

## PORT DISTRICT OF SOUTH WHIDBEY ISLAND

Minutes of the Regular Meeting

October 11, 2006

Freeland, Washington

### **Present at the meeting were:**

Commissioner Lynae Slinden, Clinton  
Commissioner Rolf Seitle, Langley  
Commissioner Geoff Tapert, Freeland  
Ed Field, Port Manager  
Amber O'Brien, Port Clerk

Jeff Van Derford, South Whidbey Record  
Jim Recuperero, Langley City Council  
Jason Henry, The Berger Partnership  
Mathew Swett, Taproot Design  
Dennis Gregoire, Comp Plan Facilitator  
Mikkel Hustad, Comp Plan Facilitator  
Walt Blackford, City of Langley  
V.E. Moore, City of Langley  
Bruce Brereton, POSW Webmaster  
Don McArthur, S.W. Yacht Club  
Eric D. Daigneault, Chilkat Cruises & Tours  
John C. Martin, Clinton Resident  
Ralph Nakamura, Langley Resident  
Chuck Brengle, Freeland Resident  
Robert Davis, Freeland Resident  
Terry G. Minton, Clinton Resident  
Gary Wanzer, Freeland Resident  
RA Grund, Freeland Resident  
Samantha Hocco, Freeland Resident  
Cliff Bjork, Freeland Resident

**Absent:** None

### **1. MEETING CALL TO ORDER:**

Following the 2007 Preliminary Budget Hearing from 7:00 to 7:30 pm, the regular meeting of the Port District of South Whidbey Island's Board of Commissioners was convened on October 11, 2006, at the community meeting room at Trinity Lutheran Church, on Woodard and Hwy 525, Freeland, WA. Commissioner Slinden, President, called the meeting to order at 7:30 pm., followed by the Pledge of Allegiance.

### **2. BUSINESS MEETING – THE CONSENT AGENDA:**

#### **A. Consent Agenda -**

1. Minutes: Minutes from the Regular Meeting of September 13, 2006 and the Special meeting of September 21, 2006.
2. Vouchers: Vouchers audited and certified by the auditing officer as required by RCW 42.24.080, and those expense reimbursement claims certified as required by RCW 42.24.090, have been recorded on a listing which has been made available to the Board, and have been presented to the Board for review. The vouchers so listed and presented are summarized on the attached Voucher Listing **(EXHIBIT A)**.

**ACTION: A Motion was made by Commissioner Tapert and seconded by Commissioner Seitle to accept the Consent Agenda, including approval of the Minutes and authorization of Vouchers #2811 - #2843 for a total amount of \$23,977.25. The Motion passed unanimously.**

### **3. ACCOUNTANT REPORT:**

**A. Financial Statements:** The Commissioners accepted the August 2006 Financial Statement **(EXHIBIT B)**. Commissioner Seitle requested that Ed and Port Accountant Chuck Edwards meet to clarify the 2006 carry over and make sure that the beginning cash is correctly reflected and report back at the next regular Port meeting.

### **4. NON-AGENDA ITEMS / PUBLIC PRESENTATIONS:**

**A. Lions Club:** Robert Davis and Chuck Pringle of the Lions Club requested that the Port include additional funding in their 2007 budget for Freeland Park Landscape/Irrigation and maintenance. The Commission instructed the Lions Club to submit an official request for funding to the Port. The Commission will make a decision on the matter after their official request is received.

### **5. PROJECT ACTION ISSUES:**

#### **A. Langley:**

- 1. Port of Bremerton Floats:** Ed reported that the Port of South Whidbey had received an official counteroffer from the Port of Bremerton for the breakwater floats. **(EXHIBIT C)** Bremerton Marine Director Steve Slaton told Ed that the Port of South Whidbey is "first in line" for the floats. The counteroffer from the Port of Bremerton was for \$290,000. If the terms are acceptable to the Port of South Whidbey, the Port of Bremerton will prepare a purchase and sale agreement, which will contain conditions and details related to transfer of ownership for the Port's review and approval. Ed recommended that if the Commission was in favor of purchasing the floats for \$290,000, that the make a motion to accept that offer from the Port of Bremerton.

**ACTION: A Motion was made by Commissioner Seitle and seconded by Commissioner Tapert to conclude the purchase of the Port of Bremerton floats at the agreed price of \$290,000. The Motion passed unanimously.**

Commissioner Seitle asked Ed for an update on the letter requested by Lynn Hicks, legal advisor for Matt Nichols. Ed said that Hicks had contacted him to find out exactly what Matt said at the 9/29/2006 Special Port meeting. Ed said that he would submit a copy of the 9/29/2006 Special Meeting Minutes to Hicks after they have been edited and then reviewed and approved by the Commission.

