

PORT COMMISSION REGULAR BUSINESS MEETING – Wednesday, March 9, 2022

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

Present via Zoom online video: Commissioners Hanke, Hasse, and Petranek  
Executive Director Berg  
Deputy Director Toews  
Director of Finance & Administration Berg  
Director of Capital Projects and Port Engineer Klontz  
Port Attorney Woolson  
Port Recorder Erickson  
Lease & Contracts Administrator Nelson  
Harbormaster Ferrero  
Operations Manager Sparks

I. CALL TO ORDER (00:00:04)

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

II. APPROVAL OF AGENDA (00:00:47)

**Agenda was approved by unanimous consent.**

III. PUBLIC COMMENTS (00:00:58) *the following comments were sent in via email:*

Amy Leitman of Maritime Surveys & Assessment Cooperative commented live at the meeting that the “on-call” environmental consulting contract could have been better described as a permit/federal grant acquisition contract. This is not her specialty and she no longer objected to the contract; however, as a local environmental consultant who specializes in marine biology and a long-term tenant of the Port, she hoped the Port would consider using her services for future projects in her realm of expertise.

Mary Elayne (Grady) Dunphy wrote regarding retaining the Sims Way poplars, saying that they are an historic welcoming symbol of the City. She urged Commissioners to insure more dedicated care for the existing trees and preserve this iconic landscape.

Sylvia Platt emailed to comment on the Sims Way Poplars asking the Commission to consider undergrounding the power lines along Sims Way at the Boatyard and refrain from cutting any trees.

Bo Bricklemeyer emailed a request that Commission underground the power lines along Sims Way at the Boatyard and forgo money from the County grant, which he thought was only available if trees are cut.

IV. CONSENT AGENDA (00:06:42)

A. Approval of Workshop & Regular Business Meeting Minutes from February 23, 2022.

B. Approval of Warrants

Warrant #064886 in the amount of \$369.04 for Accounts Payable.

Warrant #064887 through #064893 in the amount of \$29,082.44 and Electronic Payment in the amount of \$172,705.34 for Payroll & Benefits.

Warrant #064894 through #064959 in the amount of \$186,404.31 for Accounts Payable.

Warrant #064815 in the amount of \$2,108.52 is declared void.

C. Resolution 767-22 Sale of Abandoned Vessels

Commissioner Petranek made note of two small changes made to the minutes. Commissioner Hasse asked that item D. Interlocal Agreement regarding the Moderate Risk Waste Facility be moved to VIII. Regular Business, item E. on the agenda.

**Commissioner Hanke moved to accept parts A, B & C of the Consent Agenda; vote was taken, and motion was approved unanimously.**

V. Special Presentation – Recognition of David K. Johnson, Port Maintenance Lead, for 20 years at the Port (00:13:27)

Operations Manager Sparks said Dave had been with the Port for 20 years as the Port’s carpenter—now the new lead of maintenance—and he has been great to work with and a good friend. Executive Director Berg said he was working from an office which Dave made from things salvaged from a boat. Mr. Berg then listed many other spaces where Dave has used a broad-based skills set to do the work from imagination to completion. Deputy Director Toews said Dave had done so much good work for the Port, and he appreciated his skilled efforts. Mr. Toews mentioned what a great help he was to executive management as a union representative and liaison. Finance Director Berg said she also has one of the beautiful tables Dave made in her office and she liked the signs he has made which make the Port look more professional. David K. Johnson said that he felt extremely fortunate when he first got the job, and 20 years later he still feels lucky. He’s had two great supervisors, and works for a great organization with lots of great projects to keep him interested. Lease and Contracts Administrator Nelson said she had worked with Dave the whole 20 years, and she appreciated his fine craftsmanship. She told him he is a great guy to work with, is always responsive, and the Port is lucky to have him. Commissioner Hanke said that Dave had always been there to help out with a great attitude.

Commissioner Hasse commended Dave for always exuding competence and kindness. She asked if he had inlaid the paver on the front deck of the sail loft. (He said he had.) She said that inlaying the named paver into front steps was very thoughtful and kind. Port Recorder Erickson thanked Dave for being welcoming and praised his skills. Port Engineer Klontz agreed that Dave is very approachable for new

people and younger staff who look up to him as how a professional looks and acts. Mr. Klontz thanked Mr. Johnson and said he looked forward to another 20 years of working with him.

