



PO Box 1180 • Port Townsend, WA 98368

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**Port of Port Townsend
1st Monthly *SPECIAL* Business Meeting
Tuesday, September 10, 2019, 1:00 p.m.
Port Commission Building
333 Benedict Street
Port Townsend, WA**

- I. Call to Order / Pledge of Allegiance
- II. Approval of Agenda
- III. Public Comments (related to/not related to the agenda)
- IV. Consent Agenda
 - A. Approval of Public Workshop Minutes – August 28, 20191
 - Approval of Regular Business Meeting Minutes – August 28, 20192
 - B. Approval of Warrants
- V. Second Reading
- VI. First Reading
- VII. Regular Business
 - A. 2020 Tax Levy & Operating Revenues5
 - B. WA Dept. of Ecology Approval of Boat Haven Stormwater Treatment7
 - C. Newsletter Featuring Port Information.....18
 - D. Change time of October 23, 2019, Commission Meeting and Revise Budget Schedule ...20
- VIII. Staff Comments
- IX. Commissioner Comments
- X. Next Regular Public Workshop & Business Meeting:
Wednesday, September 25, 2019. Workshop at 3:00 pm, Meeting at 5:30 pm
Port Commission Building, 333 Benedict Street, Port Townsend, WA
- XI. Executive Session
- XII. Adjournment

PORT COMMISSION PUBLIC WORKSHOP – August 28, 2019

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

Present: Commissioners Putney, Hanke & Tucker
Executive Director Pivarnik
Finance Director & Port Auditor Berg
Minutes Nelson

Excused: Deputy Director Toews, Port Recorder Erickson

I. CALL TO ORDER:

Commissioner Putney called the Workshop to order at 4:00 p.m.

II. AGENDA:

Mr. Pivarnik added Quilcene Dredging Permits to the agenda.

Capital Budget Workshop Discussion

- Excavator (for boat demolition, ditches)
- Yard trailer (for maneuverability and closer storage of boats)
- Cameras to be phased in on our network (for more visibility of areas around the boat yard, possibly at Point Hudson and Quilcene, too)
- Electricity Meters in the boat yard (for charging boats for electricity used)
- New electrical pedestals
- Moorage Office – build vs. prefabricated building
- Reservation System for boat moorage & RV stays at Point Hudson: Phone tree & online reservation system

IV. ADJOURNMENT:

The Workshop adjourned at 5:11 p.m.

ATTEST:

William W. Putney III, President

Stephen R. Tucker, Secretary

Peter W. Hanke, Vice President

PORT COMMISSION REGULAR BUSINESS MEETING – August 28, 2019

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

Present: Commissioners –Putney, Hanke & Tucker
Executive Director Pivarnik
Finance Director & Port Auditor Berg
Minutes – Nelson
Attorney Chmelik (via Skype & phone audio/visual)

Excused: Deputy Director Toews

I. CALL TO ORDER/PLEDGE OF ALLEGIANCE:

Commissioner Putney called the meeting to order at 5:31 p.m.

II. APPROVAL OF AGENDA:

Mr. Pivarnik proposed the addition of a new agenda item under Regular Business, Item D: Executive Director Search.

Commissioner Tucker moved to approve the Agenda as amended.

Commissioner Hanke seconded the motion.

Motion carried by unanimous vote.

III. PUBLIC COMMENTS:

Kit Kittredge asked questions about the IDD and how the Port plans on spreading the information to the public.

Gwendolyn Tracy requested the one newsletter that provides info on the IDD be printed before the end of October, prior to mailing of ballots.

IV. CONSENT AGENDA (00:12:15):

- A. Approval of Public Workshop Minutes – August 14, 2019
- B. Approval of Regular Business Meeting Minutes – August 14, 2019
- C. Resolution No. 706-19 – Authorization for Sale of Abandoned Vessels
- D. Approval of Warrants

Warrant #060946 through #060954 in the amount of \$15,609.79 for Payroll & Benefits

Electronic Payment in the amount of \$69,946.89 for Payroll & Benefits

Warrant #060955 through #060985 in the amount of \$59,923.68 for Accounts Payable

Electronic Debit in the amount of \$14,126.08 for WA State Dept. of Revenue Combined

Excise Tax Return for July 2019

Commissioner Hanke moved to approve the Consent Agenda as presented.

