

**MINUTES OF THE PORT OF BELLINGHAM COMMISSION MEETING
HELD TUESDAY, AUGUST 21, 2012
HARBOR CENTER BUILDING CONFERENCE ROOM
1801 ROEDER AVENUE, BELLINGHAM, WASHINGTON**

Present:	Scott L. Walker	President
	Jim Jorgensen	Vice President
	Michael McAuley	Secretary

Staff:	Rob Fix	Interim Executive Director
	Dan Zenk	Aviation Director
	Lydia Bennett	Business Development Director
	Mike Stoner	Environmental Programs Director
	Carolyn Casey	External Affairs Director
	Elizabeth Monahan	Human Resources Director
	Dan Stahl	Maritime Director
	Sylvia Goodwin	Planning and Development Director
	Brian Gouran	Environmental Site Project Manager
	Norman Gilbert	Project Engineer
	John Hergesheimer	Senior Project Engineer
	Terry Ilahi	Real Estate Analyst
	John Sitkin	Port Counsel
	Diane McClain	Executive Secretary

CALL PUBLIC MEETING TO ORDER

Commissioner Walker called the meeting to order at approximately 3:00 p.m.

PUBLIC COMMENT PERIOD:

The following persons signed up to speak in favor of the Granary building.

1. John Blethen, 1715 Ellis, Bellingham, WA. - Served on Waterfront Visioning Process, reported approximately 300 have signed up in support of saving the Granary as a good draw to the waterfront development, salvageable, character, good mix of young and old.
2. Lynette Felber, 507 14th Street, Bellingham, WA. - Former Professor of 19th Century Studies, Historic Preservationist, provided a power point presentation/ historic account of the Granary, built in 1928 29, previously used as distribution center for the Co-Op Egg Poultry Association Production. (Presentation is attached.) Click here: <http://www.portofbellingham.com/DocumentCenter/View/1573>
3. Dave Christiansen, P.O. Box 5068, Bellingham, WA - Local Architect and Planner, spoke to the preservation, function and cost for redeveloping Granary as a niche for businesses wanting to be in a "funky space" with social, environmental, economic and technical value.
4. James Willson, spoke of City of Bellingham Transportation Study and Granary Avenue location, traffic flow, anticipated costly removal of Granary due to a full basement, leaving

large hole to fill. Commissioner Walker asked staff for a copy of the referenced transportation study and Interim Executive Director Rob Fix agreed to obtain and deliver a copy to the Commission.

5. George Dyson, 435 W. Holly, Bellingham, WA.- Grateful for chance to tour building recently, concerned with condition; severely deteriorated since Port acquisition.

Commissioner McAuley entered a letter dated August 21, 2012, addressed to the Commission from Chris Moore, Washington Trust for Historic Preservation, written in favor of the Port of Bellingham issuing the Request for Proposals (RFP) for the redevelopment of the Granary and commending the City of Bellingham Council's resolution supporting same. (See attachment.)

<http://www.portofbellingham.com/DocumentCenter/View/1574>

Commissioner McAuley spoke of the RFP process and the City Council's 7-0 resolution and Commissioner Walker thanked Ms. Felber for the historic presentation and asked Port staff to explore and work with City staff with regard to the RFP while continuing to move forward with the Master Plan process.

CONSENT AGENDA

Motion: To adopt Consent Agenda items A through E as follows:

- A. Approve the minutes of the July 3, 2012, and July 17, 2012, regularly scheduled and the May 3, 2012 and June 28, 2012 special Commission meetings.
- B. Approve the sale of vessel, Pursuant to Resolution No. 947.
- C. Motion to approve Voucher Certification and Approval for June 27, 2012, - July 25 2012, totaling \$6,430,833.40.
- D. Approve the Resolution No. 1312 to apply for a \$340,000 grant from the Recreation and Conservation Office (RCO) Aquatic Lands Enhancement Account (ALEA) to support the Squalicum Creek Estuary Restoration Project.
- E. Authorize the Interim Executive Director to execute a Lease Agreement between the Port of Bellingham and the State of Washington Department of Ecology for premises located at 800 Cornwall Avenue.

Discussion: None.

Motion approved with a 3-0 vote.

