

PORT OF BREMERTON
BOARD OF COMMISSIONERS
REGULAR BUSINESS MEETING

A G E N D A

June 28, 2022
6:00 PM

Remote Access Only
Zoom Meeting ID: 335 903 0010
Zoom Call-In: (253) 215-8782
BKAT Live Stream

Call to Order

Approval of Agenda

Consent Items

All matters listed under Consent Items have been distributed to each member of the Commission for reading and study, are considered to be routine, and will be enacted by one motion of the Commission with no separate discussion. If separate discussion is desired, that item may be removed from the Consent Items and placed under Action Items by request.

- A. Minutes of the regular business meeting and executive session of June 14, 2022.
- B. Payment of checks #901560 through #901563 and #901564 through #901565 and #83759 through #83782 and #E01037 through #E01047 and #901566 and #E01049 through #E01050 and #E01051 from the General Fund for \$153,804.40; #E01034 and #83755 through #83758 and #E01035 through #E01036 and #E01048 from the Construction Fund for \$604,009.04.

Information Items

1. South Hangar Project Phase 2 Design Concept – Warren Hendrickson, Director of Airport & Industrial Facilities
2. Multipurpose Facility (MPF) Project Update – Fred Salisbury, Chief Operations Officer

Citizen Comments: *Open to the public for comment. Speakers are asked to keep their comments to less than 3 minutes. Please feel free to submit further comments in writing to the Clerk of the Board.*

Action Items

1. Purchase of the Washington State Department of Transportation (WSDOT) SR3 Right of Way Disposal.
2. Settlement Agreement and Release with Century West Engineering Corporation and Parametrix, Inc. for Hangar 7 Stormwater Repair, Project #02-22-20002

Staff Reports

Commission Reports / New Business

Executive Session *(if necessary)*

Adjournment

Regular business and other meetings that may be attended by members of the Board

| <u><i>Date</i></u> | <u><i>Time</i></u> | <u><i>Meeting</i></u> |
|--------------------|--------------------|--|
| <i>06/28</i> | <i>11:00 am</i> | <i>Kitsap Regional Coordinating Council (KRCC) Executive Board</i> |
| <i>06/28</i> | <i>6:00 pm</i> | <i>*Commission Regular Meeting via ZOOM</i> |
| <i>07/04</i> | | <i>Port Admin Offices Closed in Observance of Independence Day</i> |
| <i>07/12</i> | <i>10:00 am</i> | <i>*Commission Regular Meeting via ZOOM</i> |

Meetings are subject to change or cancellation

**Denotes events in which two (2) or more Commissioners may attend*

PORT OF BREMERTON
BOARD OF COMMISSIONERS
REGULAR BUSINESS MEETING

MINUTES

June 14, 2022
10:00 AM

Remote Access Only
Zoom Meeting ID: 335 903 0010
Zoom Call-In: (253) 215-8782
BKAT Live Stream

Commissioners and Staff Present

Commissioners
Axel Strakeljahn
Gary Anderson
Cary Bozeman

Staff Members
Jim Rothlin
Fred Salisbury
Jeremiah Wiley
Arne Bakker
James Weaver
Warren Hendrickson
Ginger Waye
Stephanie Frame
Anne Montgomery, Atty

Call to Order

President Strakeljahn called the meeting to order at 10:00 a.m.

Approval of Agenda

It was moved by BOZEMAN, seconded by ANDERSON to:

Approve the Agenda as presented.

MOTION CARRIES, 3-0

Consent Items

- A. Minutes of the regular business meeting of May 24, 2022.
- B. Payment of checks #E01011 and #E01012 and #83698 and #83701 through #83730 and #E01014 through #E01020 from the General Fund for \$64,380.49; #E01013 and #83699 through #83700 from the Construction Fund for \$136,863.18.
Payment of checks #901547 through #901550 and #E01021 and #E01023 through #E01033 and #83731 through #83749 and #901551 through #901552 and #901554 through #901557 and #901558 and #901559 and #83753 and #83754 from the General Fund for \$177,390.90; #E01022 and #83750 from the Construction Fund for \$53,933.88. Void Checks #83613 and #83241.

It was moved by STRAKELJAHN, seconded by BOZEMAN to:

Approve the Consent Items as presented.

MOTION CARRIES, 3-0

Information Items

1. City of Port Orchard Community Event Center Update – Mayor Rob Putaansuu

Mayor Putaansuu discussed the City's purchase of the Kitsap Bank property in December 2021 and the upcoming marina pump station project prior to giving a PowerPoint presentation on the Community Event Center providing detail on the following:

- Elements of the downtown Port Orchard subarea plan
- How all the separate property ownerships weave together
- Funding appropriations and the search for private partners
- The anticipated “look and feel” of the plan
- Site activation and programming
- The event center building plans and conceptual drawings
- Anticipated start date to follow Kitsap Bank project completion in approximately four years
- Discussion on consideration of architectural features for the marina pump station to mask the “industrial” look of the station and the intention of all elements meeting City design standards so everything doesn't match exactly but will complement each other.

