



**Port of Port Townsend
1st Monthly Meeting Agenda
Wednesday, January 13, 2021, 1:00 p.m.**

Via <https://zoom.us/> – or call (253) 215-8782 – and use Webinar ID: 862 6904 3651, Password: 911887

This meeting will only be accessible remotely, as per Governor's Proclamation 20-28.

- I. Call to Order / Pledge of Allegiance
- II. Approval of Agenda
- III. Public Comments
- IV. Consent Agenda
 - A. Approval of Workshop & Business Meeting Minutes from December 9, 2020..... 1-7
 - B. Approval & Ratification of Warrants 8-27
 - C. Stormwater Media Replacement for Boat Haven Aquip Units 1 & 2 28-32
- V. Second Reading ~ *none*
- VI. First Reading ~ *none*
- VII. Recess to a Meeting of the Industrial Development Corporation of the Port of Port Townsend..... 33-36
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 - C. Approval of January 8, 2020 IDC Minutes..... 35
- VIII. Regular Business
 - A. Point Hudson Jetty Funding 37-39
 - 1. Resolution 740-21 re EDA Funding 40-48
 - 2. Resolution 741-21 to New Line of Credit 49-73
 - B. 2021 Organizational Topics..... 74-75
 - 1. Election of Commission Officers 76
 - 2. Committee Assignments 77
 - 3. Resolution 742-21 Commission Meeting Procedures 78-82
 - 4. Resolution 743-21 Delegation of Management Authority to the Executive Director 83-91
 - 5. Commission Annual Retreat
 - C. Stormwater Update
- IX. Staff Comments
- X. Commissioner Comments
- XI. Next Regular Business Meeting: Wednesday, January 27, 2020; 5:30 p.m., via Zoom, with Special Meeting beginning at 5:00 p.m. via Zoom
- XII. Executive Session
- XIII. Adjournment

PORT COMMISSION PUBLIC WORKSHOP – December 9, 2020

The Port of Port Townsend Commission met for a Public Workshop online via Zoom

Present: Commissioners Hanke, Petranek & Putney
Executive Director Berg
Deputy Director Eric Toews
Finance Director & Port Auditor Berg
Recorder Erickson
Brian Kuh, Executive Director, EDC Team Jefferson
Ben Bauermeister, Board President, EDC Team Jefferson

I. CALL TO ORDER:

Commissioner Hanke called the Workshop to order at 9:32 a.m.

II. AGENDA:

- ❖ EDC¹ Team Jefferson Annual Update presentation
Brian Kuh, Executive Director

- ❖ 2021 Organizational Topics (00:56:01)
 - Commission Officers
 - Committee Assignments
 - Commission Meeting Procedures & Calendar
 - Delegation of Authority
 - Annual Retreat in 2021 – timing and topics

III. ADJOURNMENT:

The Workshop adjourned at 11:42 a.m.

ATTEST:

Pamela A. Petranek, Secretary

William W. Putney III, Vice President

Peter W. Hanke, President

¹ Economic Development Council

PORT COMMISSION REGULAR BUSINESS MEETING – Wednesday, December 9, 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
Capital Projects Director & Port Engineer Love
Port Recorder Erickson
Port Attorneys Reardanz, Chmelik & Woolson
24th Legislative District Representative Tharinger

I. CALL TO ORDER (00:00:50)

Commissioner Hanke called the meeting to order at 1:00 p.m.

II. APPROVAL OF AGENDA (00:00:55)

Commissioner Putney moved to accept the Agenda as presented. Commissioner Petranek seconded the motion. The agenda was approved by unanimous vote.

III. PUBLIC COMMENTS (00:01:38) ~ none

IV. CONSENT AGENDA (00:06:00)

A. Approval of Regular Business Meeting Minutes from November 24, 2020.

B. Approval of Warrants

Warrant #063162 through #063168 in the amount of \$33,809.40 and Electronic Payment in the amount of \$158,331.52 for Payroll & Benefits.

Warrant #063169 through #063214 in the amount of \$71,516.41 for Accounts Payable.

Electronic Debit in the amount of \$10,328.86 to WA Dept. of Revenue for Combined Excise Tax.

C. Resolution 738-20 Cancellation of Warrants

D. Accounts Receivable Write-Off/Collection Register

Commissioner Putney asked for a correction to the 11/24/20 meeting minutes under VIII.B. fourth paragraph, last sentence ending “that prevents sharing a hosting facility.” to end “that prevents ports from provisioning lit fiber.” Commissioners Petranek, Putney & Hanke received clarification on a few warrants from Finance Director Berg. Commission requested an executive session briefing on the Goodstein et al. warrant, regarding Hangar C arbitration.

Commissioner Putney moved to accept the Consent Agenda. Commissioner Hanke seconded the motion. Motion carried by unanimous vote.

V. Special Presentation: 24th Legislative District Legislative Preview: Rep. Steve Tharinger (00:06:53 & restart at 00:15:17)

Representative Tharinger (interrupted by technology problems) said the State’s capital budget would be close to the same level as the last 2 biennia, so there is money to distribute. Two lenses used for decisions to fund categories are 1) shovel ready, basically economic stimulus; 2) equity--helping communities that may not have been able to take advantage of these funds before; and 3) those projects with community buy-in. One area that crosses all three is Community Broadband, and he is working on legislation that would provide Ports the ability to provide the service for the “last mile,” and asked if the Port would be interested in being a part of that. Commissioner Putney said that currently the Port can only use unlit fiber, which doesn’t work well in rural areas, and agreed that if the legislation changed, the Port would be interested in participating.

Commissioner Petranek mentioned the need for affordable and/or workforce housing for Marine Trades that are doing well and are looking to expand. Rep. Tharinger said this was an issue across

the state and is not a rural/urban issue; the legislature is looking at the full spectrum of housing needs, including tiny-house projects like the one in Jefferson County. Commissioner Putney said that the Growth Management Act was preventing affordable housing from being built, by controlling how many homes can be built on a certain sized lot.

Commissioner Hanke mentioned funding for Point Hudson Jetty replacement, which he included in the “shovel-ready” projects category. Rep. Tharinger said he knew about the project as he had toured Point Hudson and stated it was on his list of priorities. Commissioner Petranek said the Port is actively seeking federal assistance for this project and any state assistance would be a big help.

VI. SECOND READING – none

VI. FIRST READING (00:11:10 and restart at 00:33:15)

A. Intergovernmental Collaborative Group (ICG) Resolution

Executive Director Berg said this was the first reading for this resolution; it is scheduled for possible adoption at the Joint ICG meeting on December 16. This resolution would reconstitute the ICG (currently structured as part of the COVID planning process) with a new charter beginning on January 1, 2021 for a broader purpose of intergovernmental collaboration and four regularly planned quarterly meetings in 2021. Additional special meetings would be scheduled for the community conversation series, where speakers would be invited to share expertise with the community. The intent is to continue to allow the four governmental entities a space to collaborate on issues of significant importance and mutual overlap. On the agenda for Dec. 16 is passage of the COVID-19 Recovery and Resiliency Plan, discussion and possible adoption of Resolution Reestablishing the ICG for 2021, discussion of potential ICG meeting topics for 2021, and potential community conversation speakers & topics.

Commissioner Putney said there were other large problems to solve including sea-level rise, food security and living-wage housing that have come to focus because of COVID-19.

Commissioner Petranek said she would like to change the meeting dates on page 22 of the draft resolution, to move the August meeting to later in September after the Wooden Boat Festival.

Executive Director Berg said the place to do that would be at the ICG meeting on Dec. 16.

Commissioner Hanke stated that the Port Commission would move this forward at the Joint ICG meeting next week.

VII. REGULAR BUSINESS (00:38:33)

A. October Financials

Finance Director Berg said that the October Financials followed the COVID model of the past few months’ reports. She said compared to September, the Port had lowered the variance in both loss of revenues by ~\$17,000 and in expenditures by ~\$54,000. She said that some of the changes made to the financials were to remove the FAA funding because it was not yet received, and to move some of the capital projects forward off the 2020 report. This includes the Pt. Hudson jetty replacement, which is in design & permitting phase for 2020; D-dock renovation with only permitting dollars in 2020; and Quilcene Dredge Design.

Commissioner Hanke stated it was fairly remarkable that the total operating revenues were down only 6% for the year, even though total operations/expenses were down 20%.

Commissioner Petranek asked why there were such high bank charges. Finance Director Berg said this was because many customers are paying with credit cards, and the Port is paying the fees for these charges. Berg said that she is surveying other ports in the area regarding these charges and there was a short discussion about whether the Port should pass the fees on to customers to save money.

Commissioner Hanke referred to page 35 and asked what the true-up line was. Finance Director Berg said that in the 2019 capital budget, a couple of projects weren't completed; to true-up the numbers for 2019, she moved the project monies spent to-date, out of the reserve account into the general fund (thus paying the GF back) because the Port had obligated those monies for those projects in the 2019 Capital Budget.

Commissioner Hanke asked about the operations reserve and budgeted operations funding. Finance Director Berg said this was per the resolution in 2018 to fund the port-wide capital and operations reserves, and this was the dollar amount projected to fund in 2020.

B. Financial Reporting Options for Monthly Reports (00:50:17)

Finance Director Berg said if you book-marked page 30 of the packet, that is one of the options for monthly reports (provided since June -- month-to-month data helpful in managing the impacts of the COVID pandemic). She reminded Commission that the format provided previously was like the May Financials shown on page 38 of the packet. This format provides year-to-date data with two comparatives—for the prior month and to the budget—in a “rolled-up” version along with the line item details report provided separately in the packet.

Commissioner Hanke said he liked the old format and didn't need to see the detail.

Commissioner Petranek said she liked the old report and also liked to see some of the details.

Commissioner Putney felt he was fine with a simple budget. Consensus of the Commission was for the “old” version of financial reporting, option (B) A YTD consolidated financial report and an expanded line item report (as per the May example).

C. ICC Updates (no materials) (00:57:10)

Executive Director Berg said there were no ICC updates not covered under item VII.

Commissioner Hanke thought as a member of ICC that it worked really well, and the group was able to go through an amazing amount. Commissioner Petranek said she and County Commissioner Dean would like to have Chuck Marone, author of “Strong Towns” give a talk.

Executive Director Berg said he had suggested to the ICG that each of the government entities host one of the conversation series, and pay for it, to avoid confusion about funding.

D. 2021 Legislative Agenda (01:01:07)

Executive Director Berg went over the numbered priority list provided in the packet, reordered consistent with the Commission's direction from their last meeting, with the addition of the language for the statute regarding the lit fiber restriction. He mentioned that under #4, this issue for out-of-country vessels has been named the “marine tourism bill” by those sponsoring it in the legislature. Currently a foreign vessel having work done here has 180 days before they are charged the tax, but if they are here to visit on a chartered vessel with a crew, they have just 60 days before they are charged the use tax.

Attorney Reardanz commented that the Dept. of Revenue plans to tax retail (lit) broadband service and to keep this in mind as its progress is monitored in the legislature.

Commissioner Putney stated that for #3 we want to get retail authority and we want to provide lit facilities whether they be retail or wholesale.

Commissioner Petranek asked if the commission would like to move #5 up to #4 in priority. There was a short discussion on the funding for derelict vessels, and consensus was that #4 (foreign vessels being taxed) impacted our marine trades more, so the order was kept.

Commissioner Putney moved to adopt this Legislative Agenda with the pending change in #3 regarding Broadband. Commissioner Petranek seconded, and motion passed unanimously.

E. Northwest Custom Hangars, LLC New Lease – Hangar Site Pad #6 (01:11:39)

Deputy Director Toews reminded the Commission that back in the mid-2000's the Port installed infrastructure to support the development of eight (8) hangar sites to the east of the Port's property, north of the runway. One of the 8 sites was to be held in reserve for future development by the Port, site #6, the site in this draft land-lease option agreement. Only 3 of the other 7 sites have been developed. In late 2019, Dave Ward, who has developed two of these sites, indicated he was interested in developing 2 more sites: #6 and #2; however only proposed agreement for #6 was ready for review at this time. The agreement would work as follows: upon payment of a non-refundable option fee of \$500, hangar site #6 would be reserved for up to 2 years, giving Mr. Ward time for due diligence efforts to explore the feasibility of development and a long-term lease. If the option is exercised, a lease would spring into effect, and hangar construction must be completed no later than February 2024.

Commissioner Putney referred to page 52 of the packet, paragraph (6) of the Hangar Site #6 Land Lease Option & Land Lease Agreement – Use of Premises – and stated that except for Tailspin Tommy's and Aircraft Services, all other hangars are not allowed to have a business and asked if this language was on the other leases at the airport. Deputy Director Toews stated that this was identical to the leases for sites 4, 7, and 8; however, if needed, he said he could make the language more restrictive.

Commissioner Hanke was concerned with #2 site vs. #6 site because site #6 was prime property at the airport, and as a question of public good wondered if it was prudent to lease this space out. Deputy Director Toews said that although it was good to keep the public good in mind and allow others the option of making use of site #6, Mr. Ward is the only person who has come forward expressing an interest in hangar development there.

Commissioner Hanke said he thought we should start with allowing site #2 to be developed, keeping site #6 for the Port. If site #2 goes well then maybe the Port could develop #6.

Commissioner Putney stated that he thought that Mr. Ward could develop & sell site #6 thus funding development of site #2. He stated that he didn't see a condition where the Port would have the funding to build its own hangars.

Executive Director Berg said that the priority project list for IDD-funded projects includes \$600,000 for a hangar at JCIA and that separately, the Port had received more cold calls for hangar space recently. He suggested that the Port investigate whether Port-owned and rented hangar space would pencil out to create a revenue stream to help support the airport.

Commissioner Petranek said her research indicated that there wasn't much demand for hangar space and asked if this was a case of having a bird in the hand, wishing for two in the bush.

Deputy Director Toews stated that it had been at least 12 years since the last hangar was developed. Interest in hangar space has been gradually increasing, especially with the reconstruction of the runway. There was a discussion about demand and the cost for the Port to build hangars.

Commissioner Putney moved to extend this offer to Dave Ward.

Commissioner Hanke commented that he would like to see both leases for site #2 and site #6 together at the same meeting and ask that Mr. Ward be invited to the meeting for a discussion about his intentions.

Commissioner Putney withdrew his motion.

F. PT Aero Museum Lease Amendment (01:38:40)

Deputy Director Toews reminded the Commission that they had authorized a Letter of Intent (LOI) with the Aero Museum for expansion of an additional 5400 sf to the museum's main building. Mike Payne has moved forward with due diligence to implement the terms of the LOI and the Port is now in a position to move forward, with further amendment of the prior lease.

Commissioner Putney stated that Commission had covered this ground fairly thoroughly and that Mr. Payne had been diligent in getting all the paperwork done.

Commissioner Petranek appreciated the clear language of this lease amendment and all the Staff time and preparation involved.

Commissioner Petranek moved to authorize the Executive Director to execute the Port Townsend Aero Museum Lease Amendment #2 substantially in the form presented.

Commissioner Putney seconded. Motion carried by unanimous vote.

VIII. STAFF COMMENTS (01:42:13)

Executive Director Berg commented that he didn't have much to add to this long day of meetings except that the yard continues to be busy and Port staff are very busy, looking forward to continuing into the new year. As it was the last meeting of the year, he wished everyone Merry Christmas and Happy Holidays.

Finance Director Berg commented that this month is all about MOLO, year-end activities for accounting, and the audit currently being done. She wished everyone Happy Holidays.

Port Engineer Love gave a brief update on what's been going on the last month or so: the Quilcene dock broke, so he and his team took a trip to Bellingham to look at construction of different dock types – a way to build a relationship with them for possible future work. His team will be bringing Commission a color palette of paint options for Boat Haven buildings. He and Maintenance Manager Sparks will be meeting with City Public Works Director Steve King and his maintenance guy about sharing resources, working with them on things they're good at and building a relationship with them for future shared work. He said the Port had a bid for an excavator which will do multiple things, starting with excavation of the yard prior to 480 power upgrade. He said the linear dock is 99% complete with 29 power pedestals installed on time under budget.

Port Attorney Reardanz commented that the Governor's proclamation on open and public meetings was extended to January 19th at 11:59 PM. At that point further extensions must be passed by concurrent resolution of the legislature. He then announced that he was leaving Chmelik Sitkin and Davis to be executive director of a local transit authority.

Port Attorney Chmelik introduced Atty. Seth Woolson, who would occasionally attend Port Commission meetings in his stead.

Deputy Director Toews commented that the Port is hopeful that 2021 will be a better year than 2020. He is putting together a public engagement strategy and draft timeline for Quilcene to give voice to community concerns down in south county and review with Commission in January. He wished everyone happy holidays.

Recorder Erickson commented that 2021 rates were up on the web, and she was working on rate cards. She also wished everyone Happy Holidays.

X. COMMISSIONER COMMENTS (01: 58:15)

Commissioner Putney said that he had attended the WPPA annual meeting, including the Trustee meeting as the Port's representative on that body, and the Broadband meeting.

Commissioner Petranek commented that she attended the monthly Marine Resource Committee meeting and they are looking for a list of Jefferson County projects that they can go after funding for in 2021; she suggested Quilcene bay as a place to study. She and Executive Director Berg had another Working Waterfront interview on KPTZ, and they talked about economic development, focusing on a couple of businesses. She reported that she had also attended the WPPA annual meeting and really liked the presentation by James Kuntz of Chelan Douglas Regional Port Authority about small business grants and the businesses they helped.

- XI. Next Public Workshop & Regular Business Meeting (02:05:58): Wednesday, January 13, 2020, with a Public Workshop at 9:30 a.m. and a Regular Business Meeting at 1:00 p.m. via Zoom.
- XII. EXECUTIVE SESSION (02:03:07) - Current or Potential Litigation, RCW 42.30.110(1)(i)
Commission moved to Executive Session at 3:05 p.m. for approximately 20 minutes with no action following executive session.
- XIII. ADJOURNMENT: meeting adjourned at 3:35 p.m., there being no further business before the Commission.

ATTEST:

Peter W. Hanke, President

Pamela A. Petranek, Secretary

William W. Putney III, Vice President



PO Box 1180 • Port Townsend, WA 98368

Administration: (360) 385-0656
3988

Operations: (360) 385-2355

Fax: (360) 385-

WARRANT/ELECTRONIC PAYMENT 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 services rendered or the labor performed as described herein, and that the claims are just, due and unpaid obligations against the Port of Port Townsend, that we are authorized to authenticate and certify to said claim and that payment of these claims, in Warrant No 063215 through No. 063219 generated on December 23rd, 2020 in the amount of \$10,169.20 and Electronic Payment in the amount of \$81,360.49, for a total amount of \$91,529.69 is ratified.

Signed and Authenticated on this 13th day of January, 2021.

For: **Payroll and Benefits**

Commissioner Pete W. Hanke

Commissioner William W. Putney III

Commissioner Pam Petranek

S. Abigail Berg, Director of Finance
And Administration



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Signed and Authenticated on this **13th** day of **January**, 2021.

