

**MINUTES OF THE PORT OF BELLINGHAM
COMMISSION MEETING
HELD TUESDAY JULY 10, 2018
HARBOR CENTER ROOM
1801 ROEDER AVENUE, BELLINGHAM, WASHINGTON**

Present:	Commissioners:	
	President	Ken Bell
	Vice President	Bobby Briscoe
	Secretary	Michael Shepard
Staff:	Rob Fix	Executive Director
	Sunil Harman	Aviation Director
	Don Goldberg	Economic Development Director
	Brian Gouran	Environmental, Planning Director
	Adam Fulton	Facilities Director
	Tamara Sobjack	Finance Director, Auditor
	Elizabeth Monahan	Human Resources Director
	Shirley McFearin	Real Estate Director
	Chris Clark	Marine Terminals Business Devel Mngr
	Adrienne Hegedus	Environmental Specialist
	Ben Howard	Environmental Project Manager
	Greg Nicoll	Project Engineer
	Frank Chmelik	Port Legal Counsel
	Diane McClain	Executive Secretary

3:30 p.m. – OPEN PUBLIC MEETING, ROLL CALL, RECESS TO EXECUTIVE SESSION, Commission President Bell called the meeting to order at approximately 3:30 p.m. For the roll call, both Commissioners Bell and Shepard were present; Commissioner Briscoe joined in via teleconference. Real Estate Director Shirley McFearin announced the Port has developed an option agreement with a potential tenant for about an acre of property on the Southside and Port staff would like to discuss the term, use provision, improvements, suitability factors which would affect the price with the Commission. Pursuant to RCW 42.30.110 (1) (c), the meeting was recessed to executive session to consider the minimum price at which real estate will be offered for sale or lease when public knowledge regarding such consideration would cause a likelihood of decreased price. The session was expected to last 1 hour and the Commission would return to reconvene the public meeting at 4:30 with no action be taken by the Commission during the executive session.

4:30 p.m. – RECONVENE PUBLIC MEETING, ROLL CALL At approximately 4:30 p.m., Commission President Bell closed the executive session and reconvened the public meeting. For the roll call, both Commissioners Bell and Shepard were present; Commissioner Briscoe joined via teleconference.

PUBLIC COMMENT PERIOD- The following participated in the first public comment period.

Pete Granger (President, Whatcom Working Waterfront Coalition) spoke in support of agenda Action item No. 9 concerning Walsh Marine, and reported on the recent passing of longtime local fisherman, Wally Green, longtime supporter of the Port and the commercial fishing industry.

CONSENT AGENDA

Motion: Approve Consent Agenda items A-P.

- A. Approve the minutes of the May 30, 2018 Special Commission, and the June 5, and June 19, 2018 regular Commission meetings.
- B. Approve the Port of Bellingham 2019 Budget production schedule.
- C. Authorization to sell vessels, pursuant to Resolution No. 1349.
- D. Authorize the Executive Director to reallocate \$30,000 from Capital Improvement Project Number (CIP No.) 107-793 to CIP No. 215-765 and increase the contingency with Razz Construction from \$111,689.25 to \$141,689.25 for District Energy Piping for the Granary Avenue and Laurel Street project.
- E. For notification purposes only, no action necessary- Small works roster pursuant to Resolution No. 1358A- Western Pacific Fence LLC, for the installation of Public Safety Elements-Waterfront District.
- F. Authorize the Executive Director to execute Amendment No. 4 to the Interlocal Agreement with the Port of Tacoma for staff assistance in obtaining federal permits for capital and environmental remediation projects; extending the term of the Agreement to December 31, 2019.
- G. Authorize the Executive Director to execute Amendment No. 10 to the Professional Services Agreement (PSA) with CH2M Hill Inc. for the Slater Road Wetland Mitigation site project in the amount of \$24,795.00 for a total authorized contract amount of \$582,507 and extend the term of the PSA through the end of 2019.
- H. Approve a second Modification of Lease between the Port of Bellingham and Bingham Fox d/b/a Drayton Harbor Fishery for premises in the Blaine Marine Industrial Area.
- I. Approve a Modification of Lease between the Port of Bellingham and Verizon Wireless LLC for premises in the Blaine Marine Industrial Area.
- J. Approve a Modification of License to Operate between the Port of Bellingham and the Bellingham Bay Community Boating Center for the operations and management of the Fairhaven Moorage Facilities.
- K. Approve a Renewal and Modification of Lease between the Port of Bellingham and Paws for a Beer, LLC for property located at 501 Harris Avenue, Bellingham, Washington.

