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**Port of Port Townsend  
2<sup>nd</sup> Monthly Meeting Agenda  
Wednesday, July 23, 2014, 5:30 PM  
Port Commission Building  
333 Benedict Street, Port Townsend, WA**

- I. Call to Order / Pledge of Allegiance
- II. Approval of Agenda
- III. Consent Agenda
  - A. Approval of Public Workshop Minutes – July 9, 2014.....1-2
  - Approval of Meeting Minutes – July 9, 2014.....3-4
  - B. Resolution No. 616-14 – Authorizing Sale of Abandoned Vessel.....5
  - C. Approval of Warrants
- IV. Public Comments (not related to Agenda)
- V. Second Reading (Action Items)
  - A. Parking Policy.....6
  - B. Shipyard Resurfacing Project.....7
- VI. First Reading (discussion only)
  - A. Airport Industrial Park.....8
  - B. Lease Amendment #2 – Townsend Bay Marine.....9-11
  - C. Level 3 Response Budget.....12-13
- VII. Potential Immediate Action Items (unanimous Commission approval required)
- VIII. Staff Comments
- IX. Public Comments
- X. Commissioner Comments
- XI. **Next Meeting/Public Workshop: Wednesday, August 13, 2014. Meeting at 1:00 PM, Public Workshop at 9:30 AM, Port Commission Building, 333 Benedict Street, Port Townsend, WA**
- XII. Executive Session:
  - A. Litigation, pursuant to RCW 42.30.110 (i)
- XIII. Adjournment

**PORT COMMISSION PUBLIC WORKSHOP – July 9, 2014**

The Port of Port Townsend Commission met for the Public Workshop session in the Commission Building, 333 Benedict Street, Port Townsend, WA.

Present: Commissioners Tucker, Clinefelter and Hanke  
Executive Director Crockett  
Deputy Director -- Pivarnik  
Finance Director/Auditor - Khile  
Planning Analyst – Toews  
Environmental Compliance Officer Cairns  
Minutes Nelson

Guest Speaker: Peter Quinn, Team Jefferson Director

I. CALL TO ORDER:

The Workshop was called to order at 9:30 AM.

II. AGENDA:

Refer to attached Workshop agenda for items discussed.

III. ADJOURNMENT:

The Workshop adjourned at 11:51 AM.

ATTEST:

\_\_\_\_\_  
Stephen R. Tucker, President

\_\_\_\_\_  
Peter W. Hanke, Secretary

\_\_\_\_\_  
Brad A. Clinefelter, Vice President

**Port of Port Townsend Public Workshop**  
**Wednesday, July 9, 2014, 9:30 AM**  
**Commission Building**  
**333 Benedict Street**  
**Port Townsend, WA**

**AGENDA**

➤ **Economic Development Council (EDC) Update**

EDC Director, Peter Quinn, will update the Commission on EDC activities.

➤ **2015 Budget**

Continue discussion on the 2015 budget process. Staff will discuss possible changes to the format of the budget document.

➤ **Yard Policies**

Review current yard policies and discuss possible changes and enforcement procedures.

Note: This is a Public Port Commission Workshop. Workshops are for information sharing only and no decisions will be made during the session. Public input may be taken at the Commissions' discretion.

**PORT COMMISSION MEETING– July 9, 2014**

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

Present: Commissioners – Tucker, Clinefelter and Hanke  
Executive Director – Crockett  
Deputy Director - Pivarnik  
Finance Director/Auditor – Khile  
Environmental Compliance Officer - Cairns  
Minutes – Nelson  
Attorney - Lake

I. CALL TO ORDER/PLEDGE OF ALLEGIANCE:

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

II. APPROVAL OF AGENDA:

Added to Executive Session: Item B) Litigation, pursuant to RCW 42.30.110 (i). No action will be taken, with total session duration of twenty minutes.

