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**Port of Port Townsend  
2<sup>nd</sup> Monthly Meeting Agenda  
Wednesday, August 27, 2014, 5:30 PM  
Port Commission Building  
333 Benedict Street, Port Townsend, WA**

- I. Call to Order / Pledge of Allegiance
- II. Approval of Agenda
- III. Consent Agenda
  - A. Approval of Public Workshop Minutes – August 13, 2014.....1-2
  - Approval of Meeting Minutes – August 13, 2014.....3-5
  - B. Resolution No. 617-14 – Authorizing Warrant Cancellation.....6
  - C. Approval of Warrants
- IV. Public Comments (not related to Agenda)
- V. Second Reading (Action Items)
  - A. Day Boats / Scow Bay Boats Lease.....7-9
- VI. First Reading (discussion only)
  - A. Big Quilcene Estuary and Stream Channelization.....10-16
- VII. Potential Immediate Action Items (unanimous Commission approval required)
  - A. Contract for Roofing of Building at 308 10<sup>th</sup> Street.....17-26
  - B. IT Contract.....27-32
  - C. AWOS Contracts.....33
- VIII. Staff Comments
- IX. Public Comments
- X. Commissioner Comments
- XI. **Next Meeting/Public Workshop: Wednesday, September 10, 2014. Meeting at 1:00 PM, Public Workshop at 9:30 AM, Port Commission Building, 333 Benedict Street, Port Townsend, WA**
- XII. Executive Session (if called):
- XIII. Adjournment

PORT COMMISSION PUBLIC WORKSHOP – August 13, 2014

The Port of Port Townsend Commission met for the Public Workshop session in the Commission Building, 333 Benedict Street, Port Townsend, WA.

Present: Commissioners Tucker, Clinefelter and Hanke  
Executive Director Crockett  
Deputy Director – Pivarnik  
Finance Director/Auditor - Khile  
Planning Analyst – Toews  
Environmental Compliance Officer Cairns  
Minutes Nelson

I. CALL TO ORDER:

The Workshop was called to order at 9:30 AM.

II. AGENDA:

Refer to attached Workshop agenda for items discussed.

III. ADJOURNMENT:

The Workshop adjourned at 11:00 AM.

ATTEST:

\_\_\_\_\_  
Stephen R. Tucker, President

\_\_\_\_\_  
Peter W. Hanke, Secretary

\_\_\_\_\_  
Brad A. Clinefelter, Vice President

Port of Port Townsend Public Workshop  
Wednesday, August 13, 2014, 9:30 AM  
Commission Building  
333 Benedict Street  
Port Townsend, WA

**AGENDA**

➤ **Yard Policy**

Continue discussion. Update on the insurance requirement, active versus passive yard, etc.

➤ **Level Three Response Financials**

Staff will have data as to what has been spent on the Level Three Response to date and projection for the remaining implementation.

➤ **Presentation and Discussion on Policy vs Operations**

Review of the resolution and intent of the two touch policy. Discussion on the definition/meaning of what is a policy and what are operational matters.

Note: This is a Public Port Commission Workshop. Workshops are for information sharing only and no decisions will be made during the session. Public input may be taken at the Commissions' discretion.

PORT COMMISSION MEETING-- August 13, 2014

The Port of Port Townsend Commission met in regular session at the Commission Building, 333 Benedict Street, Port Townsend, WA

Present: Commissioners – Tucker, Clinefelter and Hanke  
Executive Director – Crockett  
Deputy Director - Pivarnik  
Auditor – Khile  
Attorney - Lake  
Minutes – Nelson

I. CALL TO ORDER/PLEDGE OF ALLEGIANCE:

Commissioner Tucker called the meeting to order at 1:00 PM.

II. APPROVAL OF AGENDA:

Mr. Crockett announced the Executive Session duration of fifteen minutes, with no action.

**Commissioner Tucker moved to approve the Agenda as presented.**

**Commissioner Clinefelter seconded the motion.**

**Motion carried by unanimous vote.**

III. CONSENT AGENDA (1:01):

A. Approval of Meeting Minutes – July 23, 2014

Approval of Special Meeting Minutes – August 6, 2014

B. Operations Reports – July 2014

C. Approval of Warrants

Warrant #053239 through #053263 in the amount of \$138,874.33 for Payroll & Benefits

Warrant #053264 through #053346 in the amount of \$206,742.18 for Accounts Payable

**Commissioner Hanke moved to approve the Consent Agenda as presented.**

**Commissioner Tucker seconded the motion.**

**Motion carried by unanimous vote.**

IV. PUBLIC COMMENTS (Not related to agenda) (1:11):

Marshall Woodman commented on enforcement of rules.

V. SECOND READING (Action Items):

A. Parking Policy (3:13):

Mr. Crockett handed out Amendment #3-1.05.070 to the Port's 1/15/2014 version of Rules, Regulations & Procedures. He explained this allows parking on Port property for up to a consecutive seventy-two hour period. For Port patrons who need to park for longer periods, a permit may be obtained from the Boat Haven or Point Hudson moorage offices that will allow parking up to thirty days.

Attorney Lake added clarification to Item D.

B. Bob & Mary Cunningham Lease (8:33):

Mr. Pivarnik reminded the Commission of Mr. Cunningham's presentation at the last meeting on his business and the space he intends to lease from the Port.

Commissioner Tucker discussed his concerns in regards to rent concessions in lieu of capital improvements. He asked to include in the lease a Tenant Improvement Agreement for the Cunninghams, so that improvements are in writing.

Attorney Lake added clarifications to paragraph 8 and paragraph 10 of the lease.

**Commissioner Tucker moved to approve the lease with Bob & Mary Cunningham, with changes as discussed.**

**Commissioner Hanke seconded the motion.**

**Motion carried by unanimous vote.**

VI. FIRST READING (Discussion Only):

A. Point Hudson Duplex Painting Contract (14:59):

Mr. Crockett discussed the Policy vs. Operations item on this morning's workshop agenda. He explained this painting job was planned last year and exists in the maintenance budget for this year.

**Commissioner Hanke moved to approve the Point Hudson Duplex Painting contract with Alpha & Omega General Contracting, LLC.**

**Commissioner Tucker seconded the motion.**

**Motion carried by unanimous vote.**

B. June 2014 Financials (17:24):

Ms. Khile reviewed the June financials with the Commission. She also pointed out the notes inserted on variance reasoning. Discussions ensued.

Commissioner Clinefelter discussed his concerns with boat auctions and the boats that do not sell at auction that become property of the Port. He put forward an idea to try to make the boats sell easier by charging \$1 for those boats, and asking for a derelict deposit if they remain on Port property.

Discussion ensued amongst staff and the commission on how to clarify the maintenance budget. Mr. Crockett explained that Mr. Toews and Mr. Aase are currently working on that. Discussion continued with staff, commission and the audience member on financial details.

C. Lease Scow Bay Boats (44:31):

Mr. Pivarnik introduced Mark Stout of Scow Bay Boats, who is interested in purchasing Arren Day's building (Day Boat Works). Mr. Stout would like to leave it where it is and lease space from the Port. The present location does not hamper Port operations, as confirmed by Mr. Cairns and Mr. Lockhart. He explained that Mr. Stout is asking for a two-year lease with a two-year option. Mr. Stout then provided a briefing on his background, his intentions, and the possibility of bringing on a partner in the future.

Mr. Pivarnik clarified that Mr. Day is keeping his satellite shelter in place, which will require a lease amendment for the satellite land space only. Arren Day's amended lease and the Scow Bay Boat lease will be presented at the next meeting for approval, finalizing the two leases at the same time.

VII. POTENTIAL IMMEDIATE ACTION ITEMS (with unanimous Commission approval):

VIII. STAFF COMMENTS (53:11):

Attorney Lake informed that Attorney Tim Harris is taking another job and she will be hiring replacement(s).

Mr. Crockett stated he would be attending the PRTPO TAC meeting Friday in port Hadlock. He added that Port maintenance staff has been doing quite a bit of maintenance work in Quilcene and he is planning to inspect the work tomorrow.

IX. PUBLIC COMMENTS:

None

X. COMMISSIONER COMMENTS:

Commissioner Hanke reported he met recently with Coast Seafood staff where he learned the Hood Canal Salmon Enhancement Group is currently digging a hole in Quilcene for a salt marsh for salmon. The sediment will have an effect on Coast Seafoods operations.

Commissioner Clinefelter asked for an update on repairs to the Point Hudson Jetty—are they in process? He explained his concerns on the need to replace lacing. Mr. Crockett responded there are no plans for temporary repairs and staff is cordoning off the last 200' of the outer section of the jetty walkway, especially prior to the Wooden Boat Festival, where there will be a lot of foot traffic. Staff will receive clarification on the lacing from Coast and Harbor Engineers.

Commissioner Tucker explained he recently attended the WPPA Commissioner's Conference in Skamania, where he always learns from other commissioners.

Mr. Crockett added that Port of Seattle Commissioner Bill Bryant, who also serves on the board of the Puget Sound Partnership, is coming to the Port of Port Townsend for a tour to learn more about derelict vessels and stormwater issues. The tour will take place at 10:30 AM on August 27, 2014. The Commissioners expressed interest in joining the tour.

XI. NEXT MEETING: Next regular meeting will be held Wednesday, August 27, 2014 at 5:30 PM in the Port Commission Building, 333 Benedict St, Port Townsend.

