



Port of Illahee – Minutes of Regular Meeting on December 13, 2017

Port of Illahee
Minutes of Regular Meeting
December 13, 2017

CALL TO ORDER

Commission Chairman James Aho called the meeting to order at 5:00 PM at the Annex, 9756 NE Ogle Road (lower level), Bremerton. Also present were Commissioner George Schaefer; Administrator Theresa Haaland; Port Attorney Ken Bagwell; Tim Knapp of TIKAR Services; and Illahee residents: Roy Barton, Jon Buesch, John Burton, Don Jahaske, (former Commissioner) Cassie Magill, (former Commissioner) Mike Mantzke and son Taylor, John Parvis, and Monica Wood.

OATH OF OFFICE

Commissioner Aho informed everyone that the first order of business was the administration of the Oaths of Office for Jon Buesch and John Burton. Jon Buesch will begin serving as Commissioner immediately following the oath; whereas, John Burton will not officially begin serving until January 1, 2018. Commissioner Aho administered the oath to both Jon Buesch and John Burton. The oaths were signed and will be sent to the County accordingly.

CONSENT AGENDA

Commissioner Buesch moved to approve the consent agenda items: November 8, 2017 Regular Meeting minutes; and checks numbering 4222 through 4234 in the amount of \$3,914.37 as outlined in the attached voucher approval; second by Commissioner Schaefer, approved unanimously.

PUBLIC COMMENT

Former Commissioner Cassie Magill turned in her Port issued laptop, paperwork and keys. She

explained that she had continued to check the dock and lights on the dock up until tonight's meeting and someone should be doing that daily. She questioned why she was not being issued a final check. It was explained that last month's check covered the month of December. She said that she thought that was for October. She recalled a lapse in payment when she first began serving in 2012. This will be reviewed.

REPORTS

Treasurer's

As of November 30, 2017 the General Fund totaled \$197,270.56, Investments totaled \$214,349.20, and the Balance of the Good Property Management account totaled \$126.61.

Commissioners' Reports

Commissioner Aho suggested that item 6. Unfinished Business – C. 5507 Illahee Road Property be discussed so that Port Attorney Ken Bagwell could inform of the status without having to stay for the majority of the meeting.

Attorney Bagwell reported that he has been in contact with Flett Dairy's attorney because they have a judgment against the property. A purchase and sale agreement is being generated and Attorney Bagwell is confident that it satisfies all the interests of all the parties. Once the agreement is final a closing date will be decided upon and it will go to a sheriff's sale. The sheriff's sale will clear all the liens and judgments on the property. The purchase and sale agreement will clear Flett Dairy's judgment. Roy Barton questioned if a private party could attend the sheriff's sale and outbid the Port. Attorney Bagwell said that is possible, but he was doubtful because of the costs associated with the environmental clean-up of the property and with



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the purchase and sale agreement in place the Port actually has a substantial credit going towards the price of the property. Commissioner Aho reminded everyone that the estimated clean-up costs came in at \$355,000. Since the Port is a public entity it has priority in obtaining a Pollution Liability Insurance Agency (PLIA) grant to cover those costs. PLIA's budget is \$10,000,000, but it cannot allocate funds until the State's capital budget is approved. John Burton asked if the Port would lose any money if someone were to outbid the Port. Attorney Bagwell assured everyone that any money the Port pays towards the property prior to finalization of the purchase would be refunded if by chance the sale isn't finalized. Attorney Bagwell thanked the Commissioners and explained that he anticipates attending an upcoming meeting to present the purchase and sale agreement to the Board. The Commissioners thanked Attorney Bagwell for his efforts in completing the transaction.

Commissioner Aho suggested that item 5. Reports 3. Dock Manager's report be discussed next so that Tim Knapp wouldn't have to stay for the majority of the meeting.