For: **Accounts Payable**

Commissioner Pete W. Hanke

Commissioner William W. Putney III

Commissioner Pam Petranek

S. Abigail Berg, 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	
063220	12/23/2020	ABB060	Scott Abbott					Check Entry Number: 001
			REFUND 12/2/2020	12/2/2020	11.00	0.00	11.00	
063221	12/23/2020	BAN005	Bank of America					Check Entry Number: 001
			12/5/2020 STATEMENT	12/5/2020	5,822.62	0.00	5,822.62	
063222	12/23/2020	BIC030	John Biccum					Check Entry Number: 001
			REFUND 12/4/2020	12/4/2020	45.00	0.00	45.00	
063223	12/23/2020	CEN030	CenturyLink					Check Entry Number: 001
			12/1/2020 STATEMENT	12/1/2020	150.00	0.00	150.00	
063224	12/23/2020	CEN035	CenturyLink					Check Entry Number: 001
			12/5/2020 STATEMENTS	12/5/2020	810.84	0.00	810.84	
063225	12/23/2020	CHM030	Chmelik Sitkin & Davis P.S.					Check Entry Number: 001
			11/2020 STATEMENT	12/17/2020	3,940.10	0.00	3,940.10	
063226	12/23/2020	DHE030	DH Environmental, Inc.					Check Entry Number: 001
			8778	12/7/2020	928.10	0.00	928.10	
063227	12/23/2020	DLL010	D L Logos					Check Entry Number: 001
			3529	12/15/2020	79.57	0.00	79.57	
063228	12/23/2020	DMD005	DM Disposal Co. Inc.					Check Entry Number: 001
			11/2020 STATEMENTS	12/1/2020	6,770.46	0.00	6,770.46	
063229	12/23/2020	DUN030	Dungeness Enviromental Solutions Inc					Check Entry Number: 001
			20-207	12/10/2020	3,219.20	0.00	3,219.20	
063230	12/23/2020	FER001	Ferrellgas					Check Entry Number: 001
			11/26/2020 STATEMENT	11/26/2020	311.96	0.00	311.96	
063231	12/23/2020	HEN006	Quilcene Henery's Hardware					Check Entry Number: 001
			11/25/2020 STATEMENT	11/25/2020	4.34	0.00	4.34	
063232	12/23/2020	LEM040	Lemay Mobile Shredding					Check Entry Number: 001
			4681246	12/1/2020	12.88	0.00	12.88	
063233	12/23/2020	MUR002	Murrey's Disposal Co. Inc.					Check Entry Number: 001
			12/1/2020 STATMENTS	12/1/2020	345.10	0.00	345.10	
063234	12/23/2020	OLY002	The Home Depot Pro Institutional					Check Entry Number: 001
			584224257	11/11/2020	1,583.84	0.00	1,583.84	
			585015969	11/16/2020	270.32	0.00	270.32	
			586892085	11/25/2020	14.17	0.00	14.17	
Check 063234 Total:					1,868.33	0.00	1,868.33	
063235	12/23/2020	OLY003	Olympic Springs, Inc.					Check Entry Number: 001
			11/30/2020 STATEMENT	11/30/2020	17.33	0.00	17.33	
063236	12/23/2020	OLY035	Olympic Peninsula Communications, LLC					Check Entry Number: 001
			13	11/30/2020	500.00	0.00	500.00	
063237	12/23/2020	PAC006	Pacific Coast Congress					Check Entry Number: 001
			2012842	12/1/2020	265.00	0.00	265.00	
063238	12/23/2020	PET020	Peters Marine Services					Check Entry Number: 001
			475098	11/19/2020	81.75	0.00	81.75	
063239	12/23/2020	PIN010	Pinnacle Investigations Corp					Check Entry Number: 001
			72575	11/16/2020	180.75	0.00	180.75	
			72898	12/16/2020	263.00	0.00	263.00	
Check 063239 Total:					443.75	0.00	443.75	
063240	12/23/2020	PUD001	Pud District #1					Check Entry Number: 001
			12/11/2020	12/11/2020	25.65	0.00	25.65	
			12/11/2020 STATEMENT	12/11/2020	27,534.75	0.00	27,534.75	
Check 063240 Total:					27,560.40	0.00	27,560.40	
063241	12/23/2020	QUI001	Quill Corporation					Check Entry Number: 001

Check Register

Journal Posting Date: 12/23/2020

Register Number: CD-000840

Port of Port Townsend (PTA)

Bank Code: W - WARRANTS PAYABLE							
Check Number	Check Date	Vendor	Invoice Number	Invoice Date	Invoice Amount	Discount Applied	Payment Amount
			12770231	12/4/2020	182.29	0.00	182.29
063242	12/23/2020	QUI010	Quimper Mercantile				Check Entry Number: 001
		0		12/11/2020	325.09	0.00	325.09
063243	12/23/2020	REI002	Reid Middleton Co				Check Entry Number: 001
		2011048		12/1/2020	9,226.00	0.00	9,226.00
063244	12/23/2020	ROG040	Rogers Carpet Cleaning				Check Entry Number: 001
		3509		12/4/2020	158.90	0.00	158.90
063245	12/23/2020	SEC010	Security Services				Check Entry Number: 001
		113907		12/1/2020	190.85	0.00	190.85
063246	12/23/2020	SHO010	Shold Excavating Inc				Check Entry Number: 001
		58150		12/11/2020	306.70	0.00	306.70
063247	12/23/2020	SNE020	S-Net Communications				Check Entry Number: 001
		92373		12/23/2020	551.35	0.00	551.35
063248	12/23/2020	THO090	Sean Thompson				Check Entry Number: 001
		REFUND 12/10/2020		12/10/2020	297.62	0.00	297.62
063249	12/23/2020	TWI001	Spectra Laboratories - Kitsap				Check Entry Number: 001
		20-08640		12/9/2020	1,656.00	0.00	1,656.00
		20-08975		12/11/2020	580.00	0.00	580.00
Check 063249 Total:					2,236.00	0.00	2,236.00
063250	12/23/2020	VEN070	VenTek International				Check Entry Number: 001
		124442		12/1/2020	103.55	0.00	103.55
063251	12/23/2020	WA0125	State of Washington				Check Entry Number: 001
		12/2020		12/23/2020	132.84	0.00	132.84
063252	12/23/2020	WA1901	State of Washington				Check Entry Number: 001
		L139812		12/8/2020	4,184.70	0.00	4,184.70
063253	12/23/2020	WAS017	Marc Horton - Washington Project Consultants				Check Entry Number: 001
		103120-8		11/1/2020	1,187.50	0.00	1,187.50
Report Total:					72,271.12	0.00	72,271.12



PO Box 1180 • Port Townsend, WA 98368

Administration: (360) 385-0656

Operations: (360) 385-2355

Fax: (360) 385-3988

ELECTRONIC DEBIT – Kitsap 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 materials have been furnished, the services rendered or the labor performed as described herein and that the claim is a just, due and unpaid obligation of the Port of Port Townsend, that we are authorized to authenticate and certify said claim, and that the Electronic Debit from the Port Checking Account held at Kitsap Bank is approved for payment in the amount of **\$1,485.57 is ratified.**

Signed and Authenticated on this 13th day of January, 2021.

For: Washington State, Employment Security Department for
WA State Paid Family Medical Leave – for Qtr 4, 2020 in the amount of
\$1,485.57

Commissioner Pete W. Hanke

Commissioner William W. Putney III

Commissioner Pam Petranek

S. Abigail Berg, Director of Finance
And Administration

Donna Frary

From: do_not_reply@esd.wa.gov
Sent: Friday, January 8, 2021 11:34 AM
To: Donna Frary
Subject: Payment Confirmation

Thank you for your recent payment to Paid Family & Medical Leave.

Payment Application: Paid Family & Medical Leave Payment Status: Payment completed successfully.
Confirmation Number: 21010822413006
Payment Date: 01/08/2021

Billing Address: Port of Port Townsend
PO Box 1180
Port Townsend, WA 98368
3603850656

Account Number: x5811
Routing Number: 125102906
Account Type: Checking

Payment Amount: 1485.57 USD
Total Amount: 1485.57 USD

DO NOT REPLY DIRECTLY TO THIS EMAIL.



PO Box 1180 • Port Townsend, WA 98368

Administration: (360) 385-0656

Operations: (360) 385-2355

Fax: (360) 385-3988

ELECTRONIC DEBIT – Kitsap 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 Kitsap Bank is approved for payment in the amount of \$19,305.56 is ratified.

Signed and Authenticated on this 13th day of January, 2021.

For: Washington State Department of Labor & Industries
4th Quarter Tax Return for **October - December, 2020** in the amount of
\$19,305.56

Commissioner Pete W. Hanke

Commissioner William W. Putney III

Commissioner Pam Patranek

S. Abigail Berg, Director of Finance
And Administration



Washington State Department of Labor & Industries

Submit Date: 1/8/2021
Confirmation Number: 7620691

Quarterly Report

4th Quarter: October 1, 2020 – December 31, 2020

Due Date: 2/1/2021

PORT OF PORT TOWNSEND
PO BOX 1180
PORT TOWNSEND, WA 98368

WA UBI: 161 000 044
L&I Account ID: 061,069-00
Phone Number: 360-385-2355 Ext. 0

Account Manager: KEITH CURTISS 360-902-6641

Volunteer Reporting

Class Code	Nature of Work	Number Of Volunteers
6901-00	Volunteers-Excl Law Enf Offcrs	1

Worker Reporting

Class Code	Nature of Work	Gross Payroll (nearest \$)	Worker Hours (or units)	Rate Per Hour	Amount Owed
4201-02	Port Districts Incl Salesmen	\$358,318.00	10,011	1.8534	\$18,554.39
5306-07	Counties/Tax Dist Adm/CI Offc	\$192,733.00	3,515	0.2094	\$736.04
6901-00	Volunteers-Excl Law Enf Offcrs	\$0.00	275	0.0550	\$15.13
Total of Premiums					\$19,305.56
Grand Total					\$19,305.56

Preparer's Information

Preparer:	Donna Frary
DayTime Phone:	360-379-5217
Email:	donna@portofpt.com

Payment Information

Method of Payment:	eCheck
Bank routing information:	125102906
Bank account information:	XXXXXXXXXXXX5811
Bank account Type:	BusinessChecking
Payment Amount:	\$19305.56
Scheduled Payment Date:	1/8/2021



PO Box 1180 • Port Townsend, WA 98368

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 services rendered or the labor performed as described herein, and that the claims is a just, due and unpaid obligation of the Port of Port Townsend, that I am authorized to authenticate and certify to said claim and that these claims, in Warrant No 063316 through No. 063318, are approved for payment in the amount of \$5,200.00 on this 13th day of January, 2021.

For: Accounts Payable

Commissioner Pete W. Hanke

Commissioner William W. Putney III

Commissioner Pam Petranek

S. Abigail Berg, Director of Finance
And Administration

Check Register**Journal Posting Date: 1/13/2021****Register Number: CD-000844****Port of Port Townsend (PTA)**

Bank Code: W - WARRANTS PAYABLE						
Check Number	Check Date	Vendor	Invoice Number	Invoice Date	Invoice Amount	Discount Applied
063316	1/13/2021	INS070	Insight Strategic Partners, LLC			
			2950	11/30/2020	2,750.00	0.00
063317	1/13/2021	STE080	Stephen Shapiro Commercial Appraisal, LLC			
			2020-595	11/19/2020	312.50	0.00
063318	1/13/2021	WAS017	Marc Horton - Washington Project Consultants			
			123120-8	1/4/2021	2,137.50	0.00
Report Total:					<u>5,200.00</u>	<u>0.00</u>
						<u>5,200.00</u>

Check Entry Number: 001**Check Entry Number: 001****Check Entry Number: 001****Run Date: 1/8/2021 8:45:28AM****A/P Date: 1/13/2021****Page: 1****User Logon: DLF**



PO Box 1180 • Port Townsend, WA 98368

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 services rendered or the labor performed as described herein, and that the claims is a just, due and unpaid obligation of the Port of Port Townsend, that I am authorized to authenticate and certify to said claim and that these claims, in Warrant No 063264 through No. 063315, are approved for payment in the amount of \$75,512.53 on this 13th day of January, 2021.

For: **Accounts Payable**

Commissioner Pete W. Hanke

Commissioner William W. Putney III

Commissioner Pam Petranek

S. Abigail Berg, 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
063264	1/13/2021	ARR010	Arrow Lumber Port Townsend				
			12/28/2020 STATEMENT	12/28/2020	878.79	0.00	878.79
063265	1/13/2021	BER045	Eron Berg				
			12/2020	12/31/2020	12.65	0.00	12.65
063266	1/13/2021	CAR001	Carl's Building Supply				
			12/31/2020 STATEMENT	12/31/2020	1,157.96	0.00	1,157.96
063267	1/13/2021	CIT001	City Of Port Townsend				
			12/2020 STATEMENTS	12/31/2020	8,431.68	0.00	8,431.68
063268	1/13/2021	COA050	Mott MacDonald				
			100339-16	12/29/2020	3,795.70	0.00	3,795.70
063269	1/13/2021	COO050	Cooper Fuel & Auto Repair				
			1/1/2021 STATEMENT	1/1/2021	2,148.15	0.00	2,148.15
063270	1/13/2021	DEP035	Frank Depalma				
			REFUND 12/21/2020	12/21/2020	32.02	0.00	32.02
063271	1/13/2021	DEW050	Michelle Dew				
			12/2020	12/31/2020	46.57	0.00	46.57
063272	1/13/2021	DIR070	DirecTV				
			175436554X201228	12/28/2020	409.50	0.00	409.50
063273	1/13/2021	ERI070	Karen Erickson				
			12/2020	12/31/2020	17.48	0.00	17.48
063274	1/13/2021	FIS020	Fish N Hole				
			5597322	12/16/2020	25.94	0.00	25.94
063275	1/13/2021	GOO002	Good Man Sanitation				
			110147A	1/1/2021	1,330.00	0.00	1,330.00
063276	1/13/2021	GOO020	Goodstein Law Group				
			15.0122003	1/4/2021	1,868.40	0.00	1,868.40
063277	1/13/2021	GUA080	Guardian Security Systems, Inc.				
			1095088	1/1/2021	147.16	0.00	147.16
063278	1/13/2021	HAD001	Hadlock Building Supply				
			12/27/2020 STATEMENT	12/27/2020	383.50	0.00	383.50
063279	1/13/2021	HEN002	Henery Hardware				
			7002683	12/14/2020	166.74	0.00	166.74
			701749	11/30/2020	54.47	0.00	54.47
			701828	12/1/2020	41.83	0.00	41.83
			701834	12/1/2020	119.61	0.00	119.61
			701855	12/2/2020	156.43	0.00	156.43
			701880	12/2/2020	9.36	0.00	9.36
			701930	12/2/2020	38.14	0.00	38.14
			701946	12/3/2020	172.95	0.00	172.95
			701997	12/3/2020	137.93	0.00	137.93
			702014	12/3/2020	152.56	0.00	152.56
			702032	12/4/2020	13.07	0.00	13.07
			702037	12/4/2020	19.05	0.00	19.05
			702055	12/4/2020	50.51	0.00	50.51
			702065	12/4/2020	34.41	0.00	34.41
			702268	12/8/2020	51.38	0.00	51.38
			702319	12/9/2020	13.06	0.00	13.06
			702328	12/9/2020	63.59	0.00	63.59
			702341	12/9/2021	52.23	0.00	52.23
			702369	12/9/2020	29.82	0.00	29.82

Check Register

Journal Posting Date: 1/13/2021

Register Number: CD-000843

Port of Port Townsend (PTA)

Bank Code: W - WARRANTS PAYABLE

Check Number	Check Date	Vendor	Invoice Number	Invoice Date	Invoice Amount	Discount Applied	Payment Amount
			702385	12/9/2020	14.78	0.00	14.78
			702387	12/9/2020	6.53	0.00	6.53
			702406	12/10/2020	65.38	0.00	65.38
			702410	12/10/2020	23.69	0.00	23.69
			702492	12/11/2020	65.38	0.00	65.38
			702526	12/11/2020	59.90	0.00	59.90
			702698	12/15/2020	17.43	0.00	17.43
			702850	12/17/2020	37.04	0.00	37.04
			702858	12/17/2020	15.01	0.00	15.01
			702968	12/18/2020	18.52	0.00	18.52
			7031128	12/22/2020	71.93	0.00	71.93
			703208	12/23/2020	61.03	0.00	61.03
Check 063279 Total:					1,833.76	0.00	1,833.76
063280	1/13/2021	HEN006	Quilcene Henery's Hardware				Check Entry Number: 001
			2012-113517	12/4/2020	8.71	0.00	8.71
063281	1/13/2021	JAM040	Jamestown Networks				Check Entry Number: 001
			6273	1/1/2021	548.00	0.00	548.00
063282	1/13/2021	JC0003	Jefferson County - Public Work				Check Entry Number: 001
			12/31/2020 STATEMENT	1/4/2021	602.84	0.00	602.84
063283	1/13/2021	KHI001	Terry Khile				Check Entry Number: 001
			12/2020	12/31/2020	347.06	0.00	347.06
063284	1/13/2021	LES050	Les Schwab				Check Entry Number: 001
			12/31/2020 STATEMENT	12/31/2020	52.30	0.00	52.30
063285	1/13/2021	MCC065	Todd & Cindy McClain				Check Entry Number: 001
			REFUND 12/18/2020	12/18/2020	52.00	0.00	52.00
063286	1/13/2021	MUS030	Fred Music				Check Entry Number: 001
			REFUND 12/17/2020	12/17/2020	90.00	0.00	90.00
063287	1/13/2021	NEL001	Sue Nelson				Check Entry Number: 001
			2020 EXPENSE	12/23/2020	59.05	0.00	59.05
063288	1/13/2021	O'RE030	O'Reilly Auto Parts				Check Entry Number: 001
			3939461531	12/3/2020	1.58	0.00	1.58
063289	1/13/2021	OLY002	The Home Depot Pro Institutional				Check Entry Number: 001
			589176502	12/9/2020	99.87	0.00	99.87
			590488193	12/16/2020	651.50	0.00	651.50
			590488201	12/16/2020	185.61	0.00	185.61
Check 063289 Total:					936.98	0.00	936.98
063290	1/13/2021	PAC004	Pacific Office Equipment Co				Check Entry Number: 001
			01012021 STATEMENT	1/1/2021	395.82	0.00	395.82
063291	1/13/2021	PEN004	Peninsula Floors & Furnishings				Check Entry Number: 001
			62403	12/31/2020	3,704.74	0.00	3,704.74
063292	1/13/2021	POR075	Port Orchard Sand & Gravel Company				Check Entry Number: 001
			556531	12/22/2020	122.08	0.00	122.08
063293	1/13/2021	PUD001	Pud District #1				Check Entry Number: 001
			12/18/2020	12/18/2020	475.65	0.00	475.65
			12/24/2020	12/24/2020	858.33	0.00	858.33
Check 063293 Total:					1,333.98	0.00	1,333.98
063294	1/13/2021	QUI001	Quill Corporation				Check Entry Number: 001
			13116310	12/16/2020	111.50	0.00	111.50
			13154745	12/17/2020	41.98	0.00	41.98
			13353113	12/29/2020	45.03	0.00	45.03

Run Date: 1/7/2021 3:37:59PM

A/P Date: 1/13/2021

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Check Register

Journal Posting Date: 1/13/2021

Register Number: CD-000843

Port of Port Townsend (PTA)

