

PORT COMMISSION MEETING – July 11, 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
Marine Facilities Director - Radon
Auditor – Taylor
Senior Accountant/Recorder – Hawley
Attorney – Harris

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 – Change Orders – Caicos Corporation and to New Business Item B – EDC Proposal – Aviation Related Recruiting for Airport. **Upon motion of Commissioner Beck, the amended agenda was unanimously approved.**

III. CONSENT AGENDA

- A. Approval of Minutes – 6/27/07
- B. Approval of Warrants
#37252 through #37284 in the amount of \$36,311.93
#37285 through #37293 in the amount of \$65,093.50
#37294 through #37355 in the amount of \$500,827.10

Upon motion of Commissioner Beck the Consent Agenda, as presented, was unanimously approved.

IV. PUBLIC COMMENTS (Not related to agenda)

Forrest Rambo inquired as to the status of the Best Management Practices video that had been contracted with Wiant Productions several months ago and, additionally, wanted to know if any financial assistance for the video production had been obtained from the Washington Public Ports Association (WPPA) or any other agency.

Commissioner Sokol clarified that the WPPA did not provide financial support.

Mr. Radon informed that the narrative for the video was complete and that the actual filming was going to start within the next few days, staff time and weather permitting.

Discussion followed regarding the video filming, the tie-in with the Department of Ecology, and that video completion (along with edits) was anticipated to coincide with the Contractor Rules and Regulations going into effect which was, for most policy changes or additions, generally, thirty days after adoption.

V. PUBLIC HEARING:

A. Continued Public Hearing, Reference Independent Contractor Rules & Regulations

Commissioner Sokol reminded that the Hearing was a continuation of the recessed Public Hearing from December 13, 2006. During the ensuing months, he informed, Staff had followed the directions given to them by the Commission. Those directions were to form an Advisory Committee, or group, have a meeting, or several meetings with same and go through the Rules and Regulations for Independent Contractors document and resolve issues and, when complete, bring the revised document back to the Commission at which time the Public Hearing would be continued. Announcement of the Public Hearing continuance had been made at the June 27, 2007 meeting. He informed that new public testimony was welcome during this Hearing but that it would not be necessary to repeat information given at the original Hearing as that testimony was a matter of public record.

At 1:05 PM Commissioner Sokol reconvened the Hearing on Independent Contractor Rules and Regulations.

Forrest Rambo requested a copy of the proposed document and suggested that copies should have been readily available to the public.

A copy of the proposed document was provided Mr. Rambo.

There followed a brief discussion which included history of the many stages in the document preparation, that a full discussion and many public comments had taken place during the initial Public Hearing held December 13, 2006. Also of note was

that discussion of the proposed document had taken place, at length, during the June 27, 2007 meeting. It was mentioned that there had been many months of meetings and discussion between the Marine Trades and Staff regarding the proposed Contractor Rules and Regulations and the realization that the document would be most effective if it was incorporated into the overall Port Rules and Regulations instead of remaining a separate document.

Joni Blanchard stated that many marine trade contractors had been involved with the process over the past months.

Frank Benskin pointed out that the information was readily available to the public on the Port website and one was able to download the document in its entirety.

Commissioner Sokol asked for any other comments, there being none, he closed the Public Hearing to public comment at 1:09 PM.

Commissioner Comments:

Commissioner Beck remarked on the lack of citizen attendance and noted that only six citizens were present for the probable adoption of the, in his opinion, very important document. He reviewed all the refining to the document that had taken place during the past few months and the many discussions and meetings between Staff and the Marine Trades.

Commissioner Sokol stated that discussion regarding the Independent Contractor Rules had taken place in advance of the initial Public Hearing. He stated that he believed that the lack of citizen attendance at this Hearing was, in his opinion, a testimony to the process that had taken place and the acceptance of the finished document.

Commissioner Thompson pointed out that the document, which had required so much work was the final Independent Contractor agreement and that the entire set of Port Rules and Regulations had not really been discussed thoroughly.