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- L. Authorize the Executive Director to execute the Consent to Assignment of Lease from Aviation Component Services Inc. to JCKK Mark LLC, for Bellingham International Airport Binding Site Plan #1B, located at the Airport Industrial Park.
- M. Authorize the Executive Director to execute a contract with the responsible bidder with the lowest responsive bid on the 2018 HVAC Replacement Project for a total authorized contract amount no to exceed \$795,000 (including a 10% contingency), which is the maximum available in the 2018 Capital Improvement Project budget.
- N. Authorize the Executive Director to execute Amendment No. 2 to the Professional Services Agreement with Greenbusch in the amount of \$40,120 plus a 10% contingency for a total contract amount of \$164,152.
- O. Authorize the Executive Director to execute a contract with All Services Property Maintenance, LLC for the 2018 Exterior Sealing and Masonry Repair projects in the amount of \$314,143 plus a 15% contingency for a total authorized contract amount of \$361,264 and reallocate \$30,000 from CIP 107-793.
- P. Authorize the Executive Director to purchase two light emitting diode (LED) runway closure markers from Wanco Inc. for runway closures at the Bellingham International Airport (BLI).

Discussion: The Commission asked for additional information on consent agenda items M, O, P.

Potential conflict of interest: Because Commissioner Ken Bell shared his discomfort with voting on proposed consent agenda items (M, N, O) related to the Port owned building in which Ken Bell's business is a tenant, Port legal counsel Frank Chmelik provided a brief legal opinion clarifying relevant statute RCW 42.23 (Ethics and contracts) and confirmed the proposed actions did not present a legal conflict of interest, rather a personal comfort level. Commissioner Bell said he would recuse himself and asked to pull item M, N, and O from the consent agenda for a separate vote.

Amended Motion: Motion to approve Consent Agenda items A through P, with the exception of items M, N and O to be removed for a separate vote.

Motion approved with 3-0 vote.

Motion: Motion to approve Consent Agenda items M, N, O.

Motion approved with 2-0 vote; Commissioners Briscoe and Shepard in favor, Commissioner Bell abstained.

ACTION ITEMS

1. SERVICE CONTRACT WITH WEST COAST TERMINAL AND STEVEDORE, INC.

Motion: Authorize the Executive Director to enter into a Service Contract between West Coast Terminal and Stevedore Company Inc., and the Port of Bellingham for services at the Bellingham Shipping Terminal.

Discussion: Marine Terminals Business Development Manager Chris Clark explained that Ports America (a large American stevedore and terminal service company with ties

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to national and international lines of business) is the parent company of West Coast Terminal Stevedore Company Inc. (WCTS). In addition, Mr. Clark emphasized Ports America and WCTS support and recognition of the Port's efforts to revitalize and increase cargo activity at the Bellingham Shipping Terminal. Ports America Representatives Bart Goedhard and Greg Unterbink were present to answer any questions. Mr. Clark discussed the possible terms and renewal options for negotiating a proposed five year service contract. ILWU Local 7, Longshoreman Joe Schmidt voiced support for the proposed action and Ports America.

Motion approved with 3-0 vote.