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

**Commissioner Hanke seconded the motion.**

**Motion carried by unanimous vote.**

III. CONSENT AGENDA (1:13):

A. Approval of Meeting Minutes – June 26, 2014

B. Operations Reports – June 2014

C. Approval of Warrants

Warrant #053104 through #053128 in the amount of \$132,996.11 for

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

**Commissioner Clinefelter seconded the motion.**

**Motion carried by unanimous vote.**

IV. PUBLIC COMMENTS (Not related to agenda):

None

V. SECOND READING:

A. Mutual Aid Agreement (1:35):

Mr. Crockett reminded this was discussed at the previous commission meeting. The agreement provides clarity and form for emergency assistance between ports, and allows for reimbursement of services provided. He recommends moving forward, with the Port Attorney drafting an agreement for signature by the Executive Director.

**Commissioner Tucker moved to approve a Mutual Aid Agreement to be drafted by the Port Attorney.**

**Commissioner Hanke seconded the motion.**

**Motion carried by unanimous vote.**

B. Point Hudson Marina Breakwater Replacement Project-Phase 2 Engineering Design Contract (2:59):

Mr. Crockett recommends approval of the Coast & Harbor Engineering contract, Phase 2, of the Point Hudson Breakwater design. He explained this will enable the engineers to provide the drawings to begin the permitting process.

Commissioner Clinefelter requested that the Commissioners be provided with updates on the "Tasks" written in the contract.

**Commissioner Hanke moved to approve the Point Hudson Breakwater Replacement Project – Phase 2 Engineering Design Contract as presented.**

**Commissioner Clinefelter seconded the motion.**

**Motion carried by unanimous vote.**

VI. FIRST READING:

A. Shipyard Resurfacing Project (8:04):

Mr. Cairns provided a briefing to the Commission on the shipyard resurfacing project, sited at the west end of the shipyard, an approximate area of 100' x 465'. Contractors were notified of the project and two businesses attended the July 8, 2014 mandatory pre-bid meeting. Mr. Cairns estimates the contract will not exceed \$40K. (The Port is paying disposal costs.) Bids are due Monday, July 14, 2014.

B. Parking Policy (15:00):

Mr. Crockett discussed an email recently from an independent contractor on a parking issue with a tenant of the Port. The particular tenant put up eight "Employee Parking Only" signs

in front of his business, eliminating parking for others. He explained few Port tenants have actual parking spaces in their leases. He added the Executive Director does have the authority to establish as many parking spaces as required for safe and effective operations of the Port. Mr. Crockett explained staff does not see this as a large problem, and sees it more as an issue between the two parties involved. However, he added, if the Commission has any solutions to bring their ideas forward.

Commissioner Clinefelter remarked that no trailer boaters have used the newly cleared out space for additional parking along the fence line.

Commissioner Tucker explained this is the first year the Port has provided this additional parking area. It was done to accommodate the crab and salmon openings. Next year, it may only open for the salmon openers since it was not needed during the crab opener.

VII. POTENTIAL IMMEDIATE ACTION ITEMS (with unanimous Commission approval)

VIII. STAFF COMMENTS (27:57):

Attorney Lake apologized for her late arrival and acknowledged the Mutual Aid Agreement approved by the Commission.

Mr. Pivarnik informed the request for bids for the AWOS site prep will go out this Friday.

Mr. Crockett announced he and Mr. Pivarnik met with Keven Elliff and the new Port website should be launched this Friday. With guidance from him and Mr. Pivarnik, Mr. Elliff is writing three articles for the news section of the website.

He informed he and staff will meet with Dan Taylor of the Teamsters Union on July 23 for meeting #1 on Union contract negotiations.

Lastly, he announced he is leaving today for the WPPA Director's Conference in Bellingham.

IX. PUBLIC COMMENTS:

None

X. COMMISSIONER COMMENTS (31:52):

Commissioner Clinefelter asked what it would take to develop a long-term maintenance schedule. Mr. Crockett replied it will be folded in with the 2015 budget process.

