

**MINUTES OF THE PORT OF BELLINGHAM COMMISSION MEETING  
HELD TUESDAY, OCTOBER 4, 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 Mike Stoner Fred J. Seeger Dan Stahl Lydia Bennett Shirley McFearin Adam Fulton John Hergesheimer Frank Chmelik Diane McClain	Executive Director Chief Financial Officer Director, Environmental Programs Director, Facilities Director, Marine Services Director, Real Estate Real Estate Development Manager Project Engineer Senior Project Engineer Port Counsel Executive Secretary

---

**CALL PUBLIC MEETING TO ORDER AND RECESS TO CLOSED EXECUTIVE SESSION**

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

**RECONVENE PUBLIC MEETING**

The Commission meeting was reconvened at 3:00 p.m.

**PUBLIC COMMENT PERIOD**

1. Leroy Rhode, Longshoreman, 4961 Noon Road, Bellingham, Washington – Bellingham Shipping Terminal (BST) – Mr. Rhode congratulated the staff on news of the recent development for future BST activity and said he hopes to see more activity and the BST brought up to capacity someday.

**CONSENT AGENDA**

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

Commission Meeting Minutes

October 4, 2011

Page 2

- A. Approve minutes of the September 6, 2011, and September 20, 2011, regularly scheduled Commission meetings.
- B. Approve Port of Bellingham Voucher Certification September 1, 2011 – September 28, 2011, totaling \$3,506,409.49.
- C. Authorize the Executive Director to enter into insurance contracts for the renewal of the Port's liability and auto insurance coverage for the policy period October 1, 2011 – September 30, 2012.
- D. Authorize the Executive Director to execute Amendment No. 1 to the Professional Services Agreement (PSA) with KPFF Consulting Engineers to perform engineering service for the Replace Boat Launch Floats, Piling and Lighting and Wash Down Analysis at Squalicum Harbor Project in the amount of \$33,060 and maintain the previous contingency of \$3,175 increasing the total authorized contract amount to \$67,985.
- E. Approve Resolution No. 1301, changing the petty cash custodian at the Blaine office and the change fund custodian at the Blaine Boating Center change machine from Pam Taft to Andy Peterson at both locations.

Motion approved with a 3-0 vote.

## **ACTION ITEMS**

### **1. LEAP FROG WATER TAXI, LLC. – BELLINGHAM CRUISE TERMINAL (BCT)**

Motion: Approve a Commercial Lease Agreement between the Port of Bellingham and Leap Frog Water Taxi, LLC. for the use of office space inside the Bellingham Cruise Terminal (BCT) and moorage space at the BCT.

Discussion: Real Estate Development Manager Shirley McFearn explained that the proposed lease would be for a two year period beginning October 1, 2011, and ending September 30, 2013, for approximately 240 square feet in Suite 108 of the BCT as well as moorage space at the dock. Ms. McFearn then introduced Bill McGown, owner/operator of Leap Frog Taxi, LLC. Mr. McGown reported that his company currently operates a 32' aluminum vessel capable of cruising at 20 knots and carrying 20 passengers at a time and the proposed taxi service would service the outer (Sinclair, Sucia, Waldron, and Clark) islands and be available for custom trips starting in the spring of 2012.

Motion approved with a 3-0 vote.

### **2. SUPERIOR ENERGY SERVICES AND GREENBERRY INDUSTRIAL, LLC. – BELLINGHAM SHIPPING TERMINAL (BST).**

Motion: Authorize the Executive Director to enter into a Commercial Lease Agreement with Greenberry Industrial LLC. for Warehouse No. 2 at the Bellingham Shipping Terminal (BST) beginning November 1, 2011, ending June 30, 2012, and a Layberth Agreement with Superior Energy Services for approximately 315 lineal feet of dock space for the period beginning January 1, 2012, ending June 30, 2012.

