

Port of Anacortes

Regular Commission Meeting August 5, 2010

The Port Commission of the Port of Anacortes held its regular business meeting at 7:00 P.M. on the evening of August 5, 2010. This was a regularly scheduled Commission Meeting held in the Commission Meeting Room of the Port Main Warehouse Building, 1st & Commercial Avenue, Anacortes, Washington.

In Attendance: Commission President Rubin, Commission Vice-President Mooney, Commission Secretary Niver, Commissioner Hopley and Commissioner Short.

Also in attendance: Executive Director Hyde, Director of Finance & Administration Johnson, Director of Operations & Facilities Hachey, Accounting Manager Behan, Environmental Administrator Thoman, Project Manager Dossen, and Executive Assistant Lindsey.

CALL TO ORDER

At 7:03 P.M. Commission President Rubin called the regular meeting of August 5, 2010, to order and welcomed all in attendance. An executive Session will be held following the second public comment period for the purpose of discussing the lease, sale or purchase of real property. Anticipated duration is one hour and action may or may not be taken.

PUBLIC COMMENT PERIOD

Commissioner Rubin opened the floor for public comment pertaining to items on the regular agenda. Hearing no one with a desire to address the Commission, the floor was closed.

CONSENT AGENDA

Commissioner Rubin read the consent agenda items: Approval of Minutes of the Regular Meeting of July 1, 2010, Special Meeting of July 8, 2010, and Regular Meeting Work/Study Session of July 15, 2010; Approval of Vouchers No. 7-1 through 7-172 totaling (\$3,901,864.37); Approval of the June 2010 Treasurer's Report totaling \$11,622,810.65; and three Action Items: Project Acceptance of the General Construction Contract for West Basin Building Roofing and Siding Replacement Project, project #CSBH-18, Project Acceptance of the Construction Contract for "O" Avenue Mitigation Site Project, project #PROP-01D (a JDF Funded Project), and Authorization for Consultant Services for 2010 Fidalgo Bay Eelgrass Mitigation Site Survey (Year Three Monitoring). Commissioner Rubin called for any objections to the consent agenda. Hearing none, Commissioner Rubin called for a motion for approval. Commissioner Short moved to approve the consent agenda. Commissioner Mooney seconded the motion. Commissioner Rubin called for a vote on the motion, which carried unanimously.

Commissioner Mooney noted that this was the largest voucher list in the Port's history, with most charges being in the areas of environmental cleanup.

REGULAR AGENDA

Sulfur Discussion

Executive Director Hyde introduced CH2M Hill expert Jay Willenberg, a senior air quality engineer. He noted Mr. Willenberg had been with CH2M Hill for 9 years. Prior to that he spent 22 years at the Department of Ecology and 9 years with Puget Sound Clean Air Agency.

Mr. Willenberg reviewed his findings in performing a variety of tests and research regarding the proposed shipment of prilled sulfur at the Port's Marine Terminal Pier 2. Mr. Willenberg explained that in dealing with air quality measurements included noting types of dust, identifying any possible sources of dust or particulate matter, and what precautions would be taken, if needed, to limit and prevent dust. He noted that during a test load of prilled sulfur there were no problems with dust and reviewed the shipping process. New trucks with trailers designed to handle sulfur will be utilized. A water misting system will also serve to keep any dust down during handling. The sulfur will only be loaded via an enclosed conveyor into ship's holds. No barges will carry sulfur. An additional spray nozzle for misting is used below the level of the ship's deck. All trucks exiting Pier 2 must go through the Port's wheel wash facility before leaving the terminal.

Mr. Willenberg explained the air quality analysis performed the estimated emissions, and models for the air quality and that of the community showed that the shipments meet the clean air requirements. Readings were taken using Environmental Protection Agency, State of Washington criteria, and Shell Met data – taken from an air quality station on March's Point. Also studied were wind speed and patterns over a four year period for the Marine Terminal and surrounding area, and all results were combined to determine maximum projected impacts. Mr. Willenberg concluded that the annual impact of the shipment of prilled sulfur at Pier 2 was almost nothing, and noted that CH2M Hill used a worst possible case scenario in completing their findings.

Mr. Willenberg responded to questions from the Commission and also noted that loading sulfur would involve fewer emissions than the shipment of petroleum coke. He explained that the EPA's position is that only particles smaller than 10 microns are considered a concern. He observed that the Port also had a vacuum sweeper which was highly affective. Mr. Willenberg noted that in addition to the storage facility on March's Point, Marsulex was also building a facility in Long Beach, California. No prilled sulfur would be stored on the Pier.

