

**MINUTES OF THE PORT OF BELLINGHAM COMMISSION MEETING
HELD TUESDAY, JUNE 1, 2010
HARBOR CENTER BUILDING CONFERENCE ROOM
1801 ROEDER AVENUE, BELLINGHAM, WASHINGTON**

Present:	Jim Jorgensen Michael McAuley Scott L. Walker	President Vice President Secretary
Staff:	Fred J. Seeger Rob Fix Art Choat Mike Stoner Dan Stahl Sylvia Goodwin Lydia Bennett Dodd Snodgrass Adam Fulton Carolyn Casey Alec Strand Dan Zenk Frank Chmelik Diane McClain	Interim Executive Director Chief Financial Officer Director, Aviation Director, Environmental Programs Director, Marine Services Director, Planning and Development Director, Real Estate Economic Development Specialist Project Engineer Manager, Communications Engineering Specialist Manager, Airport Port Counsel Interim Executive Secretary

CALL PUBLIC MEETING TO ORDER AND RECESS TO CLOSED EXECUTIVE SESSION

At 1:00 p.m., Commissioner Jorgensen called the Commission meeting to order and immediately recessed to a closed executive session to discuss personnel matters pursuant to RCW 42.30.110(1)(g). Commissioner Jorgensen noted that no formal action would be taken during the closed session and he expected the closed executive session to last approximately 2 hours.

RECONVENE PUBLIC MEETING

The Commission meeting was reconvened at 3:05 p.m.

PUBLIC COMMENT PERIOD

1. Darren Williams, 4089 Y Road, Bellingham WA - Whatcom County Resident and Longshoreman, as follow up to the last meeting, Mr. Williams reported that he met with Port staff recently to discuss the budget for repairs. Mr. Williams referred to the Bellingham Shipping Terminal as his "number one interest" and the only deep shore shipping Port without any shipping. Mr. Williams urged the Port to make use of its

resources putting more of an emphasis on the facility by increased marketing and making improvements to the rail spur, mooring dolphins, finger pier, and sinkhole problems near the warehouses. Mr. Williams stated he would continue to come to the meetings and speak on this matter in the future.

2. David Verret, 2620 N. Harbor Loop, Harbor Mall Suite 2, Bellingham, WA - Mr. Verret explained that he has been a Port tenant for almost 12 years and has recently experienced economic downturn and over the past eight years, serious health conditions. Mr. Verret reported his lease is going into default this week and he was under the impression from staff that his 1800 square foot lease would be modified to be reduced to 600 square feet. However, he has since learned that the matter would need to be brought before the Commission. Mr. Verret asked that he be able to stay in a smaller space. Lydia Bennett, Port Real Estate Director, explained the different options available to the Port/ tenant and the Port's policy regarding addressing outstanding balances and economic relief program. It was decided that (*Pursuant to RCW42.30.110 (1) (c)*) this real estate matter will be explored further by Commission and staff in the upcoming closed executive session prior to taking any formal action in an open public meeting.
3. Matt Paskus, 1151 Old Marine Drive, Bellingham WA – Mr. Paskus presented a power point titled “Emissions” and then read his comments in which he said he was bothered by the development/infill of the wetlands and the parking expansion at the airport, jet fumes, jet noise and potential health concerns due to the older aircraft- MD 80s. Mr. Paskus then presented to the Commission a copy of his comments, his presentation and a May 3, 2010 Bellingham Herald article. Mr. Paskus stated he would be back in another month.

PRESENTATION

1. Audit Exit Conference.

Port Chief Financial Officer Rob Fix first informed the Commission that the completed audit resulted in no findings. Mr. Fix then introduced Assistant State Auditor Heidi Dyck and Assistant Audit Manager Den Adel from the Bellingham office present to conduct the Washington State Auditor's exit conference. Ms. Den Adel and Ms. Dyck explained the completed audit of the Port's financial statements and internal controls for the period beginning January 1, 2009 through December 31, 2009 was planned and conducted using a risk-based approach and focusing on the accountability for public resources and legal compliance; cashing receipting, Industrial Development Corporation review, leases agreements and contracts which as Mr. Fix stated presented no findings.

