

PORT DISTRICT OF SOUTH WHIDBEY ISLAND

Minutes of the Regular Meeting

March 8, 2011

Langley, Washington

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

Others Present: Port Staff: Ed Field (Port Operations Manager), Dane Anderson (Port Finance Manager) and Port Clerk Molly MacLeod-Roberts; **Others:** Alex White (Whidbey Examiner), Eric Levine (Langley Main St. Association), Gretchen Schlomann and Karen Krug (Whidbey Island Farm Tour), Donna Hood (Whidbey Island Writers Association), Sherry Jennings (Langley Chamber of Commerce), Pat Powell (Whidbey-Camano Land Trust), Phil Wright and Elisa Miller (Clinton Progressive Association) and Sherryl Christie-Bierschenk (Clinton Chamber of Commerce); **Langley Residents:** Fred Lundahl, Kimberly Tiller, Mary Ann Mansfield, Joanne Lechner, Jerry Lechner and Rene Neff; and **Clinton Residents:** Ed Young, Clyde Monma, Marcia Monma, Doug Struthers, Richard Engstrom and Michael Farrens.

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, March 8, 2011, at the South Whidbey Parks & Recreation District Meeting Room at 5475 Maxwellton Rd., Langley, WA. Commissioner Jerome, President, called the Regular Meeting to order at 7:30 p.m., followed by the Pledge of Allegiance.

BUSINESS MEETING

1. 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 Gordon and seconded by Tapert to approve the Vouchers as submitted, including the authorization and acceptance of Vouchers dated March 8 and March 9, 2011, for a total amount of \$79,685.47. The Motion passed unanimously.

2. Approval of Minutes

A. Minutes: Minutes from the Regular Meetings of December 14, 2010, and January 11, 2011, and the Special Meetings of December 8, 2010, and February 23, 2011.

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

B. Clarification for February 23, 2011 Special Meeting Minutes re: Consideration for Property Transfers: Port Operations Manager Ed Field noted that statements were made at the 3/23/11 meeting (which were recorded accurately in the Minutes) regarding the transfer of properties between government agencies. It was stated that such a transfer could take place **without payment**. Field explained, "Yes, there can be a transfer without payment, but there always has to be consideration given for the transfer. That consideration can take a number of different forms (as it did for the Langley Harbor), but an 'uncompensated' transfer from one agency to another is essentially illegal as far as the State Auditor is concerned." The Commission thanked him for the clarification.

3. Proposed ByLaw Correction Notice (EXHIBIT B): Article V Citation (RCW 42.32.010 is now RCW 42.30.080) to be updated by Resolution at the regular April meeting. Field explained this serves as the required 30-day notice for change to the ByLaws. Port Finance Manager Dane Anderson said the changes are very minor – the Port is simply updating a reference to a citation in the RCW that was actually revised and replaced in the mid-1970s.

PROJECT ACTION ISSUES (Part 1)

1. Possession Beach Waterfront Park

A. Uplands Property Surplus Sale – Review and Possible Action on Offer(s): Anderson reported that the prospective buyer has elected not to respond to the Port’s counteroffer. No other offers have been received. Anderson noted that the prospective buyer had indicated that the counteroffer to include an easement for the entire Dorothy Cleveland Trail, including the upper loop, was too much of a privacy encroachment for him; if the Port is willing to reconsider his original offer (easement for all but the upper loop), he’d be willing to talk about it. The 90-day Listing Agreement remains in effect.

PUBLIC COMMENT – Including Items not on Agenda

Fred Lundahl was on hand as a representative of the Friends of the Possession Point Fishing Cabin, to thank the Port very much for the use of Possession Park Manager Wayne Nance and the Port backhoe. He said the group is about halfway through the project of moving the historic cabin out of the way, and they couldn’t have done it without the Port’s help.

Clyde Monma read aloud a letter dated March 8, 2011 re: “The Sale of Dorothy Cleveland Trail Uplands Park” and a map indicating areas that are unstable and steep (**EXHIBIT C**). He believes that placement of a permanent easement on the entire Trail would “...not be enough to protect this beautiful park.” He reiterated his goal to permanently protect the entire Trail and the surrounding areas. Monma feels the only way to accomplish that is to negotiate a Conservation Easement for all areas that Island County has determined to be “geologically hazardous, steep and unstable” as shown on the map he presented. He added that permanent public access from Lupine Lane and Possession Beach Park needs to be guaranteed.