ACTION ITEMS:

****AGENDA REVISED** - Commissioner Walker announced that the order of the agenda would be modified to allow the guests from City of Bellingham Fire Department to speak before the other business on the agenda.

11. CITY OF BELLINGHAM FIRE SAFETY ORDINANCE.

Motion: Authorize the Interim Executive Director Rob Fix to sign a letter to City of Bellingham Mayor Kelli Linville in support of the proposed changes to the City's Fire Safety Ordinance. (See attached draft of letter.) <http://www.portofbellingham.com/DocumentCenter/View/1575>

Discussion: Mr. Jason Napier, Fire Chief for the Bellingham Fire Department, gave a presentation that documented the March 30, 2012 Squalicum Harbor boathouse fire, as well as the progress to date in developing a new fire ordinance for Squalicum harbor. The presentation included a number of pictures that showed the size and breadth of the fire, the largest encountered at Squalicum Harbor. Chief Napier went on to describe the difficulties encountered in fighting this boathouse fire. Although the Port's standpipes meet the current requirements of the City's code, the size of the boathouse fire has made the City reevaluate what requirements are needed at Gate 3. The proposed changes would increase the amount of water available for fire hoses at Gate 3. Chief Napier then discussed the changes that would be required of the privately owned boathouses. These changes would include, among other things, heat vents for the smaller boathouses, and a fixed sprinkler system for the larger 'condo' boathouses. These sprinklers would require an independent source of water from the Port's standpipe system. Maritime Director Dan Stahl added that the Bellingham Fire Department, Port staff, and the Marina Advisory Committee (MAC) have been working together to discuss and determine reasonable, realistic and effective changes to the fire ordinance. The MAC is on record supporting this initiative. Commissioner Walker commented that the Port does not own boathouses; they are privately owned structures moored in the harbor. Mr. Stahl added that the Port is asking for input from the owners as this process moves through the development and approval process.

Motion approved with a 3-0 vote

1. AMENDMENT NO. 14 TO THE PROFESSIONAL SERVICES AGREEMENT (PSA) WITH REID-MIDDLETON FOR THE REBUILD GATE 3 LATERALS F&G PROJECT.

Motion: Authorize the Interim Executive Director to execute Amendment No. 14 to the PSA with Reid-Middleton, Inc. on the Rebuild Gate 3 Laterals F&G project for G East Boathouse fire environmental assessment, and verification of design of piling for the replacement G East Boathouse in the amount of \$63,720 increasing the total authorized amount to \$1,145,681.

Discussion: Project Engineer Norman Gilbert explained that the proposed amendment will authorize the Port's consultant Reid Middleton Inc. to collect samples of surface sediment from the marina floor to determine the impact of the March 30, 2012, Gate 3 boathouse fire on the sediment inside the marina. Mr. Gilbert further explained that the amendment also addresses a design check on the new G East boathouse (being designed by the boathouse owners) to verify that the piling is adequate and efficient.

Motion approved with a 3-0 vote.

2. BID AWARD - BELLINGHAM MARINE INDUSTRIES, INC. FOR THE MULTIPLE MARINE REPAIRS PROJECT 2012.

Motion: Authorize the Interim Executive Director to execute a contract with Bellingham Marine Industries, Inc. of Ferndale, Washington for the Multiple Marine Repairs Project 2012 in the amount of \$882,455.30 plus a 10% contingency of \$88,245.53 for a total authorized contract

amount of \$970,700.83.

Discussion: Project Engineer Norman Gilbert explained that the proposed contract addresses three capital projects including the Squalicum Harbor Boat Launch and Rinse Station, Squalicum Inner Harbor Float Repairs, and Bellingham Cruise Terminal Replace Timbers on Berth No. 1 Wing Walls project. Mr. Gilbert added that 75% of the Port's cost for the Squalicum Boat Launch portion of this project is eligible for reimbursement under a Washington State Recreation and Conservation Office (RCO) grant.

Motion approved with 3-0 vote.

3. AMENDMENT NO. 3 TO THE PROFESSIONAL SERVICES AGREEMENT (PSA) WITH KPFF FOR THE SQUALICUM HARBOR BOAT LAUNCH REPLACEMENT PROJECT.

