

**PORT COMMISSION REGULAR BUSINESS MEETING – Wednesday, February 12, 2020**

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

Present: Commissioners Putney & Petranek  
Commissioner Hanke (attending via speaker phone)  
Executive Director Pivarnik  
Deputy Director Toews  
Finance Director & Port Auditor Berg  
Port Recorder Erickson

Port Attorney Deets (attending via Zoom online video)

I. CALL TO ORDER / PLEDGE OF ALLEGIANCE

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

II. APPROVAL OF AGENDA (00:00:20)

Amendment to the agenda under Regular Business, item D, "Selection of Preferred Design Alternative for the Point Hudson Jetty." There was a discussion regarding whether or not this item needed further discussion and it was decided that since this subject had been fully vetted by the advisory group, the public, Port staff and Commissioners, that it should be placed under Regular Business, as item D.

**Commissioner Petranek moved to approve the Agenda as amended.**

**Commissioner Hanke seconded the motion.**

**Motion carried by unanimous vote.**

III. PUBLIC COMMENTS (00:03:58)

Gwendolyn Tracy commented that it had been three months since the IDD Levy passed, and she asked the Commission to review the budget for 2020 and consider hiring a new maintenance worker.

Eric Taylor, a pilot and owner of an airplane hangar at the airport, advocated for an early-completion bonus for the runway project this year. He felt that businesses would be adversely affected by the closure of the airport, and early completion of even a few days earlier would save businesses a lot of money. He felt that without an incentive, the project would not end until the scheduled finish date.

Neil Morrison, a Port patron, and hangar lease-holder with the Port, is active with Tailspin Tommy's, the restaurant, and the Aero Museum. He spoke for those business owners as they didn't have time to attend, and echoed Mr. Taylor's comments emphasizing that businesses would be greatly affected by any closure, and hoped the Commission would consider incentives for early completion.

Commissioner Putney asked Mr. Taylor what he thought would be a fair amount for a bonus, and Mr. Taylor replied that liquidated damages for late completion would be \$2,000/day – anything less than that for a project in the scope of \$3 million would not get their attention. He went on to say that since the FAA is funding most all of the project, it would be nice if the Port would use some of that savings on an incentive for early completion.

IV. CONSENT AGENDA (00:13:00)

A. Approval of Special Business Meeting Minutes – January 22, 2020

B. Approval of Warrants

Warrant #061630 through #061641 in the amount of \$34,765.90 and Electronic Payment in the amount of \$145,016.52 for Payroll & Benefits.

Warrant #061642 through #061699 in the amount of \$77,389.91 for Accounts Payable.

C. Approval of Offer Letter to Eron Berg

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

**Commissioner Petranek seconded the motion.**

**Motion carried by unanimous vote.**

V. SECOND READING- NONE

VI. FIRST READING - NONE

## VII. REGULAR BUSINESS (00:14:02)

## A. Proposed Change Order to JCIA Runway Reconstruction Contract – Incentive(s) for early completion

Deputy Director Toews highlighted a few things on the report. Before going to bid, the Port was able to persuade the FAA to approve a bid set trimming the schedule from 52 to 42 days. At a preconstruction meeting conducted by the Port on January 23, 2020, with contractors Scarcella Brothers, subcontractors and engineers, Scarcella provided a construction schedule of May 4 – June 14, or 42 days, and stated that their objective was to get done quickly so as to move on to other projects. Scarcella also noted that although they would not object to an incentive for early completion, they didn't think they could shave much more than a few days off the 42-day schedule. Mr. Toews clarified that the 42-day contract period does not include weather delays, which could happen, for example, due to ground-water conditions and time needed for drying out. The proposal is for an incentive of \$3,000 per day with no cap, an inverse of liquidated damages specified in the construction contracts for late completion.

Commissioner Putney asked who the inspector was for the project, and Deputy Director Toews stated that the inspector is a subcontractor to Reid Middleton, vetted and authorized by Port staff. Shannon Kinsella is the project manager of record, but the day-to-day field inspection individual for this project is Julian Quenga of Mead & Hunt who has extensive recent experience in runway reconstruction.

Commissioner Hanke commented that he was in favor of incentives as a good-faith effort on the part of the Port for JCIA tenants, especially since we are asking for rent during maintenance, and said that since the cost of the project is almost \$3 million, \$3,000 per day is a small outlay.

Commissioner Petranek went over some of the financial details, commenting that Port staff are trying to make sure the Port is using resources well and that this project is costing the Port time and money. She mentioned that this maintenance brings value to the tenants, and stated that she felt that the Port should emphasize safety and quality over schedule. She also cautioned the Port to think about upcoming capital needs at JCIA like renovation of hangars and replacing fuel tanks, and was mindful of making sure we use our funds to maintain infrastructure.

Commissioner Putney stated that it is good to set a precedent of doing the best we can for tenants, like we will for Point Hudson down the road. The runway project is much smaller than the jetty project at Point Hudson, but we must be mindful of Port businesses that are affected.

**Commissioner Hanke moved to approve the incentive.**

**Commissioner Putney seconded the motion.**

**Vote was taken with Commissioners Hanke & Putney voting yes; Commissioner Petranek voting no.**

**Motion carried.**

## B. Pete Stein Lease Agreement (00:32:52)

Deputy Director Toews introduced a proposed two-year lease including three one-year options of 1,856 ft<sup>2</sup> timber-frame structure at Haines Place, formerly held by PT Shipwrights. The Lessee is Pete Stein, a young, up-and-coming shipwright, who formerly worked for Cunningham Ships Carpentry and PT Shipwrights. The lease is a standard form lease, with the exception that the rate is set low at 43¢ per ft<sup>2</sup>, and will attain 50¢ by the beginning of month 18. This is still a significant increase in rent as compared to what was being charged by PT Shipwrights.

