PORT of Port Angeles
Serving Clallam County Since 1923

**REGULAR COMMISSION MEETING**
**Tuesday, September 22, 2026, at 9:00 am**
**338 W. First St, Port Angeles, WA 98362**
**AGENDA**

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/

**** Time-specific Agenda Item IX.A – 9:00 AM***

## IX. MARINE TRADES AND MARINE TERMINALS

A. Tour of Terminal 1 Warehouse – Self-Performed Work – **TIME SPECIFIC 9:00 am**

## X. PROPERTY

No items

## XI. MARINAS

No items

## XII. AIRPORTS

No items

## XIII. OTHER BUSINESS

No items

## XIV. ITEMS NOT ON THE AGENDA

## XV. COMMISSIONER REPORTS

## XVI. PUBLIC COMMENT SESSION (TOTAL SESSION UP TO 20 MINUTES)

## XVII. FUTURE AGENDA……………….……………………………………………………………..44

## XVIII. NEXT MEETINGS

A. October 13, 2026 – Regular Commission Meeting
*[Capital Project Prioritization (if needed) / Introduce Operating Budget]*

B. October 26, 2026 – Special Joint Meeting with Board of County Commissioners & The Clallam County Public Utility District (Hosted at the BOCC)

C. October 27, 2026 – Regular Commission Meeting (**Comm. Kidwell Excused Absence*)
*[Draft Final Capital Budget / Present Prelim 2027 Operating Budget & Tax Levy]*

D. November 10, 2026 – Regular Commission Meeting
*[Open Public Hearing on 2027 Budget and Tax Levy]*

*E.* November 17, 2026 – Special Commission Meeting
*[Close Public Hearing & Adopt 2027 Budget and Tax Levy]*

## XIX. UPCOMING EVENTS

A. September 28-30, 2026 – American Association of Port Authorities (AAPA) Annual Conf. (New Orleans, LA)

B. October 12-13, 2026 – Marine Highway 5 and 84 (MH5 & MH84) Joint Annual Roundtable (Vancouver, WA)

C. October 13-15, 2026 – Pacific Northwest Waterways Assoc. (PNWA) Annual Meeting (Vancouver, WA)

D. October 18-21, 2026 – National Association of Foreign Trade Zones (NAFTZ) Annual Conference & Exposition (San Diego, CA)

E. October 22-23, 2026 – Washington Public Ports Association (WPPA) Small Ports (Chelan – Campbell's Resort Lake Chelan)

## XX. EXECUTIVE SESSION

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

## XXI. 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.

**Port of Port Angeles**
**P&L Summary by Department**
**8/31/2026**

| | Monthly | | | | | | |
|---|---|---|---|---|---|---|---|
| | August Actual | August Budget | Actual vs Budget Variance | Actual vs Budget Variance % | August Forecast | Actual vs Re-Forecast Variance | Actual vs Re-Forecast Variance % |
| **Marine Terminal** | | | | | | | |
| Operating Revenue | 136,037 | 270,759 | (134,722) | ▼49.76% | 199,458 | (63,421) | ▼31.80% |
| Operating Expense | (106,578) | (134,512) | 27,934 | ▼20.77% | (107,225) | 647 | ▼0.60% |
| ***Total*** | **29,460** | **136,248** | **(106,788)** | | **92,233** | **(62,773)** | |
| **Marine Trades Area** | | | | | | | |
| Operating Revenue | 118,597 | 62,869 | 55,728 | ▲88.64% | 63,370 | 55,227 | ▲87.15% |
| Operating Expense | (58,239) | (32,096) | (26,142) | ▲81.45% | (38,541) | (19,698) | ▲51.11% |
| ***Total*** | **60,358** | **30,773** | **29,585** | | **24,829** | **35,529** | |
| **Intermodal Handling & Transfer Facility** | | | | | | | |
| Operating Revenue | 52,862 | 92,188 | (39,326) | ▼42.66% | 60,847 | (7,985) | ▼13.12% |
| Operating Expense | (89,293) | (105,620) | 16,327 | ▼15.46% | (98,672) | 9,379 | ▼9.50% |
| ***Total*** | **(36,431)** | **(13,432)** | **(22,999)** | | **(37,825)** | **1,394** | |
| **Fairchild International Airport** | | | | | | | |
| Operating Revenue | 40,211 | 40,521 | (310) | ▼0.77% | 40,753 | (542) | ▼1.33% |
| Operating Expense | (49,374) | (58,439) | 9,065 | ▼15.51% | (60,365) | 10,991 | ▼18.21% |
| ***Total*** | **(9,163)** | **(17,918)** | **8,755** | | **(19,612)** | **10,449** | |
| **Sekiu** | | | | | | | |
| Operating Revenue | 1,780 | 1,574 | 206 | ▲13.07% | 1,774 | 6 | ▲0.32% |
| Operating Expense | (2,140) | (3,617) | 1,477 | ▼40.84% | (3,655) | 1,515 | ▼41.46% |
| ***Total*** | **(360)** | **(2,043)** | **1,683** | | **(1,881)** | **1,521** | |
| **Airport Rental Properties** | | | | | | | |
| Operating Revenue | 127,469 | 140,209 | (12,740) | ▼9.09% | 128,988 | (1,519) | ▼1.18% |
| Operating Expense | (52,915) | (50,583) | (2,332) | ▲4.61% | (52,901) | (14) | ▲0.03% |
| ***Total*** | **74,554** | **89,626** | **(15,072)** | | **76,087** | **(1,533)** | |
| **Port Angeles Boat Haven** | | | | | | | |
| Operating Revenue | 466,417 | 188,415 | 278,002 | ▲147.55% | 318,165 | 148,252 | ▲46.60% |
| Operating Expense | (365,961) | (75,569) | (290,392) | ▲384.27% | (199,742) | (166,219) | ▲83.22% |
| ***Total*** | **100,457** | **112,846** | **(12,389)** | | **118,423** | **(17,966)** | |
| **John Wayne Marina** | | | | | | | |
| Operating Revenue | 200,235 | 214,870 | (14,635) | ▼6.81% | 200,870 | (635) | ▼0.32% |
| Operating Expense | (113,236) | (108,858) | (4,378) | ▲4.02% | (97,800) | (15,436) | ▲15.78% |
| ***Total*** | **86,999** | **106,012** | **(19,013)** | | **103,070** | **(16,071)** | |
| **Rental Properties** | | | | | | | |
| Operating Revenue | 16,557 | 13,265 | 3,292 | ▲24.82% | 16,723 | (166) | ▼0.99% |
| Operating Expense | (19,633) | (8,256) | (11,376) | ▲137.79% | (10,844) | (8,789) | ▲81.05% |
| ***Total*** | **(3,076)** | **5,009** | **(8,084)** | | **5,879** | **(8,955)** | |
| **Administrative** | | | | | | | |
| Operating Expense | **(256,490)** | **(224,274)** | **(32,217)** | ▲14.36% | **(232,518)** | **(23,972)** | ▲10.31% |
| **Economic Development** | | | | | | | |
| Operating Expense | **(39,281)** | **(32,356)** | **(6,925)** | ▲21.40% | **(51,289)** | **12,008** | ▼23.41% |
| **Information Technology** | | | | | | | |
| Operating Expense | **(17,596)** | **(11,025)** | **(6,571)** | ▲59.60% | **(13,525)** | **(4,071)** | ▲30.10% |
| **Mechanical Maintenance** | | | | | | | |
| Operating Expense | **(8,507)** | **(18,475)** | **9,968** | ▼53.96% | **(14,032)** | **5,525** | ▼39.38% |
| **Facilities Maintenance** | | | | | | | |
| Operating Expense | **(27,461)** | **(48,707)** | **21,246** | ▼43.62% | **(37,950)** | **10,489** | ▼27.64% |
| **TOTAL OPERATING REVENUES** | **1,160,165** | **1,024,670** | **135,495** | ▲13.22% | **1,030,948** | **129,217** | ▲12.53% |
| **TOTAL DIRECT EXPENSES** | **(1,206,702)** | **(912,387)** | **(294,315)** | ▲32.26% | **(1,019,059)** | **(187,643)** | ▲18.41% |
| **ALLOCATED EXPENSES - ADMIN & MAINT** | - | | - | - | - | - | - |
| ***NET SURPLUS (DEFICIT) - Before Depreciation*** | ***(46,537)*** | ***112,283*** | ***(158,820)*** | | ***11,889*** | ***(58,426)*** | |
| **ALLOCATED DEPRECIATION** | - | | - | - | - | - | - |
| **DEPRECIATION EXPENSE** | 313,135 | 369,039 | (55,904) | ▼15.15% | 349,619 | (36,484) | ▼10.44% |
| ***NET SURPLUS (DEFICIT) - After Depreciation*** | **(359,672)** | **(256,756)** | **(102,916)** | | **(337,730)** | **(21,942)** | |
| **NON-OP (GENERAL)** | | | | | | | |
| NON-OP REV (General) | 73,064 | 85,500 | (12,436) | ▼14.55% | 85,500 | (12,436) | ▼14.55% |
| NON-OP EXP (General) | (6,113) | (7,195) | 1,082 | ▼15.04% | (7,195) | 1,082 | ▼15.04% |
| ***NON-OP (General) SURPLUS (DEFICIT)*** | ***66,951*** | ***78,305*** | ***(11,354)*** | | ***78,305*** | ***(11,354)*** | |
| **NON-OP (CAPITAL)** | | | | | | | |
| NON-OP REV (Capital) | 1,929,076 | 1,915,408 | 13,668 | ▲0.71% | 1,980,312 | (51,236) | ▼2.59% |
| NON-OP EXP (Capital) | (3,829) | (3,877) | 48 | ▼1.24% | (3,877) | 48 | ▼1.25% |
| ***NON-OP (Capital) SURPLUS (DEFICIT)*** | ***1,925,248*** | ***1,911,531*** | ***13,716*** | | ***1,976,435*** | ***(51,187)*** | |
| ***NET NON-OP SURPLUS (DEFICIT)*** | ***1,992,199*** | ***1,989,837*** | ***2,362*** | | ***2,054,740*** | ***(62,541)*** | |
| ***TOTAL NET SURPLUS (DEFICIT)*** | ***1,632,527*** | ***1,733,081*** | ***(100,554)*** | | ***1,717,010*** | ***(84,483)*** | |

# Port of Port Angeles

**P&L Summary by Department**

**8/31/2026**

| | YTD | | | | | | |
|---|---|---|---|---|---|---|---|
| | YTD Actual | YTD Budget | Actual vs Budget Variance | Actual vs Budget Variance % | YTD Forecast | Actual vs Re-Forecast Variance | Actual vs Re-Forecast Variance % |
| **Marine Terminal** | | | | | | | |
| Operating Revenue | 1,000,466 | 2,005,636 | (1,005,170) | ▼50.12% | 1,054,624 | (54,158) | ▼5.14% |
| Operating Expense | (888,971) | (1,064,695) | 175,724 | ▼16.50% | (893,464) | 4,493 | ▼0.50% |
| ***Total*** | **111,495** | **940,941** | **(829,446)** | | **161,160** | **(49,665)** | |
| **Marine Trades Area** | | | | | | | |
| Operating Revenue | 544,967 | 582,620 | (37,653) | ▼6.46% | 492,631 | 52,336 | ▲10.62% |
| Operating Expense | (415,202) | (284,174) | (131,028) | ▲46.11% | (375,856) | (39,347) | ▲10.47% |
| ***Total*** | **129,765** | **298,445** | **(168,681)** | | **116,776** | **12,989** | |
| **Intermodal Handling & Transfer Facility** | | | | | | | |
| Operating Revenue | 426,222 | 694,814 | (268,592) | ▼38.66% | 445,384 | (19,162) | ▼4.30% |
| Operating Expense | (724,824) | (838,844) | 114,020 | ▼13.59% | (752,395) | 27,571 | ▼3.66% |
| ***Total*** | **(298,602)** | **(144,030)** | **(154,572)** | | **(307,011)** | **8,409** | |
| **Fairchild International Airport** | | | | | | | |
| Operating Revenue | 322,315 | 320,098 | 2,217 | ▲0.69% | 321,032 | 1,283 | ▲0.40% |
| Operating Expense | (398,088) | (470,968) | 72,880 | ▼15.47% | (412,930) | 14,842 | ▼3.59% |
| ***Total*** | **(75,772)** | **(150,870)** | **75,098** | | **(91,898)** | **16,126** | |
| **Sekiu** | | | | | | | |
| Operating Revenue | 13,137 | 12,464 | 673 | ▲5.40% | 13,135 | 2 | ▲0.01% |
| Operating Expense | (23,316) | (24,930) | 1,614 | ▼6.47% | (26,376) | 3,060 | ▼11.60% |
| ***Total*** | **(10,179)** | **(12,466)** | **2,287** | | **(13,241)** | **3,062** | |
| **Airport Rental Properties** | | | | | | | |
| Operating Revenue | 975,528 | 1,074,964 | (99,436) | ▼9.25% | 981,786 | (6,258) | ▼0.64% |
| Operating Expense | (436,544) | (445,977) | 9,433 | ▼2.12% | (434,048) | (2,496) | ▲0.58% |
| ***Total*** | **538,984** | **628,987** | **(90,003)** | | **547,738** | **(8,754)** | |
| **Port Angeles Boat Haven** | | | | | | | |
| Operating Revenue | 1,825,514 | 1,465,838 | 359,676 | ▲24.54% | 1,672,148 | 153,366 | ▲9.17% |
| Operating Expense | (1,142,117) | (657,726) | (484,391) | ▲73.65% | (981,758) | (160,359) | ▲16.33% |
| ***Total*** | **683,397** | **808,112** | **(124,715)** | | **690,390** | **(6,993)** | |
| **John Wayne Marina** | | | | | | | |
| Operating Revenue | 1,448,308 | 1,474,618 | (26,310) | ▼1.78% | 1,429,356 | 18,952 | ▲1.33% |
| Operating Expense | (840,833) | (795,229) | (45,604) | ▲5.73% | (823,524) | (17,309) | ▲2.10% |
| ***Total*** | **607,475** | **679,389** | **(71,914)** | | **605,832** | **1,643** | |
| **Rental Properties** | | | | | | | |
| Operating Revenue | 149,968 | 121,039 | 28,929 | ▲23.90% | 150,633 | (665) | ▼0.44% |
| Operating Expense | (136,369) | (92,043) | (44,326) | ▲48.16% | (121,725) | (14,644) | ▲12.03% |
| ***Total*** | **13,599** | **28,996** | **(15,398)** | | **28,908** | **(15,309)** | |
| **Administrative** | | | | | | | |
| Operating Expense | **(2,042,836)** | **(1,893,928)** | **(148,908)** | ▲7.86% | **(2,001,762)** | **(41,074)** | ▲2.05% |
| **Economic Development** | | | | | | | |
| Operating Expense | **(345,637)** | **(286,736)** | **(58,901)** | ▲20.54% | **(363,722)** | **18,085** | ▼4.97% |
| **Information Technology** | | | | | | | |
| Operating Expense | **(127,450)** | **(84,700)** | **(42,750)** | ▲50.47% | **(115,920)** | **(11,530)** | ▲9.95% |
| **Mechanical Maintenance** | | | | | | | |
| Operating Expense | **(120,688)** | **(148,240)** | **27,552** | ▼18.59% | **(135,696)** | **15,008** | ▼11.06% |
| **Facilities Maintenance** | | | | | | | |
| Operating Expense | **(235,160)** | **(388,946)** | **153,786** | ▼39.54% | **(272,047)** | **36,887** | ▼13.56% |
| **TOTAL OPERATING REVENUES** | **6,706,424** | **7,752,091** | **(1,045,667)** | ▼13.49% | **6,560,729** | **145,695** | ▲2.22% |
| **TOTAL DIRECT EXPENSES** | **(7,878,034)** | **(7,477,136)** | **(400,898)** | ▲5.36% | **(7,711,223)** | **(166,812)** | ▲2.16% |
| **ALLOCATED EXPENSES - ADMIN & MAINT** | - | | - | - | - | - | - |
| ***NET SURPLUS (DEFICIT) - Before Depreciation*** | ***(1,171,611)*** | ***274,955*** | ***(1,446,565)*** | | ***(1,150,494)*** | ***(21,117)*** | |
| **ALLOCATED DEPRECIATION** | - | | - | - | - | - | - |
| **DEPRECIATION EXPENSE** | 2,507,565 | 2,826,934 | (319,368) | ▼11.30% | 2,572,145 | (64,580) | ▼2.51% |
| ***NET SURPLUS (DEFICIT) - After Depreciation*** | **(3,679,176)** | **(2,551,979)** | **(1,127,197)** | | **(3,722,639)** | **43,463** | |
| **NON-OP (GENERAL)** | | | | | | | |
| NON-OP REV (General) | 652,441 | 644,500 | 7,941 | ▲1.23% | 667,301 | (14,860) | ▼2.23% |
| NON-OP EXP (General) | (86,729) | (45,056) | (41,673) | ▲92.49% | (88,664) | 1,935 | ▼2.18% |
| ***NON-OP (General) SURPLUS (DEFICIT)*** | ***565,711*** | ***599,444*** | ***(33,732)*** | | ***578,637*** | ***(12,926)*** | |
| **NON-OP (CAPITAL)** | | | | | | | |
| NON-OP REV (Capital) | 5,467,531 | 5,432,655 | 34,876 | ▲0.64% | 5,535,126 | (67,595) | ▼1.22% |
| NON-OP EXP (Capital) | (30,629) | (31,138) | 509 | ▼1.63% | (30,716) | 87 | ▼0.28% |
| ***NON-OP (Capital) SURPLUS (DEFICIT)*** | ***5,436,902*** | ***5,401,517*** | ***35,385*** | | ***5,504,410*** | ***(67,508)*** | |
| ***NET NON-OP SURPLUS (DEFICIT)*** | ***6,002,613*** | ***6,000,960*** | ***1,653*** | | ***6,083,047*** | ***(80,434)*** | |
| ***TOTAL NET SURPLUS (DEFICIT)*** | ***2,323,438*** | ***3,448,981*** | ***(1,125,544)*** | | ***2,360,408*** | ***(36,971)*** | |