Bank Code: W - WARRANTS PAYABLE

Check Number	Check Date	Vendor	Invoice Number	Invoice Date	Invoice Amount	Discount Applied	Payment Amount
Check 063294 Total:					198.51	0.00	198.51
063295	1/13/2021	QUI010	Quimper Mercantile				Check Entry Number: 001
			33047	12/28/2020	139.78	0.00	139.78
063296	1/13/2021	ROD030	Rodda Paint				Check Entry Number: 001
			12/31/2020 STATEMENT	12/31/2020	740.90	0.00	740.90
063297	1/13/2021	SAF001	Safeway, Inc.				Check Entry Number: 001
			12/26/2020 STATEMENT	12/26/2020	1,402.08	0.00	1,402.08
063298	1/13/2021	SCH020	Schaeffer Mfg. Co				Check Entry Number: 001
			AFG5555INV1	12/10/2020	439.76	0.00	439.76
063299	1/13/2021	SEC010	Security Services				Check Entry Number: 001
			114385	1/1/2021	190.85	0.00	190.85
063300	1/13/2021	SIL030	Silver Bay Seafoods				Check Entry Number: 001
			REFUND 12/23/2020	12/23/2020	1,000.00	0.00	1,000.00
063301	1/13/2021	SOU070	Sound Storage GC				Check Entry Number: 001
			12/12/2020	12/12/2020	188.00	0.00	188.00
063302	1/13/2021	STO050	Stormwater RX				Check Entry Number: 001
			119.52.01.1	12/30/2020	27,369.90	0.00	27,369.90
063303	1/13/2021	SUM040	Summit Law Group PLLC				Check Entry Number: 001
			119556	12/18/2020	99.00	0.00	99.00
063304	1/13/2021	TAK040	Jennifer Takaki				Check Entry Number: 001
			REFUND 12/28/2020	12/28/2020	442.51	0.00	442.51
063305	1/13/2021	TAY040	Justin Taylor				Check Entry Number: 001
			12/31/2020	12/31/2020	98.80	0.00	98.80
			SUPPLIES	12/30/2020	30.26	0.00	30.26
Check 063305 Total:					129.06	0.00	129.06
063306	1/13/2021	THE020	Thermo Fluids, Inc.				Check Entry Number: 001
			84842709	12/11/2020	1,746.70	0.00	1,746.70
063307	1/13/2021	TWI001	Spectra Laboratories - Kitsap				Check Entry Number: 001
			20-09349	12/31/2020	378.00	0.00	378.00
063308	1/13/2021	VER001	Verizon Wireless, Bellevue				Check Entry Number: 001
			9869230003	12/15/2020	276.66	0.00	276.66
063309	1/13/2021	WA0126	Washington State Bar Association				Check Entry Number: 001
			29930 BERG	1/13/2021	468.00	0.00	468.00
063310	1/13/2021	WAS001	Washington Airport Mgmt Assn				Check Entry Number: 001
			01649.	1/1/2021	110.00	0.00	110.00
063311	1/13/2021	WAS003	Washington Public Ports Assn.				Check Entry Number: 001
			020-507	12/16/2020	350.00	0.00	350.00
			020-570	12/17/2020	170.00	0.00	170.00
			020-616	12/28/2020	50.00	0.00	50.00
Check 063311 Total:					570.00	0.00	570.00
063312	1/13/2021	WAV040	Wave Broadband				Check Entry Number: 001
			043328901-0008565	12/23/2020	147.75	0.00	147.75
			103263301-0008560	12/20/2020	1,498.42	0.00	1,498.42
Check 063312 Total:					1,646.17	0.00	1,646.17
063313	1/13/2021	WES006	Westbay Auto Parts, Inc.				Check Entry Number: 001
			12/24/2020 STATEMENT	12/24/2020	455.07	0.00	455.07
063314	1/13/2021	WHI025	Whitney Equipment Company, Inc.				Check Entry Number: 001
			91604	11/24/2020	6,312.18	0.00	6,312.18
063315	1/13/2021	WIL002	Shawn E Wiles				Check Entry Number: 001

Run Date: 1/7/2021 3:37:59PM

A/P Date: 1/13/2021

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User Logon: DLF

Bank Code: W - WARRANTS PAYABLE

Check Number	Check Date	Vendor	Invoice Number	Invoice Date	Invoice Amount	Discount Applied	Payment Amount
			12/31/2020	12/31/2020	435.00	0.00	435.00
				Report Total:	<u>75,512.53</u>	<u>0.00</u>	<u>75,512.53</u>



PO Box 1180 • Port Townsend, WA 98368

Administration: (360) 385-0656

Operations: (360) 385-2355

Fax: (360) ~~385-3988~~

WARRANT/ELECTRONIC PAYMENT 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 services rendered or the labor performed as described herein, and that the claims are just, due and unpaid obligations against the Port of Port Townsend, that we are authorized to authenticate and certify to said claim and that payment of these claims, in Warrant No 063254 through No. 063262 generated on December 30th, 2020 in the amount of \$34,310.94 and Electronic Payment in the amount of \$154,595.98, for a total amount of \$188,906.92 is ratified.

Signed and Authenticated on this 13th day of January, 2021.

For: **Payroll and Benefits**

Commissioner Pete W. Hanke

Commissioner William W. Putney III

Commissioner Pam Petranek

S. Abigail Berg, Director of Finance
And Administration



PO Box 1180 • Port Townsend, WA 98368

Administration: (360) 385-0656

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ELECTRONIC DEBIT – Kitsap 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 materials have been furnished, the services rendered or the labor performed as described herein and that the claim is a just, due and unpaid obligation of the Port of Port Townsend, that we are authorized to authenticate and certify said claim, and that the Electronic Debit from the Port Checking Account held at Kitsap Bank is approved for payment in the amount of **\$5,363.50** on this **13th** day of **Janaury**, **2021**.

For: Washington State, Department of Revenue
Combined Excise Tax Return – for **November, 2020** in the amount of
\$5,363.50

Commissioner Pete W. Hanke

Commissioner William W. Putney III

Commissioner Pam Petranek

S. Abigail Berg, Director of Finance
and Administration

Washington State Department of Revenue

Your Return has been submitted and your confirmation number is **0-017-564-099**

Below is information from your Monthly Return for the period ending November 30, 2020

Filing Date	December 21, 2020
Account ID	161-000-044
Primary Name	BOAT HAVEN FUEL DOCK
Payment Method	ACH Debit/E-Check
Payment Effective	December 28, 2020
Total Tax	5,363.50
Total Due	5,363.50

To check the status of your return, go to your account *Summary* page, select the *More Options* tab, and click **View, Edit, or Print Drafts or Submissions**.

Print a copy of your return below.



Combined Excise Tax Return

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

Filing Period: November 30, 2020

Due Date: December 28, 2020

Filing Frequency: Monthly

Business & Occupation

Tax Classification	Gross Amount	Deductions	Taxable Amount	Tax Rate	Tax Due
Retailing	41,690.79	0.00	41,690.79	0.004710	196.36
Service and Other Activities (\$1 million or greater in prior year)	48,518.39	0.00	48,518.39	0.017500	849.07
Total Business & Occupation					1,045.43

State Sales and Use

Tax Classification	Gross Amount	Deductions	Taxable Amount	Tax Rate	Tax Due
Retail Sales	41,690.79	0.00	41,690.79	0.065000	2,709.90
Total State Sales and Use					2,709.90

Public Utility Tax

Tax Classification	Gross Amount	Deductions	Taxable Amount	Tax Rate	Tax Due
Other Public Service Business	10,085.97	0.00	10,085.97	0.019260	194.26
Water Distribution	996.71	0.00	996.71	0.050290	50.12
Total Public Utility Tax					244.38

Deductions

Tax Classification	Deduction	Amount
Business & Occupation		
Retailing	Motor Vehicle Fuel Tax	0.00
State Sales and Use		
Retail Sales	Motor Vehicle Fuel Sales	0.00

Local City and/or County Sales Tax

Location	Taxable Amount	Tax Rate	Tax Due
1601 - PORT TOWNSEND	41,690.79	0.025000	1,042.27
Total Local City and/or County Sales Tax			1,042.27

Transient Rental Income

Location	Income
1601 - PORT TOWNSEND	16,076.15
Total Transient Rental Income	16,076.15

Special Hotel/Motel

Location	Taxable Amount	Tax Rate	Tax Due
1601 - PORT TOWNSEND	16,076.15	0.020000	321.52
	Total Special Hotel/Motel		321.52

Total Tax	5,363.50
Subtotal	5,363.50
Total Amount Owed	5,363.50

Prepared By:	Donna Frary
E-Mail Address:	donna@portofpt.com
Submitted Date:	12/21/2020
Confirmation #:	0-017-564-099
 Payment Type:	 ACH Debit/E-Check
Amount:	\$5,363.50
Effective Date:	12/28/2020

PORT OF PORT TOWNSEND

INFORMATIONAL MEMO

DATE: 1/8/2021
TO: Port Townsend Port Commission
FROM: Port Executive Staff
SUBJECT: Stormwater Media Replacement – Boat Haven Aquip Units #1 & #2

ISSUE: Should the Commission ratify the actions of Port staff to order stormwater media supplies exceeding the authority delegated to the Executive Director as set forth in the attached purchase orders?

BACKGROUND: Effective treatment of stormwater runoff from Boat Haven operations is of critical importance, both to protect the quality of surrounding marine waters, and to safeguard the businesses and jobs that rely upon the Boat Yard General Permit maintained by the Port.

On December 17, 2020, Port staff concluded that the stormwater media in Aquip Unit #2 (adjacent to Admiral Ship Supply) was no longer functioning properly and required immediate replacement. The media is a proprietary mix sourced exclusively through stormwaterRx. The cost of the media for Aquip Unit #2 was \$27,369.90, slightly exceeding the Executive Director's spending authority under delegation of authority. On Friday, December 18, 2020, the Port's Deputy Director, Eric Toews, contacted each commissioner individually to apprise them of the need to press forward with the media purchase to ensure continued effective treatment of Boat Haven stormwater runoff and the protection of adjacent marine waters. A purchase order was thereafter placed with stormwaterRx. The media was delivered on January 4, and successfully installed on January 6.

On January 7, 2021, following a discussion with Port staff (Environmental Specialist, Maintenance & Yard), it was concluded that the stormwater media in Aquip Unit #1 (adjacent to the 75-Ton Washdown Pad) was also not functioning effectively, and is in need of immediate replacement. The cost of the media for Aquip Unit #1 is \$32,369.90.

FISCAL IMPACT: The total cost for the media replacement is \$60,135.30.

RECOMMENDATION: Staff recommends that the Commission ratify the purchase of stormwater media for Aquip Units #1 and #2.

MOTION: Motion to ratify authorization to order stormwater media exceeding the delegated authority of \$25,000 as set forth in the attached stormwater media quotations. *[Note: Because this matter has been included on the Consent Agenda, approval of the Consent Agenda by the Commission would accomplish this motion.]*

ATTACHMENTS:

1. StormwaterRx Aquip Media Supply Purchase Order – Aquip Unit #2 (\$27,369.90); and
2. StormwaterRx Aquip Media Supply Purchase Order – Aquip Unit #1 (\$33,800.90).

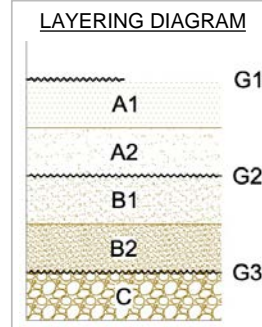
Aquip® Media Supply Quotation



Date:	December 23, 2020
Quote Expiration Date:	February 28, 2021
Quote Prepared For:	Terry Taylor
Customer Maintenance Contact:	Terry Taylor
Project:	Port of Port Townsend - 375 Hudson Street, Port Townsend, WA 98368
Project No:	119.52.04
Maintenance Manager:	Paul Schmidt, pauls@stormwaterx.com

Section 1) Media Supply

Qty	Part No	Description of Goods Quoted	Unit Price	Extended
1	MAIN-FULL-A160SBE	<p>Full Media Supply of Aquip 160SBE includes:</p> <ul style="list-style-type: none"> • Pretreatment chamber (Omniplex media), • Filter Fabric Layer G1: Top filter fabric layer, • Media Layer A1 (Coarse Inert Media): Top layer of filter bed media, • Media Layer A2 (Fine Inert Media): Second layer of filter bed, • Media Layer B1 (Sorpitive Media): Third layer of filter bed, • Media Layer B2 (Sorpitive Media): Fourth layer of filter bed, • Filter Fabric Layer G3: Third filter fabric layer, • Not Included -- Filter Fabric Layer G2, existing fabric is to be re-used, • See layering diagram for more detail 	\$24,160	\$24,160



Media Supply Total:

\$24,160

Section 2) Products

Item		Unit Price	Extended
Product Upgrades and Extras:			
0	<p><u>High Performance Underdrain:</u> Provides better stormwater/filtration media contact and performance. Choose this option if Aquip has been in service for several years or when higher pollutant capture rate is desired and in conjunction with a full media replacement. Only available with Full Media Supply and when Underdrain Media Supply selected.</p>	\$2,750	\$0
0	<p><u>Underdrain Media Supply:</u> Layer C - Underdrain media; freight included.</p>	\$1,790	\$0
1	<p><u>Maintenance Oversight and Certification:</u></p> <ul style="list-style-type: none"> • On-site media installation supervision (6 hours maximum). • Certification that the Aquip has been refurbished to specifications. • Requires a minimum 15 days notice for travel scheduling. • Operational / maintenance training (as necessary). • Installation of product upgrades (if applicable). 	\$950	\$950

Products Total:

\$950.00

Subtotal (Media Supply + Products):

\$25,110.00

Applicable Sales Tax:

9.00%

\$2,259.90

Total (Subtotal + Sales Tax):

\$27,369.90

Section 3) Customer Responsibilities
<ul style="list-style-type: none">▪ Removal and disposal of spent media in filtration chamber, estimated quantity 10.6 cy (12.8 tons). IMPORTANT: Unless 'Underdrain Gravel Supply' options is selected above, stop at Filter Fabric G3. Do not remove Layer C. Refer to Aquip O&M Manual for additional details.▪ Filter Fabric G2 is not included in the media supply. The existing Filter Fabric G2 from your current media bed must be reused in your new media bed construction.▪ Clean out accumulated material within the pretreatment chamber (above and below the removable buffering racks).▪ Provide coordination of receiving, unloading and storing new media until installation 11 pallets.▪ Placement of new media in the Aquip per Aquip O&M Manual (see layering diagram). Requires forklift (with operator) capable of suspending 4,000 lb load over top of Aquip tank.▪ StormwaterRx staff available (at an additional charge) for onsite troubleshooting.

Terms:

- This quotation and all products and services herein are subject and limited to the terms and conditions contained in StormwaterRx's Standard Terms and Conditions of Sale, located at stormwaterx.com/quoteterms/. Issuance of any purchase orders in response to this Quote, or signature below, will be deemed acceptance of such terms.
- Delivery At Project (DAP, freight included).
- State and local taxes shown.

Payment Terms:

- 100% and taxes (if any) due upon shipment
- 50% restocking fee applies for all cancelled orders

Delivery:

- Normal 1-2 weeks from order date

To Order:

- Complete, sign and return this quotation by email

Authorizing Person (Print): _____

Authorizing Signature: _____

Date: _____

BILLING CONTACT INFORMATION
Check if same as above: <input type="checkbox"/>
Contact Name: _____
Contact Email: _____
Mailing Address: _____
City, State, Zip: _____

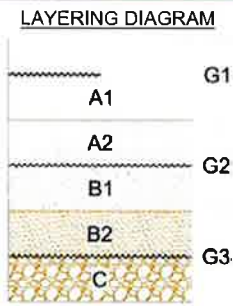
Aquip® Media Supply Quotation



Date:	January 8, 2021
Quote Expiration Date:	March 31, 2021
Quote Prepared For:	Terry Taylor
Customer Maintenance Contact:	Terry Taylor
Project:	Port of Port Townsend - 2701 Jefferson St., Port Townsend, WA 98368
Project No:	119.51.05
Maintenance Manager:	Paul Schmidt, pauls@stormwaterx.com

Section 1) Media Supply

Qty	Part No	Description of Goods Quoted	Unit Price	Extended
1	MAIN-FULL-A210SBE	<p>Full Media Supply of Aquip 210SBE includes:</p> <ul style="list-style-type: none"> • Pretreatment chamber (Omniplex media), • Filter Fabric Layer G1: Top filter fabric layer, • Media Layer A1 (Coarse Inert Media): Top layer of filter bed media, • Media Layer A2 (Fine Inert Media): Second layer of filter bed, • Media Layer B1 (Sorptive Media): Third layer of filter bed, • Media Layer B2 (Sorptive Media): Fourth layer of filter bed, • Filter Fabric Layer G3: Third filter fabric layer, • Not Included -- Filter Fabric Layer G2, existing fabric is to be re-used, • See layering diagram for more detail 	\$30,060	\$30,060



Media Supply Total: **\$30,060**

Section 2) Products

Item	Unit Price	Extended
Product Upgrades and Extras:		
<p><u>Maintenance Oversight and Certification:</u></p> <ul style="list-style-type: none"> • On-site media installation supervision (6 hours maximum). • Certification that the Aquip has been refurbished to specifications. • Requires a minimum 15 days notice for travel scheduling. • Operational / maintenance training (as necessary). • Installation of product upgrades (if applicable). 	\$950	\$0
Products Total:		\$0.00
Subtotal (Media Supply + Products):		\$30,060.00
Applicable Sales Tax: 9.00%		\$2,705.40
Total (Subtotal + Sales Tax):		\$32,765.40

Section 3) Customer Responsibilities

- Removal and disposal of spent media in filtration chamber, estimated quantity ~16 tons. **IMPORTANT: Stop at Filter Fabric G3. Do not remove Layer C.** Refer to Aquip O&M Manual for additional details.
- Filter Fabric G2 is not included in the media supply. The existing Filter Fabric G2 from your current media bed must be reused in your new media bed construction.
- Clean out accumulated material within the pretreatment chamber (above and below the removable buffering racks).
- Provide coordination of receiving, unloading and storing new media until installation 13 pallets.
- Placement of new media in the Aquip per Aquip O&M Manual (see layering diagram). Requires forklift (with operator) capable of suspending 4,000 lb load over top of Aquip tank.
- StormwaterRx staff available (at an additional charge) for onsite troubleshooting.

Terms:

- This quotation and all products and services herein are subject and limited to the terms and conditions contained in StormwaterRx's Standard Terms and Conditions of Sale, located at stormwaterx.com/quoteterms/. Issuance of any purchase orders in response to this Quote, or signature below, will be deemed acceptance of such terms.
- Delivery At Project (DAP, freight included).
- State and local taxes shown.

Payment Terms:

- 100% and taxes (if any) due upon shipment
- 50% restocking fee applies for all cancelled orders

Delivery:

- Normal 2-3 weeks from order date

To Order:

- Complete, sign and return this quotation by email

Authorizing Person (Print):

Authorizing Signature:

Date:

BILLING CONTACT INFORMATION

Check if same as above: ☐

Contact Name:

Contact Email:

Mailing Address:

City, State, Zip:

INDUSTRIAL DEVELOPMENT CORPORATION OF
THE PORT OF PORT TOWNSEND
January 13, 2021, 1:00 PM via Zoom
Meeting Agenda

- I. Call to Order
- II. Election of Officers
- III. Approval of Minutes – January 8, 2020
- IV. Business
 - a. Review of 2020 financial report
- V. Next Meeting – called as needed
- VI. Adjournment

**INDUSTRIAL DEVELOPMENT CORPORATION OF
THE PORT OF PORT TOWNSEND**

MEETING OF: **January 13, 2021**

AGENDA ITEM: **Annual Election of Year 2021 Officers**

BACKGROUND:

2020 IDC Officers:

President:	Peter W. Hanke
Vice-President:	William W. Putney III
Secretary:	Pamela A. Petranek

RECOMMENDATION:

Elect Officers for the year 2021.

