

Port Angeles Harbor-Works Development Authority
Board of Directors Regular Meeting
Vern Burton Meeting Room, City Hall
January 4, 2010

MINUTES

Call to Order

The meeting was called to order by President Orville Campbell at 3:31 p.m.

Roll Call

Directors Present: President Orville Campbell and Directors Howard Ruddell, Jerry Hendricks, James Hallett
Staff Present: Jeff Lincoln, Elizabeth Duan
Port Representatives Present: David Hagiwara
City Representatives Present: Kent Myers, Nathan West
Others Present: Darlene Schanfald, Steve Rodrigues, Larry Dunn, Ron Allen, Clyde Boddy, Jack Glaubert, Doug Sellon, Scott Adler, Jerry Austin

Approval of Agenda

No items were added to the agenda.

Approval of Minutes: December 15, 2009 Board of Directors Meeting

MOTION: Howard Ruddell moved to approve the meeting minutes of the December 15th Board of Directors Meeting. James Hallett seconded the motion. The motion carried unanimously.

Board Member Comments

James Hallett mentioned that he has been invited by the City Manager to schedule a meeting with the Public Works Director to review the latest on the City's CSO project. He stated that he will schedule the meeting and email the information to Elizabeth Duan, inviting one additional Board member to attend this meeting as well. Howard Ruddell mentioned possible interest.

Finance – Voucher Review

The vouchers were being reviewed by the Board.

Executive Director Report

Jeff Lincoln reported that draft reports are coming in from all directions and are being reviewed and revised on a regular basis. The three scenarios, shown at the December 15, 2009 Board of Directors Meeting, are the basis for the analysis of the financial potential. There will be a public meeting at 6:00 p.m. on Monday, January 11th in the Public Meeting Room at the Clallam County Courthouse. There will also be a staff Coordination Meeting held on Wednesday, January 13th in the Vern Burton Meeting Room at City Hall to continue discussions on the project. The draft report will be published before the end of January 2010, with the exception of those items that will be the subject of negotiations with Rayonier or which cannot be published by law (redacted

archaeology reports may be published later). James Hallett asked if there is an agenda currently available for the public meeting. Jeff Lincoln stated that the presentation will be similar to the last meeting, but there will be fewer consultants in order to reduce costs. Jeff Lincoln and some consultants will be there to answer questions at the meeting. James Hallett asked what information will be made available to the public at the meeting. Jeff Lincoln answered that the three scenarios, that are currently available on the website, will also be available at the meeting. Jerry Hendricks asked if the focus of the meeting is on the alternative uses for the site or if there will also be discussions regarding the pollution analysis. Jeff Lincoln answered that the focus of the meeting will be on the alternative uses for the site. The graphics, which will be published at the end of January, will be useful to HarborWorks and the public. The reports being produced are an extension of work already done, that can be found at the library. The different data views, report figures and other likely scenarios are not quite ready for release.

Public Comment Period

Jack Glaubert of East Sequim Bay stated that he was hoping to be able to review the minutes before they were approved. He stated that the comments made by Bart Irwin at the last meeting, in regards to looking at options for transportation between the Rayonier site and downtown Port Angeles, needed to be included in the meeting minutes. Orville Campbell suggested that Bart Irwin's comments be included in the meeting minutes.

Ron Allen of the Jamestown S'Klallam Tribe stated that he would be unable to attend the public meeting on Monday, January 11th since he will be out of town. He mentioned that the Jamestown tribe is supportive of the project and knows of HarborWorks' plans. He shared that he is cautious of the cleanup as it needs to be done correctly. A mutual editorial is being prepared from the tribes stating their support of the concept and idea. The Jamestown tribe will be protective of the Klallam village as well as the restoration of Ennis Creek and commercial activity. The ideas of the Port are interesting. The Port, City and tribes need to come together on this project. He stated that the Jamestown tribe is supportive of HarborWorks and will work closely on the project as the Klallam bands have united and are moving forward. James Hallett stated that he would like to echo Ron Allen's statements on coming together and reminded the Board and the public of Ron Allen's track record of leadership and mentioned that it is a positive thing for the entire community.