Pat Powell, Executive Director of the Whidbey-Camano Land Trust (WCLT), seconded Monma’s comments. She said, “*I’d be open to discussing some alternatives for economic development on that property that would not involve developing the ridgeline.*” She said there is a county road that winds down the unstable slope, and development above could lead to a landslide that would cut off public access. Powell added, “*There’s also a significant earthquake fault that runs through that area, so why tempt nature?*” She said there are some other opportunities, such as working with the homeowner’s association of Lupine Lane to site a home that is not in the geologically unstable area, but would still provide revenue for the Port. She urged the Port to discuss that with both the WCLT and the homeowners association. Powell said, “*You can get economic return yet still protect a really environmentally sensitive area.*” She reiterated her warning about tempting nature, saying, “*You don’t want the county road to be another landslide area – it’s just a mess for residents and visitors alike.*”

Jerome said, “If anyone has any specific proposals they would like to bring to the Port, they should contact Port Finance Manager Dane Anderson at the Port office.”

1. Uniquely South Whidbey Trade Fair - Management, Operations, Schedule and Funding

Discussion with Debbie Torget/Goosefoot: Anderson reported that the Goosefoot Community Association has agreed to manage the production of the Uniquely South Whidbey Trade Fair, tentatively scheduled for early June. The estimated cost to produce the event is \$4,000, and Anderson said the Commission needed to determine where the money should be pulled from in the budget. He noted some

options: Line Item #23: Trade Fair/Sponsorships (\$7,500 budget), Line Item #71: Green Business Initiative (\$10,000 budget), or Line Item #68: Land Acquisition & Projects (\$20,000 budget).

The combined budget for Administrative and Capital Tourism/Business Development grant funds is \$15,000. If the \$4,000 is added to the Application for Funds requests, the total is \$22, 250 against that \$15,000 budget. The line items for the Green Business Initiative and the Land Acquisition & Projects “may or may not get completely spent and could be diverted to fund the Uniquely South Whidbey Trade Fair.” Anderson noted that the majority of the budget for Land Acquisition & Projects is for the expenses associated with the sale of the Possession property (commissions, etc.). Gordon said he would be in favor of getting the Trade Fair funds from that line item. If the Port is going to take on the Trade Fair, it shouldn’t be in the grant budget. It should also be something the Port budgets next year. Anderson noted that the Port will try to run it as a breakeven, “cash neutral” event, so it is actually more of a “cash flow issue” than an “expense issue.” Tapert strongly objected to taking the money out of the amount budgeted for Green Business Initiative.

The Commission agreed the funds for the Uniquely South Whidbey Trade Fair should come out of Line Item #68: Land Acquisition & Projects.

2. Applications for Funds: The Commission agreed to hear all Applications first and then determine how to divide up the grants based on funds available.

A. South Whidbey Assembly of God – Application for Celebrate America Port-a-Potty Sponsorship Funds (EXHIBIT D): Field explained this has been a standing request for the past 6-7 years. The reason for the \$850 request is that without port-a-potties at the event in Freeland Park, the bathrooms and septic system at Freeland Park would be overwhelmed, so it’s a “self-preservation” deal. Tapert pointed out that per the InterLocal Agreement with Island County, the Port has no responsibility whatsoever for maintenance of the Freeland Park facilities.

B. Whidbey Island Writers Association (WIWA) – Application for Whidbey Island Writers Conference Promotion Funds (EXHIBIT E): **Donna Hood**, Publicity Chair, was on hand to present WIWA’s \$500+ request (with the emphasis on the “plus”) for assistance in printing promotional materials. The Conference will be held in Coupeville April 1-3, and the brochure will feature all of Whidbey Island with sponsors identified on the back page. Registrations are going well and they expect a crowd of 250-300 people.

C. Whidbey Island Farm Tour Steering Committee – Application for Farm Tour Brochures Funds (EXHIBIT F): **Gretchen Schlomann** was on hand and thanked the Port for supporting the Farm Tour last year. She presented the Port with the 2010 Farm Tour print. The Farm Tour is requesting \$1,000 to help produce the brochure, which will be distributed on two ferry runs again this year. Schlomann also thanked the Port as a farmer who participated in last year’s tour. The marketing was very valuable and helped her small farm in the Clinton area “get known to both Island and off-Island visitors.” In addition to the hundreds of people who came to the Tour (between 400-500 to her farm alone), there were repeat visitors throughout the year. There are about 19 farms on the Tour this year, and about ½ of them are on South Whidbey. The Farm Tour is a two-day event, so it encourages people to come spend the weekend and spend a little money doing other things while seeing as many farms as they can. **Karen Krug** (Vice Chair of the Steering Committee) pointed out that the Farm Tour also provides a lot of educational opportunities and the opportunity to discuss good stewardship of land.

