

MINUTES OF EVERETT PORT COMMISSION REGULAR MEETING
January 13, 2009

PRESENT:	Philip B. Bannan	President
	Michael F. Hoffmann	Vice President
	Constance M. Niva	Secretary
	John M. Mohr	Executive Director
	Karen Clements	Chief Fin. Officer
	Brad Cattle	Port Attorney

CALL TO ORDER: The meeting was called to order at 9:01 a.m. by Commission President Phil Bannan.

APPROVAL OF MINUTES:

Commissioner Connie Niva moved to approve the Combined Meeting Minutes of December 9, 2008. Commissioner Phil Bannan seconded the motion. A vote was called for:

Vote:	2-0
Yes:	Bannan, Niva
No:	None
Abstained:	None

Motion carried.

Commissioner Hoffmann was not present to vote on this motion.

1. COMMISSION PRESIDENT'S REPORT
Commissioner Bannan did not provide a report.

2. EXECUTIVE DIRECTOR'S REPORT

Snohomish County Economic Development (EDC)

Deborah Knutson, President of the Snohomish County Economic Development Council (EDC), provided an annual report to the Commission highlighting the economic impacts of the EDC in terms of marketing, job creation and capital investment. She also outlined the EDC's proposed 2009 activity for Snohomish County.

Martin Luther King Holiday – January 19, 2009

Executive Director John Mohr reported that the Port Offices would be closed on January 19, 2009 in recognition of Martin Luther King.

Declaration of Emergency

John Mohr announced that in accordance with Resolution No. 908, he has Declared an Emergency for damage sustained to Jetty Island dock. The reason for the Declaration of Emergency is that the Port had a substantial amount of woody debris, deadhead logs and big tree roots come down the Snohomish River with the last flooding. Although the deflection boom that Port staff installed upstream of the dock worked well, there was some material that did get through the boom and under the dock resulting in substantial damage to the dock. Port staff was able to retrieve some of the material out from under the dock during high tide. The Port was facing a minus 3.3 tide, and had that occurred, it would have destroyed the entire dock structure at Jetty Island if staff hadn't removed the debris. This dock is the only access for boats, and is the landing area for the joint Port/City of Everett Parks Dept. Jetty Island Days program. The City contracts with the Mosquito Fleet to provide a ferry to transport people to that dock facility.

With the Declaration of Emergency, Staff is proposing to suspend the normal bidding rules to get the work done immediately within the fish window so the dock will be ready for the next summer season. The major work to be done is the removal and redriving of one of the piling, replacement of one section of dock, repair of the supporting structure that attaches the dock to the piling, and the structure that attaches the section of the dock to the rest of the dock. The estimate for this work is \$60,000 to \$80,000. If Port staff had not gotten out to the dock to remove some of the woody debris, under very difficult conditions, there could have been millions of dollars of damage sustained, rendering the dock useless for a year or more.

ORIGINAL

By going through an emergency procedure, the Port is able to take advantage of the fact that American Construction is on site doing other work for the Port, and will be available to install a temporary ramp by the fish window deadline which is February 15. The in-water work needs to be done between now and February 15.

Commissioner Michael Hoffmann moved to approve the Declaration of Emergency as presented. Commissioner Connie Niva seconded the motion. A vote was called for:

Vote: 3-0
Yes: Bannan, Hoffmann, Niva
No: None
Abstained: None

Motion carried.

Port of Everett / City of Mukilteo Joint Meeting

John Mohr announced that after polling the Commissioners and Staff about a joint meeting with the City of Mukilteo, the preferred date is April 27, 2009. Port staff is suggesting that the meeting begin at 3:00 p.m. so that it does not interfere with the regular business session of the City Council. The Commission concurred.

Commission Retreat

John Mohr said that he will be working with the Commission President for possible dates for the retreat, and also a venue for the Commission Retreat.

3. CHIEF ADMINISTRATIVE OFFICER'S REPORT

2008 Small Works Projects Report

Charlotte Walther, Contracts Administrator, provided to the Commission a listing of Small Public Works Contracts awarded in 2008. A copy of the list is attached hereto as part of the record.

