



**AGENDA FOR
PORT OF ILLAHEE COMMISSION
Wednesday, November 10, 2021 - 6:30 p.m.
ZOOM MEETING #715 0997 5823 / Password: Illahee**

1. CALL TO ORDER

2. CONSENT AGENDA

1. Agenda

*2. October 13, 2021 Regular Meeting minutes

*3. October 25, 2021 Kitsap All Ports Meeting minutes

*4. Pay Bills with check numbers 4809 through 4819 totaling \$ 7,143.94

*5. WestSound Engineering Task Number Seven and Eight – Agreement to Furnish Engineering Services

3. PUBLIC COMMENT

4. REPORTS/UNFINISHED BUSINESS

Aho 1. Grants/Waterfront Access Improvements

- John Piccone to provide status update

*- A check from the RCO in the amount of \$83,788.59 was received and deposited on 11/5/2021

Buesch 2. Loan/Line of Credit

*- Examples of financing terms with Kitsap Bank provided via email by Richard Martinez

Haaland 3. Treasurer's Report as of October 31, 2021 General Fund \$ 36,598.31; Investments \$ 277,150.15
Good Property Management (GPM) Account \$ 200.00 (total: \$ 313,948.46)

4. Reports

Aho a. Website

- Status of the Illahee Creek Watershed Report/Surface Water Management Plan (SWMP) and the mussel sampling (PSNS & County) results being added to the website

Buesch *b. Properties

5560 Ocean View Boulevard/Rental

- On 10/20/2021 GPM had received an emergency call from the tenant informing that the toilet on the lower floor was backing up and overflowing. GPM called a local plumber. The clog was cleared and found it was due to flushed feminine products - total cost \$1,369.04. Tenant was informed that they are responsible to pay for the plumbing service, tenant refused. Tenant paid November rent of which a portion was used to pay the debt. The Port will receive a partial rent payment for November, until the tenant pays the difference. GMP has sent tenant a demand for payment of rent.

- Any word from the County about splitting the two lots (5560 Ocean View and the Illahee Road lot)

5500 Illahee Road/Rental

- Anything to report?

5507 Illahee Road/Illahee Store Property

- Status of amount owing on tax statement

- PLIA working on Project #14 – the Port is Project #16 cleanup anticipated to begin in 2022

Burton c. Dock/Pier

- Status of installation of the final signs

- Status of installation of the polyethylene material to the pole

- Fire that was reported last month – Port of Silverdale had a fire that is under investigation – Commissioner Burton's description and information about the activity at Illahee was forwarded to the CK Fire Marshall – just in case

Tabled 5. Surveillance cameras

Haaland *6. Administrative – Interlocal Agreement now states a sixty-day termination notice – ready for signature with a January 1st start date and the first billing due in February.

*7. 2022 Final Budget for approval – Resolution 2021-02 Adoption of the 2022 Final Budget; Resolution 2021-03 2022 Levy Increase



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6. NEW BUSINESS

Aho *1. Illahee Forest Preserve (IFP) – Illahee Film Project

7. PUBLIC COMMENT

8. EXECUTIVE SESSION-Property negotiation or Potential litigation?

9. ADJOURN – Regular Port meeting – Wednesday, December 8, 2021 @ 6:30PM – ZOOM



Port of Illahee – Minutes of Regular Meeting on October 13, 2021

Port of Illahee
Minutes of Regular Meeting
October 13, 2021

The Regular Port of Illahee meeting was held virtually through the ZOOM app (meeting id# 71509975823 / Password: Illahee). Notice of the virtual meeting was posted near the kiosk at the head of the pier and on the Port's website – portofillahee.com.

CALL TO ORDER

Commission Chairman James Aho called the meeting to order at 6:30 PM. Also, in attendance were Commissioner Jonathan Buesch; Commissioner John Burton; Administrator Theresa Haaland; John Piccone of SoundWest Engineering; Richard Martinez of Kitsap Bank; Roy Barton; Amber Bartz; Don Jahaske; Cathy Johnson; John Parvis; Ed Seal.

CONSENT AGENDA

Commissioner Buesch moved to approve the consent agenda items: October Meeting Agenda; September 8, 2021 Regular Meeting minutes; October 13, 2021 checks numbering 4796 through 4808 totaling \$13,063.95 as outlined in the attached Voucher Approval; second by Commissioner Burton; approved unanimously.

PUBLIC COMMENT – None.

REPORTS/UNFINISHED BUSINESS

Loan/Line of Credit – Commissioner Buesch introduced Richard Martinez with Kitsap Bank and explained that Mr. Martinez was invited to attend tonight's meeting to discuss financing options for the Port. Originally it was thought the Port would ask for a \$450,000 loan or line-of-credit, but according to the 2022 Preliminary

Budget that is due to be approved later within the meeting, the amount has increased significantly to \$700,000. Commissioner Buesch explained that the Port will not need the entire amount at one time, but maybe apply for a construction-type loan where you borrow money as needed instead of receiving it all upfront. Mr. Martinez explained the process and criteria for loans. Commissioner Aho explained that the Port has a lot going on and after discussion with John Piccone it was decided to include all of the Port's projects, including the Piling Replacement and Store renovations, into the 2022 Budget although it leaves an approximate \$700,000 shortfall. The expenses are not anticipated to be paid next year, but over the next couple of years. For planning purposes it was decided to put all the costs down in case everything did come due next year. It is better to have the finances available and not need them, rather than needing them and not having them available. John Piccone explained that the Waterfront Facilities is the big-ticket item on the budget and as he helped with the project component aspect of the budget it was decided to separate the Waterfront Access Improvements into two categories – Upland Work and Marina Work, as they include different permitting requirements. His concern is that the marine work may be delayed and didn't want that to stall the upland work. He is hopeful that the site development with the store renovation/site development and the pier/piling replacement will take place in 2022 because the permits should be ready. Ideally having this as a singular project would be of benefit saving on costs. Mr. Martinez said that he can see there is a cascading affect and combining projects would be beneficial. He questioned when the



Port of Illahee – Minutes of Regular Meeting on October 13, 2021

funding would be needed. Mr. Piccone said possibly as soon as the third or fourth quarter of 2022. Mr. Martinez confirmed that it's the Port's intention to have attorney, Ken Bagwell, draft up the bond resolutions and documents in the second quarter of 2022. Commissioner Aho said that if that is what Mr. Martinez recommends, then yes. The Port's revenue stream and Recreational Conservation Office (RCO) grants were discussed. Mr. Piccone explained that the big variable with receiving the grants is the permitting work, within the second quarter of 2022 there should be a better understanding of dates and capital expenditures. He added that the grant reimbursements happen pretty rapidly, basically the Port makes payment to contractors and can anticipate seventy-five percent reimbursement within sixty days. Mr. Martinez said that he is somewhat familiar with other Ports that basically have used the line-of-credit as a tool to complete the construction with payments being made on the line-of-credit until all projects are complete, at which time they roll the balance over into a bond. He said that a project like this probably having a two-year window would allow ample time to complete all the work, making sure any variables related to permitting and/or other timing issues are covered. Mr. Martinez said that they just want to know the grants that may come into play. They don't manage that process, but would want the information so that they can in turn provide a commitment letter outlining the term and structure of the loan, so that the Port knows from day one what is expected. Commissioner Burton said that from what he has heard that this a feasible tool for the Port to use with the repayment to begin after the construction is complete. Mr. Martinez

said that they would match up the repayment structure to the Port's revenue stream. Roy Barton asked what if the Port had a bump in the road later with repayment. Mr. Martinez explained that they would look at the Port's revenue and if for example it looks as though it could be paid within a nine-year period the term would probably be extended to ten years, allowing for some flexibility in repayment. Mr. Martinez asked if the Port may qualify for additional grants. Mr. Piccone answered no, all of the eligible grants have been pursued for the work that is being completed. Mr. Martinez explained that they will want to make sure it is a revenue-based repayment and questioned if the Port may be adding more revenue streams such as moorage fees. Commissioner Burton said that the Port doesn't plan to charge moorage fees. It was asked if the Port would need to provide collateral for the loan. Mr. Martinez explained that it would ultimately be rolled over into a bond, which is the bonding and/or crediting of the entity as a whole, so no collateral is necessary. Commissioner Buesch said that it is the same with the bond the Port acquired for the balance due on the 5560 Ocean View property. The house can be sold with the bond remaining owing. Mr. Martinez agreed. Commissioner Buesch asked Mr. Martinez if there would be a pre-payment penalty if the Port decided to sell the 5560 Ocean View property and pay off the bond related to it. Mr. Martinez said there would be a couple of options. A yield maintenance will probably be the best for the Port due to the rising rate environment. Commissioner Aho said that Cathy Johnson and Roy Barton have been provided the 2022 Preliminary Budget in advance as they had requested during last month's meeting. He asked if either Ms.



Port of Illahee – Minutes of Regular Meeting on October 13, 2021

Johnson or Mr. Barton had any further questions. Ms. Johnson said that it sounds like the Port isn't seriously considering selling the 5560 Ocean View property. If it was sold, the proceeds of the sale would decrease the need for a bond and reduce the annual interest costs overall. In regards to operating revenues, she said that she is not sure, as outlined in the Port's budget, it could be handled. With the demolition of the 5500 Illahee Road property, there is an immediate loss in revenue.

Commissioner Buesch explained that the Port is moving forward with separating the reserve drainfield lot from the 5560 Ocean View property, which originally it was thought the lot would be sold, but in talking with a Dave of Dave's Septic Service it has been decided to hold off until the septic requirements for the Illahee store property are known, as the lot along Illahee Road may prove to be beneficial for that. Commissioner Buesch explained that the rental property is bringing in money to the Port. Ms. Johnson said that the Port's net revenue will be shrinking if a new bond is necessary. Commissioner Aho agreed this needs to be looked into and monitored. Mr. Barton asked if there is a figure of how much profit the 5560 Ocean View property is providing to the Port. Commissioner Buesch said that he will take a look at the figures and provide Mr. Barton with the details. He said that the roof of that house is in good condition. The dryer went out a couple of years ago and the Port replaced it with a refurbished dryer for less than \$300. Commissioner Buesch said that he will also provide the net income from the 5500 Illahee Road property. Mr. Barton explained that he is concerned about the payments and the cash flow. Mr. Martinez said that he will run information through Port staff

and if questions between now and the next meeting and/or the next year he will be available. Mr. Martinez was thanked for his time.

Grants/Waterfront Access Improvements

John Piccone explained that he was attending the meeting to provide an update on where we are with the project. He said that the design remains at sixty percent completion and recommended proceeding with final design on the waterfront access project in combination with the store site development and pier piling repair/replacement. The Port is now able to submit seventy-five percent reimbursement requests to the RCO for final design and permitting of the waterfront access project. Recent correspondence from the Pollution Liability Insurance Agency (PLIA) suggests cleanup may begin in 2022. Mr. Piccone explained as previously discussed, that he worked with Commissioner Aho and Theresa on the 2022 Budget and proposed separating the upland and tideland portion of the waterfront access project in the budget as there are different permitting agencies involved with the two and the upland work goes hand in hand with the Illahee store project. He would like to have the store site fully designed and permitted prior to PLIA beginning the cleanup. He hopes the Port can capitalize on the PLIA's work such as when the holes are dug and contamination removed, possibly installing a septic system at that time to save on costs. Also, with regard to the grading and slopes to accommodate parking, we don't want to have to come back later and dig things back up again. With regard to the piling replacement and float replacements. It would save money if it was all done at the same time as one project



Port of Illahee – Minutes of Regular Meeting on October 13, 2021

as it will require a barge being mobilized. Mr. Piccone explained that the final design will need to be completed to apply for the phase two permits. The phase one permits were the long lead permits, the United States Army Corps of Engineers (USACE) permit and the Kitsap County Substantial Shoreline Development permit (SSD), and were submitted in the summer and are currently under initial review. To begin the phase two permits the final design is necessary. We are at sixty percent at this point and need to begin the final design to move forward. Mr. Piccone said that he anticipates the County will have the preliminary comments back on the SSD permit after their preliminary review and that is when the Kitsap County Site Development Activity Permit (KCSADAP) will be submitted. The final design should be complete for submitting the KCSADAP permit sooner rather than later as delays at the County level have been more common these days. There will be a lot of involvement with the County moving forward and things will kick into high gear once those initial comments are received. He said that another important item is the Department of Natural Resources (DNR) lease, which is currently expired. This needs to be completed prior to requesting RCO construction money. It will also be a barrier to the final stages of the SSD permit and the USACE permit, if not complete. Some line adjustments to the leased area will be made before applying for a new lease. He explained that getting the aquatic lands lease in place is high on his radar. Mr. Piccone went on to explain that SoundWest began making the reimbursement requests from the RCO for the engineering costs the Port has paid thus far for the project. The Port should be receiving a check in the amount of