Discussion: Maritime Director Dan Stahl reported that the proposed lease agreement currently being developed by Port staff will allow for Greenberry and Superior Energy Services to operate out of the BST without interfering with the Port's continued efforts to attract other lines of business to the BST, or the existing BST tenants such as Foss Tug and Horizon Lines. Mr. Stahl introduced Greenberry owner Jason Pond and Captain Scott Powell from Superior Energy Services (Houston Texas) and together they explained that Superior Energy Services Marine Division is partnering with Greenberry Industrial LLC to assemble modules in support of Alaska oil field drilling operations. It was reported that the proposed lease for the operation at the 45,000 square foot BST warehouse and the berthing agreement would provide approximately 100 local jobs on site during the short eight month project and the anticipated revenue to the Port would be \$164,320. Commissioner McAuley reported that he had some discomfort approving a delegation based on the specified terms (preferring to have the final documents), he would support the motion. Staff thanked the Commission for their understanding, and reiterated that the customer had a very aggressive timeline, and every effort was being made to expedite the transaction to accommodate the customers stated requirements, and to secure the jobs for our community, and revenue for BST.

Motion approved with a 3-0 vote.

### **3. BID AWARD TO PARBERRY ENVIRONMENT SOLUTIONS, INC. OF FERNDALE FOR THE WATERFRONT DISTRICT BUILDING & RECYCLING PROJECT.**

Motion: Authorize the Executive Director to execute a contract with Parberry Environment Solutions Inc. of Ferndale, Washington for The Waterfront District Building Dismantling and Recycling Project in the amount of \$413,060 plus a 10% contingency for a total authorized contract amount of \$454,366.

Discussion: Project Engineer Adam Fulton explained that as a result of the study completed during the process of the development of the Historic Mitigation Plan for the Waterfront District, the three buildings (Pulp Storage Warehouse, the Pulp Screening Room, and the Bleach Plant) proposed for dismantling were determined to be unsuitable for redevelopment. Mr. Fulton further explained that of the five bids received, Parberry Environment Solutions, Inc. was selected as the lowest responsive bidder to complete the Salvage and Reuse Plan advertised scope of work.

Motion approved with a 3-0 vote.

**4. AMENDMENT NO. 1 TO THE PROFESSIONAL SERVICES AGREEMENT (PSA) WITH ICF INTERNATIONAL FOR FIELD CATALOGING & INVENTORY SERVICES FOR THE WATERFRONT DISTRICT BUILDING DISMANTLING & RECYCLING PROJECT.**

Motion: Authorize the Executive Director to amend the Professional Services Agreement (PSA) with ICF International to perform field cataloging and inventory creation services for the Waterfront District Building Dismantling & Recycling Project in the amount of \$8,785 for a total authorized PSA amount of \$24,710.

Discussion: Project Engineer Adam Fulton explained that development of the Historic Mitigation Plan identified three buildings in the Waterfront District as unsuitable for redevelopment; referred to as the Pulp Facility (Pulp Storage Warehouse, the Pulp Screening Room, and the Bleach Plant). Mr. Fulton further explained that the original PSA assisted Port staff with the demolition applications by creating a Salvage and Reuse Plan. With the permits obtained, the proposed amendment and scope of work would provide for ICF International to guide the Port in the removal, cataloging and storage of the elements as defined in the Salvage and Reuse Plan.

Motion approved with a 3-0 vote.

**5. INTERLOCAL AGREEMENT WITH BELLINGHAM TECHNICAL COLLEGE FOR PROCESS INSTRUMENTATION EQUIPMENT.**

Motion: Authorize the Executive Director to execute an Interlocal Agreement between Bellingham Technical College (BTC) and the Port of Bellingham to provide certain process instrumentation equipment from the former Georgia Pacific (GP) Pulp Process Buildings to BTC for the purposes of economic development and training in the community.

Discussion: Facilities Director Fred Seeger explained that the Port was contacted by BTC instructors interested in securing some of the small diameter process instrumentation equipment remaining in the GP process buildings for future use by BTC students in the technology labs. Mr. Seeger further explained that the twenty-two items identified (i.e. valves, gauges, meters, filters, controllers, etc.) have a salvage value of approximately \$1,000 total, and the removal of these items has been addressed in the specifications for the 2011 Waterfront District Building Dismantling and Recycling Project.

Motion approved with a 3-0 vote.

