



**AGENDA FOR
PORT OF ILLAHEE COMMISSION
Wednesday, December 8, 2021 - 6:30PM
ZOOM MEETING #715 0997 5823 / Password: Illahee**

1. CALL TO ORDER

2. CONSENT AGENDA

1. Agenda
- *2. November 10, 2021 Regular Meeting minutes
- *3. Pay Bills with check numbers 4820 through 4831 totaling \$ 8,027.34

3. PUBLIC COMMENT

4. REPORTS/UNFINISHED BUSINESS

- Buesch 1. Loan/Line of Credit
*- Updated Term Letter – draw term extended to 36 months - Richard Martinez to answer questions
- Aho 2. Grants/Waterfront Access Improvements
- John Piccone to provide status update
- Haaland 3. Treasurer's Report as of November 30, 2021 General Fund \$ 120,476.76; Investments \$ 277,220.45
Good Property Management (GPM) Account \$ 200.00 (total: \$ 397,897.21)
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
- Changing to .gov ?
- Buesch *b. Properties
5560 Ocean View Boulevard/Rental
- Status of November rent
- Enduris estimated adequate coverage to be \$700,000, which will increase the cost to about \$1,500/yr.
- Status of the separation of lots 5560 Ocean View and the Illahee Road lot
5500 Illahee Road/Rental
- Anything to report?
5507 Illahee Road/Illahee Store Property
- 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 sign
- Status of stair railing repair
- Status of light sensor and fixture replacement
- Status of runners
- Tabled 5. Surveillance cameras
- Haaland *6. Administrative – Port of Silverdale's attorney had some administrative changes to the Interlocal Agreement –
- ready for signature.

6. NEW BUSINESS

1. Thanks to Commissioner Jon Buesch for serving since December 2017! You will be missed!
- *2. Oath of Office – Amber Bartz was elected to fill Commissioner Position #2 – term begins January 1, 2022– congratulations and welcome!

7. PUBLIC COMMENT

8. EXECUTIVE SESSION-Property negotiation or Potential litigation?

- 9. ADJOURN** – Regular Port meeting – Wednesday, January 12, 2022 @ 6:30PM – ZOOM
Kitsap All Ports meeting – Monday, January 31, 2022 @ 6:30PM – Port of Brownsville



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Port of Illahee
Minutes of Regular Meeting
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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; Lee Knapp of TIKAR Services; Roy Barton; Amber Bartz; and; Ed Seal.

Lee Knapp of TIKAR asked that the dock report be addressed earlier within the meeting as he had a prior commitment.

CONSENT AGENDA

Commissioner Aho explained that the Consent Agenda includes Task Orders Seven and Eight from SoundWest Engineering. During last month's meeting it had been agreed to move forward with the one hundred percent design of the Waterfront Access Project, these task orders are necessary to proceed.

Commissioner Buesch moved to approve the consent agenda items: November Meeting Agenda as amended; October 13, 2021 Regular Meeting minutes; October 25, 2021 Kitsap All Ports Meeting minutes; November 10, 2021 checks numbering 4809 through 4819 totaling \$7,143.94 as outlined in the attached Voucher Approval; SoundWest Engineering Association's Task Order Number Seven, Agreement to Furnish Engineering Services for Grant Reimbursable –

Final Design, Permit & Grant Administration and Task Order Number Eight, Agreement to Furnish Engineering Services for 2022 On-Call Services; second by Commissioner Burton; approved unanimously.

PUBLIC COMMENT – Roy Barton said that within the Agenda Packet he read about the plumbing issue at the 5560 OceanView property. He questioned if the tenants ever entered into a lease with the Port or if they are continuing on a month-to-month basis. He realizes this will be discussed further within the meeting, but it is just something that he would like to know.

REPORTS/UNFINISHED BUSINESS

Docks/Pier – Commissioner Burton explained that TIKAR has installed the sign and polyethylene material on the light poles and replaced the electrical box. The sign maker is still working on one final sign. TIKAR plans to install it when it's ready. Lee reported that TIKAR's workboat had to be used, along with a ladder and planking, to install the one sign at the pier. Lee provided the sign maker the dimensions for the last sign and is anticipating a call when it is ready for pick up. From there, TIKAR will fabricate a stainless-steel bracket, which will be bolted into the concrete.

Commissioner Burton has asked TIKAR to repair the broken railing along the stairs. Lee explained that the repair will not match what is there, as TIKAR will fabricate it with no larger than a four-inch gap between the railings. Commissioner Burton said that would be closer to the current building codes, so makes sense. Commissioner Burton explained that he also tasked TIKAR to remove the hanging light sensor that is on the light pole that the new sign was installed on and also to take a look at



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the runners on the floats to insure they don't wear into the boards as it seems the bolting system has broken away. Lee explained that they will look at repairing that once the tide is workable as it needs to be a low tide. He questioned if TIKAR would be allowed to work on it after hours. Commissioner Burton said that they should wait until a daytime low tide to lessen complaints from nearby residents. Lee explained that the fixture of the light over the dock is an old school fixture and it doesn't meet current regulations for lights over the water. He explained that a new fixture will need to be purchased and pivoted so that it shines more towards the floats and not directly over the water. Lee explained that the new fixture is fairly expensive. He will provide Commissioner Burton with the estimate. It was explained that the lights that are working will not be replaced, just the one that is out. Commissioner Buesch asked about the final sign that is going to be mounted. He questioned if it could be mounted substantially higher than the previous sign to avoid possible vandalism damage and also to avoid someone possibly hitting their head on it. Lee explained that the sign is two feet high. Commissioner Burton said that he wasn't planning to have them raise it up seven feet from the beach and that he wasn't sure if it can be placed as high as Commissioner Buesch would like it to be. Lee explained that since TIKAR is building the bracket system, it can pretty much be placed wherever the Commissioners would like it. He offered to contact Commissioner Burton the next time he is in the area to further discuss on-site. Commissioner Buesch asked if the Port has already paid for the final sign. Commissioner Burton said that it had not yet been billed.