Commissioner Tucker seconded the motion.

Motion carried by unanimous vote.

V. SECOND READING (Action Items):

VI. FIRST READING (Discussion Only):

VII. REGULAR BUSINESS:

A. Fishery Point, LLC Lease (00:12:28):

Ms. Nelson provided a background on the Fishery Point Lease and stated that staff recommends approval of the lease as presented.

**Commissioner Hanke moved to approve the lease with Fishery Point, LLC, as presented/
Commissioner Tucker seconded the motion.**

Motion carried by unanimous vote.

B. July 2019 Year-to-Date Financial Report (00:15:40):

Ms. Berg presented the financials for YTD July 2019. She reported revenues are doing well, operation expenses are below budget, and the cash flow is looking good. She stated \$.5M has been spent on projects year-to-date.

Kit Kittredge asked if Penn Cove was paying for ramp fees in Quilcene. Commissioners Tucker and Putney agreed they should be paying for commercial usage of the Quilcene ramp.

C. Change in Commission Meeting Date (00:21:06):

After discussing possibilities, due to schedule conflicts, the Commission agreed to cancel the September 11 Public Workshop and to reschedule the September 11 Regular Business Meeting to Tuesday, September 10, 2019 at 1:00 pm, making this a Special Meeting due to the date change.

D. Executive Director Search Firm (00:24:06):

Mr. Pivarnik informed an RFP was sent out to ten top search firms in the Seattle area, and only one response was received (Dennis Karras), but the firm is an experienced and respected firm within the Port industry. Mr. Pivarnik asked if the Commission desires to publish the ad in the Daily Journal of Commerce to see if there could be a larger response. Mr. Pivarnik explained the goal is to get a new Director on board in February of 2020. He answered a question from a Commissioner that the search firm would charge 23% of the first year Director salary. Mr. Pivarnik explained there are six Ports within Washington searching for a new director. Mr. Chmelik provided some advice to the Commission, and to start with, they need to determine what they are looking for in a new director. Mr. Pivarnik stated he is looking for a leader and a "uniter" and that person doesn't necessarily need Port experience.

Kit Kittredge commented that it would be a good idea to have a Citizen's Advisory Committee be a part of the process.

Commissioner Hanke moved to authorize staff to move forward with the Dennis Karras search firm.

Commissioner Tucker seconded the motion.

Motion carried by unanimous vote.

VIII. STAFF COMMENTS (00:36:00):

Ms. Nelson expressed her satisfaction with her new position as Lease & Contracts Administrator.

Ms. Berg reported Commissioner Hanke requested information on what the Port could do in case of a Cyber Security attack. She stated she met with the Port's contracted IT staff who provided detailed information, which Ms. Berg briefed on.

Mr. Pivarnik stated he will be out of the office on Tuesday, September 3.

IX. COMMISSIONER COMMENTS:

None

X. NEXT PUBLIC WORKSHOP/REGULAR BUSINESS MEETING:

September 11 Public Workshop canceled.

Next Special Business Meeting: Tuesday, September 10, 2019 at 1:00 p.m. in the Port Commission Building, 333 Benedict Street, Port Townsend, WA.

XI. EXECUTIVE SESSION:

XII. ADJOURNMENT:

The meeting adjourned at 6:12 p.m. there being no further business to come before the Commission.

