

MINUTES OF EVERETT PORT COMMISSION  
REGULAR MEETING  
October 8, 2019

PRESENT:	Glen Bachman	President
	Bruce Fingarson	Vice President
	Tom Stiger	Secretary
	Les Reardanz	Executive Director
	Eric Russell	Chief Finance Officer
	Brad Cattle	Port Attorney

CALL TO ORDER:

Commission President Glen Bachman called the meeting to order at 4:02PM.

CONSENT AGENDA

- Approval of Regular Meeting minutes of September 10, 2019, Special Meeting Minutes of September 17, 2019; and Special Meeting Minutes of September 20, 2019.
- Approval of Bills – September 2019

Commissioner Tom Stiger moved to approve the items of the Consent Agenda. Commissioner Bruce Fingarson seconded the motion. A vote was called for:

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

Motion Carried.

**Executive Session**

Commissioner Bachman recessed the meeting into Executive Session at 4:04PM for approximately 20 minutes, which concluded by 4:25PM. The purpose of the Executive Session was to discuss with legal counsel the acquisition of real estate by purchase when public knowledge regarding such consideration would cause a likelihood of increased price.

At the conclusion of the Executive Session, Staff expected action to be taken by the Commission.

The Regular Commission Meeting resumed at the conclusion of the Executive Session.

**1. DEPARTMENT REPORTS**

**Properties**

**Potential Waterfront Property Acquisition**

Chief of Business Development Terrie Battuello reported that the Port Administration has negotiated with Norton Industries, Inc. for the purchase of five parcels, which includes 367 feet of frontage on SR-529 and approximately 7.91 acres, 122,500 square feet of light industrial space, and the assignment of four leases. The purchase price was \$11 million, which was confirmed through a third-party appraisal. The property has a complex history on which the Port has spent nearly four years evaluating the environmental risks associated with acquiring the property.

After discussion, Commissioner Bruce Fingarson moved that the Commission authorize the CEO to sign the Purchase and Sale Agreement with Norton Industries, Inc. for the Port's acquisition of approximately 7.91 acres and providing

an environmental indemnification. Commissioner Stiger seconded the motion. A vote was called for:

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

Motion carried.

## 2. CEO/EXECUTIVE DIRECTOR'S REPORT

Executive Director Les Reardanz reminded the Commission and public that the Strategic Plan Open House is scheduled for October 29 from 4 – 7 PM in the Blue Heron Room. The draft of the Strategic Plan will be released on October 21 for public comment.

Army Corps of Engineers is going to start river dredging, both up and downstream, on October 16 and target end date is January 1, 2020. There will be a hydraulic dredge pipeline floating in the river. The upstream material will be used on Parcel O and downstream material will be placed on Jetty Island.

This was Les Reardanz last commission meeting. He thanked the Commission for their leadership and friendship. He recognized the efforts from the Port team for all their hard work over the last ten years and implementing the Commission's vision and leadership.

## 3. CHIEF FINANCE OFFICER'S REPORT

### Renewal of Line of Credit with U.S. Bank – Resolution No. 1132 (2019)

Chief Finance Officer Eric Russell presented Resolution No. 1132 (2019). The Port has had a line of credit (LOC) from U.S. Bank since October 27, 2017. This has been used to smooth cashflow needs and provide bridge financing in anticipation of longer-term financing. The LOC is for one year and therefore must be renewed annually. The LOC available for an amount of \$35,000,000. There are no changes to the terms except for the termination date.

Upon discussion, Commissioner Tom Stiger moved to adopt Resolution No. 1132 (2019) authorizing the renewal of a \$35,000,000 line of credit with U.S. Bank for one year. Commissioner Bruce Fingarson seconded the motion. A vote was called for:

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

Motion carried.

### Jetty Landing Restroom Rebuild – Resolution No. 1133 (2019)

Chief Finance Officer Eric Russell presented Resolution No. 1133 (2019), it is a resolution that is required to update the authorized signatory on file with Washington State Recreation and Conservation Office (RCO) for all items related to Project Agreement 18-2524D – Jetty Landing Restroom Rebuild. The original Resolution 1115 (2018) listed Les Reardanz as the authorized signatory and this resolution changes the authorized signatory to Lisa Lefeber.