Commissioner Bozeman commented on the City's foresight in purchasing more open space and parkland and suggested it might be appropriate for a discussion on a regional plan, preservation, and financing package that could be put before the public. There was discussion on the impact of growth on the community and Mayor Putaansuu provided some excerpts on City history. There was also discussion on travel improvements along Bethel Avenue and the increase in homelessness in the Port Orchard community.

Citizen Comments - None

Action Items

1. Lease Agreement with Morris Restaurant Management, LLC
Presented by Arne Bakker, Director of Business Development

Following presentation;

It was moved by BOZEMAN, seconded by STRAKELJAHN to:

Approve the restaurant lease agreement with Morris Restaurant Management, LLC

Following discussion;

MOTION CARRIES, 3-0

2. Bid Acceptance for Avian Hangar 8900 Window Replacement Project with K.E.D. Inc. dba Dahl Glass
Presented by Warren Hendrickson, Director of Airport & Industrial Facilities

Following PowerPoint presentation;

It was moved by STRAKELJAHN, seconded by ANDERSON to:

Approve the bid award of the Avian Hangar 8900 Window Replacement construction contract to K.E.D. Inc. dba Dahl Glass and authorize the CEO to execute the contract.

Following discussion;

MOTION CARRIES, 3-0

Staff Reports

Jim Rothlin, Chief Executive Officer

- Recognized the following employee milestones:
 - Anniversaries
 - Brett Talmadge – 1 year
 - Ian Stensrud – 1 year
 - Fred Salisbury – 23 years
 - New Team Members
 - Jenifer Zuweni, Staff Accountant Receivables
 - Connie Daggett, Staff Accountant Payroll & A/P
 - Team Member Departures
 - Tami Brackenbury, Marina Office Assistant
 - Renee Wiley, Marina Office Assistant
- Welcomed new tenant Kitsap Kayak & Recreation to the Port Orchard Marina (POM) and offered background on the company.

- Detailed the following upcoming events:
 - Bremerton Bridge Blast
 - Saturday Farmers Markets on the Port Orchard waterfront
 - Port Orchard Night Market
 - Concerts by the Bay in Port Orchard
 - Port Orchard Green drinks being held on the POM guest docks sponsored by Freedom Boats.
 - Fathoms O' Fun Festival Grand Parade
- Reported on the Beech Boys annual formation flying clinic held last weekend. This clinic trains pilots for the OshKosh Airventures mass arrival in late July.
- Will be attending the Pacific Northwest Waterways Association (PNWA) meeting in Spokane next week.
- Continuing one-on-one meetings with each employee throughout this month.

Commission Reports / New Business

Commissioner Bozeman

- Commended Kathy Garcia, Marina Operations Manager, on her recent graduation from Leadership Kitsap which is a year-long program designed to build a new and continuing source of exceptional leaders. He congratulated her on her accomplishment stating that she is a dedicated employee always looking for professional and personal growth.

Commissioner Anderson

- Announced The Cruz car show held annually in downtown Port Orchard is scheduled for August 14, 2022.
- Attended the Kitsap Economic Development Alliance (KEDA) board meeting during which Wes Larson provided an update on the Quincy Square project in downtown Bremerton.

Commissioner Strakeljahn

- Attended Kitsap Regional Coordinating Council (KRCC) TransPOL during which \$29 million in projects were presented competing for \$11 million in funding.
- Outlined the Puget Sound Regional Council (PSRC) and Central Puget Sound Economic Development District (CPSEDD) Boards tour of Kitsap scheduled for Friday, June 17.

Executive Session

President Strakeljahn recessed the meeting at 11:22 a.m. and reconvened into executive session for approximately 15 minutes regarding: real estate issues [RCW 42.30.110(1)(c)]. At 11:37 a.m. executive session was extended 15 minutes and at 11:53 a.m. it was extended an additional five minutes.

At 11:58 a.m. the regular meeting was reconvened.

Adjournment

There being no further business before the Board, the meeting was adjourned at 11:58 a.m.

Submitted,

Approved,

Jim Rothlin
Chief Executive Officer
June 23, 2022

Cary Bozeman
Commission Secretary
June 28, 2022

Draft

PORT OF BREMERTON
BOARD OF COMMISSIONERS
EXECUTIVE SESSION

MINUTES

June 14, 2022
11:22 AM

Remote Access Only
Zoom Meeting ID: 335 903 0010
Zoom Call-In: (253) 215-8782

Call to Order

President Strakeljahn called the executive session to order at 11:22 a.m., June 14, 2022.