D. Clinton Chamber of Commerce Advisory Committee – Application for Funds for Clinton “Future Search” Visioning & Planning Project (EXHIBIT G): Clinton Chamber of Commerce Chair **Sherryl Christie-Bierschenk** was on hand to present the Application for \$2,500, which would provide funding to

assist a broad-based community group to put on a conference. She explained it was actually a 3-phase process: First the planning process, followed by the actual conference, with the third phase being all the activities and projects that happen after and as a result of the conference. She explained that the Clinton Chamber initiated this about 1.5 years ago, and the Advisory Committee has been meeting since December 2009. The “Future Search” process has actually been in place for about 50-60 years, and it’s based as a large group visioning/planning/action kind of conference that brings a wide variety of stakeholders into the room at the same time to identify specific areas of agreement in furthering some planning for particular areas. For Clinton, the focus of the conference will be: “What do you want Clinton to be in 10 or 15 years?” Christie-Bierschenk said that in Clinton, there really isn’t a “common voice,” so there is a lot of missed opportunity to really leverage Clinton as a gateway and the economic development is important. It’s also important to figure out how to leverage some of the Port’s properties (Clinton Beach and Possession Beach). Although the Future Search is initially focused on just the downtown area, some of the projects that come out of the conference will not be related to just economic development but also to recreation opportunities. The conference is tentatively scheduled for June 10-12, 2011. Gordon said the process itself would do a lot for Clinton, because Clinton hasn’t really pulled together with a unified voice before.

E. Langley Main Street Association – Application for Funds for Start-Up Costs (EXHIBIT H):

Kimberly Tiller said that while doing research for the economic development portion of Langley’s Comprehensive Plan four years ago, she came across the National Main Street Program. She said, “*The need for such a program in Langley is becoming increasingly evident, as an ever-increasing number of businesses in Langley are reporting decreased sales. The Main Street concept was presented to the Langley community this winter, and has been overwhelmingly embraced by business owners, property owners, community members, civic organizations and the City of Langley.*” Tiller introduced **Eric Levine** to present the Application for \$3,000 to fund the start-up costs of the Association. Levine read aloud the Addendum to the Grant Application (included in Exhibit H), which described “how Main Street will be different.” The Addendum also included a graph of the City’s 2008-2010 Yearly Totals for Sales Tax Revenue (showing a downward trend) and a chart indicating the number of New/Acquired Businesses, Expanded/Relocated Businesses and New Jobs for 11 Washington towns with an active Main St. program. The Association hopes to have 501(c)3 status by the summer, and then additional funds will be raised via membership drives.

F. Clinton Progressive Association – Application for Promotion and Advertising Funds for Mayfest

(EXHIBIT I): Phil Wright, President of the Clinton Progressive Association, was on hand to present the \$800 request to fund advertising and promotion of Mayfest. He said the annual event typically provides the Association with 2/3 of its funds, which are used for improvements and maintenance of the Clinton Community Hall. The Hall is officially a Red Cross Emergency Shelter, and plans for funds raised this year include improving the energy efficiency and consumption of the Hall with thermal-paned windows, etc. **Elisa Miller** noted that 2011 Mayfest’s 5th year and the Port has supported the event each year. Mayfest is really the signature event for Clinton – businesses and people come together to make it happen.

G. Langley Chamber of Commerce – Application for Promotion and Advertising Funds for Choochokam

(EXHIBIT J): Sherry Jennings, Executive Director of the Langley Chamber of Commerce, presented the \$2,000 request for promotion and advertising funds for Choochokam Arts Festival (July 9-10, 2011), which 11,000-16,000 people attend each year. She noted that Choochokam is advertised on independent public radio (90.7 KSER in Everett), and via social networking on Facebook (over 800 fans) and Twitter (over 100 people). On April 28th, there will be a huge fundraiser concert for Choochokam at WICA (Whidbey Island Center for the Arts).

