

PORT DISTRICT OF SOUTH WHIDBEY ISLAND
Minutes of the Regular Meeting
January 11, 2011
Langley, Washington

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

Others Present:

Port Staff: Ed Field (Port Operations Manager), Dane Anderson (Port Finance Manager) and Amber O'Brien (filling in for Port Clerk); **Others:** Clyde and Marcia Monma (Clinton Residents) and Carl Robinson (Langley Resident).

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 11, 2011, at the South Whidbey Parks & Recreation District Meeting Room at 5475 Maxwellton Rd., Langley, WA. Commissioner Tapert, President, called the Regular Meeting to order at 7:30 p.m., followed by the Pledge of Allegiance.

BUSINESS MEETING:

1. Election of Board Officers for 2011:

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

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

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

The following slate of officers was elected for 2011:

- Commissioner Chris Jerome – President
- Commissioner Curt Gordon – Vice President
- Commissioner Geoff Tapert – Secretary

2. Appointment of Alternate Auditing Officer - Currently Gordon:

ACTION: A Motion was made by Jerome and seconded by Tapert to nominate Gordon to continue as the Alternate Auditing Officer. The Motion passed unanimously.

3. Review of Commissioner Appointments and Committee Assignments:

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

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

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

D. Marine Resources Committee e(MRC) – Currently Tapert: The Commission agreed that Jerome would be the 2011 representative.

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

F. Holmes Harbor Shellfish Protection District (HHSPD) – Currently Tapert: No change.

4. Consent Agenda:

A. Minutes: Minutes from the Special Meeting of October 27 and the Regular Meeting of November 9, 2010.

B. 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 Tapert and seconded by Gordon to approve the Consent Agenda as submitted, including the authorization and acceptance of Vouchers #2302 through #2333 and #2363 through #2375 for a total amount of \$53,431.03. (Subsequently corrected and amended to \$53,142.89). The Motion passed unanimously.

PUBLIC COMMENT – Including Items not on Agenda:

Clyde Monma noted that the newspaper had mentioned a land swap at the South Whidbey Harbor and he asked for more details. Gordon explained that the City had presented the Port with Ron Kaspirsin's design (Wharf Street Overlay) that would include a land swap between the City and a private owner in order to change the traffic flow at the Harbor and have Wharf St. run along the toe of the bluff. The Commission reviewed the design but agreed the Port wanted to keep all options open. Jerome explained that the Port would not be swapping land; the Port would not be directly affected because only the traffic flow onto Port property would be changed.

FINANCIAL ACTION ISSUES:

1. November 2010 Financial Report: The Commission acknowledged receipt of the November 2010 Financial Statement, which had been distributed to them previously (**EXHIBIT B**).

2. 2010 Annual Reporting: In progress.

3. Island County Clean Water Utility: Budgetary impact under review. Port Finance Manager Dane Anderson noted it was not included in the 2011, so he is conducting an analysis of the impact accordingly. To date, the analysis shows that of the 25 parcels that Island County says the Port owns, 4 fall in the "commercial realm" of 5,000 sq. ft. of non-impervious area and the remaining 21 fall under the standard assessment of \$25.44 per lot. In 2011 (subject to change based on County map corrections/changes) the anticipated cost for the Utility to the Port is \$720.98. In 2012 it increases to \$1,154.38, and from 2013-on, \$1,330.42. Jerome noted that the South Whidbey Harbor is not included because it is within a municipality (the City of Langley) and therefore exempt.

There was no additional public comment.

PROJECT ACTION ISSUES:

1. Possession Beach Waterfront Park:

A. Uplands Property Surplus Sale:

1. Commission Action on Brokerage Request for Proposals (RFP): Anderson reported that no responses were received by the deadline, but the Port subsequently received one response that was pretty much the standard brokerage commission of 7%. For the excluded potential buyers, the broker (Tom White of Coldwell Banker Tara) proposed the Port pay 3.5% commission if a sale happened within 45 days. After additional discussion, the Commission agreed the listing agreement should be for a 90-day term for all, including the excluded buyers.

ACTION: A Motion was made by Gordon and seconded by Tapert to hire Broker Tom White of Coldwell Banker Tara to represent the Port as a real estate agent for the sale of the upland property at Possession Beach Waterfront Park for a 90-day listing agreement with terms defined by Port Finance Manager Dane Anderson.