\$83,789 any day, if it hasn't already. Mr. Piccone recommended that the Port Commissioners authorize the final design of the project so that some of the specific questions can be answered, such as how will the store septic be handled; how can we capitalize on the PLIA work; which piles need to be replaced and how much is it going to cost; what are the impacts of the pile replacements on the pier itself; what enhancements can be afforded in the waterfront access project such as viewing area; what type of restroom; etc. All of these questions need to be determined during the final permitting process. In the meantime, Mr. Piccone plans to reach out to the DNR about the aquatic land lease. He reminded everyone that there has been some preliminary work done with the DNR for the lease and a portion of the physical survey has been completed, so there is a start on that, but it needs to be finished, which will include following the DNR's guidelines to get the lease back in place with some changes. Mr. Piccone said that the ACE permits are holding up projects all throughout our region. Once a permit is applied the ACE is required to consult with the National Marine Fisheries Service (NMFS) and there is a big national dispute that has been bubbling up for several years now, causing delays in the issuance of permits. It is hoped that getting the permits submitted early will help in a timely issuance. Mr. Piccone plans to reach out to the Suquamish Tribe once again and provide them with a progress update of the project and answer any questions they may have. Commissioner Burton asked if we are at the point that we will add the Port of Illahee's name to the growing list of other Ports that have having their projects delayed due to the ACE



Port of Illahee – Minutes of Regular Meeting on October 13, 2021

and NMFS issues. Mr. Piccone said that it's basically a guess. Historically an entity would plan for one year to be issued the ACE permit, but recently it's been longer. He said that he has a number of other projects he has worked on, so he has been engaged with the drama of the ACE/NMFS. It has only been a couple of months since the permit application was submitted, so at this point we should just plan to be issued the permit anywhere between one and two years. Mr. Piccone said if there are issues with getting the permit, there is an alternate process to the standard process that he can suggest at that time, if it gets to that point. Mr. Piccone said his primary recommendation for the Commissioners now is to forge ahead on the final design. He said that he wasn't looking for a formal decision until maybe next meeting, but was hoping for more of a head nod so that he can begin moving in that direction. Commissioner Aho said that once the Port decided to apply for the grants and now being successful in two of the three grants, it was known we must continue this project until completion. He said that unless he hears an objection from the other Commissioners, he would assume none of the Commissioners want to delay SoundWest's efforts in moving forward with the final design. Commissioner Buesch agreed that it needs to move forward promptly. Commissioner Burton also agreed it needs to move forward. He said that he hoped to see more frequent updates about the design as it evolves and for all three Commissioners to be informed and to be able to provide input. It was agreed that it's not easy with the Open Public Meetings Act as the Commissioners are not allowed to talk about Port business outside of a public meeting. Commissioner Burton asked Mr. Piccone to

include all of the Commissioners with the updates of the design. Mr. Piccone said that we have been in a little bit of a waiting period with word on the grants, then processing all the environmental reports. Up until now it's all been pretty routine, but yes, as we move into the final design phase, he will be sure to include all Commissioners with updates. He said that he would think he would have an update available for at least every other meeting. He will try to put a sequence together because there will probably be six months of talks about things that need to be decided upon. Commissioner Buesch questioned if Mr. Piccone had been in contact with Dave of Dave's Septic Service regarding the future septic system design at the Illahee store building. Mr. Piccone said that he hadn't contacted Dave, but had heard from Commissioner Aho about the possibilities he had mentioned to Commissioner Buesch regarding the septic system. He questioned the idea of putting a drainfield in the lower and upper parking lots of the new waterfront access project. With the steep slope and retaining walls, he just doesn't see that as a possibility. He said that he can look at it, but his first thought is that he doesn't believe that will be the best option for the Port. Commissioner Buesch said that Dave had also mentioned a vault system on the lower end of the east side in the berm. He said that he wasn't sure of all the details, but Dave made it sound very doable. Mr. Piccone said that this discussion is a good example of needing to dig deeper and determine the details on these items. He said he will double check the engineering requirements and probably create a straight forward costs analysis. He will consider all options and the costs verses the ultimate



Port of Illahee – Minutes of Regular Meeting on October 13, 2021

service benefits. Commissioner Burton said that another option would be the style of septic systems being used by new construction. Commissioner Aho agreed and said that he has been looking at some of those new septic systems along Illahee Road and they are definitely something to consider. Mr. Piccone assured no stone will be left unturned. He thanked the Commissioners for their time.

Treasurer's Report

As of September 30, 2021 the General Fund totaled \$2,743.47, Investments totaled \$287,076.99 and the balance of the Good Property Management account totaled \$200.00.

Commissioners' Reports Website –

Commissioner Aho is aware of the need to add a link to the Surface Water Management Plan (SWMP) as well as the mussel sampling results.

Rental Properties

5560 Ocean View Boulevard/Rental Property –

Commissioner Buesch reported that there is still no word regarding the separation of the two lots. It has been confirmed and now it's just a matter of getting the paperwork from the County.

5500 Illahee Road/Rental Property –

Commissioner Buesch noted nothing new to report on this property.

5507 Illahee Road/Illahee Store Property –

the County continues to show that taxes are owing on the property. Last month Mr. Barton was authorized to help resolved the issue. Mr. Barton explained that he determined the taxes

owing were accrued during the redemption period, which was after the sheriff sale, but prior to the Port officially owning the property. Mr. Barton explained that he called the Washington State Department of Revenue (DOR) in Olympia, and spoke to an individual who told him that for the period of redemption the Port was sold the property and although the original owners could have claimed it back the Port was allowed to complete maintenance on it. During this time the Port did re-roof the building and remove all the items within it. She said, so technically it was in the Port's hands, but she didn't have a definitive answer regarding he taxes owing. This led Mr. Barton to contact the County Treasurer's office and Assessor's office. He talked to front office staff, who basically provided him with base answers and nothing much got figured out other than it is believed the taxes are owing from September 6, 2018 through October 20, 2019, which is basically the redemption period. One individual at the County told Mr. Barton that the title company should have taken care of it. Mr. Barton explained that the amount owing is roughly \$1,750 and it is accruing a few dollars of interest every day. He said that the Port can either pay it or write a letter to the Kitsap County Treasurer, Meredith Green, and ask her if the Port has to pay it since the Port is a governmental entity and is exempt from paying property taxes. Mr. Barton said that he is planning to go to the courthouse tomorrow and may try to talk with Ms. Green herself or even a second person in command, rather than front office staff. If that doesn't work, he may draft a letter for Commissioner Aho's review, unless the Commissioners would rather have the Port's attorney Ken Bagwell draft a letter. Mr. Barton suggested that if the Port is



Port of Illahee – Minutes of Regular Meeting on October 13, 2021

required to pay the taxes that a request be made asking that the interest and fees be waived. Ms. Johnson asked if the final paperwork was reviewed. She suggested that Mr. Barton go to the title company with the paperwork he has and explain the situation to them. Commissioner Buesch said that the County should have all the paperwork including the signed document by Kitsap County Sheriff Gary Simpson. Mr. Barton said that he will plan to attempt to meet with Ms. Green or someone else within her office and discuss the situation. If he is not able to meet with anyone, he will draft a letter and send it to Port staff to have it printed on Port letterhead for Commissioner Aho's signature.

There was nothing new to report on PLIA.

Commissioner Buesch suggested that the surveillance cameras either be taken off the agenda or agree to hire an electrician to get the electrical on at the store, although since contractors are so busy at this time, he thought it would be hard to get a bid. Commissioner Aho said that it could just be tabled and used as a placeholder for the future. Commissioner Burton said that he disagrees with taking it off of the agenda. He doesn't want it to be forgotten. He said that he would be in favor of getting the cameras up now if it were possible. Commissioner Buesch said that without the power on at the Illahee store it is not possible, but maybe mock battery-operated cameras could be installed. It was agreed for now to keep the Installation of Surveillance Cameras as a tabled agenda item.

Dock/Pier – Commissioner Burton reported that no maintenance has been completed

within the month. He is still awaiting TIKAR to install the last couple of signs, repair one of the motion sensor lights and add the polyethylene material on the pole to keep people from climbing on it. TIKAR is just too busy at the moment, but Commissioner Burton will try to get more action out of them before the next meeting. Last week at dawn Commissioner Burton saw three individuals on the dock. He thought they were setting up to fish, but then Commissioner Burton saw an open flame, so he quickly went down to the dock and confronted the group and asked about the fire. Two of the individuals called the one that tried to set the fire "Jordan" and said something to the affect that he likes to play with fire. Commissioner Burton asked them all to leave and not return. They did comply and headed up to the store parking lot, where two of their vehicles were parked. Commissioner Burton was informed by a neighbor that it is believed individuals in one of the cars were selling drugs while parked at the store property. Several days later Commissioner Burton saw one of the vehicles back at the store parking lot. The car engine was on and the individual "Jordan" was sleeping inside the car. A sheriff deputy was in the area, so Commissioner Burton talked to the deputy and explained it is believed this individual is dealing drugs from his car on Port property. The sheriff informed Commissioner Burton that there is little the sheriff can do about drug activity as the County has been told to back off of those issues. He offered to tap on the car window and wake the man up and ask him to move along. Commissioner Burton agreed that should be done and the sheriff did and the individual complied. Commissioner Burton said that there are various times of the day that the store



Port of Illahee – Minutes of Regular Meeting on October 13, 2021

property is used by drug dealers. The only impact the Port might have on this issue is to put up cameras and start collecting evidence and/or at least make it uncomfortable for drug dealers. That is why he does not want the surveillance cameras removed from the agenda. He said that even if cameras could be placed on the garage at 5500 Illahee Road, pointing towards the store would be a good start. Costco has reasonably priced surveillance cameras for sale. Commissioner Buesch said that the inexpensive cameras will not pick up a license plate at the store from the garage. Commissioner Burton said that there is currently a neighborhood watch group being formed and this would be a good way to support the Illahee community. Commissioner Buesch suggested installation of fake cameras be installed as a deterrent. Commissioner Burton wasn't sure that would be of much benefit. Commissioner Buesch said that they wouldn't even know they are fake. It's not about trying to catch the drug activity because the sheriff isn't going to do anything anyway, but rather make it an uncomfortable area and deter them from preferring to use it. He suggested purchasing an \$80 fake camera and see if it deters the activity and if it doesn't a real camera won't either because they won't be able to tell the difference. Amber Bartz suggested motion activated cameras and offered to check with someone she knows who purchased some. She said that personally she uses Ring although it runs off of Wi-Fi, but there are cameras that run on battery that do fairly well. Commissioner Aho agreed and said that personally he uses several different systems to view the wildlife on and around his property. He said that we have some time to further discuss surveillance and this will be

kept on the agenda. Any information about surveillance cameras/systems is welcomed.

Commissioner Burton said that in regards to the properties, the 5500 Illahee Road tenant should be given ample notice about having to move out of the house so the Port can move forward with the waterfront access project. Commissioner Buesch said that at this point the Port won't know until the construction timeline is prepared. The tenant is on a month-to-month agreement for now. She is aware that the building will be coming down eventually. Commissioner Buesch agreed that the more time the Port can give her the better, but we need to have bids. Commissioner Burton lives adjacent to the tenant and they talk from time to time. She has asked Commissioner Burton for a ballpark timeframe. Commissioner Buesch said that at this point the Port doesn't have enough information to venture when that would be and doesn't believe Mr. Piccone would have a definite timeline at this point either. He said that the Port could give her a date, but if it is inaccurate and construction doesn't begin for an additional six months then the Port is out the additional six months of rental income and at this point the Port needs every penny. Commissioner Aho said that she probably won't have to move until the third or even fourth quarter of next year. Commissioner Buesch agreed that it would probably be anytime after next July. Commissioner Aho said that it really all just depends on permits, so it's really anyone's guess. Commissioner Burton said that if/when the tenant asks him again, he will pass on that information of third or fourth quarter 2022. Commissioner Aho said that the tenant has known for a long time that this is going to be



Port of Illahee – Minutes of Regular Meeting on October 13, 2021

happening so it won't come as a surprise. Everyone agreed the tenant should be given as much notice as possible, but that isn't possible until a definite timeline is in place.

Illahae Day was held on September 11, 2021. Approximately seventy-five people attended. The Central Kitsap Fire and Rescue (CKFR) Station 45 – North Perry drove a fire engine to the event and handed out some fire fighter hats to children. The Port provided Costco sandwiches, chips, candy and water. Commissioner Aho estimated the total costs of the event to be under \$400. Commissioner Burton said that he thought that it went well. He talked with quite a few people weeks prior to event, so thought it might be a little better attended, but it was a good community event nonetheless. Commissioner Aho said that CKFR also provided drawings of the proposed new North Perry station and Mr. Piccone provided a schematic of the dock and floats portion of the waterfront access project. So, there were some very informative items for the people that attended.