H. Langley Chamber of Commerce – Application for Funds for Historic Langley Sign Project:

(EXHIBIT K): Jennings also presented the Application requesting \$7,100 from the Port’s grant fund for capital improvements. Langley has a great need for a wayfinding sign on State Route 525. The Langley Chamber has worked collaboratively with the Washington State Department of Transportation, Island County, the Clinton Chamber, Whidbey Island Scenic Byway, City of Langley, merchants and community members. She said, “At this point, everything has been approved – state, county, city, everything – the project is good to go. This is a project that will **end** in June, be done – up and done.” Jennings noted it is a four-pronged sign initiative, and the Historic Langley sign is the big signature piece of the project, and the Langley Chamber is asking the Port for the construction funds to engineer and build the sign. Gordon noted that the Regional Transportation Planning Organization (RTPO) granted the City of Langley \$30,000 for loop planning signs, etc. and some of that money is going toward this project. The City provided a 15% match for the RTPO funds.

Tapert noted that the amount requested for all applications (except the Trade Fair, and including \$500 previously approved for Sound Waters University) totals \$18,250. That exceeds the combined budgeted amounts by about \$3,250 (\$7,500 budget for Administrative Tourism & Economic Development and \$7,500 for Capital Funding). He thought the Commission needed to pare down some of the amounts.

Jerome noted that although the Port accepts Applications for Funds in March and September, the majority of requests are received in March. He said, “So I’m inclined to spend a significant chunk of the total \$15,000 now rather than hold it for applications we probably won’t get in September, but that still leaves us well oversubscribed.” Gordon felt the Port should spend it all now – there’s no reason to wait. He said, “The Port needs to help these communities with economic development and that needs to happen sooner rather than later. The funds are in the budget, I think we should spend them. If we keep any eye on the budget, we might have other items that are over-budgeted, so if other applications come up in September, we might be able to come up with funding for them from those items.”

Gordon suggested reducing Main St. Association application to \$2,500 (down from \$3,000) and reducing the Historic Langley Sign Project application to \$5,000 (down from \$7,100). The combined total would be \$15,650. Tapert suggested reducing Clinton Future Search to \$2,000 (down from \$2,500). The Commission agreed with all 3 suggested reductions, for a new combined total of \$15,150 (just \$150 over budget).

Jerome thought the funding for the Port-A-Potties at Celebrate America is an annual investment in maintenance so it doesn’t belong with the applications for funds. He suggested in the future it should be included under maintenance for Freeland Park. Tapert reiterated his comment that the ILA with the County states the Port has no maintenance responsibilities for their parks, and he doesn’t want to “get sucked into it.” Gordon agreed with Tapert, saying “I don’t want to set a precedent of setting up a maintenance budget when the ILA states we have no responsibility for maintenance.”

The Commission agreed on the following amounts to be rewarded:

1. Celebrate America (Port-A-Potties)	\$850
2. Whidbey Island Writers Conference	\$500
3. Whidbey Island Farm Tour	\$1,000
4. Clinton “Future Search” Visioning & Planning Project	\$2,000
5. Langley Main Street Association	\$2,500
6. Mayfest	\$800
7. Choochokam Arts Festival	\$2,000
8. Historic Langley Sign Project	\$5,000

Elisa Miller noted that the Clinton Progressive Association had intended to submit a grant application for capital funds in September (for an energy efficient program). If all the funds are expended now, are there any other options for funding in September? Gordon noted that the Commission has the discretion to go over the budget. If applications are received in September, the Commission could reallocate funds within the budget if desired.

Jerome asked if there was any additional public comment. There was none.

ACTION: A Motion was made by Tapert and seconded by Gordon to approve the requests as allocated per their agreement (and listed in bold above). The Motion passed unanimously.

Gordon reiterated to Miller that even though there are no remaining allocated funds, the Clinton Progressive Association should still bring forward the Application for Funds in September.

FINANCIAL ACTION ISSUES

1. January 2011 Financial Report: The Commission acknowledged receipt of the January 2011 Financial Statement, which had been distributed to them previously (**EXHIBIT L**). Anderson noted it is the first statement generated from the new accounting system. He asked if the Commission had any comments on the different format or the electronic distribution. The Commission liked the format, but Gordon and Tapert said they would prefer to pick up hard copies of the Financial Statement at the Port office rather than receive them via email. Gordon suggested the monthly financial statement should reflect the reduced amount of anticipated revenue the Port will receive from the County (\$15,000 less than the original budget).

PROJECT ACTION ISSUES (Part 2)

2. South Whidbey Harbor

A. Expansion Project

1. Design & Permit Status Update – Permit Summary & Status Grid (EXHIBIT M**)**

- Phase 1A: Field said, “We’ve had a pretty productive month as far as permitting.”
 - Hydraulic Project Approval (HPA): Approved by Washington Department of Fish & Wildlife (WDFW) 12/13/2010, and follow-up HPA for Temporary Breakwater Parking approved 3/4/11. Revisions on both being coordinated by Joe Callaghan of GeoEngineers.
 - U.S. Army Corps of Engineers (USACE) Permitting for Impact Driving: Biological Evaluation Addendum for Impact Driving submitted 2/18/11.

