

**PORT OF GRAYS HARBOR
COMMISSION MEETING MINUTES**

April 14, 2020

The Port of Grays Harbor Commission Meeting for April 14, 2020 was called to order at 9:00 a.m. This meeting was a virtual meeting conducted using Zoom. The public was able to access this virtual meeting using either the Zoom platform or by calling in.

Those in attendance at the meeting were as follows:

COMMISSION AND STAFF

Phil Papac	Commissioner
Stan Pinnick	Commissioner
Tom Quigg	Commissioner
Gary Nelson	Executive Director
Arthur Blauvelt	Legal Counsel
Mike Folkers	Director of Finance & Administration
Leonard Barnes	Deputy Executive Director
Mike Johnson	Contract and Project Manager
Randy Lewis	Director of Environmental and Engineering Services
Kayla Dunlap	Public Affairs Manager
Alissa Shay	Manager of Business Development
Molly Bold	Westport Business Manager
Seth Taylor	Marine Terminals Manager
Shannon Anderson	Business & Trade Development Asst.
Ross Read	Director of Operations
Chris Hunt	IT Manager
Lisa Benn	Accounting Manager
Amy Carlson	Communications & Administrative Coordinator

VISITORS

Shelli Hopsecger	CCAI
Elizabeth	US Army Corps of Engineers
David Michalsen	US Army Corps of Engineers

John Hicks
 Arnie Martin
 Linda Orgel
 Bill McGregor
 Dan Hammock
 Penny Eubanks

US Army Corps of Engineers
 GHAS
 FOGH
 Port of Olympia Commissioner
 The Daily World
 Pasha Automotive Services

Items discussed and action taken where required are as follows:

MINUTES:

1. By motion made by Commissioner Papac, seconded by Commissioner Quigg and unanimously approved, the Commission adopted the Minutes of March 10, 2020 Regular Commission Meeting as recorded in the Minutes Book No. 21 on pages 119 through 126 inclusive.

VOUCHERS:

1. By motion made by Commissioner Quigg and seconded by Commissioner Papac, the Commission unanimously approved for payment those Payroll Vouchers issued March 20, 2020 and April 3, 2020, ACH/Wire Transfers No. 99901337 through and including No. 99901355, and General Disbursement Vouchers No. 102128 through and including No. 102428 in the amount of \$3,678,061.05.

REPORTS:

USACE Seattle District Project Update

Elizabeth Chien, John Hicks, and David Michalsen from the US Army Corps of Engineers reported on the Grays Harbor Federal Projects in our area. The inner harbor dredging contract was awarded to HME. Their final work window dates are July 16, 2019 through February 14, 2020 and July 16, 2020 through September 30, 2020. Material will be placed at Point Chehalis and South Jetty disposal sites. The recent work window summary includes dredging Cow Point and Turning Basin from August 29, 2019 through November 15, 2019 and December 1, 2019 through February 14, 2020. 860,000 CY (cubic yards) were removed. The next dredging area(s) will be determined in June. They will return July 15, 2020 through September 2020 for final dredging.

The new inner harbor dredging contract is to be awarded in October 2020. This contract will be for dredging Crossover, North Hoquiam, Cow Point, and Turning Barsin areas. The material will be placed at Pt. Chehalis Disposal Site and is expected to be 7,500 to 9,000 CY. The outer harbor dredging project will be

dredging with the ESSAYONS only this year and is projected to start April 23, 2020 and end May 18, 2020. Work areas include the Bar, Entrance and Pt. Chehalis with an estimated quantity of 750,000CY. Sturgeon Monitoring will not be conducted this year due to COVID-19 safety requirements.

The Breach Fill Repair construction in Westport occurred from November 2019 to January 2020. Using trucks and trailers, 55,000 CY of sand was imported. The site was restored with no impact on environmental, biological, or water components.

Critical repairs are needed before the Westhaven Breakwater structure fails due to erosion. It will require new Armor Stones, Filler Rock, and Quarry Spalls. The contract will be awarded in July 2020 with construction estimated to start Summer 2020 and last four to five weeks.