**MINUTES OF THE
INDUSTRIAL DEVELOPMENT CORPORATION OF
THE PORT OF PORT TOWNSEND
Wednesday – January 8, 2020**

The meeting of the Industrial Development Corporation of the Port of Port Townsend was held in the Port Commission Building, 333 Benedict Street, Port Townsend, WA.

Present: Commissioner Putney
Commissioner Hanke
Commissioner Petranek
Executive Director Pivarnik
Auditor Berg
Deputy Director Toews
Recorder Erickson
Attorney Chmelik (present via Zoom audio/visual)

I. CALL TO ORDER

Commissioner Hanke called the meeting to order at 1:20 p.m.

II. ELECTION OF OFFICERS:

Commissioner Petranek moved to accept officers as they sit on the Port Commission for the 2020 IDC officers as follows:

Commissioner Hanke: President
Commissioner Putney: Vice President
Commissioner Petranek: Secretary
Auditor Berg (CFO of the Port): Treasurer

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

III. APPROVAL OF MINUTES – January 9, 2019:

Commissioner Putney moved for approval of the January 9, 2019, IDC meeting minutes as presented. Commissioner Petranek seconded the motion. Motion carried by unanimous vote.

IV. NEW BUSINESS:

None

V. NEXT MEETING:

The next scheduled meeting of the IDC will be on January 13, 2021, unless otherwise scheduled.

VI. ADJOURNMENT:

There being no further business to come before the Directors, the meeting adjourned at 2:45 p.m.

Peter W. Hanke, President Date

Pamela A. Petranek, Secretary Date

William W. Putney III, Vice President Date

Port of Port Townsend
IDC Financial Report
fiscal year ending December 31, 2020

Beginning Cash		\$ 5,017.01
Revenues	\$ 1.16	
Expenditures	\$ -	
Net Increase in Cash & Investments	<hr/>	<hr/> \$ 1.16
Ending Cash & Investments		\$ 5,018.17

PORT OF PORT TOWNSEND

INFORMATIONAL MEMO

DATE: 1/6/2021
TO: Port Townsend Port Commission
FROM: Port Executive Staff
SUBJECT: Point Hudson Breakwater Funding (Resolution No. 740-21 Authorizing an Adjusted Port Match Commitment for the Point Hudson Breakwater Reconstruction Project and Resolution No. 741-21 Authorizing a new Revolving Line of Credit (LOC) and Closing the Port's 2020 LOC)

ISSUES:

1. Should the Executive Director be authorized to amend and resubmit portions of the Port's previously submitted EDA EAA Disaster Recovery Program grant application to request \$7,031,300 in funding assistance to demolish and reconstruct the North and South Point Hudson Breakwaters?
2. Should the Executive Director be authorized to establish a new line of credit with Cashmere Valley Bank in the amount of \$7,000,000 to be repaid by tax proceeds from both the multi-year Industrial Development District (IDD) and regular property tax levies previously authorized by the Commission?
3. Should the Executive Director be authorized to submit a "Matching Funds Commitment Letter" to the EDA to secure \$7,031,300 in federal funding assistance for the breakwater project?

BACKGROUND: The replacement of the overlapping breakwaters at Point Hudson has long been one of the Port's highest capital priorities and is a "heavy lift" financially for the Port. The present project cost estimate, which includes both hard and soft costs from bid award to completion, is \$14,062,600.

In a letter delivered via email on December 8, 2020, the Port received very good news from the Economic Development Administration (EDA): **the EDA has reviewed the Port's request for breakwater funding assistance and has selected the project for further consideration.** This opens a viable path for the Port to rebuild the overlapping breakwaters and secure the future of Point Hudson. The EDA is presently considering the project for an award of up to \$7,031,300 (50%) of the total project cost, subject to availability of funds and the submission of additional information by the Port.

The Port initially submitted a grant application requesting 80% of the total estimated project cost. In October of 2020, following consultation with EDA staff, the Port's funding request was reduced to 66% in order to remain under consideration. The December 8, 2020 notification from EDA indicates that the project has been selected for funding at 50%, PROVIDED that the Port can document its ability to meet a 50% match requirement. The table on the following page summarizes how the Port's request has changed since the grant application was originally submitted.

Two Resolutions are presented to the Commission under this agenda item to secure funding for this critical project: 1) Resolution No. 740-21 which would adjust the Port's EDA match commitment to 50%; and 2) Resolution No. 741-21 which would authorize issuance and sale of a note to evidence a new revolving line of credit (LOC) with Cashmere Valley Bank ("Cashmere") in an amount not to exceed \$7,000,000, and closing the LOC established with Cashmere in 2020.

Point Hudson Breakwater EDA Grant Application: How has the Port's Request for Funding Assistance has Changed Since Last Summer?			
Resolution #/Date	Estimated Project Cost ¹	Request to EDA Percentage of Total	Proposed Port Match Percentage of Total
Resolution 723-20 (July 8, 2020)	\$14,250,000	\$11,400,000 (80%)	\$2,850,000 (20%)
Resolution 725-20 (October 6, 2020)	\$14,062,600	\$9,281,316 (66%)	\$4,781,284 (34%)
Resolution 740-21 (January 13, 2021)	\$14,062,600	\$7,031,300 (50%)	\$7,031,300 (50%)

DISCUSSION: The funding strategy outlined in Resolutions 740-21 and 741-21 would largely preserve Port-Wide Capital Reserves and avoid incurring additional long-term debt. The concept is to use revenues generated via both the Port's Industrial Development District and regular property tax levies to fund a rolling capital improvement plan, using a line of credit to bridge the Port's cashflow over the next five years.

Resolution No. 740-21 – EDA Match

If approved by the Commission, Resolution No. 740-21 would direct the following:

- Authorize the Executive Director to amend and resubmit portions of its previously submitted EDA EAA Disaster Recovery Program grant application to request \$7,031,300 (50% of the estimated project cost), rather than \$9,281,316 (66% of the estimated cost);
- Clearly express the Commission's commitment to meeting its 50% match obligation;
- Specify that the source of Port match funding will be Port-Wide Capital Reserves together with a new revolving line of credit with Cashmere Valley Bank to be repaid by way of revenues collected under both its Industrial Development District (IDD) and regular property tax levy authority;
- Formally commit the required match funding to the Point Hudson Breakwater Project for the period of performance, ensuring that it will be available as needed, and will not be conditioned or encumbered so as to preclude its use for the project; and
- Authorize the Executive Director to submit a "Matching Funds Commitment Letter" to the EDA consistent with the Resolution.

In coordination with Insight Strategic Partners, the Port will continue to seek direct funding support from the State Legislature in the amount of \$2,000,000. EDA staff have confirmed that a direct legislative appropriation would not conflict with grant program requirements. If successful in securing legislative support, the Port's direct-match contribution could be reduced to \$5,000,000 (approximately 36%) and the need to increase the annual IDD levy could also be proportionately diminished. Thus, with

¹ Estimated cost includes all costs from the point of bid award through to project completion, including construction administration. Engineering, design and permitting costs prior to bid award are not included.

funding support from Olympia, the Port would be able to preserve more of the remaining IDD levy authority for other critical capital projects.

Resolution No. 741-21 – Restructured Line of Credit

Resolution No. 741-21 would permit establishment of a new line of credit (LOC) with Cashmere Valley Bank (“Cashmere”), while closing the LOC established with Cashmere in 2020. Key terms of the proposed LOC are as follows:

- **Amount:** Not to exceed \$7,000,000 (+ \$4,000,000);
- **Form:** A single bond issued by the Port and purchased by Cashmere Valley Bank at private sale
- **Tax Status:** Bank qualified/tax exempt
- **Purpose:** The proceeds of the bond would be used to support the Port’s 5-year rolling capital projects plan
- **Interest Rate Accrual:** 30/360
- **Interest Rate Floor:** N/A
- **Per Annum Rate:** 1.55%
- **Interest Payments Due:** Semi-annually on each September 1 and March 1

FISCAL IMPACT: By adopting the Resolutions outlined above, the Port will be committing to \$7,021,300 or 50% of the eligible project costs. To meet this obligation, the Port would use the line of credit to bridge funding of its 5-year rolling capital projects plan, with the line of credit to be repaid via IDD and regular property tax levy proceeds. If successful in obtaining a direct state legislative appropriation for the breakwater project, the need to increase the annual IDD levy may be reduced, and IDD funding could be preserved for other capital priorities.

The legal fees² to secure the restructured line of credit are anticipated to require approximately \$10,000. Additionally, there will be interest payments to the bank on the borrowed funds, as outlined above.

RECOMMENDATION: Staff recommends that the Commission approve Resolutions Nos. 740-21 and 741-21 in order to secure EDA project funding for the Point Hudson Breakwater project.

MOTION: Move (by way of separate motions) to approve Resolution Nos. 740-21 and 741-21.

ATTACHMENTS:

1. Port Commission Resolution No. 740-21 (consisting of 7 pages, including the EDA’s “Notice of Further Consideration Letter” of December 8, 2020 and a draft Port Match Commitment Letter).
2. Port Commission Resolution No. 741-21 (note: Bond Counsel is currently preparing this resolution, which may be included as “late materials” in advance of the Commission’s regular meeting on January 13, 2021).

² The Port’s Bond Counsel, Ms. Cynthia Weed, of K&L Gates is assisting the Port with the LOC restructuring.

RESOLUTION NO. 740-21

A Resolution of the Commission of the Port of Port Townsend

AUTHORIZING THE EXECUTIVE DIRECTOR TO ADJUST THE PORT'S LOCAL MATCH COMMITMENT FOR THE FEDERAL ECONOMIC DEVELOPMENT ADMINISTRATION (EDA) DISASTER RECOVERY PROGRAM GRANT SUBMITTED TO THE EDA ON JULY 23, 2020 AND LATER AMENDED ON OCTOBER 13, 2020 FOR DEMOLITION AND RECONSTRUCTION OF THE POINT HUDSON BREAKWATER.

WHEREAS, the Port Commission of the Port of Port Townsend is responsible for coordinating the mitigation of, preparation for, response to, and recovery from natural disasters that affect Port infrastructure and to re-establish resilient infrastructure that will help to sustain the communities of Jefferson County in the future; and

WHEREAS, the Point Hudson Marina's geographical location, at the northeastern tip of the Quimper Peninsula, makes it vulnerable to the damaging wind and wave action of winter storms on Port Townsend Bay, with the potential for such storms to damage Port infrastructure and severely and negatively affect the local economy as well as the maritime heritage and character of the community; and

WHEREAS, from December 10 through December 24, 2018, the Puget Sound region of Western Washington experienced a series of severe winter storms, with high winds and waves, flooding, landslides, mudslides, and a tornado which resulted in a Presidential Disaster Declaration for eight counties, including Jefferson County; and

WHEREAS, the overlapping breakwaters protecting the Point Hudson Marina were damaged during these storms, with broken cable ties and piles, loss of armor rock and overall acceleration of structural deterioration which forced waves and debris into the marina and further damaged docks and floats within the moorage basin; and

WHEREAS, the winter storms of December 2018 revealed the deteriorated and vulnerable condition of the Point Hudson Breakwater, which, if not replaced with more robust and resilient infrastructure, could in future jeopardize public and private property and threaten the economic life of the community; and

WHEREAS, demolition and replacement of both arms of the Point Hudson Breakwater will strengthen critical infrastructure to ensure that it is more resilient and secure, thereby safeguarding the Point Hudson Marina and the businesses which rely directly or indirectly on this facility, as well as the economic vitality of Port Townsend's Commercial Historic District more generally; and

WHEREAS, the Economic Development Administration of the U.S. Department of Commerce (EDA) administers the Economic Adjustment Assistance (EAA) Disaster Recovery Program which makes matching grant funds available to help communities devise and implement long-term economic development recovery strategies in areas where a Presidential Declaration of a major disaster was issued; and

WHEREAS, the Port of Port Townsend qualifies to apply for EAA Disaster Recovery Program grant assistance (funding opportunity number EDA-2019-DISASTER) in that:

- Jefferson County, Washington was included in the major disaster Presidential declaration (DR-4418) under the Robert T. Stafford Disaster Relief and Emergency Assistance Act as a result of the December 2018 winter storms; and
- The proposed Point Hudson Breakwater replacement project aligns with Investment Priorities identified by the EDA in that:
 - It would facilitate economic recovery and resilience and strengthen the ability of the community to withstand future natural disasters and economic shocks; and
 - It is a critical infrastructure project that would replace a key component of the physical infrastructure that sustains the local economy; and
 - It would help to attract private investment and retain and grow jobs within a designated Opportunity Zone;
- The proposed breakwater replacement has been identified as a priority capital project within the North Olympic Development Council's Comprehensive Economic Development Strategy (CEDS) since 2016; and
- The project is also reflected in the Port of Port Townsend's Comprehensive Scheme of Harbor Improvements as a priority capital project necessary to support the health and resilience of the Port Townsend and Jefferson County economy; and

WHEREAS, on July 23, 2020 the Port submitted an application for EAA Disaster Recovery Program grant assistance (funding opportunity number EDA-2019-DISASTER); and

WHEREAS, on October 2, 2020 the EDA's Seattle Regional Investment Review Committee (IRC) informed the Port (see Attachment "A") that a decision on the Port's application had been deferred, and that the Port could elect to have its request for funding assistance reconsidered, provided that the Port increase its match commitment to \$4,781,284 (34%) of the currently estimated project cost of \$14,062,600, document its matching share commitment, and modify portions of its original application.

WHEREAS, on October 13, 2020 the Port re-submitted its application for EAA Disaster Recovery Program grant assistance incorporating the revisions outlined above; and

WHEREAS, on December 8, 2020 the EDA's Acting Regional Director, Kerstin Millius, informed the Port that the Port's application had been reviewed for merit and selected for further consideration (see Attachment "B"), **PROVIDED THAT**:

- The Port further increase its match commitment to \$7,031,300 (50%) of the currently estimated project cost of \$14,062,600; and
- Document that the Port's matching share will be committed to the project for the period of performance, available as needed, and not be conditioned or encumbered in any way that may preclude its use consistent with the requirements of EDA investment assistance; and
- The Port revise and/or update and resubmit portions of its application (forms CD 511, ED 900A, ED 900B, and ED 900E, SF 424, SF 424C, and SF 424D) to reflect the amount set forth in EDA's preliminary notice of selection for further consideration and clarify certain other aspects of the Port's application.

WHEREAS, the Port of Port Townsend matching funds will come from a line of credit established by the Port to be repaid by way of Industrial Development District (IDD) levy proceeds, following notice of final award from the EDA, which is not anticipated until later this year.

NOW, THEREFORE, BE IT RESOLVED as follows:

1. **Application for Disaster Recovery Program Grant Assistance Amended:** The Commission for the Port of Port Townsend, Jefferson County, Washington, supports amending and resubmitting portions of its previously submitted EDA EAA Disaster Recovery Program grant application to request \$7,031,300 in funding assistance to demolish and reconstruct both the South and North arms of the Point Hudson Breakwater.
2. **Executive Director Authorized to Execute All Necessary Documents & Agreements:** The Port Commission authorizes its Executive Director, Eron Berg, or his designee, to sign and submit all necessary documents to both amend its previously submitted application to and to enter into a project agreement with the EDA, if the requested funding (as amended) is awarded.
3. **Port of Port Townsend Match Commitment Increased – Source of Funds:**
 - a. The Port Commission expresses its commitment to meet the EAA Disaster Recovery Program match requirements with up to \$7,031,300 in local/Port match monies.
 - b. The funding source for the matching funds will be Port-wide capital reserves together with a line of line of credit to be established with Cashmere Valley Bank in the amount of \$7,000,000, which will be repaid by tax proceeds from the multi-year Industrial Development District (IDD) levy authorized by the Port Commission under Port Resolution No. 698-19¹ and the Port's regular (annual) property tax levy.
 - c. The match funding described above is committed to the Point Hudson Breakwater Project for the period of performance, is available as needed, and is not and will not be conditioned or encumbered in any way that would preclude its use consistent with the requirements of EDA investment assistance.
 - d. The Port Commission expressly authorizes its Executive Director, Eron Berg, or his designee, to submit a Matching Funds Commitment Letter substantially in the form presented in Attachment "C" which is incorporated herein by this reference.
4. **Adequacy of Process Confirmed:** The Port of Port Townsend recertifies that appropriate opportunity for public comment on this grant application was provided, and further, that this Resolution of the Port Commission was properly and lawfully adopted following the requirements of the Port of Port Townsend and all applicable laws and policies.

ADOPTED this 13th day of January 2021, 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:

Pamela A. Petranek, Secretary

Peter W. Hanke, President

William W. Putney III, Vice President

APPROVED AS TO FORM:

Port Attorney

¹ Adopted under the authority of RCW 53.36.160.



U.S. DEPARTMENT OF COMMERCE
 Economic Development Administration
 915 Second Avenue, Room 1890
 Seattle, Washington 98174
 Fax: 206.220.7669
 Voice: 206.220.7660

October 2, 2020

In reply refer to:
 EDA Control No. 115908

Mr. Eron Berg
 Executive Director
 PO Box 1180
 Port Townsend, WA 98368

Dear Mr. Berg:

The U.S. Economic Development Administration's (EDA) Seattle Regional Office Investment Review Committee (IRC) has considered your application for investment assistance to fund the Point Hudson Breakwater Replacement Project. EDA receives many more proposals than it can fund. Although the IRC found your application aligned with EDA investment priorities, the agency regrets to inform you that a definitive decision on your application has been deferred to a future date.

Although EDA is not moving forward with funding your project at this time, you may elect to have your application carried forward and re-considered at an IRC meeting to be scheduled in the future. **The option to carry your application forward does not guarantee that the application will be funded.** The EDA Seattle Regional Office, however, is willing to re-consider your application for funding with other applications that are received.

If you would like for EDA to carry your application forward and re-consider it during a future competitive IRC meeting, please, respond in writing to this notice no later than October 12, 2020. The written response may be in the form of an e-mail message or published letter. If you do not respond to this correspondence in writing by the specified date, EDA will consider the application withdrawn. You also have the option of withdrawing your application and submitting a revised or new application.

Included in your written response, please, address or submit the following items:


- Match commitment letter needs to be updated to reflect the increased amount to \$4,781,284, or 34% of the total project cost. It should also include required language from the Notice Of Funding Opportunity (NOFO): "The applicant must document that the matching share will: (i) be committed to the project for the period of performance, (ii) be available as needed, and (iii) not be conditioned or encumbered in any way that may preclude its use consistent with the requirements of EDA investment assistance."
- Revised SF 424C to reflect the updated funding amount requested from EDA.

- Revised SF 424 to reflect the updated project cost, applicant contribution, and amount requested from EDA.

If you do not respond to this notification in writing by the specified date, EDA will consider the application withdrawn. You also have the option of withdrawing your application and submitting a revised or new application. If you have any questions, do not hesitate to contact Laura Ives, Economic Development Specialist, at (206) 200-1951 or LIves@eda.gov. You may contact your Economic Development Representative, Richard Berndt, as well at (206) 220-7682 or RBerndt@eda.gov.