## Port of Port Angeles
### Summary by Department
**2027 DRAFT Budget**

| | 2023 ACTUAL | 2024 ACTUAL | 2025 ACTUAL | 2026 BUDGET | 2026 PROJECTED | 2026 Proj Over/(Under) 2026 Budget | 2027 BUDGET | 2027 Budget Over/(Under) 2026 Proj |
|---|---|---|---|---|---|---|---|---|
| **OPERATING REVENUES** | | | | | | | | |
| 11 MARINE TERMINAL | 2,846,433 | 2,634,703 | 2,297,297 | 3,131,090 | 1,759,711 | (1,371,379) | 1,800,680 | 40,969 |
| 15 MARINE TRADES AREA | 821,015 | 772,418 | 833,070 | 859,232 | 769,045 | (90,187) | 915,954 | 146,909 |
| 21 INTERMODAL HANDLING & TRANSFER FAC | 1,135,513 | 1,184,428 | 997,986 | 1,009,026 | 676,281 | (332,745) | 706,456 | 30,175 |
| 31 FAIRCHILD INTL AIRPORT | 479,705 | 471,260 | 480,887 | 521,858 | 525,583 | 3,725 | 606,461 | 80,878 |
| 32 SEKIU | 17,609 | 17,584 | 17,488 | 18,732 | 19,403 | 671 | 19,682 | 279 |
| 33 AIRPORT RENTAL PROPERTIES | 1,606,642 | 1,643,242 | 1,695,274 | 1,636,614 | 1,497,038 | (139,576) | 1,383,243 | (113,795) |
| 41 PORT ANGELES BOAT HAVEN | 1,899,803 | 2,005,237 | 2,055,787 | 2,141,657 | 2,870,057 | 728,400 | 3,494,943 | 624,886 |
| 43 JOHN WAYNE MARINA | 1,958,326 | 2,083,868 | 2,089,599 | 2,185,290 | 2,149,028 | (36,262) | 2,195,798 | 46,770 |
| 61 RENTAL PROPERTIES | 200,305 | 220,599 | 226,822 | 175,084 | 217,526 | 42,442 | 200,347 | (17,179) |
| 80 ADMINISTRATIVE | - | - | - | | | - | | - |
| 90 NON-OPERATING | - | - | - | | | - | | - |
| 92 FACILITIES MAINTENANCE | - | - | - | | | - | | - |
| **TOTAL OPERATING REVENUES** | **10,965,351** | **11,033,339** | **10,694,210** | **11,678,583** | **10,483,672** | **(1,194,911)** | **11,323,564** | **839,892** |
| **OPERATING EXPENSES** | | | | | | | | |
| 11 MARINE TERMINAL | 1,083,930 | 1,534,132 | 1,502,157 | 1,579,583 | 1,374,339 | (205,244) | 1,422,163 | 47,824 |
| 15 MARINE TRADES AREA | 406,469 | 333,139 | 400,755 | 430,279 | 554,617 | 124,337 | 595,927 | 41,311 |
| 21 INTERMODAL HANDLING & TRANSFER FAC | 1,285,171 | 1,321,518 | 1,285,024 | 1,228,429 | 1,162,822 | (65,607) | 1,167,175 | 4,353 |
| 31 FAIRCHILD INTL AIRPORT | 513,566 | 628,723 | 641,155 | 668,197 | 622,861 | (45,336) | 703,223 | 80,362 |
| 32 SEKIU | 27,222 | 36,879 | 27,673 | 35,453 | 37,126 | 1,673 | 39,590 | 2,464 |
| 33 AIRPORT RENTAL PROPERTIES | 641,728 | 518,119 | 547,345 | 667,843 | 665,811 | (2,032) | 703,461 | 37,650 |
| 41 PORT ANGELES BOAT HAVEN | 999,922 | 863,478 | 943,681 | 968,058 | 1,757,366 | 789,308 | 1,861,163 | 103,797 |
| 43 JOHN WAYNE MARINA | 971,564 | 1,111,273 | 1,187,191 | 1,172,769 | 1,225,402 | 52,633 | 1,212,403 | (12,999) |
| 61 RENTAL PROPERTIES | 134,084 | 161,781 | 137,458 | 140,890 | 182,118 | 41,228 | 174,946 | (7,172) |
| 80 ADMINISTRATIVE | 1,373,609 | 2,349,244 | 2,106,124 | 2,375,728 | 2,476,319 | 100,591 | 3,071,703 | 595,384 |
| 81 ECONOMIC DEVELOPMENT | 335,219 | 348,341 | 432,302 | 446,551 | 599,878 | 153,327 | 673,454 | 73,576 |
| 82 IT | | | 81,044 | 119,300 | 167,820 | 48,520 | 218,640 | 50,820 |
| 90 NON-OPERATING | - | - | - | - | - | - | - | - |
| 91 MECH SHOP | 173,928 | 169,695 | 228,465 | 220,727 | 207,674 | (13,053) | 245,459 | 37,785 |
| 92 FACILITIES MAINTENANCE | 246,008 | 302,370 | 384,220 | 585,693 | 477,674 | (108,019) | 692,108 | 214,434 |
| **TOTAL DIRECT EXPENSES** | **8,192,421** | **9,678,692** | **9,904,594** | **10,639,500** | **11,511,827** | **872,327** | **12,781,415** | **1,269,589** |
| **ALLOCATED EXPENSES** | (0) | (0) | - | - | - | - | | - |
| ***NET SURPLUS (DEFICIT) - Before Depreciation*** | ***2,772,930*** | ***1,354,647*** | ***789,617*** | ***1,039,083*** | ***(1,028,154)*** | ***(2,067,237)*** | ***(1,457,851)*** | ***(429,697)*** |
| **ALLOCATED DEPRECIATION** | 0 | 0 | - | (0) | - | 0 | | - |
| **DEPRECIATION** | 2,692,500 | 3,140,216 | 3,296,247 | 4,495,039 | 4,085,795 | (409,244) | 5,991,188 | 1,905,393 |
| ***NET SURPLUS (DEFICIT) - After Depreciation*** | ***80,430*** | ***(1,785,569)*** | ***(2,506,630)*** | ***(3,455,957)*** | ***(5,113,949)*** | ***(1,657,993)*** | ***(7,449,039)*** | ***(2,335,090)*** |
| **NON-OP (GENERAL)** | | | | | | | | |
| NON-OP REV (General) | 1,308,753 | 1,330,849 | 1,218,764 | 1,006,000 | 1,001,801 | (4,199) | 891,000 | (110,801) |
| NON-OP EXP (General) | (529,498) | (2,275,334) | 22,223 | (71,339) | (114,948) | (43,609) | 45,600 | 160,548 |
| ***NON-OP (General) SURPLUS (DEFICIT)*** | ***1,838,251*** | ***3,606,184*** | ***1,196,541*** | ***1,077,339*** | ***1,116,749*** | ***39,410*** | ***845,400*** | ***(271,349)*** |
| **NON-OP (CAPITAL)** | | | | | | | | |
| NON-OP REV (Capital) | 8,822,521 | 7,671,334 | 6,293,516 | 29,261,039 | 25,140,659 | (4,120,380) | 24,088,556 | (1,052,103) |
| NON-OP EXP (Capital) | 45,228 | 35,776 | 48,077 | (46,645) | (46,224) | 421 | (41,473) | 4,751 |
| ***NON-OP (Capital) SURPLUS (DEFICIT)*** | ***8,777,293*** | ***7,635,558*** | ***6,245,439*** | ***29,307,684*** | ***25,186,883*** | ***(4,120,801)*** | ***24,130,029*** | ***(1,056,854)*** |
| ***NET NON-OP SURPLUS (DEFICIT)*** | ***10,615,544*** | ***11,241,742*** | ***7,441,979*** | ***30,385,022*** | ***26,303,632*** | ***(4,081,391)*** | ***24,975,429*** | ***(1,328,203)*** |
| ***TOTAL NET SURPLUS (DEFICIT)*** | ***10,695,974*** | ***9,456,173*** | ***4,935,349*** | ***26,929,066*** | ***21,189,682*** | ***(5,739,383)*** | ***17,526,390*** | ***(3,663,292)*** |

## 2027 BUDGET - ASSUMPTIONS
## All Departments

### General

1. CPI: August 2026
   - Bremerton-Silverdale-Port Hadlock, WA-All Urban Consumer (CPI-U) is 4.4%, with a 4.4% average over the first 6 months.
2. Inflation:
   - Operating: The general inflation outlook for 2026 is 4.6% in Seattle, per the Washington State Economic and Revenue Forecast Council in the quarterly June 2026 publication.
   - Capital: Rate of 3.16% from the Washington State Office of Financial Management.
3. The Commission will adopt one of these or another as the benchmark rate for annual rate increases.

### Revenues – 2027 Budget

11- Marine Terminal 2027 budget is projected to be slightly higher than 2026. This is primarily due to the RRF vessel contracts not materializing this fiscal year, Cable vessel layberth at 20% of the 2026 budget, and wood chip exports at 25% of the 2026 budget. Chip exports could ramp back up to an estimated 60,000 mt before year-end, with long-term layberth of 150+ days through year-end, and tanker/barge/research dockage also increasing. Several initiatives are underway to continue to diversify our marine terminal mix and bring in alternate lines of business.

15- Marine Trades Area revenues look to increase with new management in place. The financial/operational controls will continue to increase utilization rates at the lift, boat yard, and storage. Travel lift schedule is fully booked out for 90+ days. New seasonal customers to the MTC area are also increasing and bringing attention to the available potential there. The rate sheet for all Marine Trades services is under review for a Jan. 1 implementation.

21 – IHTF revenues are predicted to be up compared to 2026. Land services and cans are projected to be higher. Water services are going to be slower than 2026 but will be offset by an influx of barges for Alta and PA hardwoods.

31- Fairchild International Airport hangar and structure lease fees are projected to increase in accordance with the Consumer Price Index (CPI). Hangar E is expected to become available for lease during the first quarter and is anticipated to achieve full occupancy shortly thereafter. FIA's enclosed hangars currently maintain nearly 100% occupancy, and this strong demand trend is expected to continue through 2027. Landing fee revenues are projected to remain consistent with 2026 levels. Additionally, the arrival of Citizen Air may contribute to increased fuel surcharge revenues at FIA.

32- Sekiu revenues are projected to be slightly higher than 2026 revenues, primarily due to increased hangar rental rates. While available space is limited, we will continue marketing vacancies throughout the year to maximize occupancy and generate additional revenue.

33- Airport Rental Properties-Airport Properties are budgeted to be lower than previous years due to renovations being performed on usually occupied rental space.

41- Port Angeles Boat Haven marine moorage revenues should climb as our crews continue to review agreements and look to maintain fair and accurate invoicing to everyone utilizing the facilities. Fuel sales are robust and look to continue along seasonal lines.

43- John Wayne Marina moorage revenues will remain consistent as there will be a CPI increase for 2026, with a waitlist that remains backlogged. We are looking to increase fuel sales this coming year as the link PABH brings new opportunities to serve our customers.

61- Rental Properties are expected to decrease due to the replacement of structure leases with reduced-rate land leases.

**Expenses – 2027 Budget**

11- Marine Terminal expenses for 2027 across many categories are forecast at or below budget. Notable exceptions would be for business development.

15- Marine Trades Area expenses will be higher due to in-house personnel and training. Also, an upfitting of tools and required equipment should be noted.

21. IHTF Expenses Most expenses are projected to be slightly higher than 2026; however, maintenance charge-out costs are down nearly 60%, keeping the expenses overall similar to 2026.

31- Fairchild International Airport expenses are projected to increase compared to 2026. This increase is primarily attributable to higher maintenance charge-out and reimbursement costs associated with necessary maintenance projects on airport facilities, hangars, and aprons. Additional factors include rising material costs and planned asphalt repair work throughout the year.

