

**Minutes of Everett Port Commission  
Regular Meeting  
August 9, 2022**

<b>PRESENT:</b>	David Simpson	President
	Tom Stiger	Secretary
	Lisa Lefeber	Executive Director
	Eric Russell	Chief Finance Officer
	Jordan Stephens	Port Attorney
<b>ZOOM:</b>	Glen Bachman	Vice President

**CALL TO ORDER:** Commission President David Simpson called the meeting to order at 12:00 p.m.

**CONSENT AGENDA**

- Approval of Regular Meeting Minutes of July 12, 2022
- Approval of Bills for July 2022

Commissioner Tom Stiger moved that the Commission approve the items on the consent agenda for August 9, 2022 including the Regular Meeting Minutes of July 12, 2022 and Approval of the Bills for July 2022. Commissioner Glen Bachman seconded the motion. A vote was called for:

Vote:	3-0
Yes:	Stiger, Bachman, Simpson
No:	None
Abstained:	None

Motion carried.

**Commission President's Report**

There was no Commission President's Report.

**Commission Discussion**

Commissioner Tom Stiger reported that he and Commissioner Bachman attended the WPPA Commissioner's Seminar, and it was an excellent meeting. The WPPA is making progress on the selection of an Executive Director. Commissioner Stiger looks forward to their annual meeting in December. Also at this meeting, Commissioner Stiger attended the OPMA training session that is required every four years.

Commissioner Stiger also attended a memorial for Greg Dawsey last Saturday, who was a project manager for the Port of Everett. It was a good opportunity to meet with the family and to recognize Greg's contribution to the Port and his passing.

Commissioner Glen Bachman agreed WPPA was a good meeting, and he had the opportunity to go on a field trip at the Community College in Walla Walla.

**Citizen Comments**

There were no citizen comments.

**CEO/EXECUTIVE DIRECTOR'S REPORT**

CEO/Executive Director Lisa Lefebber introduced the Port of Everett's new project manager, Joe Eagle, who started last week.

Lefebber also noted the Blue Heron Slough breach event will be on September 1. Public Affairs and E&P teams are working on the event. Today, the first of four dikes were breached.

Because of the Labor Day holiday and port business travel, the September commission meetings are September 7 and September 20.

**Interlocal Agreement – City of Everett – Traffic Control and Use of a Portion of Federal Avenue**

CEO/Executive Director Lisa Lefebber reported on the Interlocal Agreement between City of Everett and Port of Everett, which is related to Traffic Control of a portion of Federal Avenue. The purpose of the agreement is to authorize the Port to block pedestrian and vehicular traffic along a portion of Federal Ave, as may be needed by the Port in order to satisfy the requirements of the United States Customs and Border Protection (or any successor agency) during cargo movement, set forth the terms and conditions that will govern the Port's authority with respect to such traffic control and permit the Port to install and maintain certain communication, utility lines and associated improvements within a portion of Federal Avenue.

After discussion, Commissioner Glen Bachman moved that the Commission approve and authorize the CEO/Executive Director to sign the Interlocal Agreement between City of Everett and Port to Everett relating to Traffic Control and Use of a Portion of Federal Avenue. Commissioner Tom Stiger seconded the motion. A vote was called for:

Vote:	3-0
Yes:	Bachman, Stiger, Simpson
No:	None
Abstained:	None

Motion carried.

**Ports Interlocal Agreement for Shared NMFS Liaison Position**

Director of Planning Laura Gurley reported that Port of Everett projects are often dependent on Army Corps of Engineers permits which require Endangered Species Act (ESA) consultations through both US Fish & Wildlife Service (USFWS) and the National Marine Fisheries Service (NMFS). In 2020 Port of Everett signed a previous version of this Interlocal Agreement (ILA) which allowed participating ports to support the hiring of a qualified individual to act as a federal ESA consultation liaison dedicated to Port projects in order to ensure timely completion of ESA consultations. Due to the increased number of projects by the participating ports, it was determined that two liaison positions are now necessary: One to be dedicated to the Ports of Seattle, Tacoma, and the Northwest Seaport Alliance under separate agreement, and the second under this ILA serves the remaining participating ports. The ILA provides for the Northwest Seaport Alliance to hire and manage the positions and the Washington Public Ports Association will serve as the financial agent. Port legal has reviewed and approved the document, however the WPPA attorney is editing the final document. Therefore, Staff is requesting approval of the Interlocal Agreement as substantially presented.

Upon discussion, Commissioner Tom Stiger moved that the Commission approve and authorize the CEO/Executive Director to sign the 2022 Interlocal Agreement for Federal Permit Review Liaisons in a form substantially as presented. Commissioner Glen Bachman seconded the motion. A vote was called for:

Vote: 3-0  
Yes: Stiger, Bachman, Simpson  
No: None  
Abstained: None  
Motion carried.

