



PORT COMMISSION OF THE PORT OF EDMONDS
MINUTES OF REGULAR MEETING

November 27, 2017

COMMISSIONERS PRESENT

David Preston, Vice President
Steve Johnston, Secretary
Bruce Faires
Jim Orvis

STAFF PRESENT

Bob McChesney, Executive Director
Tina Drennan, Finance Manager

OTHERS PRESENT

Bradford Cattle, Port Attorney

COMMISSIONERS ABSENT

Fred Gouge, President

CALL TO ORDER

Commission Vice President Preston called the regular meeting to order at 7:00 p.m.

PLEDGE OF ALLEGIANCE

All those in attendance participated in the Pledge of Allegiance to the American Flag.

CONSENT AGENDA

COMMISSIONER ORVIS MOVED THAT THE CONSENT AGENDA BE APPROVED TO INCLUDE THE FOLLOWING ITEMS:

- A. APPROVAL OF AGENDA**
- B. APPROVAL OF NOVEMBER 13, 2017 MEETING MINUTES**
- C. APPROVAL OF PAYMENTS IN THE AMOUNT OF \$548,128.46**

COMMISSIONER JOHNSTON SECONDED THE MOTION, WHICH CARRIED UNANIMOUSLY.

PUBLIC COMMENTS

Jack Bevan, Edmonds, recalled that at the October 30th meeting, he specifically asked if the Commissioners would support lowering taxes once the Harbor Square loan is paid off. Although not reflected in the minutes, all Commissioners indicated support via verbal comments or head nods. Mr. Cattle cautioned that the minutes reflect what actually was said at the meeting, and it would be inappropriate to change the minutes to reflect support that was offered by a head nod.

Commissioner Faires pointed out that the Commission's position regarding property taxes is clarified in the November 13th minutes where he is on record reminding them that they agreed to discuss the topic at their 2018

Spring Retreat. He also noted that, as discussed at the October 30th meeting, the Commission was in agreement that property taxes should be reduced when the Harbor Square loan is paid off.

Dave Teitzel, Edmonds City Council Member, advised that a derelict vessel washed up on the Dog Park Beach. The park will be closed on Friday, December 1st until about 2 p.m. while a salvage company comes to remove it. The fuel has been taken off of the vessel already. He also announced that the City Council will continue budget discussions on November 28th, and he is working to secure funding for the Admiral Way Crosswalk Project. Lastly, he reported that the City Council has been working to secure an environmental consultant to do a scientific study on the Edmonds Marsh and has selected Windward Environmental, a relatively small firm out of Seattle with scientific expertise about the environment. This baseline study, which will take about one year to complete, will establish the existing condition of the marsh, including water quality, soils, contamination, wildlife and how the existing buffer widths impact the marsh. The consultant will also study the project to daylight Willow Creek to determine its impact on the quality of the marsh. It is anticipated that the contract will be finalized soon so the consultant can start during the 1st quarter of 2018.

Commissioner Faures asked if the final report will include a description of the present state and status of the area surrounding the marsh. Council Member Teitzel answered that the study would include the marsh, as well as its surrounding environment.

Commissioner Johnston said he has worked with Windward Environmental on a number of occasions and found it to be an excellent company, as were the other companies who submitted proposals. He recalled public comments about the need to select an unbiased consulting firm. He commented that he would be surprised if there are any biased consultant firms left in the world because they would not have existed this long.

Jack Bevan, Edmonds, asked about the cost of the project, and Council Member Teitzel answered that the contract costs have not been decided yet.

Joe Catalano, Tenant, voiced appreciation for the Commission's decision to reduce the proposed liveaboard fee increase for 2018. Commissioner Faures commented that the proposed increase was a mistake because all fees should increase at the same rate.

2017 WATERFRONT FESTIVAL REPORT

Valerie Claypool, Edmonds Rotary Club Representative, distributed a handout of the 2016/2017 vendors. The highlighted ones are local (within the greater Seattle area). Although the Commission voiced a desire to have more Edmonds vendors, there aren't that many available to participate. However, over 90% of the vendors were somehow related to the nautical theme via decorations, etc. Also, the vendor who poured grease into the storm drain will not be invited back in 2018.

