

PORT OF GRAYS HARBOR
COMMISSION MEETING MINUTES
May 9, 2023

The Port of Grays Harbor Commission Meeting May 9, 2023 was called to order at 9:00 AM. This meeting was both a virtual meeting conducted using Zoom and an in-person meeting. The public was able to access this virtual meeting using either the Zoom platform or by calling in.

Aaron Aschim led the flag salute.

Those in attendance at the meeting were as follows:

COMMISSION AND STAFF

Stan Pinnick	Commissioner
Phil Papac	Commissioner
Tom Quigg	Commissioner
Gary Nelson	Executive Director
Leonard Barnes	Deputy Executive Director
Arthur Blauvelt	Legal Counsel
Mike Folkers	Director of Finance & Administration
Chris Hunt	Director of Information Technology
Kris Koski	Port Engineer
Aaron Aschim	Contracts Manager
Janet Blackmun-Johnson	Accounting Specialist
Lisa Benn	Accounting Manager
Nolan Wyatt	Marine Terminal Superintendent
Shannon Anderson	Business & Trade Development Assistant
Cynthia Crisp	Reception

VISITORS

Arnie Martin	Citizen
Mike Young	Washington State UTC
John Cupp	Washington State UTC

REPORTS:**2023 1st Quarter Financial Review**

Mike Folkers, Director of Finance and Administration, reported on the Port's 1st Quarter Financial Review. Mr. Folkers stated the quarterly financial review provides staff and Commissioners the opportunity to re-evaluate business trends using the most current customer forecasts and market analysis, and to quickly respond to changing market conditions impacting customer and Port operations. He concluded by reporting the Port proactively updates forecasts based on this evaluation to ensure business and financial objectives are achieved.

4th Grade Tour Update

Kayla Dunlap, Director of Government & Public Affairs, reported that 4th Grade Tours will be starting again in 2023. She further reported that the Port has not done 4th Grade Tours since 2019 and that the Grays Harbor Community Foundation, Ag Processing and Lynch Creek have provided support to the program.

Fuller Creek Crossing Update

Aaron Aschim, Contracts Manager reported that Fuller Creek is prone to flooding during the winter months and it creates a damage potential to a 6" potable water line that runs across it. He further reported that there is an approved project to replace the line by horizontal drilling beneath the creek. He reported that the work was originally planned for late summer 2022 but got delayed until this year when Rognlin's will begin site work and drilling on July 3, 2023.

T4 Expansion & Redevelopment Project Report

Kris Koski, Port Engineer, updated the Commissioners on the T4 Expansion Project. His report included design developments, tribal outreach, environmental compliance and SEPA progress. He further reported that the Port has met with the new PIDP Grant Manager Matt Dugan and brought him up to speed.

Kayla Dunlap, Director of Government & Public Affairs reported on the public outreach efforts including the Elma and Ocean Shores City Councils.

Public Information Report

Kayla Dunlap, Director of Government & Public Affairs, reported that the Washington State Legislature adjourned on time on April 23rd from its 105-day session and there were 2,302 bills introduced with 494 of them passing the legislature and sent to the Governor. She then reported that the Governor has until May 16th to act on the bills. She further reported that the Terminal 4 Expansion &

Redevelopment Project was funded at \$3.5 million in the Capital Budget while the Aberdeen-Hoquiam Flood Protection Project received \$18.5 million this biennium with a promise of \$17 million in the next biennium. She continued by reporting that the City of Aberdeen's US12 Highway-Rail Separation Project is programmed to receive \$72.6 million over the next three biennium, including \$9.24 million this biennium for right of way acquisition and final design. She concluded by reporting that the Quinault Nation also received \$12 million for several projects for their village relocation.

She then reported that HB1527, the priority TIF legislation that clarifies the definition of real property, passed the Senate on a 49-0 amendment last night. She further reported that there was an amendment attached to the bill that removed some duplicative language so technically the bill will go to conference but should be on the governor's desk for signature very soon which he must sign by May 16.

