

**Minutes of Everett Port Commission  
Regular Meeting  
June 14, 2022**

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

**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 May 3, 2022; and Regular Meeting Minutes of May 10, 2022
- Approval of Bills for May 2022

Commissioner Glen Bachman moved that the Commission approve the items on the consent agenda for June 14, 2022 including the Regular Meeting Minutes of May 3, 2022; and Regular Meeting Minutes of May 10, 2022 and Approval of the Bills for May 2022. Commissioner Tom Stiger seconded the motion. A vote was called for:

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

Motion carried.

**Commission President's Report**

Commission President David Simpson thanked Chief Financial Officer Eric Russell for the weekly economic updates that the commissioners receive and thanked Marine Terminals Director Walter Seidl for the vessel schedule report.

Commissioner Simpson received a letter from the auditors stating they would like to have an exit audit conference on June 24, 2022 at 1:00 p.m. via Zoom and asked if all three commissioners need to attend. CEO/Executive Director Lisa Lefeber reminded the commissioners that they have already appointed Commissioner Glen Bachman as the lead, and he could report to the Commissioners at the July commission meeting. Commissioner Tom Stiger stated he planned to attend the meeting so the Port will need to advertise as a Special Meeting.

**Commission Discussion**

Commissioner Tom Stiger attended the WPPA Finance and Administration conference last week. Controller Bob Marion was on the program and presented a topic on employment in a tight market. It was very well attended and had an excellent program.

**Citizen Comments**

There were no citizen comments.

**CEO/EXECUTIVE DIRECTOR’S REPORT**

CEO/Executive Director Lisa Lefeber reminded the Commission that Wednesday there will be a boater outreach held in the Blue Heron Room at 4:00pm today to meet new staff members and to hear about the upcoming construction projects happening at the Port.

Ocean Gate, a Port of Everett’s tenant, just sent out an announcement that tomorrow they will begin their second Titanic dive off the east coast.

Lefeber also introduced Emma Leedy who is joining the Public Affairs team and takes over Kate Anderson’s job duties.

**CHIEF FINANCE OFFICER’S REPORT**

**Property Insurance Renewal Update**

Chief Financial Officer Eric Russell reported property insurance is renewed on July 1 of each year. The Port has received the expected quote for next year, they have increased but thankfully did not increase as much as expected. The premium for basically the same coverage as the Port currently has is \$1.6 million, a 27 percent increase. Approximately half of the increase is related to new appraisals of property. The quote is not final as the brokers are still nailing down some of the loose ends and are seeking a second quote from Liberty Mutual. Typically, the Port binds the coverage as of July 1 and requests the Commissioners ratify that decision at the first meeting of July and staff expects to follow the same process this year.

**WSDOT Rail Bank Loan – Cargo Handling Equipment**

Chief Financial Officer Eric Russell reported Port staff applied for \$2,960,000 and received a \$2,572,000 rail bank loan from the 2021 Washington State Department of Transportation’s (WSDOT) Rail Bank Program. The loan carries a zero percent interest rate, with a 1 percent fee of \$25,000 to cover WSDOT’s administrative costs (the Port would receive \$2,547,000). The loan funds need to be expended and the project needs to be completed by December 31, 2023. The loan would be repaid over a period of ten years, with the first payment of \$257,200 due July 1, 2025. The loan will be used by the Port for the purchase of cargo handling equipment for the new Norton Terminal. The terms of the loan are similar to other loans received from the Rail Bank Program.

After discussion, Commissioner Tom Stiger moved that the Commission approve and authorize the CEO/Executive Director to sign the Washington State Department of Transportation Rail Bank Loan Agreement RRB 1288 for the purchase of cargo handling equipment for the Norton Terminal. Commissioner Glen Bachman seconded the motion. A vote was called for:

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

**Interagency Agreement – Snohomish County PUD Modification 1**

Procurement and Contracts Manager Maija Lampinen reported the Port currently has an interagency agreement with Snohomish County PUD to piggyback on the Port’s Job Order Contracts in an amount not to exceed \$1,000,000. The PUD is developing their own JOC program and, prior to launching their own program, have requested an additional \$700,000 in contract capacity for a total capacity of \$1,700,000. As with the original interagency agreement, Port staff will work with the PUD to determine how much will

be allocated to Forma and how much will be allocated to BCI. The Port has sufficient contract capacity with the JOC Contractors.

