

PORT OF BREMERTON
BOARD OF COMMISSIONERS
REGULAR BUSINESS MEETING

A G E N D A

November 25, 2025
10:00 AM

Bill Mahan Conference Room
Port Administration Offices
Bremerton Nat'l Airport Terminal Bldg
8850 SW State Hwy 3, Bremerton

The Port of Bremerton Board of Commissioners regular business meetings are open to the public and are conducted using a hybrid format. The public is invited to view and/or participate in the hybrid meeting by attending in person or through one of the following options:

- To stream online only (via BKAT feed, with no interaction possible):
<https://bremerton.vod.castus.tv/vod/?live=ch1&nav=live>
- To join the online Zoom meeting: <https://us02web.zoom.us/j/85467322251>
- For audio only; dial 1.253.205.0468; Meeting ID: 881 0363 0672

Call to Order

Pledge of Allegiance

Approval of Agenda

Consent Items

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

- A. Minutes of the regular business meeting of November 12, 2025.
- B. Payment of checks #903082 through #903083 and #903084 through #903089 and #87207 through #87213 and #E02980 through #E02987 and #903090 through #903103 and #E02988 and #87214 through #87223 and #E02989 through #E02999 and #903104 through #903107 and #903108 through #903109 from the General Fund for \$167,490.41.
- C. Excuse Commissioner Axel Strakeljahn's absence due to personal travel.

Information Items

- 1. AI in the Workplace – Kris Hagel, CIO, Peninsula School District
- 2. Port Orchard Marina Breakwater Design Update – Jon Keiser, PND Engineers, Inc.

Public Comment

Open to the public for comment. Speakers are asked to keep their comments to less than 3 minutes. Please feel free to submit further comments in writing to the Clerk of the Board (gingerw@portofbremerton.org)

Action Items

1. Final Budget for Calendar Year 2026
 - 1.1 Budget Presentation
 - 1.2 Public Hearing
 - 1.3 Action Items
 - a. Resolution 2025-07 providing for a regular property tax levy and all allowable levies for calendar year 2026.
 - b. Resolution 2025-08 providing a limit factor for the regular levy for the 2026 calendar year to determine future years' levies and to enable the Port to bank excess levy capacity.
 - c. Resolution 2025-09 adopting the final budget for calendar year 2026.
 - d. Resolution 2025-10 filing the final budget and submitting request for tax levies for calendar year 2026 with the Clerk of the Board of County Commissioners.
2. Amendment 5 to PND Engineers, Inc. Consultant Agreement for the Port Orchard Marina Breakwater Replacement Design
3. Bid Award to Fox Fire Prevention for the Fire Suppression System Project at 8390 Barney White Rd
4. Acceptance of Washington State Department of Transportation (WSDOT) Grant GCC 1318 for Airport Feasibility Study

Staff Reports

Commission Reports / New Business

Executive Session *(if necessary)*

Adjournment

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

<u><i>Date</i></u>	<u><i>Time</i></u>	<u><i>Meeting</i></u>
11/25	10:00 am	*Commission Regular Business Meeting – Hybrid
11/27 & 11/28		Port Offices Closed in Observance of Thanksgiving
12/2	2:15 pm	Kitsap Regional Coordinating Council (KRCC) Executive Board
12/3	10:00 am	Central Puget Sound Economic Development District (CPSEDD) Board
12/4	10:00 am	Puget Sound Regional Council (PSRC) Executive Board
12/9	10:00 am	*Commission Regular Business Meeting - Hybrid

Meetings are subject to change or cancellation

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

PORT OF BREMERTON
BOARD OF COMMISSIONERS
REGULAR BUSINESS MEETING

M I N U T E S

November 12, 2025
10:00 AM

Bill Mahan Conference Room
Port Administration Offices
Bremerton Nat'l Airport Terminal Bldg
8850 SW State Hwy 3, Bremerton
Remote Option via Zoom

Commissioners and Staff Present

Commissioners
Gary Anderson
Cary Bozeman
Axel Strakeljahn

Staff Members
Jim Rothlin
Arne Bakker
Aaron Schielke
Tim Petrick
Kathy Garcia
Cole Barnes
Erica Filler
Ginger Waye
Stephanie Frame
Jim Ryan, Atty

Call to Order

President Anderson called the meeting to order at 10:00 AM and led the Pledge of Allegiance.

Approval of Agenda

It was moved by STRAKELJAHN, seconded by BOZEMAN to:

Approve the Agenda as presented.