Administrative – it was explained that the Port of Silverdale has okayed the Interlocal Agreement. Commissioner Buesch asked if the termination portion of the contract could be changed from thirty-day to sixty-day written notice. This will be brought up at the next Port of Silverdale meeting. Commissioner Buesch said that with the Port only meeting once a month the thirty-day termination notice could be problematic to the Port and having a little more leeway would be beneficial. Commissioner Aho said that in looking at all of the things the interlocal agreement covers he is thankful to have the support because besides

the administrative work, everything else is split up between the Commissioners with Commissioner Aho being responsible for the website, notices, etc.; Commissioner Buesch responsible for the properties, tenants, etc.; and Commissioner Burton responsible for the dock and boats moored at the facility, etc. In the past, Commissioners took on the administrative responsibilities as well, but contracting that out has proved beneficial.

WPPA Small Ports Seminar is scheduled for October 21st through the 22nd. Commissioners will be traveling to Leavenworth on October 20th. They were reminded to keep the receipts and track their mileage for reimbursement next month.

NEW BUSINESS

2022 Preliminary Budget – Commissioner Aho said that there were a couple of questions early on in the meeting with Mr. Barton asking about the costs associated with the rentals. Commissioner Buesch explained that the rentals both provide the Port with a positive cashflow and it seems foolish to sell the 5560 Ocean View property and put the money in the bank, earning very little interest. If the reserve drainfield is not necessary to be used for the Illahee store septic, the Port may decide to sell the lot along Illahee Road estimated to be valued at \$70,000. Commissioner Burton said that he thinks it is a good working budget and agreed with Commissioner Buesch that it is premature to sell the house, but thought that it shouldn't be totally taken off the table. As the project progresses the possibility of selling the house should be considered. He doesn't want the Port to be in debt for a long time. Commissioner Buesch said that we still have to



Port of Illahee – Minutes of Regular Meeting on October 13, 2021

come up with funds for the Waterfront Access project, but to him the Ocean View house is money in the bank. He said that he thinks the budget is as close as it can be at this point with everything being arbitrary. Commissioner Aho said that at this point in time, since we don't have the final drawings and are just at the sixty percent design, the estimates are a ballpark figure. We will know a whole lot more as the design phase moves along. He said that this budget is good and needs to be approved with notice being placed in the newspaper and the public hearing on the final budget during next month's meeting. Either it is approved as is or amended and approved as amended. Ms. Johnson had emailed the Port on October 7, 2021. She explained that she is concerned that the Port's operating expenses will not exceed the operating costs and with the store and any unforeseen repairs to the dock outside of the scope of the grant will not be covered. There are no contingencies for cost overruns and with a \$30,000 ending balance doesn't leave many options, if costs overruns happen. Ms. Johnson said that when you get down to that low of an amount you have to be careful in order to continue to make monthly payments. Commissioner Aho explained that there is a little fluff in some of the other line items. Ms. Johnson said that it needs to be considered that the monthly rental income will be decreased as well, since the 5500 Illahee Road house is going to be demoed. Commissioner Aho said that one of the main purposes of a Port is economic development. With the Illahee store being converted to a community center to include a coffee shop, that will create a revenue stream, which could help with maintenance, etc. Ms. Johnson said that she doesn't agree as the net equity that the Port

would be receiving from the house will no longer be in place and the Commissioners need to consider the future debt services moving forward because it will be significant. Commissioner Aho explained that the piling costs at this point are unknown. Mr. Barton said that Mr. Piccone throws numbers out there, but there is still no real estimates on what it's all going to cost and just like Commissioner Aho just said with the pilings, the actual costs are unknown and inflation continues to rise. The real estate market is at the top right now, although it's going down a bit the last few months. He suggested the Commissioners pursue selling the Ocean View property now, while it is a sellers-market. Sell it now and keep the money in reserve. There is a chance it could be listed and not sell for another six months because the economy has gone to pieces. Mr. Barton voiced his concerns about the Port still not having true figures, rather just pie-in-the-sky figures provided by Mr. Piccone. He said that personally, when he begins a project, he wants to know the costs upfront and then he decides if it is a feasible project to continue. Commissioner Buesch said that at this point he doesn't think selling the Ocean View property is the right move, but it's just a difference of opinion. Mr. Barton said that he is just a constituent and wants his views to be known. ***It was agreed to accept the 2022 Preliminary Budget as submitted*** (motion by Buesch; second by Burton; unanimous).

PUBLIC COMMENT – Ed Seal said that there are lots of unknowns and what to do with the properties. He likes numbers and when he looks at the 2022 Preliminary Budget, he questions the amount the Port is netting from



Port of Illahee – Minutes of Regular Meeting on October 13, 2021

the Ocean View property. He questioned the amount of interest the Port is paying on the bond. He said that although Mr. Piccone said that there are no other grants available for the Port's project, he plans to look further into grants using a wider lens. Mr. Seal said that he is just a taxpayer and constituent. He didn't move here and recently refinance his home just to have the savings be eaten up by taxes. Commissioner Aho agreed that there may be other grants available and other sources of revenue.

EXECUTIVE SESSION – None.

Commissioner Buesch thanked Mr. Barton for taking time to look into the taxes owing on the store property and for Mr. Seal to be willing to look into other grants that can help the Port continue to move forward with all the anticipated improvements to the area.

ADJOURN

At 8:31PM Commissioner Buesch moved to adjourn the meeting; second by Commissioner Burton; approved unanimously.

Approved:

Commissioner

Commissioner

Commissioner

Draft minutes* for
 Quarterly Kitsap All Ports Meeting
 October 25, 2021 at the Port of Brownsville

Attendees:

Lary Coppola	Allyn – staff via ZOOM
James Weaver	Bremerton - staff
Kathy Garcia	Bremerton – staff via ZOOM
Jack Bailey	Brownsville
Joseph DaBell	Brownsville – staff
Sally Hass	Brownsville - citizen
Jon Buesch	Illahee
John Burton	Illahee
Brian Watne	Keyport via ZOOM
Mary McClure	Kingston via ZOOM
Greg Englin	Kingston – staff via ZOOM
Robert Ballard	Manchester via ZOOM
James Strode	Manchester via ZOOM
Doug Kitchens	Silverdale
Caleb Reese	Silverdale
Ed Scholfield	Silverdale
Phil Best	Silverdale – attorney via ZOOM
Theresa Haaland	Silverdale, Tracyton, Illahee – staff
Randle Kuhn	Assoc of WA Business – via ZOOM
Troy Wood	Washington State DRN – via ZOOM

PLEDGE OF ALLEGIANCE – those in attendance stood for the pledge.

INTRODUCTIONS were made.

MUTUAL ITEMS OF INTEREST

Randle Kuhn, Association of Washington Business (AWB) Membership Manager, introduced himself (randlek@awb.org). He explained that AWB (<https://www.awb.org/>) is basically the chamber of commerce for the State of Washington and they have a long history of partnering with Ports throughout Washington State. He would like to see every Port in the State of Washington become a member of AWB. Mr. Kuhn explained that AWB basically acts as a liaison between its members and the State, addressing issues that are of concern. He said that the membership pricing schedule is flexible and encouraged Port representatives to contact him with any questions and/or to become a member.

Troy Wood, Program Manager Derelict Vessel Removal Program, Aquatic

Resources Division, Washington State Department of Natural Resources (DNR), was introduced (Troy.Wood@dnr.wa.gov). Commissioner Jack Bailey provided those in attendance with a DNR “Sustainable Funding for Derelict Vessel Removals” handout. Mr. Wood provided the history of the DNR’s Derelict Vessel Removal Program (DVRP) [Recovering Derelict Vessels | WA - DNR](#) . It began in 2002 and there have been lots of changes through the years. Approximately \$3.00 of every vessel registration fee is added to the DVRP account. The programs biennial budget is approximately \$2.6 million. Last year 125 derelict vessels were safely removed from Washington State waters through the program. He explained that every derelict vessel within Washington State waters, that has been reported to the DNR, is prioritized by considering human safety and environmental risk on a one to five priority scale. One being an immediate threat to human safety and five is maybe just a boat tied to a buoy and not in danger of sinking. Authorized agencies, such as Ports, remove vessels within their jurisdiction and receive ninety percent reimbursement. The vessel first needs to meet criteria related to abandoned vessels, such as, it is in danger of sinking and/or running aground. If it meets any one of the definitions it can be added to the DNR’s DVRP database and then it gets prioritized. The number of derelict vessels continues to increase. There is a proposal to increase a portion of the watercraft excise tax of 15% to be added to the DVRP’s account. If approved, it will increase the program’s biennium budget with an additional \$5,000,000, increasing the total biennium budget to approximately 7.5 million. Mr. Wood said that currently the program only covers the expenses of one employee, although there are three DNR employees who work on the program. Mr. Wood explained that there is also a \$50,000 grant program for local law enforcement, so that they can be more involved with derelict vessels or soon-to-be derelict vessels on the water. It has been noticed that there is a drastic reduction of issues when law enforcement is involved and that is why the local law enforcement grant program is so important. The DNR also offers the Vessel Turn-In Program (VTIP) ([Vessel Turn-In Program | WA - DNR](#)) to owners of boats that are on the way to becoming a derelict and/or abandoned. There is no cost to the owners. It is estimated that each boat costs approximately \$4,000 to remove safely. It was asked if area residents can report vessels. Mr. Wood said yes, but reminded everyone that there are just three employees working this program and so they are unable to inventory the entire State. Apparently, there are anywhere between twenty to thirty derelict boats in Sinclair Inlet alone. Mr. Wood explained that they are only aware of eight vessels of concern in Sinclair Inlet. Commissioner Jon Buesch asked Mr. Wood if he finds a lot of commercial vessels that are basically at the end of their useful life getting sold for recreational purposes. Mr. Wood explained that once a commercial boat is sold to a private party it is no longer considered a commercial vessel. There was an instance where a tugboat was sold to a private individual. The DNR ended up calling the original owner and telling him/her that they would be required to pay for the removal, if the new owner was unable or

unwilling to pay. Commissioner Brian Watne said that Keyport has used the DNR DVRP. He thanked Mr. Wood for his help on that. He explained that it's a life saver for small Port's like Keyport. They currently have three more wooden vessels that they are very concerned about. Two of the three are not meeting Keyport's rules and regulations. He questioned if the Port has the authority to ask them to leave and who determines whether the vessel is a derelict or not. Mr. Wood explained that the Washington Administrative Code (WAC) 79.100.010 ([RCW 79.100.010: Definitions. \(wa.gov\)](#)) provides the definitions related to derelict vessels. He explained that if the vessels in question are actually tenants of the Port, then they wouldn't meet the definition because ultimately, they are moored with permission, but within the Port's rules and regulations they may be able to evict them and/or encourage them to take advantage of the DNR's VTIP. James Weaver, Director of Marine Facilities with the Port of Bremerton, said that he really appreciates the DNR's help. One big problem they have determined is that the United States Coast Guard (USCG) tows vessels in and ties them up at the public facilities and leaves without any information or notice and basically then the problem is left with the Port to figure out. Mr. Wood agreed that this is a problem and he has talked with upper management about it and they are trying to determine a way to alleviate this issue. The Federal rules allow for the USCG to bring vessels that are in trouble to the nearest safe haven. Mr. Wood said that once a vessel is dropped off at a Port, the Port can definitely begin the DVRP process. He would suggest, in this event, that the DNR be contacted at the onset because there is a good chance that the DNR has already been working on the vessel and if it isn't, they can help from there. Although, the staff that works on the DVRP and VTIP are quite busy, they are always there to help where they can. Kathy Garcia, with the Port of Bremerton, said that years ago she met with Mr. Wood, several other State Agency representatives as well as the Kitsap County Sheriff's Department and found the meeting to be very beneficial in learning the basics of derelict reporting, etc. She said that nowadays there are a lot of new players that don't understand the process, and that seems to create a lot of finger-pointing. She suggested a roundtable of some sort, not a gripe-session, be set up for those interested in learning more about the process so that we are all on the same page. Mr. Wood said that he is always willing to work on things, although his plate is so full right now especially with the grants and the pilot program, he would be willing to do it. He said that they used to have a taskforce meeting in Seattle at least once a year, sometimes twice a year. It included the Department of the Navy (DON) and the USCG and it does seem the information hasn't gotten passed to the next generation. It probably is time to build new relationships with new personnel and he agreed that he definitely would want to be part of that conversation. Ms. Garcia said that she is willing to help with some of the local contacts. Commissioner Ed Scholfield of Silverdale said that there were about twelve boats in the north end of Dyes Inlet prior to the storm we recently had. He gave an example of a family that had two boats that

they were living on in 2020, both of which they ended up turning into the DNR after one ran aground during a storm. That same family has apparently been gifted two more boats and are back living on them in the Dyes Inlet area. Mr. Wood suggested Commissioner Scholfield talk to the Port of Kingston as they have had similar issues with liveaboards for the past two years. Mr. Wood explained that he basically works for the Governor, an elected official, and the governor has repealed the moratorium regarding evictions, so if there are issues a Port may be able to trespass individuals from being on Port property. He said that it's really a juggling act that he hasn't found the solution to, but one hopeful thing is if the grant for the local law enforcement is agreed to, it will help tremendously as there has been proof that the law enforcement presence out on the water helps, because they can even go out and ticket if a vessel registration is out-of-date. Commissioner Scholfield said that two of the boats have dragged anchor onto the Port of Silverdale DNR leased area and a third boat is beached, but not on Port property. Mr. Weaver said that he thinks the eviction moratorium ends on October 30th and from what he has heard it will not be extended, so at some point the moratorium will be lifted. Mr. Wood said that it's a definition issues because it's against the law to have a liveaboard on State-owned land, but it's semantics because if you say anything to the owners, they claim you are evicting them and goes against the eviction moratorium. Mr. Wood suggested any Port in this situation talk to their risk managers before taking any action and talk to the County about the problem. Mr. Wood thanked the Commissioners and told them to contact him with any further questions and/or issues regarding derelict boats.

