



Port of Illahee – Minutes of Regular Meeting on December 11, 2019

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Minutes of Regular Meeting
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CALL TO ORDER

Commission Chairman James Aho called the meeting to order at 6:30 PM at Seeds of Grace/Lichen Hollow, 8050 Illahee Road, Bremerton. Also present were Commissioner Jonathan Buesch; Commissioner John Burton; Administrator, Theresa Haaland; Tim and Lee Knapp of TIKAR Services; Roy Barton; John Parvis; and Debbie Smith.

CONSENT AGENDA

Commissioner Buesch moved to approve the consent agenda items: December Meeting Agenda; November 13, 2019 Regular Meeting minutes; November 20, 2019 Special Meeting minutes; November 25, 2019 check number 4533 in the amount of \$701.96 as outlined in the attached interim voucher approval; December 11, 2019 checks numbering 4534 through 4548 totaling \$15,440.07 as outlined in the attached voucher approval; second by Commissioner Burton; approved unanimously.

PUBLIC COMMENT – None

REPORTS/UNFINISHED BUSINESS

Treasurer's Report

As of November 30, 2019 the General Fund totaled \$54,521.55, Investments totaled \$372,396.83 and the Balance of the Good Property Management account totaled \$200.15.

Commissioners' Reports Website - A link to the Surface Water Management Plan (SWMP) has not yet been added to the website. Commissioner Aho reported that he did add tonight's draft agenda to

the site and asked if anyone in attendance found it helpful. Roy Barton suggested a link to the agenda be added to make it easier to print. Cathy Johnson had originally asked if the entire agenda packet could be added to the website prior to the meeting. Commissioner Aho explained that the packet isn't completed until the day of the meeting and with all of the attachments it can become a rather large document, so for now he would just rather add the agenda and see how that goes. John Parvis said it allowed him to review it prior to attending tonight's meeting, so that was helpful. Commissioner Aho said that he did update Commissioner Burton's e-mail address on the website.

Rental Properties

5560 Ocean View Boulevard – Commissioner Buesch reported that the note with Kitsap Bank is coming due on the 19th of this month. Last month the Port passed Resolution 2019-03 Authorization to Proceed with Entering into a New Loan with Kitsap Bank. Commissioner Buesch provided Rich Martinez of Kitsap Bank with the resolution and Kitsap Bank's signed commitment letter. Mr. Martinez then informed Commissioner Buesch that a bond resolution was required. Commissioner Buesch then talked with the Port's attorney Ken Bagwell, who concurred that a bond resolution would be necessary and that there is an attorney in Seattle, Cynthia Weed of K & L Gates, who specializes in preparing bonds and has worked with many Ports. Commissioner Buesch asked attorney Bagwell to contact attorney Weed and move forward with preparing the resolution. Attorney Weed had prepared a draft resolution, which was forwarded to the Port and the Commissioners. Commissioner Buesch explained that basically the



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Port is issuing the bond and Kitsap Bank will buy the bond and the Port will pay back Kitsap Bank over a fifteen-year period. There are no pre-payment penalties and it is set at a good low interest rate. There are processing fees and fees for writing up the bond. Attorney Bagwell had suggested those fees be incorporated into the bond amount, similar to closing costs on a bank note, so no check will need to be processed. The total amount of the bond will be \$160,000. Commissioner Aho asked why the Port has to issue a bond since there is enough money in the Port's bank to pay it off if necessary and from what he has heard other Port's that have purchased property weren't required to do this. Commissioner Buesch said that he wasn't entirely sure other than Kitsap Bank was requiring it, maybe it had something to do with the request for it to be a fifteen-year loan instead of the five-year loan period that was negotiated for the current loan. Commissioner Burton said it might have something to do with the fact that the Port is a public entity, but since the Port's attorney concurred this is the way it should be done then the Commissioners are taking the correct steps in doing it. Tim Knapp explained that in his experience he has seen public entities use bonds versus regular loans because the interest rate for a bond is so much lower. Usually the costs of the bond counsel and processing fees are quickly covered by the better interest rate. Mr. Barton asked how much the balance of the loan was compared to the \$160,000 bond. The November 1, 2019 Kitsap Bank Statement for the loan showed the current balance was \$156,919.17.