Tim Knapp introduced himself and explained that he and his wife live in Silverdale and own TIKAR Services. With his business he contracts a wide range of services to several Kitsap Ports and in the past has contracted work to the Port of Illahee. Besides owning TIKAR, Mr. Knapp has worked for the Silverdale Water District for over thirty years. He explained that he failed to complete the fabrication of a piling hoop for the Port of Illahee. About a year ago he had provided an estimate totaling approximately \$900 and the

Commissioners at that time agreed to have Mr. Knapp complete the Job. Mr. Knapp said that he is ready to fabricate the hoop, but wanted to touch base with the Commissioners because of the delay. Commissioner Aho said that Mr. Knapp should go ahead and construct the piling hoop. Commissioner Buesch asked if the \$900 was for time and material, which Mr. Knapp said it was. Commissioner Buesch thought that the other piling hoops are probably in disrepair as well and questioned if it would be prudent to get more than one fabricated at once. Mr. Knapp explained that he would rather start with one to insure the durability and performance. The material used for the hoop was discussed. Mr. Knapp said it will be made out of 3/16 stainless steel. John Burton was concerned about using stainless steel on/around salt water. Mr. Knapp assured that the 3/16 stainless has proved to perform almost as well as medium grade steel. Mike Mantzke said that his company sells steel to the Navy and generally that is all they order - 3/16 stainless. Commissioner Buesch asked if the wood that the new hoop would be mounted to was in decent shape. Mr. Knapp said that he wouldn't know until he starts to grind off the rusted steel. Former Commissioner Cassie Magill said there was a piling that leans and she asked if there would be any way to straighten it. Mr. Knapp said he would like to have a diver view the kicker brace under the water. Commissioner Aho thanked Ms. Magill for all her work on the docks and pier and for contacting TIKAR Services. He said that one of the main reasons he decided to run for the Port Commissioner position was because of the deteriorating condition of the pier and docks. He remembered standing on the pier and just by shifting his weight he could make it move. That is no longer the case thanks to TIKAR



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Services and former Commissioner Magill's persistence. Ms. Magill thanked former Commissioner Mantzke for his work in getting all the necessary permits in place while he was a Commissioner. Mr. Knapp suggested the Commissioners continue tonight's meeting so that all three Commissioners could walk the Port's facilities with him to discuss and prioritize maintenance items prior to the January meeting. Commissioner Aho suggested this continue as an agenda item for the January meeting. Commissioner Buesch explained that he would like to meet with Mr. Knapp to inspect the pier and dock prior to the January meeting. Mr. Knapp will be in contact with Commissioner Buesch. He thanked the Commissioners for their time.

Commissioners' Reports (cont'd)

Commissioner Aho reported that he and Commissioner Buesch attended the Washington Public Ports Association (WPPA) sponsored New Commissioners seminar in Seattle on November 14th and 15th. Commissioner Aho attended just the first day and Commissioner Buesch attended both days. Commissioner Aho said that it is a good refresher for current Commissioners and very informative for incoming Commissioners. One item that Commissioner Aho learned was that some organizations table items if all three Commissioners don't agree on an issue in hopes that it would eventually be a unanimous agreement. This gives them all time to think about the item and possibly reconsider. Ms. Magill said that would be good if someone was on the fence about an issue, but sometimes a no is a no and extending the decision isn't going to change their mind. Commissioner Buesch said that it is supposed to be a non-confrontational Board and it

would be nice if they always agreed on items, but decisions are based on a majority and as long as the Commissioners work together despite any differences it shouldn't be an issue. Monica Wood said that she likes a good reasonable debate so that the whole picture is visible. Mr. Barton said that if everyone agreed on everything all the time it kind of defeats the purpose of a three-member Board.

Commissioner Buesch provided incoming Commissioner Burton with the handouts from the seminar as Mr. Burton was unable to attend, but plans to take the necessary classes on-line. Commissioner Buesch said that the seminar was beneficial as it informs new Commissioners of what they should and should not do as well as what they can and cannot do.