Commissioner Bailey thanked Mr. Wood for attending the meeting and said that the Kitsap Ports appreciate the DVRP and the support of the DNR.

INDIVIDUAL PORT UPDATES

Port of Silverdale (www.portofsilverdale.com) – Commissioner Scholfield said that derelict boats are becoming more of an issue for the Port. A total of twelve showed up last night with a few that were already there. Three decided to tie up to the pier overnight, smashing into the finger piers all night. Two of the vessels were towed in by a motorboat and come to find out the owners of the two that were towed, were new to sailing. One was using gas cans as bumpers, which didn't work well. The owner of the big motorboat, that towed them in, seemed to be in a hurry to get out of there. Another item is that one of the Port's Clam Island Rowing (CIR) Program's chase boats caught fire, which totaled the boat and damaged the dock. The incident is under investigation as it is believed to be arson. It took place on/or around 3:20AM on Monday, October 4, 2021. At 4:22AM a Safe Security guard alerted the police of the fire. Thankfully, the engine was salvaged and undamaged. It is estimated that the repairs to the dock will be \$10,000. It looks as if someone poured gas, using the gas can that was in the boat, all over the boat with a stream of gas along the dock leading to the gangway. Commissioner Scholfield said that the surveillance in the Port's

parking lots showed several cars coming and going around the estimated time of the fire. Unfortunately, due to the construction in that area the surveillance camera on the dock is not up and running. Since it is an ongoing investigation the police report is not available at this time. Commissioner Caleb Reese reported that the Port continues to work with its architect, Patano Studio Architecture (PSA) on the future Waterfront Activities Center. Art Anderson Associates (AAA) is working on the design for the new partially grant-funded non-motorized float. There is an ongoing lawsuit for the dredge permit. When the Port applied for the Recreation Conservation Office (RCO) grants, one thing the RCO had asked is what is the Port doing to mitigate dredging. Commissioner Reese said that he and Commissioner Scholfield started talking more about dredging and the difficulties and expense of it, then the discussion moved to the possibility of moving the entire floating moorage facility out into deeper water, which would alleviate the need to dredge in the future. After reviewing the estimated costs from AAA, it has been decided to move forward with having AAA provide a design to move the facility out roughly 150 feet and including a slight rotation. Commissioner Reese said that the Port will be looking for a new attorney as Phil, who has worked for the Port for many years, has plans to retire on December 31, 2021. Commissioner Baily said that there are many attorneys in Old Town Silverdale, which could prove beneficial. He said that the arson sounds pretty serious. Commissioner Scholfield said that Island Lake also had a fire at their dock a couple weeks prior to Silverdale's fire. Commissioner John Burton said that on October 6th before daybreak he caught individuals on the Illahee dock and one was trying to a start fire. He confronted the individuals and heard two of them call the other one, that tried to start the fire, Jordan. They said something to the affect that he likes playing with fire and that he did the same thing in Port Orchard without incident. Commissioner Burton told them to leave Port property. He noticed they all got into two separate vehicles with Jordan entering one with the Washington license plate number BZJ8940 and the two other individuals entered a vehicle with the Washington license plate number BJZ8242. On October 8th, Commissioner Burton saw Jordan's car parked at the Illahee store parking area and Jordan seemed to be sleeping in the car while the engine was running. Commissioner Burton was able to take a picture of the vehicle showing the plate and vehicle make and model.



A sheriff deputy was in the area and Commissioner Burton was able to talk to him. He informed the deputy that there have been many complaints of drug selling/use activity within the area and also told the sheriff about the fire incident and that it was the individual who was sleeping in the nearby car. The sheriff informed Commissioner Burton that he couldn't do anything about the drug issues and offered to knock on the individual's car and ask him to move along, which he did. Commissioner Doug Kitchens told everyone that there was apparently an incendiary device found near the Silverdale Tractor Supply store. Apparently, the bomb squad was called in to take care of it. There seems to be a local problem. Commissioner Scholfield said that he plans to provide the Fire Marshall with the information Commissioner Burton shared.

Port of Illahee (www.portofillahee.com) – Commissioner Burton further explained the incident on October 6th when he confronted the individuals. He said that when he first saw them on the dock in the very early morning hour, he thought they were setting up to fish. As he watched he saw an open flame and another one shortly afterwards. That is when he took action and confronted them and told them to leave. Commissioner Burton explained that for quit sometime now, there have been complaints about drug activity in and around the dock parking lot and the Illahee store parking lot. Commissioner Scholfield said that drug activity is a very difficult issue the police can help on nowadays and basically it is up to the Port to enforce rules such as this area is closed after hours and you must leave.

Commissioner Burton reported that Illahee was successful in being awarded two RCO grants and is moving forward to a ninety percent design and permitting completion. Illahee is also starting to get reimbursement for the engineering costs up until this point. They hired John Piccone of SoundWest Engineering as the Port's grant writer and he is also an engineer and completing that work as well. Mr. Piccone has already submitted the long lead permit requests and will now move forward with the other required permits as well as following up with the tribes so that by November all of the initial permit requests should be submitted. It is estimated that by the third quarter 2022, bid requests will begin. In hearing about all the problems other Ports have had with the issuance of the Army Corps of Engineers (ACE) permit, Illahee, through Mr. Piccone, is trying to get ahead of it and get all the necessary engineering done. Commissioner Burton explained that there haven't been any major renovations with Illahee's facility in the past seventy years, so it is well past due for some major rebuilding and maintenance.

Port of Bremerton (www.portofbremerton.org) – Mr. Weaver reported that they just lost one of their work boats recently. It was stolen while it was on its trailer. A brand-new Monsoon engine was on the boat. They retrieved the boat the next day – it was missing the engine. Ironically the boat and trailer were parked near the police station and this happened during daylight. Mr. Weaver explained that

lots of projects are taking place, including the roof replacement, which was the result from the boat fire of a Ranger tug that burned to the waterline. The \$15,000,000 breakwater project continues to move forward. They have partnered with Kitsap Transit to determine ways to lessen the wave action caused by Kitsap Transit's day-use ferry. They are installing enhanced programmable LED Christmas lights in and around the facilities, similar to the Port of Kingston. They plan to keep them up year-round, which will save staff time. Mr. Weaver asked if any other Ports are planning to attend the Seattle boat show. Masks will be mandatory to attend the event, so staff would have to wear masks all-day each of the ten days. Port of Bremerton staff are willing to do it and the Port has been a vendor at the event for many years now, but he was just curious if any other Kitsap Ports are planning to attend. He has heard that the Port of Anacortes has pulled out of the event. Ms. Garcia said that she has heard from another Port that the City of Des Moines is not joining in the boat show this year, she is still waiting to hear back from others. Mr. Weaver said that they are also taking an internal look at position descriptions and wages/benefits for many of the positions.

Port of Kingston (www.portofkingston.org) – Greg Englin, Executive Director of the Port of Kingston, reported that with the recent storm the owner of a 70' tender asked to be tied up to the Port facility. Kingston had to turn them away because the facility is not built to handle that kind of load. Kingston is looking to redevelop the uplands right across from the toll booth. The area used to be a couple of restaurants and a laundry mat. They have submitted for a rezoning of the area to the County. Mr. Englin said that the County accepted an urban port overlay concept, which should be seen within the 2024 Comp Plan effort that begins next year. Kingston has also completed a moorage rate analysis and he will share that information to all the Ports. It is hoped it will give everyone an idea of where their rates fall and possibly make competitive changes. Mr. Englin explained that this is Kingston's third year of a three-year effort to raise their rates. Between ten to fifteen years Kingston is going to have to replace the entire marina. The revenue rates that were being charged were going to make it very difficult to rebuild the marina, simple arithmetic proved they would fall short and since Kingston doesn't have any bonding capacity it was important to get the rates up to the average rate. They also have the problem of bad debt and vessels that are slow in paying. Mr. Englin said that they will share information about that issue as well. Ms. Garcia commended Mr. Englin on his presentation at the recent marina committee meeting, he did an excellent job sharing the marina rates information and the process of it. Mr. Englin sees his efforts as a fiduciary responsibility to the future and planning for the replacement of the moorage facility is key.

Port of Keyport (www.portofkeyport.com) – Commissioner Brian Watne reported that things are going pretty steady at Keyport. They are still in the process of the

marina pier upgrade project. The project includes a new boat ramp, pier renovations and floating walkway to launch boats. There were issues in receiving the ACE permit. ACE authorized an emergency permit for the boat ramp portion of the project only. The second phase of the project, pier renovations and the floating walkway, has taken approximately one and a half years with Mr. Piccone's help. So, phase two of the project will begin and include redoing the pier with installation of more pilings and new deck surface of the pier and floating walkway. Commissioner Bailey asked if Keyport received the mitigation report from National Marine Fisheries Service (NMFS). Commissioner Watne said that as far as he is aware it has not yet been received, but he has been out for the last three weeks as he had neck surgery (get well!). He thought Mr. Piccone might have the report. Commissioner Bailey suggested that Keyport have a marine biologist complete the report, because there are things a biologist knows how to say that will satisfy NMFS. Commissioner Watne said on a very sad note, former Port of Keyport Commissioner Jay Melrose, who was a lifetime resident of Keyport, was struck and killed by a car in the Keyport area yesterday. Condolences to Mr. Melrose's family and friends.

Port of Allyn (www.portofallyn.com) – Lary Coppola, Executive Director at the Port of Allyn reported that they have the staging area finished and had a ribbon cutting ceremony which is great. The main pump of the water system recently failed and now the Port is scrambling to find emergency funding to pay for it. They are working on the budget and update to the Port of Allyn's Comprehensive Plan, both of which should be completed this week. Mr. Coppola said that he too saw Mr. Englin's presentation at the marina committee meeting and also thought he did a great job and found it very comprehensive. A lawsuit that has been ongoing for the past six months is coming to an end with a summary judgment in the Port's favor, but it did hurt the Port's finances a lot, so the Port is trying to recover from that as well.

Port of Manchester (www.portofmanchester.com) – Commissioners James Strode and Bob Ballard had nothing to report.

Port of Brownsville (www.portofbrownsville.org) – Commissioner Bailey said that last Monday evening sometime between 4:00PM and 5:00PM he was sitting in his living room and heard five large caliber shots go off believed to be from an automatic weapon. He looked out his window in the direction of the sound and saw a guy running out of the woods. The guy jumped into a car that was parked on the side of the road and he took off. Commissioner Bailey decided to get in his car and drive over to the area, because he was concerned someone may be injured in the woods. A police officer was stopped in the area when Commissioner Bailey approached. Commissioner Bailey told the police officer everything he knew. The police officer trekked up into the woods, but didn't find anything or anyone. So that was a concerning event that took place in the area

recently. Commissioner Bailey reported that Brownsville finally, after two and a half years, received the NMFS permit. He did a little digging and reviewed the last biological survey, which showed many errors made by the engineer. There are now questions regarding mitigation and costs. Brownsville is working on getting rid of the deadwood in the marina by pulling out many boats that are not paying. Joe DaBell, who is filling in for Port Manager Jerry Williams while he is on leave, reported that they have gotten rid of three derelict boats through the DNR's DVRP.