Commissioner Buesch made a motion to approve Resolution 2019-06 Limited Tax General Obligation Bond, 2019; Commissioner Burton

seconded the motion. Discussion: It was noticed that the document to be signed listed the incorrect Resolution number. Commissioner Burton suggested the document within the agenda packet be signed, since it reflected the correct Resolution number. There was concern that there may be additional differences between the two documents. Commissioner Aho suggested that both resolutions be signed and given to attorney Bagwell explaining the situation. It was explained that Attorney Bagwell had also mentioned that he will need to meet with Commissioner Aho to sign additional documents prior to December 19th. ***Commissioner Buesch amended the original motion to approve Resolution 2019-06 Limited Tax General Obligation Bond, 2019 and authorize Commissioner Aho to meet with Port Attorney Ken Bagwell and sign additional paperwork as necessary; second by Commissioner Burton; approved unanimously.***

Commissioner Buesch reported that Good Property Management (GPM) was asked to inform the tenant that the vegetation near the road needed to be cut back as the Port received complaints that it is creating a visual hazard. Commissioner Buesch said that from what he could see it looked like the vegetation in that area had been cut down a bit. Commissioner Buesch received a call from Lauren of GPM informing him that the upstairs heater at the Oceanview rental was not working. He authorized GPM to get it fixed. As far as we know it was completed.

5500 Illahee Road – Commissioner Buesch reported that he inspected the deck and it looks really good.

Dock/Pier – Commissioner Burton explained that since the Port of Brownsville seems to be busy with



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internal items, he asked TIKAR to submit estimates for the gangway/shackle repair and float repair. It was explained that John Piccone, the Port's grant writer, had previously mentioned that any work over the water requires certain permits and it is unknown if the Port has a permit in place. Tim said that at one point the Port did have a Hydraulic Project Approval (HPA) permit in place, but it may be outdated. He said that he can verify it and if it is outdated TIKAR can begin the process of applying for a new permit. He said with the permit any and all maintenance needs to be listed; otherwise, additional permits will be necessary. Lee Knapp added that there shouldn't be any issues with approval for the estimated work Illahee needs. Tim suggested shoring up the pilings be included in the permit in case it is later decided to move forward with that. There is a method of placing a sleeve over the current pilings and fill it with cement. Commissioner Buesch said that his father had that done at his property and three out of the four were successful. Tim said that the material of the sleeve they would use is made of polyethylene, which offers good support and makes all of the difference. Commissioner Burton thought that the depth the sleeve is sunk may come into play as well. Lee agreed and said that you have to go below the surface. Tim said that for the float repair estimate he would have to order the Chemonite lumber, which is six weeks out from the time the order is placed. Commissioner Burton questioned the material and asked if the plastic lumber they had discussed would be used. Tim explained that he bid it out as Douglas Fir Chemonite salt water spray treated lumber. Lee explained that the plastic lumber is about two hundred percent more in costs than the treated wood and the treated wood has proved to hold up just fine.

Commissioner Burton said that he did go look at the Port of Silverdale's pier. Tim asked if he looked at Silverdale's boat launch handling pier as that has recently been upgraded, but Commissioner Burton hadn't. Commissioner Burton questioned the replacement of all of the cleats as outlined in the estimate instead of reusing the current cleats. Tim explained that the costs for all new cleats increased the estimate by roughly \$500. The time it would take to make the old cleats usable would add up quickly mainly because removing the bolts from them will be difficult. Commissioner Burton said that the Port would want to hang onto the old cleats. Tim said that would be fine, but they will have the bolts still in them as he will just be cutting them off to save time. Commissioner Burton said that he was in favor of accepting both of the estimates. Commissioner Buesch questioned spending nearly \$6,000 for the gangway/shackle repair as there may be grant money that is available if the Port is successful in obtaining a grant. He asked Tim if he had any idea of the life expectancy of the shackles. Tim said that there are too many variables to comfortably answer that question. Lee said that their opinion is that it needs to be replaced as soon as possible. Commissioner Buesch said that if it took twenty years to wear down $\frac{3}{4}$ of an inch, do you really think $\frac{1}{4}$ inch will wear down within a couple years. He said that if this is the number one priority for safety then he's all for it, but if it can wait a couple years when possible grant funding is available, he'd rather wait. He knows everything out there needs attention, but he would hate to spend nearly \$6,000 for repairs that will just be torn off upon grant approval. Commissioner Buesch questioned if the floats are more of a priority than the shackles. Tim said that with the float repair he sees



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it fitting in nicely with a grant as the floats will be usable for many years after the repair.

