

Port of Anacortes
Regular Commission Meeting
February 19, 2009

The Port Commission of the Port of Anacortes held its regular business meeting and work/study session at 7:00 P.M. on the evening of February 19, 2009. This was a regularly scheduled Commission Meeting held in the Commission Meeting Room of the Port Main Warehouse Building, 1st & Commercial Avenue, Anacortes, Washington.

In Attendance: Commission President Rubin, Commission Vice-President Mooney, Commission Secretary Niver, Commissioner Hopley and Commissioner Short.

Also in attendance: Executive Director Hyde, Director of Engineering Elsner; Director of Finance & Administration Johnson; Director of Operations & Facilities Hachey, Marina Manager Fowler, Project Manager Darden, Project Manager Estvold; and Administrative Coordinator Lindsey.

CALL TO ORDER

At 7:00 P.M. Commission President Rubin called the regular meeting of February 19, 2009, to order and welcomed all in attendance.

PARTNER REPORT

Executive Director Hyde introduced Ms. Camille Flinders of the National Clean Air Safety Institute (NCASI), with offices located at the Cap Sante Boat Haven. Ms. Flinders provided the Commission with an overview of what NCASI does and their testing processes. A copy of Ms. Flinders presentation will be attached to the approved version of these minutes.

PUBLIC COMMENT PERIOD

Commissioner Rubin opened the floor for public comment pertaining to items on the regular agenda. Hearing no one with a desire to address the Commission, the floor was closed.

CONSENT AGENDA

Commissioner Rubin read the title of the action items on the consent agenda: Project Acceptance of the Tugboat Enchantress Removal, Authorization to terminate the lease with Northwest Yachts for Suite "G" of the West Basin Building, and Authorization to execute a lease with Top Cat Engineering, LLC for Suite "G" of the West Basin Building. He requested a motion for approval.

Commissioner Mooney moved to approve the items on the consent agenda. Commissioner Short seconded the motion. Commissioner Rubin called for a vote on the motion, which carried unanimously.

REGULAR AGENDA

Authorization to Complete Pre-Construction Elements for 2009 Airport Improvements Project – Project #ARP-16 -

Executive Director Hyde introduced Director of Engineering Elsner, who provided the Commission with information on the request to proceed with the pre-construction elements associated with the 2009 Airport Improvements Project, including apron lighting, storm water pond modification and an airport dedicated snowplow.

Director Elsner explained that the 2009 Capital Improvement Plan identified airport signage, apron lighting, and detention pond analysis and design as projects for this year. After further review from the Federal Aviation Administration (FAA), the signage project did not meet grant funding requirements. In order to maximize the available FAA funding, the 2009 project scope was modified to include a snow plow. Under FAA funding, the Port pays 5% of the costs and the FAA pays 95%.

In response to questions from the Commission, Director Elsner explained that the current storm water retention ponds at the airport were installed years ago. Due to difficulties with maintenance, those retention ponds became overgrown with vegetation to the point of being considered wetland areas. These ponds must be reclaimed. With the new development at the airport, there is an increased need for storm water runoff. The ponds geometry will be analyzed to determine whether modifications can be made to increase capacity and prevent water from remaining at the pond bottom.

Members of the Commission also noted that Project #APR-16 had been identified only as apron lighting in the 2009 Capital Improvement Plan, with the other items falling under another category. In this request, the items noted above have been combined.

Director Elsner also responded to questions from the Commission concerning the impacts of new development on the storm water system, how the system functions, and where the outfalls are located.

The Port does not currently charge airport tenants storm water fees. In light of the impact of development on storm water, this may be re-examined.

Commissioner Rubin requested a motion. Commissioner Mooney moved to authorize funding in the amount of \$147,000 to be spent from the General Fund and from FAA-AIP Grant proceeds, to complete the preconstruction elements associated with the 2009 Airport Improvements Project, project #ARP-16. Commissioner Short seconded the motion.

Commissioner Hopley requested more discussion, noting he would vote against the action item since he thought the storm water related costs should be handled separately with more in-depth study. Commissioner Hopley stated he did not wish to authorize design dollars without a better understanding of what the scope entailed. Commissioner Niver agreed.

Commissioner Short noted that ultimately the Airport should be developed to its full potential and that the design work requested in the item was needed. Commissioner Mooney agreed that design was necessary. Commissioner Rubin noted that time was of the essence in obtaining the Grant funding for the design, which would provide additional information. He called for a vote on the motion, which carried 3-2 with Commissioners Hopley and Niver opposed.

Final Design for the former Scott Paper Mill site, Project #ENV-01-

Director Elsner presented this item as well, requesting Commission authorization of \$1.9 million

dollars in funding for design fees and associated costs to implement the final design of the former Scott Paper Mill site. The Port has been working collaboratively with the Department of Ecology and Kimberly Clark Corporation to implement the cleanup and mitigation of the site, including negotiating and executing settlements documents that describe how the design and permitting will be managed and funded. The Port has also entered into an Agreed Order with Ecology that directs the Port to be the lead party to implement the final design for the North portion of the Marine Area of the site. Ecology and the Port have executed grant agreements that will reimburse the Port for 50% of the permitting, design fees, and associated costs to implement the final design. The funding arrangements with Kimberly Clark will reimburse the Port for past costs incurred at the site that are equal to 50% of permitting, design, and associated costs.

