



PORT COMMISSION OF THE PORT OF EDMONDS

MINUTES OF REGULAR MEETING

April 27, 2015

COMMISSIONERS PRESENT

David Preston, President
Bruce Faires, Vice President
Fred Gouge, Secretary
Mary Lou Block
Jim Orvis

STAFF PRESENT

Bob McChesney, Executive Director
Tina Drennan, Finance Manager
Kelby Brown, Moorage Coordinator

OTHERS PRESENT

Bradford Cattle, Port Attorney
Karin Noyes, Recorder

CALL TO ORDER

Commission President 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 ORVIS MOVED THAT THE CONSENT AGENDA BE APPROVED TO INCLUDE THE FOLLOWING ITEMS:

- A. APPROVAL OF AGENDA**
- B. APPROVAL OF APRIL 13, 2015 MEETING MINUTES**
- C. APPROVAL OF PAYMENTS IN THE AMOUNT OF \$99,453.42.**

COMMISSIONER GOUGE SECONDED THE MOTION, WHICH CARRIED UNANIMOUSLY.

PUBLIC COMMENTS

Steve Kesling, Tenant, said he has heard concern from several Port tenants that the existing restrooms at the south end of the marina would be removed. He noted that these restrooms are locked and only available for tenants and guests to use. They are clean and used frequently.

Mr. McChesney said the current restroom/shower facilities on the south end of the marina are operated and maintained by the Port for the benefit of tenants and guests. They are locked and unavailable for the general public's use. Over the past year and half, the Port has been exploring ideas for replacing and/or refurbishing the facilities, and concepts have been discussed at numerous public meetings. A decision was made to replace the facilities, and the Port has submitted a Shoreline Permit application to the City of Edmonds, which is currently under review. A public hearing before the Hearing Examiner relative to the application will take place in mid May. Once the permit has been issued, the Port will move forward with acquiring the new modular buildings. The existing restrooms will not be removed until the new buildings are in place.

Mr. Kesling said he heard that the new restrooms would be centrally located and open to the public. This is a concern of tenants in the south end of the marina. Mr. McChesney replied that one of the modular units would be centrally located near the public launch and would include showers for tenants and customers only. The other modular unit would be located at the south end of the marina and would be a restroom facility only. It would also be reserved for tenant and customer use. The existing restroom facility at Marina Operations would be refurbished and open to the public. The proposed change, which should occur in about six months, would actually increase the restroom capacity.

Commissioner Orvis said he thought that both of the new restroom facilities would include showers. Mr. McChesney said only one would have showers, and the intent is to place the facility with showers in a central location near the public launch. Commissioner Orvis summarized that there would be a net increase in restroom facilities, but the two new facilities would be locked and reserved for customers and tenants. The existing restroom would be refurbished for public use, and it is likely the shower facilities would be removed.

STEVE KESLING: PUGET SOUND SALMON SEASONS

Mr. McChesney introduced Steve Kesling, a charter boat operator and owner of Seattle Fishing Charters Limited, which is currently doing business at the Port of Edmonds as Adventure Charters. He explained that each year, state, federal and tribal fishery managers gather to plan the Northwest's recreational and commercial salmon fisheries. This series of meetings, known as the North of Falcon Process, involves representatives from federal, state and tribal governments, as well as the recreational and commercial fishing industries. Mr. Kesling participates in the North of Falcon meetings as a Washington State Department of Fish and Wildlife Marine Sports Fishing Advisor and Charter Operator. This year's salmon-setting process has been concluded, and Mr. Kesling is present to update the Commission on the process and outcome.

Mr. Kesling advised that he has operated a charter business for 16 years and participated in the North of Falcon process for 15 years. He has been a fishing advisor for the Washington State Department of Fish and Wildlife for the past 10 years. He explained that marine areas are mixed-stock fishing areas, and fish come from any number of different rivers. A pre-season run-size forecast is conducted each year to estimate the returns for every river and creek in the state and fish are tagged so the stock composition in any given area can be identified. The intent is to fish harder on stock that are hatchery fish and healthy runs and limit fishing of stocks of concern (natural and wild fish and fish in low abundance). He noted that several rivers have fish identified as Endangered Species, and limits on these fish are set by the National Oceanic and Atmospheric Administration (NOAA). The process of setting limits starts with Canada, followed by the Washington Coast, the straights, and then Puget Sound. This year, the stock most limited of harvest was Lake Washington Wild fish that return to the Cedar River. Under the Endangered Species Act (ESA) guidelines, harvesting of these fish can be no more than 10 to 20 percent. The State proposed a package that expanded fisheries in Marine Areas 9 and 10 to provide enough quantity to allow for a full season from July 15th through August 15th or even August 30th while still meeting the conservation goals set forth.