32- Sekiu Airport expenses are projected to be slightly higher than 2026 levels. To help extend the service life of airport pavement and facilities, increased expenditures for maintenance and materials are anticipated for the runway, aprons, and hangars.

33- Airport Rental Property- budgeted expenses are expected to increase due to rising costs and improvements planned.

41- Port Angeles Boat Haven expenses are expected to increase as our new crews identify operational shortfalls and deferred maintenance. The regular maintenance routine for the docks and working gates, along with improvements, such as LED lighting upgrades, will all be within the budgeted numbers. We are also looking at some IT expenses related to security updates.

43- John Wayne Marina expenses should be flat, with the exception of COGS for increased fuel sales. will be slightly elevated. There will be some deferred required in the early part of the year, including potential landscape repairs due to water supply issues in 2026.

61- Rental Properties are expected to decrease due to less structure leases.

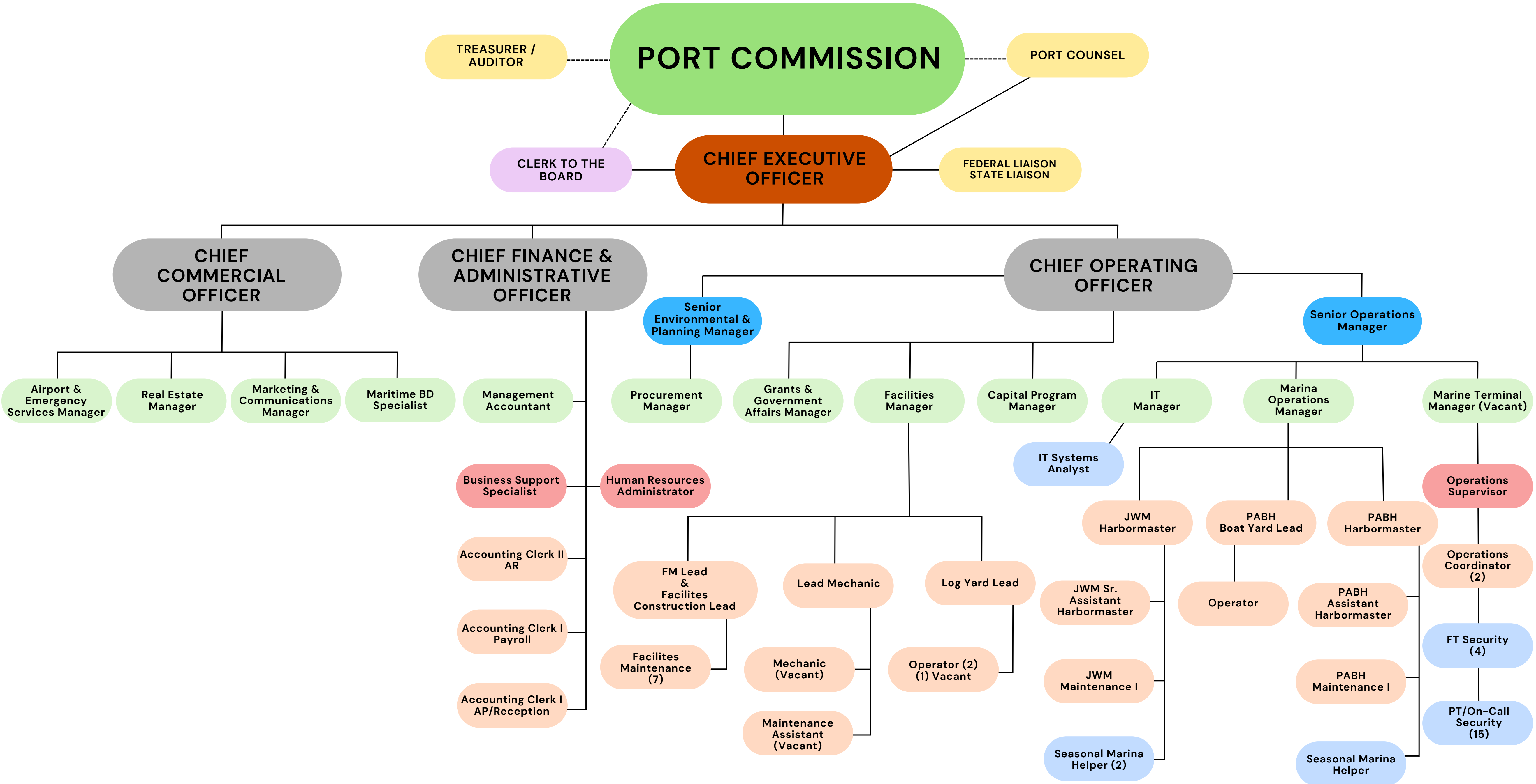
80- Administrative expenses will increase due to CPI increases and training costs.

81- Economic Development budgeted expenses are expected to increase due to higher employee head count.

82 - Information Technology (IT) expenses are expected to increase in 2027 as the Port's technology, cybersecurity, software licensing, and cloud service needs continue to grow. The adoption of artificial intelligence (AI) and other emerging technologies presents opportunities as well as uncertain future costs. Funding is included for training, regulatory compliance, cybersecurity readiness, and specialized professional services.

91. Mechanical Maintenance (MM) expenses are projected to increase compared to 2026, with non-maintenance charge-out and reimbursement projected to increase, security projected to increase, and maintenance charge-outs projected to be lower, but not enough to offset higher costs.

92- Facilities Maintenance (FM) Expenses are projected to be higher than 2026 due to less charge-out and reimbursement, and inflation




PORT of Port Angeles
Serving Clallam County Since 1923

## 2026 ORGANIZATIONAL CHART

**REGULAR COMMISSION MEETING**
**Tuesday, September 8, 2026, at 9:00 am**
**338 W. First St, 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 | Scott Hough, Senior Operations Manager |
| Colleen McAleer, Commissioner | Sarah Kuh, Management Accountant |
| Kelly Kidwell, Commissioner | Katharine Frazier, Grants & Gov't Affairs Manager |
| Paul Jarkiewicz, Chief Executive Officer | Zach Holsted, Capital Program Manager |
| Chris Hartman, Chief Operating Officer | Wilson Easton, Facilities Manager |
| Caleb McMahon, Chief Commercial Officer | Jenna Riley, Procurement Manager / Clerk to the Board |

## I. CALL TO ORDER / PLEDGE OF ALLEGIANCE (0:00-0:47)

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

## II. EARLY PUBLIC COMMENT SESSION (TOTAL SESSION UP TO 20 MINUTES) (0:48-1:15)

None

## III. APPROVAL OF AGENDA (1:16-1:29)

- Motion to approve the agenda as presented: Comm. McAleer
- 2nd: Comm. Kidwell
- Vote: 3-0 (Unanimous)

## IV. WORK SESSION (1:30-1:54:02)

A. Monthly Cash & Investment Report

- Presentation By: Sarah Kuh
- Discussion
- No Action

B. 2026 Operating Projected Budget Assumptions

- Presentation By: Paul Jarkiewicz, Sarah Kuh, Scott Hough, and Wilson Easton
- Discussion
- Action: Comm. McAleer requested stretch goals be separated out

## V. APPROVAL OF CONSENT AGENDA (1:54:03-1:56:48)

A. Regular Commission Meeting Minutes – August 25, 2026

B. Vouchers in the amount of $2,532,356.76

- Discussion
- Motion to approve the consent agenda as presented: Comm. Beauvais
- 2nd: Comm. McAleer
- Vote: 3-0 (Unanimous)

## VI. COMPLETION OF RECORDS (1:56:49-2:00:25)

A. Monthly Delegation of Authority

- Presentation By: Paul Jarkiewicz
- Discussion
- No Action

## VII. PLANNING AND CAPITAL PROJECTS (2:00:26-2:28:21)

A. Review Current 5-Year & 20-Year Capital Projects

- Presentation By: Chris Hartman
- Discussion
- No Action

## VIII. LOG YARD (2:28:22-2:36:08)

A. Log Yard Site and Stormwater Improvements Monthly Project Update

- Presentation By: Zach Holsted
- Discussion
- No Action

## IX. MARINE TRADES AND MARINE TERMINALS

No items

## X. PROPERTY

No items

## XI. MARINAS (2:36:09-2:39:47)

A. Item for Consideration – Sale of Abandoned Vessels & Res 26-1350

- Presentation By: Scott Hough
- Discussion
- Motion to adopt Resolution 26-1350 A Resolution Directing Sale of Abandoned Vessels and authorize the auction to proceed for “Flim-Flam – WN 7752 RD” and “SeeFin – WN 3039 GD”: Comm. McAleer
- 2nd: Comm. Kidwell
- Vote: 3-0 (Unanimous)

## XII. AIRPORTS

No items

## XIII. OTHER BUSINESS (2:39:48-2:43:49)

A. U.S. Marine Highway Program Letter of Endorsement for Wing Point Service Company, Inc.

- Presentation By: Katharine Frazier
- Discussion
- Motion to sign the Maritime Administration, U.S. Department of Transportation letter of endorsement regarding Wing Point Service Company, Inc. FY2026 United States Marine Highway Program Grant Application: Comm. Beauvais
- 2nd: Comm. McAleer
- Vote: 3-0 (Unanimous)

## XIV. ITEMS NOT ON THE AGENDA (2:43:50-2:43:54)

No items

## XV. COMMISSIONER REPORTS (2:43:55-2:48:05)

Comm. Beauvais spoke on the Np Buffer Rule and noted that the Judge has sided with the Agency to increase the buffer zone; however, the Judge put a hold on the ruling until the next level of court can make their decision. Amicus Brief participants believe the Amicus Brief caused the hold. Port Counsel is reaching out to all Amicus Brief participants to ask whether they would like to proceed.

## XVI. PUBLIC COMMENT SESSION (TOTAL SESSION UP TO 20 MINUTES) (2:48:06-2:48:22)

None

## XVII. FUTURE AGENDA (2:48:21-2:50:14)

A. September 22, 2026 – 2026 CIP Projected Year End / Draft 2027 Capital Budget / 2027 Operating Budget Highlights / Finalize Operating Assumptions & Org Chart

B. October 13, 2026 – Capital Project Prioritization (if needed) / Introduce Operating Budget

C. October 27, 2026 – Draft Final Capital Budget / Present Prelim 2027 Operating Budget & Tax Levy

D. November 10, 2026 – Open Public Hearing on 2027 Budget and Tax Levy

E. November 17, 2026 – Special Commission Meeting – Close Public Hearing & Adopt 2027 Budget and Tax Levy

## XVIII. NEXT MEETINGS

A. September 22, 2026 – Regular Commission Meeting

B. October 13, 2026 – Regular Commission Meeting

C. October 26, 2026 – Special Joint Meeting with Board of County Commissioners & The Clallam County Public Utility District (Hosted at the BOCC)

D. October 27, 2026 – Regular Commission Meeting (*Comm. Kidwell Excused Absence)

E. November 10, 2026 – Regular Commission Meeting

## XIX. UPCOMING EVENTS

A. September 28-30, 2026 – American Association of Port Authorities (AAPA) Annual Conf. (New Orleans, LA)

B. October 12-13, 2026 – Marine Highway 5 and 84 (MH5 & MH84) Joint Annual Roundtable (Vancouver, WA)

C. October 13-15, 2026 – Pacific Northwest Waterways Assoc. (PNWA) Annual Meeting (Vancouver, WA)

D. October 18-21, 2026 – National Association of Foreign Trade Zones (NAFTZ) Annual Conference & Exposition (San Diego, CA)

E. October 22-23, 2026 – Washington Public Ports Association (WPPA) Small Ports (Chelan – Campbell's Resort Lake Chelan)

## XX. EXECUTIVE SESSION (2:50:15-2:51:50)

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

- Comm. Beauvais recessed the meeting to convene an executive session with an anticipated length of 95 minutes. Following the executive session, the Commission is not expected to take action.
- Discussion:
  - Four (4) items concerning legal or financial risk. Discussing such matters in executive session is appropriate pursuant to RCW 42.30.110(1)(i)
- Recessed Regular Meeting at 11:50 am
- Start Time: 11:55 am
- Estimated End Time: 1:30 pm
- Extended: 5 minutes
- End Time: 1:37 pm

**Public Session of Commission Meeting Reconvened: 1:37 pm**

Comm. Beauvais noted that no action will be taken on any agenda items as a result of the executive session.

**XXI. ADJOURN (2:51:50-2:51:56)**

Comm. Beauvais adjourned the meeting at 1:37 pm.

PORT OF PORT ANGELES
BOARD OF COMMISSIONERS

____________________________
Connie Beauvais, President

____________________________
Kelly Kidwell, 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.

This process is in compliance with the applicable RCWs and the State Auditor's Budget Accounting and Reporting System (BARS) requirements. Further, the Port maintains effective internal controls to ensure that all disbursements are valid obligations authorized in accordance with the Delegation of Authority Policy.

## SUMMARY TRANSMITTAL September 9, 2026 – September 16, 2026

CERTIFICATION

| | | | | |
|---|---|---|---|---|
| **Accounts Payable** | | | | |
| | **Begin** | **End** | | |
| **For General Expenses and Construction** | **Check #** | **Check #** | | |
| Accts Payable Checks (computer) | 420840 | 420872 | $ | 139,307.42 |
| Voided/Zero Payable | | | | |
| Accts Payable ACH | 008517 | 008555 | $ | 1,537,080.18 |
| VOIDED/ZERO PAYABLE ACH | | | | |
| Wire Transfer - Expenses | | | $ | 33,889.50 |
| Wire Transfer - Excise Tax | | | | |
| Wire Transfer - Leasehold Tax | | | | |
| **Total General Expenses and Construction** | | | **$** | **1,710,277.10** |
| | | | | |
| **Payroll** | | | | |
| Employee Payroll Checks PPD (Direct Deposit) | 008443 | 008516 | $ | 137,129.21 |
| Voided Payroll Check | 008474, 008475, 008493, 008504 | | $ | - |
| Wire Transfer - (Payroll Taxes, Retirement, Deferred Comp, L&I, PFML) | | | $ | 64,309.94 |
| **Total Payroll** | | | **$** | **201,439.15** |
| **Total General Exp & Payroll** | | | **$** | **1,911,716.25** |

I, the Port Auditor or Deputy Auditor, do hereby clarify that the claims listed above are true and valid obligations and that appropriate and effective internal controls are in place to ensure that the outstanding obligations have been processed in accordance with the Port of Port Angeles procurement/payment policies and delegation of authority.