Collins Building

Chief Administrative Officer Jerry Heller reported that the Corps of Engineers has sent a letter to the Port confirming that the Port has satisfied all of its attempts to redevelop the Collins Building and concluded that under the Memorandum of Agreement (MOA) between the Port and the Corps, that the Port could move forward with mitigation discussions and deconstruction of the Collins Building. There was a time set for appeal that originally expired January 12, 2009. At the request of the State Historic Preservation Officer, that appeal time has been extended until the end of the month. The appeal would be made to the Advisory Council on Historic Preservation which is a federal agency. Jerry Heller said by the end of the month, the Port will learn if it will be involved in an appeal process.

With regard to the MOA, the Port has requested information from the Corps and a determination concerning the Port's Interpretive Program. To date, the Port has not received the determination.

4. OPERATIONS REPORT

East West Gold Property Use Agreement

Chief of Operations Carl Wollebek reported that East West Gold is a mining company that is shipping to the Russian Arctic that the Port has been doing business with for several years. The company wants to formalize their relationship with the Port of Everett. The agreement is a five-year agreement with one five-year mutual option. The land lease rate is fixed subject to annual CPI increases, and the terminal handling rates are negotiated on an annual basis.

Carl Wollebek asked the Commission to authorize the Executive Director to sign the Property Use Agreement with East West Gold substantially as presented.

Commissioner Connie Niva moved to authorize the Executive Director to sign the Property Use Agreement as presented. Commissioner Hoffmann seconded the motion.

Vote: 3-0
Yes: Bannan, Hoffmann, Niva
No: None
Abstained: None

Motion carried.

Cargo Handling Equipment Acquisition

Carl Wollebek reported that the Port has been renting a Linde reachstacker for the terminals for approximately 16 months. As part of the original rental negotiation, half of the rental fees were to be credited against the purchase price of the equipment. The purchase value is \$458,777, and the rental fees applied toward the purchase are \$119,280. Carl Wollebek asked the Commission to authorize the Executive Director to sign the purchase agreement for the Linde reachstacker in the amount of \$339,497 plus Washington State Sales Tax (WSST) subject to final contract language.

Commissioner Michael Hoffmann moved to authorize the Executive Director to sign the purchase agreement for the Linde reachstacker in the amount of \$339,497, plus WSST. Commissioner Connie Niva seconded the motion.

Commissioner Phil Bannan inquired as to why the Port wants to buy it now, and did not buy it 16 months ago. Carl Wollebek said that Staff did not budget for it. The operating revenue justified the expense of renting it, so Staff put it in last year's budget to purchase in 2009. By purchasing the equipment, the Port saves a lot of money in operating expense.

Commissioner Bannan called for the vote.

Vote: 3-0
Yes: Bannan, Hoffmann, Niva
No: None
Abstained: None

Motion carried.

TSA Round 7B Grant Submittal

Scott Grindy, Director of Facilities and Security, reported that Transportation Security Administration (TSA) Grant Supplemental Round 7b is grant funding that was allocated to the Puget Sound region in Round 7a. The funds are the balance of funds that were not specifically accepted or used regionally upon completion of the Round 7a distribution and are available for a secondary request through Round 7b. The amount available for the Puget Sound area is approximately \$6 million.

Scott Grindy said that the Round 7b request will also be used for the pending TSA Round 8 grant submission due in late January 2009, with minor modifications to the request as any new grant guidance is provided.

Scott Grindy asked the Commission to approve the grant submittal for TSA Round 7b, and the concurrent Round 8 in January 2009.

Commissioner Connie Niva commented that it appears that these grants are moving in the direction of how to deal with post-trauma. Scott Grindy said that the Homeland Security groups have different responsibilities, and after Katrina, they realized that many of the ports did not have the resources to handle an emergency of the region without making some modifications. If this area sustained an earthquake and it impacted Tacoma and Seattle, the issue would be how to get ships to unload emergency cargo into the Puget Sound Region. The Homeland Security groups still have security in their focus, but other types of emergencies are also now being considered.

Commissioner Connie Niva moved to authorize the grant submittal as presented. Commissioner Michael Hoffmann said he was not clear as to what kind of control the Port would be giving up to the federal government. Scott Grindy said in a national disaster as Katrina was, the resources will come in from the federal government, but are funneled through the local agencies. Commissioner Bannan seconded the motion. Commissioner

Niva added that historically, Homeland Security was issuing unfunded mandates that the ports *had* to do the security upgrades. Now, even though the Port has to do these upgrades, it is comforting to know that the mandates cover all emergencies, not just security. A vote was called for:

Vote: 2-1
Yes: Bannan, Niva
No: Hoffmann
Abstained: None

Motion Passed.