Gordon asked if the Port could pull the pilings of the Hein dock early and lock in the mitigation. Field said they couldn’t do that until the revisions have been made and the USACE permit is received. Tapert was concerned about duplication or overlap with the mitigation. Field explained that the way the mitigation was written and the way we expect it to be rewritten is: The removal of the old wharf (Hein dock) is mitigation for all of Phase 1 (the D and G Dock perimeter, whether it’s an interim phase or not). The removal of the sunken tire breakwater is mitigation for Phase 2. The monitoring of the eelgrass in the newly opened area and development of a contingency plan if it doesn’t recover properly within the first 5 years is supposed to be the mitigation for the temporary parking of the Bremerton breakwater. Jerome said that the Marine Resources Committee has an eelgrass monitoring project, and the Port might be able to get them involved for very low cost. He clarified that if the Port removes the Hein dock before starting construction, “...we only have the life span of the USACE permit to perform the activity that we’re mitigating for, so we need to make sure we can get the construction done within that timeframe.” Anderson said the permit is typically for a maximum of 5 years with a possible 1-year extension option.

- Boarding Floats & Uplands: Field noted there has also been good progress on this project.
 - Permit Extension Request to U.S. Army Corps of Engineers (USACE): Revised Joint Aquatics Resources Permit Application (JARPA) submitted 2/22/11.
 - Master Permit Application submitted to City of Langley; 2/28/11 City response is to re-approve prior permits (including Shoreline Conditional Use Permit, etc.) through 12/29/11, with one-year extension pre-approved.
 - Department of Ecology (DOE) Water Quality Certification and Coastal Zone Consistency Determination: Valid through 12/29/11, with one-year extension pre-approved.
 - Hydraulic Project Approval: #122942-2 approved on 3/3/11, with 30% grating requirement.
2. Property Issues: No update.
3. Funding Issues
- Boating Infrastructure Grant (BIG) Application (Phase 1A) – Status Update: The U.S. Fish & Wildlife was supposed to provide rankings in January with paperwork in April, but has not provided the rankings yet. Anderson said the Washington State Recreation & Conservation Office (RCO) is frustrated by the delay and getting ready to “bump it up” in their organization to make it a higher priority for the federal Fish & Wildlife agency.
 - Port Security Grant (Phase 1A) – Status Update: Unofficial approval of Project List, but no official paperwork out of FEMA yet. No substantive change, but at least conversations continue (mostly about the surveillance project – putting up cameras at Bush Pt., Possession and Langley Harbor).
 - Boating Facilities Grant (Floats Only): Project Review input from 2/24; submittal completion date March 24, 2011. Anderson said RCO provided a lot of good input from the dry run presentation to RCO, and Staff is modifying the application and presentation accordingly. Field and Anderson will make the presentation to the Review Board in late April. He cautioned that we still don’t know if this grant program will be funded.
4. Consortium Coordination
- InterLocal Agreement (ILA) with Island County Fire District #3 (ICFD #3): Meeting proposed with Fire Commission at Port’s regular April meeting.
 - InterLocal Agreement with Island County Sheriff: Coordination in progress.

B. Harbor Operations

1. Review of Harbor Utility Fees – Discussion of Draft Revisions (**EXHIBIT N**): Anderson noted that for 2010, the Harbor was \$540 underwater in utility fees (for all utilities, including electricity, trash disposal, septic pump-out, water & sewer). His proposal to Harbormaster Rick Brewer and Operations Manager Ed Field is that rather than the current policy of charging a \$5 fee only for transient overnight boaters who hook up to electricity, all transient overnight boaters should instead be charged a \$3 “utility fee” regardless of whether or not they hook up to electricity. He also proposed changing the \$45/month “hook up” fee for annual moorage customers and \$50/month “hook up” fee for seasonal moorage customers to a policy of charging all annual and seasonal moorage customers a “utility fee” for the same amount, whether or not they hook up to electricity. Anderson said, “That would put us \$3,870 ordinary income positive, which can then be used toward servicing and maintaining the utilities, as well as go a long way toward matching the 25% requirement for the pump-out barge.” He explained that the reasoning is that all boaters use all the utilities regardless of whether or not they plug in their boat to power (they use the restrooms, the lighting on the dock, the trash cans, etc.).