Thank you for your interest in EDA. For more information about our programs and other upcoming funding opportunities, please visit our website at www.eda.gov.

Sincerely,

 Digitally signed by
KERSTIN MILLIUS
Date: 2020.10.02
16:21:48 -07'00'

Kerstin Millius
Acting Regional Director
Seattle Regional Office

Enclosures

c: Richard Berndt, Economic Development Representative



U.S. DEPARTMENT OF COMMERCE

Economic Development Administration
Jackson Federal Building, Room 1890
915 Second Avenue
Seattle, Washington 98174
206-220-7660

December 8, 2020

In reply refer to:

EDA Control No. 115908

Eron Berg
Executive Director
Port of Port Townsend
PO Box 1180
Port Townsend, WA 98368

Dear Mr. Berg:

The Economic Development Administration (EDA) is pleased to inform you that your application has been reviewed for merit and selected for further consideration. **Please note that this notification of further consideration is intended to inform you of EDA's competitive preliminary selection of your project but does not guarantee final approval or legally bind EDA to make an award.**

Subject to the availability of funds, your proposed project, estimated to cost \$14,062,600 will be considered for \$7,031,300, or 50% grant rate, in EDA funding.

By acceptance of this letter, you agree to provide all additional information requested below, and any other additional information that may be requested subsequently. You also acknowledge that final approval and the timing of such an approval are subject to EDA's acceptance of all required information and the availability of EDA funding.

Additional Information: Please provide the following information to Laura Ives, Economic Development Specialist, by January 29, 2021:

- General
 - Please have the following forms signed by the Authorized Representative: SF 424, ED 900A, SF 424D, CD 511.
- Engineering
 - Revise SF 424C; combine demolition cost into the construction line (as all this will be performed by a single contractor).

- Environmental
 - Understand that Section 106 of the National Historic Preservation Act (NHPA) will be required through SHPO/THPO/Tribal coordination. This can be accomplished through USACE Section 404 permit if the Area of Potential Effect (APE) is the same between EDA and USACE. Please confirm APE is the same.
 - Understand that informal consultation with USFWS and NOAA will be required. Similar to Section 106, this action can be accomplished through USACE Section 404 permit.
 - Understand that a USACE Section 404 permit will be required when appropriate.
 - Understand that confirmation of the NEPA/NHPA and Floodplain Management public scoping notices will be required when applicable.
- Legal
 - Submit an updated ED-900B from Puget Sound Express and Doc's Marina Grill checking the box indicating willingness to maintain and provide job numbers.
 - Submit an updated Matching Funds Commitment Letter indicating that the matching funds are available, committed to the project and unencumbered. This letter should also clarify the source of the funds as there is a discrepancy on this point in the application.
 - Submit an updated ED-900E with all zeros if there will be no relocation expenses. If relocation expenses are anticipated, please inform EDA of this.

The information requested above will supplement your application and enable EDA to proceed with processing your application. Failure to meet this deadline, or the submission of incorrect or incomplete information, will jeopardize approval of your application. If you cannot meet this deadline, please advise Laura Ives, Economic Development Specialist, as soon as possible.

EDA will assess the additional information provided upon receipt. EDA's assessment of this information may determine one of the following:


1. No additional information is necessary;
2. Additional information is required, because the submission is incomplete, inaccurate, or otherwise unacceptable to EDA, and the applicant(s) must revise the submission before EDA will consider processing the application further; or
3. EDA will discontinue considering the application for funding, because the information submitted does not present a project that complies with applicable law(s), regulations or policies.

Please note that your organization must comply with EDA's regulations for the agency's investment programs, which are set out at 13 CFR chapter III, as well as the FY 2019 Disaster Supplemental NOFO.

Final approval of an award is conditioned upon EDA's assessment of the additional information requested, project feasibility, funding priorities, and the availability of funds for obligation.

If you have questions regarding the requested information or status of your application, please do not hesitate to contact Laura Ives, Economic Development Specialist, at LIves@eda.gov or (206) 200-1951.

Sincerely,

 Digitally signed by
KERSTIN MILLIUS
Date: 2020.12.08
16:57:07 -08'00'

Kerstin Millius
Acting Regional Director
Seattle Regional Office

Copy: Richard Berndt, Acting Area Director
Chris Lobosco, Washington State Point of Contact



January 14, 2021

Ms. Kerstin Millius, Acting Regional Director
Seattle Regional Office, U.S. Department of Commerce
Economic Development Administration
Jackson Federal Building, Room 1890
915 Second Avenue
Seattle, WA 98174

RE: EDA Control No. 115908 – Updated Matching Funds Commitment Letter

Dear Ms. Millius:

By letter delivered via electronic mail on December 8, 2020, you have requested that the Port of Port Townsend (the "Port") furnish certain additional information in connection with the Port's request for EAA Disaster Recovery Program funding assistance for the Point Hudson Breakwater project. This letter is intended to fulfill one key aspect of the information requested. Specifically, to document the availability of Port matching funds for this critical project.

By way of Port Resolution No. 740-21, the Port Commission has authorized me to commit matching funds to the above-referenced project as follows:

1. Cash in the total amount of \$7,031,300 which will be provided throughout the course of the project as required via a \$7,000,000 line of credit established by the Port with Cashmere Valley Bank together with Port-Wide Capital Reserve.
2. The line of credit described above will be repaid via tax proceeds from a multi-year Industrial Development District Tax Levy previously authorized under Port Resolution No. 698-19 along with proceeds from the Port's regular property tax levy.
3. The match funding described herein is committed solely to the Point Hudson Breakwater Project for the entire period of performance, will be available as needed, and will not be conditioned or encumbered in any way that would preclude its use consistent with the requirements of EDA investment assistance.

Please do not hesitate to contact me if you have any questions or concerns.

Sincerely,

Eron Berg
Executive Director

Copy: Richard Berndt, Acting Area Director, EDA
Chris Lobosco, Washington State Point of Contact, EDA

PORT OF PORT TOWNSEND, WASHINGTON

LIMITED TAX GENERAL OBLIGATION BOND, 2021

RESOLUTION NO. 741-21

A RESOLUTION OF THE PORT COMMISSION OF THE PORT OF PORT TOWNSEND, WASHINGTON, PROVIDING FOR THE ISSUANCE AND SALE OF A BOND TO EVIDENCE A REVOLVING LINE OF CREDIT IN THE PRINCIPAL AMOUNT NOT TO EXCEED \$7,000,000 REPLACING AN EXISTING LINE OF CREDIT; PROVIDING THE DATE, FORM, TERMS AND MATURITY OF THE BOND; AUTHORIZING EACH DESIGNATED PORT REPRESENTATIVE AUTHORITY TO MANAGE THE REVOLVING LINE OF CREDIT; AND APPROVING THE SALE OF SUCH BOND TO CASHMERE VALLEY BANK.

ADOPTED ON JANUARY 13, 2021

PREPARED BY:

K&L GATES LLP
Seattle, Washington

PORT OF PORT TOWNSEND

RESOLUTION NO. 741-21

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* The Cover Page and this Table of Contents is provided for convenience only and is not a part of this resolution.

RESOLUTION NO. 741-21

A RESOLUTION OF THE PORT COMMISSION OF THE PORT OF PORT TOWNSEND, WASHINGTON, PROVIDING FOR THE ISSUANCE AND SALE OF A BOND TO EVIDENCE A REVOLVING LINE OF CREDIT IN THE PRINCIPAL AMOUNT NOT TO EXCEED \$7,000,000, REPLACING AN EXISTING LINE OF CREDIT; PROVIDING THE DATE, FORM, TERMS AND MATURITY OF THE BOND; AUTHORIZING EACH DESIGNATED PORT REPRESENTATIVE AUTHORITY TO MANAGE THE REVOLVING LINE OF CREDIT; AND APPROVING THE SALE OF SUCH BOND TO CASHMERE VALLEY BANK.

WHEREAS, the Port Commission (the “Commission”) of the Port of Port Townsend, Washington (the “Port”) deems it necessary and in the best interest of the citizens of the Port to undertake certain improvements to Port facilities within and as a part of its comprehensive scheme of improvements under RCW 53.20.010 (the “Projects”); and

WHEREAS, the Port is authorized by RCW 53.36.030 and Chapter 39.46 RCW to borrow money and issue general obligations payable, *inter alia*, from regular tax levies of the Port; and

WHEREAS, the Commission has determined to establish a revolving line of credit in exchange for its limited tax general obligation bond in the principal amount of not to exceed \$7,000,000 (the “Bond”) to provide financing for all or portion of the Projects and to pay costs of issuance of the Bond; and

WHEREAS, the Port has outstanding a revolving line of credit evidenced by a general obligation note of the Port, dated April 30, 2020 (the “2020 Line of Credit”), and provided by Cashmere Valley Bank (the “Bank”); and

WHEREAS, the Bank has provided a term sheet dated January 7, 2021 for an increased revolving line of credit (the “Term Sheet”) to be supported by the Bond authorized herein under the terms and conditions set forth in this resolution; and

WHEREAS, this Commission intends to proceed under the terms described in the Term Sheet with such minor modifications as may be approved by a Designated Port Representative as hereinafter described;

NOW, THEREFORE, BE IT RESOLVED BY THE PORT COMMISSION OF THE PORT OF PORT TOWNSEND, WASHINGTON, as follows:

Section 1. Definitions. As used in this resolution, the following words shall have the following meanings, unless a different meaning clearly appears from the context.

Bank means Cashmere Valley Bank, Cashmere, Washington.

Bond means the Port of Port Townsend, Washington, Limited Tax General Obligation Bond, 2021, issued pursuant to this resolution.

Bond Fund means the Port of Port Townsend Bond Redemption Fund, 2021, created in the office of the Treasurer of the Port pursuant to Section 5 of this resolution.

Bond Register means the books or records maintained by the Bond Registrar containing the name and mailing address of the owner of the Bond or nominee of such owner and the principal amount outstanding.

Bond Registrar means U.S. Bank National Association, the current fiscal agent of the State of Washington, as designated by the Treasurer, for the purposes of registering and authenticating the Bond, maintaining the Bond Register, effecting the transfer of ownership of the Bond and paying interest on and principal of the Bond.

Commission means the Port Commission, as general legislative authority of the Port as the same shall be duly and regularly constituted from time to time.

Designated Port Representative means the Executive Director and/or the Director of Finance and Administration of the Port (or the successor in function to such person) or such other person as may be directed by resolution of the Commission.

Director of Finance and Administration means the chief financial officer of the Port, charged with the duties of auditor and financial administration.

Draw or ***Draws*** means incremental draws, in the amount of not less than \$25,000, on the Bond by the Port.

Draw Certificate means a request for a Draw substantially in the form attached to this resolution as Exhibit A.

Draw Record means the administrative records kept by the Bank to record the date and dollar amounts of the Draws on the Bond and the loan repayments made by the Port.

Executive Director means the chief executive officer of the Port.

Installment Payment Date means each March 1 and September 1, following the date of issuance of the Bond.

Interest Rate means a per annum rate equal to (a) 1.55% from the date of issuance of the Bond through and including February 28, 2025; and (b) 1.65% from March 1, 2025 to the Maturity Date.

Maturity Date means March 1, 2027.

Outstanding Principal Balance of the Bond means on any particular day the aggregate dollar amount of all Draws that the Port has made under the Bond to that day less the principal payments made to the Bank with respect to outstanding Draws.

Port means the Port of Port Townsend, Washington, a political subdivision duly organized and existing under and by virtue of the laws of the State of Washington.

Private Person means any natural person engaged in a trade or business or any trust, estate, partnership, association, company or corporation.

Private Person Use means the use of property in a trade or business by a Private Person if such use is other than as a member of the general public. Private Person Use includes ownership of the property by the Private Person as well as other arrangements that transfer to the Private Person the actual or beneficial use of the property (such as a lease, management or incentive payment contract or other special arrangement) in such a manner as to set the Private Person apart from the general public. Use of property as a member of the general public includes attendance by the Private Person at municipal meetings or business rental of property to the Private Person on a day-to-day basis if the rental paid by such Private Person is the same as the rental paid by any Private Person who desires to rent the property. Use of property by nonprofit community groups or community recreational groups is not treated as Private Person Use if such use is incidental to the governmental uses of property, the property is made available for such use by all such community groups on an equal basis and such community groups are charged only a *de minimis* fee to cover custodial expenses.

Projects mean the capital improvements to Port facilities within and as a part of its comprehensive scheme of improvements under RCW 53.20.010, and as part of the approved capital budgets of the Port.

Request for Draw* or *Draws means incremental draws for the Projects as requested by a Designated Port Representative.

2020 Line of Credit means the Port's revolving line of credit with the Bank evidenced by a general obligation note of the Port, dated April 30, 2020.

Term Sheet means the final commitment letter or proposal from the Bank dated January 7, 2021, submitted for the Bond to the Port to purchase the Bond as approved pursuant to Section 6

of this resolution and may include a separate agreement, at the option of and approved by a Designated Port Representative.

Treasurer means the Treasurer of Jefferson County, as *ex officio* Treasurer of the Port, or any successor to the functions of such Treasurer.

Rules of Interpretation. In this resolution, unless the context otherwise requires:

(a) The terms “hereby,” “hereof,” “hereto,” “herein,” “hereunder” and any similar terms, as used in this resolution, refer to this resolution as a whole and not to any particular article, section, subdivision or clause hereof, and the term “hereafter” shall mean after, and the term “heretofore” shall mean before, the date of this resolution;

(b) Words importing persons shall include firms, associations, partnerships (including partnerships), trusts, corporations and other legal entities, including public bodies, as well as natural persons;

(c) Any headings preceding the text of the several articles and sections of this resolution, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this resolution, nor shall they affect its meaning, construction or effect;

(d) All references herein to “articles,” “sections” and other subdivisions or clauses are to the corresponding articles, sections, subdivisions or clauses hereof.

Section 2. **Authorization of the Bond.** For the purpose of establishing a revolving line of credit to finance the Projects, the Port shall issue its limited tax general obligation bond, in the form of a revolving draw down obligation, in the principal amount not to exceed \$7,000,000 (the “Bond”).

(a) ***Bond Details.*** The Bond shall be designated as the “Port of Port Townsend, Washington, Limited Tax General Obligation Bond, 2021,” shall be dated as of the date of issuance

and delivery of the Bond to the Bank, shall be numbered R-1; shall be issued as a single instrument, fully registered form in the denomination not to exceed \$7,000,000, provided that the principal amount due and owing thereunder shall be measured by the total Drawings made minus repayments of principal made by the Port, as evidenced by the Draw Record attached to the Bond. The Bond shall bear interest on the Outstanding Principal Balance at the Interest Rate, payable semiannually on each March 1 and September 1, beginning on September 1, 2021 (each such date being referred to as an “Installment Payment Date”), with final payment of all outstanding and unpaid principal and interest due at maturity on March 1, 2027. Interest shall be calculated on the basis of a year of 360 days and 12 months of 30 days. Payments of principal of each Draw shall be amortized from the date of the Draw in semiannual installments and reflected in the Term Sheet, payable on an Installment Payment Date, beginning on September 1, 2021. No later than fifteen (15) days prior to an Installment Payment Date, and the final Maturity Date of the Bond, the Bank shall notify the Port, the Bond Registrar and the Treasurer in writing of the amount of principal (or principal and interest) coming due on such date. Payments on the Bond made to the Bank shall be applied first to accrued interest and then to principal.

(b) *Draws.* The Bond is intended to be a revolving obligation and principal amounts repaid may be re-borrowed until the maturity of the Bond. Draws on the Bond shall be disbursed as borrowings from time to time by the Bank upon request from the Port (each such disbursement herein referred to as a “Draw”), as provided in Section 9 of this resolution. Draws may be made on any business day in amounts of not less than \$25,000. Draws must be received by 11:00 a.m. for same day funding. Draws shall be recorded on the Draw Record attached to the Bond, or in such other form as the Port and the Bank may agree. Interest on each Draw shall accrue from the date of that Draw and shall be computed on the basis as described above on the principal amount

of the Draw outstanding for the actual number of days the principal amount of the Draw is outstanding.

(c) *Delegation to the Designated Port Representative.* The Designated Port Representative is hereby authorized to determine for the Port the amount and the timing of Draws and repayments under the Bond; provided, however, that repayments of principal shall be made timely to assure that the Outstanding Principal Balance of Drawings does not exceed \$7,000,000.

Section 3. Prepayment. The Port reserves the right to prepay principal of the Bond in advance of the scheduled payments, in whole or in part, at any time, with no prepayment penalty. The Port will notify the Bond Registrar and the Bank at least 10 days in advance of its intent to prepay. Prepayments shall be applied first to interest and then to principal.

Section 4. Registration and Payments. The Port hereby requests that the Treasurer appoint the fiscal agent of the State of Washington to act as the Bond Registrar. The duties of the Bond Registrar hereunder shall be limited to authenticating the Bond and to remitting money to the Bank on the payment dates as provided therein. Principal of and interest on the Bond shall be payable in lawful money of the United States of America. Installments of principal of and interest on the Bond shall be paid by check, wire, or electronic transfer on the date due to the Bank; *provided, however,* upon final payment of all installments of principal and interest thereon, the Bond shall be submitted to the Bond Registrar for cancellation and surrender.

The Bond Registrar is authorized, on behalf of the Port, to authenticate and deliver the Bond and to carry out all of the Bond Registrar's powers and duties under this resolution.

The Bond shall not be transferable, except in whole to a financial institution.

Section 5. Bond Fund. A special fund of the Port known as the "Port of Port Townsend Bond Redemption Fund, 2021" (the "Bond Fund") is hereby authorized to be created in the office

of the Treasurer. The Bond Fund shall be drawn upon for the sole purpose of paying the principal of and interest on the Bond.

The Port hereby further irrevocably covenants that, unless the principal of and interest on the Bond are paid from other sources, it will make annual levies of taxes upon all of the property within the Port subject to taxation within and as a part of each tax levy permitted to the Port without a vote of the electors in amounts sufficient to pay such principal and interest as the same shall become due. The full faith, credit and resources of the Port are hereby irrevocably pledged for the annual levy and collection of such taxes and for the prompt payment of such principal and interest.

Section 6. Sale of the Bond and Authorization to Port Officials. The Port authorizes the Designated Port Representative to review and approve any minor modifications to the Term Sheet in consultation with the Bank and hereby ratifies and confirms its acceptance of the Bank's Term Sheet, to purchase the Bond on the terms specified therein and in this resolution. The proper officials of the Port are hereby authorized and directed to do all things necessary for the prompt execution and delivery of the Bond and the items required to be delivered to the Bank under the terms of the Term Sheet and for proper use and application of the proceeds of Drawings thereunder. In furtherance of the foregoing, the Designated Port Representative is authorized to approve and enter into agreements for the payment of costs of issuance, including the fees of bond counsel and fiscal agent, and other expenses customarily incurred in connection with issuance and sale of the Bond. There will be no loan fee to the Bank for issuance of the Bond.