**6. BID AWARD TO STRIDER CONSTRUCTION CO. INC. FOR THE INTERIM REMEDIAL ACTION FOR THE BUNKER C TANK AREA – GEORGIA PACIFIC (GP) WEST AREA.**

Motion: Authorize the Executive Director to award the bid for the Bunker C Tank Area Interim Remedial Action at the former GP West Area to Strider Construction Company, Inc. of

Bellingham in the total bid amount of \$895, 465.17 and include a 20% contingency for a total authorized amount of \$1,075,000.

Discussion: Senior Project Engineer John Hergesheimer explained that this project is the first of the cleanup projects for the site being conducted under the Agreed Order with the Department of Ecology (Ecology) and that Strider Construction Co. Inc. (Strider) was the lowest responsive bidder of the nine bids submitted in September. Mr. Hergesheimer further explained that Strider is experienced in these types of projects involving soil excavation and removal of high levels of oil-contaminated material, concrete and piping demolition, shoring system design and installation. Mr. Hergesheimer added that the Model Toxic Controls Act (MTCA) Remedial Action Grant with Ecology will reimburse the Port for 50% of the eligible costs associated with this construction contract and the remaining 50% will be reimbursed through the Port's pre-funded Chartis Insurance package; managed through the existing GP West account.

Motion approved with a 3-0 vote.

**7. PROFESSIONAL SERVICES AGREEMENT (PSA) WITH LANDAU ASSOCIATES FOR THE BLAINE MARINA INDUSTRIAL AREA REDEVELOPMENT PROJECT.**

Motion: Authorize the Executive Director to execute a Professional Services Agreement (PSA) with Landau Associates, Inc. to perform conceptual and engineering design and permitting for the Blaine Marina Industrial Area Redevelopment Project for an initial contract amount of \$114,400 and include a contingency amount of \$20,000 for a total authorized amount of \$134,400.

Discussion: Senior Project Engineer John Hergesheimer explained that the proposed PSA is for the first phase of planning, and preliminary engineering services to be performed by Landau (teaming with Makers Architecture, Urban Design and Reid Middleton) for the Blaine Marina Industrial Area Redevelopment Project and the multi-phase scope of services will include planning, integrated design, and construction support services to be completed over a number of years.

Motion approved with a 3-0 vote.

**8. PROFESSIONAL SERVICES AGREEMENT (PSA) WITH LANDAU ASSOCIATES FOR THE RI/FS AND POTENTIAL INTERIM ACTIONS AT THE WESTMAN MARINE SITE.**

Motion: Authorize the Executive Director to execute a Professional Services Agreement (PSA) with Landau Associates, Inc. for \$120,000 plus a 10% contingency for an initial authorization of \$132,000 to negotiate an Agreed Order with the Department of Ecology for a Remedial Investigation/Feasibility Study (RI/FS) and potential interim actions at the Westman Marine site.

Discussion: Environmental Director Mike Stoner explained that the Westman Marine Site is one of two Department of Ecology (Ecology) listed Model Toxic Control Act (MTCA) marine cleanup sites the Port will be working on with Landau Associates and that the Landau Associates team was selected as the most qualified consultant group to perform the first of multiple phases for the full range of services for the RI/FS for the shipyard site. Mr. Stoner added that the proposed scope of services for the initial phase of work will include project management and coordination, Agreed Order negotiations, coordination with Ecology, and preparation of the RI/FS Work Plan and Interim Action Work Plan. Any further authorization will be subject to Commission consideration.

Motion approved with a 3-0 vote.

**9. PROFESSIONAL SERVICES AGREEMENT (PSA) WITH LANDAU ASSOCIATES FOR THE RI/FS AND INTERIM ACTIONS AT THE BLAINE MARINA TANK FARM SITE.**

Motion: Authorize the Executive Director to execute a Professional Services Agreement (PSA) with Landau Associates, Inc. for \$191,300 plus a 10% contingency for a total initial authorization of \$210,430 to negotiate an Agreed Order with the Department of Ecology for a Remedial Investigation/Feasibility (RI/FS) and interim actions at the Blaine Marina Tank Farm Site.

