



COMMISSION MEETING
Tuesday, December 12, 2023, at 9:00 am
1402 Fairchild Airport Rd, Port Angeles, WA 98363

AGENDA

Time Specific Item – 10:00 am – Auditor Exit Conference

The Regular Commission Meeting will be available to the public in person and remotely. For instructions on how to connect to the meeting remotely, please visit <https://portofpa.com/about-us/agenda-center/>

I.	CALL TO ORDER / PLEDGE OF ALLEGIANCE	
II.	OATH OF OFFICE- COMMISSIONER BEAUVAIS	1
III.	EARLY PUBLIC COMMENT SESSION (TOTAL SESSION UP TO 20 MINUTES)	
IV.	APPROVAL OF AGENDA	
V.	WORK SESSION	
	A. Runway Dedication	2-4
	B. Auditor Exit Conference – <i>Time Specific 10:00 am</i>	5-30
	C. Community Partner Program Holdover Request – Habitat for Humanity	31-34
VI.	APPROVAL OF CONSENT AGENDA	
	A. Regular Commission Meeting Minutes, November 14, 2023	35-38
	B. Vouchers in the amount of \$1,583,554.08	39
VII.	COMPLETION OF RECORDS	
	A. Monthly Delegation of Authority Report	40-42
VIII.	PLANNING AND CAPITAL PROJECTS	
	A. Item For Consideration – Floyd Snider Contract Amendment - Marine Trades Area	43-44
IX.	LOG YARD	
	No items	
X.	MARINE TRADES AND MARINE TERMINALS	
	No items	



X. PROPERTY

- A. Item For Consideration – Cushman & Wakefield.....45-50

XI. MARINAS

No items

XII. AIRPORTS

No items

XIII. OTHER BUSINESS

- A. Item For Consideration - Legal Services Contract.....51-57

XIV. COMMISSIONER REPORTS

XV. PUBLIC COMMENT SESSION (TOTAL SESSION UP TO 20 MINUTES)

XVI. FUTURE AGENDA.....58

XVII. NEXT MEETINGS

- A. January 9, 2024 – Regular Commission Meeting
- B. January 23, 2024 – Regular Commission Meeting
- C. February 13, 2024 – Regular Commission Meeting
- D. February 27, 2024 – Regular Commission Meeting

XVIII. UPCOMING EVENTS

- A. December 13, 2023 -

BROWN BAG LUNCH AND OPEN DISCUSSION WITH THE COMMISSION *(TIME PERMITTING)*

XIX. EXECUTIVE SESSION - BACK TO ADMINISTRATION BUILDING

The Board may recess into Executive Session for those purposes authorized under Chapter 42.30 RCW, The Open Public Meetings Act.

XX. ADJOURN



RULES FOR ATTENDING COMMISSION MEETING

- Signs, placards, and noise making devices including musical instruments are prohibited.
- Disruptive behavior by audience members is inappropriate and may result in removal.
- Loud comments, clapping, and booing may be considered disruptive and result in removal at the discretion of the Chair.

RULES FOR SPEAKING AT A COMMISSION MEETING

- Members of the public wishing to address the Board on general items may do so during the designated times on the agenda or when recognized by the Chair.
- Time allotted to each speaker is determined by the Chair and, in general, is limited to 3 minutes.
- Total time planned for each public comment period is 20 minutes, subject to change by the Chair.
- All comments should be made from the speaker's rostrum and any individual making comments shall first state their name and address for the official record.
- Speakers should not comment more than once per meeting unless their comments pertain to a new topic they have not previously spoken about.
- In the event of a contentious topic with multiple speakers, the Chair will attempt to provide equal time for both sides.



Celebrating **100** years serving Clallam County

P.O. Box 1350
338 West First Street
Port Angeles, WA 98362
360.457.8527

Board of Commissioners
Connie Beauvais, President
Colleen McAleer, Vice President
Steven Burke, Secretary
Executive Director
Paul Jarkiewicz

December 12, 2023

Oath of Office

Honorable Simon Barnhart, Judge, Clallam County Superior Court

Commissioner Connie Beauvais

Runway Opening Ceremony
Tuesday, December 12, 2023

Order of Events

0910 Runway Opening Ceremony (Port ED to introduce Airport Manager)

Opening Remarks (J. Picker)

Provide an overview of airport history and project background.

Runway Program Overview (M. Johansen)

Provide a project overview describing the elements of AIP 42

Commissioner Comments (Comm. Beauvais)

Commissioner Beauvais to invite the following to say a few words:

- **Mayor Kate Dexter**
- **Commissioner Mike French**
- **Ryan Zulauf (FAA), Deputy Director Seattle ADO**
- **Ann Richart, WSDOT Aviation Director**

Ribbon Cutting (Commissioner Beauvais)

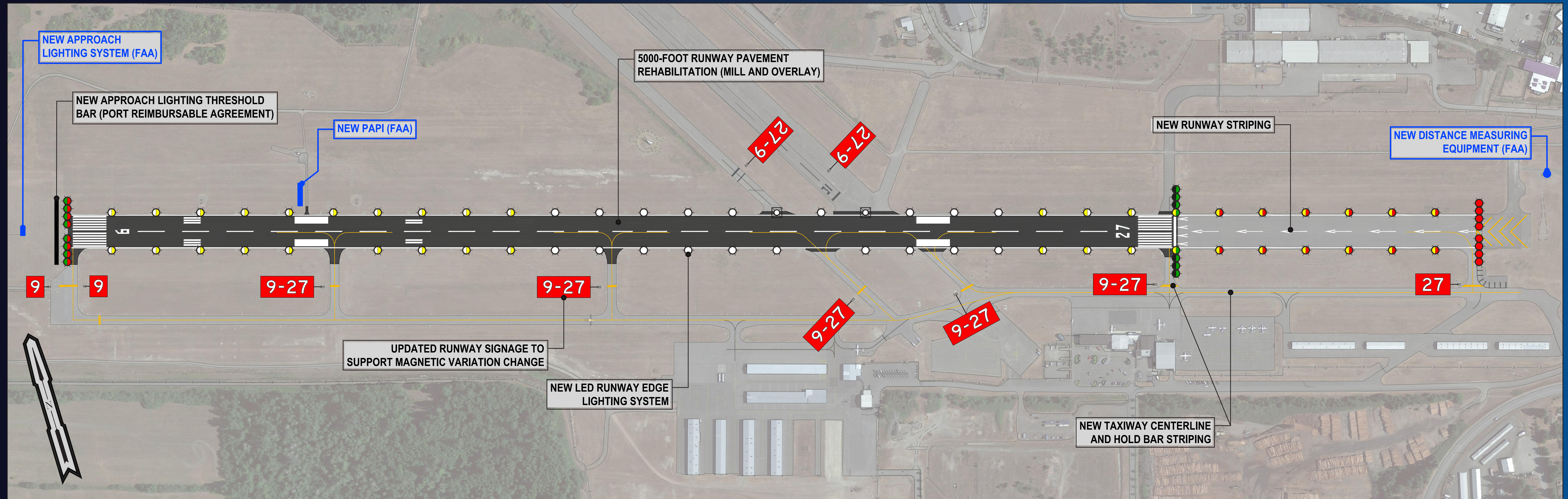
- **Commission Beauvais** will invite guests to join her on the ramp area adjacent to the conference room.
- Braedi Joutsen will provide scissors to Port Commissioners, FAA Deputy Director & WSDOT Aviation Director as they exit the terminal building.
- **Port ED** to direct Commissioners et al. to their places. The ribbon will be strung between two Rite Bros aircraft, and ribbon cutters to circle to the back of the ribbon for the cutting ceremony
- Upon **Commissioner Beauvais'** que, cut ribbon
- **Port ED** kindly asks guests staying for the Port Commissioner meeting to retake their seats in the airport conference room.

Expected Guests:

- Kate Dexter, Mayor of Port Angeles
- Nathan West, Port Angeles City Manager
- Mike French, Clallam County Commissioner
- Randy Johnson, Clallam County Commissioner
- Ryan Zulauf, Deputy Dir FAA Seattle ADO
- Valerie Thorsen, FAA
- Mary Vargas, FAA
- Dave Parker, FAA
- Agnes Fisher, FAA
- Ann Richart, Aviation Dir WSDOT
- John MacArthur, WSDOT
- Joe Roshak, President, Century West
- Melanie Johansen, Century West
- Mike Perry, Century West
- Mike Thomas, Project Manager, Lakeside Industries
- Kenny Fredrickson, President, Olympic Electric
- Karen Goschen, Port of Port Angeles Executive Director (retired)

RUNWAY 8-26 REHABILITATION | 2023

PORT OF PORT ANGELES
William R. Fairchild International Airport (CLM)



Construction elements include:

- Repaving 5000 feet of runway
- New LED runway edge lighting system
- New pavement markings for full-length runway and all taxiways
- Redesignate Runway 08/26 to 09/27 due to magnetic variation changes
- Groove new runway pavement
- Replacement/upgrade of FAA-owned NAVIDs (funded by FAA)

ANNUAL REPORT CERTIFICATION

Port of Port Angeles
(Official Name of Government)

1701
MCAG No.

Submitted pursuant to RCW 43.09.230 to the Washington State Auditor’s Office

For the Fiscal Year Ended 12/31/2022

GOVERNMENT INFORMATION:

Official Mailing Address PO Box 1350
Port Angeles, WA 98362

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Official Phone Number (360) 417-3362

AUDIT CONTACT or PREPARER INFORMATION and CERTIFICATION:

Audit Contact or Preparer Name and Title Jennifer Baker Manager of Finance & Accounting

Contact Phone Number (360) 417-3362

Contact E-mail Address jenniferb@portofpa.com

I certify 9th day of May, 2023, that annual report information is complete, accurate and in conformity with the Budgeting, Accounting and Reporting Systems Manual, to the best of my knowledge and belief, having reviewed this information and taken all appropriate steps in order to provide such certification. I acknowledge and understand our responsibility for the design and implementation of controls to ensure accurate financial reporting, comply with applicable laws and safeguard public resources, including controls to prevent and detect fraud. Finally, I acknowledge and understand our responsibility for immediately submitting corrected annual report information if any errors or an omission in such information is subsequently identified.

Signatures

Jennifer Baker (jenniferb@portofpa.com)

Port of Port Angeles
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2022

		<u>401 Operations</u>
Beginning Cash and Investments		
308	Beginning Cash and Investments	16,099,407
388 / 588	Net Adjustments	-
Revenues		
310	Taxes	1,657,134
320	Licenses and Permits	-
330	Intergovernmental Revenues	1,127,155
340	Charges for Goods and Services	10,470,674
350	Fines and Penalties	-
360	Miscellaneous Revenues	(3,891)
Total Revenues:		<u>13,251,072</u>
Expenditures		
510	General Government	-
520	Public Safety	-
530	Utilities	-
540	Transportation	8,779,801
550	Natural/Economic Environment	-
560	Social Services	-
570	Culture and Recreation	-
Total Expenditures:		<u>8,779,801</u>
Excess (Deficiency) Revenues over Expenditures:		4,471,271
Other Increases in Fund Resources		
391-393, 596	Debt Proceeds	-
397	Transfers-In	-
385	Special or Extraordinary Items	-
381, 382, 389, 395, 398	Other Resources	1,569,212
Total Other Increases in Fund Resources:		<u>1,569,212</u>
Other Decreases in Fund Resources		
594-595	Capital Expenditures	2,577,988
591-593, 599	Debt Service	457,923
597	Transfers-Out	-
585	Special or Extraordinary Items	-
581, 582, 589	Other Uses	807,734
Total Other Decreases in Fund Resources:		<u>3,843,645</u>
Increase (Decrease) in Cash and Investments:		<u>2,196,838</u>
Ending Cash and Investments		
50821	Nonspendable	-
50831	Restricted	371,576
50841	Committed	-
50851	Assigned	17,924,668
50891	Unassigned	-
Total Ending Cash and Investments		<u>18,296,244</u>

The accompanying notes are an integral part of this statement.

Port of Port Angeles
Fiduciary Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2022

		<u>Custodial</u>
308	Beginning Cash and Investments	54,584
388 & 588	Net Adjustments	-
310-390	Additions	56,520
510-590	Deductions	<u>54,585</u>
	Net Increase (Decrease) in Cash and Investments:	1,935
508	Ending Cash and Investments	56,521

The accompanying notes are an integral part of this statement.

Port of Port Angeles
Notes to Financial Statements
For the Year End December 31, 2022

1. Summary of significant accounting policies

The Port of Port Angeles was incorporated in 1923 and operates under the laws of the state of Washington applicable to a port district. The Port is a special purpose local government and has geographic boundaries coextensive with Clallam County, Washington and its home office is situated on the Port Angeles harbor.