Commissioners and Staff Present

Commissioners

Axel Strakeljahn
Gary Anderson
Cary Bozeman

Staff Members

Jim Rothlin
Fred Salisbury
Arne Bakker
James Weaver
Anne Montgomery, Atty
Seth Woolsen, Atty

Item #1: Real estate issues were discussed [RCW 42.30.110(1)(c)].

With no further business to come before the Board, the meeting was adjourned into regular session at 11:58 a.m.

Submitted,

Approved,

Jim Rothlin
Chief Executive Officer
June 23, 2022

Cary Bozeman
Commission Secretary
June 28, 2022

PORT OF BREMERTON

AGENDA SUMMARY

Agenda Item No: Action Item #1
Subject: Approval of Purchase: WSDOT SR 3 Right of Way Disposal
Prepared By: Warren Hendrickson – Director, Airport & Industrial Facilities
Meeting Date: June 28, 2022

Summary:

In 1957, Kitsap County deeded a portion of then Kitsap County Airport to Washington State Department of Transportation (WSDOT) to serve as additional right of way at the intersection of then State Highway 14 (now State Route 3) and the airport entrance at Imperial Way SW. The County deeded the airport to the Port of Bremerton in July 1963 (the airport was renamed in July 1983) with the right of way intact. The right of way is 150 feet wide and extends from the SR 3 centerline eastward on a line through airport access Gate 1 to the aircraft parking apron.

In May 2020, during Multipurpose Facility (MPF) presubmittal permit meetings with the City of Bremerton, the Port was advised that the north wall of the MPF was within 30 feet of the right of way and would require a two-hour fire wall. Additionally, no construction or MPF facilities could be built – as planned – within any portion of the right of way. The Port then reviewed the proposed Collins 3 Hangar Project north of Gate 1 and recognized it too would be affected by these same requirements and limitations. Given the facility site plans for both developments and the desire to minimize construction costs, Port staff approached WSDOT with a request to reduce the size of the right of way such that the City building code requirements would be completely eliminated. After substantial internal review, WSDOT approved this request for disposal – 28,891 square feet (.66 acres) – subject to WSDOT receiving fair market value for the property.

WSDOT has appraised the property for \$108,000.00. Port staff has performed significant due diligence reviewing the cost of this right of way disposal:

- Absent this disposal, the MPF could not be built at its current scale, permanently reducing future lease revenue to the Port.
- Absent this disposal, the Collins 3 hangar would either not be built at all or would be significantly downsized, either alternative permanently reducing future lease revenue to the Port.
- An internal review of the fair market value of the parcel has proved that WSDOT's appraisal is fair and accurate.
- The long-term revenue generation opportunity from the aforementioned developments exceeds the cost of right of way purchase.

All associated documents for the formal disposal of right of way to the Port of Bremerton are shown in the attached Exhibit A.

Fiscal Impact:

This expense was not anticipated in the 2022 Port budget. It will be funded from reserved revenues achieved from 2020-2021 OVIBP forestry timber sales, funds that can only be spent – per FAA revenue diversion avoidance requirements – on the airport.

| | |
|---|---------------|
| Forestry Timber Sale Revenue Available: | \$627,000.00 |
| Expended to Date: | 0.00 |
| Cost of WSDOT Right of Way Disposal: | 108,000.00 |
| Airport Funds Remaining Post Purchase: | \$ 519,000.00 |

Strategic Purpose:

This action conforms with the Port’s strategic plan in:

- Goal 2. Operate all Port facilities efficiently and cost effectively with a high degree of customer service.
 - Strategy 2.b. Pursue cost efficiencies throughout the Port.
- Goal 4. Expand the Port’s lines of business through routine assessment of new and expanded business opportunities.
 - Strategy 4.c. Have a deliberate, cost-effective process for evaluating new and unique business opportunities.

Recommendation:

Port staff recommends the purchase of the WSDOT SR 3 right of way disposal.

Motion for Consideration:

Move to approve the purchase of the WSDOT SR 3 right of way disposal for \$108,000.00 and authorize the CEO to execute all required documents.

EXHIBIT A



**Washington State
Department of Transportation**

Development Division
Real Estate Services Office
PO Box 47338
Olympia, WA 98504-7338
7345 Linderson Way SW
Tumwater, WA 98501-6504

TTY: 1-800-833-6388
www.wsdot.wa.gov

September 16, 2021

Port of Bremerton
8850 SW State Hwy 3
Bremerton, WA 98312

RE: I. C. #: 3-18-16437
Plan Title: SR 3, LOST LAKE TO GORST

Dear Mr. Hendrickson:

The attached Quit Claim Deed from the State of Washington is sent for your review and approval. Please sign on the lines provided on page 3. It is not necessary to have the signature acknowledged.