Commissioner Beck stated that the entire set of Rules and Regulations should be reviewed and changed where necessary.

Commissioner Sokol suggested that review work on the entire set of Rules be ongoing.

Discussion followed which included how the rules change in the course of normal day to day business and that each time a commission motion was made, a rule, or policy, was changed, added or deleted.

Commissioner Beck made a motion to adopt Resolution No. 491-07, a Resolution of the Port of Port Townsend, Adopting Port of Port Townsend Rules and Regulations for Independent Contractor Rules and Regulations.

****Please see vote below.**

Commissioner Thompson advised that the actual Independent Contractor Rules and Regulations were contained in the last twelve pages of the document awaiting adoption and that the entire set of Port Rules and Regulations included items that needed to be updated or deleted.

Joni Blanchard, independent contractor, stated “lets just bring the hammer down today” and vote to approve the document. She expressed agreement that the entire set of Port Rules and Regs needed review, but expressed support of the Independent Contractor portion.

Forrest Rambo expressed agreement with Ms. Blanchard’s statement and declared, that, in his opinion, the Resolution was a well written document and encouraged adoption.

****Motion on the floor carried by unanimous vote.**

Commissioner Thompson made a motion to direct Staff to begin a process of going through the entire Port Rules and Regulations document ferreting out things that were no longer applicable, no longer applied, were unnecessary or unenforceable.

****Please see vote below**

Mr. Crockett suggested that the Rules and Regs be reviewed annually and that a new document should be produced for 2008, which would incorporate all the changes, additions and deletions to the existing Rules.

Commissioner Beck expressed agreement for that project.

Commissioner Thompson agreed and stated that he would like to see the rules that were not being enforced discarded and stated that the fewer number of rules made it easier to administer.

Commissioner Sokol agreed and stated that a list should be made of the proposed changes and given to Staff.

****The motion on the floor carried by unanimous vote.**

VI. OLD BUSINESS

A. Kayak Rack Rates

Mr. Crockett announced that with the reopening of the Hudson Point Marina, the Port was able to offer a new service of kayak rack rentals to patrons. He advised the Port now had the capacity to store up to forty kayaks with additional space to add two more racks of ten each should the service prove popular.

Mr. Radon informed that Staff had researched the service offered by other Ports in Washington State. He offered that keen interest in kayak rack renting had already been expressed by the public. Staff, advised Mr. Radon, recommended a monthly kayak rack rental fee of \$25.00 plus L.E.T. and an annual rate (to be paid “up front”) of \$250.00 plus L.E.T. He informed that the annual rate essentially provided a discount of two months, which Staff believed, would be of benefit both to the Port and to the lessee. The annual rate would assure that the racks were rented during the “off” season of December and January and would also assure tenants of availability of a rack the following year. He stated that initially it was discussed that two kayaks be allowed in each space, but since these racks were narrow, Staff’s conclusion was that the rack should hold a single kayak only. Liability issues would be addressed using the pre-existing Port Moorage Agreement form and tenants would need to provide their own lock down mechanism.

Commissioner Beck made a motion to adopt the Kayak Rack Rental Rates of \$25.00 a month plus L.E.T. and an annual rate of \$250.00 plus L.E.T. as presented, and which excluded double occupancy of the individual racks.

**** See below for vote**

Discussion followed which included installation of a water hose for use in rinsing off the kayaks and the installation of ladders along the docks.

Commissioner Sokol asked for public comment.

Forrest Rambo voiced concern over the methodology used for giving a two month discount with the annual rate and asked if any other user was given the same type of discount. He suggested that, perhaps, another way of providing the discount should be researched, perhaps one that was spread out over twelve months.

Discussion followed regarding the rates and ideas behind the annual rates.

*Susan Moffat stated that she noticed that the kayak weight could not be more than 50 pounds, she expressed surprise at this number and stated that her kayak weighed 52 pounds.