Mr. Kesling explained that, throughout the process, the State of Washington must negotiate separately with 23 of the federally-recognized tribes with fishing rights, and each tribe must sign off before a package can be approved by NOAA. If even one of the tribes disagrees, it holds up the entire process for Northern California, Oregon and Washington. The Muckleshoot Tribe has never been in support of selective fishing, and they offered a number that would have to be met before they would accept the agreement. The season that was proposed would have met that number; but at the last minute, the tribe decided it was not good enough.

Mr. Kesling further described the process used to identify fish limits. He explained that between 2007 and 2013, the average impact to fish was 15% for tribal and non-tribal combined. This year, the total is set at 20%, and the package deal would allow the Muckleshoot Tribe to continue to net right up to the 20% limit. Last year, the split of impact was 74% for the tribes and non-tribe harvesters between all fisheries and 24% for sport fishing. Therefore, it was not expected that if cuts were made they would come out of the site that was already having the least impact.

Mr. Kesling recalled that the press releases that came out just after the North of Falcon negotiations were completed were inaccurate and misleading. The meetings between the state and the tribes were behind closed doors and the public was not invited to attend. In the past, certain numbers had to be met based on pre-season forecasts and estimated returns. That was not the case this year. Although fishing groups sent a message to the tribes that they

would play hard ball, the team that negotiated with the tribes was not prepared to follow through. By the time negotiations for the inner Puget Sound occurred, all of the other fisheries were in place for California, Oregon and the remainder of Washington. Bottom line, the Department of Fish & Wildlife knew that if the Muckleshoot Tribe refused to sign off on an agreement, there would be no fishing for anyone. Signing off late gave them more power in the process. There is significant political pressure at both the federal and state level because there is a lot of money on the line. Areas, such as Puget Sound, are just a small piece of the pie.

Again, Mr. Kesling summarized that fishing in Area 10 was lost for 2015, and the quota for Area 9 was reduced by half. He anticipates that fishing in Area 9 will last about two weeks before the quota is met.

Commissioner Orvis expressed his opinion that nothing would change unless there is some public pressure on the Muckleshoot Tribe. Mr. Kesling agreed and said the purpose for his presentation is to make the public aware of what is happening. The process takes place behind closed doors. Although the press release states that the state and tribes worked together to save fish in Lake Washington, the reality is that it is being fished more than in the past.

Commissioner Preston asked if there used to be a policy that entitled the tribes to just 50% of the catch total. Mr. Kesling said yes, but the total is difficult to define when fishing in mixed stock areas. With respect to Chinook salmon, the share has not been 50/50 in most cases. He emphasized that while the Muckleshoot Tribe has created problems for sport fisherman, many of the tribes have done some good things in fisheries management and they work well with the sport fisheries. For example, the Makah Tribe has been very helpful this year with their troll fishery.

Commissioner Faires noted that because Area 10 would be closed, the Port of Edmonds would be very busy during the season.

Greg Bough, Edmonds Yacht Club, asked about the timeline for the North of Falcon process. Mr. Kesling said the process starts in February each year as soon as the pre-season forecast comes out for each river, and then it goes through a stage of public process. About two months prior to final approval by the Pacific Fishery Management Council (PFMC), the tribes are given a number and then they are capped and moved around until an agreement is reached in approximately the second week of April.

Mr. Kesling suggested that the Port could take specific action to inform those who are responsible for setting the quotas how important the fisheries are to the Port and the local economy. Commissioner Faires agreed that the Commission should discuss its alternatives and what actions they should take. He felt it was within the Port's best interest to help bring clarity to the process and outcome. He asked when the best time would be for the Port Commission to provide input. Mr. Kesling suggested the Port could provide input now to make their concerns clear and point out that the outcome of the 2015 negotiations was unacceptable. It would also be appropriate for the Commission to provide input again when the 2016 forecasts are published and before the negotiation process starts. He suggested that the letters should simply state the truth and point out how the lost fishery was not based on conservation concerns. He offered to help Mr. McChesney by providing technical data and other information. Commissioner Gouge felt it would be pertinent to point out in the letter how much fishing can impact marinas and the local economy. Mr. Kesling said the State also has a responsibility to fairly represent the sport fishermen who purchase fishing licenses. Commissioner Faires asked if the State Legislature has any direct or indirect impact on the process, and Mr. Kesling answered no.