She then reported that SB 1753 streamlines the derelict vessel process by allowing email notifications and decreases the notification timeline prior to taking custody (now 10 days instead of 20 for mailing, and 15 days instead of 30 for posting on the vessel and the notice no longer has to be published in the newspaper prior to taking custody).

She then reported that HB1084 made some changes to the FMSIB including the addition of five new members: one from the package delivery industry, one labor member representing the freight sector, one member representing the heavy highway construction industry, one member representing environmental protection interest and one member representing the interests of overburdened communities. She further reported that direct grant making authority was removed from the Board but the \$30 million in FMSIB priorities were funded this session including \$300,000 for the 2024 marine cargo forecast.

Vessel Report

Leonard Barnes, Deputy Executive Director, reported that in April the Port had calls from 9 deep-water vessels and 3 barges, which resulted in 276,732 MT of cargo being handled. Year to date there have been 35 deep-water vessels and 13 barges for a total of 1,247,431 MT of cargo.

Kayla Dunlap gave the virtual participation instructions.

VISITORS/PUBLIC COMMENTS:

None

PUBLIC HEARINGS:

The Meeting was recessed at 10:12 AM for a Public Hearing.

Pilotage Tariff

Mike Folkers, Director of Finance and Administration, gave an update on the Pilotage rate setting process and his recommendation that the Port increase the tariff on Pilotage Services.

Public Comment:

John Cupp introduced himself from the Washington State Utilities and Transportation Commission.

The Public Hearing was closed at 10:13 AM and the Regular Commission Meeting reconvened at that time.

The Meeting was recessed at 10:15 AM for a Public Hearing.

Tax Increment Financing

Mike Folkers, Director of Finance and Administration, discussed the Terminal 4 Expansion and Redevelopment Project. He provided an in-depth public briefing about the financing, how a Tax Increment Area would be created and the timing of property tax revenues.

Public Comment:

None

The Public Hearing was closed at 10:15 AM and the Regular Commission Meeting reconvened at that time.

Items discussed and action taken where required are as follows:

MINUTES:

1. By motion made by Commissioner Papac seconded by Commissioner Pinnick and unanimously approved, the Commission adopted the Minutes of April 11, 2023, Regular Commission Meeting as recorded in the Minutes Book No. 22 on pages 209 through 217 inclusive.

2. By motion made by Commissioner Papac seconded by Commissioner Pinnick and unanimously approved, the Commission adopted the Minutes of April 25, 2023, Special Commission Meeting as recorded in the Minutes Book No. 22 on pages 218 through 220 inclusive.
3. By motion made by Commissioner Papac seconded by Commissioner Pinnick and unanimously approved, the Commission adopted the Minutes of May 4, 2023, Special Commission Meeting as recorded in the Minutes Book No. 22 on pages 221 through 222 inclusive.
4. By motion made by Commissioner Papac seconded by Commissioner Pinnick and unanimously approved, the Commission adopted the Minutes of May 5, 2023, Special Commission Meeting as recorded in the Minutes Book No. 22 on pages 223 through 224 inclusive.

VOUCHERS:

1. By motion made by Commissioner Papac and seconded by Commissioner Pinnick the Commission unanimously approved for payment those Payroll Vouchers issued April 20, 2023, and May 5, 2023, ACH/Wire Transfers No. 99901948 through and including No. 99901960, and General Disbursement Vouchers No. 109885 through and including No. 110082 for payment in the amount of \$3,511,960.87.

ACTION ITEMS:

Hold a Special Meeting of the Port Commission on May 31, 2023 to Consider the Adoption of a Tax Increment Area

Mike Folkers, Director of Finance & Administration reported that the Port would like to utilize Tax Increment Financing to pay for a portion of the public improvements to support the private investments at Terminal 4. He further reported that two public hearings have been held on the matter. He stated that staff would like to hold a Special Commission Meeting on May 31, 2023, to consider the adoption of a Tax Increment Financing Resolution.

