

**MINUTES OF THE PORT OF BELLINGHAM COMMISSION MEETING
HELD TUESDAY, MARCH 15, 2011
HARBOR CENTER BUILDING CONFERENCE ROOM
1801 ROEDER AVENUE, BELLINGHAM, WASHINGTON**

Present:	Michael McAuley Scott L. Walker Jim Jorgensen	President Vice President Secretary
Staff:	Charlie Sheldon Rob Fix Art Choat Mike Stoner Fred J. Seeger Dan Stahl Sylvia Goodwin Lydia Bennett Brian Gouran Diane McClain	Executive Director Chief Financial Officer Director, Aviation Director, Environmental Programs Director, Facilities Director, Marine Services Director, Planning and Development Director, Real Estate Site Project Manager Executive Secretary

CALL TO ORDER

Commissioner McAuley called the meeting to order at 3:04 p.m.

PUBLIC COMMENT PERIOD

1. Darren Williams, longshoreman, 4089 Y Road, Bellingham, WA, member of ILWU Local 7 - Bellingham Shipping Terminal – Mr. Williams voiced concern regarding the lack of activity in the one year period since the NOAA attempt and asked the Port to consider investing in a recruiting and marketing strategy to bring some work to the shipping terminal.

2. Noel Larson, 1801 Roeder Avenue, Bellingham, WA - Director, Curator of the Marine Life Center presented the Commission with a handout and power point presentation (see public presentation attachments) describing the facility and its activity. Ms. Larson reported the majority of the approximately 2,000 annual visitors to the center are preschool age and urged the Commission to continue supporting the facility.

Click here for presentation:

<http://wa-portofbellingham.civicplus.com/DocumentView.aspx?DID=484>

PRESENTATION

1. SSA Cherry Point Bulk Terminal – Craig Cole presented a power point and handout to the Commission (see public presentation attachments) promoting the Gateway Pacific

Terminal. Mr. Cole urged the Commission to consider the increase in potential jobs and tax revenue to the County if the terminal facility is constructed at Cherry Point adding that it is the right idea, the right place, the right time for such a project. Click here for presentation:

<http://wa-portofbellingham.civicplus.com/DocumentView.aspx?DID=485>

WORK-STUDY SESSION

1. Update on the Marine Life Center

Real Estate Director Lydia Bennett thanked Ms. Larson for the earlier report. Ms. Bennett reported staff was directed by the Commission to look at multiple options for operating the facility and has had recent meetings with the Northwest Indian College, Bellingham Technical College, Huxley Environmental College of Western Washington University, and Bellingham Public Schools. Those institutions confirmed support for the Marine Life Center but not as operators of the MLC or in a financial capacity at this time; their involvement may be for programmatic ideas and marketing. Ms. Bennett reported Port staff has reviewed the current agreement structure, and based upon staff research, staff will present a recommendation pertaining to the facility and improvements to the Commission at the April 5th meeting.

2. Update on the Weldcraft / Gate 2 / Seaview North Site.

Environmental Director Mike Stoner presented an overview of the project (see staff presentation attachments) explaining the three (3) components: Economic - 25 new jobs created, through the revitalized land uses, Habitat Restoration – 2 acre habitat restoration bench created through the beneficial reuse of materials (recycled maintenance dredge materials) and the Environmental Cleanup of over 8,000 yards of polluted sediments and removal of 215 creasote pilings and 9,000 creasote timbers. Mr. Stoner explained the conceptual model alternatives and costs for addressing the site's Underground Storage Tank (UST) soil contamination range from \$326,000, for monitoring and capping to \$573,000 to fully excavate the UST. Click here for presentation:

<http://wa-portofbellingham.civicplus.com/DocumentView.aspx?DID=481>

3. Update on the Cornwall Avenue Landfill Interim Action.

Site Project Manager Brian Gouran presented an overview of the project (see staff presentation attachments) explaining the site has been used for sawmilling in the 1800s to late 1940s prior to serving as a Municipal landfill from 1953 to 1965, a timber production, warehouse and log storage facility from 1950's to 2005 and listed as a MTCA site in 1992 and from then to present, undergoing Remedial Investigation Feasibility Study (RI/FS) activities under the Port and City Agreed Order. Mr. Gouran explained the Proposed Interim Action currently under review by Ecology allows for the beneficial reuse of up to 40,800 cubic yards of material from Gate 3 (reducing stormwater infiltration for 50% of the site) and the installation of a landfill gas collection system. Mr. Gouran added the next steps include amending the Agreed Order for public comment and Commission and City Council

consideration in the spring, project construction in the fall of 2011/ Winter 2012 and the Interim Action being incorporated into the Final RI/FS in 2012.