MOTION CARRIES, 3-0

Consent Items

- A. Minutes of the regular business meeting of October 28, 2025.
- B. Payment of checks #903062 through #903065 and #87185 through #87197 and #E02965 through #E02977 and #903066 through #903069 and #903070 through #903073 and #903074 through #903075 and #903076 through #903077 and #87198 through #87206 and #E02978 through #E02979 and #903078 through #903081 from the General Fund for \$324,226.56.

It was moved by BOZEMAN, seconded by STRAKELJAHN to:

Approve the Consent Items as presented.

MOTION CARRIES, 3-0

Information Items

1. Tug Dominion Update – Washington State Department of Ecology (DOE) Liaison and United States Coast Guard (USCG)

Max Peterson, Liaison Officer for the Dominion Response, provided full history and structure of the response explaining it is now entering the deconstruction phase noting it will no longer be towed but will be destroyed in place. He detailed the Unified Command stating that the response would not have been possible without the level of thoroughness and completion by the USCG who have thus-far committed over \$7M to this response.

He described the demo process and the procedure for handing over the site to the Toxics Cleanup Program (TCP) and for Natural Resource Damage Assessment (NRDA) analysis after full demobilization. Containment, cleanup steps, and local impacts during demo were detailed.

Commissioners expressed their appreciation to the entire Unified Command for their leadership throughout this difficult situation.

Comments were made related to this response and derelict vessels in general by USCG CAPT Mark McDonnell, Federal On-Scene Coordinator, and LCDR Sean Di George, Incident Commander.

Kathy Garcia, Marina Operations Manager, introduced Chris Svencer, Resolve Marine, who briefed on breakwater wires damage incurred as a result of the sinking.

Questions and comments from the Board were addressed throughout the presentation.

2. Bremerton Aviation Center for Education (BACE) Update – Mike Friend, Experimental Aircraft Association (EAA)

Mike Friend, BACE Co-Founder, detailed BACE big events over the past year:

- Rollout of eXenos, an electric-powered Xenos motor-glider.
- Start on construction of a second project aircraft.
- Several youth starting flight training.
- Military vet member receiving his FAA mechanic license and starting his own business.
- New set of kids going through Build & Fly program for remote-control airplanes prior to graduating to the full-size airplane build program.
- Solar installation at BACE complete and producing power. Greg Williams, EAA, explained where the solar panels came from and provided education on panels and electronics.

Mr. Friend outlined upcoming goals:

- Continue second airplane build.
- Planning for a third build.
- Completion of eXenos flight testing.

- Commissioning of ramp recharging capabilities.

Questions and comments from the Board were addressed throughout the presentation.

Work Study Session

1. 2026 Preliminary Budget – Aaron Schielke, Chief Financial Officer

CFO Schielke provided a PowerPoint presentation reviewing:

- The importance of tying in the Port's mission and vision statements when creating the budget.
- The 2026 budget goals
- No changes to the Operating Budget since the first budget study session.
- Each operating segment's P&L over the previous year (airport/industrial/marina facilities).
- Summary of operating and non-operating revenues and expenses.

CEO Rothlin reviewed the Community Activities list and, after discussion, the Board accepted the list as presented.

CFO Schielke continued his presentation reviewing:

- The Capital Budget with a change from the previous study session of adding additional funds for the north and east breakwater projects at Port Orchard Marina noting that the project's engineer will be attending the next meeting to provide more detail.
- Summary of capital and reserves.
- Levy analysis with and without the 1% allowable levy increase.

There was discussion among the board and staff throughout the presentation.

Public Comment

Doug Haughton, Bremerton Pilots Association

- Provided detail on the upcoming Bremerton Airport Christmas party which is a fundraiser for the youth scholarship program and invited Commissioners and staff to attend.
- Expressed appreciation for the Port including the scholarship program as a line item in the 2026 budget.

Philip Menees, past Port of Kingston Commissioner

- Spoke to his concerns about the process chosen for the removal of the Tug Dominion and suggested the Port think about doing something different.
- Proposed the Port consider using a fuel barge instead of additional fuel pumps.
- Suggested the Port be proactive in potentially using Yacht Fish to remove derelict boats and park them on land to store/auction/destroy, etc.