After the deed has been signed, please return it along with a check in the amount of \$108,000.00 made payable to the Washington State Department of Transportation, for the balance of the purchase price. Additionally, please enclose a check for the recording fee in the amount of \$206.50 made payable to the Kitsap County Auditor, and a check for the Excise Affidavit processing fee in the amount of \$10.00 payable to the Kitsap County Treasurer. These items should be mailed to:

Washington State Department of Transportation
Attn: Verna Wuerth
P.O. Box 47338
Olympia, WA 98504

We will then have the instrument executed and recorded. It will be returned to you after recording and processing.

Please contact me if you have any questions regarding this matter.

Sincerely,

A handwritten signature in cursive script that reads "Melissa Wax".

Melissa Wax
Property & Acquisition Specialist
Real Estate Services
(509)667-2933
waxmeli@wsdot.wa.gov

AFTER RECORDING RETURN TO:

ATTN: REAL ESTATE SERVICES
DEPARTMENT OF TRANSPORTATION
P.O. BOX 47338
OLYMPIA, WA 98504-7338

Document Title: Quitclaim Deed
Reference Number of Related Document: N/A
Grantor: State of Washington, Department of Transportation
Grantee: Port of Bremerton, a Washington municipal corporation
Legal Description: Ptn. SW ¼ SE ¼, Sec. 11, T.23N., R.1W., W.M.
Additional Legal Description is on Page 1 and 2 of document
Assessor's Tax Parcel Number: ROW adjacent to 122301-2-009-1003

QUITCLAIM DEED

SR 3, LOST LAKE TO GORST

The STATE OF WASHINGTON acting by and through its DEPARTMENT OF TRANSPORTATION, Grantor, for and in consideration of ONE HUNDRED EIGHT THOUSAND AND NO/100 DOLLARS (\$108,000.00), hereby conveys and quitclaims unto PORT OF BREMERTON, a Washington municipal corporation, Grantee, all right, title, and interest in and to the following described real property situated in Kitsap County, State of Washington:

A tract of land situate in the southwest quarter of the southeast quarter of Section 11, Township 23 North, Range 1 West, Willamette Meridian, in Kitsap County, Washington, being a portion of that property acquired by Correction Quit Claim Deed, recorded February 4, 1964, in Volume 795, Page 738, under recording number 813040, records of said county, described as follows:

COMMENCING at a point opposite Highway Engineer's Station (hereinafter referred to as HES) 223+25 on the SR 3 line survey of SR 3, LOST LAKE TO GORST, and 75 feet Southeasterly therefrom; thence South 45°15' East a distance of 75 feet to a point opposite HES AL 1+50.0 on the AL line survey of said highway

and 75 feet Northeasterly therefrom, said point being the TRUE POINT OF BEGINNING; thence South 45°15' East a distance of 176.18 feet; thence South 32°22'20" West a distance of 148.44 feet; thence South 54°08'30" West a distance of 5.07 feet; thence North 45°15' West a distance of 207.17 feet to a point opposite HES AL 1+50.0 on said AL line survey and 75 feet Southwesterly therefrom; thence Northeasterly parallel with said SR 3 line survey a distance of 150 feet to the to the TRUE POINT OF BEGINNING.

The specific details concerning all of which may be found on sheet 7 of 9 of that certain plan entitled SR 3, LOST LAKE TO GORST, now of record and on file in the office of the Secretary of Transportation at Olympia, Washington, bearing date of approval July 9, 1957, revised December 18, 2020.

Subject to all existing encumbrances, including easements, restrictions and reservations, if any.

The Grantee herein, on behalf of itself and its successors or assigns, as part consideration paid herein, waives and/or releases Grantor from any past, present, or future claims for damages directly or indirectly caused by highway drainage or runoff, and further, Grantee, its successors or assigns, shall have no right of compensation for damages to the property herein conveyed caused directly or indirectly by highway drainage or runoff.

The Grantee, on behalf of themselves and its successors or assigns, as part consideration herein, do hereby agree to comply with all civil rights and anti-discrimination requirements of chapter 49.60 RCW as to the lands herein conveyed.

The lands herein described are not required for state highway purposes and are conveyed pursuant to the provisions of RCW 47.12.063.

Dated at Olympia, Washington, this _____ day of _____, 20____.