Ms. Claypool said the adjustments that were made to meet the fire lane requirements went well, and quite a few tenants used the golf cart that was made available to provide access to the docks. The Friday night special for people living in the 98020 zip code went well, and she didn't hear of any problems with parking this year.

Ms. Claypool advised that the vendor space was 500 square feet less than the previous year, but she was able to get additional sponsors. For example:

- The YMCA sponsored the Edmonds Historical Society's stories about fishing and the historic waterways. This event will be included in the 2018 festival, as well.
- The Beach Camp and Classic Yacht Association was part of the 2017 event, and she's excited to work with both groups again in 2018.
- She has reserved Finn, the 25-foot fiberglass salmon from Port Hadlock for the 2018 festival.
- The Salmon Coalition of Edmonds/Woodway has requested a booth at the 2018 festival next to Finn.
- Although Salish Sea Expeditions had to cancel at the last minute, they have been invited to participate in the 2018 festival.
- Willow Creek Fish Hatchery has also agreed to participate in the 2018 festival.

- The City's Parks and Recreation Department has agreed to provide education information about what is happening along the waterfront, marsh, and Willow Creek.
- The Coast Guard participated in the 2017 festival, and will be present at the 2018 festival, too.
- She tried unsuccessfully to get participation from the Sea Scouts, and she would appreciate any help the Commissioners could provide in this regard.
- Puget Sound Anglers, Puget Sound Express, and Jacobsen's Marine were invited but declined to participate.

Ms. Claypool advised that changes would be made for the 2018 festival relative to cleanup. She was very disappointed about the cleanup effort in 2017. In 2018, all of the tents in the beer garden will be completely taken down and cleaned up before leaving the area on Sunday night. The fencing will not be removed until early Monday morning. The tents closer to the Anthony's Building will remain until Monday morning, as well. She is currently interviewing companies to perform the cleanup work for the 2018 festival.

Ms. Claypool reported that both of the Edmonds Rotary Clubs partnered together for the 2017 festival, and this worked very well. The partnership will continue in 2018.

Ms. Claypool recalled that she previously requested a three-year contract with the Port for the Waterfront Festival, and she is still interested in moving this forward. Changes could be made, if necessary, but a three-year contract would eliminate the need for her to come before the Commission on a yearly basis to get a new contract in place. However, she would still provide an annual report following each festival.

Commissioner Faires asked if the culture within the Rotary Club is changing now that the Port has requested that the festival be more water-related. Ms. Claypool answered affirmatively. Everyone seemed to support the changes made to the 2017 festival to make it more water-related. Now vendors are starting to think that way, too, and she plans to be even stricter. She noted that there were more children and elderly people in attendance in 2017 than ever before. More people visited the classic yachts, as well. Commissioner Faires said he appreciates that Ms. Claypool understands that it is a Waterfront Festival, and she can count on the Port Commission to help her in her quest to change the culture. Ms. Claypool said she is working to provide more educational opportunities at upcoming festivals.

Commissioner Johnston asked if there were more wooden boats in 2017 than in previous years, and Ms. Claypool said there were a few more for a total of about 20. Hopefully, there will be more at the 2018 festival. Commissioner Johnston commented that there is a beautiful festival at Pier 66, with about 60 boats participating. Perhaps it would be helpful to get the word out to them about the Edmonds Waterfront Festival. Ms. Claypool agreed and said she would love to have a tall ship at the festival, as well.

Commissioner Johnston asked about the revenue from the last festival. Ms. Claypool recalled that she previously reported on the revenue from the 2017 festival, which was split between the two Rotary Clubs. Each club received \$25,629.18.

Mr. McChesney asked how the proceeds from the festival are distributed by the Rotary Clubs for scholarships, etc. Ms. Claypool said the contract requires the clubs to give 25% of the revenues, and last year the clubs far exceeded that amount. The 2017 festival also far exceeded the contract requirement for 25% of the vendors to be local and water-related.

