

PORT OF GRAYS HARBOR
COMMISSION MEETING MINUTES
October 10, 2023

The Port of Grays Harbor Commission Meeting October 10, 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.

Nolan Wyatt 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
Randy Lewis	Director of Health, Safety & Environment
Kris Koski	Port Engineer
Alissa Shay	Satsop Business Park General Manager
Molly Bold	Westport Marina General Manager
Kayla Dunlap	Director of Government & Public Affairs
Lisa Benn	Accounting Manager
Aaron Aschim	Contracts Manager
Nolan Wyatt	Marine Terminal Superintendent
Cynthia Crisp	Reception
Shannon Anderson	Business & Trade Development Assistant
Chris Hunt	IT Director
Jeremy Plummer	Westport Marina Operations Manager

VISITORS

Arie Callaghan	GH PUD Commissioner
Schuyler Burkhart	GH PUD General Manager
Ian Cope	GH PUD Communications Director
Arnie Martin	Citizen
Linda Orgel	FOGH

REPORTS:

Grays Harbor PUD Annual Update

Kayla Dunlap, Director of Government & Public Affairs, introduced Schuyler Burkhart, GH PUD General Manager and Ian Cope, GH PUD Director of Communications. Mr. Cope and Mr. Burkhart discussed the PUD's history as well as the difficulty with outages in 2022 and their goals for 2023.

2024 Service Agreements and Memberships

Mike Folkers, Director of Finance & Administration, explained the history of the Port funding to help organizations working on projects for the betterment of Grays Harbor County.

He then introduced Tina Niels and Brandon Paul from the Chehalis Basin Fisheries Task Force (CBFTF). They provided a PowerPoint presentation reviewing 2023. They reported Funds that the Port's support last year went to fish production and habitat restoration projects. They then thanked the Port for their continued support on behalf of the board of directors.

Westport Marina Pumpout Replacement Update

Aaron Aschim, Contracts Manager, reported that the existing pumpout system at the Westport Marina is 16 years old and in need of replacement. He further reported that in April the Port was awarded a grant from State Parks for 75% of the project cost. He stated that the Port received two bids for the project of which Rognlin's was the low bidder in the amount of \$54,401. He concluded by reporting that the Executive Director has given approval to award this contract to Rognlin's.

T4 Expansion & Redevelopment Project Report

Kris Koski, Port Engineer, updated the Commissioners on the T4 Expansion Project highlighted the project web site that contains a lot of information about the project. He told the Port Commission that all of the 60% designs have been received and the next milestone will be 90% design which is targeted for November 3. He reported that the SEPA Notice of Action was advertised on September 28.

Public Information Report

Kayla Dunlap, Director of Government & Public Affairs, reported that we avoided a government shutdown with Congress passing a Continuing Resolution that will fund the federal government through November 17, 2023

She then reported that next week, we will be hosting a team from the Farm Journal and United Soybean Board for two live broadcast segments at 8am and 12pm. She stated that the crew will also be shooting additional footage during the breaks.

Vessel Report

Leonard Barnes, Deputy Executive Director, reported that in September the Port had calls from 6 deep-water vessels and 2 barges, which resulted in 233,299 of cargo being handled. Year to date there have been 67 deep-water vessels and 22 barges for a total of 2,380,370 MT of cargo.

Kayla Dunlap gave the virtual participation instructions.

VISITORS/PUBLIC COMMENTS:

None

Items discussed and action taken where required are as follows:

MINUTES:

1. By motion made by Commissioner Pinnick seconded by Commissioner Papac and unanimously approved, the Commission adopted the Minutes of September 12, 2023, Regular Commission Meeting as recorded in the Minutes Book No. 23 on pages 1 through 9 inclusive.
2. By motion made by Commissioner Pinnick seconded by Commissioner Papac and unanimously approved, the Commission adopted the Minutes of September 28, 2023, Special Commission Meeting as recorded in the Minutes Book No. 23 on pages 10 through 11 inclusive.
3. By motion made by Commissioner Pinnick seconded by Commissioner Papac and unanimously approved, the Commission adopted the Minutes of October 3, 2023, Special Commission Meeting as recorded in the Minutes Book No. 23 on pages 12 through 14 inclusive.

