



PORT OF OLYMPIA COMMISSION  
MINUTES OF REGULAR MEETING

June 28, 2010

**CALL TO ORDER**

President Barner called the meeting of June 28, 2010, to order at 5:30 p.m. at the Tumwater City Hall in Tumwater. Commissioners Davis and McGregor were also in attendance.

Staff in attendance was: Executive Director Ed Galligan, Program Assistant Lorie Watson, Engineering Director Rick Anderson, Harbor Director Bruce Marshall, Airport Director Rudy Rudolph, Marine Terminal Director Jim Amador, Marketing and Business Development Director Kari Qvigstad, Communications Manager Kathleen White, Environmental Program Manager Joanne Snarski, and Program Assistant Conley Booth.

Public in attendance who filled in the sign-in sheet were as follows: Clydia Cuykendall, Frank Gorecki, Don Melnick, Richard Korn, Riley Moore, and Richard Wolf.

Mayor Pete Kmet welcomed the Commissioners to Tumwater. He indicated that Port land is key to the future of Tumwater, adding that a new town center is planned and the Port has a major role in helping to make it happen. He commented that he and the City Council are looking forward to working with the Port to help make things happen.

**APPROVAL OF AGENDA**

The agenda was approved as amended. Commissioner Davis added a discussion about the Port Advisory Committee's (PAC) future roles under the Advisory Calendar.

**COMMISSIONER REPORTS**

Commissioner McGregor reported that he received an email notice from the Governor's office that in respect of Marine Joshua Dumaw who was killed in Afghanistan, all flags are to be flown at half-staff tomorrow (Tuesday).

Commissioner Davis indicated that on June 18 he attended the Wounded Warriors event at the Olympia Airport and he commended everyone involved in it. On June 19 and 20, he attended the Air Show held at the Airport. He thanked staff for helping with the event. On June 24 he attended the Port Commission Special Meeting, and he also attended the Executive Session held just prior to tonight's (June 28) meeting.

President Barner reported that on June 15 he attended a VCB board meeting and commented that the tourist promotion issue continues to be discussed by hoteliers, and a visitors and convention center is also still being discussed. On June 18 he met with the new director of General Administration along with other elected officials. He also attended a portion of the Wounded Warriors Event on June 18 and commented that he is proud the Port was able to assist in the process for that event. On June 19 and 20 he attended the Air Show at the Airport. On June 21 he attended the Olympia Planning Commission meeting and made some remarks. He asked Mr. Galligan to see that the PAC has a chance to hear the presentation made by Kari Qvigstad to Olympia. President Barner also reported that on June 22 he attended the City Council meeting. On June 24 he attended the Port Commission's Study Session and the Harbor Days planning committee meeting. He announced that the Commission had an Executive Session at 4:00 today (June 28) to discuss potential litigation.

Commissioner McGregor asked if Harbor Days is coming together with Percival Landing being shut down. President Barner indicated that they've been working closely with the City and things should happen pretty much as before even with the changes. He noted that some things will be moved nearer the Marine Terminal, and tugboats will be moored away from Percival Landing but smaller watercraft will be able to transport people to and from the tugs.

**EXECUTIVE DIRECTOR REPORT**

Mr. Ed Galligan reported that Bruce Marshall has been working specifically with Nancy Sigafos to do as much as we can to help with coordination of the Harbor Days event.

He also reported that the Global Wisdom arrived last Thursday and will leave tomorrow, with 5.5 mbf of logs for Japan. He said the next ship is due in early July and will be going to China and a barge is expected in July.

Mr. Galligan indicated that the Olympia Camera Club visited the Port and got a tour of the Global Wisdom. They will share some of the photos they took with the Port for future use. Commissioner Davis commended the work force on their exceptional work on loading this ship.

Mr. Galligan reported on the Port's most recent community report published in the Olympian, indicating that comparable to what we did last year, has been a phenomenal cost savings for the Port. He noted that when we got the surveys back, and as noted in the ad, the majority of responses indicated the best opportunity to achieve our goal of reaching the community is through the Olympian. He said that last year we published about 5,000 booklets at \$3.40 per copy, and what we've just done with ads and hardcopy cost an average of 20 cents per person based on the fact that the Olympian has over 70,000 people who will see the ad. He added that from an internet standpoint, the Olympian's webpage receives over 385,000 hits per month, which equates to a cost of about 3.5 cents per viewer for that ad. He indicated as well that we can reproduce as many copies as we want on our own copiers very cost effectively. He extended compliments to Kathleen White who put it together.