Director Elsner explained that, as the Commission knows, Ecology has a stringent schedule for the project. He reviewed for the Commission the site history, involved parties, design elements, and an overview of the required excavation, construction, utility relocation, parking elements, and marine area shoreline improvements, mitigation, habitat restoration, breakwaters, fixed pier, ramp and floating dock. Director Elsner also presented conceptual drawings of the site and the timeline schedule for all elements. He noted the design fees requested tonight were about 15% higher than originally estimated, mostly due to time limitations set by Ecology.

Director Elsner responded to questions from the Commission including settlements received by the Port from other liable parties, cash flow, and the division of project elements to allow smaller contractors the ability to compete and participate in the process.

With discussion concluded, Commissioner Rubin requested a motion. Commissioner Short moved to authorize funding in the amount of \$1,965,100 for the final design implementation for the former Scott Paper Mill site, Project #ENV-01. All costs will be paid from the Environmental Fund and cost recovery proceeds will be applied back to the Environmental Fund. Commissioner Mooney seconded the motion. Following brief additional discussion, Commissioner Rubin called for a vote on the motion, which carried unanimously.

STUDY SESSION

Discussion Item: Finance & Funding Options

Commissioner Rubin noted discussion on financing had been requested at the last regular meeting. Executive Director Hyde introduced Director of Finance and Administration Johnson who presented the listing of 2009-14 Port projects for discussion and direction. A copy of Director Johnson's presentation will be attached to the approved version of these minutes. Much of the discussion by the Commission centered on environmental projects, E & F Docks, grant availability, economic stimulus, taxation, and bonding options.

Director Johnson noted that Port staff was looking for direction from the Commission, primarily in regards to the Cap Sante Boat Haven and the rebuilding of E & F Docks. Several ideas have been discussed by members of the Commission during recent months, including the option of making a portion of the slips in the Boat Haven condo slips. Commissioner Rubin asked the Commission to consider and discuss the purpose of Cap Sante Boat Haven, whether it was to generate the most cash possible, to spin off other business activity, etc.

The Commission discussed the matter at length, all with varying opinions on the Boat Haven's

purpose or purposes. The Commission agreed to take these questions up at their Commission retreat tentatively scheduled on March 2, 2009.

Discussion Item: Marina Rate Comparisons

Director of Operations & Facilities Hachey provided the Commission with an overview of rates at Cap Sante Boat Haven as compared to other area marinas and ports. He noted the wait list has declined from 46 boats to 9. The impacts from the economy are expected to keep people closer to home, so the Boat Haven could see a busy summer. The Port is projecting no increases to permanent moorage rates this year. Many with small trailerable boats remove them from the Marina during the winter months. A copy of Director Hachey's presentation will be attached to the approved version of these minutes.

Discussion Items: Rescue Tug

Commission Rubin provided information to the Commission regarding the Bill funding of a rescue tug at Neah Bay. WPPA has opposed the Bill since it would charge a fee to all inland water bound vessels, making Washington Ports less competitive. Commissioner Rubin noted that several ports have weighed in to support the funding of the rescue tug.

After discussion among the Commission, this discussion item was also slated for further discussion at the Commission retreat.

COMMUNICATIONS

Commissioner Rubin noted the Commission retreat was scheduled for March 2, 2009 at 9:00 a.m. at the Padilla Bay Interpretive Center. Topics of discussion will include: Commission Governance, a review of the Port's Strategic Plan, Tourism, Economy, the Sydney Ferry run, and the Neah Bay Rescue Tug. Commissioner Rubin also noted that he would be going to Olympia for the legislative session and would report regarding the session to the Commission at the retreat.

Executive Director Hyde noted that a new event would be held in the Main Warehouse this weekend. The Port has purchased tables and chairs for rent to those using the warehouse for functions. He also reported that the 3rd Annual Anacortes Salmon Derby sold out its tickets in just two weeks of sales.

UPCOMING MEETINGS

Commissioner Rubin reviewed the Commission's upcoming meeting schedule. The Port will hold its annual meeting of the Industrial Development Corporation (IDC) of the Port of Anacortes on March 5th prior to the March 5, 2009 Regular Commission Meeting at 7:00 P.M. in the Commission meeting room. The next Regular Port Commission Work/Study Session will be held on March 19, 2009 at 7:00 P.M. at the Skyline Beach Club, 6041 Sands Way, Anacortes.

Commissioner Rubin noted the IDC had not been active in some time and there might be opportunities that could possibly qualify for tax free bonds which the Chamber of Commerce, EDASC and others may wish to explore. In order to provide the Commission and interested parties, the Port will provide a briefing on the IDC on March 5th and start that meeting at 6:30 P.M. to allow time for the briefing.

PUBLIC COMMENT PERIOD

Commissioner Rubin opened the public comment period for items not on the regular agenda. Hearing none, the public comment period was closed.

ADJOURNMENT

With no further business to come before the Commission, Commissioner Mooney moved to adjourn, which was seconded by Commissioner Short. Commissioner Rubin called for the vote on the motion which carried unanimously, and at 10:23 P.M. the meeting was adjourned.

Attest:

Keith Rubin, President

Pat D. Mooney, Vice-President

Ray Niver, Secretary

Steve Hopley, Commissioner

William L. Short, Commissioner

Julie Johnson Lindsey, Administrative Coordinator
February 19, 2009