After discussion, Commissioner Tom Stiger moved to adopt Resolution No. 1133 (2019) authorizing signatory to Lisa Lefeber for all items related to Project Agreement 18-2524D – Jetty Landing Restroom Rebuild. Commissioner Bruce Fingarson seconded the motion. A vote was called for:

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

Motion carried.

**Preliminary Operating Budget Discussion**

Chief Financial Officer Eric Russell provided an overview of the budget process including the budget schedule, Capital Improvement Plan development process, the status of the operating and non-operating budget, the funding plan, the five-year capital plan and next steps.

**4. INITIATIVE ONE: SEAPORT MODERNIZATION**

**Mill-A Update**

Erik Gerking reported a project update on the Mill-A site which the Port purchased back in 1983, it accounts for about 35 acres of upland. Several environmental studies and cleanup work was done in the mid-90s which involved a sediment cleanup and construction of the Pacific Terminal. The Port, in 2008, initiated a lawsuit against Weyerhaeuser. In 2012, the Port entered into an agreed order with Department of Ecology under the Puget Sound Initiative. At this same time, entered into a cooperation and cautionary agreement with Weyerhaeuser. Purpose of the agreed order with Ecology was to prepare a remedial investigation, feasibility study and cleanup action plan. At this point, the Port has completed a vast majority of the studies that are needed for the property. In 2015, the Port also conducted an interim action at Pacific Terminal to provide additional berth space. More recently, in 2018, the Port was planning an interim action but Weyerhaeuser terminated unilaterally cooperation and cautionary agreement. Now there is more focus on the final action plan and the Port has synchronized potential funding from Ecology.

In order to move the entire project forward quickly, Ecology agreed to separate the uplands from the marine area. Marine area data has been collected to prepare the feasibility study, however, the upland area needs more data after they reviewed what has already been collected. The Port will conduct these studies parallel with reviewing and preparing the cleanup alternatives in the marine area. This will allow the Port to get an Ecology approved cleanup plan for the marine area.

One year look ahead for the project, the Port is trying to deliver the remedial investigation report by first quarter of 2020. Once delivered to Ecology, the Port will begin working on the remedial alternatives that make up the feasibility study. To help fund this project, the Port received \$16M MTCA grant.

**5. INITIATIVE TWO: WATERFRONT PLACE CENTRAL**

**Municipal Stormwater Permit for Waterfront Place Central**

Brandon Whitaker reported last month the Port received a Department of Ecology Municipal Stormwater Permit that covers the marina uplands and Waterfront Place Central from 10<sup>th</sup> Street south to 18<sup>th</sup> Street. This permit ties in with the public outreach and education effort of the stormwater program to the public to better educate people on what the Port is doing on the uplands to benefit the environment. It also ties into the Clean Marina certification on items that are already being performed. The main mandate of this permit is to implement and develop a Stormwater Management Plan. Within that plan, the Port will specify how they will outreach to the public. In addition to that, the Port will continue implementing the best management practices, looking at ways to continue to improve operations and will open the door for the Port to pursue Department of Ecology Stormwater Grants. The Port will start developing and implementing the Stormwater Management Plan this fall and early winter. This

current permit will last until 2024. At that time, Ecology will send out for public comment and any further improvement. The Port will submit the Stormwater Management Plan to Ecology in Spring 2020.

## **6. DEPARTMENT REPORTS**

### **Projects Update: Blue Heron Slough**

Erik Gerking reported that the Blue Heron Slough, by design, is a 350-acre mitigation bank in the lower Snohomish estuary but in practice and in vision, merging together salmon and other wildlife in the area, it brings forth economic development tools for our region in the form of environmental mitigation credits. It provides future potential revenue to the Port from mitigation credit sales. It has been used most recently to help support legal and regulatory risk management for the Port's cleanups, permitting and tribal relations.

