

Edit Referral

H-23-030 Referral Information

Hotline ID: H-23-030

Date of Submission: 1/25/2023

Entity Type: Local

Entity Category Type: Port/Airport District

Entity: Centralia, Port of

Sub Entity Name:

Category: Conflict of Interest/Ethic Laws

1-2 sentence description of concern: I have concerns as the Port Auditor of the Port of Centralia that a Port Commissioner, Peter Lahmann, is using his position as Port Commissioner to contact Port tenants to coerce them into apprenticeships programs that he is employed by in exchange for help on Port business.

Report Issued: No

Reporting Type: Verbal Resolution

Report Number:

Investigation Contracted: No

Contract Number:

Contract Name:

Billing Time Code:

Costs:

Public Records Request: Yes

Flag For Annual Report: No

Substantiated: No

ARRA: No

Action: Referred to Audit Team - Consider Next Audit

Audit Team: Olympia

Audit Team Contact: carrell@sao.wa.gov

cc: SARAH Read (sarah950@sao.wa.gov)

Referral Date: 1/25/2023

Action Taken: No

Response Date:

Report Date:

Follow Up Date:

Date Closed: 1/30/2024

Edit Referral

H-23-030 Contact Information

Hotline ID: H-23-030

Date of Submission: 1/25/2023

Submission Method: Web

Submission Type: Local government employee

Staff:

Author(Last, First): Graber , Amy

Address: 3508 Galvin Road

City: Centralia

State: WA **Zip:** 98531

Home Phone:

Work Phone: 3607363527

Mobile Phone:

Email: agraber@portofcentralia.com

Can Contact: Yes

Contact: Work Phone

Preference: Email

Anonymous: No

Waived Confidentiality: Yes

Edit Referral

H-23-030 Referral Details

Hotline ID: H-23-030

What state or local organization is involved?

Please identify the specific concerns you are hoping the audit will address.

I have concerns as the Port Auditor of the Port of Centralia that a Port Commissioner, Peter Lahmann, is using his position as Port Commissioner to contact Port tenants to coerce them into apprenticeships programs that he is employed by in exchange for help on Port business.

Please provide a detailed description of the assertion or outstanding achievement, including who, when, where, what, how and how much.

I have sent the backup information to Lisa Carrell, Audit Manager of Team Olympia.

How did this issue come to your attention?

Commissioner Lahmann begins to discuss apprenticeship in early 2021.

**What employee(s), contractors, etc., were involved in the assertion or achievement?
Please include employee titles if possible.**

Port Commissioner Peter Lahmann.

Please provide the names of any witnesses to the assertion or achievement, if possible.

I have emailed the backup documentation to Lisa Carrell, Audit Manager of Team Olympia.

Please provide any additional details or comments that would help us understand your assertion or achievement.

Edit Referral

H-23-030
Activity
Log
Hotline ID: H-23-030

Entry Date ▼	Log Entry
01/30/2024	Referral updated by 'JEANA Gillis (gillisj)'.
01/29/2024	Spoke with citizen and followed up with the audit result. Citizen has no further questions or concerns. Hotline is ready to close. --jennie950
01/26/2024	Referral updated by 'JEANA Gillis (gillisj)'.
01/26/2024	Per update team just exited and are working on closing out --gillisj
10/03/2023	Referral updated by 'JEANA Gillis (gillisj)'.
01/25/2023	Referral updated by 'JEANA Gillis (gillisj)'.
01/25/2023	Task assigned to 'carrelll@sao.wa.gov'. Team notification email sent to: carrelll@sao.wa.gov,sarah950@sao.wa.gov
01/25/2023	Referral updated by 'JEANA Gillis (gillisj)'. Action changed from (not set) to Referred to Audit Team - Consider Next Audit.
01/25/2023	Received additional support from submitter via email. This is now attached in the Supporting Documents tab. Responded to her thanking her for the information and informing her that we would consider this information in the next audit, which is scheduled for Fall 2023. --carrelll

From: [Amy Graber](#)
To: [Carrell, Lisa \(SAO\)](#)
Subject: Citizen Hotline Submittal
Date: Wednesday, January 25, 2023 1:38:17 PM
Attachments: [image001.jpg](#)
[Port of Centralia Apprenticeship Memo and Conflict of Interest Complaint.pdf](#)

External Email

Lisa-

As discussed over the phone I am attaching the following. Please let me know if you have any questions.

Amy E. Graber
Director of Finance & Administration

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2016 Port Logo-01



Memo

To: Kyle Heaton, Executive Director

From: Amy Graber, Director of Finance & Administration 

Date: January 19, 2023

Re: Apprenticeship Utilization Requirement

As requested by Commissioner Lahmann at the January 4, 2023, meeting, I have researched whether the Port of Centralia should be using Apprenticeship Utilization Requirements (AURs) of 15% of labor hours of a public works construction project over \$1 million for our Yew Street Extension Project.

AURs are covered under RCW 39.04.320¹. Specifically, RCW 39.04.320(4)(a) states: *This section applies to public works contracts awarded by the state, to public works contracts awarded by school districts, and to public works contracts awarded by state four-year institutions or higher education.* According to RCW 39.04.320, the Port of Centralia is exempt from this requirement.

The Washington State Department of Labor & Industries Fact Sheet issued on January 2020² states: *In accordance with RCW 39.04.320, a minimum 15% of labor hours will be worked by WSATC registered/approved apprentices on the following: state public works estimated to cost \$1 million dollars or more; Department of Transportation projects estimated to cost \$3 million or more (\$2 million or more effective July 1, 2020); All school district public works projects estimated to cost \$1 million or more; and All public works projects by a four-year institution of higher learning estimated to cost \$1 million or more. Apprenticeship Utilization Requirements can also be found on projects not mandated by law, to include projects sponsored by cities, counties, or ports; renewable energy projects, clean energy projects, and several public and private*

entities. Furthermore, I spoke with Jim Kaltenbaugh, AUR Specialist with Labor & Industries. He told me that AURs are not required of port districts per RCW 39.04.320 and are not required even if the grant funding is through WSDOT unless specifically required by them in the contract documents.

The contract documents for the Yew Street Extension were extensively reviewed and approved by WSDOT before going out to bid. I have reviewed these documents and there are no requirements for AURs. Additionally, I reached out to the project manager, Steve Hatton of Hatton Godat Pantier, and he confirmed that it was not a requirement of WSDOT for AURs on this project³.

The Municipal Research Services Center (MRSC) states on their website regarding apprenticeship utilization⁴: *Some local governments have chosen to include specific apprenticeship utilization requirements for public works contracts over a certain size, although this is not generally required by state law. (The apprenticeship utilization requirements of RCW 39.04.320 only apply to school districts, four-year institutions or higher education, and certain state agencies.)*

On another note, I have concerns that I have reported in the past to the Port counsel about a conflict of interest and violation of the Port's Code of Ethics Policy (Resolution No. 2005-05)⁵ regarding Commissioner Lahmann and apprenticeships. Commissioner Lahmann is the Apprenticeship Program Specialist for the WA Department of Veterans Affairs⁶ and previously held positions, according to his LinkedIn⁷ profile, with America's Team Consulting as an apprenticeship consultant; Northwest Laborers Training Trust as an apprenticeship coordinator; and Northwest Laborers Training as an instructor/apprenticeship coordinator.

Commissioner Lahmann has stated on four different occasions that the Port of Centralia could change our contract language to require apprenticeship of its contractors. These are referenced in our minutes dated February 17, 2021⁸, July 7, 2021⁹, August 26, 2022¹⁰, and January 4, 2023¹¹.

Commissioner Lahmann is involved with Port tenants and his employer's apprenticeship program while also discussing Port business with them. I am concerned that he is abusing his position as an elected Port Commissioner to coerce Port tenants into meeting with him about his apprenticeship programs in connection with representing their issues to the Port Commission. On July 16, 2021¹², he emailed Patricia Lalonde at Scot Industries from his Port email account that, "It was a pleasure to talk with you today about your hiring opportunities and the proposed North End Industrial Interchange." They then continue to try and setup a time to meet to discuss further. On

July 21, 2021¹³, Commissioner Lahmann made a motion at the Port meeting for the Port of Centralia to support the North County Interchange.

On August 4, 2021¹⁴, he reported at the Port meeting that Sierra Pacific and Scot Industries had a job fair and that he is looking for employees for Scot Industries' brand-new apprenticeship program. On September 15, 2021¹⁵, Commissioner Lahmann reported on the Centralia-Chehalis Chamber of Commerce job fair held at Dick's Brewing Company with several Port tenants having tables. Commissioner Lahmann attended this event and was reported to be sitting at the Scot Industries table. In addition, on June 2, 2021¹⁶ and June 16, 2021¹⁷, Commissioner Lahmann advocated for Scot Industries to have available signage on Port signs in Park II including making a motion on July 21, 2021¹⁸ to "seek bids to modify the current kiosk or erect an additional kiosk at Kuper Road to accommodate signage for current and future business." On June 6, 2021¹⁹, Commissioner Lahmann sent an email to Kyle Heaton regarding the Scot Industries signage as well. Scot Industries had previously emailed Kyle Heaton regarding the signage on February 8, 2021²⁰ and he had responded to them.

On November 2, 2022²¹, Commissioner Lahmann reported during the Port meeting "that he attended the Washington State Apprenticeship quarterly meeting in Olympia and talked to representatives from Sierra Pacific and Scot Industries and the question came up about them not receiving notification for the Port owned railroad crossing construction on Kuper Road." The railroad crossing construction had been previously discussed during the April 6, 2022 meeting²². The Port of Centralia received a call from Scot Industries on August 3, 2022²³ complaining about the road closure and this was handled by Kyle Heaton that day.

On August 3, 2022²⁴, Commissioner Lahmann reported that he spoke with the general manager of UNFI and that they were hiring for mid-level management. After this meeting I personally spoke to Commissioner Lahmann and UNFI was brought up. He told me UNFI was at his office that morning for the military and other things and he had told UNFI that the Port is there to help them with whatever they need. Due to my concerns over his conflict of interests and apprenticeships I put this in a formal memo²⁵.

On December 21, 2022²⁶, Commissioner Lahmann reported at the Port meeting that he gave a presentation at the Washington Public Ports Association on apprenticeship internships and hiring military members. On the agenda²⁷ for this meeting, it stated that Peter Lahmann is a Commissioner for the Port of Centralia and an Apprenticeship Specialist for the Washington State Department of Veterans Affairs. I have concerns that Commissioner Lahmann used his connections as a Port Commissioner and relationship with WPPA through the Port of Centralia to get added to this agenda to

push his apprenticeship program onto other Port districts. For example, on January 17, 2023²⁸, Commissioner Lahmann sent through his Port email address an email to jkeene@portofwoodland.com stating "If you would have questions about hiring or Internships for Transitioning Service Members, Veterans, or Military Spouses for you or your Port of Woodland projects, please let me know and let's work on it." He continues to mention that he serves as a Commissioner for the Port of Centralia and if they need a prospective from a Port Commissioner's point of view.

I would like to add that I am not opposed to apprenticeship programs and believe that they provide an opportunity to many who want to enter the construction industry. My concerns are based on my position as Port Auditor.

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RCW 39.04.320 Apprenticeship training programs—Public works contracts—Adjustment of specific projects—Report and collection of agency data—Apprenticeship utilization advisory committee created.

(1) (a) Except as provided in (b) through (d) of this subsection, from January 1, 2005, and thereafter, for all public works estimated to cost one million dollars or more, all specifications shall require that no less than fifteen percent of the labor hours be performed by apprentices.

(b) (i) This section does not apply to contracts advertised for bid before July 1, 2007, for any public works by the department of transportation.

(ii) For contracts advertised for bid on or after July 1, 2007, and before July 1, 2008, for all public works by the department of transportation estimated to cost five million dollars or more, all specifications shall require that no less than ten percent of the labor hours be performed by apprentices.

(iii) For contracts advertised for bid on or after July 1, 2008, and before July 1, 2009, for all public works by the department of transportation estimated to cost three million dollars or more, all specifications shall require that no less than twelve percent of the labor hours be performed by apprentices.

(iv) For contracts advertised for bid on or after July 1, 2015, and before July 1, 2020, for all public works by the department of transportation estimated to cost three million dollars or more, all specifications shall require that no less than fifteen percent of the labor hours be performed by apprentices.