Since the marina is running in the red anyway, Tapert said, "I'd like to get ahead of the curve and bump it up to \$5 instead of \$3 if that's the industry standard." Field said, "I think we also have to be a little bit careful. We have an old facility that does not have a lot of new features right now. When we do have something new, we will absolutely look at the whole fee structure again. I think a big jump in fees now, especially for a small boat that doesn't even plug into power, would be a big hit." Jerome said he might have to recuse himself later because he has a small boat in the Harbor (annual moorage), but he said, "This is really shafting the small boats, because you've got big cruisers coming in and using a lot of power and paying \$3/night, and you've got 20' sailboats not even plugging in and paying the same \$3/night." Anderson said that was really the thinking in dropping the rate from \$5 to \$3 for the transients.

Gordon looked at the rest of the fee schedule and said he thought \$7.50 per foot per month sounded really cheap for annual moorage. Anderson said it was pretty common for a marina of that vintage. Gordon asked how many are on the waiting list for annual moorage and Anderson said there were about 120. Gordon responded, "You have to throw the vintage thing out the window literally, because location becomes the issue. People are clamoring for annual moorage, so I really think we should raise the rates on annual moorage and leave it beneficial and easy for small boats to get in and out of there without a lot of money. It's all revenue and I don't care where we make it. If we have a 100 people on a waiting list for permanent moorage, I say we raise those fees to start offsetting the loss." He concluded that he wouldn't make any changes until the whole fee schedule is looked at. Noting that there are only 6 annual moorage customers, Jerome said, "You're not going to solve this problem on the backs of those 6 boats." He noted that the proposed changes include an increase of up to \$45 per month for those annual boaters who don't use power year-round.

Gordon said he would prefer to table the proposed utility fee changes and have another discussion about the entire fee schedule instead. Tapert was not in favor of changing any of the annual fees until the leases are up for renewal in January, and Field added that it would be difficult to increase the rates for the annuals just 4 months after they signed their 2011 leases.

Gordon asked if Staff could come up with a summer surcharge as an alternative. Jerome noted that the facility is bringing in more in utility fees in the summer than it is spending, so the summer is actually subsidizing the winter. The utility fee spikes are in the winter, so the issue is really that the seasonal boats are not paying enough for their utilities. Jerome concluded, "It seems to me we should raise the utility rates for the boats that are moored there all winter and leave the summer alone – a winter surcharge." Gordon and Tapert agreed.

Gordon said, "Regardless of how beat up our marina is – because of the Harbormaster, because of the fact we're putting more money into it than we're getting out, because we're paying good money to promote it...it's becoming a nice place to be. So if we're going to charge a little more, so be it. We're losing \$40,000 a year on it and we've got to start picking it up somewhere." Jerome said they were talking about two different things – one is the utility fee issue and the other is the fact that there's an operating loss. Gordon said the utility fees factor into the loss. Jerome said, "Again, I don't think you can fix the operating loss problem with utility fees."

Field suggested Staff could look into alternatives, including a winter surcharge, to discuss at the April meeting. He would like to leave the possibility of charging a \$3 transient utility fee open, and the Commission agreed. Gordon said he also wanted them to look at the annual fees.

(Although the discussions of the following Items #2 and #3 took place later in the meeting, both are reordered here for clarity.)

2. Mooring Buoys: The owner of the 65' M/V Indigo (a Service Education Adventure vessel) is interested in moorage at the Harbor, and one of the possibilities that came up in the discussion with him was a mooring buoy outside of the breakwater in an expanded PMA (Port Management Agreement). Anderson noted there are all kinds of issues with respect to avoidance in construction season, etc., but he didn't want to pursue it any further without Commission direction and approval to do so. He said the Port could expand the PMA, put mooring buoys out there and increase moorage revenue by doing so. Gordon thought it was a great idea and Jerome and Tapert agreed. The Commission directed Anderson to look into expanding the PMA and installing additional mooring buoys.

3. Bait & Ice Concessions: Anderson and Field said they are preparing an RFP for wholesale supplies (bait, equipment and ice), and the Commissioners took no exception.

3. Port Operations

A. Maintenance & Operational Wrap-up

1. Status: Shoreline Exemption submitted to County on 2/3/11, SEPA & Exemption documents submitted to City of Langley for joint review 3/2/11. After receiving the permitting package and required fee payment, Field reported that Island County subsequently determined that they didn't want to do the SEPA and told the Port, "You have to prepare the SEPA and review the SEPA yourself." Although that is legally acceptable, Field explained that it's not really credible unless you have two people in your office (one to prepare and the other to review/approve). It would be absurd for Field to prepare the SEPA, review and approve it himself. In discussions with Larry Kwarsick at the City of Langley, Kwarsick said the law allows him to act on behalf of other agencies. Kwarsick has therefore proposed to the County that he act as their SEPA reviewer. The County has provided verbal approval only, and Kwarsick is waiting to get it in writing prior to starting the work. The whole process is moving ahead quite well in spite of that little glitch from the County, and we are hopefully on track to resume cleaning ramps by the time the floats are launched in April.