Section 7. Form of Bond. The Bond shall be in substantially the following form:

UNITED STATES OF AMERICA

NO. R-1

Not to exceed \$7,000,000

STATE OF WASHINGTON

PORT OF PORT TOWNSEND

LIMITED TAX GENERAL OBLIGATION BOND, 2021

INTEREST RATE: Initially, 1.55% from the Date of Issue through and including February 28, 2025; and 1.65% from March 1, 2025 to the Maturity Date

MATURITY DATE: MARCH 1, 2027

REGISTERED OWNER: CASHMERE VALLEY BANK
117 APLETS WAY
CASHMERE, WA 98815

TAX IDENTIFICATION #: 91-0168460

PRINCIPAL AMOUNT: AS MUCH AS HAS BEEN DRAWN AND REMAINS OUTSTANDING HEREUNDER, BUT NOT TO EXCEED SEVEN MILLION AND NO/100 DOLLARS (\$7,000,000)

The Port of Port Townsend, Washington, a municipal corporation organized and existing under and by virtue of the laws of the State of Washington (herein called the “Port”), hereby acknowledges itself to owe and for value received, promises to pay to the Registered Owner identified above, or registered assigns, the Outstanding Principal Balance (as defined in the hereinafter defined Resolution) of this this bond, in an amount not to exceed the Principal Amount specified above. The Outstanding Principal Balance on any particular day shall be the aggregate of all funds that the Port has Drawn from the date of this bond to that day less the aggregate of all principal payments made by the Port on or before that day, and no Draws shall be made or honored if, as a result of such Draw, the Outstanding Principal Balance would exceed \$7,000,000.

Draws made upon this bond shall bear interest at the Interest Rate set forth above (calculated on the basis of a year of 360 days and 12 months of 30 days) and shall accrue from the date of each Draw on the principal amount of such Draw outstanding. Interest on the Outstanding Principal Balance of this bond shall be paid semiannually on each March 1 and September 1, beginning on September 1, 2021, with final payment of all outstanding and unpaid principal and interest due at maturity on March 1, 2027. Draws may be made to make interest payments on this bond. Payments of principal of each Draw shall be amortized from the date of the Draw in installments as determined by the Registered Owner with the intention to provide approximately equal annual payments, payable on each Installment Payment Date, beginning on September 1, 2021, in accordance with a schedule to be provided by the Registered Owner to the Port, the Bond Registrar and the Treasurer, and regularly to be attached hereto as Exhibit A. No later than fifteen (15) days prior to an Installment Payment Date, and the final Maturity Date of this bond, the Registered Owner shall notify the Port, the Bond Registrar and the Treasurer in writing of the amount of principal (or principal and interest) coming due on such date.

The Port may make Draws upon this bond at any time pursuant to the Resolution. Draws shall be recorded on the Draw Record attached to this bond, or in such other form as the Port and the Registered Owner may agree.

Both principal of and interest on this bond are payable in lawful money of the United States of America. Installments of the principal of and interest on this bond shall be paid by check or

draft of the Bond Registrar, initially the fiscal agent of the State of Washington (the “Bond Registrar”) mailed on the date such interest is due or by electronic funds transfer made on the date such interest is due to the registered owner or nominee at the address appearing on the Bond Register. Upon final payment of all installments of principal and interest thereon, this bond shall be submitted to the Bond Registrar for cancellation and surrender.

This bond is issued pursuant to Resolution No. 741-21 (the “Resolution”) to finance the costs of capital improvements to Port facilities within and as a part of the Port’s comprehensive scheme of harbor improvements as provided in Chapter 53.20 RCW and as part of the approved capital budgets of the Port. Capitalized terms appearing on this bond and not otherwise defined herein shall have the meanings given such terms in the Resolution.

The Port reserves the right to prepay principal of this bond in advance of the scheduled maturity set forth above, in whole or in part, at any time, with no prepayment penalty. The Port will notify the Registered Owner at least 10 days in advance of its intent to prepay. Payments on this bond shall be applied first to accrued interest and then to principal.

This bond shall not be transferable, except in whole to a financial institution and conditioned on such institution assuming all obligations to provide the revolving line of credit evidenced by this bond.

This bond is not a “private activity bond” as such term is defined in the Internal Revenue Code of 1986, as amended (the “Code”). The Port has designated this bond as a “qualified tax-exempt obligation” under Section 265(b) of the Code for investment by financial institutions.

The Port hereby irrevocably covenants that it will levy taxes annually upon all the taxable property in the Port within the levy limits permitted to the Port without a vote of the electors and in amounts sufficient, with other monies legally available therefor, to pay the principal of and interest on this bond as the same shall become due. The full faith, credit and resources of the Port are hereby irrevocably pledged for the annual levy and collection of such taxes and the prompt payment of such principal and interest.

This bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Resolution until the Certificate of Authentication hereon shall have been manually signed by or on behalf of the Bond Registrar or its duly designated agent.

This bond is issued under and in accordance with the provisions of the Constitution and applicable statutes of the State of Washington and resolutions duly adopted by the Port Commission including the Resolution.

It is hereby certified that all acts, conditions and things required by the Constitution and statutes of the State of Washington to exist, to have happened, been done and performed precedent to and in the issuance of this bond have happened, been done and performed and that the issuance of this bond does not violate any constitutional, statutory or other limitation upon the amount of bonded indebtedness that the Port may incur.

IN WITNESS WHEREOF, the Port of Port Townsend, Washington, has caused this Bond to be executed by the manual or facsimile signatures of the President and Secretary of the Port Commission and the seal of the Port imprinted, impressed or otherwise reproduced hereon as of the _____ day of _____, 2021.

[SEAL]

PORT OF PORT TOWNSEND,
WASHINGTON

By _____/s/_____
President, Port Commission

ATTEST:

_____/s/_____
Secretary, Port Commission

The Bond Registrar's Certificate of Authentication on the Bond shall be in substantially the following form:

CERTIFICATE OF AUTHENTICATION

Date of Authentication: _____, 2021

This bond is the Bond described in the within-mentioned Resolution and is the Limited Tax General Obligation Bond, 2021 of the Port of Port Townsend, Washington, dated _____, 2021.

WASHINGTON STATE FISCAL AGENT,
Bond Registrar

By _____
Authorized Signer

The Draw Record shall be substantially in the following form:

PORT OF PORT TOWNSEND, WASHINGTON
LIMITED TAX GENERAL OBLIGATION BOND, 2021

DRAW RECORD

Description	Date	Draw Amount (Principal and Draw Certificate Number)	Payment Amount (Principal)	Payment Amount (Interest)	Principal Balance

EXHIBIT A

PORT OF PORT TOWNSEND, WASHINGTON
LIMITED TAX GENERAL OBLIGATION BOND, 2021

AMORTIZATION SCHEDULE

Payment Date	Principal Amount	Interest	Total

Section 8. Execution and Delivery of Bond. The Bond shall be executed on behalf of the Port by the manual or facsimile signatures of the President and Secretary of its Commission. In case any officer whose signature shall appear on the Bond shall cease to be an officer before the delivery of such Bond, such signature shall nevertheless be valid and sufficient for all purposes, and such Bond may be authenticated and delivered as if such officer had remained in office until such delivery.

The Bond shall not be valid for any purpose unless Certificate of Authentication in the form specified in Section 7 has been manually executed by the Bond Registrar. Such Certificate of Authentication shall be conclusive evidence that the Bond so authenticated has been duly executed, authenticated and delivered hereunder and is entitled to the benefits of this resolution.

Section 9. Disposition of Drawings Under the Bond. Following the execution and delivery of the Bond, the Designated Port Representative shall notify the Bank, the Treasurer and the Bond Registrar in writing each time that a Draw is required to pay costs of the Projects, interest on the Bond or costs of issuance of the Bond, by completing a Draw Certificate substantially in the form of Exhibit A attached hereto and incorporated by this reference herein (or in such other form or format acceptable to the Bank, the Port and the Treasurer). The Bank will then notify the Treasurer of its intent to wire transfer a Draw (including the dollar amount of the Draw and the date on which the Draw amount will be wired to the Treasurer for deposit into the fund designated by the Port). The Drawings under the Bond shall be used, together with other moneys on deposit therein and available therefor, for the undertaking of the Projects and for paying all expenses incidental thereto (including but not limited to costs of issuance of the Bond, engineering, financing, legal or any other incidental costs) and for repaying any advances heretofore or hereafter made on account of such costs or for paying interest on the Bond.

Section 10. Tax Covenants; Special Designation.

(a) *Arbitrage Covenant.* The Port hereby covenants that it will not make any use of the proceeds of sale of the Bond or any other funds of the Port which may be deemed to be proceeds of such Bond pursuant to Section 148 of the Code and applicable regulations thereunder which will cause the Bond to be an “arbitrage bond” within the meaning of said section and regulations. The Port will comply with the requirements of Section 148 of the Code (or any successor provision

thereof applicable to the Bond) and the applicable regulations thereunder throughout the term of the Bond.

(b) *Private Person Use Limitation for the Bond.* The Port covenants that for as long as the Bond is outstanding, it will not permit:

(1) More than 10% of the Net Proceeds of the Bond to be allocated to any Private Person Use; and

(2) More than 10% of the principal or interest payments on the Bond in a Bond Year to be directly or indirectly: (A) secured by any interest in property used or to be used for any Private Person Use or secured by payments in respect of property used or to be used for any Private Person Use, or (B) derived from payments (whether or not made to the Port) in respect of property, or borrowed money, used or to be used for any Private Person Use.

The Port further covenants that, if:

(3) More than five percent of the Net Proceeds of the Bond are allocable to any Private Person Use; and

(4) More than five percent of the principal or interest payments on the Bond in a Bond Year are (under the terms of this resolution or any underlying arrangement) directly or indirectly: (A) secured by any interest in property used or to be used for any Private Person Use or secured by payments in respect of property used or to be used for any Private Person Use, or (B) derived from payments (whether or not made to the Port) in respect of property, or borrowed money, used or to be used for any Private Person Use, then, (i) any Private Person Use of the projects financed with Bond proceeds or Private Person Use payments described in subsection (4) hereof that is in excess of the five percent limitations described in subsections (3) or (4) will be for a Private Person Use that is related to the state or local governmental use of the projects financed with Bond proceeds, and (ii) any Private Person Use will not exceed the amount of Net Proceeds

of the Bond used for the state or local governmental use portion of those projects to which the Private Person Use of such portion of the Project relates. The Port further covenants that it will comply with any limitations on the use of the projects by other than state and local governmental users that are necessary, in the opinion of its bond counsel, to preserve the tax exemption of the interest on the and Bond. The covenants of this section are specified solely to assure the continued exemption from regular income taxation of the interest on the Bond.

(c) *Designation under Section 265(b).* The Port hereby designates the Bond as a “qualified tax-exempt obligation” under Section 265(b)(3) of the Code for banks, thrift institutions and other financial institutions. The Port does not anticipate issuing more than \$10,000,000 in qualified tax-exempt obligations during 2021 (excluding obligations permitted by the Code to be excluded for purposes of the Port’s qualification as a qualified small issuer).

Section 11. No Undertaking to Provide Ongoing Disclosure. The Bond is not subject to Rule 15c2-12 of the Securities and Exchange Commission under the Securities Exchange Act of 1934, and the Port makes no undertaking regarding ongoing disclosure with respect to the Bond.

Section 12. Financial Reporting. While the Bond is outstanding, the Port shall provide the Bank, or provide notification of such repository where the Bank may reasonably obtain, (i) the Port’s annual financial statements, anticipated to be no later than 270 days of the end of each fiscal year, and (ii) the Port’s annual audited financial statements promptly upon receipt thereof from the Office of the Washington State Auditor.

Section 13. Lost, Stolen or Destroyed Bond. In case the Bond shall be lost, stolen or destroyed, the Port may execute and the Bond Registrar may deliver a new Bond of like date and tenor to the Bank and upon its filing with the Bond Registrar evidence satisfactory to said Bond Registrar that the Bond was actually lost, stolen or destroyed, and upon furnishing the Bond Registrar with indemnity satisfactory to the Bond Registrar.

Section 14. Termination of 2020 Line of Credit. Promptly upon the execution and delivery of the Bond, the Port shall cause the 2020 Line of Credit to be terminated, and the Director of Finance and Administration is authorized and directed to coordinate the termination process with the Treasurer and the Bank.

Section 15. Resolution and Laws a Contract with the Bank. This resolution is adopted under the authority of and in full compliance with the Constitution and laws of the State of Washington. In consideration of the loan made by the Bank, evidenced by the Bond, the provisions of this resolution and of said laws shall constitute a contract with the Bank, and the obligations of the Port and its Commission under said laws and under this resolution shall be enforceable by any court of competent jurisdiction; and the covenants and agreements herein and in the Bond set forth shall be for the equal benefit of the Bank and any permitted transferee or assignee.

Section 16. Severability. If any one or more of the covenants or agreements provided in this resolution to be performed on the part of the Port shall be declared by any court of competent jurisdiction to be contrary to law, then such covenant or covenants, agreement or agreements, shall be null and void and shall be deemed separable from the remaining covenants and agreements in this resolution and shall in no way affect the validity of the other provisions of this resolution or of the Bond.

Section 17. Effective Date. This resolution shall become effective immediately upon its adoption.

ADOPTED AND APPROVED at a regular meeting of the Commission of the Port of Port
Townsend, Washington held this 13th day of January, 2021.

PORT OF PORT TOWNSEND,
WASHINGTON

By _____
President and Commissioner

By _____
Vice President and Commissioner

By _____
Secretary and Commissioner

EXHIBIT A
FORM OF REQUEST FOR DRAW

PORT OF PORT TOWNSEND, WASHINGTON
LIMITED TAX GENERAL OBLIGATION BOND, 2021

PRINCIPAL AMOUNT OF NOT TO EXCEED \$7,000,000

REQUEST FOR DRAW NO. ____

TO: Cashmere Valley Bank
117 Aplets Way
Cashmere, Washington 98815

On behalf of Port of Port Townsend, Washington (the “Port”), I hereby certify that:

1. I am the Designated Port Representative of the Port, and that I am authorized to request this Draw under the Port’s Limited Tax General Obligation Bond, 2021 (the “Bond”), and to make the representations on behalf of the Port set forth herein. Capitalized terms used in this Draw Certificate have the meanings defined for such terms in Resolution No. 741-21 of the Port, adopted on January 13, 2021 (the “Resolution”).

2. The Port requests a Draw under the Bond in the amount of: \$ _____. The proceeds of the Draw should be sent by electronic transfer to _____, for the Jefferson County Treasurer [insert wiring instructions] for the further attention and direction of _____ [identify Port fund into which the Draw should be deposited].

3. The amount of this Draw, together with the principal amount of all remaining outstanding Draws of the Port under the Bond, do not exceed \$7,000,000. Please disburse the Draw to the Port on (insert date).

4. The Draw will be expended for purposes authorized by the Resolution.

5. All representations of the Port in the Resolution were true and correct when made, and remain true and correct on this date.

Dated as of this ____ day of _____, ____.

PORT OF PORT TOWNSEND,
WASHINGTON

By: _____

Name: _____

Title: _____

cc: The Treasurer at:

JEFFERSON COUNTY TREASURER
P.O. Box 571
Port Townsend, WA 98368
Email: treasurerstaff@co.jefferson.wa.us

The Bond Registrar at:

U.S. BANK NATIONAL ASSOCIATION
Global Corporate Trust Services
1420 Fifth Avenue, 7th Floor
PD-WA-T7CT
Seattle, Washington 98101
Attention: Carolyn Morrison, Vice President
Email: carolyn.morrison@usbank.com

CERTIFICATE

I, the undersigned, Secretary of the Port Commission (the “Commission”) of the Port of Port Townsend, Washington (the “Port”) and keeper of the records of the Commission, DO HEREBY CERTIFY:

1. That the attached resolution is a true and correct copy of Resolution No. 741-21 of the Port Commission (the “Resolution”), duly adopted at a regular meeting thereof held on the 13th day of January, 2021; and

2. That said meeting was duly convened and held in all respects in accordance with law, due and proper notice of such meeting was given, that a legal quorum was present throughout the meeting and a legally sufficient number of members of the Commission voted in the proper manner for the adoption of the Resolution; that all other requirements and proceedings incident to the proper adoption of the Resolution have been duly fulfilled, carried out and otherwise observed, and that I am authorized to execute this certificate.

IN WITNESS WHEREOF, I have hereunto set my hand this 13th day of January, 2021.

Secretary, Port Commission



Cashmere Valley Bank

TERM SHEET
(For Discussion Purposes Only)
January 7, 2021

Port of Port Townsend, Washington

Thank you for the opportunity to propose a structure for the Port of Port Townsend, Washington (the “Port”), Limited Tax General Obligation Bond, 2021 (the “Bond”). Cashmere Valley Bank (the “Bank”) has outlined general terms of the Bond below for discussion purposes only. All terms are subject to credit approval and do not constitute a commitment to lend money.

1. Borrower: Port of Port Townsend, Washington
2. Amount: Not to exceed \$7,000,000
3. Form: A single, fully registered, Bond issued by the Port and purchased by the Bank at private sale. The registrar and paying agent would be U.S. Bank National Association, the current fiscal agent of the State of Washington.
4. Tax Status: Bank qualified, tax exempt
5. Purpose: The proceeds of the Bond would be used to replace an existing line of credit and support capital improvements to Port facilities within and as a part of its comprehensive scheme of improvements.
6. Bond Description:
 - a) Interest Rate: Interest on the Bond would accrue on a basis of 30/360. Interest on the Bond would accrue at a bank qualified tax exempt fixed rate of 1.55% *per annum* from the date of delivery to the Bank to March 1, 2025. From March 1, 2025 to March 1, 2027 (the “Maturity Date”), Interest on the Bond would accrue at a rate of 1.65% *per annum*.
 - b) Terms: Interest on the Bond would be paid semiannually on each September 1 and March 1, commencing September 1, 2021. Principal of each draw would be amortized from the respective draw date to the Maturity Date in semiannual installments each March 1 and September 1, beginning September 1, 2021.

- c) Security: The Port would irrevocably covenant that it will levy taxes annually upon all the taxable property in the Port within the levy limits permitted to the Port without a vote of the electors and in amounts sufficient, with other monies legally available therefor, to pay the principal of and interest on the Bond as the same shall become due. The full faith, credit and resources of the Port would be irrevocably pledged for the annual levy and collection of such taxes and the prompt payment of such principal and interest.
- d) Transferability: The Bank would hold the Bond with no intent to sell or transfer. The Bond may be transferred only in whole, as provided in the Port's authorizing resolution.
7. Prepayment: The Bond may be prepaid in whole or in part without penalty given 10 days advance notice. Partial prepayment would be first applied to outstanding accrued interest with the balance applied to reduce principal.
8. Fees: There is no loan fee due to the Bank. The Port would be responsible for the costs of issuing the Bond.
9. Draws: Draws could be made from the closing date of the Bond to the Maturity Date. Draws could be made on any business day in amount greater than or equal to \$25,000. Draw proceeds would be wire transferred for the Borrower's benefit. For same day funding, draw requests would need to be received and confirmed by 11:00AM Pacific Standard Time. Principal drawn on the Bond and repaid can be drawn again so long as the total amount of draws outstanding at any given time does not exceed \$7,000,000.
10. Additional Terms: The Bond documents would be prepared by Bond Counsel and in the standard forms customarily required by the Bank for tax exempt, municipal funding and would include additional terms and conditions not discussed above. The Port would designate the Bond as a "qualified tax exempt obligation" under section 265(b)(3) of the IRS Internal Revenue Code of 1986. The Port would provide or make available its annual financial audit to the Bank during the period the Bond is outstanding and held by the Bank. At the date of closing the Bond, the financial condition and credit of the Port and all other features of this transaction would be as represented to the Bank without material adverse change. In the event of adverse material changes in the credit worthiness of the Port, including litigation involving or claims filed against the Port, any future commitment would terminate

upon notice by the Bank. Any future commitment would be non-assignable by the Port.