Mr. Willenberg reviewed the chemical reactivity of prilled sulfur which is a solid, is insoluble in water, is chemically stable, and resistant to burning, and sprayed with water. Commissioner Niver noted that prior attempts to burn the sulfur were not successful. In terms of smell, the worst case scenario would be a comparison to a low ride, resulting in biological activity.

Members of the audience began directing questions to Mr. Willenberg. Commissioner Rubin explained that Mr. Willenberg was speaking to the Commission and would not be responding to audience questions. He noted that any questions for Mr. Willenberg could be submitted in writing to the Port.

Following the conclusion of Commission questions and discussion, Executive Director Hyde and the Port Commission thanked Mr. Willenberg for his time and expertise.

ACTION ITEM

Construction Authorization for "T" Avenue Roadway Improvements project, project Pier 1 Project, PROP-01E (a JDF funded project.) –

Executive Director Hyde introduced Project Manager Jenkins Dossen who outlined the scope of work involved including the reconstruction of “T” Avenue and the Wyman’s Marina from 4th Street to the Wyman’s alleyway, and the relocation of utilities. He explained that the project went out to bid on July 7th and bids were opened on July 29th. The lowest responsive and responsible bidder was Iverson construction. Asphalt paving will be installed to the edge of the Wyman’s property, replacing the current dirt and gravel road. The new plan will minimize dust and provide extra parking. Ancillary items for Dakota Creek Industries area and Marine Terminal improvements will be funded by the JDF funds.

Commissioner Hopley requested an update on how much of the JDF grant remained. Executive Director Hyde noted that approximately \$500,000 remained and that any funds left over would go towards stormwater improvements at Pier 2.

Hearing no further discussion, Commissioner Rubin called for a motion. Commissioner Mooney moved to authorize a construction budget totaling \$599,000 to be spent from the General Fund, to complete the Project Pier 1 – T Avenue Roadway Improvements Project, project #PROP-01E (A JDF Eligible Project). All costs will be reimbursed to the Port as part of the existing JDF grant. Commissioner Short seconded the motion. Hear no discussion; Commissioner Rubin called for a vote on the motion, which carried unanimously.

NEXT STEPS

Proposed Resolution No. 1225 – Establishing a Business Lease Policy -

Executive Director Hyde noted that a committee made up of Commissioners Hopley, Mooney and himself met to review earlier discussions by the Commission regarding lease policy and to review active Resolutions No. 733, 1167, and 1221 dealing with leases and Executive Director authority. The Commission discussed the wording of the proposed resolution, determining that the word Business should be replaced with the words Real Property, and that a reference to another resolution denoting Executive Director authority, specifically Resolution No. 1220, should be referenced as not superseded by any updates resulting from the proposed resolution 1225. Executive Director Hyde will draft a revised resolution for consideration by the Commission at a future meeting.

STUDY SESSION

2nd Quarter Financial Review –

Director of Finance & Administration Johnson presented a review of the Port’s 2nd Quarter Financials for the Commission. He observed that 2nd quarter revenues were approximately \$7,000 off of our budget projections, but were still above the amount received during the same period in 2009. The primary difference is a small decline at the Marine Terminal in the shipments of petroleum coke. As a result, expenses are also lower.

The Port’s net operating income is above that of the same time last year and above the amount budgeted for 2010. Non-Operating income from capital grants is as expected.

Director Johnson explained that in terms of environmental activity funding, the Port was fortunate to have partnerships with the State of Washington and the Dept. of Ecology. The environmental activity funding balance was in part due to the timing of grant recoveries.

Net Income to date has experienced a large increase and is actually about where staff estimated it would be.

DISCUSSION ITEM

Policy Discussion – Proposals to the Port –

Commissioner Rubin reviewed the latest draft of a policy to address proposals that come to the Commission from outside of Port staff and/or members of the Commission. He noted the Commission had discussed such policy during their June 17th and July 6th and 28th meetings.

Commissioner Niver pointed out that the latest draft before the Commission for discussion was essentially the same as the draft he authored but didn't convey an emphasis on the Commission's delegation to the Executive Director. Commissioner Hopley volunteered to draft another version for review at the next regular meeting, including language regarding evaluation of a proposal for consistency with the Port's mission.

COMMISSION DISCUSSION

Guiding Principles for Acquisition and Disposal of Real Estate –

Commissioner Rubin reported on information provided by Bill Bryant, Commission President of the Port of Seattle, who are in the process of reworking some of their guiding principles, one of which was for the acquisition and disposal of real estate. Commissioner Rubin inquired whether this was an item the Commission would like to discuss and whether a blue ribbon committee should be formed to aid the Port in consideration of a guiding principle for real estate.

