

MINUTES OF EVERETT PORT COMMISSION WORK SESSION  
October 6, 2009

PRESENT:

Philip B. Bannan	President
Michael F. Hoffmann	Vice President
Duane Pearson	Secretary
John Mohr	Executive Director
Karen Clements	Chief Fin. Officer
Brad Cattle	Port Attorney

CALL TO ORDER: Commissioner Phil Bannan called the meeting to order at 9:00 a.m.

1. EXECUTIVE DIRECTOR'S REPORT

Budget Meetings

Executive Director John Mohr reported that Port staff will present the 2010 Consolidated Budget on October 6, 2009, the Preliminary Budget on October 13, and the Public Hearing on the Budget and Tax Levy will be held in a Special Meeting on October 20, 2009 for Commission consideration.

Port Gardner Waterfront Loop

John Mohr announced that the Port Gardner Waterfront Loop is now open. A temporary pathway constructed to complete the Port Gardner Waterfront Loop is now open to the public. Visitors can now walk from the 10<sup>th</sup> St. Boat Launch along marina facilities to West Marine View Drive and Naval Station Everett. This pathway represents a five-mile roundtrip walkway for the community.

Corps of Engineers - Dredging

John Mohr reported that there has been some concern about a delay from the Corps of Engineers in performing the annual dredging at the lower settling basin within the Snohomish River, which would affect the Port's dredging of the 10<sup>th</sup> Street Boat Launch and a portion of the Marina. If the settling basin is not dredged and the Port dredges the boat launch, all of the overflow from the settling basin will find its way to the boat launch and will create an additional shoaling problem. The Port's dredging is dependant on the dredging done by the Corps of Engineers.

Senior Planner Graham Anderson commented that the Corps' responsibility for maintaining the federal navigation channel in the Snohomish River is one that the Port supports as local sponsor, and the Port's role as sponsor is to find sites for placement of the dredged material that the Corps's contractor accomplishes. The positive news is that the Corps' project manager for the Snohomish River navigation project has informed Port staff that the maintenance dredging project is expected to be advertised for bids within the next two weeks. Once the contractor is selected, the dredging of approximately 400,000 cubic yards of the lower settling basin will proceed and be completed by the fish window or February 15, 2010.

Personal Services Contracting Training

John Mohr reported that Charlotte Walther, the Port's Contracts Administrator, will provide a report to the Commission on Personal Services Contracting Training at the October 13, 2009 Commission meeting.

2. CHIEF ADMINISTRATIVE OFFICER'S REPORT

12<sup>th</sup> Street Marina Redevelopment MOA

Chief Administrative Officer Jerry Heller reported that the Port received a letter on October 1, 2009 from the Advisory Council on Historic Preservation (ACHP) pertaining to the Port's compliance with the Memorandum of Agreement (MOA) for the Collins Building. Jerry Heller explained that the ACHP is the organization that was tasked with the review of all of the information provided by the Port and the Consulting Parties to the MOA, and making a recommendation to the U.S. Army

ORIGINAL

Corps of Engineers on how to proceed. ACHP became involved after a dispute resolution was filed in June 2009.

Jerry Heller reported that the ACHP confirmed that the Port of Everett has met its responsibilities under the MOA signed in 2005, and that the costs that the Port used to determine that the building was not financially viable were reasonable.

The letter from the Corps of Engineers rendering its decision on the matter is due any day. Executive Director Mohr added that the letter from the ACHP was sympathetic to the questions raised by the Consulting Parties.

3. CHIEF FINANCE OFFICER'S REPORT

**October 1, 2009 Insurance Renewal**

Chief Finance Officer Karen Clements reported that the Port is a member of the Pacific Northwest Port Association, which is a group of 8 ports that combine marketing abilities to get good quality insurance policies with competitive premiums. Alliant is the broker for the group. The Port has 7 liability insurance policies that were renewed on October 1, 2009. The Port of Everett had a 4 percent decrease in premiums over last year while revenues increased about 9 percent. The premium decrease will help offset the 11 percent increase in the property insurance premiums that the Port had for the July 1<sup>st</sup> renewal of property insurance.

