

PORT COMMISSION REGULAR BUSINESS MEETING – Wednesday, January 25, 2023

The Port of Port Townsend Commission met for a regular business session at the Point Hudson Pavilion Building, 355 Hudson Street, Port Townsend, and also online via Zoom.

Present: Commissioners Hasse and Petranek with Hanke excused  
Executive Director Berg  
Director of Finance and Administration Berg  
Director of Capital Projects & Port Engineer Klontz  
Attorney Seth Woolsen  
Port Recorder Sanders

- I. CALL TO ORDER & PLEDGE OF ALLEGIANCE (Rec. 00:00:00)  
Commissioner Petranek called the meeting to order at 5:30 p.m.

**Commissioner Hasse moved to approve Commissioner Hanke's absence as excused. Unanimously approved.**

- II. APPROVAL OF AGENDA (Rec. 00:01:06)  
**The agenda was approved as amended by unanimous consent.**

- III. PUBLIC COMMENTS – GENERAL (Rec. 00:01:21)  
There were none.

- IV. CONSENT AGENDA (Rec. 00:04:57)
- A. Approval of Workshop and Regular Business Minutes from January 11 and Special Business Meeting of January 17, 2023
  - B. Approval & Ratification of Warrants
    - Warrant #066238 through #066241 and electronic payment in the total amount of \$104,173.88
    - Warrant #066242 through 066293 in the amount of \$256,711.62
    - Warrant #064569 in the amount of \$102.68 is declared void.
    - Warrant #066152 in the amount of \$933.02 is declared void.
    - Electronic debit in the amount of \$3,167.37
    - Warrant #066294 through #066299 in the amount of \$67,089.40

**The Consent Agenda as written approved by unanimous consent.**

- V. SECOND READING ~ none

- VI. FIRST READING ~ none

- VII. REGULAR BUSINESS (Rec. 00:05:37)

- A. Short's Family Farm

Executive Director Berg reported that the appraisal came in earlier today and is posted on the Port's website. The next step is to meet with the Shorts about the appraisal and property valuation.

Public Comment (Rec. 06:45:00):

Laurae Hughes of Gray Fox Farms, spoke in favor of the Short Farm project for access to Port resources and increased availability to farmland. (Rec: 00:02:00)

Iris Pearsall spoke about her concerns being an adjacent property owner and requested only organic farming in future (Written Comment)

Janet Welch spoke in support of the port's interest in the property and urged exploring other properties. (Written Comment)

Janet Welch spoke about the process, agriculture sustainability, drainage issues, and freedom to express opposing viewpoints (2<sup>nd</sup> Written Comment)

Zach Wailand spoke about various perspectives shared at the January 17 meeting and of his interest in a refrigeration facility. (Written Comment)

Jean and Keith Marzan spoke in opposition to the purchase because of Port's inexperience with farming. (Written Comment)

Mary Kippen spoke about concerns about the purchase without a plan (Written Comment).

Tom Erhlichman spoke about his written comment in support of delaying the purchase and about the FEMA flood plain and Endangered Species Act listing, Shoreline Designation, Uncertainty Over Potential Groundwater Contamination, and provide five recommendations for further study at the meeting. He noted he also sent an additional email with supplemental comment.

Jean Ball spoke at the meeting in support of agriculture by the Port, with concerns over purchasing a pond or wetland, and a request to explore other agricultural land in Beaver Valley in search of property that may be more economically feasible.

Martin Frederickson, spoke about the challenges of the economic viability of farmers to produce enough income to pay off a property mortgage and about the need to address drainage issues on the farm. He recognized parts of the farm do not flood and may be suitable for grains.

Laurae Hughes of Gray Fox Farms, spoke of the benefits of water on the land and also about crops that might do well at the site.

Charlotte Frederickson also spoke about potential farming on the site.

Commissioners (Rec: 00:12:35) comments in support related to salmon restoration, not losing valuable farmland for the health of our community, requesting a first right of refusal until a plan is developed, as well as providing access to land for farmers who otherwise would not be able to acquire land. There was some concern about moving forward without a current plan and about the Port's lack of experience with farming. With more time, the Port could collect additional comments, explore the worsening flood plain and buffer zones associated with the creek, as well as the Land Trust's prohibitions on grading and excavating that may impact restoring the stream. With the Port's history of valuing farming as part of maintaining public infrastructure, there is support for expanding infrastructure for local food production. A suggestion was to form a farming community committee to provide expertise lacking at the Port. Slowing down the process would also allow for discussions with neighboring property owners. There was recognition of the questions and excitement expressed by the farming community over this opportunity. There were some questions and discussions about the timing of the legislative cycle and the odds of receiving funding.

Executive Director Berg addressed questions about the use of land near the airport. He explained there is strong interest from farmers wanting to lease the Short farm and appears to be Board of County Commission support also. When addressing the percentage of land available for farming versus wetland, he noted the appraisal came back significantly less in value than the sales price offered. The Port could still convene a committee to get collective thinking on a plan objective and figure out how best to support local agriculture. Although February 10 was noted as the date by which a request to the legislature is needed, he discouraged seeking legislative funding without a firm proposal.

