

**PORT OF GRAYS HARBOR**  
**COMMISSION MEETING MINUTES**  
**November 12, 2019**

The Port of Grays Harbor Commission Meeting for November 12, 2019 was called to order at 9:03 a.m.

Randy Lewis, Director of Environmental and Engineering Services, led the meeting in the Pledge of Allegiance.

Those in attendance at the meeting were as follows:

**COMMISSION AND STAFF**

Stan Pinnick	Commissioner
Phil Papac	Commissioner
Tom Quigg	Commissioner
Gary Nelson	Executive Director
Art Blauvelt	Legal Counsel
Leonard Barnes	Deputy Executive Director
Mike Folkers	Director of Finance & Administration
Mike Johnson	Contract & Project Manager
Randy Lewis	Director of Environmental & Engineering Services
Alissa Shay	Manager of Business Development
Molly Bold	Westport Business Manager
Seth Taylor	Marine Terminals Manager
Kayla Dunlap	Public Affairs Manager
Shannon Anderson	Business & Trade Development Assistant
Lisa Benn	Accounting Manager/Treasurer
Ross Read	Director of SBP Operations

**VISITORS**

Cindy Taylor	Rainier Connect
Linda Orgel	FOGH
Shelli Hopsecger	CCAI

Items discussed and action taken where required are as follows:

**MINUTES:**

1. By motion made by Commissioner Quigg, seconded by Commissioner Papac and unanimously approved, the Commission adopted the Minutes of October 8, 2019 Regular Commission Meeting as recorded in the Minutes Book No. 21 on pages 70 through 78 inclusive.

**VOUCHERS:**

1. By motion made by Commissioner Papac and seconded by Commissioner Quigg, the Commission unanimously approved for payment those Payroll Vouchers issued October 18, 2019 and November 5, 2019, ACH/Wire Transfers No. 99901264 through and including No. 99901283, and General Disbursement Vouchers No. 100980 through and including No. 101311 for payment in the amount of \$4,623,631.29.

**WORKSHOP:**

**Recreation Plan: Review of Goals & Financial Strategy for Implementation**

Shelli Hopsecger, strategic planning consultant with CCAI, led a discussion with Commissioners and Staff focusing on the strategy for operating, maintaining, and investing in recreational properties and public access facilities.

Ms. Hopsecger stated that the Port has laid a foundation for economic development by focusing on and investing in infrastructure over the years. By adding the recreational properties and public access facilities, the quality of place and community involvement has been added to the puzzle.

A copy of the 2016-2020 Recreational Plan was briefly reviewed with an emphasis on the four goals that were previously identified; to provide access, comfort and safety, a sense of place, and fiscal responsibility. Although the ultimate desire for these facilities is to make constant investments in them, the main challenge is to manage resources to find a place for the recreational side in the big picture of revenue-generating assets.

Recreational facilities and properties bring a unique set of challenges to the Port. Measurable success as it relates to the Port's mission is on the top of the list. Examples for quality of place could include the number of storms watched, lines cast, and s'mores eaten. The questions that were presented to the Commissioners and Staff for thought were "How does the Port measure success with these facilities? Is it the number of facilities provided?" The tangible measures of success could be the inventory of infrastructure: 1 Playground, 4 viewing areas, 6 boat launches, 29 camping spots, 550 moorage slips, 600+ Parking spots, and 100+ miles of open trails, floats, sidewalks, and access right-of-ways.

The Port of Grays Harbor has a long history of providing access to the working waterfront. The Westport Marina has always been a hub for public access for fishing, crabbing, wildlife and ocean viewing at the two viewing facilities and has served as a hub for the City of Westport's surge in visitors every summer. As the Port operations, specifically at the Marine Terminals, has grown, so has the Port's ability to manage and invest in public access infrastructure and facilities. In 2011, a major investment of Port funds rebuilt the viewing tower at Westport. In 2015, phase one of 28th Street.