________________________________________
Auditor / Deputy Auditor

______________________________
Commissioner, Connie Beauvais

______________________________
Commissioner, Colleen McAleer

______________________________
Commissioner, Kelly Kidwell

* Detail is available upon request to Jennifer Baker, Chief Finance & Administrative Officer: jenniferb@portofpa.com

## DRAFT CAPITAL BUDGET

(as presented during the 09/22/2026 Commission Meeting)

The 2027 Capital Budget includes a 1-year Capital Projects Budget, a 5-year Capital Improvement Plan, and a 20-year Capital Improvement Plan. The Capital Projects Budget is funded by grants, property tax surplus, operating surplus, and reserves. The surplus from property taxes is net of general tax levies in excess of debt service expenditures. Surplus from Port operations results from the cumulative excess of revenues over expenses. The Port will also issue debt to fund projects. Below is a breakdown of the sources of funding for this year's capital budget.

| | | |
|---|---|---|
| Property Tax Levy | *$ 1,883,631 | |
| Debt Service | $ (176,385) | |
| Misc. & Non-Op | $ 845,000 | (interest earning less environmental cleanup) |
| Net Operating Deficit | $( 1,457,851) | |
| Capital Expenditures | $(65,748,350) | |
| Debt | $ 39,000,000 | |
| Grant Reimbursement | $ 22,241,480 | |
| Impact to Cash Reserves | * $(-3,412,475) | |

*Values are still being finalized*

### A. CAPITAL PROJECTS BUDGET

For a project to be included in the capital budget, the total project cost must exceed $10,000, and the asset must have a minimum useful life of five (5) years. If it is a maintenance project, then the life of the asset must be extended by a minimum of five (5) years.

Capital projects are included in the budget according to a descending list of priorities. The four main priority categories for projects are:

1. **Regulatory Required Projects**: These projects are required by a regulatory agency. The Port must complete these projects to remain in compliance with established regulations.
2. **Committed Projects**: These projects are considered "committed" because of one or more of the following reasons:
    a. Port agreed to complete the project within a lease or other agreement.
    b. Port has accepted grant funding and committed the matching funds by resolution.
    c. Contingency budget to accommodate unbudgeted projects is programmed as 10% of the Port's annual depreciation amount.

3. **Critical Maintenance Projects**: These projects are included in the capital budget to prevent further damage to a Port asset. Delaying these projects will result in more costly repairs.

4. **Strategic Investment Projects**: These projects will be prioritized based on a combination of the following factors: 1) Job Creation and Retention, 2) Return on Investment, 3) Environmental Benefit, and 4) Preventive Maintenance. Preventive maintenance projects are those that, if deferred until next year, will not result in further damage to the assets.

## B. 5-YEAR CAPITAL IMPROVEMENT PLAN

The 5-Year Capital Improvement Plan (CIP) is a planning tool that identifies Capital Projects through the year 2031. The Port has established a target cash reserve balance of $10 million. The current list of projects is expected to reduce the cash reserve balance below the target by the end of 2028 and become negative by the end of 2030, with no other revenue (Op and Non-Op) inflows. The Port will need to identify other sources of funding, which could include debt and/or grants, to complete this list of projects. Projects shown in future years do not commit the Port to funding. Each project will undergo a prioritization and a return on investment (ROI) analysis before being accepted into the current year's Capital Budget.

## C. 20-YEAR CAPITAL IMPROVEMENT PLAN

This list represents significant capital investments that the Port is likely to make within the next six (6) to twenty (20) years (2032-2047). These projects are primarily infrastructure replacement projects and new development projects that represent high-priority strategic investments. This plan is designed to help balance current capital investments and debt with an understanding of future investment needs. Project estimates are escalated using an annual average inflation rate of 3.16% in accordance with the Washington State Department of Financial Management Cost Estimating Form C-100.

## D. GRANTS

The Port has been awarded seven (7) separate state and federal grants and should likely receive determinations on four (4) more grants by the end of the first quarter of 2027. Each grant carries its own unique conditions and matching funds requirements. See the table below for details regarding the awarded and pending grants.

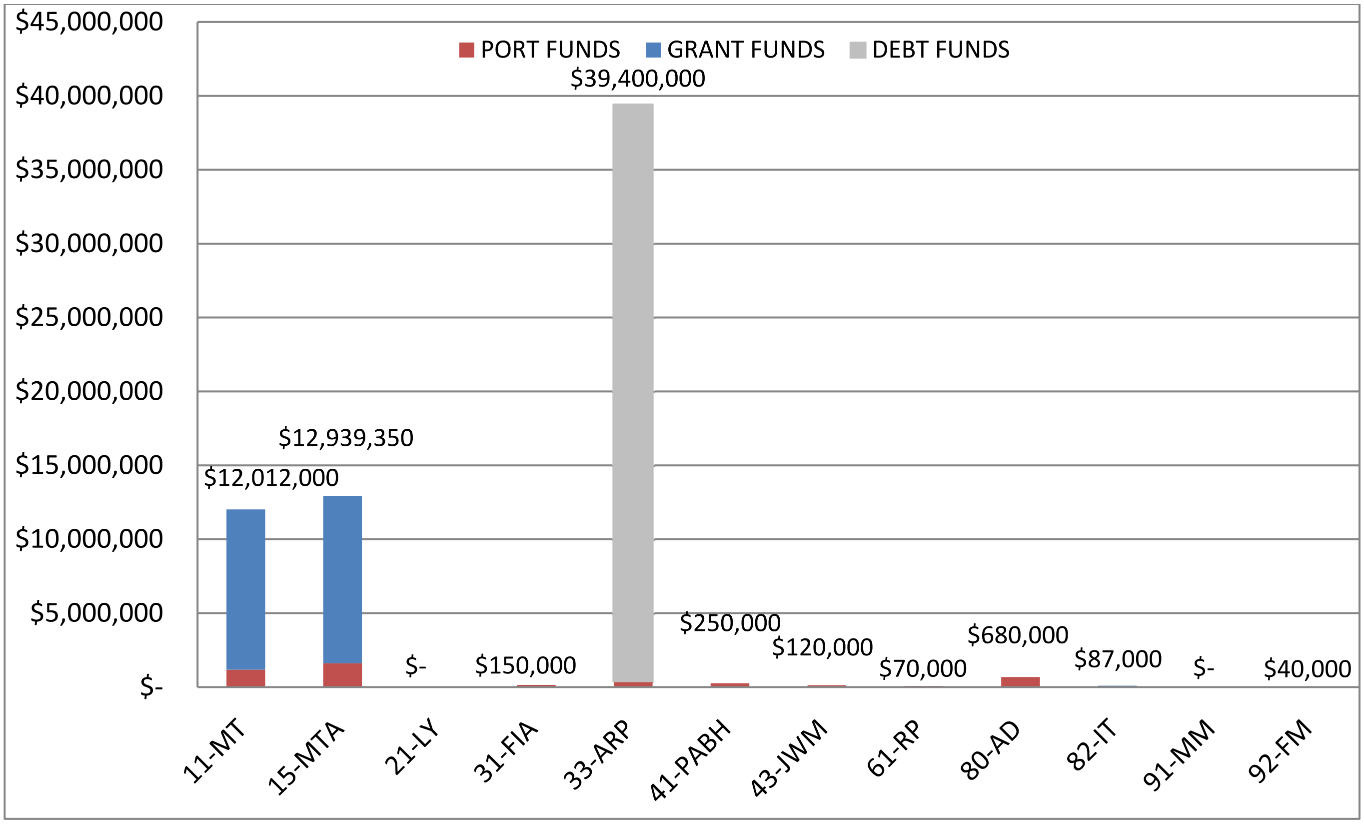
## 2027 CAPITAL EXPENDITURES BY DEPARTMENT

| Grant Agency | Program | Project | Grant Funds | Match Funds |
|---|---|---|---|---|
| U.S. Environmental Protection Agency | Clean Ports Program | Shore Power Service Upgrades & Zero Emission Equipment | $9,457,350 | $525,408 |
| Washington State Department of Transportation | Port Electrification | Shore Power Service Upgrades & Zero Emission Equipment | $525,408 | |
| U.S. Dept of Transportation – Maritime Admin. | FY2024 Port Infrastructure Development Program | Cargo Handling Equipment | $9,000,000 | $2,250,000 |
| U.S. Dept. of Commerce – Economic Development Admin. | Recompete | Three (3) barges for Marine Transportation | $6,000,000 | $0 |
| U.S. Dept. of Homeland Security | Port Security Grant Program | Security Operations Center<br>TWIC Readers | $230,000<br>$10,948 | $80,000<br>$2,737 |
| Dept of Housing and Urban Development | Congressional Appropriation – Emily R. | Tse-Whit-Zen Restoration | $850,000 | $0 |
| * U.S. Dept of Transportation – Maritime Admin. | FY2025 Port Infrastructure Development Program | Terminal 3 Cargo Efficiency Upgrades | $11,249,995 | $2,990,505 |
| Washington State Dept. of Commerce | WA Commerce (Proviso) | Multi-user Building | $2,000,000 | $0 |
| *U.S. Dept. of Commerce – Economic Development Admin. | 2025 Disaster Supplement | Multi-user Building | $17,670,664 | $417,666 |
| *U.S. Dept of Transportation | Small Community Air Service Development | FBO Minimum Revenue Guarantee | $1,500,000 | $150,000 |

Total = $58,494,365 $6,416,316

* The Port has submitted a grant application, but the grant agency has not made a funding determination at the time the budget was adopted.

# 2027 CAPITAL EXPENDITURES BY DEPARTMENT




| Dept. | 2026 Port Projected | 2026 Grant Projected | 2026 Total Projected | 2027 Port Budget | 2027 Grant Budget | 2027 Debt Budget | 2027 Total Budget |
|---|---|---|---|---|---|---|---|
| 11-MT | $ 1,048,500 | $ 3,922,664 | $ 4,971,164 | $ 1,171,000 | $ 10,841,000 | $ - | $ 12,012,000 |
| 15-MTA | $ 348,767 | | $ 348,767 | $ 1,603,870 | $ 11,335,480 | $ - | $ 12,939,350 |
| 21-LY | $ 2,480,373 | $ 10,196,789 | $ 12,677,162 | $ - | $ - | $ - | $ - |
| 31-FIA | $ 3,510,084 | $ 6,976,603 | $ 10,486,687 | $ 150,000 | $ - | $ - | $ 150,000 |
| 33-ARP | $ 728,832 | $ - | $ 728,832 | $ 400,000 | $ - | $ 39,000,000 | $ 39,400,000 |
| 41-PABH | $ 799,522 | $ - | $ 799,522 | $ 250,000 | $ - | $ - | $ 250,000 |
| 43-JWM | $ 270 | $ - | $ 270 | $ 120,000 | $ - | $ - | $ 120,000 |
| 61-RP | $ 66,483 | $ - | $ 66,483 | $ 70,000 | $ - | $ - | $ 70,000 |
| 80-AD | $ 123,870 | $ - | $ 123,870 | $ 680,000 | $ - | $ - | $ 680,000 |
| 82-IT | $ - | $ - | $ - | $ 22,000 | $ 65,000 | $ - | $ 87,000 |
| 91-MM | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| 92-FM | $ 53,675 | $ - | $ 53,675 | $ 40,000 | $ - | $ - | $ 40,000 |
| **Total** | $ 9,160,376 | $ 21,096,056 | $ 30,256,431 | $ 4,506,870 | $ 22,241,480 | $ 39,000,000 | $ 65,748,350 |

# 2027 CAPITAL EXPENDITURES BY DEPARTMENT

**Projected values are still being finalized**

## 2027 CAPITAL PROJECTS

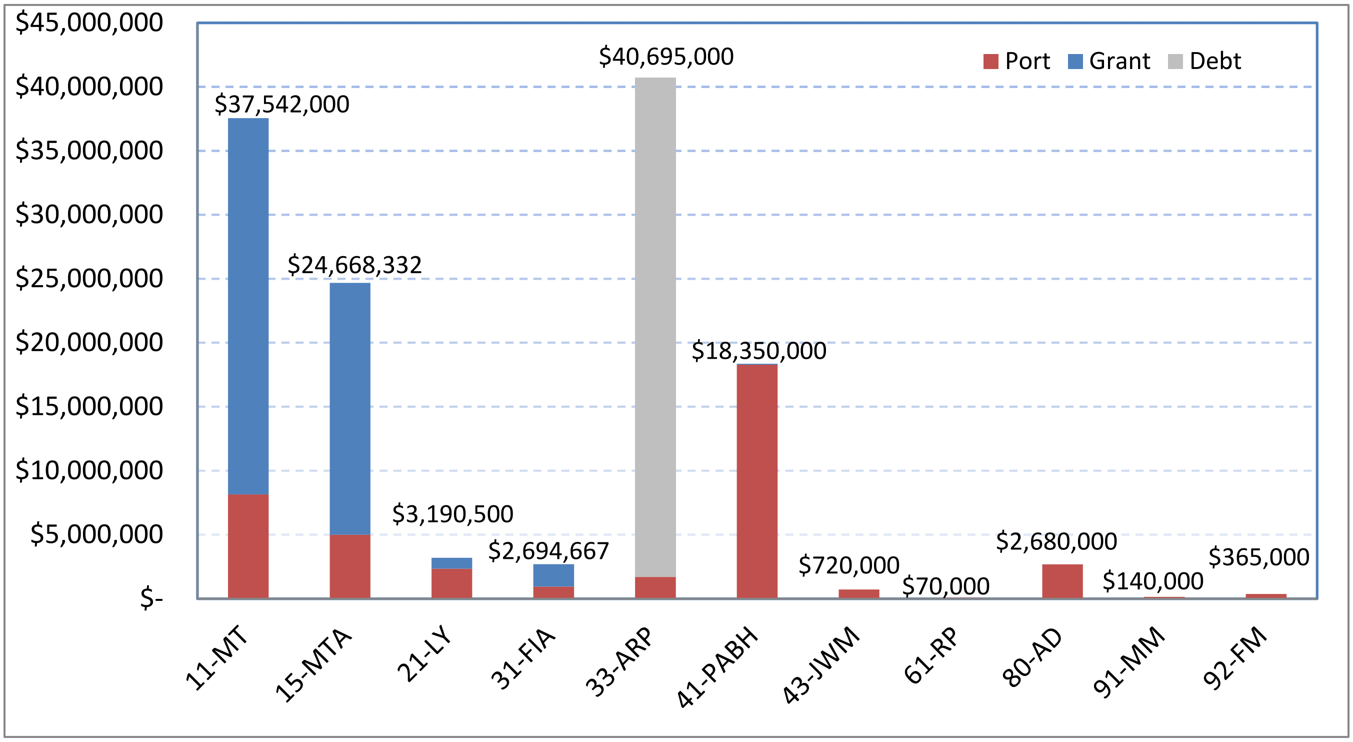
| # | Dept. | Project Description | Port Funds | Grant Funds | Debt Funds | Total |
|---|---|---|---|---|---|---|
| 2.01 | 11-MT | T1 Shorepower Improvement (G) | $240,000 | $4,551,000 | | $4,791,000 |
| 2.02 | 11-MT | Reach Stacker Cargo Equip (G) | $124,000 | $2,354,000 | | $2,478,000 |
| 2.03 | 11-MT | 15-Ton Electric Forklift (G) | $35,000 | $665,000 | | $700,000 |
| 2.04 | 11-MT | 5-Ton Electric Forklift (G) | $7,000 | $131,000 | | $138,000 |
| 2.05 | 11-MT | Cable Management Equip (G) | $60,000 | $1,140,000 | | $1,200,000 |
| 2.06 | 11-MT | Barges (G) | $0 | $2,000,000 | | $2,000,000 |
| 2.07 | 82-IT | Cybersecurity Master Plan (G) | $22,000 | $65,000 | | $87,000 |
| 2.08 | 15-MTA | Marine Trades Multi-User Building (G) | $333,870 | $11,335,480 | | $11,669,350 |
| 2.09 | 15-MTA | S.W. Conveyance Improvements (SP) | $70,000 | | | $70,000 |
| 2.10 | 43-JWM | Beach Access Improvement (SP) | $45,000 | | | $45,000 |
| 2.11 | 80-AD | Capital Budget Contingency | $600,000 | | | $600,000 |
| 3.01 | 11-MT | T1 Zone 2 Fire Sprinkler Replacement | $530,000 | | | $530,000 |
| 3.02 | 33-ARP | MTIB Roof Replacement | $400,000 | | | $400,000 |
| 3.03 | 11-MT | T1 Warehouse South (SP) | $175,000 | | | $175,000 |
| 4.01 | 92-FM | Asphalt Seal Coat Equipment | $40,000 | | | $40,000 |
| 4.02 | 31-FIA | Life Flight Roof Replacement (SP) | $100,000 | | | $100,000 |
| 4.03 | 33-ARP | PAC - Improvements Phase I | $0 | | $20,000,000 | $20,000,000 |
| 4.04 | 33-ARP | PAC - Improvements Phase II | $0 | | $19,000,000 | $19,000,000 |
| 4.05 | 41-PABH | W. PABH Design (P) | $250,000 | | | $250,000 |
| 4.06 | 43-JWM | Fiber to Gates (SP) | $25,000 | | | $25,000 |
| 4.07 | 43-JWM | Hendricks Room - Kitchen (SP) | $50,000 | | | $50,000 |
| 4.08 | 61-RP | Baby Store Improvements (SP) | $70,000 | | | $70,000 |
| 4.09 | 80-AD | Admin Bldg Façade Improvements (SP) | $80,000 | | | $80,000 |
| 4.10 | 31-FIA | Transient Area Asphalt Repair (SP) | $50,000 | | | $50,000 |
| 4.11 | 15-MTA | MTC Site Development | $1,200,000 | | | $1,200,000 |
| | | **TOTALS** | **$ 4,506,870** | **$ 22,241,480** | **$ 39,000,000** | **$ 65,748,350** |

