

**MINUTES OF THE PORT OF BELLINGHAM COMMISSION MEETING  
HELD TUESDAY, NOVEMBER 19, 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
	Daniel Zenk	Aviation Director
	Mike Stoner	Environmental Director
	Carolyn Casey	External Affairs Director
	Fred Seeger	Facilities Director
	Tamara Sobjack	Finance Director
	Elizabeth Monahan	Human Resources Director
	Dan Stahl	Maritime Director
	Shirley McFearin	Real Estate Director
	Brian Gouran	Environmental Site Project Manager
	Pam Taft	Special Projects Administrator
	Norman Gilbert	Project Engineer
	John Sitkin	Port Counsel
	Diane McClain	Executive Secretary

---

**1:30 CALL PUBLIC MEETING TO ORDER AND IMMEDIATELY RECESS TO CLOSED**

**EXECUTIVE SESSION** Commissioner Jorgensen called the meeting to order at 1:30 p. m. to report that the purpose of the closed session would be to discuss pending litigation, personnel matters and real estate transactions pursuant to RCW 42.30.110(1) (i) (g) (c).

**RECONVENE PUBLIC MEETING AND ROLL CALL**

Commissioner Jorgensen called the meeting to order at approximately 3:03 p. m.

**PUBLIC COMMENT PERIOD**

1. Bert Webber, Cliffside Drive, Bellingham, Washington- Mr. Webber presented a letter to the Commission and spoke of the Bellingham International Airport Advisory Committee (BIAAC) of which he is a member and would like the committee and staff to address issues such as airport noise, economic value vs. environmental impacts, low flying aircraft, and airport growth.

**RECESS THE PUBLIC MEETING AND OPEN A PUBLIC HEARING ON THE COMPREHENSIVE SCHEME OF HARBOR IMPROVEMENTS**

No one signed up to speak during the public hearing.

**CLOSE THE PUBLIC HEARING ON THE COMPREHENSIVE SCHEME OF HARBOR IMPROVEMENTS AND RECONVENE PUBLIC MEETING**

## **ACTION ITEMS**

### **1. UPDATE TO VARIOUS COMPREHENSIVE SCHEME OF HARBOR IMPROVEMENTS PLANS IN WHATCOM COUNTY, WASHINGTON.**

Motion: Approve Resolution No. 1326 incorporating the capital projects contained in the 2014 Strategic Budget into the Port of Bellingham's various Comprehensive Schemes of Harbor Improvement Plans in Whatcom, Co, Washington as follows: The Blaine Wharf District Master Plan, The Sumas International Cargo Terminal Comprehensive Scheme of Harbor Improvements, The Airport Master Plan, The Comprehensive Scheme of Harbor Improvements for Squalicum Harbor, The Bellingham Shipping Terminal Master Plan, and The Fairhaven Comprehensive Scheme of Harbor Improvements.

Discussion: Planning and Development Director Sylvia Goodwin reported that the proposed Resolution 1326, pursuant to RCW 53.20.020 and the holding of a public hearing, is an action to synchronize the Comprehensive Scheme of Harbor Improvement Plans with the annual Port of Bellingham strategic budget.

Motion approved with 3-0 vote.

### **RECESS THE PUBLIC MEETING AND OPEN A PUBLIC HEARING ON THE 2014 STRATEGIC BUDGET**

No one signed up to speak during the public hearing.

### **CLOSE THE PUBLIC HEARING ON THE 2014 STRATEGIC BUDGET AND RECONVENE THE PUBLIC MEETING**

### **2. APPROVAL OF THE 2014 STRATEGIC BUDGET AND THE PROPERTY TAX LEVY AS REFERNCED IN RESOLUTION NOS. 1323 AND 1324.**

Motion: Adopt Resolution No. 1323 approving the 2014 Strategic Budget and Resolution No. 1324 authorizing the regular property tax levy and declaring a substantial need to maintain the maximum levy capacity.

Discussion: Finance Director Tamara Sobjack explained that the Port's 2014 Draft Strategic Budget was published on October 24, 2013, and on November 5, 2013, the first public hearing was held to receive public comment on the budget and the second one held today. Ms. Sobjack further explained that proposed Resolution 1323 establishes the requested regular property tax levy rate of .2861 per thousand dollar of valuation for collection in 2014, and Resolution 1324 sets the estimated levy amount to be collected in 2014 and maintain maximum levy capacity for substantial need as required by Referendum No. 47. Commissioner Walker commented that the tax levy rates had not increased but rather decreased or stayed flat over the past several years and asked staff to provide historic information on the levy rates going back twenty years.

Motion approved with 3-0 vote.