CONSENT AGENDA

Motion: Approve Consent Agenda items A. through F as follows:

- A. Approve minutes of the May 4, and May 18, 2010, Regularly Scheduled Commission Meetings.
- B. Voucher Certification and Approval May 5- May 26, 2010.
- C. Authorize the Interim Executive Director to execute Amendment No. 16 – Weldcraft Grant Agreement and Amendment No. 5 – I & J Waterway Grant Agreement.
- D. Authorize the Interim Executive Director to execute Amendment No.2 – Central Waterfront Site Grant Agreement.
- E. Authorize the Interim Executive Director to extend contract for janitorial services – ABM Janitorial.
- F. Authorize the Interim Executive Director to declare May 2010 list Surplus Equipment for sale at public auction.

Motion approved with a 3-0 vote.

NEW BUSINESS

1. Birch Bay Economic Development Study.

Motion: Authorize the Interim Executive Director to enter into a Personal Service Agreement with the Beckwith Consulting Group for an amount not to exceed \$20,000 for a Birch Bay Community Tourism Study.

Discussion: Economic Development Specialist Dodd Snodgrass briefed the Commission on the Small City Economic Development fund program created in 2004 and the Industrial Development Corporation budget available to fund enhancing tourism development opportunities. Mr. Snodgrass reported Port staff and Birch Bay representatives reviewed the responses to the Port's Request for Proposal and Beckwith Consulting Group of La Conner, Washington, was selected from the three (3) finalists as being the best qualified to assess existing tourism business conditions through surveys, interviews, complete economic plans addressing gaps and opportunities for tourism development in the Birch Bay Community.

Motion approved with a 3-0 vote.

2. Purchase Order – Pacific Mobile for BLI Gate Holding Area.

Motion: Authorize the Interim Executive Director to sign a Purchase Order to Pacific Mobile to modify and relocate two modular units for use as a Gate Lobby area in the amount of \$68,407.30 plus a 10% contingency for a total authorized amount not to exceed \$75,000.

Discussion: Port Project Engineer Adam Fulton introduced the motion to modify and move the two (2) units as a bridging measure to increase gate lobby seating capacity (adding 100 more seats). The modular units were built by Western Air, leased out to Sky Bus and are now in the Port's ownership. Mr. Fulton reported the relocated two units will remain in use as the permanent Phase One facilities for the terminal expansion are constructed and the units are anticipated to remain in use throughout the entire multi-phased construction project.

Motion approved with a 3-0 vote.

3. Interlocal Agreement – Paine Field – Standby Fire Engine.

Motion: Authorize the Interim Executive Director to enter into an Interlocal Agreement with Snohomish County, for the use of a 1977 ARFF apparatus.

Discussion: Airport Manager Dan Zenk explained that when the Bellingham International Airport was classified as Fire Index "C" in March, the FAA required the facility to have two (2) Aircraft Rescue Fire Fighting (ARFF) apparatus ready at all times. Mr. Zenk reported that by acquiring the 1977 Consodyn vehicle from Snohomish County, the Port will be in compliance until the Port's new Oshkosh ARFF vehicle arrives in 2011 at which time the Consodyn vehicle will be returned to Paine Field.

Motion approved with a 3-0 vote.

4. Department of Natural Resources – Aquatic Leases.

Motion: Approve payment of \$60,207.70 to the Department of Natural Resources for Aquatic Lands Harbor Lease Nos. 22-002469 and 22-002470 for the period November 2, 2009 through November 2, 2010.

Discussion: Environmental Director Mike Stoner identified this payment as an unexpected transaction due to the delayed disconnect from the ASB at the GP site. Mr. Stoner reported that GP has paid the annual lease payments from July, 2008 through November 2, 2009 but has declined to make further lease payments without an agreement in place. Mr. Stoner reported that the January 2005 purchase and sale agreement allowed GP to continue operations and use the ASB until June 2008 and since then, the Port has been using the ASB and pipeline system to manage storm water from the main campus and Marine Trades area

and the Port staff is working with GP to finalize an agreement and currently in discussions with DNR concerning the use of DNR's aquatic lands. Mr. Stoner added that approving the payment and extending the lease will enable the Port to continue using the ASB for management of industrial wastewater, stormwater and environmental remediation activities as a critical element of The Waterfront District site cleanup and property redevelopment.