XII. EXECUTIVE SESSION:

A. Personnel (pursuant to RCW 42.30.110 (g):

The regular session recessed into Executive Session, at 2:02 PM for a Personnel matter, fifteen minutes, with no action.

XIII. RECONVENING/ADJOURNMENT OF REGULAR MEETING:

The meeting reconvened and adjourned at 2:17 PM, there being no further action to come before the Commission.

ATTEST:

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Peter W. Hanke, Secretary

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Stephen R. Tucker, President

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Brad A. Clinefelter, Vice President

RESOLUTION NO. 617-14

**A Resolution of the Commission of the Port of Port Townsend  
Authorizing Warrant Cancellation**

**WHEREAS:** The Port of Port Townsend issued the following warrants:

Warrant #	Dated	Amount	Issued To
50968	4/24/2013	35.20	Dan Prather
51127	5/22/2013	50.00	James Howard
51522	8/14/2013	30.00	Robert Altman
51538	8/14/2013	279.50	Federal Safety Compliance

**WHEREAS:** The aforementioned warrants have been lost or destroyed, and have not been presented for payment.

**WHEREAS:** RCW 36.22.100 requires that any warrant not presented within one year of issue be canceled by the passage of a resolution of the governing body;

**NOW, THEREFORE BE IT RESOLVED:** that since the aforementioned warrants have not been presented for payment, that said warrants be canceled as of this date.

**ADOPTED** this 27<sup>th</sup> day of August 2014 by the Commission of the **Port of Port Townsend** and duly authenticated in open session by the signatures of the Commissioners voting in favor thereof and the Seal of the Commission duly affixed.

**ATTEST:**

\_\_\_\_\_  
Peter W. Hanke, Secretary

\_\_\_\_\_  
Stephen R. Tucker, President

\_\_\_\_\_  
Brad A. Clinefelter, Vice-President

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Carolyn A. Lake  
Goodstein Law Group

**PORT OF PORT TOWNSEND**

**MEETING OF:** August 27, 2014

**AGENDA ITEM:** V. Second Reading  
B. Day Boats / Scow Bay Boats Lease

**BACKGROUND:**

Last meeting staff and Mr. Mark Stout presented a lease for Scow Bay Boats in the Boat Haven yard. The Commission asked to have an agreement with Day Boats, to reduce the size of their lease in place, before they would approve the lease with Scow Bay.

Staff has since worked with Mr. Arren Day on an agreement to reduce the size of his lease to accommodate this new tenant. We have attached a copy of the agreement to amend along with a highlighted survey showing the new lease lines for Day Boats.

As you remember, part of this agreement was that Mr. Stout would acquire the metal building owned by Day Boats; that transaction has occurred.

**Executive Director's Recommendation:**

Authorize Executive Director to execute lease with Scow Bay Boats and agreement to amend with Day Boats.



**AGREEMENT TO  
AMEND LEASE #2**

This agreement is made and entered in this 1st day of September, 2014, between the Port of Port Townsend, a municipal corporation of the State of Washington, hereinafter referred to as the "Lessor" or "the Port" and Arren Day, President, Day Boat Company, a Washington LLC, hereinafter referred to as the "lessee" regarding the premises of the Port generally located at the Port of Port Townsend Boat Haven and leased to the lessee under a lease dated November 1, 2005, the term of which is to expire on October 31, 2015.

Agreement

Now, therefore, it is agreed as follows:

1. The property area of the lease described above is hereby reduced in size from 5268 sq. feet to 2205 sq. feet. This will allow for the use of the additional property to be used by Scow Bay Boats, a new tenant with the Port.
2. The new rental rate for the above reduced lease area will be \$217 per month plus LHT
3. All terms, provisions and covenants of the above-described lease shall remain in full force for the term of the lease.
4. This agreement shall be binding upon and shall inure to the benefit of the parties, their successors, assigns and personal representatives.

The parties have executed this agreement on the date and year first written above.

Day Boats

Port of Port Townsend

\_\_\_\_\_  
Arren Day

\_\_\_\_\_  
Larry Crockett, Executive Director

APPROVED AS TO FORM

\_\_\_\_\_  
Port Attorney

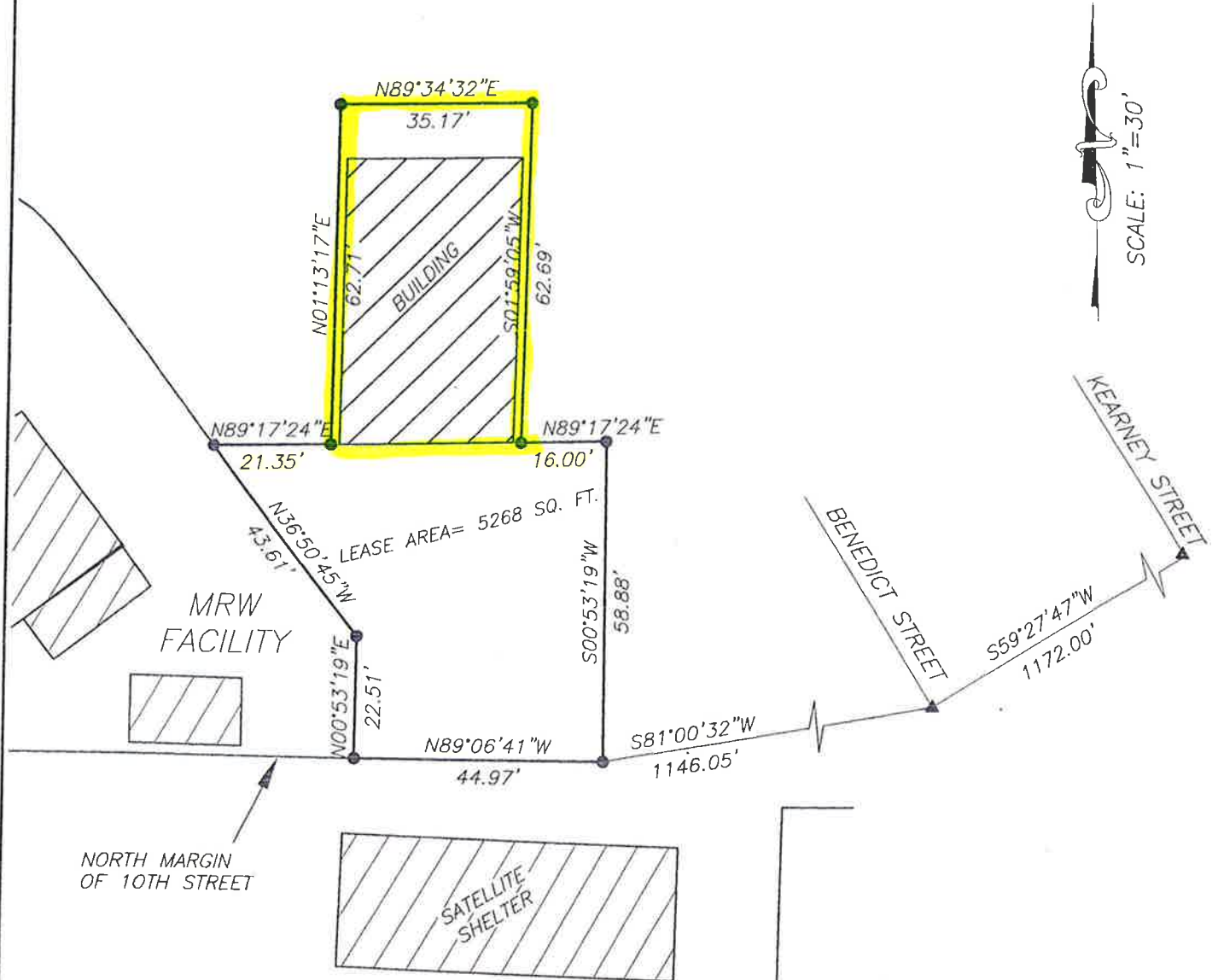
SKETCH TO ACCOMPANY  
LEGAL DESCRIPTION FOR:

# PORT OF PORT TOWNSEND

## INDUSTRIAL LEASE # 75

### FREJA BOATWORKS

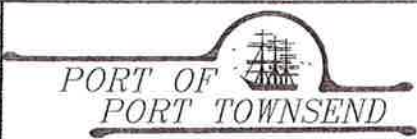

IN SECTION 10, TOWNSHIP 30 NORTH, RANGE 1 WEST, W.M.  
JEFFERSON COUNTY, WASHINGTON



**LEGEND:**

- SET RE-BAR WITH PLASTIC CAP MARKED "CLARK 12223"
- ▲ DENOTES CENTERLINE WELL MONUMENT.

DECEMBER 14, 2005

	 <p><b>PORT OF PORT TOWNSEND</b></p>	 <p><b>CLARK LAND OFFICE</b></p>												
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 15%;">DATE</th> <th style="width: 60%;">REVISIONS</th> <th style="width: 25%;">BY:</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>	DATE	REVISIONS	BY:										<p>P.O. Box 1180 Port Townsend, WA 98368-4624</p> <p>Phone: (360) 385-0656 FAX: (360) 385-9888</p>	<p>P.O. Box 2199 935 N 5th Ave. Sequim, WA 98382 (360) 681-2161 FAX 683-5310 clo@olympus.net</p> <p>LAND SURVEYING MAPPING DEVELOPMENT CONSULTING CONSTRUCTION MANAGEMENT</p>
DATE	REVISIONS	BY:												
<p>FLAT CHECK: SBC DRAWN BY: SWS, SBC SER#: 013011\port_pt\B_MAP\39H-121405</p>														

**PORT OF PORT TOWNSEND**

**MEETING OF:** August 27, 2014

**AGENDA ITEM:** VI. First Reading  
A. Big Quilcene Estuary and Stream Channelization

**BACKGROUND:**

The Hood Canal Salmon Enhancement Group is in the process of excavating some 22,000 cubic yards of soil and fill as part of a salt marsh restoration project at the mouth of the Big Quilcene River.