## **CHIEF FINANCE OFFICER'S REPORT**

### **2023 Budget Update**

Chief Financial Officer Eric Russell reported staff is currently working on completing CIP worksheets for projects with a deadline of Friday, August 12. There are a few major projects advancing next year, Millwright Loop Road, fuel tank replacements, and segment E. Next week, staff will be working on operating budget assumptions which will form the second part of the Port's long term financial plan.

### **2<sup>nd</sup> Quarter Financials**

Chief Financial Officer Eric Russell gave a presentation outlining the results for the first half of the year. The report noted the Port is on track for record revenues in 2022.

## **SEAPORT MODERNIZATION**

### **NORTON TERMINAL**

#### **Change Order No. 6 Approval**

Project Manager Elise Gronewald reported that Strider Construction was awarded a contract on August 10, 2021 for the construction of Norton Terminal. Due to the nature of this project, not only being a MTCA site but redevelopment of a previous 80+ year old industrial manufacturing plant, the contractor has encountered a number of unknown conditions. Five previous Change Orders totaling \$5,268,757.66 including Washington State Sales Tax (WSST) have been issued.

Proposed Change Order No. 6, in the amount of \$1,978,285.23 without WSST (\$2,174,135.47 including WSST), includes expanding the cargo laydown area. The northern most portion of the site was originally split into a potential future maritime tenant area and potential future PUD substation location. The Port was able to maximize grant funds and thus increase project scope to include these two areas as part of the project. Approximately four acres of additional usable terminal space will be added. The asphalt work under this Change Order will be performed at the original unit price bid cost. Also included in this change order is the cost resulting from the recent concrete truck driver strike. Due to the strike and increased demand, concrete prices rose substantially between February and April of 2022. The new contract amount will be \$32,665,388.77 including WSST.

After discussion, Commissioner Tom Stiger moved that the Commission approve Change Order No. 6 to Strider Construction's contract in the amount of \$2,174,135.47 including Washington State Sales Tax. Commissioner Glen Bachman seconded the motion. A vote was called for:

Vote: 3-0  
Yes: Stiger, Bachman, Simpson  
No: None  
Abstained: None  
Motion carried.

#### **Construction Status Report**

Project Manager Elise Gronewald gave a report on the construction progress for Norton Terminal. Gronewald presented a PowerPoint presentation on the outfall work, site grading, PUD work, light pole

placement, paving, and construction schedule. The original project scope of work is set to be substantially complete by November 23, 2022.

## **WATERFRONT PLACE**

### **Weyerhaeuser Muse Groundbreaking Event**

CEO/Executive Director Lisa Lefeber reported that the Port signed a lease to open the Weyerhaeuser building to public use. It will be a whiskey and coffee bar in a 1920's speakeasy style on the first floor and public meeting rooms, including the boating clubs, on the second floor. The project will be breaking ground on August 23 and there will be a lot of activity in the coming months. The plan is to open on March 23, 2023, which is the buildings centennial year.

## **MUKILTEO WATERFRONT DEVELOPMENT**

### **Mukilteo Holding Lanes Parking Lot PSA Agreement**

CEO/Executive Director Lisa Lefeber reported that The Port of Everett has reached an agreement for the acquisition of .89 acres on the Mukilteo waterfront at 707 Front Street, Mukilteo, WA 98275. The current owner is Mukilteo Landing LLC. The negotiated purchase price is \$3,500,000. The Port will pay \$1.5 million at closing, and the balance of the purchase price will be secured by a promissory note and paid back over a 10-year period. The sale is contingent on sealcoating, stripping and landscaping of the lot. The Seller will perform the work and contribute up to \$20,000 for that effort. The property is slated to close on September 2, 2022.

Commissioner Tom Stiger stated that this is consistent with the mission statement and value statement that the waterfront committee worked on over a period of several months. One of the concerns was parking so this certainly a step in the right direction and is really the anchor for the property to be getting there with the bridge extending all the way to Edgewater Park. Stiger thinks the community will be well served working with the City of Mukilteo to develop the waterfront and consistent with their plans as well.

Upon discussion, Commissioner Glen Bachman moved that the Commission approve the purchase and sale agreement with Mukilteo Landing, LLC and authorize the CEO/Executive Director to execute that agreement. Commissioner Tom Stiger seconded the motion. A vote was called for:

Vote: 3-0  
Yes: Bachman, Stiger, Simpson  
No: None  
Abstained: None

Motion carried.

## **DEPARTMENT REPORTS**

### **Properties**

#### **Heritage Electrical Group, Inc. – New Lease**

Real Estate Manager Tara Hays reported Heritage Electrical Group specializes in designing, building, and installing custom electrical systems for boats. Heritage is a tenant within the Waterfront Center building since November 2019. Rent for the premises is starting at \$11.50 rentable square foot per year. They will pay their proportional share of operational costs and utilities, plus Washington State Leasehold Excise Tax. The Port will receive gross revenue of \$127,981 over the term of the lease. There are no commission or other initial leasing costs owed. Tenant has an existing security deposit in the amount of \$4,675.00 on file.