Action Items - None

Staff Reports

Jim Rothlin, Chief Executive Officer, detailed the following:

- Employee Milestones in November
 - Gabby Garland, Marina Administrative Specialist, celebrating her 5th and final anniversary with the Port as she is leaving due to her husband's military relocation.
 - Peyton Volpe-Ludwig, Marina Customer Service Specialist, observing her 3rd anniversary.
 - James Goodman, Director of Facilities & Property Development, also reaching 3 years with the Port.
 - David Beckley, Port Maintenance I at the airport, departing to serve in the U.S. Navy.
 - Rachel Robbins, new Marina Customer Service Specialist, replacing Ms. Garland.
 - Tim Petrick, new Director of Marinas, moved from Crescent City, California with a strong waterfront and leadership background. Mr. Petrick provided a brief personal and professional history.
- Donation drive that has begun for Retsil Veterans Home.
- Recently attended Kitsap Economic Development Alliance (KEDA) Fall Forum which included discussion on the local 2026 FIFA World Cup Fan Zone.
- Clarification has been received on items contained in the derelict vessel letter to legislators that is being spearheaded by the City of Poulsbo and was discussed at the last meeting. The Board agreed to sign the letter given the clarifications received.

Commission Reports / New Business

Commissioner Bozeman

- Attended KEDA Fall Forum noting that no one really understands what exactly will happen.
- Reported on Puget Sound Regional Council (PSRC) transportation planning meeting at Marvin Williams Recreation Center.
- Stated food banks are going to be very important to this community this year and suggested the Port donate to that cause if possible.

Commissioner Strakeljahn

- Reported on PSRC Executive Board meeting.
- Questioned whether the towing signs in the Port Orchard Marina parking lot now meet requirements. It was reported they do.
- Noted the Governor's liaison will be attending the upcoming Kitsap Regional Coordinating Council (KRCC) legislative reception.

- Suggested looking into having a Rolls Royce-type aircraft fabrication facility locate here.

Commissioner Anderson

- Will be attending the Washington Public Ports Association (WPPA) annual conference next week.
- In response to Commissioner Anderson's request, Cole Barnes, Airport Manager, provided detail on the military night training that recently occurred at Bremerton Airport.

Executive Session - None

Adjournment

There being no further business before the Board, the meeting was adjourned at 12:52 p.m.

Submitted,

Jim Rothlin
Chief Executive Officer
November 20, 2025

Approved,

Axel Strakeljahn
Commission Secretary
November 25, 2025

AGENDA SUMMARY

Agenda Item No: Action Item 1
Subject: 2026 Final Budget Adoption
Exhibits: 2026 Final Budget
 Resolutions 2025-07; 2025-08; 2025-09; 2025-10
Prepared By: Aaron Schielke, Chief Financial Officer
Meeting Date: November 25, 2025

Summary:

The 2026 preliminary budget was presented on November 12, 2025.

The Public Hearing is being held during the November 25, 2025 meeting. The Port of Bremerton's 2026 Final Budget as presented today is \$12,920,862. The final budget documents and all related resolutions are presented herein for adoption as follows:

- 2026 Final Budget
- Resolution 2025-07: General tax levy for 2026 with no tax increase
- Resolution 2025-08: Providing a limit factor for the regular levy for the 2026 calendar year to determine future years' levies and to enable the Port of Bremerton to bank excess levy capacity. This resolution works together with Resolution 2025-07 and is important to the Port in preserving its ability to bank the levy capacity. It is not known what the future holds or what projects may come before future Port Commissions. The Port has banked its previous levy capacity and should preserve the same ability to bank the excess capacity in 2026.
- Resolution 2025-09: Providing for acceptance, approval and adoption of the Final Budget for Calendar Year 2026.
- Resolution 2025-10: Filing the Final Budget and submitting a request for tax levies for the 2026 calendar year with the Clerk of the Board of County Commissioners and the Kitsap County Tax Assessor's Office. This resolution also includes the official Levy Certification signed by the Chief Financial Officer of the Port.

Fiscal Impact:

2026 Budget

Recommendation:

Adopt the 2026 Final Budget and approve all related resolutions as presented.

Motions for Consideration:

- a. Move to approve Resolution 2025-07 with no tax increase in the general tax levy.**
- b. Move to approve Resolution 2025-08 providing a limit factor for the regular levy for the 2026 calendar year to determine future years' levies and to enable the Port to bank excess levy capacity.**
- c. Move to approve Resolution 2025-09 approving and adopting the Final 2026 Budget.**
- d. Move to approve Resolution 2025-10 filing the final 2026 budget documents and submitting request for tax levies in the amounts indicated with the County Clerk of the Board of County Commissioners and the Kitsap County Assessor's Office.**

**PORT OF BREMERTON
KITSAP COUNTY, WASHINGTON
RESOLUTION NO. 2025-07
DATED: November 25, 2025**

A RESOLUTION of the Board of Commissioners, Port of Bremerton, providing for a 0% increase in the total regular property tax levy excluding any amount resulting from the addition of new construction and improvements to property, any increase in state-owned property and all allowable levies, for calendar year 2026.