2. ENVIRONMENTAL COMPLIANCE ASSESSMENT PROGRAM- PERSONAL SERVICES AGREEMENT WITH DH ENVIRONMENTAL, INC.

Motion: Authorize the Executive Director to execute a Personal Services Agreement with DH Environmental, Inc. in the amount of \$44,998.30 for consultant services for the Port's Environmental Compliance Assessment Program (ECAP) until December 31, 2018.

Discussion: Environmental Specialist Adrienne Hegedus provided a brief background of the Port's ECAP program started in 1992 initially as a means of identifying and addressing potential environmental impacts of Port and Port tenant operations on the Port's properties. In addition to environmental issues, the program also addresses stormwater management, regulations and compliance concerns. The proposed scope of work will provide 2018 consultant support for the updating of the Port's site maps and ongoing management of the Port's ECAP program.

Motion approved with 3-0 vote.

3. RENEWAL OF THE PORT'S PROPERTY AND CRIME INSURANCE 2018-2019

Motion: Authorize the Executive Director to into an insurance contract and authorize payment for the renewal of the Port's Property and Crime Insurance coverage for the period from July 1, 2018- July 1, 2019.

Discussion: Finance Director Tamara Sobjack explained that the proposed renewal of the Port's insurance program includes a 12% increase in the overall premium due to increased property values, potential risk, earthquake insurance, group losses, actual Port property losses and recent conditions in the property insurance market. The cost to renew the crime policy remained the same; no increase in premium or coverage.

Motion approved with 3-0 vote.

4. PERMITTING PRIVATE EVENT IN PORT PUBLIC PARK

Motion: Authorize the Executive Director to enter into an agreement with event organizer, Cheri Ann Trammel for the exclusive use of Zuanich Point Park for a private event on one day only, September 1, 2018.

Discussion: Executive Director Rob Fix explained the proposed action is related to an earlier commission discussion in response to Ms. Trammel's request for exclusive use of the Zuanich Point Park for a private event. A separate request was submitted to the

Port by Mr. Dixon for a similar use in August. Commissioner Briscoe commented that he would not approve permitting any exclusive use that would close a Port park to the public. Commissioners Shepard and Bell shared support for bringing more people and attractions to the waterfront and did not concur with Commissioner Briscoe on this proposed request.

Motion approved with 2-1 vote. Commissioners Bell and Shepard voted in favor, Commissioner Briscoe opposed.

5. RESCINDING OF AGED PORT RESOLUTIONS

Motion: Approve the rescinding of aged Port Resolution Nos. 477, 622, 764, and 916, no longer relevant.

Discussion: Human Resources Director Elizabeth Monahan explained that Resolutions 477, 622, 764, and 916 pertain to personnel policies dating back to the 70s and 80s and contain information and language no longer valid due to current technology, laws and regulations.

Motion approved with 3-0 vote.

6. BLAINE MARINA INC. SITE- BID AWARD FOR CLEANUP ACTION

Motion: Authorize the Executive Director to execute a contract with IMCO to perform the Blaine Marina Inc. cleanup actions in the amount of \$1,001,703.11 plus a 15% contingency for a total authorized amount of \$1,151,958.58.

Discussion: Environmental Project Manager Ben Howard reported agenda Action items 6 & 7 are both actions related to the cleanup of the Blaine Marina Inc. site. Mr. Howard presented background information on the Blaine Marina Inc. site, (identified as a Model Toxics Control Act (MTCA) site by the Washington State Department of Ecology) and discussed the 5+ year timeline of the RI/FS (Remedial Investigation Feasibility Study), Agreed Order and Consent Decree work completed thus far. The components of the Cleanup Action consist of site preparation, removal of above ground storage tanks, building demolition, soil excavation and removal, surface restoration, bio remediation and site monitoring services. Of the 5 bids received for the scope of work advertised, 3 submittals were very close (within 1%); IMCO was the lowest responsive bidder. An existing MTCA grant will cover 50% of the eligible costs and the construction work is planned for July- October 2018. Commission President Bell sought guidance from legal counsel present and reported he would recuse himself from voting due to the nature of his own business being in the petroleum contaminated soil cleanup and removal business and therefore his own familiarity with IMCO in the industry.

