

**PORT OF OLYMPIA COMMISSION  
MINUTES OF REGULAR MEETING**

**October 23, 2006**

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**CALL TO ORDER**

President Pottle called the meeting of October 23, 2006, to order at 5:30 p.m. at the LOTT Board Room in Olympia. Commissioners Telford and Van Schoorl were also in attendance.

Staff in attendance were: Executive Director Ed Galligan, Administrative Manager Jeri Sevier, Marketing Director Kari Qvigstad, Harbor Director Bruce Marshall, Communications Manager Patti Grant, Business Development Sally Alhadeff, Airport Director Rudy Rudolph, Finance Director Steve Davis, Marine Terminal Director Jim Amador, Public Works Director Andrea Fontenot, Marketing Program Assistant Maureen Malahovsky, and Property Director Heber Kennedy. Bob Goodstein, the Port's Legal Counsel was also in attendance.

Public in attendance were as follows: Representing *The Olympian* was Jim Szymanski. Others in attendance included: Drew Hendricks, Nathaniel Jones, Timothy Knittle, Linda Bremer, Chelsea Owella, Dan Cathers, Brent Evans, Lynn Childers, Jay Manning, Jim Pendowski, Don Krupp, Steve Hall, Gene Revelas, Hiram Arden, Joe Downing, Art Starry, Steven Morrison, Patricia DiFrancesca, Thomas Haag, Richard Radcliff, Mark Williams, Bill McGregor, Tom Howdeshell, R. Miles, Robert Rose, Dr. E.J. Zita, Dick Wallace, Bill Pilkey, Capt. Calvin Hunziker, Joel Graham, Michael Cade, Mike Edwards, Dan James, and Jerry Dierker.

President Pottle announced that Commissioners Van Schoorl and Telford held an executive session at 4:30 p.m. prior to the meeting to discuss qualifications of candidates for the Commissioner District 2 position. They also had a briefing from legal counsel on current legal issues. Commissioners Telford and Van Schoorl reported that they ran out of time and only discussed the legal issues. They would like to recess this meeting to executive session to continue the discussion of the qualifications of candidates for the Commissioner District 2 position.

**APPROVAL OF AGENDA**

The agenda was revised as follows: staff requested the maintenance dredge advisory be moved to the beginning of the meeting to accommodate the many people who were in attendance for this issue. In addition, staff suggested the removal of the airport Line of Sight SEPA 06-03 Appeal Decision Process. Commissioner Telford indicated he would like for that to remain on the agenda for discussion by commissioners. In addition, President Pottle announced that public comment would be taken on the maintenance dredge even though it was an advisory item.

**CONSENT CALENDAR**

**Minutes Approval.** The Commission unanimously approved the minutes from the October 9, 2006 meeting. President Pottle asked that an email dated September 7, 2006 from Commissioner Telford be entered into the minutes. *The email stated, "At present, I do not intend to participate in any meetings regarding Commissioner appointment until there is a vacancy."*

**ADVISORY CALENDAR**

**Maintenance Dredge Advisory**

Ms. Andrea Fontenot, Public Works Director, provided the Commission with a PowerPoint presentation on the dredging project. She reviewed with the Commission the Maintenance Dredge Project. She reviewed the maritime history and port authority of the marine terminal. Ms. Fontenot outlined the project objectives, safety and access being the main points. She reviewed the sediment management program that includes testing in 1999 and 2006 and the results of the testing. Ms. Fontenot addressed the dioxin issue and commented that until further testing is done, the source of the dioxin is unknown, however, we know of three potential sources: urban storm water, historical land uses, and airborne particles. Ms. Fontenot explored the next steps with the Commission as we move forward with the Maintenance Dredge Project.

Jay Manning, Director, Department of Ecology provided remarks regarding the project and the health of Budd Inlet. He commented that the Port is taking the responsible path forward for this phase of the project. Mr. Manning noted that a group of four agencies work together to determine what can be done with sediments from the Puget Sound. From the testing found, over half of dredge sediments will not be allowable for in-water disposal. Mr. Manning noted that the dioxins found in Budd Inlet are a legacy of an industrialized society dealing with dioxins. Mr. Manning answered the question of "What about the rest of Budd Inlet?" He noted that Ecology would be doing further sampling around the rest of the bay to determine the scope of the issue. He commented that the clean up of Budd Inlet is a larger initiative recommended by the Governor to create a healthy sustainable Puget Sound by the end of 2020. She has called for a clean up to ensure that Puget Sound has a healthy eco-system. Mr. Manning commented that it would take all of us working together in a collaborative way to bring back Budd Inlet to a healthy eco-system. Mr. Manning assured the Commission that this project would not shut down economic activity.