Coast Seafoods has contacted the Hood Canal Enhancement Group expressing concerns (see attached letter) about sedimentation that may result from the project and negatively impact shellfish operations. Staff is exploring whether we should have similar concerns about a change in future sedimentation that could adversely affect our marina, approximately one mile from the project site.

**Executive Director's Recommendation:**

For discussion and direction as appropriate.



Samuel W. Plauché

811 First Avenue, Suite 630, Seattle, WA 98104  
TEL: (206) 588-4188 FAX: (206) 588-4255  
www.plauchecarr.com

Amanda M. Carr

August 15, 2014

Mendy A. Harlow  
Michelle Moyer  
Hood Canal Salmon Enhancement Group  
Pacific Northwest Salmon Center  
PO Box 2169  
Belfair, WA 98528

**RE: Big Quilcene Estuary Excavation and Stream Channelization**

Dear Ms. Harlow and Ms. Moyer:

This letter is submitted on behalf of our client, Coast Seafoods Company (“Coast”), requesting that you immediately cease and desist any and all excavation and construction work being performed on the Big Quilcene Estuary Restoration Project (Army Corps of Engineers Permit No. NWS-2013-1271) to restore salt marshes adjacent to Big Quilcene River. The project has the potential to cause immediate and irreparable damage to Coast’s Quilcene shellfish hatchery, the largest shellfish hatchery in the United States, thereby irreparably damaging Coast’s entire shellfish operations, as well as the entire West Coast shellfish industry, which relies upon Coast’s hatchery for a reliable and sustainable source of safe shellfish seed.

**A. Background and Prior HCSEG Commitments**

As you are aware, there has been a significant amount of history and negotiations regarding this project between Coast and the Hood Canal Salmon Enhancement Group (“HCSEG”). In 2006, the parties discussed HCSEG’s proposed multi-phased salmon restoration project, coming to an agreement concerning the restoration project for Little Quilcene River. Coast tentatively supported that project and HCSEG provided partial funding for certain improvements to Coast’s hatchery facilities to ensure that the initial phases of the restoration project, focused on the Little Quilcene River, would not adversely impact Coast’s operations or the health or marketability of its shellfish seed.

Coast expected that spirit of collaboration to continue if and when HCSEG moved forward with the second phase of its restoration plans involving the Big Quilcene River, which has significantly greater potential to impact Coast’s operations. In fact, HCSEG agreed to

continue to communicate and work with Coast in good faith to address any issues and problems as they arise. HCSEG also promised as part of the attached Agreement Regarding Quilcene Salmon Restoration Project Work Scheduled for 2007 and 2008, executed by Coast and HCSEG in February 2007 (the "2007 Agreement"), to "cooperate and work together in good faith to complete the alternative water intake, including permitting it under a timely element of HCSEG's project." In several oral and written communications in 2006, former HCSEG Executive Director Neil Werner promised Coast that HCSEG would keep Coast informed of HCSEG's future design plans (including restoration plans for the Big Quilcene River) and permitting and construction schedule.

#### **B. HCSEG Breach of Prior Commitments**

Given the significant history of negotiations between Coast and HCSEG, as well as HCSEG's promises and commitments identified above, Coast was shocked to discover excavators and hundreds of dump truckloads removing thousands of pounds of soil adjacent to the Big Quilcene River on August 7, 2014. Contrary to prior commitments made by HCSEG, no notice of this construction was provided to Coast. The construction, which Coast considers to be part of the Big Quilcene River restoration project and is identified on HCSEG's permits as "Big Quilcene Estuary Restoration – Phase 3", was commenced without any discussion between the parties regarding incorporation of improvements to Coast's intake pipe into the HCSEG project design and permitting, contrary to the 2007 Agreement. Commencement of the restoration project without providing for improvements to Coast's water intake constitutes a breach of that Agreement.

Upon discovering HCSEG's ongoing construction efforts, where an unidentified amount of soil (believed to be over 100 truckloads per day) had already been removed, we discussed our concerns with HCSEG on August 13, 2014. HCSEG apologized for not notifying Coast of the project and committed to ceasing all construction pending further investigation by Coast and communication between the parties. Coast was even more surprised to discover on the morning of August 14, 2014 that construction *had not* stopped on the site, and that additional material and soil had continued to be removed, despite HCSEG's promise to Coast communicated a day earlier. HCSEG's actions on this project are extremely detrimental to building any amount of trust with Coast that HCSEG will act in good faith and carry out its commitments concerning this project.

#### **C. Impact to Coast's Hatchery and Tidelands**

It is unclear how much of the planned 22,000 cubic yards of soil and fill to be removed has already been excavated by HCSEG. Coast hereby requests an estimate from HCSEG as to how much excavation has already taken place. HCSEG's actions may have already placed Coast's hatchery operations in jeopardy. Coast remains very concerned that the salt marsh restoration, which involves creating a new channel measuring up to 20 feet wide and 8 feet deep and several sub-distribution channels, located only 150 feet from the edge of Big Quilcene River and 80 to 100 feet from the existing dike, will result in the failure of the existing dikes. Removal of the dikes was an issue extensively discussed between the parties and HCSEG previously

committed to keeping the dikes in place given the potential significant impact to Coast's operations should they be removed.

Should the dikes fail as a result of HCSEG's salt marsh restoration project, the potential impact to Coast's operations will be extreme. Dike failure would likely result in the Big Quilcene River changing its direction over time, particularly during high-water periods, resulting in the introduction of additional sediment and fresh water into Coast's tidelands and hatchery intake. This would result in significant mortality of Coast's shellfish and jeopardize the health of Coast's shellfish and seed, as additional diseases, nutrients, and chemicals may be introduced through delivery of additional upstream sediment. This could cripple Coast's hatchery operations, which depends on absolutely disease-free shellstock, subjecting HCSEG to potential liability and damages.

Coast's concerns are shared by the Port of Port Townsend, copied on this letter, which similarly was not notified of HCSEG's construction plans. The Port is very concerned that HCSEG's construction could result in additional siltation in its marina, thereby adversely impacting recent marina construction and ongoing operations.

#### **D. Failure to Obtain Individual Water Quality Certification**

Based on the project permits sent by HCSEG on August 13, 2014, it appears that the U.S. Army Corps of Engineers ("Corps") impermissibly allowed the project to proceed without an individual Section 401 Water Quality Certification. HCSEG obtained a Nationwide Permit ("NWP") 27 authorization from the Corps for the Project on June 30, 2014. Several requirements and conditions in NWP 27 mandate that HCSEG obtain an individual Section 401 Water Quality Certification.

First, Part E, Section 2 states that "individual 401 review is required for projects or activities authorized under NWPs if the project or activity will occur in a 303(d) listed segment of a waterbody or upstream of a listed segment and may result in further exceedances of the specific listed parameter." The lower Big Quilcene River is listed for temperature exceedances on Washington State's 303(d) list. The project, which includes dredging material and altering wetland habitat, likely will contribute to this criterion because of increased flow, sediment disturbances, and channelization.

Second, Part E, Section 4 requires individual 401 review for activities in or affecting Category II wetlands with habitat scores equaling or exceeding 29 points. Wetland "B" in HCSEG's Wetland Delineation and Analysis Report, located immediately east of the project area, has a reported habitat score of 29.

Third, Part F of the NWP conditions requires individual 401 Water Quality Certification review for any projects that affect more than 0.5 acre of wetlands. HCSEG has indicated that the project will disturb 3.25 acres of soil in the project area, and that the entire project qualifies as a wetland.

HCSEG's failure to secure an individual 401 Water Quality Certification from the State of Washington constitutes a violation of the NWP conditions and of the Section 401 Certification process. This failure particularly impacts Coast's operations, as the potential water quality

impacts to Quilcene Bay and Coast's operations have not been specifically studied and analyzed and no mitigation measures were incorporated to ensure that the project resulted in no adverse impacts.

**E. Demand**

Coast hereby demands that HCSEG cease and desist all excavation and construction work on the salt marsh restoration and Big Quilcene Estuary Restoration Project, until Coast has had an opportunity to review HCSEG's plans with a structural engineer and water quality consultant to determine whether they adequately protect the existing Big Quilcene River dikes from potential failure and Coast's operations. Should HCSEG continue construction, or restart construction of the project without reaching agreement with Coast regarding the issues identified above, such action will result in Coast taking any and all appropriate legal actions to protect its operations. Once Coast has had time to review the project with its consultants, we would be willing to meet with HCSEG to discuss potential solutions, including but not limited to improvements to Coast's water intake pipe, as provided in the 2007 Agreement.

**F. Conclusion**

Coast remains open to resolving the above issues with HCSEG; however, it must be assured that HCSEG is communicating and operating in good faith to honor its previous commitments to Coast. The prior actions over the last week identified above would indicate otherwise. We look forward to discussing this issue with HCSEG once Coast has had time to review the project with the proper consultants.

