

PORT COMMISSION MEETING – June 14, 2006

The Port of Port Townsend Commission met in regular session at the Port Administration Office Conference Room.

Present: Commissioners – Beck, Sokol, Thompson
Executive Director – Crockett
Deputy Director – Pivarnik
Marine Facilities Director – Radon
Attorney – Harris
Absent: Auditor – Taylor

I. CALL TO ORDER

The meeting was called to order at 1:00PM.

II. APPROVAL OF AGENDA

The following item was added to the agenda:

Old Business Item B: Hogan and Co-op Leases

New Business Item G: Craftsmen United Inc. Lease

Administrative Change: The next Commission meeting will be held in the new Commission Room.

An Executive Session is warranted by the topic of Stormwater Issues.

Upon motion of Commissioner Beck, the Agenda was unanimously approved as amended.

III. CONSENT AGENDA

A. Approval of Minutes – 5/24/06

Approval of Special Meeting Minutes – 6/7/06

B. Approval of Warrants

#34590 through #34618 in the amount of \$35,919.34

#34619 through #34627 in the amount of \$37,492.65

#34628 through #34714 in the amount of \$225,684.87

C. Resolution No. 469-06 – Authorizing Sale of Abandoned Vessels

Upon motion of Commissioner Beck, the Consent Agenda was unanimously approved.

IV. PUBLIC COMMENTS (Not related to agenda)

Clare Candler remarked the Port should indicate in the newspaper its meetings are at Hudson Point, not Point Hudson. The response was that the name has not yet been changed back to Hudson Point.

V. OLD BUSINESS

A. Contract with Pacific Environmental Services & Revised Project Control Form

Mr. Crockett and Mr. Radon described the installation process and timeline for the new equipment for the fuel delivery system at JCIA. A fixed-price bid to change the utilities, making them independent of the Wills House, needs approval. There is also a revised Project Control Form reflecting the additional cost associated.

Upon motion of Commissioner Beck, the Commission unanimously approved the bid proposal and the revised Project Control Form as presented.

Discussion followed, reflecting that although the cost is higher than hoped, in the future it will simplify matters with regard to the Wills House.

B. Hogan and Co-op Leases

The Port will negotiate a one-year agreement with Mr. Hogan as he brings his account current, allowing a good deal of flexibility for the Port on the space in question. He now has a miscellaneous storage rate of 25 cents/ft. Discussion followed and it was determined this was an agreeable rate to continue to offer Mr. Hogan. The agreement formalizes his space usage.

The Co-op has requested a long-term lease adjacent to their existing building, with ballasting. Staff recommends keeping the space under Port control and the Port ballast it to 150 tons. The Port can work closely with the Co-op for scheduling their project boats into the space, and the remainder of the time the space can be utilized as needed by the Port. Discussion followed regarding ballasting of the area.

Upon motion of Commissioner Beck, the Commission approved the Port maintaining control of the space adjacent to the Co-op and engineering to ballast

the area for 150 ton hoist usage. (Commissioner Thompson recused himself from the vote on this motion, as he maintains a financial interest in the Co-op.)

VI. NEW BUSINESS

A. Operations Reports – Month of May 2006

Mr. Radon reviewed the operations figures for May, and indicated there are still 20-foot slips available. Larger slips are taken. The boatyard was over 100% capacity for May. Daily and annual ramp fees were strong, and a database is being developed of those who buy annual ramp passes each year. Some numbers reflect the Port dealing with the Quilcene shrimp season. The boatyard and shipyard have been very busy. Every bit of space in the shipyard is being looked at for boat placement. The 2006 numbers are beating record figures of 2005. Point Hudson's cumulative numbers were boosted by May activity. Discussion followed; commercial slips at Point Hudson, it was noted, are utilized for other purposes when there is not commercial demand for them.

B. July Commission Meeting Date Change

The first meeting of the Commission in July comes at a time when Commissioners are returning from a conference and the directors are departing for a conference. After some discussion it was decided there would be a regular meeting of the Port Commission on the usual day at 1PM with *no workshop* preceding it.

Supplemental Presentation: Linda Ferris and Jason Green from Gatheringplace were present. Jason spoke to the Commission and Port staff about their fundraising dog-biscuit-baking operation. They need their mixer and oven on the premises or at least closer to their Point Hudson location. They are seeking guidance for installing and wiring an 8'x12' shed for the operation. Drawings were shown and discussion followed. It was determined the Port and Gatheringplace need to investigate this further due to the historical preservation input on any building in the vicinity of Point Hudson.

C. Reid Middleton Contract Supplement

Mr. Pivarnik described the power needs for the completion of the Point Hudson projects. He presented the Commission with a contract addendum for engineering a system for enough power for future uses, and moving utilities underground. It can be engineered now, and phased in over several years, as needed. The RV area could have 50 amp service. The Port is discussing a partnership with Puget Sound Energy for the costs. Discussion followed, including discussion of PS Express's power issues. The marina's buildings will be powered down one-by-one to determine where the power is leeching from.

Upon motion of Commissioner Sokol, the Commission unanimously approved the Contract Supplement as presented.

D. Gravel Pit Excavation Project

Mr. Pivarnik, Mr. Radon and Commissioner Beck held a meeting with Reeves Excavating about re-sloping the gravel pit. The safety for kids is the primary issue. Coast Seafoods say they will be financial partners to some degree, as yet to be determined. The initial phase is estimated at \$15,000. It involves re-claiming and re-sloping the area considered an active gravel pit. Discussion followed and focused on a timeline for completion.