Commissioner Van Schoorl indicated that he looked up dioxins on the Internet. He commented that the Department of Ecology has a great fact sheet on dioxins if anyone is interested. He also noted that we have copies of the fact sheet at the sign in table.

Commissioner Van Schoorl asked about the risk to humans that have contact with the water in Budd Inlet. Art Starry, Director of Thurston County Environmental Health, commented that incidental contact with water is at a very low risk. The primary health risk prolonged contact with contaminated sediments and the shellfish restrictions are for a variety of reasons in lower Budd Inlet.

President Pottle asked how long has the county or the state known that there are problems with Budd Inlet? Jay Manning indicated that he knew in the early 80s late 70s that the problem existed around cascade pole area. However, he noted that this is the first time that sediments outside the cascade pole vicinity have been found to be contaminated in Budd Inlet. Mr. Manning noted that it has not been determined that cascade pole is a source or part of the source for the contaminants found. He indicated that we see low levels of dioxins in storm water. He commented that there could be any number of sources of the dioxins in Budd Inlet. He noted that is part of what we need to figure out, what are they and how do we cut out the source.

President Pottle asked if the port be financially responsible for any part of the cleanup of Budd Inlet. Mr. Manning responded that in accordance with state law, the owner, past owner, or contributor of the contaminants could be responsible for a part or portion of the cleanup.

**Jerry Dierker, resident of Olympia**, indicated that he was the force behind the testing for containments in the bay. He indicated that he has talked with the EPA staff person who indicated that the testing from the site failed on the first testing, he also requested posting of signs of precaution.

**Capt. Calvin Hunziker, Puget Sound Pilots Association**, indicated that the 300-foot channel is insufficient for the merchant ships of today. The Pilot association has put stringent limitations on vessels since they are responsible for getting them in and out of the channel. He commented that he supports the

dredging and widening of the channel to increase safety of vessels coming into the Port.

**Bill Pilkey, resident of Olympia**, indicated that Jerry Dierker and Joe Cole has been saying the bay is contaminated for years and years and doesn't understand why no one is listening to them.

**Drew Hendricks, resident of Olympia**, commented as larger vessels come into the port, the larger propellers stir up the sediments in the bay.

**Keith Bausch, resident of Olympia, representing the Local ILWU**, commented that on behalf of the long shore, they are in support of the dredging and have been since 1980's and now that we have found the contaminants, we need to clean them up, but move forward on the project.

**Mike Edwards, President of the Economic Development Council of Thurston County**, indicated that the Port contributes economically to the vitality of the region. He noted that the Port brings substantial value to our county. The terminal facilities and the maintenance dredging planned are critical to the Port and the community. He commented that the ships need to be able to safely navigate to load and unload at the terminal. He noted that over 320,000 metric tons of cargo in moved across the docks annually and then transported to their final destination. In addition, he noted that the Marine Terminal generates 130 family wage jobs. Mr. Edwards commented that in cooperation with the federal and state agencies, the Port is taking a leadership role in cleaning up Budd Inlet, directly and indirectly we have all benefited from the Port.

**Patricia DiFrancesca, resident of Olympia**, indicated that she cares about her grandchildren and the citizens of this community. She would like the project to move forward after the proper SEPA has been done.

**Harold Clark, resident of Olympia**, commented that he was concerned about dredging and moving stuff around underwater, how are we not going to affect the surrounding areas.

Mr. Ed Galligan noted that Chelsea Owella, staff from Congressman Smith's was present in the audience and he expressed appreciation for the Congressman's support of the project and Federal funding of the Corp's portion of the project in the Navigation Channel and turning basin.