The North Jetty Repair project is in the early planning stages. Initial repair areas will be along the jetty that is attached to the land. Repairs will be completed in smaller sections over several years, similar to the strategy used for the Pt. Chehalis revetment repairs. Long term plans will include an open-water portion of the jetty. The earliest construction would be in 2020 but more likely in 2021.

The Washington State Department of Ecology is the non-federal sponsor for the WRDA 1122 Pilot Project. The Grays Harbor South Jetty project was one out of 10 proposals selected. The project would place 250,000 CY of dredged material from the federal navigation channel on South Beach shoreline, approximately 1.5 miles south of the jetty, to mitigate risk from beach and dune erosion on public and private infrastructure. This pilot project would be informational regarding benefits and life-cycle costs of beach nourishment and how multiple beach nourishments could be combined to maximize the economy of scale.

The Corps of Engineers has been monitoring 12 beach profiles on South Beach and 10 beach profiles on Half Moon Bay since 2003. They have used this data to develop a detailed engineering/economic model to estimate future erosion costs over the 50-year life cycle. Half Moon Bay shoreline has experienced the fastest shoreline recession and South Beach has experienced a net shoreline advancement in the region 1000 feet south of the jetty. Corps navigation has tasked engineering to re-analyze using new monitoring data and current cost data.

Briefing on the 25th Annual Grays Harbor Shorebird Festival

Shannon Anderson, Business & Trade Development Assistant, reported The Grays Harbor Shorebird Festival is held every year to coincide with the annual migration

of hundreds of thousands of shorebirds as they stop in Grays Harbor to feed and rest before departing for their nesting grounds near the Arctic. Due to COVID-19 and Governor Inslee's guidance to "Stay Home, Stay Healthy", this year's festival scheduled for April 24-26, has been canceled. Likewise, the 25th Anniversary celebration has been postponed to 2021. The Grays Harbor Refuge remains open and visitors are encouraged to visit, walk the trail and experience the migration while practicing safe social distancing as called for in the Governor's proclamation.

School Tour Program

Kayla Dunlap, Public Affairs Manager, reported due to COVID-19 this year's 4th-grade tours are canceled. Alternatives will be discussed with staff, volunteers, and teachers to ensure that this year's 4th graders will have this opportunity in the future.

Legislative Update

Kayla Dunlap, Public Affairs Manager, reported the Washington State legislature adjourned the 2020 60-day session on time on Thursday, March 12th.

While the session began with several "big issue" bills in a variety of subjects that ports care about including the Growth Management Act (GMA), carbon taxation, transportation funding, and the Shoreline Management Act (SMA), most were left for the next session, especially as the COVID-19 issue intensified during the latter part of the session. Staff will continue to stay up-to-date on these topics and tuned into updates from WPPA.

While the Derelict Vessels bill did pass the Legislature, sections of the bill, including implementation of the new grant program for enforcing vessel registration and the creation of a new pilot program for vessel disposal, were vetoed in response to the operating budget shortfall COVID-19 response efforts are expected to create. The bill, as passed, still removes the \$200,000 spending cap on the voluntary vessel turn-in program, reduces the size of vessels covered by existing "time of sale" requirements from 65 feet to 35 feet, and establishes new enforcement authorities for the Department of Natural Resources.

The Election Costs bill passed both chambers and was signed by the Governor on April 3rd. The bill requires the state to reimburse counties for state elections costs and a prorated share of federal election costs for primary and general elections, including prepaid postage. The bill also requires each county auditor to produce a local voter's pamphlet before any primary, general, or special election, with information on all measures and candidates within the jurisdiction. Implementation of the bill takes effect in 2021.

The Commissioner Compensation Adjustments bill failed to make it through the cutoff deadline and died, the contents of the proposal were amended onto another bill, HB 2449, which did pass and is expected to be signed by the Governor. Under this bill, commissioner compensation adjustments will be moved from July 2023 until January 2024, allowing for districts to plan for future compensation adjustments in their annual budgets (in January) rather than the middle of the budget year (in July).

The Ending Use of Fluorinated Firefighting Foam at Airports bill prescribes a timeframe for ending the use of fluorinated foams at airports and certain other fuel facilities. The foam is currently the only allowable product to be used as prescribed by the FAA. Airports will have up to three years to switch to a non-fluorinated foam once the FAA issues guidance on an alternative.