| | |
|---|---|
| #: | Priority Ranking. The first number is the project category (see description on Page V-1) and the second number is its priority number within that category. |
| G: | Grant funds have been awarded. |
| G*: | Grant funds have not yet been awarded. |
| P: | Planning work such as engineering, design, permitting, bid document preparation, ect… |
| IHTF: | Intermodal Handling and Transfer Facility. |
| SP: | Self Perform. These projects will be completed with Port labor. |

* Total cost for projects without grant funds = $3,085,000. This excludes the “Capital Project Contingency”

** Depreciation is still being finalized. Contingency will update accordingly

# 2027 – 2031 CAPITAL IMPROVEMENT PLAN BE DEPARTMENT




| Dept. | Port | Grant | Debt | Total |
|---|---|---|---|---|
| 11-MT | $ 8,146,000 | $ 29,396,000 | $ - | $ 37,542,000 |
| 15-MTA | $ 4,997,687 | $ 19,670,645 | $ - | $ 24,668,332 |
| 21-LY | $ 2,340,500 | $ 850,000 | $ - | $ 3,190,500 |
| 31-FIA | $ 933,667 | $ 1,761,000 | $ - | $ 2,694,667 |
| 33-ARP | $ 1,695,000 | $ - | $ 39,000,000 | $ 40,695,000 |
| 41-PABH | $ 18,275,000 | $ 75,000 | $ - | $ 18,350,000 |
| 43-JWM | $ 720,000 | $ - | $ - | $ 720,000 |
| 61-RP | $ 70,000 | $ - | $ - | $ 70,000 |
| 80-AD | $ 2,680,000 | $ - | $ - | $ 2,680,000 |
| 91-MM | $ 140,000 | $ - | $ - | $ 140,000 |
| 92-FM | $ 365,000 | $ - | $ - | $ 365,000 |
| **TOTAL =** | **$ 40,362,854** | **$ 51,752,645** | **$ 39,000,000** | **$ 131,115,499** |

# 2027 – 2031 CAPITAL IMPROVEMENT PLAN

| Dept. | Project Description | 2027 | 2028 | 2029 | 2030 | 2031 |
|---|---|---|---|---|---|---|
| 11-MT | T1 Shorepower Improvement (G) | $240,000 | | | | |
| 11-MT | Reach Stacker Cargo Equip (G) | $124,000 | | | | |
| 11-MT | 15-Ton Electric Forklift (G) | $35,000 | | | | |
| 11-MT | 5-Ton Electric Forklift (G) | $7,000 | | | | |
| 11-MT | Cable Management Equip (G) | $60,000 | | | | |
| 11-MT | Material Handlers x 2 (G) | | $550,000 | | | |
| 11-MT | Barges (G) | | | | | |
| 11-MT | Security Operations Center (G) | | $80,000 | | | |
| 11-MT | T1 Asphalt Patching | | $150,000 | | | |
| 11-MT | Access Control Upgrades (G) | | $25,000 | | | |
| 11-MT | T1 Zone 2 Fire Sprinkler Replace | $530,000 | | | | |
| 11-MT | T1 Zone 3 Fire Sprinkler Replace | | $575,000 | | | |
| 11-MT | T1 Zone 4 Fire Sprinkler Replace | | | $605,000 | | |
| 11-MT | T1 Zone 5 Fire Sprinkler Replace | | | | $340,000 | |
| 11-MT | Tumwater Bank Stabilization (G*) | | $37,500 | | $362,500 | |
| 11-MT | Terminal 3 Expansion (G*) | | $750,000 | $1,750,000 | $1,750,000 | |
| 11-MT | T1 Warehouse South (SP) | $175,000 | | | | |
| 15-MTA | Industrial Prop. Acquisition | | $250,000 | $250,000 | $250,000 | $250,000 |
| 15-MTA | MTC Site Development | $1,200,000 | | | | |
| 15-MTA | Multi-User Bldg. (G) | $333,870 | | $2,083,817 | | |
| 15-MTA | B.Y. Wash Pad Replace | | $30,000 | | | |
| 15-MTA | B.Y. Building Roof Replace | | $225,000 | | | |
| 15-MTA | B.Y. Building Siding Repairs | | $55,000 | | | |
| 15-MTA | S.W. Conveyance Impts. (SP) | $70,000 | | | | |
| 21-LY | Boom Boat Repairs | | $30,000 | | | |
| 21-LY | Hydraulic Loader Replace | | | | $550,000 | |
| 21-LY | Equip. Replace 1 | | | | $1,760,500 | |
| 21-LY | Tse-Whit-Zen Restoration (G) | | | | | |
| 31-FIA | Asphalt Surface Repairs | | | $100,000 | | |
| 31-FIA | Transient Area Asphalt Repair | $50,000 | $450,000 | | | |
| 31-FIA | Runway Obst. Removal (G) | | | $17,000 | | |
| 31-FIA | Airport Master Plan (G) | | $50,000 | $16,667 | | |
| 31-FIA | Electric Charging Stations (G*) | | $150,000 | | | |
| 31-FIA | Life Flight Roof Replacement | $100,000 | | | | |
| 33-ARP | MTIB Roof Coating | $400,000 | | | | |
| 33-ARP | 1020 Bldg. Roof Coating | | $300,000 | | | |
| 33-ARP | 1030 Bldg. Roof Coating | | | $315,000 | | |
| 33-ARP | 1040 Bldg. Roof Coating | | | | $330,000 | |
| 33-ARP | 1010 Bldg. Roof Coating | | | | | $350,000 |
| 33-ARP | PAC Improvements - Phase I | | | | | |
| 33-ARP | PAC Improvements - Phase II | | | | | |
| 41-PABH | Boat Launch Restroom (G) | | $25,000 | | | |
| 41-PABH | W. PABH Design (P) | $250,000 | $500,000 | $500,000 | | |

# 2027 – 2031 CAPITAL IMPROVEMENT PLAN

| | | | | | | |
|---|---|---|---|---|---|---|
| 41-PABH | W. PABH Float & Breakwater Replace (G*) | | | $8,000,000 | $9,000,000 | |
| 43-JWM | Fiber to Gates | $25,000 | | | | |
| 43-JWM | Parking lot Rehabilitation | | | | $600,000 | |
| 43-JWM | Beach Access Improvement (SP) | $45,000 | | | | |
| 43-JWM | Hendricks Room Kitchen (SP) | $50,000 | | | | |
| 61-RP | Baby Store Improvements (SP) | $70,000 | | | | |
| 80-AD | Capital Budget Contingency | $600,000 | $500,000 | $500,000 | $500,000 | $500,000 |
| 80-AD | Admin Bldg Façade Impts | $80,000 | | | | |
| 82-IT | Cybersecurity Master Plan (G) | $22,000 | | | | |
| 82-IT | Storage Area Network (G) | | $25,000 | | | |
| 91-MM | Mech. Shop Maint. / Impts | | | | | $140,000 |
| 92-FM | Front End Loader | | $150,000 | | | |
| 92-FM | Dump Truck Replacement | | | $75,000 | | |
| 92-FM | Asphalt Seal Coat Equipment | $40,000 | | | | |
| 92-FM | Bulldozer | | $100,000 | | | |
| | | | | | | |
| | **Total not including grant/bond funds** | **$4,506,870** | **$5,007,500** | **$14,212,484** | **$15,443,000** | **$1,240,000** |
| | **Grant and Bond Funds** | **$61,241,480** | **$13,342,500** | **$13,796,165** | **$2,537,500** | **$-** |
| | **TOTAL (including grant and bond funds)** | **$65,748,350** | **$18,350,000** | **$28,008,649** | **$17,980,500** | **$1,240,000** |
| | **** PORT ESTIMATED CASH RESERVE BALANCE** | **18,179,329** | **$14,548,331** | **$13,856,289** | **$21,821,672** | **$13,602,668** |

**$40,409,854**

**5 YEAR TOTAL = (including grant and bond funds)** **$131,327,499**

**Cash Reserves are being finalized

# 2027 – 2031 CAPITAL IMPROVEMENT PLAN

| | Site Name | 2027 | 2028 | 2029 | 2030 | 2031 |
|---|---|---|---|---|---|---|
| | **Cleanup Expenditures for Active Cleanup Sites 2027 - 2031** | | | | | |
| 90-NO | KPLY Monitoring (Total) | $ 75,000 | $ 75,000 | $ 75,000 | $ 75,000 | $ 75,000 |
| | KPLY Monitoring (Port) | $ - | $ - | $ - | $ - | $ - |
| 90-NO | MTA (Total) | $ 300,000 | $ 2,000,000 | $ 150,000 | $ 150,000 | $ 150,000 |
| | MTA (Port) | $ - | $ - | $ - | $ - | $ - |
| 90-NO | Fmr Shell Oil Bulk Plant - 220 Tumwater Truck Rt (Total) | $ 140,000 | $ 3,200,000 | $ 75,000 | $ 75,000 | $ 75,000 |
| | Fmr Shell Oil Bulk Plant - 220 Tumwater Truck Rt (Port) | $ - | $ - | $ - | $ - | $ - |
| 90-NO | Fmr Pettit Oil - 220 Tumwater Truck Rt (Total) | $ 100,000 | $ 1,500,000 | $ 50,000 | $ 50,000 | $ 50,000 |
| | Fmr Pettit Oil - 220 Tumwater Truck Rt (Port) | $ - | $ - | $ - | $ - | $ - |
| 90-NO | T5, T6, T7 Upland (Total) | $ 150,000 | $ 500,000 | $ 1,500,000 | $ 3,500,000 | $ 500,000 |
| | T5, T6, T7 Upland (Port) | $ - | $ - | $ - | $ - | $ - |
| 90-NO | Harbor (Total) | $ 1,500,000 | $ 1,500,000 | $ 2,500,000 | $ 2,500,000 | $ 10,000,000 |
| | Harbor (Port) | $ - | $ - | $ - | $ - | $ - |
| | **5 Year Total =** | **$ 32,590,000** | | | | |
| | **** 5 Year Port Total =** | **$ -** | | | | |

# 2031 – 2046 CAPITAL IMPROVEMENT PLAN

| DEPT. | Project Description | 2026 $ | Project Year | Project Year $ | Purpose |
|---|---|---|---|---|---|
| 15-MTA | Marine Dr. Intersection | $ 1,650,560 | 2032 | $ 1,989,296 | Maint. |
| 15-MTA | MTC Industrial Building | $ 20,632,000 | 2032 | $ 24,866,195 | Jobs / ROI |
| 15-MTA | MTC Boat Lift Pier | $ 8,794,390 | 2032 | $ 10,599,215 | Jobs |
| 21-LY | Equip. Replace 2 | $ 567,380 | 2032 | $ 683,820 | Maint. |
| 92-FM | Equip. / Vehicle Replace 2 | $ 139,266 | 2033 | $ 173,151 | Maint. |
| 43-JWM | Admin. Building Maintenance | $ 386,850 | 2033 | $ 480,974 | Maint. |
| 33-ARP | Site Preparation for Building | $ 1,910,000 | 2033 | $ 2,374,722 | Jobs / ROI |
| 33-ARP | Industrial Bldg. (25,000 s.f.) | $ 9,390,000 | 2034 | $ 12,043,598 | Jobs / ROI |
| 11-MT | Terminal 1 /3 Repairs | $ 5,673,800 | 2034 | $ 7,277,206 | Maint. |
| 43-JWM | Float / Pile Replacement | $ 17,588,780 | 2035 | $ 23,272,215 | Maint/New |
| 43-JWM | Connect to Sequim Sewer | $ 938,756 | 2036 | $ 1,281,345 | Maint/New |
| 11-MT | Terminal 4 Rehabilitation | $ 1,237,920 | 2037 | $ 1,743,080 | Maint |
| 15-MTA | MTC Industrial Building | $ 20,632,000 | 2038 | $ 29,969,350 | Jobs / ROI |
| 43-JWM | Electrical & Lighting Replace | $ 1,547,400 | 2040 | $ 2,392,000 | Maint. |
| 43-JWM | Shoreline & Breakwater | $ 1,392,660 | 2041 | $ 2,220,829 | Maint. |
| 21-LY | General Equip. Replace 3 | $ 1,650,560 | 2042 | $ 2,715,268 | Maint. |
| 92-FM | Equip. / Vehicle Replace 3 | $ 257,900 | 2043 | $ 437,667 | Maint. |
| 41-PABH | E. PABH Jetty Stabilization | $ 2,682,160 | 2045 | $ 4,843,954 | Maint. |
| 31-FIA | New Terminal Building | $ 3,352,700 | 2046 | $ 6,246,279 | Jobs / ROI |
| | **TOTAL =** | **$ 100,425,082** | | **$ 135,610,165** | |

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

**September 22, 2026**

| | |
|---|---|
| **SUBJECT:** | **RESOLUTION NO. 26-1351 AUTHORIZING THE ISSUANCE AND SALE OF LIMITED TAX GENERAL OBLIGATION BONDS, 2026 (TAXABLE)** |
| **PRESENTED BY:** | **Paul Jarkiewicz, Chief Executive Officer; Jennifer Baker, Chief Finance and Administrative Officer** |
| **ATTACHMENT:** | **Draft Bond Resolution** |

## RCW & POLICY REQUIREMENTS:

The draft Resolution is prepared under applicable Washington law, including chapters 53.36, 53.40, 39.44, and 39.46 RCW. It authorizes the Port to issue non-voted limited tax general obligation bonds within the Port's statutory debt capacity and appoints the Chief Executive Officer as the Designated Representative to negotiate and recommend final terms within the parameters established by the Commission. Final pricing and sale of the Bonds will remain subject to subsequent approval by the Port Commission at an open public meeting.