With visitors coming to these properties from not just Grays Harbor, being able to provide and maintain restrooms, garbage, and parking, especially for non-generating revenue properties, is yet another challenge. Related is the challenge of vandalism, malicious mischief, and abuse of services like overnight parking. All properties also have the need and challenge to communicate clear, consistent rules and the enforcement of the rules.

Leonard Barnes reported many constant challenges at 28<sup>th</sup> Street Boat Launch and Viewing Tower to include auto-locking restrooms, garbage, illegal dumping, and vandalism. He expressed his gratitude for the great relationship with Chief Meyers and the Hoquiam Police Department, regular traffic and local caring citizens.

Alissa Shay reported that at Friends Landing, they do have a caretaker on-site and a camp host for a portion of the year, which has proven to be helpful, but they do still see vandalism.

Molly Bold stated that they have a proud community with dedicated citizens that "see something, say something". The Marina also has a close partnership with the City of Westport and the local police department. Close and constant communication about vandalism or possible threats towards facilities is key.

Commissioners and Staff discussed posted rules and liability, Public Recreation Act, more security at the Marina to include limited access and self-monitoring through Wi-Fi cameras, and investing in technology for the facilities.

Looking forward to 2020, Molly Bold reported that they have had numerous upgrades in the past 18 months, therefore 2020 will be a year for implementation and to solidify operations. Alissa Shay reported that 2020 at Friends Landing will be focused on improving the operational capacity and upgrading facilities. At Sterling Landing, staff will continue maintenance of the road easement and dealing with the invasive Japanese Knot Weed treatment and removal. Leonard Barnes reported that at the 28<sup>th</sup> Street location, the Port will continue investing in capital, testing the new filtering system, landscaping, and making sure that walkways, the viewing tower, and culvert are structurally sound.

**REPORTS:****Marina Dredging Update**

Randy Lewis, Director of Environmental & Engineering Services reported that the challenges have continued with this project. Phase I, awarded to Bergerson Construction, continues in areas with unsuitable material which they have been disposing upland and will continue to do so. Their biggest challenges have been from mechanical issues, which, at this point appear to be resolved, and debris. They have completed two of the three unsuitable DMMU's and are moving into the third. The next progress meeting will be on November 13, 2019. The upland disposal site is working well and continues to exceed the standards included in the water quality permit.

Phase II, awarded to Pacific Pile & Marine, ran into challenges with the original pipeline route which the Corps of Engineers determined did not conform to the approved permit. That situation has been resolved and the pipeline relocated through the Float 20 parking lot. This situation has required additional labor costs to move the line, delayed the start of their dredging, and required a change in the planned route for dredging which has resulted in a request for a change order which is included as an action item in this agenda. They have completed dredging in DMMU 5 located at Float 20 and are moving into the other DMMU's. They are working to be completed with this phase by the close of the dredging window on January 30.

**Westport Marina Summer Activity Report**

Molly Bold, Westport Business Manager reported that they had two themes throughout the summer: construction and outreach. Through the summer the goal of the staff was to provide excellent customer service, manage Marina Slip use, ensure proper billing of all Marina users, prepare facilities for peak season, and complete summer maintenance projects, on top of daily janitorial duties. This year also consisted of the continuation of implementing new improvements like online reservation system, small cleanup projects, and visual improvements. Maintenance crew and office staff collaborated to execute the removal of tons of debris and unauthorized dock "stuff". The office staff managed hundreds of phone calls, emails, and questions regarding the many construction projects.

Recreational fishing had a successful year with solid activity for seven months. Halibut had many openers in May and June producing some of the busiest days in the Marina. Westport Charter Boat Association offered the annual salmon derby again this year. They award over \$50,000 in prizes each summer which brings a lot of activity from the community. Commercial fishing results from the summer are not in yet. With NOAA, National Oceanic and Atmospheric Administration, deeming the rock fish population rebuilt, it has increased allocations for pacific whiting, targeted fisheries for rock fish, and brought jobs and trawlers back to the Westport area.