Upon discussion, Commissioner Glen Bachman moved that the Commission approve the First Amendment to the Interagency Agreement with Public Utility District No. 1 of Snohomish County increasing their JOC capacity to \$1,700,000 in the form substantially as presented and authorize the CEO to sign the Amendment. Commissioner Tom Stiger seconded the motion. A vote was called for:

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

### **WATERFRONT PLACE**

#### **Covington Cellars – New Lease**

CEO/Executive Director Lisa Lefeber reported Covington Cellars, LLC, Two Vintners, City Limits, LLC is the launch winery for the Port's Destination Retail experience. The winery is owned and operated by David and Cindy Lawson. Their winemaking philosophy has always been simple: starting with great grapes diminishes the need to intervene and allows the varietal to speak authentically for itself. The company was founded in 2002 and have locations in Woodinville, Maltby and Texas. They value great partnerships and have an unwavering passion and desire to be the best at winemaking. They will be occupying Building 5 in the South Marina on a ten-year term, with two five-year options, with 1,000 square feet of interior space, approximately 1,000 square feet of patio and a possible 300 square foot rooftop space. Base rent is \$42 per square foot, plus triple net, and patio space, with a three percent annual escalation and percentage rent of six percent. There will be a market adjustment with a max increase of ten percent at year seven. The rent will be abated for the first year to stabilize the new project. There is a security deposit of \$13,000. This retail experience is part of the Schuster partnership, and the intent is that Schuster will exercise their option to build this building and assume this lease. It is expected to be open in 2024.

After discussion, Commissioner Glen Bachman moved that the Commission approve and authorize the CEO/Executive Director to execute the Commercial Lease with Covington Cellars, LLC, Two Vintners, City Limits, LLC substantially as presented. Commissioner Tom Stiger seconded the motion. A vote was called for:

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

#### **Upcoming Events**

CEO/Executive Director Lisa Lefeber was happy to report that there will be a groundbreaking event for the Port Gardner Landing Building on July 7 at 10:00 a.m. and Waterfront Place Community Open House will be on June 29 at 4:00 p.m. in Pacific Rim Plaza.

### **MUKILTEO WATERFRONT DEVELOPMENT**

#### **Adoption of Vision and Guiding Principles**

CEO/Executive Director Lisa Lefeber reported the Port of Everett is leading an effort, in partnership with the City of Mukilteo, to help establish a unified vision for the undeveloped Mukilteo shoreline properties,

including the former NOAA site that will soon be transferred to the Port. The study area stretches from Lighthouse Park to Edgewater Beach. As part of this process a diverse stakeholder committee that represented the varied interests and attractions at the waterfront was formed.

The Port hired NBBJ, a Seattle architecture, planning and design firm, to help with this process. The first deliverable of this work is to adopt guiding principles for the redevelopment that ensure the character and community priorities be maintained with any development.

After six months of stakeholder meetings and outreach, the committee has approved the Vision and Guiding Principles for the Mukilteo Waterfront Development. This report, which is recommended for approval, is the result of nearly 850 public comments.

The Recommended Vision Statement is:

*Mukilteo's waterfront is a welcoming and convenient gathering place. It provides a year-round mix of uses that promotes culture, recreation, and entertainment. It offers easy access to the beach, businesses and wonders of the Salish Sea.*

Followed by nine (9) guiding principles:

- *Authentically Mukilteo*
- *Pedestrian Friendly*
- *A Year-Round Destination*
- *Environmentally Responsible & Sustainably Minded*
- *Celebrate Culture*
- *Thoughtful Parking*
- *Education Focused*
- *A Transportation & Maritime Hub*
- *Boating & Shoreline Access*

The Mukilteo City Council is considering this same report and action on June 21.

Lefebvre stated the next step would be to make sure that there is a good partnership between the Port of Everett and City of Mukilteo with expectations and understandings before moving into the planning and entitlement phase. Lefebvre would like to see a near unanimous vote by the City council for the Port to move forward to the next phase. The reason behind this threshold is the Port will be investing significant resources and the City Council has to make a number of decisions as part of this partnership to keep the project moving forward. It is very important to have a strong foundation of trust and partnership.