## BACKGROUND:

The Port is advancing additions and improvements to Port-owned properties at the Composite Manufacturing Campus at William R. Fairchild International Airport. The contemplated work includes renovating Buildings 1010 and 1050 and constructing and renovating connecting structures among Buildings 1010, 1020, 1030, and 1050. The improvements are intended to modernize and integrate existing manufacturing facilities, improve operational efficiency, and support long-term industrial and aerospace manufacturing activity at the campus.

The financing is structured as taxable limited tax general obligation bonds because a private-sector Port tenant is expected to use the improved facilities. Bond proceeds may also pay eligible financing and issuance costs and may include capitalized interest, subject to final transaction documents and market conditions.

## ANALYSIS:

The Resolution establishes an authorization envelope rather than fixing the final borrowing terms on the date of adoption. This allows the Port to continue developing the financing structure and respond to market conditions without committing to a final borrowing amount today. Within that envelope, the Designated Representative may work with Port staff, Bond Counsel, the Municipal Advisor, the Underwriter, and other transaction professionals to develop and negotiate a proposed structure and sale. The final principal amount, interest rates, true interest cost, maturity schedule, redemption provisions, purchase price, and other material terms will be presented to the Port Commission for approval before the Bond Purchase Agreement is executed and the Bonds are sold. This two-step process allows the Port to respond to market conditions while preserving both the Commission-established limits and final Commission control over the transaction.

**Resolution Parameters**

| Parameter | Authorized Limit / Term |
|---|---|
| Aggregate principal amount | Not to exceed $25,000,000 |
| Interest rate on any Bond | Not to exceed 7.00% |
| True interest cost (TIC) | Not to exceed 6.90% |
| Final maturity | No later than December 31, 2056 |
| Issue date | No later than two years after the Resolution becomes effective |
| Purchase price | Not less than 98% or more than 112% of stated principal |
| Sale method | Negotiated sale or private placement, as determined under the Resolution |
| Tax status | Taxable limited tax general obligation bonds |

The Resolution pledges the Port's full faith, credit, and resources for payment of principal and interest and provides that the Bonds are payable from Port tax revenues and other lawfully available funds. The final par amount, maturity schedule, interest rates, redemption terms, and annual debt service will be established at pricing, provided that all final terms remain within the Commission-approved parameters.

The financing strategy contemplates that lease revenues associated with the improved facilities will support recovery of the Port's project and financing costs. The Bonds, however, will remain general obligations of the Port and will not be secured solely by tenant lease payments.

**COMMISSION AUTHORIZATION:**
Adoption of the Resolution will:

- Authorize the Port to proceed with one or more proposed series of taxable limited tax general obligation bonds in an aggregate principal amount not to exceed $25 million, subject to subsequent Commission approval of the final terms and sale;
- Authorize use of bond proceeds for additions and improvements to Port properties, related capital purposes, eligible capitalized interest, and costs of issuance;
- Appoint the Chief Executive Officer as the Port's Designated Representative and authorize negotiation and recommendation of final bond terms within the stated parameters;

- Authorize preparation and negotiation of a proposed negotiated sale or private placement and related financing documents, with execution of the Bond Purchase Agreement subject to subsequent Commission approval of the final terms and sale;
- Create or continue the Bond Fund and Project Fund and authorize the deposit, investment, and application of bond proceeds;
- Authorize preparation, approval, and distribution of the Preliminary and Final Official Statements; and
- Authorize a continuing disclosure undertaking if required under SEC Rule 15c2-12.

**ENVIRONMENTAL IMPACT:**

Adoption of the Financing Resolution does not itself authorize construction activity or create a direct environmental impact. Project design, permitting, procurement, and construction will remain subject to applicable environmental review and regulatory requirements.

**FISCAL IMPACT:**

The Resolution establishes a not-to-exceed authorization of $25 million for taxable limited tax general obligation bonds, subject to subsequent Commission approval of the final terms and sale. The final principal amount and debt service will depend on the final project funding requirement, transaction costs, market interest rates, maturity schedule, redemption provisions, and other pricing terms at the time of sale.

The Bonds will constitute a general obligation of the Port. The Port will be responsible for annual principal and interest payments over the life of the Bonds.

The Port intends to structure the related long-term tenant lease and cost-recovery arrangements to support repayment of project and financing costs.

Final lease terms, project costs, financing sources, and annual debt service will be presented and evaluated through the related project, lease, budget, and financing actions.

**RISK AND GOVERNANCE CONSIDERATIONS:**

- The Commission retains control through the not-to-exceed principal amount, maximum interest rate, maximum TIC, final maturity, and price parameters.
- The delegated authority may be exercised only within the Resolution’s parameters; terms outside those limits would require further Commission action.
- Actual borrowing may be less than the authorized amount based on final project scope, other funding sources, and market conditions.
- The Port’s general obligation pledge remains in effect regardless of the timing or amount of tenant lease payments.

- Final Commission approval will be required after the proposed final terms, principal amount, interest rates, true interest cost, maturity schedule, redemption provisions, purchase price, and other material terms have been established.
- The final terms will be presented at a subsequent regular or special open public meeting before the Bond Purchase Agreement is executed, and the Bonds are sold.
- Bond Counsel, the Municipal Advisor, the Underwriter, and Port finance staff will complete the legal, disclosure, pricing, and closing process before issuance.

**RECOMMENDED ACTION:**

Introduce Resolution No. 26-1351 establishing parameters for the proposed issuance and sale of the Port of Port Angeles Limited Tax General Obligation Bonds, 2026 (Taxable), in an aggregate principal amount not to exceed $25,000,000, appointing the Chief Executive Officer as the Designated Representative to negotiate and recommend final terms, and reserving final approval of the terms and sale to the Port Commission.

If introduction of the Resolution is unanimous, make a motion to adopt Resolution No. 26-1351 establishing the parameters and related preliminary authority for the proposed Bonds substantially in the form presented, provided that the final terms and sale of the Bonds must return to the Port Commission for approval at a subsequent open public meeting.

PORT OF PORT ANGELES, WASHINGTON

RESOLUTION NO. 26-1351

A RESOLUTION OF THE PORT COMMISSION OF THE PORT OF PORT ANGELES, WASHINGTON, PROVIDING FOR THE ISSUANCE AND SALE OF LIMITED TAX GENERAL OBLIGATION BONDS OF THE PORT FOR THE PURPOSE OF PROVIDING FUNDS TO PAY ALL OR A PORTION OF THE COST OF CONSTRUCTING ADDITIONS AND IMPROVEMENTS TO PORT PROPERTIES FOR PORT TENANTS AND OTHER PROJECTS OF THE PORT AND TO PAY THE COSTS OF ISSUANCE AND SALE OF THE BONDS; FIXING OR SETTING PARAMETERS FOR CERTAIN TERMS AND COVENANTS OF THE BONDS; APPOINTING THE PORT'S DESIGNATED REPRESENTATIVE TO APPROVE THE FINAL TERMS OF THE ISSUANCE AND SALE OF THE BONDS; AND PROVIDING FOR OTHER RELATED MATTERS.

Passed Xxxxxxx XX, 2026

*This document prepared by:*

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*Seattle, Washington 98101*
*(206) 447-4400*

## TABLE OF CONTENTS*



**The cover page, table of contents and section headings of this resolution are for convenience of reference only, and shall not be used to resolve any question of interpretation of this resolution.*

PORT OF PORT ANGELES, WASHINGTON

RESOLUTION NO. 26-1351

A RESOLUTION OF THE PORT COMMISSION OF THE PORT OF PORT ANGELES, WASHINGTON, PROVIDING FOR THE ISSUANCE AND SALE OF LIMITED TAX GENERAL OBLIGATION BONDS OF THE PORT FOR THE PURPOSE OF PROVIDING FUNDS TO PAY ALL OR A PORTION OF THE COST OF CONSTRUCTING ADDITIONS AND IMPROVEMENTS TO PORT PROPERTIES FOR PORT TENANTS AND OTHER PROJECTS OF THE PORT AND TO PAY THE COSTS OF ISSUANCE AND SALE OF THE BONDS; FIXING OR SETTING PARAMETERS FOR CERTAIN TERMS AND COVENANTS OF THE BONDS; APPOINTING THE PORT'S DESIGNATED REPRESENTATIVE TO APPROVE THE FINAL TERMS OF THE ISSUANCE AND SALE OF THE BONDS; AND PROVIDING FOR OTHER RELATED MATTERS.

BE IT RESOLVED BY THE PORT COMMISSION OF THE PORT OF PORT ANGELES, WASHINGTON, as follows:

Section 1. Definitions. As used in this resolution, the following capitalized terms shall have the following meanings:

(a) "*Authorized Denomination*" means, unless otherwise specified in the Bond Purchase Agreement, $5,000 or any integral multiple thereof within a maturity of a Series.

(b) "*Beneficial Owner*" means, with respect to a Bond, the owner of any beneficial interest in that Bond.

(c) "*Bond*" means each bond issued pursuant to and for the purposes provided in this resolution.

(d) "*Bond Counsel*" means the firm of Foster Garvey P.C., its successor, or any other attorney or firm of attorneys selected by the Port with a nationally recognized standing as bond counsel in the field of municipal finance.

(e) "*Bond Fund*" means the fund, account, subaccount or combined account or subaccount of the Port created for the payment of the principal of and interest on the Bonds.

(f) "*Bond Purchase Agreement*" means an offer to purchase a Series of the Bonds, setting forth certain terms and conditions of the issuance, sale and delivery of those Bonds, which offer is authorized to be accepted by the Designated Representative on behalf of the Port, if consistent with this resolution.

(g) "*Bond Register*" means the books or records maintained by the Bond Registrar for the purpose of identifying ownership of each Bond.

(h) "*Bond Registrar*" means the Fiscal Agent, or any successor bond registrar selected by the Port for a Series of Bonds sold by negotiated sale, and means the Fiscal Agent or the Treasurer as determined by the Designated Representative for a Series of Bonds sold by private placement.

(i) "*Chief Executive Officer*" means the Chief Executive Officer of the Port, or any other officer who succeeds to substantially all of the responsibilities of that office.

(j) "*Code*" means the United States Internal Revenue Code of 1986, as amended, and applicable rules and regulations promulgated thereunder.

(k) "*Commission*" means the governing body of the Port, as duly and regularly constituted from time to time.

(l) "*DTC*" means The Depository Trust Company, New York, New York, or its nominee.

(m) "*Designated Representative*" means the officer of the Port appointed in Section 4 of this resolution to serve as the Port's designated representative in accordance with RCW 39.46.040(2).

(n) "*Final Terms*" means the terms and conditions for the issuance and sale of a Series of the Bonds, including the amount, date or dates, denominations, interest rate or rates (or mechanism for determining interest rate or rates), payment dates, final maturity, redemption or prepayment rights, tax status, price, and other terms or covenants.

(o) "*Finance Officer*" means the Port's Chief Finance and Administrative Officer or such other officer of the Port who succeeds to substantially all of the responsibilities of that office.

(p) "*Fiscal Agent*" means the fiscal agent of the State, as the same may be designated by the State from time to time.

(q) "*Government Obligations*" has the meaning given in RCW 39.53.010, as now in effect or as may hereafter be amended.

(r) "*Issue Date*" means, with respect to a Bond, the date of initial issuance and delivery of that Bond to the Purchaser in exchange for the purchase price of that Bond.

(s) "*Letter of Representations*" means the Blanket Issuer Letter of Representations between the Port and DTC, dated June 10, 1997, as it may be amended from time to time, and any successor or substitute letter relating to the operational procedures of the Securities Depository.

(t) "*MSRB*" means the Municipal Securities Rulemaking Board.

(u) *"Official Statement"* means an offering document, disclosure document, private placement memorandum or substantially similar disclosure document provided to purchasers and potential purchasers in connection with the initial offering of a Series of the Bonds in conformance with Rule 15c2-12 or other applicable regulations of the SEC.

(v) "*Owner*" means, without distinction, the Registered Owner and the Beneficial Owner.

(w) "*Port*" means the Port of Port Angeles, Washington, a municipal corporation duly organized and existing under the laws of the State.

(x) "*Project*" means additions and improvements to Port properties for Port tenants, and other capital purposes as deemed necessary and advisable by the Port. Incidental costs incurred in connection with carrying out and accomplishing the Project, consistent with RCW 39.46.070, may be included as costs of the Project. The Project includes acquisition, construction and installation of all necessary furniture, equipment, apparatus, accessories, fixtures and appurtenances, and capitalized interest for up to six months after completion of construction. The term "land" includes all real property and all appurtenant improvements, structures and interests therein.

(y) "*Project Fund*" means the fund or account designated or created by the Finance Officer for the purpose of carrying out the Project.

(z) "*Purchaser*" means Piper Sandler & Co., or such other corporation, firm, association, partnership, trust, bank, financial institution or other legal entity or group of entities selected by the Designated Representative to serve as purchaser in a private placement, underwriter or placement agent in a negotiated sale of any Series of the Bonds.

(aa) "*Rating Agency*" means any nationally recognized rating agency then maintaining a rating on the Bonds at the request of the Port.

(bb) "*Record Date*" means, unless otherwise specified in the Bond Purchase Agreement, the Bond Registrar's close of business on the 15th day of the month preceding an interest payment date. With respect to redemption or prepayment of a Bond prior to its maturity, the Record Date shall mean the Bond Registrar's close of business on the date on which the Bond Registrar provides the notice of redemption or prepayment in accordance with Section 9.

(cc) "*Registered Owner*" means, with respect to a Bond, the person in whose name that Bond is registered on the Bond Register. For so long as the Port utilizes the book-entry only system for the Bonds under the Letter of Representations, the Registered Owner shall mean the Securities Depository.

(dd) "*Rule 15c2-12*" means Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934, as amended.

(ee) "*SEC*" means the United States Securities and Exchange Commission.