**Presentation of 2010 Consolidated Budget**

Senior Accountant Bob Marion presented the 2010 Consolidated Budget to the Commission, a copy of which is attached as part of the record.

The 2010 Preliminary Budget will be presented to the Commission on October 13, 2009. At the October 20, 2009 Special Meeting, there will be a Public Hearing on the 2010 Budget and Tax Levy, and the Commission will be asked to consider adopting the resolutions related to the 2010 Budget and Tax Levy.

4. OPERATIONS REPORT

**Marine Terminals Report**

Marine Terminals Director Dave Madill reported that Port calls were down by 19 percent during the month of September. Tonnage was down 20 – 26 percent and containers were down 7 percent.

The Mt. Baker Terminal handled 110 inbound containers and 97 outbound containers in September.

5. PROPERTIES REPORT

**Puget Sound Initiative – Consultant Services**

Chief of Properties Larry Crawford reported that as part of the Agreed Order within the Puget Sound Initiative process for the cleanup of the Port's North Marina Redevelopment property, the Port of Everett is required to assess and cleanup the site. As part of this process, other potentially liable parties (PLP's), including the Hulberts and Ameron International, are engaged with the Port in a Cooperation Agreement that provides a legal framework to allow PLP participation in the cleanup process.

Prior to the Cooperation Agreement process, Landau Associates was issued a Professional Services Agreement in June of 2009 to lead the cleanup process at the North Marina Redevelopment site on behalf of the Port. As a result of the Cooperation Agreement, Landau Associates' scope of work has significantly increased. Their scope of the first deliverable, the Interim Action Plan, was significantly increased based on requirements made by the other PLP's through the Cooperation Agreement. Additionally, the property to the north operated by TC Systems has emerged as a potential source of site contamination, and as a result, Landau Associates has had to review associated documents and coordinate with the Department of Ecology. The existing Professional Services Agreement for these services has a current limitation of \$88,800. The requested Modification to Landau's agreement will add an additional \$69,800 for a new total of \$158,600. Larry

Crawford asked the Commission to approve the requested modification to Landau's Professional Services Agreement.

Commissioner Michael Hoffmann moved to authorize the modification of the Professional Services Agreement for Landau Associates in the amount of \$69,800 for professional services related to the Ameron / Hulbert site. Commissioner Duane Pearson seconded the motion. A vote was called for:

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

Motion carried.

#### 6. PROJECTS UPDATE

##### Riverside Business Park Shoreline Restoration – Contract Award

Chief of Engineering & Planning John Klekotka presented the bid results for the Riverside Business Park North Site Shoreline Restoration project to the Commission. The purpose of the project is to restore the shoreline along the north site portion of the Riverside Business Park Shoreline, and create a trail along the shoreline within the buffer. The project scope is to restore 700 feet of shoreline, clear non-native species, remove debris and old timber piling, regrade the shoreline profile, plant wetland and upland plantings, and create 1,100 lineal feet of shoreline buffer with the paved trail. The proposed schedule is that the in-water work is to be completed by February 15, and plantings would occur through March and April, paving of the trail in April, and project completion in May, 2010.

There were 15 bidders on the project, and the low bid was received from DMSL Construction for \$134,902.00. The low bidder was quite low and staff met with them to confirm that the contractor had a full understanding of the project scope, to confirm that the bid was complete, and to check references.

Commissioner Bannan inquired if Staff wanted to move forward with the contract award. John Klekotka said Staff has done the appropriate background checks and confirmed references, and recommended that the Commission award the contract to DMSL Construction. Contracts Administrator Charlotte Walther confirmed that their requirements have been met.

Commissioner Michael Hoffmann moved to award the Riverside Business Park North Site Shoreline Restoration contract to DMSL Construction in the amount of \$134,902.00. Commissioner Duane Pearson seconded the motion. A vote was called for:

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

Motion carried.

##### Boat Launch Maintenance Dredging – Call for Bids

Chief of Engineering & Planning John Klekotka reported that an estimated 30,000 cubic yards of material needed to be dredged from the area around the boat launch in order to provide a serviceable boating facility. Port staff, working with engineers and environmental scientists, have recently completed survey, sampling, and permit application work, and are currently working on completion of the dredge plans in order to bid the project. Federal and state permit approvals are expected to be received soon. In order to accomplish the work prior to the fisheries closure on February 15, 2010, John Klekotka asked for Commissioner authorization to solicit bids for the project immediately upon receipt of the required permits.

