

PORT COMMISSION REGULAR BUSINESS MEETING – Wednesday, June 24, 2020

The Port of Port Townsend Commission met for a regular business session via Zoom online.

Present via Zoom online video: Commissioners Hanke, Petranek and Putney
Executive Director Berg
Deputy Director Toews
Finance Director & Port Auditor Berg
Port Recorder Erickson
Port Attorney Reardanz

I. CALL TO ORDER (00:00:00)

Commissioner Hanke called the meeting to order at 5:38 PM.

II. APPROVAL OF AGENDA (00:00:11)

Commissioner Putney moved to approve the Agenda as presented. Commissioner Petranek seconded the motion. Motion carried by unanimous vote.

III. PUBLIC COMMENTS (00:00:23)

Sent in and read aloud:

- Liz Hoenig Kanieski asked the Port to seriously consider the community's vision of no recreational vehicles on the point as part of grant funding applications for Point Hudson. She also asked when a strategic plan update for Point Hudson would begin.
- David King commended the Port for providing context for the jetty repair as part of an overall plan for Point Hudson, which will build community confidence in the Port's commitment to Point Hudson's future, and help you find the partnerships, and funding sources, that will be essential to securing that future. He also strongly supports the continued inclusion of an esplanade in the plan.

Given live during meeting:

- Bertram Levy asked if it this was an appropriate time for the Port to spend money on an airport pilots' center, considering the financials.

IV. CONSENT AGENDA (00:04:31)

A. Approval of Regular Business Meeting Minutes from June 10, 2020

B. Approval of Warrants

Warrant #062452 through #062459 in the amount of \$14,937.56 and Electronic Payment in the amount of \$72,830.26 for Payroll & Benefits.

Warrant #062460 through #062529 in the amount of \$69,678.23 for Accounts Payable.

Warrant numbers 062385 & 062391 in the amount of \$11.00 each, and Warrant numbers 062395 and 062450 in the amount of \$10.00 each are declared void.

Electronic Debit in the amount of \$5,581.58 for combined excise tax return.

Commissioner Petranek moved to accept the Consent Agenda.

Commissioner Putney seconded the motion. Motion carried by unanimous vote.

V. SECOND READING - none

VI. FIRST READING - none

VII. REGULAR BUSINESS (00:05:12)

A. Five-year Anniversary for Abigail Berg, Director of Finance:

Executive Director Berg acknowledged Ms. Berg's the 5-years of service with Port – when we think of the Port we staff think of the backbone of the Port – the staff, and since she has a triple portfolio of HR, Finance and IT, Abigail has a heavy load. He applauded her having made significant improvement in our budget and budget process – with zero audit findings, and stated that he was looking forward to working with her and moving forward on the Port's mission together. Deputy Director Toews stated that Ms. Berg is a wonderful source for helpful ideas, an integral and vitally necessary part of the Port team and he is happy to work with her every day. Commissioner Hanke stated that she had jumped through some astonishing hoops, like accrual to cash, and thanked her for her service and hoped she'd stay with the Port a lot longer. Finance Director Berg stated she appreciated that moving from the auditor's office to a single entity, and learning about Ports, and she liked working with the staff at the Port.

B. Hudson Point Café Lease (00:09:49):

Deputy Director Toews spoke about this new lease for Jackie Pallaster, owner of the Hudson Point Café a tenant in good standing since 2007, operating the Hudson Point Café. She had been contemplating vacating the premises, due to the impact of the pandemic, but instead went into storage mode, and is now prepared to move forward with a regular lease for another

decade. The proposed term is for five (5) years with one five (5)-year option, consistent with the Port's current lease policy. Commission was happy to hear that this anchor business would continue at Point Hudson.

Commissioner Hanke moved to approve the proposed lease.

Commissioner Petranek seconded, and motion carried unanimously.

C. Covid-19 Update (00:12:58):

Executive Director Berg said Jefferson County was currently in Phase 2 of the state's recovery plan, and was applying for Phase 3 variance on Monday, June 29, anticipating that Jefferson County could be in Phase 3 by July 1. Although Phase 3 would mean in-person meetings, County Health Officer Dr. Locke has prohibited public in-person meetings for the foreseeable future. The Port opened RV camping at Point Hudson on June 20, however restrooms are currently for moorage customers only, since RV campers have full hookups. Due to the small spaces in our yard and moorage offices, and the nice weather, the Port will continue to greet customers at windows for now; with plans to open the Administration offices before opening the yard or Point Hudson offices. Port staff has been bringing the Covid-19 Financial model to the 2nd meeting of the month along with monthly financials; however, staff will bring those to Commission at the July 8 meeting to allow more time to work with the prior month's actuals.

Commissioner Petranek reminded everyone of the statewide mandate to wear a mask indoors or when working closer than 6' to someone outside. She asked that a reminder of this mask mandate be placed on the Port's website and when reservations were made. Commissioner Hanke suggested that the Port have a box of masks near the door for people who didn't bring a mask.