Commissioner McGregor commented that staff did a good job of putting this together, and the public comment he's received indicates people are appreciative, as the ad is informative and well done. President Barner echoed his comments.

Mr. Galligan continued his report, indicating that we just had another meeting at a staff level with Tumwater City Administrator John Doan and several other city staff members, and have set up monthly meetings with them. He expressed compliments to John Doan and indicated that we are doing all we can to facilitate a much closer and successful relationship with the City.

#### **LEGAL COUNSEL REPORT**

No report was given due to the absence of Ms. Lake, Port's Legal Counsel.

#### **PUBLIC COMMENT**

No public comment was given.

#### **ACTION CALENDAR**

##### **Port Advisory Committee Appointments**

Commissioner Davis indicated that the Port Advisory Committee (PAC) had four positions come open. The PAC Review Committee, consisting of Commissioner Jeff Davis, Executive Director Ed Galligan and PAC Chair Lisa Cosmillo interviewed twelve applicants for the four positions and some alternates. He said we had fantastic and thought provoking applicants.

Commissioner Davis explained that a PAC position is normally a three-year term, but two people will fulfill remaining two-year terms and two positions are for three-year terms. He indicated the PAC Review Committee was unanimously recommending four candidates to the Port Commission for positions on the PAC: Richard Korn, Steve Garrett, Frank Gorecki, and John Hurley. Alternates are in order of replacement, Owen McCurdy, John Youmans and Heber Kennedy. If PAC members elect not to complete their term, these three alternates would replace them in this order.

Commissioner McGregor asked if the alternates will remain alternates until next time we go out again for recruitment for the expired positions in 2011. President Barner asked if we would replace an opening with an alternate. Mr. Galligan clarified that the alternates are to replace a premature vacancy if someone leaves prior to their term expiring.

Commissioner McGregor commented that he knows the candidates were highly qualified. He noted that he went through this process a couple years ago and recognizes it is a difficult decision. He commended them for going through the process.

Commissioner Davis moved to approve appointment of Richard Korn and Steve Garrett to serve a two-year term to expire June 2012, and appoint Frank Gorecki and John Hurley to serve a three-year term to expire June 2013, and to appoint three alternates to serve on the Port Advisory Committee in case of a vacancy. The alternates will be in the order of: 1. Owen McCurdy, 2. John

Youmans, and 3. Heber Kennedy. Commissioner McGregor seconded the motion. President Barner expressed appreciation for the efforts by the committee, saying this is an excellent cadre of people to serve as PAC members. The motion passed unanimously.

President Barner told Mr. Galligan he would like the Commission to send a memo thanking those four people who have completed their terms.

Commissioner Davis said historically the Port Commissioners themselves appoint the next Vice Chair of the PAC, who then moves to President. Commissioner Davis indicated that Dr. Riley Moore will advance to President now, so he suggested this might be the time to address the issue. He put forth Don Melnick's name, indicating he has been an incredible asset. He also explained that Mr. Melnick's term ends next year, but because he was originally appointed as a replacement, he hasn't fulfilled his 6-year position, and suggested his term be extended to allow him to fulfill the remainder of his second term.

Commissioner Davis moved the Commission appoint Don Melnick as Vice Chair of the PAC and extend his term to allow him to fulfill the remainder of his second term. Termination would be 2014. Commissioner McGregor seconded the motion.

The motion passed unanimously. President Barner commented that we'll want to encourage women in the community to serve on the PAC in future.

### **East Bay Agreed Order Authorization**

Joanne Snarski presented a request for authorization to enter into an Agreed Order with Department of Ecology, City of Olympia and LOTT Alliance for the East Bay cleanup site. This item was presented to the Commission as an advisory on June 14, 2010.