A motion to hold a Special Commission Meeting on May 31, to consider a Resolution to create a Tax Increment Area was made by Commissioner Papac seconded by Commissioner Pinnick. Motion passed with a vote of 3-0.

Authorization to Award Contract No. 2187 Hungry Whale Site Cleanup

Aaron Aschim, Contracts Manager, reported that bids were opened on the Hungry Whale Site Cleanup Project on April 21, 2023, from seven contractors. He further reported that the apparent low bidder on this project was Anderson Environmental

Contracting, LLC with a bid of \$1,875,706.54 including Washington State Sales Tax.

A motion to authorize the Executive Director to award Contract No. 2187, Hungry Whale Site Cleanup to Anderson Environmental Contracting LLC, in the amount of \$1,875,706.54 was made by Commissioner Papac seconded by Commissioner Pinnick. Motion passed with a vote of 3-0.

Authorization to Call for Bids for Contract No. 2208 Satsop Business Park Haul Road Erosion Mitigation Project (Mid-Term Strategy)

Aaron Aschim, Contracts Manager, reported that ongoing erosion by the Chehalis River continues to encroach on the Port's Haul Road and the Port's utilities contained within it. He explained that the mid-term strategy includes the placement of modular log structures, embankment reshaping, and installation of riparian plantings. He further reported that the construction cost of the mid-term strategy is estimated at \$1,630,000 and will be paid for utilizing grants and existing approved funds.

A motion to authorize the Executive Director call for bids for Contract No. 2208 Satsop Business Park Haul Road Erosion Mitigation Project (Mid-Term Strategy) was made by Commissioner Papac and seconded by Commissioner Pinnick seconded by Commissioner Pinnick. Motion passed with a vote of 3-0.

Authorization to Amend Contract No. 2171 with Moffatt & Nichol for T4 Expansion – T4 Dock Upgrades

Kris Koski, Port Engineer, reported that a scope update is required to add tasks to Moffatt & Nichol's contract for advancing the stormwater design beyond the 30% design level to the 100% design level. He further reported that the tasks are expected to add \$315,422.00 to Moffatt & Nichol's existing contract.

A motion to authorize the Executive Director to amend Contract No. 2171 with Moffatt & Nichol for the T4 Dock Fender & Stormwater Upgrades component of the Terminal 4 Expansion & Redevelopment Plan was made by Papac seconded by Commissioner Pinnick. Motion passed with a vote of 3-0.

Authorization to Amend Contract No. 2199 with KPFF for T4 Expansion – Rail & Site Improvements

Kris Koski, Port Engineer, reported that a scope update is required to add tasks to KPFF's contract for advancing the design beyond the 30% to the 100% design level.

He further reported that the tasks are expected to add \$911,110.00 to KPFF's existing contract.

A motion to authorize the Executive Director to amend Contract No. 2199 with KPFF for the Rail Upgrades & Site Improvements component of the Terminal 4 Expansion & Redevelopment Plan was made by Papac seconded by Commissioner Pinnick. Motion passed with a vote of 3-0.

Authorization to Proceed, Contract No. 2207 Gas Line North Timber Sale

Aaron Aschim, Contracts Manager, reported that staff desires to let a logging service contract this summer on the Gas Line North stand of timber. Staff estimates that the contract will generate net revenue of \$110,000.

A motion to authorize the Executive Director to proceed with Port of Grays Harbor Contract No. 2207 Gas Line North Timber Sale was made by Papac seconded by Commissioner Pinnick. Motion passed with a vote of 3-0.

Authorization to Proceed, Lease No. 2023-L607 Skaar & Wilcox Enterprises LLC

Alissa Shay, General Manager Satsop Business Park, reported that Skaar & Wilcox Enterprises LLC proposes to lease the 17,500 square foot Warehouse 15 and surrounding land totaling approximately 14,598 square feet. She further reported that the initial term of the lease will be 5 years with one, 2-year option. She stated that the annual lease revenue is estimated to be \$81,439.56 not including Washington State Leasehold Excise Tax.