STATE OF WASHINGTON,
DEPARTMENT OF TRANSPORTATION -
GRANTOR

Roger Millar, PE, FASCE, FAICP
Secretary of Transportation

APPROVED AS TO FORM:

By: _____
Assistant Attorney General

REVIEWED AS TO FORM-
PORT OF BREMERTON - GRANTEE:

By: _____
Jim Rothlin, Executive Officer

STATE OF WASHINGTON)

) : ss

COUNTY OF THURSTON)

On this _____ day of _____, 20_____, before me personally appeared Roger Millar, known to me as the Secretary of Transportation, State of Washington, Department of Transportation, and executed the foregoing instrument, acknowledging said instrument to be the free and voluntary act and deed of the State of Washington, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument.

Given under my hand and official seal the day and year last above written.

Notary (print name) _____
Notary Public in and for the State of Washington,
residing at _____
My Appointment Expires _____



December 17, 2020

To: JoAnn Schueler
Olympic Region ARA

From: LeRoy Patterson
Highway Access Control and Hearings Manager

RE: SR 3, Lost Lake to Gorst, Sheet 7
Request for Limited Access Modification
ICN 3-18-16437

These Limited Access Modification are located on SR 3 at Sta. 223+25 Lt. and Sta. 224+75 Lt. The modifications include the vacation of limited access along both sides of the AL Line from Sta. AL 1+50 to the end of the AL Line as shown on the attached Right of Way Plan, titled "SR 3, Lost Lake to Gorst", Sheet 7 dated, July 9, 1957.

The HQ Access and Hearings office is supportive of this modification of the limited access for the surplus of property to the Port of Bremerton.

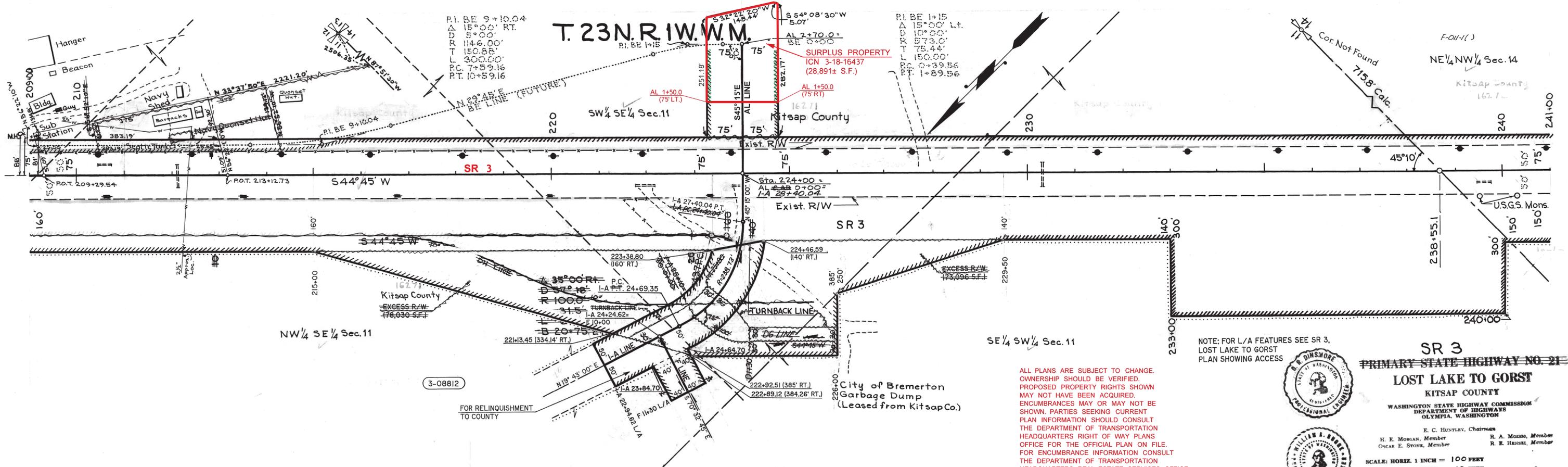
LeRoy Patterson
Highway Access Control and Hearings Manager

LEP/mr (ACC/HU)
SF20-002

Attachments:

Olympic Region Request Memo, dated December 15, 2020
Right of Way Plan "SR 3, Lost Lake to Gorst", Sheet 7 dated July 9, 1957

cc:
Herb Dick



NOTE: FOR L/A FEATURES SEE SR 3, LOST LAKE TO GORST PLAN SHOWING ACCESS



SR 3
PRIMARY STATE HIGHWAY NO. 21
LOST LAKE TO GORST
KITSAP COUNTY
 WASHINGTON STATE HIGHWAY COMMISSION
 DEPARTMENT OF HIGHWAYS
 OLYMPIA, WASHINGTON