Commissioner Michael Hoffmann moved to authorize Port staff to solicit bids for the 10<sup>th</sup> Street Boat Launch Maintenance Dredging project upon receipt of all permits and approvals. Commissioner Pearson seconded the motion. A vote was called for:

Vote: 3-0

Yes: Bannan, Hoffmann, Pearson

No: None

Abstained: None

Motion carried.

**South Terminal On-Call Engineering Award**

Chief of Engineering & Planning John Klekotka reported that to prepare the Port facilities for future cargoes, the Port completed a Marine Terminal Master Plan in 2008. The focus of the Master Plan was the redevelopment and expansion of South Terminal. To support the redevelopment efforts, the Port has applied for a Tiger Grant from the federal government in the amount of \$43.1 Million. At the same time, the area of South Terminal has also been identified as a clean-up site by the Washington State Department of Ecology under the Puget Sound Initiative. The clean-up process needs to be expedited to assure that any necessary remediation work can be integrated into the construction of the TIGER Grant improvement.

Port staff has solicited qualification statements from qualified engineering teams and conducted interviews with the shortlisted firms. Based on the team interviews, Staff recommends that the Port select Worley-Parsons-Westmar as the overall team most qualified to respond to the Port's needs, and recommends that the contract for on-call engineering services be awarded to Worley-Parsons-Westmar. Staff also recommended that an initial budget of \$300,000 be authorized under this contract, with one third of the amount being used for the preliminary site clean-up characterization, and two-thirds going towards preliminary design and permitting efforts. Work would commence immediately in order to meet the aggressive schedule established by the TIGER Grant program. Additional budget authorization will be sought from the Commission as Staff learns more about the extent of the environmental clean-up, and whether or not the TIGER Grant funds are awarded to the Port.

Commissioner Pearson asked if the \$300,000 was reimbursable through the TIGER Grant. Nancy Overton of Port staff reported that costs incurred before the award of the grant are non-reimbursable. Costs incurred after the grant award date are reimbursable.

Commissioner Michael Hoffmann moved to approve the award of the On-Call Engineering Services Contract to Worley-Parsons-Westmar for the South Terminal Wharf and Yard Improvements in an amount not to exceed \$300,000. Commissioner Duane Pearson seconded the motion. A vote was called for:

Vote: 3-0

Yes: Bannan, Hoffmann, Pearson

No: None

Abstained: None

Motion carried.

**Marine Terminals Fender Pile Replacement – Call for Bids**

Chief of Engineering & Planning John Klekotka reported that 18 deteriorated timber fender piles have been identified as needing replacement at the Marine Terminals. The existing timber piles will be replaced with steel pipe piles with high-density polyethylene plastic sleeves. In addition to pile replacement, some of the fender systems are deteriorated and are in need of repairs.

Port staff is recommending that the Commission authorize the call for bids for the Marine Terminals Fender Pile Replacement 2009 / 2010 project.

Commissioner Michael Hoffmann moved to authorize the call for bids for the Marine Terminals Fender Pile Replacement 2009 /2010 project. Commissioner Duane Pearson seconded the motion. A vote was called for:

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

Motion carried.

7. COMMISSIONER COMMENTS

Commissioner Duane Pearson noted that his goal before leaving the Port Commission is to provide recommendations about property management and marketing to Port staff.

8. CITIZEN COMMENTS

There were no Citizen comments.

THE WORK SESSION was recessed into Executive Session at 10:52 a.m. for approximately 1 hour to discuss with legal counsel a pending litigation matter, a real property pertaining to easement rights. No action was taken by the Commission and no announcements were made.

THE WORK SESSION WAS ADJOURNED at 12:05 pm.

APPROVED: THIS 10<sup>th</sup> day of November 2009. EVERETT PORT COMMISSION

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

Michael Hoffmann  
Michael Hoffmann, Vice President

Duane Pearson  
Duane Pearson, Secretary