):
2. Council of Governments (COG): Gordon
3. Skagit-Island Regional Transportation Policy Organization (RTPO): Gordon
4. Marine Resources Committee (MRC):
5. Washington Public Ports Association (WPPA): Jerome
6. Holmes Harbor Shellfish Protection District:
7. Puget Sound Partnership: Policy Devel./Tech Advisory Committee: Gregoire
8. Langley Shoreline Master Plan Committee: Gregoire
9. RCO WWRP Water Access Committee: Ed (still, despite efforts to the contrary)
10. Island Co. Hazard Mitigation Plan Update: Recent correspondence with DEM Director Eric Brooks
 - A. FEMA-sponsored Presentation on Cascadia Subduction Zone 9.0: 1-3pm Thurs. Jan. 12, Coupeville

OLD BUSINESS

NEW BUSINESS

1. Island Co. Comp Plan / Parks & Rec Element: Discussion of Co-owned facilities
2. WSF Mukilteo Terminal Project: WSF to attend Feb. meeting with update (EIS to be issued 1/27/12)
3. Meeting Planning:
 - A. Workshop for Jan. 18 or 25?
 - B. 2012 Port Events Calendar
4. Event Participation?
 - A. Sound Waters University (Feb. 4) at SWHS (goes to Oak Harbor next year)
 - B. Ragnar Relay: Exchange point at Bush Pt spare lot for July 20-21

ADJOURNMENT

PORT DISTRICT OF SOUTH WHIDBEY ISLAND

Minutes of the Regular Meeting

January 10, 2012

Langley, Washington

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

Others Present:

Port Staff: Ed Field (Port Operations Manager), Ron Rhinehart (Port Finance Manager), and Molly MacLeod-Roberts (Port Clerk); **Others:** Doug Struthers (Clinton), Geoff Tapert (Langley), Clyde Monma (Clinton), Kathleen Waters (Langley) and Wayne Morrison (Clinton)

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, January 10, 2012, at the South Whidbey Parks & Recreation District Meeting Room at 5475 Maxwellton Rd., Langley, WA. Commissioner Chris Jerome (President) called the Regular Meeting to order at 7:30 p.m., followed by the Pledge of Allegiance.

BUSINESS MEETING

Oath of Office for Commissioner-elect Gregoire: Commissioner-elect Dennis Gregoire was sworn into office by Jerome.

Election of Board Officers for 2012:

ACTION: A Motion was made by Jerome and seconded by Gregoire to nominate Gordon for President. The Motion passed unanimously.

ACTION: A Motion was made by Jerome and seconded by Gordon to nominate Gregoire for Vice President. The Motion passed unanimously.

ACTION: A Motion was made by Gordon and seconded by Gregoire to nominate Jerome for Secretary. The Motion passed unanimously.

The following slate of officers was elected for 2012:

- Commissioner Curt Gordon – President
- Commissioner Dennis Gregoire – Vice President
- Commissioner Chris Jerome – Secretary

Jerome passed the gavel to Gordon, who then presided over the remainder of the meeting.

Appointment of Alternate Auditing Officer: The Commission agreed Gordon would remain Alternate Auditing Officer.

Review of Commissioner Appointments and Committee Assignments:

A. Economic Development Council (EDC) – Tapert in 2011: The Commission agreed that Jerome would be the 2012 EDC representative.

B. Council of Governments (COG) – Currently Gordon: No change.

C. Skagit Island Regional Transportation Policy Organization (RTPO) – Currently Gordon: No change.

D. Marine Resources Committee (MRC) – Jerome in 2011: - The Commission agreed that Gregoire would be the 2012 MRC representative.

E. Washington Public Ports Association (WPPA) – Jerome in 2011: No change.

F. Holmes Harbor Shellfish Protection District (HHSPD) – Tapert in 2011: The Commission agreed that Gregoire would be the 2012 HHSPD representative.

G. Puget Sound Partnership (PSP)/Technical Advisory Committee – Gregoire in 2011: No change.

H. Langley Shoreline Master Plan Committee – Gregoire in 2011: No change.

I. Other? Island County Shoreline Master Plan Committee? Island Local Integrating Organization (ILIO)?: The Commission agreed Gregoire would represent the Port on the Island County Shoreline Master Plan Committee, and since ILIO is part of the Puget Sound Partnership, he would also be that representative.