Commissioner Preston pointed out that "water-related" and "nautical-themed" are two different things. A person dressed up in nautical attire selling hot tubs should not be considered water-related. He recalled that, historically, the Waterfront Festival started as a "boater's garage sale." He expressed his belief that the event has now become a mini Taste of Edmonds with a little nautical theme. On the other hand, Commissioners Johnston and Faires felt that the festival is moving in a better direction than in previous years. Commissioner Preston said he would like the entire festival to be water-related (boats). Ms. Claypool said it is hard to do this when the vendors already at the marina have decided not to participate. While making the entire festival water-related is a great goal, Commissioner Orvis suggested it will take time to move that way. Secondly, he does not believe there is a sufficient number of water-related businesses to make that happen. A nautical-theme and water-related businesses are great, but it will not be possible to support an entire festival with businesses directly related to the marina.

Commissioner Preston asked how many hours of volunteer labor were put into the event. Ms. Claypool said they have not calculated the number of hours, but this will be done as part of a continuing partnership between the two groups. However, due to the partnership, there were more volunteers, but they were required to work fewer hours.

Commissioner Faires agreed with Commissioner Orvis. He said he is pushing for a culture change. What he wants five years from now is for the event to be a Waterfront Festival where it is the exception rather than the rule that something isn't nautically-related. He is also interested in having more boating-related booths. In addition to being nautically-related, the contract also requires the festival to be scholarship and community-related. While he recognizes the need for a balance, there is evidence to indicate a cultural change within the Rotary Club that he is satisfied with.

Commissioner Preston commented that "live" or "touch" tanks attract a lot of children. Mr. McChesney advised that the Port worked with the University of Washington Sea Grant Lab, who provided a hands-on experience at the marina in 2017. He agreed to provide contact information. Commissioner Faires suggested that she also contact a representative from the Beach Ranger Program for additional contact information.

Regarding participation by the Sea Scouts, Mr. McChesney advised that the Port utilized their services in the Port parking areas as part of the hours they are required to provide to the Port in exchange for moorage. Ms. Claypool said they would love to have the Sea Scouts help at the 2018 festival. Commissioner Preston agreed to help her make the appropriate contacts.

Commissioner Preston suggested that the Friday night entrance fee be further reduced from \$4.00 to \$2.00 for people who live in the 98020 zip code. Commissioner Faires commented that this decision should be left up to the Rotary Club. Commissioner Preston said other festivals, such as the Oktoberfest in Leavenworth, offer free admission to all local residents on at least one night as a way to reward the local community. Ms. Claypool said she would personally like to eliminate the entrance fee altogether. However, this would require her to come up with \$40,000 additional sponsorship. She would like the festival to be a community event that is water-related with educational opportunities. But it will take time to transform the festival.

PROJECT UPDATES

Restroom Remodel

Mr. McChesney reviewed that the Port has received a building permit for the project and a construction contract was awarded to A and B Construction. A pre-construction meeting was held on November 17th, and demolition was started today. He added that the Port can expect one change order related to water-intrusion issues from above (Anthony's Galley). This has been a chronic issue and very difficult to troubleshoot, and was left as an open issue to address during construction. While Anthony's has attempted to isolated the source of the leak, which appears to be from floor drains, they have never been able to completely resolve the problem. This is a good opportunity to solve the issue when the lower level is exposed by putting in a membrane with positive drainage. Once there is a specific plan to address the situation, a change order will be brought forward for the Commission's approval.

Commissioner Faires asked if it is clear who is responsible for the plumbing infrastructure. Mr. McChesney said Anthony's is responsible for waterline repair. However, the problem is not related to a broken waterline. He does not anticipate structural issues, such as dry rot, but the building is older and has shifted.

SR104/Dayton Street Landscaping Project

Mr. McChesney said the Port is waiting for the final drawings from the architect, Nagel Design. He reviewed that the Washington State Department of Transportation (WSDOT) required the Port to submit a drawing with the permit application. He said he does not anticipate any problems with the City related to the project, and the City has been very supportive. In the past, the City maintained the corner, but this was phased out several years ago due to budget constraints. He said he anticipates a permit will be in hand by late December or early January, and Port staff will do the work in-house in March/April.

