



Port of Skagit

Regular meeting of the Port Commission

Tuesday, June 8, 2010 9:00 AM

MINUTES

PRESENT: Commission - Kevin Ware, Jerry Kaufman and Bill Shuler
Staff - Patsy Martin, Scott Peterson, Kristin Garcia, Sara Young, Carl Molesworth, Bob Nord, and Debbie Hamilton
Others - See sign in sheet

CALL TO ORDER

Commissioner Kevin Ware called to order the June 8, 2010 regular meeting.

Changes or additions to the agenda as follows:

1. ADMIN: Insurance; Property and Casualty - Broker of Record (2010 – Current)
2. ADMIN: July 13, 2010 Regular Meeting moved to July 6, 2010

CONSENT AGENDA – Port of Skagit

Public Communications
May 11, 2010 Regular Meeting Minutes
Fiscal Report

COMMISSION ACTION: The commission unanimously approved the consent agenda.

OPEN FORUM

No comment during open forum.

STAFF REPORTS

PUB AGEN: Fire District 6 (2010) – Status Report (Oral)

Patsy Martin introduced Josh Carpenter, new fire chief from Fire District 6. Josh wanted to meet the commission and provided a status report on Fire District 6. Fire District 6 staff are

preparing a pre-fire building plan for all Port properties, obtaining hazardous information from tenants and finishing an emergency response plan for the taxiway area. Once the taxiway emergency response plan is completed Fire District 6 staff will train Port of Skagit staff. The plan will be reviewed with Skagit County.

NEW BUSINESS

ADMIN: Authority for Director of Finance to Establish Taxiway F Fund – Adopt Resolution

Kristin Garcia reported the Port has a pollution remediation site called “Taxiway F Project.” Over the past few years, the port has been pursuing grant and insurance funds to help pay for clean up of the remediation site. As of May 25, 2010, the port has received \$322,222.64 from the Department of Ecology for reimbursement of past costs associated with this project.

To prepare for future cash outlays associated with this project, staff recommends establishing a Taxiway F Fund and depositing the current receipts of \$322,222.64 and future receipts associated with this project as a means to restrict or designate these receipts for this specific project.

RCW 53.36.050 requires establishment of port funds by commission resolution. If after the project is complete and no future outlays expected, any funds remaining in this account will become unrestricted and transferred back into the general fund.

COMMISSION ACTION: The commission unanimously adopted Resolution 10-13 which will establish a fund for the Taxiway F Project.

STAFF REPORTS CONTINUED

ADMIN: Strategic Plan (2010) – Status Update

Patsy Martin reported that staff is beginning to prepare for the annual Strategic Planning Retreats and has set dates for 3 upcoming meetings:

| | | |
|-----------------|--------------|--|
| July 28, 2010 | 9 AM to 2 PM | Commission Walkabout Port Properties |
| August 5, 2010 | 9 AM to 2 PM | Strategic Planning Retreat – Results |
| August 17, 2010 | 9 AM to 2 PM | Strategic Planning Retreat – Future Planning |

Locations will be determined and provided with updated agendas for each meeting.

ADMIN: Use Permits; Ragnar Events, LLC (2007-Current) – Review Event

Sara Young reported the 2010 Ragnar Relay NW Passage Event will pass through the Bayview Business Park on July 23 and 24, 2010. Runners will enter Port property from Josh Wilson Road and exit onto Peterson Road, using Port roads along the way. Rangar Events, LLC has provided the Port with a certificate of insurance and a Hold Harmless Agreement.

ADMIN: Use Permits; Skagit Bicycle Club (2001 – Current) – Review Event

Sara Young reported the Skagit Bicycle Club has requested permission to use the Port of Skagit Nature Trails for group rides during the summer of 2010. They have provided the Port with a certificate of insurance and a Hold Harmless Agreement.

ADMIN: Website (2010) – Status Update (Oral)

Carl Molesworth reported that the new Port of Skagit website is online and ready for use.

MARINA: Occupancy Report; May 2010 (Oral)

Paul Mattos reported that marina occupancy has increased by 10 during the month of May. He reported staff is beginning to use the new lift and finds it to be an advantage in the daily operations.