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 Jerome and seconded by Gregoire to authorize and accept Vouchers dated January 2012 as signed today in the amount of \$86,627.98. The Motion passed unanimously.

B. Minutes: Minutes from the Regular Meetings of October 11 and November 8, 2011.

ACTION: A Motion was made by Jerome and seconded by Gordon to approve the Minutes as submitted. The Motion passed unanimously.

Resolution No. 12-01 – Commendation of Geoff Tapert (EXHIBIT B**):** Gordon read the Resolution aloud.

ACTION: A Motion was made by Jerome and seconded by Gregoire to approve and adopt Resolution No. 12-01, extending the Commission’s sincere gratitude and appreciation to former Commissioner Geoff Tapert for his outstanding service to the District. The Motion passed unanimously.

FINANCIAL ACTION ISSUES

November 2011 Financial Report: The Commission acknowledged receipt of the November 2011 Financial Statement, which had been distributed to them previously (**EXHIBIT C**). Port Finance Manager Ron Rhinehart reported approximately \$77,000 in revenue and \$70,000 in expenditures for November 2011. The preliminary report from Island County indicates the year-end total revenue will be \$685,000, with all but \$21,000 of it from operating Revenue. Total year-end operating expenses are estimated at \$582,000 and total capital expenses of \$284,000. The revised projected amount of Property Tax Income collected in 2011 is \$491,000. The original budgeted amount is \$505,000, but after the County’s Levy Calculation it was reduced by \$15,000. There were no major variances in November.

PUBLIC COMMENT – Items not on Agenda:

Clyde Monma read aloud his “Petition to Save Open/Green Spaces on South Whidbey” on behalf of the Friends of The Dorothy Cleveland Trail (**EXHIBIT D**). No signatures were presented.

No one else wished to comment.

PROJECT ACTION ISSUES

Possession Beach Waterfront Park

A. Property Lease to AT&T: Port signed lease 12/28/11 and forwarded it to AT&T for countersignature. Rhinehart said, *"We have received back comments from AT&T and my recommendation is that the Commission convene an Executive Session to discuss those comments in detail."*

EXECUTIVE SESSION: The Board of Commissioners went into Executive Session at 7:55 p.m. for an expected duration of 15 minutes to discuss lease negotiations for the property lease to AT&T. The Board came out of Executive Session at 8:06 p.m., and re-opened the meeting to the public at 8:07 p.m.

Per Commission request, Rhinehart explained that AT&T had proposed the following minor changes to the lease, both located in Subsection 4.02:

(1) Lessor shall promptly and where reasonably practicable within ~~seven (7) days~~ **fourteen (14) days** after notice thereof provide Lessee with written notice of any claim, demand, lawsuit or the like for which it seeks coverage pursuant to this Section and provide Lessee with copies of any demands, notices, summonses, or legal papers received in connection with such claim, demand, lawsuit or the like...

(4) Lessee's self-insurance obligation for Lessor shall not extend to claims for punitive damages, exemplary damages, **or gross negligence**; and...

Rhinehart said those were the only changes made since the Port signed the lease on 12/28/11.

ACTION: A Motion was made by Jerome and seconded by Gregoire to sign the Property Lease Agreement with AT&T's proposed changes as stated. The Motion passed unanimously.

South Whidbey Harbor

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

1. Design Status: Reid Middleton submitted 90% Plans & Specs on 12/19/11. Port Operations Manager Ed Field said, *"This is the big deliverable we've been waiting for – it has the floats and the breakwater deployment, it's got limited uplands' work and utility work, it has a first run at all the boilerplate specs and a very limited amount of Special Conditions as far as staging areas, work hours, etc. that will need to be worked out by the Port with the City of Langley."* Field explained that since the Port went straight to 90% design, the intent all along has been to do an extended review period and permit correlation at this point before going to bid, etc. He said, *"These will be paused for a little while, and I will be doing a technical review. In particular, we really need to get permit conditions and other criteria in there if there are going to be any significant changes."*

2. Permit Status – Breakwater Relocation

➤ City of Langley: Joint Aquatic Resource Permit Application (JARPA) submitted 11/21/11. New State Environmental Protection Act (SEPA) Checklist submitted 12/12/11. Additional information requested by City 1/5/12: Usage patterns & traffic impacts, site details, etc. Field said they had received correspondence from the City of Langley on January 3rd which requested quite a bit of additional information, a substantial amount of which had been provided previously during the previous SEPA process, and a fair amount of it has been developed in-house for some of the Port's economic modeling. He and Rhinehart are in the process of pulling all that information together, and hope to respond to the City by the end of the week.