The legislature only had about \$70M for a Capital budget this session. Due to the full support from the Coastal Caucus Legislators and the Ports partners at the Grays Harbor PUD, the Port was successful in securing \$155,000 for the Satsop Power Capacity Expansion project. The Community Economic Revitalization Board (CERB) received appropriation authority to fund \$10M in new projects using loan repayments from existing projects. Remedial Action Grants are supported by revenue from the Hazardous Substances Tax created by the Model Toxics Control Act (MTCA). The House proposal prevailed and the final budget included \$33.7M more for Remedial Action Grants. The Port's Hungry Whale clean-up project is funded through this account. Up to \$450,000 as a State match for the office of the Chehalis Basin for the Lower Satsop Restoration and Protection Program Keys Road Protection Project was also included in the Capital Budget.

The chambers passed a \$10.3B supplemental transportation package that was signed by the Governor on March 31, but not before sections were vetoed. At this time, the \$700,000 for the Aberdeen US-12 Highway-Rail Separation project does appear to be funded. The Freight Mobility Strategic Investment Board (FMSIB) took a small hit in its fund balance but the legislature added a proviso reaffirming support for the board and its role in funding strategic freight projects.

The \$53.4B Operating Budget was one of the last pieces of legislation passed. Of importance to Port districts, the following proviso language was included:

- State Environmental Policy Act (SEPA) and greenhouse gas: Ecology will launch a rule-making process to address the regulatory uncertainty ports and others have identified regarding the issue.

- Net ecological gain proviso: The Department of Fish and Wildlife will make recommendations to the legislature regarding the definition and implementation of NEG. WPPA will participate in the process during the interim.
- GMA study proviso: The Department of Commerce is required to recommend legislation to update the growth management act in light of the Road Map to Washington's Future report produced by the Ruckelshaus Center. The report is due December 1, 2020.
- Aviation fuel tax revenue proviso: Both the operating and transportation budgets included language instructing DOR & WSDOT to determine the impact of the FAA's direction to use certain aviation fuel taxes to improve airport infrastructure. A report is due to the fiscal committees before the start of the 2021 Legislative Session.

On Friday, March 27th Congress passed and the President signed the \$2.2 trillion Coronavirus Aid, Relief, and Economic Security (CARES) Act. Briefly, the bill includes:

- \$560 billion for individuals (cash payments, extra unemployment, etc.)
- \$377 billion for small business (emergency grants, loans, etc.)
- \$500 billion for big business (airlines, stock buyback. Etc.)
- \$340 billion for State & local government
- \$135 billion for Public health (hospitals, health centers, the CDC, etc.)
- \$44 billion for education
- \$26 billion for "safety net" (child nutrition, food stamps, food banks)

Of specific interest to the Port industry are the following:

- Full-use of HMTF: Senator Shelby was successful in including language that enables Congress to appropriate full annual HMT revenues, effective January 1, 2021.
- Ports eligible for \$500 billion economic stabilization fund: AAPA successfully advocated for a revised definition of "municipality" to include ports.
- \$300 million is included "to help fishermen around the country struggling due to disappearing economic markets caused by the novel coronavirus pandemic." Tribal, subsistence, commercial, and charter fishermen, as well as aquaculture farmers, are all eligible for disaster assistance. Unfortunately, fish processors were not included.

Ms. Dunlap concluded by stating that as COVID-19 continues to impact the Nation, additional stimulus packages are all but inevitable. Initially, it was thought the next round, Phase IV, would focus on infrastructure but that conversation has changed over the last week as the need for additional aid and funding for businesses and citizens are obvious. Port staff continues to be engaged with association partners, both WPPA and AAPA, as discussions about what a possible infrastructure-related package could look like. The Port industry intends to be united in putting forth priorities and proposals for consideration.

Public Information Report

Kayla Dunlap, Public Affairs Manager, reported BHP's shoreline hearing was held in Hoquiam on October 24th. At the request of BHP and the Quinault Indian Nation, the Hearing Examiner is keeping the record open until June 30th.

Vessel Activity

Leonard Barnes reported for March 2020 the Port had calls from 7 deep-water vessels and 3 barges, which resulted in 219,386.873 MT of cargo being handled. Year to date for 2020, the Port has had calls from 21 deep-water vessels and 7 barges, which resulted in 704,632 MT of cargo being handled.



