

## **PORT COMMISSION MEETING – October 11, 2006**

The Port of Port Townsend Commission met in regular session in the Commission Chambers, Hudson Point Administration Building, 375 Hudson St, Port Townsend, WA.

Present: Commissioners – Beck, Sokol, Thompson  
Executive Director – Crockett  
Deputy Director – Pivarnik  
Marine Facilities Director – Radon  
Auditor – Taylor  
Attorney – Harris  
Senior Accountant/Recorder - Hawley

### I. CALL TO ORDER

The meeting was called to order at 1:00 PM.

### II. APPROVAL OF AGENDA

The following three items were added to Old Business: Item F.- Noise BMPs, Item G. - Sandblast Regulations and Item H. - Monthly Guest Moorage.

**Upon motion of Commissioner Sokol agenda was unanimously approved as amended.**

### III. CONSENT AGENDA

- A. Approval of Minutes – 9/27/06  
Approval of Special Meeting Minutes – 10/02/06
- B. Approval of Warrants  
#35420 through #35447 in the amount of \$32,151.74  
#35448 through #35457 in the amount of \$66,601.80  
#35458 through #35515 in the amount of \$40,301.08

The Special Meetings Minutes of 10/02/06 are amended to state that Francois “Frank” Fischer is the Attorney representing Mike Hogan and to state clearly that the Port was threatened with a lawsuit by Mr. Fischer on behalf of Mr. Hogan.

**Upon motion of Commissioner Sokol, the Consent Agenda was unanimously approved as amended**

### IV. PUBLIC COMMENTS (Not related to agenda)

None

### V. OLD BUSINESS

- A. 2007 Operating Budget Update.

Mr. Taylor reviewed the ongoing 2007 Operating Budget preparation process. Discussion took place regarding monthly guest moorage rates (which have not changed since January, 2003), the monthly guest policy, grandfathering of the monthly guests already here and on a permanent waiting list, and Marine Trades customer boat accommodation. After discussion, monthly guest rates will be added to the rate sheets and included in the draft budget. An environmental fee or penalty and Port authority to levy such fees was discussed with decision delayed to next meeting. Whether or not to take the 1% property tax levy increase, or banking it, and new construction was discussed, with a proposal that if at the time of adoption of the 2007 Budget the 1% property tax increase is taken, those funds would be designated to the PTBH Renovation Reserve Fund. Mr. Taylor was directed to add two nighttime watch staff positions to the draft budget. Further discussion regarding security issues took place. The Point Hudson Renovation Reserve fund will be continued in 2007.

- B. Boat Haven Marina Project Update.

Mr. Crockett stated that the deadline for proposals from engineering firms for the Boat Haven A/B and Commercial Dock project is 4:30 PM on November 1, 2006. On October 4<sup>th</sup> and October 5<sup>th</sup> project briefings took place with engineering firms. A selection Committee, composed of the Commissioners, Mr. Crockett, Mr. Pivarnik, Mr. Radon and Mr. Taylor, will review and score, engineering packets received with the top two or three firms invited to interview. The fee will be negotiated after selection as State Law stipulates

selection is to be based solely on qualifications. An advisory committee is in the process of being formed.

C. PT Industrial Park Lease Policies

Mr. Pivarnik reminded that at the time of the Sperry Properties purchase, it was decided that no changes would be made until January 1, 2007. Discussions with tenants have begun with most expressing interest in annual leases or up to five years duration. Admiral Ship Supply is the exception and has expressed interest in a five year lease with three five year options. Mr. Pivarnik sought Commission direction before moving forward as to whether or not a 20 year lease is something the Port desires.

Another issue, stated Mr. Pivarnik, is that three of the businesses are leasing the space next to their buildings for boat storage and it is his understanding that those spaces will revert back to the Port on January 1, 2007.

Discussion followed between staff and the Commission regarding the three businesses, the spaces next to the businesses, electricity accessibility and sub-meters. Commission direction was given to staff to continue the plan in place at time of purchase wherein the spaces next to the three businesses involved will revert back to Port property. Long term goals were discussed.

**Commissioner Sokol made a motion to authorize Port Staff to enter into negotiations for a five year maximum lease with Admiral Ship Supply. The motion carried by a unanimous vote.**

D. Project Control Form Revision – Hudson Point Marina Reconstruction

Mr. Taylor provided background on the project control form approved 12/29/04 which was intended to cover final design and permitting services. The revised project control form, with Change Order # 1 for Additional Design and Construction was reviewed. As a separate issue, there was review of Change Order #2 for Reid Middleton for Bidding and Construction, Administrative Assistance and Additional permitting.

Discussion followed regarding the timeline of the project with a hoped for start date of November 1, 2006 and the requirement of the City of Port Townsend to review the project.