VOUCHERS:

1. By motion made by Commissioner Papac and seconded by Commissioner Pinnick the Commission unanimously approved for payment those Payroll Vouchers issued September 20, 2023, and October 5, 2023, ACH/Wire Transfers No. 99902030 through and including No. 99902042, and General Disbursement Vouchers No. 111053 through and including No. 111245 for payment in the amount of \$4,284,567.93.

The Meeting was recessed at 10:23 AM for a Public Hearing.

Public Hearing – 2024 Tax Levy

Mike Folkers, Director of Finance & Administration, stated that a public hearing has been advertised for the 2024 Port of Grays Harbor Tax Levy to be held during the regular Port Commission meeting on Tuesday, October 10, 2023. The Port Commission adopts an annual operating and capital budget. Staff has prepared the 2024 Preliminary Budget which was presented to the Port Commission and made available for public review on September 29. The estimated property tax revenue in the proposed 2024 Preliminary Budget is \$3,055,669. In total the levy includes a 1% or \$30,008 increase over the previous year's tax revenues, not including increases for new construction.

The state of Washington has determined the implicit price deflator for 2024 will be 2.8% for tax levy purposes. Therefore, there is no need for the Port will to pass a Resolution of Substantial Need to levy the full 1%. As always, the property tax revenues from the proposed levy are dedicated to fund Port infrastructure projects in 2024. The current levy rate is \$0.25 per \$1,000 of assessed valuation and is expected to be \$0.22 for 2024. The maximum rate the Port may levy is \$0.45 per \$1,000. For a home assessed at \$150,000 the property tax paid to the Port will be \$32.84, a decrease of \$4.51 compared to the prior year.

Public Comment:

No public comment

The Public Hearing was closed at 10:36 AM and the Regular Commission Meeting reconvened at that time.

ACTION ITEMS:**Authorization to Call for Bids, Contract No. 2233 Terminal Maintenance Dredging 2024**

Aaron Aschim, Contract Manager, reported that maintenance dredging will be required in 2024 to ensure that vessels can safely use the berths to load and unload cargo. He further reported that the estimated volume of material to be removed is 120,000 cubic yards and will be completed in February and July of 2024.

A motion to authorize the Executive Director to call for bids on Contract No. 2233 Terminal Maintenance Dredging 2024 was made by Commissioner Pinnick seconded by Commissioner Papac. Motion passed with a vote of 3-0.

Third Amendment to Hesco Armor Lease 1113

Shannon Anderson, Business & Trade Development Assistant reported that Hesco Armor, LLC has been leasing space since July of 2012. She further reported that the initial term was 5 years with 3 one-year options and it was amended to extend the original term to 8.5 years. She stated that staff is recommending an amendment to the lease to add 3 additional one-year options with all other aspects of the lease to remain the same.

A motion to authorize the Executive Director to amend Lease No. 1113 with Hesco Armor, LLC. was made by Commissioner Papac seconded by Commissioner Pinnick. Motion passed with a vote of 3-0.

Acceptance of the 2024 Preliminary Budget

Mike Folkers, Director of Finance & Administration, stated that annually, the Port Commission adopts a Port operating and capital budget. Staff has prepared the 2024 Preliminary Budget for consideration by the Port Commission. It reflects input from customers regarding their business plans and market expectations for 2024, as well as a review of maintenance needs and personnel requirements to support the Port's current activity levels. The preliminary budget includes financial information on all the Port's business divisions.

The preliminary budget meets all the following Port Commission's fiscal policies:

- Manage Operating Revenues & Expenses
- Preserve Port Cash Reserves
- Dedicate Property Taxes to Capital Investments
- Leverage Local Tax Dollars
- Maintain Debt Coverage Ratio

A budget workshop was held at a Special Meeting of the Port Commission on October 3, 2023.

A motion to Port Commission accept the 2024 Preliminary Budget as presented by staff was made by Commissioner Pinnick and seconded by Commissioner Papac. Motion passed with a vote of 3-0.

