



PORT COMMISSION OF THE PORT OF EDMONDS

MINUTES OF REGULAR MEETING

January 8, 2018

COMMISSIONERS PRESENT

David Preston, President
Jim Orvis, Secretary
Bruce Faires
Angela Harris

STAFF PRESENT

Bob McChesney, Executive Director
Marla Kempf, Deputy Director
Tina Drennan, Finance Manager

COMMISSIONERS PARTICIPATING BY PHONE

Steve Johnston, Vice President

OTHERS PRESENT

Bradford Cattle, Port Attorney
Karin Noyes, Recorder

CALL TO ORDER

Commissioner Preston called the regular meeting to order at 7:00 p.m.

PLEDGE OF ALLEGIANCE

All those in attendance participated in the Pledge of Allegiance to the American Flag.

CONSENT AGENDA

COMMISSIONER FAIRES MOVED THAT THE CONSENT AGENDA BE APPROVED TO INCLUDE THE FOLLOWING ITEMS:

- A. APPROVAL OF AGENDA**
- B. APPROVAL OF DECEMBER 27, 2017 MEETING MINUTES**
- C. APPROVAL OF PAYMENTS IN THE AMOUNT OF \$757,722.81**
- D. RESOLUTION 18-01 – CONFIRMING SCHEDULE AND LOCATION OF PORT COMMISSION MEETINGS**
- E. APPROVAL OF WAIVER OF NOTICE OF SPECIAL MEETING**
- F. AUTHORIZATION FOR EXECUTIVE DIRECTOR TO WRITE OFF \$1,338.45 AND SEND ACCOUNT TO COLLECTIONS**

COMMISSIONER ORVIS SECONDED THE MOTION, WHICH CARRIED UNANIMOUSLY.

To clarify Item E, Commissioner Preston explained that the Waiver of Notice of Special Meeting form is designed to allow Commissioners to give notice that the Port Commission may hold a special meeting while they are out of town. By signing the waiver, Commissioners authorize the Port Commission to hold a special meeting, if necessary, in their absence.

Commissioner Faires clarified that Resolution 18-01 (Item D) is a formality to reaffirm the schedule and location of the 2018 Commission meetings. It was noted that the last meeting in May and the first meeting in November were rescheduled to a Tuesday to accommodate national holidays.

PUBLIC COMMENTS

No one in the audience indicated a desire to comment during this portion of the meeting.

2018 ELECTION OF OFFICERS

COMMISSIONER FAIRES MOVED TO ELECT COMMISSIONER PRESTON TO SERVE AS PRESIDENT OF THE PORT COMMISSION FOR 2018. COMMISSIONER ORVIS SECONDED THE MOTION, WHICH CARRIED UNANIMOUSLY.

COMMISSIONER ORVIS MOVED TO ELECT COMMISSIONER JOHNSTON TO SERVE AS VICE PRESIDENT OF THE PORT COMMISSION FOR 2018. COMMISSIONER PRESTON SECONDED THE MOTION, WHICH CARRIED UNANIMOUSLY.

COMMISSIONER JOHNSTON MOVED TO ELECT COMMISSIONER ORVIS TO SERVE AS SECRETARY OF THE PORT COMMISSION FOR 2018. COMMISSIONER FAIRES SECONDED THE MOTION, WHICH CARRIED UNANIMOUSLY.

2018 COMMITTEE ASSIGNMENTS

Mr. McChesney briefly reviewed the various opportunities for committee assignments, as listed on the handout attached to the Staff Report. Commissioner Preston suggested that a new committee assignment be added: Liaison to the Edmonds Yacht Club. He also reported that he has submitted an application to serve on the Edmonds Historic Preservation Commission (HPC). He noted that City Council Member Johnson attends their meetings as City Council Liaison, and it may be appropriate for the Port Commission to send a representative to the meetings, as well. He said he plans to attend their meetings and will bring back additional information regarding this opportunity.

Commissioner Orvis recalled that, historically, Commissioners have provided input to the Commission President, and the Commission President makes the final assignments. The Commission agreed that this same approach should be used for the 2018 assignments. Commissioner Preston invited Commissioners to share their thoughts and recommendations with him as soon as possible. He said he would present a finalized list for Commission approval on January 29th.

