

# **PORT OF BELLINGHAM**

**MAC (MARINA ADVISORY COMMITTEE) MEETING  
TUESDAY, DECEMBER 8, 2009  
SQUALICUM HARBOR OFFICE  
BELLINGHAM, WASHINGTON**

## **Minutes**

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### **Committee Members Present:**

Peter Border  
Ryan Kapp  
Ron Kleinknecht  
Paul Lavelle  
Tim Mumford  
Joe Orem  
Jim Splaine  
Doug Sterrett  
Jerry Writer  
Jim Young

### **Committee Members Absent**

Cliff Cultee  
Gene Knutson

### **Port Representatives Present:**

Dan Stahl  
Mike Endsley  
Pam Taft  
Andy Peterson

### **Committee Members Excused**

Jeff Hegedus

### **Visitors/ Guests:**

Bob Glenovich  
Elisabeth Kilanowski

### **Roll Call**

Jim Splaine, Vice Chair, called the meeting to order at 6:00 pm. Jeff Hegedus, Chair, was excused from tonight's meeting.

### **November 10 Minutes**

Joe Orem made a motion to approve the November 10 minutes. The motion was seconded by Paul Lavelle and passed unanimously.

### **Public Comment**

Bob Glenovich gave comments to the MAC regarding the past performance of the Port's security firm, SecureTrans. Mr. Glenovich described an incident that happened back in August where he felt that security personnel did not give him timely notice of a situation on his vessel, the St. Zita. Mike Endsley discussed the issue with Mr. Glenovich and the

MAC, reinforcing that the Port places a high expectation for the performance of security services at the harbor. Mike described the additional training that has taken place with the new firm: Each person is given a full eight hour day of training with both procedures and equipment. This has helped to improve SecureTrans's performance since their contract started with Port on June 1<sup>st</sup>, 2009.

### **Dockside Feedback**

Peter Border returned to an issue that was discussed at the last meeting whereby Port merchant leaseholder tenants (yacht broker tenants that have moorage in the harbor) were supposedly advertising that they had "moorage slips available". This is of interest to the MAC as the Port has a long waitlist for entrance into the harbor. Some MAC members were concerned that the merchant leaseholders were developing a separate, stand alone moorage business that would circumvent the Port's waitlist, rather than managing their slips as a natural part of their core business of selling and chartering vessels. A lively discussion ensued. Tim Mumford emphasized the point that business conditions are very challenging at the present time, and that for the merchant leaseholder businesses to weather the present storm, they need to cover their overhead costs by keeping their slips full. There was a wide acceptance from the MAC of their doing this as long as it was to support their core business and was not an end-run around the waitlist that governs the assignment of slips in the harbor.

### **Moorage Structure (Prorating-Billing Procedures)**

This was follow-up item from last month's meeting. Mike Endsley presented the fiscal impacts that were requested at the prior meeting. To this end, marina staff took all of the transactions from October of 2009 and ran those transactions through both the existing rate structure and revisions that are currently proposed. The net difference to the Port for those transactions was approximately \$345 for one month. Mike noted that October is a busier month than normal and marina and accounting staff estimate that on a yearly basis the changes to the moorage structure will probably be a net expense to the Port of approximately \$2,500 per year. Mike reminded the MAC that revenue from the marinas division is approximately six million dollars per year. Mike reviewed with the MAC that the proposed changes have been vetted with the Port's accounting department including changes that will be necessary to how the billing software is used. After a Q & A session, Ryan Kapp moved to support staff's recommendations to revise the Port's Moorage Tariff No. 1 changing the mooring structure to prorate the monthly moorage rate in the event of interruption of monthly moorage. The motion was seconded by Tim Mumford. The motion passed unanimously.

### **Gate 3 Review**

Mike Endsley and Dan Stahl presented a review for the MAC of prior considerations regarding the Gate 3 replacement of laterals F east/west and G east/west. Mike Endsley reviewed the two moorage layouts that were discussed and analyzed during the fall and winter of 2006. This review included a comparison of number of slips, billable footage and orientation in the harbor. Moorage details on each alternative, including the existing layout, are as follows:

#### **Alternative 1**

Slip size:	30' to 56'
Total slips:	181
Billable Footage:	7396'

## Alternative 2

Slip size: 33' – 56'  
Total slips: 177  
Billable Footage: 7465'

## Existing:

Slip size: 26' – 56'  
Total slips: 195  
Billable Footage: 7871'