Commissioner Tucker informed that he and other volunteers from the fishing club counted boats during the crab openings and found that the overflow parking was not needed. He said they will count again on July 16, which is salmon opening.

XII. EXECUTIVE SESSION:

The regular session recessed into Executive Session, at 1:34 PM for two Real Estate matters and a Litigation issue, duration of twenty minutes with no action, pursuant to RCW 42.30.110 (b) (i).

At 1:55 PM, Ms. Nelson checked outside for waiting members of the public. Finding no one, the session continued and was extended five minutes.

XIII. RECONVENING/ADJOURNMENT OF REGULAR MEETING:

The meeting reconvened and adjourned at 1:57 PM, there being no further action to come before the Commission.

ATTEST:

\_\_\_\_\_  
Stephen R. Tucker, President

\_\_\_\_\_  
Peter W. Hanke, Secretary

\_\_\_\_\_  
Brad A. Clinefelter, Vice President

RESOLUTION NO. 616-14

A Resolution of the Commission of the Port of Port Townsend

RESOLUTION AUTHORIZING THE SALE OF ABANDONED VESSELS

WHEREAS: The Port of Port Townsend has in its possession Vessel(s) described as follows:

<u>VESSEL</u>	<u>OWNER</u>	<u>ACCOUNT #</u>
33 ft Power Vessel SUNSET	Ron Elstad	7015

WHEREAS: proper notices have been sent to the person believed to be the true owner, or to anyone who might claim an ownership interest in the boat and no person or persons or entity has responded claiming ownership and/or willingness to pay the charges owing for storage, and ninety (90) days have elapsed since the sending of such notices,

NOW, THEREFORE BE IT RESOLVED:

1. That the above designated vessel is declared to be abandoned; and
2. The Port Director is directed to sell the said boats at public sale to the highest and best bidder for cash pursuant to the procedures set forth in RCW 53.08.320 (5); and
3. That the date of public auction to be set and proper notifications made.
4. Auction to be held at the Port of Port Townsend Work Yard located at 2790 Washington Street, Port Townsend, Washington.

ADOPTED this 23<sup>rd</sup> day of July 2014 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:

\_\_\_\_\_  
Peter W. Hanke, Secretary

\_\_\_\_\_  
Stephen R. Tucker, President

\_\_\_\_\_  
Brad A. Clinefelter, Vice President

APPROVED AS TO FORM:

\_\_\_\_\_  
Carolyn A. Lake, Goodstein Law Group, Port Attorney

**PORT OF PORT TOWNSEND**

**MEETING OF:** July 23, 2014

**AGENDA ITEM:** V. Second Reading  
A. Parking Policy

**BACKGROUND:**

Continue discussion on the Port's parking policy.

**Executive Director's Recommendation:**

For discussion and direction as appropriate.

**PORT OF PORT TOWNSEND**

**MEETING OF:** July 23, 2014

**AGENDA ITEM:** V. Second Reading  
B. Shipyard Resurfacing Project

**BACKGROUND:**

Bid opening occurred on July 21, 2014. Contract will be presented for approval.

**Executive Director's Recommendation:**

For approval.



**PORT OF PORT TOWNSEND**

**MEETING OF:** July 23, 2014

**AGENDA ITEM:** VI. First Reading  
A. Airport Industrial Park

**BACKGROUND:**

Staff received a call from the U.S. Economic Development Administration (EDA) regarding a grant opportunity for the Airport Industrial Park. Staff will review the grant process and funding levels.

The Commission should consider if the timing is right to proceed – the next grant cycle is this October.

**Executive Director's Recommendation:**

For discussion and direction as appropriate.

## PORT OF PORT TOWNSEND

**MEETING OF:** July 23, 2014

**AGENDA ITEM:** VI. First Reading  
B. Lease Amendment #2, Townsend Bay Marine

### **BACKGROUND:**

In an effort to control zinc run-off from buildings in the Boat Haven, the Port installed special totes that will catch runoff from roofs and treat it before releasing the storm water into our system. Townsend Bay Marine's building was one of our test locations where the testing showed a great improvement to run off. To that end, staff would like to continue treating the water from the roofs of these buildings. David King, one of the partners of TBM, has asked to memorialize our partnership in a lease amendment. Eric Toews has drafted this amendment and included it in the packet for your approval.