PUBLIC RESTROOM REMODEL CHANGE ORDER

Mr. McChesney reviewed that the Commission previously authorized the remodel of the existing public restrooms at Marina Operations (underneath Anthony's Restaurant). The existing restrooms have been in poor condition and the shower facilities were taken out of service after the new, separate restroom/shower facilities were completed in 2016 and designated for use by marina customers only. The Shoreline Permit for the new facilities required the Port to retain public restrooms, and this requirement has been met by the public restroom facilities at Marina Operations.

Mr. McChesney explained that one issue concerning the public restrooms has been periodic water leakage from the restaurant operations above. The leaks are chronic, damaging and potentially hazardous, and Anthony's and Port staff have spent countless time and effort attempting to identify the source of the leaks and to repair incidental damage. To this point, nothing has worked to alleviate the condition.

Mr. McChesney advised that when the Port began the design and permitting process for the remodel, it was anticipated that this project would be a perfect opportunity to correct the problem. However, because of the location up in the cluttered crawl space and the difficulty to actually see where the leaks are coming from, it was impossible to design a solution without first exposing the area. Having now completed the initial demolition, they have been able to take a closer look and develop a cost-effective remedy that includes new ceiling joists and a prophylactic

membrane. During the course of this work, the clutter (abandoned ventilation ducts, pipes going nowhere, etc.) will be removed and lighting fixtures will be added to aid in future repair and maintenance.

Mr. McChesney advised that the total cost of the additional work is \$10,914, and Anthony's has agreed to a 50% cost share. Therefore, the Port's actual cost will be \$5,457. He recommended the Commission approve the change order request as presented.

Mr. McChesney said he considers the remodel to be a high-value project that is consistent with the Port's strategic purpose of providing quality services and financial stewardship. He recalled that the Port has often been criticized for having no laundry facility. Previously, marina customers could utilize the laundry facility at the Antique Mall, but it was closed down a few years ago. Having an on-site laundry facility will be a great service to Port customers. The intent is to start with just one washer and one dryer, but the necessary plumbing will be in place if demand requires a second set of machines. He noted that the completion date for the remodel project is March 7th.

Commissioner Harris asked how the water would be drained from the membrane. Mr. McChesney said the original plan was to capture and channel the water and then provide a means for it to drain away through a scupper. However, the layout of the building does not allow for this option. Working with the contractor and Anthony's, it was determined that the most cost-effective approach was to waterproof the restrooms by providing a prophylactic membrane that seals the water from the restaurant above. Because the amount of water will not be significant, the intent is to allow it to evaporate over time rather than trying to drain it off.

Commissioner Orvis asked if an inspection schedule would be set up to check the situation on a regular basis. Mr. McChesney answered that Anthony's already has a schedule in place. Commissioner Johnston asked how large the membrane would be, and Mr. McChesney answered that it would probably be about 500 square feet. Commissioner Faires asked if Anthony's agreement to pay half the cost of the work is in writing. Mr. McChesney said it is documented in an email exchange.

COMMISSIONER FAIRES MOVED THAT THE COMMISSION APPROVE THE CHANGE ORDER PROPOSAL (CPR 001.1) FOR CEILING WATER LEAK PROTECTION IN THE AMOUNT OF \$10,914.00, AS PRESENTED. COMMISSIONER JOHNSTON SECONDED THE MOTION, WHICH CARRIED UNANIMOUSLY.

Commissioner Orvis observed that the building has been around for a long time and is very valuable to the Port. If the water leaks are not addressed, they could end up causing damage that requires extensive repair. Commissioner Faires added that the Port should do everything possible to maximize the life of each of its facilities.

LIST OF SMALL WORKS ROSTER CONTRACTS AWARDED

Mr. McChesney reviewed that the Revised Code of Washington (RCW) 39.04.200, requires state agencies and local governments that use the small works roster to award contracts to make available a list of the contracts awarded at least once a year. He referred the Commissioners to the list that was attached to the Staff Report and requested that they accept it as presented.