Grants/Waterfront Access Improvements

Commissioner Aho said that he just called John Piccone, because he thought he was going to attend tonight's meeting. There was some miscommunication and Mr. Piccone wasn't able to attend. Commissioner Aho reported that SoundWest is moving forward towards the 100% design. The Port did receive its first grant reimbursement check from the Recreation Conservation Office (RCO) in the amount of \$83,788.59.

Loan/Line of Credit – Commissioner Buesch reported that he talked to Rich Martinez of Kitsap Bank last week after receiving three sample amortization schedules. Mr. Martinez then emailed a term sheet dated November 5, 2021. Commissioner Buesch explained that this will need to be agreed to and signed by November 30, 2021 as outlined within the term sheet. Commissioner Burton questioned if the Port would be incurring a financial obligation even though we aren't likely going to need the funds until third or fourth quarter next year. Commissioner Buesch explained that there is a fee in the amount of \$1,750, which will be due at closing. He agreed that the Port won't need the funds immediately, but it will be good to have them in place once they are needed. The Port will also incur the legal fees related to the issuance of the bond. Commissioner Buesch explained that during the recent Washington Public Ports Association (WPPA) Small Ports Seminar in Leavenworth he spoke to Scott McJannet an attorney with K&L Gates, who specialize in many things including bond counsel. In fact, the Port used the expertise of attorney Cynthia Weed with K&L Gates for the bond on the 5560 Ocean View property. Commissioner Buesch was talking to Mr.



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McJannet about the possibility of another bond and when Mr. McJannet learned that the Port is working with Mr. Martinez, Mr. McJannet assured Commissioner Buesch that the Port is in good hands with Mr. Martinez as that is his specialty. Commissioner Buesch said that with Mr. Martinez's experience, he doesn't see a need for bond counsel, but if it is going to ease everyone else's minds it might be worth it. Commissioner Buesch explained that the loan is basically a line-of-credit to be used as needed. The payback is either 10-year, 15-year or 20-year for the entire \$700,000. If the Port can get by with only spending \$500,000 the pay schedule will be different. Commissioner Burton asked if the reasoning to agree to it now, is so that we can lock in the rates or if there is some other advantage agreeing to this today. Commissioner Buesch said that one advantage to doing it today is because six months from now the bank may not agree to it at all. He explained that the term sheet states that if accepted, these terms will expire without notice if the Bond has not closed by December 31, 2021. Commissioner Buesch explained that the Port would have two years from the end of December to use the money. The term sheet outlines the "Draw Period" starting from the closing date (December 31st) up to 24 months or less. There was concern to close on December 31, 2021, as the funds are more than likely not going to begin to be drawn until third or fourth quarter next year, which could eat up nearly a year of the draw period. The construction timeline is unknown, other than being told that third or fourth quarter next year things should be starting. It's really all dependent on permits. Commissioner Burton suggested the Port wait six months before entering into the agreement.

Commissioner Buesch said that at this point he would need to get the bank to amend the term sheet because November 30th is the deadline for acceptance. Commissioner Aho said that it seems the bank is wanting to lock in the rate, but it's not fitting the Port's construction schedule. He questioned if the Port locked in now, if the bank could extend the draw term. Commissioner Buesch thought Mr. Martinez mentioned that if construction is delayed that the loan could be extended, but it isn't stated within the term sheet. Commissioner Buesch said that he will contact Mr. Martinez and invite him to attend the December Port meeting to answer questions that definitely need to be answered and provide more information. Amber Bartz said that it seems it needs to be figured out by November 30th. Commissioner Aho said that would be ideal, but with the unknown answers maybe there could be a vote for conditional approval as long as Commissioners Buesch and Burton could individually meet with Mr. Martinez and have their questions answered and if the draw term could be extended for longer than twenty-four months. Then if they are satisfied, they can send an email to the Port office and Commissioner Aho will have the green light to sign. Commissioner Burton said that a two-week delay from November 30th until just after the Port's December meeting, shouldn't be a big issue. Commissioner Buesch agreed but added that it will put us at the end of January for when it all would take place. Commissioner Burton said that the Port really needs more like a six-month delay because that will be closer to when construction begins. Commissioner Buesch said that clarification of the timeline is needed from Mr. Piccone. Commissioner Aho said that SoundWest has provided a best-case