E. C. HUNTLEY, Chairman
 H. E. MORGAN, Member
 OSCAR E. STONE, Member
 R. A. MOSSO, Member
 R. E. HESSEL, Member

SCALE: HORIZ. 1 INCH = 100 FEET
 SCALE: VERT. 1 INCH = 10 FEET
 APPROVED: July 9, 1957

Assist. DIRECTOR OF HIGHWAYS

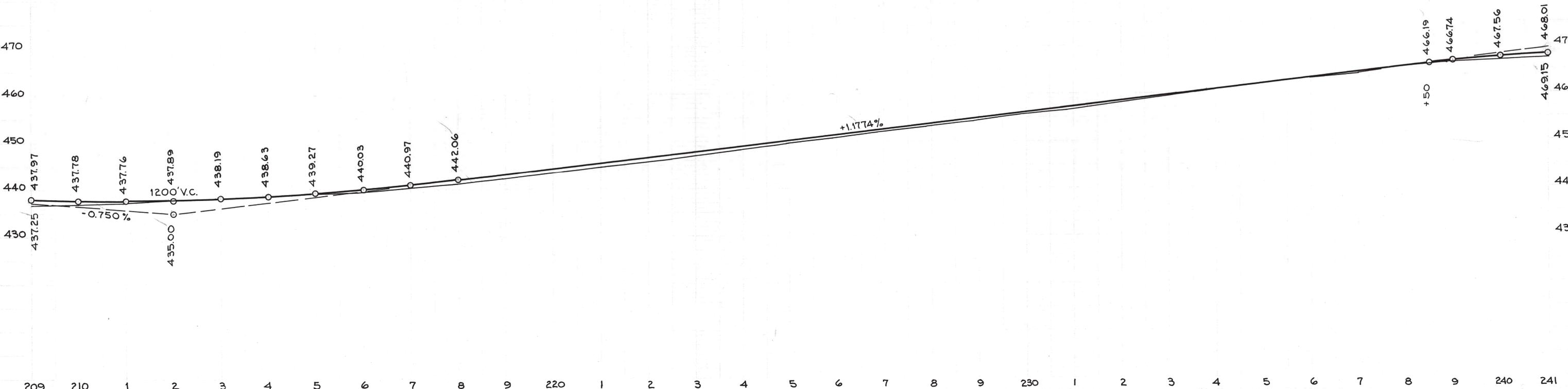
ALL PLANS ARE SUBJECT TO CHANGE. OWNERSHIP SHOULD BE VERIFIED. PROPOSED PROPERTY RIGHTS SHOWN MAY NOT HAVE BEEN ACQUIRED. ENCUMBRANCES MAY OR MAY NOT BE SHOWN. PARTIES SEEKING CURRENT PLAN INFORMATION SHOULD CONSULT THE DEPARTMENT OF TRANSPORTATION HEADQUARTERS RIGHT OF WAY PLANS OFFICE FOR THE OFFICIAL PLAN ON FILE. FOR ENCUMBRANCE INFORMATION CONSULT THE DEPARTMENT OF TRANSPORTATION HEADQUARTERS REAL ESTATE SERVICES OFFICE.

| 3-08812 | PORT OF BREMERTON | UNDETERMINED | 6,265 S.F. | | | |
|-------------------|-------------------|--------------|------------|---------------|-----|--------|
| PARCEL NO. | NAME | TOTAL AREA | R/W | LT. REMAINDER | RT. | EASM'T |
| OWNERSHIPS | | | | | | |

| CURVE DATA | | | | |
|--------------|-----------------|---------|---------|---------|
| P.I. STATION | DELTA | RADIUS | TANGENT | LENGTH |
| IA 26+21.34 | 64° 58' 00" RT. | 238.73' | 151.99' | 270.69' |

| Letter | Authority | Date | Description | By |
|----------------------------|-----------------|---|--|-----|
| Letter 10-31-72 | Comm. Res. 2554 | 12-8-72 | Deleted frontage road on Rt. Sta. 209+00 to 224+00, added 1-A# DG Lines, turnback line | RLS |
| Comm. Res. #1160 | 11-21-61 | R/W & L/A Rev. & Grade Int. Added Sta. 209+00 to Sta. 229+50 | B.K. | |
| Letter 12-8-60 | 12-20-60 | Topog. Rev. on Lt. Sta. 209+00 to Sta. 216+00 | B.K. | |
| Letter 1-3-58 | 1-14-58 | Topog. Added on Lt. Sta. 210+00 to Sta. 215+00 | B.K. | |
| SUBSEQUENT APPROVAL | | | | |
| Letter 4-23-99 | 4-30-99 | Revised R/W, L/A, turnback line, area for relinquishment, deleted DG Line, added F Line and noted excess R/W on Rt. Sta. 215+00 to 229+50; Added parcel 3-08812 | HEP | |
| Letter 5-24-99 | 5-28-99 | Revised Boundary and Area Parcel 3-08812 | HEP | |
| Letter 10-13-99 | 10-22-99 | Revised R/W, L/A and deleted excess R/W on Rt. Sta. 215+00 to 223+38.80 and Sta. 222+69.12 to 229+50 | HEP | |
| 12-7-20 | Approval | | Added Surplus Property ICN 3-18-16437 and Area. Revised R/W & L/A on Lt. Sta. 223+25 to 224+75. Added SR 3 Centerline Designation and Ownership Verification Note. | BWB |