Mr. McChesney explained that all of the contracts were done consistent with public works contracting rules, and the Port usually goes through the Municipal Public Research Center's Small Works Roster to select qualified contractors. Ms. Drennan added that small works projects are projects that cost less than \$300,000, and three bids are still required before selecting a contractor.

The Commissioners accepted the 2017 list of Small Works Roster Contracts Awarded as presented by staff.

DRY STORAGE UPDATES

Ms. Kempf announced that staff is proposing some changes to the dock area and wash-down procedures for dry storage in 2018 in response to staff's observations and customer feedback. The proposed changes are intended to make the facility operate more efficiently and allow staff to provide better customer service. She provided a brief overview of the dry storage facility, specifically noting that:

- The dry storage facility has enough capacity to accommodate 233 boats that range in size from 18 to 32 feet length overall (LAO) with 7 to 10-foot beams.
- There is a greater demand for the larger spaces, and the demand is much lower for the 22-foot and under spaces.
- The average financial occupancy over the past 5 years (not including 2017) is 92.2%, but she anticipates that 2017 numbers will be somewhat lower.
- The 5-year average turnover rate is 36.3%, which is primarily amongst the smaller boats that are owned by seasonal boaters who have a lot of choices, including trailering their boats home when fishing season ends and then returning to dry storage when fishing season opens again. She noted that the largest percentage of people who terminate from dry storage do return the next year.
- There were about 10,000 boat moves in 2017, compared to nearly 13,000 in previous years. Approximately 40% of the moves occur during the third quarter. Currently, the Port operates two forklifts to serve customers in dry storage.

Next, Ms. Kempf explained that a trench drain runs the length of the wash down area. When the wash down area is in use, the water is drained into the City's sanitary sewer for treatment. When there are no boats in the wash down area, staff turns the valve to allow the stormwater to drain into the stormwater system. She reviewed the current wash down area protocols as follows:

- Minor detailing and repairs may be completed in the wash down area.
- Best Management Practices (BMPs) apply in the wash down area.
- Any work that may result in contaminants spilling onto the ground surface must be performed in the Port's boatyard.
- To allow for equal access to wash down by all dry storage customers, the area must be scheduled with dry storage staff, and the Port reserves the right to restrict time during peak season.
- Boats may be rinsed and cleaned under the Port's "no suds" policy, but no pressure washing is allowed. If pressure washing were allowed at the wash down area, a boatyard permit would also be required.

Commissioner Faires asked how many boats still have lead bottom paint. Ms. Kempf said not very many. She explained that when boats are stored on dry racks, there is no reason to use lead bottom paint.

Commissioner Johnston asked how the wash down area rules are enforced and how long a tenant is allowed to keep a boat on the racks in the wash down area. Ms. Kempf pointed out that marina operations staff are near the wash down area and can observe what is going on. If they see anyone doing work beyond minor maintenance, they can inform them that they need to go the workyard. Tenants are allowed to keep their boats in the wash down area overnight during the non-peak season, but not during the peak season. Most people just want to use the wash down area to rinse off their boats before they are put back on the racks. The intent is to implement a time limit during the peak season.

Commissioner Preston asked if dry storage tenants could utilize the area on the west side along the water to do repairs to boats during the busy season. Ms. Kempf answered that these spaces are utilized during the peak season. She pointed out that the inability to expand the wash down area is a significant factor in the Port's ability to expand the dry storage facility. In addition, it was noted that the City's 30-foot height restriction prevents the Port from adding an additional layer of racks. Mr. McChesney summarized that, even if the Port was able to increase the rack capacity, the physical layout of the marina is a limiting factor. There is just not enough moorage space to accommodate more boats in dry storage.

Ms. Kempf advised that staff is proposing some significant changes in how the 605 lineal feet of in-water dock space associated with dry storage is allocated. She explained that, currently:

- 202 lineal feet of A Dock is designated as a "Next Day Pre-Launch" area for boaters who wish to call ahead the day before and leave the dock by 7 a.m. the following morning.