The Port is independent from Clallam County government and is administered by a three-member Board of Commissioners elected by Clallam County voters. The Commission delegates administrative authority to an Executive Director to manage operations of the Port. Clallam County does levy and collect taxes on behalf of the Port. Clallam County provides no funding to the Port. Additionally, Clallam County does not hold title to any of the Port's assets, nor does it have any right to the Port's surpluses.

The Port provides docks and wharves for waterborne commerce as well as marina and airport facilities. The Port also owns and manages significant industrial properties.

The Industrial Development Corporation (IDC), a public corporation, is authorized to facilitate the issuance of tax-exempt non-recourse revenue bonds to finance industrial development within the corporate boundaries of the Port. Revenue bonds issued by the Corporation are payable from revenues derived as a result of the industrial development facilities funded by the revenue bonds. The bonds are not a liability or contingent liability of the Port or a lien on any of its properties or revenues other than industrial facilities for which they are used.

The IDC is governed by the Port's three-member Port Commission. The IDC's account balances and transactions are included as a blended unit within the Port's financial statements. Separate financial statements of the individual component unit discussed above can be obtained from the Port administrative offices at 338 West First Street in Port Angeles, WA.

As of 2022, the Port has moved from a GAAP financial reporting system to a Cash Basis financial reporting system for Audit purposes.

The Port reports financial activity in accordance with the Cash Basis Budgeting, Accounting and Reporting System (BARS) Manual prescribed by the State Auditor's Office under the authority of Washington State law, Chapter 43.09 RCW. This manual prescribes a financial reporting framework that differs from Generally Accepted Accounting Principles (GAAP) in the following manner:

- Financial transactions are recognized on a cash basis of accounting as described below.
- Component units are required to be disclosed, but are not included in the financial statements.
- Government-wide statements, as defined in GAAP, are not presented.
- All funds are presented, rather than a focus on major funds.
- The Schedule of Liabilities is required to be presented with the financial statements as supplementary information.
- Supplementary information required by GAAP is not presented.
- Ending balances for proprietary and fiduciary funds are presented using classifications that are different from the ending net position classifications in GAAP.

A. Fund Accounting

Financial transactions of the government are reported in individual funds. Each fund uses a separate set of self-balancing accounts that comprises its cash and investments, revenues and expenditures. The government's resources are allocated to and accounted for in individual funds depending on their intended purpose. Each fund is reported as a separate column in the financial statements, except for fiduciary funds, which are presented by fund types. The total column is presented as "memo only" because any interfund activities are not eliminated. The following fund types are used:

General Fund

This fund is the primary operating fund of the government. It accounts for all financial resources except those required or elected to be accounted for in another fund.

Enterprise Funds

These funds account for operations that provide goods or services to the general public and are supported primarily through user charges.

Custodial Funds

These funds are used to account assets that the government holds on behalf of others in a custodial capacity.

B. Basis of Accounting and Measurement Focus

Financial statements are prepared using the cash basis of accounting and measurement focus. Revenues are recognized when cash is received and expenditures are recognized when paid.

In accordance with state law the Port also recognizes expenditures paid during twenty days after the close of the fiscal year for claims incurred during the previous period.

C. Cash and Investments

See Note 2 – Deposits and Investments.

D. Capital Assets

Capital assets are assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of five years. Capital assets and inventory are recorded as capital expenditures when purchased.

E. Compensated Absences

Vacation leave may be accumulated up to 2 times the employees' yearly accrual and is payable upon separation or retirement. Sick leave may be accumulated indefinitely. Upon separation or retirement employees get 75% of the balance paid into their VEBA account. Payments are recognized as expenditures when paid.

F. Long-Term Debt

See Note 4 – Long-term Debt (Formerly Debt Service Requirements).

G. Restricted and Committed Portion of Ending Cash and Investments

Beginning and Ending Cash and Investments are reported as restricted or committed when it is subject to restrictions on use imposed by external parties or due to internal commitments established by the Port Commission via resolution. When expenditures that meet restrictions are incurred, the Port intends to use the most restricted resources first.

Restrictions and commitments of Ending Cash and Investments consist of \$428,097.

Restricted Assets	Dec 31, 2022
Cash & Investments (Harbor Group Account)	\$ 70,683
Cash & Investments (Environmental Reserve)	154,323
Customer Deposits & Prepaids	202,153
Contractor's Retainage	938
Total	\$ 428,097

2. Deposits and Investments

Investments are reported at fair value. Deposits and investment by type at December 31, 2022.

Deposits & Investments at Fair Value	Port's own deposits and investments	Investments held by the Port as custodian for other local governments, individuals, or private organizations	Total
Assigned: Cash & Cash Equivalent			
Cash Operations: Financial Institution Deposits	\$ 590,472	\$ -	\$ 590,472
Investments:			
Financial Institution Deposits	1,914,391	-	1,914,391
WA State Local Gvnt Invmt Pool (LGIP)	1,532,115	-	1,532,115
Investments	9,817,810	-	9,817,810
Financial Instruments (CDs, etc.)	4,036,130	-	4,036,130
Assigned Cash & Cash Equivalents	17,890,918	-	17,890,918
Restricted: Cash & Cash Equivalent			
Custodial Account - Harbor Group	14,162	56,520	70,683
Environmental Reserve Money Market	154,323	-	154,323
Customer Deposits & Prepaids, Contractor Retainage	203,091	-	203,091
Restricted Cash & Cash Equivalents	371,576	56,520	428,097
Total Cash & Cash Equivalents	18,262,494	56,520	18,319,015
Total Cash, Cash Equivalents & Investments	\$ 18,262,494	\$ 56,520	\$ 18,319,015

It is the Port's policy to invest all temporary cash surpluses.

The Port's deposits and certificates of deposit are entirely covered by federal depository insurance (FDIC) or by collateral held in a multiple financial institution collateral pool administered by the Washington Public Deposit Protection Commission (PDPC). All investments are insured, registered, or held by the Port or its agent in the government's name.

The Port is a voluntary participant in the Local Government Investment Pool, an external investment pool operated by the Washington State Treasurer. The pool is not rated and not registered with the SEC. Rather, oversight is provided by the State Finance Committee in accordance with Chapter 43.250 RCW. Investments in the LGIP are reported at amortized cost, which is the same as the value of the pool per share. The LGIP does not impose any restrictions on participant withdrawals.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in event of a failure of a depository financial institution, the Port would not be able to recover deposits or would not be able to recover collateral securities that are in

possession of an outside party. The Port deposits and certificates of deposit are mostly covered by federal depository insurance (FDIC) or by collateral held in a multiple financial institution collateral pool administered by the Washington Public Deposit Protection Commission (PDPC).

All investments are insured, registered or held by the Port or its agent in the government's name.

3. Property Taxes

The Clallam County Treasurer acts as an agent to collect property taxes levied for all taxing authorities within the county. The Port District has the same boundaries as Clallam County. Collections are distributed after the end of each month.

The Port's regular levy for the year 2022 was \$0.1370518721 per \$1,000 on an assessed valuation of \$11,968,469,197 for a total regular levy of \$1,640,301.

4. Long-Term Debt

Long-term liabilities activity for the year ended December 31, 2022, was as follows:

General Obligation Debt & Loans

The accompanying Schedule of Liabilities provides more details of the outstanding debt and liabilities of the Port and summarizes the Port's debt transactions for year ended December 31, 2022.

The debt service requirements for general obligation debt & loans are as follows:

Year	Principal	Interest	Total
2023	406,929	126,172	533,101
2024	464,947	63,865	528,812
2025	476,679	53,508	530,187
2026	121,558	42,938	164,496
2027	123,989	40,507	164,496
2028-2032	658,151	164,330	822,481
2033-2037	726,652	95,829	822,481
2038-2042	516,541	22,576	539,117
Total	\$ 3,495,446	\$ 609,725	\$ 4,105,171

On April 1, 2006, the Port issued \$4,995,000 of Limited Tax General Obligation bonds with coupon rates between 4.00% and 4.75%. Proceeds from these bonds partially funded a major renovation of the Port Angeles Boat Haven. This renovation was completed in 2008. Proceeds were also used to refund bonds that were used for approximately 25 projects in the 1993-1998 Capital Improvement Plan. These bonds were refinanced on October 26, 2015, with the 2015 Refunding LTGO bonds (see below).

On October 26, 2015, the Port issued \$3,251,350 of Limited Tax General Obligation bonds with a coupon rate of 2.29%. Proceeds were used to refund (refinance) 2006 LTGO bonds (the 2006 bonds were used to fund a major renovation of the Port Angeles Boat Haven and to refund bonds that were used for approximately 25 projects in the 1993-1998 Capital Improvement Plan). The 2015 refunding resulted in present value savings of approximately \$300,000.

On July 26, 2018, the Port was awarded a 20-year \$765,000 Loan, @ 2.00% fixed interest rate, from the Washington State Community Economic Revitalization Board (CERB). The loan is to aid the Port in financing the cost of the Marine Trades Center Washdown Facility. Loan proceeds are disbursed on a cost reimbursement basis and are contingent on continued adherence to loan award requirements. Loan repayment will begin in January 2021 and will continue annually thereafter.

On January 17, 2019, the Port was awarded an additional Washington State Community Economic Revitalization Board loan for the Log Yard Cofferdam Barge Facility Improvements. The Log Yard cofferdam is a vertical bulkhead that allows for transload of logs to and from barge vessels. The \$1,020,000 loan has a 20-year term and a 2.0% fixed interest rate with proceeds issued on a cost reimbursement basis. The Port is required to pay 50% of expenditures which equates to a total project cost of approximately \$2.0 million.

On April 6, 2020, the Port was awarded a \$750,000 2% fixed interest rate, 20-year loan, from the Washington State Department of Transportation, Community Aviation Revitalization Board (CARB). The CARB loan proceeds were used for the William R. Fairchild International Airport Utility Expansion, which facilitates future hangar development.

The bonds referenced above are subject to federal tax arbitrage regulations. The Port is required to comply with certain requirements of the Internal Revenue Code of 1986, after the date of issuance of the Bonds in order to maintain the exclusion of the interest on the Bonds from gross income for federal income tax purposes, including, without limitation, requirements concerning the qualified use of Bond proceeds and the facilities financed or refinanced with Bond proceeds, limitations on investing gross proceeds of the Bonds in higher yielding investments in certain circumstances, and the requirement to comply with arbitrage rebate requirements to the extent applicable to the Bonds. The Port's outstanding bond issues qualified for the small issuer exemption with respect to arbitrage rebate. The Port has covenanted in the Bond Resolution to comply with those applicable requirements.

5. OPEB Plans

The Port implemented OPEB reporting in 2019. The Port is a participating employer in the state's Public Employees Benefits Board (PEBB) program, a defined benefit plan administered by the Washington State Health Care Authority. The plan provides medical, dental, and life insurance benefits for public employees and retirees and their dependents on a pay-as-you-go basis. The plan provides OPEB benefits through both explicit and implicit subsidies. The explicit subsidy is a set dollar amount that lowers the monthly premium paid by members over the age of 65 enrolled in Medicare Parts A and B. PEBB determines the amount of the explicit subsidy annually. The implicit subsidy results from the inclusion of active and non-Medicare eligible retirees in the same pool when determining premiums. There is an implicit subsidy from active employees since the premiums paid by retirees are lower than they would have been if the retirees were insured separately. The Port had 35 active plan members and 24 retired plan members as of December 31, 2022. As of December 31, 2022, the Port's total OPEB liability was \$2,503,817 as calculated using the alternative measurement method. The Port contributed \$386,492 to the plan for the year ended December 31, 2022.

6. Pension Plans

State Sponsored Pension Plans

Substantially all Port of Port Angeles full-time and qualifying part-time employees participate in one of the following statewide retirement systems administered by the Washington State Department of Retirement Systems, under cost-sharing multiple-employer public employee defined benefit and defined contribution retirement plans PERS plan 1 and PERS plan 2/3.

The State Legislature establishes, and amends, laws pertaining to the creation and administration of all public retirement systems.

The Department of Retirement Systems, a department within the primary government of the State of Washington, issues a publicly available Annual Comprehensive Financial Report (ACFR) that includes financial statements and required supplementary information for each plan.

The DRS ACFR may be downloaded from the DRS website at www.drs.wa.gov.