Field said that the Port had shown some localized paving in the parking area at the Harbor to clean up the gravel areas around the restrooms, so sand isn't tracked in as much. During his meeting with Challis Stringer (Langley's Director of Public Works), she informed him that any paving will trigger

storm drain treatment and oil/water separators, etc. Field said, *"At this point, my inclination would be to pull the paving out of there and proceed with gravel, stapled lines, and other temporary measures since this is a Phase 1 and we don't know what Phase 2 will be. If that saves on permitting time and costs, that's an easy way to do it."* Gordon said it's really not that expensive for storm water in-basin filters (estimated \$2,000 each). He and Field agreed to discuss it further prior to asking Reid Middleton about the issue. Jerome said that if the numbers don't look that bad, it would be a good thing to go forward with paving.

Field said the response package to Langley was "Priority Number One." He hopes that the Port's partner, the City, reviews it in a positive manner and as expeditiously as possible, because right now the clock is fairly short. He stated, *"The permit issues with Langley are clearly right on the critical path now."* Gregoire said he would like to individually review the response package prior to its submittal to Langley. Gordon said it was entirely appropriate for Gregoire to review it, but he encouraged him to be timely with his responses.

Gordon noted that the City of Langley and the Port have agreed to a partnership in more than one respect, and one of the most important aspects of that partnership that is written in the InterLocal Agreement (ILA) is that the City will help the Port with parking. Noting that a lot of Langley's recent requests are related to parking, Gordon thought it might be due to the fact that Langley's Director of Community Planning is new and therefore might not be aware that the City is actually a partner in this issue and the Port is therefore expecting their help with this. It's critical that this project moves forward as partners.

Gregoire said there are problems with the partnership issue between the City and the Port when the Port is in the middle of a quasi-judicial permit for a project. Gordon responded, *"But we still have an ILA, and regardless of the permit process and the fact that they are the lead agency and the permitting agency and we are the applicant, the City agreed in that ILA to help us provide parking. There is a previous legal commitment to manage this parking scenario, and I think the Director just needs to be reminded that we're all in this together."*

Gregoire stressed that during the regulatory process, it's very important that the Port focus on meeting every statutory requirement in order to avoid problems later with other agencies, etc.

- United States Army Corps of Engineers (USACE) Permitting: JARPA submitted 11/18/11 by Joe Callaghan of GeoEngineers, with Special Project Information Form (SPIF) and Letter submitted 12/12/11 to modify NWS-2007-1672.
 - Hydraulic Project Approval (HPA): HPA #122970-1 for Temporary Storage Mitigation approved by Washington State Department of Fish & Wildlife (WDFW) - Issued 3/4/11, revision to be determined by GeoEngineers, New HPA for Relocation to be issued pending new SEPA.
3. Permit Status – Boarding Floats & Uplands
- Permit Extension Request to USACE: Endangered Species Act (ESA) Informal Consultation issued/OK on 10/4/11. Letter of Permission NWS-2005-396 approved 11/9/11, valid through July 31, 2013
 - 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.
4. Property Issues: No update

5. Funding Issues

- Boating Facilities Grant (Floats only): Progress report submitted 12/21/11.
- Rural County Economic Development Funds (RCEDF) Grant: InterLocal Agreement (ILA) approved, but extended period performance schedule to be submitted.
- Debt Financing - Bond Rating Processes: Preparing for indicative ratings request.
- Port Security Grant: No update.

6. Consortium Coordination

- InterLocal Agreement with Island County Fire District #3: Waiting for FEMA.
- InterLocal Agreement with Island County Sheriff's Office: Waiting for FEMA.

B. Phase 2 & Beyond: Complete Expansion Project

1. Planning: Port Comprehensive Scheme and Master Planning process with the City of Langley to be determined.

2. Permit Status

- HPA Approval: HPA #118222-2 approved by WDFW (Issued 2/13/10, revised 3/8/11).
- USACE Permitting for Complete Expansion: JARPA submitted August 2009. Review of Endangered Species Act (ESA) and impact-driving issues underway (per Marbled Murrelet and Marine Mammal (MM&MM) Protection Plan from GeoEngineers submitted on 4/21/11. ESA Review may take 6-24 months.