Lefebvre also received authorization from the owner of the old ferry holding lane property to disclose to the Mukilteo City Council that the Port had been approached by the property owners to acquire the property. This is a critical piece of property to enable the Port's ability to have a meaningful development due to its central location. The property owners were wonderful community partners and they have been involved with the site for a long time. They did have a private offer, but they came to the Port to see if there was interest because they believed in what the Port is trying to accomplish. The Port did not budget for an acquisition of the property and have some competing uses for dollars, so it is very important from a management standpoint that any acquisition at least pay the debt service on the purchase, which is why the parking ordinance was before the council last week for interim parking access on the site. Allowing interim parking on the site will allow the Port to pay debt service as the development plans are being

evaluated. The recommended ordinance passed the City planning commission a couple of weeks ago but was tabled by the City Council last week. Because of that the Port removed the consideration of the Purchase and Sale Agreement (PSA) from the agenda today. Lefeber did not want to ask the commission for conditional approval of the PSA because she wants to make sure the City of Mukilteo and the Port are partners and that there is an understanding and transparency of how the Port has to be able to finance the incremental steps. Lefeber does not know when they might consider the ordinance again but as the Port has discussed, if there is no way to pay debt service on that property, the Port would not be able to move forward at this time.

Upon discussion, Commissioner Tom Stiger moved that the Commission adopt the Mukilteo Waterfront Development Vision and Guiding Principles. Commissioner Glen Bachman seconded the motion. A vote was called for:

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

Motion carried.

## **DEPARTMENT REPORTS**

### **Marine Terminals**

#### **1<sup>st</sup> Quarter Report**

Director of Marine Terminals Walter Seidl presented a report on Marine Terminal Quarter 1 (Q1). Overall, port calls were up 61 percent. There were two Lehigh barges, one Foss barge and a short-sea shipping barge from Everett to Vancouver B.C. Most of the port calls involved 53-foot containers. Additional vessels in Q1 carried batteries for solar energy, steel, bagged cargo, break-bulk for automakers and aluminum billets. In January and February, the Port saw the completion of diverted consumers goods containers.

The total tonnage increased by 35,482 short ton over 2021. Q1 2021 saw two cement ships, while 2022 is primarily container and break-bulk tonnage. Imports are primarily container tonnage, energy products, steel, and break-bulk products. Exports are driven by pulp going to China and container traffic to Korea. One added charter ship for pulp in Q1.

Container volumes continue to exceed past practices. Westwood remains strong and 53-foot business will remain strong into 2022 with three primary customers. The discretionary consumer container traffic, 20-foot/40-foot, has slowed down but the Port does expect an uptick in 20-foot/40-foot later in 2022.

Seidl went over a few highlights. The first two weeks of January saw an extreme cold snap and there were several ports around the region that closed for several days but the Port of Everett terminal was able to keep operating. The Port also had their first on-dock intermodal train loaded in January and have done eight since then and will continue to do them moving forward. Break-bulk volumes have increased with cargo going to the Midwest and Canada and will continue to increase.

The 2022 outlook through Quarter 2 (Q2) and beyond the Port will see 53-foot container volumes continue into Q2 and remain strong. Energy cargo for Canada returns and crated break-bulk cargo for automakers and Rota flex machine volumes will increase in Q2.

**Marina**

**Resolution 1193 (2022) – Vessel Auction**

Chief of Marina Operations Jeff Lindhout reported the Port is currently in possession of various vessels. These vessels have either been abandoned by the owner or impounded by the Port for outstanding fees owed to the Port. Staff wishes to advertise and conduct an online auction in late July or early August using [www.govdeals.com](http://www.govdeals.com). The Port will provide owners of vessels impounded due to unpaid fees written notice of impound and process of auctioning. Additionally, vessels which lack sufficient value to support the repayment of debt through secondary post-auction sale or deemed unseaworthy/inoperable and at risk of returning will be scrapped.

After discussion, Commissioner Tom Stiger moved that the Commission adopt Resolution No. 1193 (2022) authorizing Port staff to advertise and proceed with the public sale of vessels listed as abandoned or derelict under RCW 53.08 & 79.100 (as applicable). 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 Pile Restoration - Bid Authorization**

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 to date. 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. Upon the hiring of Moffatt & Nichol, in 2021 for the design work, Moffatt & Nichol did a cursory dive inspection to verify the exact restoration needs. This project consists of jacketing seven concrete piles and wrapping 38 steel piles with corrosion-resistant protective tape and an HDPE jacket. To ensure the project is kept within budget the Bid Schedule will have several unit price additive bid schedules for the durability wraps on the steel piles. This project is consistent with the Port’s business resiliency and infrastructure maintenance goals.