### **Executive Director's Recommendation:**

Approve lease amendment to TBM lease.

## LEASE AMENDMENT #2

**THIS AGREEMENT** made this 23<sup>rd</sup> day of May 2014, by and between the PORT OF PORT TOWNSEND, a municipal corporation organized and existing under the laws of the State of Washington, Lessor, hereinafter referred to as "the Port" or "the Lessor," and Townsend Bay Marine, LLC, a Washington Limited Liability Company, hereinafter referred to as "Lessee."

### WITNESSETH:

1. On November 21, 2002, the parties entered into an Agreement Re Assignment of Ground Lease concerning certain real property located at the Port's Boat Haven facility, and briefly described as a portion of Eisenbeis Addition, Blocks 11 and 18, City of Port Townsend, Jefferson County, Washington. The ground lease assigned by said agreement was approved on June 8, 1999, is recorded under Jefferson County Auditor's Recorder's File No. 423727, and is hereinafter referred to as the "Original Lease."
2. Paragraph #32 of the Original Lease grants the Port a right of entry upon the demised premises, and a right to *"cross over, construct, move, reconstruct, rearrange, alter, maintain, repair and operate the . . . drainage lines . . . and all other services required by the Port for its use."* The same paragraph grants the Port a continuous easement for the purposes outlined above, without additional cost, PROVIDED that such use *"does not significantly impact or deprive Lessee from its beneficial use or occupancy . . ."*
3. The Port of Port Townsend (Port) Boat Haven has exceeded Department of Ecology (Ecology) benchmarks for zinc and copper concentrations in its stormwater and must curb such concentrations with a number of facility improvements. Stormwater generated by Lessee's building complex has been sampled and has shown zinc concentrations that exceed Ecology benchmarks.
4. The Port has installed downspout treatment for approximately 75% of the roof area of Lessee's buildings in a location along the north central building wall. Specifically, two units manufactured by StormwaterRX have been installed with a total footprint of approximately 100 square feet (5' x 20'). The equipment collects stormwater from a central collection pipe, filters it through a media mix of activated charcoal and sand and then discharges it into a perimeter drain. A bypass valve has been installed which allows stormwater to be conveyed in its original configuration.
5. Additional downspout treatment units may need to be installed on Lessee's buildings if total discharge quality for the Port's Boat Haven facility does not meet benchmark levels.
6. The parties are agreed that the above-referenced paragraph #32 of the Original Lease should be amended to make plain that the Port has a specific right to enter upon the demised premises to install and maintain the aforementioned StormwaterRx system improvements required to meet Ecology benchmarks for zinc and copper.

7. The parties are further agreed that, although the aforementioned stormwater improvements deprive Lessee from beneficial use of approximately 100 square feet (5' x 20') of the demised premises, such effect is insignificant, and is more than offset by the environmental value and attendant practical and business benefits to be enjoyed by the Lessee from said improvements.

**NOW, THEREFORE:**

Effective May 23, 2014, paragraph #32 of the Original Lease Agreement originally approved on the 8<sup>th</sup> of June, 1999, shall be amended and replaced in its entirety as follows:

32. Easements.

a. The Parties recognize that the Port facilities are continuously being modified to improve the utilities and services used and provided by the Port. The Port, or its agents shall have the right to enter the demised premises of the Lessee, and to cross over, construct, move, reconstruct, rearrange, alter, maintain, repair and operate the sewer, water, and drainage lines, and the electrical service, and all other services required by the Port for its and/or Lessee's use. The Port is hereby granted a continuous easement or easements that the Port believes is necessary within the lease premises of the Lessee, without any additional cost to the Port for the purposes expressed hereinabove. Provided however, that the Port by virtue of such use does not significantly impact or deprive the Lessee from its beneficial use or occupancy of its leased area. Lessee shall not be responsible for the cost of any alterations or improvements performed by the Port within said easement areas.