3. Design Status: On hold pending permit action and planning direction.

4. Funicular – Request from City of Langley for supporting redirection of RCEDF Grant of \$250,000 from Wharf Street to a funicular: Jerome viewed the funicular as a greater help for the parking issue than any changes to Wharf Street would be, so he was supportive of it.

Gregoire said his concern about the funicular was that he didn't have a good feeling for the context in which the funicular has evolved. He agreed that the funicular is a better concept than improving Wharf Street, but said the funicular is a physical structure that ought to be presented to solve an identified series of public access issues that have been discussed in some sort of analysis and documented. He asked, *"Where is that analysis of the need to improve public access to the Langley waterfront?"* Gregoire said the issue is connected with the upcoming Harbor Master Plan update process and the Shoreline Plan. He explained that within the context of the Shoreline Plan, there is an opportunity for developing a specific public access element, talking about the problems with public access, where are there conflicts, how can we specifically meet it, etc. He said every city in Puget Sound with a port in it has gone through a joint effort under shoreline documenting conceptually, and he doesn't sense that there's any of that context with this funicular concept. He reiterated, *"What is the context in which the funicular is being proposed?"*

Gordon asked former Commissioner Tapert to provide some history on the subject. Tapert recalled that the funicular concept came from the 2004 Harbor Master Plan (which has not been updated). An elevator from the bottom of Wharf St. up to Cascade Avenue was in that Plan, and that was the only jointly approved document (between the Port & Langley) that approved the thing in concept, but it has never been updated.

Field thought the funicular was also built into the Wharf St. Overlay process. Jerome agreed, and added that it is also related to the development of the Park & Ride at the CMA Church, because that will provide parking at the top of the funicular. Gregoire noted that the funicular has also been connected with private

development that was proposed down the hillside. He said, *"I'm aware of 3 fairly isolated points that this thing has come in, but there's no broader umbrella that talks about what the funicular is going to facilitate and accomplish, and tying into our numbers and what we're doing."*

Kathleen Waters (Wharf St. property owner) said, *"As far as context, Tapert is correct – it was originally an elevator in property that Paul Schell owned which Brian Stowell later purchased, and Stowell introduced the idea of a funicular around 2006. Then, when the Wharf St. Overlay was done, I believe we were still talking about an elevator. I think your point is right – I don't think there has been any particular context, and my understanding right now is that the funicular is designed to come down from Cascade Avenue down to the 2nd story of Stowell's proposed building. But there's been no other context of public discussion at all – either from the City or the Port."*

Gregoire said, *"I like the concept, but it needs to have much broader framework in which to fit it in."* He also wanted to know what the \$250,000 was to be used for...to build it? To plan it? Jerome said, *"I agree that some of the context might be lacking, but I'm wondering to what extent does that feed into the Port's decision as to whether or not to support it. It sounds like we all support the funicular, so I'm wondering whether we need to go beyond supporting the funicular in response to this particular request by the City."*

When the City was awarded the RCEDF grant to widen Wharf St., Gordon said he had difficulty imagining how they would do it with that amount of money. The marina build-out will max out the parking potential, so the Port and the City need to come up with alternatives and he doesn't think widening the road is a viable alternative. He said he agreed with Jerome and that he supports the concept of moving people up and down the hill without cars.

ACTION: A Motion was made by Jerome and seconded by Gordon to support Langley's application to redirect their RCEDF grant funds to support the installation of a funicular.

Gregoire said, *"By that action, the Port would be telling the City to get this grant and build a funicular as the only physical structure that is feasible to get access to the waterfront, and I think there are other options."* Gordon disagreed that it was the only one; he thought it would just be one of the options. Gregoire said the point is that the funicular is fairly well defined in all the existing documents. It's a specific way to solve a problem. He continued, *"But there needs to be an analysis of the problems with pedestrian access to the waterfront and we haven't looked at that. There may be a number of less expensive ways to deal with it. Long-term, the funicular may very well serve a purpose, but we don't have any planning framework. All I'm saying is there needs to be an analysis identifying the specific needs. This funicular to me is just an artist's sketch."* In order for him to support it, there needs to be a specific plan that outlines the operational need for the funicular.

Gordon called for a vote on the Motion. The Motion passed 2-1, with Gregoire opposed.