ACTION/RESOLUTION ITEMS:

Action Item No. 1

Emergency Declaration in Response to the Outbreak of COVID-19

Mike Folkers, Director of Finance and Administration, requested that the Commission pass a motion ratifying the actions of the Executive Director in the finding of an emergency dated March 18, 2020.

The United States Centers for Disease Control and Prevention has identified the potential public health threat posed by COVID-19 both globally and in the United States as "high" and has advised that person-to-person spread of COVID-19 will continue to occur globally, including within the United States. On January 31, 2020, the United States Department of Health and Human Services Secretary declared a public health emergency for COVID-19, beginning on January 27, 2020. On February 29, 2020, Governor Jay Inslee proclaimed a state of emergency within the State of Washington due to COVID-19. On March 12, 2020 the Grays Harbor County Board of Commissioners declared a state of emergency in Grays Harbor County due to the COVID-19 outbreak.

In compliance with the Delegation of Authority Resolution No. 2341, adopted on December 12, 1995, the Executive Director shall be responsible for the operation, maintenance, administration and use of the Port's properties and facilities; the development of industrial districts; the implementation of construction work and alterations and improvements to the Port's real estate and physical facilities and necessary planning incidental thereto; the administration of day-to-day operations which include personnel administration (salary and benefits matters, task and project assignments, hiring, firing, training, grievance procedures, employee enrichment, and improvement, etc.); execution of contracts; delivery of services essential to the Port's mission; financial and accounting related matters; legal matters and all other administrative manners.

To assist in this effort, it was Executive Director Gary Nelson's finding that an emergency exists under RCW 39,04.020 and Article IV, Section IV of the Delegation of Authority. Therefore, on March 18, 2020, Executive Director Gary Nelson declared an emergency that waives the competitive bidding requirements and authorizes the award of necessary contracts to address the immediate needs of this emergency. In addition, the Executive Director is authorized to make and adjust Salary and Benefit Policies related to leave usage and other issues related to Port employees as necessitated by the impacts of COVID-19. Lastly, under RCW 42.30.070, and the state of emergency, all meetings of the Port Commission are exempt from the meeting notice requirements and meeting location restrictions of the Open Public Meetings Act, Chapter 42.30 RCW. This emergency declaration shall remain in effect until further notice is given, under the judgment of the Executive Director, that the state of emergency no longer exists.

A motion to ratify the Executive Director's finding of emergency was made by Commissioner Papac and seconded by Commissioner Quigg. Motion passed with a vote of 3-0.

A motion to ratify the actions of Gary Nelson in his authorization to: (1) waive the competitive bidding requirements, (2) adjust the Salary and Benefit Policies and (3) exempt all meetings from the Open Public Meetings Act., was made by Commissioner Quigg and seconded by Commissioner Papac. Motion passed with a vote of 3-0.

Action Item No. 2**Amendment and Assignment of Lease No. 1128 to R.L. Johnson Trucking LLC**

Leonard Barnes, Deputy Executive Director, requested for Port Staff to grant the assignment and amendment of Lease Agreement No. 1128 from the Brutsche Family Revocable Trust to R.L. Johnson Trucking LLC.

This lease began in 2014 when Mr. Leo Brutsche purchased the former Evans Sign building for storage of his rental property supplies and equipment. It carried a 7 year and 8-month term, running from April 1, 2014 through November 30, 2021 and there are five 5-year options to renew. Mr. Brutsche passed away in April of 2019 and the Trustee has been working to clean out the property and list it for sale. Ryan Johnson, owner of R.L. Johnson Trucking LLC, has entered into an agreement with the Trustee to purchase the building for his truck shop. Staff has reviewed the business plan for R.L. Johnson Trucking LLC and we have received a request to assign the lease from the Brutsche Trustee.

In addition to the assignment, the lease will be amended to change Section 8 “Use of Premises” from rental property storage to a truck shop. The Brutsche lease format is updated to account for handling hazardous materials and updated environmental clauses so the assignment would not require any changes to be consistent current lease requirements.

