PORT OF CENTRALIA
Established 1986

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**Minutes**
**Regular Meeting of the**
**PORT OF CENTRALIA**
**March 16, 2022**
**Port of Centralia Administrative Office & Via Teleconference**
**3:00 PM**

Attendees: Commissioners: Kyle Markstrom, Julie Shaffley, Peter Lahmann
Executive Director: Kyle Heaton
Press: Susan Delaire, DeVaul Publishing, via teleconference
Public: Lindy Waring; Bob Jackins; Jan Banevich; Pam Zimmerman; and Joyce Barnes
Teleconference: Sean Swope, Lewis County Board of County Commissioners; Vanessa Herzog, Lee & Associates Northwest; Lindsey Pollock, Lewis County Board of County Commissioners; and three unknown callers

1) **Call Meeting to Order/Introductions:** Commissioner Markstrom called the meeting to order at 3:00 p.m.

2) **Approval of Agenda:** Commissioner Shaffley made a motion to approve the March 16, 2022, agenda as submitted. Commissioner Lahmann seconded the motion. The motion carried.

   Commissioner Lahmann stated that he wanted to have a discussion added to the agenda regarding the possible meeting of partners on Centralia Station. He asked how it could be added or if it could go under "new business." He said that it would just be a discussion and he didn't think that any motions would come out of it.

   Commissioner Shaffley asked if there was a need for executive session. Commissioner Markstrom made a motion to add an executive session to the agenda. Commissioner Shaffley seconded the motion. The motion carried.

   Commissioner Shaffley made a motion to approve the March 16, 2022, agenda as amended. Commissioner Lahmann seconded the motion. The motion carried.

3) **Approval of Minutes:** Commissioner Lahmann made a motion to approve the March 2, 2022, regular meeting minutes. Commissioner Shaffley seconded the motion. The motion carried.

4) **Approval of Warrants:** Commissioner Shaffley made a motion to approve warrants 22350 through 22374 with an aggregate amount of $50,477.46. Commissioner Lahmann seconded the motion. The motion carried.

5) **New Business:**

   a) **Executive Director Report:** Kyle Heaton reported that the Furgerson Schmidt project is progressing. He said that the detailed site plan has been submitted to the City and the Port. The City has completed their review and the Port's planners are working on the Port's Master Plan compliance review. He also reported that the boundary line adjustment is nearly complete. The

Port's surveyor has addressed the issues that were there and other testing continues on the site. He said that the waterflow test for the fire department had been conducted that morning and it passed very well since Park I has excellent water pressure. He expects to close on the project at the end of March or beginning of April.

Kyle gave an update on 4Legz's new facility at 1711 Midway Court. He said that the maintenance crew has nearly completed their work on the inside. Arvid's was the successful bidder for the flooring installation and the electrical upgrade to LED lighting is out to bid. The final portion of the project is negotiating an agreement with Puget Sound Energy to extend gas service to the building and that will be completed once the location of the new gas meter has been determined.

Kyle stated that the Roadmaster for Puget Sound and Pacific Railroad notified the Port that they are looking to close Kuper Road for a weekend in either late March or April to rebuild the crossing. They will be installing omega panels, which are to the Port's certification. The panels and the ties are onsite. PSAP is trying to organize the best time to do the work with Sierra Pacific Industries to have the least impact on the mill.

The Port was successful in acquiring an additional $1.7 million from the Legislature from the "Move Ahead Washington" fund for Centralia Station. Kyle said that the reason for those increases has been delays in permitting and inflationary pressure. It was a common theme across the transportation budget of projects that were ready to go with the cost due to COVID and other delays. He thanked Senator John Braun for his amendment that made the funding happen.

Kyle reported that the local funds from the "Connecting Washington" transportation package from a few years prior have been released for the Yew Street extension and arterial work with the numbers updated based on the allocation that occurred in the Legislature. The Port is working with its lobbyist and Washington State Department of Transportation to update funding as time goes on.

The Port checked in with the Federal Highway Administration as their review continues. Kyle said that he appreciated Commissioner Markstrom's contact with Representative Jaime Herrera Beutler's office. They have stepped in again to help move things along, which has been helpful.

Kyle said that the boundary line adjustment at Centralia Station is nearly complete as well. The City planning department has approved the submission and it is waiting for signatures.

Kyle stated that the Port is preparing to go to bid on the Yew Street extension project. The Port's civil engineer is finalizing plans with the City engineer. He said that the specifications and WSDOT gradebook change quarterly, so the engineers are updating those as well as some other issues that they are addressing, none of which is insurmountable. He said that Steve Hatton has done a great job of getting through it.

