

PORT OF ANACORTES

Special Meeting March 16, 2010

The Port Commission of the Port of Anacortes held a Special Joint Meeting with the Port of Skagit County on the morning of March 16, 2010. The purpose of the Special Meeting was to discuss items of mutual interest.

The meeting was held at the Port of Skagit County Hearing Room of the Terminal Administration Building, 15400 Airport Drive, Burlington, Washington.

In Attendance for the Port of Anacortes: Commission President Rubin, Commission Secretary Niver, and Commissioner Hopley. Commission Vice-President Mooney and Commissioner Short were excused.

Also in attendance: Executive Director Hyde, Director of Finance & Administration Johnson, Director of Engineering Elsner; Director of Operations & Facilities Hachey, and Executive Assistant Lindsey.

In Attendance for the Port of Skagit County: Commissioner Ware, Commission Kaufman, and Commissioner Shuler.

Also in attendance: Executive Director Botsford-Martin, Director of Facilities & Operations Peterson, Director of Finance Garcia, Harbormaster Stannert, Manager of Planning & Environmental Services Young, Airport Supervisor Nord, Executive Assistant Hardy, Communication Coordinator Hamilton, Marina Services Mattos, and Port of Skagit County Counsel Furlong, as well as several Port of Skagit Consultants.

At 9:06 A.M. Port of Skagit Commission President Ware called the Port of Skagit County Special Meeting to order. Port of Anacortes Commission President Rubin called the Special Meeting of the Port of Anacortes to order and announced the purpose of the Special Meeting was to discuss items of mutual interest, noting this was the third annual joint meeting between the two Port District Commissions.

Commissioner Ware led those assembled in reciting the Pledge of Allegiance.

Commissioner Ware called for all present to introduce themselves. Following introductions, he called for any changes to the Port of Skagit consent agenda. Hearing none, he moved for acceptance of the consent agenda, seconded by Commissioner Kaufman. Commissioner Ware called for a vote on the motion which carried unanimously.

Commissioner Ware opened the floor for a forum for public comment. Hearing none, the floor was closed.

Commissioner Ware called on Port of Skagit County Executive Director Botsford-Martin and staff to provide staff reports.

Executive Director Botsford-Martin reviewed information regarding the Swinomish Channel, describing it as a vital waterway that supports the transport of goods and services, as well as

the Port's LaConner Marina. She noted the need for dredging due to siltation build up in the Channel and reviewed sedimentation study findings indicating that the Channel will silt to -2 at the north end by 2018 and at the south end by 2019. Obstruction of the Channel would result in 521 direct jobs lost and over 1000 additional jobs would be compromised should this occur. Executive Director Botsford-Martin explained the Port of Skagit is working with the state legislature and both the Swinomish and Samish tribes to obtain funding for dredging the Channel. She noted the Port of Anacortes had indicated it would dredge at the north end of the Channel this year.

Speaking for the Port of Anacortes on this issue, Director of Engineering Elsner explained that the Port of Anacortes dredged the Channel in 2002 to build the Fidalgo Bay Eelgrass Mitigation Site. At that time the Port dredged approximately 60,000 cubic yards of material. The Port plans to dredge an additional 50-70,000 cubic yards north of the railroad bridge in 2010 to expand the Eelgrass Mitigation Site. The Port's funding for this project, performed in conjunction with the cleanup of the Former Scott Paper Mill Site, comes from the Department of Ecology, Kimberly Clark, and agreements with other liable parties.

Executive Director Botsford-Martin noted that the Channel has been dredged approximately every three years since 1892. In the past, the Army Corp of Engineers as funded to perform the dredging, however the Clinton Administration determined any waterway lower than a certain depth or serving less than a certain amount of cargo would no longer be funded by the federal government. The Swinomish and Samish tribes depend on the Channel to connect their subsistent fishing grounds in Saratoga Bay and Samish Bay and have applied to receive funding for dredging. The estimated cost for dredging in 2010 would be \$850,000.

Commissioner Ware observed there were comprehensive improvements the Port of Skagit would like to make to its LaConner Marina, but had limited funds and were cautious of the use of public funds for dredging. He noted the Channel siltation also affected boaters from Oak Harbor since many use the Channel to navigate north. Executive Director Hyde noted that closure of the Channel would also affect the Port of Anacortes who receives a number of visiting boaters who arrive via navigating the Channel.

Commissioner Kaufman reported on his recent trip to the Pacific Northwest Waterways Association conference in Washington, D.C., along with Executive Director Botsford-Martin. Topics discussed included aging infrastructure, the Harbor Maintenance Trust Fund, and the Inland Water Fund. While there he and Executive Director Botsford-Martin met with state representative staff members from Washington, Oregon and Idaho, including Congressman Larsen.

Executive Director Hyde thanked the Port of Skagit for their hospitality in hosting the joint meeting this year, noting the two Port staffs got along well and occasionally coordinated training efforts. He presented a review of Port of Anacortes projects for 2009 and 2010 by operating area, including tenants at all three operating centers, the completion of the Pier 1 Project in partnership with shipyard Dakota Creek Industries, remodeling of the Wyman's Ramp, and the Main Port Office Transit Shed Events Center, and the new Workboat Races event at the Marine Terminal, the Anthony's lease signing – a \$3 Million dollar project, the Marine Career and Technical Skills Center with construction underway that will serve as an Icon for the marine industry, and other events at the Cap Sante Boat Haven, and new condo hangers built by tenant 48 ° North Aviation at the Anacortes Airport.

Executive Director Hyde noted the Port of Anacortes' largest project at this time is the Former Scott Paper Mill Site Cleanup, begun by the Port in 2009 and continuing through May of 2011. He reviewed the Port's material handling facility where dredged and excavated materials are sorted with contaminated materials going to a disposal facility near Wenatchee. The Port is constructing new wave attenuators that will replace the existing 52 year old creosote pile breakwater at the Boat Haven, performing beachfront reconstruction and excavation. He thanked Port Director of Engineering Elsner for his leadership role in developing this project and working with Kimberly Clark and the Department of Ecology.

A possible new export product for the Port in 2010 is prilled sulfur, a bi-product of the refining process. The Port held a test shipment demonstration last year. The prilled sulfur is non-flammable and dust free.

After a brief discussion by both Commissions regarding funding and income sources, Commissioner Ware called for a short recess. The meeting recessed at 9:56 a.m. and returned to order at 10:05 a.m.

Executive Director Botsford-Martin reviewed new business for the Port of Skagit Commission. Port of Skagit Finance Director Garcia presented Resolution No. 1008 authorizing authority to prepare and issue warrants prior to Commission approval, and Resolution No. 1009 adopting a Small Works roster. Both resolutions were moved, seconded and passed. Commissioner Shuler was excused.

Executive Director Botsford-Martin presented an overview of Port of Skagit County projects and operations, including Port history and districts, the Bayview Business Park and Airport, tenants, agricultural and industrial land holdings, the LaConner Marina, and business development.

Following additional discussions from both Commissions regarding commerce, taxation, and project development and cooperation, Commissioner Ware called for a motion to adjourn. Commission Kaufman so moved, seconded by Commissioner Ware. Commissioner Rubin moved to adjourn for the Port of Anacortes, seconded by Commissioner Hopley,

With no further business to come before the commissions, the meeting adjourned at 11:02 A.M.

Attest:

Keith Rubin, President

Pat D. Mooney, Vice-President

Ray Niver, Secretary

William L. Short, Commissioner

Steve Hopley, Commissioner

Julie Johnson Lindsey, Executive Assistant
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