### **3. 2014 BENEFITS PROGRAM**

Motion: Authorize the Executive Director to execute the necessary contracts and employment practices for the implementation of the 2014 Employee Benefits Program. The contracts are:

- Regence BlueShield – Medical Insurance
- Trusteed Plans Service Corporation – Dental/Vision Reimbursement Plan and Savings Accounts,
- Lincoln Financial – Life & Accidental Death & Dismemberment and Long-Term Disability
- Health Promotion Network – Employee Assistance
- Wells Fargo - Broker

Discussion: Human Resources Director Elizabeth Monahan reported that Port staff working diligently with the broker, and the Benefits Committee in negotiations with Regence resulted in a much more favorable outcome than anticipated given the recent health care reform concerns. Ms. Monahan further reported that the Port was able to obtain the same plan (see proposed motion) for 2014 with no rate increase, other than an increase for additional employees and an increase in the broker's fee of \$.50 per employee per month. Ms. Monahan explained that the broker fee has not increased in three years.

Motion approved with 3-0 vote.

### **4. WHATCOM WATERWAY SITE – DEPARTMENT OF NATURAL RESOURCES (DNR) LEASES**

Motion: Authorize the Port of Bellingham to approve payment of \$49,893.62 to the Department of Natural Resources (DNR) for Aquatic Lands Harbor Lease Nos. C2200002469 and C2200002470 for the period December 1, 2013, through November 30, 2014.

Discussion: Environmental Programs Director Mike Stoner explained that the Port has been using the Aeration Stabilization Basin (ASB) and pipeline system to manage stormwater and industrial process water since 2008. While Port staff continues work to finalize agreements with GP and DNR for these improvements during environmental remediation of the Whatcom Waterway site, the Port has been paying DNR annually on behalf of the leaseholder (GP) to lease a wastewater pipeline system crossing under the Whatcom Waterway to the ASB and for the outfall pipeline extending from the ASB into Bellingham Bay and the southern corner of the ASB breakwater, which is on state-owned land.

Motion approved with 3-0 vote

### **5. AMENDMENT NO. 9 TO THE PROFESSIONAL SERVICES AGREEMENT WITH LANDAU ASSOCIATES, INC FOR THE CORNWALL AVENUE LANDFILL SITE.**

Motion: Authorize the Executive Director to execute Amendment No. 9 to the Professional Services Agreement (PSA) with Landau Associates, Inc. (Landau) to increase the term, scope and budget by \$35,500 to prepare a Draft Cleanup Action Plan and provide support in Consent Decree negotiations at the Cornwall Avenue Landfill for a total authorized budget of \$723,100.

Discussion: Environmental Site Project Manager Brian Gouran explained that the Cornwall Avenue Landfill site requires remedial action under the Washington State Department of Ecology Model Toxics Control Act (MTCA) program and that the Port entered into a PSA with Landau to finalize the Remedial Investigation and Feasibility Study (RI/FS) work. Mr. Gouran further explained that the proposed scope of services in PSA Amendment No. 9 covers the completion and submittal of the Draft Cleanup Action Plan (CAP), Consent Decree negotiation, and public comment support for the two.

Motion approved with 3-0 vote

**6. AMENDMENT NO. 3 TO THE PROFESSIONAL SERVICES AGREEMENT WITH BENNETT ENGINEERING, LLC FOR THE AIRPORT WOODWASTE LANDFILL SITE.**

Motion: Authorize the Executive Director to amend the Professional Services Agreement (PSA) with Bennett Engineering, LLC to perform landfill monitoring and reporting services in 2014 for an estimated cost of \$17,513 and a total authorized budget of \$170,567.

Discussion: Environmental Site Project Manager Brian Gouran explained that Bennett Engineering LLC entered into a PSA with the Port in 2010 to perform post-closure monitoring and reporting services at the Airport Woodwaste Landfill over a period of years. The Agreement is to be amended annually. Mr. Gouran further explained that the 2014 scope of services proposed in Amendment No. 3 includes monthly landfill monitoring and reporting per the requirements of the Post-Closure National Pollution Discharge Elimination System (NPDES) Permit.

Motion approved with 3-0 vote

**7. AWARD BID TO IMCO GENERAL CONSTRUCTION, INC. FOR THE 2013 MULTIPLE MARINE REPAIR PROJECTS.**

Motion: Authorize the Executive Director to execute a contract with IMCO General Construction, Inc. of Ferndale, Washington for the Multiple Marine Repair Projects 2013 in the amount of \$1,771,441.18 plus a \$100,000 (5.6%) contingency for a total authorized contract amount of \$1,871,441.18; and amend the 2013 Capital Improvement Program by increasing the capital budget of line item 183, Bellingham Shipping Terminal (BST) main Pier Repairs 09-1810-48, by \$880,000 for a total of \$2,164,421. In addition, approve the establishment of a new 2014 Capital Improvement Program budget line item for transferring the funds from 2014 Capital Improvement Program line item 133, "Shipyard Pier-Engineering/Scope for Repair/Rebuild" 07-1811-23.

