AGENDA

THE PORT DISTRICT OF SOUTH WHIDBEY ISLAND
SPECIAL MEETING of the BOARD OF COMMISSIONERS
Wednesday, October 27, 2010 at 10:00 am
Port Office Conference Room, 1804 Scott Rd Suite 101, Freeland, WA

SPECIAL MEETING CALL TO ORDER

1. Pledge of Allegiance

PROJECT ACTION ISSUES – Commission & Staff Review and Direction with Design Professionals

1. Introductions: Shannon Kinsella & Jack Seipel with Reid-Middleton

2. Design Criteria and 50% Design Review Workshop for SWH Expansion Phase 1
   - A. Review of Design Criteria
   - B. Drawing and Specification Review
   - C. Cost Estimate Review
   - D. Permit Issues, incl. SEPA Comments from City

3. South Whidbey Harbor Operations
   - A. Review of Pump-out Barge Bid Results and Commission Direction

UPCOMING MEETING COORDINATION - Topics and Format for:

- A. November 9 Regular Meeting

- B. November 17 Special Meeting - 7:00pm at St. Peters Luth/Clinton:
  Public Hearing on Surplussing Property at Possession

ADJOURNMENT

PORT DISTRICT OF SOUTH WHIDBEY ISLAND
Minutes of the Special Meeting
October 27, 2010
Freeland, Washington

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

Others Present:
Port Staff: Ed Field (Port Manager), Dane Anderson (Port Finance Manager) and Molly MacLeod-Roberts (Port Clerk); **Others:** Shannon Kinsella (Reid Middleton), Tony Puma (Boatyard Inn Co-Owner) and Alex White (Whidbey Examiner).

MEETING CALL TO ORDER: The Special Meeting of the Port District of South Whidbey Island's Board of Commissioners was convened on Wednesday, October 27, 2010, at the Port office conference room at 1804 Scott Rd. in Freeland, WA. As announced, the primary purpose of the Special Meeting in workshop format was to conduct a workshop for Commission and staff to conduct a 50% design review for the South Whidbey Harbor Expansion Project with the design team from Reid Middleton, along with other South Whidbey Harbor facility issues. Although the Meeting was of course open to the public, this Special Meeting was scheduled to enable the Commission to fully review project details with the design professionals and to address scooping, prioritization and direction to the designers and staff, and public participation was not on the Agenda. Commissioner Tapert, President, called the Special Meeting to order at 10:00 a.m., followed by the Pledge of Allegiance.

PROJECT ACTION ISSUES – Commission & Staff Review and Direction with Design Professionals:

1. Introductions – Shannon Kinsella & Jack Seipel with Reid Middleton: Jack Seipel was not in attendance. Port Manager Ed Field said Reid Middleton had submitted plans, specs and cost estimates, and this meeting was a chance for the Commission to go through everything and see how the project has gone from the 5-10% permit stage to the 50% design stage. In doing so, they will see the scope issues that became bigger and were not as apparent in the initial cost estimate. Field noted that the latest cost estimate is "a step up in detail and it's a step up in numbers from where we were a year and a half ago."

2. Design Criteria and 50% Design Review Workshop for SWH Expansion Phase I:
A. Review of Design Criteria: Field said he had the Basis of Design document for Commission review **(EXHIBIT A)** that discusses the design loads and basic criteria and provides some background, and he would provide the Commission with copies if desired. They could go through that document, but he suggested it might be easiest to go straight to the plans. The Commission agreed with this suggestion.

B. Drawing and Specification Review: Field referred the Commission to their copies of Reid Middleton's "Langley Small Boat Harbor Expansion Phase 1A: 50% Submittal" **(EXHIBIT B)** and "Langley Small Boat Harbor Expansion Phase 1B: 50% Submittal" **(EXHIBIT C)**. Kinsella noted that Reid Middleton had done some 3-D modeling of the wave conditions through Texas A & M. She explained she could go over the actual values as well as the pros and cons and impacts on permitting as they go through the plans.