Very truly yours,



Robert M. Smith

Enclosure

Cc: Larry Crockett, Port of Port Townsend

**Agreement Regarding Quilcene Bay Salmon Restoration Project Work Scheduled for 2007 and 2008**

This Agreement Regarding Quilcene Bay Salmon Restoration Project Work Scheduled for 2007 and 2008 ("Agreement") is entered into by the Hood Canal Salmon Enhancement Group ("HCSEG"), a Washington nonprofit corporation and a regional fisheries enhancement group designated by the State of Washington, and Coast Seafoods Company ("Coast"), a Washington corporation.

Recitals

- A. In furtherance of its mission to protect and enhance salmon populations and habitat in Hood Canal, HCSEG is pursuing the Quilcene Bay Salmon Restoration Project, which consists of elements or stages that will be implemented over several years. In 2006, HCSEG began construction of the Donovan Creek project element (primarily culvert replacement). In 2007, HCSEG intends to begin construction of the Little Quilcene River project element, which includes river and sea dike removal (the "Little Quilcene Project"). HCSEG plans to begin construction of the Little Quilcene Project by June 15, 2007. In 2008, HCSEG intends to begin construction of the Schinke dike removal project element ("Schinke Dike Removal Project"). In later years, HCSEG plans to work in the Big Quilcene River and its outfall to the bay.
- B. Coast owns and operates the shellfish hatchery located on the west shore of Quilcene Bay ("Hatchery"). The Hatchery is the largest oyster hatchery facility in the US and is the largest employer in the Quilcene community. The Hatchery is an essential asset of Coast's business. The Hatchery draws water from the bay and uses it in tanks to hatch and rear oyster and molluscan larvae. Coast has asked questions and expressed concern about the Quilcene Bay Salmon Restoration Project's impacts on water chemistry and water quality conditions, on the Hatchery operations, and on other shellfish resources in the bay and the Coast nursery.
- C. Coast and HCSEG have met to discuss the issues, most recently on November 20, 2006 in Belfair (the "Belfair Meeting"). HCSEG does not intend for the Quilcene Bay Salmon Restoration Project to adversely affect the Hatchery or shellfish in the bay, and Coast supports salmon restoration and does not intend to oppose the project. While many issues have been worked out, the parties have differing views or opinions about some of the likely or possible effects of the project or its elements. At this time, it is unnecessary for the parties to attempt to resolve all questions or issues. However, the parties agree to continue to meet and confer and to work together in good faith to address remaining or new issues.
- D. The purpose of this Agreement is to memorialize the agreements reached at the Belfair Meeting regarding the Little Quilcene Project and Schinke Dike Removal Project. At the Belfair Meeting, HCSEG acknowledged the perceived or actual risks to Coast and desires to work with Coast to take steps to help address such risks. Coast presented concepts for two measures at the Hatchery relating to these projects: 1) improved water filtration systems, and 2) an alternative intake system that would draw water from a different



location than the existing intake station. The parties agreed on a plan to pursue funding for implementation of these two measures and a schedule of events.

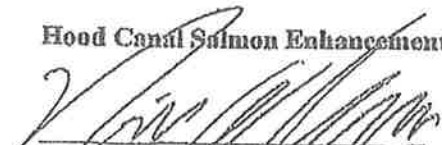
In consideration of the foregoing, the parties agree as follows:

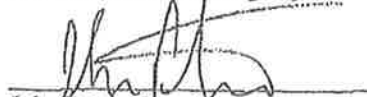
1. During the 2007 legislative session, HCSEEG will request and seek state funding of the alternative water intake and water filtration systems for the Hatchery. HCSEEG and Coast will work together in good faith to assemble the necessary plans, schematics, cost estimates, and other documents necessary for the request. HCSEEG will take the lead in making the funding request. Any documents regarding the alternative water intake and water filtration systems must have been approved by Coast.
2. The parties' objectives are to: obtain funding in the spring of 2007; acquire the water filtration systems in the summer of 2007; ensure that the water filtration systems are installed and functioning no later than September 30, 2007; and design, acquire, construct, and begin operation of the alternative water intake system prior to delta cone removal or South Big Quilcene Dike removal on Quilcene Bay.
3. HCSEEG agrees that if funding for the water filtration systems is not obtained by June 1, 2007, then HCSEEG will delay the Little Quilcene Project and the Schinke Dike Removal Project; will not conduct any work on said Projects in 2007; and will not conduct any work on said Projects thereafter until the water filtration systems are installed and functioning. Coast agrees that it is comfortable with and will not object to the Little Quilcene Project and the Schinke Dike Removal Project proceeding to construction, so long as the water filtration systems are on line by September 30, 2007.
4. HCSEEG and Coast agree to cooperate and work together in good faith to complete the alternative water intake, including permitting it under a timely element of HCSEEG's project.
5. As to future elements of the Quilcene Bay Salmon Restoration Project, HCSEEG and Coast agree to continue to communicate and work together in good faith to discuss and attempt to resolve future questions or issues.

IN WITNESS WHEREOF, each party has executed and delivered this Agreement by its authorized representative as of date set forth below.

Hood Canal Salmon Enhancement Group:

Coast Seafoods Company:

  
 \_\_\_\_\_  
 Neil W. Werner, Executive Director

  
 \_\_\_\_\_  
 John Petrie, President

Date: 2-20-07

Date: 2-22-07

**PORT OF PORT TOWNSEND**

**MEETING OF:** August 27, 2014

**AGENDA ITEM:** VII. Potential Immediate Action  
A. Contract for Roofing of Building at 308 10<sup>th</sup> St.

**BACKGROUND:**

As part of our maintenance budget the next Sperry Building re-roof is the building located at 308 10<sup>th</sup> St., which houses Sunrise Coffee as well as Port Townsend Furniture Clinic. A formal bid process was followed and seven companies responded. The low bidder was Humphrey Construction out of Aberdeen WA for a total of \$17,200 plus tax.

**Executive Director's Recommendation:**

Authorize Executive Director to execute the contract with Humphrey Construction for the amount of \$18,748

# Port of Port Townsend

## CONTRACT FOR

### ROOF REPLACEMENT AT 308 10<sup>TH</sup> ST. FOR THE PORT OF PORT TOWNSEND, WITHIN THE BOAT HAVEN PROPERTIES

#### ARTICLE 1: AGREEMENT

The **Port of Port Townsend**, hereinafter referred to as the (PORT), a Municipal Corporation, and **Humphrey Construction, Inc**, hereinafter referred to as the (CONTRACTOR), a corporation organized and existing under the laws of the State of Washington, enter into the following agreement:

Whereas: In accordance with RCW 53.08.135, the PORT has requested bids via its Small Works Roster, for roof replacement of the Sunrise Coffee Building within the Port's Boat Haven Properties in Port Townsend, Washington, and

Whereas: The PORT has received a bid, in response to the above request, from the CONTRACTOR, dated July 21, 2014, annexed hereto as Exhibit "A", as submitted by Jim Humphrey Construction;

Now Therefore: For and in consideration of mutual benefits and covenants as contained herein, the parties hereby agree as follows:

#### ARTICLE 2: SCOPE OF WORK

The CONTRACTOR shall perform all work and furnish all tools, materials, manpower and equipment for the PORT and perform all work described, as per attached Contract Documents.

In the event of any conflict between the provisions of this Contract and Incorporated Contract documents, including Standard Specifications, Supplementary Specifications, and other terms and conditions, the provisions of this Contract shall control. The conflict shall be brought to the attention of the Port.

#### ARTICLE 3: MATERIALS SPECIFICATION

Materials and equipment for this project shall meet the minimum specifications and be in conformance with laws and regulations as established by all current local, state, and national codes for projects of this type.

#### **ARTICLE 4: DRUG-FREE WORKPLACE POLICY**

The PORT has adopted a Drug-Free Workplace Policy that the workplace will be a drug free environment conducive to conducting the PORT's business free from unlawful manufacture, distribution, dispensing, possession or use of controlled substances. This policy applies to PORT Commissioners, PORT employees, and contractors conducting business on PORT property. A copy of the drug Free Workplace Policy will be provided to CONTRACTOR attached hereto.

#### **ARTICLE 5: EQUAL OPPORTUNITY POLICY**

All persons or entities performing work for the PORT shall provide equal opportunity to all of its employees and applicants for employment and assure that there is no discrimination on the basis of race, color, region, national origin, sex, age, marital status, or physical disability unless based upon a bona fide occupational qualification. All persons or entities performing services for the PORT must insure that the foregoing extend to all areas of employment and to all relations with employees including recruitment, selection, placement, compensation, promotion and transfer, training, daily working conditions, awards and benefits, and all other terms and conditions of employment as provided for in state and national laws. CONTRACTOR hereby agrees to abide by applicable regulations during the course of this agreement.

The CONTRACTOR will, in all solicitations or advertisements for employees placed by or on behalf of the CONTRACTOR, state that all qualified applicants will receive consideration or employment without regard to race, creed, color, sex or national origin.

The CONTRACTOR will send to each labor union or representative or worker with which he has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency contracting officer, advising the said labor union or workers' representative of the contractor's commitments under this section and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

The CONTRACTOR will include the provisions of the foregoing paragraphs in every subcontract exceeding \$10,000.00 so that such provisions will be binding upon each such subcontractor or vendor. The CONTRACTOR will take such action with respect to any subcontract or purchase order as the Director may direct as a means of enforcing such provisions, including sanctions for noncompliance; PROVIDED, however, that in the event the CONTRACTOR or vendor as a result of such direction by the contracting agency, the CONTRACTOR may request the State of Washington to enter into such litigation to protect its interest.