- 211 lineal feet of B Dock is designated as “After Hours Return and Same Day Launch.” Boats are allowed to tie up in this area when returning after hours, and staff will remove the boats and place them on their racks the next morning.
- 192 lineal feet on B Dock is designated for “Overnight Moorage.” Boats may stay in the water 2 nights between Monday and Sunday each week. The 1st night is free, but guest moorage fees are charged for the 2nd night.

Ms. Kempf explained that the current configuration has presented confusion and challenges, particularly during the peak season, when boats have unnecessarily taken up valuable dock space, been moored in “keep clear” areas, etc. The proposed changes are intended to address these peak season challenges. She recognized that some tenants have figured out the loopholes and they might not be happy with the proposed changes. However, more customers would like the dock areas to be reserved as places for them to come back to after hours. As proposed:

- A Dock would be designated as a “Pre-Launch Area,” reserved for call ahead during business hours.
- B Dock would be designated as a “Return Area.”
- Boats returning to B Dock during business hours will be removed from the water. At the end of the business day, all boats should be removed from this dock, and the dock would then be available for boats that return after hours.
- Boats returning during business hours that want to stay in the water overnight will go to V Dock or Guest Moorage.
- Boats returning after business hours will go to A or B Dock and the boats will be removed from the water when dry storage opens the following morning.
- A 45-minute time limit will be enforced at the wash down area during the peak season.

Commissioner Orvis cautioned that the Port will need some way of ensuring that dry storage tenants going into guest moorage go into the appropriately-sized slip. Ms. Kempf noted that guest moorage assignments can only be made during business hours, so staff will be able to consolidate the guest moorage areas as much as possible to make the best use of available space. She noted that rafting would also be allowed during the peak season.

Ms. Kempf summarized that staff believes the proposed changes offer the best approach moving forward, and staff will do a walk through this week to review the signage to make sure everything is well marked. The intent is to keep the processes as simple as possible.

Ms. Kempf pointed out that most of the vacancies at dry storage are in the 22-foot and under categories. This year staff is proposing a “pay per move” special offer that would immediately follow the boat show offer. The “pay per move” special would offer free move in and out of dry storage, but tenants would be required to pay for any additional moves, as well as the monthly storage fee. The thought is that this special may capture some of the water moorage tenants who typically trailer their smaller boats and remove them from the marina during the off-peak season. She suggested they start by offering 10 slips for the program. Mr. McChesney said the general idea is to create some incentive for people to keep their boats in the racks during the off-peak season when they are not in use. He pointed out that the Port’s costs remain low as long as boats stay in the racks. The special would offer a passive rate for people who typically trailer their boats out and store them elsewhere for the winter. The goal is to keep the racks full without experiencing the cost of moving the boats around. The Commissioners indicated support for the proposed special.

There was some discussion about the forklifts. It was noted that the estimated cost of a new forklift is between \$220,000 and \$250,000, and there are only a few manufacturers who make them. Mr. McChesney emphasized that the most cost-effective approach at this time is to continue to maintain the existing forklifts and keep them in good repair.

EXECUTIVE DIRECTOR’S REPORT

Mr. McChesney reported that he continues to work with Puget Sound Express to plan for their 2018 season. They have a good program in place involving facilities to accommodate the large number of passengers. He will be meeting with Peter Hanke from Puget Sound Express again tomorrow to discuss the particulars further.

Mr. McChesney reported that he and Commissioner Orvis met with Edmonds Mayor Earling and Patrick Pierce, CEO of the Economic Alliance of Snohomish County (EASC). He said he has also been working with City of Edmonds staff to address a variety of issues, including a directional rail horn that will mitigate noise as the train moves through town. He has worked with the City's Public Works Department to allow a source of energy off one of the Port's transformers. He is also working with City staff to address stormwater issues at Harbor square and flooding at the hotel that may have been caused by a broken pipe or a root wad. The City is required to maintain and repair the stormwater facilities within this easement area.