Discussion followed regarding the fact that Pygmy Kayak had helped in the design of the racks and that their fiberglass kayak, a single, was 22 feet long and weighed 47 pounds but that a heavier kayak could be placed on the bottom where there was more support. Those racks, however, were limited in number.

****Motion on the floor carried by unanimous vote.**

B. Quilcene Harbor Yacht Club – Water Fees

Mr. Radon informed that regulations pertaining to the Quilcene Water System (which was a Class A system) had increased dramatically. While reviewing the regulations, one of which was the requirement that a certified operator be on staff (or contracted), he also realized that since fees for service had been initiated for the Quilcene Water System users, the Quilcene Harbor Yacht Club continued to receive a flat fee charge of \$15.00 regardless of usage. Other users of the system, he advised, were paying a \$20.00 a month charge and a per gallon charge of \$.334. He further advised that over the summer he had seen a significant increase in Yacht Club water usage. He suggested that the increase might be linked to the addition of a second ice machine, which was located outside on the deck. Staff’s

recommendation, he advised was that the Yacht Club should pay for the water in the same way as other users of the system.

Discussion took place, which included the fact that, initially, since the Yacht Club Building was an old one and had needed refurbishing, a discount had been given both in the water fees and the low rent charge. The building, it was noted, was used for community events in the area. However, the general feeling was that the Yacht Club should now be paying the same charges as other users of the Quilcene Water system. It was noted that the Yacht Club had done a terrific job in fixing up the building.

Mr. Radon advised that one of the problems with all the new requirements was that the Washington State Department of Public Health wanted each Class A Water System to be self-supporting with separation of operational and maintenance costs. With so few system users, he noted, the Port would be hard pressed to make the system self-supporting.

Mr. Harris questioned if the Port carried a separate general liability insurance policy covering liability on the system and if periodic water testing was performed.

Commissioner Sokol made a motion that the Quilcene Harbor Yacht Club be charged the same water fees as other tenants on the Quilcene System effective by the next billing cycle.

**Please see vote below

Commissioner Sokol asked for public comment.

Forrest Rambo inquired as to when the Yacht Club installed the additional ice machine and if doing so triggered a permit requirement for electrical and water from Jefferson County. He also asked if the Yacht Club notified the Port (or asked permission) to install the second machine.

Frank Benskin, Jefferson County Building Official, informed that there was no requirement by the County for permit for an ice machine.

Discussion followed which included that the ice machine plugged into a 110 electrical outlet and that the Port required tenants to notify when structural changes to a building were going to be made, such as addition of a deck, or exterior painting, but that modifications such as the addition of an ice machine did not require Port permission.

**** The motion on the floor carried by unanimous vote.**

C. Change Orders #17 and #16 for Caicos Corporation

Mr. Pivarnik informed that of the two change orders, the first was administrative in nature. He reminded that in the original Caicos contract for Hudson Point there had been a bid item for steel piles for the Coast Guard Dock at Boat Haven for repairs to that Dock. Since that time, he stated, the Coast Guard Dock was considered condemned and a new dock was going to be built. Change Order #17 moved the \$52,744.00 + WSST from the Hudson Point Contract to the Coast Guard Contract. Change Order #16, for \$1,724.36 + WSST was for signage notifying location of pay phones, who and how to contact emergency response aid and to install spring loaded mechanisms on the reservation boards (these were not included in the original specs) for Hudson Point Marina.

Commissioner Sokol made a motion to approve Change Order #16 and #17 as presented.

There were no public comments.

The motion carried by unanimous vote.

VII. NEW BUSINESS

A. Operations Reports – Month of June 2007

Mr. Radon informed that permanent moorage numbers at Boat Haven were down just a little from 2006 with 376 this year compared to 381 in June, 2006. He said that empty slips had been kept ready for nightly guests as the busy season of July and August approached. However, he added, since there had been a number of slip turnovers, some permanent slip assignments would probably be made. Monthly guest totals were 20 for June 2007 compared to 35 in June, 2006. He reminded that keeping those totals down was by design as last year it had been difficult to find space for Marine Trades projects.