C. Harbor Operations

1. Electrical Maintenance Project (EMP) – Project status update, including Enduris input on U.S. Longshore & Harbor (L&H) Insurance Requirements: Field said the project is well underway. There was a two-hour meeting earlier in the day with the electrical engineer and they went through everything line by line. Regarding the L&H Insurance issue, Field said Staff had done a lot of research to see if L&H insurance is really required for this project, or for routine maintenance, etc. or if it is only for major projects. Staff contacted the Port's insurer (Enduris) and received the following response from Sheryl Brandt, Director of Claims & Risk Management:

I have done some research on this topic per our conversation last week. Since Enduris does not offer this coverage directly, I am limited in my knowledge on this topic. From what I have learned, it appears that occasional work on a dock or marina does not typically rise to the level of requiring Longshoreman coverage. Larger projects on/over the water likely do. It is usually best to let the contractor performing the work decide what they need.

If you are looking for more specifics, you may want to contact a local insurance agent who sells this coverage to help determine if the coverage is needed on a specific project.

Field explained that this project is covered by L&H insurance as a significant over-water project. Once it is completed it will be closed out, but if we use the same contractor in the future for routine maintenance, L&H insurance will not be required based on the response from Enduris.

2. 2012 Ramp Cleaning – Latest news on sand lance eggs and ramp cleaning: Harbormaster Rick Brewer has been doing a good job of rolling logs off and keeping the ramp as clear as possible with a limited amount of sampling. The Port has been able to keep the ramp accessible for Whidbey Telecom and ICFD#3, etc. at minimized cost as a result of Brewer's good work.

Port Operations

A. Possession Ramp Operations – “Thank You” from ICFD #3 (late night help with rescue operation): Field explained that when a man jumped off the Clinton/Mukilteo ferry late at night, Possession Managers Wayne & Laura Nance were very helpful in assisting ICFD#3 with the ensuing late-night rescue operation. Wayne cleared the ramp with the backhoe and Laura was there with coffee for the crew, which was there until 3 a.m. ICFD#3 was very grateful that the Port had someone there, and Field noted that it was a good example of why the Port has resident managers to serve the public.

B. 2012 Landscape Maintenance: Award and start-up underway with Whidbey's Topsoil.

C. Surveillance/Port Security Grant Project: Application in; Environmental & Historic Preservation (EHP) screening form submitted 11/16/11.

D. Facility Reservations, Fees & Services – Initial discussion of Staff proposals for improved usage and revenue: Field explained that some people have asked if they could make reservations for birthday parties, family reunions, etc. at Phil Simon Park and Clinton Beach. As a result, Staff has been talking about the possibilities both in-house and with South Whidbey Parks & Rec Director Terri Arnold. Field said they've discussed items like: what is the general program as far as making reservations, what sort of fees, what type of services would the Port provide (rentals of small tents, for instance), etc. Possession could also potentially be used for bigger gatherings such as weddings, etc. Staff needs to check with the Recreation & Conservation Office (RCO) on what type of activities are allowed at the facilities and whether public access can be limited, etc. but Staff sees this idea as an opportunity to provide better & more unique service to Port District residents and visitors while potentially increasing revenue. Field said, “We think it's a good idea and we'd like your backing on it.”

Jerome said he liked the idea as long as there are no flags as far as RCO is concerned. Gordon said he didn't want Staff to have to spend much time dealing with it as far as running the program, etc., and since the budget is tight, there shouldn't be a lot of capital expenses either. Gregoire agreed it was a good idea as long as there are no conflicts as Jerome & Gordon mentioned. Staff was authorized to proceed based on general concurrence of the Board.

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

New Project Opportunities

A. Mukilteo Parking Issues (Gordon): Noting that Rhinehart had conducted additional research into the legal issues and basis, Gordon said, *"It appears that there might be glitches with us going on our own, even with the permission of the Port of Everett to acquire and operate facilities outside of our District."* Rhinehart explained that RCW 53.08.240 allows **two or more** port districts to jointly acquire and develop property outside their boundaries so long as they do not acquire property within another port district without that district's consent – however, the law is vague regarding a port district's ability to do this **alone**. At this point, one possibility is to have the Port Attorney do some research and look for precedent and interpretations, etc. to find out if the Port could do this alone. Another option would be to recruit another port district. Rhinehart mentioned it to Port of Coupeville's Executive Director Jim Patton, who suggested a letter from our commission to his, inviting a discussion of the opportunity. Patton didn't know if they would be interested or not, but given their financial situation they would not be able to put any money in it. However, non-financial support might be possible.