(v) For contracts advertised for bid on or after July 1, 2020, for all public works by the department of transportation estimated to cost two million dollars or more, all specifications shall require that no less than fifteen percent of the labor hours be performed by apprentices.

(c) (i) This section does not apply to contracts advertised for bid before January 1, 2008, for any public works by a school district, or to any project funded in whole or in part by bond issues approved before July 1, 2007.

(ii) For contracts advertised for bid on or after January 1, 2008, for all public works by a school district estimated to cost three million dollars or more, all specifications shall require that no less than ten percent of the labor hours be performed by apprentices.

(iii) For contracts advertised for bid on or after January 1, 2009, for all public works by a school district estimated to cost two million dollars or more, all specifications shall require that no less than twelve percent of the labor hours be performed by apprentices.

(iv) For contracts advertised for bid on or after January 1, 2010, for all public works by a school district estimated to cost one million dollars or more, all specifications shall require that no less than fifteen percent of the labor hours be performed by apprentices.

(d) (i) For contracts advertised for bid on or after January 1, 2010, for all public works by a four-year institution of higher education estimated to cost three million dollars or more, all specifications must require that no less than ten percent of the labor hours be performed by apprentices.

(ii) For contracts advertised for bid on or after January 1, 2011, for all public works by a four-year institution of higher education estimated to cost two million dollars or more, all

specifications must require that no less than twelve percent of the labor hours be performed by apprentices.

(iii) For contracts advertised for bid on or after January 1, 2012, for all public works by a four-year institution of higher education estimated to cost one million dollars or more, all specifications must require that no less than fifteen percent of the labor hours be performed by apprentices.

(2) Awarding entities may adjust the requirements of this section for a specific project for the following reasons:

(a) The demonstrated lack of availability of apprentices in specific geographic areas;

(b) A disproportionately high ratio of material costs to labor hours, which does not make feasible the required minimum levels of apprentice participation;

(c) Participating contractors have demonstrated a good faith effort to comply with the requirements of RCW 39.04.300 and 39.04.310 and this section; or

(d) Other criteria the awarding entity deems appropriate, which are subject to review by the office of the governor.

(3) The secretary of the department of transportation shall adjust the requirements of this section for a specific project for the following reasons:

(a) The demonstrated lack of availability of apprentices in specific geographic areas; or

(b) A disproportionately high ratio of material costs to labor hours, which does not make feasible the required minimum levels of apprentice participation.

(4) (a) This section applies to public works contracts awarded by the state, to public works contracts awarded by school districts, and to public works contracts awarded by state four-year institutions of higher education. However, this section does not apply to contracts awarded by state agencies headed by a separately elected public official.

(b) Within existing resources, awarding agencies are responsible for monitoring apprenticeship utilization hours by contractor. There must be a specific line item in the contract specifying that apprenticeship utilization goals should be met, monetary incentives for meeting the goals, monetary penalties for not meeting the goals, and an expected cost value to be included in the bid associated with meeting the goals. The awarding agency must report the apprenticeship utilization by contractor and subcontractor to the supervisor of apprenticeship at the department of labor and industries by final project acceptance. The electronic reporting system that is being developed by the department of labor and industries may be used for either or both monitoring and reporting apprenticeship utilization hours.

(c) In lieu of the monetary penalty and incentive requirements specified in (b) of this subsection, the Washington state department of transportation may use its three strike system for ensuring compliance including the allowance for a good faith effort.

(5) (a) The department of enterprise services must provide information and technical assistance to affected agencies and collect the following data from affected agencies for each project covered by this section:

(i) The name of each apprentice and apprentice registration number;

(ii) The name of each project;

(iii) The dollar value of each project;
(iv) The date of the contractor's notice to proceed;
(v) The number of apprentices and labor hours worked by them, categorized by trade or craft;
(vi) The number of journey level workers and labor hours worked by them, categorized by trade or craft; and
(vii) The number, type, and rationale for the exceptions granted under subsection (2) of this section.

(b) The department of labor and industries shall assist the department of enterprise services in providing information and technical assistance.

(6) The secretary of transportation shall establish an apprenticeship utilization advisory committee, which shall include statewide geographic representation and consist of equal numbers of representatives of contractors and labor. The committee must include at least one member representing contractor businesses with less than thirty-five employees. The advisory committee shall meet regularly with the secretary of transportation to discuss implementation of this section by the department of transportation, including development of the process to be used to adjust the requirements of this section for a specific project.

(7) At the request of the senate labor, commerce, research and development committee, the house of representatives commerce and labor committee, or their successor committees, and the governor, the department of enterprise services and the department of labor and industries shall compile and summarize the agency data and provide a joint report to both committees. The report shall include recommendations on modifications or improvements to the apprentice utilization program and information on skill shortages in each trade or craft.

(8) All contracts subject to this section must include specifications that a contractor or subcontractor may not be required to exceed the apprenticeship utilization requirements of this section. [2018 c 244 § 1; 2015 3rd sp.s. c 40 § 1; 2015 c 225 § 36; 2009 c 197 § 1; 2007 c 437 § 2; 2006 c 321 § 2; 2005 c 3 § 3.]

Effective date—2018 c 244: "This act takes effect January 1, 2020." [2018 c 244 § 3.]

Effective date—2015 3rd sp.s. c 40: "This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect immediately [July 14, 2015]." [2015 3rd sp.s. c 40 § 3.]

Rules—Implementation—2009 c 197: "The Washington state apprenticeship and training council shall adopt rules necessary to implement sections 2 and 3 of this act. Rules shall address due process protections for all parties and shall strengthen the accountability for apprenticeship committees approved under chapter 49.04 RCW in enforcing the apprenticeship program standards adopted by the council." [2009 c 197 § 4.]

Effective date—2005 c 3: See note following RCW 39.04.300.



January 2020

Apprenticeship Utilization Fact Sheet

Summary

Apprenticeship Utilization Requirements (AURs) require 15% of labor hours for a given public works construction project be performed by Washington State registered and/or reciprocally recognized apprentices in a different state or federal program. The Washington State Apprenticeship and Training Council (WSATC) has a [reciprocity agreement](#) with Oregon and Montana. RCW [49.04.035](#) requires the Washington State Department of Labor & Industries to verify apprentice utilization compliance on public works projects and report the results to the WSATC.

History

The first state-wide AUR initiative came through an executive order under the Locke administration in February 2000. Since that time, AURs have become widespread in Washington encompassing cities, counties, private and public development entities, department of transportation and K-12 school construction.

Driving these efforts is a compelling industry need for skilled workers best captured by the following excerpt from the codification of Gov. Locke's executive order in 2005:

"A well-trained construction trade's work force is critical to the ability of the state of Washington to construct public works. Studies of the state's work force highlight population trends that, without a concerted effort to offset them, will lead to an inadequate supply of skilled workers in the construction industry. State government regularly constructs public works. The efficient and economical construction of public works projects will be harmed if there is not an ample supply of trained construction workers. Apprenticeship training programs are particularly effective in providing training and experience to individuals seeking to enter or advance in the work force. By providing for apprenticeship utilization on public works projects, state government can create opportunities for training and experience that will help assure that a trained work force will be available in sufficient numbers in the future for the construction of public works."

Apprenticeship Utilization Requirements on public works projects are covered in RCW [39.04.320](#).

Review of Apprenticeship Utilization Requirements

In accordance with RCW 39.04.320, a minimum 15% of labor hours will be worked by WSATC registered/approved apprentices on the following:

- State public works estimated to cost \$1 million dollars or more;
- Department of Transportation projects estimated to cost \$3 million or more (\$2 million or more effective July 1, 2020);
- All school district public works projects estimated to cost \$1 million or more; and
- All public works by a state four-year institution of higher learning estimated to cost \$1 million or more.

Apprentice Utilization Requirements can also be found on projects not mandated by law, to include: projects sponsored by cities, counties, or ports; renewable energy projects, clean energy projects, and several public and private entities.

Each sponsoring jurisdiction/entity for an apprenticeship utilization requirement may take a slightly different approach. For specifics regarding a particular AUR, refer back to the project bid specifications or contract documents.

Where is L&I getting the data for apprentice utilization?

RCW [39.12.120](#) requires all contractors working on a public works project to submit certified payroll at least once per month using the Prevailing Wage Intents and Affidavits (PWIA) system. L&I can use certified payroll and affidavits to verify apprentice utilization compliance.

For questions on certified payroll, contractor training, intents, affidavits, or the PWIA system, please contact the prevailing wage section at 360-902-5335, or PW1@lni.wa.gov.

For any other questions concerning apprenticeship utilization, please contact the apprenticeship section at 360-902-5320 or Apprentice@lni.wa.gov.

More information can be found on our [website](#) under licensing and permits.

The Easiest Way to Start Training Registered Apprentices

Join an existing program! The easiest way to comply with an AUR is to become what is referred to as a “training agent” employer participating in an existing, approved State Apprenticeship program. This process can be relatively quick, but relies solely on the program sponsor and interested business to carry it through. To join an existing program:

- First, identify the occupations for which you have the capability and desire to train.
- Use L & I's [Apprenticeship Registration and Tracking System \(ARTS\)](#) to find apprenticeship programs by county and/or occupation. The result lists apprenticeship program sponsors in alphabetical order.
- Click on a program name to get the details on the program and occupation, Standards of Apprenticeship, and contact information.
- Call or email the contact person listed for information on program participation.

For any program you may be interested in, study the "Standards of Apprenticeship" document carefully and then sign a "*training agent agreement*" form with the program sponsor. Program sponsors may require fees for participation to cover administrative and training costs.

Starting Your Own Apprenticeship Program

For businesses that do not want to join an existing program and have the desire, capacity and resources to start their own program, help is available:

- Contact the apprenticeship section at 360-902-5320 or Apprentice@lni.wa.gov and you will be referred to an apprenticeship consultant in your area.
- Approval process typically takes approximately six months.
- Potential program sponsors must have the will and resources to complete the approval process and then administer and maintain a registered apprenticeship program including, but not limited to:
 1. New apprenticeship standards for proposals must be substantially similar (e.g., term, work processes, related training) to any existing standards for the occupation in question.
 2. Administrative capacity to oversee day-to-day operations of the apprenticeship program.
 3. Ability to comply with equal employment opportunity guidelines in selection of apprentices (programs with more than 4 apprentices)
 4. Ability to provide, or the ability to negotiate with an educational institution to provide, a minimum of 144 hours per year of Related Supplemental Instruction (RSI) to the apprentice.

Responsibilities When Employing Registered Apprentices

Employers that provide on-the-job training for apprentices are required to follow certain rules:

- Provide paid on-the-job training to the apprentice in the registered occupation

- Pay the apprentice the appropriate wages (Apprentices are paid a specified percentage of the Journey rate for the occupation. Program sponsors report Journey rates annually to L & I.)
- Monitor ratio of journey level to apprentice workers
- Ensure proper supervision of apprentices in accordance with the program Standards of Apprenticeship
- Employ only registered apprentices and journeymen when training for an occupation

For more information on becoming a training agent or starting a registered apprenticeship, please visit our [Offer a Registered Apprenticeship](#) webpage.

Amy Graber

From: Steve Hatton <SteveH@hattonpantier.com>
Sent: Thursday, January 12, 2023 10:02 AM
To: Amy Graber
Subject: RE: Apprenticeship Utilization Requirement

I concur there is no requirement for this contract regarding Apprenticeship Utilization. Also, yes, without question this is not a funding requirement that would have been "missed" by the DOT reviewer who combed through the Special Provisions. (Provided a list of Specials required as I recall.)

BTW, your voice message from yesterday was garbled so badly on the recorder I didn't get any of it. Presumably you were wondering if I could get to your question from Monday. If it was another topic though please let me know.