The Marina has become a platform for the many activities that take place in Westport. WDCFA, Westport Dungeness Crab Fishermen Association, Crab Derby & Races, Blessing of the Fleet, Rusty Scupper's Pirate Daze, Washington Tuna Classic, Westport Art Festival, and the 2<sup>nd</sup> Annual Reach the Beach were the highlights for summer 2019. While the Marina provides a platform for so much activity, the port engaged in community engagements and outreach first hand this year. This past year was the first year for walking tours at the Marina and yielded significant interest.

### **Public Information Report**

Kayla Dunlap, Public Affairs Manager, reported BHP's shoreline hearing was held in Hoquiam on October 24<sup>th</sup>. BHP is scheduled to submit its post-hearing brief November 12<sup>th</sup> and the hearing examiner is expected to issue a decision by mid-December.

On October 18<sup>th</sup> The City of Aberdeen submitted a grant application for the FRA's Consolidated Rail Infrastructure Safety Improvement (CRISI) Track 2 (PE & NEPA) grant for the Aberdeen US12 Highway Rail Separation Project. The request was for \$1.4 million to do preliminary engineering, up to 30% and NEPA. A minimum of 20% non-federal match was required but local stakeholders, City, Port, and County, came together to provide a 50% match of \$700,000.

Westport City Council is the last city left for the Port's annual public outreach and will take place on Tuesday, November 12<sup>th</sup>.

Westport project celebration will be on Friday, December 6<sup>th</sup> at 10:00 am at the Marina office. Invitations have been sent to marina tenants as well as being featured in this month's newsletter.

### **Vessel Activity**

Leonard Barnes reported for October 2019 the Port had calls from 7 deep-water vessels and 0 barges, which resulted in 211,357.428 MT of cargo being handled. Year-to-date, the Port has had 68 deep-water ships, 14 barges and handled 2,160,170 MT of cargo.

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### **PUBLIC COMMENT**

Linda Orgel, local citizen, reported that NOAA, National Oceanic and Atmospheric Administration, released a report and map that shows that orcas are making their way more south than normal due to the difficulty in finding food up north. Ms. Orgel offered to provide this article and the map to the Commissioners.

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**ACTION/RESOLUTION ITEMS:****Action Item No. 1**

Leonard Barnes reported that this lease began on June 1, 1990, with Darwin Seim, dba Gas Plus. The lease was assigned to Gas Plus in 1995 and in 1999 all-controlling interest in Gas Plus was transferred to Ferrellgas, LP. The lease term is 30 years, expiring May 31, 2020, with no options to renew. Staff has received a request from the Manager of Real Estate at Ferrellgas, LP to add three 1-year options to renew, extending the available lease term to May 31, 2023. In addition to the options, the monthly rent will be adjusted each year to bring it up to fair market value. All other aspects of the lease will remain the same.

Motion to authorize the Executive Director to amend Lease Agreement No. 605 with Ferrellgas, LP to add three 1-year options to renew and set the monthly rent for those options was made by Commissioner Quigg and seconded by Commissioner Papac. Motion passed with a vote of 3-0.

**Action Item No. 2**

Randy Lewis stated that the marina dredging contractor, Pacific Pile, has requested change order #1 (CO #1) to offset the cost and scheduling changes required to comply with the Corps of Engineer's determination that the discharge pipeline route was different than original permit submissions. The Corps of Engineers determined that the initial pipeline location was not consistent with the approved permits and therefore out of compliance. Their position was that the pipeline had to be removed or amend the permit.

Under Contract No. 2004 it is the Port's responsibility to obtain the required Corps permit but the contractor is responsible for providing the detailed plans and information to obtain Corps concurrence. The plans submitted in 2016 for the Corps permit were based on a preliminary design that showed a general route near the Float 20 parking lot. Since that submission, it was determined to route the pipeline around the end of the spit would eliminate impacts to the tenants and users of that portion of the marina. The contractor installed the pipeline based on this revised plan. The Port was then informed that the new location would require a formal permit revision and the pipeline was not in an approved location.