In response to Commissioner Tapert's question, Kinsella pointed out that a turbidity curtain and debris boom would be specified for use during demolition and construction activities, with the location adjusted as necessary to meet the requirements of the permitting agencies.

One of the cost estimate numbers that has significantly increased is that of the wave fence on the sections of the new D Dock breakwater (east). Kinsella explained that they had previously looked at a wave fence for just the one side, but with the wave conditions, "it really makes it a good improvement to have wave fencing on both." She asked them to keep in mind that the plans are only at 50%, and Reid Middleton would focus more detail and attention on the elements of the wave fence between the 50-90% design phase. The wave fences (which are wooden) are an expensive item and there is a maintenance issue as well. There are plastic wave fences, but they cost approximately double that of timber wave fences.

Finance Manager Dane Anderson said that the Department of Natural Resources (DNR) has gone from not allowing timber in the water or above the water at all to allowing timber in or above the water, but only in frames. He added that DNR's stewardship measures are changing all the time, though.

Commissioner Jerome asked Kinsella to explain the performance spec aspect of it, and asked what sort of latitude the float manufacturer would have. He recalled that one float manufacturer had shown a deeper concrete box that would eliminate the need for a wave fence. Kinsella said it would be more costly to go to a deeper concrete structure. She said they could do a cost comparison and pointed out that long-term maintenance would be a little bit lower but the up-front costs would be higher. Between the 50% and 90% design for the performance spec, Reid Middleton could say, "Potentially this is one way the wave fence could be constructed, but the specs would say it has to have either a fence or a full depth structure with a minimum draft of 12 feet." Commissioner Gordon asked if the float manufacturers would get extra points for responding to the performance spec with a more maintenance-free, long-term solution. Kinsella replied, "That gets back to how much evaluation the Port is going to do, as opposed to just deciding on the lowest bid that meets the requirements and is responsive." Gordon asked, "Are we going to take the low bid?" Field explained that it would be considerably more complicated to go to a point system or anything other than low bid. Gordon said, "But this is a capital-driven project and once it is in (if we can get it in), it's going to be a maintenance drain. So if we put something in that is going to strap the Port district for 20 years, we'd almost be better off paying more up front out of capital costs than trying to maintain something that is a higher maintenance item (like the timber). Kinsella reiterated that plastic would cost a lot more and that Reid Middleton could do some cost comparisons between plastic and a full pontoon. She said the goal in the prescriptive specifications would be to really describe what is wanted in terms of: How is it attached? How can it be accessed? How big of a panel section can be built that can be taken off and replaced as needed? In response to Gordon's question regarding other similar wave fences, Kinsella explained that Oak Harbor has wave fences on a breakwater and some of them have sheared because there is a lot of action on them. Reid Middleton is looking at ways to hold the wave fence on better with more bolts and different connection systems to keep that from happening. Brownsville also has a wave fence and it has held on very well; it's very stout. The issue they have is one of maintenance – they have to deploy a crane and lift the whole thing out to access it. Reid Middleton would therefore focus on those maintenance and long-term durability issues. Tapert said he was concerned about the maintenance issues and thought if they used concrete instead because "heavier is better" and they would get some economy of scale.

Gordon said he would still like to be able to somehow factor in the creativity of the float manufacturers. He suggested Kinsella, Field and Anderson could do a 20-year amortization factorization that included the upfront costs and the long–term maintenance costs. Field suggested that the float manufacturers could be instructed to include in their bid the materials and an allowance for maintenance for the first 10 years, or a bid that is maintenance-free for 10 years. Gordon agreed, and added, "It's turning the maintenance into capital, because we need to buy into this up front – not bleed to death in the next 20

years." Tony Puma (Co-owner of the Boatyard Inn) suggested they could do as Field suggested as an "additive alternate" and then take it or not take it at their discretion. Field said they would have to be careful to avoid a bid protest for rigging it for a specific design. Gordon said they need to figure out how to do that, because they want as much of the project as possible to be on the capital side. If the Port is going to sell bonds, they will max out the District and there's not going to be any extra money for maintenance. Jerome noted that Oak Harbor and Brownsville have completely different environments than the hostile Langley environment, where he believed the timber would really take a beating. Since it could significantly change the cost estimates, Gordon said it would be critical for Kinsella to address the issue right away.

