

**MINUTES OF THE PORT OF BELLINGHAM COMMISSION MEETING
HELD TUESDAY, MAY 21, 2013
HARBOR CENTER BUILDING CONFERENCE ROOM
1801 ROEDER AVENUE, BELLINGHAM, WASHINGTON**

Present:	Jim Jorgensen	President
	Michael McAuley	Vice President
	Scott L. Walker	Secretary
Staff:	Rob Fix	Executive Director
	Lydia Bennett	Business Development Director
	Carolyn Casey	External Affairs Director
	Fred Seeger	Facilities Director
	Dan Stahl	Maritime Director
	Mike Stoner	Environmental Director
	Tamara Sobjack	Finance Director
	Elizabeth Monahan	Human Resources Director
	Sylvia Goodwin	Planning and Development Director
	Shirley McFearin	Real Estate Director
	Brian Gouran	Site Project Manager
	Adam Fulton	Senior Project Engineer
	Terry Ilahi	Real Estate Representative
	Frank Chmelik	Port Counsel
	Diane McClain	Executive Secretary

CALL PUBLIC MEETING TO ORDER AND RECESS TO CLOSED EXECUTIVE SESSION

Commissioner Jorgensen called the meeting to order at 1:00 p. m. to report that the purpose of the closed session would be to discuss pending litigation and real estate transactions pursuant to RCW 42.30.110(1) (i) (c).

RECONVENE PUBLIC MEETING AND ROLL CALL

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

PUBLIC COMMENT PERIOD

No one signed up for public comment.

COMMISSIONER COMMENT

In response to an inquiry from a Port staff member, Commissioner Walker explained that in the past, the Port Commission meeting agendas were such that the first meeting of each month was referred to as a Business meeting which included action items and new business items, and the second meeting of the month was referred to as a Work Study meeting for various discussion, review and updates. However, as the Port's business changed, the structure of the meetings changed as well resulting in a combined Agenda containing both Business and Work Study items.

WORK STUDY ITEMS

1. Update – Weldcraft / Gate 2 Remedial Investigation/ Feasibility Study (RI/FS).

Environmental Services Director Mike Stoner reported that the draft Remedial Investigation/Feasibility Study (RI/FS) for the Weldcraft site is currently under review by the Department of Ecology. The Port has been working under an Agreed Order with Ecology since 2003. An interim action was completed in 2004, including the cleanup of 8,000 cubic yards of contaminated sediment. Since then, the Port and Ecology have been finalizing an RI/FS for public review and comment. Mr. Stoner also added that proposed cleanup alternatives in the agency-review draft document range from \$370,000 for site-wide containment to \$3,600,000 for full removal. Public review and comment on the RI/FS is expected later this summer.

2. Update – GP West site cleanup.

Site Project Manager Brian Gouran reported that the GP West Site was acquired by the Port in 2005 after serving as a pulp and paper mill and a chlorine plant from 1926 to 2007. The Port has entered into an Agreed Order with the Department of Ecology to perform a Remedial Investigation/Feasibility Study (RI/FS) and certain interim actions. An interim action for cleanup of a Bunker C tank storage area was completed in 2012 for approximately \$1.0 million. A second interim action, focusing on the cleanup of mercury-contaminated soils is underway with an expected completion later this summer for approximately \$3.4 million. The draft Remedial Investigation report has been submitted to Ecology for agency review. The draft RI is expected to be available for public review and comment, starting in June 2013. The full RI/FS is scheduled for completion in early 2014. One of the key proposals under the AO is to segregate the GP West site into two separate remedial action units, allowing acceleration of cleanup work in the northern portion of the site, coincident with priority redevelopment of upland property within that portion of the Waterfront District.

ACTION ITEMS

1. AMENDMENT NO. 14 TO THE PROFESSIONAL SERVICES AGREEMENT (PSA) WITH ASPECT CONSULTING, LLC FOR CONSTRUCTION MANAGEMENT RELATED TO INTERIM ACTIONS AT THE GEORGIA PACIFIC (GP) WEST SITE.