#### **ARTICLE 6: PREVAILING WAGES**

The PORT is committed to comply with the Washington Public Works Act, Chapter 39.12 RCW entitled "Prevailing Wages on Public Works", and Chapter 49.28 RCW entitled "Hours of Labor". It shall be the PORT's intention that the prevailing rate of wages be

paid on all public works projects, regardless of the contract amounts. The responsibilities for adherence to the Public Works Act are specified in the Statement of Intent, Prevailing Wages in Public Works document. All contractors to the PORT will be required to comply with the responsibilities outlined therein. CONTRACTOR must pay all fees and obtain all forms and provide such information related to paying prevailing wages, applicable to this project, including STATEMENT OF INTENT TO PAY PREVAILING WAGES and AFFIDAVIT OF WAGES PAID forms.

A Statement of Intent to Pay Prevailing Wages and current prevailing wage rates for the work must be posted on the work site. At the conclusion of the Contract, the CONTRACTOR and its subcontractors shall submit Affidavits of Wages Paid to the Department of Labor and Industries for certification by the director. Final payment on the Contract shall be withheld until certification from the director has been received by the PORT that the prevailing wage requirements of the statute have been satisfied. The CONTRACTOR certifies that it has not been cited for two violations within the last five (5) years, and is not prohibited from bidding on public works contracts. The CONTRACTOR further certifies that it will use no subcontractor who is prohibited.

#### **ARTICLE 7: BONDING**

CONTRACTOR shall provide and maintain in force for the term of the Contract, a 100% Performance/Material and Labor Payment bond for the amount of the Contract Price plus Washington State Sales Tax. The Surety providing the bond shall be licensed to conduct business in the State of Washington. These bonds are to be submitted to the PORT no later than (14) calendar days after the execution of this Agreement.

At CONTRACTOR'S option, these bonds do not have to be provided if the payment retainage clause as described in Article 17 is elected to be followed.

#### **ARTICLE 8: INSURANCE**

The CONTRACTOR shall provide Comprehensive General Liability and shall provide that the PORT be named as an insured. The policy or policies shall provide coverage to the PORT on an occurrence basis for the duration of the work. The PORT will not accept any certificate of insurance or accord form certificate as a substitute for an actual policy of coverage. Any exclusions, exemptions, exceptions, or other policy coverage limitations of the policy, including any identifying particular activities or actions of the PORT, must first be reviewed by and written acceptance provided by the PORT before commencement of the work. The failure to provide insurance coverage acceptable to the PORT shall be deemed to constitute non-acceptance of the Contract by the CONTRACTOR. The PORT reserves the right to then award the Contract to the next acceptable bidder.

CONTRACTOR shall have Comprehensive General Liability coverage, of no less than \$1,000,000.00 combined single limit per occurrence. Said policy shall be in effect for the duration of the Contract period.

If the insurance is written with stipulated amounts deductible under the terms of the policy, the CONTRACTOR shall pay the difference attributable to deductions in any payments made by the insurance carrier on claims paid by the insurance.

Certificates of insurance will be provided to the PORT prior to starting actual work at the site. All insurance policies and certificates shall reference the: 1) project name, 2) project location, and 3) shall provide that the PORT, its elected and appointed officials, its employees and agents are named as additional insured in respect to the work and obligations to be performed by the CONTRACTOR.

#### **ARTICLE 9: INDEMNIFICATION**

CONTRACTOR shall indemnify, defend and hold the PORT harmless from and against any and all liability, damages, actions, or claims for personal injury and/or property damages made by any employee or agent of CONTRACTOR or by any third party arising from the performance of this contract. Such indemnification shall include Attorney's fees incurred by the PORT in responding to any such claim.

The PORT agrees to indemnify, defend, and hold CONTRACTOR harmless from any and all liabilities, damages, or actions, including attorney fees arising from the PORT's negligence or misconduct, or from its contractors, subcontractors, or any party for whom the PORT is legally liable, and arising from the project that is the subject of this agreement.

#### **ARTICLE 10: SAFETY**

CONTRACTOR shall at all times keep the premises free from the accumulation of waste materials or rubbish caused by his operations. At the completion of the Work, he shall remove all of his waste material and rubbish from and around the Project as well as all his tools, construction equipment, machinery and surplus materials.

CONTRACTOR shall take necessary precautions for the safety of his employees on the Work, and shall comply with all applicable provisions of federal, state and municipal safety laws to prevent accidents or injury to persons on, about or adjacent to the Project site.

#### **ARTICLE 11: WARRANTIES AND COMPLETION**

CONTRACTOR warrants to the PORT that all materials and equipment furnished under this agreement will be new, unless otherwise specified, and that all Work will be of good quality, free from improper workmanship and defective materials and in conformance with the Drawings and Specifications. CONTRACTOR agrees to correct all Work performed by it under this Agreement which proves to be defective in material and workmanship within a period of one year from the Date of Substantial Completion.

## **ARTICLE 12: PERMITS**

CONTRACTOR agrees to pay for any and all license fees necessary for providing the services required to fulfill the terms of this agreement.

CONTRACTOR shall comply with and give notices required by laws, ordinances, rules, regulations and lawful orders of public authorities bearing on performance of the Work.

It is not CONTRACTOR'S responsibility to ascertain that the drawings are in accordance with applicable laws, statutes, ordinances, building codes, and rules and regulations. However, if CONTRACTOR observes that portions of the drawings are at variance therewith, they shall promptly notify the PORT in writing, and necessary changes shall be accomplished by appropriate Modification.

If CONTRACTOR performs Work knowing it to be contrary to laws, statutes, ordinances, building codes, and rules and regulations without such notice to the PORT, CONTRACTOR shall assume full responsibility for such Work and shall bear the attributable costs.

## **ARTICLE 13: SUBCONTRACTORS**

All portions of the Work that CONTRACTOR does not perform with his own forces shall be performed under subcontracts. No contractual relationship shall exist between the PORT and any Subcontractor. CONTRACTOR shall be responsible for the management of the Subcontractors in the performance of their Work.

## **ARTICLE 14: CHANGES IN THE PROJECT**

The PORT reserves the right to make, at any time during the work, such changes in quantities and such alterations in the works as are necessary to satisfactorily complete the project. Such changes in quantities and alterations shall not invalidate the contract nor release the surety, and the CONTRACTOR agrees to perform the work as altered.

The PORT will issue a written change order for any changes unless the remainder of this section provides otherwise. If the alterations or changes in quantities significantly change the character of the work under the contract, whether or not changed by any such different quantities or alterations, an adjustment, excluding loss of anticipated profits will be made to the Contract. The basis for the adjustment shall be agreed upon prior to the performance of the work. If a basis cannot be agreed upon, then an adjustment will be made either for or against the CONTRACTOR in such amount as the PORT may determine to be fair and equitable.

The CONTRACTOR shall proceed with the work upon receiving a written change order approved by the PORT, or an oral order from the PORT before actually receiving the written change order.

The CONTRACTOR may protest the change order as provided below, if the CONTRACTOR is in disagreement with anything required in a change order, another written order, or an oral order from the PORT, including any direction, instruction, interpretation, or determination by the PORT or its Architect, the CONTRACTOR shall, immediately give a signed written notice of protest to the PORT before doing the work, and supplement the written protest within 15 calendar days with a written statement.

If the protest is continuing, the information required above shall be supplemented as requested by the PORT. In addition, the CONTRACTOR shall provide the PORT, before final payment, a written statement of the actual adjustment requested. Throughout any protested work, the CONTRACTOR shall keep complete records of extra costs and time incurred. The CONTRACTOR shall permit the PORT access to these and any other records needed for evaluating the protest as determined by the PORT. The PORT will evaluate all protests provided the procedures in this section are followed. If the PORT determines that a protest is valid, the PORT will adjust payment for work or time. No adjustment will be made for an invalid protest.

In spite of any protest, the CONTRACTOR shall proceed promptly with the work as the PORT orders.

The CONTRACTOR accepts all requirements of a change order by; endorsing it, writing a separate acceptance, or not protesting in the way this section provides.

A change order that is not protested as provided in this section shall be full payment and final settlement of all claims for contract time and for all costs of any kind, including costs of delays, related to any work either covered or affected by the change. By not protesting as this section provides, the CONTRACTOR also waives any additional entitlement and accepts from the PORT any written or oral order (including directions, instructions, interpretations, and determinations). By failing to follow the procedures of this section, the CONTRACTOR completely waives any claims for protested work.

#### **ARTICLE 15: CONTRACT TIME**

Upon receipt of the required documents the PORT shall issue a Notice-to-Proceed authorizing CONTRACTOR to commence with the scope of work of this contract. CONTRACTOR shall start within 10 days after the date of written Notice to Proceed. The date of substantial completion shall be when the PORT determines that the scope of work of this agreement is completed in accordance with the Contract Documents and has passed applicable building inspections on his scope of work.

Warranties called for by the Agreement shall commence on the Date of Substantial Completion of the Project. This date shall be established by a Certificate of Substantial Completion signed by the PORT.