FOR R. OF W. SHEET 7 OF 9 SHEETS
 CONTRACT NUMBER



PORT OF BREMERTON
AGENDA SUMMARY

Agenda Item No: Action Item #2

Subject: Approval of Settlement Agreement & Release:
Century West Engineering Corporation & Parametrix, Inc.
Hangar 7 Stormwater Repair
Port Project #02-22-20001

Prepared By: Warren Hendrickson – Director, Airport & Industrial Facilities

Meeting Date: June 28, 2022

Summary:

On December 14, 2021, the Port Commission approved the bid award for the Hangar 7 Stormwater Repair Project to Henderson Partners, LLC. The construction contract cost is \$94,124.77, including sales tax. The purpose of this project is to mitigate stormwater flooding issues resulting from design and construction errors during the 2020 South Hangar Project (SHP) Phase 1 (Port Project #02-18-0280).

As discussed during the above Port Commission meeting, the Port and the SHP engineering companies – Century West Engineering Corporation (CWE) as prime and Parametrix, Inc. (PMX) as subcontractor – agreed on a cost-sharing formula for this repair project. The Port’s share is \$52,349.77 and is based on an engineering estimate of the Port’s costs if the design and construction errors had not occurred. The balance of the expense of the bid award amount will be borne equally by CWE and PMX. The amount to be shared by CWE and PMX is \$41,775.00.

To formalize this cost-sharing arrangement, the Settlement Agreement and Release (“Settlement”) attached as Exhibit A has been agreed to as fair and reasonable by all parties. It has been reviewed and approved by an attorney to the Port. Approval of this Settlement by the Commission is required due to the magnitude of the dollar amount. The Port of Bremerton Delegation of Authority, in Section IX – Legal Services and Other Representation, limits the Chief Executive Officer’s authority to approve settlement agreements up to a maximum of \$35,000.00.

Fiscal Impact:

This project’s cost-sharing is as follows:

| | |
|-----------------------|-------------|
| Cost of construction: | \$94,124.77 |
| Port share: | 52, 249.77 |
| CWE share: | 20,888.00 |
| PMX share: | 20,887.00 |

The Port's portion of the Hangar 7 Stormwater Repair will be funded from the Port's restricted stormwater reserve account.

Strategic Purpose:

This action conforms with the Port's strategic plan in:

- Goal 6: Develop and fund a 20-year asset replacement/major maintenance schedule.

Recommendation:

Port staff recommends approval of the Settlement Agreement and Release with Century West Engineering and Parametrix for the Hangar 7 Stormwater Repair Project.

Motion for Consideration:

Move to approve the Settlement Agreement and Release with Century West Engineering Corporation and Parametrix, Inc. for the Hangar 7 Stormwater Repair Project and authorize the CEO to execute the required documents.

Exhibit A

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release (“Agreement”) is entered by, and between, the Port of Bremerton (“POB”), Century West Engineering Corporation (“Century West”), and Parametrix, Inc. (“Parametrix”), each referred to herein as a “Party”, or collectively as the “Parties”. This Agreement arises out of task orders between the POB and Century West related to a project known as the “South Hangars Site Development” (“the Project”), more fully described in Task Order #7, dated January 11, 2019, and Task Order #13, dated July 10, 2020, each as amended. Century West engaged Parametrix as a subconsultant on the Project through and agreement dated February 4, 2019, with a subsequent amendment dated July 23, 2020.

RECITALS

A. During the construction of the Project, a concrete drainage pipe was encountered in the excavation of hangar pad foundations. This encounter was unexpected because record data for the site did not show the pipe and its connection to other drainage system infrastructure.

B. Century West and/or Parametrix made assumptions about existing conditions regarding the routing and location of the pipe, as well as connections to the existing drainage system. Based on those assumptions, the pipe that was encountered in the excavation was removed and plugged (the “Pipe Removal”).

C. As a result of the Pipe Removal, storm water flooding occurred upstream of the plug because there was no outlet for the upstream system. Century West and/or Parametrix provided a design to eliminate the flooding by installing additional storm water piping and appurtenances. This design corrected the flooding. The design created additional construction cost to the POB that was unexpected and beyond POB budgetary limits.