**Commissioner Beck made a motion to approve the revised project control form for the Hudson Point Marina Reconstruction in the amount of \$3,500,000 which includes the previously approved Caicos Corporation contract. The motion carried by unanimous vote.**

**Commissioner Beck made the motion to approve change Order #2 for the Reid Middleton contract in the amount of \$114,800.00. The motion carried by unanimous vote.**

E. Derelict Vessel Deposit Policy

Mr. Radon provided background and presented proposed modifications to the Port's existing Derelict Vessel Policy which would require the Derelict deposit to include six months of Storage charges, State Leasehold Tax and estimated demolition costs. Vessels must be in the active Work Yard and cannot be in the long term storage area. Payment of the roundtrip haul-out fee is required when vessel is brought into the yard. This haul out fee is not part of the required deposit.

Discussion followed regarding derelict vessel determination criteria, the hiring of a marine surveyor at boat owners expense if there is disagreement over classification, the return of deposit monies when project is complete and all account charges are current and updating the Port's Rules and Regulations.

**Commissioner Beck made a motion that the Port approve the Derelict Vessel Deposit modification as presented, Exhibit A, to include six months storage and State Leasehold Tax, estimated demolition costs and the requirement that the vessel go into the active Work Yard. The motion carried by unanimous vote.**

F. Noise Best Management Practices (BMP's)

Mr. Radon reviewed the proposed changes to current policy. The proposal changing the hours allowing activities generating excessive noise are changed from 7:00 AM to 10:00 PM to 7:00 AM to 7:00 PM. – Monday through Saturday. No excessive noise is allowed on Sundays and Holidays, a change from current policy which has allowed such activities from 8:00 AM to 6:00 PM Sunday and Holidays.

Discussion followed regarding the scope of this policy which is intended for industrial work and how it interfaces with the City of Port Townsend Sound Ordinance.

**Commissioner Sokol made a motion that the Port adopts the revised NBMP's (Noise Best Management Practices) as concerns noise in the Yards. Motion carried by unanimous vote.**

G. Sandblast Regulations

Mr. Radon provided background and reviewed changes which include changes to the Sandblasting Agreement Form. Changes are: Staff titles, insertion of reference to WAC 173-303, cleanup services at the Standard Port labor rate per hour, complying with Port's Noise BMP's, increasing required deposit to \$1,000.00, that impervious material be used for containment, scheduling an inspection before work begins; that sandblast activity will terminate if containment is lost and the addition of a signature line for vessel owner/operator.

Discussion followed regarding updating the Port's Rules and Regulations, attorney fees, determination of whether or not sandblasting debris is a hazardous waste by batch testing. Due to a sense of urgency in regard to this matter and the need for uniformity for all operators, the decision was made to go forward with the revised Sandblasting Agreement form with noted changes instead of delaying until a revised form could be presented.

**Commissioner Beck made a motion to approve the revised Sandblasting Agreement with changes as discussed and noted. The motion carried by unanimous vote.**

H. Monthly Guest Moorage

Mr. Crockett provided background and requested Commission direction regarding a customer who had left, and then returned, to the Boat Haven this past summer while the moratorium on monthly guests was in place. Also needed is direction in general on the monthly guest policy. Mr. Radon asked for Commission support of staff and existing policies.

Discussion followed regarding monthly guest moorage, Marine Trades, the need for additional space and the need to be ruthlessly fair with everyone.

**Commission consensus is to support Port Staff in following the existing policies regarding monthly guest moorage.**

VI. NEW BUSINESS

Mr. Crockett recommended that that Item C - Townsend Bay Marine Ballasting be reviewed first.

C. Townsend Bay Marine (TBM) Ballasting

Mr. Crockett stated that Townsend Bay Marine had ballasted an area of their leased property and had then deducted the amount from the 3% Marine Trade contribution monies owed to the Port for a large project. As no dialogue between TBM and the Port had taken place beforehand and staff was unaware of the project, the check was returned to TBM. It is staffs position that no reimbursement should be made to TBM as the ballasting was of benefit to TBM and not the Ship Yard in general. Mr. Radon pointed out that the area ballasted had been originally designated as vehicle parking.

Mr. David King of Townsend Bay Marine presented the view that the area in question, had never been part of a capital project, and that vessels could not be worked on in that area without the ballasting. TBM's concept is that ballasting

this area made the Ship Yard more usable and requested reimbursement of the cost of their investment.

