

PORT OF GRAYS HARBOR
COMMISSION MEETING MINUTES
May 12, 2020

The Port of Grays Harbor Commission Meeting for May 12, 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

Dan Simon	West Park RV + Boat Storage, LLC.
Shelli Hopsecger	CCAI
Arnie Martin	GHAS

Linda Orgel	FOGH
Allen Henderson	Local Citizen
Dave Haviland	Jodesha Broadcasting
Chris Herman	WPPA
James Thompson	WPPA
Robert Hanny	Grays Harbor PUD

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 April 12, 2020 Regular Commission Meeting as recorded in the Minutes Book No. 21 on pages 127 through 139 inclusive.

VOUCHERS:

1. By motion made by Commissioner Papac and seconded by Commissioner Quigg, the Commission unanimously approved for payment those Payroll Vouchers issued April 20, 2020 and May 5, 2020, ACH/Wire Transfers No. 99901355 through and including No. 99901368, and General Disbursement Vouchers No. 102429 through and including No. 102611 in the amount of \$2,465,659.71.

REPORTS:

Forestry Market Update

Alissa Shay, Business Development Manager, reported on the annual timber sale report in partnership with Grays Harbor College. For 2020, Todd Bates, Forest Management, has compiled the Tower 5 timber sale which was an area to be logged at some point. Due to its location and volume of traffic, it was determined that it would currently be a good time to do so.

Mike Johnson, Contract and Project Manager, reported that this is a logging services contract for the harvest and hauling of approximately 190 MBF of saw logs and 1220 Ton of Sawlogs and Pulpwood on approximately 19 acres. Logging will include cutting, yarding, processing, sorting, loading, and hauling to designated destinations. Todd Bates will inquire on prices from local mills.

2020 Outer Harbor Channel Dredging Update

Randy Lewis, Director of Environment and Engineering Services, reported the Corps of Engineers have been planning to conduct the annual outer harbor

maintenance dredging. The Dredge Essayons arrived in Grays Harbor April 29 and began dredging in the Bar, Entrance and Point Chehalis Reaches. It is estimated they will dredge approximately 750,000 cubic yards of material and be finished around May 25. Majority of the material will be placed in the South Beach Beneficial Use Site with the rest being placed in the Point Chehalis Disposal site. The South Beach site has plenty of capacity and as reported at last month's meeting, the Corps surveys have demonstrated the material placed there is having a positive effect on the condition of the beaches just south of the South Jetty.

Port Operations Update

Gary Nelson, Executive Director, reported that even with the changes in Port offices operations, the marine terminal operations have continued to coordinate with customers and employees to provide a safe and healthy work environment.

Kayla Dunlap, Public Affairs Manager, reported the Port's main office remains closed to the public and Port staff continue to be available to conduct essential business via a combination of limited in-office personnel and staff working remotely. The restroom at 28th Street will remain closed through May 31st. While the boat launch and viewing tower remain open at this time, users are asked to practice social distancing and refrain from gathering in groups. Tours at all Port facilities have been canceled at this time. This includes 4th grade tours, Satsop Walking Tours, Westport Marina Walking tours, and the Industrial Property and Marine Terminal Tours.

Molly Bold, Westport Business Manager, reported the Westport Marina office also remains closed to the public. Marina staff is working remotely and remains available to conduct essential business via telephone and email. The Westport Boat Launch is restricted to essential use only and shall not be used for recreational activity until further notice. Marina staff continues to work with State, Local, and WDFW managers in anticipation of recreational fishing opportunities in Marine Area 2. Citizens are encouraged to practice social distancing and take basic safety precautions when utilizing public facilities such as the Centennial Viewing Tower, the Viewing Platform, and Fishermen's Boardwalk. Tenants may continue to utilize the Float 9 Restroom & Showers at their own risk. Restrooms are cleaned twice per day. Portable toilets remain open to public use at own risk. The Marina office is currently accepting advanced summer reservations for the recreational fishing season via DOCKWA on the Port of Grays Harbor website.

Alissa Shay, Manager of Business Development, Satsop Business Park's office is also closed to the public. Satsop staff is available to conduct essential business via

telephone and email. Water and sewer operations are as normal. Friends Landing remains closed for camping. Per Governor Inslee's Phased Approach for Reopening Business in Washington State, camping could potentially open in Phase II which could start June 1. The playground, picnic shelters and restrooms are also temporarily closed until further notice. The walking trail remains open for day-use; however, users are strongly encouraged to practice social distancing and avoid gatherings. Campground reservations for June 1st and later can be made online or via telephone.