- 2. City Offer to Transfer Marina:** Ed noted that the Port received a letter from the City of Langley inviting the Port to enter into dialog with them, the objective of which is to transfer all City-owned harbor improvements and related uplands from the City to the Port. **(EXHIBIT D)** Commissioner Slinden asked Walt Blackford, City of Langley Administrator, if he had any comments on the recent offer. Blackford said that he was available to answer any questions that the Commission had regarding the offer.

Commissioner Seitle was concerned with how the City will proceed with this offer. He suggested that the Port establish a negotiation team, consisting of the Port manager, Port Attorney, the City Administrator and the City's attorney, to come up with preliminary ideas. Commissioner Seitle asked for approval from the Commission of the draft letter he prepared in response to the letter from the City of Langley. **(EXHIBIT E)**

Commissioner Tapert said he would like to move forward in the process and make an offer to the City of Langley as soon as possible. He thought that getting a fair market appraisal on a sale between two government agencies did not make sense, noting that there is significant value associated with the property but because the sale would be between two government agencies of the same constituency, it should be looked at instead as a "transfer" of investment from the City of Langley to the Port District. The Marina is a revenue source, so the purchase amount could be determined by looking at the revenue that it generates and coming up with a present market value. Commissioner Seitle said that the average revenue generated by the Marina over the past four years is approximately \$75,000. The City of Langley's budget shows \$68,000 in operating expenses for the Marina, which leaves a profit margin of approximately \$20,000. He said the Port should expect to incur similar operating expenses if they were to take over the Marina. The transfer would result in the Port assuming all of the financial obligations that are associated with operating the facility along with any liability and insurance costs. He also said that an engineering report done in 2003, indicated a life expectancy/useful service life of the breakwater to be approximately 12-15 years. Normally, the owner/operator of a facility such as the Langley Marina would have replacement cost funding set aside. The City of Langley does not have any funding aside for that purpose, so the Port would assume that responsibility as well. Commissioner Seitle said that he is in favor of taking over the Marina but if he had to make an offer right now, it would be to try and relieve the City of the shock of losing a substantial amount of revenue by reimbursing them for one year of revenue from the facility. That would be a reasonable purchase price in his opinion. Commissioner Tapert said that there are other issues to consider as well, such as the Phil Simon Boat Ramp & Park improvements. The Commission would need to determine who responsible for making all of the necessary improvements to the facility. The benefit to the Port taking responsibility for those improvements is that it would eliminate the need for future changes or improvements. Commissioner Seitle was concerned with the design that the City planned to use for the Phil Simon Boat Ramp and Park improvements because it has been modified considerably from the plans that the Berger Group provided. He recommended that the Port consider augmenting that design to make it better.

Commissioner Slinden asked Commissioner Seitle if he would be interested in becoming the Port's representative on the negotiation team with the City of Langley. Commissioner Seitle said that he would be pleased to represent the Port and would try to be very nice and diplomatic about it. Commissioner Slinden said that the team of negotiators should consist of at least one elected official, an attorney and a manager. John Martin, a private resident and assistant Harbormaster at the Langley Marina was on hand to comment on the issue. Martin said that he could attest for the great need for a Marina expansion in Langley. There was one day this past summer that he and the Harbor Master turned away over fifty boats due to lack of moorage space. He said the City does not have the funds or the tax base to expand the Marina - the Port does. In 1947 when the Port authorities first made the legislation allowing for the formation of Ports, the number one reason was economic development. The Marina needs the Port's involvement in economic development. He said that the Port could do more with the

Langley Marina project than the South Whidbey Port District has done for economic development in its entire history. Commissioner Tapert asked Martin where the maintenance equipment for the Marina is stored. Martin said that the equipment is kept in a room in the center of the restroom facility located on the uplands. He noted that it is the City's responsibility to maintain the ramp, and he added that the City Public Works Dept. clears all of the sand off of the ramp with a front-end loader on a weekly basis.