At June 30, 2022 (the measurement date of the plans), the Port's proportionate share of the collective net pension liabilities (assets), was as follows:

	Employer Contributions	Allocation %	Liability (Asset)
<u>PERS 1</u>	\$99,903	.018307%	\$509,734
<u>PERS 2/3</u>	\$169,152	.023822%	\$(883,506)

7. Leases

The Port is currently leasing 2 copiers paid monthly and a postage machine that is billed quarterly. The total amount paid for leases in 2022 was \$7,517. As of December 31, 2022, the future lease payments are as follows:

Year ended December 31	Total
2023	\$5,545
2024	\$5,545
2025	\$5,545
2026	\$5,545
2027	\$5,545
2028-2032	\$1,186
Total	\$28,911

8. Passenger facility charges

In 1993, the Commission of the Port of Port Angeles authorized Port management to proceed with application to the Federal Aviation Administration (FAA) for the right to impose passenger facility charges (PFCs) on enplaned passengers at the Port's airport facility. The PFCs generate revenue to be used by the Port for projects eligible under the federal legislation permitting the imposition of PFCs. PFCs collected by the Port are recognized as revenue in the period which they are collected. The Port reinstated PFCs of \$3.00 per passenger, effective September 1, 1996; extension of PFC #3 collections was approved in 1997 for \$105,000; PFC #4 collections was approved in 1998 for \$122,650; PFC #5 collections was approved in 2000 for \$211,683; PFC #6 collections was approved in 2003 for \$313,484; and PFC #7 collections was approved in 2008 for \$191,838; PFC #8 collections was approved in 2012 for \$161,209.

9. Risk Management

The Port maintains commercial insurance coverage against most normal hazards:

Type of Coverage	Limit	Aggregate Limit	Deductible	Comments
General Liability	\$1,000,000	\$3,000,000	\$5,000	
Commercial Auto Liability	\$1,000,000	N/A	None	
Excess Liability	\$49,000,000	N/A	None	Over 1 st \$1 million of Loss
Airport Liability	\$20,000,000	\$20,000,000	None	Aggregate applies to Products/Completed, Operations and Personal & Advertising Injury and the Extended Coverage Endorsement

Commercial Property – All Other Perils	\$1,000,000,000	N/A	\$25,000	
Commercial Property – Flood	\$50,000,000	\$50,000,000	\$100,000 or \$250,000	Deductible depends on Flood Zone
Commercial Property – Earthquake	\$5,000,000	\$5,000,000	5% with a minimum \$100,000	
Commercial Property – Boiler & Machinery - Equipment Breakdown	\$100,000,000	N/A	\$10,000 - \$350,000	Deductible amount based on size of equip, HP, KW/KVA/Amps, or square footage
Cyber – Info Security & Privacy Liability	3 rd party limit of \$2,000,000	\$2,000,000	\$50,000	Aggregate for all coverages combined but sub-limited to all Cyber classifications below:
Cyber – Privacy Notification	3 rd party limit of \$500,000	\$500,000	\$50,000	Limit is \$1,000,000 if use Beazley vendor services
Cyber – Website Media Content Liability	3 rd party limit of \$2,000,000	\$2,000,000	\$50,000	
Cyber – Penalties for Regulatory Defense and Penalties	3 rd Party Limit of \$2,000,000	\$2,000,000	\$50,000	
Cyber – Extortion	\$2,000,000	\$2,000,000	\$50,000	First Party Computer Security
Cyber – Data Protection Loss and Business Interruption Loss	\$2,000,000	\$2,000,000	\$50,000	First Party Computer Security
Public Officials' Liability	\$5,000,000	\$5,000,000	\$25,000	
Blanket Fidelity Bond – Crime (Discovery Form)	\$2,000,000	N/A	\$2,500 per claim	Covers all employees, including commissioners, to include Faithful Performance of Duty
Hull & Machinery for owned Watercraft	\$15,000 to \$80,000	N/A	\$1,000 to \$2,500	Per Schedule of owned watercraft; varies based on value of boat
Protection & Indemnity for owned Watercraft	\$1,000,000	N/A	\$5,000	For owned watercraft
Storage Tank Pollution Liability	\$1,000,000	\$1,000,000	\$10,000	
Foreign Liability	\$1,000,000	\$2,000,000	\$500 to \$1,000	Covers Foreign General, Auto and Employers Liability

The Port provides medical, vision, dental, life, and long-term disability insurance coverage for ILWU Local 27 and non-represented employees through standard plans offered through the State of Washington and for Teamsters Local 589 employees through the Teamsters Welfare Trust. The Port does not administer any of these plans.

The Port has not entered into any insurance settlements in the last three years, which exceeded insurance coverage.

10. Pollution Remediation (Environmental)

Marine Trades Area

Before the 1920s, the site contained several small wood mills. From the 1920s to 1989, uses included bulk fuel plants, fuel pipelines, log storage, logging truck repair, retail grain supply store, undersea cable saline cure tanks, ship repair, and railroad lines. Chevron, ARCO (Atlantic Richfield Company), Shell and other companies operated or supplied bulk fuel plants. Over the years, fuel pipelines were built and abandoned or removed on parts of the site.

In 2005, the Port along with Chevron entered into an agreed order with the Department of Ecology (DE 5738) to conduct a site investigation to define the extent of contamination at the property. ARCO agreed to fund a share of the work under the agreed order. Based on what was known at the time, the site included the Marine Trades Area (MTA), former Pettit Oil site (Chevron as the liable party), and K-Ply properties. As a result of the site investigation, it was determined that two separate plumes of contamination with separate and distinct sources existed within the MTA. An amendment to the agreed order was issued on June 26, 2013 that separated the western area of contamination as the MTA site (including former Pettit Oil site). The contamination in the eastern area of the site, which was the K-Ply mill site, was addressed in a new, separate agreed order with Department of Ecology (DE 9546).

In August 2013, the Final Remedial Investigation/Feasibility Study was accepted by Ecology. Then in December 2013, a Draft Cleanup Action Plan (DCAP) was submitted to Ecology. Ecology provided their comments in the form of the Ecology Draft DCAP to the MTA Group in February 2018. The MTA Group and Ecology are currently working together to finalize the DCAP in mid-2022.

At this time, the Port doesn't have sufficient information to reasonably estimate the liability related to potential cleanup of the site. During 2022 the Port paid \$2,022 for the clean-up

K-Ply Site

The Port submitted a Draft Public Review RI/FS and Draft CAP to Ecology in November 2014. On May 19, 2015, the Port entered into an agreement order with Ecology (No. DE 11302), that required the implementation of the CAP. The cleanup of the K Ply site began in August of 2015 but was halted in November 2015 due to heavy rain. The cleanup and back filling of the site was completed in May of 2016. In 2017, Ecology approved the Construction Completion Report and the Port recorded an environmental covenant at the site. Currently the Port is conducting semi-annual groundwater monitoring at the site with quarterly status reports to Ecology. The next milestone will be in the five-year soil sampling and Ecology site review in 2021 and 2022.

At this time, the Port doesn't have sufficient information to reasonably estimate the liability related to potential cleanup of the site. During 2022 the Port paid \$36,128 for the clean-up.

Western Harbor Area Site

The Port owns or formerly owned properties where Fibreboard Corporation and Merrill & Ring operated facilities and released hazardous substances that have become sources of contamination. The Port owns and operates the Boat Haven marina where hazardous substances have been identified. Under a Port Management Agreement, the Port also leases and manages state-owned aquatic lands at the site to facilitate Port operations.

Historically, several mills and timber-related industries released wood debris (logs, large and small wood pieces, and pulp-like materials) in the harbor. Additionally, hazardous substances, including metals and dioxin, have resulted in areas of sediment contamination in the nearshore which create chemical plumes spreading throughout the western harbor. The sources of contamination occurred from multiple potentially liable parties (PLPs):

- Georgia Pacific, through a series of mergers and acquisitions is the successor of interest to the owner or operator of a paper mill that released or disposed of hazardous substances. They also leased aquatic lands to facilitate operations.
- Nippon Paper Industries USA is the former owner and operator of a paper mill and lagoon which is connected by a channel to the harbor. Nippon also leased aquatic lands for its operations. Nippon was sold to McKinley Paper in March 2017.
- Merrill & Ring was the owner and operator of a lumber mill facility and conducted operations on its property and on property leased from the Port. Merrill & Ring also leased aquatic lands for its operations.
- City of Port Angeles has operated eleven combined sewer overflow (CSO) discharge points that discharged untreated wastewater and stormwater directly into the harbor.
- Owens Corning, through a series of acquisitions and restructurings, is the successor of interest to the Fibreboard Corporation which owned and operated a mill that released or disposed of hazardous substances. They also leased aquatic lands to facilitate operations.

On May 28, 2013, the Port, along with Georgia Pacific, Nippon Paper, Merrill & Ring and the City of Port Angeles entered into agreed order DE 9781 with the Washington State Department of Ecology (Ecology). The agreed order requires investigation of sediments and identification of ongoing upland sources of contamination that have the potential to result in sediment recontamination at levels greater than prospective sediment cleanup standards.

On April 14, 2013, the Port entered into an agreement with other potentially liable persons (PLPs) as identified by Washington Department of Ecology under the Washington Model Toxics Control Act (MTCA) to form the Western Port Angeles Harbor Group (the "Group"). This agreement created a process for funding the costs of work incurred after February 26, 2013, pursuant to an Agreed Order DE 9781 for a Remedial Investigation/Feasibility Study (RI/FS) in the Western Port Angeles Harbor site. The work includes an environmental assessment, testing, consulting, and other professional services with respect to environmental evaluation, management and remedy selection (but not actual remediation). In the summer of 2013, the group began the Remedial Investigation of the Western Harbor.

Each participant is responsible for an equal 25% share of Group costs (Nippon and Merrill & Ring are considered as one participant for funding). All costs paid by the participants under the agreement are subject to reallocation in a subsequent proceeding. The Group account is administered by the Port of Port Angeles, which is acting as the Group cashier. All funds contributed to the Group account are classified as restricted funds. The Port holds the other participants funds in a custodial capacity. The Port records its share of the costs as a transfer to a restricted fund and recognizes an expense when the invoice is presented for payment.

The Port of Port Angeles, as Group Cashier, is responsible for (i) managing the Group Account ; (ii) sending out assessments to each Participant for its share of Group Remedial Costs; (iii) sending out a current ledger of the Group Account to each Participant prior to each vote on further assessments of Group Remedial Costs; (iv) making deposits; (v) signing checks for the payment of Group Remedial Costs; (vi) sending default notices for non-payment; and (vii) such other duties as the Participants may delegate. The Group agreement does not create a partnership or joint venture and/or a principal and agent relationship between or among the Participants or their representatives, because the purposes and actions of the Group are specifically limited to payment of authorized costs pursuant to Agreed Order DE 9781. The Group Agreement will automatically terminate upon receipt of a certification by Ecology that the "work" under Agreed Order DE 9781 has been satisfactorily completed. The Agreed Order identifies a completion date of the work as December 2014. Ecology approved the extension based on a series of technical data submissions and review periods. These technical data submissions took the form of a "White Paper" submitted to the Ecology by the Group in May 2014. This White Paper provided an overview of the Groups understanding of cleanup levels, remediation levels and sediment management areas. Since 2014

Ecology has reviewed and provided comments on the White Paper that corresponds with the public release of the Ecology Final North Olympic Peninsula Regional Background Report in February 2016 and Sediment Cleanup User's Manual II in March 2016. Ecology provided final comments on the White Paper in August 2017 and the Group submitted the Draft RI/FS to Ecology in April 2018. The RI/FS was approved by Ecology in 2020 and an amendment to the Harbor Agreed Order for the submittal of a Draft Cleanup Action Plan (DCAP) was finalized in December 2020. It is anticipated that Ecology will approve the CAP in 2022.

In August 2013, the Port received notification of Natural Resource Damages Claim being sought by Port Angeles Harbor Natural Resource Trustee Council (Trustees). The Trustees are the National Oceanic and Atmospheric Administration (NOAA) of the U.S. Department of Commerce, the United States Fish and Wildlife Service of the U.S. Department of Interior (USFWS), the Washington Department of Ecology (Ecology), the Lower Elwha Klallam Tribe, the Port Gamble S'Klallam Tribe, and the Jamestown S'Klallam Tribe. On May 1, 2014, the Port received a proposed natural resource damage assessment from the Trustees. Their assessment provided a range of damages for the entire harbor (approximately 2,100 acres) from 508 to 1,323 discounted service acre years (DSAYs). The Port as one member of the Western Port Angeles Harbor Group (Group) evaluated the Trustees claim.