The delay associated with a permit revision would have delayed the start of the dredging and jeopardized completion during this dredging season. A delay would have substantially increased the cost of completing the work by more than the amount of CO # 1, primarily due to costs associated with demobilizing and mobilizing the dredge equipment around the fish window. It was decided that the contractor would move the pipeline to a preliminary design location and make the parking lot crossing work. This required the installation of fencing, construction of pedestrian crossings to accommodate users and other safety measures. It also required a modification of the dredging plan.

Consultation between the Contractor and PGH staff determined the impacts of these changes to be \$200,000 in order to keep the project on schedule. Consequently, the Contractor has submitted CO #1 for \$200,000.00.

Motion to authorize the Executive Director to approve Change Order #1 for Contract No. 2004, Westport Marina Maintenance Dredging Project Phase 2 with Pacific Pile and Marine LLC, in the amount of \$200,000 was made by Commissioner Papac and seconded by Commissioner Quigg. Motion passed with a vote of 3-0.

### **Action Item No. 3**

Molly Bold reported that Port staff recommends implementing an annual moorage set-up fee to appropriately reflect the staff time associated with establishing a new annual moorage agreement. This one-time fee is applicable only to new annual moorage tenants. This would amend the Westport Marina Tariff to read:

“Annual moorage will begin on the 1st of the month. Any annual moorage that begins after the first will be prorated for the remainder of the first month and begin the 1st day of the next month and end on the last day of the 12th month. Annual Moorage Agreements shall be for the twelve (12) month period commencing when a Moorage Agreement and payment is received and a berth has been assigned by the Marina Manager. New annual moorage agreements are subject to a one-time setup fee of \$100.00. Marina moorage rates are adjusted each year based on the Seattle Cost of Living Index on January 1, capped at 5% in any one year. Rates are rounded to the closest whole cent.”

In an effort to better manage the commercial seafood buying activity in the Westport Marina, staff recommends adding the option to purchase additional vehicle decals for businesses operating more than one vehicle in the Westport Marina. This would amend the Westport Marina Tariff to read:

“The Port of Grays Harbor, at its sole discretion, may issue exclusive calendar year permits expiring December 31st, to use Port Facilities to receive commercial seafood purchases. Applicants must provide photocopies of valid Washington State Department of Fisheries and City of Westport permits required for the proposed activity, together with the required yearly fee of \$400.00, in cash, at the time of application. Such fee shall be refunded in full if the permit is not granted. The Port shall not prorate the annual fee. Fee does not apply to Annual Moorage Tenants. Tenant will be issued appropriate vehicle permit decals which must be displayed at all times. Additional permit decals for businesses operating multiple vehicles in the marina are available for \$75.00 per vehicle.”

Motion to adopt the Westport Marina Tariff modifications were made by Commissioner Quigg and seconded by Commissioner Papac. Motion passed with a vote of 3-0.

#### **Action Item No. 4**

Mike Johnson stated that additional work is required on the airport drainage project to provide a complete project. This work was not part of the original scope of work and the following Change orders have been requested by the contractor to cover additional costs.

1. Clean North Outfall Pipes	\$7,002.88
2. Hydro seeding	\$14,997.24
3. RFI #10 Electrical	\$3,027.60
4. Install Trash Racks	\$4,595.59
5. Additional Paving and Striping	\$158,475.00

Motion to authorize the Executive Director to approve Change Order #1 for Contract No. 1967 Drainage Improvements at Bowerman Field Airport No. 3-53-0032-13, in the amount of \$204,650.96 (includes WSST \$16,552.65) was made by Commissioner Papac and seconded by Commissioner Quigg. Motion passed with a vote of 3-0.