Commissioner Bailey asked if anyone attended the recent Washington Public Ports Association (WPPA) Small Ports Seminar in Leavenworth. Commissioners from the Ports of Illahee and Silverdale had all attended the seminar.

Commissioner Reese said there were some really good, informative presentations. Commissioner Kitchens added that it was his first time attending and he found everything to be excellent and well done. Commissioner Bailey said that is how the WPPA does things. Commissioner Burton said that he found really good information about the importance of the Port's online presence and how to make it more affective and searchable. He also found information of businesses that provide website services for Ports on a regular basis and they understand all the rules and regulations that go with it. Commissioner Reese said that on Thursday morning there was an optional presentation that was separate from the seminar. It was related to employees and the COVID19 vaccine mandate. It outlined what can and can't be asked to employees. Commissioner Scholfield asked the others about employee health insurance. It seemed many Ports that have employees offer benefits.

Commissioner Kitchens asked Mr. Englin about Kingston's Tuesday morning work studies. Commissioner Englin said that he has been doing this for almost three years, ever since he began working for Kingston. It allows him to go over everything on a weekly basis with the Commissioners. It is conducted over Zoom and lasts about an hour and a half. It is open to the public as a lot of people have voiced that they want more public involvement, so this gives the public just one more opportunity to connect with the Port. Commissioner Bailey asked if Kingston posts the notice in the newspaper. Mr. Englin said that they post the notice on the office door and update the website regularly. The website seems to be the most effective way to communicate with the public as it is real time up-to-date information

Commissioner Bailey reminded everyone that the WPPA is hosting the Finance and Administration Seminar this December at the Hyatt Regency Hotel Bellevue ([Upcoming Events — Washington Public Ports Association \(washingtonports.org\)](https://www.washingtonports.org)). He suggested to those planning to attend, that they reserve their rooms soon as they are filling up quickly.

PUBLIC COMMENT

Sally Hass introduced herself. She explained that she attended the last Kitsap All Ports meeting and has a liveaboard at the Port of Brownsville. She helped found the Kitsap Peninsula National Water Trails. She reported that a boat trailer was recently stolen from the Port of Brownsville parking lot and later found at Evergreen Park in Bremerton. There is increased crime around the area. A citizens group has formed in the Brownsville area. It includes approximately 100 taxpaying members, who focus on stewardship. They report things to the Port that they think the Commissioners should be aware of. They are focused on governments and community building. Ms. Hass is meeting with the Keyport Improvement group next week to learn about the association and how it works with the Port of Keyport. She plans to contact other ports in the area to determine if they have partnerships with citizens groups that might help with the Ports. Ms. Hass informed everyone that the Brownsville Haunted Harbor will again be in full swing this year on Friday, October 29th from 6:00PM to 8:00PM. It is asked that brave little ghosts and goblins, planning to walk the haunted docks, bring a can of food to be donated to the Bremerton Food Bank. Commissioner Bailey said that he wasn't sure of ¹how many boats would be decorated for Halloween, but it is sure to be a fun family event.

The meeting adjourned at 8:17PM.

Commissioner

Commissioner

Commissioner

TASK ORDER NUMBER SEVEN
AGREEMENT TO FURNISH ENGINEERING SERVICES

to

The Port of Illahee

for

Grant Reimbursable - Final Design, Permit & Grant Administration

This Task Order provides for professional engineering services to be performed by SOUNDWEST ENGINEERING ASSOCIATES, INC. (hereinafter the Engineer), for **The Port of Illahee** (hereinafter the Owner), in accordance with Article 1 of the Agreement to Furnish Engineering Services for Project, dated **October 1, 2019** (hereinafter the Agreement). All provisions of the Agreement are incorporated by reference. This Task Order represents an authorization to proceed with the scope of services, schedule, terms, and compensation described herein. This Task Order, when executed by both parties, shall become a supplement to and part of the Agreement.

ARTICLE 1. SCOPE OF SERVICES

This scope of services is associated with the Owners project generally described as the Port of Illahee Waterfront Access Project located at 5500 Illahee road (the project). The Engineer agrees to furnish the following professional engineering and related services in connection with the project.

Objective:

Preparation of Engineer stamped final design drawings and specifications for all BFP & ALEA grant reimbursable project elements generally described as the Waterfront Access Project. Additionally, assist the Owner with grant administration tasks and securing all necessary regulatory approvals.

Activities:

This task consists of the following activities:

1. Work with the Owner to finalize the upland design for waterfront improvements including site grading, house demolition, roadways, parking, sidewalks, vault restroom, landscaping, and related site civil details.
2. Work with the Owner to finalize design of the dock improvements including gangways, pier and float demolition, new floats, piles, and related infrastructure.
3. Assist the Owner in finalizing all necessary regulatory approvals for the project.
4. Assist the Owner with administration of the project BFP and ALEA grants.
5. Following final design and preparation of specifications; prepare a final opinion of probable construction cost.

Deliverables:

1. Engineer stamped final design drawings ready for construction.
2. Engineer stamped final design specifications ready for construction.
3. Regulatory permitting deliverables as requested by Owner or agencies within budget allowance.
4. Grant administration deliverables as requested or required within budget allowance.
5. Final opinion of probable construction cost.

Assumptions & Terms:

The following assumptions and terms are associated with the scope of services:

1. Preparation of bid documents and construction manual (other than plans and specifications included in this task), and construction services, will be authorized under a separate future task order.
2. This scope of services will include subconsultant effort, contracted and managed by the Engineer,

for any structural, geotechnical, mechanical/electrical, or coastal engineering necessary to complete the final design.

3. This task does not include effort associated with the "Illahee Store" improvements. Illahee store design and permitting is anticipated to occur under a separate on-call task order #8 and is not reimbursable under the current RCO BFP and ALEA grants.
4. Geotechnical borings and/or detailed site investigation are not anticipated in this task but may be recommended for inclusion in the scope of work should the need arise.
5. Final design will be based on the project design development (60%) drawings dated January 8, 2021.
6. This task will only include effort that is potentially reimbursable under current RCO grant program guidelines. Any requested effort that is not potentially reimbursable through the RCO will be separately authorized.
7. The Engineer shall not be held responsible for any actions or inactions whatsoever taken by regulatory agencies or Tribes in association with the Project and the Owner will hold the Engineer harmless of same.

ARTICLE 2. SCHEDULE

It is anticipated that those services listed above under Article 1, Scope of Services, are to be completed between November 2021 and December 2022.

ARTICLE 3. COMPENSATION

The budget allowance for those services described above under Article 1, Scope of Services, shall be paid on an hourly basis at the Engineers current billing rates. Current billing rates for the time period described under article 2 above are as follows:

Project Manager/Sr. Engineer	\$184.00/hr.
Sr. Engineer	\$168.00/hr.
Engineering Designer	\$116.00/hr.

All Soundwest direct expenses, such as but not limited to printing, mileage, travel etc. shall be reimbursed at cost within the budget allowance. Subconsultant direct expenses shall be reimbursed at cost plus a 9% tax and admin fee.

The maximum budget allowance for this task shall not exceed \$196,000.00 (approx. 70% of remaining grants balance for A&E and permits) without prior authorization in the form of an amendment to this task order.

DATED this 10th day of November 2021.

THE PORT OF ILLAHEE

SOUNDWEST ENGINEERING ASSOC., INC.

By: _____
Commissioner

By: John Piccone
President

TASK ORDER NUMBER EIGHT
AGREEMENT TO FURNISH ENGINEERING SERVICES

to

The Port of Illahee

for

2022 On-Call Services

This Task Order provides for professional engineering services to be performed by SOUNDWEST ENGINEERING ASSOCIATES, INC. (hereinafter the Engineer), for **The Port of Illahee** (hereinafter the Owner), in accordance with Article 1 of the Agreement to Furnish Engineering Services for Project, dated **October 1, 2019** (hereinafter the Agreement). All provisions of the Agreement are incorporated by reference. This Task Order represents an authorization to proceed with the scope of services, schedule, terms, and compensation described herein. This Task Order, when executed by both parties, shall become a supplement to and part of the Agreement.

ARTICLE 1. SCOPE OF SERVICES

This scope of services is associated with the Owners ongoing capital and maintenance projects at the Port of Illahee located at 5500 Illahee road (the project). The Engineer agrees to furnish the following professional engineering and related services in connection with the project.

Objective:

Preparation of Engineered drawings, reports, and specifications for the Owners non-grant reimbursable projects as requested including but not limited to the "Illahee Store" improvements and pier maintenance. Additionally, assist the Owner with securing all related and necessary regulatory approvals and potential grant funding applications.

Activities:

This task consists of the following anticipated activities:

1. Work with the Owner to finalize site design for planned improvements to the former Illahee Store.
2. Work with the Owner to inspect and design maintenance improvements for the existing Port of Illahee fixed pier.
3. Assist the Owner in finalizing all necessary regulatory approvals for capital and maintenance projects.
4. Prepare an opinion of probable construction cost as requested.
5. Other on-call assistance as requested associated with Port capital and maintenance projects and/or future grant applications.

Deliverables:

1. Engineered drawings, reports, and specifications as requested within budget allowance.
2. Regulatory permitting deliverables as requested by Owner or agencies within budget allowance.
3. Grant application deliverables as requested within budget allowance.
4. Presentations, correspondence, graphics, & cost opinions as requested within budget allowed.

Assumptions & Terms:

The following assumptions and terms are associated with the scope of services:

1. This task does not include preparation of bid documents and construction manual (other than plans and specifications that may be included in this task), or construction services. These services, if requested, will be authorized under a separate future task order.
2. This scope of services may include subconsultant effort, contracted and managed by the Engineer, for structural, geotechnical, mechanical/electrical, or coastal engineering necessary to complete

final design.

3. This task does not include effort associated with the current RCO BFP and ALEA grants.
4. The Engineer shall not be held responsible for any actions or inactions whatsoever taken by regulatory agencies or Tribes in association with the Project and the Owner will hold the Engineer harmless of same.

ARTICLE 2. SCHEDULE

It is anticipated that those services listed above under Article 1, Scope of Services, are to be completed between November 2021 and December 2022.

ARTICLE 3. COMPENSATION

The budget allowance for those services described above under Article 1, Scope of Services, shall be paid on an hourly basis at the Engineers current billing rates. Current billing rates for the time period described under article 2 above are as follows:

Project Manager/Sr. Engineer	\$184.00/hr.
Sr. Engineer	\$168.00/hr.
Engineering Designer	\$116.00/hr.

All Soundwest direct expenses, such as but not limited to printing, mileage, travel etc. shall be reimbursed at cost within the budget allowance. Subconsultant direct expenses shall be reimbursed at cost plus a 9% tax and admin fee.

The maximum budget allowance for this task shall not exceed \$80,000.00 without prior authorization in the form of an amendment to this task order.

DATED this **10th day of November 2021.**

THE PORT OF ILLAHEE

SOUNDWEST ENGINEERING ASSOC., INC.

By: _____
Commissioner

By: John Piccone
President



RECREATION & CONSERVATION OFFICE
 PO BOX 40917
 OLYMPIA WA 98504-0917



ILLAHEE PORT DISTRICT NO 6
 PO BOX 2357
 BREMERTON WA 98310

PAYMENT DATE: 11/01/21
 WARRANT #: 688036C
 VENDOR #: SWV0280219-00
 BATCH: 02-150
 FLYER: 100000

467-0 ***** STATE OF WASHINGTON ***** PAGE #: 1
 RPT DWP827IN VENDORS REMITTANCE ADVICE

FROM: RECREATION AND CONSERVATION FUNDI CALL (360) 902-2954

INV DT	INVOICE NUMBER	VENDOR MESSAGE	ACCOUNT NUMBER	AGREEMENT # / ORDER ID	DOCUMENT #	PAYMENT ID	AMOUNT
102921	1				23030878		37,245.71
		20-1711					
102921	1				23030879		46,542.81
		20-2059					
							83,788.51

TO SIGN UP FOR DIRECT DEPOSIT PAYMENTS PLEASE VISIT THE OFFICE OF FINANCIAL MANAGEMENT WEBSITE AT:
[HTTPS://OFM.WA.GOV/IT-SYSTEMS/STATEWIDE-VENDORPAYEE-SERVICES](https://OFM.WA.GOV/IT-SYSTEMS/STATEWIDE-VENDORPAYEE-SERVICES)
 SELECT THE LINK "RECEIVING PAYMENT FROM THE STATE" TO GET ALL THE INFORMATION NEEDED TO SIGN UP.

***YOUR PAYMENT/CHECK IS IN THIS ENVELOPE BEHIND THE PMT DETAILS PAGE**
 IF YOU HAVE ANY QUESTIONS ABOUT THIS PAYMENT PLEASE GIVE US A CALL.

