

PORT COMMISSION MEETING – May 23, 2007

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
Auditor – Taylor
Marine Facilities Director - Radon
Recorder – Nelson
Attorney – Harris

I. CALL TO ORDER

The meeting was called to order at 6:30 PM.

II. APPROVAL OF AGENDA

The agenda was revised as follows: the additions to New Business Item A – Eagle Eye Land Swap and Title Signature Authorization; Item B – New Lease for Chris Hanson; Item C – Boat Haven Lease Renewals; Item D – BST Associates Contract (Boat Haven); Item E – Seton Contract (Hudson Point).

Upon motion of Commissioner Sokol, the revised agenda was unanimously approved.

III. CONSENT AGENDA

- A. Approval of Minutes – 5/9/07
- B. Approval of Warrants
 - #36869 through #36896 in the amount of \$35,410.68
 - #36897 through #36903 in the amount of \$24,450.02
 - #36904 through #36955 in the amount of \$549,811.92

Upon motion of Commissioner Beck, the Consent Agenda with changes was unanimously approved.

IV. PUBLIC COMMENTS (Not related to agenda)

None

V. OLD BUSINESS:

- A. Quilcene Septic System Upgrade: Project Control Form – Creative Design Contract Revision, Reeves Excavating Contract:

Mr. Taylor stated that the Quilcene septic contract with Creative Design Solutions had been approved back in December of 2006, but a project control form was never prepared. Staff is looking for three things: adoption of the P.C.F. in the amount of \$177,500; secondly, the contract with Creative Design needs approval for additional septic design and permitting in the additional amount of \$4,350; and lastly, approval on the contract with Reeves Excavating in the amount of \$111,095.90, including W.S.S.T. Mr. Pivarnik added that the bid was put out for septic construction and Reeves was the only bidder. This work will service Port restrooms and showers, Coast Seafoods buildings and the maintenance building. In addition, a new water line will be installed from the well, as the current line is leaking and losing up to 1,000 gallons a day. Mr. Crockett added that Canterbury might end up hooking into the system at some point in the future. Mr. Pivarnik informed on how it has taken over a year for permitting, with the last permit from the Department of Fish and Wildlife on a wildlife plan expected within the next few weeks. Projected start date is August 1 with completion time about one month later.

Commissioner Beck made a motion to approve the Quilcene Septic Upgrade Project Control Form in the amount of \$177,500, which includes the addition of \$4,350.00 to the Creative Design Services contract and \$111,095.90 for the Reeves Excavating contract. Motion was unanimously approved.

- B. Independent Contractor Rules & Regulations:

Mr. Crockett informed that a revised draft proposal of the Rules & Regulations was received by the Port from the Marine Trades Association a day prior to the last meeting, not allowing enough time for review and discussion at that time. Staff is happy with this form but would like to add to the bottom of the form a line for

contractor's UBI number. Contractors can sign the one page contract and at the same time will receive the rules & regulations packet. Mr. Radon is updating the 1997 rules and will have this ready in approximately three weeks. A resolution will need to be adopted. Mr. Crockett would like to meet with the Marine Trades Association prior to adoption. The new Rules & Regulations should be added to the June 13 workshop agenda for discussion. Mr. Crockett recommends that a UBI number, only, will be required. The City can enforce the City license requirement. He also stated that the contractor regulations also need clarification that the contractor is not a leaseholder with the Port. Commissioner Beck stated the new draft needs looking at prior to approval.

Tim Hoffman of Steelhead Marine commented on the shorter version of the contract, that "less can be more". He added, it does not really matter what type of contractor you are, but more importantly that you are a contractor doing business on Port property.

Dave Griswold of the Shipwrights Co-op and Marine Trades Association offered his thanks to staff and Commission for their consideration.

Joni Blanchard, Independent Contractor requested that once the new rules & regulations are passed, she would like to see a lead-time before they come into effect. Commissioner Sokol and Mr. Crockett agreed.

