

PORT OF ANACORTES

Special Meeting July 16, 2008

The Port Commission of the Port of Anacortes held a special meeting on July 16, 2008. The purpose of the special meeting was to consider action for construction authorization for the Dakota Creek Industries Interim Remedial Action Sediment Clean-up, Project #PROP-03, and for Commissioners and staff to attend a groundbreaking ceremony for Project Pier 1.

The meeting was held at the Port Main Office, 1st & Commercial Avenue, Anacortes, Washington, and continued to the Dakota Creek Industries lunchroom and shipyard.

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

Also in attendance: Executive Director Hyde, Director of Finance & Administration Johnson, Director of Operations & Facilities Hachey, Director of Engineering Elsner; Project Manager Estvold, and Administrative Coordinator Lindsey.

At 12:30 P.M. Port Commission President Short called the special meeting to order and announced the reasons for the special meeting.

ACTION ITEM

Construction Authorization for Dakota Creek Industries Interim Remedial Action Sediment Clean-up, Project #PROP-03 –

Executive Director Hyde introduced Director Elsner who reviewed the action item for the Commission which requested authorization of \$2,106,660 to dredge and dispose of contaminated sediment in the ship basins at Pier 1. Director Elsner explained that the redevelopment activities for Project Pier 1 include dredging the shipyard basin to approximately -35 feet Mean Lower Low Water (MLLW) and installing a sheet pile wall to support the uplands along the dredged basin. The Port is under order from the Department of Ecology to complete an Interim Cleanup Action in the sediment area of the shipyard basin where sampling shows chemical concentrations exceeding screening levels. The contaminated sediments must be removed prior to completion of the basin deepening and sheet pile wall installation. Approximately 26,000 cubic yards of contaminated dredged material will be removed. Dredging will be completed by contractors to Dakota Creek, while the handling, transportation, and disposal of the contaminated dredged material will be the Port's responsibility. Ecology's toxic cleanup grants will pay for 50% of the cost of the project and additional funding may be obtained through insurance cost recovery.

Director Elsner explained that Port staff and consultants examined the variable and fixed costs of handling and disposal and determined that a facility for cleaning and storing the dredged material onsite at Pier 2 would be the most cost effective method. Re-characterizing as much material as possible will provide substantial savings. Final acceptance of the sediments cleanup is anticipated to be brought back to the Commission during the first quarter of 2009.

Following a brief discussion by the Commission, Commissioner Short called for a motion.

Commissioner Mooney moved to authorize a construction budget totaling \$2,106,660 to complete the DCI Interim Action Sediment Clean-up Project, #PROP-03. The project will be funded from the Property Sales Proceeds Fund. All Funds transferred from Property Sales Proceeds will be paid back when the Port receives grant reimbursements for the project and/or third party cost recovery. Commissioner Rubin seconded the motion. Commissioner Hopley requested that the motion be restated, and after doing so, Commissioner Short called for a vote on the motion which carried unanimously.

GROUNDBREAKING CEREMONY

Commissioner Short called for a brief recess in order for the Commission and staff to travel the short distance to the Dakota Creek Industries lunchroom building where the meeting was reconvened at 1:01 P.M. Commissioner Niver was excused to attend a Skagit Council of Governments Regional Transportation Planning Organization meeting

Executive Director Hyde welcomed the 50+ people in attendance, including Mike Nelson, Vice-President of Dakota Creek Industries (DCI), Don Wick, Executive Director of the Economic Development Association of Skagit County (EDASC), members of the Anacortes City Council Erica Pickett, Cynthia Richardson, and Bill Turner, Sally Harris representing the Department of Ecology, current and former project consultants, DCI and Port staff, members of the public, and members of the press. Executive Director Hyde noted that nearly ten years had been invested in bringing Project Pier 1 to the actual "digging" stage of the redevelopment. He praised the work of past Port Commissioners and staff, acknowledging the late Merrill Thibert, former Commissioner, and former Environmental Administrator Margaret Schwertner. He thanked the representatives of the City of Anacortes, especially Mayor Dean Maxwell, and Don Wick of EDASC for their support of the project.

Executive Director Hyde introduced Commission President Short who acknowledged the importance of the shipyard redevelopment not only for the Port and tenant DCI, but for the City as well. On behalf of the Port Commission, he thanked all involved for making Project Pier 1 a reality.

Commissioner Short introduced Director of Engineering Elsner who thanked prior and current consultants to the redevelopment project and the Department of Ecology for their work in bringing us to this point and for their work in the days to come. Director Elsner also praised the vision of the Port Commission in their support of the project.

Director Elsner introduced Don Wick, Executive Director of EDASC. Mr. Wick gave high praise to the redevelopment as an important stimulus for both Anacortes' and Skagit County's economies, noting the effect 150 additional potential jobs plus the revenues generated by suppliers would mean for the local economy. He thanked the Port Commission, staff, the City, and DCI for their parts in bringing the project to fruition.

Mr. Wick introduced Mike Nelson, Vice-President of Dakota Creek Industries, Inc; Mr. Nelson thanked the Port, especially Director Elsner, the City, and EDASC for their support of Project Pier 1, as well as the consultants and contractors working on the project.

With remarks concluded, all in attendance walked over to the groundbreaking site at the shipyard basin. Environmental consultant Ann Farr was given the honor of cutting the ribbon signifying the start of the project.

Following the ceremony, those in attendance were invited to return to the DCI lunchroom for refreshments.

With no further business to come before the Commission during the special meeting, Commissioner Short called for adjournment by consensus and the meeting adjourned at 1:39 P.M.

Attest:

William L. Short, President

Keith Rubin, Vice-President

Ray Niver, Secretary

Pat D. Mooney, Commissioner

Steve Hopley, Commissioner

Julie Johnson Lindsey, Admin. Coordinator
July 16, 2008