Carl Robinson said he had not attended the last few meetings, and asked if the Port had decided to split the parcels. Jerome explained that the property was split several months ago via an unregulated segregation process. Robinson said he knew someone who might be interested in purchasing the property, and Anderson asked him to call the Port office to discuss the issue tomorrow.

The Motion passed unanimously.

2. Review of Sale Process, including Criteria and Timelines: Anderson noted that there are different options available, with one being that the Port could simply list the property and wait for offers to come in, or go to auction, etc. He had asked the port attorney if there are any RCWs regarding how the Port has to sell the property, and the attorney's response was, "No." Gordon said he would like White to get started on the market analysis and then make a decision. Tapert said the Port must complete a Form 17 Seller Disclosure, but should also provide full disclosure about the existence of the Dorothy Cleveland Trail, access to all the Minutes from the last several months, etc. to all potential buyers so they have awareness of all issues prior to making an offer. Jerome said, "Any process other than waiting for offers to come in sort of locks us into a highest bidder situation. As we've previously discussed, there are considerations besides the amount of the bids that we want to be able to consider in making this decision. I'm in favor of leaving it relatively open rather than going to any kind of auction at this point." Gordon and Jerome agreed, but Gordon added that the Port would need to have the analysis and additional information prior to hearing any offers.

Clyde Monma noted that the Commission previously mentioned that preference would be given to someone who would preserve the Trail (or words to that effect). He asked, "Is that quantified or is it going to be quantified? Will it be discussed? Will potential buyers know that?" Tapert said it could affect the value of the property and what potential buyers would offer, so that's something the Commission would have to decide when the offers are received. Monma asked, "Is that (preserving the Trail) something you are committed to or just something you're saying? Is it going to come into play in any serious way?" Jerome said at this point, we don't know if we'll get any offer, or just one, or more. If there is more than one offer, it could come into play. The Port just needs to make the realtor aware that there are considerations other than the highest price that will factor into the Commission's decision. Gordon said it couldn't be quantified at this point, and the Port needs to move forward and "get a basis on this thing" and then try to weigh in the value of any public benefit. Tapert summarized, "We are responsible for the public's property, and if we sell something, we need to sell it for the best interest of the public in general, and that involves a lot of things: it could be money, it could be access, etc." Monma said he just wanted to make sure the Trail was given consideration and that anyone who bids on the property is aware of it and all related issues.

2. South Whidbey Harbor:

A. Expansion Project:

1. Design & Permit Status Update:

- Phase 1A: Port Operations Manager Ed Field said the last couple of weeks were busy with a fair amount of permit progress.
 - Shoreline Substantial Development Permit (SSD): SSD 2009/02 approved by City of Langley 12/15/2010. Field said it was issued along with a set of conditions that are favorable without putting major requirements on Phase 1A.
 - Shoreline Conditional Use Permit: Now in decision at Washington Department of Ecology (WDOE): Staff had a very productive meeting at the Harbor with David Pater of DOE last Friday. Pater responded with a fairly positive email the same afternoon. Since the breakwaters will probably have an impact on the coastal geology, he requested additional information. Field has forwarded that request to Reid Middleton and GeoEngineers. The Port will respond this week, as Pater is looking to make his decision by the end of the week.
 - Hydraulic Project Approval (HPA): HPA issued by Washington Department of Fish & Wildlife (WDFW) 12/13/2010, but Mitigation Requirements under revision. Field said there were major problems with the mitigation requirements in the HPA as originally issued, including the removal of the stockade and the sunken tire reef upon project completion. Callaghan of GeoEngineers spoke with Doug Thompson of WDFW and then redlined out 4 major sentences. Callaghan converted it to: The mitigation for the temporary parking of the breakwater will be monitoring and potential enhancement of the eelgrass under the Wharf, the removal of the Wharf will be mitigation for Phase 2, and any mention of the stockade is removed. Staff expects WDFW expects the HPA to be re-issued soon, with those revisions.
 - Field reported that the Department of Health emailed today in response to the Port's providing more accurate harbor occupancy numbers, etc. DOH is looking at the amount of closure caused by the boats in harbor; there is a closure area around the Harbor for geoducks and bottom harvesting, etc. DOH had identified the existing closure area based on inaccurate harbor occupancy numbers, and the Port had provided more accurate numbers of the existing harbor conditions, and then provided phased, average and peak numbers for Phase 1 and Phase 2. Based on that information, DOH has reduced the potential impact "a lot," but Field said, "Unfortunately DOH did not adjust the existing conditions at all, so the existing closure area is still overdrawn." He plans to discuss it further with Callaghan to determine if it is worth discussing it further or if the Port should just "drive on." This could potentially have an impact with the Tribes and their traditional geoduck harvest.
 - Permitting for Impact Driving – Commission Review & Direction on GeoEngineers 1/6/2011 Proposal (**EXHIBIT C**): (Note: Field to attend Marine Mammal Protection Act/Endangered Species Act/Pile Driving Workshop with Washington State Department of Transportation (WSDOT) and WPPA on 1/25/2011 in Tacoma) Tapert said he would like to table the discussion of GeoEngineers' proposal until after Field has attended the workshop. Field had no problem with tabling it, and the Commission agreed to table the issue until the regular February meeting.
- Boarding Floats & Uplands:
 - Joint Aquatic Resolution Permit Application (JARPA) Re-submittal to United States Army Corps of Engineers (the "Corps"): Being prepared along with Langley Master Permit Application. Field said the City of Langley wants the entire Master Permit Application for the boarding floats, so he is pulling the State Environment Policy Act (SEPA) documents, the environmental checklist, the JARPA – all the documentation requested. The Port is being asked to follow the normal process, and Anderson explained that Staff is not expecting it to