Upon motion of Commissioner Beck, amended to include an October completion deadline, the Commission unanimously approved implementing a contract for the project to Reeves Excavating for re-sloping of the pit and removal of the spit, for an amount not to exceed \$15,000.

E. Quilcene Bay Restoration Project

Mr. Crockett reviewed this topic from the morning workshop. Coast Seafoods is concerned, and has sent a letter to Hood Canal Salmon Enhancement, regarding habitat restoration work in Quilcene Bay. The restoration could impact the oyster habitat. This is a long-term restoration process, and Mr. Crockett has spoken to Mr. Warner of the Hood Canal Salmon Enhancement group. Mr. Crockett emphasized that everyone is in favor of enhancing the salmon habitat, but Coast Seafoods is the largest employer in the area (for our county) and their concerns are valid. A letter could be composed by the Port, supporting the Port tenant (Coast Seafoods). Port Attorney Harris indicated Coast Seafoods' attorney communicated to him they hoped the Port would support their tenant on these concerns. Discussion followed.

Upon motion of Commissioner Beck, the Commission unanimously approved the direction of staff to send a letter of support for Coast Seafoods' concerns to the Hood Canal Salmon Enhancement group.

F. Touchstone Environmental Contract

Mr. Pivarnik explained the delays caused by the Corp of Engineers' permit requirements. Ms. Diane Brewster, who's worked on the project, now represents her own company --Touchstone Environmental Services -- and the Port needs her to prepare a report that would redelineate the wetlands to meet a nearing deadline. Discussion followed. Ms. Brewster has all the data she needs to prepare this report.

Upon motion of Commissioner Sokol, the Commission unanimously approved awarding the contract to Touchstone Environmental, not to exceed \$10,000, for preparing the required report.

G. Craftsmen United Inc. Lease

Mr. Pivarnik discussed the company requesting a lease for the former Waste Not Want Not space in the industrial area of the Boat Haven. They seek a one-year lease with two 2-year options. They are a marine-related metal fabrication company. There would be specific wording regarding staging their materials in front of the building. Discussion followed. The company is prepared with their liability insurance and willingness for market rate.

Upon motion of Commissioner Beck, the Commission unanimously approved the Port's execution of a lease with Craftsmen United Inc. as described.

Some discussion followed regarding the signators' titles with the company as listed on the proposed lease.

VII. STAFF COMMENTS

Attorney Harris indicated the need for executive session with potential litigation and a real estate matter.

Mr. Crockett will be attending the DOE public hearing on the City's SMP at Fort Worden on June 15. Future aquaculture development concerns will be presented.

Mr. Crockett also described the upcoming City Comprehensive Plan amendment document review process.

(Commissioner Thompson indicated certain entities refer to Port Townsend facing Puget Sound. It should be noted that no portion of Jefferson County faces Puget Sound, but rather Admiralty Inlet.)

Mr. Crockett explained the process of putting information in the Commissioners' boxes in the office.

He also polled the Commission on whether any members wished to be issued a key to the new offices. There was some discussion. All declined being issued a key.

VIII. PUBLIC COMMENTS

Clare Candler inquired about the source of sediment in the Quilcene area. Discussion followed and numerous responses offered, describing the change in water conditions through the efforts of the salmon enhancement projects that are the main concern for Coast Seafoods.

Daphne Kilburn indicated she and her husband have taken up researching the history of Hudson Point, establishing email contact with the 369th group's historian. The 369th will be holding a reunion in September in Port Townsend and she feels the Port may want to host a reception for the group in conjunction with the name change. Some discussion followed.

IX. COMMISSIONER COMMENTS

Commissioner Thompson suggested an individual who might be able to identify the source of the Point Hudson Marina electrolysis. Staff response indicated that the individual was already contacted and were unable to determine the source. Discussion followed.

Commissioner Beck commented on the County Department of Community Development's buffer zone hearing. Discussion followed, with staff input.

Commissioner Beck also remarked on beach cleanup at Quilcene. Mr. Radon responded. Some work has been accomplished, and small-scale fires can be continued until July 1 to dispose of some debris.

Commissioner Sokol commented on Richard Vogt asking if he could take any issue to the Board of WWRP. Mr. Sokol described his suggestion. Discussion followed.

Commissioner Sokol also described historic references to the point of land as Point Hudson, but the land usage being referred to as Hudson Point. He said the various points of land were used for navigational purposes. He has had numerous people talk to him about the Hudson Point name. Based on the fact that the charts would not have to be re-issued, he indicated he would like to see a resolution now be developed to re-name the Port's property "Hudson Point", restoring its historical significance.

Commissioner Beck said it would be nice to have a formal resolution-signing when the 369th holds its reunion.

Commissioner Sokol reminded all that while the public may show up and bring up topics not on the agenda, the Commissioners need to give staff an opportunity to research and develop topics for the agenda ahead of time.

X. NEXT MEETING: REGULAR MEETING: Wednesday, June 28, 2006 at 7:00PM
at the Port Administration Office, in the Commission Room, 375 Hudson Street.

XI. EXECUTIVE SESSION (if needed)

The regular meeting recessed for executive session at 2:45PM, with no action taken.

XII. REGULAR MEETING (reconvened)

The regular meeting reconvened at 2:59 PM.

XII. ADJOURNMENT

The regular meeting was adjourned at 3:00 PM.

Recorder: D. Kilburn

ATTEST:

President

Secretary

Vice President