Steve Rodrigues of the Kalakala Alliance Foundation stated that they are proceeding with a 90-day Walk Across America tour, including visits to maritime heritage museums as well as Washington, D.C. He mentioned that he has as much interest in the property as the tribe. The foundation's national campaign goal is to get at least 100,000 signatures. The foundation is requesting that President Obama make the Kalakala a national monument under the Antiquities Act, which would protect the artifacts found on the site.

Darlene Schanfald of Sequim stated that she had received a response from Jeff Lincoln in regards to the letter given to the HarborWorks Board at the December 15th Board Meeting. She asked if this was the Board's response as well. Orville Campbell stated that the letter serves as the Board's response for now as the Board has not yet been able to specifically address the issue. He also reminded Darlene Schanfald that she will be getting all of the documents requested as a part of her public records request.

Work/Study Session

- **Authorization to Accept Grant from Department of Ecology**

Jeff Lincoln stated that the grant offer was received by HarborWorks on December 17th and then reviewed by Rob Tulloch for form. The Integrated Planning Grant application was sent to the Department of Ecology (DOE) on June 15th. This grant allows DOE to match up to \$200,000 of specific HarborWorks funds (including funds borrowed from the City and the Port). Alternative uses being integrated with the cleanup and redevelopment of a brownfield, consultant activity including environmental and market analysis, project management, and staff time are all reimbursable, and the grant is retroactive to June 1, 2009. No legal fees are reimbursable by the grant. Jeff Lincoln noted that if the Board accepts the grant, he will immediately begin submitting all documentation for reimbursement of money spent by HarborWorks. Orville Campbell asked if this would require additional staff time. Jeff Lincoln answered that HarborWorks is running out of staff capacity to do some of the things forecasted. He had envisioned a planner becoming part of the staff, as most PDA's staffs are three people. Budget analysis shows that HarborWorks' spending for 2009 was below budget by about \$100,000 and is well ahead of schedule on progress for the \$380,000 of consultant contracts. The work by the consultants is currently in draft form and they are about four months ahead on the project, meaning HarborWorks is under budget. Jeff Lincoln stated that he may come back to the Board to request authority to bring on a project hire. The earliest for this recommendation would be the end of March, but he is not willing to recommend this until he can determine the kind of experience needed to best assist with the project. Orville Campbell mentioned that the grant only covers 25% of administrative costs. Jeff Lincoln commented that we are delighted to receive the grant along with the support of the project from DOE. He stated that DOE is scheduled to conclude negotiations for the Agreed Order with Rayonier on Monday. HarborWorks is working with DOE to address our issues. Orville Campbell mentioned that it was unusual for DOE to ask for a 10-year project budget from HarborWorks as part of the grant. Jeff Lincoln stated that this would not be a problem for HarborWorks and that it will basically include the financial pro formas, which may be nothing if the project is not feasible.

MOTION: James Hallett moved to accept the Remedial Action Grant from the Department of Ecology and authorize the Executive Director to execute the agreement. Howard Ruddell seconded the motion. Jeff Lincoln stated that there were minor changes made to the document by Rob Tulloch such as basic phrasing and the correct HarborWorks address. The only significant change was the disclaimer being added on the liability between HarborWorks, City and the Port. Orville Campbell asked if the Port and the City had seen the grant document. Jeff Lincoln responded that they had not seen the document and Jerry Hendricks reminded the Board that this is an action of HarborWorks, not of the City or the Port. James Hallett asked if there was any reason for the Board to not accept the document. Jeff Lincoln stated that there was no reason for the Board to not accept the document and that a tremendous amount of time and energy had been spent on the grant preparation and that it had been included in the original HarborWorks budget. Howard Ruddell asked if this grant was in addition to the grant that the City received for the CSO project. Jeff Lincoln answered that it is separate from the grant that the City received and