Ms. Kempf announced that the Seattle Boat Show will be January 26th through February 3rd at Century Link Field. The Port's booth will be in the same location, next to the Edmonds Yacht Club's booth. They have created a new backdrop that features an aerial photograph of the Port. All of the booth times have been covered by staff, but Commissioners are welcome to participate, as well. About 53,000 people are anticipated to attend the event this year, and the Port intends to offer the same special as previous years (\$20.18 for the 1st and 12th months) to people who sign up for moorage by March 1st. At last count, 52% of the people who signed up following the boat show last year are still Port tenants. Currently, there are 68 open-water moorage slips and the hope is that all will be filled following the boat show.

COMMISSIONER'S COMMENTS AND COMMITTEE REPORTS

Commissioner Faires said there are a few, goals he would like to accomplish in 2018. First, he would like the Commission to have more discussion about investment opportunities that will allow the Port's investment revenue to more closely equal the inflation costs of replacing the marina. Currently, the cost of replacing the infrastructure is inflating at a much greater rate than the Port is receiving as a return on the profits it makes and saves. He would like to think about how the Port can invest its long-term funds to bring the return closer to equal the cost of replacing the infrastructure.

Secondly, Commissioner Faires encouraged the Commissioners to focus on issues that were raised during the recent election, specifically those pertaining to the Edmonds Marsh and Harbor Square. For example, the Commission should consider what can be done, in addition to what has and is being done, at Harbor Square relative to the environment and the marsh. He would also like the Commission to focus on what Harbor Square should be in the future. The community and City leaders did not think much of the plan the Port previously presented, and perhaps there is another way to come at the issue that involves forward thinking by a number of community members and groups. He would like this effort to result in a long-term vision for what Harbor Square should be for the community in 30 to 40 years.

Commissioner Orvis reported that he attended the Economic Alliance of Snohomish County's (EASC) legislative kick-off event, which was well attended. Four legislators were present: Senator Guy Palumbo (1st District), Representative Shelley Kloba (1st District), Representative June Robinson (38th District), and Representative Carolyn Eslick (39th District). None of the Port's local representatives were present, but the agenda consisted of panelists asking the legislators about policy priorities. At the event, he learned that Snohomish County is now the fastest growing county in the nation, and they are expecting 10,000 new people each year for the next 25 years. Much of the population growth will occur in south Snohomish County. A large number of people who work in the aerospace industry are interested in living in locations such as Mukilteo, Edmonds, and Mill Creek, as well as parts of Mountlake Terrace and Lynnwood.

Commissioner Orvis said it was also discussed at the kick-off event that transportation infrastructure is still a primary focus of the EASC, particularly SR-524 (196th Street). The fast-track Community Transit bus originates in Edmonds and uses SR-524 to access SR-99. There is a tremendous amount of east/west bound traffic, which makes a multimodal transportation center in Edmonds even more important. Although there has been some speculation that when the Sound Transit link reaches Lynnwood, the Sounder will be eliminated, it is not true. The intent is to actually add additional cars and expand the service as the density increases. There was a lot of discussion about funding infrastructure, and Senator Palumbo suggested that the only equitable option is a gas tax. It was discussed that a \$.05 per gallon tax would not be that noticeable.

Commissioner Orvis said it was also announced that some companies in Snohomish County are actually hiring juniors in college, anticipating that they will be graduating the following year. The State of Washington was the #1 importer of technology degrees in 2013, but 44th in developing college graduates. He said concern was also raised about the Boeing 797 program, as the state does not seem interested in offering any more tax breaks and there is some discussion about discontinuing some of the current breaks. He said the hospital district is trying to get program in place for preventative care. They are starting to realize that federal money is fickle regardless of which party is in power. The current legislature has no appetite to address the issue of genetically modified organisms (GMOs) even though they know they can generate significant problems in the future.

Commissioner Orvis said he would like the Commission and Port staff to work with the City to address stormwater issues at Harbor Square. The Port has received a lot of heat from the public relative to the Edmonds Marsh, and most to not understand that the issue is more properly attributed to the City of Edmonds. If they are going to get anything done, it might be useful for the Port to assist the City in taking care of their easement on the marsh. Somehow, they must change the direction of the discussion so that people who are responsible and have authority over the property (the City of Edmonds) are answering the questions and coming up with solutions.