Mr. Crockett added that he would like wording added to the Port Yard entrance sign, advising Independent Contractors to check in at the Yard office prior to beginning any work in the yard.

Diana Talley of Taku Marine added her thanks to Port staff and Commission for their consideration of the proposed document. Members of the Marine Trades Association put in many long hours working on this issue.

Commissioner Sokol added that we would look for the new draft at the June 13 workshop with possible adoption of the new rules & regulations at the June 13 meeting.

C. Port Commission Meeting in Quilcene:

Mr. Crockett reminded that every year a Port Commission meeting is held during the summer in Quilcene. Following discussion, August 8, 2007 was chosen for the Quilcene meeting. Mr. Pivarnik discussed the idea of putting an ad in the paper about this meeting, inviting residents to come down and give their input. Mr. Crockett added his idea of advertising this as a Town Meeting as well as the regular meeting and workshop.

Commissioner Sokol suggested the meeting to take place at the Quilcene Community Center since it is larger than the Yacht Club. Mr. Crockett added it would be a good idea to have a walking tour of the Quilcene property during the workshop.

Commissioner Thompson added it would be a good idea to give a progress report on the activities happening at Quilcene. Would like to see ideas from the Quilcene community on staffing ideas at the Marina

Commissioner Beck moved to hold the August 8, 2007 meeting and workshop in Quilcene, site to be announced later.

Mr. Crockett announced he would be absent, as he will be on vacation.

Motion was approved by unanimous vote.

Commissioner Thompson suggested an ad in the Walker Mountain News in the July issue (a monthly publication). Mr. Crockett added that staff should prepare a one-page handout for this meeting.

D. Hudson Point Marina Update

Mr. Pivarnik reported that he met with Reid Middleton staff on site yesterday. A punch list is being worked up. Target date is still June 15 for opening of the marina. Additional dredging will take place on July 16.

Mr. Crockett explained the paint marks on the road into the marina. This is in preparation for the digging of new electrical lines and transformers. Pavement will be cut and 4' trenches dug up next week. When this occurs, RV guests will need to be rerouted. Mr. Pivarnik added that the goal is to not leave a trench open for more

than one day. He also informed that three bids were received for this project: a \$122K bid from Jordan Excavating; a \$39K bid from Centerline; and a \$36+K bid from Seton Construction.

E. JCIA Update:

Mr. Crockett reported that he and Mr. Pivarnik met with Reid Middleton and Seton Construction on site at the airport today. Currently a 12' trench is being dug for drainage work.

Mr. Pivarnik added that during the digging process, they have hit water. Geologists are not too worried. 100% compaction needs to be met, and this will be satisfied by adding 26" of gravel.

Mr. Harris asked if there were any concerns with the pond attracting birds, which could be a danger to pilots.

Mr. Pivarnik answered that per FAA requirements, a black plastic liner topped with large rocks is being placed in the ditch. The rock allows for water drainage, avoiding ponding, which attracts birdlife. Mr. Pivarnik also added that the hole created from the removal of the Wills House would be filled soon, as the contractor is looking for a good fill material.

VI. NEW BUSINESS

A. Eagle Eye Land Swap and Title Signature Authorization:

Mr. Crockett reminded of the land swap between the Port and Eagle Eye. These are two parcels, similar in size. The Port owned property is off Hwy. 19 and Woodland Hills Drive. The piece owned by Eagle Eye is off Hwy. 19 in the airport safety zone area. The title company called and needs written authorization allowing the Executive Director to sign title documents. Mr. Crockett proposes that he draft a letter of authorization, with the President of the Commission, Bob Sokol, signing.

Mr. Harris recommends orally adopting a resolution (rather than writing a letter) at this time and prepare it for signatures tomorrow. Mr. Crockett would like to discuss a blanket resolution on signature authorization later.

It was decided to create Resolution No. 489-07 – Declaring Real Property Surplus and Authorizing of its Disposal. This resolution would also authorize the Executive Director to sign title documents for the Eagle Eye property exchange.