In early 2021 the Port and other members of the WPAHG, except for the City of Port Angeles, negotiated a settlement and Consent Decree with the Trustees for restoration of injuries to natural resources. The City negotiated a separate NRD settlement. Implementation of a NRD settlement along with the Harbor cleanup have important synergies. The documents related to this settlement consist of Consent Decree between federal government and the members of the WPAHG, except for the City of Port Angeles and the Damage Assessment and Restoration Plan. Per the 2021 Consent Decree the Port and the other parties each paid \$1.7 million for a total payment of \$8.5 Million. Each party transferred their share (\$1.7 million) to Port controlled bank account. Once the Consent Decree was entered by the court the Port transmitted payment of the \$8.5 million settlement to the Trustees from the Port's Harbor bank account in 2021. In exchange for payment of \$8.5 million, Federal, State, and Tribal Trustees provide a covenant not to sue and contribution protection to the Port and the other Settling Defendants for potential NRD claims for the entire Port Angeles Harbor, including the area near the former Rayonier Mill. The Trustees agreed to prioritize restoration projects that will provide direct benefits to natural resources in Port Angeles Harbor.

The Port recorded \$750,000 as pollution remediation liability on the Schedule of Liabilities. During 2022 the Port paid \$158,313 for the clean-up.

Former Kardlock Facility

The Port owns the property at 220 Marine Drive known as the Former Kardlock Facility. This site is located to the east of Tumwater Creek, and approximately 1,000 feet inland (south) of the Port Angeles Harbor. The adjacent property to the north is a Pettit Oil facility (a former Chevron bulk plant) that is part of the larger Marine Trades Area petroleum cleanup site. The property is currently utilized for parking and was formerly occupied by a Shell Oil bulk plant on its central and western portions and a Pettit Oil Kardlock station on its eastern portion. Approximately six aboveground storage tanks (ASTs) and an associated refueling rack and pump house owned by Shell were removed from the center of the property in 1984. It is assumed that the bulk terminal handled gasoline, diesel fuel, and other common petroleum products. Five additional gasoline and diesel underground storage tanks (USTs) and related fueling equipment were removed from the east side of the property by Pettit Oil in 1999. Pettit Oil also removed approximately 2,400 tons of petroleum contaminated soil from the property as part of tank removal; however, some diesel range organics (DRO) contamination remained in soil to the north of the former USTs. A limited number of soil borings were also advanced in the alleyway between the Marine Trades Area Pettit Oil property and the Shell Oil bulk plant, as well as on the bulk plant property, by Shannon & Wilson as part of the Marine Trades Area investigation in 1995. One permanent monitoring well, MW 5, was also installed on the property. This

investigation identified gasoline range organics (GRO) contamination in soil and groundwater at one monitoring well along the northern boundary of the Shell Oil bulk plant, in the presumed downgradient direction from the former ASTs. The contamination from the Shell Oil bulk plant was not considered to have comeled with downgradient contamination emanating from the other Marine Trades Area facilities, so was not included in the Marine Trades Area site.

Because of the past activities at the site the Port conducted soil and groundwater sampling at the property in March of 2016. The results of these sampling detailed separate areas of soil and groundwater petroleum contamination at the former Shell Oil bulk plant location and the former Pettit Oil Kardlock location.

Following final review of 2016 sampling data, the Port notified Ecology and Ecology listed the property as two distinctive cleanup sites (Former Shell Oil Bulk Plant - 220 Tumwater Truck Route Site and the Former Pettit Oil - 220 Tumwater Truck Route Site. Ecology listed the initial PLP's as the Port and Shell. In May of 2018, the Port and Shell conducted additional site investigation sampling at the site to further delineate the extent and magnitude of contamination. The reporting detailing the findings of this investigation was completed in the fall of 2018 and the Port and Shell completed a funding agreement for the Former Shell Oil Bulk Plant site in 2019. In 2020 the Port submitted draft interim action cleanup plans to Ecology for review and the development of Agreed Orders for both sites. Ecology is currently reviewing these documents.

The Port recorded \$1,093,000 as pollution remediation liability on the Schedule of Liabilities. During 2022 the Port paid \$108 for the clean-up.

Terminal 5, 6, and 7 Uplands

The Port of Port Angeles (Port) proposes to make improvements at the Port owned and operated Intermodal Handling and Transfer Facility (IHTF), also known as Port Log Yard. The IHTF is a 30-acre waterfront yard used for the log and wood fiber handling, sorting and staging. This multimodal facility is dependent on direct access to water-bound export and import of cargo. The facility is located on the waterfront in Port Angeles, WA at 1301 Marine Drive.

Proposed improvements planned for 2026 include resurfacing or repaving a majority of the yard, structural and maintenance improvements to the facility's barge dock and installation of stormwater treatment. The proposed improvements would improve operational efficiency by providing a smooth level surface for yard activity, ensure the multimodal connection through the barge dock is maintained and improve stormwater quality leaving the site.

This project will be funded with a federal MARAD grant and the Port is currently working through the design and permitting process. Federal grant funds will only be obligated after permitting is complete and will be construction of improvements in 2026.

The Port recorded \$1,129,000 as pollution remediation liability on the Schedule of Liabilities. During 2022 the Port paid \$63,949 for the clean-up.

Program Wide Costs

The Port has contracted with a legal firm for discussion and resolution with the insurance companies. The Port recorded \$300,000 as pollution remediation liability on the Schedule of Liabilities. During 2022 the Port paid \$173,039 for the legal expenses.

Port of Port Angeles

Schedule 01

For the year ended December 31, 2022

MCAG	Fund #	Fund Name	BARS Account	BARS Name	Amount
1701	401	Operations	3083100	Restricted Cash and Investments - Beginning	\$337,692
1701	630	Operations	3083100	Restricted Cash and Investments - Beginning	\$54,584
1701	401	Operations	3085100	Assigned Cash and Investments - Beginning	\$15,761,715
1701	401	Operations	3111000	Property Tax	\$1,657,134
1701	401	Operations	3312000	Federal Direct Grant from Department of Transportation	\$154,756
1701	401	Operations	3340420	State Grant from Department of Commerce	\$5,380
1701	401	Operations	3340180	State Grant from Military Department	\$25,000
1701	401	Operations	3331500	Federal Indirect Grant from Department of Interior	\$679,965
1701	401	Operations	3332000	Federal Indirect Grant from Department of Transportation	\$72
1701	401	Operations	3319700	Federal Direct Grant from Department of Homeland Security	\$119,970
1701	401	Operations	3370000	Local Grants, Entitlements and Other Payments	\$142,012
1701	401	Operations	3611000	Investment Earnings	(\$15,991)
1701	401	Operations	3694000	Judgments and Settlements	\$2,141
1701	401	Operations	3445000	Sales of Fuel	\$367,794
1701	401	Operations	3446000	Airports and Ports Services	\$10,102,880
1701	401	Operations	3699100	Miscellaneous Other Operating	\$9,959
1701	401	Operations	5460010	Airports and Ports	\$3,126,685
1701	401	Operations	5460020	Airports and Ports	\$1,148,779
1701	401	Operations	5460030	Airports and Ports	\$1,379,244
1701	401	Operations	5460040	Airports and Ports	\$3,125,093
1701	401	Operations	5083100	Restricted Cash and Investments - Ending	\$371,576
1701	630	Operations	5083100	Restricted Cash and Investments - Ending	\$56,521
1701	401	Operations	5085100	Assigned Cash and Investments - Ending	\$17,924,668
1701	401	Operations	3821000	Refundable Deposits	\$69,158
1701	401	Operations	3822000	Retainage Deposits	\$134,562
1701	401	Operations	3823000	Non-Fiduciary Collections for Others	\$666,488
1701	630	Operations	3893000	Custodial Type Collections	\$56,520
1701	401	Operations	3981000	Insurance Recoveries (Cash Basis)	\$699,004

MCAG	Fund #	Fund Name	BARS Account	BARS Name	Amount
1701	401	Operations	5821000	Refund of Deposits	\$27,359
1701	401	Operations	5822000	Refund of Retainage Deposits	\$134,562
1701	401	Operations	582300000	Non-Fiduciary Remittance for Others	\$645,813
1701	630	Operations	5893000	Custodial Type Remittances	\$54,585
1701	401	Operations	5914670	Debt Repayment - Airports and Ports	\$397,622
1701	401	Operations	5924680	Interest and Other Debt Service Cost - Airports and Ports	\$60,301
1701	401	Operations	5944660	Capital Expenditures/Expenses - Airports and Ports	\$2,577,988

**Port of Port Angeles
Schedule of Liabilities
For the Year Ended December 31, 2022**

ID. No.	Description	Due Date	Beginning Balance	Additions	Reductions	Ending Balance
General Obligation Debt/Liabilities						
251.11	2015 Ref LTGO bond	12/1/2025	1,384,420	-	334,251	1,050,169
263.83	WA State Dept of Commerce CERB Loan - MTA Washdown Facility	1/31/2040	738,650	-	32,339	706,311
263.83	WA State Dept of Commerce CERB Loan - LY Cofferdam	1/31/2041	70,530	-	-	70,530
263.83	WA State Dept of Transportation CARB Loan - FIA Utility Expansion	1/1/2041	750,000	-	31,032	718,968
Total General Obligation Debt/Liabilities:			2,943,600	-	397,622	2,545,978
Revenue and Other (non G.O.) Debt/Liabilities						
264.30	Pension Liability		207,390	509,734	207,390	509,734
264.40	OPEB Liability		2,890,163	-	386,346	2,503,817
259.12	Compensated Absences		464,004	638,534	715,009	387,529
263.57	Lease Liability		5,889	30,539	7,517	28,911
263.93	Environmental Remed Liability		258,564	3,272,000	258,564	3,272,000
Total Revenue and Other (non G.O.) Debt/Liabilities:			3,826,010	4,450,807	1,574,826	6,701,991
Total Liabilities:			6,769,610	4,450,807	1,972,448	9,247,969

**Port of Port Angeles
 Schedule of Expenditures of State Financial Assistance
 For the Year Ended December 31, 2022**

<u>State Agency Name</u>	<u>Program Title</u>	<u>Identification Number</u>	<u>Total</u>
State Grant from Department of Commerce	Community Economic Revitalization Board	S22-790A0-235	50,000
		Sub-Total:	50,000
State Grant from Department Natural Resources	Derelict Vessel Removal Project	CM22-006	76,129
		Sub-Total:	76,129
		Total State Grants Expended:	126,129

**Port of Port Angeles
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2022**

Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
U.S. FISH AND WILDLIFE SERVICE, INTERIOR, DEPARTMENT OF THE (via WA State Parks and Recreation State Parks)	Clean Vessel Act	15.616	CV921-138	341	-	341	-	
U.S. FISH AND WILDLIFE SERVICE, INTERIOR, DEPARTMENT OF THE (via WA State Parks and Recreation Commission)	Clean Vessel Act	15.616	F20AP11936	118,298	-	118,298	-	
			Total ALN 15.616:	118,639	-	118,639	-	
U.S. FISH AND WILDLIFE SERVICE, INTERIOR, DEPARTMENT OF THE	Sportfishing and Boating Safety Act	15.622		-	303,580	303,580	-	
FEDERAL AVIATION ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF	Airport Improvement Program, COVID-19 Airports Programs, and Infrastructure Investment and Jobs Act Programs	20.106		-	646	646	-	
FEDERAL AVIATION ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF	Airport Improvement Program, COVID-19 Airports Programs, and Infrastructure Investment and Jobs Act Programs	20.106		-	150,960	150,960	-	
FEDERAL AVIATION ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF	Airport Improvement Program, COVID-19 Airports Programs, and Infrastructure Investment and Jobs Act Programs	20.106		-	3,366	3,366	-	

The accompanying notes are an integral part of this schedule.

**Port of Port Angeles
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2022**

Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
			Total ALN 20.106:	-	154,972	154,972	-	
DEPARTMENTAL OFFICES, TREASURY, DEPARTMENT OF THE (via Federal Aviation Administration)	COVID 19 - Coronavirus Relief Fund	21.019	3-53-0047-037- 2020	72	-	72	-	
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF	Port Security Grant Program	97.056		-	129,750	129,750	-	
			Total Federal Awards Expended:	118,711	588,302	707,013	-	

The accompanying notes are an integral part of this schedule.

Port of Port Angeles

Notes to the Schedule of Expenditures of Federal Awards For the Year Ended December 31, 2022

Note 1 – Basis of Accounting

This schedule is prepared on the same basis of accounting as the Port of Port Angeles financial statements. The Port of Port Angeles uses the cash basis of accounting where revenues are recognized when earned and expenses are recognized when incurred. Capital asset purchases are capitalized and long term liabilities are accounted for in the appropriate fund(s).