Motion: Authorize the Executive Director to execute Amendment No. 14 to the Professional Services Agreement with Aspect Consulting LLC to increase the scope and budget by \$170,553 and reinstate a previously omitted contingency of \$23,153 for a total authorized budget of \$2,497,051.

Discussion: Site Project Manager Brian Gouran reported that the Port entered into a PSA with Aspect in 2008 for the Remedial Investigation/Feasibility Study (RI/FS) at the GP West Site which was anticipated to be completed in phases with multiple amendments to the PSA to allow for adaptive management based on findings, changing regulatory requirements and ongoing land use planning efforts. Mr. Gouran explained that the scope of work in the proposed amendment will address additional construction management and oversight for the Caustic Plume/Cell Building Interim Action, Former GP West site including specialized sub-consultant work such as onsite laboratory analysis and air quality monitoring.

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Motion approved with 3-0 vote.

2. GRANT APPLICATION AND AGREEMENT WITH THE DEPARTMENT OF ECOLOGY FOR A REMEDIAL INVESTIGATION/ FEASIBILITY STUDY (RI/FS) FOR THE WESTMAN MARINE, INC. SITE.

Motion: Authorize the Executive Director to make application for and execute a Grant Agreement with the Department of Ecology (Ecology) for a Remedial Investigation/Feasibility Study (RI/FS) at the Westman Marine, Inc. Site (Westman Marine).

Discussion: Environmental Services Director Mike Stoner explained that the Westman Marine Site has been listed by Ecology as a Model Toxics Control Act (MTCA) site. The Port retained Landau Associates for consulting support and in 2012; the Commission authorized the Port to enter into an Agreed Order with Ecology to perform a Remedial Investigation/ Feasibility Study (RI/FS) which included provisions for an interim action if needed. The grant funds will allow the Port to initiate the RI/FS with supplemental funding from the Port's environmental reserve and a cost share agreement with a prior boatyard operator.

Motion approved with 3-0 vote.

3. AMENDMENT NO. 3 TO THE BLAINE MARINA, INC. SITE GRANT G13000048 WITH THE DEPARTMENT OF ECOLOGY.

Motion: Authorize the Executive Director to execute Amendment No. 3 to the Blaine Marina, Inc. Site Grant G13000048, with the Department of Ecology to increase the State Grant Share by \$150,000.

Discussion: Environmental Services Director Mike Stoner explained that the Blaine Marina, Inc. site includes upland and aquatic land which is currently being used for various bulk fueling operations. Mr. Stoner added that in March 2012, the Commission authorized the Port to enter into an Agreed Order with Ecology to perform a Remedial Investigation/ Feasibility Study (RI/FS) and interim action under the Model Toxics Control Act (MTCA). Mr. Stoner also reported that in July 2012, the Commission authorized entering into an Oversight Remedial Action grant with Ecology to reimburse the Port for 50% of eligible costs to complete work under an existing Agreed Order for the site. The proposed action will increase Ecology's funding contribution which will allow the Port to complete the RI/FS under the Agreed Order with Ecology.

Motion approved with 3-0 vote.

4. AMENDMENT TO THE PROFESSIONAL SERVICES AGREEMENT (PSA) WITH LANDAU ASSOCIATES, INC. TO PROVIDE ENVIRONMENTAL SUPPORT RELATED TO THE FORMER BULK FUELING FACILITIES (YORKSTON OIL & ROEDER AVENUE).

Motion: Authorize the Executive Director to execute an amendment to the Professional Services Agreement (PSA) with Landau Associates, Inc. to provide environmental support related to the Yorkston Oil and Roeder Avenue Inactive Tank Farm Sites for an estimated cost of \$28,800 and a total authorized budget of \$77,420.