Steven D. Hatton, PE
 President
 Hatton **Godat** Pantier
 3910 Martin Way E., Suite B
 Olympia, WA 98506
 360.943.1599
steveh@hattonpantier.com
www.hattonpantier.com

From: Amy Graber <agrab@portofcentralia.com>
Sent: Monday, January 9, 2023 3:56 PM
To: Steve Hatton <SteveH@hattonpantier.com>
Subject: Apprenticeship Utilization Requirement

Steve-

We had a Commissioner ask at our last meeting whether we are requiring Midway Underground to use apprentices under the Apprenticeship Utilization Requirements. I have read these requirements and they seem to only apply to school districts, four-year institutions, and certain state agencies. I have also read through the contract documents for this project and did not see anything about Apprenticeship Utilization, but maybe I missed something. Now I know that WSDOT reviewed and approved these documents in detail before we were ever approved to go out to bid and if that was a requirement it most likely would have been added during that process. Could you please provide your thoughts on this matter?

Thank you,

Amy E. Graber
Director of Finance & Administration

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more

Public Works Contracts

This page provides a brief overview of traditional public works contracting for local governments in Washington State, including definitions of public works and ordinary maintenance, apprentice utilization requirements, and links to a wide range of public works topics.

It is part of MRSC's series on Purchasing and Contracting.

Digging Into Public Works: Through June 2023, MRSC is partnering with the Washington Procurement Technical Assistance Center (PTAC) to launch "Digging Into Public Works," an initiative that will connect, educate, and engage local government staff and private contractors in the field of public works. [Learn more](#)

For more detailed information on public works bidding and contracting, download MRSC's City Bidding Book or County Bidding Book. Although these publications are geared toward cities and counties, much of the information is also applicable to special purpose districts.

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[Traditional Design-Bid-Build Contracting](#)

[What is a Public Work?](#)

[What is "Ordinary Maintenance"?](#)

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Competitive Bidding

Apprenticeship Requirements

Public Works Topics

Traditional Design-Bid-Build Contracting

These pages discuss only the "traditional" design-bid-build public works process, and not the alternative project delivery methods of Chapter 39.10 RCW.

In the traditional project delivery method, which all public agencies in the state are allowed or required to use, an engineer/architect designs the project, then the agency uses a competitive process to bid the project and make an award to a contractor, who constructs the project using plans and specifications prepared by the engineer/architect.

What is a Public Work?

RCW 39.04.010(4) defines "public work" as:

[A]ll work, construction, alteration, repair, or improvement other than ordinary maintenance, executed at the cost of the state or of any municipality, or which is by law a lien or charge on any property therein. ... "Public work" does not include work, construction, alteration, repair, or improvement performed under contracts entered into under RCW 36.102.060(4) or under development agreements entered into under RCW 36.102.060(7) or leases entered into under RCW 36.102.060(8).

This applies to all municipalities as defined in RCW 39.04.010(3) – essentially all public agencies except the various types of diking, drainage, or irrigation districts, or any other district authorized for the reclamation or development of waste or undeveloped lands.

Examples of public works projects include road construction, roof repair, HVAC upgrades, building remodeling, or parking meter installation.

What is "Ordinary Maintenance"?

WAC 296-127-010(7)(b)(ii) defines "ordinary maintenance" as "maintenance work performed by the regular employees of the state or any county, municipality, or political subdivision created by its laws." This definition applies to the state prevailing wage law, chapter 39.12 RCW.

But what about *procurement* of ordinary maintenance and chapter chapter 39.04 RCW? The RCW 39.04 definition of "public work" specifically excludes "ordinary maintenance". Unfortunately,

"ordinary maintenance" is not defined in this statute.

The exclusion of "ordinary maintenance" from the definition of "public work" in chapter 39.04 RCW can be read to exclude ordinary maintenance from the public works *competitive procurement processes* in that chapter.

Contracted maintenance requires prevailing wages. RCW 39.04.010(4) states: "All public works, including maintenance when performed by contract shall comply with chapter 39.12 RCW." That means the prevailing wage requirements that would normally apply are still applicable even though the maintenance work might not be procured as a public work.

Some case law looked at whether prevailing wages applied to contracted maintenance or ordinary maintenance. In *Spokane v. Department of Labor and Industries*, 100 Wn. App. 805, 819-20 (2000), the state court of appeals concluded that maintenance, when performed by contract, is "public work" subject to prevailing wage law.

The prevailing wage law's administrative rules use a broader definition of "public work" than the definition in RCW 39.04.010(4). See WAC 296-127-010(7). Arguably, the *Spokane* case was looking at that broader prevailing wage definition and not at the more limited definition in the procurement statute, chapter 39.04 RCW. So, the *Spokane* case is useful for whether prevailing wage law applies but arguably not instructive on whether the competitive procurement process in chapter 39.04 RCW is applicable.

So, must ordinary maintenance performed by contract conform to bid limits, contract bonds, and contract retainage?

Bid Limits

This will require studying your agency's various enabling statutes for competitive procurement requirements and applicable contract bid limits. If the contracted maintenance work is a purchased service, it is possible that the agency's own procurement policy will control the process.

Agencies can review their statutory requirements at Find Your Contracting Requirements. A careful look at the wording of those statutes will be necessary to determine any applicable bid limits, and we recommend you discuss your process and procedures on this matter with your legal counsel.

Contract Bond

RCW 39.08.010 requires a contract bond on state or local government contracts with any person or corporation to perform any work. That is a broad requirement that applies to contracted ordinary maintenance. RCW 39.08.015 places liability on the public entity when the entity fails to obtain the required contract bond. RCW 39.08.010(3) provides a possible exception to requiring the contract bond:

On contracts of one hundred fifty thousand dollars or less, at the option of the contractor or the general contractor/construction manager as defined in RCW 39.10.210, the respective public entity

may, in lieu of the bond, retain ten percent of the contract amount for a period of thirty days after date of final acceptance, or until receipt of all necessary releases from the department of revenue, the employment security department, and the department of labor and industries and settlement of any liens filed under chapter 60.28 RCW, whichever is later. The recovery of unpaid wages and benefits must be the first priority for any actions filed against retainage held by a state agency or authorized local government.

Contract Retainage

Chapter 60.28 RCW requires contract retainage on "public improvement contracts" unless the contract is for a federally funded transportation project. Often, contracted maintenance will not involve making any "public improvement." If so, there is arguably no requirement for any contract retainage on a maintenance contract.

Competitive Bidding

Chapter 39.04 RCW requires competitive bidding for public works projects, although it does not establish bid limits or required competitive processes, and RCW 39.04.280 exempts municipalities from other competitive bidding including emergency public works projects.

The exact public works bidding requirements vary from agency to agency. Many local governments have their own unique bid limits, competitive processes, and even exemptions in their statutes, and many are able to use a small works roster process for projects under \$350,000 (or \$300,000 for port districts and irrigation districts).

Most public works projects require prevailing wages, retainage, and performance and payment bonds.

To see your agency's statutory competitive bidding requirements, use MRSC's Find Your Contracting Requirements tool.

Apprenticeship Requirements

Some local governments have chosen to include specific apprentice utilization requirements for public works contracts over a certain size, although this is not generally required by state law. (The apprentice utilization requirements of RCW 39.04.320 only apply to school districts, four-year institutions of higher education, and certain state agencies.)

Below are selected examples:

- **Burien Municipal Code Ch. 2.80** – At least 15% of labor hours must be performed by apprentices for public work projects over \$1 million. Includes schedule of fines for every unmet hour.



PORT OF CENTRALIA

3508 Galvin Road - Centralia, WA 98531-9002

Established 1986

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360-330-5666 fax
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Gene Groshong - President
Art Lehman - Vice President
Don Meek - Secretary
Kyle W. Heaton - Executive Dir.

RESOLUTION 2005-05

A RESOLUTION OF THE COMMISSIONERS OF THE PORT OF CENTRALIA, LEWIS COUNTY, WASHINGTON, ESTABLISHING AND AFFIRMING A CODE OF ETHICS FOR PORT COMMISSIONERS AND DELEGATED STAFF

WHEREAS, The members of the Commission of the Port of Centralia are municipal officers and elected officials as those terms are defined under Washington law, and as such are subject to all this state's laws governing conduct of an elected official including all provisions of RCW Chapter 42 known as the Municipal Conflict of Interest Act; and

WHEREAS, The members of the Commission of The Port of Centralia are held to a standard of conduct which is consistently measured by the regulations and laws of the State of Washington in performing their duties which include the making of policy decisions for the Port District and the management and operation of the Port District's property and resources; and

WHEREAS, The Commission members of the Port District are responsible for making decisions regarding both internal and external matters relating to the Port's business activities; and

WHEREAS, The Commission, having examined its ethical guidelines and requirements as contained in the applicable Washington statutes and case law, hereby adopts the following Ethical Code to be followed and enforced by the Members of the Commission;

NOW THEREFORE, The Port of Centralia does hereby Resolve to adopt the following Code of Ethics:

1. The Port Commission is hereby authorized to appoint and, by resolution, delegate specific administrative powers and duties to the Executive Director. To the extent thus authorized, and with appropriate guidelines in place, the Executive Director may carry out Port Commission's policies and business such as negotiating and managing leases and other contracts, contracting for consultant services, and the overseeing of personnel and salary administration. To the extent such delegation of power is made by the Port Commission to its Executive Director this Code of Ethics shall also apply to said Executive Director in carrying out the policies and duties of the Port Commission.

2. No Port Commissioner shall be beneficially interested, directly or indirectly, in any contract which may be made by, through or under the supervision of such officer, in whole or in part, or which may be made for the benefit of his or her office, or accept, directly or indirectly, any compensation, gratuity or reward in connection with such contract from any other person beneficially interested therein. The term "contract" as used in this provision shall include the potential sale, lease, right of first refusal, option to purchase, or other financial transactions involving a potential contracting party with the Port of Centralia.

3. A Port Commissioner may not participate in discussion, nor vote on any motion for authorization, approval, or ratification of a contract, as that term is defined in Section 2 above, in which he or she has a beneficial or conflicting interest therein, even though one of the exemptions stated in RCW 42.23.030 allowing the awarding of such a contract applies. The beneficial or conflicting interest of the Port Commissioner must be disclosed to the governing body of the municipality and noted in the official minutes or similar records of the municipality before the matter is opened for discussion by the Chairman of the Commission. Upon such disclosure being made, the affected Port Commissioner shall thereafter excuse himself/herself from the meeting during any discussions or later voting on the matter. If in the opinion of the remaining commission members, the disclosure of a potential conflict or beneficial interest exists, then the remaining unaffected commissioners may require the affected commissioner to not participate in discussion or voting on the matter.

4. A Port Commissioner who has a special interest or relation to a warrant or voucher being approved shall abstain from voting on that warrant or voucher. The interest of the Port Commissioner must be disclosed to the governing body of the municipality and noted in the official minutes or similar records of the municipality before the approval of such warrant or voucher.

5. Port Commissioners may be issued credit cards for the use of Port business (i.e. business meeting meals, travel expenses). Charges to these credit cards should be based on the remaining commissioners' approval of the meeting and its purpose. At no time should the Port credit card be used for purchases unrelated to Port business (i.e. personal phone call charges, unauthorized meals, alcohol). A determination of misuse of this Port credit card will result in the Commissioner reimbursing for those expenses and termination of the use privilege.

6. Due to the nature of the Port's business a Port Commissioner will be held to his or her highest standard in regards to confidentiality. Subject to the Open Public Meetings Act and the Public Records of the Port, a Commissioner shall not, during his/her term or after the term, disclose or discuss any information learned or obtained within the scope of his/her duties as commissioner, including any client or potential client of the Port District for any reason or purpose whatsoever, until the same shall be made public through an approved announcement of the Port Commission.

7. No Port Commissioner shall attend a meeting as a representative of the Port without prior approval from the other commissioners. When a Commissioner is pre-authorized to be a representative of the Port, the Commissioner in attendance will present only the general ideas and positions of the Port Commission, and make no commitments or representations which have not been previously adopted by the commission in a properly scheduled open meeting.


8. The Port Commission is comprised of three members; therefore, any meeting of two Port commissioners is considered a quorum and requires public notice. While the Port understands it represents a small community and there may be times when the Commissioners attend the same function, Port Commissioners are not authorized to discuss Port business outside properly scheduled Port meetings.

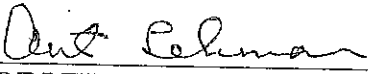
Approved this 6th day of July 2005.