Storm and Flood Damage

Scott Grindy provided a brief facilities report relating to the recent storm and flood damage, and provided photos of the damage sustained to the Jetty Island dock. At the Riverside Business Park, there was no flooding or damage. There was a considerable amount of snow to remove for ship activities at the Marine Terminals, but no other damage. At the Mt. Baker Terminal there was a lot of debris on the beach, but with no impact to the terminal itself. At the Marina, there was a lot of snow on the boat covered moorages, as well as boathouses. The Maintenance staff started very early in the snow removal process instead of letting it accumulate which was extremely beneficial and saved the Port from losing roof structures. The Port did lose one small structure on a cement block at P and Q docks where a portion of the roof blew off, but other than that, there was minimal damage at the Marina.

Marine Terminals

Marine Terminals Director Dave Madill reported that there were 13 port calls in December, which was a slight improvement over the same time last year. Tonnage was down from the same time last year because the Port did not receive a cement vessel in December.

For container statistics, the Port received 299 units in December compared to 276 units for the same month last year. Dave Madill said the Port is still in the upward trend, not only for the month of December, but for year to date.

The Port's performance for 2008 shows a steady gain, except during the Boeing strike, which reduced Port calls by about 16. Overall, the trend is up.

The container trends are on a steady upward climb from 2004, which include not only Boeing containers, but also other container opportunities that the Port has been able to take advantage of. The Port has gone from 1,500 containers a year in 2004 to almost 6,600 containers in 2008.

Mt. Baker Terminal was opened in May 2008, and even with the Boeing strike, the Port handled 1,150 containers in 2008.

5. PROPERTIES REPORT

Puget Sound Initiative Cleanup Support

Chief of Properties Larry Crawford reported that Landau Associates has been working for the Port under a Professional Services Agreement to assist the Port in discussions and negotiations with the Department of Ecology relating to the cleanup of various sites for the Puget Sound Initiative (PSI). Larry Crawford stated that additional funds are necessary to provide the ongoing support, additional studies and reports for the cleanup of the remaining Port sites. It is anticipated that this action will provide the necessary 2009 funding for this specific activity. All scope costs are fifty percent (50%) reimbursable under the PSI grant program.

Larry Crawford asked the Commission to authorize Modification 4 to Landau's Professional Services Agreement in the amount of \$45,000 for the ongoing Puget Sound Initiative support services.

Commissioner Michael Hoffmann moved to authorize Modification 4 to Landau's contract in the amount of \$45,000 for the Puget Sound Initiative support services. Commissioner Connie Niva seconded the motion. A vote was called for:

Vote: 3-0
Yes: Bannan, Hoffmann, Niva
No: None
Abstained: None
Motion carried.

6. PROJECTS UPDATE

S. Marina P & Q Float Replacement

Chief of Engineering & Planning John Klekotka reported to maximize the longevity of the new floats for the P & Q float replacement project, Port staff recommends that all reinforcing in the new floats, both welded-wire mesh and rebar, be galvanized. During the shop drawing and submittal process, it was realized that galvanizing was inadvertently omitted from the project specifications. Staff directed the contractor, American Construction, to perform the work on a force account basis. The work has now been completed, and the final amount is greater than \$100,000, requiring Port Commission authorization. Documentation from the contractor indicates that the final time-plus-expense cost for this additional work is \$110,239. John Klekotka asked the Commission to approve Change Order No. 1 for galvanizing of all float reinforcement in the amount of \$110,239, excluding Washington State Sales Tax.

Commissioner Connie Niva moved to approve Change Order No. 1 in the amount of \$110,239 for the galvanizing of all float reinforcement for the P & Q float replacement project. Commissioner Michael Hoffmann seconded the motion.

Vote: 3-0
Yes: Bannan, Hoffmann, Niva
No: None
Abstained: None

Motion carried.