VI. SECOND READING: ~ none

VII. FIRST READING ~ none

VIII. REGULAR BUSINESS (00:21:40)

A. Quilcene Community Meeting Report out

Greg Brotherton thanked the Port for continuing to listen, because the Herb Beck Marina is a keystone to the Quilcene community. He said he came to report on the meeting held on March 1<sup>st</sup> as a resident, where most of the time was spent framing the conversation from the different perspectives that the Port and community bring. He reported that the Quilcene Community feel that the marina is not cared for, and when the fuel station left it made the community feel like they weren't a part of the equation. The Community is glad the Port is coming up with a plan for dredging and is responsive to ideas, but they're not quite ready for economic development there, as it is feared that it would become too crowded. The community wants the marina preserved and maintained, and feels the Port is on the right path—taking care of deferred maintenance is critical, as is opening the restroom, which the community feels with regular staffing could be reopened. He said the Quilcene community would like a little bit of attention, but not too much. Sustainable tourism is precarious down at the marina and they don't want to lose what they cherish in trying to maintain it.

Commissioner Petranek asked about taxes and how the community there felt their taxes were being used; she said that taxes go to services for all residents of the county. Executive Director Berg explained that what we know from the 2018 PTMTA study is that the Marine Trades cluster in Jefferson County pays about \$12.6 million in state and local taxes, and of that, 5.8 million was received by tax-receiving entities in Jefferson County. He said the Port hears from Quilcene residents that they pay and don't see direct dollars from the Port coming to them, but what's not being considered is that that \$1 invested by Quilcene resident property tax generates \$5 for the county which can be spent on county roads, parks, sheriff, etc. Regardless of actual facility location, the Port's economic impact through our marine trades support is vitally important county wide.

Mr. Brotherton quoted the Port's mission, "to protect and maintain our community resources and maritime heritage" and said Quilcene residents concentrate on that, not who deserves what. The Herb Beck Marina is a small part of the Port's budget, is fairly sustainable, and strategic planning is just as necessary there as elsewhere. As long as the end result is revenue neutral, sustainable economic development might be low-cost in Quilcene. He thought parsing tax dollars was not meaningful.

Commissioner Hanke said he had heard that same argument about Quilcene tax dollars not seen at the marina. Port Ludlow citizens also pay taxes, and the Port has only a small boat ramp there. He said the Port's mission is to enhance Port properties, and we're going as fast as we can to do that.

Executive Director Berg said that staff weren't as ready for this meeting as they would have liked, and they had a smaller turnout than past meetings. Staff proposed not to meet in April in order to be more prepared with financial modelling, a Mott McDonald assessment and options, and other information to share at the next meeting in May. He reported that at the end of the meeting participants were still thanking him for the work staff was doing. Mr. Brotherton said the community was very appreciative, and they want the Port to know that they are willing to pitch in to help fix up the marina, which they think of as their own.

B. January 2022 Financials (00:37:56)

Finance Director Berg reminded Commissioners that this report was only for one month; the actual financial performance for the year becomes more apparent after the first quarter, and certainly into the summer season. She referred to her memo on page 33 of the packet, saying that about 53% of the Port's capital project expenses in January was from work done by Maintenance staff. In Capital Purchases, the final payment was made on the new 75-ton Travelift, and the Port also added 3 much-needed pickup trucks to its fleet. Comparing ending cash balances 2022 to 2021 the Port increased by almost \$2 million overall, and 83% of that is the IDD; unreserved cash went down about half a million dollars, which has a lot to do with the new Travelift. She then moved on to page 34 and talked about the debt service which has no payments yet this year but gives us the total for the year, which is just over \$1,025,000. Our general tax levy is budgeted at \$1,077,000, which is just over that dollar amount, and since Commission voted to use the general tax levy towards paying down our debt, this shows that the Port now has more in our tax levy than is due in our debt, which is a good place to be. She stated that Operating Revenue is about 23% more than in 2021 and 52% more than budget. She said that the operating budget is really close to last year and the Port is on track.

Commissioners Petranek and Hasse asked a couple of clarifying questions. Commissioner Hanke did a shout out to Operations Manager Sparks saying that \$86,000 for 3 trucks was a great price.