Website

Ms. Magill provided all of the Port paperwork that was in her possession. It included the dock survey, which Commissioner Aho will post to the website. Commissioner Magill said that someone needs to start checking on the pier and docks starting tomorrow and insuring the lights are functioning properly. Commissioner Aho explained that the Dock Manager title will be decided upon at the January meeting.

UNFINISHED BUSINESS

Properties

5500 Illahee Road NE – Commissioner Aho reported that Clear Septic had determined that the leak in the septic system was located under the second floor foundation, near the furnace. Instead of cutting through the concrete floor it was decided to bypass it. Commissioner Aho was unable to contact a plumber with a quick response time, so



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he began working on the problem himself. Commissioner Buesch also helped with the repair and they believe it is fixed. The Kitsap Public Health District was notified and they plan to conduct another dye test. Commissioner Aho said that he noticed a leak in the second floor. He placed a five-gallon bucket under it and a week later it was $\frac{3}{4}$ full, so this is something that needs to be continually checked especially during the rainy months. A delinquent North Perry Avenue Water bill for the property in the amount of \$325.24 was received. According to the Water District if it's not paid by December 18th a 24-hour shut-off notice would be posted on the house. Commissioner Schaefer said that he had North Perry Water District put the bill into the tenants name a couple months ago, so the tenant is getting the bill. Commissioner Buesch asked if the tenant was told that she would now be responsible to pay the water. She was not. It was agreed that the Port will pay the current bill and officially inform the tenant that she is responsible to pay the water utility from now on. A letter informing her of this will be generated. Commissioner Aho will contact the Water District and pay the bill with the Port-issued credit card.

5560 Ocean View Boulevard – a delinquent North Perry Avenue Water bill for the property in the amount of \$44.25. Good Property Management will insure it is paid.

Interlocal Agreement with the Port of Brownsville – an agreement is being generated by Brownsville and once it is received it will be sent to Attorney Bagwell for review. Commissioner Aho said that it would have been beneficial to have the agreement in place prior to the plumbing issue at the 5500

Illahee Road property. The Port of Brownsville employs plumbers and they would charge \$75 an hour for a two-man crew, which is very reasonable. Ms. Magill asked if having the Interlocal Agreement would be necessary since TIKAR Services contracts work to the Port. It was thought it would actually be beneficial to have both available.

Waterfront Improvement – Commissioner Aho met with Kim Sellars the Recreation Conservation Office (RCO) grant manager. Ms. Sellars suggested the Port pursue an Aquatic Lands Enhancement Account (ALEA) grant. It requires a fifty percent match and it is thought that the costs associated with the purchase of the store could be considered as matching funds. Commissioner Aho plans to begin the grant application. Ms. Wood explained that she has experience with grants and offered her help with the application.

2018 Budget information was attached to the agenda packet for the Commissioners review.

NEW BUSINESS

New Laptops for Commissioners – the laptops Commissioners Schaefer and Magill turned in are over five years old. Although they work fine, the operating system may not be compatible with newer software. Since it is important for Commissioners to have computers dedicated to Port Business, it was thought the Port may consider purchasing new laptops. Commissioner Aho plans to contact the IT group that supports the School Districts to get their input. This will continue as an agenda item. Port dedicated e-mail addresses will also need to be established for the incoming Commissioners. Mr. Barton suggested that if it is decided to purchase new computers



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Commissioners consider purchasing through the County or the State to save on costs.

Washington State Auditor's Assessment Audit Report for 2015 and 2016 stated that nothing came to the Auditor's attention in the areas they reviewed that caused them to believe the Port was not in substantial compliance with applicable state laws, regulations, and its own policies, or had significant weaknesses in controls over the safeguarding of public resources. Commissioner Aho said that the report was already posted on the Port's website.

