

**Port of Anacortes**  
**Regular Commission Meeting**  
**January 6, 2011**

The Port Commission of the Port of Anacortes held its regular business meeting at 7:00 P.M. on the evening of January 6, 2011. This was a regularly scheduled Commission Meeting held in the Commission Meeting Room of the Port Main Warehouse Building, 1<sup>st</sup> & 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, Project Manager Dossen, Accounts Receivable Specialist Siechen, and Executive Assistant Lindsey.

**CALL TO ORDER**

At 7:00 P.M. Commission President Rubin called the regular meeting of January 6, 2011, to order and welcomed all in attendance.

**PRESENTATION – Employee of the Year for 2010**

Executive Director Hyde introduced Accounts Receivable Specialist Gloria Siechen who was selected from a field of nine nominees by her Port co-workers as the 2010 Employee of the Year. Port staff members nominate those whom they believe have made significant contributions to the Port throughout the year. Executive Director Hyde noted that Gloria had been instrumental in improving the Port's billing and collection processes, billing more than \$20 million worth of working accounts and providing the most up to date receipting for those accounts with a very low number having outstanding balances. Gloria processes roughly 1,000 invoices each month in Boat Haven billings alone. He shared that even those accounts that Gloria has had to call to remind of a past due amount have praised her professionalism and attitude. Gloria is retired from the United States Central Intelligence Agency. As part of the Port's accounting team, Gloria was instrumental in the Port's receipt of another good report from the Washington State Auditors. Commissioner Rubin thanked Gloria on the Commission's behalf and presented her with an engraved plaque denoting her honor.

**PUBLIC COMMENT PERIOD**

Commissioner Rubin opened the floor for public comment pertaining to items on the regular agenda. He noted that many in the audience might be in attendance to speak to the subject of parking, which was not on the agenda, but would be discussed at a Special Meeting on January 20<sup>th</sup> at 5:00 P.M. Hearing no one with a desire to address the Commission regarding subjects on the regular agenda, Commissioner Rubin opened the floor for subjects not on the regular agenda.

1. *Mr. Lawrence Heiner, 804 K Avenue, Anacortes, addressed the Commission. Mr. Heiner introduced himself as a twelve year resident of Anacortes. He applauded the Commission's decision to hold a meeting on January 20<sup>th</sup> to work towards developing a parking policy for Port properties, and provided his comments as input into that process, Mr. Heiner read from a prepared statement noting that the development of public policy as consistent with the Port's Mission Statement and in particular with being*

*responsible stewards of public resources. Mr. Heiner stressed the need for the Commission to operate with a high level of confidence and to develop a cohesive policy that would apply years from now. He encouraged the Commission to hold uncommitted real estate until a suitable commercial or needed public opportunity presented itself, rather than lease it for parking. His entire statement will be attached to these minutes.*

*2. Mrs. Marilyn Wells Derig, 1302 K Avenue, Anacortes, addressed the Commission. Mrs. Derig stated she was born and raised in Anacortes and had come to speak in support of the Commission's work on a parking policy and, like Mr. Heiner, quoted from the Port's Mission Statement, noting that when the Port operates in a manner which maintains a high level of public understanding and confidence, people would know what they could count on. Mrs. Derig also read from a prepared statement which will be attached to these minutes.*

*3. Mrs. Susan Rooks, 1219 10<sup>th</sup> Street, Anacortes, addressed the Commission. Mrs. Rooks read from a prepared statement and commended the Commission for undertaking development of a Port Parking Policy. She noted that both the Port's Comprehensive Plan and its Mission Statement provide guidance and some parameters for establishing a parking plan while emphasizing the need to provide adequate parking for the Port's tenants. Mrs. Rook's statement will be attached to these minutes.*

*4. Mr. Tom Glade, 210 Mansfield Court, Anacortes, addressed the Commission, noting he was a moorage tenant who and also maintained a sailing dingy on "Q" Dock at the Cap Sante Boat Haven and crewed on a 40' boat kept at the Boat Haven. Mr. Glade observed that a portion of the parking lot near the head of "Q" Dock had recently been fenced for use by small boaters via the Anacortes Small Boat group. While he had no objection to this, seeing it as a good use, Mr, Glade pointed out this necessitated the need to park farther west which was somewhat of an inconvenience. He voiced his support of the remarks made by Mr. Heiner and asked the Commission to please support those using the water by providing well thought out planning.*

Hearing no others with a desire to address the Commission, the floor was closed.