Fuel Dock Dispensers

Mr. McChesney reported that this project is a complicated project, but is currently moving forward. The dispensers will be upgraded to increase the fuel dispensing rate. One of the pumps will be capable of 35 gallons per minute in order to accommodate the larger vessel that Puget Sound Express is bringing in. The limiting factor after installation is the pump turbines inside the tanks. At this time, it is not known whether the turbines will need to be replaced, and this will be determined during testing after initial installation. If the turbines are insufficient to deliver fuel at the required 35 gallons per minute, they will need to be replaced at an estimated cost of \$10,000 each. The actual start date for the project depends on equipment lead time, which is estimated to be five to six weeks. However, it is anticipated that the pumps will be installed and operational by the end of March.

Commissioner Faires observed that the pump turbines inside the tanks were installed at the same time as the tanks, so they are older. Commissioner Preston asked how long it would take to retrofit the tanks with new pump turbines, if necessary. Mr. McChesney said the pumps are “off the shelf,” but it would likely take a few weeks to make the change. He does not believe that excavation would be required, and only minimal downtime would be necessary.

EXECUTIVE DIRECTOR’S REPORT

Mr. McChesney commented that the Commission must elect new officers for 2018, and he anticipates this will occur at the first meeting in January.

COMMISSIONER’S COMMENTS AND COMMITTEE REPORTS

Commissioner Johnston reported on his attendance at the Washington Public Port Association (WPPA) Conference in Seattle, where he received a lot of good information. The big issue is that there is no Model Toxic Control Act (MTCA) funding. All spare funding is going towards funding education as mandated by the court. It was discussed that, currently, the “no-discharge zone” requirement is directed at large merchants, but it will eventually filter down to smaller vessels. There will be an opportunity for the Port to use its pump-out facility more efficiently or even expand it. Currently, the waste goes to the City’s treatment plant. Mr. McChesney said the Port currently has two pump-out stations now, and both were funded by Washington State Recreation and Conservation Office. It may be possible to increase their capacity.

Commissioner Johnston said the carbon footprint analysis under the State Environmental Policy Act (SEPA) was also a topic of discussion at the WPPA Conference. Currently, the new requirements are being unevenly applied across the state and every project is dealt with separately rather than cohesively. While this will not impact the Port of Edmonds significantly, it will impact ports that are trying to move forward with new projects. For example, three projects on the Columbia River have been impacted, and this has resulted in a loss of approximately 2,000 jobs. People who want to develop along the waterfront are looking elsewhere, such as British Columbia. Commissioner Orvis added that the requirement could potentially destroy the agricultural industry, as well.

Commissioner Orvis said he also attended the WPPA Conference where it was discussed that the SEPA process applies to all projects to address carbon footprint. While the requirement is not necessarily aimed at the agricultural industry, it is aimed at transportation. This includes diesel engines on trains and barges that carry grain. The profit margin in agriculture is so low that they may not be able to move goods unless something is changed. There was also discussion about high-tech vehicles, and it was suggested that before light rail gets to Everett they will be ripping the tracks out and putting in autonomous vehicles. There is currently a commercial area in Tukwila where autonomous vehicles run two ways on roads moving people back and forth. The big push is that driverless vehicles will take you all the way to work rather than dropping you off at a train station. The big winners of this concept will be Google and Apple because of the chips that will be required.

Commissioner Orvis said plug-in stations for electric vehicles were also a topic of discussion at the WPPA Conference, and he suggested that perhaps the Port could provide some stations near where the new restroom facilities were put in. He said he attended a roundtable discussion about outdoor recreation grants. While the presenter indicated that recreation and conservation grants will flow easily, there is no money to back them up. He said he was not at all impressed by Chris Herman’s presentation of the Port’s bill related to on-call contracts, which lacked enthusiasm.

Commissioner Orvis commented that he learned that the State of Oregon is relaxing its boundaries on the Growth Management Act, but Washington State is showing no inclination to do so. That is one of the reasons for the increased real estate prices. The presenter suggested that it is unique to the area and should not be considered a “bubble.” It was discussed that encouraging transit-oriented development in places where there are multi-modal terminals and the resistance is strong may require top-down direction. Rather than waiting for the State to mandate transit-oriented development regardless of the zoning law, the City would be smart to start planning to address the concept now.