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scenario for construction, but when dealing with construction and permitting, one never really knows for sure. He agreed that there needs to be something within the term sheet in case the Port needs a longer timeframe; not twenty-four months from December 31, 2021. Commissioner Buesch said that he will contact Mr. Martinez and ask that he attend the December Port meeting. Commissioner Aho said that he didn't think the interest rate is going to drastically change within a month. Commissioner Buesch said regarding the 10-year, 15-year or 20-year term, he strongly suggests the Port enters into the 20-year term because other than taxes the only other cashflow for the Port will be from the 5560 Ocean View property. Although the longer term holds a higher interest rate, it allows the Port to have more cashflow for maintenance in the interim. The last thing the Port wants to do is spend all its money on paying back the bond, leaving not enough money for general maintenance of the facility. Commissioner Burton agreed. He said that the five-year term is undoable as it would require all of the Port's tax revenue for the five years to be paid towards the bond. Spreading it out is more manageable. Commissioner Buesch added that the Port won't be strapped to the bank and if something were to come up there will be reserve available to take care of it. He added that a lot is already being spent on an old dock that is going to be torn down. Commissioner Aho said that we can either try to get Mr. Martinez to attend the December meeting and extend things out a month or have the Commissioners talk to Mr. Martinez prior to the November 30th deadline and approve the term sheet contingent upon the extension. Commissioner Burton said that he doesn't

agree with doing it that way. It would be best to have Mr. Martinez attend the December meeting to answer questions. If it changes the date by a month, then so be it. Commissioner Buesch said that he will contact Mr. Martinez and explain to him the Port's concerns and see if Mr. Martinez can maybe revamp the November 5th term sheet and if that is doable, Mr. Martinez will be asked to send the updated term sheet to the Port office email so that it can then be forwarded to each of the Commissioners prior to the December meeting. It will also be added to the December agenda for discussion and ultimately approval.

Treasurer's Report

As of October 31, 2021 the General Fund totaled \$36,598.31, Investments totaled \$277,150.15 and the balance of the Good Property Management (GPM) account totaled \$200.00.

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.

Properties

5560 Ocean View Boulevard/Rental Property – Commissioner Buesch reported that on 10/20/2021 GPM received an emergency call from the tenant informing that the toilet on the lower floor was backing up and overflowing. GPM made a service-call to Clean-N-Rooter from Seabeck. The clog was cleared and found to be caused from flushed feminine products. The total cost of the emergency plumbing totaled \$1,369.04. GPM informed the tenant that they were responsible to pay the bill. The tenant refused, so a portion of their



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November rent was used to pay the bill and GPM sent them a letter demanding for payment of rent. Commissioner Buesch explained that the Port does not have a signed lease with the tenant as they refused to sign last year, but they do continue to pay the rent in a timely manner. The Port did receive the November rent less the \$1,369.04. From here GPM will be handling this issue.

Commissioner Buesch said that he has a dozen calls into Dave's Septic regarding the separation of the 5560 Ocean View property and the reserve drainfield lot along Illahee Road. If there continues to be no contact with Dave, Commissioner Buesch may contact the Kitsap Health District to inquire about the paperwork that should be issued showing the properties are separated. Commissioner Buesch also wants to make sure that Dave reaches out to Mr. Piccone to discuss Dave's thoughts about the septic at the Illahee store property.

5500 Illahee Road/Rental Property –

Commissioner Buesch noted nothing new to report on this property.

5507 Illahee Road/Illahee Store Property –

Mr. Barton said that he had an email exchange with Kitsap County Treasurer, Meredith Green about the taxes owing on the Illahee store property. Ms. Green said that the taxes need to be paid and that she was unable to waive any interest and/or fees incurred to this point. Mr. Barton said that he had a copy of the undated, yet signed, purchase and sale agreement from 2018 and determined that a title search was completed, but since it was a Sheriff sale it didn't go through escrow like a normal sale and the property taxes that

accrued during the redemption period didn't get paid. According to Ms. Green, with a portion of the 2019 taxes not being paid, the foreclosure process will begin in 2022. Mr. Barton said that the Port could contact Flett Dairy and explain the situation and maybe ask them to pay the taxes, less the interest and fees. Commissioner Buesch said that with the time it would take, he would just rather pay the taxes and be done with it – lesson learned. Mr. Barton agreed especially since the foreclosure process is to begin next year, which could affect a loan with the bank. The check is being approved at tonight's meeting.

Commissioner Aho said that there was nothing new to report on PLIA. He agreed that the Port needs to know what is happening with the septic system at the store prior to PLIA beginning work. The Port was number sixteen on the cleanup list and PLIA last informed the Port that they were working on number fourteen – basically leaving the Port in the number two spot.

Dock/Pier – Commissioner Burton said that he provided the information about the individual setting a fire on the docks to the Port of Silverdale, as they had a recent fire of one of their chase boats, which is under investigation. Commissioner Burton said that the individual's foolish attitude towards public property was most concerning to him and it seems like it could be related to Silverdale and also Island Lake, as its dock is closed due to a fire. Commissioner Burton said that the guy just seemed like he was having fun and said that he was a fire bug and seemed to think that the Illahee dock was a good place to light a fire. It is all very concerning. Commissioner Aho said that he was very thankful that Commissioner



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Burton was alert and took action.

Surveillance – Commissioner Burton asked Ms. Bartz if she did any research on different surveillance equipment. Ms. Bartz explained that she wasn't given clear direction during the last meeting, so she did not. She said that a game camera would work and Ring would also work, but would require WIFI and be connected to someone's phone. She said that she will check on the costs of a game camera.

Commissioner Aho explained that he has a game cam and he finds it a bit difficult because in order to review what's on it the memory card has to be pulled each time. It's rather cumbersome equipment. He said that if it was an immediate problem a game cam could help, but at this point he's just not sure. He asked Commissioner Burton how he would check it and where would it be mounted.