Motion approved with a 3-0 vote.

5. Construction Contract – BLI Woodwaste Leachate Phase II.

Motion: Authorize the Interim Executive Director to execute a contract with Stouder Construction Inc. of Ferndale, Washington for Leachate Management System Improvements to the Airport Woodwaste Landfill in the amount of \$184,421.79, plus a contingency of \$27,663.27, for a total authorized contract amount of \$212,085.05.

Discussion: Engineering Specialist Alec Strand introduced the project as the second phase of the required leachate management system, post GP closure permit issued by the Whatcom County Health Department. Mr. Strand reported that currently, the leachate is being pumped and transported offsite - from the Airport woodwaste landfill to the ASB and if the necessary improvements were made onsite, this would eliminate the need to pump and transport the woodwaste leachate to the ASB in the future.

Motion approved with a 3-0 vote.

6. Purchase Order – Sole Source – Entrance Controls Phase IV Gate BLI Parking/Lighting.

Motion: Authorize the Interim Executive Director to sign a Purchase Order to Entrance Controls in the amount of \$186,370.94 for Airport Parking Lot Equipment; and modify the title of Capital Improvement Program Line Item 56 "Parking Phase 4: Planning & Engineering" to include "Construction" and increase its budget from \$200,000 to \$400,000.

Discussion: Port Project Engineer Adam Fulton explained as the Airport parking capacity is expanding; ordering the additional equipment now will enable the parking lot system to be ready and available when the construction of the parking facility expansion is completed.

Motion approved with a 3-0 vote.

7. PSA Amendment – URS BLI Terminal Expansion Project.

Motion: Authorize the Interim Executive Director to amend the Professional Services Agreement (PSA) with URS Corporation to perform architectural design services for the

Commercial terminal Expansion Project in the amount of \$313,573 for a total authorized PSA of \$1, 131,083 and increase the CIP budget from \$875,000 to \$1,131,083.

Discussion: Port Project Engineer Adam Fulton reported the increased funding amendment; Amendment No. 2 will take the architectural design drawings from Phase 1 through the bidding phase and will include consulting services for a comprehensive airport signage recommendation to include freeway overhead and digital signage which will serve as way-finding assistance. The signage recommendation will also go before the Port signage committee.

Motion approved with a 3-0 vote.

8. CollinsWoerman Electronic Transfer Agreement.

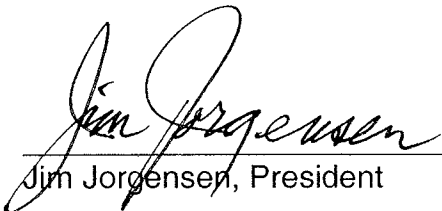
Motion: Authorize the Interim Executive Director to sign a Transfer of Electronic Files agreement with CollinsWoerman.

Discussion: Planning Director Sylvia Goodwin explained that if the Port wants to alter or modify the maps, plans documents provided by the architectural firm, the firm (CollinsWoerman) wants to be indemnified. Port legal counsel Frank Chmelik explained that this is a fairly standard request in the industry.

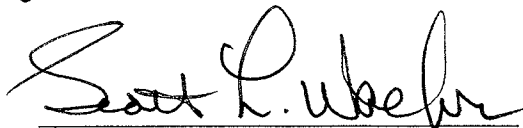
Motion approved with a 3-0 vote.

ADJOURN

As there was no further business, the meeting was adjourned at 4:50 p.m.



Jim Jorgensen, President



Scott L. Walker, Secretary

Matt Paskus comments
6.01.10
Commission
meeting

M. Paskus 1151 Old Marine Drive Bellingham, WA 98225

6/1/2010

Port Comments

When you look at what we are trying to do versus what we are trying to protect leaves Bellingham and future generations (our kids) here in a stagnate cesspool of hypocrisy.

When I hear Art and Sylvia over here talk about a project that is over seven years old to fill in a wetlands tells me there is something wrong especially if we think wildlife can simply live some where else. This really bothers me and many others. This whole growth thing has changed and land can stay the same. Look at your current vacant properties, can't you develop there first? Again, what are we doing this for? Frankly the only reason you're doing it is to attract a potential buyer or justify something that we hope materializes? Maybe we should focus on the waterfront instead and the current buildings that lie vacant the Port leases before we make Bellingham the airport parking capital of the world. We can do better than this.