HARBOR SQUARE 1ST QUARTER REPORT

Jan Conner, Northwest Country Management, presented the 1st Quarter Report for Harbor Square. She specifically reported on the following:

- There were nine late notices for a total of \$2,315.89, and all tenants are currently up to date with rent payments.
- Revenues for January through March were up and occupancy increased, as did rents. Receivables at the end of March totaled \$21,664.45, which includes Genwest's prepaid rent.
- Channel Marker opened for business on April 21st. They have a structured security deposit program, and they paid their April deposit in February.

- There were quite a number of calls and showings of space during the 1st quarter, which is not typical. However, these contacts did not amount to a lot.
- A lease in Building 2 was extended for one year.
- Tenant improvements were done in Building 2. Channel Marker did a great job on the improvements, particularly given that they had to deal with some very old structures.
- The Conference Room was rented five times for net revenue of \$1,410. No set up was required for any of the events.
- HVAC replacement was completed on Buildings 2 and 3, and blind repair was done in Building 2.
- Carpet and tile repair was done in Building 1 (Hart Crowser Space). The old quarry tile was repaired to be adequate, but the situation will not be perfect until the tile is removed and replaced. The cost of the tile project will be billed back to the tenant.
- The Common Area Maintenance (CAM) reconciliation was compiled in the 1st quarter and the adjustments will be seen in the 2nd quarter.
- Although occupancy was up, it will shift slightly until the warehouse space is leased out. The previous tenant vacated the site on April 15th.

Commissioner Faires observed that although the report provided by Ms. Conner illustrates the delta between 2014 and 2015, it does not identify a comparison to the budget. Ms. Conner said the report has never provided a comparison of revenue against budget. Ms. Drennan added that this information would be provided as part of the 1st Quarter Financial Report.

Commissioner Preston asked if there is anything the Port Commission could help with. Ms. Conner noted that completing the roof overlay on Buildings 3 and 4 would help a lot. There are other cosmetic improvements that need to be made, but the projects should wait until tenants have leased the spaces.

MARINE TENANT INSURANCE REGULATIONS

Mr. McChesney reviewed that the Port recently implemented changes to its insurance requirements, which have resulted in confusion and frustration for some tenants. He reminded the Commission that the changes were made upon the recommendation of the Port's attorney and insurance company. Staff felt it would be appropriate to review the new requirements with the Commission to dispel some of the confusion and to confirm that they are on the right track.

Ms. Drennan reviewed that on December 31, 2011, a tenant's boat in Slip P-06 caught fire, causing damage to other boats and approximately \$320,000 damage to Port property. A few tenants alleged that the Port was responsible, but none filed claims against the Port. The Port contacted its insurance company, Enduris, who paid for the Port's damages and then initiated a claim against the boat owner. Enduris was only able to recover \$55,000, and the claim was recorded in the Port's insurance history. As a result, the Port's Marina Operator Legal Liability insurance premiums increased by approximately 10% (or about \$15,000) for the 2014 renewal. Both the Port's Attorney and the Port's insurance company have recommended that the Port require that marina tenants list the Port as additional insured. If the tenant in Slip P-06 had had additional insured coverage at the time of the 2011 fire, the Port should have been protected and would not have suffered the indirect loss that it did.

Ms. Drennan advised that Second Substitute House Bill 2457, concerning derelict and abandoned vessels, was passed in March 2014 and became effective July 1, 2014. The bill requires that every moorage facility operator must require, as a condition of moorage, all vessels other than transient vessels to provide proof of marine insurance to the moorage facility. In addition, the insurance maintained by moorage operators and required of vessels must provide coverage at liability limits of at least \$300,000 per occurrence and include, at a minimum, general, legal and pollution liability coverage. The requirement applies whenever a moorage facility operator enters into an initial or renewal moorage agreement after the effective date of the legislation.