After discussion, Commissioner Tom Stiger moved that the Commission approve and authorize the CEO/Executive Director to sign the Commercial Lease Agreement with Heritage Electrical Group, Inc. Commissioner Glen Bachman seconded the motion. A vote was called for:

Vote: 3-0  
Yes: Stiger, Bachman, Simpson  
No: None  
Abstained: None

Motion carried.

### **Projects**

#### **Pier 3 Piling Restoration**

Project Manager Steve Hager reported Pier 3 was originally constructed in 1972. Since 1990, piles have been found to have structural issues, and 120 concrete piles have been repaired. In addition, 140 steel piles have received anodes and six have received epoxy jackets. Approximately every two years the Port conducts an underwater dive inspection of the piling, and a condition report is provided for review. In 2019 Echelon engineers completed an inspection and report. In 2021 Moffatt & Nichol performed an additional cursory dive inspection to verify the exact restoration needs. To ensure the project was kept within budget the Bid Schedule had several unit price additive bid schedules for the durability wraps on the steel piles. The Schedule A – Base Bid work is the only schedule for which Staff is requesting award. This schedule of work consists of jacketing seven concrete piles and two steel piles. One steel pile will also receive a welded steel patch. This project is consistent with the Port's business resiliency and infrastructure maintenance goals.

Upon discussion, Commissioner Tom Stiger moved that the Commission authorize the CEO/Executive Director to award the Pier 3 Pile Restoration 2022 contract to Associated Underwater Services, Inc. in the amount of \$545,961.22, including Washington State Sales Tax. Commissioner Glen Bachman seconded the motion. A vote was called for:

Vote: 3-0  
Yes: Stiger, Bachman, Simpson  
No: None  
Abstained: None

Motion carried.

### **Executive Session**

Commission President David Simpson recessed the meeting into Executive Session at 1:30 p.m. for approximately 25 minutes – to conclude by 1:55 p.m. The purpose of the Executive Session was to consider the minimum price at which real estate will be offered by sale or lease, as public knowledge would cause a likelihood of decreased price.

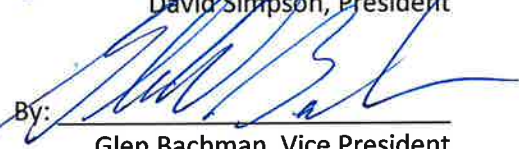
At the conclusion of the Executive Session, there was no action taken by the Commission and there were no announcements. The Regular Commission meeting adjourned at the conclusion of the Executive Session.

**THE REGULAR MEETING WAS ADJOURNED at 1:55 p.m.**

**APPROVED** this 20<sup>th</sup> day of September, 2022.

**EVERETT PORT COMMISSION**

By:   
David Simpson, President

By:   
Glen Bachman, Vice President

By:   
Tom Stiger, Secretary

**ORIGINAL**



**Part of Everett**  
**Voucher Certification and Approval**  
**for the month of**  
**JULY**  
**2022**

<b>AP Claims Transactions</b>		<b>Total</b>
Claim Checks Issued	91558 - 91653	\$2,230,920.94
P-Card Transactions		92,391.43
ACH Transactions	#2201 - 2268	6,163,193.43
<b>Total Claims Check Register</b>		<b>8,486,505.80</b>
<b>Electronic Claims Transactions:</b>		
7/6, 7/8, 7/11, 7/14, 7/15, 7/20, 7/28	Electronic Transfer - Health Equity/Navia/Guardian/Accrue CMS	\$186,233.59
7/14, 7/29	Electronic Transfer - IRS	238,848.75
7/25	Electronic Transfer - WA St Dept of Rev	85,880.05
7/1, 7/6, 7/12	Electronic Transfer - U.S. Bank	13,319.25
7/1	Electronic Transfer - U.S. Bank LOC Fees	5,815.27
7/15	Electronic Transfer - US Bank	7,167.59
7/15	Electronic Transfer - Pitney Bowes	1,500.00
7/29	Electronic Transfer - Paylocity	2,360.80
<b>Total Electronic Claims</b>		<b>541,125.30</b>
<b>Total Claims</b>		<b>9,027,631.10</b>
<b>Payroll Transactions</b>		
Payroll Checks Issued	Dir Deposit/Check	\$631,547.87
7/6, 7/12, 7/19, 7/26	PMA Payroll (Longshore Labor)	396,523.94
<b>Total Payroll</b>		<b>1,028,071.81</b>
<b>Total Payments</b>		<b>10,055,702.91</b>

I, the undersigned, do hereby certify under penalty of perjury that the material have been furnished, the services rendered or the labor performed as described herein, that any advance payment is due and payable pursuant to a contract or is available as an option for full or partial fulfillment of a contractual obligation, and that the claim is a just, due and unpaid obligation against the Port of Everett and that I am authorized to authenticate and certify to said claim. Authorize signature

Attest:  Port Auditor

We, the undersigned Commissioners of the Port of Everett, Snohomish County, Washington, do hereby certify the following vouchers/warrants have been certified and approved for payment this the 0th day of August, 2022; See Attached

President  
DocuSigned by:  
 Vice President  
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 Secretary