THIS WARRANT CONTAINS A WATERMARK ON THE BACK. HOLD TO A LIGHT TO VIEW. IF NOT PRESENT, DO NOT CASH.

STATE OF WASHINGTON
 OFFICE OF STATE TREASURER OLYMPIA
 RECREATION AND CONSERVATION FUN
 (360) 902-2954

98-557 688036C
 1251

Reg. No.	Agency	Sub. Agcy.	Warrant No.	Mo.	Day	Yr.
21305	4670		688036C	11	01	2021

PAY TO THE ORDER OF

PAY ONLY **83,788.59**

ILLAHEE PORT DISTRICT NO 6
 PO BOX 2357
 BREMERTON WA 98310

PAY THIS AMOUNT
\$83,788.59

NEGOTIABLE FOR 180 DAYS ON OR AFTER ABOVE DATE

Michael J. Pellicciotti
 MICHAEL J. PELLICCIOTTI, STATE TREASURER

68803601

4321 125105576 68803603



Pricing Indication as of 10/27/2021*

Port of Illahee

Estimated Settle	6/1/2022
Bond Proceeds	700,000
Term (years)	10
Principal Payments Per Year	1
Weighted Average Life (years)	4.99

Port of Illahee
Bond - Debt Service Schedule

Date	Principal Payment (Advance)	Interest Rate	Ending Balance	Interest Due	Cash Flow
06/01/2022	(700,000.00)		\$ 700,000.00		\$ 700,000.00
12/01/2022	71,000.00	1.95%	629,000.00	8,915.35	(79,915.35)
06/01/2023	-	1.95%	629,000.00	8,223.10	(8,223.10)
12/01/2023	64,000.00	2.00%	565,000.00	8,223.10	(72,223.10)
06/01/2024	-	2.00%	565,000.00	7,583.10	(7,583.10)
12/01/2024	66,000.00	2.10%	499,000.00	7,583.10	(73,583.10)
06/01/2025	-	2.10%	499,000.00	6,890.10	(6,890.10)
12/01/2025	67,000.00	2.27%	432,000.00	6,890.10	(73,890.10)
06/01/2026	-	2.27%	432,000.00	6,129.65	(6,129.65)
12/01/2026	69,000.00	2.46%	363,000.00	6,129.65	(75,129.65)
06/01/2027	-	2.46%	363,000.00	5,280.95	(5,280.95)
12/01/2027	71,000.00	2.62%	292,000.00	5,280.95	(76,280.95)
06/01/2028	-	2.62%	292,000.00	4,350.85	(4,350.85)
12/01/2028	73,000.00	2.79%	219,000.00	4,350.85	(77,350.85)
06/01/2029	-	2.79%	219,000.00	3,332.50	(3,332.50)
12/01/2029	75,000.00	2.94%	144,000.00	3,332.50	(78,332.50)
06/01/2030	-	2.94%	144,000.00	2,230.00	(2,230.00)
12/01/2030	77,000.00	3.06%	67,000.00	2,230.00	(79,230.00)
06/01/2031	-	3.06%	67,000.00	1,051.90	(1,051.90)
12/01/2031	67,000.00	3.14%	-	1,051.90	(68,051.90)

* For information and discussion purposes only. This information is not a commitment to lend at these terms.



Pricing Indication as of 10/27/2021*

Port of Illahee

Estimated Settle	6/1/2022
Bond Proceeds	700,000
Term (years)	15
Principal Payments Per Year	1
Weighted Average Life (years)	7.44

Port of Illahee
Bond - Debt Service Schedule

<u>Date</u>	<u>Principal Payment (Advance)</u>	<u>Interest Rate</u>	<u>Ending Balance</u>	<u>Interest Due</u>	<u>Cash Flow</u>
06/01/2022	(700,000.00)		\$ 700,000.00		\$ 700,000.00
12/01/2022	48,000.00	1.95%	652,000.00	9,849.85	(57,849.85)
06/01/2023	-	1.95%	652,000.00	9,381.85	(9,381.85)
12/01/2023	40,000.00	2.00%	612,000.00	9,381.85	(49,381.85)
06/01/2024	-	2.00%	612,000.00	8,981.85	(8,981.85)
12/01/2024	41,000.00	2.10%	571,000.00	8,981.85	(49,981.85)
06/01/2025	-	2.10%	571,000.00	8,551.35	(8,551.35)
12/01/2025	42,000.00	2.27%	529,000.00	8,551.35	(50,551.35)
06/01/2026	-	2.27%	529,000.00	8,074.65	(8,074.65)
12/01/2026	43,000.00	2.46%	486,000.00	8,074.65	(51,074.65)
06/01/2027	-	2.46%	486,000.00	7,545.75	(7,545.75)
12/01/2027	44,000.00	2.62%	442,000.00	7,545.75	(51,545.75)
06/01/2028	-	2.62%	442,000.00	6,969.35	(6,969.35)
12/01/2028	45,000.00	2.79%	397,000.00	6,969.35	(51,969.35)
06/01/2029	-	2.79%	397,000.00	6,341.60	(6,341.60)
12/01/2029	47,000.00	2.94%	350,000.00	6,341.60	(53,341.60)
06/01/2030	-	2.94%	350,000.00	5,650.70	(5,650.70)
12/01/2030	48,000.00	3.06%	302,000.00	5,650.70	(53,650.70)
06/01/2031	-	3.06%	302,000.00	4,916.30	(4,916.30)
12/01/2031	49,000.00	3.14%	253,000.00	4,916.30	(53,916.30)
06/01/2032	-	3.14%	253,000.00	4,147.00	(4,147.00)
12/01/2032	50,000.00	3.20%	203,000.00	4,147.00	(54,147.00)
06/01/2033	-	3.20%	203,000.00	3,347.00	(3,347.00)
12/01/2033	52,000.00	3.24%	151,000.00	3,347.00	(55,347.00)
06/01/2034	-	3.24%	151,000.00	2,504.60	(2,504.60)
12/01/2034	53,000.00	3.28%	98,000.00	2,504.60	(55,504.60)
06/01/2035	-	3.28%	98,000.00	1,635.40	(1,635.40)
12/01/2035	55,000.00	3.32%	43,000.00	1,635.40	(56,635.40)
06/01/2036	-	3.32%	43,000.00	722.40	(722.40)
12/01/2036	43,000.00	3.36%	-	722.40	(43,722.40)

* For information and discussion purposes only. This information is not a commitment to lend at these terms.



Pricing Indication as of 10/27/2021*

Port of Illahee

Estimated Settle	6/1/2022
Bond Proceeds	700,000
Term (years)	20
Principal Payments Per Year	1
Weighted Average Life (years)	9.85

Port of Illahee
Bond - Debt Service Schedule

Date	Principal Payment (Advance)	Interest Rate	Ending Balance	Interest Due	Cash Flow
06/01/2022	(700,000.00)		\$ 700,000.00		\$ 700,000.00
12/01/2022	36,000.00	1.95%	664,000.00	10,432.45	(46,432.45)
06/01/2023	-	1.95%	664,000.00	10,081.45	(10,081.45)
12/01/2023	28,000.00	2.00%	636,000.00	10,081.45	(38,081.45)
06/01/2024	-	2.00%	636,000.00	9,801.45	(9,801.45)
12/01/2024	29,000.00	2.10%	607,000.00	9,801.45	(38,801.45)
06/01/2025	-	2.10%	607,000.00	9,496.95	(9,496.95)
12/01/2025	29,000.00	2.27%	578,000.00	9,496.95	(38,496.95)
06/01/2026	-	2.27%	578,000.00	9,167.80	(9,167.80)
12/01/2026	30,000.00	2.46%	548,000.00	9,167.80	(39,167.80)
06/01/2027	-	2.46%	548,000.00	8,798.80	(8,798.80)
12/01/2027	31,000.00	2.62%	517,000.00	8,798.80	(39,798.80)
06/01/2028	-	2.62%	517,000.00	8,392.70	(8,392.70)
12/01/2028	32,000.00	2.79%	485,000.00	8,392.70	(40,392.70)
06/01/2029	-	2.79%	485,000.00	7,946.30	(7,946.30)
12/01/2029	33,000.00	2.94%	452,000.00	7,946.30	(40,946.30)
06/01/2030	-	2.94%	452,000.00	7,461.20	(7,461.20)
12/01/2030	34,000.00	3.06%	418,000.00	7,461.20	(41,461.20)
06/01/2031	-	3.06%	418,000.00	6,941.00	(6,941.00)
12/01/2031	34,000.00	3.14%	384,000.00	6,941.00	(40,941.00)
06/01/2032	-	3.14%	384,000.00	6,407.20	(6,407.20)
12/01/2032	35,000.00	3.20%	349,000.00	6,407.20	(41,407.20)
06/01/2033	-	3.20%	349,000.00	5,847.20	(5,847.20)
12/01/2033	36,000.00	3.24%	313,000.00	5,847.20	(41,847.20)
06/01/2034	-	3.24%	313,000.00	5,264.00	(5,264.00)
12/01/2034	37,000.00	3.28%	276,000.00	5,264.00	(42,264.00)
06/01/2035	-	3.28%	276,000.00	4,657.20	(4,657.20)
12/01/2035	38,000.00	3.32%	238,000.00	4,657.20	(42,657.20)
06/01/2036	-	3.32%	238,000.00	4,026.40	(4,026.40)
12/01/2036	39,000.00	3.36%	199,000.00	4,026.40	(43,026.40)
06/01/2037	-	3.36%	199,000.00	3,371.20	(3,371.20)
12/01/2037	40,000.00	3.39%	159,000.00	3,371.20	(43,371.20)
06/01/2038	-	3.39%	159,000.00	2,693.20	(2,693.20)
12/01/2038	41,000.00	3.40%	118,000.00	2,693.20	(43,693.20)
06/01/2039	-	3.40%	118,000.00	1,996.20	(1,996.20)
12/01/2039	42,000.00	3.42%	76,000.00	1,996.20	(43,996.20)
06/01/2040	-	3.42%	76,000.00	1,278.00	(1,278.00)
12/01/2040	44,000.00	3.45%	32,000.00	1,278.00	(45,278.00)
06/01/2041	-	3.45%	32,000.00	519.00	(519.00)
12/01/2041	30,000.00	3.46%	2,000.00	519.00	(30,519.00)

* For information and discussion purposes only. This information is not a commitment to lend at these terms.



November 5, 2021

Jon Buesch, Commissioner
Theresa Haaland, Treasurer
Port of Illahee
P.O. Box 2357
Bremerton, WA 98310

RE: LTGO, Series 2021, Terms:

Dear Mr. Buesch and Ms. Haaland:

Thank you for the opportunity to propose on the Port's borrowing request. Kitsap Bank (the "Bank") proposes the following terms:

1. Borrower: Port of Illahee (the "Port")
2. Amount: Up to \$700,000 as needed for improvements and to pay for cost of issuance.
3. Form: Fully registered, tax-exempt Limited Tax General Obligation (the "Bond") issued by the Port and purchased by the Bank at private sale.
4. Draw Period: For up to the first 24 months (the "Draw Period") the following terms will apply:
 - a. Draw term: The Draw Period will last from the date of closing for a period of up to 24 months or less as determined necessary by the Port to fund the project, during which time the Port may request Draws. The Port will provide reasonable notice to the Bank of the Port's desire to end the Draw Period and enter into the Repayment Period, at which time Draws will no longer be authorized.
 - b. Draws: Draws may be made on the Bond on any business day in an amount of not less than \$20,000. Draw requests need to be received by 11 AM for same day funding. Draws may be requested up to the full amount of the Bond until expiration of the Draw Period
 - c. Payments: Interest will be due semi-annually each June 1st and December 1st commencing no later than six months after the 1st draw. Principal and/or interest may be paid by the Port at any time.
 - d. Interest rate: Interest during the Draw period will be tied to Kitsap Bank Prime Rate minus 50 basis points (0.50%) calculated on an actual/360 basis, floored at Prime rate at closing (currently 2.75%).
5. Repayment Period: The Repayment Period will begin at the earlier of 24 months from the date of closing or upon notice from the Port to the Bank. The amount of the Bond

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then outstanding, including unpaid interest, will be repaid according to the following terms:

- a. **Terms:** The Bonds will mature 20 years (or less, as determined by the Port) from the date of notice of the end of the Draw Period with semi-annual interest payments due on June 1 and December 1 and annual principal payments due on December 1 of each year commencing no later than six months after the end of the Draw Period to the maturity or earlier prepayment of the Bond. For illustrative purposes, an example amortization schedule is set forth in the attached Exhibit 1 assuming \$700,000 is the total amount drawn and unpaid at a Draw Period ending on 12/1/2023 and payments commencing 6/1/2024. The actual amortization schedule will be based on the amount of the Bond then outstanding including any unpaid interest at the end of the Draw Period, the final maturity determined by the Port, and on interest rates as set forth below. Illustration provided includes payments for 10-year, 15-year and 20-year repayment terms.
 - b. **Interest Rate:** Interest will be at a fixed rate per annum on a 30/360 basis established at the time of adoption of the Port authorizing resolution. The rate will be established based on **the Bloomberg Bank Qualified A rated fair value curve plus a spread of 140 basis points (1.40%)**. For illustrative purposes, the Bond schedule would bear interest as set forth in Exhibit 1 based on pricing as of 11/05/2021.
6. **Interest Rate Options:** The Bank is providing fixed rate options which allow for prepayment at any time without any additional costs or fees. The Bank is offering one option which carries no yield maintenance terms. The Bank additionally offers lower rate options if the Port is willing to agree to Yield Maintenance terms. Yield maintenance options can be agreed to for as short as 1 year or for the first 10 years that the Bond is outstanding. The lowest cost to the Port for proposed terms would be if the Port agreed to 10 years of Yield Maintenance. Shorter periods of Yield Maintenance would be at ratably higher costs, with the highest cost option being for fully allowable prepayment with no Yield Maintenance.