Funds are accounted for on a cost of services or an economic resources measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with their activity are included on their statements of net position (or balance sheets). Their reported fund position is segregated into net investment in capital assets, restricted and unrestricted components of net position. Operating statements present increases (revenues and gains) and decreases (expenses and losses) in net position. The Port discloses changes in cash flows by a separate statement that presents their operating, noncapital financing, capital and related financing and investing activities.

The accounting records of the Port are maintained in accordance with methods prescribed by the Washington State Auditor under the authority of RCW 43.09. The Port uses the *Budgeting, Accounting, and Reporting System for GAAP* in the State of Washington.

Note 2 – Indirect Cost Rate

The Port of Port Angeles has not elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Note 3 – Program Costs

The amounts shown as current year expenditures represent only the federal grant portion of the program costs. Entire program costs, including the Port of Port Angeles portion, are more than shown. Such expenditures are recognized following, as applicable, either the cost principles in the OMB Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments, or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Port of Port Angeles
**Local Government Risk Assumption
For the Year Ended December 31, 2022**

1. Self-Insurance Program Manager: Jennifer Baker
2. Manager Phone: 360-417-3362
3. Manager Email: jenniferb@portofpa.com
4. How do you insure property and liability risks, if at all?
 - a. Formal or informal self-insurance program/activity for some or all perils/risks
 - b. Belong to a public entity risk pool
 - c. **Purchase private insurance**
 - d. Retain risk internally without formal or informal self-insurance program/activity
5. How do you provide health and welfare insurance (e.g., medical, dental, prescription drug, and/or vision benefits) to employees, if at all?
 - a. Self-insure some or all benefits
 - b. Belong to a public entity risk pool
 - c. **All benefits provided by health insurance company or HMO**
 - d. Not applicable – no such benefits offered
6. How do you insure unemployment compensation benefits, if any?
 - a. **Self-insured (“Reimbursable”)**
 - b. Belong to a public entity risk pool
 - c. Pay taxes to the Department of Employment Security (“Taxable”)
 - d. Not applicable – no employees
7. How do you insure workers compensation benefits, if any?
 - a. Self-insured (“Reimbursable”)

- b. Belong to a public entity risk pool
- c. Pay premiums to the Department of Labor and Industries
- d. Not applicable – no employees

8. How do you insure other risks and obligations, if any?

- a. Self-insure some or all other risks
- b. Belong to a public entity risk pool
- c. Purchase private insurance
- d. Not applicable – have no other insurable risks

If the answer to any of the above questions is (a), then answer the rest of the form in relation to the government's self-insured risks.

If NOT, STOP, the local government does not need to complete the rest of this Schedule. Copy the table below as needed.

	<u>Self-insurance program title or type of peril where risk is covered by formal self-insurance:</u>				
	<i>Program/Peril 1</i>	<i>Program/Peril 2</i>	<i>Program/Peril 3</i>	<i>Program/Peril 4</i>	<i>Program/Peril 5</i>
Self-Insurance as a <i>formal</i> program?	<u>Y</u>				
If yes, do other governments participate?	<u>N</u>				
If yes, please list participating governments.					
Self-Insure as part of a joint program?	<u>N</u>				
Does a Third-Party Administer manage claims?	<u>Y</u>				
Has program had a claims audit in last three years?	<u>UNK</u>				
Are program resources sufficient to cover expenses?	<u>Y</u>				
Does an actuary estimate program liability?	<u>N</u>				
Number of claims paid during the period?	<u>6</u>				
Total amount of paid claims during the period?	<u>5</u>				
Total amount of recoveries during the period?	<u>628.52</u>				

Provide any other information necessary to explain answers to the Schedule 21 questions above.

FAIRCHILD INTERNATIONAL AIRPORT

SCHEDULE OF PASSENGER FACILITY CHARGES COLLECTED, HELD AND USED

Year Ended December 31, 2022

	Mar-22	Jun-22	Sep-22	Dec-22	Total
Unexpended PFCs and Interest, Beginning of Period	\$0.00	0.00	0.00	0.00	0.00
Add:					
PFC Receipts	242.36	385.44	668.68	446.76	1,743.24
Interest Earned	0.00	0.00	0.00	0.00	0.00
Total	242.36	385.44	668.68	446.76	\$1,743.24
Expenses/Expenditures	242.36	385.44	668.68	446.76	\$1,743.24
Unexpended PFC and Interest	0.00	0.00	0.00	0.00	0.00

NOTES TO THE SCHEDULE OF PASSENGER FACILITY CHARGES COLLECTED, HELD AND USED

1. BASIS OF ACCOUNTING

This schedule is prepared generally on the same basis of accounting as the Airport's financial statements. The Airport uses the cash basis of accounting.

2. PROGRAM COSTS

The amounts shown as current year revenues and expenses represent only the Passenger Facilities Charges portion of the project costs. Entire project costs may be more than shown.

PORT OF PORT ANGELES

Schedule of Liabilities

December 31, 2022

ID. No	Description	Due Date	Beginning Balance	Additions	Reductions	Ending Balance
General Obligation Debt/Liabilities						
251.11	2015 Ref LTGD Bond	12/1/2025	1,384,420	-	334,251	1,050,169
263.83	WA State Dept of Commerce CERB Loan - MTA Wash	1/31/2040	738,650	-	32,339	706,311
263.83	WA State Dept of Commerce CERB Loan - LY Cofferd	1/31/2041	70,530	-	-	70,530
263.83	WA State Dept of Transportation CARB Loan - FIA Ut	1/1/2041	750,000	-	31,032	718,968
Total General Obligation Debt/Liabilities:			2,943,600	-	397,622	2,545,978
Revenue and Other (non G.O.) Debt/Liabilities						
263.56	Lease Liability		5,889	30,539	7,517	28,911
263.93	Environmental Remediation Liability		258,564	3,272,000	258,564	3,272,000
264.40	OPEB Liability		2,890,163		386,346	2,503,817
264.30	Pension Liability		207,390	509,734	207,390	509,734
259.12	Compensated Absences		464,004	638,534	715,009	387,529
Total Revenue and Other (non G.O.) Debt/Liabilities:			3,826,010	4,450,807	1,574,826	6,701,991
Total Liabilities:			6,769,610	4,450,807	1,972,448	9,247,969

From: colleen@habitatclallam.org
To: [Braedi Joutsen](#)
Cc: [Colleen McAleer](#); joj@habitatclallam.org
Subject: **REQUEST** Grant Funds Still Available
Date: Tuesday, November 21, 2023 2:54:49 PM
Attachments: [image001.png](#)
[image002.png](#)
[Repair Class flyer - Spring 2023.pdf](#)
Importance: High

Hello Braedi -

Habitat Clallam is still in the permitting process with the City of Port Angeles for your 4-plex Veteran Build. We anticipate breaking ground the first of the year 2024 and plan to offer our annual build class for this worthwhile new construction project. *Habitat Clallam's request is to have the \$10,000 workforce training grant extended to the first quarter of 2024, we are confident that we can schedule the build class and have a meaningful workforce program offered re: new building construction. Please let me know if you have any questions or require additional information.*

With hope,

Colleen Robinson

Chief Executive Officer

Habitat for Humanity of Clallam County

728 E Front St. (PO Box 1479)

Port Angeles, WA 98362

(360) 775-3742 – Office & (360) 460-5560 – Cell

www.habitatclallam.org

Current Member of Habitat for Humanity International US Council

Donate [HERE](#) to make your impact!



From: colleen@habitatclallam.org <colleen@habitatclallam.org>

Sent: Tuesday, September 12, 2023 4:28 PM

To: 'Braedi Joutsen' <braedij@portofpa.com>

Subject: RE: Grant Funds Still Available

Importance: High

Good afternoon Braedi -

Unfortunately due to permitting delays with City of Port Angeles we have not been able to schedule our new build class for 2023. We are hopeful to have our permit within the next 4-weeks. The weather is not ideal to be breaking ground in mid-October, but hope to host the new build class before the end of 2023.

We did host a Home Repair Class in April-June (see attached flyer), we had 2-very dedicated students that completed the course but we had not expenses to submit for reimbursement.

I will keep you posted regarding the new construction class, it will be a 4-plex for Veterans on Fairmount Ave.

Thank you for the support of the Port of Port Angeles for our work force training!

Colleen Robinson

Chief Executive Officer
Habitat for Humanity of Clallam County
728 E Front St. (PO Box 1479)
Port Angeles, WA 98362
(360) 775-3742 – Office & (360) 460-5560 – Cell

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From: Braedi Joutsen <braedij@portofpa.com>

Sent: Tuesday, September 12, 2023 2:01 PM

To: colleen@habitatclallam.org

Subject: Grant Funds Still Available

Hi colleen –

I just wanted to send you a friendly reminder letting you know that Habitat still has \$10,000 in grant funds that you were awarded through the Port's Community Partner Program pertaining to your application for workforce training for residential construction. We do operate on a reimbursing policy for fund. Please see the attached CPP Policy section C. Fund Disbursement.

If you have any additional questions I'm happy to help! Let me know

Braedi Joutsen

Human Resource Administrator

Clerk to the Board

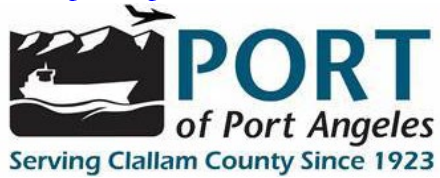
Direct: 360-417-3454

Cell: 360-461-9515

P.O. Box 1350

Port Angeles, WA 98362

www.portofpa.com



Communications with the Port may be subject to public disclosure (see WA Public Records Act, Ch. 42.56 RCW)



Home Repair Course

Introducing Habitat for Humanity of Clallam County's six-week Home Repair Course designed to teach basic skills for repairing and maintaining a home.

Whether you're a house flipper, a beginning DIYer, or anyone interested in learning basic home repairs, this course is perfect for you. In addition to learning valuable skills, the course helps a local family in need get needed improvements to the place they call home.

Course Details

- April 27th - June 3rd
- Classes held Thurs/Fri in Port Angeles
- 9 am – 4 pm w/ 30 min lunch
- Class size limited to six people
- \$100 course Fee
- Partial scholarships available
- Prerequisite required online training
- Must be 18 yrs by April 27
- Course will be held in actual home, providing participants w/real world learning opportunities

Course Content

- Laminate floor replacement
- Interior and exterior painting
- Trim removal and replacement
- Re-hang and replace doors
- Caulking
- Fixtures & toilet removal/replacement
- Drywall repair
- And more!

**SCAN ME
TO SIGN-UP**

After submitting the registration form, you'll receive an email with a payment link. Since courses have limited spots, payment is necessary to secure your place.

Founded in 1976, Habitat for Humanity has helped over 22 million people by building affordable permanent housing.

Thank you to our sponsors!



Or go to <https://hfhcclallamcounty.harnessgiving.org/events/441>



REGULAR COMMISSION MEETING
Tuesday, November 14, 2023, at 9:00 am
338 West First Street, Port Angeles, WA 98362
MINUTES

The Regular Commission Meeting will be available to the public in person and remotely. For instructions on how to connect to the meeting remotely, please visit <https://portofpa.com/about-us/agenda-center/>

Connie Beauvais Commissioner	Chris Hartman, Dir. of Engineering
Steve Burke, Commissioner	Caleb McMahon, Dir. of Econ. Development
Colleen McAleer, Commissioner	Katharine Fraizer, Grants & Contracts Mgr.
Paul Jarkiewicz, Executive Director	Braedi Joutsen, Clerk to the Board
John Nutter, Dir. of Finance & Admin	Jesse Waknitz, Environmental Manager

I. CALL TO ORDER / PLEDGE OF ALLEGIANCE (0:00-2:01)

Comm. Beauvais called the meeting to order at 9:00 am.

II. EARLY PUBLIC COMMENT SESSION (TOTAL SESSION UP TO 20 MINUTES) (2:02-4:52)

Won Choi, Port Angeles, WA praised the Commissioners for their swift response to challenges and their commitment to transparency. He has questions about the budget and would like to speak with staff when available.