Motion approved with 2-0 vote. Commissioners Briscoe and Shepard in favor, Commissioner Bell abstained.

PUBLIC COMMENT PERIOD- The following participated in the second public comment period.

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Eddy Ury (Resources for Sustainable Communities) spoke in favor of amending the waterfront Sub Area Plan, public involvement, sustainable development and green building design.

7. AMENDMENT NO. 16 TO THE PROFESSIONAL SERVICES AGREEMENT WITH LANDAU ASSOCIATES FOR THE BLAINE MARINA INC. SITE.

Motion: Authorize the Executive Director to execute an Amendment to the Professional Services Agreement (PSA) with Landau Associates, adding \$387,000 for a total revised budget of \$1,449,940, including contingency, to perform construction management support and reporting for the Blaine Marina Inc. Cleanup Site project.

Discussion: Environmental Project Manager Ben Howard explained the proposed action involves a scope of work related to the Blaine Marina Inc. site as discussed in Action Item No. 6.

Motion approved with 2-0 vote. Commissioners Briscoe and Shepard in favor, as explained in Action Item 6, Commissioner Bell abstained.

8. BID AWARD FOR THE C STREET TERMINAL PROJECT- PHASE 2

Motion Authorize the Executive Director to execute a contract with Summit Construction of Bellingham, Washington for the C Street Terminal Project- Phase Two in the amount of \$508,520.34 plus a 10% contingency for a total authorized contract amount of \$559,372.28.

Discussion: Project Engineer Greg Nicoll reported the proposed phase of work is the second of many phases associated with the redevelopment of the C Street Terminal project; its primary purpose to improve services to vessels moored along the Whatcom Waterway. Mr. Nicoll presented an overview of the proposed phase of work defined as an interim action to provide power and water to the site and ensure compliance with Washington State Department of Ecology Stormwater Standards. Of the 3 bids received to the scope of work advertised, Summit Construction was the lowest. The bids ranged from \$508,520 to \$758,423. The project construction is planned to begin in August and be completed late October 2018, permits pending. The Commission discussed the bids submitted, discrepancies of the bids submitted, planned timeline for the project and potentially delaying the project. Facilities Director Adam Fulton discussed Port processes; bid differences, scheduling concerns, rebid options and Port legal counsel discussed tabling or rejecting all bids and added that the decision going forward is entirely within commission's discretion.

Amended Motion: Commissioner Briscoe moved to table the motion

Motion approved with 3-0 vote.

New Motion: Commissioner Briscoe moved to reject all bids

Motion approved with 3-0 vote.

9. WALSH MARINE- RENEWAL AND MODIFICATION OF HARBOR LAND LEASE AND INCREASE CAPITAL IMPROVEMENT BUDGET FOR WALSH MARINE BUILDING

Motion: Approve 1) a Renewal and Modification of Harbor Land Lease between the Port of Bellingham and Norman M. Walsh, d/b/a Walsh Marine for premises at the Blaine Marine Industrial Area, and 2) increase the Capital Improvement Program Budget 107-787 from \$140,000 to \$543,700 for construction of a new building at the Walsh Marine Leasehold site, Blaine, Washington.

Discussion: Real Estate Representative Brady Scott provided a brief history of the Port's lease with Walsh Marine and explained the terms and details of the proposed renewal and modification of lease which includes a new building facility, removal of the existing damaged tent structure from the site and various rental adjustments. The Commission discussed exploring potential Whatcom County EDI (Economic Development Investment) program funding for this project.

Motion approved with 3-0 vote.

OTHER BUSINESS

Commissioner Shepard reported that he is available to discuss/ explore further the concerns and interests shared by Mr. Ury during the second public comment period.

ADJOURN

With no further business, the meeting was adjourned at approximately 6:17 p.m.



President



Secretary