Commissioner Thompson wanted to know what the average number of vacant slips that were available and suggested that perhaps some folks could be moved off the waiting lists.

Mr. Radon informed that there was an average of thirty vacant slips per night. He stated that a 20 foot wait list had been started for the first time in many years. He advised that there was a renewed interest in smaller slips. He reiterated that permanent slip assignments were in process now that the busy July 4th holiday was past.

Mr. Radon continued by addressing the Yard operations. He stated that in the Work Yard there were 100 “outs” in June compared with 112 “outs” in June 2006. He added that cumulatively this year was just a bit ahead of 2006 at 988 compared with 2006 at 984. He added that the number of operations, overall, was down from last year by 10%.

In the shipyard, he stated in June 2006 there were 15 “outs” and 15 “ins” compared to this year with 6 “outs” and 12 “ins”. He said that there was some surprise involved with those figures as indications earlier in the year had suggested that the Ship Yard would be very busy. However, he noted, there had been several cancellations and some “no shows” for appointments. The cancellations, when called, had indicated that they just weren’t ready to proceed but were still planning to do so. Therefore, he stated, for the year in the Ship Yard we were approaching 20% lower than 2006 with total Ship Yard ops in 2006 of 145 compared to this year with 126.

Commissioner Sokol inquired if Mr. Crockett had any staff comments he wished to make before his departure to attend a WPPA Port Director Conference in Ocean Shores.

Mr. Crockett reminded that the Fire District Commissioners would make a thirty minute presentation at the July 25, 2007 Commission Meeting regarding the process to build a new fire station at the airport which would have 24/7 capability.

Mr. Crockett informed that all the paperwork had been signed and the airport land swap transaction between Eagle Eye and the Port was finalized.

Lastly, he informed that on July 30th he would attend the annual WPPA Legislative Meeting at Sea-Tac. The meeting gave opportunity to propose issues for the upcoming legislative session in Olympia.

Mr. Crockett left the meeting at 2:04 PM.

Mr. Radon continued and stated that the hangars at JCIA were full and that the wait list had grown to 13 compared to 8 in June of 2006.

Mr. Radon announced that with the re-opening of the Hudson Point Marina that 395 nightly guests had taken advantage of moorage for the last half of June. He noted that the RVs were at 582 for this year compared to 648 for June, 2006.

There followed a brief discussion regarding the January 1st rate increase and if it was impacting activity and to what degree.

B. EDC Proposal – Aviation Recruiting for Airport

Mr. Pivarnik informed that the Economic Development Council (EDC) had come forward with a proposal that would, if all went well, attract aviation related business to the airport. Staff, he stated, believed the proposal had merit. He suggested that Ian McFall of the EDC be invited to present to the Commission the proposal.

Commissioner Beck expressed interest in the EDC concept.

Discussion followed regarding public interest expressed regarding the manufacture of parts at the airport and the EDC goal for global recruitment of business. The general opinion was that the presentation and clarification by Mr. McFall should be scheduled for the August 8, 2007 Commission Meeting held in Quilcene.

VIII. STAFF COMMENTS

Mr. Harris stated that a draft letter to the City of Port Townsend was ready for Commission review and which should be done during executive session.

Mr. Pivarnik updated on the Prospect Street easement for the right turn lane from Prospect to S.R. 19 as discussed during the June 13th meeting. Staff had been in negotiation with Jefferson County Public Works and the end result was that an outright easement by the Port

to the County for the property was preferred by the County. It was more straightforward than any type of barter or trading of service between the two entities. He stated that a rough appraisal indicated that the property was worth between \$3,000 - \$5,000 for the 90 feet of property. Senior Staff was united in recommendation that the Port donate the property for the easement to Jefferson County.

Commissioner Beck expressed his goal to resolve the traffic problem at the intersection as soon as possible.