Collins Building

Executive Director John Mohr reported that at last week's Commission meeting, Annie Lyman mentioned that Brian Carter toured the Collins Building when the Port was seeking interested developers. Port staff did follow up with Mr. Carter and he said he did take a walk through the building, but he made his decision to locate to Woodinville based on wanting to be with the rest of the wine industry, and that he had communicated that back to the Port. Mr. Carter is working at a very fine facility, and he is one of the premier blenders of wine, but wanted to be with his fellow winemakers for his development.

Trade Development Alliance

John Mohr said that the Port has identified a participant to be able to go with the Trade Development Alliance (TDA) on one of their development trips to Abu Dhabi and Dubai. Commissioner Niva has agreed that she would participate and has offered to pay her airfare for the trip. Port staff requests Commission approval for Commissioner Niva to participate in the TDA travel to Abu Dhabi and Dubai. Although the Port does not have direct trade relations with these groups, the interaction is important for the Port in terms of being able to work with the investment community that is in Dubai, and it is particularly important to our aerospace community in the level of activity that takes place there. One of the primary benefits that the Port derives from participating in the TDA program is that this is also part of the training program for young executives within middle management at the Boeing Company, and it gives the Port the opportunity to develop the relationships which benefit the Port. This trip would also provide an opportunity for the Port to build future business and to be able to do outreach.

Commissioner Michael Hoffmann moved to authorize Commissioner Connie Niva's participation in the TDA trade delegation trip to Abu Dhabi and Dubai. Commissioner Phil Bannan seconded the motion. A vote was called for:

Vote: 3-0
Yes: Bannan, Hoffmann, Niva
No: None
Abstained: None
Motion carried.

7. APPROVAL OF BILLS

For the month of December 2008, Claims Voucher Nos. 50225 - 50673 in the amount of \$1,390,321.14, Claims Wire Transfers, IRS, in the amount of \$128,779.33, Bank of New York in the amount of \$2,779,214.40, Union Bank of California in the amount of \$13,013.33, Hirofumi Oshio in the amount of \$2,400.41, Payroll Voucher Nos. 29581 - 29765, in the amount of \$323,989.41, and Payroll Wire Transfers, PMA Payroll (Longshore Labor) in the amount of \$89,254.98, with the total amount of \$4,726,973.00, were presented to the Port Commission for approval of payment by Chief Finance Officer Karen Clements.

Commissioner Connie Niva moved to approve payment of the vouchers for the month of December 2008. Commissioner Michael Hoffmann seconded the motion. A vote was called for:

Vote: 3-0
Yes: Bannan, Hoffmann, Niva
No: None
Abstained: None

Motion carried.

8. COMMISSIONER COMMENTS

Commissioner Connie Niva said she received a note from the Puget Sound Regional Council (PSRC) to appoint a Port representative for the Executive Board and she asked Commissioner Bannan as the Chair to make the appointment. Phil Bannan said he would not attend another PSRC meeting. Commissioner Niva said that PSRC has the STP money that comes from the federal government to allocate where necessary, and they have to have a quorum for voting. John Mohr added that the PSRC is the metropolitan planning organization for the four-county area, and as such, it has a tremendous amount of influence in all of the transportation improvements that take place. It also allocates housing dollars and performs a number of other functions. It will provide for a fairly significant role in the stimulus package as it goes forward because the PSRC will recommend infrastructure projects for the four-county area. The Port has benefited in its participation in working with the City of Everett on road projects such as the California Street Overcrossing. Commissioner Michael Hoffmann commented that the PSRC takes taxpayer dollars that come through the federal government that are distributed through local agencies to implement policy for the federal government. Commissioner Bannan said he had concerns about the effectiveness of such a large organization. Commissioner Hoffmann agreed with Phil Bannan.

No other comments were made on this matter.

9. CITIZEN COMMENTS

Annie Lyman, Everett, thanked John Mohr for bringing up the discussion about Brian Carter. She inquired if John Mohr asked what Brian Carter thought about the Collins Building. John Mohr stated that he wanted to address previous remarks from Annie Lyman that Mr. Carter did not want to fight the Port of Everett. Mr. Carter did say that he had walked through the building, but had made his decision entirely on the basis of wanting to be with other vintners and did not make any comment about the building specifically. Annie Lyman said he is a visionary person and he told her on a tour that he thought the Collins Building had great potential.