(Seal)

Attested to:


KYLE W. HEATON
Executive Director


GENE GROSHONG, President


ART LEHMAN, Vice-President


DON MEEK, Secretary

HOME

FOR VETERANS, SERVICE MEMBERS, AND THEIR
FAMILIES

COUNCILS &
COMMITTEES

ABOUT
WDVA

RESOURCES

CALENDAR

WDVA
EMPLOYMENT

Claims Assistance Financial Assistance Homeless Veterans Program (HVRP) Veterans Benefits Businesses Cemetery Counseling & Wellness
License Plates Records Transitional Housing Veteran/Military Spouses and Families Women Veterans Veterans Homes

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For Veterans, Service
Members, and their
Families

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Apprenticeship

Apprenticeship for Veterans

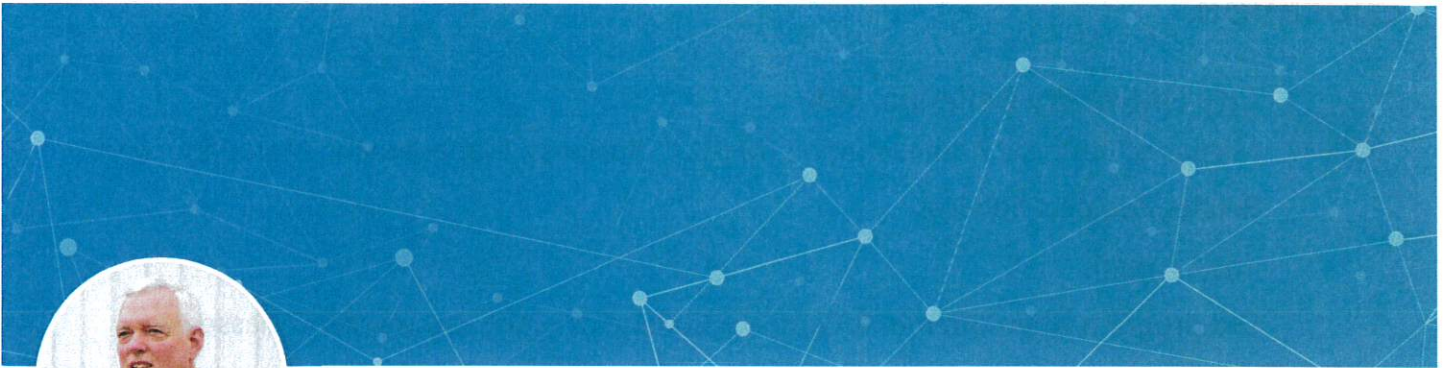
Apprenticeship is a combination of on-the-job training (OJT) and related classroom instruction under the supervision of a journey-level craft person or trade professional in which workers learn the practical and theoretical aspects of a highly skilled occupation.

Contact Us

Peter Lahmann
Peter.Lahmann@dva.wa.gov
360-999-8024



Peter Lahmann
Apprenticeship Program Specialist
WA Department of Veterans Affairs



Peter Lahmann

Apprenticeship Consultant - America's Team Consulting

Centralia, Washington, United States

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Northwest Laborers Training Trust



City University Bellevue, WA

Experience



Apprenticeship Coordinator

Northwest Laborers Training Trust



Instructor/Apprenticeship Coordinator

Northwest Laborers Training

May 1997 - Apr 2016 · 19 years

Kingston, WA

Retired and working on projects in the Apprenticeship field.

**Minutes
Regular Meeting of the
PORT OF CENTRALIA
February 17, 2021
Via Teleconference
3:00 PM**

Attendees: Commissioners: Julie Shaffley, Peter Lahmann, Kyle Markstrom
Executive Director: Kyle Heaton
Press: Susan Delaire, Business to Business
Public: Renee, Laborers 252; Nate Lawver, Laborers 252; Rick Schnatterly; Bob Jackins; Christina Riley; Jared Ross, Laborers Union; Alicia Bull, Centralia-Chehalis Chamber of Commerce; Jan Banevich; and eight unknown callers (via telephone)

- 1) **Call Meeting to Order/Introductions:** Commissioner Shaffley called the meeting to order at 3:00 p.m.
- 2) **Approval of Minutes:** Commissioner Markstrom made a motion to approve the February 3, 2021, regular meeting minutes. Commissioner Lahmann seconded the motion. The motion carried.
- 3) **Approval of Warrants:** Commissioner Lahmann made a motion to approve warrants 21693 through 21723 with an aggregate amount of \$98,764.11. Commissioner Markstrom seconded the motion. The motion carried.

Commissioner Lahmann asked if The Silver Agency provided new signs. Kyle Heaton provided him with a detail that he has previously requested and stated that there are new signs in Park II.

4) New Business:

- a) **Executive Director Report:** Kyle Heaton gave a brief update on ongoing Port projects. He said that the demolition project at 1108 Long Road had been re-bid, with the new low bid being 27% lower than the original low bid amount. The project has been awarded. Kyle also stated that there will be a public hearing at 2:30 p.m. on February 22, 2021, followed by a special meeting at 3:00 p.m. for the purpose of discussing the surplus of 3420 Galvin Road.
- b) **Committee Reports:** Commissioner Lahmann said that he hadn't seen a list of the 2021 committee assignments. Kyle Heaton said that he would forward it to him.

Commissioner Lahmann reported that on March 2, 2021, at 9:00 a.m. the Lewis County Board of County Commissioners is holding their monthly mayors' meeting via Zoom. He is arranging an apprenticeship presentation by Jody Robins, the Labor and Industries apprenticeship manager, on how apprenticeship programs would work with governmental agencies like the Port, City, and County and adding apprenticeship language on their projects. He stated that he knows that when the Port does the I-5 offramp project, WSDOT has an apprenticeship requirement. Commissioner Lahmann invited the other commissioners to listen in to the 5-to 10-minute presentation.

Commissioner Shaffley asked that, since Commissioner Lahmann mentions WSDOT, if on the offramp project it would be up to WSDOT to find the apprentice. Commissioner Lahmann responded that it would be up to the contractor. Kyle Heaton also responded that it would be the contractor's responsibility and that it would be a contract issue. Commissioner Lahmann stated that he had brought the issue up before, that the Port could enter into an agreement with Centralia High School for students graduating from their industrial arts program. He said the Port could give them the option to enter into an apprenticeship while working on a Port project and help the student start their career. Commissioner Shaffley stated wouldn't it be the responsibility of the contractor, as Commissioner Lahmann had previously stated. Commissioner Lahmann replied that it would be the responsibility of the contractor to hire and train the apprentice, but it could also be the Port's responsibility if language is added to the contracts to respectfully request the contractor hire an apprentice for the job. He said that it is mandated in state contracts, but with the Port's, City's, and County's contracts it isn't. He said that most major contractors already have apprentices because they want to train their next layer of people to work up through the ranks.

- 5) **Public Testimony:** Kyle Heaton stated that Jan Banevich issued written public testimony. He read, "Many ports, including the Port of Chehalis, are working or partnering to get Broadband Internet into rural areas in Washington. What is the Port of Centralia doing to help expand reliable internet service to these underserved areas? Please respond to my question in the meeting's public comment section."


Kyle stated that the Port pulled fiber optic into Parks I and II in the early 2000s. Commissioner Shaffley added that the Port only has jurisdiction on its own property. Kyle Heaton replied that Lewis County enjoys a very strong PUD and that he has spoken to the PUD about this issue. The PUD is actively engaged in bringing broadband internet into the rural areas of the county and he said that they are the right agency for the project. The Port is not legally allowed to be in the telecommunications industry.

Commissioner Shaffley commended the prior Port Commission for having the foresight into installing fiber optic so early. Commissioner Markstrom confirmed that service in the parks is fantastic and it is appreciated. Commissioner Lahmann asked if it would be brought to Centralia Station as well. Kyle replied that it was already there.

- 6) **Executive Session:** Commissioner Markstrom made a motion to adjourn the meeting into executive session at 3:10 p.m. to discuss real estate matters pursuant to RCW 42.30.110(1)(C). Commissioner Lahmann seconded the motion. The motion carried. Kyle Heaton stated that executive session should last approximately five minutes with no decisions likely.
- 7) **Adjourn:** Commissioner Markstrom made a motion to adjourn the meeting at 3:13 p.m. Commissioner Lahmann seconded the motion. The motion carried.



COMMISSIONER



COMMISSIONER

years. Kyle said that the Port will continue to push forward the issuance of the permit, which is waiting for final details from Centralia City Light regarding conduit and volt-box placement for streetlights. There were also some modifications to the illumination plan submitted to WSDOT that were approved.

Kyle reported that CenturyLink, now Lumen, will be fixing the conduit issue that damaged the stormwater lines at 3802 Galvin Road later this week at their own expense.

Kyle also reported that the Port's maintenance crew and farmer were able to successfully mow all three parks prior to the July 4.

- b) **1st Addendum to Lease:** Commissioner Lahmann made a motion to approve the 1st Addendum to Lease with Blanc Display Group for the building located at 3639 Galvin Road. Commissioner Markstrom seconded the motion. The motion carried.
- c) **Residential Purchase and Sale Agreement:** Commissioner Markstrom made a motion to approve the Residential Purchase and Sale Agreement with Bruce E. and Margaret Pearl Howard for 1920 Gallagher Road in the amount of \$454,000. Commissioner Lahmann seconded the motion. The motion carried.

Commissioner Lahmann commented that he thought that the purchase price of only \$30-40,000 more than the assessed value and this was significantly more. Kyle Heaton responded that he had his transactions confused. Commissioner Lahmann said it was fine. Commissioner Shaffley stated that the Port was paying the asking price and that he had agreed to it at the previous meeting. Commissioner Lahmann stated that he had gone home to do further research. He was not averse to the price, but he was just questioning it.

- d) **Committee Reports:** There were no committee reports made.

Commissioner Markstrom noted that he attended the City of Centralia's 4th of July celebration at Fort Borst Park. He said that it was good to see so many attendees.

Commissioner Shaffley said that she attended the Centralia-Chehalis Chamber of Commerce Business After Hours hosted by Port tenant Dick's Brewing Company. She said that it was very well attended. She thanked the Chamber for putting on the event.

- 5) **Public Comment:** Gary Odegaard asked about the progress of an interchange that many people have been hearing about and where it would be located. Commissioner Shaffley responded that Lewis County is still considering it but there hasn't been any significant work done on it during COVID. Kyle Heaton replied that it was not really for the Port to speak to since it was a County project. Kyle suggested that he contact either Josh Metcalf or Erik Martin at Lewis County to better answer any questions that he has on the project. Gary Odegaard asked if the Port has meetings with the County. Kyle Heaton responded that the County hasn't had meetings in three years.

Naomi Pavlicek, Laborer's Local 252 asked if there was a scope or project finalization on the project that was over \$1 million previously discussed during the meeting. Kyle Heaton replied that the project will be utilizing WSDOT funds and WSDOT bid documents.

Jan Banevich asked when questions and comments that were submitted during the remote meetings will be addressed. She said that they were attached to the minutes without responses. Commissioner Shaffley said that they were attached to the minutes and were put into public record. Jan Banevich asked why they will never be answered. Kyle Heaton said that she was currently in front of the Port Commission and she was certainly welcome to ask them those questions. He explained that the Port was holding meetings remote during that time and the Commission was under no requirement to answer questions. Jan Banevich asked if the submitted questions were going to be ignored. Kyle Heaton said that he was waiting for her questions. Jan Banevich said that was her question. Commissioner Shaffley stated that they were not ignored, but put into public record. Jan Banevich said that they were not answered and the minutes only had the questions attached, not the answers. Commissioner Shaffley said that she could ask the questions now if she would like. Jan Banevich said that she doesn't have the questions with her at the moment. Commissioner Shaffley said that she was more than welcome to bring her questions in the future.


Commissioner Lahmann said to the ladies that have come in regarding apprenticeship utilization that RCW 39.04.300 is the apprenticeship utilization statute. RCW 39.04.310(3) pertains to ports and projects over \$1 million will have apprenticeship utilization. He said that he would like future projects to have language in the contracts that pertains to that. He said that Kyle Heaton is correct in saying that the WSDOT project will have apprenticeship utilization in it. Kyle Heaton responded that he doesn't know if it does or doesn't, but the project will be using WSDOT documents. He said that throughout the project, that is all that is going to be utilized. Commissioner Lahmann asked if that would be the case on the Yew Street extension project as well. Kyle Heaton replied that it was, so it was a moot point. Commissioner Lahmann said that they can request to have at least one former student, such as from Centralia High School if an agreement is in place, on future projects. He said that he would like the Port to think about it. Commissioner Shaffley stated that it was duly noted.