Motion: Authorize the Interim Executive Director to execute Amendment No.3 to the Professional Services Agreement (PSA) with KPFF Consulting Engineers to perform construction support services for the Replace Boat Launch Floats, Piling and Lighting and Wash Down Analysis at Squalicum Harbor Project in the amount of \$21,180 and a contingency of \$4,000 increasing the total authorized contract amount to \$93,165.

Discussion: Project Engineer Norman Gilbert explained that the proposed amendment will authorize the Port's consultant KPFF Consulting Engineers to provide construction support services such as site visits, submittal and request for information reviews, observation of pile driving activities, utility installation and project close out. Mr. Gilbert further explained that 75% of the Port's cost for this project is eligible for reimbursement under a Washington State Recreation and Conservation Office (RCO) grant. Mr. Gilbert added that this PSA amendment only covers the Squalicum Boat Launch portion of the Multiple Marine Repair project as the remaining portions were designed in-house.

Motion approved with 3-0 vote.

4. BID AWARD - BELLINGHAM SHIPPING TERMINAL BULKHEAD AND PIER REPAIR PROJECT.

Motion: Authorize the Interim Executive Director to execute a contract with Pacific Pile & Marine, L.P. of Seattle, Washington for the Bellingham Shipping Terminal Bulkhead and Pier Repair Project in the amount of \$3,599,772.24 plus a 10% contingency of \$359,997.22 for a total authorized contract amount of \$3,959,749.46.

Discussion: Project Engineer Norman Gilbert explained that the proposed contract combines two capital improvement projects for necessary repairs to the Bellingham Shipping Terminal Bulkhead and the Bellingham Shipping Terminal Pier. Mr. Gilbert reported that Pacific Pile & Marine, L.P. was the lowest responsive and responsible bidder to the advertised request for bid.

Motion approved with 3-0 vote.

5. AMENDMENT NO. 4 TO THE PROFESSIONAL SERVICES AGREEMENT (PSA) WITH KPFF FOR THE BELLINGHAM SHIPPING TERMINAL BULKHEAD AND MAIN PIER REPAIRS PROJECT

Motion: Authorize the Interim Executive Director to execute Amendment No. 4 to the PSA with KPFF Consulting Engineers on the Bellingham Shipping Terminal Bulkhead and Main Pier Repairs Projects to provide construction support services in the amount of \$104,000 and a \$10,000 contingency for a total authorized contract amount of \$376,782.

Discussion: Project Engineer Norman Gilbert explained that the proposed amendment will authorize the Port's consultant KPFF Consulting Engineers to provide construction support services such as site visits, submittal and request for information reviews, utility installation and project close out.

Motion approved with 3-0 vote.

6. AMENDMENT NO. 28 TO THE PROFESSIONAL SERVICES AGREEMENT (PSA) WITH ANCHOR QEA FOR PHASE 1 WHATCOM WATERWAY CLEAN-UP PROJECT.

Motion: Authorize the Interim Executive Director to execute Amendment No. 28 to the PSA with Anchor QEA for additional design and permitting services for Phase 1 of the Whatcom Waterway Cleanup Project in the amount of \$287,300 for a total authorized contract amount of \$7,427,661.50.

Discussion: Senior Project Engineer John Hergesheimer explained that the proposed amendment addresses the additional engineering design work and project coordination to be performed due to the cleanup related revision of the south and north shorelines of the Whatcom Waterway Cleanup Project.

Motion approved with 3-0 vote.

7. BID AWARD CAUSTIC PLUME/CELL BUILDING INTERIM REMEDIAL ACTION- GP WEST SITE PROJECT.

Motion: Authorize the Interim Executive Director to execute a contract with Strider Construction Company for the Caustic Plume/Cell Building Interim Remedial Action GP West Site Project, as the lowest responsive and responsible bid, in the amount of \$1,785,223.58 plus a 10% contingency of \$178,522.00 for a total authorized amount of \$1,963,745.58.

