



PORT COMMISSION OF THE PORT OF EDMONDS

MINUTES OF REGULAR MEETING

November 30, 2015

COMMISSIONERS PRESENT

David Preston, President
Fred Gouge, Secretary (by phone)
Mary Lou Block
Jim Orvis

STAFF PRESENT

Bob McChesney, Executive Director
Marla Kempf, Deputy Director
Tina Drennan, Finance Manager
Megan LeBlanc, Administrative Assistant

OTHERS PRESENT

Bradford Cattle, Port Attorney

COMMISSIONERS ABSENT

Bruce Faires, Vice President

CALL TO ORDER

Commission President Preston called the regular meeting to order at 7:00 p.m.

PLEDGE OF ALLEGIANCE

All those in attendance participated in the Pledge of Allegiance to the American Flag.

CONSENT AGENDA

COMMISSIONER ORVIS MOVED THAT THE CONSENT AGENDA BE APPROVED TO INCLUDE THE FOLLOWING ITEMS:

- A. APPROVAL OF AGENDA**
- B. APPROVAL OF AUGUST 10, 2015 MEETING MINUTES**
- C. APPROVAL OF PAYMENTS IN THE AMOUNT OF \$483,814.84**
- D. APPROVAL OF EXECUTIVE DIRECTOR TO WRITE OFF \$1,650.86 AND SEND ACCOUNT TO COLLECTIONS**

COMMISSIONER GOUGE SECONDED THE MOTION, WHICH CARRIED UNANIMOUSLY.

PUBLIC COMMENTS

There were no public comments.

HARBOR SQUARE ATHLETIC CLUB REMODEL

Jack Tawney, Harbor Square Athletic Club, presented draft plans for remodeling the club facility for the Commission's information. He advised that he is currently seeking information from the City related to setback and lot coverage requirements, which may limit the club's ability to expand the footprint of the facility to accommodate the proposed changes. Mr. McChesney pointed out that the City's more restrictive buffer and setback requirements have not yet been approved by the Department of Ecology (DOE). Therefore, any building permit that is submitted prior to formal adoption of the new requirements would be considered vested to the existing requirements. Council

Member Mesaros confirmed that the new regulations have not yet been formally approved by the Department of Ecology.

Commissioner Gouge reviewed that, right now, the current setback under City code is 25 feet from the high water mark as per the contract rezone. He questioned how the City could enforce the greater setback requirement before it is formally adopted into law. He voiced his opinion that it is the Port's responsibility to intervene and protect its tenant from the City's attempt to invoke a future law that may or may not ever be adopted. Mr. McChesney agreed that the Port could provide assistance to Mr. Tawney upon request.

Mr. Cattle emphasized that, in order for Mr. Tawney's building application to be vested under the current regulations, it must be deemed a complete application before the proposed regulation changes are adopted, and the Port can assist him in this effort. Mr. Tawney reported that the initial application was submitted about four months ago, but the City has continued to request additional information before the application can be deemed complete. While the City has made overtures that the new setback requirements would apply, there has been no formal indication in that direction. He said he believes all of the requested information has been provided to the City and the application can move forward in the next two or three weeks.

Mr. Tawney said additional parking is a significant element of the proposed remodel. The new proposal is to convert the existing tennis court surface into a parking area. The surface is strong enough to park cars on, but they recognize that they would have to address stormwater runoff as per the DOE requirements. He said an environmental analysis of the proposal has been performed, which indicated that there would be no impact as long as stormwater is handled correctly. Mr. McChesney clarified that the current proposal is to simply paint the tennis court surface black and add striping and stormwater control. He commented that additional parking is needed at the club, and Mr. Tawney said parking is a particular problem between the hours of 8:00 and 11:30 a.m.

Mr. Tawney summarized that the proposed changes are intended to update the facility to better compete with similar facilities and provide better service to customers. The Commission offered the Port's assistance as the proposal moves through the permitting process.

2016 ELECTION OF OFFICERS

Mr. McChesney advised that the Revised Code of Washington (RCW) requires that the Commission elect a president and secretary to serve as officers for the upcoming year, and the Port of Edmonds also elects a vice president to act in the absence of the elected president. It is anticipated that the election of officers for 2016 will take place on December 14th.