Ms. Snarski indicated that the Port entered into the original agreed order with the Department of Ecology on East Bay in October 2008. That order focused on completion of a site wide Remedial Investigation and allowed development of an Interim Action Work Plan for completion of the infrastructure project. Due to the recent sales transactions that transferred ownership of parcels within the East Bay site, an updated or superseding agreed order has been drafted that identifies specific cleanup roles and responsibilities to each of the new owners: the City of Olympia and the LOTT Alliance.

Ms. Snarski shared that the superseding agreed order includes the following elements:

- the Port will complete a site boundary technical memorandum;
- the Port may have to collect additional samples, as required;
- the Port will complete a comprehensive Remedial Investigation and Feasibility Study;
- the Port will draft a Cleanup Action plan that will identify the selected preferred alternative for final cleanup of the site;
- the City of Olympia and the LOTT Alliance will develop and implement a cleanup plan for the parcels containing the future Children's Museum and Public Plaza.

President Barner asked if, for the draft cleanup action plan, will there be modifications to the report. Ms. Snarski explained that the Port will complete a Remedial Investigation and Feasibility Study, and following that document it will go out for public review and input for final remedy. She clarified that the final draft will be submitted to DOE and DOE leads the public review process.

Ms. Snarski presented maps of the East Bay boundary and parcels, indicating the areas affected. President Barner asked about the site where the old warehouse had been. He also asked whose responsibility it would be for cleanup if someone purchased the privately owned parcels adjacent to Lot 1. Ms. Snarski responded that cleanup would be the responsibility of the developer of those sites.

Commissioner Davis moved the Commission authorizes the Executive Director to enter into an Agreed Order with the Department of Ecology, City of Olympia and LOTT Alliance for the cleanup of the East Bay site. Commissioner McGregor seconded the motion. Commissioner McGregor asked whether, with Lots 4 and 5 being taken care of by the City, the public hearing will be for the remaining lots only or if they would include all the lots together. Ms. Snarski responded that it would be just for the remaining parcels.

The motion passed unanimously.

## **Berth 2 & 3 Maintenance Dredge Monitoring Authorization for A&E Contract**

Ms. Snarski presented a request for authorization to expand the scope of an existing Architect and Engineering Contract No. 2008-1022 with Anchor QEA, LLC, for engineering services associated with the Berths 2 and 3 Dredging Interim Action, Project No. MTO601. An advisory on this item was presented to the Commission on June 14, 2010.

Ms. Snarski indicated that the Port has been working with Anchor QEA on the Berths 2 & 3 Interim Action Pilot Dredging Project since July 2008. To date, there have been a total of four phases to the project and they have included the following items:

- Phase 1 - planning and permitting for the pilot dredging project
- Phase 2 - supplemental sampling necessary to complete the pilot dredge design.
- Phase 3 - project construction support
- Phase 4 - performing the required 2 years of post construction monitoring. We are currently in this phase.

She reported that the Corps of Engineers contacted the Port in April to discuss expanded sampling work they would like to see during this summer's post construction monitoring. The Corps, in agreement with the DOE and the Port, has directed the Port to collect supplemental sediment samples in and around the previously dredged berth area. In response to this request the Port will also need to expand the limits of the required water depth survey and prepare dredging draft and final reports.

Ms. Snarski indicated that depending on the results of these activities, supplemental dredging actions may be required near the pier face. She indicated that Anchor QEA's support will be needed with planning and possible permit extensions or amendments for any supplemental dredging activities.

Commissioner Davis asked if the amount requested is specifically to address concerns from DOE and Corp of Engineers. Ms. Snarski responded that the current contract total is to cover ongoing specific activity. She added that the project budget takes us to design for potential additional dredging. If the Port, DOE and Corps say additional dredging is necessary, then we have budget to take us to design.

Ms. Snarski provided a contract cost summary, noting that the contract in place is for \$792,378. In order to fulfill regulatory directives we must increase monitoring costs by \$212,611, for a total revised contract of \$1,004,989.

President Barner asked if monitoring is for suspected sloughage. Ms. Snarski responded that there has been recontamination in the berth area, as was expected. She added that by collecting additional data, we hope to have clearer indication of where the sediments are coming from that are recontaminating the berth area. Following additional questions, Ms. Snarski suggested she come back to the Commission in September after having all the data and explain what it means.

