

## PORT COMMISSION MEETING – August 13, 2008

The Port of Port Townsend Commission met in regular session at the Timber House Restaurant, 295534 Hwy 101, Quilcene, WA

Present: Commissioners – Thompson, Beck, Collins  
Executive Director - Crockett  
Deputy Director – Pivarnik  
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 Agenda was amended to reflect the addition to Old Business of Item C. – Caicos Corporation Performance Update, Item D. – Airport Rental House and Item E. – Quilcene Harbor – Floats and Road.

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

### III. CONSENT AGENDA

- A. Approval of Minutes – July 23, 2008
- B. Operations Reports – July, 2008
- C. Aero Museum Lease
- D. Dave Robison, Inc. Lease

**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. Project Update – NW Management Consulting:

Mr. Ross Ardrey presented to the Commission a progress update and review of the organization and compensation study he was performing for the Port and informed on what he anticipated doing in the next phase of the study.

A lengthy discussion followed.

Commission reaction to the report was very positive.

Les Schnick stated that he was impressed with the overall presentation, the types of questions asked and the level of discussion.

#### B. Shoreline Master Plan Update:

Mr. Crockett informed on the latest Jefferson County Shoreline Master Plan group meeting he had attended. He advised that a revised Draft was available for Commission review and informed regarding the Draft chapters that applied most specifically to the Port. He reminded that the Shoreline Master Program dictated what could be done in water as well as the first 200 feet upland from the water. Most of the Port, he stated, resided within the confines of the recently updated City of Port Townsend Shoreline Master Program, but that the Jefferson County SMP would affect Quilcene. Mr. Crockett provided background regarding the issues reviewed during the process and outlined the next phases of the SMP Draft as it went through review by the Jefferson County Planning Commission and then on to review by the Jefferson County Board of County Commissioners.

A short discussion followed.

#### C. Caicos Performance Review:

Commissioner Thompson inquired if progress had been made in resolution of the on-going issues with Caicos Corporation and if a date had been set for their compliance and required performance.

Mr. Pivarnik responded that a date had been set, thirty days from the meeting with Caicos held last week, and that Caicos had agreed in writing that all noted punch list items would be resolved within the thirty-day time window.

Mr. Pivarnik reiterated that the Point Hudson Marina dredging issue was still unresolved. He advised that although he was in the process of working with the Army Corp of Engineers to secure a dredging permit, it had not yet been issued.

Mr. Crockett advised that even if a permit was obtained soon, the Marina dredging would be postponed until after the September Wooden Boat Festival.

Mr. Pivarnik informed that one unresolved issue (and one that caused the most concern) was that of the competed Marina Project Engineering. Caicos, he stated, was currently in a dispute with the Engineering Firm, Tryck Nyman and Hayes and therefore the Engineering Firm refused to provide a completed engineer drawings to the Port. There were, he advised, no details provided by Caicos as to the nature or cause of their dispute.

Another pending issue was that of the Washington State Department of Labor and Industries claim that Caicos had not paid prevailing wages for the construction of the floats and that Caicos had so far refused to provide to the Dept. of L&I payroll records and information.

Discussion followed regarding whether it would be possible to give Caicos a deadline in which to perform with the engineering and if it would be legally feasible for the Port to pay Tryck Nyman and Hayes directly for the sum of money allegedly owed them by Caicos in order to obtain the completed engineering specs.

Commissioner Thompson suggested a thirty-day deadline for completion of the engineering should be presented to both Caicos and Tryck Nyman and Hayes.

Mr. Crockett reminded that he would not sign off on the project until the engineering was in hand.

Mr. Pivarnik suggested that he would contact Caicos Performance Bond Company and inform them that the Port needed immediate resolution of the problem.

Mr. Taylor reminded that as Caicos had opted to secure a Performance Bond at the start of the Point Hudson Marina Project, there were no retainage funds in reserve to pay the Engineering Firm.

Further discussion followed.

Mr. Crockett recommended that Mr. Harris draft a letter addressed to all involved parties which informed of the Port's concerns and that all unresolved issues (including dispute detail between Caicos and Tryck Nyman) needed immediate resolution.

A brief discussion followed regarding Caicos issues with the Department of Labor and Industries.

#### D. Rental House at Airport:

Mr. Crockett distributed to the Commission photographs he had taken which showed some of the damage done to the Airport rental house by the recently evicted tenant. He outlined, as well, the damage stating that Port Maintenance Supervisor, Larry Aase, had estimated that \$20K to \$25K would be needed to repair the damage and ready the house for occupancy. That sum did not include the cost of a new septic system. Mr. Crockett advised that Staff needed Commission direction regarding their choice of either refurbishing the house for rental or having the house demolished (or used by the Fire Department for a "practice burn").