2016 COMMITTEE ASSIGNMENTS

The Commissioners agreed to review and provide input relative to the 2016 Committee Assignments at their January 11th meeting.

I DOCK ELECTRICAL SYSTEM REPAIR CONTRACT APPROVAL

Mr. McChesney reviewed that since 2012, Port staff has conducted inspections and condition surveys of the marina's electrical systems and identified several items that needed repair and capital maintenance. Much of this work has been done, with I Dock being the last mid marina upgrade task. He reminded the Commission that the project was discussed at the October, 13, 2014 meeting, and \$100,000 was allocated in the 2015 Operating Budget. Specifications and a formal bid package was prepared and released, and a formal bid invitation was sent out to appropriate vendors on the Small Works Roster on November 5th. The project was also advertised in *THE EDMONDS BEACON* and *THE EVERETT HERALD*, and a pre-bid walk-through of project was conducted on November 12, 2015 with eight contractors in attendance. The staff received and reviewed six qualified bids on November 19, 2015, and the low bid was Valley Electric of Mount Vernon for \$40,774 as the base bid plus sales tax of 3,873.53 for a total cost of \$44,647.53. An alternative item for removing and replacing four of the power pedestals was not exercised because the cost was too high. As per the proposed contract with Valley Electric, work will begin after January 2, 2016 and should be substantially complete by January 31, 2016. Staff will work with the contractor to minimize disruptions to tenants during installation. He referred to the bid information that was

attached to the Staff Report. He summarized that the proposed contract is in line with the Port's strategic purpose to provide quality service and facilities to tenants and to be a responsible financial steward. He recommended the Commission authorize the Executive Director to enter into a contract with Valley Electric of Mount Vernon in the amount of \$40,774 plus sales tax for the base bid for the I Dock Electrical System Repair Contract (2015-226).

Commissioner Orvis asked how the Port plans to address problems with the pedestals if they are not included in the contract. He noted that the budget allotted \$100,000 for the project, and another bid would have been less costly if the Port had exercised the alternate. Mr. McChesney advised that the bid had to be awarded based on the base bid, without considering the costs for the alternate. While the Port will eventually upgrade the pedestals at some point, staff could not make a solid business case for the pedestals given that they are there as a convenience and do not generate revenue. Staff made the decision to exclude them from the base contract.

Commissioner Orvis asked if the Port has worked with Valley Electric in the past. Mr. McChesney answered no, but staff has checked their references and believe them to be a qualified contractor. Harbor Power, the Port's electrical engineer, has worked successfully with Valley Electric.

COMMISSIONER GOUGE MOVED THAT THE COMMISSION AUTHORIZE THE EXECUTIVE DIRECTOR TO ENTER INTO A CONTRACT WITH VALLEY ELECTRIC OF MOUNT VERNON, INC. IN THE AMOUNT OF \$40,774 PLUS SALES TAX FOR THE BASE BID FOR THE I DOCK ELECTRICAL SYSTEM REPAIR CONTRACT. COMMISSIONER ORVIS SECONDED THE MOTION, WHICH CARRIED UNANIMOUSLY.

APPROVAL OF POLICY NUMBER 3.50.33 – USE OF CREDIT CARDS

Ms. Drennan explained that the RCW states that governments are authorized to use credit cards for official government purposes and acquisitions and that the legislative body shall adopt a system for the credit cards. The Port's original policy was approved on April 10, 2007. Since that time, some changes have occurred with the authorized credit card users and authorized credit card limits. She briefly reviewed the proposed changes, including a new section that says that Port employees and Commissioners are not permitted to make personal purchases on Port accounts. In addition, accounts that are no longer used were cancelled to eliminate the risk of fraudulent charges, and some new accounts were added. Lastly, Cascade Bank is now Opus Bank, and a second credit card for \$5,000 was added because they were bumping up against the \$5,000 limit. For control purposes, she likes to have a lower limit on the cards in case they are lost or stolen.

Commissioner Orvis asked if there is a financial advantage of having a Lowes or Home Depot credit card over using a Visa card. Ms. Drennan explained that the Facilities Maintenance Manager does not have access to these other credit cards, as they are only in her and Mr. McChesney's name. In addition, the Port often spends more at these stores than the \$5,000 credit card limit would allow over a two-month period. It is also less risky to have a card that is restricted to one store.