### CONSENT AGENDA

Commissioner Rubin Commissioner Rubin read the consent agenda items: Approval of Minutes of the Regular Meeting & Executive Session of December 2, 2010, and Regular Meeting Work/Study Session & Executive Session of December 16, 2010; Approval of Vouchers No. 1-1 through 1-151 totaling (\$3,394,946.64); and Approval of the November 2010 Treasurer's Report totaling \$15,836,375.37; and Action Item: Project Acceptance for Cap Sante Boat Haven Parking Lot Improvements, Project #PROP-06. Commissioner Rubin called for any objections to the consent agenda. Hearing none, he called for a motion for approval. Commissioner Mooney moved to approve the consent agenda. Commissioner Niver seconded the motion. Commissioner Rubin called for a vote on the motion, which carried unanimously.

### REGULAR AGENDA

#### ACTION ITEMS

#### Election of Commission Officers for 2011 -

Commissioner Rubin opened nominations for the office of Commission President. Commissioner Short nominated Commissioner Mooney, who noted that in the past the Commissioners have rotated turns as President with different Commissioners bringing different strengths. Commissioner Niver nominated Commissioner Rubin believing the Commission was operating effectively and of the opinion that the present officers be re-elected. Hearing no other nominations, the nominations were closed. Commissioner Mooney and Commissioner Rubin

each provided a short statement as to why they would want to be Commission President. Commissioner Mooney noted he had served as President in past years and had been a Commissioner for quite some time. He observed he was a former business owner, with more than 40 years in that business, providing him with a great deal of business experience.

Commissioner Rubin stated that from the time he was elected he had seen the importance of changing the culture of the Commission and making them a more forward leading group, with which he believed progress had been made. Commissioner Rubin wished to continue serving as Commission President.

With discussion concluded, Commission Rubin called for a motion. Commissioners Short and Mooney voted their support for Commissioner Mooney while Commissioner Hopley, Niver, and Rubin voted for Commissioner Rubin. Commissioner Rubin noted there had been some interest voiced at the last Commission meeting in retaining the status quo. Commissioner Niver agreed.

Commissioner Rubin requested nominations for Commission Vice President. Commissioner Short moved to have Commissioner Mooney serve as Vice-President, seconded by Commissioner Niver. Hearing no others, Commissioner Rubin closed the nominations for Vice-President and then nominated Commissioner Niver for Secretary. Hearing no others, Commissioner Rubin called for a motion on the slate of officers. Commissioner Hopley moved to elect the following individuals as officers for the Port of Anacortes Board of Commissioners for 2011: President: Commissioner Rubin, Vice-President Pat Mooney, and Secretary Commissioner Niver. Commissioner Niver seconded the motion. Commissioner Rubin called for a vote on the motion, which carried unanimously.

#### Appointment of Commission Delegates to Organizations –

Commissioner Rubin suggested the Commission continue with the same delegates as in 2010. Commissioner Mooney stated he would like to serve on the Skagit Council of Governments Revolving Loan Funds Committee, on which the Port has a delegate every other year. This met with no objections. Hearing no further discussion, Commissioner Niver moved to retain the same delegates as 2010 as follows:

City/Port Liaison Committee – Commissioners Hopley & Short  
Regional Transportation Planning Organization (RTPO) – Commissioner Niver  
Skagit Council of Governments (SCOG) – Commissioner Niver  
SCOG Revolving Loan Funds Committee – Commissioner Mooney  
Washington Public Ports Association – Commissioners Rubin & Mooney

Commissioner Short seconded the motion. Commissioner Rubin called for a vote on the motion, which carried unanimously.

#### DISCUSSION ITEM

##### Establishing Legislative Priorities –

Commissioner Rubin noted that since the Commission's last discussion of legislative priorities, the issue of deep cuts to the Washington State Ferries had come up, including discussion by the Governor's office proposing privatization. He asked for input from the Commission on this and other priorities. Commissioner Mooney noted the proposed cuts would limit ferry service to Sydney, B.C. Commissioner Niver observed that this had been a discussion item at the SCOG

RTPO meeting as well. The State of Washington considers the ferries as part of the state highway system, but doesn't treat, fund, or evaluate them in the same way. For example there is a charge to travel on the ferries.

Commissioner Hopley stated that any actions that would affect the Model Toxics Control Act (MTCA) funding should be a priority. Commissioner Rubin agreed, noting MTCA grant funds were involved in environmental cleanups, some of which involved the Port.

Commissioner Short noted that funding for aviation was also critical and that proposed cuts should not be made.

Commissioner Mooney observed these were all strong items to pursue, especially in the case of MTCA funding, which was instrumental in the cleanup of the Port's Former Scott Paper Mill Site.

Also discussed were prevailing wage issues, which Executive Director Hyde noted would raise the cost of doing business on public lands. Commissioner Hopley agreed that issue needed to be examined along with the entire spectrum of those rules which cause public agencies to have to use more funds.

Commissioner Rubin asked the Commissioners to state their top two legislative priorities, with MTCA, Prevailing Wage, and WSDOT/State Ferries being the most cited. Commissioner Hopley noted there might be occasions where the Port Commission finds itself at odds with the Washington Public Ports Association's Legislative Committee. Commissioner Rubin agreed the Commission would work to develop an approach for those instances.