#### **Action Item No. 5**

Mike Johnson stated that Warehouse H electrical work required to create a separation of equipment inside the building needs to be performed to allow tenants individual circuits for separate electrical service accounts with the Grays Harbor PUD. Work will include installation of the following items-

- Provide and install 1 new 400-amp, 3-phase, 480/277-volt service with panelboard for the east tenant space.
- Separate and repurpose existing 600-amp, 3-phase, 480/277-volt service and panelboard for the west tenant space.
- Reroute existing circuits and connect new circuits to east and west service panels.
- Contractor will provide all materials, equipment, and labor for a complete installation.
- Request pricing for Additive Bid Alternate 1- provide a third separate service.

The Port has a tenant and a potential tenant that are in need of these electrical improvements at the earliest possible time. The Executive Director, pursuant to the Small Works Roster Process (Resolution 2515), authorized the request for quotations for the above work.

The responses to the request for quotations are expected to arrive after the November Port Commission meeting and the staff estimates that the responses may exceed \$60,000.00.

Under Resolution No. 2515 the award of any contract over \$60,000 is to be done by a resolution of the Port Commission.

In order to expedite the start of the work called for in Contract No. 2020, the staff requests that the Port Commission waive the requirement of a resolution and authorize the Executive Director to review the responses and award the contract to the lowest responsible bid.

Motion to authorize the Commission to waive the requirement of a resolution and authorize the Executive Director to review the Small Works Roster responses and award Contract No. 2020 Warehouse H Electrical Upgrades to the lowest responsible bidder was made by Commissioner Quigg and seconded by Commissioner Papac. Motion passed with a vote of 3-0.

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Commissioner Pinnick recessed the meeting at 11:14 a.m. for a short break.

The meeting reconvened at 11:21 a.m.

The meeting recessed at 11:22 a.m. for Public Hearing

### **Public Hearing – 2020 Pilotage Tariff**

Mike Folkers reported that a public hearing had been advertised for the proposed 2020 Pilotage Tariff, and the hearing would be held during the regular Port Commission meeting on Tuesday, November 12, 2019.

Annually, the Port Commission has made a tariff recommendation to the Washington State Board of Pilotage Commissioners. For 2020, the tariff recommendation would be made to the Washington State Utilities and Transportation Commission. Staff has provided the 2020 Preliminary Pilotage Budget, five-year capital spending plan, and prior year financial statement for public review on October 8, 2019.

The tariff recommendation supports the Port's commitment to provide safe and efficient pilotage services in the Grays Harbor District, employ and retain highly skilled bar pilots, and to stabilize pilotage service costs for the vessels calling Grays Harbor. As Port Staff considered a tariff recommendation for 2020, they reviewed shipping projections, pilot boat condition, as well as new pilot training and staffing expectations through 2020.

The overall increase in the pilotage tariff has been less than 2% per year since 2008. Due to a decrease in vessels, the addition of a Pilot Trainee, and the purchase of a new pilot

boat, staff recommends a 15% increase in the draft, tonnage, boarding, and harbor shift rates plus the addition of a \$450 Pilot Boat Surcharge to be added to each job.

**Public Comment:**

No public comment

The Public Hearing was closed at 11:24 a.m. and the Regular Commission Meeting reconvened at that time.

The meeting recessed at 11:25 a.m. for Public Hearing

**Public Hearing - 2020 Budget**

Mike Folkers reported on the public hearing being held today in regards to the 2020 Port budget. This was advertised in the paper to the public prior to the meeting. Mr. Folkers mentioned that the budget was made available to the public in a booklet at the last meeting on Tuesday, November 12, 2019.

The proposed 2020 budget includes operating revenues totaling \$29.5 million and expenses of \$26.9 million. The Port's cash reserves are expected to be \$24.8 million at the end of 2020, with \$12.9 million maintained in the general fund. The proposed 2020 Final Budget maintains the "Current CIP Reserve Fund" which was created in 2017. The fund would have a balance of \$2 million at the end of 2020. The capital budget includes \$6.9 million to fund the Port's 2020 Capital Improvement Plan, with funding of \$110,000 from grants, \$2.7 million from the property tax levy, and the remaining from net operating revenues.