WHEREAS, the Board of Commissioners, Port of Bremerton, has properly given notice of the public hearing held on November 25, 2025 to consider the Port of Bremerton's current expense budget for the calendar year 2026, pursuant to RCW 53.35.010, 53.35.020, 53.35.030 and 53.35.045; and

WHEREAS, the Board of Commissioners, Port of Bremerton, after hearing, and after duly considering all relevant evidence and testimony presented, has determined that the Port of Bremerton does not require the 1% increase in property tax revenue from the previous year, excluding the increase resulting from the addition of new construction and improvements to property, newly constructed wind turbines, annexation, any increases in the values of state-assessed property, state-assessed utilities, refunds, and all allowable levies, in order to discharge the expected expenses and obligations of the Port of Bremerton and in its best interest; and

WHEREAS, the population of this district is more than 10,000; and

WHEREAS the Board of Commissioners, Port of Bremerton, has determined that it is in the best interest of the Port of Bremerton and not necessary to meet the expenses and obligations in 2026 while still maintaining all future levy capabilities, for the property tax revenue not to be increased by 1% in 2026.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners, Port of Bremerton, that a zero percent 0.0% increase \$-0- in the total property tax levy from the previous year \$4,342,876 is hereby authorized. The 0.0% increase is exclusive of additional revenue resulting from new construction, improvements to property, any increase in the value of state assessed property, any annexations that have occurred and refunds made.

ADOPTED by the Board of Commissioners of the Port of Bremerton at the regular public meeting thereof held this 25th day of November, 2025 and duly authenticated in open session by the signatures of the Commissioners voting in favor thereof and the Seal of the Commission.

Commission President

Commission Vice President

ATTEST:

Commission Secretary

(SEAL)

**PORT OF BREMERTON
KITSAP COUNTY, WASHINGTON
RESOLUTION NO. 2025-08
DATED: November 25, 2025**

A RESOLUTION of the Board of Commissioners, Port of Bremerton, providing a limit factor for the regular levy for the 2026 calendar year to determine future years' levies and to enable the Port of Bremerton to bank excess levy capacity.

WHEREAS, the Board of Commissioners, Port of Bremerton, has met and considered its budget for the calendar year 2026; and

WHEREAS, the Board of Commissioners, Port of Bremerton, in the course of considering the budget for 2026, has reviewed all sources of revenue and examined all anticipated expenses and obligations; and

WHEREAS, the Board of Commissioners of the Port of Bremerton Taxing District, has determined that due to future committed obligations in the Teamsters Local Union 589 Agreement with respect to future wage increases and medical and other benefit levels, and in consideration of future capital and infrastructure improvements, finds that there is a substantial need to set the levy limit at 101% in the event this levy capacity is needed in the future years.

NOW, THEREFORE BE IT RESOLVED by the Board of Commissioners, Port of Bremerton that the limit factor for the regular levy for the calendar year 2026 be set at 101% in the event this levy capacity is needed in future years.

ADOPTED by the Board of Commissioners of the Port of Bremerton at the regular public meeting thereof held this 25th day of November, 2025 and duly authenticated in open session by the signatures of the Commissioners voting in favor thereof and the Seal of the Commission.

Commission President

Commission Vice President

ATTEST:

Commission Secretary

**PORT OF BREMERTON
KITSAP COUNTY, WASHINGTON
RESOLUTION NO. 2025-09
DATED: November 25, 2025**

A RESOLUTION of the Board of Commissioners, Port of Bremerton, providing for acceptance, approval and adoption of the Final Budget for the Calendar Year 2026.

WHEREAS, a preliminary 2026 budget was prepared and analyzed on November 12, 2025, and

WHEREAS, public notices were published on November 13, 2025, and November 19, 2025, in the newspaper of general circulation in the Port District proclaiming the availability of the preliminary budget to taxpayers at the Port office and announcing the public hearing for November 25, 2025, all in accordance with RCW 53.35.030 and 53.35.045, and

WHEREAS, a public hearing was held on the 25th day of November, 2025 at 10:00 a.m. after the above-stated due and proper notices were published in the daily newspaper of general circulation in the Port District and the Commission heard from all persons desiring to be heard on the matter of the final budget all in accordance with RCW 53.35.030 and 53.35.045, and

WHEREAS, the proposed 2026 budget incorporates the Port's Capital Plan and related capital improvements as an update to the 2012 Comprehensive Scheme.