III. APPROVAL OF AGENDA (4:53-5:17), (5:56-6:54)

- Motion to approve the consent agenda as modified: Comm. Burke
- 2nd: Comm. McAleer
- Vote: 3-0

IV. WORK SESSION (46:36-2:07:35)

- A. State and Federal Priorities Presentation
- Presentation: Bruck Beckett & Ray Bucheger
 - Discussion
 - No Action
 - *Item was postponed for the arrival of the presenters*

V. APPROVAL OF CONSENT AGENDA (5:18-5:55)

- A. Special Commission Meeting Minutes, November 7, 2023
- B. Vouchers in the amount of \$240,302.96
- Motion to approve the consent agenda as presented: Comm. Beauvais
 - 2nd: Comm. McAleer
 - Vote: 3-0

VI. COMPLETION OF RECORDS

No items



VII. PLANNING AND CAPITAL PROJECTS

No items

VIII. LOG YARD

No items

IX. MARINE TRADES AND MARINE TERMINALS

No items

X. PROPERTY

No items

XI. MARINAS

No items

XII. AIRPORTS

No items

XIII. OTHER BUSINESS (6:55-23:41)

A. 2024 Budget, Tax Levy, and Comprehensive Scheme Public Hearing

- Presentation: Paul Jarkiewicz
- Discussion
- No Public Comment was presented or submitted.
- **Public Hearing Closed at 9:13 am**
- Discussion from the Commission regarding the Resolutions

- Motion to adopt Resolution 23-1287, a Resolution of the Port Commission of the Port of Port Angeles Authorizing a Property Tax Levy: Comm. Beauvais
- 2nd Comm. McAleer
- Vote: 3-0

- Motion to adopt Resolution 23-1288, a Resolution Adopting Final Budget for 2024: Comm. Burke
- 2nd Comm. McAleer
- Vote: 3-0

- Motion to adopt Resolution 23-1289, a Resolution of the Port Commission of the Port of Port Angeles, a Municipal Corporation, Amending the Port of Port Angeles Comprehensive Scheme of Harbor Improvements to Update References to Current Port Budget: Comm. McAleer
- 2nd Comm. Burke
- Vote: 3-0



XIV. ITEMS NOT ON THE AGENDA (23:42-29:23)

- **Support Letter for Arrow Launch Service**
 - Presentation: Katharine Fraizer
 - Discussion
 - Motion to approve letter of support: Comm. McAleer
 - 2nd: Comm. Burke
 - Vote: 3-0 (Unanimous)

XV. COMMISSIONER REPORTS (29:24-30:39)

Comm. Burke shared that he had attended the Pacific Marine Expo in Seattle with Caleb this past week. The Port had a very busy booth, shared with two partners: Anchor Marine and Motive Marine. Comm. Burke felt the expo went well and many good conversations were had.

XVI. PUBLIC COMMENT SESSION (TOTAL SESSION UP TO 20 MINUTES) (30:40-30:56), (32:58-45:46)

Colleen McAleer Clallam County EDC, Sequim, WA – updated the Commission on the progress of the creation of the Natural Resources Innovative Center and what potential wood forest products and projects are on the horizon.

XVII. FUTURE AGENDA (30:57-32:57)

XVIII. NEXT MEETINGS (45:47-46:14)

- A. December 12, 2023 – Special Commission Meeting – At FIA Meeting Room

XIX. UPCOMING EVENTS (46:15-46:35)

- A. International Workboat Show- November 29-December 1 - New Orleans, LA
- B. WPPA Annual Meeting – December 6-8, 2023 – Vancouver, WA

BROWN BAG LUNCH AND OPEN DISCUSSION WITH THE COMMISSION (TIME PERMITTING)

XX. EXECUTIVE SESSION (2:07:36-2:09:36)

The Board may recess into Executive Session for those purposes authorized under Chapter 42.30 RCW, The Open Public Meetings Act.

- Comm. Beauvais advised that the Commission would convene an executive session; the anticipated length of the executive session is 60 minutes. The Commission is not expected to take action in public sessions following the executive session.
- Discussion: Two (2) items concerning the legal risk of a proposed action that the agency has identified when public discussion of the legal risks is likely to result in an adverse legal or financial consequence to the Port. Discussing such matters in executive session is appropriate pursuant to RCW 42.30.110(1)(i). One (1) item concerning real estate sale,



purchase, or lease if a likelihood that disclosure would increase the price. Discussing such matters in executive session is appropriate pursuant to RCW 42.30.110(1)(b).

- Start Time: 11:15 am
- Recess: 5 minutes
- Extended: 25 minutes
- End Time: 12:40 p.m.

Public Session of Commission Meeting Reconvened: 12:40 pm. Commissioner Beauvais noted to action as a result of the executive session.

XXI. ADJOURN (2:09:37-2:09:41)

Comm. Beauvais adjourned the meeting at 12:41 pm.

PORT OF PORT ANGELES
BOARD OF COMMISSIONERS

Connie Beauvais, President

Steven Burke, Secretary

**PORT OF PORT ANGELES
GENERAL FUND – LETTER OF TRANSMITTAL
VOUCHER APPROVAL**

We, the undersigned, do hereby certify under penalty of perjury that the materials have been furnished, the services rendered, or the labor performed as described herein, that any advance payment is due and payable pursuant to a contract or is available as an option for full or partial fulfillment of a contractual obligation, and that the claim is a just, due, and unpaid obligation against the Port of Port Angeles, and that we are authorized to authenticate and certify to said claim.

SUMMARY TRANSMITTAL November 10, 2023 – December 6, 2023

Accounts Payable

	Begin Check #	End Check #		
For General Expenses and Construction				
Accts Payable Checks (computer)	417718	417786	\$	178,072.31
VOIDED/ZERO PAYABLE CHECKS			\$	-
Accts Payable ACH	002076	002133	\$	697,525.80
ACH Payment - Umpqua LTGO			\$	354,479.48
Wire Transfer – Excise Tax			\$	11,331.53
Wire Transfer - Leasehold Tax				
Total General Expenses and Construction			\$	1,241,409.12
Payroll				
Employee Payroll – Draws (Direct Deposit)			\$	34,175.00
Voided Payroll Check			\$	-
Voided Checks ==Stub Overrun==				
Employee Payroll Checks PPD (Direct Dep)	807467	807535	\$	179,176.02
Wire Transfer – (Payroll Taxes, Retirement, Deferred Comp, L&I, OASI, PMFL)			\$	128,793.94
Total Payroll			\$	342,144.96
Total General Exp & Payroll			\$	1,583,554.08

Date: December 12, 2023

Port Representative

Port Representative

Commissioner, Steven D. Burke

Commissioner, Connie Beauvais

Commissioner, Colleen McAleer

MONTHLY REPORT TO THE BOARD OF PORT COMMISSIONERS
November 2023

SUBJECT: REPORTS REQUIRED UNDER THE PROVISIONS OF THE DELEGATION OF AUTHORITY

REPORT	NO ACTION	ATTACHED
Lease Renewals/Options and 1 Year or Less Agreements at Market Rates; Leases, Assignments, Subleases, Berthage/Dockage, & Miscellaneous (Use, Equipment, Hangar, Marina Slips)		X
Lease Bond, Rental Insurance Deviations	X	
Work Contracts (\$50,000 or less) Executed	X	
Work Contracts Completed	X	
Change Orders Authorized	X	
Work by Port Crews or Day Labor (\$50,000 or less)	X	
Claims Settled	X	
Professional & Consulting Services Awarded and Architectural, Engineering & Technical Services Awarded	X	
Fees Waived	X	
Uncollectible Accounts Written Off	X	
Experts Engaged for Litigation	X	
Grant Applications/Award	X	
Travel Outside WA, OR, ID and BC, Canada		X
Surplus Personal Property (under \$10,000)	X	

**LEASES, RENEWALS, AMENDMENTS, MISC. AGREEMENTS and OPTIONS EXECUTED
of One Year or Less Approved by Executive Director
(In Accordance with the Delegation of Authority, Res. 20-1216*)**

November 2023

TENANT NAME	DOCUMENT	LOCATION	FORM OF SURETY	SQ FEET	TERM	MONTHLY RENT
MRSC	1st Renewal Term Lease	220 Tumwater Truck Route (storage)	2 months rent on file \$1,080	5400 SF Land	1/1/2024- 12/31/2024	\$0.1039/SF \$561.06
A.M. Holdings, Inc.	Temporary License	400 Block Marine Drive	None	20 ft. strip	4 weeks 11.21.23- 12.20.23	No rent. This license is for pedestrian/vehicle access across adjacent Port land due to City's sewer project construction on Marine Dr.

* New Leases, Amendments, Agreements of One Year or Less Approved by Executive Director in accordance with the Delegation of Authority (Res. 20-1216 dated 02-13-2020) Section 1C, and for Marine Terminal Services Agreements (Res. 20-1216 dated 02-13-2020) Section 1F, provided that such agreements shall be for a term of one year or less.

TRAVEL APPROVED BY THE EXECUTIVE DIRECTOR *
(In Accordance with Delegation of Authority)
November 2023

STAFF	LOCATION OF MTG.	DATE(S)	PURPOSE
Steven Burke Paul Jarkiewicz Caleb McMahon Chris Hartman	New Orleans, LA	11/27 – 12/2	International Work Boat Show

*

VIII. TRAVEL OF EMPLOYEES AND OTHER AUTHORIZED REPRESENTATIVES OF THE PORT:

In order to facilitate necessary normal Port operations, the Executive Director may authorize travel by Port employees and/or other Port representatives for Port business, in accordance with the Port's travel policy adopted pursuant to RCW 53.08.176 and RCW 42.24.090. Reimbursable personal travel expenses per trip shall not exceed \$5,000.00 per person.

The Commission shall be advised at the first regularly scheduled meeting of the following month of all such authorizations for travel outside of Washington, Oregon, Idaho and British Columbia, Canada.

**ITEM FOR CONSIDERATION
BY THE
BOARD OF PORT COMMISSIONERS**

December 12, 2023

Subject: Floyd Snider Contract Amendment - Marine Trades Area

Presented by: Jesse Waknitz, Environmental Manager

RCW & POLICY REQUIREMENTS:

The Port's Master Policy, Resolution 22-1262 Section VI.A and purchasing policy require professional service contracts and amendments more than \$50,000 in total to be awarded by the Commission.

BACKGROUND:

The Marine Trades Area (MTA) cleanup site is located at the former Petit Oil Property at Marine Drive north to the Port Angeles Harbor between Cedar Street and Tumwater Street. The Potential Liable Persons or Parties (PLPs) are Chevron, Atlantic Richfield Company and the Port. Contamination at the site is petroleum hydrocarbons in both groundwater and soil from past bulk fuel plants and underground pipelines. The Remedial Investigation Feasibility Study (RIFS) for the site was approved by Washington State Department of Ecology (Ecology) in 2013 with the preferred cleanup alternative identified as an air sparge and soil vapor extraction system along the bulkhead at Terminal 3. This system would volatilize contaminants, enhance biodegradation and remove the contaminant vapors through carbon filters.

Currently, Ecology is preparing the Draft Cleanup Action Plan (CAP) and Draft Agreed Order (AO) that will describe Ecology's proposed cleanup action for the Site and sets for the requirements that the cleanup must meet.

ANALYSIS:

The existing professional services agreement with Floyd Snider, identified as Task 13, provides support to the PLP Group in the development of the Cleanup Action Plan, was executed in August of 2019 with an estimated 8-month period to complete the scope of work.

The finalization of the CAP was delayed due to COVID-19 slowdowns and the allocation of resources to the Port's other cleanup sites. Work by both Ecology and the PLPs on the MTA cleanup site has resumed and additional consultant support to finalize the CAP and AO is needed. The proposed amendment to Task 13 would provide the Port support in coordination between the MTA Group and communication with Ecology to complete the DCAP and cleanup order with an additional budget of \$30,000.

XI.A.1

ENVIRONMENTAL IMPACT:

This work activity is intended to fulfill our environmental obligation to mitigate environmental impacts from contaminants at the Marine Trades Site.

FISCAL IMPACT:

The Floyd | Snider fee for the existing Task #13 is \$41,700. The proposed amendment would increase the fee by \$30,000 to a total of \$71,700. Per the PLP funding agreement, the Ports one third share of this fee will be submitted to our insurance carriers for reimbursement.

RECOMMENDED ACTION:

Staff recommends the Commission authorize the Executive Director to execute an amendment to existing Professional Service Agreement Task 13 with Floyd | Snider for the MTA Site in the free increase amount of Thirty Thousand Dollars and no Cents (\$30,000).

**ITEM FOR DISCUSSION
BY THE
BOARD OF PORT COMMISSIONERS**

DEC. 12, 2023

SUBJECT: REAL ESTATE SERVICES CONSULTANT CONTRACT

PRESENTER: Caleb McMahon, Director of Economic Development

RCW & POLICY REQUIREMENTS:

RCW 53.19 requires port districts to procure personal services based on the guidelines outlined in the current Municipal Research and Services Center, Personal Services Contracting Manual for Washington Ports. For contract amounts over \$50k, consultants must be selected via competitive solicitation with selection criteria detailed in the Request for Proposals. The selection criteria are usually a combination of price, experience, qualifications, responsiveness to solicitation requirements and quality factors. The highest ranked firm is then selected, and the scope of work is finalized.