Discussion: Environmental Director Mike Stoner explained that the Blaine Marina Tank Farm is a bulk fueling site; the second Department of Ecology (Ecology) listed Model Toxic Control Act (MTCA) site the Port will be working with Landau Associates, identified as the most qualified consultant group to perform the full range of services in the multi-phase cleanup process. Mr. Stoner added that the first phase of the project will include project management and working with the Port staff to provide coordination, negotiation of an Agreed Order with Ecology for the performance of an RI/FS, design of a temporary repair of a failing shoreline bulkhead at the fueling facility as an interim action under MTCA. Any further authorization will be subject to Commission consideration.

Motion approved with a 3-0 vote.

**10. AMENDMENT NO. 9 TO THE PROFESSIONAL SERVICES AGREEMENT (PSA) WITH ASPECT CONSULTING, L.L.C. FOR THE GP WEST BUNKER C INTERIM ACTION.**

Motion: Authorize the Executive Director to execute Amendment No. 9 to the Professional Services Agreement (PSA) with Aspect Consulting, LLC., to increase the scope and budget by \$324,947 for engineering, design and construction management services for the Bunker C Interim Action at the Georgia-Pacific (GP) West Site.

Discussion: Site Project Manager Brian Gouran explained that when the Port entered in to a PSA with Aspect Consulting in 2008, to perform the RI//FS at the GP West Site, it was

anticipated that the PSA would involve multiple phases and amendments to allow for adaptive management of the project based on initial findings, changing regulatory requirements and ongoing land use planning efforts. Mr. Gouran added that Aspect has completed extensive RI/FS work to date and the proposed amendment to the PSA will include construction management, oversight and reporting for the Bunker C interim action; finalization of the RI report; completion of a soil and groundwater treatability study, additional waste designation and soil vapor sampling and preparation of the construction bid package for the second phase of the interim action with the Caustic Plume subarea.

Motion approved with a 3-0 vote.

**11. NEW LEASE AGREEMENT WITH BELLINGHAM BAY COMMUNITY BOATING CENTER LOCATED IN THE FAIRHAVEN TERMINAL AREA.**

Motion: Approve a New Lease Agreement between the Port of Bellingham (Port) and Bellingham Bay Community Boating Center (CBC) for premises located adjacent to the Fairhaven Terminal area.

Port legal counsel Frank Chmelik asked that the record reflect that Commissioner McAuley, being on the board of the CBC, remove himself from the discussion and decision in order to eliminate any potential for a conflict of interest or lack of impartiality.

Discussion: Real Estate Development Director Lydia Bennett explained that the CBC provides non-motorized small boat storage, rental, instruction and safety education services. Ms. Bennett further explained that the CBC has been on a month to month hold over status since the lease expired in October 2010. Ms. Bennett added that the proposed 3 year lease reflects a rent reduction due to an additional cost imposed to the CBC by the Department of Natural Resources (DNR), failing bulkhead and the arrangement for CBC assisting Port staff in the management of the Port's linear moorage and boat launch facility. CBC Executive Director Blaine Pedlow reported that the focus of the CBC is to finalize the lease and ensure continued operations in the Fairhaven area.

Motion approved with a 3-0 vote.

**NEW BUSINESS**

1. Commissioner Scott Walker suggested that the Commission sign a letter supporting the nomination of past Port Commissioner Doug Smith for the annual Washington Public Ports Association (WPPA) Outstanding Service to the Industry Award. All three Commissioners agreed with the recommendation and signed the letter.
2. Commissioner Walker asked for the Approval of the Port's payment in the amount of \$25,602.00 for the WPPA August 31, 2011, Invoice No. 011-474, for the WPPA building purchase assessment as discussed and approved in the August 16, 2011,

Commission meeting. Commission Secretary Jim Jorgensen made the following motion:

Motion: Motion authorizing the expenditure in the amount of \$25,602.00 for the WPPA building purchase assessment.

Discussion: No further discussion.

Motion approved with a 3-0 vote.

## **ADJOURN**

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

---

Michael McAuley, President

---

Jim Jorgensen, Secretary