Friday Harbor Port District

Port Commission Meeting
San Juan Island Yacht Club
Friday October 23rd at 10:00 AM
Regular Meeting Minutes

Commissioners Present:	**Port Staff Present:**
Gib Black	Todd Nicholson, Executive Director
Richard Goodhart	Kyle Gropp, Deputy Director
Barbara Marrett	Mike Roling, IT Administrator
	Jacob Heeren, Harbormaster
Swinomish Representatives:	Phyllis Johnson, Auditor
Fred Cayou	Megan Workman, Staff Accountant
Brett Lizotte	
Shaun Beasley	
Brian Porter	

Public in Attendance

Amy Trainer	Ashley
Greg Stein	Sierra
	Chiyokten (Zoom)

[10:00a] *Commissioner Black brought the meeting to order and announced that due to a slight travel delay with the Swinomish representatives he would be starting with other agenda items until they arrive.*

Consent Agenda:

- **A.** Approval of Payroll and Vouchers
- **B.** Approval of Minutes: October 9, 2026

10:00a] *Commissioner Marrett asked about the steel recycling item in the warrants. Deputy Director Gropp explained that metal from various jobs that gets collected and taken for recycling. Commissioner Marrett moved to approve the consent agenda; Commissioner Goodhart seconded. Approved unanimously.*

Citizen comments/requests: Citizens can make a brief comment or may ask the Commission to schedule a topic for further discussion at a future meeting.

[10:02a] *Commission Black asked the public present if anyone wanted to make a comment on an item not on the agenda. None.*

Action Items:

A. Resolution 26-017 - WSDOT CARB Loan Application

[10:02a] *Executive Director Nicholson explained that this is a loan program from WSDOT with up to 1.2 million dollars available. This resolution would allow for the Port to apply for the available money to help take pressure off the Port's reserve fund while waiting for the FAA reimbursement on the Kilpatrick building acquisition. He noted that it is low interest and there is no early repayment penalty. Commissioner Marrett asked what the interest rate is. Executive Director Nicholson responded that it is 2% and noted that we'd likely only have it for a few months. He added that the reserve account has quite a bit of pressure on it already with the existing grants that the Port must prepay before getting reimbursed.*

Commissioner Black asked if the FAA support of the purchase has wavered. Executive Director Nicholson responded that the FAA strongly supports the purchase. Commissioner Marrett moved to approve Resolution 26-017; Commissioner Goodhart seconded. Resolution 26-017 approved unanimously.

Discussion Items:

C. WPPA Winter Meeting Interest (December 9-11)

[10:06a] *Commissioner Black asked where it was being held, it was noted that this one is being held in Vancouver, WA. Commissioner Black indicated that he would not be attending. Commissioner Marrett indicated that she would attend. Commissioner Goodhart noted that the 11th does conflict with the Port's regular meeting, but he would also be attending. Executive Director Nicholson indicated in the past when multiple commissioners attend a meeting we will adjust the Port's meeting date by a week. Staff will figure out a date to reschedule the meeting, possibly as just a bill pay.*

A. Updated Comprehensive Scheme of Harbor Improvement

[10:08a] *Commissioner Goodhart thought the updated scheme of harbor improvements read well. Executive Director Nicholson noted that the updated layout is a product of the feedback received from the Commission when they looked at the earlier version. This document is designed to replace the old individual site master plans other than the airport master plan which it references. Commissioner Marrett noted she had a couple of small changes such as clarifying some wording around the seaplane base and a typo in a table. She will share her minor corrections so they can be fixed before the next meeting.*

Swinomish Tribe Leadership-Level Consultation:

- Port Projects in the planning and permitting stages
    - Shipyard Cove & Jensen Properties (HOP, Cleanup, SYC Marina)
    - Jackson Beach Cannery (restoration & uses)
    - Friday Harbor Marina Maintenance (Float Replacements, Fuel Tanks)
- Opportunities to Collaborate (Projects or Cultural)

[10:13a] *Executive Director Nicholson started staff and commissioner introductions. Swinomish Representatives Fred Cayou, Brett Lizotte, Shaun Beasley, and Brian Porter all introduced themselves.*

Executive Director Nicholson started off by explaining some of the Port's projects that are currently happening or are planned, starting with the Jensen Shipyard Cove site. He noted plans for the travelift, boatyard clean-up, and potential new breakwater and marina expansion.

Next, he mentioned the plans in the Friday Harbor Marina primarily maintenance on the docks, and noted that the Fuel System will need a new solution. Which might include new above ground tanks, or potentially a system at another facility such as the Jensen Shipyard Cove site.

Commissioner Black asked where the existing fuel tanks are. Executive Director Nicholson said they are under the pavement, but doesn't know if new underground tanks will be permitted, it is possible the new tanks will have to be above ground and may have to be a significant distance away.