ATTEST:

William W. Putney III, President

Stephen R. Tucker, Secretary

Peter W. Hanke, Vice President

PORT OF PORT TOWNSEND AGENDA COVER SHEET

MEETING DATE	September 10, 2019
AGENDA ITEM	<input type="checkbox"/> First Reading <input type="checkbox"/> Second Reading <input checked="" type="checkbox"/> Regular Business
AGENDA TITLE	VII. A. 2020 Tax Levy & Operating Revenues
STAFF LEAD	Abigail Berg, Director of Finance & Administration
REQUESTED	<input type="checkbox"/> Information <input type="checkbox"/> Motion <input type="checkbox"/> Action <input checked="" type="checkbox"/> Discussion
ATTACHMENTS	A. Informational Memo

PORT OF PORT TOWNSEND

INFORMATIONAL MEMO

DATE: 9/10/2019
TO: Port Commission
FROM: Abigail Berg, Director of Finance & Administration
SUBJECT: 2020 Tax Levy & Operating Revenues

BACKGROUND

During the annual budget process, the County Assessor notifies and informs the Port of his estimation of what the Port should budget for their regular tax levy for the following year. In addition, potential rate increases are discussed.

DISCUSSION

As of October 1, 2019, the Port has adopted a Seasonal Discount Rate to the Work Yard that runs through March 1, 2020 (\$0.36/foot for a one (1) month minimum stay, pre-paid, plus applicable tax).

In addition, as of October 1, 2019, the Port has adopted a daily and a monthly rate for Electric in the Work Yard of \$1.50/day or \$30/month plus applicable taxes. This is a new, year-round rate.

Should the Port implement a 3% CPI increase to other rates?

Are there other revenues that can be captured or expenses to recoup?

FISCAL IMPACT

These discussions will impact the 2020 Operating Budget, although amounts cannot yet be known.

RECOMMENDATION

For discussion purposes.

PORT OF PORT TOWNSEND AGENDA COVER SHEET

MEETING DATE	September 10, 2019
AGENDA ITEM	<input type="checkbox"/> First Reading <input type="checkbox"/> Second Reading <input checked="" type="checkbox"/> Regular Business
AGENDA TITLE	VII. B. WA Dept. of Ecology Approval of Boat Haven Stormwater Treatment
STAFF LEAD	Jim Pivarnik, Executive Director
REQUESTED	<input checked="" type="checkbox"/> Information <input type="checkbox"/> Motion <input type="checkbox"/> Action <input type="checkbox"/> Discussion
ATTACHMENTS	A. Memo B. WA Dept. of Ecology letter re Level Three Response Engineering Report Update, Boat Haven Boat Yard

PORT OF PORT TOWNSEND

INFORMATIONAL MEMO

DATE: 9/10/2019
TO: Port Commission
FROM: Jim Pivarnik, Executive Director
SUBJECT: Department of Ecology Stormwater Treatment Approval

BACKGROUND: As everyone is aware, the Port has been working diligently for over 5 years to comply with the Washington State Department of Ecology's (DoE) requirements for stormwater discharge. This has proven to be a very difficult task. Staff has tried various techniques, but none were totally successful in attaining benchmark. We are happy to report that the Port is now in compliance with DoE's benchmark. We have met individual benchmarks and this year's seasonal averages. In addition, DoE has approved our use of Chitosan treatment to remove copper and zinc from the stormwater. This in itself is very revolutionary. Re-graveling the yard has also played a big role in this effort, because much of the pollution was being caused by legacy work that was done years ago.

While this is very good news for the Port, we must be vigilant to keep pollutants from entering the stormwater system. Our environmental specialist has also been very instrumental in educating boat owners and marine trades on techniques for containment of pollutants, and the yard has been cleaned up and in order. I personally am very proud of the effort of all of our team past and present for never giving up on this very important part of our business.

RECOMMENDATION:

Continue to partner with the Department of Ecology and capital improvements needed to meet the State's stormwater benchmarks.

ATTACHMENTS:

Department of Ecology correspondence.