Ms. Drennan reviewed that the Port's Rules and Regulations were updated during the 1st Quarter of 2015 to implement the recommendation from the Port Attorney and insurance company and the requirements of the new state law. She reviewed the new rules and regulations as follows:

- 4.3.1 Tenants shall maintain liability insurance in force and good standing on their boat and/or item stored in leased space.
- A. The insurance policy shall provide comprehensive liability insurance with limits of no less than \$500,000 per occurrence.
 - B. The insurance shall cover pollution, damage done to the slip, the marina and any other boats or equipment.
 - C. Tenants shall list the Port as an additional insured by endorsement.
 - D. Umbrella insurance policies are not acceptable.
- 4.3.2 Tenants must provide the Port a copy of their current Certificate of Insurance showing tenants name, policy dates, and vessel liability amounts.

Failure to provide a copy of the current Certificate of Insurance upon request by Port staff may be grounds for termination of tenancy and any and all related privileges at the Port of Edmonds.

Ms. Drennan advised that the new insurance regulations were detailed in the March 2015 Port Newsletter, and Port staff was trained on the new requirements on March 9th and March 12th. The staff agreed that the Port should require that tenants provide insurance complying with the new state law and the new Port insurance regulations upon signing a new moorage or dry storage agreement and upon insurance renewal for current tenants.

Ms. Drennan reported that Port staff has worked with tenants and their insurance companies to assist them in providing the required insurance coverage. This normally includes speaking with or emailing the insurance broker directly. In doing so, the Port is normally able to get the insurance coverage required for the tenant. They have found that, oftentimes, the insurance company will provide the coverage, but it is not specifically shown on the documents provided to the Port. In that case, Port staff requests that the insurance company provide the section of the tenant's insurance policy that shows the applicable coverage.

Ms. Drennan reviewed that there are some areas of the new requirements that are causing the tenants and staff some difficulties. For example,

- **Additional Insured.** "Additional Insured" means that the Port would be covered if the boat or boat operator causes damage to the Port's property or to a third party. Some insurance companies will not list the Port as an additional insured. Port staff has found that personal insurance companies specializing in auto and home insurance provide boat insurance on similar terms to car insurance, but they don't provide marine insurance. Marine insurance companies automatically include pollution liability coverage up to \$854,400, as per the Federal Oil Pollution Act of 1999, and will list the Port as an additional insured. Port staff has surveyed other marinas to see if they also require that tenants' insurance list the marina as additional insured, and the survey results were attached to the Staff Report. Port staff has had to request that the tenants who have Allstate or PEMCO boat policies find alternate insurance.
- **Umbrella Policies.** Umbrella policies will not normally cover pollution liability, so if a tenant has less than \$500,000 of liability coverage on their marine insurance, the tenant cannot make up the difference with their umbrella policy, which is normally written as an extension to home insurance coverage. Port staff has had to request the tenants who do not have \$500,000 of pollution liability coverage increase their coverage maximum.
- **Progressive.** Progressive Insurance representatives state that their insurance complies with the Port's regulations, but when staff receives the documentation, it only shows the Port as "Additional Interest" and not "Additional Interest Insured." Normally, "Additional Interest" simply means that the Port will be notified if there are changes to the policy, which does not meet the Port's regulations. When Port staff requested that Progressive representatives list the Port as an "Additional Interest Insured," the representatives say that could not be done, and they could not change their documentation because it has been approved by the Washington State Insurance Commissioner. As an alternative, staff requested that Progressive provide a letter stating that "Additional Interest" is the same as "Additional Interest Insured." They also sent a question to the Washington State Insurance Commissioner asking for feedback on whether or not the two definitions are the same. Progressive sent a response letter on Friday relative to one tenant, stating that the two definitions are the same, but the Port has not received similar letters for the other tenants. At this time, Port staff is requesting that

tenants who have Progressive find alternative insurance, and they have provided the names of several insurance companies to tenants who are having difficulty getting insurance that complies with the Port's new requirements.

Commissioner Orvis asked if "marine insurance" is a specific term. Ms. Drennan answered that it refers to a specific type of coverage that the State requires.

Commissioner Faires asked how much the typical tenant's insurance costs would increase in order to meet the new requirement of \$500,000 liability. Ms. Drennan said the amount of the increase would depend on the tenant's history, the value of the boat, etc.

Dave Murdock, tenant, said the cost of his insurance policy increased by more than \$100 per month because he can no longer bundle all of his insurance needs with one company.