NOW, THEREFORE BE IT RESOLVED by the Board of Commissioners, Port of Bremerton, that:

The Final Budget for calendar year 2026, fixed at fund levels as listed below and appended hereto as part of this Resolution is accepted, approved and adopted.

Airport	\$1,356,374
Industrial Park	1,065,426
Port Orchard Marina	2,134,447
Bremerton Marina	1,475,612
Other Marinas	153,829
General & Administrative	2,552,725
Non-Operating	1,203,124
Capital Projects Airport	816,924
Capital Projects Industrial Parks	270,000
Capital Projects Port Orchard Marina	1,108,000
Capital Projects Bremerton Marina	250,000
Capital Projects Other Marinas	400,000
Capital Projects General & Administrative	134,401
TOTAL BUDGET	\$12,920,862

ADOPTED by the Board of Commissioners of the Port of Bremerton at the regular public meeting thereof held this 25th day of November, 2025, and duly authenticated in open session by the signatures of the Commissioners voting in favor thereof and the Seal of the Commission.

ATTEST:

Commission President

Commission Secretary

Commission Vice-President

Port of Bremerton 2026 Consolidated Budget

Operating Revenues	2025 Budget	2026 Budget	Change \$	Change %
Airport	709,880	761,136	51,256	7.22%
Industrial Parks	1,860,640	2,059,641	199,001	10.70%
Port Orchard Marina	2,074,456	2,241,718	167,262	8.06%
Bremerton Marina	1,429,500	1,489,454	59,954	4.19%
Other Marinas	91,336	88,400	(2,936)	-3.21%
Total Operating Revenues	6,165,812	6,640,349	474,537	7.70%
Non-Operating Revenues	2025 Budget	2026 Budget	Change \$	Change %
Tax Levy	4,357,262	4,455,513	98,251	2.25%
Grants/Loans	2,145,000	992,000	(1,153,000)	-53.75%
Interest Income	885,000	833,000	(52,000)	-5.88%
Total Non-Operating Revenues	7,387,262	6,280,513	(1,106,749)	-14.98%
Total Revenue (Sources)	13,553,074	12,920,862	(632,212)	-4.66%
Operating Expenses	2025 Budget	2026 Budget	Change \$	Change %
Airport	1,342,520	1,356,374	13,854	1.03%
Industrial Parks	1,049,389	1,065,426	16,037	1.53%
Port Orchard Marina	2,013,267	2,134,447	121,180	6.02%
Bremerton Marina	1,411,247	1,475,612	64,365	4.56%
Other Marinas	146,132	153,829	7,697	5.27%
General & Administrative	2,555,817	2,552,725	(3,092)	-0.12%
Total Operating Expenses	8,518,372	8,738,413	220,041	2.58%
Non-Operating Expenses	2025 Budget	2026 Budget	Change \$	Change %
Interest Expense	42,108	14,939	(27,169)	-64.52%
Debt Service	391,663	51,797	(339,866)	-86.78%
Total Non-Operating Expenses	433,771	66,736	(367,035)	-84.61%
Total Expenses	8,952,143	8,805,149	(146,994)	-1.64%
Transfer (from) to Stormwater Reserve	(235,000)	-	235,000	-100.00%
New Building Funding - 8390 SW Barney White Road	380,577	737,294	356,717	93.73%
Future Capital Projects - Port Orchard Dock Construction	-	325,000	325,000	100.00%
Contribution to Capital Reserves	17,564	74,094	56,531	321.86%
Net Transfer from(to) Reserves	163,141	1,136,388	973,248	596.57%
Total Available for Capital Projects	4,437,790	2,979,325	(1,458,465)	-32.86%
Capital Projects	2025 Budget	2026 Budget	Change	Change
Airport	2,248,000	816,924	(1,431,076)	(2,248,000)
Industrial Parks	645,000	270,000	(375,000)	(645,000)
Port Orchard Marina	235,000	1,108,000	873,000	(235,000)
Bremerton Marina	122,000	250,000	128,000	(122,000)
Other Marinas	1,030,000	400,000	(630,000)	(1,030,000)
General & Administrative	157,790	134,401	(23,389)	(157,790)
Total Capital	4,437,790	2,979,325	(1,458,465)	-32.86%
Total Expenses & Capital (Uses)	13,553,074	12,920,862	(632,212)	-4.66%

