

PORT COMMISSION MEETING – December 10, 2008

The Port of Port Townsend Commission met in regular session in the Commission Chambers, 375 Hudson Street, Port Townsend WA.

Present: Commissioners – Thompson, Beck
Executive Director - Crockett
Auditor – Taylor
Senior Accountant/Recorder – Hawley

Excused: Commissioner Collins

I. CALL TO ORDER

The meeting was called to order at 1:00 PM.
Commissioner Collins was excused for medical reasons.

II. APPROVAL OF AGENDA:

Item A – Resolution No. 513-08 – Year 2009 Operating Rates was moved to Item C and
Item C – Port Townsend Yacht Club Visiting Boat Update was moved to Item A.

Commissioner Thompson moved to approve the Agenda, as amended. Motion carried by unanimous vote.

III. CONSENT AGENDA

- A. Approval of Minutes – November 25, 2008
- B. Resolution No.514-08 – Surplus of Certain JCIA Fuel System Items
- C. Operations Reports – November, 2008

Commissioner Thompson moved to approve the Consent Agenda, as presented. Motion carried by unanimous vote.

IV. PUBLIC COMMENTS (Not related to agenda):

None

V. OLD BUSINESS:

A. Port Townsend Yacht Club Visiting Boat Policy:

Mr. Pivarnik provided information regarding the Port Townsend Yacht Club's history with the Port advising that it kept a permanent slip, D-281 in the Boat Haven all year and in summer leased another slip in Boat Haven on a monthly guest basis. After researching, the Yacht Club had determined both slips were occupied approximately 200 nights a year and that they were paying close to \$6K annually for slips that were not occupied 100% of the time. Mr. Pivarnik informed there had been ongoing dialogue with the Yacht Club (per their request) regarding a possible change in policy in which they would pay for slip use only. They were prepared to release their permanent moorage slip (D-281 would be assigned to the next person on the 45-foot Moorage Wait List) in exchange for use of slips available when Yacht Club visitors requested moorage. Mr. Pivarnik gave details of the proposal and touched on some of the points: beginning January 1, 2009, the Yacht Club was prepared to pay into an "escrow account" \$350 a month. The first night's moorage of a visiting boater would be charged against this account. Visiting boaters would be assigned a slip based on slip vacancy at their arrival time. Mr. Pivarnik advised that Staff proposed a new rate structure of 50 cents a foot per night for the Yacht Club's reciprocal and acceptable participating visiting boaters. The Yacht Club was asking for one slip availability for the months of September through May and two-slip availability from June through August. As the Yacht Club was paying for one night only, the visiting boater would pay any additional night's moorage at full non-Yacht Club rates, should they decide to stay longer. Other details of the agreement still needed resolution and agreement stated Mr. Pivarnik.

Discussion followed regarding proposal details, permanent moorage credit system slips used by Yacht Club visitors, ideas of how to provide a reconciliation of the Yacht Club account and what constituted an acceptable reciprocal Yacht Club visitor.

Commodore Dave Weeding of the Port Townsend Yacht Club, advised that a letter (a copy to be given to the Port) was sent each year on January 1st to the Yacht Club's approximately 135 reciprocal partners all over Puget Sound advising them of the reciprocal opportunity in Port Townsend, which contained all of the Yacht Club rules and regulations. He recommended that the Port and the Yacht Club representatives meet in December 2009 to ascertain how well the new policy had worked throughout the year advising that improvements, additions or corrections could be implemented for the following year.

To clarify, he added, the Yacht Club intended to pay for one boat for one night in the winter months and for two boats for one night during the summer season.

Further discussion followed regarding management of the proposed Yacht Club account.

Commissioner Beck moved to accept the reciprocal agreement between the Port Townsend Yacht Club and the Port, as presented.

Motion carried by unanimous vote.

Commodore Weeding inquired if the State Leasehold tax issue had been resolved. Mr. Taylor provided information regarding the 12.84% State Leasehold Tax and advised that, in his opinion, it would not be necessary to charge Leasehold Tax because the slips would be rented to different boaters with nightly stays of less than the Leasehold Tax time limit threshold.

B. Alternative Electric Committee Update:

Mr. Crockett provided topic background, updated the Commission regarding the Alternative Electric Committee, and advised that the Committee consensus was to keep the Committee ongoing. He sought Commission direction about whether he should remain on the Committee and if so, should he continue to be publicly supportive of the PUD (Public Utility District #1) and the electric power initiative.