Click here for presentation:

<http://wa-portofbellingham.civicplus.com/DocumentView.aspx?DID=482>

4. Update on Port's Preventative Maintenance (PM) Program.

Maintenance Supervisor Carol Williams presented a power point (see staff presentation attachments) and described the Port's PM program from its 2007 inception to present; the crafts and tasks incorporating the electrical, facilities, mechanical and groundskeeping duties. Ms. Williams explained project completion rates will vary depending on the priority, complexity and number of pieces of equipment and labor hours necessary. Ms. Williams added the Port's maintenance and repair costs are expected to decline as a result of the Port's preventative maintenance program's efficiency; thereby extending the life of the Port's assets.

Click here for presentation:

<http://wa-portofbellingham.civicplus.com/DocumentView.aspx?DID=483>

ACTION ITEMS

1. PORT OF BELLINGHAM HEALTH CARE BENEFITS FOR EMPLOYEES

Motion: Authorize the Executive Director to submit a 35 day written notification of cancelation to Regence Blue Shield if Regence and PeaceHealth are unable to reach agreement on their contract negotiations and where PeaceHealth is no longer considered a Regence preferred provider.

Discussion: Human Resources Manager Elizabeth Monahan explained that as a result of the two parties reaching an agreement, the motion is no longer necessary.

Motion was removed.

2. FUNDING OF FIVE (5) SMALL CITY ECONOMIC DEVELOPMENT FUND PROJECTS

Motion: Approve funding of five (5) Small City Economic Development Fund projects totaling \$70,000.

Discussion: Economic Development Specialist Dodd Snodgrass explained the 2011 Industrial Development Corporation (IDC) budget includes \$80,000 to assist the small cities with project implementation matching funds to benefit economic development. Mr. Snodgrass reported the cities received the Port's application form in January and at the Small Cities Partnership meeting in February, Port staff reviewed the applications. The 2011 \$70,000 recommended matching projects include \$20,000 to the City of Blaine for Boblett Court Commercial Access (\$49,000 cash match), \$10,000 to the City of Everson for the

Water System Plan Update (\$10,000 cash match), \$10,000 to the City of Nooksack for the Water System Plan Update (\$10,000 cash match), \$20,000 to the City of Lynden for a Biomass Digester Feasibility Study (\$5,000 cash match) and \$10,000 to the City of Lynden for the Downtown Lynden Public Development Authority (\$5,000 cash match).

Motion approved with a 2-0 vote. (Commissioner Walker was absent during the vote.)

3. ADOPTION OF NEW COMPREHENSIVE PARK, RECREATION AND PUBLIC ACCESS PLAN FOR PORT OF BELLINGHAM PROPERTIES.

Motion: Approve Resolution No. 1295; repealing Resolution 1197 and adopting new Comprehensive Park, Recreation and Public Access plan for Port properties.

Discussion: Planning Director Sylvia Goodwin explained the public hearing on the draft plan was held on March 1, 2011 at which time three (3) persons spoke and nine (9) residents have submitted written comments; those comments have been summarized in the plan.

Planning Director Sylvia Goodwin reported the purpose of the hearing was to present an opportunity for the public to comment on the draft 2011 Comprehensive Plan; a compilation of the various park, recreational and public access projects contained in the adopted comprehensive schemes of harbor improvement plans taking into consideration the five (5) year capital budget forecast contained in the 2011 Strategic Budget. Ms. Goodwin added the proposed plan attempts to forecast potential park, recreational and public access projects on Port property over the next 6 years while identifying funding under the Port's Capital Improvement Budget and potential grants. Ms. Goodwin also added the proposed plan is specific to Port projects on Port land which include the Blaine Harbor/Wharf District, Squalicum Harbor, The Waterfront District and the Fairhaven Terminal.

Motion approved with a 3-0 vote.

Click here for link to Plan:

<http://portofbellingham.com/documentview.aspx?ADMIN=1&DID=443>

4. ALUMINUM CHAMBERED BOATS (ACB) WRITE OFF ACCOUNTS RECEIVABLE.

Motion: Approve the write-off the delinquent account balances for Aluminum Chambered Boats, inc. in the amount of \$169,747.92 on the lease account and \$1,721.72 on the moorage account, plus Washington State Leasehold Taxes in the total amount of \$18,246.40 This motion will correct errors found in the January 5th action.

Discussion: Real Estate Director Lydia Bennett explained the amount of the write-off has been adjusted following an analysis of the account's lease, moorage, leasehold taxes and late fees. Ms. Bennett reported the corrected amount will be expensed as \$169,747.92 bad debt in the Real Estate Division and \$1,721.72 (moorage) will be expensed as bad debt in the Marine Terminals Division.

Motion approved with a 3-0 vote.

NEW BUSINESS

Commission President McAuley suggested that in the future, on occasions when a subject needs to be addressed by the Commission that is not on the agenda, a Commission discussion of that subject shall be brought forward under the New Business section of the meeting agenda prior to adjourning.

ADJOURN

As there was no further business, the meeting was adjourned at 5:50 p.m.

Michael McAuley, President

Jim Jorgensen, Secretary