## **ARTICLE 16: CONTRACT PRICE**

The Contract Price for the Project is Fifteen Thousand Five Hundred Forty and 00/100 dollars (\$17,200.00), plus Washington State Sales Tax. The contract price is based upon laws, codes, and regulations in existence at the date of its establishment and upon criteria as set forth in this agreement.

## **ARTICLE 17: MEASUREMENT AND PAYMENT**

If CONTRACTOR elects to provide a performance/material and labor payment bond as per Article 7, then the retainage held shall be five percent (5%) of the amount due and payable, as per Chapter 60.28 RCW. Otherwise, CONTRACTOR agrees to have fifty percent (50%) retainage held by the PORT of the full amount due and payable until such time as the contract is fully completed and satisfies all required final inspections, including Department of Revenue and Department of Labor and Industries certifications and releases.

The CONTRACTOR shall provide monthly statements which shall indicate the Percentage of completion of each portion of the work as of the end of the period, covered by the statement.

Statements received by the 10th day of the month and approved by the PORT will be processed for payment the same month.

The PORT'S representative shall determine the amounts owing to the CONTRACTOR based on observations at the site and on evaluations of CONTRACTOR'S statements and shall issue to the PORT certification for payment.

All progress payments shall be subject to withholding of the retained percentage as provided in Article 17. Washington State Sales Tax shall be included on each statement submitted by the CONTRACTOR.

CONTRACTOR guarantees that title to all Work, materials and equipment covered by an Application for Payment will pass to the PORT upon receipt of such payment by the CONTRACTOR, free and clear of all liens, claims, security interests or encumbrances.

## **ARTICLE 18: CONTRACTOR RECORDS**

CONTRACTOR agrees to make all books and records available to the PORT for inspection, review, photocopying and audit in the event of a Contract related dispute, claim, modification or other Contract related action at reasonable times and at places designated by the PORT.

## ARTICLE 19: DISPUTE RESOLUTION

Venue for all claims, disputes, and matters of question arising out of or relating to this Agreement, or the breach thereof, shall be decided in the Superior Court of Jefferson County, State of Washington. In the event suit is brought to enforce the provisions of this Agreement, the prevailing party shall be entitled to recover reasonable attorneys' fees to be fixed by the court together with such party's actual reasonable costs.

## ARTICLE 20: NON-COLLUSION

No Commissioner or employee of the PORT who exercises any functions or responsibilities in the review or approval of the services to be provided by CONTRACTOR, will participate in any decision which affects CONTRACTORS directly or indirectly.

CONTRACTOR covenants that their employees, presently have no interest and shall not acquire an interest which would conflict in any manner or degree with its performance under this Agreement.

## ARTICLE 21: AUTHORIZED REPRESENTATIVES

For purpose of notification, all notices to be delivered, or amendments thereto, the authorized representative shall be:

### Port

Amy J. Khile  
Director of Finance & Administration  
Port of Port Townsend  
P. O. Box 1180  
Port Townsend, WA 98368  
Phone: 360-385-0656

### Contractor

Humphrey Construction, Inc.  
Jim Humphrey  
PO Box 2216  
Aberdeen, WA 98520  
Phone: 360-538-6089

## ARTICLE 22: GENERAL PROVISIONS

This document represents the entire agreement between the parties and any amendments thereto or changes thereto must be made in writing or agreed to by both parties and appended to this contract.

Dated this 13<sup>th</sup> day of August, 2014.

Port of Port Townsend

Humphrey Construction, Inc.

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By: Larry C. Crockett  
Its: Executive Director

---

By: Jim Humphrey

Approved as to Form:

---

Port Attorney

## PORT OF PORT TOWNSEND

**MEETING OF:** August 27, 2014

**AGENDA ITEM:** VII. Potential Immediate Action  
B.IT Contract

### **BACKGROUND:**

The Port has been contracting with OESD #114 for the past year for hourly IT support services. Based on increased need, it would now be beneficial for the Port to contract for a day of service per week. One day per week would cost \$20,030.00. In the last twelve months we have paid \$15,620 for zero to two days per month.

### **EXECUTIVE DIRECTOR'S RECOMMENDATION:**

For discussion and possible approval.

**NETWORK SERVICES AGREEMENT  
2014-2015 CONTRACT YEAR  
TECHNOLOGY SUPPORT SERVICES**

**THIS AGREEMENT** is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2014, by and between Olympic Educational Service District 114, hereinafter referred to as "OESD 114", and Port of Port Townsend, hereinafter referred to as "PPT".

WHEREAS, PPT and OESD 114 under RCW 39.34.080 are empowered to enter into agreements for service programs and interlocal agreements; and,

WHEREAS, PPT desires to enter into a service agreement with OESD 114;

IT IS HEREBY AGREED that OESD 114 shall receive funds from PPT and shall expend such funds for the purpose of providing network support services through the Data and Technology Department in accordance with the terms and conditions set forth herein:

**1. TERM OF AGREEMENT:**

This agreement shall be effective from September 1, 2014 to August 31, 2015 and shall be automatically renewed from year to year thereafter with any subsequent and mutually agreed fee and/or service revisions unless either party gives written notice of its election to terminate the agreement at least ninety days (90) prior to August 31, 2015 or at least ninety days (90) prior to August 31 of any year thereafter, or unless the agreement is terminated in accordance with paragraph 6 herein.

**2. NETWORK SUPPORT SERVICES:**

During the term of this agreement, OESD 114 agrees, through the Data and Technology Department, to provide technology support services to PPT as set forth in appendices hereof.

**3. COST TO PORT OF PORT TOWNSEND:**

The annual cost to PPT for services provided are detailed in the table below. Services provided under Appendix A, Technology Support Services are based on the average number of days per week a technician will be available to PPT for the period covered by this contract. Electronic mail services provided under Appendix B are based on the number of accounts. Enhanced services provided under Appendix C are itemized in Appendix C. One tenth of the total will be invoiced over the first ten months of the agreement unless the contract total is less than one thousand dollars. If the contract total is less than one thousand dollars, the full amount will be invoiced at the start of the year.

<b>Appendix</b>	<b>Fee Basis</b>	<b>Factor</b>	<b>Total</b>
A. Technology Support Services	\$18,230.00	1 day per week	\$18,230.00
B. Electronic Mail Services	\$40.00	0 accounts	\$0.00
C. Enhanced Support Services	\$ 1,800.00	1 units - See Appendix C	\$1,800.00
<b>Contract Total</b>			<b>\$20,030.00</b>

4. **PERFORMANCE AND BONDING:**

OESD 114 shall obtain fidelity bonding for employees providing network support services. OESD 114 shall not be liable for inadequate services or errors caused by inaccurate or inadequate input data, programs, software or hardware furnished by PPT.

5. **DISPUTES:**

Any dispute, claim or grievance arising out of or relating to the interpretation or application of this agreement may be submitted to the PPT Executive Director and the Superintendent of OESD 114 for resolution.

6. **TERMINATION FOR BREACH:**

If either party fails to comply with the terms and conditions of this agreement, the other party upon thirty (30) days prior written notice to the breaching party may terminate this agreement.

7. **INTERLOCAL AGREEMENT:**

This agreement shall be deemed to be in accordance with the provisions of RCW 39.34.

8. **ASSIGNMENT:**

This agreement may not be assigned by either party without written consent of the parties.

9. **WAIVER AND SEVERABILITY:**

If any term or condition of this agreement or application thereof to any person or circumstance is held invalid, such invalidity shall not affect other terms, conditions or applications of the agreement which can be given effect without the invalid term, condition or application; to this end the terms and conditions of this agreement are declared severable.

The parties acknowledge that they have read and understand this agreement, including any supplements or attachments hereto, and do agree thereto in every particular. The parties further agree that this agreement, together with all appendices, constitutes the entire agreement between the parties and supersedes all communications, written or oral, heretofore related to the subject matter of this agreement. This agreement may be modified or amended with the mutual consent of the parties.

Olympic Educational Service District 114

Port of Port Townsend

By: \_\_\_\_\_  
Superintendent

By: \_\_\_\_\_  
Executive Director

Date: \_\_\_\_\_

Date: \_\_\_\_\_

## Appendix A. Technology Support Services 2014-2015 Contract Year

The following technology support services are provided:

1. Support of district network, including
  - Electronic mail support, configuration of staff workstations for access to electronic mail.
  - Wide area network support, including
    - Problem identification and tracking to resolution.
    - Installation support, including network infrastructure project management and assistance.
    - Direct maintenance or coordination of third-party maintenance of District-owned network equipment.
  - Local area network support, including
    - Problem identification and tracking until resolution, including any required third party coordination.
    - Installation support, including network infrastructure project management and design coordination for new installations, facility expansions, moves or redesigns.
    - Traffic monitoring, minor wiring repair and additions; wireless network configuration.
    - Coordination of third-party maintenance contracts for District-owned network equipment.
  - Consultation, advice and assistance to District on topics related to network operations.
  - Basic server support:
    - Installation, setup and support for Windows and Linux servers providing basic network functions such as web services, FTP, DHCP, DNS and directory services. Support for standard and virtual servers.
    - Where no district technology staff person is designated to share administrative duties, full administrative access to the server is limited to OESD114 Network Services. Most server administration is performed when the technician is on-site, with some tasks being performed remotely via network access.
    - Performance of data backups on servers on days a technician is on-site. District is responsible to provide server upgrades and blank media, if required.
2. Desktop support services, including
  - Installation of computer workstation hardware and peripherals.
  - Installation of operating systems and district-owned software onto computer workstations.
  - Configuration of supported personal computers and district-owned mobile devices to function in a network environment.
  - Troubleshooting computer workstation and peripheral equipment problems; documentation of and submission of information for items needing repair.
  - Identification of applications software problems and reporting to appropriate parties if beyond a simple fix;
  - Workstation hardware and software upgrades, as required.
3. Coordination and reporting:
  - District will designate an individual to be the primary point of contact for communications.
  - Network Services program summary to be reviewed with District twice annually.