Amy Trainer, asked about the Port's electric boats, because the Swinomish Port Authority has received a grant and currently has a Photon electric vessel in fabrication. Executive Director Nicholson asked what kind of boat they were looking for. Brett said the one they have in fabrication is a 35' landing craft style; they also tested some harbor boats. Executive Director Nicholson said that the Port has a work barge that is setup as a pump out boat that is currently in service; the work boat is expected to be delivered in a couple of months.

The Port also has coming a foiling yacht and a landing craft style, both of those will be put into a rental fleet. There is also a plan to electrify the existing pump boat. He also noted that the Port is upgrading electrical infrastructure for cruise ships and for electric vessels.

Brett noted that they are working on getting some level 3 charging for hybrid or electric fishing vessels.

Brian asked if the fuel dock might move to Jensen's. Executive Director Nicholson responded that it is to be determined. If the Port is forced to use above ground tanks there are multiple locations that may be under consideration including the Jensen Shipyard Cove facility.

Executive Director Nicholson noted that he isn't going to discuss much about the Cannery as it is still in planning with the Commission. He did note that the old high dock is undergoing permitting to be removed and may happen this year unless it must go through an EPA review.

Commissioner Black started by noting that the Port has been doing some work to maintain the building, but the long-term use is still near the start of a very long process.

Commissioner Marrett noted that we have had some public meetings where high-level ideas were gathered from the public. One of the ideas that had support was shellfish aquaculture. She also added that the Port would like to have the place bring in some income even if it isn't the final use, such as boat storage.

Fred asked if the aquaculture plan was something like a clam garden. Commissioner Marrett responded that would be a possibility along with oysters or mussels. Commissioner Goodhart added that the Port isn't looking to run it, so it would be up to the operator. Commissioner Marrett continued that the viability of aquaculture is still unknown at this point. She added that there are a lot of possibilities for interpretation as well.

Commissioner Goodhart said it is a large facility with a lot of possibilities and for the most part the Commission is still trying to take in information and seeing what kind of permitting should be done to encompass the greatest number of the community ideas as possible.

Executive Director Nicholson noted that in a prior meeting the Commission talked about the possibilities of the facility and the obstacles. Some of the obstacles include limited water, while there is currently town water that may not be permitted with expanded use, so there may be the requirement for a desalination system.

Additionally, there isn't any foreseeable path to be hooked to the town sewer system, and it is unlikely a larger septic would be permitted so any large gathering use is going to require its own sewer system and outfall, which would be a challenging obstacle to overcome.

To be permitted for aquaculture will likely take 5-7 years as it must be done as part of the shoreline management plan. Additionally, on the upper mezzanine there is a leased apartment.

Sierra, a member of the public, introduced Chiyokten, who is joining via Zoom. Chiyokten, a WSANEC member and founder of the Protectors of the Salish Sea organization, voiced his support for a cultural center at the Cannery site.

Brian added that they've talked about an interpretive center noting that there were 9 tribes that had presence on the island, and they are all connected in some way. Their

grandfathers and uncles grew up on the islands, and some are still here. Noting that the distance across the strait is closer than you think.

Executive Director Nicholson asked if the tribes would prefer a shared common space to tell the connected story or if each tribe would prefer an individual space of their own.

Fred responded that from his perspective he would like to see everyone represented in an equal way. Commissioner Marrett asked if they felt the American Camp Interpretive Center managed to do that. Brian attended the opening ceremony and indicated that it was both yes and no. The space is small and limiting but all were accounted for and invited. Chiyokten added that he feels a cultural revitalization center where the deeper aspects of the culture can be learned and explored by both members and non-members would be of greater value. Sierra added that the cultural center would provide classes of ancestral skills and language. There is also the possibility of a longhouse for both private and public ceremonies.

Executive Director Nicholson noted that in a letter the Port received from the Swinomish Tribe they had talked about some economic development and fishing infrastructure. He was wondering if there is something advantageous to the Cannery site or if that is something that could go at another site such as Jensen Shipyard Cove or the Friday Harbor Marina.

Brett responded from his perspective; he believes the primary interest is to make sure that tribal fishing is supported in Friday Harbor. He doesn't know if there is anything specific to the Cannery site, but he would inquire and defer to the tribe.

He added that he would like to continue to build the relationship between the Ports in a way to benefit everyone.

Commissioner Black asked for thoughts about utilizing part of the Cannery building to support a shellfish farm in addition to a gathering center.

