

**P O R T O F O L Y M P I A C O M M I S S I O N**  
**M I N U T E S O F R E G U L A R M E E T I N G**

**March 24, 2008**

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**CALL TO ORDER**

President McGregor called the meeting of March 24, 2008, to order at 5:30 p.m. at the LOTT Board Room in Olympia. Commissioners Telford and Barner were also in attendance.

Staff in attendance were: Executive Director Ed Galligan, Administrative Manager Jeri Sevier, Airport Director Rudy Rudolph, Engineering Director Jeff Lincoln, Senior Property Manager Heber Kennedy, Finance Director Steve Davis, Harbor Director Bruce Marshall, Marketing Director Kari Qvigstad, and Communications Manager Patti Grant. Bob Goodstein, Port's Legal Counsel, was also in attendance.

Public in attendance were as follows: Representing *The Olympian* was Jim Szymanski. Others in attendance who filled in the sign-in sheet included: Arthur West, Sharron Coontz, Harold Clark, Jerry Dierker, Patricia DiFrancesca, Bill Pilkey, Teresa Staal, Vicky McCarley, Richard Wolf, Tom Fell, and Ric Abbott.

**APPROVAL OF AGENDA**

The agenda was approved as revised. Mr. Galligan indicated that engineering staff was not ready to present the GHI/JKL Dock Repair agenda item. Instead, Mr. Galligan indicated that staff was prepared to provide an advisory on rail design. Mr. Galligan also requested the Commission hold an executive session following the meeting to discuss potential litigation regarding DNR property.

**COMMISSIONERS REPORTS**

Commissioner Telford reported he attended the Tumwater Chamber.

President McGregor noted he attended the Thurston Chamber Business Forum along with the other two Commissioners. He reported that he attended the East Bay Neighborhood Association where there was a presentation on the East Bay project. President McGregor noted that he met with General Jacoby from Fort Lewis.

**EXECUTIVE DIRECTOR REPORT**

Mr. Ed Galligan reported on the reports of the unprofessional emails from Port of Tacoma staff. He noted that there is a long-standing expectation at the Port of Olympia that all emails are of professional nature, and if not, there will be repercussions.

Mr. Galligan gave an update on the South Sound Logistics Center. He reported that members from Port of Tacoma met with S. Lewis County board members as well as the Mayor of Winlock to review the parcel of property. That parcel is now an option the Port of Tacoma is reviewing.

President McGregor thanked Mr. Galligan for sending the letter to the County rescinding the Port of Olympia's participation in the previous letter to the County, signed by staff from Port of Tacoma and Port of Olympia regarding citizens' request for rezoning of the Maytown property being considered for the South Sound Logistics Center.

**LEGAL COUNSEL REPORT**

Mr. Goodstein reported the appeal of DOE approval of Water Quality certification for Army Corp of Engineers Dredge Project. He indicated that by order received March 17, the Pollution Control Hearings Board granted the Port of Olympia's Motion to Dismiss this appeal of the Corp of Engineers Budd Inlet dredge project brought by Mr. West & Mr. Dierker. Department of Ecology and Corps of Engineers supported the Port's Motion. Mr. Goodstein noted that the Order of Dismissal ruling received today ends this appeal, prior to hearing. The ruling is appealable to Superior Court.

Mr. Goodstein reported that the Board previously found that the Appellants did not demonstrate a "likelihood of success on the merits", or that "irreparable harm would occur if the Stay was not

granted". The Board therefore denied the Appellants' request for stay of the Dredge project. The Dredge Project was completed in November 2007.

Mr. Goodstein provided an update on the Port Terminal Infrastructure/Weyerhaeuser Company SEPA appeal. He noted that there has been progress on the Superior Court SEPA related lawsuits. The cases have been assigned to Judge Wickham. A status conference was held on March 21st, before Judge Wickham. Mr. West suggested in pleadings filed with the Court that Judge Wickham should step down from the case based on an alleged violation of appearance of fairness because the Judge is a member of the Chamber of Commerce. The Court declined to find any violation or conflict and will hear the case. A schedule has been set for motion hearings and the appeal hearing is set for May 15th.

## **PUBLIC COMMENT**

**Jerry Dierker** commented on the emails from the Port of Tacoma staff. He also thanked the Commissioners for pulling the letter from the County Commissioners regarding the SSLC.

**Arthur West** commented on the South Sound Logistics Center emails from the Port of Tacoma.

**Bill Pilkey** commented on the South Sound Logistics Center emails from the Port of Tacoma.

**Sharron Coontz** thanked the Commissioners and Mr. Galligan for rescinding the letter to the County and to encourage open public dialog. She also discussed the Port of Tacoma's intent to have a transportation center somewhere south of Tacoma to be able to use the land in Tacoma for more profitable cargos.

**Stanley Stahl** commented on the public comment and how his comments are reflected in the minutes. He noted that he made some changes on February 24<sup>th</sup> and wanted to know if those changes were looked at. Ms. Sevier indicated the changes are reflected in the February 24<sup>th</sup> minutes and will be on the next agenda for approval. Mr. Stahl indicated that the minutes from February 11<sup>th</sup> are not accurate either.