### ACTION ITEMS

#### Authorizing Commissioner Participation on the WPPA Legislative Committee –

This item sought authorization for a Commission representative to the WPPA Legislative Committee, including authorization for travel and related expenses incurred in service on the Committee. Commissioner Rubin noted the representative would speak to the priorities of the Port.

Commissioner Short thought the Port should have representation, as did Commissioner Mooney who believed that Commissioner Rubin, as Commission President, should do so. Commissioner Mooney moved to appoint Commissioner Rubin to represent the Port on the WPPA Legislative Committee and approve travel and expenses incurred in service on the Committee. Commissioner Niver seconded the motion. Commissioner Rubin called for any discussion and hearing none, noted he would report back regularly to the Commission and would make the Port's priorities known at both the Committee level and to the Port district's legislators and representatives. He called for a vote on the motion, which carried unanimously.

#### Authorization for Additional Funding to Complete Pre-construction Elements for Pier 2 Stormwater Management System Project, Project #MRT-11 –

This item requested Commission authorization to continue pre-construction elements associated with the completion of design, permitting and bidding for the Pier Two Stormwater Management System Project. Executive Director Hyde explained that the initial scope of the project had changed from seven to fifteen acres of involvement. He introduced Project Manager Dossen who

briefed the Commission, noting the design for the project was presently 95% complete. The item before the Commission was for the additional estimated cost to complete pre-construction elements for the project in the manner of design and engineering, approximately \$35,000. Once design is complete the Port will go out to bid on the project and then bring those results back to the Commission in February.

Commissioner Hopley inquired whether the increase to the scope of the project had been discussed previously. Project Manger Dossen noted that the original estimate at seven acres was approximately \$360,000. The increase in acreage increased the overall costs to approximately \$1.6 million with some cost savings reached due to an agreement with the City of Anacortes. In response to questions, Manager Dossen noted the remaining \$500,000 remaining from the Port's Job Development Fund (JDF) grant would be applied to the costs. Executive Director Hyde noted the Port had applied for a grant from the Department of Ecology but wasn't the recipient with there being a lot of competition for those funds.

Commissioner Rubin called for a motion. Commissioner Short moved to authorize the additional funding totaling \$35,000 to complete pre-construction elements associated with the Pier Two Stormwater Management System Project, #MRT-11, to be spent from the Tax Fund. Commissioner Mooney seconded the motion. Commissioner Rubin called for additional discussion. Commissioner Niver noted that the outcome of the completion of the stormwater project was that the Port would gain additional revenues, among them, revenues from sulfur export. While he did not object to the Port using Tax Fund dollars for stormwater improvements and revenue generating cargoes, he did wish to see those revenues used to replenish the Tax Fund. With discussion concluded, Commissioner Rubin called for a vote on the motion, which carried unanimously.

### COMMISSION DISCUSSION

#### Prilled Sulfur Export –

Commissioner Hopley spoke in regards to sulfur prills, noting that during the Commission's October 21<sup>st</sup> meeting he had pointed out some concerns he had with the permit conditions and the Marsulex permit regarding specific standards on the release of hydrogen sulfide (H<sub>2</sub>S). He wished to know if any efforts had been made to incorporate concrete limits on emissions into the agreement. Executive Director Hyde responded that the Port had not added that into the agreement, but had been working with the state's Clean Air Agency regarding emissions and would be installing one of their most sensitive monitors for H<sub>2</sub>S, which would measure emission down to three parts per billion. The Port will be able to receive ambient readings as well. Commissioner Hopley agreed with the need for monitoring, but questioned its value with no concrete standards. He also wished to see the agreement contain a clause giving the Port the ability to cancel the agreement with Marsulex if it did not meet standards.

Commissioner Mooney stated he did not believe the Port should set emission standards, when the Environmental Protection Agency (EPA) sets them. He noted that those agencies set the standards that the Port and Marsulex should then comply with. He saw no need for the agreement to come back to the Commission for additional approvals. Commissioner Niver noted that Commissioner Hopley had made some good points and the Commission should know what would happen if there was an emission violation and whether that would void the agreement. Commissioner Niver thought the level of emissions was set at the discretion of the Clean Air Agency and noted the Port had received complaints from citizens who complained of a sulfur odor even though the Port had not yet begun to ship any. Commissioner Hopley

clarified that it was the Northwest Clean Air Agency and not the EPA who set the emission standards, however he noted it was the Port's mission to pursue economic development opportunities while protecting the needs and qualities of life of district residents.

Observing that Commissioner Hopley was not happy with the particulars of the Clean Air Agency Permit, he poled the remaining Commissioners on their opinions as to whether the matter should come back to the Commission for further discussion and consideration. Commissioners Mooney and Short believed the standards set by the Clean Air Agency should be sufficient. Commissioner Niver didn't see any harm in having further discussion of the standards in the agreement and the permit by the Commission.