D. The POB incurred additional costs attributable to Century West and/or Parametrix for inaccurate assumptions in the Project design and during construction of the Project which resulted in the Pipe Removal. The POB claims that Century West and/or Parametrix is solely responsible for \$41,775 in additional Project cost relating to the inaccurate assumptions that resulted in the Pipe Removal.

E. The Parties have conducted several meetings and discussions regarding the Project to settle the matter. The Parties agree that an informal resolution is

mutually beneficial rather than escalating this matter through a formal dispute process.

F. The Parties desire to resolve the matter per the terms of this Agreement. Accordingly, for good and valuable consideration, the adequacy of which is hereby acknowledged, the Parties agree as follows:

AGREEMENT

1. **Settlement.** Payment to the POB will be made in the sum of FORTY-ONE THOUSAND SEVEN HUNDRED SEVENTY-FIVE DOLLARS (the “Payment”), as follows:
 - a. Century West will pay directly to the POB the total sum of \$20,888 within thirty (30) days of the effective date of this Agreement.
 - b. Parametrix will pay directly to the POB the total sum of \$20,887 within thirty (30) days of the effective date of this Agreement.
2. **Effective Date.** This Agreement becomes effective on the date last signed.
3. **Release.** Upon receipt of the Payment set forth above, POB hereby fully and finally releases, acquits, and discharges Century West and any and all of its past, present, and future parent companies, affiliate companies, subsidiaries, divisions, partners, members, associates, managers, officers, directors, employees, insurers, sureties, lenders, successors, assigns, agents and attorneys from any and all liabilities, losses, expenses, damages, claims, and causes of action, whether known and unknown, past, present and future, and including without limitation any and all claims for breach of contract, negligence, indemnity, contribution, comparative fault, delay and impact, cumulative impact, bad faith, pass through claims, liquidated damages, fraud, defects and deficiencies, and all related attorney, expert and litigation/mediation fees and costs, whether incurred or not incurred, asserted or not, arising from, by reason of, or directly or indirectly related to the inaccurate assumptions in the Project design and during construction of the Project which resulted in the Pipe Removal. The Port expressly reserves any other claims related to or arising out of the Project not expressly waived herein.

Upon POB’s receipt of the Payment set forth above, POB and Century West hereby fully and finally releases, acquits, and discharges Parametrix and any and all of its past, present, and future parent companies, affiliate companies, subsidiaries, divisions, partners, members, associates, managers, officers, directors, employees,

insurers, sureties, lenders, successors, assigns, agents and attorneys from any and all liabilities, losses, expenses, damages, claims, and causes of action, whether known and unknown, past, present and future, and including without limitation any and all claims for breach of contract, negligence, indemnity, contribution, comparative fault, delay and impact, cumulative impact, bad faith, pass through claims, liquidated damages, fraud, defects and deficiencies, and all related attorney, expert and litigation/mediation fees and costs, whether incurred or not incurred, asserted or not, arising from, by reason of, or directly or indirectly related to the inaccurate assumptions in the Project design and during construction of the Project which resulted in the Pipe Removal. The Port and Century West expressly reserve any other claims related to or arising out of the Project not expressly waived herein.

4. **No Admission of Liability.** Nothing in this Agreement is to be deemed an admission of liability in connection with the dispute or the Project and this Agreement may not be used as evidence in any other dispute or proceeding, formal or informal, other than a proceeding to enforce this Agreement.

5. **Authority.** Each signatory signing below warrants and represents that such signatory has the right and legal authority to sign this Agreement and to bind its respective party and each of their principals, successors, representatives, assigns, and any members.

6. **Choice of Law.** This Agreement shall be construed and governed in accordance with the laws of the state of Washington.

7. **Entire Agreement.** Except as otherwise provided herein, this Agreement constitutes the entire agreement between the Parties and all terms cited or referenced in this Agreement are contractually binding, not merely recitals. This Agreement supersedes any prior oral or written agreements or communications on the subject matter addressed herein. The Agreement may be amended only in writing signed by all parties.

8. **Severability.** If any portion of this Agreement is determined to be unenforceable, such determination shall not affect the validity of any other portion of this Agreement and the remaining portion will be given the fullest meaning and effect allowed by law.

9. **Counterparts.** This Agreement may be executed in counterparts, each of which will be an original, and all of which will constitute one and the same instrument.

10. **Signatures.** Electronic and facsimile signatures shall be deemed originals for the purpose of this Agreement.

PORT OF BREMERTON

CENTURY WEST ENGINEERING
CORPORATION

Jim Rothlin,
Chief Executive Officer

Joseph Roshak,
President

Dated: _____

Dated: _____

PARAMETRIX, INC.

Elizabeth Kelly,
Senior Vice President

Dated: _____