TENANT: Tenant Austerity Program (2010) – Status Update

Kristin Garcia reported on November 18, 2008, the commission adopted a resolution establishing the tenant austerity program. Since that time, four tenants have applied and been accepted into the program. Kristin provided a status update on the following tenants:

Woodinville Lumber (Tri-County Truss)
Nordic Tugs
Seawolf
Tomco

ADMIN: Change of Meeting Date; July 13, 2010 to July 6, 2010

Patsy Martin reported that due to schedule changes she recommended the commission change the July 13, 2010 Regular Meeting date to July 6, 2010.

COMMISSION ACTION: The commission unanimously approved changing the July 13, 2010 Regular Meeting date to July 6, 2010.

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NEW BUSINESS CONTINUED

ADMIN: Lease Policy (2010) – Adopt Resolution

Scott Peterson reported that staff has prepared and is ready to proceed with the adoption of the new lease policy.

Staff recognizes the challenge of determining the market value of land leases on Port owned land. In order to meet these challenges Port staff will evaluate market values of all Port-owned properties to determine a range of lease rates for each marketable piece of property or building. Port staff will negotiate market leases that will attract high quality jobs, economic growth, and revenues to the local, county and state governments. Staff will consider length of term, capital investment, number of jobs, types of jobs (value and benefits), as well as any substantial development when determining lease value.

The new lease policy defines landscape and irrigation requirements for new construction based on guidelines and standards provided by the Port. The Port will schedule all landscape maintenance with the cost billed to the lessee.

Discussion.

COMMISSION ACTION: The commission unanimously adopted Resolution 10-14 which adopts the new lease policy.

ADMIN: Marina; Rules and Regulations Applying at the La Conner Marina (2010) – Adopt Resolution

Paul Mattos reported the Port of Skagit adopted rules and regulations applying at the La Conner Marina in 2007. Since that time, staff has determined that additional regulations need to be applied to enable the marina to be managed more efficiently. In addition, there were existing regulations that needed to be deleted or clarified. Those changes were made by staff and reviewed by the commission and is ready to move forward with the adoption of the updated Rules and Regulations.

Discussion regarding extended stay guidelines on the guest dock.

COMMISSION ACTION: The commission unanimously adopted Resolution 10-17 which will adopt Rules and Regulations Applying at the La Conner Marina dated June 8, 2010 and authorized staff to amend the regulations with non-substantive changes to make them clearer, more understandable and easily implemented.

ADMIN: Skagit Regional Airport and Bayview Business Park Rules and Regulations (2010) – Adopt Resolution

Scott Peterson reported that staff has been working on the Skagit Regional Airport and Bayview Business Park Rules and Regulations since last winter. Staff presented a draft of the Rules and Regulations to the airport advisory group for comment. Based on the advisory group's comments, the final version of this document is now ready for commission approval.

Several changes have been made. First, any references to "Ultra-Lights" have been removed. Rules addressing "Derelict Aircraft" have been clarified, and additional rules applying to fueling of aircraft, stormwater management, deicing, and airplane washing have been addressed.

COMMISSION ACTION: The commission unanimously adopted Resolution 10-15 which will adopt the Port of Skagit Rules and Regulations applying at the Skagit Regional Airport and the Bayview Business Park dated June 8, 2010 and direct staff to implement them accordingly.

AIRPORT: Minimum Standards and Guidelines for Airport Construction at Skagit Regional Airport (2010) – Adopt Resolution

Scott Peterson reported that staff has developed Minimum Standards and Guidelines for Airport Construction to coincide with plans for the business and economic development at Skagit Regional Airport.

The Port has implemented policies to allow for longer-term leases, address landscape standards, and establish long-term aircraft use along the three (3) flightlines. Long-term use of airport facilities is the framework staff used to determine the Port's minimum standards and guidelines for airport construction.

COMMISSION ACTION: The commission unanimously adopted Resolution 10-16 which will establish Minimum Standards and Guidelines for Airport Construction at Skagit Regional Airport.

AIRPORT: Runway 10/28 Underdrain and Overlay Project (2010) – Award Bid

Patsy Martin reported the Port opened bids on the Runway 10/28 Underdrain and Overlay Project on May 21, 2010 at 10 am. The project will remove and replace the existing failed underdrain system (with the exception of the east 1400 feet of the runway) and repave with a 2-inch nominal asphalt overlay to serve until the 2011 crown conversion. An additive bid for wildlife fencing was included with this project based on FAA's agreement that, should bids

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come in below the engineer's estimate, the excess funding could be applied toward wildlife deterrent fencing.