Commissioner Preston pointed out that Federal law requires pollution liability coverage of \$854,400. Ms. Drennan said that is the amount that most insurance companies automatically provide for marine insurance if it is a true marine or yacht policy. Umbrella policies are typically written for homes and not boats, so they won't cover pollution.

Commissioner Preston pointed out that there are differences between companies, based on the types of insurance they specialize in. He suggested that the new state law may require some adjustments by the Washington State Insurance Commissioner, as well.

Commissioner Orvis emphasized that the new requirement is based on state law and not just something the Port is requiring its tenants to do. Commissioner Faires agreed that the Port's insurance requirements must be consistent with the state's requirements.

Mr. Murdock said his boat has been covered by Progressive Insurance for the past five years, but the coverage is not considered a "marine policy." Mr. McChesney clarified that there is a difference between a boat policy that protects the boat and a marine policy that protects other damage and incidents that might occur. Mr. Murdock said his insurance carrier indicated that the policy would cover pollution, but the declaration page said "Additional Interest" rather than the required "Additional Interest Insured."

Mr. Murdock summarized the whole process of switching insurance coverage has been a pain for him, and it might be a good idea for the Port to get the issues ironed out so they can guide tenants through the process in the future. Commissioner Orvis said it appears that staff is attempting to do just that. Ms. Drennan has spent a lot of time working with insurance companies to help resolve the issues. He agreed it is to the tenant and Port's advantage to iron out the problems. Commissioner Gouge suggested that tenants contact their local legislators to let them know how the new state law is impacting them. The state decided to make marinas responsible for enforcing the insurance requirements and the Port must comply.

Commissioner Orvis observed that some insurance companies farm their marine insurance out to other carriers, and they simply administer it. This is an easy way to solve the problem and allows them to remain in contact with the customer. Mr. Kelby said that, based on contacts he has made in the industry, insurance companies that specialize in auto insurance do not typically offer marine insurance that covers damage caused by boats in the water.

Randy McDonald, Edmonds, said he has been in the insurance industry for a few decades. He explained that while boat and yacht coverage are both marine type insurances, the contracts are very different. Yacht policies cover exposure to loss that is not covered by boat policies. Irrespective of the law that mandates marine insurance, he recommended that anyone who has wealth and/or assets should purchase a yacht policy, which is offered by a number of insurance companies.

Ms. Drennan asked if Mr. McDonald felt that the terms "Additional Interest" and "Additional Interest Insured" are mutually exclusive. Mr. McDonald answered affirmatively and explained that "Additional Interest" means that the Port would get a copy of the policy and would be notified if it is cancelled. "Additional Interest Insured" gives the Port some ownership in the policy. He suggested that if the Port is concerned about whether a particular policy

complies with the requirement or not, they could simply ask for a copy of the policy and the additional interest endorsement. With the policy in hand, the Port would also have access to the definitions page, which would provide definitions for both terms.

Commissioner Faires thanked those who participated in the discussion. He explained that the Port wants to do the right thing across the board. The more input they receive and the more data they have will help them sort out the problems and get it right.

Mr. Murdock asked if the new insurance requirements would apply to dry moorage tenants and visitors in guest moorage. Ms. Drennan answered that it would apply to dry moorage tenants. However, as the law is currently written, the Port is not responsible for requiring proof of insurance from visiting boaters. It is the responsibility of the marina where the boats are permanently moored to collect this information.

Commissioner Gouge suggested it would be helpful for staff to continue to keep the public informed via the newsletter. Perhaps it would even be helpful to list the names of companies that tenants can contact for the correct insurance. This additional information could help minimize the bumps down the road.

Questions were raised about whether or not the insurance policies for all tenants expire at the same time. Ms. Drennan answered that the insurance policies expire at different times throughout the year. People signing up for new dry storage or water moorage need to provide documentation showing they have adequate insurance at the time they sign a lease. Existing tenants will be required to upgrade and provide the documentation when their current insurance policies expire.

Mr. Bough said his understanding is that yacht insurance would meet all of the new requirements, but boat insurance may not. Mr. McDonald agreed that is a strong likelihood. Mr. Bough asked if an owner could obtain yacht coverage for any boat or must the boat be of a particular size to qualify. If so, is there a specific definition to make it clear what boats would qualify. Mr. McDonald said that, typically, yacht insurance is only available for boats that are at least 26 feet in length. Mr. Murdock said that when he was shopping for upgraded coverage, many companies offered marina insurance, but they required him to complete a new survey of his boat that would have cost between \$400 and \$600. State Farm only required him to complete a boater safety course on line to qualify for the coverage.