Commissioner Thompson expressed his opinion that it was a good idea for the community and one that would ultimately save the community money. He stated that, in his opinion, the Port should participate in the process in an encouraging fashion.

Mr. Crockett reminded that the Commission had previously authorized the expenditure to the PUD of \$10K to participate, financially, in the process and advised that those funds had not yet been given to the PUD.

Commissioner Beck stated, in his opinion, the Port should remain involved in the process as electric power and water were two of the greatest items of concern.

Dana Roberts, PUD District #1 Commissioner, advised that the PUD did not, at present, need the \$10K but advised that it was another token of support and that he appreciated the fact that the Port was willing to collaborate with the PUD on the ongoing electric power issue. He advised that another study would be needed to start the next stage in which it would be determined what was the real inventory value of the Puget Sound Energy (PSE) system because, he informed, it would probably be less expensive to acquire Puget Sound Energy's left over system although the PUD was not obligated by law to do so.

C. Resolution No. 513-08 – Year 2009 Operating Rates:

Mr. Taylor reminded that at the November 25, 2008 meeting the Commission had approved the rates and voted to adjust certain rates by 3% as discussed. Noting that revised 2009 Rate Sheets were in the packet, Mr. Taylor summarized the categories increased: all categories of monthly moorage (permanent moorage and monthly guest moorage at Boat Haven and Point Hudson and Quilcene were increased by 3%, the sixteen Port owned airport hangars were increased by the 3%, the 70/75 ton lift fees were increased by 3%. He advised that the lay day rate in the Work Yard, Ship Yard and Long Term Storage would not increase. The Work Yard Environmental fee was increased from \$10.00 a month to \$15.00 a month and the Ship Yard Environmental fee increased from 60 cents a foot to 75 cents a foot. There was added a new Ship Wash Down fee for the first two hours of use charge of \$2.00 per foot per hour. Launch ramp fees were increased by \$1.00 a day or \$5.00 for an annual pass. He advised that the new rate for the Yacht Club of 50 cents per foot per night would be added to the rate sheets with the addition of a footnote clarifying that the rate was applicable to the first boat to register 9/1 through 5/31 and the first two boats to register 6/1 to 8/31 for the Yacht Club account only.

Commissioner Thompson moved to approve Resolution No. 513-08 – Year 2009 Operating Rates as amended.

Motion approved by unanimous vote.

D. Caicos Change Order – Point Hudson Dredging:

Mr. Pivarnik provided background and updated on details of the dredging project at the Point Hudson Marina, scheduled to begin within the next two months. He related that it had been assumed that Caicos Construction would remove the dredge material

as part of their original contract. However, in fact, Caicos (and corresponding records at the Department of Natural Resources concurred) informed they had already removed the contracted amount of dredge material. In order to proceed with the necessary project, Mr. Pivarnik informed, Caicos submitted a change order to their original contract for \$30.00 a cubic yard plus a surcharge to cover additional distance to the dredge material dumpsite off Protection Island instead of the closer dumpsite, which was now closed. In total, he informed, the change order was for Caicos to remove and dump 2500 cubic yards of dredge material in an amount not to exceed \$70K.

Discussion followed regarding how important it was to finish the dredging before the fish window closed February 15, 2009 and how the dredging project would allow use of the 70 foot slips in the Point Hudson marina.

Mr. Taylor expressed concerns regarding the ongoing, unresolved issue with the State Department of Labor and Industries regarding whether Caicos paid prevailing wages to its employees while working on the Marina project.

Discussion followed and it was determined that Attorney Harris would research the topic and determine if we could proceed with the dredging project.

Commissioner Thompson moved to approve the change order with Caicos Corporation for the dredging at Point Hudson Marina in an amount not to exceed \$70K, pending resolution of the Department of Labor and Industries issue.

Motion carried by unanimous vote.

VI. NEW BUSINESS:

A. Reschedule Second Commission Meeting in December:

Mr. Crockett reminded that the second commission meeting in December would place the meeting on Christmas Eve.

After discussion,

Commissioner Thompson moved to reschedule the second Commission meeting in December to December 29, 2008 at 6:30 PM.

Motion carried by unanimous vote.

B. Key Electric Lease:

Mr. Crockett informed that as he already had Commission authority to execute month to month lease extensions he would proceed with doing so until there was resolution of the business as Key Electric did not wish to renew their one year option.