be a big deal; it's mostly just providing paperwork. Field hopes to have it in to the City of Langley by the end of the month.

2. Property Issues:

- Coordination with Adjacent Properties and Tribes: Department of Health response due in January. Discussed earlier.

3. Funding Issues:

- Boating Infrastructure Grant (BIG) Application (Phase 1A) – Status Update: Anderson said the rankings are expected this month with funding availability in April.
- Port Security Grant (Phase 1A) – Status Update: The Fiduciary Agent said it is likely we will see funding contracts in “late Spring.” Anderson expressed concern regarding that contract – he thinks there might be some issues in it that will be pretty difficult to deal with. He’s anxious to get a draft of it (and he has requested it twice).
- Boating Facilities Grant (Floats Only) – Initial Submittal and Commission Action on *Resolution No. 11-01: Boating Facilities Plan Authorizing Resolution for Grant Application (EXHIBIT D)*: The application was submitted prior to the deadline. The total amount of the application is \$306,500; \$77,000 of which is a 25.1% match. The actual grant amount requested is \$229,500. In order to move forward, the Recreation & Conservation Office requires a Resolution authorizing application for funding assistance for a BFP project.

ACTION: A Motion was made by Tapert and seconded by Gordon to approve and adopt Resolution No. 11-01: Boating Facilities Plan Authorizing Resolution for Grant Application as presented. The Motion passed unanimously.

4. Consortium Coordination:

- InterLocal Agreement (ILA) with Island County Fire District #3 (ICFD #3): Proposed meeting with Fire Commission to be determined. The Port Attorney has reviewed the ILA, and Anderson has sent it to ICFD#3 for their review but they have not responded yet.
- InterLocal Agreement with Island County Sheriff: Coordination in progress.

B. Harbor Operations:

- Pump-out Barge Survey and Repair Project – Final Notes: Field reported that “the pump-out barge is back on scene” at the Harbor. Harbormaster Rick Brewer is doing a few final repairs and plans to have it up and running by this weekend. Nichols Brothers has yet to submit the final invoice for the work.

3. Port Operations:

A. Maintenance & Operational Wrap: Draft JARPA submittal to be reviewed next week. Field said an odd thing popped up this week – the Port received a “Notice of Incomplete As-Built” for the septic system at Bush Pt. Evidently some bit of paperwork wasn’t filed by WDFW when the new facility was built. Gordon said he has received a notice like that before and they are usually erroneous due to the County departments not talking to each other, and it’s a simple fix. Field said the Port has a submittal from the WDFW contractor that says, “Here is the as-built I sent in.” Gordon asked Field to provide him with a copy of it; he’ll take it to the County tomorrow and hopefully get it resolved.