**Software licenses and equipment acquisition, replacement and maintenance costs are not included.**

## Appendix B. - Electronic Mail Services 2014-2015 Contract Year

Appendix is not applicable to this contract.

The following electronic mail services are provided:

Enhanced electronic mail services include calendaring and collaboration tools provided by Microsoft Exchange Mail Services.

1. Electronic mail on a centralized OESD 114 server:
  - Provide electronic mail accounts for District staff and faculty on a centralized electronic mail server located at OESD 114.
  - Service includes server and account administration -setups, deletions, password changes.
  - Anti-virus screening of electronic mail messages and administration of anti-virus software is included.
  - Filtering of SPAM messages and administration of anti-spam service is included.
2. Coordination and reporting
  - District will designate an individual to be the primary point of contact for communications.



## Appendix C. - Description of Enhanced Support Services 2014-2015 Contract Year

The following enhanced support services are to be provided to the Port of Port Townsend.

### 1. Firewall support

Maintenance and Administration of a SonicWall firewall/multifunction appliance, for \$1,800.00. This includes, but is not limited to:

- Changes to firewall configuration.
- Periodic review of firewall functions and installation of firmware updates if necessary.
- Fault isolation to identify and correct problems.
- Re-installation of repaired or replacement firewall hardware. Note: Does not include cost to repair or acquire replacement firewall hardware.

**Software licenses and equipment acquisition, replacement and maintenance costs are not included.**

## PORT OF PORT TOWNSEND

**MEETING OF:** August 27, 2014

**AGENDA ITEM:** VII. Potential Immediate Action  
C. AWOS Contracts

### **BACKGROUND:**

Both AWOS bids were opened, tabulated and reviewed by the FAA. The low bidder for the equipment was All Weather Systems, for a bid total of \$75,292 plus tax. The low bidder for installation of towers, dirt-work, electrical and foundations was Christensen Construction out of Olympia for a total of \$99,420 plus tax. There were no local bidders.

### **Executive Director's Recommendation:**

Authorize Executive Director to sign two contracts, pending FAA approval one for: All Weather Systems for \$81,582 and one for Christensen Construction for \$108,368.23.

90% of this project will be paid for by the FAA, and the Aviation Division of WSDOT, who has agreed to fund 5% of this project. The total estimated cost to the Port upon completion of the project is \$15,412.



P.O. Box 1180 • Port Townsend, Washington 98368-4624

Administration: (360) 385-0656

Operations: (360) 385-2355

Fax: (360) 385-3988

## WARRANT APPROVAL

We, the undersigned, as Commissioners and Auditing Officer of the Port of Port Townsend, in Jefferson County, Washington, do hereby certify under penalty of perjury that the materials have been furnished, the labor performed and the services provided, as described herein, and that the claims are just and unpaid obligations of the Port of Port Townsend, and that these claims, in Warrant No. 053347 through No. 0533363, are approved for payment in the amount of \$70,331.25 on this 27th day of August, 2014.

For: **Payroll and Benefits**

\_\_\_\_\_  
Commissioner Stephen R. Tucker

\_\_\_\_\_  
Commissioner Brad A. Clinefelter

\_\_\_\_\_  
Commissioner Pete W. Hanke

\_\_\_\_\_  
Amy Khile, Director of Finance  
And Administration

Bank Code: W - WARRANTS PAYABLE

Check Number	Check Date	Vendor	Invoice Number	Invoice Date	Invoice Amount	Discount Applied	Payment Amount	
053359	8/15/2014	BAN001	Bank Of America 941-8/15	8/15/2014	19,046.97	0.00	19,046.97	Check Entry Number: 001
053360	8/15/2014	PEJ001	Peninsula Credit Union 08155014	8/15/2014	650.00	0.00	650.00	Check Entry Number: 001
053361	8/15/2014	POR001	Auditor's Revolving Fund 08152014	8/15/2014	33,015.82	0.00	33,015.82	Check Entry Number: 001
053362	8/15/2014	SPE010	James Speer 08152014	8/15/2014	250.00	0.00	250.00	Check Entry Number: 001
053363	8/15/2014	WA0302	State of Washington DC8/15/14	8/15/2014	1,175.00	0.00	1,175.00	Check Entry Number: 001
				Report Total:	<u>54,137.79</u>	<u>0.00</u>	<u>54,137.79</u>	



P.O. Box 1180 • Port Townsend, Washington 98368-4624

Administration: (360) 385-0656

Operations: (360) 385-2355

Fax: (360) 385-3988

## WARRANT APPROVAL

We, the undersigned, as Commissioners and Auditing Officer of the Port of Port Townsend, in Jefferson County, Washington, do hereby certify under penalty of perjury that the materials have been furnished, the labor performed and the services provided, as described herein, and that the claims are just and unpaid obligations of the Port of Port Townsend, and that these claims, in Warrant No. 053364 through No. 0533403, are approved for payment in the amount of \$175,747.61 on this 27th day of August, 2014.

For: **Accounts Payable**

\_\_\_\_\_  
Commissioner Stephen R. Tucker

\_\_\_\_\_  
Commissioner Brad A. Clinefelter

\_\_\_\_\_  
Commissioner Pete W. Hanke

\_\_\_\_\_  
Amy Khile, Director of Finance  
And Administration

Bank Code: W - WARRANTS PAYABLE								
Check Number	Check Date	Vendor	Invoice Number	Invoice Date	Invoice Amount	Discount Applied	Payment Amount	
053364	8/27/2014	ALL025	Alliant Insurance Services 253695	8/6/2014	1,364.00	0.00	1,364.00	Check Entry Number: 001
053365	8/27/2014	ALP050	Alpha & Omega General Cont. 2711	7/21/2014	8,469.30	0.00	8,469.30	Check Entry Number: 001
053366	8/27/2014	AUL050	Jim Ault 08142014	8/14/2014	25.00	0.00	25.00	Check Entry Number: 001
053367	8/27/2014	BAN005	Bank of America 08052014	8/5/2014	564.46	0.00	564.46	Check Entry Number: 001
053368	8/27/2014	CEN010	Central Welding Supply 88594	8/11/2014	35.69	0.00	35.69	Check Entry Number: 001
053369	8/27/2014	CEN030	CenturyLink 08012014	8/1/2014	230.00	0.00	230.00	Check Entry Number: 001
053370	8/27/2014	CEN035	CenturyLink 08052014	8/5/2014	748.16	0.00	748.16	Check Entry Number: 001
053371	8/27/2014	CLI040	Pat Clifford 08102014	8/10/2014	46.75	0.00	46.75	Check Entry Number: 001
053372	8/27/2014	COO050	Cooper Fuel & Auto Repair 094250	8/13/2014	270.69	0.00	270.69	Check Entry Number: 001
			094253	8/13/2014	37.66	0.00	37.66	Check Entry Number: 001
			Check 053372 Total:		308.35	0.00	308.35	
053373	8/27/2014	DEE010	James Deen, II 07312014	7/31/2014	25.00	0.00	25.00	Check Entry Number: 001
053374	8/27/2014	DEL001	Delta Pollution Control, Inc 15838	7/1/2014	1,171.75	0.00	1,171.75	Check Entry Number: 001
053375	8/27/2014	DER030	Guy DeRosa 08132014	8/13/2014	16.29	0.00	16.29	Check Entry Number: 001
053376	8/27/2014	END040	enduris Washington 08082014	8/8/2014	120,324.00	0.00	120,324.00	Check Entry Number: 001
053377	8/27/2014	GLA050	The "Glass Magician" 235385	7/28/2014	276.51	0.00	276.51	Check Entry Number: 001
053378	8/27/2014	HIG020	Highway Specialties LLC 22538	7/31/2014	52.32	0.00	52.32	Check Entry Number: 001
053379	8/27/2014	HOR050	Marvin Horton 08132014	8/13/2014	71.80	0.00	71.80	Check Entry Number: 001
053380	8/27/2014	JIM030	Jim Humphrey Construction 1267	7/21/2014	9,374.00	0.00	9,374.00	Check Entry Number: 001
053381	8/27/2014	NOR002	Northwest Marine Trade Assn 08152014	8/15/2014	487.50	0.00	487.50	Check Entry Number: 001
053382	8/27/2014	NOR018	Northwest Asbestos Consultants 07282014	7/28/2014	665.00	0.00	665.00	Check Entry Number: 001
053383	8/27/2014	PAC005	PESCO 20465	8/15/2014	5,531.75	0.00	5,531.75	Check Entry Number: 001
053384	8/27/2014	PEN003	Peninsula Daily News 08272014	8/27/2014	135.20	0.00	135.20	Check Entry Number: 001
053385	8/27/2014	PEN030	Peninsula Paint Co. F0106179	8/7/2014	260.72	0.00	260.72	Check Entry Number: 001
			F0106527	8/18/2014	12.74	0.00	12.74	Check Entry Number: 001
			Check 053385 Total:		273.46	0.00	273.46	
053386	8/27/2014	PUD001	Pud District #1 08132014	8/13/2014	21.25	0.00	21.25	Check Entry Number: 001
053387	8/27/2014	PUD005	PUD #1 of Jefferson County 08132014	8/13/2014	7,810.55	0.00	7,810.55	Check Entry Number: 001
053388	8/27/2014	QUI001	Quill Corporation 4908192	7/31/2014	146.36	0.00	146.36	Check Entry Number: 001
			5058098	8/6/2014	167.21	0.00	167.21	Check Entry Number: 001
			Check 053388 Total:		313.57	0.00	313.57	
053389	8/27/2014	REI002	Reid Middleton Co 1408017	8/14/2014	6,721.00	0.00	6,721.00	Check Entry Number: 001
053390	8/27/2014	RIC070	Thomas Richards 07202014	7/20/2014	35.00	0.00	35.00	Check Entry Number: 001
053391	8/27/2014	SAF001	Safeway, Inc. 08022014	8/2/2014	2,014.79	0.00	2,014.79	Check Entry Number: 001
053392	8/27/2014	SHA030	Charlie Shaw 08102014	8/10/2014	98.86	0.00	98.86	Check Entry Number: 001
053393	8/27/2014	SHE030	Carl Sheats 08132014	8/13/2014	103.02	0.00	103.02	Check Entry Number: 001
053394	8/27/2014	SKO000	Skookum Contract Services 9014248	8/8/2014	6,606.08	0.00	6,606.08	Check Entry Number: 001
053395	8/27/2014	SPE001	SOS Printing 49791	8/13/2014	182.20	0.00	182.20	Check Entry Number: 001
			49815	8/18/2014	197.29	0.00	197.29	Check Entry Number: 001
			Check 053395 Total:		379.49	0.00	379.49	
053396	8/27/2014	SUL010	John Sullivan 08082014	8/8/2014	12.05	0.00	12.05	Check Entry Number: 001
053397	8/27/2014	SUN010	Sunrise Heating Inc. 1356	8/5/2014	703.05	0.00	703.05	Check Entry Number: 001
053398	8/27/2014	TER005	Terry's Lock & Safe 0808602	8/12/2014	9.27	0.00	9.27	Check Entry Number: 001
			6686	8/13/2014	131.89	0.00	131.89	Check Entry Number: 001
			Check 053398 Total:		141.16	0.00	141.16	
053399	8/27/2014	TWI001	Twiss Analytical Labs 1471238	8/12/2014	91.50	0.00	91.50	Check Entry Number: 001
053400	8/27/2014	WAS003	Washington Public Ports Assn.					Check Entry Number: 001