C. Moorage – Temporary Waitlist Interruption & Renewal Fee Waiver (00:46:08)

Executive Director Berg said that there were two issues to address: 1) a check-in with Commission on our intent to work with the trades to allow for a limited number of guest monthly liveaboard moorage uses for marine trades working in the boatyard in order to help with the current housing crunch; and 2) Port staff want to manage Boat Haven marina to accommodate Point Hudson tenants during the Jetty project, which will have an impact on the waitlist. He said he was looking

for authorization to waive the moorage renewal fee during the tenancy of the Point Hudson jetty project.

Harbormaster Ferrero said in preparation for the breakwater work, staff expect that about 1800 linear feet of vessel will need to transfer into Boat Haven Marina for the duration of the Point Hudson Jetty projects. He said that preparing for this project, Port staff made about 40 unassigned-to-permanent slips available in the Boat Haven marina. He believes that if 30 slips are kept as unassigned-to-permanent moorage in combination with our linear space, all 1800 linear feet should be accommodated. He suggested that waitlist staff assign about 10 slips as soon as possible and then put the waitlist on hold for the Point Hudson transition this year and next year. During this time, he proposed keeping people on the waitlist, but not charging the annual renewal fees. There would still be a few spaces for the proposed monthly liveboards for marine trades workers. Executive Director Berg said there is a group of moorage tenants who will get squeezed: guest monthly tenants who cobble together moorage in Point Hudson in winter, and back to Boat Haven in summer. He warned that there will be difficult challenges for all of us during this highly disruptive project, and staff is doing everything possible in advance to plan for as little disruption as possible.

Commissioner Hanke asked about the timing of construction at Point Hudson, and if the Port would be closing Point Hudson for the duration of the project.

Executive Director Berg said all tenants in Point Hudson would leave for the Wooden Boat Festival (as per usual) and return after construction of the jetty is complete, currently planned for March 1, 2023. This would be the same pattern the following year for the other leg of the jetty.

Commissioner Hanke cautioned that Port staff had spent inordinate amount of time on liveboard issues in the past and asked that an end date be planned for with these tenancies. Commissioner Hasse asked if the Port could do background checks and double-check their employment status.

Deputy Director Toews said that the Port does background checks for liveboards. Executive Director Berg said they will make sure they work directly in the marine trades in the Boat Yard; he clarified that they will not be permanent tenants but guest monthly tenants.

Lease and Contracts Administrator Nelson asked whether other employees of Port tenants (like restaurant workers) would qualify for this guest-monthly live-aboard tenancy. Executive Director Berg said that at this time, the idea was to help the marine trades workers only.

**Commissioner Hasse moved to authorize the Executive Director to waive moorage waitlist renewal fees until the Point Hudson project is complete. Motion passed by unanimous consent.**

Executive Director Berg said that staff intend to move forward with the “buoy test” this spring, so there may be an opportunity for additional waitlist assignments, if any boats cannot pass this test. (Port rules require that tenant boats be capable of leaving the marina under their own power at the harbormaster’s request.) He said staff would make note of those we can’t verify have left the marina, and these boats will be required to do the buoy test. He said the Port’s goal is to have active maritime use at the docks to be part of an active maritime community.

D. Environmental Services On-Call Agreement (Widener Contract) (01:06:13)

Capital Projects Director & Port Engineer Klontz said the on-call agreement serves as a master agreement so that when a need arises, Port staff could do a task order for work. Typically, in-water projects are complicated in the sense that they require coordinating with the Army Corp of Engineers for permits, and Widener and Associates is uniquely qualified for that work. The on-call agreement satisfies the requirement to do a selection process, and this is administratively efficient for Port staff to do once periodically rather than for each individual project. Instead, staff can negotiate a fee proposal, and scope of work and issue a task order with the selected firm.

Commissioner Hanke said he had seen this done at other ports and said it streamlined the process for getting a consultant up to speed on what the projects are.

Commissioner Petranek said during this past year that port staff has worked with this consultant and each staff member is intensely involved in the teamwork, and staff’s number 1 thing is building that relationship and track record. She emphasized that this contract allows but doesn’t obligate the Port to work with this one particular contractor. She asked that the commission be kept up to date on capital projects as we go along.

Commissioner Hasse said that despite the cost, Widener and Associates have gotten the Port more money than we’ve spent, which is a huge value, and of further value is the trust the staff has in them. She requested that when we need biological analysis and assessments (as distinct from grant writing and permits) that we consider hiring companies closer to home with biologists on staff.