The bid process was conducted according to Washington State Public Works bidding requirements. Six bids were received for the project and were read aloud immediately following the close of bids.

The lowest responsible bidder was Interwest Construction with a total bid, including Additive Bid Schedule A, in the amount of \$2,533,826.30 (including sales tax). The Engineer's Estimate for the project, including the fencing alternate, was \$3,514,802.35.

Precision Approach Engineering (PAE) has reviewed the bids and provided a recommendation of award to Interwest Construction, Inc. Staff has reviewed the bids and the award recommendation from PAE, and is now recommending award of the contract to Interwest, contingent on receipt of FAA funding.

Award of the bid is subject to FAA approval and funding availability. FAA has been notified of the bid results and has concurred with and approved award of the bid to Interwest, contingent on receipt of funding. Funding is expected to become available in late July or early August. If grant funding is not awarded by mid-August, all bids will be rejected and the project will be re-bid next year. The Port has reserved the right to withhold bid award for a period of 100 days from the date of bid opening (August 29, 2010).

COMMISSION ACTION: The commission unanimously awarded the Runway 10/28 Underdrain and Overlay Project (2010) to Interwest Construction, Inc. for the construction of drainage system replacements, asphalt overlay, and wildlife deterrent fencing in the amount of \$2,533,826.30 (including sales tax), contingent on receipt of FAA funding and authorized the executive director and staff to take all steps necessary to carry out the intent of the action.

AIRPORT: Runway 10/28 Underdrain and Overlay Project (2010); FAA Grant Application – Adopt Resolution

Patsy Martin reported the Port opened bids on the Runway 10/28 Rehabilitation Project; Underdrain Replacement and Nominal Overlay (2010) on May 21, 2010. Bid award is contingent on receipt of FAA funding, expected to occur in late July or early August, 2010. The project is eligible for 95% funding from FAA. Based on the bid outcome and estimated engineering fees for services during contraction, Staff expects the grant to total approximately \$2,800,000. Port matching funds would total approximately \$150,000 for the construction phase of the project.

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COMMISSION ACTION: The commission unanimously adopted Resolution 10-18 which authorizes the Executive Director to enter into a grant agreement with the Federal Aviation Administration for the construction phase of the project.

MARINA: Bad Debt; Brian Filler (2010) – Adopt Resolution

Kristin Garcia reported that staff is asking for commission approval to write off debts in the amount of \$2,272.91 for marina moorage tenant Brian Filler. The account originally became delinquent in 2009.

On September 18, 2009 an auction was held and the boat did not sell. The boat is still in the port's possession and staff is working on a solution for disposal. Although the boat is still in the marina, it is prudent accounting practice to write off debts not deemed collectible. It is also the port's policy to send bad debt accounts to collection.

COMMISSION ACTION: The commission unanimously adopted Resolution 10-19 which will write off debts owed to the Port of Skagit in the amount of \$2,272.91.

TENANT: BBP; Bell, Darren & Julie (dba Bell & Sons Construction); Lease dated 7/1/06; Bad Debt – Adopt Resolution

Kristin Garcia reported that staff is asking for commission approval to write off debts in the amount of \$8,976.69 for business park tenant Bell and Sons Construction previously located at 11781 Unit B Watertank Road. Bell and Sons originally became delinquent in July 2009.

In early January 2010, Mr. Bell agreed to terminate his lease agreement and move from the premises. The lease terminated January 31, 2010.

After applying the amount held for security deposit on the lease, the outstanding balance on the account is \$8,976.69. It is prudent accounting practice to write off debts deemed uncollectible. Typically it is the port's policy to send bad debts to collection, however in the case of bankruptcy, this may not be possible.

COMMISSION ACTION: The commission unanimously adopted Resolution 10-20 which will write off debts owed to the Port of Skagit in the amount of \$8,976.69.

GOOD OF THE ORDER

No comment.

ADJOURNMNET

Commissioner Ware called for a motion to adjourn.

ADJOURNMENT

The commission adjourned the regular meeting at 10:28 a.m.

ADOPTED IN OPEN SESSION this 6 day of July, 2010 and duly authenticated by the signatures affixed hereto.

PORT OF SKAGIT COUNTY

Signature on file

Commissioner

Signature on file

Commissioner

Signature on file

Commissioner