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.

Full-use of the Harbor Maintenance Trust Fund was included in the CARES Act passed back in March. The legislation did not include the other 3 pillars of AAPA's HMT Reform plan that had been years in the making and had industry-wide support. The Senate Committee on Environment and Public Works released draft language for the America's Water Infrastructure Act (formerly known as the Water Resources Development Act or WRDA) which did not include the remaining three pillars either. Port staff has assisting AAPA staff in garnering support to have the pillars included in a markup of the bill. The remaining three pillars of AAPA's HMT reform framework are donor and energy transfer port set aside and expanded uses, funding certainty for emerging harbors and the same for the Great Lakes navigation system.

PNWA Summer Conference scheduled for June 23-25 in Spokane has canceled.

Vessel Activity

Leonard Barnes reported for April 2020 the Port had calls from 6 deep-water vessels and 4 barges, which resulted in 206,730.948 MT of cargo being handled. Year to date for 2020, the Port has had calls from 37 deep-water vessels and 10 barges, which resulted in 911,363 MT of cargo being handled.

VISITORS/PUBLIC COMMENTS:

Arnie Martin, Local Citizen, mentioned that he appreciated the return of the public comment section while meetings are being held remotely.

James Thompson, WPPA, mentioned that he has attended many remote meetings during this time and The Port runs a well-organized remote meeting. Mr. Thompson

reported that WPPA has hosted a series of communications focused on managing ports during COVID-19. They are hosting a meeting today at 11 focusing on technology for meetings. WPPA continues to interact with legislators to better understand the State budget through this period.

ACTION/RESOLUTION ITEMS:

Action Item No. 1

Approval of Rental Agreement No. 1172, Coastal Transport, LLC (CTW)

Leonard Barnes, Deputy Executive Director, requested authorization to enter into to a new rental agreement with Coastal Transport, LLC.

Coastal Transport, LLC (CTW) provides transportation services to the rural areas of Grays Harbor, Thurston, Pacific, Lewis and Mason Counties and has been operating from Warehouse I since April 2015. Their original agreement includes the office, adjoining shop bay and parking. The company has since expanded with the addition of their Sky Harbor Shuttle and Ride to Wellness services and they have requested to expand their footprint to the northern shop bay. This is a month to month agreement, beginning June 1, 2020.

A motion to authorize the Executive Director to enter into Rental Agreement No. 1172 with Coastal Transport, LLC. was made by Commissioner Quigg and seconded by Commissioner Papac. Motion passed with a vote of 3-0.

Action Item No. 2

Fifth Amendment to Lease Agreement No. 982, Green Crow Corporation

Leonard Barnes, Deputy Executive Director, requested authorization to amend Lease Agreement No. 982 with Green Crow Corporation.

Green Crow has been a Port tenant in their Maple Street office since June 2004. The initial term was 2 years with 3 one-year options, it was amended in 2009, 2010, 2015 and 2019 to extend a total of 11 years and it will expire May 31, 2020. Staff recommended an amendment to the lease to add one additional option to the 4th May amendment that expires May 31, 2020 extending Green Crow's lease term to May 31, 2021. Staff requested that all other aspects of the lease remain the same.

A motion to authorize the Executive Director to amend Lease Agreement No. 982 with Green Crow Corporation was made by Commissioner Papac and seconded by Commissioner Quigg. Motion passed with a vote of 3-0.

Action Item No. 3**Sixth Amendment to Lease Agreement No. 1019, SSA Pacific, Inc. (SSA)**

Leonard Barnes, Deputy Executive Director, requested authorization to make an amendment to Lease Agreement No. 1019 with SSA Pacific, Inc. (SSA).

SSA has been a tenant at 102 S. Maple Street, Aberdeen, for over 20 years. The original, five-year lease began in 2006 and has been amended five times to add a total of 14 years to the term that ends on June 30, 2020. This sixth amendment will extend their lease term for one additional year to June 30, 2021. Staff requested that all other aspects of the lease remain the same.

A motion to authorize the Executive Director to amend Lease Agreement No. 1019 with SSA Pacific, Inc. was made by Commissioner Quigg and seconded by Commissioner Papac. Motion passed with a vote of 3-0.

Action Item No. 4**Hangar Agreement No. 7059 with Robert Vosburgh**

Leonard Barnes, Deputy Executive Director, requested authorization to enter into a new hangar rental agreement with Robert Vosburgh for hangar E-1 at Bowerman Airfield.