Discussion: Site Project Manager Brian Gouran explained that in 2011, the Port entered into a separate agreement with multiple parties formerly responsible for operating bulk fueling facilities on Port properties since the 1930s. The agreement was to fund and perform a Remedial Investigation/ Feasibility Study (RI/FS) under the Department of Ecology Model Toxics Control Act (MTCA). Mr. Gouran added that a cost share agreement exists between the Port for 10% and the other parties sharing the other 90% of the RI/FS and the proposed amendment will allow Landau Associates to continue providing environmental strategic support in this effort.

Motion approved with 3-0 vote.

5. REIMBURSEMENT TO THE WASHINGTON STATE DEPARTMENT OF TRANSPORTATION FOR PORT WIDE SIGNAGE ALONG INTERSTATE 5 & STATE ROUTE 11.

Motion: Authorize the Executive Director to reimburse the Washington State Department of Transportation (WSDOT) for Port-wide signage along Interstate 5 (I-5) and State Route 11 in the amount of \$56,641.78 and transfer \$50,000 from Capital Improvement Project 28-18125-37, Permitting for Infrastructure Work 2012 to 20-1811-51, Port-wide Signage.

Discussion: Senior Project Engineer Adam Fulton explained that Port staff worked with the WSDOT to have directional signage designed and installed along and from I-5 and State Route 11 to all Port of Bellingham and Fairhaven properties which include Squalicum Harbor, Bellwether on the Bay, the Waterfront District, and the Bellingham Cruise Terminal. Mr. Fulton added that the signage to Fairhaven terminals include the bus station, cruise ships, Amtrak station, the historic Fairhaven District as well as the Alaska Marine Highway System and City of Bellingham installed signage from State Route 11 through Fairhaven and along Harris Avenue to the Port's terminals. The Commissioners agreed that the signs along the freeway are larger than anticipated and impressive.

Motion approved with 3-0 vote.

6. MODIFICATION OF LEASE BETWEEN BOUNDARY FISH CO. AND THE PORT OF BELLINGHAM FOR PMA AND PORT PROPERTY LOCATED IN BLAINE HARBOR.

Motion: Approve a Modification of Lease between Boundary Fish Co. Inc. and the Port of Bellingham.

Discussion: Real Estate Analyst Terry Ilahi explained that the Port and Boundary Fish Co., Inc., a Port tenant since 1980, entered into a new twenty five year Harbor Land lease in 2009 and that Boundary Fish plans to construct a new 5,500 square foot building and expand their crab and fish processing operations. Mr. Ilahi further explained that the proposed lease modification accommodates the new building, allows the Port to establish legal lots of record, and includes cooperation and access clause for environmental remediation.

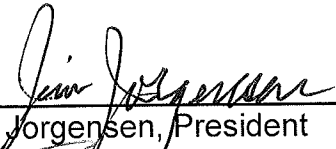
Motion approved with 3-0 vote.

NEW BUSINESS


There was none.

ADJOURN

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



Jim Jorgensen, President



Scott L. Walker, Secretary

NEW BUSINESS

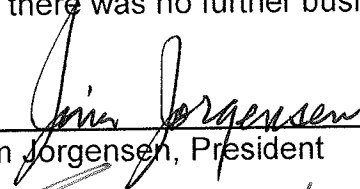
~~There was none.~~

1. Revised 2013 Commission Meeting Schedule: Cancellation of the August 6, 2013, Commission Meeting –The Commission unanimously voted to cancel the first meeting in August.
2. Bornstein Seafoods Letter – There was some discussion of the May 17, 2013, letter to the City of Bellingham Planning and Community Development Department (and August 20, 2009 letter) from Bornstein Seafoods Inc. Re: planning and zoning for urban multi-use shoreline use; specifically the potential negative impact upon their commercial operation if residential units are allowed to be built nearby in the Bellwether Gate LLC development.


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ADJOURN

As there was no further business, the meeting was adjourned at 4:40 p.m.



Jim Jorgensen, President



Scott L. Walker, Secretary