11. Credit

Approval: If selected to provide the financing, the Bank would review the Port's most recent 5-years of financial information as part of the credit approval process. The estimated time between being selected and credit approval is less than 2 weeks. Prior to closing, the Bank would require (1) an executed Bond Purchase Agreement, (2) a copy of the Port's executed authorizing resolution, (3) the original executed Bond, and (4) a valid legal opinion from Bond Counsel.

ORAL AGREEMENTS OR ORAL COMMITMENTS TO LOAN MONEY, EXTEND CREDIT, OR TO FORBEAR FROM ENFORCING REPAYMENT OF A DEBT ARE NOT ENFORCEABLE UNDER WASHINGTON LAW.

Thank you for this opportunity to discuss this financing with the Port and its finance team.

Sincerely,

CASHMERE VALLEY BANK

Authorized Representative:

Tom Brown

Vice President, Municipal Finance Manager

1400 112th Ave SE, STE 100

Bellevue, WA 98004

(p) 425.688.3936

tbrown@cvb.bank

PORT OF PORT TOWNSEND

AGENDA MEMO

DATE: 1/13/2020
TO: Commission
FROM: Eron Berg, Executive Director
SUBJECT: 2021 Organizational Topics

ISSUES

In preparation for 2021:

1. Who will serve as president, vice president and secretary for the Commission?
2. Who will serve on which committees?
3. Should the Commission adopt updated meeting procedures?
4. Should the Commission adopt the attached delegation of authority resolution?
5. When should the annual retreat be scheduled and what topics would the Commission like to have on the agenda?

BACKGROUND

All five of these topics were discussed on December 9th and return on this agenda for possible action consistent with the Commission's practice of annual review, update and adoption of these organizational topics.

DISCUSSION

Commission officers: Attached for your information is a table with detail from the last decade.

Committee assignments: Attached is a draft 2021 committee assignment sheet with staff recommendations and requests made by commissioners.

Commission meeting procedures: A updated draft of the meeting procedures is attached and includes changes presented at the December 9, 2020 meeting as well as changes requested at that meeting. I have proposed using the Port's Pavilion Building (formerly home to Pygmy Kayaks) at Point Hudson as the Commission's meeting room at this time.

Delegation of authority: A redline of the current delegation and the Port of Bellingham's delegation were presented on December 9th. Consistent with direction from the Commission at that meeting, attached is the Port of Bellingham's delegation, modified to better fit the Port of Port Townsend, for your review and consideration. This delegation includes some significantly higher dollar thresholds, but is limited to Commission policy including most importantly the approved budget. Additionally, this proposed delegation works hand in hand with a purchasing policy based on state law authority that will be presented to the Commission on January 27, 2021.

Annual retreat: The Commission identified February 17th as the date for the 2021 retreat. However, with the possibility of a successful vaccination program, would it make sense to delay this meeting until the meeting can be held in person? By way of reminder, the list of topics that we have been tracking includes the following:

- Capital projects update & plan
- Marketing marine trades
- Shoreline Master Program policies
- Identification of new economic opportunities
- Economic development planning/consideration of Associate Economic Development Organization (ADO) designation from Jefferson County

FISCAL IMPACT

None identified herein.

ATTACHMENTS

1. 2010-2020 Commission officers
2. 2021 Committee Assignments
3. Draft updated Commission meeting procedures
4. Draft updated delegation of authority

RECOMMENDATIONS

1. Motion(s) to elect a President, Vice President and Secretary for the Commission to serve through 2021 or until succeeded.
2. Motion to approve the attached list of committee assignments for 2021.
3. Motion to adopt Resolution 742-21 readopting commission meeting procedures.
4. Motion to adopt Resolution 743-21 delegating administrative powers and duties to the executive director.
5. Please provide direction on the annual retreat.

Port of Port Townsend Commissioners and titles 2010-2020

YEAR	PRESIDENT	VICE PRESIDENT	SECRETARY	Exec. Director
2020	Pete Hanke	Bill Putney	Pam Petranek	Jim Pivarnik / Eron Berg
2019	Bill Putney	Pete Hanke	Steve Tucker	Jim Pivarnik
2018	Steve Tucker	Pete Hanke	Bill Putney	Sam Gibboney / Jim Pivarnik
2017	Pete Hanke	Brad Clinefelter	Steve Tucker	Sam Gibboney
2016	Pete Hanke	Steve Tucker	Brad Clinefelter	Larry Crockett / Sam Gibboney
2015	Steve Tucker	Brad Clinefelter	Pete Hanke	Larry Crockett
2014	Steve Tucker	Brad Clinefelter	Pete Hanke	Larry Crockett
2013	Leif Erickson	Steve Tucker	Dave Thompson	Larry Crockett
2012	Leif Erickson	Steve Tucker	Dave Thompson	Larry Crockett
2011	Dave Thompson	Leif Erickson	John Collins	Larry Crockett
2010	John Collins	Dave Thompson	Leif Erickson	Larry Crockett

**PORT OF PORT TOWNSEND
2021 COMMITTEE ASSIGNMENTS**

COMMITTEE NAME	REPS	FREQUENCY
CEO Breakfast Group	Eron Berg	Monthly
Chamber of Commerce – Jefferson County (Luncheons)	Bill Putney	Second Mondays
Chamber of Commerce – North Hood Canal <i>Meets alternately in Quilcene and Brinnon</i>	Pete Hanke	3 rd Mondays 5:30 PM
Climate Action Committee	Eric Toews	Quarterly
East Jefferson Underground Coordinating Council	Chris Sparks	As called
Fort Worden Advisory Committee –	Bill Putney	3rd Thursday, 12:00-1:30, odd- # months
Jefferson Co. Joint Growth Management Steering Committee	Eric Toews	As called
Jefferson County IMT (Incident Management Team) (360) 385-9368 jcdem@co.jefferson.wa.us	Terry Taylor	1 st Wednesdays 10-Noon
Jefferson County Food Resilience Committee	Pam Petranek	As called
Jefferson County Marine Resources Committee (MRC) https://www.jeffersonmrc.org/meetings-events/	Pam Petranek	1 st Tuesdays 6-8:00
Jefferson County Pilots Association	Pete Hanke & Eron Berg	As called
Jefferson County Public Infrastructure Fund Committee (PIF)	Pete Hanke	As called
Jefferson County Solid Waste Advisory Council		As called
North Olympic Development Council (NODC)	Bill Putney	4 th Thursdays 2:00-4:00 PM
North Olympic Legislative Alliance (NOLA)	Eron Berg	As called
Pacific Coast Congress of Port Managers & Harbormasters Board	Terry Khile	As called
Port Townsend Marine Trades Association	Executive Director, commissioner, <i>as invited</i>	Every other Monday
Port Townsend Moorage Tenants Union	Eron Berg	As invited
WAMA – WA Airport Management Association	Bill Putney and Pete Hanke	As called
Wash. Public Ports Assoc. – Board of Trustees	Bill Putney	Spring & Annual Conferences
Washington Finance Officers Association	Abigail Berg	As called
WPPA - Finance & Administration Committee	Abigail Berg	As called
WPPA - Legislative Committee (+ <i>All 3 Commissioners</i>)	Eric Toews	As called
WPPA – Other Committees (Aviation, Economic Development, Environmental, Marina, and Public Relations)	<i>All 3 Commissioners</i>	As called

RESOLUTION NO. 742-21

**A Resolution of the Commission of the Port of Port Townsend
READOPTING COMMISSION MEETING PROCEDURES**

WHEREAS, The Port of Port Townsend did establish and approve, in public session, "Commission Meeting Procedures" by Resolution No. 42-87 dated November 18, 1987, and;

WHEREAS, The Port of Port Townsend did rescind Resolution No.42-87, and adopted new Commission Meeting Procedures which were more efficient and beneficial for both the Commission and participating public, by Resolution No. 326-00 on July 26, 2000, and which was subsequently amended by Resolution No 344-01 on March 14, 2001, by Resolution No. 363-02 on February 27, 2002, by Resolution No. 367-02 on March 27, 2002, by Resolution No. 390-03 on January 22, 2003, Resolution No. 392-03 on April 9, 2003, by Resolution No. 471-06 on July 26, 2006, by Resolution No. 487-07 on April 25, 2007, by Resolution No. 532-10 on January 27, 2010, by Resolution No. 553-11 on January 12, 2011, by Resolution No. 558-11 on March 23, 2011, by Resolution No. 561-11 on June 8, 2011, by Resolution No. 594-13 on May 8, 2013, Resolution No. 604-14 on January 22, 2014, by Resolution 624-15 on January 14, 2015, Resolution No. 639-16 on January 27, 2016, by Resolution No. 654-17 on January 11, 2017, Resolution No. 674-18 on January 24, 2018, and by Resolution No. 675-18 on February 28, 2018, and by Resolution No. 695-19 on January 24, 2019, and by Resolution No. 714-20 on January 22, 2020; and

WHEREAS, the Port Commission wishes to modify the meeting procedures as noted in Appendix A, established on January 22, 2020 via Resolution No. 714-20.

NOW, THEREFORE BE IT HEREBY RESOLVED by the Port Commission of the Port of Port Townsend, that Resolution No. 714-20 shall be rescinded, and the Commission Meeting Procedures, as shown in the attached "Appendix A", shall be adopted in their place.

ADOPTED this 13th day of January 2021, 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:

Pamela A. Petranek, Secretary

Peter W. Hanke, President

William W. Putney, III, Vice President

APPROVED AS TO FORM:

Port Attorney

APPENDIX A to Resolution 742-21
Port of Port Townsend Commission Meeting Procedures

The Commission Meeting Procedures have been adopted by Resolution 714-20, amending Resolutions 326-00, 344-01, 363-02, 367-02, 390-03, 392-03, 471-06, 487-07, 532-10, 553-11, 558-11, 561-11, 594-13, 604-14, 624-15, 639-16, 654-17, 674-18, 675-18, 694-19 and 714-20. Any changes or deletions will require an amendment to the Resolution.

COMMISSION MEETINGS

TIME AND LOCATION OF MEETINGS

1. Effective January 13, 2021, with the exceptions outlined in paragraph 2 immediately below, regular business meetings of the Port of Port Townsend will occur twice a month - on the second Wednesday of each month at 1:00 p.m. and on the fourth Wednesday of each month at 5:30 p.m. in the Port's Pavilion Building, 355 Hudson Street, Port Townsend, Washington, unless otherwise indicated. Public Workshops will occur on the second Wednesday of each month at 9:30 a.m. Meeting and workshop schedules and locations are subject to change with a minimum 24-hour notice to the local newspaper and the Port's website.
2. Any meeting that falls on a holiday will be held the following regular business day. To accommodate Thanksgiving, the 2nd meeting in November shall be held on Tuesday, November 23, 2021 at 1:00 P.M. There is no regular meeting scheduled for the 2nd Wednesday in July, August or December.

RULES OF TRANSACTION OF BUSINESS

1. Order of Business shall be as follows:
 - I. Call to Order
 - II. Approval of Agenda
 - III. Public Comments Related to/not related to the agenda (limited to total of thirty (30) minutes; three (3) minutes per person)
 - IV. Consent Agenda
 - V. Special Guests & Presentations
 - VI. Second Reading (Action Items)
 - VII. First Reading (Discussion Only)
 - VIII. Regular Business
 - IX. Staff Comments
 - X. Commissioner Comments
 - XI. Next Meeting
 - XII. Executive Session, (If any)
 - XIII. Adjournment

2. All matters which, in the judgment of the Commission, are of a legislative character shall be embodied in the form of Resolutions. Resolutions shall be numbered consecutively, and the original copy shall be signed by the President and Vice President and attested by the Secretary. Resolutions shall be filed by the Executive Assistant and shall be recorded in a book or books kept for such purpose, which shall be public records.
3. Organization of Workshops:
 - a. Shall have an agenda;
 - b. Will have minutes recording topics discussed either in written and/or audio format;
 - c. Will be used for discussion only, with no binding decisions made by the Commissioners; and
 - d. Rules governing written and spoken input from members of the public for business meetings will not apply to workshops, but public comment may be invited.
4. Organization of Regular Business Meetings:
 - a. A Call to Order will begin with the Pledge of Allegiance.
 - b. The meeting agenda shall be approved at the beginning of the meeting.
 - c. Minutes will record topics discussed and actions taken either in written and/or audio format.
 - d. Any information to be presented before the Commission for consideration will be made available to the public in advance of the meeting. This information will be part of the agenda and meeting packet posted on the Port's website pursuant to RCW 42.30.077.
 - e. Presentations will be allowed by any member of the public indicating a desire to address the Commission, of no more than three (3) minutes, (maximum of thirty minutes per meeting) for Public Comment period on any appropriate topic. Each speaker must state their name and the subject of their comment before beginning. Written comments are encouraged.
 - f. When, in the opinion of a Commissioner, significant information has been presented to the Commission which was not made available to the public in advance, or upon the request of a Commissioner to hear from the public on a particular agenda item or topic, public comment may be allowed in a fashion the presiding officer will make clear.
 - g. No public comment will be entertained once a motion for action has been called and the Commission's deliberation has begun.
 - h. Public comments and presentations shall adhere to common norms of civility and may be cut off by the presiding officer, if in his or her judgment these norms of civility are violated. Disruptions of Port Commission meetings are prohibited. Disruptions include, but are not limited to the following:
 - i. Failure of a speaker to comply with the allotted time established for the individual speaker's comment;

- ii. Addressing the audience, rather than the commission, by a member of the public who has been recognized by the presiding officer for public comment;
- iii. Outbursts (e.g., clapping, shouting, cheering) from members of the public who have not been recognized by the presiding officer for public comment;
- iv. Holding or placing a banner or sign in the meeting room in a way that endangers others or obstructs the free flow of meeting attendees or the view of others attending the meeting; or
- v. Behavior that intentionally disrupts or otherwise impedes the orderly conduct of Commission business.

5. Conduct of Regular Business Meetings:

- a. The Port Commission, as a governing body, is charged with making decisions that advance the mission of the Port and which are based on sound information and analysis, respect for views of the public, and each Commissioner's best disinterested judgment.
- b. With only 3 elected Commissioners, the Commission can operate with a high degree of informality and need not be bound to all the provisions spelled out in standard codes of parliamentary procedure. However, some formal procedures need to be followed to respect the rights of all 3 Commissioners to participate equally and fully in all Commission business.
- c. Some fundamental principles for conducting Commission meetings include (taken from The Standard Code of Parliamentary Procedure, by Alice Sturgis):
 - i. All Commissioners have equal rights, privileges, and obligations.
 - ii. The majority vote decides.
 - iii. The rights of the minority must be protected.
 - iv. Full and free discussion of every proposition presented for decision is an established right of the members.
 - v. Every member has the right to know the meaning of the question before the Commission and what its effect will be.
 - vi. All meetings must be characterized by fairness and by good faith.
- d. Routine and ordinary business may be approved and/or rejected by the Commission by placing it on either the Consent Agenda, or as an item of "Regular Business". Examples of items typically placed on the consent agenda are approval of warrants, meeting minutes, lease amendments, contracts and items that have already come before the Commission.

Examples of items considered as "Regular Business" include monthly financial reports, lease agreements, significant contracts, and grant agreements. Matters of routine and ordinary business may be voted on at the same meeting at which they are introduced.

- e. To facilitate sufficient time for reflective consideration of proposals by Commissioners and members of the public and staff, all proposals for policies* which impact Port customers or members of the public shall be voted on no sooner than the immediate next regular business meeting following introduction of the proposal. The introduction of a proposal at a Commission meeting is the “first reading” and any subsequent meeting where the proposal is considered is the “second reading”. This requirement may be waived by a unanimous vote of the Commission.

*Examples of policy actions include adoption of the budget, adoption of strategic and/or comprehensive plans.

- f. All motions require a second. In the absence of a second, the motion is declared dead.
 - g. Minor amendments to a motion may be accepted as a “friendly amendment” by the maker of the original motion without a vote on the amendment.
 - h. The presiding officer of the Commission meeting shall have the right to participate fully in the discussion and shall cast a vote on all motions.
 - i. The standard priorities and requirements for main, subsidiary, and privileged motions shall be used.
6. The draft agenda may be available by Friday of the week previous.
7. The Executive Director or his designee would be responsible for keeping track of each issue.

All public comments and questions should be directed to the Commissioners. If the Commissioners so desire, they may refer the question to the Executive Director, Port Attorney, and/or other Port Staff in attendance.

MINUTES

- 1. Additions and or corrections to the Minutes will be recorded and become a part of the revised and approved consent agenda. Minutes are to be available to the Commissioners prior to the meetings.
- 2. Minutes are recorded according to RCW 42.32.030.

VOUCHER APPROVAL

Voucher approval is incorporated under “Consent Agenda”. See also Resolution 737-20 for details on the issuance and approval of checks and warrants.

COMMISSIONER'S COMPENSATION

Each Commissioner shall be reimbursed or compensated for actual attendance at official meetings of the district and for other official services or duties on behalf of the district up to the maximum rate allowed in accordance with RCW 53.12.260.

RESOLUTION NO. 743-21

**A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE PORT OF PORT TOWNSEND
DELEGATING ADMINISTRATIVE POWERS AND DUTIES TO THE EXECUTIVE DIRECTOR AND
DESIGNEES, REPEALING ALL PRIOR RESOLUTIONS DEALING WITH THE SAME SUBJECT MATTER.
(SUPERSEDING RESOLUTION NO. 713-20)**

WHEREAS, RCW 53.12.270 authorizes the Commission to delegate administrative powers and duties to the Executive Director, and

WHEREAS, the Commission of the Port of Port Townsend has in the past adopted policy directives delegating administrative powers and duties to the Executive Director and designees for the purpose of expeditious administration of the Port, and

WHEREAS, the Commission has from time to time found it necessary to amend and revise such directives due to changes in law and/or operations of the Port, and

WHEREAS, the Commission now wishes to provide an updated master policy directive on the delegated administrative powers and duties of the Executive Director and designees and to repeal all prior resolutions dealing with the same subject matter;

NOW, THEREFORE, BE IT RESOLVED by the Port Commission of the Port of Port Townsend as follows:

Section 1. The master policy directive of the Commission of the Port of Port Townsend as set forth herein, is adopted for the purpose of establishing the delegated administrative powers and duties of the Executive Director and designees. This policy directive will remain in effect until January 31, 2022, unless it is extended prior to that date.

Section 2. All portions of resolutions heretofore approved by the Commission pertaining to the subject matters contained in this resolution are hereby repealed.

Section 3. The Revised Code of Washington 53.08.090 authorizes the Commission to delegate by resolution to the Executive Director the authority to sell and convey Port personal property.

Section 4. The Port Commission hereby delegates to the Executive Director the authority to undertake the management operations of the Port.

Section 5. The following policy directive on the delegated administrative powers and duties of the Executive Director is hereby adopted.