Discussion followed including whether or not this ballasting actually benefited the Port as a whole. As pointed out by Mr. Harris, the Port may expense money only if there is expected future benefit to the Port and since the area ballasted is part of a long term lease with TBM, the benefit appears to be only to TBM. Mr. Sokol expressed concern regarding the lack of dialogue between Townsend Bay Marine and the Port before the project was undertaken. He found it disturbing that the dollar amount had just been deducted. Mr. Radon pointed out that the area, historically, had been the permitted parking lot for those three buildings and that parking was the original purpose for which it was leased to the company. Mr. Radon stated that the Boat Yard permit should be amended to indicate the change. Discussion continued and included the lack of notation in the TBM lease to indicate that area reserved for vehicle parking and that TBM routinely pays the 3% Marine Trades Contribution. The consensus was that dialogue should have taken place beforehand.

At 2:53 PM, Commissioner Thompson excused himself and left the meeting.

**Commissioner Beck made a motion that the Port pay one half the cost of the ballasting done at TBM in the amount of \$1846.52. The motion carried by unanimous vote.**

- A. Operations Report – Month of September, 2006  
Mr. Radon reported that September had been a very strong month. In reviewing the numbers, permanent moorage is slightly down, but the nightly guest figures are very high. Labor Day weekend and the Wooden Boat Festival were very strong with 102 nightly guests on the Friday of the Festival. He believes the very strong haul-out numbers are helping the nightly guest figures.

Commissioner Sokol called for a short recess at 3:01 PM. Meeting resumed at 3:05 PM.

Mr. Radon continued by remarking that the Yard was very busy. The Yard will continue its Saturday schedule through October and resume that schedule on March 1, 2007 in anticipation of another strong season. Hudson Point has been at 100% or more over last year. Nightly RVs are also up this year. Letters of termination to accommodate construction were sent to permanent Hudson Point moorage tenants to on September 30<sup>th</sup>, and, so far, 20 boats out of 30 have moved to Boat Haven.

- B. Oyster Drill Problem in Quilcene  
Mr. Crockett briefed the Commission on the e-mail received from John Petrie of Coast Seafoods announcing that two Oyster Drill were found in a recent oyster shipment, which is alarming since there are supposed to be none. Further research shows a heavy infestation in the tideland from Coast Seafoods to the Yacht Club area. Mr. Crockett explained that the Oyster Drill, an invasive species brought in from Japan in the early 1900's, is a small  $\frac{3}{4}$ " to 1" long snail like creature that attaches itself to oysters, clams and mussels, drills a hole through the shell and extracts the interior contents thereby killing the clam or oyster. As the oyster beds are in serious jeopardy, Coast Seafoods believes action should be swift and is willing to pay all costs. A two fold approach is recommended and coordination with the Tribes may be necessary. Coast Seafoods asked permission to harvest the oysters in the Port owned tidelands and for subsequent installation of a 100 foot long, hollow, cinder block wall which will attract the Oyster Drills.  
Mr. Crockett asked for Commission approval to allow the Port to work with Coast Seafoods, the Tribes, and State Agencies to get this project moving. Commissioner Beck is in favor of doing whatever it takes to assist Coast Seafoods. Commissioner Sokol remarked that this is a perfect example of coming to talk with us before a project is started. He is also in favor of going forward with the project.

**Commissioner consensus directed Port Staff do whatever it takes to assist Coast Seafoods.**

D. DNR Pile Removal:

Mr. Pivarnik briefed the Commission on the meeting between Staff, the City and the Department of Natural Resources (DNR) regarding State monies available for creosote pile removal in various Puget Sound sites to include Port Townsend Bay. Mr. Pivarnik continued by noting that as Caicos Corporation would already be mobilized with the Hudson Point Marina, piggybacking the projects is possible. Removal of 147 piles and 4 dolphins at Quincy Street dock along with piles located at Indian Point and the 28 piles found behind the Aladdin Hotel, just outside Boat Haven, also included would be the removal of the wing wall next to the trestle. The cost is approximately \$190,000 plus sales tax. Commissioner Beck expressed concern regarding the impact on the marina project timeline and, in response, Mr. Pivarnik assured him that Caico's pile removal crew is totally separate from its construction crew therefore not affecting the marina project.

**Commissioner Sokol made a motion to surplus the Quincy Street Pier dolphins and piles and the Aladdin Beach tideland piles belonging to the Port. The motion carried by unanimous vote.**

**Commissioner Sokol moved to amend the project control form by the \$190,000 +sales tax expenditure and to also show the \$190,000 plus sales tax as a revenue item from DNR so that there is no cost to the Port.**

Mr. Taylor reminded that Caicos needed to give us a contract amendment for this addition. Questions were raised regarding payment options and arrangements. **No action was taken on the motion as it was decided that details needed to be resolved.**

Commissioner Thompson rejoined the meeting at 3:25 PM.

E. Definition of a Recreational Vehicle (RV)

Mr. Crockett provided background to events leading up to this topic. Mr. Radon briefed the Commission on the research into what constituted an RV and reviewed the proposed Amendment to the Port of Port Townsend RV Park Policies and Rules – Winter Monthly RV Requirements which provide the following criteria: An RV must be of design and type manufactured with intent of human habitation, equipped with operational plumbing and self-contained as regards to power, water and sewage (both gray & black water). Manufacture and State safe wiring labels are required on all RVs hooked up to RV park electrical power. Van, trailer and bus conversions will be considered on an individual basis.