Discussion: Senior Project Engineer John Hergesheimer explained that the proposed scope of work includes removal of mercury contaminated soil, stabilization and transport of materials, dewatering and water treatment of the excavation sites, aquifer depressurization, demolition of the Cell Building and backfill and paving work. Mr. Hergesheimer further explained that Supplemental Bidder Responsibility Criteria documents for Anderson Environmental Contracting LLC, as lowest apparent bidder were reviewed and independently evaluated by members of the Port's evaluation team, with the result that they did not receive high enough scores to be judged a responsible bidder. Mr. Hergesheimer added that the second lowest bidder, Strider Construction Co., was then evaluated and it was determined that they met the qualifications as a responsible bidder. The evaluation team recommended that Strider Construction Co. be awarded the bid as the lowest responsive and responsible bidder and the Port's legal counsel concurred with the procedure and the recommendation.

Motion approved with 3-0 vote.

8. AMENDMENT NO. 12 TO THE PROFESSIONAL SERVICES AGREEMENT (PSA) WITH ASPECT CONSULTING, LLC FOR THE GP WEST CAUSTIC PLUME INTERIM ACTION PROJECT.

Motion: Authorize the Interim Executive Director to execute Amendment No. 12 to the PSA with Aspect Consulting, LLC to extend the term and increase the scope and budget by \$433,724 for a total authorized budget of \$2,303,345.

Discussion: Environmental Site Project Manager Brian Gouran explained that the Port entered into a PSA with Aspect in 2008 to perform a Remedial Investigation and Feasibility study (RI/FS) at the GP West Site anticipating multiple phases and amendments for adaptive construction management of the project. Mr. Gouran added that the proposed amendment (covered by an existing Model Toxic Controls Act (MTCA) grant and Chartis Insurance policy) addresses technical support and construction management, oversight for the disposal of cell building demolition debris, air quality and performance monitoring, waste designation and reporting tasks.

Motion approved with 3-0 vote.

9. AMENDMENT NO. 1 TO THE AGREED ORDER FOR THE CENTRAL WATERFRONT CLEANUP SITE.

Motion: Authorize the Interim Executive Director to execute Amendment No. 1 to Agreed Order No. DE 3441 with the Department of Ecology for the Central Waterfront cleanup site.

Discussion: Environmental Site Project Manager Brian Gouran explained that the City and Port entered into Agreed Order No. DE 3441 with Ecology in 2006 to perform a Remedial Investigation and Feasibility study (RI/FS) for the Site and the proposed amendment addresses cleanup actions for excavation and removal of contaminants prior to the finalization of the RI/FS and includes future interim actions if deemed necessary.

Motion approved with 3-0 vote.

10. AERATION STABILIZATION BASIN (ASB) AGREEMENT LEASES.

Motion: Authorize the Interim Executive Director to execute the Agreement (ASB Leases) with Georgia Pacific West, LLC and Georgia-Pacific, LLC for the transition of the department of Natural Resources (DNR) lease in the ASB and the Whatcom Waterway from Georgia-Pacific to the Port.

Discussion: Environmental Programs Director Mike Stoner explained that the two (2) proposed leases pertain to aquatic lands which have been leased to Georgia Pacific from DNR and are expiring in November 2012. Mr. Stoner further explained that the Port has been paying the DNR \$60,207 annually for these leases since November 2009, because it is in the Port's interest to maintain the ASB as an operational facility during the remediation of the Waterfront District MTCA sites. Staff and legal counsel have negotiated an agreement to transfer the leases to the Port and/or allow Georgia-Pacific to cancel after November 1, 2012.

Motion approved with 3-0 vote.

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11. CITY OF BELLINGHAM FIRE SAFETY ORDINANCE. (See page 3 - This Item was moved to beginning of Agenda.)

12. CONSENT TO ASSIGNMENT OF TWO (2) RENTAL AGREEMENTS AT 1000 HILTON AVENUE, BELLINGHAM, WASHINGTON.

Motion: Approve two (2) Consent to Assignment of Rental Agreements for property located at 1000 Hilton Avenue, Bellingham, Washington.

Discussion: Real Estate Analyst Terry Ilahi explained that the Port entered into a month-to-month rental agreements with Richard Hawley for land and a 7,500 square foot building at 100 Hilton Avenue. Mr. Ilahi added that Mr. Hawley has sold his shares in Hilton Harbor, Inc. to his son, and is requesting assignment of those leases be made to his son Brian Hawley.

Motion approved with 3-0 vote.

NEW BUSINESS

None.

ADJOURN

As there was no further business, the meeting was adjourned at 4:26 p.m.

Scott L. Walker, President

Michael McAuley, Secretary