Mr. Pivarnik stated that, in his opinion, the highest and best use for the land was to tear down the existing house and replace it with a 2,000 square foot pole barn (costing approximately \$100K) or some other type of industrial building. The new structure could then be leased out for a variety of uses, which utilized the residential zoning.

Mr. Crockett advised that, in his opinion, the land should be zoned "light industrial" especially in light of construction next door of the Jefferson County Transit repair facility.

Commissioner Thompson inquired as to the procedure necessary for application for a rezone.

Mr. Pivarnik provided the information stating that it would cost approximately \$700 to \$800 to apply to Jefferson County for a Comp Plan Amendment. He advised additionally, that the other option was to annex the ten-acre parcel to the Airport Essential Public Facility zoning. However, he cautioned, land use would be restricted to aviation related.

Discussion followed regarding the various scenarios.

**Commissioner Collins moved to demolish, either by actual demolition or practice burn by the Fire Department, of the airport rental house and that a vote on the motion be delayed until the August 27, 2008 Commission Meeting in order to allow a chance for public comment and after the house was demolished that Staff be directed to explore the possibility of application for a rezone of the property.**

There was a short discussion regarding rezoning and “spot” rezoning.

Mr. Crockett advised that pursuing the rezone should probably be a separate Commission action made after the house was demolished.

**Commissioner Collins amended his motion to exclude the portion dealing with exploration of the possibility of application for a rezone of the property. Motion carried by unanimous vote.**

E. Quilcene Marina – Floats and Road:

Commissioner Beck stated that citizens in Quilcene had approached him regarding when the old floats from the Quilcene Marina (which were replaced two years ago) would be moved from their present location along the roadway. He advised that the cut in the road where the septic pipe was installed had caused a dip in the asphalt and that the road would need to be repaired. He stressed that, in his opinion, it was time to remove the floats.

Mr. Pivarnik advised that he would research the issue and have the floats removed.

VI. NEW BUSINESS:

A. BBQs and Open Flames:

Mr. Crockett informed that the issue had been brought forward due to two incidents that had occurred over the past couple of weeks, one a vessel fire and the other a complaint by a moorage tenant regarding open flames on the docks. On researching the Port’s Rules and Regulations, it was determined that no regulation was in place to prevent an open flame on the docks (there was regulation in place preventing open fires on the Fuel Dock). His recommendation, after talking to Staff, was to amend the Port’s Rules and Regulations to ban all open fires on the docks. (Approved onboard fires would still be allowed).

A short discussion followed.

The Commission consensus was to follow Mr. Crockett’s recommendation.

B. Approval of Warrants:

Warrant #039995 through #039997 in the amount of \$119,022.15 Accounts Payable.

Warrant #039998 through #040034 in the amount of \$47,336.48 for Payroll.

Warrant #040035 through #040043 in the amount of \$62,845.26 for Payroll Benefits and Accounts Payable

Warrant #040044 through #040132 in the amount of \$260,923.95 for Accounts Payable.

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

VII. STAFF COMMENTS:

Mr. Taylor informed that the State Audit had begun with the arrival of two State Auditors, one to take charge of the Federal Grant and the Airport Project and the other to complete the general Port Audit. He stated that a Labor Day completion date was anticipated.

Mr. Pivarnik distributed to the Commissioners guest tickets for the three day Fish Expo held in November

A short discussion about the Fish Expo Show followed.

Mr. Pivarnik informed that the Boat Haven Renovation Advisory Committee had developed a plan/design for Boat Haven, which was acceptable both to the Port and the Committee. He advised that he would send the proposed plan to PND for an engineering drawing. He anticipated bringing the Committee back together to review the engineering drawings and discuss the ongoing process during the first week in September. He informed of the details of the proposed plan.

A short discussion followed regarding the proposed plan.

Lastly, Mr. Pivarnik informed that Hoch Construction had begun interior demolition of the Nurses’ Quarters in Point Hudson. He advised that lease negotiations with T’s Restaurant for the building had reached an impasse. T’s wanted concessions (a desire for a 3% CPI cap on monthly rent for 25 years and replacing the lawn surrounding the building with paving,

which would allow for additional parking) stated Mr. Pivarnik that the Port was not willing to accommodate.

Discussion followed.

Mr. Pivarnik informed that discussions were on going with the Department of Fish and Wildlife and the Department of Natural Resources for office space in the building. Discussions regarding the possibility of the Port Townsend Yacht Club moving from Boat Haven into the building were still in progress.