COMMISSIONER ORVIS MOVED THAT THE COMMISSION APPROVE POLICY NUMBER 3.50.33 – USE OF CREDIT CARDS. COMMISSIONER BLOCK SECONDED THE MOTION, WHICH CARRIED UNANIMOUSLY.

DRY STORAGE NORTH LAUNCHER REPAIRS

Mr. McChesney recalled that both the north and south launchers at the Dry Storage Facility were overhauled by Everett Engineering in 2010 and 2011, but the work did not include the hydraulic pumps and motors inside the machine room. In July of 2015, the north launcher pump blew out and ceased to operate. Staff contacted Everett Engineering to replace the pump, and the original repair estimate was \$5,900. The day after the new pump was installed, it blew a seal. Staff again called Everett Engineering and a new seal was installed. However, for reasons not well understood, the north launcher still did not operate properly. It jerked and bounced with a heavy load to the extent that loads had to be limited to the smaller boats. Everett Engineering was called back to evaluate and fix the problem, but there was no apparent reason for the condition. The hydraulic cylinder manufacturer could provide no answer except to suggest that there was air trapped inside the top stage of the telescoping cylinder. They advised to run it up and down to chase the air out. However, there is no purge fitting to relieve the air pockets. Port staff

worked with Everett Engineering to design a solution that requires additional work to rebuild the hydraulic valve. The invoice for the initial pump repairs came in at \$11,361.40, and the estimate for the additional repairs is \$15,130.

Mr. McChesney advised that, as part of the repairs, staff is recommending that the Dry Storage operations be modified to balance out the operating cycles more evenly between the two launchers. There has been a strong bias and/or habit to use the north launcher for in and out and the south launcher remains idle. The intent is to use the south launcher for in and the north launcher for out. Doing this should help limit future repair bills.

Mr. McChesney noted that \$25,000 was identified in the 2016 Capital Budget for A Dock. Because they are now in the slow season and the repairs to the north launcher are not time sensitive, he suggested they pay the original repair invoice with Everett Engineering as presented (\$11,361.40) and postpone the additional repairs until January 2016 and use the money that is already budgeted for Dry Storage for that purpose. He recommended the Commission approve repairs to the Dry Storage North Launcher based on the Everett Engineering invoice and estimate in an amount not to exceed \$30,000. He noted this was a sole-source repair service. The launcher is a unique piece of equipment and staff could find no other vendor who could do the work. Ms. Drennan added that the Port bid out repairs on the Dry Storage Launchers on two separate occasions, and only one vendor bid each time and they were unable to finalize the contract and proceed with any work. It is very difficult to find vendors to work on the equipment.

Commissioner Preston asked if other marinas have experienced similar problems with the launcher brand. Mr. McChesney said he does not know of another launcher that operates the same as the Port's launcher. They are more common in the Gulf area and Florida.

Commissioner Orvis suggested that since the money has already been authorized in 2016, and he can see no reason to delay the additional work that is needed. Because they know that only one company can fix the equipment, bidding the projects will just create delay and confusion. Mr. McChesney advised that he will be meeting with representatives of Everett Engineering to identify the right approach.

COMMISSIONER ORVIS MOVED THAT THE COMMISSION APPROVE THE DRY STORAGE NORTH LAUNCHER REPAIRS BY EVERETT ENGINEERING AS PER THE WORK ORDER ESTIMATE NOT TO EXCEED \$30,000. COMMISSIONER GOUGE SECONDED THE MOTION, WHICH CARRIED UNANIMOUSLY.

NEW RESTROOM PROJECT REPORT AND POSSIBLE CHANGE ORDERS

Mr. McChesney announced that the restroom project commenced on November 16th, after several changes to the original contract specifications as required by the City of Edmonds. One potential major issue concerning the City's directive to install two water meters has been resolved. He noted that the original plan called for a direct connection to the City's existing water main running north/south under the pavement in the driveway on the shore side of the marina seawall. The intent was to minimize trenching and to isolate the marina water service for shut down during freeze conditions, while keeping the restrooms open. City staff worked well with Port staff to find another way to accomplish the same objective without purchasing new meters at a cost of \$46,780 each. Instead of connecting to the City's main, they will core through the seawall and connect directly into the Port's existing 4-inch water main that is hanging under the promenade. He recommended the Commission approve Change Order 003 in the amount of \$2,414.50.