I. PREAMBLE

A. The following policy is adopted by the Commission of the Port of Port Townsend for the purpose of establishing the administrative powers and duties of the Executive Director who is responsible for Port operations. The Executive Director may delegate to Port personnel such

administrative authority or reporting requirements herein established as is necessary and advisable in the efficient exercise of the Executive Director's powers and duties.

B. This policy sets forth specific delegations of power and duties from the Commission to the Executive Director. This policy shall not be interpreted to limit the duties or responsibilities of the Executive Director as those duties are determined from time-to-time by the Commission. In case of absence, the Executive Director may designate one or more senior Port staff to act in the place of the Executive Director with regard to the powers and duties herein. Subject to the limits within this delegation, the responsibility for all administration and Port operations of the Port rests with the Executive Director.

C. To implement delegations of authority to Port personnel, the Executive Director shall promulgate policy and procedural manuals, rules and procedures, monetary and budgetary directives and other such documents as personnel position descriptions, affirmative action plans, safety manuals, etc. which shall provide a clear span of authority and responsibility to the designees of the Executive Director.

D. Any Commission directives or initiatives shall be made through the Executive Director and shall be made only by the Commission acting as a body of the whole. Those directives include, but are not limited to, the separately adopted rate schedules, financial guidelines, promotional hosting policy, and standard lease policy.

E. The phrase "administration and Port operations", as used herein, means the regular day-to-day business of the Port, including but not limited to, operating, maintaining, and administering all of its properties, leasehold properties, facilities services and programs; including the implementation of construction work, alterations, repairs, maintenance, and improvements of the Port's real estate and physical facilities; and, the necessary planning incidental thereto; the conduct of financial accounting and legal matters as they relate to the Port's operation; the administration of all other operations which include personnel administration (i.e., hiring, firing, salary and benefits, training, grievance procedures, task and project assignments, employee training and incentive programs, etc.); the execution and administration of contracts; publishing legal notices; moorage agreements, and, all other pertinent functions.

F. The Executive Director shall inform the Commission regarding significant information, incidents, and business transactions by methods agreeable to the Commission. The Executive Director shall report to the Commission those actions as within this delegation. The Executive Director is the managing official of the Port, appointed by the Commission, and holds office as their representative. Nothing herein should be construed in any way as abrogating the duties and responsibilities of the Commission.

II. POLICY GOVERNING REAL PROPERTY

A. Lease Arrangements: All real property when available for lease shall, except as otherwise provided herein below, be leased only under an appropriately written lease instrument, approved by the Commission, and accompanied by a lease bond or other form of security in accordance with the law and the Port's Lease Policy. However, the Executive Director may execute short-term leases (terms of one year or less) subject to all of the following conditions:

1. The appropriate lease surety must be in place consistent with statutory requirements and the Port's standard form of lease, with the exception of State and Federal

leases that require the use of the tenant's lease form as long as the content of the lease form does not materially change the Port's intent in its standard lease form.

2. The arrangements for short-term occupancy shall be evidenced by the Port's standard form of lease (except that any clearly inapplicable provision or provisions inconsistent with the policy herein set out shall be deleted from the standard form).

3. The amount of the rental shall be in accordance with the rental revenue standards adopted by the Commission for similar Port property of the same or similar class and type and devoted to similar uses.

4. The use to which the property may be put by the tenant shall be expressly stated and shall be in accordance with the standards of use adopted by the Commission for the same or similar Port property or properties.

5. The lease may not be renewed or otherwise extended beyond five years without Commission approval.

B. **Sublease Procedures:** Leases, licenses, operating agreements, and related contracts between the Port and its tenants, licensees, and other parties shall include restrictions on the subleasing and require at a minimum the prior written consent of the Port to such subleases. Subject to the provisions of the lease or agreement, the Executive Director is authorized to grant consents to subleases, which for the purposes hereof shall include sub-operating agreements and sub-licensee agreements.

C. **Other Lease Documents:** The Executive Director is authorized to execute the following property instruments, subject to the terms specified herein:

1. Temporary and permanent easements for purposes of utility installation and maintenance, access, rights of entry and signage only.

2. Business Licenses and Licenses to Operate.

3. Aquatic land leases with the Washington State Department of Natural Resources to accommodate leasehold property leases consistent with the Port Management Agreement.

4. Binding site plans and short plats consistent with Port master plans in order to activate leasehold interests.

5. Changes in name of responsible party to the lease if all other conditions, including primary ownership, remain the same.

6. Lease assignments for purposes of collateral, including Waiver of Landlord Lien Agreements.

7. Lease assignments for purposes of a single condominium unit conveyance (change of ownership) where there is an established condominium association as the Lessee.

8. Response to estoppels and attornments.

9. Estoppel and attornment agreements.

10. Use Permits.

11. Rental and Storage Agreements.

D. **Lease Renewals:** The Executive Director is authorized to renew leases for terms that are five years or less provided such renewals are provided for in the basic lease; all other

substantive terms of the lease remain unchanged; rental adjustments provided for in the lease are made; and, the lease is in good standing.

E. Lease Enforcement and Lease Terminations: The Executive Director is authorized to enforce all terms and conditions of Port leases. The Executive Director is authorized to issue all appropriate notices of default and/or notices of termination with regard to Port leases. The Executive Director is authorized to terminate any lease under the terms and conditions therein. Upon termination, the Executive Director is authorized to take all steps necessary to retake possession of the leasehold and recover for the Port all sums due the Port pursuant to the lease and the law. The Executive Director shall keep the Commission informed with respect to lessees that are issued default notices or termination notices.

III. POLICY GOVERNING CONTRACTS FOR PERFORMANCE OF PUBLIC WORK

A. Public Work Contract Awards: The Executive Director shall have the responsibility for following all required statutory procedures in connection with all public work contracts. The Executive Director is authorized to carry out all procedures required by applicable statutes preliminary to the acts required to be performed by the Commission at an open meeting. The Executive Director may, without prior Commission approval, execute on behalf of the Port public work contracts for \$300,000 or less, so long as the expenditure is within the limits of overall budgetary authority. In addition, the Executive Director may, without prior Commission approval, execute on behalf of the Port, public work contracts for public work identified in a specific budgetary line item and where the contract price and all other charges do not exceed the amount authorized in that specific budgetary line item.

B. Emergency Public Work Contracts: When any emergency shall require the immediate execution of a public work contract, the Executive Director, pursuant to the procedures of RCW 39.04.020 (and as amended), is authorized to make a finding of the existence of such emergency and execute any public work contract necessary to respond to the existing emergency, provided that the Executive Director shall, at the first Commission meeting following the Executive Director's finding of the existence of an emergency, request Port Commission ratification of the finding of an emergency and any contract awarded or executed pursuant to this authority. From the inception of any such emergency, the Executive Director shall continuously advise the Commission of the status of the emergency situation and the progress of any such public work contracts executed to remedy the emergency. Emergency public work contracts executed pursuant to the authority herein shall contain a clause which states that the contract is subject to ratification by the Commission and that if ratification does not follow, the contract shall terminate, and the Contractor shall be compensated for his work and materials used to the time of termination.

C. Change Orders: In the instances where public work contracts have been awarded and under which the work is in progress and individual changes in plans and/or specifications are necessitated in order to properly accomplish the work, the Executive Director is authorized, without prior Commission approval, to execute individual change orders to the contract if the following conditions are met:

1. The estimated cost of the aggregate changes in plans and/or specifications and all other charges will not exceed the specific budgetary line item, or, in cases requiring Commission approval for public works contracts, the authorized amount.
2. The contract provides for issuance of change orders.

IV. POLICY GOVERNING CONTRACTS FOR ACQUISITION OF MATERIALS, EQUIPMENT, SUPPLIES and SERVICES

A. Items Acquired for Normal Maintenance and Operation in the Open Market: The Executive Director shall have the responsibility for following all required statutory procedures, where applicable, in connection with all contracts for the acquisition of utilities, materials, equipment, supplies, and services provided; however, where utilities, materials, equipment, supplies, and services are acquired on the open market or pursuant to published tariffs and used or are necessary in normal maintenance and operations of the Port, no prior approval shall be required but shall, where appropriate, be approved or ratified as a part of the normal warrant process, and further, provided that in all cases where a statutory requirement exists for award of contracts following competitive bidding.

B. Budgeted Acquisitions or Acquisitions of \$100,000, or less: The Executive Director may, without prior Commission approval, execute on behalf of the Port, contracts for materials, equipment and supplies (where the acquisition does not meet the criteria of Section A above) for \$100,000 or less so long as the expenditure is within the limits of overall budgetary constraints. In addition, the Executive Director may, without prior Commission approval, execute on behalf of the Port contracts for materials, equipment, supplies, and services identified in a specific budgetary line item and where the contract price does not exceed the amount authorized in that specific budgetary line item by ten percent (10%).

1. Budgeted Acquisitions of \$25,000 or less: The Executive Director may delegate Director-level Staff the authority to execute on behalf of the Port, contracts for acquisitions identified in a specific budgetary line item where the contract price and all other charges do not exceed \$25,000.

C. Emergency Contracts for Acquisition of Materials, Equipment, Supplies, and Services: When an emergency requires the immediate acquisition of materials, equipment, supplies, and services, the Executive Director is authorized to make a finding of the existence of such emergency and execute any contract for acquisition of materials, equipment, supplies, and services (subject to the Port of Port Townsend's Purchasing Procedures) necessary to respond to the existing emergency, provided that the Executive Director shall, at the first Commission meeting following the Executive Director's finding of the existence of an emergency, request Port Commission ratification of the finding of an emergency and any contract awarded or executed pursuant to this authority. From the inception of any such emergency, the Executive Director shall continuously advise the Commission of the status of the emergency situation and the progress of any contracts executed to remedy the emergency. Emergency acquisition contracts executed pursuant to the authority herein shall contain a clause which states that the contract is subject to ratification by the Commission and that if ratification does not follow, the contract shall terminate, and the Contractor shall be compensated for his work and materials used to the time of termination.

V. POLICY GOVERNING ADJUSTMENT AND SETTLEMENT OF CLAIMS AND PENALTIES EXCEPTING THOSE COVERED BY PARAGRAPH XIV BELOW:

A. Procedure for Settling Claims: The Executive Director shall be responsible for the implementation of necessary procedures for the settlement of all claims, either against or on behalf of the Port. Procedures in the handling of such claims shall, at a minimum, include the following:

1. For purpose of this Paragraph V, “claim” shall mean the assertion of any position, penalty, right or responsibility by or against the Port, its Commissioners or employees, but not including uncollectible accounts only to the extent as covered in Paragraph X herein.

2. No claims against the Port shall be considered unless and until proper written notice has been provided to the Port.

3. All claims for or against the Port may be processed in all respects (except for their final approval and payment) by the Executive Director or Legal Counsel.

4. Except as provided under Section B below, no claims shall be finally approved for settlement except by the Commission and no claim shall be paid except as authorized by the Commission.

B. Executive Director’s Authority to Settle Claims: The Executive Director may settle claims against the Port or claims asserted by the Port arising from operations for an amount not exceeding \$5,000. All claims when settled shall be reported to the Commission.

VI. POLICY GOVERNING ARRANGEMENTS FOR PROFESSIONAL AND CONSULTANT SERVICES

A. Procedure: The Executive Director shall be responsible for the Port’s compliance with RCW 53.19 and the initiation of appropriate procedures to obtain professional services specified RCW 39.80 (i.e., architectural, engineering, landscape architects and land surveyors) where deemed necessary in carrying out Port operations.

B. Executive Director’s Authority: When necessary in the conduct of Port operations, the Executive Director may, without prior Commission approval, execute on behalf of the Port, contracts for professional and consultant services for \$50,000 or less so long as the expenditure is within the limits of overall budgetary constraints and in compliance with state law.

VII. POLICY GOVERNING TRAVEL OF EMPLOYEES AND OTHER AUTHORIZED REPRESENTATIVES OF THE PORT

A. Executive Director’s Authority: The Executive Director is authorized to approve travel within the State of Washington by employees and/or other authorized representatives of the Port in order to effectuate necessary Port operations, provided that the travel expenses are within the annual budget approved by the Commission. The Commission shall approve all requests for and prior to any travel outside the State of Washington by employees and/or other authorized representatives of the Port.

VIII. POLICY GOVERNING STAFF AND EMPLOYEE ADMINISTRATION

A. Executive Director’s Authority: The Executive Director shall have the authority to manage all personnel matters for Port employees and staff which includes hiring, firing, training, grievance procedures, managing collective bargaining agreements, including letters of agreement, employee salaries and benefits. The Executive Director shall carry out these responsibilities according to guidelines and policies to be established by the Executive Director and within overall budgetary constraints. The Commission shall approve any collective bargaining agreements and amendments thereto.

IX. POLICY GOVERNING EXECUTIVE DIRECTOR'S AUTHORITY FOR PROPERTY ACQUISITIONS AND SALES

A. Authority of the Executive Director for Acquisitions Authorized by the Commission: When the Port Commission authorizes the acquisition of real property by purchase or condemnation, the Executive Director shall take all necessary steps, including the securing of appraisals, to secure title of such property for the Port. Acquisition price of individual properties (or ownerships) shall in no case exceed the Port's appraisal by 10% (ten percent), nor shall the total price paid for all properties exceed the estimates of the Port Commission's authorization without further specific Commission authorization.

B. Execution of Documents of Sale: The sale of real property is reserved to specific Commission authorization. When the Commission authorizes the sale of real property, the Executive Director shall take all necessary steps to complete the transaction, including but not limited to, accepting deposits, opening escrow and signing all necessary documents.

X. POLICY GOVERNING DISPOSITION OF UNCOLLECTIBLE ACCOUNTS

A. Definition of "Write-off": The term "write-off" means the adjustment of the accounting records of the Port to reflect the fact that the account is uncollectible in the normal course of operations. The Executive Director may authorize Legal Counsel to initiate or continue with legal action to collect an account without regard to whether the account has been written off the accounting records of the Port.

B. Procedures: The Executive Director is authorized to establish procedures for and to write off any uncollectible account in the amount of .05% of annual operating revenues of the last complete fiscal year or less subject to the following general guidelines:

1. Prior to writing off any account receivable or uncollectible, the Executive Director shall be satisfied that every reasonable effort has been made by the Port to accomplish the collection of the account.
2. Any account in excess of .05% of annual operating revenues of the last complete fiscal year which is deemed to be uncollectible shall be referred to the Port Commission for final write-off.

XI. POLICY GOVERNING LEASE SURETY, SURETY BONDS, RENTAL DEPOSITS, AND INSURANCE POLICIES

A. Authority of the Executive Director: The Executive Director or his designee is authorized to take all necessary actions on behalf of the Commission in connection with lease surety, lease surety bonds, assignments of accounts, rental deposits, or insurance coverage required pursuant to any leases of the Port, including any of the following actions:

1. Where the lease is not in default, to release any surety, surety bond, or rental deposit where an adequate substitute surety or rental deposit has been provided.
2. To approve any surety, surety bond, rental deposit, certificate of insurance, or insurance policies submitted in fulfillment of the requirements of any lease, including substitute or replacement coverage for any terminated bond, surety, or rental insurance.
3. To approve any substitute or modification of surety or insurance coverage, and to release any surety or insurance company when substitute or replacement insurance coverage has been provided in connection with any outstanding lease of the Port.

XII. POLICY GOVERNING SALE OF PERSONAL PROPERTY

A. Sale of Property Pursuant to RCW 53.08.090: The Executive Director or his designee is authorized, pursuant to RCW 53.08.090, to sell and convey surplus personal property of the Port subject to the following conditions:

1. that the market value of such personal property does not exceed \$10,000; and
2. that prior to any such sale or conveyance, the Executive Director shall itemize and list the property to be sold and make written certification to the Commission that the listed property is no longer needed for Port purposes; and
3. that offers for purchase are solicited from at least three (3) parties whenever possible; and
4. that any large block of such property having a value in excess of \$10,000 shall not be divided into components of a lesser value and sold unless done so by public competitive bid; and
5. that no property which is part of the comprehensive plan of improvement or modification thereof shall be disposed of until the comprehensive plan has been modified pursuant to RCW 53.20.010 and until such property is found to be surplus to Port needs; and
6. that in no case shall surplus personal property be sold to any Port official or employee or members of their families without the specific approval of the Commission.

XIII. LITIGATION

A. Management and Supervision of Litigation: The Executive Director and the Port's Legal Counsel (appointed by the Commission) shall be responsible for the procedures necessary for management and supervision of all litigation in which the Port has an interest, direct or indirect. For purposes of this section, "litigation" shall mean the assertion or potential assertion of any position, right or responsibility by or against the Port, including actions which have been filed in any court or any quasi-judicial or administrative forum.

B. Special Legal Services: The Executive Director, on consultation with the Port's Legal Counsel, is authorized to retain other such special counsel at fees as may be negotiated to assist in the handling of any claims, litigation, or other matters necessary to attend to the legal affairs of the Port, within overall budgetary constraints.

C. Engagement of Experts: The Executive Director may engage or cause to be engaged through Legal Counsel, such experts as may be necessary for the orderly support of claims or litigation in which the Port has a direct or indirect interest. Such engagement shall be upon authorization given by Legal Counsel after having been satisfied that such expenditure is necessary to the adequate preparation and representation of the Port's position in such litigation or claim and shall, wherever practicable, include evaluation of the litigation or claim and an estimate of the probable cost of such experts.

D. Consultation with Commission: The Executive Director will, in conjunction with the Port's Legal Counsel, consult with the Commission regarding strategy and the economic impact of litigation.

XIV. POLICY GOVERNING INTERLOCAL AGREEMENTS FOR USE OF PORT PROPERTY FOR TRAINING PURPOSES AND EVENT SITE USE AGREEMENTS FOR ONE-DAY EVENTS

A. Executive Director's Authority: The Executive Director is authorized to execute agreements with other public agencies for purposes of conducting training exercises related to police, fire and public health and safety issues.

B. Executive Director's Authority: The Executive Director is authorized to execute event and site use agreements with organizations for one-day events conducted by the organizations on Port property.

XV. POLICY GOVERNING APPLICATION AND ACCEPTANCE OF GRANTS

A. Authority of the Executive Director: The Executive Director or his designee is authorized to take all necessary actions on behalf of the Commission to prepare and submit applications for grants and State or Federal Legislative appropriations. The Executive Director shall notify the Commission of the amount and purpose of all grant applications and upon request shall provide copies of such applications.

B. Acceptance of Grants: The Executive Director shall consult with the Commission prior to accepting or appropriating any grant awarded to the Port, and shall prepare a budget amendment for Commission approval to accept and appropriate any grant funding or expenditure which was not specifically identified in the approved annual budget.

XVI. POLICY GOVERNING PERMIT APPLICATIONS AND NOTICES OF INTENT

A. Executive Director's Authority: The Executive Director is authorized to take all necessary actions to prepare and submit applications and notices of intent for coverage under state, local and federal regulatory permits including but not limited to, National Pollution Discharge Elimination System (NPDES) permits, Joint Aquatic Resources Permit Application (JARPA), and Hydraulic Project Approval (HPA) permits.

ADOPTED by the Board of Commissioners of the Port of Port Townsend this 13th day of January 2021, and duly authenticated in open session by signatures of the Commissioners voting in favor thereof and the seal of the Commission duly affixed.

ATTEST:

Pamela A. Petranek, Secretary

Peter W. Hanke, President

William W. Putney, III, Vice President

APPROVED AS TO FORM:

Port Attorney