A motion to authorize the Executive Director to consent to the assignment and amendment of Lease No. 1128 to R.L Johnson Trucking LLC. was made by Commissioner Papac and seconded by Commissioner Quigg. Motion passed with a vote of 3-0.

Action Item No. 3**Approval of Rental Agreement No. 1169 to PetroCard, Inc.**

Leonard Barnes, Deputy Executive Director, requested for Port staff to enter into a new rental agreement with PetroCard, Inc. for the rental of the 3,400 square foot warehouse located at 2519 W First Street, Aberdeen, WA.

PetroCard, Inc. has a demand for additional storage space for their inventory of lube oils and other petroleum products and has requested permission to rent the First Street warehouse to fill this need.

A motion to authorize the Executive Director to enter into Rental Agreement No. 1169 with PetroCard, Inc was made by Commissioner Quigg and seconded by Commissioner Papac. Motion passed with a vote of 3-0.

Action Item No. 4

Amendment of Lease No. 1093, Federal Express Corporation

Leonard Barnes, Deputy Executive Director, requested for Port Staff to amend Lease Agreement No. 1093 with Federal Express Corporation. Staff would like to amend paragraph 2 “Term”.

Federal Express Corporation (FedEx) has been a Port tenant at Bowerman Airport since January 2011. The initial term was 5 years with no options, it was amended in 2015 to extend another 5 years and it will expire December 31, 2020.

Staff is recommending an amendment to the lease to add five additional years to the first amendment that expires December 31, 2020 extending Federal Express Corporation’s lease term to December 31, 2025.

A motion to authorize the Executive Director to amend Lease Agreement No. 1093 with Federal Express Corporation. Commissioner Papac and seconded by Commissioner Quigg. Motion passed with a vote of 3-0.

Action Item No. 5

Authorization to Approve Change Order #1 for Contract No. 2028 Satsop Lift Station and Manhole Repairs

Art Blauvelt, Legal Counsel, requested that the Commission pass a motion ratifying the actions of the Executive Director in authorizing a change order to Contract No. 2028 dated March 18, 2020.

In January 2020, the Port awarded a contract for repairs to the Satsop Lift Station and manhole repairs to WCCL Systems, LLC of University Place, WA. In March of 2020 it became obvious to Port staff that a change order would be needed to complete the repairs. A review of the Delegation of Authority Resolution No. 2341 confirmed that because the contract was not included in the 2020 Capital Budget and the change order exceeded 20% of the original contract the Executive Director has to seek approval of the Port Commission for such change order. Mr. Nelson determined that the change order was needed to complete the project and approved the change order as an emergency by email dated March 18, 2020.

A motion to ratify the Executive Director’s finding of emergency under the Delegation of Authority, was made by Commissioner Quigg and seconded by Commissioner Papac. Motion passed with a vote of 3-0.

A motion to ratify the change order approved by the Executive Director, was made by Commissioner Papac and seconded by Commissioner Quigg. Motion passed with a vote of 3-0.

Action Item No. 6

Authorization to Approve Change Order #2 for Contract No. 2028 Satsop Lift Station and Manhole Repairs

Mike Johnson, Contract and Project Manager, requested authorization to approve Change Order #2 for Contract No. 2028.

One of the bid items for this project required less work than was originally planned for the repair. The original amount for bid item b. was \$4,000.00 and the contractor has agreed to reduce the amount by \$2,000.00.

A motion to authorize the Executive Director to approve Change Order #2 for Contract No. 2028 Satsop Lift Station and Manhole Repairs reducing the bid item amount by \$2,176.00 (includes WSST), was made by Commissioner Quigg and seconded by Commissioner Papac. Motion passed with a vote of 3-0.

Action Item No. 7

Authorization to Call for Bids on Contract No. 2041 – Cargo Yard Paving Project 2020

Randy Lewis, Director of Environmental & Engineering Services, requested authorization to Call for Bids on Contract No. 2041, Cargo Yard Paving Project 2020.