**Port of Bremerton
2026 Capital Budget**

Segment	Project Description	Prior Year Rollover Project Budget Increases/(Decreases)	Project Budgets - New 2026 Projects	Grants/ Appropriations	Net \$ 2026
BM	Finger Pier Repair/Replacement A Dock	\$ 200,000			\$ 200,000
Airport	Airport Layout Plan, including Feasibility Study Phase 2	\$ (377,520)			\$ (377,520)
APT/OVIP	Small Wastewater debris screen & removal	\$ 125,000			\$ 125,000
POM	North and East Breakwater	\$ 358,000			\$ 358,000
Airport	Pavement Re-hab Runway and Taxiway Design		\$ 324,444	\$ (292,000)	\$ 32,444
Airport	Hangars 1-3 Roof Replacement		\$ 400,000		\$ 400,000
APT/OVIP	Maintenance Roof - Overlay		\$ 200,000		\$ 200,000
APT/OVIP	Security Camera's		\$ 20,000		\$ 20,000
APT/OVIP	Truck Replacement		\$ 55,000		\$ 55,000
APT/OVIP	Dump Truck		\$ 100,000		\$ 100,000
APT/OVIP	Design Review Airport Way Phase 2.2		\$ 30,000		\$ 30,000
APT/OVIP	Rear Discharge Mower		\$ 10,000		\$ 10,000
PO Prop	Marina Park Restroom lift station CN		\$ 400,000	\$ (300,000)	\$ 100,000
BM/POM	Security Camera's		\$ 20,000		\$ 20,000
BM/POM	Truck Replacement		\$ 55,000		\$ 55,000
BM/POM	New Engine for Pumpout Boat		\$ 25,000		\$ 25,000
POM	PE Marina Restroom replacement		\$ 125,000		\$ 125,000
POM	A- Dock design and F-Dock design and permitting		\$ 375,000		\$ 375,000
POM	Electrification Infrastructure Charging Stations		\$ 200,000	\$ (200,000)	\$ -
GA	IT Server Replacement		\$ 20,000		\$ 20,000
Airport	Electrification Infrastructure Charging Stations		\$ 200,000	\$ (200,000)	\$ -
	SUB TOTAL	\$ 305,480	\$ 2,559,444	\$ (992,000)	\$ 1,872,924

Site, Utility, Building Improvements (\$200,000 target):

Reserve Replenishment	\$	114,401	\$	114,401
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Other Capital Reserve Activity:

New Building Funding - 8390 SW Barney White Road	\$	737,294	\$	737,294
Future Capital Projects - Port Orchard Dock Construction	\$	325,000	\$	325,000
Contribution to Capital Reserves	\$	75,094	\$	75,094

Total Capital Projects, including Reserve Activity	\$	305,480	\$	3,811,233	\$	(992,000)	\$	3,124,713
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SUMMARY/RECAP:

New 2026 Projects	\$	2,559,444
Prior year project rollover increases/decreases	\$	305,480
Site, Utility, Building Improvements Reserve Replenishment	\$	114,401
Total 2026 Capital Projects	\$	2,979,325
 Other Capital Reserve Activity	 \$	 1,137,388
 Less: Grants/Appropriations	 \$	 (992,000)
Total 2026 Capital Projects and Reserve Activity	\$	3,124,713

**PORT OF BREMERTON
KITSAP COUNTY, WASHINGTON
RESOLUTION NO. 2025-10
DATED: November 25, 2025**

A RESOLUTION of the Board of Commissioners, Port of Bremerton, filing the final budget and submitting a request for tax levies for calendar year 2026 with the Clerk of the Board of County Commissioners.

WHEREAS, the Board of Commissioners, Port of Bremerton, Kitsap County, by Resolution 2025-09 dated November 25, 2025, approved and adopted the Final Budget for Calendar Year 2026 in the amount of \$12,920,862 in accordance with RCW 53.35.010, 53.35.020, 53.35.030 and 53.35.045.