Brian said they are just getting into shellfish farming. Brett added that the way the Swinomish Shellfish Company operates is all hand harvesting, so while they don't have the high volume, they have added quality assurance. The Swinomish Port Authority is doing everything it can to help support the Swinomish Shellfish Company because it is one of the few ways that most people can interact with the tribe. He thinks having it tied to a cultural center would be awesome.

Amy Trainer added that the Swinomish Shellfish Company operates as the platinum standard when it comes to protecting the environment. She noted that many of the cultural opportunities would require very expensive infrastructure; shellfish could be an economic driver to help create something new and amazing.

Executive Director Nicholson added that while zoning, infrastructure, and permitting are hard and take time, that does mean that there is time to plan and come up with a good solution.

Greg Stein, a member of the public, reflected upon buying a property next to the Jensen Shipyard Cove facility and learning the history of the location in the process. He implored the Port to follow the law; he feels the Port is trying to get around the law regarding permitting at the Jensen Shipyard Cove site. He also voiced his opposition to the potential expansion of the Shipyard Cove Marina. He thanked the commission for their time.

Executive Director Nicholson asked the Swinomish Representatives if there are other cultural, economic development or cooperative efforts that should be discussed at any of the Port's facilities.

Brett responded that from the Swinomish Port Authority's perspective, yes, he believes there are discussions to be had outside of this meeting to help build the collaboration between the two Ports. He added that as the Ports work together, the tribe will also benefit both at the Jackson beach and Shipyard Cove areas.

Commissioner Marrett asked if the Swinomish Port Authority has taken advantage of the Washington Public Ports Association. Brett responded that they are now the first official tribal member. He mentioned presenting at the July Commissioner Meeting. Adding that they are associate members because they aren't organized under RCW53, but they are trying to get other tribes to start their own ports.

Amy Trainer asked if the commission had a goal for the Cannery in 2028 or 2029. Commissioner Black replied that he doesn't feel they do; he thinks it is going to be a long complex process and feels they are still in the early stages.

Commissioner Goodhart added that it is a large building with many possibilities; the Port did not buy it with any specific idea in mind. Commissioner Black added that just bringing it into public ownership is an accomplishment on its own.

Executive Director Nicholson added that to get on the next annual docket it would be good to have a direction figured out by May. That would allow things to start happening in about 18 months. Things that have to deal with the Waterfront Master Plan, such as aquaculture, aren't likely to be able to be changed for the next 5 to 7 years.

He added that the Port is going through the PMA process right now, and the water is already zoned PMT. This makes recreational or commercial water infrastructure possible.

Fred thanked Todd and the Port Commission for hosting this meeting with the Swinomish Port Authority, thanking them for their time noting that they will have to get going. He added that he looks forward to another conversation in the future.

Brett added he would like to set up a quarterly meeting just to keep communications open.

[11:29a] *Commissioner Black called for a recess while the Swinomish Representatives leave.*

[11:35a] The meeting resumes.

Discussion Items:

B. 2027 Budget Preview

[11:35a] *Port Auditor Johnson presented the Q3 2026 Capital Budget. Executive Director Nicholson explained some of the numbers look a little odd due to projects that crossed between multiple years. As of the end of Q3 the 2026 Capital Expenses has reached 82% of the budgeted amount.*

Port Auditor Johnson then presented the Preliminary 2027 Capital Budget; it was noted that the version displayed is already slightly out of date and an updated version will be available before the next meeting.

Lastly, the Q3 2026 Operation Budget and the Preliminary 2027 Budget was presented. As of end of Q3 2026 overall operating revenues are in line with projections as are expenses.

Non-operating income is expected to come in below expectations due to decreased interest income. Non-operating expenses will increase some due to refinancing the general obligation bond at a lower interest rate and shorter repayment period. This caused an increase in the annual repayment amount.

Projected income for the end of 2026 is expected to be around $421,000. Income for 2027 is expected to be near $269,000.

Staff Reports:

[12:03p] *Executive Director Nicholson noted that Hangar 80 lease signatures are being collected and should show up again at a future meeting.*

Port Commissioner Reports and New Business: Commissioners may share information or introduce topics for discussion at future meetings.

[12:04p] *Commissioner Marrett talked about the potential of self-insuring at the Port. Executive Director Nicholson said that he has been looking at that option and plans to work on a strategy and plan for that over the winter. Commission Goodhart noted that a recent Seattle Times article went over some governmental self-insurance and risk pools that were*

having issues. Executive Director Nicholson noted that he would prefer not to join a risk pool; he would also recommend keeping General Liability insurance and possibly an umbrella policy.

Citizen comments/requests: Citizens can make a brief comment or may ask the Commission to schedule a topic for further discussion at a future meeting.

[12:12p] *None*

Adjourn: 12:12p

Barbara Marrett, Commissioner

Graham Black, Commissioner

Rich Goodhart, Commissioner