A motion that a public hearing on the 2024 Budget be scheduled for November 14, 2023, at 9:00 AM during the Port Commission's regular meeting was made by Commissioner Pinnick and seconded by Commissioner Papac. Motion passed with a vote of 3-0.

Authorize to Enter into Lease 2023-L621 with Talking Cedar

Alissa Shay, Satsop Business Park General Manager, reported that Talking Cedar, an entity owned by the Confederated Tribes of the Chehalis Reservation, proposes to lease the 5,956.95 square foot "PKS South Warehouse" and surrounding land totaling 14,477.31 square feet at the Satsop Business Park for the purpose of storage of distilled spirits and consumables related to the production of distilled spirits.

She further reported that the lease will have an initial term of 1-year starting October 1, 2023 with an option to renew for an additional year as well as an option to lease Warehouse 17 beginning in January 2024.

A motion to authorize the Executive Director to negotiate lease 2023-L621 with Talking Cedar was made by Commissioner Papac seconded by Commissioner Pinnick. Motion passed with a vote of 3-0.

Update Funding Authorization for Chehalis River Erosion Repair Project at Satsop Business Park

Kris Koski, Port Engineer, reported that the Port Commission previously authorized \$150,000 for the planning, design and permitting of repairs and erosion mitigation actions at the Chehalis River erosion site. He further reported that the Port secured grant funds to complete design and construction of the Short Term Strategy while using only a small portion of Port funds. He then reported that the Port subsequently secured grant funding and for the Mid-Term Strategy project and included an additional \$200,000 in Port funding.

Mr. Koski recommends updating the \$150,000 in Short Term Strategy funding to include all types of project costs including the Mid-Term Strategy to allow flexibility

in the allocation of project costs to funding sources and simplify grant reimbursements.

A motion to update the March 2022 funding authorization for the Chehalis River Erosion Repair Project at the Satsop Business Park Haul Road to include construction costs was made by Commissioner Pinnick seconded by Commissioner Papac. Motion passed with a vote of 3-0.

Authorization to Execute Amendment 3 to Contract No. 2171 with Moffatt & Nichol for T4 Expansion – T4 Dock Upgrades

Kris Koski, Port Engineer, reported that a contract scope is required to add the design of barge capable fender panels to the T4A portion of the proposed new fender system. He further reported that the barge capable panels are planned as an additive alternate to the Projects construction bid package. He stated that this amendment will add \$50,000 to Moffatt & Nichol's existing contract, raising the authorized budget from \$1,121,123 to \$1,171,123.

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

VISITORS/PUBLIC COMMENTS:

None

NEW BUSINESS:

Molly Bold, Westport Marina General Manager, reported that Marlins II which had caught fire on March 9, 2023 has left the Westport Marina and is making its way to Coos bay.

Alissa Shay, Satsop Business Park General Manager, reported that the Abundant Life Church has been at Satsop Business Park for over 10 years however, they have notified the Port that they will be terminating their lease in October. She further reported that they built a new church in Elma. She concluded by stating that they were very grateful for all the Port had done for them over the years.

Executive Director Gary Nelson reported on the following:

- The PNWA Annual meeting will be held this week in Vancouver. All 3 Commissioners will be in attendance.
- The Farm Journal will be here next week.
- Molly will be at the Aberdeen Rotary on October 18.
- Port Staff will be at the Cosmopolis City Council on October 18.
- The Marina User Group will be at the Museum on October 19.
- The AAPA Annual Conference will be held October 22-26 in Aurora, Colorado. Two of the commissioners will be in attendance.
- The Army Corps of Engineers Seattle District will be here on October 30 to discuss alternatives to the turning basin.
- The Washington State Auditor's will hold an exit conference covering accountability on November 3.
- The District Engineer and Deputy Engineer will be here on November 7.
- Veteran's Day is November 10.
- The next Port Commission Meeting will be November 14.

There being no further business to come before the Commission, the Regular Meeting recessed at 11:09 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 11:15 AM and last 75 minutes.

There was one 30 minute extension.

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



President

ATTEST:



Secretary