Chad Taylor stated that he was grateful for the road work that has been done between Centralia and Chehalis. He said that it was a lot safer and quicker. He thanked the Port Commission both current and prior for their work on that. Commissioner Shaffley and Commission Markstrom thanked him for his comments.

- 6) **Adjourn:** Commissioner Markstrom made a motion to adjourn the meeting into executive session to discuss real estate matters pursuant to RCW 42.30.110(1)(c) at 3:18 p.m. Commissioner Lahmann seconded the motion. The motion carried. Kyle Heaton stated that the executive session will last approximately 5 minutes with no decisions likely.
- 7) **Reconvene:** Commissioner Shaffley reconvened the meeting at 3:23 p.m.
- 8) **Adjourn:** Commissioner Markstrom made a motion to adjourn the meeting at 3:23 p.m. Commissioner Lahmann seconded the motion. The motion carried.



COMMISSIONER



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Commissioner Lahmann asked what the Port is doing about apprenticeship utilization on the project. He asked if the Port is leaving that to the contractor. Kyle Heaton replied that the Port is following the Washington State Department of Transportation's contracts as per the requirement of the money that is funding the project. Commissioner Lahmann said that he had asked about it in the past and that it is way too late for it. Kyle Heaton said that the Port cannot add to or modify WSDOT documents. Commissioner Lahmann said that the Port could add a bullet point to its contracts that respectfully requests a local hire to bring somebody into the apprenticeship program from Centralia High School and Centralia College. He said that the Port did not do it and that is the way it goes, but it does have the ability to do that in the contract. It is not a requirement but the Port can respectfully request that. Kyle Heaton said that was more of a question for Ray Liaw.

Commissioner Lahmann asked if the Brotherson Road Apartments demolition is part of the bid on this project. Kyle Heaton replied that it was not. Commissioner Lahmann said that the Port would have another expense for that.

Commissioner Lahmann asked what the Port's plan for the Keepers property was. He said that if the Port realigns the sewer it disconnects on Long Road and the Port is going to have to extend some utilities for that. He asked if that extension was part of this project as well. Kyle Heaton replied that it was and is minimal, similar to other projects. Commissioner Lahmann said that it may be minimal but it is thousands of dollars that the Port might not have to expend if it had already been taken care of. Kyle Heaton asked how it should have been taken care of. Commissioner Lahmann replied by purchasing the property. Commissioner Markstrom added that it takes two willing participants to have a transaction. There were attempts made in the past between the Port and that property owner and they were unable to come to terms, which is just fine. He said that it was best for both parties at the time and the Port is ready to move forward on this project. Commissioner Lahmann said that he understood that, but he is pointing out that the Port is spending thousands of extra dollars that it might not have had to spend. Commissioner Shaffley said that the Port would have spent thousands of dollars, probably more than thousands, purchasing the property than what is now going to be spent. She said that there was going to be money expended either way. Kyle Heaton said that the Port frequently has to build utilities for others. The Port spent \$1.2 million years ago for sewer that serves no Port tenant, only the City of Centralia, just to get sewer near the project. He agreed that it was frustrating but to a larger scale it is more the City than any one property owner. He said they are not getting a windfall because they still have to pay their water and sewer bills and he does not see the issue. Commissioner Lahmann asked what the timeframe was for getting rid of the apartments so they can finish the sewer portion. Kyle Heaton replied no longer than four months, but first after they are vacated the Port has to go through and complete asbestos testing and pull demolition permits. There are a number of steps that must be done prior to demolition. He said that he has read Commissioner Lahmann's concerns and heard his concerns that it is adding thousands of dollars to the project, but he does not agree, though fair enough. He said that bottom line those are the conditions on the ground and these are the conditions the Port is dealing with. Commissioner Lahmann said that he is trying to move the project forward in a cost-effective manner. Commissioner Shaffley said that they appreciate that.

Commissioner Shaffley made a motion to award bid to the apparent low bidder, Midway Underground, in the amount of \$6,116,322.03 subject to meeting all of contract requirements and to authorize the executive director to execute all the contract documents. Commissioner Markstrom seconded the motion. The motion carried.

of the United States, the Commissioners did not have authority to restrict her freedom of speech or expression. She said that by doing so twice, the Commissioners may have become a liability to the entity and quite possibly have put themselves in a position to be subjected to lawsuits should she choose to pursue that avenue.

Dawn Merchant, of Centralia, declined to make public comment.

- 6) **Approval of Minutes:** Commissioner Shaffley made a motion to approve the December 21, 2022 regular meeting minutes. Commissioner Lahmann seconded the motion. The motion carried.
- 7) **Approval of Warrants:** Commissioner Lahmann made a motion to approve warrants 22858 through 22871 with an aggregate amount of \$289,334.58. Commissioner Shaffley seconded the motion. The motion carried.

Commissioner Lahmann asked, regarding Warrant 22868, what signs the Port was upgrading. Kyle Heaton responded that the warrant was for more than one thing. He said that some signs have worn and are being replaced, and the warrant is also for working on the Port's website.

8) **New Business:**

- a) **I-5/Mellen Street Connector Stage 1 – Pay Estimate #1:** Kyle Heaton stated that Pay Estimate #1 for the I-5/Mellen Street Connector Stage 1 from Midway Underground in the certified amount of \$901,917.37 has been reviewed by the Port's engineer and by the Washington State Department of Transportation. He said that the Commissioners are the last stop for payment. Pay Estimate #1 is for work completed through November 30, 2022, and Midway Underground has made significant progress since then, so Kyle thought that there will probably be another pay estimate at the next meeting to catch it up. Commissioner Markstrom said that was fantastic. Kyle Heaton said that the Port's engineers recommended approval of Pay Estimate #1 and that he had reviewed it and, finding no mistakes, he recommend approval as well.

Commissioner Shaffley clarified that the pay estimates are reviewed and signed off by WSDOT, and then reviewed and signed off by the Port's engineer. Kyle Heaton replied that was correct.

Commissioner Lahmann moved to approve Pay Estimate #1 to Midway Underground in the amount of \$901,917.37. Commissioner Shaffley seconded the motion. The motion carried.

Commissioner Lahmann said that the certified payroll was done. Kyle Heaton responded that he said the amount certified was \$901,917.37. Commissioner Lahmann asked if the Port had the certified payroll or gets a copy of the certified payroll. Kyle Heaton replied that Midway Underground was in compliance with the Washington State Department of Labor and Industries or the Port would not release payment. Commissioner Lahmann asked how the contractor's apprenticeship utilization was coming along and if they were meeting the 15% requirement. Kyle Heaton stated he was not aware that they are required to do that as it is not in the contract documents that he was aware of. He stated that he would have Amy Graber dedicate some time to that requirement and find out and have her track her time.

Commissioner Lahmann stated that is it his understanding that public projects like this over \$1 million and when WSDOT money is involved then there is a 15% apprenticeship utilization requirement. Commissioner Markstrom asked if Commissioner Lahmann was saying that is a requirement from WSDOT. Commissioner Lahmann responded that it is a requirement from the State since the Port is a public entity and the project is over a \$1 million project so there is a 15% apprenticeship utilization requirement. Commissioner Markstrom asked if WSDOT was the overseeing agency for that and Commissioner Lahmann responded that the Port is the owner so, ultimately, the Port is the oversight and that was why he was asking about certified payroll. Kyle Heaton stated that he will have the Port's auditor look into Commissioner Lahmann's request on apprenticeship utilization. Commissioner Lahmann thanked Kyle Heaton for doing do.

Commissioner Markstrom commented that he is excited to approve the pay estimate. He said that this was the first money spent on this big project and it was awesome to see dirt moving. Commissioner Shaffley said it was a lot of dirt. Commissioner Markstrom agreed.

- b) **Commissioner Reports:** Commissioner Shaffley reminded everyone that the Chamber Forum was going to be on January 12, 2023, from 11:30 a.m. to 1:00 p.m. at O'Blarney's. She said the speaker was going to be Berg Marketing, which is a new business in town, and they are going to be talking about doing business housekeeping with finances and all the things that are put on the back burner that need to be taken care of in 2023. She added that the Economic Alliance of Lewis County's annual banquet will be on February 3, 2023. She said that will be their 40th anniversary and their speaker is going to be for Brandi Kruse. Since it is the beginning of the year, the Economic Alliance will be having new board meetings and lots of thing are being planned for 2023.

Commissioner Lahmann stated he did get a note from Sarah Kohout, Senator Cantwell's former legislative assistant. He said that she has stepped down from that position and she has moved over to be the administrative assistant for the newly elected Representative Marie Gluesenkamp Perez. He said that he has an email address for her, but not a good phone number, and he would be happy to share that contact information.

Commissioner Markstrom reported that he would be speaking on the Port of Centralia at the Chamber Morning Forum on February 1, 2023, at 8:00 a.m., and said that there will be a Mayor's meeting on January 6, 2023.

- 9) **Adjourn:** Commissioner Shaffley made a motion to adjourn the meeting at 3:13 p.m. Commissioner Lahmann seconded the motion. The motion carried.

COMMISSIONER

COMMISSIONER

RE: [External] Port of Centralia

Patricia LaLonde <plalonde@scotindustries.com>

Wed 7/21/2021 8:59 AM

To: Peter Lahmann <lahmann@portofcentralia.com>

Sounds good to me! We can put something on the calendar after the JBLM trip

Thanks

Patricia La Londe

-----Original Message-----

From: Peter Lahmann [mailto:lahmann@portofcentralia.com]

Sent: Tuesday, July 20, 2021 8:37 AM

To: Patricia LaLonde <plalonde@scotindustries.com>

Subject: Re: [External] Port of Centralia

Hello Patricia,

Probably Tuesday and Thursdays are the most open days for me. If we could look at some times and then pick one.

Might be best after your field trip to JBLM then we might have more to talk about.

But we should talk soon so if you have a plan in mind let me know and we will see what we can do.

Thank you,

Peter Lahmann, Commissioner

Port of Centralia

360-870-0706

Sent from my iPad

> On Jul 16, 2021, at 4:15 PM, Patricia LaLonde <plalonde@scotindustries.com> wrote:

>

> I would love to set up a time to discuss further. When you have some time available I would like to set up a meeting with Craig Hach and Matt Riley.

>

> Thanks

> Tricia La Londe

>

>

> -----Original Message-----

> From: Peter Lahmann [mailto:lahmann@portofcentralia.com]

> Sent: Friday, July 16, 2021 3:33 PM

> To: Patricia LaLonde <plalonde@scotindustries.com>

> Subject: [External] Port of Centralia

>

> Hello Patricia,

> It was a pleasure to talk with you today about your hiring opportunities and the proposed North End Industrial interchange on I-5 north of Centralia.

>

> If I could be of service to you or your organization please let me know. I would be glad help in any way that I am able.

>

> Thank you.

> Peter Lahmann, Commissioner

> Port of Centralia

> 360-870-0706

>

> Sent from my iPad

> External Email ! Do not click on links or open attachments, Unless you

> are sure of the sender and are expecting the attachment/link from a

Kyle reviewed a budget status report through June 30, 2021, with the Commissioners. He reported that the operating revenue should be at 50% but is currently at 43% due to an extended vacancy at 3802 Galvin Road. He stated that the Port continues to negotiate and, hopefully, will start seeing revenue from that building in the next couple of months. Expenses are currently at 22%, which is well below where the Port should be. Kyle stated that everything looks good moving towards year-end and that the Port is in position to execute the construction project.

- b) **Lease Agreement – 1710 Midway Court:** Commissioner Lahmann made a motion to approve the Lease Agreement with the Puget Sound & Pacific Railroad for the building located at 1710 Midway Court. Commissioner Markstrom seconded the motion. The motion carried.
- c) **Lease Agreement – 1714 & 1718 Midway Court:** Commissioner Lahmann made a motion to approve the Lease Agreement with Qwest Corporation for the buildings located at 1714 & 1718 Midway Court. Commissioner Markstrom seconded the motion. The motion carried.