Gordon said Island County Transportation Planner Donna Keeler has been appointed to the Washington State Ferries Mukilteo Multi-Modal Facility Committee. He plans to meet with her and Langley Mayor Larry Kwarsick to discuss the parking issue.

Gregoire told Gordon he is struggling with the issue. He said, *"There is a lot more information that needs to be gathered, because I don't understand how parking in Mukilteo fits in with community need benefit and support of the existing tourism structure on Whidbey Island."* He referred to page 22 of the Port's Comprehensive Scheme which lists the Project Selection Guideline to "ensure complete alignment with the Port District's mission, goals and objectives": Economic Enhancement, Economic Feasibility, Economic Compatibility, Environmental Feasibility and Community Need, Benefit & Support. Gregoire said, *"As we move ahead, I think it's critical – absolutely critical – that these 5 points be discussed in an incremental manner as we move through the process and with each step that moves us forward, I want to see more information on each of these points. I would even suggest that we get some people from the tourism community (a small committee of the Chambers of Commerce, perhaps) to have a parallel dialogue in terms of getting additional information on the table. And I think a partnership is critical – I think it needs to be done in conjunction with someone else, if in fact there is an identified need and benefit and it is economically and environmentally feasible, etc. But there are dollar figures there that make me shudder a little bit."* Gordon said he would like to get a group together – he thinks he can bring a lot of commuters in that would really push some hot buttons about this. Gregoire said, *"The point of the community need and benefit group is to have a separate group of people who are involved in tourism spend some time amongst themselves discussing what they need relative to this issue. Maybe they could be guided by Staff so the Commission can find out what the community thinks about this."* Gordon said he'd be happy to appoint Gregoire as chair of that committee. Gregoire replied, *"It is not my position that a Commissioner should be a chair of any citizen committee, because we need information coming to the Board so we can evaluate it. It is not productive to have a Commissioner guiding or sitting on a committee, because the members hear the Commissioner express an opinion and feel their input doesn't matter."*

1. Draft Negotiation Proposal for Mukilteo Site: No update.

B. Oak Harbor Opportunity for Nichols Brothers Boat Builders (NBBB) – Update: Rhinehart explained that the initial conversations he had were with the Mayor and the City Administrator, both of whom are no longer in office as of January 1st. Fortunately, he had also spoken with the Development Director who is now the Interim City Administrator as well (Steve Powers). He plans to sit down with Powers and the new Mayor (Scott Dudley), so he should have more information as to where it's going by next month.

C. Saratoga Passage Walk-on Ferry Concept – Update: Rhinehart had no new information to report.

Geoff Tapert presented the Commission with a spreadsheet model and map: “Island County Ferry District Conceptual Financial Plan” (**EXHIBIT E**). He had researched the issue and said the RCWs allow for the creation of a ferry district, which would be completely separate from the port district. Only the county commission can create a ferry district, but he said it’s not clear if they do it by resolution or by a vote of the people. In any case, with a ferry district, the county would have the taxing authority to levy up to \$0.75 per \$1,000 of assessed property value county-wide.

The spreadsheet Tapert presented included the capital cost of purchasing three 150-passenger boats to provide ferry service to Oak Harbor, Coupeville, Camano State Park, Langley and Everett. He explained that the spreadsheet was very rough, and the numbers were all placeholders. He said to the Commission, *“I invite you to study it, and if nothing else, I would ask your permission to allow me (as a volunteer) to work with Rhinehart to fine tune this thing, and once we’re all comfortable with it, to present it to the County, the EDC and whoever else who might be interested to try and spread the word.”*

Gordon asked Tapert, *“Are you suggesting that the Island County Commissioners would approve a ferry district that assesses the public \$0.75 per \$1,000 of assessed property value?”* Tapert said it didn’t have to go that high. Gordon noted that all of Island County runs on \$1.10 per \$1,000 – all of it. Gordon said, *“So you are asking for the public to approve \$0.75 per \$1,000 just for the passenger ferries, which is almost ¾ of the amount that runs all of Island County.”* Tapert agreed it was a lot of money, but said it was only for the first three years and after that it would drop to less than 10% of that. For the record, Gordon stated, *“I am not going to have my name attached to anything that’s going to suggest that the Port is even going to ask the County Commissioners to ask the public for \$0.75 per \$1,000.”* Tapert responded, *“With all due respect – it’s a starting point. I don’t care how we change it, but I would like to get some support in the concept that this is a valid idea moving forward, and I believe there is quite a bit of interest up and down the Island.”*