Commissioner Seitle said that the "break even" number for a commercial Marina has always been in a 200-slip category, but even with the additional breakwater, the Marina will not reach a 200-slip capacity. Commissioner Slinden said that if the Port takes over the operation of the Marina, they would need to start looking at all of the different elements to make it a more productive Marina. She said that the first thing that needs to happen is for one entity to manage the facility, work with the existing private industries near the Marina and work with the City. Commissioner Slinden asked if the new ramp would be completed by next spring. Blackford said that is correct. Commissioner Tapert asked if the new ramp would need to be cleaned as often as the old ramp. Ed said that it would still require some maintenance but not as much as the old ramp. Commissioner Tapert suggested creating an Inter Local Agreement (ILA) with the City to continue maintenance of the ramp with the equipment they already have. Commissioner Slinden said that would be good direction to give to Commissioner Seitle when he goes to the negotiation meetings. After further brief discussion, the Commission agreed that the Port's negotiation team would consist of Commissioner Seitle, Port Manager Ed Field and Port Attorney Al Hendricks. Commissioner Slinden asked Commissioner Seitle to modify his draft letter to the City to suggest the "team" approach.

**ACTION: A Motion was made by Commissioner Slinden and seconded by Commissioner Tapert to respond to the City of Langley's request to purchase the Small Boat Harbor in Langley with the beginning of negotiations with a team of members from the Port including, Commissioner Seitle, Port Manager Ed Field and Port Attorney Al Hendricks to start negotiations as soon as possible. The Motion passed unanimously.**

Erik D. Daigneault of Chilkat Cruises & Tours asked if the Port is looking to make the Marina a Coast Guard-inspected facility. He explained that if the Port is looking to expand the Marina, there are vessels in the Puget Sound area that cannot dock at a facility unless it is "SOLAS Certified," meaning it has been inspected by the Coast Guard or Homeland Security. Daigneault said that there is a lot of grant money available for Coast Guard approved facilities. Commissioner Seitle said that the Port has not looked into that yet but that issue along with many others will be looked at as the negotiation process continues. Daigneault asked if the Port was planning to contact tour vessels to moor at the Marina. Commissioner Slinden said that there have been casual conversations, but the Port has not had any firm proposals yet. Daigneault asked if the Port had contacted anyone regarding the new high-speed wake vessels that transport commuters between Bremerton and Seattle. Commissioner Slinden said that the Port had not been in contact with anyone regarding those vessels, but the environmental impact on the shoreline created by high wake vessels is something that the Port would need to look into as part of the Comprehensive Planning process. Daigneault said that he currently operates a "low-wake" vessel in Alaska that reduces the impact to the environment. The Commission asked Daigneault to keep in touch with the Port.

City Administrator Walt Blackford said that the spirit of the letter from the City was to open the door to dialog with the Port. He encouraged the Port to come forward with a list of the things and the values attached to them, so that the Langley City Council can be convinced that the Port taking over the Marina is in the best interest of everyone involved. He said that while it may not be a big “cash payday” for the City, that is not what the City is looking for, they are looking for the best possible outcome where an entity that does have the resources can make the improvements that the City cannot afford to make to the Marina. Commissioner Seitle was concerned that the Langley City Council was not convinced yet and asked why Mayor Colburn wrote the letter to the Port if the City Council did not support that letter. Blackford said he did not know have an answer to that question at this time.

**B. Clinton Beach, Pier & Dock, and Parking Lot:**

1. Additional Designer Fee Request: Ed said that Jason Henry of the Berger Partnership had sent 15 pages of accounting documentation to the Port as requested by the Commission at the last Port meeting. He added that Mathew Swett of Taproot Design had also offered to spend a few hours tracking his separate hours but Ed felt that would be unnecessary. Ed said that when Henry met on site last Thursday to help with the final negotiations with Advanced Construction, he had been very helpful. Ed encouraged the Commissioners to make an offer and settle the bill. Commissioner Seitle said that the Port has a beautiful facility, and the design team did a great job in helping Ed through the process. He recommended that the Port pay 50% of the total additional amount requested (\$22,573.52.) The other Commissioners concurred.

**ACTION: A Motion was made by Commissioner Seitle and seconded by Commissioner Tapert to pay 50% of the additional amount requested (\$22,573.52).**

Commissioner Tapert said some of the billing that was submitted by Berger appears to go well back into the project and he did not understand how it was forgotten.