Commissioner Lahmann asked if the scope of work for the Yew Street extension project went from Alder Street to the foot of the I-5 off ramp or if it went on clear from Mellen Street. Kyle Heaton replied that it is a little more complicated than that. He said that the improvements have to go past the on ramp and taper on beyond that another 500 feet. He stated that the Mellen Street/Yew Street intersection improvements have been approved by the City of Centralia and the Washington State Department of Transportation, including putting in a turn pocket and changing the signalization. The Port is not rebuilding the road in that section. Commissioner Lahmann asked if the project includes the utility extension from Alder Street to Long Road where the Port is going to tie back in there. Kyle Heaton replied that that was correct.

- d) **Committee Reports:** There were no committee reports made.
- e) **Good of the Order:** Commissioner Lahmann made a motion for the Port Commissioners to draft a document publicly supporting the efforts by Lewis County, WSDOT, and the Federal Highway Administration to construct the North Lewis County Industrial Access project. Commissioner Shaffley and Commissioner Markstrom opposed the motion. The motion failed.

Commissioner Markstrom asked if there is an active group right now, because he understood that the group that was exploring the project is somewhat disbanded. Commissioner Lahmann said that it was stated in the previous meeting that it's been three years since the group met, but he thought they met on January 20, 2020. Commissioner Shaffley asked if they had met with all the stakeholders. Commissioner Lahmann replied that it had been with all of the stakeholders, and that they have had meetings with the Federal Highway Administration and WSDOT. Commissioner Markstrom asked who "they" were. Commissioner Lahman responded it was Josh Metcalf with the Lewis County Public Works Department and that they've had meetings with WSDOT and the Federal Highway Administration since that time, but not with stakeholders. He said that they're currently working on it, and that is all he knows. Commissioner Shaffley stated that the Port had a meeting years ago and she had spoken to the engineers and with the stakeholders. She had told them that the Port was not not in favor of it but would need to see the designs. She said that as it is right now, there are no designs on the on the table. Commissioner Lahmann said that she was right. Commissioner Shaffley asked why the Port would need to have a letter when the Commission is one of the stakeholders. She said that she would be the

- b) **Lease Agreement – 3802 Galvin Road:** Commissioner Markstrom made a motion to approve the Lease Agreement with TricorBraun Inc for the building located at 3802 Galvin Road. Commissioner Lahmann seconded the motion. The motion carried.
- c) **Committee Reports:** Commissioner Lahmann reported that although he did not attend, Sierra Pacific Industries and Scot Industries had a small job fair the previous week. He said that he is looking for employees and Scot Industries has a brand-new apprenticeship program that they're looking for machinists for. He said that if anyone knows someone wanting to be a machinist, then have them try Scot Industries.

Commissioner Shaffley reported that she attended the Centralia-Chehalis Chamber of Commerce's candidate debate on July 22 at O'Blarney's. It was for the Centralia City Council races. She said that it was well-attended, and she encourages everyone to watch them. She said that it was a great way to get to know the candidates.

- 6) **Public Comment:** Alicia Fox introduced Adam Warren, the Chamber's new marketing manager and gave a brief background on him. She announced that the Chamber putting on a hiring event at Dick's Brewing Company on September 14 from 10:00 am to 6:30 pm. Commissioner Shaffley thanked her and thanked the Chamber for putting on the hiring event. Commissioner Lahmann asked if the Chamber has reached out to Employment Security to partner with on the event. Alicia Fox replied that they had as well as WorkSource. She said that they have virtual staff and did not have any interest in taking part. Commissioner Lahmann said that the state is pretty well shut down. Alicia Fox said that the Chamber had had a difficult time getting people to partner up on the physical side. She said that people are willing to give money, but nobody wants to do it; however, people do want to attend. She said there is a lot of interest in attendance on both sides. Commissioner Lahmann said that another option for the businesses that attend is they can put a job posting on Employment Security. Alicia Fox said that they were aware of that. Commissioner Shaffley thanked her.

Jan Banevich said that the Port's Centralia Station project is going to include Yew Street and a dedicated left turn lane from Yew Street onto Mellen Street. She said that this was going to do away with on-street parking, which is going to greatly impact herself and her neighbors. She said that she would like to know what the Port is planning to do to mitigate that problem, that loss, and the loss of property value because of it. Commissioner Shaffley thanked her and said her comment was duly noted. She asked Jan Banevich if she had any other questions. Jan Banevich replied that she wasn't going to get any answers so there was no point.

Brian Dow said that he was a Centralia citizen and a proponent of the Port, believe it or not. He said that he had voted for it back in the beginning and he still supports the jobs and the effort that everybody makes. He said that he thinks the Port can do a better job with openness and transparency when it comes to informing the public on what is going, what is coming up, and so forth. He said that he is not sure that he agrees with the term 'above and beyond' that the Port is putting forward. He said one example is the agendas from previous meetings that are being eliminated after a few weeks. He wants to know why they can't stay up there so they have a reference to go back to and see what happened at a certain meeting. He said that it was his understanding that they disappear and he wondered why they disappear. He asked what the problem with leaving them up for a year, two years, or six months. He asked if it was that difficult to do. He said that it just seemed part of being transparent. Commissioner Shaffley thanked him for his comments.

seven-acre portion of the property located at 3704 Ives Road. Commissioner Markstrom seconded the motion. The motion carried.

- c) **Findings of Fact – 2904 Foron Road:** Commissioner Lahmann made a motion to approve the Findings of Fact and Determination of Advisability of Sale of Real Property for the 4.35-acre property located at 2904 Foron Road. Commissioner Markstrom seconded the motion. The motion carried.

Commissioner Lahmann stated that he wanted to thank Port management for working on this and that he is looking forward to getting this property in place.

- d) **Committee Reports:** Commissioner Markstrom reported that he attended the job fair hosted by the Centralia-Chehalis Chamber of Commerce at Dick's Brewing Company. He said that there was a lot of companies from the area and a lot of companies from the Port there. He said that there not a huge number of applicants coming through, but the ones who did were very interested and it sounded like a lot of people signed up for interviews.

Commissioner Markstrom also said that as things slow down for winter, he would like to ask Port staff to look into updating the website.

Commissioner Lahmann reported that he attended a couple of Lewis County meetings and the Chamber's career fair. He said that he would like to compliment the Chamber of a Commerce for an excellent job. He had spoken to several companies that attended and they were happy with the way that it went. They always want a larger attendance but the attendants that came were good and were picked up for potential candidates, which is what they are looking for. He thanked the Chamber for working on that and said that they did a great job.

Commissioner Shaffley said that she would also like to thank the Chamber and said it was a great opportunity for employers and employees to meet and get together.

Commissioner Shaffley reported that she also attended an informational meeting concerning COVID with the Lewis Economic Development Council. She said there was a discussion panel with Peter Abbarno, Dr. Floyd Smith, and Gaelon Spradley, the CEO of Valley View. She said it was very informative and that it dealt with the mandates and duties of businesses with 100 employees or more. She said that basically there is not any clear definition of what is going to happen and that there are a lot of lawsuits pending concerning the mandates, but the results won't be known for quite some time. She said that it was generally recommended that everyone get the vaccine, but again, freedom of choice. She said that it was very informative and she was glad that the EDC put that on.

- 6) **Public Comment:** Brian Dow, a Centralia resident, stated that after listening to the sale of property, he wondered what makes the Port decide to sell property to a business instead of leasing it when the Port might need the income for years. He asked why the Port sells instead of leasing and if the property is turned back to the Port later. Commissioner Shaffley said that no, if the property is purchased by a company it is their property. She said that some companies prefer to purchase and some prefer to lease; it all depends on what their business model is. The Port has properties that are

Kyle said that the Port's engineer, in discussion with the Federal Highway Administration, believes the offramp project will be ready for bid in August.

Kyle provided the Commissioners with the 2020 financial statements and gave a brief overview, including total assets increasing by \$140,000 and long-term liability decreasing by \$850,000.

- b) **Resolution 2021-04:** Commissioner Lahmann made a motion to approve Resolution 2021-04 To Void Warrant 21761. Commissioner Markstrom seconded the motion. The motion carried.
- c) **Committee Reports:** Commissioner Lahmann said that the Washington Public Ports Association will be holding their annual legislative get-together in the coming weeks if the Port had anything they would like to bring forward.

Commissioner Shaffley stated that the Centralia-Chehalis Chamber of Commerce executive board meeting. She said the Chamber will be having a Business After Hours hosted by Port tenant Dick's Brewing Company.

- 5) **Public Comment:** Commissioner Lahmann stated that he noticed that there was no sign for Scot Industries in Park II and asked who was responsible for paying for signage. Kyle Heaton replied that the Port is responsible for signage and rotates the signs periodically.

Commissioner Shaffley asked if there were any public comments received. Kyle Heaton responded that there were public comments received and that they will be attached to the minutes.

- 6) **Adjourn:** Commissioner Markstrom made a motion to adjourn the meeting into executive session to discuss lease matters pursuant to RCW 42.30.110(1)(c) at 3:16 p.m. Commissioner Lahmann seconded the motion. The motion carried. Kyle Heaton stated that the executive session will last approximately 10 minutes with decisions likely.
- 7) **Reconvene:** Commissioner Shaffley reconvened the meeting at 3:23 p.m.
- 8) **Lease Termination:** Commissioner Lahmann made a motion to approve the Agreement for Early Termination of Commercial Sublease Agreement with ZEV Technologies for the building located at 2120 Northpark Drive. Commissioner Shaffley seconded the motion. The motion carried. Commissioner Markstrom recused himself from deliberating and voting on the matter.
- 9) **Lease Agreement:** Commissioner Lahmann made a motion to approve the Lease Agreement with ZEV Technologies for the building located at 2120 Northpark Drive. Commissioner Shaffley seconded the motion. The motion carried. Commissioner Markstrom recused himself from deliberating and voting on the matter.
- 10) **Adjourn:** Commissioner Markstrom made a motion to adjourn the meeting at 3:26 p.m. Commissioner Lahmann seconded the motion. The motion carried.

**Minutes
Regular Meeting of the
PORT OF CENTRALIA
June 16, 2021
Via Teleconference
3:00 PM**

Attendees: Commissioners: Julie Shaffley, Peter Lahmann, Kyle Markstrom
Executive Director: Kyle Heaton
Press: Susan Delaire, Business to Business
Public: Naomi Pavlicek, Washington & Northern Idaho District Council of Laborers #252; Christina Riley; Rick Schnatterly; Alicia Bull, Centralia-Chehalis Chamber of Commerce; Paul Crowner; Brian Dow; Jan Banevich; Amber Lewis; and three unknown callers (via telephone)

- 1) **Call Meeting to Order/Introductions:** Commissioner Shaffley called the meeting to order at 3:00 p.m.
- 2) **Approval of Minutes:** Commissioner Lahmann made a motion to approve the June 2, 2021, regular meeting minutes with amendments. Commissioner Markstrom seconded the motion. The motion carried.

Commissioner Lahmann stated that Kyle Heaton has said that he was uncomfortable with the placement of a temporary sign by Scot Industries at the last meeting and that it was not reflected in the minutes. He said that he sent a note a few days prior that he would be supportive of upgrading the kiosk to accommodate more signage. Commissioner Shaffley stated that that was not pertaining to the minutes. Commissioner Lahmann said that, pertaining to the minutes, he was concerned there was nothing noting the discomfort of not having the sign. Commissioner Shaffley asked if he would like the minutes amended. Commissioner Lahmann said that he would. Kyle Heaton asked Commissioner Lahmann if he could provide the amendment to ensure that the minutes are amended correctly. Commissioner Lahmann suggested going back and listening to the tape, because there was discomfort about having temporary signage. Commissioner Shaffley stated that there is a 'help wanted' sign on Port property. Commissioner Lahmann said that he went and looked at it. Commissioner Shaffley said that she couldn't speak to the discomfort, but that Kyle Heaton had stated that there was a 'help wanted' sign on Port property without permission. Commissioner Lahmann confirmed that and said that they were trespassing. Kyle Heaton said that that was correct.

- 3) **Approval of Warrants:** Commissioner Markstrom made a motion to approve warrants 21907 through 21936 with an aggregate amount of \$67,914.31. Commissioner Lahmann seconded the motion. The motion carried.