Commissioner Burton suggested it be mounted in an overt location, maybe on one of the poles where the old gas tanks were located or from the 5500 Illahee Road garage pointing towards the store. He said that he thought it was doable even if retrieving the information may be a little after the fact, it could provide a lead if/when something happens. Ms. Bartz was reviewing items online and said that there was one for \$52 that included a time-lapse feature. It would have to be checked every day. It has an energy saving mode that is triggered by animals and humans only. It looks like they range anywhere from \$52 up to \$700 depending on the desired features. She agreed someone would have to be diligent to review it every day. Commissioner Buesch said that wherever it is mounted, it must be put up high so no one can easily reach it. That would mean that every day whoever is tasked

with reviewing the feed, would have to bring out a ladder to retrieve the card and then replace it. Commissioner Buesch said that it would be nice if the police had more of a presence in the area, although even if illegal activity is happening it seems there is little the police can or will do about it. Commissioner Aho said that he currently doesn't see a lot of vandalism taking place in the area and he isn't sure where a camera would be mounted and who would want to take on the task of checking it regularly, but if Commissioner Burton wants to take that on it could be authorized.

Commissioner Burton asked Ms. Bartz the range of the cameras she was reviewing. She said a fifty to one-hundred-foot range, but she wasn't sure it all depends on the camera. Commissioner Burton said that he would look into it a bit more.

Administrative – the Interlocal Agreement (IA) between the Port of Illahee and the Port of Silverdale was reviewed. The termination portion of the agreement was changed from a thirty-day notice to a sixty-day notice.

Commissioner Buesch asked about the rate increase with the IA. It is a fifteen dollar per hour increase over what the Port is currently charged with its current agreement with Theresa Haaland. Commissioner Aho explained that in the past the Port Commissioners did all of the administrative work and there is a lot to it. *It was agreed to enter into the Interlocal Agreement with the Port of Silverdale to provide administrative services to begin January 1, 2022.* (motion by Burton; second by Buesch, unanimous).

2022 Final Budget – Commissioner Aho explained that the notice of adopting the 2022 Final Budget was published in the legal section



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of the Kitsap Sun as required and the Preliminary Budget was posted on the Port's website and the kiosk near the dock. He asked if there was any public comment about the budget. Mr. Barton said that the only thing he can say is that watching the whole Waterfront Access Project evolve leaving only \$30,000 in reserves going into 2023 is concerning. The Port has no complete estimates on the project, including the Illahee store project and he questions what will happen if the Port doesn't have enough money to even complete the dock portion of the project when the bids are received and then what will happen to the store. A \$30,000 reserve doesn't go very far when looking at possible cost overruns and no estimates to back up the figures being tossed around. He worries about all that.

Commissioner Aho said that he knows Mr. Barton wants the Commissioners to be doing the right thing. When Mr. Piccone applied for the grants, contingencies were included in the estimated costs. That's generally what is done when applying for grants; they go in high with estimates expecting the worst and normally an entity will either break even or even ahead. With the \$700,000 loan/line-of-credit with Kitsap Bank being included within the 2022 Budget, it looks like everything is going to be done next year, but it could be extended out as far as three years depending on permitting. Another thing to consider is the 5560 Ocean View property. Once the Illahee Road reserve drainfield lot is separated from the 5560 Ocean View property, that provides the Port with two properties, both of which could be sold in the future if needed. Every year the Port is increasing the levy by one percent. For many years the levy wasn't increased and the Port received a set \$79,000 (roughly), but now that

we are regularly increasing the levy by the authorized one-percent, we are gradually increasing the tax revenue for the Port. So we are slowly getting better from an income standpoint. Commissioner Buesch said that this is a big project that needs to be done. Everyone that uses the waterfront there would love to have better parking and better access. It's a real need that is going to be of great benefit to the community. As far as financing, we have the grants that are going to pay for approximately seventy-five percent of the Waterfront Access Project.

Commissioner Buesch explained that he determined that Enduris has the 5560 Ocean View property valued at only \$308,771 for the structure and \$59,478 for the contents. He said that is concerning, considering there is no way that the house could be rebuilt for that amount, if heaven forbid, it ever caught fire. The County Assessor doesn't list an assessed value on it probably because it is Port-owned; therefore, no property taxes are paid on it. He suggested a realtor be asked to get some comps to get a ballpark figure of how much the house is actually worth. He isn't in favor of selling it now because it is still appreciating in value. That house has an astounding view, it's money in the bank for the Port. If the Port is later strapped for cash that would be the time to sell the house, but with the upcoming line-of-credit with Kitsap Bank eventually turning over into a bond, it seems the Port is in decent shape and the Ocean View property should be kept as a rental for now. Commissioner Buesch said that in no way does he like to borrow money, but in this instance for the Port it just seems the right move to get everything completed and payback the bond over twenty



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years. He checked the amount of taxes he pays to the Port and realized it's just roughly \$6 a month. It's really a negligible amount. He reiterated that he is not in favor of going into debt, but sometimes it has to be done. John Piccone has been working with other Ports for many years and has experience with this type of work, so his estimates are sure not to be too out-of-touch. Commissioner Buesch said that he is not worried about the finances unless there are cost overruns, but he doesn't see that happening. Commissioner Burton said that the sale of the Ocean View property shouldn't be off the table for making Port finances balance in the future, but for the meantime if the Port can get the bond and slowly pay on it, that seems like a good plan, but again he doesn't see the point of taking the sale of the house off the table because it's basically the Port's age-in-the-hole in getting this project completed. Resolution 2021-03 2022 Levy Increase was reviewed. Commissioner Burton questioned the figures within the resolution. It was agreed there seemed to be an error. *It was agreed to adopt Resolution 2021-03 2022 Levy Increase contingent upon verification of the levy amount from the previous year and the percentage increase figure* (motion by Burton; second by Buesch; unanimous). Discussions: It was agreed that the figures will be verified with the information provided by the County and a corrected resolution will be generated for Commissioners' signatures. *It was agreed to adopt Resolution 2021-02 Adoption of the 2022 Final Budget* (motion by Burton; second by Buesch; unanimous).