Regarding the wave conditions, Jerome asked, "How good is the science in terms of what performance can we expect out of any given structure?" Kinsella explained that it is a very dynamic situation, because there is the width, mass, depth, the mooring line tension system, etc. It's an analysis of all those interactions. It's not exact, but they did do a full 3-D modeling of structures and in the layout view, so they have a good general idea and they are much further along than they were at 15%. Reid Middleton modeled both a set wave condition of 4.67 feet and also a wave spectrum. They modeled the 4.67 feet wave of a 100-year storm from the northwest, and they used that wave (which is a bit conservative) from the east and northeast. They also modeled from the north (somewhat across the channel), which was overly conservative.

Kinsella briefly explained why switching the locations of the existing breakwater with the new breakwater could be advantageous (due to the structure and the predominant direction of the wind & waves). There was a brief discussion about other possibilities, including just building the end of G dock and putting the existing breakwater in place, a buoy field, adding finger piers to the existing breakwater, a log boom to catch the debris caused by the "catcher's mitt", etc. Anderson explained the impact on the potential grants if the breakwaters are "flip flopped." In their view, the Department of Homeland Security (DHS) is buying the existing 400 ft. breakwater for security and response. It will essentially be "their space" for the Island County Fire District #3 and the Island County Sheriff's Office vessels, and they will want them as close in as possible rather than on the outer perimeter. Anderson said that that the Port is looking for the Boating Infrastructure Grant (BIG) to fund the new 370 ft. outer breakwater, and that is "very much by design." He explained that in the past, BIG funding contracts have clearly stated they are for recreational (non-commercial) use only. If the commercial dock is further out, they are "going to have real heartburn about commercial traffic walking across their recreational dock." In response to Puma's earlier suggestion that they add finger piers to the existing 400' breakwater, Anderson explained why it was not feasible. He said it took quite a conversation to get DHS to pay for all of it, because they couldn't see how a 26 ft. and a 36 ft. boat were going to take up a 400 ft. breakwater, until he explained that is also deep water moorage access for a large passenger ferry in an emergency condition. If there are finger piers on it, "it looks and smells a lot like a commercial marina and they will come unglued."

Reid Middleton did look at the potential to add a wave fence to the 400' breakwater and modeled that, but given the width of the breakwater, a wave fence would reduce the waves by only 10% so they are not recommending adding one to the structure. Kinsella said the structure should really be left as-is without a lot of modification other than cleaning it up and repairing some of the metals, etc. on it.

Gordon asked if it would be possible to include G Dock as an alternate when putting Phase 1A out to bid, and Field said they could certainly put G Dock as a coherent bid alternate. Field said he wanted to be careful to avoid getting too many bid alternates, because if there is too much variability or if it is too non-standard, bidders tend to put in safety factors to make sure it's covered. Gordon agreed that it would need to be a clean alternate and added that it should be a separate bid. Field said it would be important that the design criteria for G Dock was amenable to all the rest of the construction that has to happen eventually.

Kinsella asked if there were any other questions regarding the wave conditions. Tapert said, "I'm personally okay with it. If we've got another 20 years with the 16 ft. wide breakwater and we're looking at a 100-year storm, that's at the upper end of my risk tolerance level." Jerome added that there were things they could do operationally to deal with such a storm if it comes.