## **ACTION CALENDAR**

### **Taxilane Repair Bid Award**

Mr. Rudy Rudolph reported that the Olympia Regional Airport taxi lane rehabilitation project in the amount of \$300,000 was an approved 2006 capital budget project. A SEPA checklist was completed and a Determination on Non-significance (DNS) was issued. Subsequently, the DNS was appealed. He indicated that on September 11, 2006 the Port Commission upheld the SEPA Responsible Official's Determination of Non-significance. Mr. Rudolph noted that on October 10th, Port staff solicited bids for the Taxilane 23 rehabilitation. Staff received four bids. The apparent low bidder was Grading & Excavating at \$96,276.54. The Engineer's estimate was \$105,735.

Mr. Rudolph indicated that staff recommends the Commission award the bid contingent upon 1) the existing SEPA appeal is dismissed, and or 2) other resolution, court ruling, or decision that the contract may proceed while the SEPA litigation is pending. Ms. Carolyn Lake indicated that we have filed a motion to dismiss the appeal; the court indicated that they would rule this week.

**Tom Howdeshell, resident of Olympia**, asked how thick the cement is for the taxiway and how long will it hold up? Mr. Rudolph responded that the taxilane is asphalt not concrete, and 1943 was the last time it was paved.

**Jerry Dierker, resident of Olympia**, thinks that this decision is under appeal and that this is not in the

land use plan and therefore should not be approved.

**E.J. Zita, representing the Salmon Creek Neighborhood Association**, commented that this is a small project that adds up to an airport expansion. The port continues to do a nominal review and find a non-significance determination of SEPA. It is only when the citizens stand up and hold the port accountable, that the Port has to look at the issue further.

**Bill Pilkey, resident of Olympia**, requested that Commissioner Pottle refrain from voting on any issues and request that he submit his resignation as Port Commissioner. He also requested the Commission respect the public and allow for public comment before a vote is taken.

The Commission unanimously awarded the bid for the Taxilane Repair to Grading and Excavating in the amount of \$96,276.54 contingent upon 1) the existing SEPA appeal is dismissed, and or 2) other resolution, court ruling, or decision that the contract may proceed while the SEPA litigation is pending.

### **Airport Line of Sight SEPA 06-03 Appeal Decision Process**

Staff had recommended this item be removed from the action calendar because Commissioners had not had an opportunity to read the ruling from the Port Responsible Official concluding that the MDNS should remain undisturbed and denied the Reconsideration Request, based upon review of the entire record, including the Request for Reconsideration and supporting material supplied by the Requestors and Port Staff.

Commissioner Telford indicated that an appeal of the executive director's reconsideration is being made to the Port Commission on whether or not we are going to hear the appeal or move it to a headings examiner or to court. He asked what the timing was on the issue. Ms. Lake responded that the Commission was to make a decision at the next Commission meeting following the appeal.

Ms. Lake indicated that since the Commissioners have not had the opportunity to read the appeal and make an informed decision, counsel was recommending that the Commission make a motion to carry this item over to the next Commission meeting for action.

The Commission unanimously approved the recommendation to carry this item over to the next Commission meeting for action. The proposed action at the next meeting will be to consider and adopt of one of the SEPA Appeal Options.

Appellant Jerry Dierker stated that he and appellant E.J. Zita agreed with carrying this over.

### **ADVISORY CALENDAR**

#### **Update on Commission Recruitment Process**

Commissioner Telford indicated that Commissioners Telford and Van Schoorl would be adjourning to executive session to continue discussions of qualifications of candidates following the meeting.

Mr. Joel Graham, final candidate, commented that he just found out this morning that he is not in the proper district. He had checked with the auditors office and they had said he was in the district, he moved forward with the recruitment process, and now later he finds out he is not in the district, therefore he is resigning from the process.

### **ADJOURNMENT**

President Pottle recessed the meeting on October 23, 2006 at 6:55 p.m. to an executive session that will be attended by Commissioners Van Schoorl and Telford, estimating 30 minutes, with no probable action

following. The Commissioners adjourned the meeting at 7:30 p.m., with no action to announce. They did announce that they are considering waiting for Mr. Melnick to return from his trip to Asia so they can interview him.

President Pottle announced that the Commission would be holding a work session on October 25, 2006 at 12:30 p.m. for the purpose of reviewing the draft operating and capital budget for 2007. In addition, the Commission will be holding an executive session on October 28, 2006 at 8:00 a.m. for the purpose of conducting an evaluation of the executive director.

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President

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Vice President

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Secretary-Treasurer