Mr. Vosburgh, recently relocated to Grayland from Texas, owns and operates a RV-10 airplane. He wishes to begin renting hangar E-1 on June 1, 2020.

A motion to authorize the Executive Director to enter into Hangar Rental Agreement No. 7059 with Robert Vosburgh was made by Commissioner Papac and seconded by Commissioner Quigg. Motion passed with a vote of 3-0.

Action Item No. 5**Approval of Rental Agreement No. 1170, Aberdeen Police Department**

Leonard Barnes, Deputy Executive Director, requested authorization to a new rental agreement with the Aberdeen Police Department for the rental of one parking bay in the Port's Equipment Building.

The Aberdeen Police Department has been looking for a secure storage location for their Mine-Resistant Ambush Protected Vehicle (MRAP) and has requested permission to rent the first parking bay in the Port's Equipment Building for this purpose. The rental agreement will be on a month to month basis beginning June 1, 2020.

A motion to authorize the Executive Director to enter into Rental Agreement No. 1170 with the Aberdeen Police Department., was made by Commissioner Quigg and seconded by Commissioner Papac. Motion passed with a vote of 3-0.

Action Item No. 6

Approval of Rental Agreement No. 1171, Grays Harbor PUD

Leonard Barnes, Deputy Executive Director, requested authorization to enter into to a new rental agreement with Grays Harbor PUD for the rental of 10,000 square feet in Warehouse D.

As an essential business, the Grays Harbor PUD must maintain business continuity, provide seamless service to our customers and provide a safe workspace for our employees. To that end, the PUD desires to lease the agreed upon space to expand the number of work areas for utility operations crews. In so doing, we will restore the utility operations workforce to full capacity while maintaining social distancing and minimizing the risk of exposure and possible quarantine of our operations crews. By keeping these crews isolated in separate work areas, they minimize the chances of all PUD crews becoming quarantined should there be a positive COVID-19 test at the utility. The term of this rental agreement will be six months, beginning May 1, 2020 and ending October 31, 2020, and will continue on a month to month basis thereafter.

A motion to authorize the Executive Director to enter into Rental Agreement No. 1171 with Grays Harbor PUD., was made by Commissioner Papac and seconded by Commissioner Quigg. Motion passed with a vote of 3-0.

Action Item No. 7

Satsop Business Park Authorization to Proceed with Lease 2020-L529 West Park RV & Storage, LLC

Alissa Shay, Business Development Manager, requested to authorize the Executive Director to enter into lease 2020-L529 with West Park RV + Boat Storage, LLC.

West Park RV + Boat Storage, LLC proposes to lease approximately 9,000 square feet of warehouse space at the location commonly known as “Warehouse 41”, and approximately 6.6 acres of land on Keys Road in West Park all located at the Satsop Business Park for the purpose of establishing a managed RV and boat storage facility. The lease would include options to lease an additional approximately 33 acres of land, in addition to a Right of First Refusal on Warehouses 15, 16, 17, 18, 19 and 20 all totaling 17,500 square feet each. The options are sequential with 5

months between each option. Failure to exercise any option voids remaining options. During the option periods, if Port receives an acceptable offer from a 3rd party for any of the warehouses, then West Park RV must exercise ROFR to prevent Port from leasing to 3rd party.

A motion to authorize the Executive Director to enter into lease 2020-L529 with West Park RV + Boat Storage, LLC., was made by Commissioner Quigg and seconded by Commissioner Papac. Motion passed with a vote of 3-0.

Resolution No. 3002

Adopting the Port of Grays Harbor 2021-2026 Transportation Improvement Program

Randy Lewis, Director of Environment and Engineering Services, requested authorization to adopt the Port of Grays Harbor 2021-2026 Transportation Improvement Program.

On a yearly basis, the Port is required to update its 6 year Transportation Improvement Program (TIP). The original purpose of the plan was a mechanism to ensure state plans for federal funding were consistent with the available funds. At the state level, this plan is also used for similar consistency with state funding sources, and for regional coordination. All projects involving federal funding must be on this list and most state transportation funding agencies require that projects be on the list to be eligible for their programs.

In order to be eligible for state or federal funding, roads must be classified by the state based on the type and amount of traffic. The Port has 5 roads that have been classified by the State: Ingram Street, Maple Street, 1st Street, Myrtle Street, and Port Industrial Road. The rest of the Port owned roads are not classified and therefore not eligible for funding by the current state and federal programs. The Port's TIP can also be used as a local planning tool by including projects that do not qualify for state or federal funds but are still transportation related. Included in the plan are road and rail projects that are not eligible but will be funded by the Port Capital Budget and/or working with partners.