NEW BUSINESS

Illahae Forest Preserve (IFP) sent a letter dated November 7, 2021 to the Port. It was

reviewed. The IFP is exploring grant funding to update the Illahee Film – "Illahae – Saving Puget Sound One Watershed at a Time". It was explained that back in 2007, the Port received a grant from the Department of Ecology (ECY) for the Illahee Surface Water Management Plan (SWMP) and part of the grant paid for a portion of the film.

Commissioner Aho provided the history of the film. The film became co-sponsored by the Port and the IFP. He explained that he is involved with the IFP and basically they are just wanting permission from the Port to update the film, since the Port was basically a co-owner of it. Commissioner Burton said that the wording of the letter was a bit confusing and questioned if the IFP was asking the Port for money.

Commissioner Buesch explained that he too is involved with the IFP and said that no funds from the Port should be used to update the film as the Port doesn't have money for it, since the Port has such big projects on the table. There was a lot of discussion about the IFP, the film and the letter. Commissioner Aho explained that the intent of the letter was just to say that this is a Port film, it is ten years old and it should be updated and the IFP would like to move forward with attempting to get a grant to do that. *It was agreed that the Illahee Forest Preserve could move forward with exploring grant funding to update the "Illahae – Saving Puget Sound One Watershed at a Time" as outlined within the letter to the Port of Illahee dated November 7, 2021 excluding the last two paragraphs of that letter* (motion by Aho; second by Buesch; unanimous).

WPPA Sponsored New Commissioner

Seminar is scheduled for November 30, 2021 in Bellevue. Ms. Bartz was informed of the



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event. She explained that there is just no way she would be able to attend. Commissioner Aho explained that it is primarily for new Commissioners or other Commissioners that may need a refresher. Commissioner Buesch said that if Ms. Bartz could attend it would be good as it proved to be very beneficial to him when he was first elected. Ms. Bartz reiterated that there is just no way, unless it was available via Zoom. It is believed to be in-person only.

Domain name change – Commissioner Burton reported that at the WPPA Small Ports Seminar in Leavenworth he spoke with Jessica Wilson of the WPPA about Port websites. Ms. Wilson was telling Commissioner Burton about securing and registering a .gov website extension. Ms. Wilson followed up with an email dated November 10, 2021 to Commissioner Burton. Apparently, search engines look for Ports and other public entities and with a .gov address your entity is listed higher within the search and a .gov website provides more protection from hackers. Ms. Wilson was one of the presenters at the Small Ports Seminar and knew all about the importance of having a .gov site. Within her email she said that she checked and portofillahee.gov is available so if the Port wanted to move forward with it, there shouldn't be a problem. Ms. Wilson has built the WPPA websites and is providing the information to the Ports as part of the best practices. From what Commissioner Burton was told he thinks if the Port decides to pursue it before the end of the year, there may not be any costs. Commissioner Burton said that it may be beneficial for the Port to pursue it. Commissioner Aho said that he thought that

the Ports current domain name may have been paid for a couple years in advance. The other cost for the website besides the domain name is the host. Currently the Port uses Blue Host, so there are two costs associated with the website. Commissioner Aho questioned if that would affect the Commissioners' emails, but it is believed it wouldn't since they are g-mail accounts. Commissioner Burton said that wasn't discussed with Ms. Wilson, but she is a great resource of information, if it is decided to move forward with it. Commissioner Aho agreed that he would have more questions for Ms. Wilson.

PUBLIC COMMENT – Mr. Barton asked if Soundest's task orders seven and eight were discussed. It was explained those were part of the Consent Agenda items as it was agreed last month to proceed to the one hundred percent design.

EXECUTIVE SESSION – None.

ADJOURN

At 8:55PM Commissioner Buesch moved to adjourn the meeting; second by Commissioner Burton; approved unanimously.

Approved:

Commissioner

Commissioner

Commissioner



November 15, 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 36 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 36 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 36 months from the date of closing or upon notice from the Port to the Bank. The amount of the Bond

kitsapbank.com

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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 12/1/2024 and payments commencing 6/1/2025. 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 11/15/2021.
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.

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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: _____

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

Proposed Rates

Payment date no later than (term from closing):	10 years Yield Maintenance	5 Years Yield Maintenance	No Yield Maintenance
1Y	1.97%	2.23%	2.63%
2Y	2.03%	2.29%	2.69%
3Y	2.13%	2.39%	2.79%
4Y	2.29%	2.55%	2.95%
5Y	2.46%	2.72%	3.12%
6Y	2.60%	2.86%	3.26%
7Y	2.74%	3.00%	3.40%
8Y	2.86%	3.12%	3.52%
9Y	2.94%	3.20%	3.60%
10Y	2.98%	3.24%	3.64%
11Y	3.03%	3.29%	3.69%
12Y	3.06%	3.32%	3.72%
13Y	3.12%	3.38%	3.78%
14Y	3.16%	3.42%	3.82%
15Y	3.21%	3.47%	3.87%
16Y	3.26%	3.52%	3.92%
17Y	3.28%	3.54%	3.94%
18Y	3.31%	3.57%	3.97%
19Y	3.36%	3.62%	4.02%
20Y	3.36%	3.62%	4.02%
21Y	3.40%	3.66%	4.06%
22Y	3.43%	3.69%	4.09%
23Y	3.47%	3.73%	4.13%
24Y	3.49%	3.75%	4.15%
25Y	3.51%	3.77%	4.17%