To hear Art Choat tell the Rotary after a person raises a concern about MD80 noise, "life's a bitch", or when the Birchwood Neighborhood has the same concern, answers, "planes are everywhere". Is this how the Port likes to operate? Laugh it all away and sweep it under the rug? This is pathetic and sad, not just in terms of how the Port of Bellingham operates, but how they continue to misinform and operate in an "out of site out of mind" idea and tell kids we need an airport when we have four others well within driving distance. Kids are not stupid. I would suggest you read the comments from Everett's community, should be out soon. Will the FAA grant commercial flights? We'll see.

I mean some of us here in this room are environmental engineers who have worked for oil companies (Scott Walker Arco, now BP) or are currently active in cleanup efforts that are from past Port tenants. To think we need a gateway terminal in a fish spawning ground or a gas/fuel station near a creek. When are we going to learn? Let's ask the residents in Louisiana today what they think of filling in a wetland area now? Did their planners see this coming? Let's be honest, for those of us who actually worked for an oil company, we knew it was coming. It was a question of when.

Jim, you made a comment about what the Port is doing and how environmentally friendly the Port is. Really, I guess talking about hybrids for 20 minutes at the last meeting does subdue criticism, but does it really compare to an airport with MD80's serving lower BC. What is the Port's pollution line now; it's the FAA's fault. I think not.

I know my time has expired, if you want we can do an experiment. Let's call the number that Art gave the Birchwood Neighborhood and others. We can do a live demo.

The Number: 425-227-1999

Thank you

Presented by Matt Paskus
6-01-10
Commission meeting

Emissions



DEPARTMENT OF TRANSPORTATION
FEDERAL AVIATION ADMINISTRATION

6750.16B CHG 2

5/26/89

Filed
12-10-80

d. Critical Jet Blast Areas. In addition to safeguarding the ILS guidance information from surface traffic interference, the system must be protected from long term deterioration resulting from accumulation of jet engine exhaust residue on the radiation and monitor antennas. Since prolonged exposure to jet fumes is dangerous to the health of personnel working on the systems, it is also necessary to minimize this deleterious effect. Therefore, no jet aircraft shall be permitted to park or hold within 300 feet of the ILS equipment shelters, the localizer antenna array, or the glide slope antennas. This distance is measured from the individual ILS component to the nearest aircraft engine, with the latter's jet exhaust directed toward the component.



LAS VEGAS, May 24, 2010 /PRNewswire via COMTEX/ -- Allegiant Travel Company (ALGT 55.29, -0.34, -0.61%) today announced that due to adverse market conditions, it has elected to discontinue the private offering of senior unsecured notes which the Company had announced last week. ALGT/G

Allegiant Air pulls its unsecured notes sale
Allegiant Travel Company (Las Vegas), the parent of Allegiant Air, has withdrawn a planned \$250 million unsecured notes sale due to the adverse market conditions. The proceeds were going to cover the expense of adding five Boeing 757-200s.



Petrucelli forces Massport to fund Logan Airport health study

East Boson Times Wednesday, May 26, 2010

By john.lynds

But it's what was found in the neighborhoods of East Boston that really caught the attention of Suzanne Condon of the state Health Department," WBZ reported. "And it's this simple fact: Lung cancer rates are higher the closer you get to the airport."



from Matt Paskus

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May 3, 2010

Mystery solved: Origin of 'Bellingham boom' identified

ISABELLE DILLS / THE BELLINGHAM HERALD

BELLINGHAM - The origin of a mysterious roar heard in the early morning hours of Monday, April 19, came from the Bellingham International Airport.

The noise was from an engine maintenance run-up conducted by Allegiant Air, said Airport Manager Daniel J. Zenk.

Maintenance run-ups are a regular occurrence at the airport but are normally conducted at the northern end of the airfield, Zenk said. Due to construction on the taxiway, the run-up location was moved to the south end of the field, he said.