Gordon said his only comments related to the budget and creative financing. He noted that Field had told him the Port would not go into the reimbursable portion of the grants until we know that we are permitted and moving forward. Gordon said until the numbers get adjusted he is going to be uncomfortable because they can't go forward without the numbers working. He doesn't want the project to go ahead of the numbers. If changes are going to be made maintenance-wise, before doing anything else, Gordon said he needs to know what impact those will have on the initial costs because "we're already maxing out here." Kinsella explained her understanding as: "We're moving toward 90%, but the first, most important step is to look at a comparative between the timber wave fence and concrete pontoons, looking at the pros and cons for maintenance, upfront costs, etc. so the Commission can make a decision." She said Reid Middleton would try to keep it as open and prescriptive as possible, but that would at least provide the Commission with the background information on what the Port can expect to see with the bids. Gordon said he understands that the Port has a potential contract with Reid Middleton of $300,000 or so to "go from here to there," and he doesn't want to spend that and then find out later that we're another half million dollars too high to make this work. He wants to plan for A) getting the most bang for the buck with the ingenuity of the different float manufacturers, and B) getting some estimated cost differences from Reid Middleton. He concluded, "Because if the Port spends part of that $300,000 and doesn't go ahead with this, we go into our reserve and don't get it reimbursed and it's gone." He would like to have those questions answered first as an immediate concern.

Anderson summarized that the Port needs numbers on the costs of a full-depth concrete structure vs. a timber wave fence, including upfront initial capital costs, long-term maintenance costs and the life cycle/replacement of each. Anderson, Field and Kinsella would work together to provide the report.

Regarding the anchoring plan, Field pointed out that the cost estimates had increased considerably for the add-on of flexible anchors. Kinsella indicated that the preliminary design the anchor chains were much longer. Reid Middleton has added in two brand name systems – "Supflex" and "Superflex." She described them as "really stout bungie cords." They not only shorten up the anchor lines, but they also provide real advantages to the mooring. As the breakwater moves around, anchor chains do not provide as much resistance to the load, but as the Supflex and Superflex systems stretch, they gain strength and capacity so they help with the overall mooring system of the floats. Reid Middleton put in a conservative estimate for the cost of those systems – the quote was actually a lot less, but there are limited manufacturers. Field asked about the maintenance on those systems, and Kinsella said some of them have been in 30-40 years with no maintenance. The systems have been used a lot in Sweden and other Scandinavian countries and Asia.

Kinsella reviewed the gangway connection details, the refurbishment of the existing breakwater and the utility plan details for the project. Anderson reported that Washington State Parks Clean Vessel Program does have a grant available (with a 25% match requirement) if the Port wanted to expand the scope for the addition of shore-based sewage facilities (adding a sewer line out to the dock in lieu of or in addition to the pumpout barge). Field explained that it would not be a problem strapping the line under the existing dock, the gangway and the connector dock, but the 400' breakwater is a problem because there's nothing through it at this point. He said it might not be worth doing it and they could simply move the pumpout barge around instead. He noted that the existing pump out barge was recently emptied for the first time in at least two years and there was only 2,500 gallons in it, so it is not getting a huge amount of use. Gordon suggested that they dig the trenches and lay the conduits out to G Dock so a pumpout station could

potentially one day be located there without tearing things up again. The Commission agreed. Kinsella noted another possibility – the use of portable carts for pumpout.

During the discussion of the electrical plan, Gordon asked, "Why did they start with 3-phase, when we're not industrial and we're not running electrical motors?" Kinsella said 3-phase is pretty commonly used. Reid Middleton has used 3-phase 120/240V system for most commercial and marina facilities. She explained it is not her area of expertise and that Ed David at Reid Middleton would be the best person to answer any questions regarding the electrical plan. She said she would check with him and report back to the Commission. She wasn't sure if the 3-phase is just a cost efficiency or a code requirement or both. She noted that the larger vessels use 100-amp.

Field noted that they would need to carefully look at the upland layout because of the impact on parking that the location of the transformer, bollards and switchgear would have. Gordon suggested Kinsella also ask David about the possibility and estimated cost of having the electrical vaulted underground.

Puma interjected, "I don't believe you have the capacity for a 1,000-amp service down there. You're going to have to bring something heavier down the hill." Gordon said in his experience, when you go through the application process, Puget Sound Energy will take on all or part of the upgrades. Puma said they can't go upgrading over the Drakes' property because there is no easement. Gordon said he would prefer they not spend too much time or money on the power option or design until they are really ready and have talked with PSE. They need to work on the big picture and the finances and find out for sure what is needed before designing it. Kinsella said she would talk to David, who has been in communication with PSE, because it was her understanding that there was sufficient power there. She will ask him to summarize the information for the Commission.