C. FAA Grant Opportunities:

Mr. Crockett provided background by reminding that there might be FAA Grant funding for two projects at the Jefferson County International Airport (JCIA). He informed that he had been advised by Mary Vargas of the FAA regional office in Renton, WA that 90% grant funding was available.

He provided information regarding the projects. One project was for an airport beacon light relocation and the proposed grant was for \$123,693.

The second grant, in the amount of \$125K, was for the proposed Wide Area Augmentation System, WAAS, for the GPS Approach. No electronics would be required on the airfield, he informed, but it would require a detailed GPS survey of the surrounding area to ascertain, precisely, elevations of the terrain.

Discussion of the advantages of both proposed projects followed.

Commissioner Beck moved to authorize Staff to explore acceptance, and to determine requirements for implementation, of the FAA grant opportunities at the Jefferson County International Airport for the beacon light relocation in the amount of \$123,693 and the Wide Area Augmentation System in the amount of \$125K.

Motion carried by unanimous vote.

D. Approval of Warrants:

Warrant #040872 through #040903 in the amount of \$43,632.58 for Payroll

Warrant #040904 through #040914 in the amount of \$66,409.58 for Payroll Benefits and Accounts Payable.

Warrant #040915 through #040986 in the amount of \$106,179.24 for Accounts Payable.

**Commissioner Thompson moved to approve the warrants as presented.
Motion carried by unanimous vote.**

VII. STAFF COMMENTS:

Mr. Crockett advised the next meeting of the Strategic Planning Advisory Committee was scheduled for December 17th at 6:30 PM. The meeting would be a wrap up of some of the items including the SWOT analysis.

After discussion, Commissioner Thompson volunteered to attend if Commissioner Collins was unable to.

Mr. Crockett reminded Commission direction had been given during the November 25, 2008 meeting regarding the empty space on D dock in Boat Haven and approval had been given to Staff to fill some of the empty space there to larger vessels on the Wait List, using permanent moorage rates. However, he informed, following through with the concept was more complicated than first thought since the Marine Trades used that space when they had boats coming in. For instance, the Shipwrights Co-op had a sixty-foot boat coming in and space of D Dock would be used. Therefore, he noted, the empty space was used by the Marine Trades for their project boats. In addition, he stated, the “Adventuress” was going back into the water and would take up approximately 120 feet.

On another note, Mr. Crockett informed that a Christmas decorating of boats was to take place the weekend of December 13 -14 and he had agreed to allow the boats to use 60 feet on D Dock for that time. The cost, he advised, was a full grocery bag of food which would then be donated to the Port Townsend Food Bank.

VIII. PUBLIC COMMENTS:

None

IX. COMMISSIONER COMMENTS:

Commissioner Beck briefed the Commission on the recent WIRA 17 meeting he had attended in which it was determined that a water committee should be set up to investigate ongoing water rights issues.

Dana Roberts, of the Jefferson County Public Utility District #1 Commission, provided additional details of the meeting.

Commissioner Thompson remarked that he had noticed a lot of empty moorage slips and advised that he would like to see boats in them. He also remarked that the fuel dock at Boat Haven did not seem very active.

Mr. Crockett informed that the Fuel Dock would be closed December 12 – 14 (Friday through Sunday) to replace the fuel lines that was previously approved.

Lastly, he informed that he would host on Friday, December 12th the first CEO (with participants from the City, County, Chamber of Commerce, Jefferson Healthcare, PUD #1 and the School District administration) breakfast in the Port Conference room. He advised that he hoped the meeting would be the first of many.

X. NEXT MEETING: Next Meeting will be held Monday, December 29, 2008 at 6:30 PM, in the Port Commission Chambers, 375 Hudson Street, Port Townsend, and WA

XI. EXECUTIVE SESSION:

The regular meeting recessed into executive session at 2:09 PM, which began at 2:15 PM for discussion of a real estate matter, duration fifteen minutes with possible action.

XIII. ADJOURNMENT:

The regular meeting reconvened at 2:30 PM.

Commissioner Thompson moved to authorize the Executive Director to continue ongoing negotiations with J&S Fabrications and to continue with development of a potential purchase contract. Motion carried by unanimous vote.

The regular meeting adjourned at 2:35 PM there being no further business to come before the Commission.

ATTEST:

David H. Thompson, President

John N. Collins, Secretary

Herbert F. Beck, Vice President