**The Motion passed unanimously.**

**C. Freeland:**

1. Dock Condition & Repairs: Ed reported that he received an email from Brian Gabelein of ACC/Hurlen who will be doing the repairs to the Freeland Dock. He said that Hurlen had received the new flotation units and would start work on the dock at low tide on Thursday 10/12/2006 at 11:00 PM. Commissioner Tapert asked why the units needed to be replaced. Ed said that that they need to be replaced due to corrosion of the attachment bolts and deterioration due to the eccentrically-loaded base design. He said that the replacement units use a galvanized steel C-channel across the top and a pressure-treated 8x8 beam on the bottom that is centrally located so it should have better long-term performance. He added that he intends to monitor the replacement units, and barring unforeseen problems, continue annual replacement of floatation units using that design.
2. Sheriff Department Staging: Ed reported that the Sheriff’s Department would be using the Freeland Park parking lot to stage their new modular during the week of October 23-27, 2006.

**D. Possession Beach Park:**

1. Estuary Restoration Feasibility Study Proposal: Ed reported that the Port had recently received a new proposal from the Skagit River System Cooperative (SRSC) for

approval from the Port to conduct a feasibility assessment to determine if landscape and land use conditions could support the restoration of the historic estuary at Possession Park to saltwater and tidal influence while concurrently maintaining the ongoing, existing land use and providing habitat for endangered juvenile salmon. **(EXHIBIT F)** Commissioner Slinden said that she had instructed Ed to draft a Resolution, #06-07, to authorize the performance of a Feasibility Assessment to evaluate the possible restoration of the historic estuary at Possession Park as a saltwater tidal salmon habitat while maintaining the existing land use. **(EXHIBIT G)**

**ACTION: A Motion was made by Commissioner Seitle and seconded by Commissioner Tapert to approve Resolution #06-07. The motion passed unanimously.**

**E. Emergency Preparedness:** Ed said although he was already involved in the Hazard Mitigation Plan with the Island County Department of Emergency Management, he had recently determined that there are multiple emergency preparedness initiatives currently in progress, and he wanted the Commissioners to be aware of the unexpected but unavoidable upcoming time commitment. He said that new Homeland Security Administration (HSA) guidelines require that a Critical Infrastructure Assessment be in place in order to get funding in case of emergency – but HSA does not have very good guidelines on what the plan must constitute. The County has therefore hired a consultant who will be developing a multi-layer project management oriented action plan to identify all of the critical infrastructure issues. In order to accomplish that plan, the Port has been notified that the County needs to have the key public works and facility people from every significant public agency on Whidbey and Camano Islands for 24 hours of in-person meetings between now and the end of the year. They have scheduled the next two meetings for Tuesday 10/17 /06 and Thursday 10/29/2006. Ed said that the final product would be a detailed inventory of critical structures and credible threats. He added that the final full document will not be available to the public for obvious security concerns; however there will be a shorter version available. Ed has been advised that once the Hazard Mitigation Plan is adopted, the Port can apply for grants and FEMA and HSA funding for improving facilities so that they better withstand a major disaster. The Critical Infrastructure Plan completion will qualify all County participants for pre- and post-disaster assistance that might otherwise not be available. Commissioner Slinden asked who would get the final full document. Ed said that the County may get one secure copy but there would not be very many secure copies distributed.

## **6. COMPREHENSIVE PLAN:**

**A. Facilitator/Editor: Final Scope and Schedule Review:** Ed reported that the Port had recently received the proposal for consulting services to be provided by the BigMind Group, LLC (BMG) for facilitating, drafting and editing the new Comprehensive Scheme for the Port. **(EXHIBIT H)** BMG has included Dennis Gregoire on their team as requested by the Commissioners. The Commission agreed that the proposal was acceptable. Commissioner Slinden signed the proposal.

## **7. ACTIVITIES/INVOLVEMENT REPORTS:**

**A. Economic Development Council (EDC):** No update.

**B. Council Of Governments (COG):** No update.

**C. Regional Transportation Planning Organization (RTPO):**

- 1. Traffic Study:** Commissioner Slinden said that the RTPO is doing a study in Clinton regarding the impact of a multi-model station in Mukilteo, including the traffic that would be received in Clinton and the impacts that will have on the businesses in Clinton. She said she should have a draft of the study available sometime next year and plan to apply for funding so they can begin the initial modifications necessary to get the traffic under control in Clinton. Commissioner Slinden said that the Port would like consideration given in the Comprehensive Plan to the possibility of a passenger only ferry by the Port.
- 2. RTPO Rotations:** Ed noted that the Port of South Whidbey shares a position on the RTPO board with the Port of Coupeville. He said that Dorothy Cleveland, a former South Whidbey Port Commissioner, held the position for several years, and when she passed away, Ed Van Patten of the Port of Coupeville took over. He held the position until the end of 2005, at which point Commissioner Slinden assumed the posting. At the last RTPO meeting, Anne McDonald, Commissioner for the Port of Coupeville, said that she would like to take the RTPO position in January 2007. Commissioner Slinden responded that, given the time for accomplishing a project, a two-year rotation would make more sense. She asked Ed to draft a letter to the Port of Coupeville suggesting the two-year rotation schedule, and if they agree to that, the two Ports can collectively approach the RTPO board with their recommendation. They would also request that an official schedule be set up for the rotations. She will keep the Commission informed on the issue.