Commissioner Lahmann stated that he had a concern for a warrant in the amount of \$4,000.00 to Amber Lewis Consulting. He said that it was his understanding that the Port pays \$4,000.00 per month when the Legislature is in session and the Legislature has been out of session since April 25. He said that he assumes this payment is for May and that it should be \$2,500.00, the out-of-session fee. Commissioner Shaffley said that his concern was noted.

representative and she has not been receiving any information as to when the meetings are. Commissioner Lahmann said that he thought the Port needs to be on board just to say that it does support it. Commissioner Shaffley said that the Port has never said that it doesn't. Commissioner Markstrom said that, for him, it's not clear at this point with the lack of activity in the last year to two years what the Port would be supporting. He said that if there was an active group that had a plan or an idea that they were proposing, it would make sense for the Port to weigh in on that. He said that until the stakeholders get together again and decide which direction it is headed, it doesn't make sense for the Port to really weigh in at this time. Commissioner Lahmann stated that there is \$1,000,000 that the County has right now to work on engineering for that project. Kyle Heaton asked what they are doing with that and what are they designing. Commissioner Lahmann stated that he didn't know. Kyle Heaton asked if they said where the money was going when they talked to Commissioner Lahmann about the project at the meeting. Commissioner Lahmann stated that the project has changed since that meeting, because SCJ Alliance was there and the staff member in charge of the project is no longer with that firm. The County had to let them go as the engineer on the project. Kyle Heaton said that they must be getting an RFP to get an engineering group together if they're following the law.

- f) **Port Signage:** Commissioner Lahmann made a motion to direct Port staff to seek bids to modify the current kiosk or erect an additional kiosk at Kuper Road to accommodate signage for current and future businesses. The motion was not seconded. The motion failed.
- 5) **Public Comment:** Jan Banevich asked why Commissioner Markstrom was assigned to two committees in the 2021 committee assignments when he is a temporary commissioner and very likely to be gone in November. She asked why Commissioner Lahmann was assigned to only one committee when he has been a Commissioner for two or three years and was elected by the voters to represent them, and why Kyle Heaton, an employee, was being used as an alternate instead of a Commissioner. Commissioner Shaffley stated that she wanted to make a correction in that Commissioner Markstrom is a Commissioner and he will be a Commissioner until his term is done, which is December 31, 2021, and that he is not a temporary Commissioner. She said that he was appointed and he was sworn in as a Commissioner. Jan Banevich replied that Commissioner Markstrom could very likely be gone in November if somebody else is elected. She said that they will take over in November, not January. Commissioner Shaffley replied that that was not correct and that it would be in January. Kyle Heaton stated that it would be November, but it's semantics and that they were discussing hypotheticals. Jan Banevich stated that it was not hypothetical. Commissioner Markstrom was going to finish out the term and was not elected. Commissioner Shaffley said that he was appointed. Jan Banevich said to finish out the term. Commissioner Shaffley said that was correct, so he is a Commissioner. Jan Banevich said that the County told her that he would be gone soon as the election is in November if somebody else was elected. Kyle Heaton said that she was not correct because it would not be until the election is certified. He said that no one present was the County Auditor and, rather than stating election law, if Commissioner Shaffley would rather answer questions about why she made the appointment she made. Jared Ross interjected that he thought Jan Banevich was talking to the Commissioners. Kyle Heaton replied that Jared Ross didn't have the floor either. Jan Banevich said that she was asking Commissioner Shaffley because it was her decision to make the assignments and not Kyle Heaton's. Commissioner Shaffley said that she did. Jan Banevich asked why she chose Commissioner Markstrom over someone who had experience. Commissioner Shaffley said that she felt Commissioner Markstrom was the best candidate at that time and that it was her prerogative. Jan Banevich said that she thought it was interesting that Commissioner Shaffley thought it was best to appoint Commissioner

Questions and Concerns about Port Business

Peter Lahmann <lahmann@portofcentralia.com>

Sun 6/6/2021 11:42 PM

To: Kyle Heaton <heaton@portofcentralia.com>

June 6, 2021

Hello Director Heaton,

It was surprising to hear that Amber Lewis had been called in for talks with WSDOT on the Centralia Station Project, yet you had not notified me of this meeting. Nearly two years ago the Commissioners agreed I was to be included in future WSDOT meetings.

I have not seen a word of notification from either you or staff personnel for any WSDOT meetings. Please share the circumstances surrounding my lack of notice.

I am still waiting for you to arrange a briefing to the Commissioners by Amber Lewis. I have not met her yet and would like to be brought up to date on what we are getting for the taxpayers \$40,500 per year that we are paying for her lobbying efforts.

I am also curious as to the selling of the property on the corner of Galvin Road and Eshom in the Alderhouse transaction? With the last minute notification from you on this to the Commissioners, there was little time to study to make an informed decision. I am curious as to why we decided on a \$65,000 price when the property was assessed by the County at \$80,000 with buildable property in this area selling sometimes 20-40 percent over assessed value. This could have been a negotiating piece to the transaction, but it would have been managerially responsible to inform the Commissioners to the dealings that were taking place. I supported this even with the lack of information as I think our critical path is to get Centralia Station up and running.

On the issue of the Storm Water discharge permit violation, after the initial meeting where this was brought up, I did some research with DOE and it appears that we have been in violation in 2014, 2018, 2020 and now, which you said is rectified. I agree with you on the absurdity but unless we are willing to champion a Rule or RCW change, that is the way it will be. Also Commissioners not being made aware by the manager of previous violations is concerning.

I have a few concerns that I would like to discuss with you and or the Commissioners. First your conduct towards me in answering a couple of questions that I asked on Wednesday, I found very unprofessional. Your caustic tone of voice in answering a simple question about why no sign was up for Scot Industries was interesting and led to more questions.

Is there an issue with Scot Industries? If so why have the Commissioners not been informed?

The idea that we would not be lauding the businesses that have chosen to make Centralia and the Port their home is foreign to me. We should be extolling their success as an enticement for others to follow. If there is no room on the current sign structure for a Scot sign, does that indicate an error in planning for future growth?

Let's consider adding a new sign kiosk to accommodate current and future tenants.

Would you please furnish me a current copy of the Directors Employment Agreement with all Exhibits,

RE: Scot Industries Inc

Kyle Heaton <heaton@portofcentralia.com>

Mon 2/8/2021 1:39 PM

To: Patricia LaLonde <plalonde@scotIndustries.com>

Cc: Craig Hach <chach@ScotIndustries.com>; Amy Graber <agraber@portofcentralia.com>

Ms. LaLonde:

The Port is in the process of updating our signage in Park II. The Port selects (and pays for) tenant signage to be highlighted on our street monuments and updates them from time to time.

Thank you for your interest in the Port of Centralia.

Kyle W. Heaton

Executive Director

PORT OF CENTRALIA

3508 Galvin Road

Centralia, WA 98531

T (360) 736-3527 **F** (360) 330-5666

www.portofcentralia.com



From: Patricia LaLonde <plalonde@scotIndustries.com>

Sent: Monday, February 8, 2021 8:32 AM

To: Kyle Heaton <heaton@portofcentralia.com>

Cc: Craig Hach <chach@ScotIndustries.com>

Subject: Scot Industries Inc

Importance: High

Kyle-

I just wanted to reach out and find out why our company name was removed off the port entry sign.
thanks

Patricia LaLonde

Scot Industries Inc

Centralia, WA 98531

360-623-1305-phone

360-623-1310-fax

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Commissioner Lahmann informed the public that this was a standard item the Port does every year. Commissioner Markstrom added that it allows the Port to continue on with projects it has in the works.

- c) **Committee Reports:** Commissioner Shaffley reported that she attended the Economic Alliance of Lewis County board meeting the week before. She said that there was lots of interest in the different companies that were looking at them. She also reminded everyone to vote and send in their ballots. She said that it was a very important election, as every one of them is.

Commissioner Lahmann said that he had attended the Washington State apprenticeship quarterly meeting in Olympia and he happened to talk to a representative from Sierra Pacific Industries and Scot Industries. He said that the question came up during the conversation that when the Port replaced the railroad crossing on Kuper Road they had not received notification that that was going to happen and it impacted their businesses. He said that he did not know how long it took. He said that he hopes in the future when a railroad crossing is going to be worked on that the Port can notify any impacted businesses. He said that the Port could say that it is the railroad's problem, but it is the Port's road and it is the Port's tenants.

Commissioner Markstrom replied that he had spoken to a couple of the different tenants and they said they were notified. Kyle Heaton added that every tenant was notified. All of the materials were stacked next to the crossing for two months and it was well-known that it was happening and the weekend it was happening on. He commented that Puget Sound and Pacific Railroad went out of their way to make the replacement as least impactful as possible. He said that they started the work on Friday after the morning trucks had passed and they were finished before that Sunday. Commissioner Lahmann said that he was just passing it along because the representatives had mentioned that. He said that he had no knowledge of it and does not have a business in that area.

Commissioner Lahmann asked Kyle Heaton how the City Light progress was coming. He said that he had mentioned a meeting ago that the Port had talks with them so he was wondering where the Port was at on that. He asked if they were ready to start laying line at Centralia Station. Kyle Heaton said they were not because there was not a trench. Commissioner Lahmann asked Kyle Heaton when he foresaw having a trench. Kyle Heaton replied that the Port would be laying conduit when it does the joint utility trench. He said there was ample power for the streetlights and WinCo and it is between WinCo and City Light, not for the Port to be involved with. As Centralia Station develops down the road, there will be ample conduit to pull whatever wire is needed. Commissioner Lahmann asked if the Port did not have an agreement between the substation on Summa Street and getting power to the Centralia Station project. Kyle Heaton replied that the Port does not have any agreement between any substation delivering power to any Port industrial park.

Commissioner Lahmann said that Representative Orcutt, Representative Abbarno, and Senator Braun had never had an invitation to come to one of the Port meetings. He said that it was something to think about for the future when the Port has a project that it wants to push it would be helpful to invite them in and to see if they will buy in to the project. Scott Tennant asked if they could be invited to the next meeting. Commissioner Lahmann continued that he was notified that there is a new legislative assistant for Senator Murray's office, which depending on how the election goes it might not make much difference. Commissioner Markstrom said that he

Kyle reported that the Port's engineers are working on finalizing contract documents for the Yew Street extension. The Port hopes the project will be out to bid later this month. He said that the Washington State Department of Transportation has signed off on it and now the Port's engineer is addressing the City Engineer's comments. He expects that it will be completed next week.

Kyle said that the Port is currently working with Sierra Pacific Industries to replace the railroad crossing on Kuper Road. It was built in 2003-2004 to railroad specifications at the time using concrete tubs. The railroad has since moved away from tubs because they break, just as they did on Kuper Road so now trucks dip as they go over the crossing. The new crossing will be installed at no expense to the Port; Puget Sound and Pacific Railroad maintains it. They will be putting in Omega panels, like what is currently installed on Hoss Road and Robert Thompson Road, where it is laid on big switch ties so if a panel breaks, they can be replaced individually and not have to get underneath the tub. He said that the work should be completed in April.

Kyle stated that the Port is also working with Sierra Pacific Industries for some utility line extensions. The Port is investigating some infrastructure projects in the area and he will keep the Commissioners apprised as it develops, if it develops.

Kyle reminded the Commissioners that the Port had reached out to the City of Centralia regarding the truck parking that has been occurring on Steelhammer Lane and Mahoney Drive, which are the only two roads the Port has dedicated to the City. The City engineer has responded that they are working on getting 'no parking' signs and are working it into their maintenance schedule. He said that the Port is installing its own 'no parking any time' signs on its portion of the road by UNFI. The Port has been mostly successful in chasing most of the parked vehicles away but there is a school bus that is there daily. Kyle said that he has had a conversation with the driver and he is an employee of UNFI. The bus is too large to park in the parking lot and it is only parked on the road during his shift. He is saving for a smaller car so the Port is giving him some leeway. The Port has also had issues on Kuper Road and posted 'no parking' signs there. The trucks and a motorhome then moved around the corner to Foron Road. Kyle thanked Sheriff Snaza and his staff for addressing the issue in under 24 hours.