Discussion: Project Engineer Norman Gilbert explained that the proposed contract is a combination of six projects involving marine work which includes the Bellingham Shipping Terminal Bracing, Blaine End Pier Structural Repairs, Harris Avenue Pier Fender Pile Replacement, Gillnet Loading Dock Structural Repairs, Bellingham Cruise Terminal (BCT) Breasting Dolphin Repair, and Bellingham Shipping Terminal Finger Pier Debris Removal. All projects to be funded through the Capital Improvement Program in the budget, with the exception of the BCT repair work prefunded by the party responsible for the damage.

Motion approved with 3-0 vote

**8. AMENDMENT NO. 8 TO THE PROFESSIONAL SERVICES AGREEMENT WITH KPFF CONSULTING ENGINEERS FOR THE BELLINGHAM SHIPPING TERMINAL BULKHEAD AND MAIN PIER REPAIRS PROJECT.**

Motion: Authorize the Executive Director to execute Amendment No. 8 to the Professional Services Agreement (PSA) with KPFF Consulting Engineers on the Bellingham Shipping Terminal (BST) Bulkhead and Main Pier Repairs Project to provide additional mooring analysis of the BST pier (South Dock) and construction support services for upcoming improvements to the BST pier and bulkhead in the amount of \$19,500 for a total authorized contract amount of \$426,282.

Discussion: Project Engineer Norman Gilbert reported that the scope of work in the proposed PSA amendment is for design drawings, construction support for cross-bracing replacement, minor field adjustments needed on the bulkhead wall, perform an analysis of the additional mooring load and analyze the existing timber batter piling on the South Dock; work to be funded through the Capital Improvement Program allocation.

Motion approved with 3-0 vote

**9. AIRPORT COMMERCIAL TERMINAL EXPANSION PROJECT – PHASE 2 MULTIPLE USER PASSENGER PROCESSING SYSTEM AIR-TRANSPORT IT SERVICES, INC.**

Motion: Authorize the Executive Director to execute a contract with Air-Transport IT Services, Inc. (AirIT) of Orlando, Florida, for the Airport Commercial Terminal Expansion Phase 2 Project Passenger Processing System in the amount of \$605,199 plus a 10% contingency of \$60,520 for a total authorized contract amount of \$665,719.

Discussion: Senior Project Engineer Adam Fulton explained that the Multiple User Passenger Processing System (MUPPS) will allow for the full utilization of the newly constructed terminal and supporting infrastructure. The system allows flexibility to accommodate the airlines fluctuating travel activity by adding 36 workstations, integrating necessary servers and hardware with the installation of the AirIT software and the Electronic Video Information Display System (EVIDS).

Motion approved with 3-0 vote

**10. RESOLUTION NO. 1226-J RENEWAL OF HARBORS' RULES, REGULATIONS, AND PROCEDURES AND INCORPORATING NEW BOATHOUSE INSURANCE REQUIREMENTS.**

Motion: Adopt Resolution No. 1226-J providing for the annual renewal of the Harbors' Rules, Regulation, and Procedures, and incorporating new boathouse insurance requirements into Section 2.3, J., 1.(o),(il).

Discussion: Special Projects Administrator Pam Taft explained that when the new boathouse policy was adopted into the Harbors' Rules & Regulations back in April 2013; staff informed

the Commission that they would return with a recommendation establishing the minimum insurance requirements for the Multiparty Boathouses (MPBH). Ms. Taft further explained that the proposed MPBH policy establishes an interim requirement to allow additional time for the MPBH Owners to become a legal entity and obtain insurance on the boathouse structure(s). Until such time the Owners obtain insurance on the boathouse structure, coverage for the boathouse(s) shall be through the vessels that are moored inside the structure(s). Under the new policy, such vessels shall be required to maintain a Yacht Policy with a minimum \$1 million liability coverage naming the Port as additionally insured. Additionally, the MPBH structures that have all their vessels covered by the interim insurance requirement will be granted a six month extension of the January 15, 2014, deadline to provide an organizing agreement and \$3 million liability coverage on the boathouse. Once the boathouse structure is covered under the \$3 million liability, the vessel insurance requirement reverts to the existing \$300,000 minimum liability coverage requirement per each vessel in the harbor.

Motion approved with 3-0 vote

## **WORK STUDY**

### **1. Waterfront Update**

Environmental Programs Director Mike Stoner provided an update as part of an ongoing series on Revitalizing Bellingham's Waterfront. Mr. Stoner reported that the process for having the final package of documents to the City Council and Port Commission for approval by the end of the year is on track. The City Council heard public comment again during the November 18 Council meeting and any changes/recommendations brought forward will need to be approved by both the City and the Port, both will need to approve the same packet of final documents.

Click here for presentation: <http://www.portofbellingham.com/DocumentCenter/View/2843>

## **ADJOURN**

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

---

Jim Jorgensen, President

---

Scott L. Walker, Secretary