(ff) "*Securities Depository*" means DTC, any successor thereto, any substitute securities depository selected by the Port that is qualified under applicable laws and regulations to provide the services proposed to be provided by it, or the nominee of any of the foregoing.

(gg) "*Series of the Bonds*" or "*Series*" means a series of the Bonds issued pursuant to this resolution.

(hh) "*State*" means the State of Washington.

(ii) "*Tax-Exempt Bond*" means any Bond which, as of the Issue Date, the Port intends that interest on such Bond to be excluded from gross income for federal income tax purposes.

(jj) "*Term Bond*" means each Bond designated as a Term Bond and subject to mandatory redemption in the years and amounts set forth in the Bond Purchase Agreement.

(kk) "*Treasurer*" means the Finance Officer of the Port, or any other officer who succeeds to substantially all of the responsibilities of that office.

(ll) "*Undertaking*" means the undertaking to provide continuing disclosure entered into pursuant to Section 15 of this resolution.

Section 2. Findings and Determinations. The Commission takes note of the following facts and makes the following findings and determinations:

(a) *Authority and Description of Project*. Pursuant to applicable law, including chapter 53.40 RCW, the Port is authorized to carry out the Project.

(b) *Plan of Financing*. It is in the best interests of the Port to carry out the Project. The estimated cost of carrying out the Project is $xx,x00,000 (excluding any Bond-related costs). Pursuant to applicable law, including chapters 53.36, 39.44, and 39.46 RCW, the Port is authorized to issue general obligation bonds to pay the cost of carrying out the Project.

(c) *Debt Capacity*. The maximum amount of indebtedness authorized by this resolution is $xx,x00,000. Based on the following facts, this amount is to be issued within the amount permitted to be issued by the Port for general municipal purposes without a vote:

(1) The assessed valuation of the taxable property within the Port as ascertained by the last preceding assessment for Port purposes for collection in the calendar year 2026 is $17,256,940,521.

(2) As of June 30, 2026, the Port had limited tax general obligation indebtedness, consisting of bonds and loans outstanding in the principal amount of $1,584,247, which is incurred within the limit of up to ¼ of 1% of the value of the taxable property within the Port permitted for general municipal purposes without a vote.

(3) As of June 30, 2026, the Port had no unlimited tax general obligation indebtedness.

(d) *The Bonds*. For the purpose of providing the funds necessary to carry out the Project and to pay the costs of issuance and sale of the Bonds, the Port Commission finds that it is in the best interests of the Port and its taxpayers to issue and sell the Bonds to the Purchaser, pursuant to the terms set forth in the Bond Purchase Agreement as approved by the Port's Designated Representative consistent with this resolution.

Section 3. Authorization of Bonds. The Project is included in the Port's capital plan. The Project shall be carried out in accordance with the plans and specifications therefor prepared by the Port's engineers and consulting engineers. The Commission may modify the details of the Project where, in its judgment, it appears advisable if such modifications do not substantially alter the purposes of the Project. The cost of the Project shall be paid from the proceeds of the Bonds and from other money available for the Project.

The Port is authorized to borrow money and issue limited tax general obligation bonds evidencing indebtedness in one or more Series to provide funds necessary to carry out the Project. Proceeds of the Bonds may also be used to pay the costs of the issuance and sale of the Bonds.

Section 4. Description of Bonds; Appointment of the Designated Representative. The Chief Executive Officer is appointed as the Designated Representative of the Port and is authorized and directed to conduct the sale of the Bonds in the manner and upon the terms deemed most advantageous to the Port, and to approve the Final Terms of each Series of the Bonds, with such additional terms and covenants as the Designated Representative deems advisable, consistent with the following parameters:

(a) *Principal Amount*. The Bonds may be issued in one or more Series and shall not exceed the aggregate principal amount of $xx,x00,000.

(b) *Date or Dates*. Each Series of Bonds shall be dated as of its date of delivery to the Purchaser, which date may not be later than two years from the effective date of this resolution.

(c) *Denominations, Series Designation, etc*. The Bonds must be issued in Authorized Denominations, shall be numbered separately in the manner and shall bear any name and additional designation as deemed necessary or appropriate by the Designated Representative.

(d) *Interest Rate(s)*. The Bonds shall bear interest at fixed rates per annum (computed on the basis of a 360-day year of twelve 30-day months) from their date or from the most recent interest payment date for which interest has been paid or duly provided for, whichever is later. One or more rates of interest may be fixed for the Bonds, provided that no rate of interest for any Bond may exceed 7.00%, and the true interest cost to the Port for a Series of Bonds may not exceed 6.90%.

(e) *Payment Dates*. Interest must be payable at fixed rates semiannually on such dates as are acceptable to the Designated Representative, commencing no later than one year following the Issue Date. Principal payments shall commence on a payment date acceptable to the Designated Representative and must be payable at maturity or in mandatory redemption installments on such dates as are acceptable to the Designated Representative.

(f) *Redemption Rights*. In such officer's discretion, the Designated Representative may approve provisions for the optional and mandatory redemption of Bonds, as follows:

(1) Optional Redemption. Any Bond or Series of Bonds may be designated as being (A) subject to redemption or prepayment at the option of the Port prior to its maturity date, including by make-whole redemption, on the dates and at the prices as determined by the Designated Representative or (B) not subject to redemption prior to its maturity date.

(2) Mandatory Redemption. Any Bond may be designated as a Term Bond, subject to mandatory redemption prior to its maturity on the dates and in the amounts as determined by the Designated Representative.

(g) *Final Maturity*. The Bonds shall mature no later than December 31, 2056.

(h) *Price*. The purchase price for any Series of Bonds may not be less than 98% or more than 112% of the stated principal amount of that Series.

(i) *Other Terms and Conditions*.

(1) The Bonds may be sold in accordance with Section 13 of this resolution.

(2) The Designated Representative may determine whether it is in the Port's best interest to provide for bond insurance, and may accept such additional terms, conditions and covenants as such officer may determine are in the best interests of the Port, consistent with this resolution.

Section 5. Bond Registrar; Registration and Transfer of Bonds.

(a) *Registration of Bonds*. Each Bond shall be issued only in registered form as to both principal and interest and the ownership of each Bond shall be recorded on the Bond Register.

(b) *Bond Registrar; Duties*. Unless otherwise specified in the Bond Purchase Agreement, the Fiscal Agent is appointed as initial Bond Registrar for any Series of the Bonds sold by negotiated sale. The Designated Representative will designate the Bond Registrar for any Series of the Bonds sold by private placement. The Bond Registrar shall keep, or cause to be kept, sufficient books for the registration and transfer of the Bonds, which shall be open to inspection by the Port at all times. The Bond Registrar is authorized, on behalf of the Port, to authenticate and deliver Bonds transferred or exchanged in accordance with the provisions of the Bonds and this resolution, to serve as the Port's paying agent for the Bonds and to carry out all of the Bond Registrar's powers and duties under this resolution. The Bond Registrar shall be responsible for its representations contained in the Bond Registrar's Certificate of Authentication on each Bond. The Bond Registrar may become an Owner with the same rights it would have if it were not the Bond Registrar and, to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as members of, or in any other capacity with respect to, any committee formed to protect the rights of Owners.

(c) *Bond Register; Transfer and Exchange*. The Bond Register shall contain the name and mailing address of each Registered Owner and the principal amount and number of each Bond held by each Registered Owner. A Bond surrendered to the Bond Registrar may be exchanged for a Bond or Bonds in any Authorized Denomination of an equal aggregate principal amount and of the same Series, interest rate and maturity. A Bond may be transferred only if endorsed in the manner provided thereon and surrendered to the Bond Registrar. Any exchange or transfer shall be without cost to the Owner or transferee. The Bond Registrar shall not be obligated to exchange any Bond or transfer registered ownership during the period between the applicable Record Date and the next upcoming interest payment or redemption or prepayment date.

(d) *Securities Depository; Book-Entry Only Form*. If a Bond is to be issued in book-entry form, DTC shall be appointed as initial Securities Depository and each such Bond initially shall be registered in the name of Cede & Co., as the nominee of DTC. Each Bond registered in the name of the Securities Depository shall be held fully immobilized in book-entry only form by the Securities Depository in accordance with the provisions of the Letter of Representations. Registered ownership of any Bond registered in the name of the Securities Depository may not be transferred except: (i) to any successor Securities Depository; (ii) to any substitute Securities Depository appointed by the Port; or (iii) to any person if the Bond is no longer to be held in book-entry only form. Upon the resignation of the Securities Depository, or upon a termination of the services of the Securities Depository by the Port, the Port may appoint a substitute Securities Depository. If (i) the Securities Depository resigns and the Port does not appoint a substitute Securities Depository, or (ii) the Port terminates the services of the Securities Depository, the Bonds no longer shall be held in book-entry only form and the registered ownership of each Bond may be transferred to any person as provided in this resolution.

Neither the Port nor the Bond Registrar shall have any obligation to participants of any Securities Depository or the persons for whom they act as nominees regarding accuracy of any records maintained by the Securities Depository or its participants. Neither the Port nor the Bond Registrar shall be responsible for any notice that is permitted or required to be given to a Registered Owner except such notice as is required to be given by the Bond Registrar to the Securities Depository.

Section 6. Form and Execution of Bonds.

(a) *Form of Bonds; Signatures*. Each Bond shall be prepared in a form consistent with the provisions of this resolution and State law. Each Bond shall be signed by the President and Secretary of the Commission, either or both of whose signatures may be manual or in facsimile. If any officer whose manual or facsimile signature appears on a Bond ceases to be an officer of the Port authorized to sign bonds before the Bond bearing such officer's manual or facsimile signature is authenticated by the Bond Registrar, or issued or delivered by the Port, that Bond nevertheless may be authenticated, issued and delivered and, when authenticated, issued and delivered, shall be as binding on the Port as though that person had continued to be an officer of the Port authorized to sign bonds. Any Bond also may be signed on behalf of the Port by any person who, on the actual date of signing of the Bond, is an officer of the Port authorized to sign bonds, although such officer did not hold the required office on its Issue Date.

(b) *Authentication*. Only a Bond bearing a Certificate of Authentication in substantially the following form, manually signed by the Bond Registrar, shall be valid or obligatory for any purpose or entitled to the benefits of this resolution: "Certificate of Authentication. This Bond is one of the fully registered Port of Port Angeles, Washington, Limited Tax General Obligation Bonds, 2026, described in the Bond Resolution." The authorized signing of a Certificate of Authentication shall be conclusive evidence that the Bond so authenticated has been duly executed, authenticated and delivered and is entitled to the benefits of this resolution.

Section 7. Payment of Bonds. Principal of and premium, if any, and interest on each Bond shall be payable in lawful money of the United States of America. Principal of and premium, if any, and interest on each Bond registered in the name of the Securities Depository is payable in the manner set forth in the Letter of Representations. Unless otherwise specified in the Bond Purchase Agreement, principal of and premium, if any, and interest on each Bond not registered in the name of the Securities Depository are payable by electronic transfer on the payment date, or by check or draft of the Bond Registrar mailed on the interest payment date to the Registered Owner at the address appearing on the Bond Register on the Record Date. However, the Port is not required to make electronic transfers except pursuant to a request by a Registered Owner in writing received on or prior to the Record Date and at the sole expense of the Registered Owner. Principal of each Bond not registered in the name of the Securities Depository is payable upon presentation and surrender of the Bond by the Registered Owner to the Bond Registrar. The Bonds are not subject to acceleration under any circumstances.

Section 8. Funds and Accounts; Deposit of Proceeds.

(a) *Bond Fund*. The Bond Fund is created as a special fund of the Port for the sole purpose of paying principal of and interest on the Bonds. Bond proceeds in excess of the amounts needed to pay the costs of the Project and the costs of issuance, if any, shall be deposited into the Bond Fund. All amounts allocated to the payment of the principal of and interest on the Bonds shall be deposited in the Bond Fund as necessary for the timely payment of amounts due with respect to the Bonds. The principal of and interest on the Bonds shall be paid out of the Bond Fund. Until needed for that purpose, the Port may invest money in the Bond Fund temporarily in any legal investment, and the investment earnings shall be retained in the Bond Fund and used for the purposes of that fund.

(b) *Project Fund*. The Project Fund is created or continued as a fund of the Port for the purpose of paying the costs of the Project. Proceeds received from the sale and delivery of the Bonds shall be deposited into the Project Fund and used to pay the costs of the Project and costs of issuance of the Bonds. Until needed to pay such costs, the Port may invest those proceeds temporarily in any legal investment, and the investment earnings shall be retained in the Project Fund and used for the purposes of that fund.

Section 9. Redemption/Prepayment Provisions and Purchase of Bonds.

(a) *Optional Redemption*. The Bonds shall be subject to redemption or prepayment at the option of the Port on terms acceptable to the Designated Representative, as set forth in the Bond Purchase Agreement, consistent with the parameters set forth in Section 4.

(b) *Mandatory Redemption*. Each Bond that is designated as a Term Bond in the Bond Purchase Agreement, consistent with the parameters set forth in Section 4 and except as set forth below, shall be called for redemption at a price equal to the stated principal amount to be redeemed, plus accrued interest, on the dates and in the amounts as set forth in the Bond Purchase Agreement.

(c) *Selection of Bonds for Redemption; Partial Redemption*. If fewer than all of the outstanding Bonds are to be redeemed or prepaid at the option of the Port, the Port shall select the Series and maturities to be redeemed or prepaid. If less than all of the outstanding Bonds of a maturity of a Series are to be redeemed or prepaid, the particular Bonds or portions thereof to be redeemed or prepaid shall be selected on a pro rata pass-through distribution of principal basis in accordance with the DTC procedures, provided that, so long as the Bonds are held in book-entry form, the selection for redemption of such Bonds shall be made in accordance with the Letter of Representations and operational arrangements of DTC then in effect that currently provide for adjustment of the principal by a factor provided by the Bond Registrar pursuant to DTC operational arrangements. If the Bond Registrar does not provide the necessary information and identify redemption on a pro rata pass-through distribution of principal basis or if DTC's operational arrangements no longer provide for selection on a pro rata basis, the Bonds will be selected for redemption in accordance with DTC procedures by lot. All or a portion of the principal amount of any Bond that is to be redeemed or prepaid may be redeemed in any Authorized Denomination. If less than all of the outstanding principal amount of any Bond is redeemed or prepaid, upon surrender of that Bond to the Bond Registrar, there shall be issued to the Registered Owner, without charge, a new Bond (or Bonds, at the option of the Registered Owner) of the same Series, maturity and interest rate in any Authorized Denomination in the aggregate principal amount to remain outstanding.

(d) *Notice of Redemption*. Notice of redemption of each Bond registered in the name of the Securities Depository shall be given in accordance with the Letter of Representations. Notice of redemption or prepayment of each other Bond, unless waived by the Registered Owner or otherwise specified in the Bond Purchase Agreement, shall be given by the Bond Registrar not less than 20 nor more than 60 days prior to the date fixed for redemption by first-class mail, postage prepaid, to the Registered Owner at the address appearing on the Bond Register on the Record Date. The requirements of the preceding sentence shall be satisfied when notice has been mailed as so provided, whether or not it is actually received by an Owner. In addition, the redemption notice shall be mailed or sent electronically within the same period to the MSRB (if required under the Undertaking), to each Rating Agency, and to such other persons and with such additional information as the Finance Officer shall determine, but these additional mailings shall not be a condition precedent to the redemption of any Bond.