BACKGROUND:

The Port of Port Angeles has many unimproved and improved properties that need specific marketing efforts. The Port staff have publicly prepared and submitted a Request for Proposal, listed in the Peninsula Daily News and the Seattle Times, starting May 27, 2022, with a submission date of July 15th. After receiving only a single response, staff reissued the RFP, and in addition to the Peninsula Daily News and Seattle Times, it was marketed locally to the Port Angeles and Sequim Realtor Associations. Two Consultants, Cushman & Wakefield, and Coldwell Commercial-Danforth, responded to the RFP. Port Staff reviewed the responses to our RFP and graded each accordingly and has selected Cushman & Wakefield. Topics for negotiation, including, but not limited to the scope of work and the rate structure.

On October 6, 2022, an IFC was presented to the Commission for the notification of the selection of the successful Real Estate Consultant, Cushman & Wakefield.

ANALYSIS:

A contract is introduced to the Commission for use with the successful consultant, Cushman & Wakefield. The Agreement has been reviewed by Port's Legal Counsel. (Attached)

ENVIRONMENTAL IMPACT: Environmental impacts will be identified and addressed during approach to any real estate project as needed.

FISCAL IMPACT: As per the rate structure outlined in the attached contract.

RECOMMENDED ACTION: Staff recommends Commission approval of the proposed contract and to authorize the Executive Director to execute all documents necessary for this contract and to make minor modifications as necessary in collaboration with Port's Legal Counsel.



EXCLUSIVE LEASE LISTING AGREEMENT

CBA Text Disclaimer: Text deleted by licensee indicated by strike.
New text inserted by licensee indicated by small capital letters.

This Exclusive Lease Listing Agreement ("Agreement") is made between Port of Port Angeles ("Owner") and CUSHMAN & WAKEFIELD U.S., INC. ("Firm"). Subject to the terms and conditions set forth in this Agreement, Owner hereby grants to Firm the exclusive and irrevocable right to lease, and to receive deposits in connection therewith, Owner's commercial real estate legally described as set forth on attached Exhibit A and commonly described as Port Industrial Properties, City of Port Angeles, Clallam County, Washington ("Property").

- 1. DEFINITIONS.** As used in this Agreement, (a) "CBA" shall mean the Commercial Brokers Association; (b) "lease" shall mean a lease, sublease, or sale, or entering into a contract to lease, sublease, or sell the Property; (c) "lessee" or "tenant" shall mean the lessee or tenant leasing or entering into a contract to lease the Property; and (d) "sell" shall mean a transfer of ownership of the Property for valuable consideration or enter into a contract to sell the Property. References to "this Agreement" and "Term" include any written extensions or renewals of this Agreement.
- 2. DURATION OF AGREEMENT.** This Agreement shall commence on February 10, 2024 or upon execution by both parties and shall expire at 11:59 p.m. 1 year following commencement. The agreement shall automatically renew for three (3) one year terms unless terminated in writing by either party.
- 3. RENT AND OTHER LEASE TERMS.** Recommended lease rate ranges and terms for each property marketed by Cushman & Wakefield will be submitted to client prior to marketing. Offers to lease shall be reviewed with client as received, with responses subject to approval prior to delivery to prospective tenants
- 4. AGENCY / DUAL AGENCY.** Owner authorizes Firm to appoint Greg Millerd, Gordon Ahalt, and Nic Alfieri as Owner's Listing Broker. This Agreement creates an agency relationship between Owner and Listing Broker (including any of Firm's brokers who supervise Listing Broker's performance as Owner's agent ("Supervising Broker")). No other brokers affiliated with Firm are agents of Owner, except to the extent that Firm, in its discretion, appoints other brokers to act as Owner's agent as needed. If the Property is leased to a tenant represented by one of Firm's brokers ("Tenant's Broker") other than Listing Broker Owner is hereby deemed to have consented to any Supervising Broker, who also supervises Tenant's Broker, acting as a dual agent. If the Property is leased to a tenant who Listing Broker also represents, Owner is hereby deemed to have consented to Listing Broker and Supervising Broker acting as dual agents. If any of Firm's brokers act as a dual agent, Firm shall be entitled to the entire commission payable under this Agreement plus any additional compensation Firm may have negotiated with the tenant. Owner acknowledges that it has received from Listing Broker the pamphlet entitled "The Law of Real Estate Agency."
- 5. OWNER'S REPRESENTATIONS AND WARRANTIES; PROPERTY OWNERSHIP AND INFORMATION.** Owner represents and warrants that Owner has the right to lease the Property and all portions thereof on the terms set forth in this Agreement, and that the Property is free and clear of any encumbrances which would interfere therewith. Owner also represents and warrants that the information provided by Owner in connection with listing the Property under this Agreement ("Property Information") is true and correct. Owner understands that Firm and other members of CBA will make (and cause to be made) representations to prospective

lessees based solely on the Property Information and agrees to indemnify and hold Firm and other members of CBA harmless in the event the foregoing representations and warranties are incorrect, and in the event Owner fails to promptly make such representation or warranty correct during the Term of this Agreement. Owner acknowledges receipt of a copy of this Agreement and further agrees that Firm may record this Agreement.

6. **COMMISSION.** Firm shall be entitled to a commission if: (a) Firm leases the Property or procures a lessee for the Property upon the terms of this Agreement, or upon other terms acceptable to Owner; (b) Owner leases the Property directly or indirectly or through any person or entity other than Firm during the Term of this Agreement; (c) Owner leases the Property within six months after the expiration or sooner termination of this Agreement to a person or entity that: (i) submitted an offer to lease the Property during the term of this Agreement, or (ii) that appears on any registration list provided by Firm pursuant to this Agreement, or (iii) an "Affiliate" (as such term is defined below) of such a person or entity that submitted an offer or that appears on the registration list; (d) the Property is made untenable by Owner's voluntary or negligent act or voluntary or negligent failure to act; or (e) Owner terminates this Agreement except as permitted herein, or otherwise takes any action in violation of this Agreement that prevents Firm from leasing the Property. "Affiliate" means, with respect to any person or entity that submitted an offer for lease during the Term of this Agreement or that appears on the registration list, a person or entity which owns or controls more than a 10% ownership or voting interest in such offering entity.

Firm shall submit any registration list to Owner within fifteen (15) days after the expiration or sooner termination of this Agreement and shall only include on the registration list persons or entities to whose attention the Property was brought through the signs, advertising or other action of Firm, or who received information secured directly or indirectly from or through Firm during the Term of this Agreement. Notwithstanding anything herein to the contrary, in the event that Firm presents Owner with a bona fide offer to lease any land and/or buildings from a qualified tenant, and a lease transaction is consummated, then Firm shall receive a commission as provided for herein.

The commission due to Firm under this Agreement shall be calculated as follows:

Where an outside broker is present:

6% of the total rental for the first 5 years or any fraction thereof, plus

3% of the total rental for the next 5 years, plus

1.5% of the total rental for years 11-20

No fee due past 20 years

50% paid to the outside broker

Where no outside broker is present:

4% of the total rental for the first 5 years or any fraction thereof, plus

2% of the total rental for the next 5 years, plus

1% of the total rental for years 11-20

No fee due past 20 years

**EXCLUSIVE LEASE LISTING AGREEMENT
(CONTINUED)**

Rev. 9/2020
Page 3 of 5

Any commission payment due under this Agreement that is not timely paid following consummation of the transaction(s) contemplated hereunder shall accrue interest on a daily basis at a rate equal to the higher of _____ % or the maximum amount permitted by law, from the date first owed until paid.

7. **CBA MULTIPLE LISTING; DISCLAIMER OF LIABILITY.** During the term of this Agreement, Owner shall refer to Firm all inquiries and offers received by Owner with respect to the Property and/ or properties owned by Owner. If a competing brokerage firm requests information about a property that is not currently listed by Firm, then Owner shall refer such inquiry to Firm. Firm shall cause this listing to be published by CBA for distribution to all CBA members through CBA's listing distribution systems. Firm shall use commercially reasonable efforts to cooperate with all other members of CBA in working toward the lease of the Property. Owner understands and agrees that all Property information contained in this Agreement or otherwise given to CBA becomes the property of CBA, is not confidential, and will be given to third parties, including prospective lessees and other cooperating members of CBA who do not represent the Owner and, in some instances, may represent the lessee or other interested parties. IT IS UNDERSTOOD THAT CBA IS NOT A PARTY TO THIS AGREEMENT, THAT ITS SOLE FUNCTION IS TO FURNISH THE DESCRIPTIVE INFORMATION SET FORTH IN THIS LISTING TO ITS MEMBERS, WITHOUT DUTY OF INVESTIGATION OR VERIFICATION AND WITHOUT ASSUMING ANY RESPONSIBILITY FOR SUCH INFORMATION, RELIANCE THEREON, DISSEMINATION THEREOF, OR WITH RESPECT TO THIS AGREEMENT.
8. **ATTORNEY'S FEES.** In the event either party employs an attorney to enforce any terms of this Agreement and is successful, the other party agrees to pay reasonable attorneys' fees and any costs and expenses incurred as a result of such enforcement. In the event of trial, venue shall be in the county in which the Property is located, and the amount of the attorney's fee shall be as fixed by the court.
9. **COUNTERPARTS.** This Agreement may be executed in counterparts, each of which, when combined, shall constitute one single, binding agreement.
10. **ADDITIONAL TERMS.** In addition to the Property Information provided as part of this Agreement and Exhibit A (map), the following amendments or addenda (which are also attached hereto) are part of this Agreement:
11. **OFAC.** EACH PARTY REPRESENTS AND WARRANTS TO THE OTHER THAT IT, AND ALL PERSONS AND ENTITIES OWNING (DIRECTLY OR INDIRECTLY) AN OWNERSHIP INTEREST IN IT: (A) ARE NOT, AND WILL NOT BECOME, A PERSON OR ENTITY WITH WHOM A PARTY IS PROHIBITED FROM DOING BUSINESS UNDER REGULATIONS OF THE OFFICE OF FOREIGN ASSET CONTROL ("OFAC") OF THE DEPARTMENT OF THE TREASURY (INCLUDING, BUT NOT LIMITED TO, THOSE NAMED ON OFAC'S SPECIALLY DESIGNATED AND BLOCKED PERSONS LIST) OR UNDER ANY STATUTE, EXECUTIVE ORDER OR OTHER GOVERNMENTAL ACTION; AND (B) ARE NOT KNOWINGLY ENGAGED IN, AND WILL NOT KNOWINGLY ENGAGE IN, ANY DEALINGS OR TRANSACTIONS OR BE OTHERWISE ASSOCIATED WITH SUCH PERSONS OR ENTITIES DESCRIBED IN CLAUSE (A) ABOVE.
12. **ANTI-BRIBERY & CORRUPTION.** EACH PARTY REPRESENTS AND WARRANTS TO THE OTHER THAT IT (AND ANY PARTY ACTING ON ITS BEHALF) HAS NOT, IN ORDER TO ENTER INTO THIS AGREEMENT, OFFERED, PROMISED, AUTHORIZED OR MADE ANY PAYMENTS OR TRANSFERS OF ANYTHING OF VALUE WHICH HAVE THE PURPOSE OR EFFECT OF PUBLIC OR COMMERCIAL BRIBERY, KICKBACKS OR OTHER UNLAWFUL OR IMPROPER MEANS OF DOING BUSINESS ("PROHIBITED ACTIVITY") AND WILL NOT ENGAGE IN PROHIBITED ACTIVITY DURING THE TERM OF THIS AGREEMENT. IN THE EVENT OF ANY VIOLATION OF THIS SECTION, THE NON-OFFENDING PARTY SHALL BE ENTITLED TO IMMEDIATELY TERMINATE THIS AGREEMENT AND TAKE SUCH OTHER ACTIONS AS ARE PERMITTED OR REQUIRED TO BE TAKEN UNDER LAW OR IN EQUITY.