STATE OF WASHINGTON
DEPARTMENT OF ECOLOGY
PO Box 47775 • Olympia, Washington 98504-7775 • 360-407-6300
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August 28, 2019

Jim Pivarnik, Interim Executive Director
Port of Port Townsend
PO Box 1180
Port Townsend, WA 98368

Re: Level Three Response Engineering Report update Port Townsend Boat Heaven Boatyard
dated June 21, 2019

Dear Jim Pivarnik:

The Department of Ecology (Ecology) received your Level Three Response Engineering Report update Port Townsend Boat Heaven Boatyard on June 24, 2019. The report, dated June 21, 2019, has been reviewed by Gary Lee, P.E., a registered professional engineer at the Southwest Regional Office.

In accordance with RCW 90.48.110 and Chapter 173-240 WAC, the subject document is hereby **APPROVED** as an Engineering Report. The copy of the approved document will be retained in our public file.

This office is to be notified immediately of any proposed changes or revisions to the approved document. Any such changes or revisions must be issued in the form of addenda, technical appendices, or supplemental reports to the original, approved documents and must be approved in writing by the Department of Ecology.

The Department of Ecology's review and approval of this document is to assure compliance and consistency with the appropriate rules, regulations, guidelines, planning and design criteria, and/or other similar documents. Ecology's review shall not be construed as a quality control check nor as approval with respect to the completeness, accuracy, or adequacy of this document.

This approval shall not relieve the owner(s) of the proposed facilities from any other approvals as may be required by other governmental reviewing agencies. In addition, this approval does not relieve the owner nor the owner's engineer from the responsibilities and liabilities that result from noncompliance with water pollution laws and regulations during the design, construction, or operation of the proposed facilities. Also, this approval does not relieve the owner nor the owner's engineer from the responsibilities for the technical adequacy and/or accuracy of the contents of this document.



Jim Pivarnick
August 28, 2019
Page 2

If you have any questions or need any additional information, please don't hesitate to contact Gary Lee at gary.lee@ecy.wa.gov or (360) 407-6291.


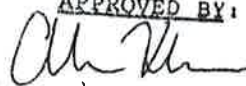
Sincerely,



Andrew Kolosseus
Acting Southwest Regional Manager
Water Quality Program

cc: Public File: Port of Port Townsend Boatyard, Engineering Report

CERTIFIED MAIL: 9489 0090 0027 6019 6920 72

REVIEWED BY:  Chris Chung WA 38503	APPROVED BY:  Alan K... DATE 8/26/2019
DEPARTMENT OF ECOLOGY WATER QUALITY PROGRAM SOUTHWEST REGIONAL OFFICE	

**Level Three Response
Engineering Report Update
Port Townsend Boat Haven Boatyard
Port Townsend, Washington**

June 21, 2019

Prepared for

Port of Port Townsend
P.O. Box 1180
Port Townsend, Washington



130 2nd Avenue South
Edmonds, WA 98020
(425) 778-0907

**Level Three Response Engineering Report Update
Port Townsend Boat Haven Boatyard
Port Townsend, Washington**

This document was prepared by, or under the direct supervision of, the undersigned, whose seal is affixed below.

Name: Katherine M. Saltanovitz
Professional Engineer No. 47594

Date: June 21, 2019



Document prepared by:

Katie Saltanovitz
Project Manager

Katie Saltanovitz, PE

Document reviewed by:

Joseph Kalmar
Quality Reviewer

Joseph A. Kalmar, PE

Date: June 21, 2019
Project No.: 0304007.070
File path: P:\304\007\R\2019 Boat Haven Level 3 Response Update
Project Coordinator: Christopher C. Young





STATE OF WASHINGTON
DEPARTMENT OF ECOLOGY

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August 20, 2019

Eric Toews
Port of Port Townsend
PO Box 1180
Port Townsend, WA 98368

Re: NPDES Permit Number WAG031006

Dear Eric Toews:

Enclosed is the report from the Department of Ecology's recent Industrial Stormwater NPDES General Permit compliance inspection conducted at your facility on June 12, 2019. We would like to thank your staff for the time they spent with us during our visit.