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 (Advance)	Interest Rate	Ending Balance	Interest Due	Cash Flow
12/01/2024	\$ (700,000.00)		\$ 700,000.00		\$ 700,000.00
06/01/2025	-		700,000.00	10,892.00	(10,892.00)
12/01/2025	27,000.00	2.29%	673,000.00	10,892.00	(37,892.00)
06/01/2026	-		673,000.00	10,582.85	(10,582.85)
12/01/2026	28,000.00	2.46%	645,000.00	10,582.85	(38,582.85)
06/01/2027	-		645,000.00	10,238.45	(10,238.45)
12/01/2027	28,000.00	2.60%	617,000.00	10,238.45	(38,238.45)
06/01/2028	-		617,000.00	9,874.45	(9,874.45)
12/01/2028	29,000.00	2.74%	588,000.00	9,874.45	(38,874.45)
06/01/2029	-		588,000.00	9,477.15	(9,477.15)
12/01/2029	30,000.00	2.86%	558,000.00	9,477.15	(39,477.15)
06/01/2030	-		558,000.00	9,048.15	(9,048.15)
12/01/2030	31,000.00	2.94%	527,000.00	9,048.15	(40,048.15)
06/01/2031	-		527,000.00	8,592.45	(8,592.45)
12/01/2031	32,000.00	2.98%	495,000.00	8,592.45	(40,592.45)
06/01/2032	-		495,000.00	8,115.65	(8,115.65)
12/01/2032	32,000.00	3.03%	463,000.00	8,115.65	(40,115.65)
06/01/2033	-		463,000.00	7,630.85	(7,630.85)
12/01/2033	33,000.00	3.06%	430,000.00	7,630.85	(40,630.85)
06/01/2034	-		430,000.00	7,125.95	(7,125.95)
12/01/2034	34,000.00	3.12%	396,000.00	7,125.95	(41,125.95)
06/01/2035	-		396,000.00	6,595.55	(6,595.55)
12/01/2035	35,000.00	3.16%	361,000.00	6,595.55	(41,595.55)
06/01/2036	-		361,000.00	6,042.55	(6,042.55)
12/01/2036	36,000.00	3.21%	325,000.00	6,042.55	(42,042.55)
06/01/2037	-		325,000.00	5,464.75	(5,464.75)
12/01/2037	37,000.00	3.26%	288,000.00	5,464.75	(42,464.75)
06/01/2038	-		288,000.00	4,861.65	(4,861.65)
12/01/2038	38,000.00	3.28%	250,000.00	4,861.65	(42,861.65)
06/01/2039	-		250,000.00	4,238.45	(4,238.45)
12/01/2039	39,000.00	3.31%	211,000.00	4,238.45	(43,238.45)
06/01/2040	-		211,000.00	3,593.00	(3,593.00)
12/01/2040	40,000.00	3.36%	171,000.00	3,593.00	(43,593.00)
06/01/2041	-		171,000.00	2,921.00	(2,921.00)
12/01/2041	41,000.00	3.36%	130,000.00	2,921.00	(43,921.00)
06/01/2042	-		130,000.00	2,232.20	(2,232.20)
12/01/2042	42,000.00	3.40%	88,000.00	2,232.20	(44,232.20)
06/01/2043	-		88,000.00	1,518.20	(1,518.20)
12/01/2043	43,000.00	3.43%	45,000.00	1,518.20	(44,518.20)
06/01/2044	-		45,000.00	780.75	(780.75)
12/01/2044	45,000.00	3.47%	-	780.75	(45,780.75)

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Pricing Indication as of 11/05/2021*

Port of Illahee

Estimated Settle	12/1/2023
Bond Proceeds	700,000
Term (years)	10
Principal Payments Per Year	1
Weighted Average Life (years)	5.56

Port of Illahee
Bond - Debt Service Schedule

Date	Principal Payment (Advance)	Interest Rate	Ending Balance	Interest Due	Cash Flow
12/01/2023	\$ (700,000.00)		\$ 700,000.00		\$ 700,000.00
06/01/2024	-	1.97%	700,000.00	8,883.35	(8,883.35)
12/01/2024	62,000.00	1.97%	638,000.00	8,883.35	(70,883.35)
06/01/2025	-	2.02%	638,000.00	8,272.65	(8,272.65)
12/01/2025	64,000.00	2.02%	574,000.00	8,272.65	(72,272.65)
06/01/2026	-	2.12%	574,000.00	7,626.25	(7,626.25)
12/01/2026	65,000.00	2.12%	509,000.00	7,626.25	(72,626.25)
06/01/2027	-	2.28%	509,000.00	6,937.25	(6,937.25)
12/01/2027	67,000.00	2.28%	442,000.00	6,937.25	(73,937.25)
06/01/2028	-	2.46%	442,000.00	6,173.45	(6,173.45)
12/01/2028	69,000.00	2.46%	373,000.00	6,173.45	(75,173.45)
06/01/2029	-	2.60%	373,000.00	5,324.75	(5,324.75)
12/01/2029	71,000.00	2.60%	302,000.00	5,324.75	(76,324.75)
06/01/2030	-	2.75%	302,000.00	4,401.75	(4,401.75)
12/01/2030	73,000.00	2.75%	229,000.00	4,401.75	(77,401.75)
06/01/2031	-	2.88%	229,000.00	3,398.00	(3,398.00)
12/01/2031	75,000.00	2.88%	154,000.00	3,398.00	(78,398.00)
06/01/2032	-	2.98%	154,000.00	2,318.00	(2,318.00)
12/01/2032	76,000.00	2.98%	78,000.00	2,318.00	(78,318.00)
06/01/2033	-	3.04%	78,000.00	1,185.60	(1,185.60)
12/01/2033	78,000.00	3.04%	-	1,185.60	(79,185.60)