The Commission was of the consensus that such a discussion would be appropriate for a special meeting of the Commission and that no additional committee was needed at this time. The Commission will look to hold a special meeting in October to discuss establishing a policy for real property acquisition, surplus and disposal.

Robert's Rules of Order –

Commissioner Short reported that a speaker at the Washington Public Ports Association Commissioners meeting was an expert on Robert's Rules of Order and parliamentary procedure. One of the points made was that the person with the floor cannot be cut off by the Chair unless a pre-determined time limit has been set. Commissioner Niver noted that it is also the responsibility of the Chair to restrict discussion to the motion at hand.

The Commission will add further discussion on the topic to a future study session.

Public Comment Periods –

In light of members of the audience wanting to question a speaker earlier in the evening, Commissioner Hopley noted that the Commission included two public comment periods in each regular meeting, the first for comment on topics on the regular agenda and the second for comment on topics not on the regular agenda. This provides an opportunity for members of the public to speak on most any topic, including their comment on a presentation. Commissioner Niver pointed out that members of the audience earlier in the meeting wanted to question and debate the speaker and that was not public comment and was not appropriate for this meeting.

COMMUNICATIONS

Executive Director Hyde reported that two additional items have been added to the Port's surplus list for auction. Ten 12' Hubble 150w HPS Multi tap poles and lights, and approximately 400 linear feet of 4X6 billed fir in various lengths, will be included in the surplus auction on August 28th at the Cap Sante Boat Haven web locker from 8:00 a.m. to 5:00 p.m.

That same day, the Port will auction an abandoned vessel to satisfy delinquent charges. The auction of the 34' Catalina sailboat will take place at 1:00 p.m. at the Boat Haven.

Upcoming Events –

Executive Director Hyde noted that the free Central Pier performances at Boat Haven each Saturday and Sunday from noon-2:00 p.m. have been very successful. The entertainment continues through the first Saturday in September. The free Summer Concert series continues for the next two Friday nights at the north end of the Boat Haven.

The next Project Community Tour is scheduled for August 9th at 4:00 p.m. and will meet at the Dakota Creek office at 4th & Q Avenue. The Port's former Scott Paper Mill cleanup site will be toured.

Marine Terminal Tariff –

Director of Operations & Facilities Hachey reported on updates to the Port's Marine Terminal Tariff. The Port is a member of the Northwest Marine Terminals Association which meets annually to discuss and determine rates, which are usually updated each July when all known costs are available. The Port makes annual adjustments to stay competitive and discretionary dockage rates, such as those for vessels performing "drop and vac" visits or dockage to clear customs, provide the Port with an average \$175,000 of annual income. Although our rates are among the highest in the northwest, we are at par with Seattle which is our primary competitor for this type of dockage. All steamship companies under Homeland Security requirements are also charged security requirement fees.

Executive Director Hyde commended Director Hachey for increasing the Port's Marine Terminal business.

Executive Director Hyde congratulated Director of Finance & Administration Johnson on his third year anniversary with the Port.

UPCOMING MEETINGS

Executive Director Hyde reviewed the Commission's upcoming meeting schedule. The next Regular Commission Work/Study Session Meeting will be on August 19, 2010, and the first Regular Meeting in September will be held on the 2nd.

The Commission discussed holding a special meeting for a site tour of Port projects. Executive Assistant Lindsey will poll the Commission for consensus on a date for the meeting.

PUBLIC COMMENT PERIOD

Commissioner Rubin opened the public comment period for items not on the regular agenda.

Hearing no one with a desire to address the Commission, the public comment period was closed.

EXECUTIVE SESSION

Commissioner Rubin announced that the Commission would take a 5 minute recess and then move into Executive Session for the purpose of discussing the lease, sale or purchase of real property. Anticipated duration is up to one hour and action may or may not be taken. The Commission entered into Executive Session at 9:05 P.M.

At 9:18 P.M. the Commission came out of Executive Session and resumed the Regular Meeting. Commissioner Rubin noted that no action would be taken regarding the matter or matters discussed.

ADJOURNMENT

With no further business to come before the Commission, Commissioner Niver moved to adjourn, which was seconded by Commissioner Mooney. Commissioner Rubin called for the vote on the motion, which carried unanimously and at 9:19 P.M. the meeting adjourned.

Attest:

Keith Rubin, President

Pat D. Mooney, Vice-President

Ray Niver, Secretary

Steve Hopley, Commissioner

William L. Short, Commissioner

Julie Johnson Lindsey, Executive Assistant
August 5, 2010