A motion to authorize the Executive Director to negotiate Lease 2023-L607 with Skaar & Wilcox Enterprises LLC was made by Commissioner Papac seconded by Commissioner Pinnick. Motion passed with a vote of 3-0.

Authorization for the Executive Director to Pay for Repairs to the Port of Grays Harbor Rail Infrastructure

Mike Folkers, Director of Finance & Administration reported that a regular inspection of the rail infrastructure within the Port's cargo yard identified numerous locations that needed prompt repairs to avoid damage and delays to railcars. He further reported that the amount for the repairs was \$132,146.10 including Washington State Sales Tax which exceeds the authority of the Executive Director.

A motion to authorize the Executive Director to pay for repairs to the Port of Grays Harbor Rail Infrastructure was made by Commissioner Papac seconded by Commissioner Pinnick. Motion passed with a vote of 3-0.

RESOLUTIONS:

Amending the Tariff and Pilotage Rates for the Port of Grays Harbor Pilotage District

Mike Folkers, Director of Finance & Administration, reported that a public hearing has been advertised and held. He further reported an increase in the Pilotage Tariff is necessary due to the projected level of vessels, the addition of two new pilots and the purchase of a new pilot boat. He recommended that the Commission adopt the proposed Resolution and that the matter be directed to the Washington State Utilities and Transportation Commission for their concurrence.

Motion to adopt Resolution No. 3087: *An Amendment of the Tariffs and Pilotage Rates for the Grays Harbor Pilotage District* was made by Commissioner Papac seconded by Commissioner Pinnick. Motion passed with a vote of 3-0. Resolution adopted.

VISITORS/PUBLIC COMMENTS:

None.

NEW BUSINESS:

Westport Marina Float 21 Transient Moorage Replacement Project

Molly Bold, General Manager Westport Marina, reported that at the October 11, 2022 Regular Commission Meeting, the Commission authorized an application to the Washington State Recreation and Conservation Office (RCO) for a grant to support the Float 21 Transient Moorage Replacement Project. She further reported that after updates to the Grant Application, the Certificate of Match needs to be amended to \$1,019,578 to reflect the final application budget

A motion to authorize the Executive Director to amend the Certification of Applicant Match for the Westport Marina Float 21 Transient Moorage Replacement Project was made by Commissioner Papac seconded by Commissioner Pinnick. Motion passed with a vote of 3-0.

Friends Landing Camp Host

Alisa Shay, General Manager Satsop Business Park, reported that Terry Jolly and Dennis Price will be returning as the Friends Landing Camp Hosts. She reported

that they will be starting this week and will be there through October. She further reported that reservations are good but are lower than last year.

OTHER NEW BUSINESS:

Executive Director Gary Nelson reported on the following:

- The Shipping Club meets tomorrow at the 8th Street Ale House
- The WPPA Spring Meeting is next week in Spokane
- There will be a Special Commission Meeting on May 31, 2023 at 9:00 AM

There being no further business to come before the Commission, the Regular Meeting recessed at 11:15 AM.

The Board then went into Executive Session to consider the acquisition, sale or lease of real estate and to discuss with Port's legal counsel matters relating to agency enforcement actions, litigation or potential litigation and to review the performance of a public employee. No action to be taken during Executive Session.

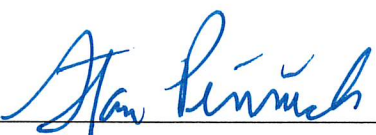
It was announced that the Executive Session would start at 11:25 AM and last 75 minutes. There was one 20-minute extension.

The Executive Session ended at 1:00 PM. The Regular Meeting adjourned at that time.



President

ATTEST:



Secretary

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