NOW, THEREFORE BE IT RESOLVED by the Board of Commissioners, Port of Bremerton, in accordance with RCW 53.35.040, that:

1. A copy of the Final Budget of the Port of Bremerton for Calendar Year 2026, as approved by Resolution 2025-09 be filed with the Clerk of the Board of County Commissioners.
2. As required under Referendum 47, Section 209, Resolution 2025-07 is hereby submitted to the Board of County Commissioners to provide for levies against taxable property located within Kitsap County to raise funds in the amount indicated in the Final Budget as follows, plus new construction and improvements to property, newly constructed wind turbines, annexation, any increases in the values of state-assessed property, state-assessed utilities, refunds, and all allowable levies:

A.	General Purpose Levy	\$4,342,876
	Plus: New Construction	74,845
	Refunds	36,673
	Calculation Error	1,119
		\$4,455,513
B.	Special Tax (General Obligation Indebtedness) Levy	0

ADOPTED by the Board of Commissioners of the Port of Bremerton at the regular public meeting thereof held this 25th day of November, 2025, and duly authenticated in open session by the signatures of the Commissioners voting in favor thereof and the Seal of the Commission.

ATTEST:

Commission President

Commission Secretary

Commission Vice-President

LEVY CERTIFICATION

In accordance with RCW 84.52.020, I, Aaron Schielke, Chief Financial Officer, for the Port of Bremerton, do hereby certify to the Kitsap County legislative authority that the Commissioners of said district request that the following levy amounts be collected in 2026 as provided in the district's budget, which was adopted on November 25, 2025, following a public hearing held on November 25, 2025.

Regular Levy:	\$4,342,876
Plus: New Construction	74,845
Refunds	36,673
Calculation Error	1,119
 Total Regular Levy	 \$4,455,513
 Excess Levy:	 \$ 0

Signature: _____ Date: November 25, 2025

PORT OF BREMERTON

AGENDA SUMMARY

Agenda Item No: Action Item 2
Subject: Amendment 5 Port Orchard Marina Breakwater Design
Exhibits: Amendment 5
Prepared By: Arne Bakker
Meeting Date: November 25, 2025

Summary:

In September, 2020, The Port of Bremerton issued the Notice to proceed with PND Engineers for the design, permitting support and bid support for the Port Orchard Marina Breakwater. Through this process, the Port was also able to secure a grant through MARAD. This grant required a more robust NEPA and extended environmental process. The delays caused by this process have been significant and extended this project for 3 more years. Delays are due to modifications required for permitting, new published codes by permitting agencies, and grant design modifications.

Fiscal Impact:

Contract Amount:	\$1,904,670.73
Amendment 5:	\$336,136.05
New Contract Amount:	\$2,240,806.78

2026 Capital Budget:	\$358,000.00
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The amendment's funds are a capital budget expense sourced from the \$2.5 Million capital reserve dedicated to the Port Orchard Marina Breakwater

Strategic Purpose:

This action conforms with the Port's strategic plan in Goal 6: Develop and fund a 20 year asset replacement and major maintenance schedule

Recommendation:

Staff recommend the approval of Amendment 5 with PND Engineers in the amount of \$336,136.05 and authorize the CEO to execute the amendment

Motion for Consideration:

Move to approve Amendment 5 with PND Engineers for the Port Orchard Marina Breakwater Design in the amount of \$336,136.05 and authorize the CEO to execute the amendment.

**PORT OF BREMERTON
AMENDMENT NO. 5**

Agreement Title: Port Orchard Marina Breakwater Replacement Design

Project No. 03-14-0224

Date: November 25, 2025

To: Jon Keiser, PND Engineers, Inc.

You are hereby directed to make the changes listed below in the subject contract. All other provisions of the contract remain in full force and effect. This Amendment represents a full and final resolution of these items; all costs and time effects are resolved.

Nature of Amendment

MARAD grant required a more robust NEPA and extended environmental process. This process has caused significant delays and extended this project for 3 more years. Delays are due to modifications required for permitting, new published codes by permitting agencies, and grant design modifications.

Justification of Amendment

Federal permit support, final design, pier demolition, grant design and modification support, bidding assistance, and construction administration.

The changes result in the following adjustment of the Contract Price and Time:

Contract Value Prior to this Amendment	\$ 1,904,674.73
Net (increase) (decrease) Resulting from this Amendment	\$ 336,136.05
Current Contract Price Including this Amendment	\$ 2,240,806.78

Date of Completion Prior to this Amendment	<u>2025</u>
Net (increase) Resulting from this Amendment	_____
Current Contract Time Including this Amendment	<u>March, 2028</u>

**The above Amendment
is recommended**

**The above Amendment
is accepted**

**The above Amendment
is approved**

Engineer:

Contractor:

Owner:

PND Engineers, Inc.