Kinsella indicated there would be 30-amp and 50-amp pedestals on D Dock as well as a couple of 100-amps. Field said Harbormaster Rick Brewer would like a couple of double 30-amps on the connector dock for smaller boats.

The discussion moved on to Phase 1B. Field noted that the cost estimates for Phase 1B did not go up as much as Phase 1A did. The utilities are a significant issue and cost, and he said, "I'm real concerned about running all these utilities down the existing docks which are not in great shape, and then serving all the new facility and the beautiful new docks from them." Tapert suggested using a T-connection and Kinsella showed where that might work.

There was additional discussion regarding DNR overlapping so many other agencies. Gordon asked when the Port would know how much grating would be required on the project. Field said it appears that DNR will be the biggest driver on that issue, more so than the Washington State Dept. of Fish & Wildlife (WDFW). In the meeting with DNR last week, DNR acknowledged the grating issue is structural, wind, wave and water depth dependent. Anderson noted that since most of the expanded facility is offshore, the light transfer should not be as much of an issue. Field said there would be a combined response submitted from Reid Middleton on the technical side and from GeoEngineers on the environmental side. As for timing, Field said it is most cost efficient to wait until permit comments have been received prior to taking the project to final design. The Joint Aquatic Resources Permit Application (JARPA) comments should have been in by now, but because the Army Corps of Engineers dropped the ball, we have not received them yet. He said, "We've got a number of big questions that are starting to show up that directly affect what the bottom line is and whether or not we have enough money to build the thing." Rather than charging ahead regardless, Field said he wouldn't say that it is time to pause, but it is time to answer those questions before taking it to the next step.

Gordon thought the difficulty here is that in a lot of agencies, an agency will obtain grants for planning and design. If the Port had a $500,000 grant for planning and design to use up, it would be easy to find the answers as to cost, etc. We are in tough shape because we don't have a planning and design grant, and although the money spent on planning and design can be used for a completed project, a year from now we might not be able to get compensated for any of it and the Port will have used some of its reserve to pay for it. Gordon said the Port needs the worst-case scenario costs from Reid Middleton, along with the related schedule impacts from staff.

C. Cost Estimate Review: Copies of the Opinion of Probable Construction Costs for 30% Design W/Kayak Float and 50% Design Phase 1A **(EXHIBIT D)** were presented to the Commission. No additional discussion took place.

D. Permit Issues, including SEPA Comments from City of Langley: Field reported that today's newspaper has the SEPA Notification in it – FINALLY. The 14-day clock has started ticking and the City has made a Mitigated Determination of Non-Significance (MDNS). He will pick up the letter from the City of Langley this week.

Regarding the DNR lease expansion, Anderson learned that in the past, DNR had included a pretty standard Exhibit B (about 5 pages of standards for operation). However, there was no Exhibit B included with the Port's current lease.

Gordon asked for clarification of the process and the different agencies. Field said, "When the SEPA goes out to WDFW and an MDNS has been made by the lead agency (the City of Langley), WDFW then starts the Hydraulic Project Approval (HPA) process and the DOE (Department of Ecology) starts their Water Certification process." He added that the Port had just received the Biological Evaluation (BE) comments from the Army Corps of Engineers (the "Corps") yesterday and have been forwarded to Reid Middleton and GeoEngineers for them to work on. The next step should be JARPA notice posted, which kicks off the HPA process. Field said, "So all the permits that should have been going sooner are indeed now finally starting to roll." Given the permit issues and the cost estimate issues that have cropped up in the last month, a bid date of April 1 is certainly possible. He cautioned; however, that is just the construction schedule issue – not the financing piece of it. Gordon said, "You're light years ahead. You can't build anything if you can't fund it. I want your best estimation of when we will be able to know a better cost estimate, because we have to strategize. Given the scenario of another 2 months for permitting; 2 months would be ugly and we would have to dismiss the whole season then."