**D. Marine Resources Committee (MRC):** Commissioner Seitle said the MRC has hired Rex Porter as their new executive director. He said that all of the Shoreline Restoration Projects that are going to be funded by the Northwest Straits Commission are located in northern Island County. The projects are taking place in Area 1, because it has to be within a certain distance of the salmon spawning rivers, which are presently located in the northern part of Island County. Commissioner Seitle has a copy of the Shoreline Restoration Project available for anyone interested in looking at it. He added that the Clinton Beach signage is going to be substantially larger in size than any of the other signage, and the MRC has requested \$400 from the Port to cover the cost of enlarging the signage. Commissioner Slinden asked Commissioner Seitle to request that the MRC submit a bill to the Port for the enlargement, and Ed said that he would contact the MRC tech team directly to coordinate installation.

**E. Washington Public Ports Association (WPPA):** The Commissioners encouraged BMG and Dennis Gregoire to attend the upcoming WPPA Small Ports Seminar and its Comp Plan session.

**F. Seminars:**

- 1. WPPA Small Ports Seminar:** The WPPA Small Ports Seminar is been scheduled for Friday October 27, 2006 in Leavenworth, WA. Commissioner Slinden recommended that a Comprehensive Plan Facilitator/Editor team member consider attending the seminar, as there is a Comprehensive Plan session. Ed said the fee for attending the seminar is \$25.00 per Port. Commissioner Tapert also said that he was interested in attending.

2. WGEP Fall Membership Training by Gordon Graham: Tuesday November 7 in Everett (Free!), including Risk Management and Civil Liability sessions. Ed said that he is planning on attending.

3. WA EMD Public Assistance Program Training: Wednesday November 15 in Everett, (free), and required for learning the disaster reimbursement funding process. Ed said that he would be attending this as well.

## **8. OLD BUSINESS:**

None

## **9. NEW BUSINESS:**

**A. Industrial Development District:** Commissioner Tapert said that the Port should consider an Industrial Development District especially considering the potential for the Port to purchase the Langley Marina. The Port would have to go through a number of steps, the first would be to designate an area, the second would be to advertise that designation and the third would be to plan for the improvements that would take place in that area. Commissioner Seitle said that the Port has the option to obtain revenue bonds and if that happened, an IDD would not be necessary. Commissioner Tapert said that funds from an IDD could pay off general obligation bonds, even if it's not inside the IDD district. Commissioner Slinden said that it is good to talk about these options but the Port should first get a project and then look at all of the various ways to fund it, noting that the IDD is a terrific idea and should be discussed further during the Comprehensive Planning process.

**B. Port Logo:** Commissioner Tapert suggested that the Port solicit local artistic talent to provide a new logo for the Port. He had put together a draft press release and asked for input from the Commission, suggesting that the Port could pay a \$100 stipend to the winning applicant. Commissioner Slinden suggested paying a \$200 stipend to the winning applicant. The Commissioners concurred. Commissioner Tapert submitted the press release to Jeff Vanderford of the South Whidbey Record.

## **10. EXECUTIVE SESSION:**

There was no executive session.

**11. ADJOURNMENT:**

The meeting was adjourned at 8:52 pm.

Approved:

Minutes prepared by:

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Commissioner Lynae Slinden, Clinton

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Ed Field, Port Manager

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Commissioner Rolf Seitle, Langley

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Commissioner Geoff Tapert, Freeland

- Exhibit A: Voucher Listing
- Exhibit B: August 2006 Financial Statement
- Exhibit C: Letter from the Bremerton Letter re: Float Offer (\$290,000)
- Exhibit D: City of Langley ltr. re: Harbor Transfer to Port, dated 9/28/06
- Exhibit E: Draft Letter (Seitle) to the City re: Response to their offer to transfer the Langley Marina
- Exhibit F: SRSC Proposal
- Exhibit G: Resolution #06-07: Salmon Estuary Project
- Exhibit H: BigMind Group Letter of Agreement, dated 10/6/06
- Exhibit I: Draft Press Release re: Port Logo Solicitation