Commissioner Burton said what good are the floats if you can't safely get to them. Lee explained that the only way to know how long the shackles will safely last is to take measurements and have an engineer inspect them. Commissioner Burton said that he sees it as the priority for safety and thinking it's not is an error in judgement. Commissioner Buesch explained that he is all for it if it is necessary, but that hasn't yet been determined and at this point he's just asking questions to get a clearer understanding. Commissioner Burton explained that the wear is different on all of the shackles, so that is causing more stress on the ones with more material. Commissioner Buesch wasn't aware of this and said that's why he's asking questions. He just wants to be sure that they are making the right, most prudent decisions.

Commissioner Burton said that the maintenance is long overdue. He wants to keep it usable to the public. Right now, there are many fishermen using the facility. Commissioner Aho said that he was the only Commissioner that was able to attend the "Special meeting" that was scheduled for December 5th, so technically it wasn't a Special meeting after all. He along with John Piccone and Theresa met with RCO representatives: Rory, Kim and Ashley down at the dock. Grants and development possibilities were discussed.

Unfortunately, grant funding doesn't seem as clear cut as he had hoped. Parking is a big concern. It will be interesting to see what Mr. Piccone comes up with for the Port. Commissioner Aho explained that Mr. Piccone is actually an engineer and suggested that he be asked to provide an engineering assessment of the shackles for discussion at the January meeting. Commissioner

Burton said that he's okay with that but wants to move forward with additional maintenance. He's frustrated that it's been two years since he's been serving as a Commissioner and very little maintenance has been conducted. He just wants to get something going without any more delay. He obtained the viable estimates and wants to move forward. ***Commissioner Aho made a motion to hire SoundWest Engineering Associates to provide an engineering assessment/analysis of the shackles/brackets that are holding the two gangways; second by Commissioner Burton; approved unanimously.***

Tim said that he will move forward with applying for the HPA permit, if necessary. He said that although he wishes the Port much success on obtaining grants, he is concerned with the community's response he witnessed at the recent Special Meeting. He said that the work they have outlined on the estimate for the float repair will add longevity to the floats either way.

Commissioner Burton made a motion to approve TIKAR's estimate for the float repair.

Commissioner Aho said that he likes the idea of getting the HPA permit started. Mr. Barton recalled a big file of paperwork years ago related to the HPA. It was unknown if it was actually for the permit. Tim said they will charge on a time and material basis to apply for the permit, but he will first determine if one is needed. Commissioner Aho questioned to what level we should repair the floats. In an effort to obtain the grant funding actually the worse off the better. Commissioner Burton said that Mr. Piccone was going to go take pictures of the facility as is, it didn't mean that no maintenance could be conducted until we know if we will be awarded a grant. Commissioner Burton



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added that this is really minimal maintenance just to keep them afloat for a longer period of time before it's too late. Tim and Lee said that the work outlined in the estimate will increase the structural integrity of the floats. ***Commissioner Aho made a motion to accept TIKAR Services, LLC estimate #2019-1063 in the amount of \$18,183.29 for float repair; second by Commissioner Burton; approved unanimously.***

Illahae Store Property/5507 Illahee Road – An e-mail dated December 11, 2019 to Commissioner Aho from attorney Bagwell explained that the hearing for confirmation of sale has been set for Friday, December 20, 2019. Commissioner Burton asked when the redemption period is final. It was thought that it is a year after the day of the sheriff sale, which would be September 6, 2020 unless the previous owners sign a waiver. Commissioner Aho plans to verify that with attorney Bagwell. Commissioner Aho reported that he hadn't heard from Brenda Curtis of the Washington State Department of Ecology (ECY) since their last call. Commissioner Burton questioned why Ms. Curtis reached out to the Port. It was explained that she had been working at ECY years ago when the property was listed as a contaminated property and then she got a job somewhere else, but recently returned to ECY. She was surprised and concerned that the property was still on the list. Commissioner Aho informed her that the Port had just recently purchased the property via a sheriff sale and that once everything is finalized the Pollution Liability Insurance Agency (PLIA) will be notified because the Port ranked number sixteen to receive PLIA funding for cleanup, but of course the property must be officially owned by the Port.