Staff recommended the following changes over last year's plan:

- Preliminary Engineering phase for Port Paving Project (1st Street, Maple Street, and Ingram Street) is being completed this year and does not need to be moved forward
- Inner Rail Loop #1 Project has been moved to from 2021 to 2022 to agree with the Capital Budget

- Inner Rail Loop #2 Project has been moved from 2021 to 2022 to agree with the Capital Budget
- Port Industrial Road Overlay and Sidewalks from 29th to 30th Streets has been moved from 2022 to 2021 to agree with the Capital Budget
- A new project for overlaying the Port Industrial Road from 29th Street to the East end was added in 2026
- A new project to create grade separation at the western rail crossing on Port Industrial Road was added in 2026

Once approved, the Port's (TIP) is entered into a database, and used by the regional transportation organization (the COG) and the state to help direct and plan funding, and eventually, to meet the federal requirement.

Motion to adopt Resolution No. 3002: *Adopting the Port of Grays Harbor 2021-2026 Transportation Improvement Program* was made by Commissioner Papac and seconded by Commissioner Quigg. Motion passed with a vote of 3-0. Resolution adopted.

Resolution No. 3003

A Resolution of the Port of Grays Harbor (Port) authorizing the Executive Director to submit a Planning Grant Application to the Washington State Community Economic Revitalization Board (CERB) for the “Port of Grays Harbor East Terminal 4 Cargo Yard Expansion Site Development Plan”

Randy Lewis, Director of Environment and Engineering Services, requested authorization to authorize the Executive Director to Submit a Planning Grant Application to CERB for the East Terminal 4 Cargo Yard Expansion Site Development Plan.

Working with marketing partners, the Port of Grays Harbor has completed an internal market analysis for the redevelopment of 55 acres east of, and adjacent to, PGH Marine Terminal 4. Formerly the site of the Washington State Department of Transportation (WSDOT) pontoon construction for the 520 bridge, this industrial waterfront property has rail access and is adjacent to Terminal 4. The proximity to Terminal 4 makes it a perfect site to fully use the transportation infrastructure and increase cargo handling opportunities through Grays Harbor.

The Port purchased the site in 2018 and has been working with existing marketing partners to analyze the site for long-term international and domestic trade opportunities. The next phase of the site repurposing is a Site Development Plan, complete with a permit matrix and basic cost analysis for the gate repair, basin

filling, paving, utilities, security and surface transportation access including entrance/exit. Estimated cost to perform this work is \$70,000.

CERB provides planning grants of up to \$50,000 for projects that can lead to a CERB construction project. A minimum of 20% of the total project cost must be a cash match from the local community. CERB received additional funds during this past legislative session, but demand for funding assistance is high and planning funds may be fully exhausted following this next CERB Board meeting.

The next funding cycle of CERB requires applications be submitted by June 1, 2020 for consideration at their July 16, 2020 meeting. If successful, funds would be available following completion of contracting documents.

Motion to adopt Resolution No. 3003: *Authorizing the Executive Director to Submit a Planning Grant Application to CERB for the East Terminal 4 Cargo Yard Expansion Site Development Plan* was made by Commissioner Quigg and seconded by Commissioner Papac. Motion passed with a vote of 3-0. Resolution adopted.

WORKSHOP:

1ST Quarter Port Financial Review

Mike Folkers, Director of Finance and Administration, reported on the Port's 1st Quarter Financial Review. Mr. Folkers's quarterly financial review provides staff and Commissioners the opportunity to re-evaluate business trends using the most current customer forecasts and market analysis, and to quickly respond to changing market conditions impacting customer and Port operations. The Port proactively updates forecasts based on this evaluation to ensure business and financial objectives are achieved.

VISITORS/PUBLIC COMMENTS:

None

NEW BUSINESS:

Mr. Nelson noted future meetings and events:

- WPPA Webinar – May 12
- AAPA Webinar – May 13
- AAPA/PNWA Conference Call – May 13
- Pilotage – May 21



There being no further business to come before the Commission, the Regular Meeting recessed at 11:03 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 one hour and 15 minutes.

The Executive Session ended at 12:32 p.m. and the Regular Meeting adjourned at that time.

ATTEST:

President

Secretary