Commissioner McGregor moved the Commission authorizes the Executive Director to amend Contract No. 2008-1022 to Anchor QEA, LLC, in the amount of \$212,611, for a revised total contract amount of \$1,004,989, for the Berths 2 and 3 Dredging Interim Action, Project No. MT0601. Commissioner Davis seconded the motion. Commissioner Davis asked if hypothetically there might be unexpected costs asked from DOE or the Corps that we're not seeing now. Ms. Snarski responded that no additional costs were expected except perhaps some expanded monitoring. She added that one of the reasons we'd like to be ready to do additional dredging is that it might be the best solution, but this data being collected will hopefully help us decide.

The motion passed unanimously.

## **Airport Security Access Gates Contract - Final Acceptance**

Mr. Rick Anderson reported that on July 13, 2009, the Commission authorized calling for bids, and approved an amendment to the 2009 Capital Investment Plan to include \$130,000, to construct the Airport security gates. On January 11, 2010, Commission authorized award of Contract No. 2009-1031 to the low responsive/responsible bidder, Fenceco, Inc.

The Scope of Work included complete installation of three automatic cantilever security gates, and upgrading an existing cantilever gate with the specified access control device, at the Olympia Regional Airport. Mr. Anderson commented that these gates greatly increase security of the Airport during non business hours.

He provided the following contract summary:

Original contract award	\$109,900.00
Change Order No. 1	\$ 9,570.28
Change Order No. 2 (no cost time extension)	\$ _____ 0
Sub Total Contract	\$119,470.28
WSST @ 8.5%	\$ 10,154.97
Final Contract Total	\$129,625.25

Commissioner McGregor asked if the gate system keeps a record of who comes through the gates and when. Commissioner Davis asked about the issuance of the gate cards. Mr. Anderson confirmed the system does keep record of the use of the gates, and the cards are issued by the Airport office at no cost to the tenants. President Barner expressed appreciation to staff for the completion of this project and said he feels it is a tremendous leap forward. He said gates that were left open at night put the whole airport at risk, and this new system precludes that from happening.

Commissioner Davis moved to authorize Final Acceptance of Contract No. 2009-1031 to Fenceco, Inc. in the amount of \$129,625.25 for the Olympia Regional Airport security access gates. Commissioner McGregor seconded the motion. The motion passed unanimously.

**ADVISORY CALENDAR**

**Cascade Pole New Treatment Plant – Purchase of Equipment Advisory**

Rick Anderson presented an advisory on a request for authorization to purchase equipment to be incorporated into the new Cascade Pole Groundwater Treatment plant, which will be presented at the Commission meeting of July 28, 2010.

He indicated that an Engineering Design Report was completed May 17 and Ecology concurred June 15. Owner procurement is being used to expedite the project schedule. Because the Port must submit invoices to the Department of Ecology for work associated with the treatment plant replacement by July 31, 2011, there is insufficient time to use the conventional design-bid-build approach, where the contractor purchases equipment and materials specified in the design. With owner-procurement, the Port will purchase equipment and materials so that they are available when the construction contractor mobilizes, which is estimated to shorten the construction period by two to three months.

He provided a description and estimated cost of each of the major items of equipment as follows.

<b>ITEM</b>	<b>ESTIMATED COST</b>
Pre-manufactured building	\$142,500
Activated carbon vessels	\$54,300
Fiberglass lined tanks	\$186,200
Oil-Water separator	\$51,800
Process pumps	\$69,000
Instrumentation/Ctrl system	\$138,500
Electrical equipment	\$130,000
<b>ESTIMATED TOTAL</b>	<b>\$772,300</b>

Don Melnick spoke, indicating that he reviewed the project, and this recommendation to pre-purchase key components is the best way to go about it. He said it is not likely this equipment won't be used. The general contractor will receive this equipment from the Port when they arrive. He added that this is not unusual and is the only way to meet the project schedule.

President Barner asked about the carbon filters and Mr. Anderson explained how we will determine their maintenance needs and briefly explained what types of filters we have now. Mr. Melnick added that his understanding is the existing plant was built several years ago and Ecology and the Port agreed a new plant was needed.