Commissioner Sokol made a motion to adopt Resolution No. 489-07 authorizing the Executive Director to complete the real property transaction (Eagle Eye) with the title company, which was previously approved by the Commission. Motion passed unanimously.

B. New Lease with Chris Hanson

Mr. Pivarnik informed the Commission that Jamie Kettenhofen of Puget Sound Yachts would be vacating his Hudson Point property next week. He has been subletting a portion of the building to Chris Hanson who has been using it as a dive shop (currently not a retail shop). Mr. Hanson wants to turn this into a retail dive shop, run by his family, as the dive shop in town has closed. Mr. Pivarnik would like to tailor the lease to match the other leases in this area (PT Sails, Point Hudson Boat Shop, Brion Toss), with a lease expiration date of 2009 and charging the market rate of \$0.50 per square foot.

Commissioner Sokol made a motion to approve a lease as presented, with Chris Hanson, of Hanson of Port Townsend. The motion passed unanimously.

C. Boat Haven Lease Renewals:

Mr. Pivarnik informed the Commission that within the next two months, the following three leases were coming up for review in the Boat Haven: 1. Dave Thompson (end of June); 2. Barry Stevens of Stevens Marine (end of June); 3. Sea J's (end of May). Mr. Pivarnik asks the Commission for direction on these leases. He recommends extending Barry Stevens' lease for another 5 (five) years, on the condition that he directly hooks up his electricity with Puget Sound Energy, rather than continuing to use the Yard's power, and on the condition that he removes his excess unused inventory from the yard. Mr. Pivarnik and Mr. Stevens previously discussed this and Mr. Stevens was in agreement.

In regards to Dave Thompson's lease, the Port lost approximately 10' of space to an emergency fire lane when Barry Stevens shop was forced to move his building back 15' to allow a powerline-free pathway for emergency vehicles. Mr. Pivarnik's

recommendation is to reconfigure Mr. Thompson's lease and give him an additional five-years.

Regarding Sea J's lease, due to the current planning of Boat Haven reconstruction, Mr. Pivarnik would like to execute a year-to-year lease. However, "Sis" wants a 10 (ten) year lease. Mr. Pivarnik wonders if a ten-year lease would be in the best interest of the Boat Haven redesign project.

Commissioner Sokol gave his opinion thinking a ten-year lease would be a problem in the planning process.

Mr. Crockett offered his idea of a one-year lease with extension. He hopes to see the Boat Haven layout design to be complete within about a year from now.

Mr. Pivarnik threw in the idea of a ten-year lease with caveats – allowing for provisions throughout the planning process.

Mr. Crockett added that this involves many issues, including New Day Fisheries. He suggests a meeting with Mr. Harris on ideas for Sea J's lease.

Commissioner Thompson added that regarding his lease, he originally leased a 50'x50' area, later adding an additional 10'x50', and is now looking forward to a reconfiguration of this lease.

Mr. Pivarnik asked if he had authorization to go ahead and have Mr. Harris draft addendums to Barry Stevens' and Dave Thompson's leases, adding another five years to their leases, and changing the footprint of Dave Thompson's lease.

Commissioner Sokol informed Commissioner Thompson he would need to recuse himself on his lease issue.

D. Contract with BST Associates:

Mr. Pivarnik informed that in order to keep the contract price down with PND, the Port is contracting separately with some of the sub-contractors, given prior approval by the Commission, for example the BST contract and the Sea-Run Consulting (permits) contract.

Commissioner Sokol moved to make a motion approving the contract with BST Associates for professional services, as presented, and to authorize staff to sign the contract, not to exceed \$45,350. The motion passed unanimously.

Commissioner Sokol also commented on how very experienced and well qualified BST Associates is to work with our marina project. They have quite an impressive history on marina projects.

E. Seton Contract (Hudson Point):

The bid from Seton Construction for electrical preparatory work at Hudson Point came in at \$36,158.52 plus WSST.

Commissioner Beck made a motion to approve the Seton Construction contract as presented for work at Hudson Point. The motion passed unanimously.