B. November YTD Financials (Rec. 01:03:40)

Director of Finance and Administration Berg gave the staff briefing as written. Highlighted were 2022 project expenses of \$4,522,260 primarily due to the jetty project. The 2022 capital purchases and contracted work to date has not changed since the October report. In reviewing the corrected page of the financial statement distributed, operating revenues are outperforming budget with the largest gain from the Boat Yard. Point Hudson is the lowest due to the jetty project. Operating expenditures are coming in higher than expected to date, but all were budgeted expenses. She would be working to improve the capital project detail on the financial page.

Commissioners asked about the nearly \$88,000 in insurance and what the Port could do about rates. Executive Director Berg noted that the Port could get a seat on the insurance pool board and see the claims and allocation of risk. The Port could also mitigate costs through seeking other insurance and/or reducing coverage to less than replacement value which is not recommended. Finance Director Berg and Executive Director Berg fielded questions about utility costs (including water, sewer, garbage, sani-cans, and electricity).

C. IDD Levy Financial Report YTD Quarter 4, 2022 (Rec. 01:16:25)

Director of Finance and Administration Berg presented the IDD report as written.

Executive Director Berg and Attorney Seth Woolsen addressed Commissioner questions about the Boat Haven navigation channel dredging. They noted that state dollars are available for cleanup. Port of Anacortes and Port of Bellingham and Georgia Pacific have had experience.

Executive Director Berg, referring to page 42, noted a later request would be made to the EDA to adjust project reimbursement on the jetty project to utilize the \$7 million allocation. There was recognition that the 2027 project estimates do not yet reflect realistic project dollars. He reported Deputy Director Toews sent a grant funding request for the Quilcene ramp and upland improvements for \$2.2 million of which the Port would have to contribute \$1.2 million.

D. Point Hudson Jetty Update (Rec. 01:30:44)

Director of Capital Projects & Port Engineer Klontz showed drone photos of the new breakwater. Next week, the contractor would place pile caps. They also assisted with emergency repairs of shoreline erosion and failing concrete panels on RV sites due to recent storm events and high tides (photos shown). This included relocating a log washed ashore underneath the Northwest Maritime Center to provide riprap for the RV park repairs. Additional erosion damage occurred at the 75-ton lift. FEMA reimbursement will be requested related to areas associated with the formal Disaster Declaration.

E. WPPA Port Governance Management Guide (Rec. 01:40:52)

Commissioners discussed the value of reviewing the guide chapter by chapter at Port workshops meeting as a way to ensure the Port is fulfilling its responsibilities. There was consensus to begin the review in February.

VIII. STAFF COMMENTS (Rec. 01:49:11)

Executive Director Berg reported the December staff luncheon was rescheduled for Friday. He requested Commission action to make an application for American Rescue Plan Act (ARPA) funding associated with the tidal flood protection waterwalk project. The funding of \$200,000 (with \$100,000 match), if received, would address feasibility and pricing, including a cost benefit analysis for FEMA funding. The project is estimated to cost roughly \$30 million.

**Commissioner Petranek moved to authorize the Executive Director to request \$100,000 in American Rescue Plan Act (ARPA) funding match for the climate change tidal flood protection waterwalk project. Motion carried by unanimous vote.**

Executive Director Berg noted the next port newsletter would hope to address Climate Change including this application and highlighting efforts of Port tenants. Next Thursday, is the WPPA Port Day in Olympia. A kayak and *Swiftsure* were the first boats back in Point Hudson Marina after the reopening January 25.

Finance Director Berg reported that the Customer Service Representative position is filled and we are near having a replacement in the Accounting Department. No janitor applications have been received.

IX. COMMISSIONER COMMENTS (Rec. 01:57:36)

Commissioner Hasse expressed gratefulness for the many Port activities and ideas. Referring to the State of the City report at Chamber, there are many community challenges and concerns. Having an engaged community to work on solutions is hopeful.

Commissioner Petranek Jefferson County Community leadership award applications are being accepted, including business leader, citizen of year, and future business leader. Haven has moved into their new facility. *Our Working Waterfront* would be Blaise Holly and his new lead shipwright, Ester.

X. NEXT PUBLIC WORKSHOP & REGULAR BUSINESS MEETING (Rec. 02:04:07)

Wednesday, February 8, 2023 at 9:30 a.m. Workshop and Regular Business Meeting at 1:00 p.m. at the Pavilion Building & via Zoom.

XI. EXECUTIVE SESSION (Rec. 02:05:00)

At 7:35 p.m., the Commission went into Executive Session for ten minutes pursuant to RCW 42.30.110(1)(b) for consideration of site selection or acquisition of real estate purchase or lease if likelihood that disclosure would increase price. No decision is expected.

At 8:04 p.m., the Commission meeting was extended for another five minutes until 8:14 p.m.


At 8:14 p.m., the Commission came back into open session.

XII. ADJOURNMENT (Rec. 02:05:50): meeting adjourned at 8:14 p.m., there being no further business before the Commission.

ATTEST:

  
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Peter W. Hanke, Secretary

  
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Pamela A. Petranek, President

  
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Carol L. Hasse, Vice President