Commissioner Lahmann asked Kyle Heaton if the $5 million and the $2,000,881 listed on the WSDOT sheet was for the Yew/Long Road extension part or if it covered the ramp as well. Kyle Heaton replied that it was just for the Yew Street extension. Commissioner Lahmann asked if the Port has to pay the $2,000,165. Kyle Heaton replied that the Port already has. Commissioner Lahmann said that he was very thankful for the extra $1.7 million and asked how that came

about. He asked if it was an automatic adjustment by the state or did the Port have to put in a request for the extra money. Kyle Heaton replied that the Port put in a request in November 2021. Commissioner Lahmann said that he wondered because a year ago he was told that the Port didn't need any more funds from Senator Murray's office so he was kind of surprised, but he was happy that the Port got it and that it will be helpful. Kyle Heaton replied that it was a different pot of money. Commissioner Markstrom added that Senator Murray's funding was federal money versus the state funding that the Port already had. He said that it was easier to increase the funding from that source than it was to federalize the project and go a different route with funding and tie things down with delays and other things.

Commissioner Shaffley said that she would like to thank Senator Braun and the Port's lobbyist for all of their work to get the funding passed. She said that it was wonderful for the community.

Commissioner Markstrom presented the other Commissioners with copies of the Washington Public Ports Association's Commissioner Resource Guide. He said that on page 17 there is a section called "Stick to the Commission's Duties." There is guidance on the appropriate actions for commissioners and interference with day to day actions or day to day management and port activities. He encouraged the other Commissioners to read over it as the Port continues to work forward on these projects that staff and consultants are diligently invested in.

Commissioner Lahmann said that he thought requesting the $1.7 million from the Legislature is a policy issue and he does not remember that it came before the Commissioners to talk about, even though he is happy that the Port received the funding. Kyle Heaton replied that if Commissioner Lahmann reviewed the meeting minutes he would find it.

Commissioner Shaffley said that she appreciated that Commissioner Markstrom brought the issue up because there was an email concerning the Yew Street extension. She said that the Port has spent millions of dollars on studies. There have been two different traffic studies done by two different independent traffic consultants, the Port's engineers, and they have been signed off on by the City and WSDOT. She said that by bringing up information or questions that have already been addressed and that have already been signed off on is really not a good way to spend the Commissioners' time or the executive director's time, because there are many other things going on at this time that need his attention.

Commissioner Markstrom stated that he didn't want any meddling to cost the Port more delays. Commissioner Shaffley agreed and added costing delays to funding.

Commisisoner Lahmann said that the Commissioners' job was to set policy and that he was doing the best that he could. He said that with his background this is his area of expertise that they were talking about that he has done forever. Commissioner Markstrom replied that meeting with staff people at the staff level with the permitting agencies the Port is working with is not policy. He said that it was meddling. Commissioner Shaffley added that that was not the Commissioners' position.

Commissioner Lahmann stated that it is part of the Commissioners' job to do their homework and find their information. He said that if he is not getting the information from the Port office then he needs to go where he can get the information. He has worked with WSDOT and has been around it his whole life. He said that he knows those people and that at the last Commission

meeting he had said that he had heard a rumor about issues. Commissioner Markstrom asked Commissioner Lahmann to clarify what he meant about hearing a rumor. Commissioner Lahmann replied that he had heard a rumor and that he had asked about the Port's utility plan for Centralia Station. Commissioner Markstrom asked Commissioner Lahmann what he had heard and from whom did he hear it. Commissioner Lahmann said that it did not matter and the question was if it was true or not. He asked if the Port has the utilities plan. He said that he reached out to City Light to see where the Port was at on that and they had a plan drawn up but the Port had not engaged with them since that time. During construction there is a checklist and he said that he was seeing things that he didn't think were checked are on the checklist.

Commissioner Markstrom said that that was not the duty of the Commissioners. The Port has staff, consultants, and engineers that have been hired and paid and have done multiple projects for the Port successfully. They have been diligently working on this project for years. He said that he would never in any circumstance think that it was appropriate for himself to intervene and go have meetings with staff-level members at organizations that the Port's staff and engineers are interacting with to move the project forward. He said that it seemed extremely detrimental. Commissioner Lahmann asked if it was proper to ask the director or the engineers questions.

Commissioner Shaffley added that with the utilities, the Commissioners have to realize what the Port's responsibilities are and the responsibilities of the developer and the landowner. The Port's responsibility is the road. Commissioner Lahmann said the 75-feet-wide right-of-way. Commissioner Shaffley continued that the Port does not need to know how much electricity is going to be needed; that is up to the developer and the builder. She said that the Port did not get involved with UNFI, or STIHL, or any of the others. This is another one of those instances where the Port is only responsible for its job and doesn't need to get into everyone else's job, which again takes up time and money. She said that the City knows who they need to speak to and who the developer is. Once the land is purchased and the City knows who is going to be building, that is who needs to be contacting them. The Port just makes it available at the road as a right-of-way. She has seen emails where this issue was signed off by Patty Page in May 2021, so the City is aware of the electricity.