Please contact me at kevin.hancock@ecy.wa.gov or (360) 407-6298 if you have any questions, comments or would like additional technical assistance.

Sincerely,

Kevin Hancock
Industrial Stormwater Facility Manager
Southwest Regional Office
Water Quality Program

Enclosures: Industrial Stormwater Inspection Report
Photolog

cc: Gary Lee, Ecology
Adonia McKinzi, Ecology
Marc Pacifico, Ecology



and seasonal average.



The inspection verified that the PPTBH is now in compliance with the Boatyard General Permit.

Verify Latitude and Longitude

Door: N 48.10695° W -122.77716°

Outfall: N 48.10624° W -122.77864°

- Announced
- Unannounced

Name and Signature of Inspector	Agency/ Office Number	Date:
Kevin P. Hancock 	Ecology/SWRO (360) 407-6298	8/15/19
Signature of Management A/Q Reviewer	Agency/ Office Number	Date:
Steve Eberl 	Ecology/SWRO (360) 407-6293	8-15-2019

EPA FORM 3560-3 (Rev 1-06) Previous editions are obsolete

Photo 1 of 6: The boatyard modified their existing stormwater RX system installing Chitosan treatment. The water now flows through the flocculent before being treated in the stormwater RX unit.



Photo 2 of 6: The treated stormwater is then discharged to the storm drain system.



Photo 3 of 6: Storm drains after treatment are sealed preventing new contaminants mixing with the treated stormwater. The facility also removed contaminated soils then filled the areas with washed gravel.



Photo 4 of 6: There are two Chitosan and stormwater RX units at the port.



Photo 5 of 6: During lower tides after entering the stormwater system the water flows to the bay. During higher tides it is held in Vault 3. When the vault fills a sump pump turns on then pumps the water to the bay preventing flooding of the boat yard.



Photo 6 of 6: The water in Vault 3 is now clear (this photo is modified: it was cropped).



PORT OF PORT TOWNSEND AGENDA COVER SHEET

MEETING DATE	September 10, 2019
AGENDA ITEM	<input type="checkbox"/> First Reading <input type="checkbox"/> Second Reading <input checked="" type="checkbox"/> Regular Business
AGENDA TITLE	VII. C. Newsletter Featuring Port Information
STAFF LEAD	Jim Pivarnik, Executive Director
REQUESTED	<input type="checkbox"/> Information <input type="checkbox"/> Motion <input type="checkbox"/> Action <input checked="" type="checkbox"/> Discussion
ATTACHMENTS	A. Memo

PORT OF PORT TOWNSEND INFORMATIONAL MEMO

DATE: 9/10/2019
TO: Port Commission
FROM: Jim Pivarnik, Executive Director
SUBJECT: Newsletter Featuring Port Information

BACKGROUND: Now that the Industrial Development District (IDD) tax levy is on the ballot, there have been many questions about what the Port is wanting to do with the funds, and asking for more information on the effects of this levy. Although we cannot advocate for this levy, we are allowed just once to place factual information in our newsletter.

It is customary for the Port to publish an annual report to citizens and distribute it in a newspaper. Staff believes that this would be an excellent vehicle to feature facts about the Port, its purpose, its finances, and what the IDD is all about. We would obviously have this report reviewed by legal counsel to make sure that it is in compliance with State regulations. The schedule for this insert would be the first week in October, which is just before the ballots go out.

This will be the Port's only opportunity to publish facts and information about the Port and this tax levy. We plan to have our Communication contractor, Scott Wilson, produce a four-page insert with facts about the Port and IDD information. We would also recommend that one of those pages be devoted to the IDD with a letter from the Commission chair.