Commissioner Faires reported that he attended the Marina Committee meeting at the WPPA Conference where he learned that some local and regional governments have agreements with marinas to remove intoxicated people from vessels. He also learned that the Coast Guard can dock a boat in the marina at any time and any place. However, if this happens, the Port would have no liability for the vessel and it can be relocated at the Port’s discretion. The committee meeting also included a discussion about an emerging set of high-end marinas for 60 to 80-foot vessels. These boat owners are more interested in a resort than a marina. This represents a change in the marina industry, and there was discussion about desirable attributes such as Wi-Fi. The presenter suggested that customers like to see a check-off list in the restroom to indicate that it has been cleaned on a regular basis. Ms. Drennan said the Port already has this program in place. Another desirable attribute is a dog area for pets, which the Port has nearby. There is also pressure to assign a slip at the time of reservation, and many marinas have moved in that direction.

Commissioner Faires said he also attended the Economic Development Committee meeting at the WPPA Conference where it was announced that the regional outlook is good. It was reported that the Finance Committee is discussing a bill that would allow any port to invest in another port’s project. Insofar as it is mutually acceptable to both Ports, Commissioner Faires suggested this would be one way the Port could invest its excess capital somewhere that will provide something close to a return approximating the escalation applicable to the cost of replacing the docks and roofs. He clarified that the concept he is referring to would involve ports working on a project together. For example, the Port of Edmonds could invest money in another port’s project similar to a bond that would be paid off at a reasonable rate of return. Ms. Drennan agreed to discuss the concept further with Commissioner Faires after the meeting.

Commissioner Faires recalled that the WPPA received authority from the Legislature last winter for further authority to develop broadband services (dark fiber), but only in rural areas. There is apparently a move afoot now to make that authority applicable to all port areas. It occurred to him that, if that were to become a tool, the Port of Edmonds might want to do something relative to broadband at Harbor Square. Commissioner Orvis said the Legislative Committee has been discussing this concept for three years, and the big opposition comes from cable and public utility providers. The dark fiber that WPPA is working on for ports is not to run lines for retail distribution. Instead, the intent is to run lines as a central utility and then allow private corporations to tag into them and pay for basic infrastructure. The real driver is the Tri-Cities where the cable companies have not put in the infrastructure needed. Commissioner Faires agreed that the law is related to infrastructure, and there is no intent to give ports the authority to light up the fiber. However, it still may apply to Harbor Square insofar as they put in dark fiber to the buildings. Mr. McChesney said the City has dark fiber, and several years ago there was a collaboration to bring dark fiber from the wastewater treatment plant, across SR104, to terminate at Harbor Square. While the deal was never finalized, it is still a possibility if justified by demand. Commissioner Preston recalled that the presenter suggested that they forget about Wi-Fi at marinas because everyone will have 5G within a year or so. The 5G phones will be available soon and will be much faster than Wi-Fi.

Commissioner Preston announced that he would attend the Edmonds Yacht Club (EYC) membership meeting on November 28th. He also attended the WPPA Conference, which was very good. He said the person who presented about Wi-Fi also indicated that the Amazonians are coming and they are buying boats. His projection on boat ownership was much more positive than the Port has heard from Paul Sorenson in the past. It was mentioned that boaters are expecting more services, and perhaps the Port could reach beyond what they are currently thinking as far as services. For example, perhaps a Port employee could meet guest boaters on the dock with an I-pad that enables them to sign up and register for their slips without coming into the office. Another idea is to have an ice machine for guest boaters to use.

Regarding the discussion at the WPPA Conference about electric cars, Commissioner Preston said he is waiting for driverless electric cars to become available. He anticipates that technology will change quickly moving forward.

Commissioner Preston announced that the Christmas Ship would be visiting the marina on December 13th at 7:00 p.m. Ms. Drennan added that the Port Employee Recognition Dinner is also scheduled for December 13th.

ADJOURNMENT

The Commission meeting was adjourned at 8:10 p.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to be 'SJ', with a long horizontal flourish extending to the right.

Steve Johnston
Port Commission Secretary