Anderson updated the Commission regarding the Port Security Grant. Originally, DHS was adamant that the money had to be spent by the end of March 2012, so he and Field have been working on the whole project schedule to try to accommodate that. However, when Anderson called yesterday to ask about an extension, he was told, "Well really, the last time the fiduciary agent can pull down any money is March 31, 2014." Anderson summarized that basically an extension can be obtained without too much trouble. The Port would need the last 3 months to do the audits, etc., so the last time the Port could pull money down would be December 31, 2013.

Gordon said, "With the Port Security Grant, BIG and the Rural County Economic Development Council Funds combined, we are maxing everything even if we sell General Obligation bonds to build at this cost. We can't afford a $300,000 hit without re-strategizing everything, so I will say it again: That is Priority One; that's what we have to know first. You are professionals; make an estimation to the best of your abilities. We need to work on the cost. I know you need design to work on the cost and it's a cart and horse thing, but if we're spending local Port dollars that we cannot be reimbursed for to design this without first pulling good numbers so we can plan first, we'd be making a big mistake."

Tapert said, "I think it helps us from a grant application standpoint to have permits in hand." Field agreed, and went on to say, "Essentially it slows the design a little bit and makes it much more efficient since we won't be designing something that has to be re-designed or re-worked based on permit comments we haven't even seen yet. However, it does make it difficult if not impossible to go out for bids in 2011." Since staff has been gearing toward Spring 2011, the Commission would have to give direction if that schedule is to change. Gordon said there is no point in pushing ahead with design without permits, because too much of the design is predicated on what comes back in the permit comments. Anderson said from his perspective, waiting gains us quite a bit. It not only gains us the assurance that we can build something we can afford, but it also buys us some time with the Boating Infrastructure Grant. Field pointed out that the Port won't know anything about the BIG until sometime between January and March, so if the Port went full ahead with plans and had everything ready to go on March 1st and then didn't get that grant – we'd have spent a lot of money to "get to the party" and we'd have to stay home instead.

Gordon suggested that they should stall the design, but keep Reid Middleton working on permitting and pricing and then we will be more prepared when the permits come in. Tapert said he always feels more comfortable when the permits are in hand because the agencies can't change the rules at that point, and Gordon said he completely agreed. Kinsella said, "The one caveat is DNR. We've had jurisdictions with all permits in hand and then DNR has come in and said they want them to do such and such above and beyond the HPA permit, etc." She said the fact that the Port is already meeting and working with DNR is important. Gordon asked about when the Tribes weigh in, and Kinsella said they typically wait until the last day before the permits are issued. Field noted they have requested that the City send the letter of MDNS directly to the Tribes.

Jerome asked, "How likely are we to have DNR issues, given that we're mostly in deep water?" Kinsella replied, "I think we can argue very strongly that we can't grate the breakwaters. The existing breakwater can't be broken apart and have grating installed and given the water depth and the function of the new breakwater, it should not be grated." However, there is a potential that the headwalk would have to be grated because it is somewhat sheltered and it's in shallow water near the eelgrass. Reid Middleton has done cost comparisons of solid concrete vs. grated for Oak Harbor's headwalk and Kinsella said she would provide staff with that information. She said, "Other than that for Phase 1A, I don't see a lot of other DNR, HPA or Corps conditions coming out (unless there are issues with the proposed mitigation).

Anderson asked if the Commission wanted to discuss the funding realities at this point. Gordon said he didn't want to speculate at this point. He'd like to get closer to the permits and find out how much it's going to cost above grant funding. As far as he's concerned, his position is: "It's doable under the current funding structure availability that we've created." Anderson said there are two big unknowns with the funding at this point: 1) the Boating Infrastructure Grant and 2) the cost of what we're going to build. If we don't get the BIG funding, we can still make decisions. He said, "It's not whether or not we do something, but the volume at which we do that thing."

Field said it would be a 15- to 18-month project from awarding the bid through completion. It would take roughly 4-6 months for fabrication, 6 months of installation in-water work, and 3+ months for the punchlist, etc. Gordon asked what would be the ideal bid award date (considering the fish window, etc.) and Field said May 1st, with a notice to proceed within 2 weeks. Gordon asked Kinsella how long it would take for Reid Middleton to get to bid documents. She said they are currently scheduled to hit 90% design in January, so about 2 months. If they pause at this point, then they would need to resume by February 1st in order for the bid to be awarded by May 1st. Gordon asked, "On February 1st, what will we know more about than we know now?" Anderson said we might know about the BIG funding and we should know most things about the permits. Tapert suggested that there are some things that will not change and Reid Middleton could continue to work on those while on pause for the rest of the design.