Commissioner McGregor asked what the longest lead time on the product list was and who will provide for permits. Mr. Anderson said the contractor will do so, but at this point the only permit it appears will be needed is an electrical, and perhaps a building permit. President Barner thanked Mr. Melnick for his involvement in helping with the analysis of this project.

Commissioner McGregor proposed moving this item along by taking public comment and action tonight to save waiting another two weeks. President Barner suggested a week or 10 day public

comment period might be good in case a contractor had some suggestions on the list of items being purchased.

Commissioner McGregor responded that we've been doing this process at the Cascade Pole site for 25 years with equipment that is getting antiquated. He said he doesn't think anyone would come back and say not to upgrade our equipment. He noted that we're down to 11 months before losing the grant money and we don't know if there will be stumbling blocks with inventory on items being ordered. He added that we're upgrading an existing system; this is not a new project. He again suggested we move this ahead because time is crucial.

Commissioner Davis commented that everything that has been brought forth has been approved by DOE. The question becomes whether the Port or contractor purchases these items. The proposal is we purchase and not wait for the contractor. He indicated that he did not see how additional time for public comment would add to or negate the fact that public could or not comment on it. He added that we've hired a consultant to advise us on best products and then consulted with DOE about what the consultant proposed and they've concurred. Mr. Anderson added that this is the thirty-second water facility the consultant team has worked on. He noted that procurement procedures will include getting three to five bidders for each item.

Commissioner Davis concurred that time is of the essence. Mr. Melnick commented that it is common practice and the Port has the right to issue changes to bid documents if comments come in.

Commissioner Davis asked why time is of the essence and how long we have known about this. Mr. Anderson responded that it has been in the capital budget for eight years, but has consistently been deferred due to funding. It became apparent during last year's budget cycle that the budget was going to dry up.

Commissioner McGregor moved to move this forward as an action item tonight and take public comment. Commissioner Davis seconded the motion.

### **Public Comment**

Clydia Cuykendall spoke in support of approving this award tonight. She said the only alternative is to have the general contractor purchase the items and her guess was they will mark it up, so that would not only be slower but more expensive. She said owner purchase will save time and money.

Arthur West spoke in support of the resolution. He said the Port should spend the money; the equipment is old and needs to be updated.

Commissioner McGregor moved to approve individual purchase of the proposed equipment in the estimated amount of \$772,300 and provide Ed Galligan authority to purchase. Commissioner Davis seconded the motion. Commissioner Davis thanked Mr. Melnick as well. Commissioner McGregor added that we could also hold a special meeting if some wrinkle comes up.

The motion passed unanimously.

### **Port Advisory Committee Future Roles**

Commissioner Davis said that historically the PAC is given a memorandum or issue to study from the Port Commission. Currently, the PAC does not have formal direction on what to study. He said he thinks now is the time for Commissioners to come up with an action plan or goals for them to study. He commented that the PAC just completed a NewMarket Industrial Campus study which was helpful for the Commission, staff and general public. He suggested the Commission could be bringing forth a long term issue and perhaps a shorter term issue as well.

Commissioner Davis indicated that as a long term study, his passion is bringing jobs to Thurston County. He asked where the opportunity is. We have committees in Thurston County such as the EDC and Chamber, but as far as assistance the Port can provide, where should we be looking in this county for new job creation? He said he would incorporate the Tumwater Brewery in this and perhaps a feasibility study can be done. He said for a short list, he is looking for direction from the other commissioners. He's heard strongly for and against development at NorthPoint, so perhaps a short term study could be the NorthPoint issue.

Commissioner McGregor said he had four items. For a short-term study, NorthPoint and the public participation process, although this could perhaps be one item. He said the public participation process is a 2010 goal. For longer term studies, he suggested the Port real estate

investment strategy, which goes along with Commissioner Davis' project of how can the Port be involved in bringing jobs to the community. Another longer term item is the strategic plan update process that's forthcoming.

President Barner suggested a study on how sea level rise and climate change will affect the City and Port. He said the PAC could benefit from the same presentation the Commissioners received from the City of Olympia. He also suggested NorthPoint options as far as development, and the old Olympia Brewery rail yard. He said he has been working to identify that as a resource to our community, adding that we can't ignore this resource and should be looking at ways to benefit from it. He offered that the PAC perhaps could identify potential new interested parties in manufacturing who might be interested in citing there. He added that we could provide both incoming and outgoing shipping by rail and ship.