- b) **Easement Agreement – PV Centralia 48 LLC:** Kyle stated that the Port held public hearings in 2015 and 2018 with the previous property owner of the Long Road Mobile Estates. The easement will connect one stormwater pond to another stormwater pond. It will be completely buried so they won't know it is there once it is installed, but there will have to be trees removed for it to occur. He said that the property owners will lose around a dozen mature fir trees. After the project completion, the Port will install a fence so that there is a barrier again between the property and the railroad. Since that public hearing, the previous property owner passed away and the heirs sold the mobile home park. The Port was able to make contact with the new owners and the discussion has been much more amicable. They are trying to clean up the park and bring standards up and are open to changing things to make it look better. Kyle said that the easement was prepared by Heather Burgess and their attorney has reviewed it.

Commissioner Lahmann asked if there was a portion of this easement that had already been acquired. Kyle Heaton replied that that was this same easement and the previous landowner had refused to come to terms. He said that the Port had previously agreed to treat their stormwater through the catchbasin, but the new property owners were not interested in that.

IMPORTANT MESSAGEFOR KyleDATE 8/3/22 TIME 9:30 9 A.M.
P.M.M KellyOF Sot IndustriesPHONE 300-880-4215
AREA CODE NUMBER EXTENSION

TELEPHONED	<input checked="" type="checkbox"/>	PLEASE CALL	<input type="checkbox"/>
CAME TO SEE YOU	<input type="checkbox"/>	WILL CALL AGAIN	<input type="checkbox"/>
WANTS TO SEE YOU	<input type="checkbox"/>	RUSH	<input type="checkbox"/>
RETURNED YOUR CALL	<input type="checkbox"/>	SPECIAL ATTENTION	<input type="checkbox"/>

MESSAGE Upset about Kuper's closure
and having to use Faxton Rd.
Closure sign says 8/5-8/9AE
SIGNEDAdams
SC9711

Kyle Heaton replied that the Port's auditor was instructed to see if there was any footage of those allegations. He said that after several reviews of the footage and after review by Larry Fagerness, one of the Port's attorneys, it was determined that there was no factual basis for the allegation and that there was no incident that occurred. Commissioner Shaffley said that it had been looked into, then. Kyle Heaton replied that it had.

Commissioner Lahmann asked if the tenants at the apartment building over at Centralia Station had 120 days, would it put off the project until next year to next spring. He said that even if the project goes out to bid in the next couple of weeks, with the timeline, the sewer line is going to be the first priority for someone. Kyle Heaton replied that the Port does not perceive it delaying anything and it is a matter of staging and working around it. Commissioner Lahmann said that he has requested a couple of times a list of the properties that the Port has for sale. He asked if that was in the works and asked if the Port has a list. Kyle Heaton replied that Commissioner Lahmann has been provided on at least seven occasions that he is aware of every piece of property the Port owns. He said that Commissioner Lahmann has been a Commissioner for five-and-a-half years and is aware of what the Port has acquired, what it owns, what has property on it, and what does not. The Port only has two pieces of property currently listed with brokerage. He said that the Port is not a car lot and it does not have a list. There is no sign and that is not how this works. He said that Commissioner Lahmann has been provided with the vacant properties that the Port has and the zoning and that encompasses it. Commissioner Lahmann says that he does not recall seeing that list. The Port is in the property sales business and he is surprised that the Port does not have a list and that it is a planning tool. Kyle Heaton says that it has not come up in 22 years but he will keep it in mind. Commissioner Lahmann said that he appreciated that. He added that in the four years he has been at the Port, the Commissioners have not reviewed their goals and usually most organizations have a five-year revolving plan on goals where they look to see if they have achieved their goals and at what they want to achieve in the future. He said that he did not look up what the zoning was on the Swope property and that there is a lack of low-income housing in Lewis County. The City and the mayor have been working on the issue. He said that he has seen pieces of property that the Port has bought in the past that have been removed from residential into Port Master Plan zoning, which is fine since the Port is going to be building businesses there, but it is not replacing the residential zoning. He said the golf course has been a big issue with the kind of zoning and housing density it requires. He reported that he had a talk with the general manager of UNFI and affordable housing is one of the issues that their employees are facing. UNFI is in the hiring mode for mid-level management positions and Commissioner Lahmann provided a list. He added that UNFI has a group that is trying to be socially responsible and they are looking for projects to work on. Commissioner Shaffley asked if they said what kind of projects the group was looking for. Commissioner Lahmann said that he had mentioned his garbage pickup group, the Centralia Clean Team. Last year the group provided turkeys for the Centralia-Chehalis Chamber of Commerce. Commissioner Lahmann also requested a legislative report from Amber Lewis Consulting. He said that he thinks he has been at the Port for four years and he has never met her. He said that the Port is paying her \$40,500 per year and he would like to at least get a report on what they are talking about.

Commissioner Markstrom reported that he attended the 2022 Washington Public Ports Association Commissioner seminar in Walla Walla. He said the topic of housing came up and the situation is not unique to the Lewis County area. He said that every Commissioner he spoke to and all the staff members that were presenting shared that it is equally challenging in their

Port of Centralia

Memo

To: Commissioner File

From: Amy Graber, Director of Finance & Administration *AG*

Date: August 3, 2022

Re: UNFI

Commissioner Lahmann came into my office after the Port meeting today. I asked him if UNFI had a hiring event this morning since he reported on it in the meeting. He stated no but that they were at his office this morning for the military for other things. He said he told them that the Port is here to help them with whatever they need.

no but there were preliminary plans that were done sometime in the early 2000s when they were looking at the bridge and had designed the size and location of the bridge. He stated that they are going to start with those drawings in their application for federal money, but they need to reevaluate those drawings as that was 20 years ago and it's going to be different now with the possibility of it going all the way to Highway 6 and that whole corridor. He added that the Reynolds Project the consultant is tasked to evaluate the traffic and make sure those improvements are going to be sufficient as well as adding pedestrian components.

Commissioner Markstrom thanked everyone involved and said that he is honored to be somewhat involved in something that is going to be so transformative to the community. He added that he tried to think about other projects in his lifetime and these projects will be the biggest in his lifetime and that future generations are going to get to enjoy better access to the hospital and rest of the community.

Commissioner Shaffley made a motion to approve Resolution No. 2022-10 supporting the West Connector Project. Commissioner Lahmann seconded the motion. The motion carried.

Commissioner Lahmann added that he would have liked a little bit more information and did not like how the Resolution was written but he did approve of the West Connector Project. He stated that he does approve the economic development goals that we are going for, but he would be remiss if he said no and if there is some way to pull 50 and half million dollars into our community to help with economic development then how could we say no.

- b) **Small Works Project #22-10 – Asbestos Abatement 1104 Brotherson Road:** Kyle Heaton stated that this is for eight units of the Brotherson Apartments. The final four units is expected to be changed ordered on to this contract as those asbestos reports just came in. He stated that the Port received two bids, one from 3 Kings Environmental and the other from KD&S Environmental. He said the apparent low bidder is 3 Kings Environmental with a bid of \$58,806.70 including sales tax and added that this work is to remove popcorn ceilings.

Commissioner Shaffley made a motion to approve Small Works Project #22-10 to 3 Kings Environmental in the amount of \$58,806.70. Commissioner Lahmann seconded the motion. The motion carried.

- c) **Committee Assignments:** Commissioner Markstrom stated that committee assignments is for information only and not something voted on but each Commissioner has their 2023 assignments in their packets.
- d) **Commissioner Reports:** Commissioner Shaffley thanked everyone for attending and wanted to wish everyone a very Merry Christmas and a happy, healthy, and prosperous New Year. She added that it is exciting to see so much going on in our community and she is happy to be a part of it and is excited to see the future.

Commissioner Lahmann stated that he has attended a couple city council meetings and a couple county commission meetings, including the mayor's meeting. He said that he was kind of goofing off last time when the meeting got changed as he was slated to give a presentation at the Washington Public Ports Association so at the time of the last Port meeting that is what he was

doing. He said he was talking to them about apprenticeship internships and hiring military. Commissioner Markstom asked him if that was for his day job and Commissioner Lahmann responded yes. Commissioner Lahmann stated that he was a scheduled presenter and could not change that at the last minute for the Port meeting.

Commissioner Markstom stated he did not have any reports but wanted to wish everyone a Merry Christmas and Happy New Year. He said that there is an event that evening at the Juice Box and the Borst Park Lights is another fun thing to do, especially for kids, and all the money goes to nonprofits.

- 7) **Adjourn:** Commissioner Lahmann made a motion to adjourn the meeting at 3:37 p.m. Commissioner Shaffley seconded the motion. The motion carried.



COMMISSIONER



COMMISSIONER

Thursday - December 8, 2022

Port of Port Townsend

3:30 pm

Roundtable Discussions

Pavilion BC & EF

Choose two 30-minute
consecutive sessions:

1. **Historical Photo Preservation**
Carey Jones, *Executive Administrator*
Port of Bellingham
2. **What Happens After a Catastrophe on Port Property**
Frank Chmelik, *Principal*
Chmelik Sitkin & Davis
3. **Climate Focused Best Practices**
Adrienne Hegedus, *Sustainability Program Manager*
Port of Bellingham
4. **Apprenticeships to our Washington Ports**
Peter Lahmann, *Commissioner, Port of Centralia and Apprenticeship Specialist*
Washington State Department of Veterans Affairs
5. **Derelict Vessels**
Tim Schermetzler, *Principal*
Chmelik Sitkin & Davis
6. **Road Usage Charge**
Reema Griffith, *Executive Director*
Washington State Transportation

Lahmann, Peter (DVA) <Peter.Lahmann@dva.wa.gov>

Tue 1/17/2023 12:05 PM

To: jkeene@portofwoodland.com <jkeene@portofwoodland.com>

Cc: Peter Lahmann <lahmann@portofcentralia.com>

Hello Ms. Wray-Keene,

Thank you for talking with me at the WPPA Conference last month.

If you would have questions about hiring or Internships for Transitioning Service Members, Veterans, or Military Spouses for you or your Port of Woodland projects, please let me know and let's work on it.

We met at the WPPA Conference in Tacoma where I was doing a round table discussion on Apprenticeship, Internship, and the Military. The goal of my position is to get Transitioning Service Members, Veterans, Military Spouses and military families, connected to good career opportunities. I also serve as a Commissioner for the Port of Centralia.

If I could be helpful to you or your staff in your military hiring needs, please let me know. If you need the perspective from a Port Commissioner point of view, please see the included contact information for that. If you think someone else should have my information, please share it with them.

Thank you for your interest in hiring Veterans.

For Apprenticeship information please use this contact:

Peter Lahmann

Apprenticeship Specialist 5

WA Department of Veterans Affairs

360-999-8024

plahmann@dva.wa.gov

For questions regarding Port Business please contact:

Peter Lahmann, Commissioner

Port of Centralia

360-870-0706

lahmann@portofcentralia.com

WDVA pledges to provide the best in Customer Service to veterans, families and community partners. Your feedback helps! Click on the link to complete a short customer satisfaction survey or copy and paste this link into your web browser: <https://www.surveymonkey.com/r/WDVAemail2021> Thank you!

From: [Carrell, Lisa \(SAO\)](#)
To: [Amy Graber](#)
Subject: RE: Citizen Hotline Submittal
Date: Wednesday, January 25, 2023 3:56:00 PM
Attachments: [image002.png](#)
[image003.jpg](#)

Hi Amy,

Thank you for your hotline submission regarding the Port of Centralia and for providing the additional attachments. We are scheduled to conduct our next audit of the Port in the Fall of 2023. At that time, we will consider the information you have provided during our audit planning procedures. In the meantime, if you have any additional information you would like to share, please feel free to send it my way.

Thank you!



Lisa Carrell, CPA
Audit Manager, Team Olympia, [Office of the Washington State Auditor](#)
(564) 999-0882 | Pronouns: She, Her, Hers
We are hiring! Go to sao.wa.gov/jobs to see our openings.

From: Amy Graber <agraber@portofcentralia.com>
Sent: Wednesday, January 25, 2023 1:37 PM
To: Carrell, Lisa (SAO) <carrelll@sao.wa.gov>
Subject: Citizen Hotline Submittal

External Email

Lisa-

As discussed over the phone I am attaching the following. Please let me know if you have any questions.

Amy E. Graber
Director of Finance & Administration

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