b. In the event that the Port does significantly impact the Lessee from such beneficial use or occupancy, then there will be an equitable adjustment in rent. In the event that the Port does permanently deprive the Lessee from such beneficial use or occupancy then the cost required to modify its premises to allow the Lessee to operate its business, will be negotiated and paid by the Port to the Lessee. In the event that such entry by the Port is temporary in nature, then the Port shall reimburse the Lessee for the cost required to modify its premises for the temporary period that the Lessee is inconvenienced by such Port entry.

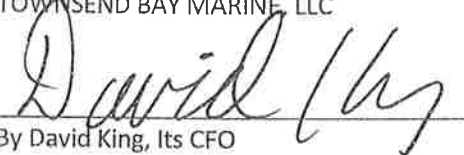
c. Lessee expressly grants the Port the right to enter upon the premises for the purpose of installing and maintaining a Stormwater Rx system occupying approximately 100 square feet of the demised premises (located adjacent and to the north of Lessee's buildings #2 and #3, and west of building #1). Lessee further agrees that such use is of direct benefit to Lessee, and accordingly, that no adjustment in rent or reimbursement shall be necessary for such use of the premises.

All other terms and conditions of the Lease Agreement dated June 8<sup>th</sup>, 1999 shall remain in effect.

**APPROVED** this \_\_\_\_<sup>th</sup> day of May, 2014, by the Commission of the Port of Port Townsend and duly authenticated in open session by the signature of the Executive Director.

**LESSEE**

TOWNSEND BAY MARINE, LLC

  
By David King, Its CFO

PORT OF PT/TBM  
LEASE AMENDMENT #2

MAY 2014

**PORT OF PORT TOWNSEND**

**MEETING OF:** July 23, 2014

**AGENDA ITEM:** VI. First Reading  
C. Level 3 Response Budget

**BACKGROUND:**

Staff has prepared the attached detailed budget for all of the tasks involved in the Level 3 Response. Each of these tasks requires different vendors and contract arrangements. Because of the tight timelines and the need for having all of these projects done in the next nine months, staff would like to have authorization to proceed with this budget without the need to come back to the Commission for each purchase order. The adopted two-touch rule would seriously hamper our ability to complete this very detail-oriented project. Because each of these items still needs to be competitively bid, staff will report back to the Commission any changes to the budget exceeding 15%.

**Executive Director's Recommendation:**

Authorize Executive Director to spend required funds to complete the Level 3 Response detailed tasks.

## Estimate of Level 3 Response Work Items

Work Item	Estimated Cost	
<b>Sims Way Sandfilter Repair</b>		
<i>Biochar Tanks</i>	\$	15,439
<i>Bulk biochar media</i>	\$	3,600
<i>Misc. equipment/materials</i>	\$	190
<i>Total</i>	\$	19,229
<b>Downspout Treatment</b>		
<i>Totes</i>	\$	75,537
<i>Misc. equipment/materials</i>	\$	755
<i>Total</i>	\$	76,292
<b>Rx Unit Biochar Post-treatment</b>		
<i>Totes</i>	\$	12,000
<i>Misc. equipment/materials</i>	\$	120
<i>Total</i>	\$	12,120
<b>Vault 1 Sandfilter Replacement</b>		
<i>A&amp;E Services - Reid Middleton</i>	\$	27,000
<i>A&amp;E Services - Landau Associates</i>	\$	7,000
<i>Construction Costs</i>	\$	150,000
<i>Total</i>	\$	184,000
<b>Shipyard Resurfacing</b>		
<i>Disposal</i>	\$	60,480
<i>Removal and Replacement</i>	\$	18,550
<i>Total</i>	\$	79,030
<b>Total All Level 3 Response Costs</b>	<b>\$</b>	<b>369,796</b>