Commissioner Petranek asked about participation in the ICC subcommittee meetings and how the Commission would coordinate who attended, so that there was no overlap of commissioners at these meetings, thereby inadvertently making that meeting a public Port meeting. Executive Director Berg stated that the agenda for the ICC meetings would be shared (the June 25 agenda is posted and is mostly logistics on how things will work going forward), and asked if the commissioners were interested in participating in particular groups, since he and Commissioner Hanke would be representatives at the ICC. There are six groups forming: Culture & Events, Economy & Jobs, Children & Families, Human Services, Food System Resiliency, and Broadband. It was suggested that each of the groups have an appointed commissioner to avert doubling up, and that there be a standing item on regular meetings for updates about what's happening within each committee, with the understanding that if there is something time critical to share, they could call a special meeting. Commissioner Putney volunteered for the Broadband and Events committees, and Commissioner Petranek was interested in attending the Food System Resiliency and Business & Economy committees.

D. YTD May Financials (00:28:48)

Finance Director Berg referred them to the May Financial Year-To-Date report saying that her memo on this topic explained some changes to these reports. The Port has hired a consultant to assist with the transition from GAAP to cash in the Port's accounting system. In this report she began implementing some of the new accounts, so it looks a bit different than the prior reports. She included some highlights in the memo: cash balances, reserves, unreserved, Capital expenses YTD, and comparison done last month. She said that overall the Port is doing fairly well, considering the effect of the pandemic on our operations.

E. Point Hudson update (00:34:08):

Preservation Plan: Phase 1: Jetty, Phase 2: Buildings, Phase 3: Infrastructure Upgrades

Executive Director Berg mentioned that the Port had been very successful in getting partners in this plan. He described the plan as having four questions for the Commission: (1) does it support the 3-phase Point Hudson Preservation Plan as outlined? (2) does it endorse proceeding with the jetty design concept? (3) should it authorize the Executive Director to execute an amendment to the existing Professional Services Agreement with Mott MacDonald Engineering? (4) Should it authorize the Executive Director to execute a Personal Services Agreement with Artifacts for documentation of historic resources at Point Hudson?

Jetty Engineering and Permitting Update (00:38:05)

Deputy Director Toews reminded Commission on the process that got the Port to this point: a 2014 assessment; obtained partial funding in 2015; in 2016-17 advanced design to Corps of Engineers, who okayed the design in October 2017; went to bid with combi-wall configuration, which was self-mitigating, in April 2018, but bids received exceeded the Port's financial capacity. In 2018 heard from concerned stakeholders about the aesthetics and potential wave reflection of the design; met in the fall of 2019 with a stakeholder group to review design alternatives of the jetty, who recommended reconstruction in the same style and place as the existing jetty; and this was discussed at a workshop in February 2020.

The Port is now in a position to ask for authorization to move forward with final design for bid and bid services.

Deputy Director Toews introduced Shane Phillips and Evan Edgecomb of Mott McDonald, and Allison Reak of SeaRun Consulting who presented engineering plans, design, permitting elements, and strategies for success for the proposed jetty. (00:45:00) In summary, their slides described a jetty replacement alternative similar in style as existing breakwater with modern materials and walkway on south breakwater. Permitting and final design will include replacement of both breakwaters. Project Bid Documents were developed for replacement of south breakwater first, which would be completed at the earliest in spring or fall of 2022.

Commission Questions

What will fail in this design? What about maintenance? Does the steel rust away?

How does design take into account sea level rise?

Projects have been stalled because of shadows in the water will that be something we need to worry about?

What is the timeframe for permitting?

What about protecting species that are living on the jetty?

What will happen to the old ferry dock dolphins?

What about the politics of asking for modification to our existing permit?

What is the cost of the combi-wall vs. cost of replacing current design?

Panel Answers

Can build out the thickness of the pile to give it more life.

Build in resiliency for overtopping and build it slightly higher.

No

Depends on whether we can get a modification on the current permit. See chart in slide deck.

Laws pertain to endangered species; we don't get into trying to save individual animals, since they will probably leave when the construction starts. Divers could relocate them, with help from the Marine Science Center.

We hope no off-site mitigation will be needed for this project.

Not to worry - we're not the only one.

The replacement design is more unique than other jetty designs, and the cost is hard to know.

Historical & Cultural resource assessment agreement with Artifacts, Inc. (02:06:00)
Executive Director Berg referred to the materials packet and said that the Port's desired outcome was a standard professional services agreement, and explained that the money the Port spends with Artifacts would provide a lasting benefit with the heritage area in that Washington Trust has received federal funds for a National Maritime Heritage Area that require a local match, and the work that the Port executes with Artifacts is a qualified match.

Commissioner Petranek moved to endorse the Point Hudson Preservation Plan as presented. Commissioner Putney seconded, and motion carried unanimously.