**Commissioner Hanke moved to execute this agreement for on-call environmental services with Widener and Associates. Motion passed by unanimous vote.**

E. Interlocal Agreement regarding the Moderate Risk Waste (MRW) facility

Commissioner Hasse agreed that the MRW should leave the Port – we need more room for our boats – however, Jefferson county really needs a fixed site for a moderate risk waste facility, and since marine trades people are generators of this kind of waste, the Port should take the lead in finding a location for it, even if a mobile pickup is planned. Commissioner Hanke agreed and said

he thought the appropriate place would be at the transfer station. Executive Director Berg said leading the effort in finding a location is not something the Port's should take on. The County has been a great strategic partner; they will phase the removal with their own strategic planning process and find a way to adjust services in the future. Deputy Director Toews said the expiration of the current agreement is set precisely to afford the time needed to design, locate, permit and construct a facility. Commissioner Hasse asked if the Port would have a holding site for collection events. Mr. Toews said the Port will make sure the tenants are adequately served and will establish drop-off points for certain materials here at the Boat Haven, either to have it picked up or held until a collection event.

**Commissioner Hasse moved to approve the Interlocal Agreement (ILA) between the Port of Port Townsend & Jefferson County concerning the Moderate Risk Waste (MRW) Facility. Motion passed by unanimous vote.**

#### IX. STAFF COMMENTS (01:33:10)

Executive Director Berg commented on the following:

- Thanks for approving the MRW agreement which will help open up space in the yard and allow the Port flexibility in planning the Sims Way boatyard expansion. He said the key to the boatyard is flexibility, eliminating obstructions, and being creative, because we now have more boats in the boatyard than we've ever had and in places they've never been.
- The Compromise Capital Legislative Budget is heading for passage and has our Point Hudson project in for a supplemental \$1.5 million, bringing the state commitment to \$2.5 million. He thanked the district representatives, especially Representative Steve Tharinger who has helped the Port in managing to fund this project.
- He met with Ilsa Barrett, a landscape designer and Port Townsend native, to help us design an interface between the Point Hudson Armory Building and the Key City Theater parking lot. The goal is an activated art and performance space and a better path between the Port and City properties. The Main Street organization will fund a parklet on City property, the City will work on connectivity, and the Port will work on our property in a coordinated approach.
- The Port Rules & Regulations as well as the Port Comprehensive Scheme will be moved to a managed site called Code Reviser where their staff updates the documents for consistency and intent, maintains them, makes them easy for us to update, and available to the public. The link to this site will be on the Port's website.

Deputy Director Toews commented that all Customer Service Representatives (CSRs) are reviewing the current Rules and Regulations (including recently hired CSRs) to make sure they all understand them, noting what works and what doesn't, as well as areas for potential changes and updates. He said he was continuing to do work on grants and permitting on many fronts and had reached critical milestones on the Jetty project – local permitting work with the City.

Capital Projects Director Klontz said the City issued the SEPA addendum last week, which sets the stage for wrapping up some permits with the City and the State, in particular Washington Dept. of Fish and Wildlife (WDFW) approving the HPA as well as the water quality certification from the Department of Ecology and lastly, staff hope to have an Army Corp of Engineers permit in hand this spring for the Point Hudson Jetty project. He said there are still some pieces to work on, particularly on the funding agreement with the Department of Commerce; however, with a lot of the environmental work done, design can be completed in the coming weeks, and the Port can advertise for Jetty construction as early as June 1. He said there was also an advertisement out currently for public engagement & landscape architectural services for the Sims Way Gateway and Boatyard Expansion project being done in cooperation with the City and PUD.

Finance Director Berg created a list of current Port grants and there are 17 grants that have been awarded and/or not yet confirmed which total approximately \$16 million. This is about the same amount of IDD funds that are available in this levy. Of the 17 grants, she said there are 4 grants that are not yet confirmed and total about \$ 1.7 million. She said this was amazing that the Port has leveraged so much and gave kudos to those involved. She said the Cowling work had brought in an estimated \$1.3 million of that total.

Kristian Ferrero commented that the Port is welcoming Brian Eversole and Shannon White to our CSR crew this week and organizing marina offices into the new teams. He reported that there were a few vessel mishaps this week: one sank at Boat Haven, one landed on the beach at Point Hudson with a minor fuel spill, which were great team-building experiences for the new team. Port staff have been monitoring a situation with a big boat that was hauled out at Mats Mats Bay on a hand-made trailer. He mentioned that the American Cruise Lines ships will start arriving weekly starting next month.