Meeting time change to 6:30PM – Commissioner Aho explained that he had been approached by an Illahee resident explaining that she wanted to attend the meetings, but couldn't because she commuted from Seattle and the 5:00PM timeframe is just too early. Commissioner Aho thought that changing the meeting time to 6:30PM was a good alternative as it gives working individuals time to attend meetings and an opportunity to be involved. ***It was agreed to change the Regular Meeting time from 5:00PM to 6:30PM beginning with the January 2018 meeting*** (motion by Aho, second by Buesch, unanimous).

Thanks to outgoing Commissioners Magill and Schaefer for their commitment and dedication to the Port and the Illahee community. Commissioner Schaefer said that he is glad to see the Port moving in the right direction especially with the possible purchase of the Illahee store property. He feels the Port is in good shape; a lot better than when he first started in the position over fourteen years ago. Ms. Magill thanked Commissioner Schaefer for his wisdom, experience and contribution over

all the years. She said that she felt he was always the backbone of the Port. Ms. Magill served for over five years. She explained that it wasn't really something that she ever thought about doing – it wasn't on her bucket list, but she has since really appreciated being able to serve on the Board. She hoped that her contribution was helpful. She said that she'd miss the verbal sparring with Commissioner Aho, who she actually learned a lot from. She encouraged the incoming Commissioners to be open-minded, cautioned them to be careful with their public interaction, and recommended that they attend all the meetings and seminars associated with the Port. Commissioner Aho thanked both of them and said that when he first began serving as Commissioner he considered Commissioner Schaefer as the Port of Illahee. Commissioner Schaefer was responsible for all of the administrative work and he did a great job in that position. Commissioner Aho complemented Ms. Magill for doing a great job as Dock Manager and that he feels she has put the Port in the right direction as the dock was in bad shape when she first arrived and now it is stable and TIKAR Services will continue to keep it that way.

PUBLIC COMMENT

Ms. Wood said that there was a sea lion feeding while on the docks. It was amazing. She said it is a true privilege to live in this area. The Kitsap Heritage Foundation is refurbishing the Fiddler's Dream at the Port of Brownsville. It's considered Kitsap's very own tall ship.

Mr. Mantzke said that the Port of Illahee provides great public access to the water. The acquisition of the Deitch house and the possibilities that entails is



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wonderful for the Port and the public. The acquisition of the Ocean View Boulevard property as an income generator and is another positive endeavor for the Port. And now with the possibility of purchasing the old Illahee Store property that has been vacant for the past eighteen years and basically a negative for the community with the idea of turning it into a community asset is great. Mr. Mantzke said that he enjoyed his time as Commissioner and working with Commissioners Magill and Schaefer. He sees how the regular Port meeting attendance has grown and he believes it is attributed to the positive vibe given off by the Port Commissioners and efforts to include the community.

Mr. Barton asked when the distribution of the PLIA money will be known. Commissioner Aho said that once the State Capital Budget is approved. Mr. Mantzke said that at least the Port isn't on a deadline for the environmental cleanup. Commissioner Aho said that the Port will not purchase the property until it is official that it will be awarded a PLIA grant. Mr. Barton asked if the Port had inquired about the costs of other issues the store needs, such as a roof or possibly structural work. Commissioner Aho said that the Port did have a building inspection conducted, which determined that the structure is sound, but the roof will eventually need to be replaced.

ADJOURN

The meeting adjourned at 6:57PM (motion by Schaefer, second by Buesch, unanimous).

Approved:

A handwritten signature in dark ink, appearing to be "James Aho", written over a horizontal line.

Commissioner

A handwritten signature in dark ink, appearing to be "John Magill", written over a horizontal line.

Commissioner

A large, stylized handwritten signature in dark ink, appearing to be "L. Schaefer", written over a horizontal line.

Commissioner



We, the undersigned Board of Commissioners of the Port of Iliahee, Kitsap County, Washington, do hereby certify that the merchandise and/or services hereinafter specified have been received and that the vouchers listed below are approved for payment in the amount of \$3,914.37 and from the General Fund, this 13th day of December, 2017.

Port Commissioner

Port Commissioner

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