2. GeoEngineers – Authorization for Task 8: Project Coordination & Meetings: Field noted that the Commission had previously approved and authorized the first 3 tasks (feasibility and scoping), and Tasks 4-6 (SEPA, JARPA and Shoreline Exemption documents). The Commission had not yet approved any of the project coordination and meetings, but had requested that Callaghan come back and ask for that authorization when he got into it. Field said Callaghan was actually doing a lot of the project coordination and meetings in December and January, but the total on his invoicing was still below the authorized amount. The most recent invoice; however, was \$400 over so Field called him and learned that he had been working on the coordination – hence the letter dated 3/20/11 requesting authorization for Task 8. If authorized, the invoice will be submitted with next month's voucher.

ACTION: A Motion was made by Tapert and seconded by Gordon to approve GeoEngineers proposal as presented and authorize Task 8 – Project Coordination and Meetings. The Motion passed unanimously.

B. Humphrey Road Parking Lot – Draft Request for Qualifications & Proposals (RFQP) prepared for issuance (EXHIBIT P): Field explained that he had opted to go with a "two document approach" for the RFQP to avoid the risk of disqualifying individuals or companies that may not have done it before but are competent and capable of doing it regardless. The first document (Qualifications) should contain information on the firm proposing to sign the Lease and conduct parking lot management operations and the second document (Price Proposal) should contain the proposed Monthly Lease Payment to be paid by the Lessee (successful proposer) to the Lessee (Port) on a monthly basis, in accordance with the terms of the Lease Agreement. Staff will review the Qualifications and provide that information to the Commission along with recommendations as to whether or not each firm is qualified. The Commission would then take action at the April meeting determining which firms are qualified. Once that

determination is made, the Price Proposals would be opened and reviewed, with the highest lease payment awarded the bid. Field said Jerome had accurately pointed out that a qualifier needed to be added to the lease document regarding the maximum 30 spaces reserved for the Washington State Ferries employees because it affects the revenue.

Gordon said, "I think you did a great job with the RFQP and thought it out very well, but I want to go on record as being opposed to this process. I would just as soon let this lease run out and we take over the parking lot. We have a full-time Finance Manager and construction at the Harbor won't begin until next year, so we have time to set this process up ourselves." He felt it would be best use of Port staff and we would control the finances better. He concluded, "I would like this to stop right now; it's a waste of time and money to go through the RFQP process. We should just take it over in-house." Tapert said he was fine with taking it over, but he felt the Port should do it on a probationary evaluation basis for a period of one year. Gordon responded, "I'm confident that we have good Commissioners, good oversight and good staff, and I would like to empower staff to take this project on. I think the Port as a revenue generator can take the money from the parking lot and put it into other things." Jerome didn't disagree; the arguments for taking it in-house were sound, and the numbers from Anderson's analysis were compelling.

ACTION: A Motion was made by Gordon and seconded by Tapert for the Port to take over management and operations of the Humphrey Road Parking Lot when the current lease expires. The Motion passed unanimously.

C. Automated External Defibrillators provided by Whidbey General Hospital/Health Resources & Services Administration Grant for Rural Access to Emergency Devices: Field said, "This is the required publication for the grant program." The Port received the defibrillators and training for free, in exchange for placing them at our facilities (Possession and the South Whidbey Harbor) and maintaining them for the next two years, and is very appreciative of the public safety assistance from WGH

D. South Whidbey High School Project – 30-gallon cans to be placed at Harbor and Clinton dock for long-term bio-sampling: The students have been directed to inform Field and the Harbormaster when the cans will be installed so the Port can ensure they are placed in a proper location where they won't interfere with operations, and there must be tags on the cans identifying where they came from, etc.

E. Float Launch Dates (tentative): Possession floats on Sunday, April 17th and Bush Pt. floats on Saturday, April 23rd.

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

A. Continuing Communication with USDA: Application to be reviewed per input.

5. New Project Opportunities

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

1. Potential Langley area "Green" Business Park and "Impact Washington" Possibilities: No report.
2. Proposed workshop with Impact Washington on March 29th – Scope, goal & schedule discussion: Tapert said it would just be an informational meeting. He will update Staff when Impact Washington has confirmed the schedule (tentatively at 9 a.m.).