B. Sound Waters University – Discussion of Display Materials for 2/5/11 at S.W. High School: Tapert said Jerome had previously prepared a good PowerPoint presentation; they could update it with the latest phasing for the Harbor, the numbers, etc. and show that during the event. Jerome said they should also provide a map of all the Port-owned facilities, along with some history of the Port. The Commission agreed, and Staff said they would work on it.

C. Humphrey Road Parking Lot – Initial Discussion about Upcoming Lease Expiration: Letter from Patty Norman (**EXHIBIT E**). Norman’s letter requests that the Port consider renewing her lease for another 3-year period, continuing with the same terms for the 1st year with subsequent years to be evaluated and negotiated based on current economic conditions. Anderson thought the Port should re-advertise the lease, just because it’s been so long since that was done. His expectation is that they will only get one response, and it will be from Norman. Tapert agreed that they should re-advertise, but added, “Since we have someone maintaining Clinton Beach anyway, can we not get that person to also maintain the parking lot?” Field explained that Abram Abella, the Clinton Beach/Bush Pt. Manager, has a full-time job off-island. Tapert thought the same person collecting parking fees could pull weeds at the parking lot and Clinton Beach, and Gordon said he liked the idea of combined management. Field and Anderson said they would brainstorm and research different scenarios (managing the parking lot in-house vs. contracting it out, etc.). Jerome said it would be good to have a good understanding of the potential cash benefit and liabilities associated with the parking lot. They need to figure out if the Port is better off just getting lease payments or managing it in-house.

Gordon asked about the current maintenance contract, and Field explained that Cascade Natural Landscaping performs the work at Clinton Beach, the parking lot and Phil Simon Park. Their response to the December 2009 RFP for the work was the lowest bid. Tapert suggested the Port should review the long-term maintenance as well.

4. Commercial Kitchen at Island County Fairgrounds, including USDA RBEG (Rural Business Enterprise Grant):

A. Schedule and Status Update: Anderson reported the initial deadline for the first step in their two-step process of rural development grants is February 7, 2011. The Port submitted all the information back in October, and he is still waiting for confirmation from the USDA representative that she has all the needed information. The Northwest Agricultural Business group has agreed to augment our grant application with a letter of support, and they also provided the Port with a list of organizations that might be willing to do the same. The Port should know in late February/early March if the funds are available.

5. New Project Opportunities:

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

1. Potential Langley area “Green” Business Park and “Impact Washington” Possibilities: Tapert spoke with a company in Atlanta that has a proprietary product called “The Greenline,” which is experimental based on a study done in Portugal. It essentially grows algae from sewage treatment effluent and reclaims the water. He said, “Nothing substantial now, but if Langley, for example, could double its water capacity, if there was industrial development that had a demand for high quality water, that’s something to think about.”

Regarding IPZ issues, Gordon said he attended a study group that involved both of our state representatives, our state senator, Matt Nichols and John Collins from Nichols Brothers, some school board members, the head of Skagit Valley College and his vice-president, and several other business people from the community. The intent was to discuss the future of education in South Whidbey. During the meeting, Gordon explained to the group that the Port had a resolution in place to look into an IPZ. They left with action items, and Gordon’s was to look into the legalities of an IPZ in the area. At his request, Anderson did additional research and Gordon concluded that an IPZ needs to be for a very specific purpose, with a research component and a teaching component and some kind of commerce connection. Gordon needs to figure out how to tell the group, “An IPZ will work as a framework; but you need to figure out for what.” Tapert said the resolution the Port passed did focus on the issue of sustainability, which is a pretty general term. The resolution doesn’t exactly commit the Port to doing the IPZ, but it does use the IPZ as a framework. He was thinking of things like waste energy (trash that gets

incinerated by a plasma generator and generates electricity, taking sewage & effluent from Langley and treat it using algae for biodiesel fuel, etc.).

After reading through the research and realizing how few IPZ districts exist in the state, and how few are allowed to exist, Gordon agreed with Senator Mary Margaret Haugen: the IPZ would have to be a creative idea with a lot of horsepower behind it, and it must have the ability to get large numbers of benefits quickly. Gordon said he would prefer to tell the group that the Port District would be willing to host the framework necessary for any of the goals rather than being specific. The Commission agreed, and Jerome added that it was consistent with the current resolution. Gordon said he would keep them updated.