Executive Director Hyde observed that the agreement as drafted with Marsulex allows either party to discontinue the agreement with two years notice, representing approximately 6-8 ships per year.

Commissioner Hopley noted that sample limits are 55 parts per billion with the Clean Air Agency allowing Marsulex to do a composite sample; He preferred concrete limits that were not from composite sampling. He noted that state regulations prevent dust on adjacent properties but did not say for sulfur what that deposit number was. Commissioner Rubin stated he believed there were adequate protections in place with the Clean Air Agency permit. Commissioner Short observed that unlike petroleum coke; sulfur pills were bright yellow and could easily be seen. Commissioner Niver noted that as with odor, residents had stated they'd seen spilled sulfur when none was being shipped, and what had been seen was actually pollen.

#### Anthony's Restaurant –

Commissioner Rubin announced that the new Anthony's restaurant was celebrating their grand opening on January 15<sup>th</sup> with a Rotary sponsored fundraiser. They plan to open to the general public the following week.

### COMMUNICATIONS

#### Audit Conference –

Commissioner Rubin reported that the Port had its exit conference with the State Auditor's Office that day and termed it a great exit conference with a good audit, including no findings or management letters. The audit team made one recommendation of a minor issue regarding annual launch passes for the trailer boat launch at the Boat Haven.

#### Upcoming Events –

Executive Director Hyde reviewed upcoming events: The next Project Community Tour is scheduled for January 10<sup>th</sup> at 4:00 p.m. and will meet at the Anthony's parking lot for an exterior tour of the building and new parking area. Community tours are held the second Monday of each month.

Executive Director Hyde also communicated that the Port has been reinstated as a voting board member of the Chamber of Commerce with the next meeting being January 18<sup>th</sup>.

Executive Director Hyde noted he would attend the January 18<sup>th</sup> City Council hearing regarding the Planning Commission's recommendation to deny recent zoning change proposals that would adversely affect the Marine Terminal.

Executive Director Hyde reported he had been asked by James Mastin of the Skagit Council of Governments to accompany him to Olympia to speak to Senator Haugen and other district representatives regarding possible funding for the replacement of Pier 1 and E&F Docks.

### UPCOMING MEETINGS

Executive Director Hyde reviewed the Commission's upcoming meeting schedule. As decided this evening, the Commission will hold a Special Meeting at 5:00 p.m. on January 20<sup>th</sup> to discuss parking policy. The next Regular Commission Work/Study Session Meeting will be on January 20, 2011 at 7:00 p.m. and will be the annual joint meeting with the Port of Skagit County Commission and staff.

Commissioner Rubin requested that the Commission provide both he and Commissioner Mooney with their input following the Year in Review presentation on December 16<sup>th</sup>, to use in performing their evaluation of the Executive Director.

### PUBLIC COMMENT PERIOD

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

1. *Mrs. Virginia "Bunny" Heiner, 804 K Avenue, Anacortes, inquired whether the Commission would accept comments from the general public at the January 20<sup>th</sup> Special Meeting.*

Commissioner Rubin affirmed that the meeting would be open to the public and that a public comment period would be provided.

2. *Mr. Richard Storwick, 1510 9<sup>th</sup> Street, Anacortes, addressed the Commission. Speaking from a prepared statement in regards to the issue of a parking policy, Mr. Storwick believed it obvious that in the future parking would be increasingly valuable and a critical factor in attracting businesses that would be forced to locate elsewhere if adequate parking were not available. He asked the Commission to take note of Title 17 of the Anacortes Municipal Code, specifically 17.06.687 which defines parking; including parking in Commercial Marine zones, noting that parking should be co-located to the facility it serves. He commended the Commission for addressing this issue. A copy of Mr. Storwick's statement is attached to these minutes.*

3. *Mr. Tom Glade, 210 Mansfield Court, Anacortes, addressed the Commission a second time, speaking on behalf of Evergreen Islands and stating their appreciation for Commissioner Hopley speaking out on behalf of the physical health of district residents.*

Hearing no others who wished to address the Commission, the public comment period was closed.

### ADJOURNMENT

With no further business to come before the Commission, Commissioner Short moved to adjourn, which was seconded by Commissioner Mooney. Commissioner Rubin called for the vote on the motion, which carried unanimously and at 8:30 P.M. the meeting adjourned.

**Attest:**

\_\_\_\_\_  
Keith Rubin, President

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Pat D. Mooney, Vice-President

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Ray Niver, Secretary

\_\_\_\_\_  
Steve Hopley, Commissioner

\_\_\_\_\_  
William L. Short, Commissioner

\_\_\_\_\_  
Julie Johnson Lindsey, Executive Assistant  
January 6, 2011