During additional discussion, Tapert noted that it would be a four-hour trip from Oak Harbor to Everett making all the stops, so there would have to be at least two other boats to make the trips 1.5 hours apart and make it convenient for commuters or tourists. He said it’s an interesting and exciting idea, and it’s been kicked around for over a decade. He feels it’s time to get something going. Gregoire pointed out that in the past, passenger ferries worked because they were faster than the other available modes of travel (rowboat, horses, etc.) Today, a passenger ferry really needs to be focused on moving large numbers of people from point to point (such as the Victoria Clipper). But when you look at the distances in Saratoga Passage and the alternatives – you can move faster and at no cost through Whidbey Island using the Island Transit system. Tapert noted that Island Transit doesn’t have Wi-Fi, or restrooms, or concessions and he thinks commuters would appreciate having those amenities on a passenger ferry.

Gordon asked how much of Rhinehart’s time would be needed, and Tapert said he wasn’t sure, it was about getting good information and data to present it Island County and EDC so they could take it forward. Jerome thought it was a great idea, but he was not sure that the Port is the right entity to pursue this particular part of the exercise at this point. As Gregoire said with the Mukilteo parking, this concept needs more focus on what exactly it is trying to achieve. As for commuters, he couldn’t imagine who would be commuting on such a slow form of transportation.

Tapert agreed a study would be necessary, and said, *“If there is excess money in the RCEDF, there’s no reason why the COG can’t approve to fund that study.”* Rhinehart noted that at the last RTPPO meeting, there seemed to be consolidated interest in updating the 1995 survey to gauge, usage, volume and routes. Gordon suggested that the Port could apply for RCEDF to do that, and Rhinehart added that the Port could contract it out. The Port would then have some data that could plug into the model to determine

how to size the service. The survey would also provide some indication of which of the 18-20 listed organizations has the most benefit and vested interest, and that could result in finding an organization to be the driver.

ACTION: A Motion was made by Jerome and seconded by Gregoire to direct Rhinehart to research the possibility of submitting an Application for an RCEDF Grant to commission a survey related to passenger-only ferries in Saratoga Passage. The Motion passed unanimously.

ACTIVITIES /INVOLVEMENT REPORTS

Economic Development Council (EDC): No report.

Council of Governments (COG): (Gordon) The last meeting was very brief and there was nothing significant to report.

Skagit-Island Regional Transportation Planning Organization (RTPO): (Gordon) The cycle is over for RTPO grant applications.

Marine Resources Committee (MRC): No report.

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

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

Puget Sound Partnership (Policy Development/Technical Advisory Committee): (Gregoire) No report.

Langley Shoreline Master Plan Committee: (Gregoire) No report. Next meeting scheduled for tomorrow (Jan. 11th). Gregoire noted that the Port might need to provide some information for that process.

The Commission agreed to add **Island County Shoreline Master Plan** to the list of Activities/Involvement Reports for future agendas, with Gregoire as the Port representative.

Recreation & Conservation Office (RCO) Washington Wildlife & Recreation Program (WWRP) Water Access Committee: Field will serve on the Committee per specific RCO request.

Island County Hazard Mitigation Plan Update – Recent correspondence with Department of Emergency Management Director Eric Brooks: On January 4, Brooks sent an email requesting that the Port submit a letter of intent to participate in the update by Friday, January 6. Field had participated in the original development of the Hazard Mitigation Plan and said that it was a very long process with limited and mixed results. He explained, *“We ultimately did not identify any grant funds that came out of that, which was frustrating because that was the goal – we would all work together to get this plan in place and that would qualify all of us to apply for grant money.”* Field sent the requested Letter of Intent on January 5 indicating that the Port would be willing to participate, but he cautioned that the Port wanted to get some idea of scope, content and process before fully locking in because it was a big “time sink” last time that did not really pay off.

A. FEMA-sponsored Presentation on Cascadia Subduction Zone 9.0 – Thursday, Jan 12, 1-3 pm in Coupeville: Staff was unable to attend, so the Commission agreed Gregoire would go to it.