A key component of the Port's success at our marine terminals has been the strategy to diversify the types of cargos handled and positioning infrastructure to take advantage of opportunities as they arise, usually with little or no warning. The Volkswagen Buy-Back Program is a recent example of this type of opportunity. Discussion has taken place regarding the need to finish paving the last portions of the cargo yard between Terminals 2 and 4 to expand the available area for cargos that can't be placed on unpaved surfaces, approximately 10.5 acres. Plans were previously developed for paving two of the three areas. The engineer that completed the original plans is available to update the plans versus create new plans for most of the project. Staff has confirmed they are available to complete this work.

Bid cycle for this project is anticipated to be as follows-

- Apr 14, 2020 - Request approval to Call for Bids on Contract No. 2041
- May 12, 2020 - Bid documents available thru BXWA

- June 3, 2020 - Bids due
- June 9, 2020 - Award at June regular commission meeting

We anticipate 30 – 45 days for construction and work could start as early as July 2020 and would be complete by October 1, 2020.

A motion to authorize a Call for Bids on Contract No. 2401, Cargo Yard Paving Project 2020, was made by Commissioner Papac and seconded by Commissioner Quigg. Motion passed with a vote of 3-0.

Resolution No. 3000

Authorization to Award Contract No. 2035, Pilot Boat Repairs 2020

Mike Johnson, Contract and Project Manager, requested to Award Contract No. 2035 Pilot Boat Annual Maintenance 2020.

Annual maintenance to the Pilot Boat “Chehalis” is planned for summer of this year. Staff requested pricing this year from the Shipyard LLC, Hoquiam, WA, South Bend Boat LLC, South Bend WA, and WCT Marine Construction, Inc., Astoria OR, to bid on the work.

Work outlined for this year will include-

1. Haul-out, pressure wash and clean hull, prime and paint entire hull above and below the waterline, replace zincs, inspect wheel, rudder, replace cutlass bearing, and repack the shaft stuffing box.
2. Repair rust around windows, portholes, wheelhouse roof and gutter, and exhaust stack.
3. Prepare, prime, and paint around windows, portholes, wheelhouse roof and gutter, and exhaust stack.
4. Repair leak in wheelhouse roof.
5. Replace Port Side Handrail (approx. 65 LF).
6. Clean, inspect hatch covers (2) and replace Lazarette Hatch.
7. Provide new PILOT sign mounted on deck.

Motion to adopt Resolution No. 3000: *Authorization to Award Contract No. 2035 Pilot Boat Annual Maintenance 2020* was made by Commissioner Papac and seconded by Commissioner Quigg. Motion passed with a vote of 3-0. Resolution adopted.

Resolution No. 3001**Authorization to Accept Completed Contract No. 2032, Warehouse A Roof Replacement**

Mike Johnson, Contract and Project Manager, requested authorization to accept completed Contract No. 2032, Warehouse A Roof Replacement.

On January 8, 2020, the Port Commission awarded this project to The Garland Company, in the amount of \$529,413.00 including WSST. This project included replacement of the 2 bays in the middle of the original building and 2 bays on western portion of original building.

1. Install mechanically fastened 1/2" plywood over existing roof surface
2. Install 1/4" primed dens deck - mechanically fastened over entire roof surface
3. Install 1/4" taper roof insulation system on low sections to ensure proper drainage
4. Install torch down SBS modified bitumen base sheet over entire roof surface
5. Install torch applied SBS modified bitumen cap sheet over the entire roof surface
6. Install liquid applied flashing at each penetration
7. Install new stainless coping caps overall pony walls and exterior parapet walls
8. Install new stainless drain sleeves at all through-wall scuppers
9. Install new stainless slip flashing at connecting wall to building walkway cover
10. Clean site of any debris and material
11. Provide a 30-year NDL warranty along with progress reports weekly.

The project is complete and has been accepted by staff.

Motion to adopt Resolution No. 3001: *Acceptance of Contract No. 2032, Warehouse A Roof Replacement* was made by Commissioner Papac and seconded by Commissioner Quigg. Motion passed with a vote of 3-0. Resolution adopted.

**NEW BUSINESS:**

Mr. Nelson noted future meetings and events:

- Pilotage – April 14
- TEC Training Evaluation Committee Meeting – April 14



There being no further business to come before the Commission, the Regular Meeting recessed at 11:31 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 30 minutes.

The Executive Session ended at 12:26 p.m. and the Regular Meeting adjourned at that time.

ATTEST:

President

Secretary