Mr. Crockett inquired of the Commission if one of them had discussed with a commercial diver regarding the possibility of establishment of an in-water hull cleaning operation. Upon learning that Commissioner Thompson had discussed the topic with a citizen visiting the Port Booth at the Jefferson County Fair, he advised that he had researched the topic with the Department of Ecology. DOE, he said, had informed him that they would not approve that type of operation. DOE, Mr. Crockett informed, wanted boats hauled out of the water into an approved Yard for any type of hull cleaning.

#### VIII. PUBLIC COMMENTS:

None

#### IX. COMMISSIONER COMMENTS:

Commissioner Collins inquired as to if there was a policy regarding use of the Port Hadlock dock stating that he was a regular visitor there and had noticed that there was a boat moored there for a number of days. Currently, he informed, three small boats (dinghy's) were stored on top of the dock which, he stated, was beginning to clutter the access of the dock. He stated that he did not see any signage advising of Port regulations regarding such matters.

Mr. Crockett informed that the float was not designed to have boats stored on top of it. He advised that enforcement had become an issue with the departure of the Marina Operations Manager as he had checked the float periodically. The bulletin board had once held a statement listing the Port's policy that nothing was to be stored on the floats.

Mr. Pivarnik clarified that there had been uncertainty regarding the Commission position on boats staying there for up to three days.

Discussion followed which included the length of time allowed for a short stay.

Mr. Pivarnik advised that signage would be made which stated the Port's policy regarding length of short stay of up to twelve hours and that nothing should be stored on the float.

Commissioner Collins inquired if there was more information available regarding installation of a vapor barrier in the Sail Loft Building to prevent the fumes from the paint shop drifting upstairs to Carol Hasse's business.

Mr. Pivarnik provided an update on the topic announcing that during the process of upgrading the electrical in the building, the Electrical Engineer's quote had recommended installation of a wall mounted exhaust fan to remove the paint shop fumes.

Commissioner Thompson expressed concern that the Westerly prevailing wind might cause the exhaust fan to lose effectiveness and cause the fumes to drift into the upstairs windows. Possible solutions were discussed.

Commissioner Collins asked for an update regarding the recycling bins.

Mr. Pivarnik related that small 55 gallons recycling containers had been placed in the Enviro. Centers at Boat Haven and Point Hudson. However, he advised, the containers were overflowing because the general population had begun using the bins. He advised that he had been thinking of possible solutions (since it appeared that the Commission wanted to readdress a community recycling center) and presented the idea of using the 5,000 square foot, Port owned, vacant lot located between Mahina Yachts and West Marine to set up a recycling center. Advising that, in his opinion, the area would make a perfect location because it would be out of the Boat Yard, thereby eliminating unnecessary vehicular travel through the Boat and Ship Yard, but would be accessible to the community for a recycling location within the City limits. He asked for Commission permission to pursue the option with Jefferson County.

Discussion followed which included that option. Also discussed was the area located in the QFC parking lot and the Park and Ride area.

Mr. Crockett advised that he was still of the opinion that the responsibility of a recycling center rested on the shoulders of Jefferson County and not the Port. He advised that it would be an excellent Intergovernmental Meeting topic.

The consensus was to continue the discussion and try to resolve the issue with Jefferson County.

Commissioner Beck informed that a citizen who wondered why the small ramp area located in front of Sea Marine's travel lift was not being used as a boat ramp had approached him while serving in the Port booth at the Jefferson County Fair. The citizen had advised that he had been using the area, backing his car and small rowboat between the posts. Mr. Crockett advised that type of usage was not allowed at that location.

Mr. Pivarnik responded by stating that the Department of Ecology had required all the concrete that was in the water be removed as part of their permit for the Point Hudson renovation. However, the Northwest Maritime Center had been allowed to launch its smallest vessels there. He advised that a new boat ramp was going to be installed on Monroe Street.

A brief discussion followed.

Commissioner Beck informed that he might need to be excused from the August 27<sup>th</sup> meeting.

XI. NEXT MEETING: Next Meeting will be held Wednesday, August 27, 2008 at 6:30 PM, in the Port Commission Chambers, 375 Hudson Street, Port Townsend, WA

XII. EXECUTIVE SESSION:

None

XIII. ADJOURNMENT:

The regular meeting adjourned at 3:00 PM, there being no further business to come before the Commission.

ATTEST:

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David H. Thompson, President

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John N. Collins, Secretary

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Herbert F. Beck, Vice President