Commissioner Putney moved to endorse moving forward with the redesign and permitting for the Point Hudson Jetty, consistent with the alternative endorsed by the citizen stakeholder group. Commissioner Petranek seconded, and motion carried unanimously.

Commissioner Putney moved to authorize the Executive Director to execute an amendment to the Scope and Budget of the Professional Services Agreement with Mott MacDonald Engineering, Inc., for final Point Hudson Jetty engineering, preparation of bid documents and provision of bid services in an amount not to exceed \$373,000 from IDD levy revenue. Commissioner Petranek seconded. Discussion:

Commissioner Hanke commented that it is exceedingly disappointing that we're pushing forward and spending up to \$700,000 or more for a design, for a project costing up to \$14,000,000, and we cannot use all of our IDD funds for this project, nor would that be enough if we could. And in the meantime we could have a storm event that would cause us to spend funds on an emergency. Commissioner Putney agreed, and mentioned the cost of damage to vessels in the marina and the need for getting financial support from supporters. He commented that he respected the opinions of constituents, but the cost of this jetty puts us in an awkward position. Commissioner Petranek felt confident that the Port is doing everything

that they can with the information in hand: the team we've put together, the plan we have for going forward, the funding sources we have defined. Quarterly Updates as we have them, economic analysis – impact of this facility is almost \$30M / year, which flow throughout Jeff co – so not direct Port return, but for the broader community that is a good investment. Funding strategy: bedrock in IDD for match for other funding opportunities for all of the phases of the plan. Lisa Wilson, employee of the Maritime Center on furlough, putting together our 2019 EDA disaster application for the 2018 storm captured in the photo in the materials. Cantilevered esplanade - \$2M project from water to Jefferson Street – on the right track to build what the community wants to serve generations to come.

Vote was called, and motion carried unanimously.

Commissioner Hanke moved to authorize the Executive Director to execute a Personal Services Agreement with Artifacts Consulting, Inc., to prepare a historic and cultural resource inventory and report for Point Hudson in an amount not to exceed \$36,000 from IDD levy revenue. Commissioner Putney seconded, and motion carried unanimously.

VIII. STAFF COMMENTS (02:31:50)

Executive Director Berg commented that he's enjoying meeting the partners of the Port. He stated that the Port was not anticipating the need for a workshop for July, and said there would probably be need for a pre-budgetary workshop for August.

Deputy Director Toews gave an update on the JCIA Runway Project: Paving has been completed, but FAA specifications were not met. He delivered a letter of correction asking for immediate action from contractor, Scarcella Brothers, and worked out a plan of action today; contractor agreed to do work tomorrow or Friday, with the hope that we can open the runway by 12:01 AM Saturday, June 20. Additional pavement work to meet FAA specifications will be done when second pavement markings are done, which is scheduled in September, 2020.

IX. COMMISSIONER COMMENTS (02: 37:23)

Commissioner Petranek commented that KPTZ's Chris Bricker had asked to have regular interviews with Port Commissioners and Executive Director Berg on his "Morning on the Salish" show. She and Mr. Berg plan to participate on June 30, and she encouraged each commissioner to volunteer to participate and rotate through. She spent a moment remembering Brian Toss, who passed away recently, as someone who put Point Hudson on the World Maritime Map.

Commissioner Putney commented that he had no problem talking on the radio, and commended KPTZ for being a big part of our community. He commented that in deference to Mr. Levy's public comment, he felt that the airport is an untapped economic driver in the county with a little expense and effort on the Port's part.

Commissioner Hanke thanked Deputy Director Toews, Scarcella Brothers, and Reid Middleton on what they had accomplished with the runway at the airport. As regards the Point Hudson jetty, he said that he thought the plan and design looked great. He felt that in the end felt, it is the right thing to do to spend this money, no matter how painful it is, because it is the Port's job to provide safe access to the water, and getting the jetty done would help to accomplish this. He expressed his sympathy for the loss of Brian Toss

X. Next Public Regular Business Meeting: Regular Business Meeting Wednesday, July 8, 2020, at 1:00 PM, via Zoom.

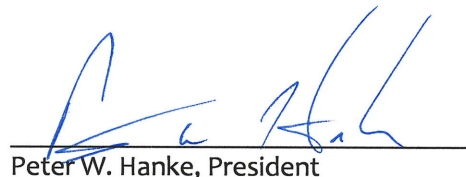
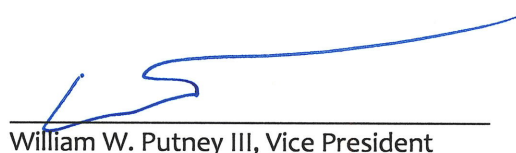
XI. EXECUTIVE SESSION: none

XII. ADJOURNMENT (02:47:00): The meeting adjourned at 8:27 PM, there being no further business before the Commission.

ATTEST:



Pamela A. Petranek, Secretary


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