Mr. Brown explained that Marina Operations has a computer program that allows staff to input expiration dates for registration and insurance. He suggested that staff could send letters out to tenants a few months before their insurance expires to outline the new requirements and give helpful information on how to obtain the appropriate coverage. The Commissioners all agreed that staff should use a proactive approach to implement the new requirements.

Mr. McDonald said the information provided to tenants should make it clear that the new insurance requirement is based on State Law. He asked if the new State Law defines boats as being of a specific size. Ms. Drennan answered that the legislation applies to anything that floats. Mr. McDonald felt this was problematic because it is unlikely that smaller craft would be able to obtain the required insurance. Ms. Drennan advised that tenants with boats as small as 17 feet have successfully obtained the required insurance coverage.

Mr. McChesney summarized that staff has been doing an excellent job of getting the word out. They continue to work on the issues and provide help to resolve problems. The comments provided by Mr. Bough, Mr. Murdock and Mr. McDonald will further help staff get in front of the change so they can assist customers.

HARBOR SQUARE BUILDINGS 3 AND 4 REROOF CONTRACT AWARD APPROVAL

Mr. McChesney reviewed that on February 23rd, the Commission authorized staff to proceed and solicit competitive bids to replace the roofs on Buildings 3 and 4 at Harbor Square. Formal bid invitations were sent out to appropriate Municipal Research and Services Center (MRSC) Roster vendors on April 9th and were advertised in *THE EDMONDS BEACON* and *THE EVERETT HERALD*. On April 15th, staff conducted a pre-bid walk through, and three qualified bids were received on April 24th. He referred to the bid tabulations that were attached to the Staff Report and advised that Scholten Roofing, Inc. was the low bidder with a base bid of \$155,972. The contract

specifically states that the work must be substantially completed by August 21st, and staff will work with the contractor to minimize the disruption to tenants during installation.

Mr. McChesney reminded the Commission that roof replacement was identified in the condition survey that was presented to the Commission in January of 2014. He recommended the Commission authorize the Executive Director to enter into a contract with Scholten Roofing, Inc., in the amount of \$155,972 plus sales tax for the base bid for the Harbor Square Buildings 3 and 4 Roof Overlay Contract.

Commissioner Preston requested clarification about what is meant by substantial completion. Mr. McChesney said it basically means that the project would be done and ready for final walkthrough. However, there may be some punch list items that follow. He reminded the Commission that the project is not a tear down, but an overlay. There is potential for some scope changes if the contractor finds rotted underlayment. These issues would be addressed as a unit price as per the contract. He said the goal is to have the HVAC and roof projects completed by Labor Day.

Commissioner Gouge asked if the HVAC work would be completed before the roof overlays are done. Mr. McChesney reported that the Building 3 roof will be done after the HVAC equipment on Building 3 has been installed, and the contractor is ready to start with the overlay on Building 4 as soon as the Commission authorizes approval of the contract. He explained that the roof overlays are relatively small jobs for commercial roofers. The Port has worked with Scholten Roofing, Inc., on other roof projects. They know the system and enjoy working with the Port staff.

COMMISSIONER ORVIS MOVED THAT THE COMMISSION AUTHORIZE THE EXECUTIVE DIRECTOR TO ENTER INTO A CONTRACT WITH SCHOLTEN ROOFING, INC. IN THE AMOUNT OF \$155,972.00 PLUS SALES TAX FOR THE BASE BID FOR THE HARBOR SQUARE BUILDINGS 3 AND 4 ROOF OVERLAY CONTRACT. COMMISSIONER FAIRES SECONDED THE MOTION, WHICH CARRIED UNANIMOUSLY.

EXECUTIVE DIRECTOR'S REPORT

Mr. McChesney advised that he is currently monitoring the City of Edmonds Shoreline Management Program, which is currently being reviewed by the Department of Ecology (DOE). He noted that the public comment period has closed, and the DOE has collated the comments and forwarded them to the City of Edmonds. The City has until May 28th to respond to each of the comments and questions. At that time, the Port will have some clarity as to what their next steps will be. He said he would continue to monitor the process closely.