Commissioner Lahmann agreed that the City's electrical department is on top of it but they have to have a signed agreement and he isn't sure they do. Commissioner Shaffley asked who needed to have a signed agreement. Commissioner Lahmann replied that it would be between City Light and the Port, because the Port is the developer on this. Commissioner Shaffley stated that the Port was not. Commissioner Lahmann replied that the Port was. Kyle Heaton said that the Port is building the public right-of-way and there would not be any point in signing any agreement without the issuance of a permit from the City engineer. He said that Commissioner Lahmann was correct in that there is a checklist and there is an incremental way in which things happen. But it's down the road and the Port and its engineers are on top of it. He is confident in what Steve Hatton is doing and is not concerned about it. The Port has done this before on Kuper Road, Steelhammer Lane, Mahoney Drive, Hoss Road, and Robert Thompson Road. He said that the Port's role is to lay conduit and put in the vault boxes. The Port is not subsidizing the end user; they do that. Commissioner Lahmann said that he was not talking about the right-of-way. He knows that the Port takes the utilities to the right-of-way and the end user picks it up. Kyle Heaton said that the Port lays the conduit to the right-of-way and does not pull the wire. City Light does that when it is ordered, which will be between City Light and the end user. He said that, as Commissioner Shaffley aptly pointed out, the Port had no role in the millions that went

between City Light and UNFI. That was between the end user and the utility provider. The Port does not sell utilities and does not make money off of them. Commissioner Lahmann agreed.

b) **Resolution No. 2022-01:** Commissioner Shaffley made a motion to approve Resolution No. 2022-01 to void Warrant 22199. Commissioner Lahmann seconded the motion. The motion carried.

c) **Committee Reports:** Commissioner Lahmann said that he attended the commissioners and mayors meeting and didn't have anything to report from that. He added that he received a note from Senator Murray's office and there is some discretionary funding that can be used for infrastructure projects. He said that if the Port was interested then he would forward it to Kyle Heaton.

Commissioner Markstrom reported that he attended the .09 Committee meeting where they approved a request from the Economic Alliance of Lewis County for their two-year funding It has been sent on to the Lewis County Board of County Commissioners for approval.

6) **Good of the Order/Public Comment:** Jan Banevich, of Centralia, commented that whenever she has gone to the City and asked about anything dealing with the Port, because she can't get any answers from the Port, they tell her that they can't get any answers either so she doesn't think that they know everything that is going on. More than one person at the City has told her that they can't get answers from the Port, so consider that when the Port states that they know everything that is going on with the Port. She added that she lives in Port District 3 and she has had several people ask her why their Port Commissioner can't represent them. They ask why the District 3 Port Commissioner is excluded from being appointed to any committees and why is nothing that he brings up ever discussed. She said that it is always going on until next time or next time and is never discussed. She asked why he is not given any of the information that he asks for. She said that each of the Commissioners are elected to represent a district and they are representing the constituents, but only two Commissioners get to represent their constituents because the Commissioner for District 3 is not allowed to do anything and that is not fair to the voters.

Pam Zimmerman stated that she had no comments and had signed up for public comment by mistake.

Joyce Barnes stated that she came to the meeting because she was interested in the Port. She was part of the original meetings when they were talking about having a Port thirty years ago. She said that she is very proud of the Port and the development the Commission has done. She was on the City of Centralia Council for a total of nine years and double-stamps the idea of having a meeting with the Port, City, and the powers that be. She stated we all need to work together and it is way past time that something happens with Centralia Station. She said she thought it needs to get moving forward. Commissioner Markstrom replied that Centralia Station is absolutely moving forward and assured Joyce Barnes that there are things being worked on every day. He said that he looks forward to making some announcements soon. Joyce Barnes added that she flounders when she looks at her property taxes and how much she pays for Port taxes because when the Port was originally talked about, they decided the Port would be funded on a ten-year tax. Then they decided on twenty years to make sure they had enough. It is still going on and it needs to be looked at because the taxpayers are taxed to death. Commissioner Markstrom thanked Joyce Barnes for her comments. Commissioner Lahmann thanked her for her historical perspective.

7) **Adjourn to Executive Session:** Commissioner Shaffley made a motion to adjourn the meeting to executive session to discuss real estate matters pursuant to RCW 42.30.110(1)(b) at 3:25 p.m. Commissioner Lahmann seconded the motion. The motion carried. Kyle Heaton stated that executive session should last approximately five minutes with no decisions likely.

8) **Adjourn:** Commissioner Lahmann made a motion to adjourn the meeting at 3:34 p.m. Commissioner Shaffley seconded the motion. The motion carried.

**COMMISSIONER**

Patty Lahmann
**COMMISSIONER**