Upon discussion, Commissioner Glen Bachman moved that the Commission authorize Port staff to solicit Public Works Bids for the Pier 3 Pile Restoration 2022 project. Commissioner Tom Stiger seconded the motion. A vote was called for:

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

Motion carried.

Regular Commission Meeting Minutes  
June 14, 2022

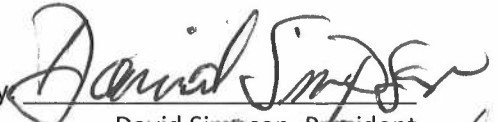
**Executive Session**

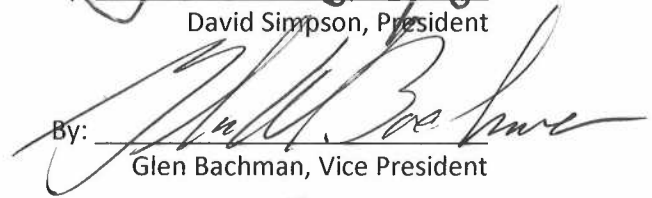
No Executive Session was held.

**THE REGULAR MEETING WAS ADJOURNED at 1:36 p.m.**

**APPROVED** this 12<sup>th</sup> day of July, 2022.

**EVERETT PORT COMMISSION**

By:   
David Simpson, President

By:   
Glen Bachman, Vice President

By:   
Tom Stiger, Secretary



Port of Everett

ORIGINAL

Port of Everett  
Voucher Certification and Approval  
for the month of  
MAY  
2022

| AP Claims Transactions             |               | Total               |
|------------------------------------|---------------|---------------------|
| Claim Checks Issued                | 91390 - 91465 | \$1,438,700.87      |
| P-Card Transactions                |               | 99,979.15           |
| ACH Transactions                   | #2015- 2107   | 5,013,691.70        |
| <b>Total Claims Check Register</b> |               | <b>6,552,371.72</b> |

| Electronic Claims Transactions:             |   |                     |
|---|---|---------------------|
| 5/4, 5/5, 5/9, 5/10, 5/16, 5/18, 5/19, 5/31 | Electronic Transfer - Health Equity/Navia/Guardian/Accrue CMS | \$23,540.63         |
| 5/13, 5/27                                  | Electronic Transfer - IRS                                     | 230,826.73          |
| 5/25  | Electronic Transfer - WA St Dept of Rev                       | 92,722.07           |
| 5/2, 5/3, 5/5, 5/12                         | Electronic Transfer - U.S. Bank                               | 10,166.55           |
| 5/2   | Electronic Transfer - U.S. Bank LOC Fees                      | 1,145.83            |
| 5/31  | Electronic Transfer - Paylocity                               | 2,228.56            |
| <b>Total Electronic Claims</b>              |   | <b>360,630.37</b>   |
| <b>Total Claims</b>                         |   | <b>6,913,002.09</b> |

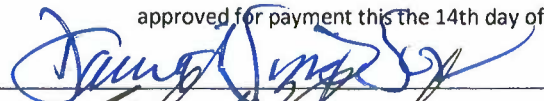
| Payroll Transactions  |                               |                     |
|-----------------------|-------------------------------|---------------------|
| Payroll Checks Issued | Dir Deposit/Check             | \$596,663.35        |
| 5/3, 5/10, 5/17, 5/24 | PMA Payroll (Longshore Labor) | 430,331.94          |
| <b>Total Payroll</b>  |                               | <b>1,026,995.29</b> |

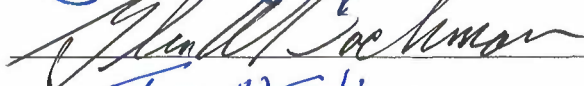
**Total Payments** **7,939,997.38**

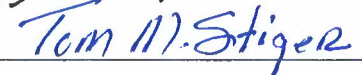
I, the undersigned, do hereby certify under penalty of perjury that the material have been furnished, the services rendered or the labor performed as described herein, that any advance payment is due and payable pursuant to a contract or is available as an option for full or partial fulfillment of a 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 14th day of June, 2022: See Attached

 President

 Vice President

 Secretary