B. Ferry/Commuter Issues: (Gordon) Gordon said Island County Commissioner Helen Price Johnson has invited him to attend the Ferry Advisory Committee meeting in Coupeville as the Port Commissioner representing Clinton, to discuss the Governor's new plan.

C. Mukilteo Parking Issues: (Gordon)

1. Parking Garage Concept: Gordon found a small piece of property for sale in Mukilteo that he thinks would work short-term as a small commuter parking lot, and possibly long-term if we could get a parking garage there. He wants to do his own feasibility before spending any Commission or Staff time, but he has yet to receive a call back from Mukilteo's City Planning Department. He will make a full presentation when he has more information.

ACTIVITIES /INVOLVEMENT REPORTS:

1. **Economic Development Council (EDC):** (Jerome) Jerome reported that the EDC is in transition: Sharon Hart has resigned as Executive Director and there is a good chance their budget will be cut dramatically in the second half of the year. He summarized, "The intent is to put Ron Nelson in place as Interim Executive Director until that funding situation becomes clear."

2. **Council of Governments (COG):** (Gordon) Gordon said Senator Haugen attended and discussed the upcoming legislative session and budget cuts. He said, "It's pretty much wait and see." The COG discussed rotating the meeting location and sharing the staff costs, so when it is the Port's turn to host the meeting, the Port Clerk would record and prepare the minutes and distribute them.

3. **Skagit-Island Regional Transportation Planning Organization (RTPO):** (Gordon) Gordon said the meeting might have lasted all of two minutes. They approved the 20-year Transportation Improvement Plan and went home.

4. **Marine Resources Committee (MRC):** (Tapert) No report.

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

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

7. **Training – "Developing & Managing RFPs and RFQs" c/o Enduris:** Field is now scheduled to attend the one-day session on Wednesday, February 2, 2011 in Arlington.

OLD BUSINESS: None.

NEW BUSINESS:

- 1. Freeland Chamber of Commerce “Business After Hours”:** To be held at China City offices on Thursday, February 10, 2011.
- 2. Langley Merchants Meeting:** Jerome said the group was “separate but related” to the Langley Chamber of Commerce group, and he had attended their get-together. Over the last several years, the merchants have raised money and spent it on consultants, etc. and they got together to brainstorm where they want to go next. He encouraged them to submit an Application for Funds to the Port if they have a project, and he encouraged anyone with an interest in the Commercial Kitchen at the Fairgrounds to get in touch with Anderson. There were about 65 people at the meeting, and Jerome said several of them spoke about the need for the marina expansion project to go forward.
- 3. Scuba Diving:** A constituent had asked Gordon if the marina expansion would eliminate designated dive spots. Field said it depends on what configuration is built. As soon as something is enclosed out beyond the existing stockade and there is active boat traffic in that area, it will become more problematic as boats and divers would be in the same area. He explained that the original plan was to relocate or establish the dive area north of the breakwater, but that would be on Nichols’ property. Jerome’s response to questions regarding the dive site has been, “Once the perimeter changes, the dive site will have to go away.” Gordon said, “So there isn’t a practical location for a small dive park.” Field stated, “A new dive site has not been identified yet.” Anderson noted that it although it hasn’t been identified, there are wrecks off of Possession Point that not many people know about. If the Washington Scuba Alliance or any other dive organization wants to establish a dive park, the Port has been very clear that “We’re supportive. We’re not going to spend any money on it, but we’ll include it in our plans.”


ADJOURNMENT: The meeting was adjourned at 9:30 p.m.

Approved:



Commissioner Geoff Tapert, Freeland


Minutes prepared by:



Edwin S. Field, Port Manager



Commissioner Chris Jerome, Langley



Commissioner Curt Gordon, Clinton

- Exhibit A: Voucher Listing
- Exhibit B: November 2010 Financial Statement
- Exhibit C: GeoEngineers’ proposal dated 1/6/11 for Bio Eval Revisions
- Exhibit D: Resolution No. 11-01: Boating Facilities Program
- Exhibit E: Lease Renewal Request Letter dated 1/10/11 from The Norman Group (dba Patty’s Parking)