The Bank's base offering for the Tax Exempt Bond assumes 10 years of Yield Maintenance and assigns an interest rate to each scheduled principal maturity.
 7. **Yield Maintenance:** Yield Maintenance provisions can be provided in a separate document with illustrative examples. The Bank's Yield Maintenance provisions only apply if interest rates are lower at the time of prepayment than at the time of issuance.
 8. **Prepayment:** The Port may prepay the Bond, in whole or in part, at any time. Partial principal prepayments will be applied to the next scheduled amount due in succession up to the final amount due for complete repayment. The Port will provide the Bank with written notice of any intended prepayment at least 15 days prior to such prepayment date.

kitsapbank.com

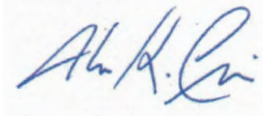
619 Bay Street | Port Orchard, WA 98366 | 360.876.7800

9. Fees: The Bank will charge a fee of \$1,750 of the approved Bond amount, due at closing. All legal costs incurred by the Port for purposes of issuing the Bond will be the responsibility of the Port.
10. Additional Terms: The Bond documents will be in the standard forms customarily required by the Bank for municipal funding and may include additional terms and conditions not discussed above. At the date of closing the Bond, the financial condition and credit of the Port and all other features of this transaction will be as represented to the Bank without material adverse change. In the event of adverse material changes in the credit worthiness of the Port, including litigation involving or claims filed against the Port, any offers or commitments will terminate upon notice by the Bank. The Port will designate the Tax Exempt Bond as a "qualified tax-exempt obligation" under Section 265(b) (3) of the Internal Revenue Code of 1986, as amended, for investment by financial institutions. The Port will provide the Bank with annual financial statements during the period the Bond is outstanding and held by the Bank.
11. Expiration: If not accepted, these terms will expire without notice on November 30, 2021. If accepted, these terms will expire without notice if the Bond has not closed by December 31, 2021.

Oral agreements or oral commitments to loan money, extend credit, or to forbear from enforcing repayment of a debt are not enforceable under Washington law. If accepted this credit proposal is subject to formal credit approval by the Bank.

Thank you again for considering Kitsap Bank.

Sincerely,



Alan K. Crain, CPA
EVP & Chief Financial Officer

Acknowledged and accepted this _____ day of _____, 2021

Port of Illahee

By: _____

Title: _____

kitsapbank.com

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Port of Illahee
Limited Tax General Obligation, Series 2021, Tax Exempt
Proposed Rates

Payment date no later than (date from term out):	10 years Yield Maintenance	5 Years Yield Maintenance	No Yield Maintenance
1Y	1.97%	2.23%	2.63%
2Y	2.02%	2.28%	2.68%
3Y	2.12%	2.38%	2.78%
4Y	2.28%	2.54%	2.94%
5Y	2.46%	2.72%	3.12%
6Y	2.60%	2.86%	3.26%
7Y	2.75%	3.01%	3.41%
8Y	2.88%	3.14%	3.54%
9Y	2.98%	3.24%	3.64%
10Y	3.04%	3.30%	3.70%
11Y	3.09%	3.35%	3.75%
12Y	3.12%	3.38%	3.78%
13Y	3.17%	3.43%	3.83%
14Y	3.21%	3.47%	3.87%
15Y	3.25%	3.51%	3.91%
16Y	3.29%	3.55%	3.95%
17Y	3.30%	3.56%	3.96%
18Y	3.33%	3.59%	3.99%
19Y	3.37%	3.63%	4.03%
20Y	3.37%	3.63%	4.03%

Other Yield Maintenance terms are available. Using the 10 Years Yield Maintenance option as a base rate offering, other Yield Maintenance terms would have the follow additional rates:

	Years to Prepayment										
	0	1	2	3	4	5	6	7	8	9	10
Add to Rate	0.66%	0.45%	0.39%	0.34%	0.30%	0.26%	0.23%	0.20%	0.17%	0.14%	0.00%

Exhibit 1

Port of Illahee Bond - Debt Service Schedule

Date	Principal Payment	Interest	Ending Balance	Interest Due	Cash Flow
	(Advance)	Rate			
12/01/2023	\$ (700,000.00)		\$ 700,000.00		\$ 700,000.00
06/01/2024	-	1.97%	700,000.00	10,306.50	(10,306.50)
12/01/2024	27,000.00	1.97%	673,000.00	10,306.50	(37,306.50)
06/01/2025	-	2.02%	673,000.00	10,040.55	(10,040.55)
12/01/2025	28,000.00	2.02%	645,000.00	10,040.55	(38,040.55)
06/01/2026	-	2.12%	645,000.00	9,757.75	(9,757.75)
12/01/2026	28,000.00	2.12%	617,000.00	9,757.75	(37,757.75)
06/01/2027	-	2.28%	617,000.00	9,460.95	(9,460.95)
12/01/2027	29,000.00	2.28%	588,000.00	9,460.95	(38,460.95)
06/01/2028	-	2.46%	588,000.00	9,130.35	(9,130.35)
12/01/2028	30,000.00	2.46%	558,000.00	9,130.35	(39,130.35)
06/01/2029	-	2.60%	558,000.00	8,761.35	(8,761.35)
12/01/2029	31,000.00	2.60%	527,000.00	8,761.35	(39,761.35)
06/01/2030	-	2.75%	527,000.00	8,358.35	(8,358.35)
12/01/2030	32,000.00	2.75%	495,000.00	8,358.35	(40,358.35)
06/01/2031	-	2.88%	495,000.00	7,918.35	(7,918.35)
12/01/2031	32,000.00	2.88%	463,000.00	7,918.35	(39,918.35)
06/01/2032	-	2.98%	463,000.00	7,457.55	(7,457.55)
12/01/2032	33,000.00	2.98%	430,000.00	7,457.55	(40,457.55)
06/01/2033	-	3.04%	430,000.00	6,965.85	(6,965.85)
12/01/2033	34,000.00	3.04%	396,000.00	6,965.85	(40,965.85)
06/01/2034	-	3.09%	396,000.00	6,449.05	(6,449.05)
12/01/2034	35,000.00	3.09%	361,000.00	6,449.05	(41,449.05)
06/01/2035	-	3.12%	361,000.00	5,908.30	(5,908.30)
12/01/2035	36,000.00	3.12%	325,000.00	5,908.30	(41,908.30)
06/01/2036	-	3.17%	325,000.00	5,346.70	(5,346.70)
12/01/2036	37,000.00	3.17%	288,000.00	5,346.70	(42,346.70)
06/01/2037	-	3.21%	288,000.00	4,760.25	(4,760.25)
12/01/2037	38,000.00	3.21%	250,000.00	4,760.25	(42,760.25)
06/01/2038	-	3.25%	250,000.00	4,150.35	(4,150.35)
12/01/2038	39,000.00	3.25%	211,000.00	4,150.35	(43,150.35)
06/01/2039	-	3.29%	211,000.00	3,516.60	(3,516.60)
12/01/2039	40,000.00	3.29%	171,000.00	3,516.60	(43,516.60)
06/01/2040	-	3.30%	171,000.00	2,858.60	(2,858.60)
12/01/2040	41,000.00	3.30%	130,000.00	2,858.60	(43,858.60)
06/01/2041	-	3.33%	130,000.00	2,182.10	(2,182.10)
12/01/2041	42,000.00	3.33%	88,000.00	2,182.10	(44,182.10)
06/01/2042	-	3.37%	88,000.00	1,482.80	(1,482.80)
12/01/2042	43,000.00	3.37%	45,000.00	1,482.80	(44,482.80)
06/01/2043	-	3.37%	45,000.00	758.25	(758.25)
12/01/2043	45,000.00	3.37%	-	758.25	(45,758.25)

kitsapbank.com

619 Bay Street | Port Orchard, WA 98366 | 360.876.7800



Theresa Haaland <portofillahee@gmail.com>

Plumbing invoice paid with rent

4 messages

Alana <alana@gpmkitsap.com>
To: portofillahee@gmail.com

Fri, Nov 5, 2021 at 10:26 AM

Good Morning Theresa,

I wanted to let you know that we had to send a plumber over quickly to Oceanview, as the lower toilet was backing up and overflowing.

The plumber cleared the clog, camera lines and found it to be the tenant flushing feminine products. The toilet, septic and lines are free and working now.

This is her charge, we told them, they are refusing to pay it, so we took her rent payment this am, paid the bill and now are sending her a demand for payment on the rent.

So you will get partial payment of November rent until they pay the difference.

Please feel free to call me if you have any questions at all.

Thank you,
Alana

--

Alana Bercot
Senior Property Mgr
Real Estate Broker | Director of Operations
Good Property Mgmt & Real Estate Sales
3100 NW Bucklin Hill Rd | Suite 100
Silverdale | WA | 98383
O: (360)698-2464
F: (360)698-2436
alana@gpmkitsap.com
"We are the key to your housing needs"

Theresa Haaland <portofillahee@gmail.com>
To: Alana <alana@gpmkitsap.com>

Fri, Nov 5, 2021 at 10:36 AM

Hi Alana -

How much were the plumbing charges?

Thanks,

Theresa Haaland
Administrator
Port of Illahee

[Quoted text hidden]

Alana <alana@gpmkitsap.com>
To: Theresa Haaland <portofillahee@gmail.com>

Fri, Nov 5, 2021 at 10:41 AM

Theresa,
I have attached the invoice here.

Thank you,
Alana

Alana Bercot
Senior Property Mgr
Real Estate Broker | Director of Operations
Good Property Mgmt & Real Estate Sales
3100 NW Bucklin Hill Rd|Suite 100
Silverdale | WA | 98383
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F: (360)698-2436
alana@gpmkitsap.com
"We are the key to your housing needs"

[Quoted text hidden]

 **Oceanview Plumbing Invoice.pdf**
282K

Theresa Haaland <portofillahee@gmail.com>
To: Port of Illahee - Buesch <illaheeport2@gmail.com>

Fri, Nov 5, 2021 at 10:55 AM

FYI -

Costs for the plumber came to \$1,369.04. Invoice attached.

Theresa Haaland
Administrator
Port of Illahee

[Quoted text hidden]

 **2021-10-20 Oceanview Plumbing Invoice.pdf**
282K



Clean-N-Rooter LLC
 PO Box 709
 Seabeck, WA 98380-0709
 (360)830-4347
 cleannrooter@hotmail.com
 www.cleannrooter.com

INVOICE

BILL TO

Good Property Management
 3100 Bucklin Hill Rd., Suite
 107
 Silverdale, WA 98383

INVOICE # 23575

DATE 10/20/2021

DUE DATE 10/20/2021

TERMS Due on receipt

PAID

CHK. NO. 235493
 DATE 11/5/21

JOB LOCATION

5560 Ocean View Blvd.

ACTIVITY	AMOUNT
Services Troubleshoot toilet/shower and laundry drain overflow. Found toilet leaking at base in basement unit. Pulled toilet. Ran camera via toilet flange finding mainline plugged at approx 6-12'. Camera shows very white objects in toilet paper and sludge blockage. Rootered mainline via flange clearing blockage. Ran camera via flange to septic inlet finding piping to be free of blockage. Ran fixtures finding more shiny white objects in drain piping. Pushed objects to septic inlet. Used retriever to hook and remove finding feminine product pads. Blockage appeared to be toilet paper, sludge, and feminine pads caught up in section of cast iron mainline under slab. Ran all fixtures. Camera shows mainline to be free of blockage at this time. Checked septic outlet finding outlet PVC riser broken possibly from lawn mower. Septic risers are covered by a large bush. Found septic filter very dirty. Cleaned filter. Found septic filter very dirty. Cleaned filter. Will repair broken septic riser. Replaced wax ring, anchor bolts, white caps, and supply riser. Reset toilet. Toilet and other basement fixtures have good flow to the septic tank at this time. Made videos. Will e-mail.	1,175.00T
Material	81.00T
Warranty None on flow. Camera shows no blockage at this time.	0.00
Always pay net 45 with repayment plans of up to 52 weeks. Learn more at: https://fundboxpay.com/cleannrooterllc	
SUBTOTAL	1,256.00
TAX	113.04
TOTAL	1,369.04
BALANCE DUE	\$1,369.04

We accept Visa, MasterCard, and Discover.