VII. STAFF COMMENTS

Mr. Taylor announced that he has completed the 2006 Annual Report, which was submitted to the State Auditor's office, and he will hand out copies next week.

Mr. Radon informed that shrimp season has almost ended. There are a few unnamed days left for tribal shrimping. The parking area worked out very well in Quilcene for the busy shrimping weekend. The Boat Haven and the Hudson Point RV Park are all looking for a very busy Memorial Day weekend, especially with the Hudson Point Marina closed down and nice weather in the forecast. The RV Park is just about fully booked, with only a few spots in the back remaining.

Mr. Pivarnik stated that a new roof is being installed at the Port Townsend Brewery and next on the list is Steelhead Marine and then Admiral Marine.

Mr. Crockett informed that an Executive Session would need to be held on Real Estate / legal matters, with no expected decision.

VIII. PUBLIC COMMENTS

Clare Candler suggested the Port offering Sea J's a 20-year lease as they make the best milk shake in town!

IX. COMMISSIONER COMMENTS:

Commissioner Beck informed all that the Quilcene High School oyster group needs temporary moorage for their barge. He recommends exchanging moorage space for Quilcene beach clean up.

Mr. Crockett reminded all of Article 8, Section 7 of the U.S. Constitution – a governmental entity cannot give away services. An equal exchange of services would need to be met.

Commissioner Beck said it needs temporary moorage on and off.

Mr. Radon said he would need dates as the Quilcene Marina has very limited space left during the summer months. He also needs to know the size of the barge. Available temporary moorage is questionable during this time period.

Commissioner Sokol added that if this fell through, he knows that the 4H'ers are looking for community work and could possibly do the cleanup at the beach.

Commissioner Beck also thanked Ken and staff for their hard work they put in during the shrimping weekend and received good comments on the new parking area.

Commissioner Thompson talked about shipyard activity being down 15% over the same period last year. Mr. Taylor informed this was a 15% decrease in revenue through the end of March based on 2006 rates.

Commissioner Thompson stated he would like to see Mike Hogan allowed back in the yard, as his business brings in a lot of work to our shipyard. He would like to see that Mr. Hogan would not have to provide a bond, as previously discussed. Mr. Radon informed a bond was only discussed and never put down as a requirement for Mr. Hogan, as the issue of Independent Contractor Rules & Regulations came about. Mr. Crockett suggested that Mr. Hogan be allowed back into the yard, along with anyone else, once the Rules and Regulations are adopted and enacted. Mr. Radon also added that May has been very busy in the shipyard.

Commissioner Sokol questioned the tent over the boat parked along the easement area of Jackson Street. He wondered if this is allowed and that it may be in the way of construction work at the Hudson Point Marina.

Commissioner Sokol also says he was astonished to read the article on page 1 of The Leader (5/23/07) regarding the vessel "Martha" asking for discounted moorage space from the Port. He said this was written as an opinion rather than an information article. He reminded that it is not legal for a government entity to give away free space to a non-profit organization.

Mr. Harris asked if the Martha Foundation was a non-profit or a 501(c)(3) organization.

Mr. Radon and Mr. Pivarnik answered that the Foundation is a 501(c)(3).

Commissioner Thompson asked if the airport hangar issue was going to be revisited. Mr. Crockett responded, that yes, it will be brought up in Executive Session, which will last around 15 minutes.

X. NEXT REGULAR MEETING / WORKSHOP: Wednesday, June 13, 2007 - Workshop at 9:30 AM and Meeting at 1:00 PM, in the Port Commission Chambers, 375 Hudson St, Port Townsend, WA 98368.

XI. EXECUTIVE SESSION

The regular meeting adjourned into Executive Session at 7:45 PM for discussion regarding Real Estate / Legal matters.

XII: ADJOURNMENT:

The regular meeting reconvened at 8:05 PM and adjourned at 8:06 PM there being no further business to come before the Commission.

ATTEST:

President

Secretary

Vice President