(e) *Rescission of Optional Redemption Notice*. In the case of an optional redemption or prepayment, the notice of redemption may state that the Port retains the right to rescind the redemption notice and the redemption or prepayment by giving a notice of rescission to the affected Registered Owners at any time on or prior to the scheduled optional redemption date. Any notice of optional redemption or prepayment that is so rescinded shall be of no effect, and each Bond for which a notice of optional redemption or prepayment has been rescinded shall remain outstanding.

(f) *Effect of Redemption*. Interest on each Bond called for redemption or prepayment shall cease to accrue on the date fixed for redemption or prepayment, unless either the notice of optional redemption or prepayment is rescinded as set forth above, or money sufficient to effect such redemption or prepayment is not on deposit in the Bond Fund or in a trust account established to refund or defease the Bond.

(g) *Purchase of Bonds*. The Port reserves the right to purchase any or all of the Bonds offered to the Port or in the open market at any time at any price acceptable to the Port plus accrued interest to the date of purchase.

<u>Section 10</u>. <u>Failure to Pay Bonds</u>. If the principal of any Bond is not paid when the Bond is properly presented at its maturity or date fixed for redemption or prepayment, the Port

shall, unless otherwise provided in the Bond Purchase Agreement, be obligated to pay (but only from the sources pledged in this resolution), interest on that Bond at the same rate provided in the Bond from and after its maturity or date fixed for redemption or prepayment until that Bond, both principal and interest, is paid in full or until sufficient money for its payment in full is on deposit in the Bond Fund, or in a trust account established to refund or defease the Bond, and the Bond has been called for payment by giving notice of that call to the Registered Owner.

Section 11. Pledge of Taxes. The Bonds constitute a general indebtedness of the Port and are payable from tax revenues of the Port and such other money as is lawfully available and pledged by the Port for the payment of principal of and interest on the Bonds. For as long as any of the Bonds are outstanding, the Port irrevocably pledges that it shall, in the manner provided by law within the constitutional and statutory limitations provided by law without the assent of the voters, include in its annual property tax levy amounts sufficient, together with other money that is lawfully available, to pay principal of and interest on the Bonds as the same become due. The full faith, credit and resources of the Port are pledged irrevocably for the prompt payment of the principal of and interest on the Bonds and such pledge shall be enforceable in mandamus against the Port.

Section 12. Tax Matters.

(a) *Preservation of Tax Exemption for Interest on Tax-Exempt Bonds*. The Port covenants that it will take all actions necessary to prevent interest on the Tax-Exempt Bonds from being included in gross income for federal income tax purposes, and it will neither take any action nor make or permit any use of proceeds of the Tax-Exempt Bonds or other funds of the Port treated as proceeds of the Tax-Exempt Bonds that will cause interest on the Tax-Exempt Bonds to be included in gross income for federal income tax purposes. The Port also covenants that it will, to the extent the arbitrage rebate requirements of Section 148 of the Code are applicable to the Tax-Exempt Bonds, take all actions necessary to comply (or to be treated as having complied) with those requirements in connection with the Tax-Exempt Bonds.

(b) *Post-Issuance Compliance*. If necessary, the Finance Officer is authorized and directed to review and update the Port's written procedures to facilitate compliance by the Port with the covenants in this resolution and the applicable requirements of the Code that must be satisfied after the Issue Date to prevent interest on the Tax-Exempt Bonds from being included in gross income for federal tax purposes.

(c) *Designation of Tax-Exempt Bonds as "Qualified Tax-Exempt Obligations."* A Series of the Tax-Exempt Bonds may be designated as "qualified tax-exempt obligations" for the purposes of Section 265(b)(3) of the Code, if the following conditions are met:

(1) the Series does not constitute "private activity bonds" within the meaning of Section 141 of the Code;

(2) the reasonably anticipated amount of tax-exempt obligations (other than private activity bonds and other obligations not required to be included in such calculation) that the Port and any entity subordinate to the Port (including any entity that the Port controls, that derives its authority to issue tax-exempt obligations from the Port, or that issues tax-exempt

obligations on behalf of the Port) will issue during the calendar year in which the Series is issued will not exceed $10,000,000; and

(3) the amount of tax-exempt obligations, including the Series, designated by the Port as "qualified tax-exempt obligations" for the purposes of Section 265(b)(3) of the Code during the calendar year in which the Series is issued does not exceed $10,000,000.

Section 13. Refunding or Defeasance of the Bonds. The Port may issue refunding bonds pursuant to State law or use money available from any other lawful source to carry out a refunding or defeasance plan, which may include (a) paying when due the principal of and interest on any or all of the Bonds (the "defeased Bonds"); (b) redeeming or prepaying the defeased Bonds prior to their maturity; and (c) paying the costs of the refunding or defeasance. If the Port sets aside in a special trust fund or escrow account irrevocably pledged to that redemption, prepayment or defeasance (the "trust account"), money and/or Government Obligations maturing at a time or times and bearing interest in amounts sufficient to redeem, prepay, refund or defease the defeased Bonds in accordance with their terms, then all right and interest of the Owners of the defeased Bonds in the covenants of this resolution and in the funds and accounts obligated to the payment of the defeased Bonds shall cease and become void. Thereafter, the Owners of defeased Bonds shall have the right to receive payment of the principal of and interest on the defeased Bonds solely from the trust account and the defeased Bonds shall be deemed no longer outstanding. In that event, the Port may apply money remaining in any fund or account (other than the trust account) established for the payment, redemption or prepayment of the defeased Bonds to any lawful purpose.

Unless otherwise specified by the Port in a refunding or defeasance plan, notice of refunding or defeasance shall be given, and selection of Bonds for any partial refunding or defeasance shall be conducted, in the manner prescribed in this resolution for the redemption or prepayment of Bonds.

Section 14. Sale and Delivery of the Bonds.

(a) *Manner of Sale of Bonds; Delivery of Bonds*. The Designated Representative is authorized to sell each Series of the Bonds by negotiated sale or private placement based on the assessment of the Designated Representative of market conditions, in consultation with appropriate Port officials and staff, Bond Counsel and other advisors. In determining the method of sale of a Series and accepting the Final Terms, the Designated Representative shall take into account those factors that, in the judgment of the Designated Representative, may be expected to result in the lowest true interest cost to the Port. The Designated Representative is authorized and directed to execute and deliver agreements with such advisors as the Designated Representative deems to be in the best interest of the Port in selling each Series of the Bonds, including engaging financial advisors, Bond Counsel, the Purchaser, the Bond Registrar, rating agencies, printers and electronic distribution platforms. The Commission ratifies and confirms the execution and delivery of any such agreement prior to the effective date of this resolution in furtherance of the purposes described in this resolution and not inconsistent with the terms of this resolution.

(b) *Procedure for Negotiated Sale or Private Placement*. If the Designated Representative determines that a Series of the Bonds is to be sold by negotiated sale or private placement, the Designated Representative shall select one or more Purchasers with which to negotiate such sale. The Bond Purchase Agreement for each Series of the Bonds shall set forth the Final Terms. The Designated Representative is authorized to execute the Bond Purchase Agreement on behalf of the Port, so long as the Final Terms provided therein are consistent with the parameters set forth in Section 4.

(c) *Preparation, Execution and Delivery of the Bonds*. The Bonds shall be prepared at the expense of the Port and shall be delivered to the Purchaser in accordance with the Bond Purchase Agreement, together with the approving legal opinion of Bond Counsel regarding the Bonds.

Section 15. Official Statement; Continuing Disclosure.

(a) *Preliminary Official Statement Deemed Final*. The Designated Representative or Finance Officer shall review and, if acceptable to such officer, approve the preliminary Official Statement prepared in connection with each sale of a Series of the Bonds to the public or through a Purchaser as a placement agent. For the sole purpose of the Purchaser's compliance with paragraph (b)(1) of Rule 15c2-12, if applicable, the Designated Representative or Finance Officer is authorized to deem that preliminary Official Statement final as of its date, except for the omission of information permitted to be omitted by Rule 15c2-12. The Port approves the distribution to potential purchasers of the Bonds of a preliminary Official Statement that has approved by the Designated Representative and been deemed final, if applicable, in accordance with this subsection.

(b) *Approval of Final Official Statement*. The Port approves the preparation of a final Official Statement for each Series of the Bonds to be sold to the public in the form of the preliminary Official Statement that has been approved and deemed final in accordance with subsection (a), with such modifications and amendments as the Designated Representative or Finance Officer deems necessary or desirable, and further authorizes the Designated Representative or Finance Officer to execute and deliver such final Official Statement to the Purchaser if required under Rule 15c2-12 or the Bond Purchase Agreement. The Port authorizes and approves the distribution by the Purchaser of the final Official Statement so executed and delivered to purchasers and potential purchasers of a Series of the Bonds.

(c) *Undertaking to Provide Continuing Disclosure*. If necessary to meet the requirements of paragraph (b)(5) of Rule 15c2-12, as applicable to the Purchaser acting as a participating underwriter for a Series, the Finance Officer is authorized to execute a written undertaking to provide continuing disclosure for the benefit of holders of the Series. The Finance Officer is authorized to review, update, and implement the Port's written procedures to facilitate compliance by the Port with the provisions of this section and the applicable requirements of the Undertaking and Rule 15c2-12.

Section 16. Supplemental and Amendatory Resolutions. The Port may supplement or amend this resolution for any one or more of the following purposes without the consent of any Owners of the Bonds:

(a) To add covenants and agreements that do not materially adversely affect the interests of Owners, or to surrender any right or power reserved to or conferred upon the Port.

(b) To cure any ambiguities, or to cure, correct or supplement any defective provision contained in this resolution in a manner that does not materially adversely affect the interest of the Beneficial Owners of the Bonds.

Section 17. General Authorization and Ratification. This resolution may be executed in tangible medium, manual, facsimile, or electronic form under any security procedure or platform, and notwithstanding any other resolution, rule, policy, or procedure of the Port, or in any other manner evidencing its adoption. The President and Secretary of the Commission, the Designated Representative, Finance Officer, Treasurer, their respective designees, and each other appropriate officer of the Port are each individually authorized to take such actions and to create, accept, execute, send, use, and rely upon such tangible medium, manual, facsimile, or electronic documents, records, and signatures under any security procedure or platform, and notwithstanding any other resolution, rule, policy, or procedure of the Port, as in their judgment may be necessary or desirable to carry out the terms of and transactions contemplated by this resolution and each Bond Purchase Agreement, including everything necessary for the prompt delivery of each Series to the Purchaser thereof and for the proper application, use, and investment of the proceeds of the Bonds. All actions taken prior to the effective date of this resolution in furtherance of the purposes described in this resolution and not inconsistent with the terms of this resolution are ratified and confirmed in all respects.

Section 18. Severability. The provisions of this resolution are declared to be separate and severable. If a court of competent jurisdiction, all appeals having been exhausted or all appeal periods having run, finds any provision of this resolution to be invalid or unenforceable as to any person or circumstance, such offending provision shall, if feasible, be deemed to be modified to be within the limits of enforceability or validity. However, if the offending provision cannot be so modified, it shall be null and void with respect to the particular person or circumstance, and all other provisions of this resolution in all other respects, and the offending provision with respect to all other persons and all other circumstances, shall remain valid and enforceable.

Section 19. Effective Date. This resolution shall take effect and be in force immediately upon its adoption.

ADOPTED by the Port Commission of the Port of Port Angeles, Washington, at a regular open public meeting thereof this 22nd day of September, 2026, the following Commissioners being present and voting.

PORT OF PORT ANGELES, WASHINGTON

______________________________________

Commission President

______________________________________

Commission Vice President

______________________________________

Commission Secretary

## CERTIFICATION

I, the undersigned, Secretary of the Port Commission (the "Commission") of the Port of Port Angeles, Washington (the "Port"), hereby certify as follows:

1. The attached copy of Resolution No. ____ (the "Resolution") is a full, true, and correct copy of a resolution duly adopted at a regular meeting of the Commission held at the regular meeting place thereof on September 22, 2026, as that resolution appears on the minute book of the Port; and the Resolution is now in full force and effect;

2. An opportunity for public comment at or before the meeting was duly provided, a quorum of the members of the Commission was present throughout the meeting, and a majority of those members present voted in the proper manner for the adoption of the Resolution.

IN WITNESS WHEREOF, I have hereunto set my hand this 22nd day of September, 2026.

PORT OF PORT ANGELES, WASHINGTON

______________________________________
Secretary, Port Commission

# Future Agenda Items – Commission Meeting

*09/22/2026*

September 22, 2026 (Regular Commission Meeting)

- August Financial Report

October 13, 2026 (Regular Commission Meeting)

- Monthly Delegation of Authority Report
- Monthly Cash and Investment Report
- Log Yard Site & Stormwater Project – September Update
- Introduce 2027 Operating Budget
- Q3 Grant Update

October 26, 2026 (Special Joint Meeting w/ BOCC & The Clallam County PUD)

- Hosted at the BOCC from 11:00 am – 2:30 pm

October 27, 2026 (Regular Commission Meeting)

- September Financial Report
- 3rd Quarter Operations Report
- 2027 Draft Final Capital Budget
- Present Preliminary 2027 Operating Budget & Tax Levy

November 10, 2026 (Regular Commission Meeting)

- Monthly Delegation of Authority Report
- Monthly Cash and Investment Report
- Log Yard Site & Stormwater Project – October Update
- Open Public Hearing on 2027 Budget and Tax Levy

November 17, 2026 (Special Commission Meeting)

- Close Public Hearing & Adopt 2027 Budget and Tax Levy

## Upcoming Events

September 24-25: Washington Public Ports Association (WPPA) Environmental Seminar (Seattle, WA – Renaissance Seattle Hotel)

September 28-30: American Association of Port Authorities (AAPA) Annual Conf. (New Orleans, LA)

October 12-13: Marine Highway 5 & 84 (MH5 & MH84) Joint Annual Roundtable (Vancouver, WA)

October 13-15: Pacific Northwest Waterways Assoc. (PNWA) Annual Meeting (Vancouver, WA)

October 18-21: National Association of Foreign Trade Zones (NAFTZ) Annual Conference & Exposition (San Diego, CA – Loews Coronado Bay)

October 22-23: Washington Public Ports Association (WPPA) Small Ports (Chelan – Campbell's Resort Lake Chelan)

November 19-21: Pacific Marine Expo (Seattle, WA – Seattle Convention Center Arch Building)

December 2-4: International Workboat Show (New Orleans, LA)

December 9-11: Washington Public Ports Association (WPPA) Annual Meeting (Vancouver, WA – Hilton Vancouver)

## Future

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