Operations Manager Sparks commented that the Yard crew is enjoying the new Gator vehicles. He reported that the Boat Yard is full, and boats are being placed where they've never been before, possibly even the parking lot in the near future. He said that there are delays on delivery of HVAC parts for the Pavilion building remodel and he hoped Commission meetings could be held in person there starting in May. He gave an update on the old Coast Guard building project, where his crew is making progress; however, the Port is still waiting for the shoreline permit, which delays the building permit. He said his crew had crushed all 13 of the DNR (Department of Natural Resources) boats and

six of the Port's own boats which opens up sorely needed yard space; space is at a premium and reservations are having to be cancelled. He added that the new Travelift was working well.

Lease & Contracts Administrator Nelson said she had put together a new format for the lease brief and summary, which will be presented at first monthly meetings of the Commission. She reviewed her brief, highlighting a few items, including a negotiation with SEA Marine on a land lease at Point Hudson, and discussions with Port Townsend Shipwrights Co-op about a possible spot close to their current area in the shipyard for the location of a new machine shop.

Recorder Erickson asked if the Commission planned to meet in person on March 23. Executive Director Berg stated that staff were working on that; the intent was to meet in person as a hybrid meeting, based on the discussion at the morning workshop.

X. COMMISSIONER COMMENTS (02:08:26)

Commissioner Hasse commented that she had attended the Chamber Café where the City Library offered their space (the Pink House) as a free meeting space, and she learned that the Food Co-op could use more cold storage space due to supply chain issues and needing to stock up while supplies were available. She reported that the Chamber is producing a "Women in the Maritime" brownbag on April 5, 2022, at noon, where she will be presenting, along with Betsy Davis (NWSWB Executive Director), Amber Heasley (Sail Port Townsends Founder), Sarah Kolbeck (Owner, Port Townsend Rigging), Esther Whitmore (Shipwright at Haven Boatworks) and Robin Mills (Fisherwoman and Program Director, Northwest Maritime). Ms. Hasse gave a report on the Point Hudson Jetty project at the Marine Resources Committee (MRC) meeting, which was well received. The MRC members were excited about the plan for a reef at the Point Hudson Jetty and recommended before and after studies by the Washington Scuba Alliance. The North Olympic Development Council (NODC) focused on the Pacific Northwest National Labs (PNNL) in Sequim working on an electrical grid using tidal, solar, wind and electric boats; they're interested in working with local entities for energy storage. She's working with Scott Wilson and Marian Rowe on a new Port logo. She had a field trip with Port staff to Quilcene, and she met with City Manager John Mauro to talk about how to get more voices heard for a community vision for the future of Port Townsend.

Commissioner Petranek commented on three things:

1. City, PUD and Port are continuing to meet regarding the Sims Way Gateway and Boatyard Expansion Project, and they're working on:
  - Communications: the City will host a website and each jurisdiction will have a link to that site. Press releases will be issued, and written comments will be accepted along the way.
  - Calendar: task group formal kick off will be in early April, before a meeting with the Parks board on April 26.
  - Consultants: will be hired for engineering, design, and to work with the community group.
2. On March 4 she went on a boatyard tour with John Mauro and 3 new city council members. They met Bill, an owner of a 100-year-old boat who talked about how many generations had owned and worked on the boat, expressing his deep gratitude for maritime trades workers at the Port.
3. She was part of another KPTZ "Our Working Waterfront" interview on March 8, to be aired Friday March 11 at noon. Diana Talley was interviewed about an event called Women of the Working Waterfront to be held March 11 at the Cotton Building at 3:00 p.m.; a photo of all Port Townsend women connected to the water in any way will be taken on the Union dock at 4:00 p.m. They also interviewed a 5<sup>th</sup> generation fishing family who had two boats hauled out this winter.

XI. Next Public Workshop & Regular Business Meeting (01:50:07): Wednesday, March 23, 2022, at 5:30 p.m. with location to be determined (and via Zoom). (02:20:00)

XII. EXECUTIVE SESSION (02:20:08) to discuss the performance of a public employee, RCW 42.30.110(1)(g)

XIII. ADJOURNMENT: meeting went into Executive Session at 3:22 p.m. and later adjourned at 4:15 p.m.

ATTEST:

  
Peter W. Hanke, Secretary

  
Pamela A. Petranek, President

  
Carol L. Hasse, Vice President