Mr. McChesney said another potentially costly problem was that the Snohomish County Public Utility District (PUD) was not going to allow the Port to connect the electrical service for the restroom shower building outside of marine operations to the existing transformer on the south side of Anthony's Restaurant because it was already dedicated to one commercial user and the voltage was not compatible. In consultation with the Port's electrical engineer (Harbor Power), staff proposed a new step down transformer to resolve the voltage compatibility conflict. To accomplish this, the PUD required a variance application, which was approved. While there will be a separate change order for the step down transformer, he does not have the numbers at this time.

Mr. McChesney advised that Change Order 001 is for \$2,978.25 and related to a package of incidental changes that were required by the City of Edmonds. Change Order 002 is for \$407 for the additional sanitary line clean out that

was required by the City. The total of the three change orders to date is \$5,799.75, but does not include the change order for the step down transformer. He recommended the Commission approve Change Orders 001, 002, and 003 as presented.

Mr. McChesney summarized that the project has been extended for one week, and they expect the new buildings to be delivered and installed on or before December 18th.

COMMISSIONER GOUGE MOVED THAT THE COMMISSION APPROVE CHANGE ORDERS 001, 002 AND 003 AS PRESENTED. COMMISSIONER ORVIS SECONDED THE MOTION, WHICH CARRIED UNANIMOUSLY.

EXECUTIVE DIRECTOR'S REPORT

Mr. McChesney reported that he has been working with the Snohomish County Tourism Bureau to prepare a 2016 budget and he also made a presentation to the Lodging Tax Advisory Committee. In addition, he attended the Washington Public Port Association (WPPA) Fall Meeting in Seattle, specifically attending the Economic Development and Marina Committee meetings.

Ms. Kempf reported that she also attended the WPPA Annual Meeting where she led a roundtable discussion on creative marketing for marinas.

Ms. Kempf reminded the Commission that members of the Edmonds Yacht Club will be bringing their decorated boats into the Guest Moorage area for the month of December for the Holidays on the Dock event. In addition, an Argosy Christmas Ship will visit the Port of Edmonds on December 8th at 7:00 p.m. She provided a brochure that includes the schedule and information about how to purchase tickets.

COMMISSION COMMENTS AND COMMITTEE REPORTS

Commissioner Gouge reported on his attendance at the WPPA Annual Meeting on Wednesday, but said he was unable to stay for the Thursday and Friday sessions because of a mix up with his hotel reservation.

Commissioner Orvis reported on his attendance at a public meeting sponsored by the Mayor's Advisory Committee for the at-grade railroad crossing alternatives analysis. There were nearly 100 people in attendance, and the purpose of the meeting was to outline the task and solicit comments and suggestions from the public. It was emphasized that no decisions have been made yet, and all alternatives will be evaluated using the same criteria, which will be developed by the committee over the next few months. It was a pleasant meeting, and a lot of notes were taken for the consultants to address. The committee will meet again in December and then every two weeks throughout 2016 as needed.

Commissioner Preston said he also attended the WPPA Annual Meeting. He attended some lively sessions, and he is continually amazed at the new thoughts that are presented.

Commissioner Preston noted that the Commission will continue its discussion related to fuel types (E-10 and clear gas) at their next meeting on December 14th. He said he plans to attend the Edmonds City Council Meeting on December 1st where the budget and other issues that concern the Port are scheduled for discussion.

Commissioner Preston said one subject that was discussed at both the WPPA and Northwest Marine Trade Association (NMTA) meetings was the need for shop classes in the public schools to teach students skills and trades. There is currently a shortage of people who are qualified to work in various trades.

ADJOURNMENT

The Commission meeting was adjourned at 8:00 p.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Fred A. Gouge". The signature is written in a cursive style with a long horizontal flourish extending to the right.

Fred Gouge
Port Commission Secretary