Commissioner Petranek added that Pete is a successful example of economic development at the Port and she asked if any upgrades were planned for the building.

Deputy Director Toews clarified that the proposed lease is as is, where is, but that the Port is working on fixing the leak in the roof, and will keep up with repairs as needed.

**Commissioner Petranek moved to approve the lease.**

**Commissioner Hanke seconded the motion.**

**Motion carried by unanimous vote.**

C. Quarter 4 Capital Project Progress Reports on the projects listed below (00:38:00):

Deputy Director Toews reminded the Commission that they had asked for routine updates on where the Port stands with capital projects. He mentioned that these projects would be familiar to the commission, as not much has changed since the last quarterly update, and that this update is for the final quarter of 2019.

1. **WDFW Air Quality Improvements (ongoing):** There was a bit of a delay in the completion of the improvements on the WDFW-leased building at Point Hudson, due to the custom retrofit needed for some of the work. We have replaced the boiler, and the system is near completion with final wiring to be done next week.
2. **JCIA Runway Reconstruction (ongoing):** On schedule - please refer to the discussion on this topic at the workshop this morning. Hoping for this long-awaited project to be complete by mid-summer this year.
3. **Boat Haven Workyard Resurfacing (ongoing):** Seton Construction has been retained for up to three years on this project with task orders done on an annual basis, including sampling results that inform the Port what areas to focus on in resurfacing. That task order for 2019 was largely concluded in mid October 2019; and the Port will likely be coming to the commission with the next task order this summer, with the expectation that work would be complete in August, before boatyard work ramps up. Storm water samples collected at the end of January were well within benchmark normal; workyard resurfacing and work done on the Aquip units is functioning as intended and achieving the results we were hoping for.
4. **Point Hudson Jetty (South) Renovation (ongoing):** Please refer to the workshop discussion earlier this morning on this topic; we are moving forward as expeditiously as possible, based on direction received earlier in this meeting. The Port hopes for substantial progress in the next quarter with the NMFS review process, to be bid ready about this time next year, and to undertake the project in the 2021-22 season.
5. **Boat Haven Main Breakwater Repairs (new):** The delay here is clearing permit hurdles. These repairs are necessary due to storm damage on 12/20/18. We are awaiting word back from the Army Corp of Engineers and National Marine Fisheries Service (NMFS). The Port hopes to get the work done before autumn 2020, depending on NMFS.

Commissioner Putney commented that this was a good report and asked if the commission could get the estimate of the percentage of completion of the project.

Commissioner Hanke commented that it would be good to see the total cost and where we're at with costs for each project.

D. Selection of Preferred Design Alternative for the Point Hudson Jetty (00:54:15)

Commissioner Putney recapped from the discussion at the Public Workshop earlier in the day that the three design options for the Point Hudson Jetty are (1) encapsulation of current jetty, (2) partial encapsulation and partial tear-down/rebuild, (3) full tear-down and rebuild of the south jetty; stating that option (3) was the least likely to cause us trouble from the perspective of trying to patch up a structure that may get damaged in the process of fixing it. This option restores the historic look on essentially the historic footprint. Commissioner Petranek mentioned another reason to move to accept this alternative was so that we could get started with permitting, which takes some time.

**Commissioner Petranek moved to accept alternative 3 to replace and rebuild the south jetty at Point Hudson.**

**Commissioner Hanke seconded the motion.**

**Motion carried by unanimous vote.**

VIII. STAFF COMMENTS (00:56:56)

None

IX. COMMISSIONER COMMENTS (00:57:13)

Commissioner Hanke noted that the Workyard resurfacing project mentioned earlier had been former executive director Gibboney's idea, and he was glad to give her credit for a successful idea for the Port. He also noted that he was looking forward to attending the first Public Infrastructure Funds (PIF) meeting next week.

Commissioner Petranek mentioned that it is a high priority for her that the Commission hold a future workshop in Quilcene; she is on the Marine Resource Committee whose members include a lot of shellfish biologists who are interested in working with the community on

anything to do with Coast Seafoods, so that they can contribute to ideas for maintenance. She noted that she had met with county administrator Phillip Morley to discuss the recent IDD Levy passing and his input was that the Port should use the money on fixing its infrastructure. She also stated she was reaching out to other elected officials like county commissioner Kate Dean and City Council members on how they can work together in the community.

Commissioner Putney shared that he has had meetings with the Marine Science Center and the NW Maritime Center; he's also met with Ernie Baird and Coast Seafood regarding the Penn Cove decision.

X. NEXT PUBLIC REGULAR BUSINESS MEETING: (01:00:48)

Wednesday, February 26, 2020. Meeting at 5:30 PM  
Port Commission Building, 333 Benedict Street, Port Townsend, WA

The next public gathering of the Commission will be on Tuesday, February 25, for an all-day retreat at the Port Townsend Yacht Club.

Executive Director Pivarnik reminded those gathered that there would be a meeting and discussion regarding the airport construction schedule after the regular meeting on February 26, at 6:30 in the Port Commission Building.

XI. EXECUTIVE SESSION - NONE

XII. ADJOURNMENT (01:02:34)

The meeting adjourned at 2:02 p.m., there being no further business to come before the Commission.

ATTEST:



Pamela A. Petranek, Secretary

  
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Peter W. Hanke, President  
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William W. Putney III, Vice President