**EXCLUSIVE LEASE LISTING AGREEMENT
(CONTINUED)**

Rev. 9/2020
Page 4 of 5

13. BROKER REGULATORY OR STATUTORY PROVISIONS: THE FOLLOWING PROVISIONS MUST BE INCLUDED IN BROKERAGE AGREEMENTS IN THE STATE OF WASHINGTON:

- IT IS ILLEGAL FOR EITHER PARTY TO DISCRIMINATE AGAINST ANY PERSON BECAUSE OF ONE'S MEMBERSHIP IN A PROTECTED CLASS (E.G., RACE, COLOR, RELIGION, NATIONAL ORIGIN, SEX, ANCESTRY, AGE, MARITAL STATUS, PHYSICAL OR MENTAL HANDICAP, FAMILIAL STATUS, OR ANY OTHER CLASS PROTECTED BY LAW).
- SELLER ACKNOWLEDGES RECEIPT OF A COPY OF THE AGREEMENT, AND THE REAL ESTATE AGENCY LAW PAMPHLET
- OWNER HEREBY ACKNOWLEDGES THAT FAILURE TO PAY THE COMMISSION PROVIDED FOR IN THIS AGREEMENT MAY GIVE RISE TO LIEN RIGHTS AS PROVIDED BY R.C.W. 60.42, ET SEQ.

Port of Port Angeles

Owner/Authorized Signature

Name: _____
Title: _____
Date: _____

Owner/Authorized Signature

Name: _____
Title: _____
Date: _____

FIRM

CUSHMAN & WAKEFIELD U.S., INC, Firm (Company)

(Office)

By: _____
(Authorized Representative)

Date: _____

**EXCLUSIVE LEASE LISTING AGREEMENT
(CONTINUED)**

**EXHIBIT A
(Map)**

MARINE TRADE CENTER PROPERTY



**ITEM FOR CONSIDERATION
OF THE
BOARD OF PORT COMMISSIONERS**

Date: December 7, 2023

Subject: Proposed Approval of General Legal Services Contract 2024-2026

Presented by: Paul Jarkiewicz, Port Executive Director

RCW & POLICY REQUIREMENTS:

General legal counsel services are considered a personal service and fall within the guidelines of RCW 53.19, Personal Services Contracts [Port districts]. According to the statute, engaging expert witnesses, and legal services for general counsel or litigation are exempt from competition requirements (RCW 53.19.070(7)).

Per Section V of the Port's Delegation of Authority:

- The Commission shall select and retain general Port Counsel on such terms and conditions as the Commission deems appropriate.
- The Executive Director, in coordination with Port Counsel, shall manage and supervise all legal services for the Port.

BACKGROUND:

In recent years, the Port has used an outsourced model for the delivery of all legal services. In 2019, Carolyn Lake of the Goodstein Law Group PLLC ("GLG") was brought under contract for select legal services. In 2020, GLG's scope of work expanded to General Legal Services.

Term. The initial term of this Agreement is three years beginning January 1, 2024 through December 31, 2026, with options to renew annually thereafter upon mutual agreed terms and conditions. However, either party may terminate this Agreement at any time without any further obligation other than payment of fees and costs incurred by Legal Counsel through the termination date.

General Counsel Services. Compensation for general counsel services is proposed at an hourly rate of \$290.96 beginning January 1, 2024, through December 31, 2024, with an annual adjustment of plus 2.5% per year beginning January 1 of the subsequent years. The fee arrangement may be reviewed on an annual basis to ensure equitable treatment for both Port and legal counsel. The amount budgeted each year for General Legal Services will be reviewed and approved annually by the Port Commission.

Litigation. Compensation for litigation services if any shall be at the billing attorney's standard (non-public entity) litigation hourly rate less a 10% discount and be adjusted in subsequent years beginning 1 January 2025 at a rate of plus 2.5%.

Para Legal Assistant Services. Compensation for para legal assistant services shall be \$50.00 per hour the first year and adjusted in subsequent years at a rate of plus 2.5%.

FINANCIAL IMPACT:

The Port budgeted \$150,000 for General Legal Services in its 2024 proposed budget.

RECOMMENDED ACTION:

Staff recommends the Commission approve the personal service contract with Goodstein Law Group PLLC for General Legal Services as provided in attached Agreement.

LEGAL SERVICES AGREEMENT NO.

PROJECT: GENERAL COUNSEL LEGAL SERVICES

PROJECT MANAGER: Paul Jarkiewicz, Port Executive Director **PROJECT NO.** _____

VENDOR: GOODSTEIN LAW GROUP PLLC

THIS AGREEMENT is made and entered into by and between the Port of Port Angeles (*hereinafter referred to as the "Port"*) and **Goodstein Law Group PLLC**, A Professional Limited Liability Company (*hereinafter referred to as "Legal Counsel" or "GLG"*) for the furnishing of General Counsel Legal Services (*hereinafter referred to as the "Legal Services"*).

The Port and GLG mutually agree as follows:

DESCRIPTION OF SERVICES

GLG will provide general legal counsel services and litigation services, as set forth herein and as requested by the Port. The Lead Attorney for the general counsel services to be provided pursuant to this Agreement shall be Carolyn A. Lake, GLG PLLC.

A. General Counsel Services. Legal Counsel shall provide general legal advice to the Port, the Port Executive Director, the Port Senior Staff, and the Port Commission, regarding the legal risks of certain courses of action, recommend legal strategies, ensure compliance with all relevant laws and statutes, recommend and engage special legal counsel on matters as directed and approved by the Port Commission or the Port Executive Director, and represent the Port as its general legal counsel. Specific duties may include:

1. Directing and organizing legal service functions in a manner that will support the goals, objectives and general profitability of the Port including:
 - Assisting in negotiation of leases and other agreements with Port tenants, contractors, etc.
 - Preparation and review of legal documents
 - Appearance at Port Commission Meetings, Executive Sessions and hearings to provide legal advice to the Commission as requested.
2. Review of practices, complaints and suggestions that will allow the Port to protect the needs and interests of the citizens of the Port District.

3. Maintaining an up-to-date knowledge of current/pending policies and regulations that will allow the Port to be responsive to state, federal and special authority requirements.
4. Developing criteria to use outside legal specialists to supplement position activities.
5. Coordinating as necessary with City and County land-use, zoning, and engineering functions regarding easements, eminent domain, and appropriate zoning issues.
6. Providing on-going legal advice, research, telephone and personal consultations with members of Commissions, Executive and Staff
7. Implementation of strategies for harmonizing port objectives with community philosophies and citizen concerns.
8. Reviewing, advising on and/or preparation of staff reports, ordinances, resolutions, agreements, contracts, forms, notices, certificates, and other documents
9. Public Governance, Open Public Meetings Act (“OPMA”), Public Records Act (“PRA”), and Ethics compliance, training, and advisement, and response oversight and legal defense.
10. Attendance of all regularly scheduled and special meetings of elected officials as well as management and staff, upon request.
11. Drafting of Interlocal Agreements.
12. Advising on Federal and State Court Litigation on a wide range of topics.
13. Advocacy of stakeholder interests in concurrent jurisdiction land use planning exercises.
14. Environmental compliance matters.
15. Implementation of strenuous legal inquiry turn-around times designed to meet or exceed local customs.
16. Advising on Security & Defense – including policy development and training
17. Oversight and Proactive defense of Torts - including nuisance, trespass, property damage, personal injury

B. Litigation. Goodstein Law Group PLLC may also perform litigation services, if competent in the legal issue being handled. “Litigation” shall mean the assertion of any position, right, or responsibility by or against the Port, which has been filed in any court of general or special jurisdiction, be it state or federal, or any quasi-judicial or administrative forum. Activities conducted prior to the filing of litigation shall also be considered litigation if those activities have been authorized by the

Executive Director or the Commission in contemplation of litigation. In instances where the General Legal Counsel is not performing the litigation directly, the General Legal Counsel shall provide support to Port Project managers to oversee outside Legal Counsel for the benefit of the Port.

- C. Term.** The initial term of this Agreement is three years beginning January 1, 2024 through December 31, 2026, with options to renew annually thereafter upon mutual agreed terms and conditions. However, either party may terminate this Agreement at any time without any further obligation other than payment of fees and costs incurred by Legal Counsel through the termination date.
- D. General Counsel Services.** Compensation for general counsel services shall be an hourly rate of \$290.96 beginning January 1, 2024, through December 31, 2024, with an annual adjustment of plus 2.5% per year beginning January 1 of the subsequent years. The fee arrangement may be reviewed on an annual basis to ensure equitable treatment for both Port and legal counsel. The amount budgeted each year for General Legal Services will be reviewed and approved annually by the Port Commission.
- E. Litigation.** Compensation for litigation services if any shall be at the billing attorney's standard (non-public entity) litigation hourly rate less a 10% discount. The standard hourly rates for attorneys during 2024 shall be per the attached Fee Schedule, Exhibit A. The standard hourly rates shall be adjusted in subsequent years beginning 1 January 2025 at a rate of plus 2.5%.
- F. Para Legal Assistant Services.** Compensation for para legal assistant services shall be \$50.00 per hour the first year and adjusted in subsequent years at a rate of plus 2.5%.
- G. Accessibility.** GLG will be accessible to the Port during usual Port work hours.
- Attorneys are available daily via technological means (Zoom, Teams) phone and email access
 - Available to participate in Executive and Management team meetings as needed
 - Onsite attendance as requested
 - Computer, phone etc equipment, legal support staff would be provided by GLG at GLG costs (not Port systems or staff).
 - GLG will assign out and match up appropriate skills sets of GLG attorneys to the Port's needs.
- H. Performance Measure.** GLG will keep the Port advised as to the status and progress of all matters and will provide the Port with an executive summary of Port matters quarterly. Files on Port matters will be open for inspection by the Port at

any reasonable time. GLG will handle Port matters promptly and efficiently according to established legal and ethical standards. The Port's legal matters will be completed as quickly and efficiently as possible and without any unnecessary charges.

- I. **Contract Management.** The Port and GLG will work together in overseeing the legal services provided to the Port, with a strong focus on preventative practices that avoid litigation and contentious disputes. GLG invoices will track services billed by subcategories within the General Legal invoice, with the exception that Commercial, Litigation and complex real estate matters will be invoiced pursuant to separate existing Contract between the Port and GLG. The Port's Executive Director and GLG may meet monthly to review legal bills and work performed, confer on legal strategies, and develop strategies for efficient use of legal services.
- J. **Conflicts of Interest.** It is expressly understood that Carolyn A. Lake and Goodstein Law Group PLLC, and its attorneys presently perform and will continue to perform general legal counsel and other legal services for other Washington port districts as well as other business and individual clients in Washington during the term of this Agreement. Goodstein Law Group PLLC are not aware of any present conflict of interest with respect to the performance of any of those services. If a conflict of interest arises in the future, then it will be resolved according to applicable rules of professional conduct and other applicable law.
- K. **Experts Services Contract.** Where the Port desires expert of other litigation services to be contracted through GLG, reimbursement will be billed at cost, plus 3% administration fee.
- L. **Payment Schedule.** Legal Counsel shall submit to the Port, in a form approved by the Port, an invoice of services rendered during each calendar month, which shall include an hourly detail of all work, performed. The Port shall make payment to Legal Counsel within (30) days of receipt of each invoice.
- M. **Ethical Considerations in Billing.** It is expressly understood that attorneys are bound by ethical rules to only bill time that is reasonably required or necessary to a case. If a dispute arises in the future over fees and or time spent, then it will be resolved according to applicable rules of professional conduct and other applicable law.
- N. **Expenses.** The Port will reimburse Legal Counsel the amount of all costs and expenses incurred on behalf of the Port, at cost without markup. Duplicating and faxing performed in-house by Legal Counsel shall be billed to the Port at \$0.10 per page. The Port will be charged for travel between the offices of Legal Counsel in Tacoma and the Port at one-third the then-current hourly rate. There is no charge for long-distance telephone charges.

PORT OF PORT ANGELES

GOODSTEIN LAW GROUP PLLC

By

Paul Jarkiewicz
Port Executive Director

Date

Carolyn Lake,
Owner and Sole Managing Member

Date

Exhibit A – Litigation Fee Schedule

2024 GLG LITIGATION Rates	
CAL- Carolyn Lake	\$330
CC- Cheryl Carlson	\$300
RS- Richard Sanders	\$370
Legal Assistant	\$50

Future Agenda Items –Commission Meeting

12/12/2023

January 9, 2024 (Regular Commission Meeting)

- Bad Debt Report
- Comm Bylaws?
- Conduct Board Elections
- Review Port Representation
- Monthly DofA
- 4th Qtr Cash & Investment Report
- ***IDC Annual Meeting

January 23, 2024 (Regular Commission Meeting)

- 4th Qtr Ops Report
- PAYC Presentation

February 13, 2024 (Regular Commission Meeting)

- Monthly DofA

February 27, 2024 (Regular Commission Meeting)

Upcoming Events/Announcements

Future

- Boatyard and Marina Rules & Regulations
- Port Emergency Response Plans and Activities
- Employee Handbook Update and Resolutions