RECOMMENDATION:

For discussion and direction

PORT OF PORT TOWNSEND AGENDA COVER SHEET

MEETING DATE	September 10, 2019
AGENDA ITEM	<input type="checkbox"/> First Reading <input type="checkbox"/> Second Reading <input checked="" type="checkbox"/> Regular Business
AGENDA TITLE	VII. D. Revised 2020 Budget Schedule & October 23 rd Commission Meeting time
STAFF LEAD	Abigail Berg, Director of Finance & Administration
REQUESTED	<input type="checkbox"/> Information <input checked="" type="checkbox"/> Motion <input type="checkbox"/> Action <input checked="" type="checkbox"/> Discussion
ATTACHMENTS	A. Memo B. 2020 Operating & Capital Budget Development Schedule (revised 9/10/19))

PORT OF PORT TOWNSEND

INFORMATIONAL MEMO

DATE: 9/10/2019
TO: Port Commission
FROM: Abigail Berg, Director of Finance & Administration
SUBJECT: Revised 2020 Budget Schedule & October 23rd Commission Meeting time

BACKGROUND

The Commission approved the 2020 Operating and Capital Budget Development Schedule at its July 25, 2019, meeting. Subsequently, the annual Small Ports Conference was scheduled and conflicts with the October 23rd 5:30 p.m. Commission meeting, which was the date identified for the 1st Public Hearing on the 2020 Budget. The October 23rd hearing can still be held if the Commission meeting is scheduled for an earlier time (e.g., 1:00 p.m.).

DISCUSSION

Will all Commissioners be available for a 1:00 p.m. Commission Meeting on October 23, 2019? This would change the regular meeting to a special meeting due to a time change.

FISCAL IMPACT

None

RECOMMENDATION

We ask the Commission to approve the revised budget schedule due to a timing conflict with the WPPA Small Ports conference and thus change the regularly scheduled 5:30 p.m. meeting on October 23rd to 1:00 p.m. same day.

**Port of Port Townsend
2020 Operating & Capital Budget Development Schedule**

Revised September 10, 2019

*	July 10, 2019	1:00	<i>Draft 2020 Budget Schedule and process discussed at Commission meeting.</i>
	July 15-19, 2019	TBD	<i>Group work sessions with Department Managers and Port Directors to discuss budget.</i>
*	July 25, 2019	5:30	<i>Revised Budget Schedule reviewed & final approved by Commission.</i>
*	August 14, 2019	9:30	<i>Workshop session - discuss issues, goals & assumptions, with review of preliminary 2019 mid-year budget results. Include Business, Yard & Maintenance Managers.</i>
	August 19-23, 2019	TBD	<i>Individual budget work sessions with Department Managers and Port Directors.</i>
	August 28, 2019	9:00	<i>Group work session with Department Managers and Port Directors to discuss budget, as needed.</i>
*	August 28, 2019	5:30	<i>2020 Budget status and potential issues discussed at Commission meeting, as needed.</i>
*	September 11, 2019	9:30	<i>Workshop session - continue discussion of 2020 Budget issues, and review revenue projections. County Assessor will be in attendance to provide presentation of recommended budgeted tax levy for 2020.</i>
*	September 25, 2019	5:30	<i>1st draft of budget and cash flow presented to Commissioners and public.</i>
	September 25, 2019		<i>1st draft of budget posted on Port website, for public comment.</i>
*	October 9, 2019	1:00	<i>2nd review of draft 2020 Budget and Cash Flow projection.</i>
	October 9-20, 2019		<i>Advertise budget hearings in Leader & PDN, once per week for two (2) consecutive weeks, per RCW 53.35.020</i>
*	October 23, 2019	1:00	<i>1st public hearing and public comment period on 2020 Budget.</i>
*	November 13, 2019	1:00	<i>2nd public hearing and public comment period on 2020 Budget, as necessary, or adopt final 2020 Budget and requisite resolutions.</i>
*	November 26, 2019	1:00	<i>If 2020 Budget not adopted previously, adopt final 2020 Budget, including requisite resolutions.</i>
	November 29, 2019		<i>Tax levy resolutions and adopted budget due to Jefferson County, per RCW.</i>

*Open Public Commission Meetings and Workshops