President McGregor indicated that he did look at the previous meeting tapes and the minutes will be reflected for the February 24<sup>th</sup> meeting. He noted that the minutes are a summary of the meeting. TCTV tapes the meetings and those tapes are a part of the record. If there is an inaccuracy, the minute will be changed to reflect that.

## **CONSENT CALENDAR**

### **Minutes Approval**

The minutes from the February 11, 2008, and February 19, 2008 Work Session were unanimously approved subject to further evaluation of Mr. Stahl's statement of inaccuracy. The tape was reviewed and found the minutes to be accurate.

### **Bills and Voucher Approval**

The bills and vouchers batches 6-9 were unanimously approved in the amount of \$1,306,543.22. General Fund Checks Issued: 045658 - 045946. Voided Checks Issued: 044170, 045359, 045516, 045694, 045715, and 045767-045770.

## **ADVISORY CALENDAR**

The GHI/JKL Dock Repair agenda item was removed from the agenda; however, Commissioner Telford asked why wood is being used instead of plastics for the marina repairs. Mr. Bruce Marshall indicated that the industry uses wood primarily for this purpose. Mr. Jeff Lincoln indicated that plastics are not as durable. It is actually softer than treated wood. The other substitute is very costly and not warranted in this type of application.

Commissioner Barner asked some questions about the concrete used. Mr. Lincoln and Mr. Marshall addressed his questions.

### **Rail Design Issues**

Mr. Jeff Lincoln presented the Commission with information on the rail design issues. He reviewed the switch design, providing for an ergonomic design, which is the operator preference versus the efficient yard design. He noted that the E22 switches are preferred for ease of

operation, however they must be protected and creates obstruction to 360-degree terminal yard operations.

Mr. Lincoln reviewed the sub-grade type switches. He noted that these switches are preferred for terminal operation; however, they are more difficult to maintain and operate. They must be reinforced for very heavy loads. This switch is preferred in traffic areas.

Mr. Lincoln reviewed the differences between the track mobile and the GM Type SW Switch Engine. He noted that staff is looking at the options.

Mr. Lincoln reviewed the differences between concrete ties and creosote wood ties. He noted that the concrete ties have an indefinite lifespan, they are more costly, they are touchier, but more environmentally preferred. The creosote wood ties are more forgiving, they are lower in cost, they do not do well below pavement and therefore they have a shorter lifespan.

In conclusion, Mr. Lincoln noted that the sub-grade switches are preferred by the longshore and are safer for yard operations – they are more costly and cost more in labor costs. He noted that the concrete ties are more environmentally cost effective, have a longer life cycle and require less maintenance. He noted that the switch engine is a matter of economy of scale and operations cost.

Commissioner Telford indicated he agreed with the observation on the switch engine. He asked about the concrete ties and if staff is taking out existing ties and putting in concrete. Mr. Lincoln indicated that the current ties would be evaluated and only replaced if needed.

Commissioner Barner asked if the concrete ties have rebar in them. Mr. Lincoln indicated they do. Commissioner Barner indicated he talked with Mr. Bregent and he said there were contractors that would service the rail equipment. Mr. Lincoln indicated that we currently have that type of arrangement. Commissioner Barner indicated that Mr. Bregent noted that we spent more on the rental for the military than it would have cost for an entire year. Mr. Jim Amador provided the Commissioners with a briefing on the recent rail use for the military shipment and the costs involved.

Commissioner Barner indicated that the property that the brewery sits on is currently under foreclosure. He asked if the Port could look into this property. He suggested that this property could be a small transportation center. Mr. Amador indicated that the Port has used that property in the past to store loaded cars when we had the need. Commissioner Barner asked if this discussion could be brought to a work session.

President McGregor asked about the switch engines. He indicated that at this point, the track mobile makes more sense for our current needs. The track mobile is more flexible.

**Stanley Stahl** commented on the docks at the marina. He noted that he did some research and the costs of concrete docks were much more than using wood. Mr. Lincoln indicated that Mr. Stahl might be referring to the MNO Docks, as the GHI is a rehabilitation project and docks will only be replaced if damaged.

#### **Public Comment**

Vicky McCarley commented on the Washington State University Extension program – maritime youth education program. She noted that she was concerned about the health of the water and the sound. She would like the Port to consider a marine science center on the Port peninsula. Commissioner Barner suggested she come to a work session and hear more about the program. Mr. Galligan noted that he has been working with a representative from WSU Extension program on the clean up of Budd Inlet.

The Commission recessed to Executive Session at 6:45 to discuss potential litigation. The Commission returned from Executive Session at 7:15. No decisions were made.

#### **ADJOURNMENT**

President McGregor adjourned the meeting of March 24, 2008 at 7:15 p.m.

PORT OF OLYMPIA COMMISSION

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President

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Vice President

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Secretary-Treasurer