Valerie Steel, Everett, congratulated the Port on its Environmental brochure and inquired as to the cost. Communications Administrator Lisa Lefebber responded that the cost of the brochure was less than \$6,000, including design, photo purchase, writing and printing. She explained that the environmental brochure was done as part of a summer internship project. In addition, the environmental brochure was produced using 100 percent recycled paper and is FSC certified, which is the highest level of environmental printing.

THE REGULAR MEETING was recessed into Executive Session at 10:12 a.m. Commissioner Bannan announced that the purpose of the Executive Session is to discuss with legal counsel the Port Commission strategy to be taken during the course of collective bargaining that is currently in progress, and to review the performance of the Executive Director. At the conclusion of the Executive Session, there will not be any action taken. The Executive Session will conclude at 11:00 a.m.

THE REGULAR MEETING was reconvened with no further action taken and adjourned at 11:03 a.m.

APPROVED: this 10th day of February 2009. EVERETT PORT COMMISSION

By: Philip B. Bannan
Philip B. Bannan, President

Michael F. Hoffmann
Michael F. Hoffmann, Vice President

Constance M. Niva
Constance M. Niva, Secretary

PORT OF EVERETT
2911 Bond Street, Suite 202, Everett, WA 98201

The following list is provided in accordance with paragraph 2.5(e) of Resolution No. 763.
 Bid quotations for these contracts are available for public inspection at the Port's administration office
 located at the above address by following the appropriate procedures for requesting public records.

SMALL PUBLIC WORKS CONTRACTS AWARDED IN 2008

Contract Date	Project No.	Project Description	Contractor	Contract Award w/Tax	W/M*
2/4/08	MT-PT-2007-06	Marine Terminal Building T-7 & Reefer Receptacles Electrical Power Redistribution	Dutton Electric Company, Inc.	102,844.20	
5/5/08	MT-GN-2008-01	On-Call Civil Construction Services	Grading & Excavating, Inc.	99,000.00 (NTE)	
5/20/08	MR-SM-2008-01	South Marina Restrooms Renovation	Advanced Construction, Inc.	75,477.00	
6/20/08	MT-ST-2008-05	Marine Terminals Stormwater Swale Clean-Out	Grading & Excavating, Inc.	69,427.98	
9/12/08	MT-PT-2008-04	Pacific Terminal Safety Improvements – Catwalk Fabrication	SIS Northwest	8,253.60	
10/30/08	MT-ST-2008-08	Marine Terminal Pavement Repairs 2008-Phase 3	Fidalgo Paving & Construction, LLC	94,175.21	
11/14/08	MT-GN-2008-12	On-Call Civil Construction Services 2008-2009	Quilceda Paving & Construction	99,000.00 (NTE)	
12/5/08	MR-NM-2008-02	North Marina Guide Pile Replacement 2008/2009	American Construction Co.	94,264.80	
12/30/08	MT-HT-2008-11	Hewitt Wharf Bulkhead – Sink Hole Repairs, Re-Bid	R. L. Alia Company	58,644.00	

*W/M = Women or Minority Owned



ORIGINAL

**Port of Everett
Voucher Approval List
for the month of
DECEMBER
2008**

We, the undersigned Commissioners of the Port of Everett, Snohomish County, Washington, do hereby certify the following vouchers/warrants have been certified and approved for payment this the 13th day of January, 2009:

	Total
Claims Voucher Nos 50225 - 50673	\$ 1,390,321.14
Claims Wire Transfers:	
12/16, 12/31 Wire Transfer - IRS	\$ 128,779.33
12/1 Wire Transfer - Bank of NY	\$ 2,779,214.40
12/22 Wire Transfer - Union Bk of Calif	\$ 13,013.33
12/30 Wire Transfer - Hirofumi Oshio	\$ 2,400.41
 Total Claims	 \$ 4,313,728.61
 Payroll Voucher Nos. 29581 - 29765	 \$ 323,989.41
Payroll Wire Transfers:	
12/3,12/10,12/17,12/23,12/30 PMA Payroll (Longshore Labor)	\$ 89,254.98
 Total Payroll	 \$ 413,244.39
 Total Expenditures	 \$ 4,726,973.00

Philip B. Barwood President
John J. Johnson Vice President
Christine M. Mura Secretary
Attest: Karen R.A. Clements Port Auditor