Commissioner McGregor said the Commission should agree on one or two items and give that direction to the PAC and perhaps expand on the expectations and provide a scope of what we see for that project. He suggested the Commission could do this on the Thursday meeting before the next meeting. He added that the Commission needs to give the PAC something to get going on, but first needs to come to consensus.

President Barner said he feels strongly the PAC needs to receive Kari Qvigstad's presentation and a shortened version of the climate change information from the City. They could receive these at the same meeting as a way of expediting the transfer of information to them.

Commissioner Davis agreed that the Commissioners need to take this home, come to consensus on the Thursday meeting and bring this back for action at the regular meeting. Commissioner McGregor asked for comment from the public on it.

#### **PUBLIC COMMENT ON ADVISORY ITEMS**

Riley Moore clarified and elaborated that the role of the PAC includes directives from the Commission. He suggested there could also be informal ad hoc sessions based on the expertise of the members of the PAC.

Clydia Cuykendall reminded the Commissioners that the bylaws provide for PAC subcommittees, so they could handle multiple subjects based on the interest and expertise of the members. She said she saw both the climate change presentation and the planning presentation and agrees they are excellent foundations for all topics mentioned by the Commission. She added that based on the community report, 69% of the people in the county support military cargo. Given that kind of public support, she suggested the Commission consider that as a PAC topic.

Don Melnick suggested the PAC come to the next work session and this be added as an agenda item. He said the PAC members might have input on what they're most excited about working on.

Commissioner Davis said he appreciated the feedback. He indicated that he received two different lists from the PAC about what could be projects. He responded to Ms. Cuykendall's comment regarding military shipment, saying 69% is decisive in his mind, but what should be studied is how to do this in a community wide effort that's going to work. He said he welcomes future discussion about that.

President Barner also commented on the support of military shipments, commenting that there are a number of retired military members living in this community, and indicating that perhaps we need to look at options for security. Commissioner McGregor also said he's been supportive of military shipments. He said he's all for trying to make it happen but how do we get them here and safely onto I-5 and Fort Lewis. We need to be a welcoming community.

President Barner suggested the next step is to discuss a prioritization process at the next Commission study session. After the study session, we will invite and encourage the PAC to come to the regular meeting to tell us what they'd like to work on. Commissioners Davis and McGregor concurred. Mr. Galligan clarified that the next work session is July 8, when the Commission would decide on their list, and then get PAC input at the meeting on July 12.

#### **CONSENT CALENDAR**

**Minutes.** The minutes from the May 24, 2010 and June 10, 2010 meetings were unanimously approved.

**Bills and Voucher Approval.** The bills and vouchers in the amount of \$1,370,506.30 were unanimously approved. General Fund Warrants Issued: 052173 - 052356.

**Washington State Patrol Lease**

The Washington State Patrol currently leases the hangar/office and asphalt ramp located at 7525 Old Highway 99, which expires June 30, 2010. The WSP wishes to enter into a new lease for a period of 5 years effective July 1, 2010 through June 30, 2015. The premises are for use by the WSP and other agencies for the purpose of maintenance of aircraft, aircraft line service, and aircraft operations for the State of Washington. Rent was established through a Market Rent Study performed by Real Estate Appraisers Allen, Brackett, Shedd dated April 27, 2010.

The Commission unanimously ratified the Washington State Patrol Lease.

**ANNOUNCEMENTS**

President Barner announced that the Commission held an executive session to discuss potential litigation today (June 28, 2010) from 4:00 p.m. to 5:00 p.m. at the Tumwater City Hall in accordance with RCW 42.30.110(i). No decisions were made.

He also announced that the Commission will hold a Study Session on July 8, 2010 at 1:30 p.m. at the Port Administration Office. President Barner thanked Tumwater for the use of their facility.

**ADJOURNMENT**

President Barner adjourned the meeting of June 28, 2010 at 7:35 p.m.

PORT OF OLYMPIA COMMISSION

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President

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Vice President

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Secretary