INTERLOCAL AGREEMENT
BETWEEN
THE PORT OF SILVERDALE AND THE PORT OF ILLAHEE

This Interlocal agreement is made this 10th day of November, 2021 by and between the Port of Silverdale (Administrator) and the Port of Illahee (Client), each a Port District organized under the laws of the State of Washington, under the authority of the Washington State Interlocal Cooperation Act, RCW 39.34 and the Port joint powers authority RCW 53.08.240.

Purpose:

The purpose of this agreement is to establish procedures and outline a program for the Port of Silverdale to provide routine administrative services for the Port of Illahee.

Scope of Services

Administrator shall provide the following services: check postal box for mail (weekly); respond to correspondence as necessary; check email regularly; attend meetings and prepare minutes; prepare meeting agendas; prepare monthly payment of bills and voucher approval; e-mail check information to the County Treasurer's office prior to meeting; e-mail voucher approval to the County Treasurer once signed; prepare Annual Report to State Auditor and electronically file it via the Washington State Auditor's on-line system as required; generate end of year W-2's (where applicable) and 1099's; track monthly and yearly expenditures by category; annually prepare the Preliminary and Final Budget for the following year as well as all necessary resolutions and place ad in local newspaper regarding the Preliminary Budget; reconcile General Fund and Investment Account with the County Treasurer's monthly report; transfer monies between the General Fund and Investment Pool as necessary; send quarterly payroll reports to the IRS (where applicable); electronically pay quarterly payroll taxes via Commissioner's authorization of electronic funds transfer and provide the County Treasurer with appropriate documentation (where applicable); and perform other administrative functions as requested by Client.

Compensation

Client will pay Administrator a fixed compensation of six hundred dollars (\$600.00) per month for up to 12 hours of administrative services provided in such month, and an additional \$50.00 per hour for documented time in excess of 12 hours in any month, together with reimbursement for costs and expenses incurred in providing such services.

Billing and Payment

Administrator will submit monthly invoices for those services rendered under this Agreement in excess of 12 hours in any month and to which Administrator is entitled to compensation. The invoices will detail the number of hours worked and describe the services performed. Client will make payment within thirty (30) days following receipt of billing. Administrator will maintain adequate records to support billings under this Agreement. If any amounts paid by Administrator under this Agreement are determined by audit to be ineligible for payment, Administrator shall refund those amounts to Client within twenty (20) days of notice of the audit determination.

Duration

The term of this contract shall be from January 1, 2022 until terminated by either party as provided in this Agreement.

Termination

Either party to this Agreement may terminate the Agreement upon thirty (60) days' written notice to the other. Upon notice of termination, no further fees or expenses may be incurred except to the extent necessary to safeguard the interests of the Administrator, or as authorized by the Client.

Integration and Amendment

This Agreement constitutes the entire agreement of the parties and may be amended only upon the written agreement of the parties.

Dated this _____ Day of _____, 20____

Port of Silverdale Commissioners:

Port of _____ Commissioners:

PORT OF ILLAHEE
RESOLUTION NO. 2021-02

RE: ADOPTION OF THE 2022 FINAL BUDGET

WHEREAS, the Port Commission of the Port of Illahee has reviewed the fiscal requirements of the Port District, the anticipated revenues and expenditures of the District; and

WHEREAS, the 2022 Preliminary Budget was prepared and approved as required by law.

NOW, THEREFORE, BE IT RESOLVED by the Port Commission of the Port of Illahee that the final budget of the Port of Illahee be adopted for the tax year 2022, as attached hereto.

ADOPTED by the Port Commission of the Port of Illahee, Kitsap County, Washington at the regular open public meeting thereof held on the 10th day of November 2021.

PORT OF ILLAHEE
KITSAP COUNTY, WASHINGTON

By:

Commissioner Aho

Commissioner Buesch

Commissioner Burton

**PORT OF ILLAHEE
2022 FINAL BUDGET**

	DETAIL	TOTALS
TOTAL ESTIMATED BEGINNING BALANCE		399,190.00
REVENUES:		
670.00 NonRevenues - Loan Contingency for Improvement Projects	700,000.00	
693.00 Operating Grants Reimbursement ALEA & BFP	1,263,453.00	
695.00 Real Property Rentals	30,000.00	
699.10 Investment Interest	800.00	
699.20 Property Tax	93,000.00	
TOTAL ESTIMATED REVENUES:		2,087,253.00
TOTAL ESTIMATED FUNDS AVAILABLE:		2,486,443.00
EXPENDITURES:		
721.00 MARINA OPERATING		
721.80 Utilities	3,000.00	
721.90 Other	500.00	
723.00 MARINA MAINTENANCE		
723.30 Outside Services	2,500.00	
723.40 Supplies	1,000.00	
723.90 Other: Piling Replacement	144,000.00	
761.00 PROPERTY LEASE/RENTAL		
761.30 Outside Servies	2,800.00	
763.00 PROPERTY LEASE/RENTAL MAINTENANCE		
763.40 Supplies	500.00	
763.60 Facility Maintenance	2,000.00	
763.70 General and Administrative	500.00	
763.80 Utilities	1,500.00	
763.90 Other	4,000.00	
771.00 DEBT REDEMPTION		
771.50 Other: Note/Contracts	25,000.00	
773.00 FIXED ASSET DISBURSEMENT		
773.50 Property Improvements	350,000.00	
773.90 Other: Property Improvements	5,000.00	
774.00 WATERFRONT FACILITIES		
774.40 Waterfront Access Improvements: Upland Work	748,925.00	
774.40 Waterfront Access Improvements: Marina work	1,084,583.00	
780.00 GENERAL AND ADMINISTRATIVE		
781.10 Commissioner compensation	12,800.00	
781.20 Commissioner reimbursement	1,500.00	
781.30 Outside services	20,000.00	
781.40 Supplies	500.00	
781.60 Facility rentals	400.00	
781.70 G&A Operations	21,000.00	
789.10 Economic development	2,500.00	
790.00 NON-OPERATING EXPENSE		
799.91 Interest Expense	21,000.00	
TOTAL ESTIMATED EXPENDITURES:		(2,455,508.00)
TOTAL ESTIMATED ENDING BALANCE:		30,935.00

Commissioner Jim Aho

Commissioner Jon Buesch

Commissioner John Burton



Ordinance / Resolution No. 2021-03
RCW 84.55.120

WHEREAS, the Port Commission of the Port of Illahee has met and considered its budget for the calendar year 2022; and

WHEREAS, the districts actual levy amount from the previous year was \$ 92,740.00; and

WHEREAS, the population of this district is less than 10,000; and now, therefore,

BE IT RESOLVED by the governing body of the taxing district that an increase in the regular property tax levy is hereby authorized for the levy to be collected in the 2022 tax year.

The dollar amount of the increase over the actual levy amount from the previous year shall be \$ 704.00 which is a percentage increase of .324% from the previous year.

additional revenue resulting from new construction, improvements to property, newly constructed wind turbines, any increase in the value of state assessed property, any annexations that have occurred and refunds made.

Adopted this 10 day of November, 2021.

Three horizontal lines for signatures.

If additional signatures are necessary, please attach additional page.

This form or its equivalent must be submitted to your county assessor prior to their calculation of the property tax levies. A certified budget/levy request, separate from this form is to be filed with the County Legislative Authority no later than November 30th. As required by RCW 84.52.020, that filing certifies the total amount to be levied by the regular property tax levy. The Department of Revenue provides the "Levy Certification" form (REV 64 0100) for this purpose. The form can be found at: http://dor.wa.gov/docs/forms/PropTx/Forms/LevyCertf.doc.

For tax assistance, visit http://dor.wa.gov/content/taxes/property/default.aspx or call (360) 570-5900. To inquire about the availability of this document in an alternate format for the visually impaired, please call (360) 705-6715. Teletype (TTY) users may call 1-800-451-7985.



Levy Certification

Submit this document to the county legislative authority on or before November 30 of the year preceding the year in which the levy amounts are to be collected and forward a copy to the assessor.

In accordance with RCW 84.52.020, I, James Aho,
(Name)

Commissioner, for Port of Illahee, do hereby certify to
(Title) (District Name)

the Kitsap County legislative authority that the Commissioners
(Name of County) (Commissioners, Council, Board, etc.)

of said district requests that the following levy amounts be collected in 2022 as provided in the district's
(Year of Collection)

budget, which was adopted following a public hearing held on 11/10/21:
(Date of Public Hearing)

Regular Levy: \$93,000.00
(State the total dollar amount to be levied)

Excess Levy: _____
(State the total dollar amount to be levied)

Refund Levy: \$216.00
(State the total dollar amount to be levied)

Signature: _____

Date: _____

For tax assistance or to request this document in an alternate format, visit <http://dor.wa.gov/content/taxes/property/default.aspx> or call (360) 534-1400. Teletype (TTY) users may call (360) 705-6718.

Illahee Forest Preserve (IFP) Non-Profit Corporation
(Supporting the Illahee Preserve, A Kitsap County Heritage Park)

November 7, 2021

To: Port of Illahee Commissioners

Subject: Illahee Film Update Request

The Illahee Forest Preserve (IFP) nonprofit is exploring grant funding to update the Illahee Film "Illahee - Saving Puget Sound One Watershed at a Time". The film was a late deliverable as one of the "Public Information and Education" requirements of the 2007 Ecology/Port "Illahee Surface Water Management Plan (SWMP)" grant.

The IFP became involved as the project neared completion by helping with funding and fundraising for aerial photo coverage of the area from a Cineflix camera equipped helicopter on its way to cover the removal of the Elwha Dam. The IFP also helped coordinate film showings for the Port over the following months and paid for DVD copies of the film and its sale and distribution.

Over the nearly 10 years since the film debuted, there have been acquisitions to the Illahee Preserve, which satisfied several the Grant's recommendations to protect the watershed. This information needs to be updated to document the amazing progress that has been made and an update of the film is the most logical way to get the story out to the general public.

Background: The following is from Section 6 "PUBLIC INFORMATION AND EDUCATION" of the Grant's Final Report.

ILLAHEE FILM PROJECT

6.23 Strategy. It was during a discussion with one of the Puget Sound Partnership experts on the science panel that we were challenged to use tools that would reach the younger generation with the grant findings and the work that was being accomplished in Illahee. There were concerns that all the good work of the grant would soon be unknown and the watershed report itself could end up on book shelves in offices, never to see the light of day again, since it is a relatively small watershed. It was suggested that films be used to tell the Illahee story and that the films be posted on sites such as YouTube.

6.24 Illahee Film. The grant team sent out an RFP for the film project and eventually contracted with Shelly Solomon of Leaping Frog Films (LFF) to produce the Illahee video. Included in the film would be a

history of the community along with the grant project and interviews of local experts. A long version of the film was proposed (approximately 30 minutes) or one of sufficient duration to tell the story, and a shorter version (approximately 10 minutes) that would be more compatible with sites like YouTube. By the time the film was nearing completion it was one film of approximately 40 minutes duration. The filmmaker filmed numerous residents, experts, and officials in order to weave a compelling story of a community's efforts to preserve and restore their natural features and save Puget Sound in the process. The film's title will be "Illahee – Saving Puget Sound, One Watershed at a Time". The video was not completed during the project period but is anticipated to be completed in 2012.

The IFP has contacted the Film Maker and we are fortunate that they are available and interested in proceeding with an Update. The estimate is \$21,500 to update the film.

To date the IFP has received financial commitments to cover \$13,000 of the cost and needs another \$7,500 for the project to begin. We are contemplating asking for grant funds from a Charitable Foundation for the funds and requests the Port of Illahee's permission/concurrence for the IFP proceed with the update and fundraising. Time is of the essence with this request as the grant application needs to be submitted mid November 2021.

Sally Martin, Illahee Forest Preserve Vice President