Commissioner Buesch reported that the new gutters have been installed. Costs totaled \$701.96. One downspout in the back of the building had to be pieced together. A new downspout was ordered and will be installed once received. So now the inside of the store is totally secure from the weather. Commissioner Buesch also met with a company from Belfair that will remove everything from the building except the popcorn ceiling. It will include removal of the partition in the back corner and the two outdoor heating units. Everything will be hauled away and may include the removal of the woody debris from the west hillside. It was estimated at \$7,000. ***Commissioner Buesch made a motion to hire a company to remove all items from within the 5507 Illahee Road building including two outdoor units and vegetation not to exceed \$7,000; second by Commissioner Burton.*** Discussion: Commissioner Buesch said he understood it sounds like a lot, but when you think of all the items that need to be removed: the refrigeration units, freezers, toilet, sink, partition removal, outdoor units and debris, he sees it as reasonable. ***Approved unanimously.*** Commissioner Buesch said that some wooden shelves were removed from the store building and brought over to the 5500 Illahee Road garage as it was thought the Port may be able to use them in the future. Commissioner Burton asked the others if they were aware of the truck that was parked at the Illahee Store property for about ten days and then was towed away. Commissioner Buesch said that he had heard the truck was being worked on and just assumed the owner got it towed. He had thought it was a fisherman parking there. Commissioner Burton said that the new rules and regulations the Port recently adopted included rules for parking, which gives the Port authority to



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tow if necessary. He said that he thought it would reassure the homeowners in the area that the Port hears their concerns by not just allowing random vehicles to park for long periods of time on Port property. Tim explained that in order to tow you must have the Port rules stating no overnight parking, etc. posted in a visible area to the public along with towing signs.

Comp Plan/Recreation Conservation Office (RCO) funding – as previously mentioned an informal meeting was held on December 5, 2019 at the dock with Commissioner Aho, John Piccone, Theresa, and RCO reps: Rory, Kim and Ashley. There was lots of discussion of possibilities and possible grant opportunities. The surveys were mailed out this last Monday, December 9, 2019. Commissioner Aho explained that the next steps will be reviewing the survey results during the January 8th meeting and then the February 12th meeting will be advertised in the newspaper and will include the final comments and adoption of the Comprehensive Scheme of Harbor Improvements for the Port of Illahee. At the January meeting Mr. Piccone should have an idea of the grants he plans to pursue on behalf of the Port. Mr. Barton said that he was surprised that the survey didn't include a "reply by" date. Commissioner Aho explained that the information from the surveys can continue to trickle in and still be of use to the Port. Mr. Piccone has conducted surveys before for other entities and is aware of the necessary details. John Parvis said that his household received a survey, but his wife filled it out and he would like to be able to fill one out as well. He was provided a survey. Commissioner Aho said that was something he didn't consider and plans to add information to the website and add the survey in

an easy to print format in case others have had the same issue. Mr. Barton suggested Mr. Piccone be asked if adding a printable version to the website would be adequate.

State Auditor – nothing to report.

Commissioner Burton's computer – Commissioner Aho ordered a new battery through Amazon. Commissioner Burton reported that it helped the computer to function properly although, it is running on Windows 7 and seems to continue to continually try and fix itself, but he doesn't think he will need a new laptop at this point, since all he is using it for is to check and respond to Port e-mail. Commissioner Buesch said that is all he uses his Port-issued laptop for also.

Commissioner Aho took his Oath of Office.

NEW BUSINESS

Enduris – the insurance premium increased from \$9,166 last year to \$10,278 this year. They had informed the Port several months ago that they could expect a ten to twelve percent increase. The Port had budgeted \$10,000 for insurance. Mr. Parvis asked if the increase was due to the fact that the Port now owns the Illahee Store property. It was unknown if Enduris was informed that the Port now owns the store property. They will be contacted.

PUBLIC COMMENT

Mr. Parvis asked about the silt build up at the facility and if it can be dredged and/or the dock expanded to alleviate the issue. Commissioner Burton said that a breakwater to both the north and the south would probably be the ideal solution, but at this point it's premature.



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Commissioner Aho agreed that the silt build up has increased throughout the years. Former Commissioner Deitch was concerned about it twenty years ago. Commissioner Aho has explained to Mr. Piccone that if the Port could qualify for more grant money, installing an additional float further out would benefit the boating community. Tim suggested that if a new dock/float design is generated to include only one gangway in an effort to minimize maintenance costs. He questioned if the Port would be granted permission to dredge, as he thought the area that needs it would be considered outside of the Port's parameters. Mr. Piccone will be tasked with looking at all of the possibilities for the Port.


EXECUTIVE SESSION

None

ADJOURN

At 8:37PM Commissioner Burton moved to adjourn; second by Commissioner Buesch; approved unanimously.

Approved:



Commissioner



Commissioner



Commissioner