OLD BUSINESS: None.

NEW BUSINESS

Island County Comprehensive Plan/Parks & Rec Element – Discussion of Co-Owned Facilities:

Rhinehart explained that on December 23rd, the County Commissioners had approved a new Parks & Rec Element to their Comp Plan, which states that the County will endeavor to get out of the business of managing traditional recreational facilities and they will actively try to persuade other organizations to take them over. He said, *“Since the Port co-owns several facilities with the County, I thought that sounded interesting.”* Reading the Element in detail, Rhinehart noticed that the comment field for Freeland Park said the Port operates and maintains the dock. He emailed the County and informed them that was incorrect. Although the Port has done so on occasion, contractually per the ILA, the Port is not required to do so. Rhinehart said it was unclear from their plan what “persuading other organizations” means. Terri Arnold at SWPRD said she has had conversations with Island County Commissioner Helen Price Johnson about some of the facilities, but the Port has not been contacted by anyone from the County regarding any facilities, including those co-owned by the Port. Arnold had suggested starting conversations with an elected and a staff person from each of the affected organizations (Port, SWPRD & County) to sit around the table and see if there is any kind of coherent program or concept, etc. Gregoire said that makes sense – there are advantages to working jointly when pursuing grant money, etc.

Gordon said, *“I don’t want to appear to be acknowledging acceptance of this (the County’s) position. I prefer to wait and go about our business. I have no interest for this Port District to begin maintaining boat launches and spending money. We already spend too much on those very things.”*

Gregoire said, *“I think we save this discussion for the upcoming workshop. There are some serious issues there in terms of those boat launches – what they provide, how they service our constituents, why the Port District was created to begin with, etc. We need to get that stuff on the table so we have a better understanding of the whole purpose of the Port District. Those boat launches are out there and we need to know how our constituents want us to deal with them.”*

Noting that the Port would be embarking on the Comp Scheme process this year, Jerome felt that would be the time to address what Gregoire was discussing. In the meantime, with respect to the County, he was inclined to “let sleeping dogs lie.” There are ILA’s that govern the facilities right now and there’s no sense in rocking the boat at this point.

Washington State Ferries (WSF) Mukilteo Terminal Project: WSF to attend February meeting with an update on the multi-modal project (Environmental Impact Statement to be issued 1/27/12). Gordon said WSF is also scheduled to hold a meeting in Clinton on February 23rd to update the community.

Meeting Planning

A. Workshop for January 18 or January 25?: The Commission tentatively agreed to schedule the Special Meeting for a Commission workshop on prioritization for January 18th from 9-11 a.m. at the Port office. The purpose of the workshop will be to prioritize and schedule the upcoming year, with Staff presenting an introductory of what is currently going on.

B. 2012 Port Events Calendar: To be discussed at the workshop.

C. Pre-Meeting Workshops for Correspondence Review: Gordon suggested that since the blanket voucher process has expedited voucher review, and since there is not usually enough new correspondence to occupy the Commission for a half hour before regular meetings, the pre-meeting workshop be shortened to 15 minutes, to start at 7:15pm. Staff noted that while a regular-meeting start time change would require a Resolution, a change in the workshop start time would not. The Commissioners agreed to start the usual pre-meeting workshops at 7:15 pm before the 7:30 Regular Meetings, beginning with the February meeting.


Event Participation

A. Sound Waters University (February 4) at South Whidbey High School (to be held in Oak Harbor next year): The Commission agreed Staff should again provide a display at the event.

B. Ragnar Relay – Exchange point at Bush Point spare lot for July 20-21, 2012: The Commission agreed the event could use the lot again.

ADJOURNMENT: The meeting was adjourned at 10:04 p.m.


Approved:



Commissioner Curt Gordon, Clinton



Commissioner Dennis Gregoire, Freeland



Commissioner Chris Jerome, Langley

Minutes prepared by:



Edwin S. Field, Port Operations Manager

Exhibit A: Voucher Listing

Exhibit B: Resolution No. 12-01: Commendation of Geoff Tapert

Exhibit C: November 2011 Financial Statement

Exhibit D: "Petition to Save Open/Green Spaces on South Whidbey" submitted by Clyde Monma

Exhibit E: "Island Co Ferry District Conceptual Financing Plan" submitted by Geoff Tapert