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



Pricing Indication as of 11/05/2021*

Port of Illahee

Estimated Settle	12/1/2023
Bond Proceeds	700,000
Term (years)	15
Principal Payments Per Year	1
Weighted Average Life (years)	8.03

Port of Illahee
Bond - Debt Service Schedule

Date	Principal Payment (Advance)	Interest Rate	Ending Balance	Interest Due	Cash Flow
12/01/2023	\$ (700,000.00)		\$ 700,000.00		\$ 700,000.00
06/01/2024	-	1.97%	700,000.00	9,712.20	(9,712.20)
12/01/2024	39,000.00	1.97%	661,000.00	9,712.20	(48,712.20)
06/01/2025	-	2.02%	661,000.00	9,328.05	(9,328.05)
12/01/2025	40,000.00	2.02%	621,000.00	9,328.05	(49,328.05)
06/01/2026	-	2.12%	621,000.00	8,924.05	(8,924.05)
12/01/2026	41,000.00	2.12%	580,000.00	8,924.05	(49,924.05)
06/01/2027	-	2.28%	580,000.00	8,489.45	(8,489.45)
12/01/2027	42,000.00	2.28%	538,000.00	8,489.45	(50,489.45)
06/01/2028	-	2.46%	538,000.00	8,010.65	(8,010.65)
12/01/2028	43,000.00	2.46%	495,000.00	8,010.65	(51,010.65)
06/01/2029	-	2.60%	495,000.00	7,481.75	(7,481.75)
12/01/2029	44,000.00	2.60%	451,000.00	7,481.75	(51,481.75)
06/01/2030	-	2.75%	451,000.00	6,909.75	(6,909.75)
12/01/2030	45,000.00	2.75%	406,000.00	6,909.75	(51,909.75)
06/01/2031	-	2.88%	406,000.00	6,291.00	(6,291.00)
12/01/2031	46,000.00	2.88%	360,000.00	6,291.00	(52,291.00)
06/01/2032	-	2.98%	360,000.00	5,628.60	(5,628.60)
12/01/2032	48,000.00	2.98%	312,000.00	5,628.60	(53,628.60)
06/01/2033	-	3.04%	312,000.00	4,913.40	(4,913.40)
12/01/2033	49,000.00	3.04%	263,000.00	4,913.40	(53,913.40)
06/01/2034	-	3.09%	263,000.00	4,168.60	(4,168.60)
12/01/2034	50,000.00	3.09%	213,000.00	4,168.60	(54,168.60)
06/01/2035	-	3.12%	213,000.00	3,396.10	(3,396.10)
12/01/2035	51,000.00	3.12%	162,000.00	3,396.10	(54,396.10)
06/01/2036	-	3.17%	162,000.00	2,600.50	(2,600.50)
12/01/2036	53,000.00	3.17%	109,000.00	2,600.50	(55,600.50)
06/01/2037	-	3.21%	109,000.00	1,760.45	(1,760.45)
12/01/2037	54,000.00	3.21%	55,000.00	1,760.45	(55,760.45)
06/01/2038	-	3.25%	55,000.00	893.75	(893.75)
12/01/2038	55,000.00	3.25%	-	893.75	(55,893.75)

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



Pricing Indication as of 11/05/2021*

Port of Illahee

Estimated Settle	12/1/2023
Bond Proceeds	700,000
Term (years)	20
Principal Payments Per Year	1
Weighted Average Life (years)	10.52

Port of Illahee
Bond - Debt Service Schedule

Date	Principal Payment (Advance)	Interest Rate	Ending Balance	Interest Due	Cash Flow
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)

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



Theresa Haaland <portofillahee@gmail.com>

property value

Joe Davis <JDavis@enduris.us>
To: Theresa Haaland <portofillahee@gmail.com>
Cc: Port of Illahee - Buesch <illaheeport2@gmail.com>

Tue, Nov 16, 2021 at 11:30 AM

Theresa,

The added coverage to \$700,000 would cost about \$1500 more per year. Increasing it now, that amount would be pro-rated for the remainder of the term so probably closer to \$1200 owed for the term.

Please let me know if you have any questions. Thank you,

Joe Davis, CIC CRM CSRM
Director of Risk Management and Member Relations

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enduris

1610 S Technology Blvd, Suite 100

Spokane, WA 99224

T. 800.462.8418, option 2

F. 509.747.3875

jdavis@enduris.us

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From: Theresa Haaland <portofillahee@gmail.com>
Sent: Tuesday, November 16, 2021 10:22 AM
To: Joe Davis <JDavis@enduris.us>
Cc: Port of Illahee - Buesch <illaheeport2@gmail.com>
Subject: Re: [External] property value

Hi Joe - yes, please provide a quote.

Thank you,

Theresa Haaland

Administrator
Port of Illahee

On Mon, Nov 15, 2021 at 5:50 PM Joe Davis <JDavis@enduris.us> wrote:

Theresa, I'd estimate it closer to \$650,000 to \$750,000 at replacement. Would you like a quote for the board?