**Commissioner Beck made the motion to adopt the Amendment to the Port of Port Townsend RV Park Policies Winter Monthly Requirements as presented. The motion carried by unanimous vote.**

VII. STAFF COMMENTS

Attorney Harris stated that the Port should move forward with a resolution adopting a public record request set of rules. The State Attorney General's model for public entities can be used with some modification. A decision about whether or not to opt out of the indexing requirement will be necessary. The existing Port Resolution will be rescinded.

Mr. Taylor remarked that the State Auditor is almost finished with our 2004-2005 audit which has gone very well. An exit conference will be held in the next few weeks.

Mr. Radon remarked that it is time, once again for the Pacific Fish Expo, November 15th through November 18, 2006.

He briefed the Commission on a developing situation in that the Port, for the last 2 or 3 years, has been hauling out and storing the city floats from union wharf and city dock. He noted that the Port has stored the Northwest Maritime dock as well. However, that dock requires the use of the ship hoist, which presents limitations on where to locate the dock in the yard. The one available space is at the end of the ship wash; however, that location will displace a dozen or so vehicle parking spaces. He notified the Maritime Center that the floats need to be removed by March 1, 2007 as he expects another busy season. Resistance to the time frame for removal is probable because of their seasonal use permits (the floats are permitted to be in the water from May to October only). Mr. Radon is alerting the Commission to the Maritime Center's question regarding a storage location for the floats for those two months. Discussion followed regarding possible storage locations, placing the floats on wheels or a dolly for moving, hoist maneuvering impact, displaced vehicle parking and sending a letter to the Maritime Center stating that we will not be able to store floats in future.

Jim Pivarnik informed the Commission that the next six months are going to be extremely busy for staff as numerous Port capital projects are coming together at once.

Larry Crockett stated that Emergency Management had met with the Pilots Association last week and questions were raised about resources available in the event of a major disaster such as whether or not the Port has backup generators to power the fuel system and runway lights. The Port does have a generator, but installation of juncture boxes should be done. Emergency Management is aware of the location of all fuel tanks in the county; which will be made available to emergency vehicles in the event of a major event.

Mr. Crockett reminded that as the holiday season approaches it is time to schedule Port meetings in order to notify the newspapers of changes.

Discussion followed.

**Commissioner Sokol made a motion to change the 2<sup>nd</sup> meeting in November to Wednesday, November 29, 2006 at 1:00 PM and to change the 2<sup>nd</sup> meeting in December to Wednesday, December 27, 2006 at 1:00 PM, both meetings to be held in the Commission Chambers at Hudson Point. The motion carried by unanimous vote.**

X. PUBLIC COMMENTS

Clare Candler inquired as to whether or not retired veterans had been considered for filling the security positions being discussed. He commented that in his experience, garnet, which is a little more expensive, makes an excellent sandblasting material in that it eliminates dust and cuts cleanly.

IX. COMMISSIONER COMMENTS

Commissioner Beck would like to see the update to the Port Rules and Regulations be of top priority. He is very impressed with what other Ports have done and believes we need to address this as quickly as possible.

Discussion followed.

Commissioner Thompson stated that he had met with the Ferry Committee again and that the situation with the Dept of Transportation, regarding the proposed changes to the Port Townsend ferry terminal is heating up as various groups are forming.

Discussion followed.

He inquired of Attorney Harris the status of the City of Port Townsend Stormwater Drainage charge question.

Mr. Harris informed that he is still waiting for the decision, which should be within the next few months, in Greys Harbor County wherein it will be determined the extent to which charges can be levied. The issue there is the similar to Port Townsend wherein the stormwater charge must be of benefit, and if it is not, then should not be charged. The question remains if the Port is getting a benefit from the charge, since the Port built its own storm drainage system.

Discussion followed regarding the Grey's Harbor lawsuit, how it applies to the Port, the existing stormwater system, the City charges, and continued pursuit of the issue.

X.     NEXT MEETING: REGULAR MEETING: Wednesday, October 25, 2006 at 7:00 PM in the Commission Chambers, Port Administration Building, 375 Hudson Street, Hudson Point.

XI.

XI.    EXECUTIVE SESSION (if needed)

Commissioner Sokol called for a Commissioner only executive session at 4:09 PM, duration of five minutes, to discuss a personnel matter with no decision reached.

XII.   ADJOURNMENT

The regular meeting resumed at 4:14 PM and adjourned at 4:15 PM there being no further business to come before the Commission.

ATTEST:

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President

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Secretary

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Vice President