Commissioner Harris advised that she would attend the staff's Anti-Harassment Training on January 10th, and the State of Everett Address on January 24th. She also plans to attend the Boat Show at some point, as well as the Economic Forecast event on February 21st.

Commissioner Harris requested additional information about Port Day in Olympia on January 23rd. Commissioner Orvis said he has attended the event, which is generally an opportunity to visit with local legislatures for a short period of time to let them know what the Port is interested in. In the past, Commissioners have been able to meet with five or six local legislators, but it is important to go with a specific agenda due to the short meeting times. He concluded that while Port Day offers an excellent opportunity for Commissioners to get to know the local legislators, the most effective way to move legislation and other important issues forward is to meet with the legislators when they are in the local area. Mr. McChesney reminded the Commissioners that, although the Port has not typically had significant legislative issues to present to representatives in the past, this year there are two specific pieces of legislation the Port is working to push through: threshold limits on bidding public works contracts, and unit pricing contracts. These two pieces of legislation are important to the Port of Edmonds. Tourism funding is also an important topic to discuss with local legislators.

Commissioner Harris reported that she met with Port Attorney, Brad Cattle, to discuss legalities for new Commissioners. She will complete the open meeting government training on January 9th. In addition, she is scheduled to meet with Council Member Tibbott on January 16th and next week with Ms. Williams to discuss tourism and Harbor Square. She will meet with Ms. Drennan to discuss the budget on January 12th and Carrie Hite, Edmonds Parks, Recreation and Cultural Services Director on January 19th to discuss the issue raised earlier by Lora Petso about the use of pesticides at the Edmonds Marsh. She said she plans to meet one-on-one with each of the City Council members in the near future.

Commissioner Johnston referred to Commissioner Orvis' comments about transportation infrastructure. He said he anticipates that charging for vehicle miles traveled will soon become a transportation funding mechanism for future transit needs.

Commissioner Johnston said he is scheduled to meet with Council Member Tibbott on January 26th, and a few tenants have requested that he meet with them, as well. He welcomed Council Member Tibbott as the 2018 liaison to the Port of Edmonds.

Commissioner Johnston said he would like to assist the Port staff in resolving stormwater issues at Harbor Square, and he concurred that the Port should start reaching out to the stakeholders that contribute to stormwater at the upper end of the marsh, including the City of Edmonds and the Department of Transportation.

Commissioner Faires asked if Mr. Johnston, by virtue of his former employment, has any knowledge relative to the conditions of the stormwater situation at Harbor Square. Commissioner Johnston answered that there is already a clear understanding of who owns the property surrounding the marsh, but there are still some gray areas that need to be resolved. For example, there may be some broken storm lines that could be owned by either the Port or the City.

Commissioner Orvis recalled that when a portion of Harbor Square was dug up in 2006, most of the stormwater pipe was rotten on the bottom. He would suspect that the same conditions will be found at the other end of Harbor Square where they did not dig. Commissioner Johnston concurred and noted that the entire stormwater infrastructure system was replaced in the area of the cleanup.

Commissioner Preston said his goal for 2018 is to pursue a crosswalk at the corner of Dayton Street and Admiral Way. He said he was disappointed to hear that the City Council will likely push this project out to 2019. He recalled that a temporary crosswalk was installed on Sunset Avenue overnight, and perhaps a similar temporary solution could be used at the Dayton Street/Admiral Way intersection until a more permanent solution is installed in 2019.

Commissioner Preston reported that he attended an Edmonds Yacht Club meeting, and he is currently working with the Sea Scouts with the goal of getting one of the vessels removed from the marina soon. Other people have expressed interest in being involved to create a more robust program.

Commissioner Preston said he is excited to spend time at the Seattle Boat Show. Ms. Kempf announced that the Port is celebrating its 70th anniversary in 2018, and the intent is to serve cake from the Port's booth at least a few evenings during the boat show.

ADJOURNMENT

The Commission meeting was adjourned at 8:31 p.m.

Respectfully submitted,



Jim Orvis
Port Commission Secretary