B. Ferry/Commuter Issues: (Gordon) No update.

C. Mukilteo Parking Issues (Gordon)

1. **Parking Garage Concept:** Gordon said Anderson is working on projected, potential long-term revenue so we can figure out what the Port can potentially borrow/bond for and what we'd need in outside capital input to create this parking garage. Gordon said he has piqued Representative Norma Smith's curiosity with the concept and he plans to discuss it with her next Monday in Olympia.

Tapert suggested they should work in partnership with the Port of Everett, and Gordon agreed. Gordon noted that there is no transportation funding available, so he's working on a different angle – commerce, under economic development. He has asked Anderson to try to figure out how much outside capital would be needed and how much would the garage support itself amortized over 20 years.

ACTIVITIES /INVOLVEMENT REPORTS:

1. Economic Development Council (EDC): (Tapert) Tapert said there was no meeting this month because they meet every two months during the winter. Anderson thought there was a meeting scheduled for next week and said he would confirm the schedule with Tapert.

2. Council of Governments (COG): (Gordon) Gordon said most of the discussion concerned Puget Sound Partnership's efforts to set up local subcommittees to feed information into the more general Puget Sound Partnership. At the meeting, Gordon said he asked a lot of hard questions because he wanted to know how they would overlay all the agencies we're already dealing with and if it would cost us more, or if it is set up as an avenue to bring federal dollars into the area for certain projects (that ended up getting too earmarked and got real negative press). Now, the Governor is asking for accountability.

3. Skagit-Island Regional Transportation Planning Organization (RTPO): (Gordon) Gordon reported that there was an extra allocation of enhancement-type funds that aren't used for regular road projects, and the RTPO did agree to put \$100,000 into a grant fund for Island County signage projects. RTPO has already approved \$30,000 of that money for the City of Langley's signage project.

4. Marine Resources Committee (MRC): (Jerome) Jerome said the most recent meeting included a very interesting presentation by a group of University of Washington students that are working on a phytoremediation project (when trees are planted to basically trap and process stormwater). Jerome said it seems to be a very effective way to manage stormwater, markedly reducing the amount of effluent.

Jerome noted that the MRC does have an eelgrass monitoring project and could probably do the work at the Harbor for less cost than other alternatives.

5. Washington Public Ports Association (WPPA): (Jerome)

A. Port Day in Olympia on March 14 – Commissioner Plans: Gordon and Jerome will attend.

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

7. Training – Bidder Responsibility Workshop: Field will attend the FREE workshop from AGC Education Foundation on March 10th at SeaTac.

OLD BUSINESS: None.

NEW BUSINESS: None.

ADJOURNMENT: The meeting was adjourned at 10:03 p.m.

Approved:

Minutes prepared by:



Commissioner Chris Jerome, Langley



Edwin S. Field, Port Manager



Commissioner Curt Gordon, Clinton



Commissioner Geoff Tapert, Freeland

- Exhibit A: Voucher Listing
- Exhibit B: Proposed By Law Correction
- Exhibit C: 3/8/11 Letter & map from Clyde Monma re: Sale of Dorothy Cleveland Trail Uplands Park
- Exhibit D: Application for Celebrate America Port-a-Potty Sponsorship (S.W. Assembly of God)
- Exhibit E: Application for Advertising & Promotion for Writers Conference (Whid. Isl. Writers Assoc.)
- Exhibit F: Application for Advertising & Brochure Funds (Whidbey Farm Tour)
- Exhibit G: Application for Clinton "Future Search" Visioning & Planning Project funds (Clinton COC & Advisory Committee)
- Exhibit H: Application for Start-Up Costs (Langley Main St. Association)
- Exhibit I: Application for Promotion Funds for Clinton Mayfest (Clinton Progressive Hall)
- Exhibit J: Application for Advertising & Promotion for Choochokam Arts (Langley COC)
- Exhibit K: Application for Historic Langley Sign Project funds (Langley COC)
- Exhibit L: January 2011 Financial Statement
- Exhibit M: SWH Expansion Project: Permit Summary & Status Grid
- Exhibit N: DRAFT Revised Fee Schedule
- Exhibit O: Letter dated 3/7/11 from GeoEngineers req. authorization for Task 8: Project Coordination & Meetings
- Exhibit P: DRAFT RFQP for Humphrey Road Parking Lot