After this move, the airport received a number of noise complaints from residents living just south of the airport, Zenk said. The Bellingham Herald also received reports about booms, roars and loud engines heard April 19, April 26 and May 1.

In response to those complaints, airport management has relocated engine run-ups to a more central location of the airfield, Zenk said.

Run-ups will resume on the north end of the field once the current phase of construction is completed, Zenk said, adding that the phase should be completed in about two weeks.

Run-ups are necessary to make sure an aircraft is airworthy and safe for travelers, Zenk said. Oftentimes, it is uncontrollable when an aircraft is due for maintenance, and run-ups can occur during an aircraft's downtime, which is between the last flight at night and the first flight in the morning.

Reach ISABELLE DILLS at isabelle.dills@bellinghamherald.com or call 715-2220.

EIS checkbox was "NO?"

Nov, 17, 2009

Runway project could expand air service in Bellingham

JOHN STARK / THE BELLINGHAM HERALD

BELLINGHAM - A \$24.6 million runway resurfacing project at Bellingham International Airport next summer will pave the way for bigger planes that could someday provide direct service to Hawaii, Chicago or the East Coast.

But the resurfacing comes with one big complication: The runway will have to be shut down for as long as two weeks to get the job done. That means no air service here while the work is in progress.

Art Choat, aviation director at the Port of Bellingham, said the timing of the shutdown has not been determined, but said early September 2010 was a likely period. Paving crews will work around the clock during the shutdown, he said.

The project has been in the works for months, but its scope was upgraded recently on orders from the Federal Aviation Administration, Choat told port commissioners Tuesday, Nov. 17.

The FAA, which will pay 95 percent of the resurfacing cost, wants Bellingham to be ready to accommodate bigger, heavier planes, such as the Boeing 757, Choat said.

The 150-passenger MD-80 operated by Allegiant Air is now the largest aircraft operating out of Bellingham regularly. Choat told commissioners that a 757 can hold 200 or more passengers, and can fly longer routes than the MD-80.

Allegiant officials have acknowledged some interest in providing service from Bellingham to Hawaii, which would require a 757 or similar-class plane. For now, Allegiant's fleet is all MD-80s.

After the meeting, Choat said other air carriers have made informal inquiries about service between Bellingham and Chicago.

Choat told commissioners that 757 flights here would probably not add to the airport's noise impacts, although that issue remains to be studied as part of the runway planning process. He said the 757 is newer and quieter than the MD-80, and noted that if Allegiant switched to the larger plane, the company could carry more passengers out of Bellingham with fewer flights.

The project includes resurfacing and widening the taxiway that parallels the 6,750-foot runway.

Shammi Ratti, senior airport civil engineer with URS Corp., told commissioners that the existing runway and taxiway surfaces are deteriorating and that the airport can't continue to rely on temporary repairs.

"It's really time for the fix, and we want to do it right," Ratti said.

Choat said he would discuss the timing of the paving shutdown with airline officials in the next couple of months. He said the shutdown period must be long enough to allow for weather delays, and the airlines will need six months' notice on the scheduling of the shutdown.

Once the shutdown period is set, any unexpected delays would mean flight cancellations that would cost airlines money and infuriate passengers, so the port and the paving contractor will have to do their utmost to stay on schedule, he said.

Reach JOHN STARK at john.stark@bellinghamherald.com or call 715-2274.

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Apr, 19, 2010

Bellingham residents report 'boom,' but origin is a mystery

ISABELLE DILLS / THE BELLINGHAM HERALD

BELLINGHAM - Several residents across the city reported hearing a "big boom" sound early Monday, April 19, but its origins remain a mystery.

The sound was heard around 3:45 a.m. with some people saying it sounded "like a jet engine." One person who contacted The Bellingham Herald guessed it could have been the space shuttle Discovery re-entering the atmosphere, but Discovery remains in orbit, with a tentative landing Tuesday, according to nasa.gov.

Some residents reported hearing the sound on and off for 5 to 10 minutes, with others reporting a time span of 45 minutes.

Staff at the Naval Air Station on Whidbey Island, the Bellingham International Airport and the Bellingham Police Department did not know what caused the sound.

Reach ISABELLE DILLS at isabelle.dills@bellinghamherald.com or call 715-2220.