In recent years, the Port was able to bring together a group of liable parties and the Port Gardner Bay Trustee Council to use the mitigation bank for the purpose of a bay wide natural resource damage claim and settlement. This all came together for the Port in a consent decree that was entered into Federal Court this summer, July 2019. The bay wide settlement is also bringing in \$4.6 million from other parties such as the Naval Station Everett, Weyerhaeuser, Kimberly-Clark and Jeld-Wen, in the form of mitigation credit sales to settle their liability. These are the first credit sales the Port has received for this project. All of this was done with Wildlands, the Port's private mitigation banking partner. They are responsible for construction of the bank, entitlements, permitting and all the banking elements.

Les Reardanz stated that Erik deserves the credit for implementing this project. Blue Heron Slough settled the natural resource damage claims throughout the Port Gardner Bay and enhanced partnerships with the Tulalip Tribes. He has led the Port to where the Blue Heron Slough is today.

Commissioner Tom Stiger asked how does the Port show this in the books and when does the Port anticipate seeing revenue from the credits. Eric Russell stated it should have been booked as an asset. As the Port sells credits, Eric will need to figure out how to record those, whether that's revenue for the Port or reduction in the value of the asset. The title of the property stays with the Port and any credits that the Port sells in the future will be split with Wildlands. There are two CIP numbers associated with this project, one that is related more specifically to the natural resource damage settlement and one that is supporting the banking effort, marketing and overseeing the project.

Wildlands is now under construction along I-5, as the tide flows in and out, there is a protective dike being constructed, Hos Brothers Construction and Trimax Construction are doing the work. Dungeness Construction will be doing all the interior work, which they are also under construction.

The Port has filed a conservation easement for the property.

### **Commission President's Report**

Commissioner Bachman reported that the Grand Avenue Bridge was put up successfully and will open in April 2020.

Nichols Brothers acquired a drydock, and it has arrived.

Commissioner Bachman and Deputy Executive Director Lisa Lefebber traveled to Alexandria, VA, to meet with Federal agencies and it went well.

**Commission Discussion**

Commissioner Stiger reported that the Hotel Indigo is hosting the Pacific Coast Congress of Harbormasters Conference October 8-11.

Commissioner Fingarson thanked Les Reardanz for his outstanding service, mentorship and coaching him and wished him the best for him and his family.

**Citizen Comments**

Jeff LaLone, Bayside Marine, reported on last month's fishing derbies. There were 157 boats and 350 soldiers that came out for the Salmon for Soldiers Fishing Derby. Almost 2,000 participants and 1,000 fish weighed in at the Everett Coho Derby. He said that the Port is very helpful and accommodating for these derbies, he is very appreciative. He thanked Les for everything he's done to bring the staff to where they are and the direction the Port is headed.

THE REGULAR MEETING WAS ADJOURNED at 5:59PM.

APPROVED this 12<sup>th</sup> day of November 2019.

EVERETT PORT COMMISSION

By:   
Glen Bachman, President

  
Bruce Fingarson, Vice President

  
Tom Stiger, Secretary



Port of Everett  
Voucher Certification and Approval  
for the month of  
SEPTEMBER  
2019

AP Claims Transactions		Total
Claim Checks Issued	87788 - 87957	\$2,588,125.91
P-Card Transactions		53,701.54
ACH Transactions		2,442,318.36
<b>Total Claims Check Register</b>		<b>5,084,145.81</b>
<b>Electronic Claims Transactions:</b>		
9/3, 9/6, 9/10, 9/12, 9/20, 9/26, 9/27	Electronic Transfer - Health Equity/Navia	\$5,370.05
9/3, 9/17	Electronic Transfer - IRS	185,712.59
9/25	Electronic Transfer - WA St Dept of Rev	58,269.19
9/3	Electronic Transfer - U.S. Bank	10,993.40
9/3	Electronic Transfer - U.S. Bank LOC	5,030.97
9/11	Electronic Transfer - Guardian Dental	9,518.00
<b>Total Electronic Claims</b>		<b>274,894.20</b>
<b>Total Claims</b>		<b>5,359,040.01</b>
<b>Payroll Transactions</b>		
Payroll Checks Issued	50267 - 50306	\$477,555.03
9/4, 9/10, 9/17, 9/24	PMA Payroll (Longshore Labor)	163,880.16
<b>Total Payroll</b>		<b>641,435.19</b>
<b>Total Payments</b>		<b>6,000,475.20</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 8th day of October, 2019:

President

Vice President

Secretary