Joe Orem asked about the Port's thoughts on allowing vessels to overhang the end of slips on the northside of G west when the docks were completed. This is an area that would be relatively unconstrained as it faces the open area adjacent to Bellingham Cold Storage's leasehold. Mike Endsley responded that it is the Port's practice to allow some overhang in that area consistent with the openness of the area but that if the overhangs were going to be more than a foot or two then that should be incorporated into the design of the fingers in that moorage area. A concern was expressed that a significant overhang, although it may not create a congestion or navigational issue in the harbor, it could overstress the design limits of the finger. A key comparison between the two moorage alternatives was that alternate 2 gave a better fit to the Port's berth change request list and waitlist for "tweener sizes". The alternate that was preferred had a significant number of slips in the 33 foot category which helps to address strong demand on the Port's waitlist for vessels in this size.

Dan reviewed the dredging history for the project and the Port's current plans to move the materials upland in a beneficial reuse scenario somewhere on the GP planning area. Dan mentioned that the details still needed to be worked out internally at the Port but with the tentative agreement for the sediment to be moved upland it has allowed the planning and permitting process for this float replacement project to move forward.

At the MAC meeting on January 9, 2007, after reviewing a number of alternatives, the MAC unanimously endorsed Alternative 2. After the review this evening the consensus of the MAC was that this alternative still was a good fit with the moorage needs for the harbor and recommended that staff proceed.

## **Lummi Moorage**

Jim Young had a number of questions regarding the framework agreement between the Port of Bellingham and the Lummi Nation that was announced in July, 2009. Mr. Young's questions regarded the status of this agreement given the recent headlines in the paper about the Lummi Nation and Puglia Shipyard and the operation of their drydock, the Faithful Servant. Jim further questioned the mechanics of how the Port's agreement with the Lummis impacts the moorage model. Dan Stahl reviewed the context of the past agreements stating that both the Port of Bellingham and the Lummi Nation are significant local, long term constituents, and that we need to find a way to work together in a mutually collaborative fashion. The Port has a number of in-water projects that we want to implement and due to treaty rights between the Federal government and the Lummi Nation, the Lummis are a stakeholder in that federal permitting process that is required for the Port's in-water projects. Dan then reviewed how the agreement between the Lummi Nation and the Port impacts the moorage model. Specifically, the expenses

associated with that agreement will be distributed by the Port's accounting staff based on a formula that incorporates the cost of the overall project. For instance, the costs associated with the Fairhaven Shipyard would be assessed to the Port's real estate division and would have no impact on the Port's marina moorage rates as currently configured.

### **Staff Updates**

- ASB Timing – Dan reviewed that the Port's strategy for building the new marina (ASB) is to have one permit submittal that covers both the environmental clean-up/remediation and the development of the new marina. The planning for the marina has proceeded well and currently we are waiting for the remedial side of the equation to do some catch-up. There are ongoing discussions between the Port and the Department of Ecology relating to the preliminary design elements of the clean up, as stipulated in the Consent Decree that governs the site.
- Web Locker Language Update – Pam Taft talked with the MAC about a small change to the language in the Port's Rules and Regs as it relates to the operation of the web lockers. The language modification would allow a weblocker lease to be transferred to a family member, thereby providing more flexibility for the commercial fishermen. The previous language restricted the lease transfer only in the event of the death of a weblocker tenant and the immediate family members to be transferred to. After some discussion, a motion was made by Jim Young to adopt the language as presented by Pam Taft and was seconded by Tim Mumford.
- Sawtooth Hoist – Dan understood that Jonathan Knowles might be coming to the meeting to present his ideas on a new hoist for the fixed keel fleet, however, he was not in attendance. Dan reviewed with the MAC the items that were brought by Jonathan at an earlier meeting. These items were reviewed after Jonathan's presentation by Mike Endsley in coordination with Port maintenance staff. There were no outstanding discrepancies at the time of the prior presentation.
- NOAA – Dan gave a brief synopsis with the Port's protest of NOAA's award of the Marine Operations Center to Newport, Oregon. The Port subsequently appealed that decision to the GAO (Government Accountability Office). On December 2, 2009, the GAO sustained the Port's appeal meaning they agreed with us and awarded the Port recovery of our legal costs in filing the appeal. The GAO additionally required NOAA to go through a process to fix the flood plain issue. Dan reviewed with the MAC that this a situation that is ongoing litigation and will keep the MAC apprised as the situation develops.

With no further agenda items, the meeting was adjourned at 8:14 pm.