Commissioner Sokol reiterated his view that a stoplight would be the best solution, but that the right hand turn lane would greatly aid traffic flow.

Mr. Pivarnik informed that he would move forward with the paperwork proceeding with the Prospect Avenue easement to Jefferson County.

Mr. Pivarnik informed that the compaction tests had been completed at JCIA on the taxiways and that 90% of the taxiways had reached the compaction requirement by the FAA. On the small areas that did not compact, he advised, a geo-grid would be installed underneath to support the taxiway. September was the anticipated completion date. Seton Construction was in the process of re-mobilization.

Mr. Pivarnik informed that the announcement regarding whether the Trawler Fest was going to be held in Port Townsend in 2008 had been delayed until after September 1st due to some management changes in the sponsoring agency. As a result, Steve Shively, Fort Worden State Parks, had informed that the block of rooms at the Park could not be held until the decision was made.

Commissioner Sokol raised the issue of the street paving at Hudson Point and inquired if it would be finished before the Wooden Boat Festival.

Mr. Pivarnik provided an update by stating that Lakeside Industries was booked four to five weeks out, which would put the paving into mid or late August. He informed that the delay was caused by the City of Port Townsend, (rightfully so, he stated) requirement that the stormwater issues on Jackson Street be addressed. He pointed out that that after a rain, Pete Hanke's building flooded, as did the Sail Loft building. He informed that the City had agreed to do the project engineering "in house" and that, hopefully, it would be completed by Friday, July 13th. He stated that the Port could not go to bid until the engineering issues were resolved but was hopeful that the paving would be completed prior to Wooden Boat.

IX. PUBLIC COMMENTS:

None

X. COMMISSIONER COMMENTS

Commissioner Thompson asked for an update regarding the signage and striping around the PTBH pump-out sites as was discussed at the June 27, 2007 meeting.

Mr. Radon informed that the Maintenance Department had been given a request to address all items on the complaint and that it had been requested the area around the pump-outs be striped off with yellow board and that the area be signed to alert that it was a "no parking" zone.

Additionally, Commissioner Thompson requested that the Shipwrights Co-Op present a couple of drawings showing what their proposed building project would look like.

A brief discussion followed.

Commissioner Beck asked for an update on the Quilcene Septic System, stating that he had talked with Doug Reeves, the septic contractor for the job who expressed his goal of getting on with the project. Commissioner Beck expressed concern over the length of time the project was taking. He was also concerned about the revenue impact.

Mr. Pivarnik reminded that the Department of Fish and Wildlife wanted at least 400 feet of separation (202 feet was present now) between the septic drainfield and the eagle tree, which, stated Mr. Pivarnik, was physically impossible because of the location of the drainfield in relationship to the cliff. He stated that negotiations were on going and that he was hopeful that a resolution of the problem would be soon in coming.

Commissioner Beck remarked that he could see a problem to the eagle tree if a building was proposed for the site, but since it was just going to be a drainfield he did not understand the difficulty as no activity would take place at the site once construction was complete.

Mr. Pivarnik informed that Reeves Construction was at work below the drainfield site since Jefferson County approval had been given for installation of the tanks, etc.

Commissioner Sokol inquired if it was planned to have a Port booth present, as had been done in the past, during the annual JCIA Fly-In scheduled for the weekend of July 20-21st. A brief discussion took place regarding the Fly-In, booth location and that it would be a good opportunity to answer questions regarding the construction at the airport.

XI. NEXT MEETING: will be held Wednesday, July 25, 2007, at 6:30 PM in the Port Commission Chambers, 375 Hudson St, Port Townsend, WA 98368

XII. EXECUTIVE SESSION:

The regular meeting adjourned into Executive Session at 2:22 PM for discussion regarding a legal matter, expected duration of ten minutes with no expected action.

XIII. ADJOURNMENT:

The regular meeting reconvened at 2:32 PM and adjourned at 2:33 PM there being no further business to come before the Commission.

ATTEST:

President

Secretary

Vice President