Mr. McChesney reported that the Port's application for a Shoreline Permit for the new restroom facilities will come before the Hearing Examiner for a public hearing in a few weeks.

Mr. McChesney reported that staff continues to work with Puget Sound Express to get their whale watching operation underway, and everything is going well. The kiosk and ticket sales booth is now in place, and both the Port and the tenant are happy with how things are coming together.

Mr. McChesney advised that the kiosk that was previously located at the old Antique Mall has been moved to the Port and renovated to serve as the new Weather Station. Staff is still working out some technical issues, but it is anticipated the station will be up and running in a few weeks.

COMMISSION COMMENTS AND COMMITTEE REPORTS

Commissioner Faires reported on his attendance at the April 15th Edmonds Economic Development Commission (EDC) meeting where the City Council's recent approval of the Westgate Plan and form-based zoning code was discussed. They will continue their discussion at the next meeting relative to what the EDC can do to help move the plan forward. The EDC anticipates that redevelopment at Westgate could have a significant impact on City revenues over the years.

Commissioner Faires, Commissioner Orvis, and Mr. McChesney indicated their plans to attend the Washington Public Port Association (WPPA) Spring Meeting in Spokane, Washington on May 13th through 15th. Commissioner

Faires noted that he would attend the Trade and Economic Development Committee meeting on May 13th. He felt the meeting might turn out to be important in that they are trying to define a mission. While the committee has done a lot of good things, they need to actually talk about expectations. This discussion might be formative in terms of what the committee will be in the future.

Commissioners Gouge and Preston indicated that they would attend the ribbon cutting ceremony for the Chilkat Express on May 6th at 4:30 pm. Commissioner Gouge said he also plans to attend the annual meeting of Economic Development Snohomish County on May 14th.

Commissioner Gouge referred to the DOE's summary of comments received related to the City's draft Shoreline Management Program. He particularly referenced Note 116, which was submitted by Council Member Bloom. Council Member Bloom asserts that the Port of Edmonds Commissioners allocated \$25,000 of taxpayer money to support retaining the existing 25-foot marsh setback without openly informing the taxpayers of the Port District that they were doing so. She stated that, as an Edmonds resident and a resident of the Port of Edmonds, she finds this lack of transparency of serious concern. Commissioner Gouge pointed out that the Commission discussed this expenditure on November 1st as a line item in the 2015 budget. The issue was also discussed multiple times in open public meetings throughout the budget process. He felt it was important to call Commissioner Bloom out for this comment, which is not a true statement. The Port has been transparent with all of their activities relative to the Shoreline Management Program, and the City Council receives copies of all of their meeting minutes in which these discussions are clearly stated. Again, he said the Port has always been transparent about the \$25,000 expenditure, and it was discussed as part of the budget process, which included two public hearings. Commissioner Orvis pointed out that Council Member Bloom was present for some of those discussions, including the public hearing on the 2015 budget.

Commissioner Gouge announced that he will attend the April 28th and May 5th City Council Meetings, where summer programs will be discussed. He and Mr. McChesney will prepare a write-up of Port activities that can be announced at the City Council meeting.

Commissioner Block reported that she attended a walking tour of waterfront parks on Saturday, April 25th, which was very interesting and informative. The tour started at Brackett's Landing and ended at Marina Beach Park. It was organized by Valerie Stewart and led by Bill Phillips, a former science teacher and Planning/Parks Board member from 1960 to 1979 when most of the shoreline was acquired by the City. He provided detailed information about each park. She noted that a summary of the tour was provided on My Edmonds News.

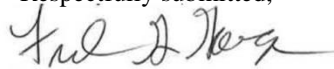
Commissioner Preston announced that part of the Emergency Services Coordinating Agency (ESCA) will be disbanded and folded into the Snohomish County Department of Emergency Management. Additional information will be available soon.

Commissioner Preston announced that he and Chris Osterman attended a risk management/computer crime meeting that was taught by a police officer on duty to the Federal Bureau of Investigation spokesman. The meeting was sponsored by Enduris. He and Mr. Osterman will meet soon to talk about what they learned that will be important for Port employees and Commissioners to know. There are some risks relative to electronics that need to be discussed. He said he may also attend an Economic Alliance Snohomish County Meeting at Paine Field where similar issues will be discussed.

ADJOURNMENT

The Commission meeting was adjourned at 8:40 p.m.

Respectfully submitted,



Fred Gouge
Port Commission Secretary