Kinsella agreed they could work on fleshing out the performance aspect of the breakwater specs but wait on the headwalk, etc. and keep working on getting the cost estimates. Field agreed and noted that the performance specifications would take a great deal of time. Gordon reiterated his position is that "we have the ability to do this project without going back to the voters if the permit comes in right and we're waiting for our permit before making decisions." Jerome added, "And grants." Everyone agreed that was realistic. The Commission agreed that Reid Middleton should proceed only on specific cost- or permit-critical issues (including the performance spec for the new 375' breakwater, wave fence cost and maintenance issues, electrical costs, and connector dock gratings) while generally pausing the rest of design. (Later Commission discussions indicated that scope and costs for security fencing and other measures as might be needed to meet Port Security Grant and/or MarSec commercial security requirements should be also addressed by RM , including fencing and gating, etc.)

Jerome said the biggest likely issue is the headwalk and it's only $170,000 out of the $5.5 million project. Gordon acknowledged that, but said it all adds up and if we add $300,000 and the bids are too high – we're out. Gordon summarized that there is no point in pushing the envelope until January. Pausing now gives time for more information and it's the responsible thing to do, now that we know the funding source deadline isn't going to drive the schedule. He said that staff should work on the critical design and permitting milestones for the next six months which must precede construction and add those onto the project schedule.

3. South Whidbey Harbor Operations:

A. Review of Pump-out Barge Bid Results and Commission Direction: Field reported that he had contacted six companies, of which one said they were not interested in submitting a bid. He subsequently sent out a Request for Proposal to the other 5 companies, but only one bid came back: Nichols Bros. Boat Builders in the amount of $21,473,69 **(EXHIBIT E)**. Brewer and Field had reviewed the bid and agreed the numbers for Tasks #1 and #4 (Haul-out, Transportation & Re-launching) were reasonable. Task #2 to Clean, Survey & Report also seemed reasonable, since it has been so long since the barge was cleaned and only a partial as-built is available. Task #3 for Repainting & Repairs seemed high, so Field called Jeff Binford at Nichols, who explained that a light sandblast would be used so there are environmental costs involved.

Field noted that the number was higher than hoped or budgeted, but it was the only responsive bid. Anderson pointed out that the Clean Vessel Program will reimburse the Port for 75% of the cost, so the Port will only have to pay about $5,000-$6,000.

ACTION: A Motion was made by Jerome and seconded by Gordon to accept and approve Nichols Bros. Boat Builders' bid for $21,473.69 for the Pump-out Barge Survey, Maintenance & Repair work. The Motion passed unanimously.

UPCOMING MEETING COORDINATION – Topics and Format for:

A. November 9 Regular Meeting: Noted.

B. November 17 Special Meeting – 7:00 p.m. at St. Peter's Lutheran Church in Clinton: Public Hearing on Surplussing Property at Possession: Noted.

ADJOURNMENT: The Special Meeting was adjourned at 12:55 p.m.

Approved:

Commissioner Geoff Tapert, Freeland

Commissioner Chris Jerome, Langley

Commissioner Curt Gordon, Clinton

Minutes prepared by:

Edwin S. Field, Port Manager

Exhibit A: RM's Engineering Basis of Design (10/21/10)
Exhibit B: RM's Langley Small Boat Harbor Expansion Phase 1A, 50% Submittal plans (10/22/10)
Exhibit C: RM's Langley Small Boat Harbor Expansion Phase 1B, 50% Submittal plans (10/22/10)
Exhibit D: RM's Opinion of Probable Construction Costs (10/22/10)
Exhibit E: Nichols Bros. Boat Builders bid for Pumpout Barge Survey, Maintenance & Repair work (10/11/10)