Joe Davis, CIC CRM CSRM

Director of Risk Management and Member Relations

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From: Theresa Haaland <portofillahee@gmail.com>
Sent: Monday, November 15, 2021 11:05 AM
To: Joe Davis <JDavis@enduris.us>
Subject: Re: [External] property value

Hi Joe -

The home is rented and as far as I know it is in good shape. It rents for \$2300 a month, which includes the fully furnished basement. From what I have heard it has a \$1,000,000 view!

Hope this helps.

Theresa Haaland

Administrator
Port of Illahee

On Mon, Nov 15, 2021 at 10:06 AM Joe Davis <JDavis@enduris.us> wrote:

Hi Theresa,

I looked up the assessor's office data on the location. It shows 1 story w/ basement.

1st floor -- 1886 sq ft

Basement -- 1633 sq ft (1200 sq feet finished)

Depending on the interior features, it's insurance value may be double what you are insuring it now for. Do you have any details about the interior finishing? Is it average, builders' grade, custom? Do you know if the basement is still partially finished as described in the assessors office?

Photos welcome, but not necessary if you have a tenant there.

Thanks for some details.

Joe Davis, CIC CRM CSR

Director of Risk Management and Member Relations

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From: Theresa Haaland <portofillahee@gmail.com>
Sent: Thursday, November 11, 2021 2:19 PM
To: Joe Davis <JDavis@enduris.us>
Cc: Theresa Haaland <portofillahee@gmail.com>
Subject: [External] property value

Hi Joe,

A question was brought up by Port of Illahee Commissioner Jon Buesch - I'm cc'ing him on this email so, if you wouldn't mind replying to both of us that would be great. He reviewed the Port's 2022 property schedule provided by Enduris and noticed that the 5560 OceanView property's structure is valued at just \$308,771 with the contents at \$59,478. The structure figure seems extremely low for the property. Can you tell me when some sort of valuation of the property was last completed? And/or what would you need from the Port to make that happen.

Thanks for your help!

Theresa Haaland
Administrator
Port of Illahee

INTERLOCAL AGREEMENT TO PROVIDE ADMINISTRATIVE SERVICES BY THE PORT OF SILVERDALE FOR THE PORT OF ILLAHEE

This Interlocal Agreement (“Agreement”) is entered into pursuant to the Interlocal Cooperation Act, Chapter 39.34 of the Revised Code of the State of Washington, by and between the Port of Silverdale (“Administrative Services Provider”) and the Port of Illahee (“Administrative Services Recipient”), each a Port District organized under the laws of the State of Washington (“parties”).

Purpose:

The purpose of this agreement is to provide experienced and cost-effective routine administrative services to the Administrative Services Recipient by the Port of Silverdale’s administrative staff.

Scope of Services

The Port of Silverdale shall provide to the Administrative Services Recipient the following services:

1. check postal box for mail (weekly);
2. respond to correspondence as necessary;
3. check email regularly;
4. attend meetings and prepare minutes;
5. prepare meeting agendas;
6. prepare monthly payment of bills and voucher approval;
7. e-mail check information to the County Treasurer’s office prior to meeting;
8. e-mail voucher approval to the County Treasurer once signed;
9. prepare Annual Report to State Auditor and electronically file it via the Washington State Auditor’s on-line system as required;
10. generate end of year W-2’s (where applicable) and 1099’s;
11. track monthly and yearly expenditures by category;
12. 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;
13. reconcile General Fund and Investment Account with the County Treasurer’s monthly report;
14. transfer monies between the General Fund and Investment Pool as necessary;
15. send quarterly payroll reports to the IRS (where applicable);
16. electronically pay quarterly payroll taxes via Commissioner’s authorization of electronic funds transfer and provide the County Treasurer with appropriate documentation (where applicable);
17. and perform other administrative functions as requested by Client.

Financial Provisions

In consideration for the services provided in this Agreement, the Administrative Services Recipient will pay the Port of Silverdale a fixed amount 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 exceeding 12 hours in any month, together with reimbursement for costs and expenses incurred in providing such services.

Billing and Payment

The Port of Silverdale will submit monthly invoices for those services rendered under this Agreement exceeding 12 hours in any month. The invoices will detail the number of hours worked and describe the services performed. Administrative Services Recipient will make payment within thirty (30) days following receipt of billing. The Port of Silverdale will maintain

adequate records to support billings under this Agreement. If any amounts paid by the Administrative Services Recipient under this Agreement are determined by audit to be ineligible for payment, the Port of Silverdale shall refund those amounts to the Administrative Services Recipient 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 sixty (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 Port of Silverdale, or as authorized by the Administrative Services Recipient.

Integration and Amendment

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

**For Administrative Services Provider
Port of Silverdale Commissioners:**

**For Administrative Services Recipient
Port of Illahee Commissioners:**

Date: _____

Date: _____

Oath of Office

State of Washington County of Kitsap

I, **Amber Bartz**, do solemnly swear that I am a citizen of the United States and State of Washington; that I am legally qualified to assume the office of **Port of Illahee District No. 6 - Commissioner Position 2**; that I will support the Constitution and Laws of the United States and the State of Washington; and that I will faithfully and impartially discharge the duties of this office to the best of my ability.

Signature

Subscribed and sworn to before me this _____

Day of _____ 20 _____

Signature of official administering the oath

Title of official administering the oath