**Public Comment:**

No public comment

The Public Hearing was closed at 11:41 a.m. and the Regular Commission Meeting reconvened at that time.

**Resolution No. 2987**

Director of Finance and Administration, Mike Folkers reported that the Port's property tax levy is set each year as part of the Port's budget process. Per State law, a Port District's regular levy rate may not exceed \$0.45 per \$1,000 of the property value (or \$45 per \$100,000 of value). The levy must be filed with the GH County Auditor by November 30<sup>th</sup> after holding a public hearing.

Motion to adopt Resolution No. 2987: *2019 Property Tax Levy for Collection in 2020* was made by Commissioner Papac and seconded by Commissioner Quigg. Motion passed with a vote of 3-0. Resolution adopted.

**Resolution No. 2988**

Mike Folkers stated that the Commission of the Port of Grays Harbor is required by RCW 53.35 to adopt an annual budget setting forth the estimated expenditures for the Port. A public hearing was held by the Port Commission today, providing taxpayers the opportunity to appear and comment on the proposed budget for 2020.

Motion to adopt Resolution No. 2988: *Adopting the Port's 2020 Budget* was made by Commissioner Quigg and seconded by Commissioner Papac. Motion passed with a vote of 3-0. Resolution adopted.

**Resolution No. 2989**

Mike Folkers stated that per RCW 53.08.390, the Port of Grays Harbor is authorized to provide pilotage and other reasonably necessary services in the Grays Harbor Pilotage District. The Washington State Utilities and Transportation Commission annually reviews and sets pilotage tariffs. A notice of intent was published in the newspaper and a public hearing was held by the Port Commission on today, as required.

Motion to adopt Resolution No. 2989: *Recommending to the Washington State Utilities and Transportation Commission an Amendment of the Tariffs and Pilotage Rates for the Grays Harbor Pilotage District* was made by Commissioner Papac and seconded by Commissioner Quigg. Motion passed with a vote of 3-0. Resolution adopted.

**Resolution No. 2993**

Art Blauvelt reported that it is deemed to be in the best interest of the Port of Grays Harbor by its Commission and administrative staff to reschedule the start time for the Port Commission meeting of December 10, 2019, to commence at 12:00 noon. The December Commission meeting shall begin at 12:00 noon, then after the call to order, the Port Commission shall recess to an executive session for one hour and forty-five minutes, followed by a fifteen-minute break, then reconvene at 2:00 pm for the regular December meeting and agenda items.

Motion to adopt Resolution No. 2988: *Rescheduling the Start Time for the Tuesday, December 10, 2019 Meeting of the Port Commission* was made by Commissioner Quigg and seconded by Commissioner Papac. Motion passed with a vote of 3-0. Resolution adopted.

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**PUBLIC COMMENT**

None

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**NEW BUSINESS:** Gary Nelson, Executive Director, listed upcoming calendar items:

- November 12 – Westport City Council Outreach
- November 13 – Shipping Club Meeting
- November 14 – WPPA Legislative Committee Meeting
- November 19-20 – AAPA Latin Ports Convention
- November 21-22 – Omaha, AGP
- November 26 – Harassment Prevention Training
- November 26 – PGH Thanksgiving Pot Luck
- December 14 – PGH Holiday Party

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There being no further business to come before the Commission, the Regular Meeting recessed at 11:52 a.m.

The Board then went into Executive Session to consider the acquisition, sale or lease of real estate and to discuss with Port’s legal counsel matters relating to agency enforcement actions, litigation or potential litigation. No action to be taken during Executive Session. It was announced that the Executive Session would last 90 minutes.

The Executive Session ended at 1:29 p.m. and the Regular Meeting adjourned at that time.

ATTEST:

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President

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Secretary