Bank Code: W - WARRANTS PAYABLE							
Check Number	Check Date	Vendor	Invoice Number	Invoice Date	Invoice Amount	Discount Applied	Payment Amount
053401	8/27/2014	WAS030	014579 Washington Trust	8/6/2014	310.00	0.00	310.00
			08152014	8/15/2014	100.00	0.00	100.00
053402	8/27/2014	WIM001	Wimactel, Inc	8/1/2014	59.95	0.00	59.95
			000718106				
053403	8/27/2014	YOU030	Tom Young	8/8/2014	30.00	0.00	30.00
			08082014				
Report Total:					175,747.61	0.00	175,747.61

Check Entry Number: 001  
 Check Entry Number: 001  
 Check Entry Number: 001



P.O. Box 1180 • Port Townsend, Washington 98368-4624

Administration: (360) 385-0656

Operations: (360) 385-2355

Fax: (360) 385-3988

### ELECTRONIC DEBIT – Union Bank

We, the undersigned, as Commissioners and Auditing Officer of the Port of Port Townsend, in Jefferson County, Washington, do hereby certify under penalty of perjury that the obligation described below is a just and unpaid obligation of the Port of Port Townsend, and that the Electronic Debit from the Port Checking Account held at Union Bank is approved for payment in the amount of \$11,159.48 on this 27th day of August, 2014.

For: Washington State, Department of Revenue  
Combined Excise Tax Return – for July, 2014 in the amount of \$11,159.48

\_\_\_\_\_  
Commissioner Stephen R. Tucker

\_\_\_\_\_  
Commissioner Brad A. Clinefelter

\_\_\_\_\_  
Commissioner Pete W. Hanke

\_\_\_\_\_  
Amy Khile, Director of Finance and  
Administration



**BOAT HAVEN FUEL DOCK 161-000-044**

**Confirmation**

Confirmation Number 13834557  
Tax Registration Number 161000044  
Reporting Period 07/2014  
Payment Type EFT Debit  
Date and Time Submitted 08/11/2014 2:53:51 PM  
Date of Transfer 08/26/2014  
Payment Amount 11,159.48  
Person Completing Return Donna Frary  
Person Authorizing Payment Donna Frary

Your return and payment have been submitted. For easy reference, print this page and retain it with your tax records.

[Return to Account List](#)

[Print Confirmation](#)

[View Printable Return](#)

**Confirmation**

**For Assistance Call:  
1-877-345-3353**



State of Washington  
 Department of Revenue  
 PO Box 47464  
 Olympia, WA 98504-7464

## July 2014 Combined Excise Tax Return

**161-000-044  
 BOAT HAVEN FUEL DOCK  
 PORT OF PORT TOWNSEND**

### State Business and Occupation Section

**Taxes**

Line Code	Tax Classification	Gross Amount	Total Deductions	Taxable Amount	Rate	Tax Due
0004	Service and Other Activities; Gambling Contests of Chance (less than \$50,000 a year)	161,296.98	0.00	161,296.98	0.0150	2,419.45
0002	Retailing	83,073.47	171.87	82,901.60	0.00471	390.47
		<b>244,370.45</b>	<b>171.87</b>	<b>244,198.58</b>		<b>2,809.92</b>

**Deductions**

Deduction Code	Tax Classification	Deduction Name	Amount
000205	Retailing	Motor Vehicle Fuel Tax	171.87
			<b>171.87</b>

### State Sales and Use Section

**Taxes**

Line Code	Tax Classification	Gross Amount	Total Deductions	Taxable Amount	Rate	Tax Due
0001	Retail Sales	83,073.47	1,914.38	81,159.09	0.0650	5,275.34
0005	Use Tax	446.63	0.00	446.63	0.0650	29.03
		<b>83,520.10</b>	<b>1,914.38</b>	<b>81,605.72</b>		<b>5,304.37</b>

**Deductions**

Deduction Code	Tax Classification	Deduction Name	Amount
000119	Retail Sales	Motor Vehicle Fuel Sales	1,914.38
			<b>1,914.38</b>

### Local Sales Section

Line Code	Location Code	Location Name	Taxable Amount	Rate	Tax Due
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0045	1600	JEFFERSON COUNTY	2,490.00	0.0250	62.25
0045	1601	PORT TOWNSEND	78,669.09	0.0250	1,966.73
			<b>81,159.09</b>		<b>2,028.98</b>

**Local Use Section**

Line Code	Location Code	Location Name	Taxable Amount	Rate	Tax Due
0046	1601	PORT TOWNSEND	446.63	0.0250	11.17
			<b>446.63</b>		<b>11.17</b>

**Lodging Section**

**Transient Rental Income Information**

Line Code	Location Code	Location Name	Income
0047	1600	JEFFERSON COUNTY	321.10
0047	1601	PORT TOWNSEND	40,040.37
			<b>40,361.47</b>

**Special Hotel/Motel Tax**

Line Code	Location Code	Location Name	Taxable Amount	Rate	Tax Due
0070	1600	JEFFERSON COUNTY	321.10	0.0200	6.42
0070	1601	PORT TOWNSEND	40,040.37	0.0200	800.81
			<b>40,361.47</b>		<b>807.23</b>

**Public Utilities Section**

**Taxes**

Line Code	Tax Classification	Gross Amount	Total Deductions	Taxable Amount	Rate	Tax Due
0060	Water Distribution	1,419.32	0.00	1,419.32	0.05029	71.38
0013	Other Public Service Business	6,564.61	0.00	6,564.61	0.01926	126.43
		<b>7,983.93</b>	<b>0.00</b>	<b>7,983.93</b>		<b>197.81</b>

**Summary Section**

	Amount
State Business and Occupation Tax Total	2,809.92
State Sales and Use Tax Total	5,304.37
Local and Regional Tax Total	2,040.15
Lodging Tax Total	807.23
Public Utilities Tax Total	197.81
E911 Tax Total	0.00

Other Tax Total	0.00
<b>SubTotal</b>	<b>11,159.48</b>
Less Total Credits	0.00
<b>Total</b>	<b>11,159.48</b>
<b>Amount Paid</b>	<b>11,159.48</b>
<b>Balance</b>	<b>0.00</b>

**Additional Information**

<b>Confirmation Number</b>	13834557	<b>Date Printed</b>	08/11/2014
<b>Date and Time Submitted</b>	08/11/2014 2:53:51 PM	<b>Tax Registration Number</b>	161-000-044
<b>Payment Type</b>	EFT Debit	<b>Person Completing Return</b>	Donna Frary
<b>Total Amount Paid</b>	11,159.48	<b>Phone Number</b>	(360)379-5217
<b>Date To Transfer Payment</b>	08/26/2014	<b>E-Mail Address</b>	donna@portofpt.com
<b>Person Authorizing Payment</b>	Donna Frary		

**This is a copy for your records.  
Please DO NOT MAIL a copy to the Department of Revenue.**