N/A

Port of Bremerton

By: _____

By: _____

By: _____

Date: _____

Date: _____

Date: _____

PORT OF BREMERTON

AGENDA SUMMARY

Agenda Item No: Action Item 3

Subject: Bid Acceptance - Fire Suppression System Install - 8390 Barney White Rd (VRC)

Exhibits: None

Prepared By: James Goodman, Director of Facilities and Property Development

Meeting Date: November 25, 2025

Summary:

This spring, the Port purchased a 10,500-square-foot building at 8390 SW Barney White Road (VRC building). Built in 1978, the building lacked a fire suppression system because building codes did not require them at the time. Today, these requirements have changed or expanded, therefore requiring the installation of a charged fire suppression system.

On April 8, 2025, the Port Commission authorized staff to proceed with soliciting bids for the engineering and installation of a fire suppression system. The system must be designed, built, and installed by a specialized and licensed fire protection-certified contractor. In May, the Port contracted with MAP Ltd. for design engineering and the scope of work. A completed design was submitted to the Port in August, allowing the Port to seek a qualified contractor to install the fire suppression system.

Bidding closed on October 7, and two contractors submitted responsible bids. The highest bid was from Empire Fire Protection at \$534,433. The lowest responsible bid was from Fox Fire Prevention Inc., at \$294,455 (without taxes). Both bidders meet the addenda and bid bond requirements. Port staff completed their due diligence and found that Fox Fire Prevention is in good standing. The company has consistently demonstrated a high level of expertise and received favorable reviews for its commercial fire system installations. The Port anticipates completing the installation and all inspections in 2026.

Fiscal Impact:

This fire suppression project was not included in the 2025 Port Capital Budget because the purchase of this building was not foreseen when the current fiscal year budget was approved. Therefore, funding for this project is provided through other approved sources.

Funding source: Port unrestricted reserves fund as of 10/31/25	\$4,533,685
Fire Suppression Installation (with tax) – Fox Fire Prevention	<u>\$321,545</u>
Remaining Balance of unrestricted reserves fund*	\$4,212,140

*It is the intent of Port management to replenish the \$321,544.86 of unrestricted capital reserves in future budget years, primarily in 2026.

Strategic Purpose:

This action conforms with several of the Port's Goals and Strategic Plans.

Goal #4: Expand the Port's lines of business by routinely assessing new and expanded business opportunities.

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

Recommendation:

Authorize staff to proceed with the bid award to Fox Fire for the installation of a fire suppression system at 8390 SW Barney White Rd. in accordance with approved contracting guidelines.

Motion for Consideration:

Move to approve the bid award to Fox Fire Prevention for the installation of a fire suppression system at 8390 SW Barney White Rd in the amount \$294,455 plus applicable taxes in accordance with approved contracting guidelines.

PORT OF BREMERTON

AGENDA SUMMARY

Agenda Item No: Action Item 4

Subject: Acceptance of Washington State Department of Transportation
 (WSDOT) Grant GCC 1318

Exhibits: Grant Offer GCC 1318

Prepared By: Cole Barnes, Airport Manager

Meeting Date: November 25, 2025

Summary:

The State has reviewed and approved Phase II of the Bremerton National Airports Commercial Feasibility Study and has subsequently awarded The Port of Bremerton \$300,000 from the Washington State Department of Transportation to complete this study. The recommendation was that there is a demand for passenger service to limited destinations, and phase II of the study would be helpful to continue to flush out the community concerns and to investigate the interest from airlines. Mead and Hunt have been contracted to complete Phase II of the study.

Fiscal Impact:

Total Fee Proposal – Mead and Hunt	\$515,000
Capital Appropriations State Grant	\$300,000
2025 FAA Master Plan grant	<u>\$215,000</u>
Total	\$0

Strategic Purpose:

This action conforms with the Port's strategic plan in Goal 4 - Expand the Port's lines of business through routine assessment of new and expanded business opportunities.

Recommendation:

Staff recommend the acceptance of the WSDOT Grant offer for Phase II of the Commercial Feasibility Study in the amount of \$300,000.

Motion for Consideration:

Move to accept WSDOT GCC 1318 and authorize Port CEO to execute the grant agreement

Aviation Planning Grant Agreement

Washington State Department of Transportation - Aviation Division PO Box 47312 Olympia, WA 98501-7264 WSDOT Contact: Garth Cumberbatch 564-250-1812	RECIPIENT: Port of Bremerton / Bremerton National Airport 8850 SW State HWY 3 Bremerton, WA, 98312 SWV#: 910778077 L Contact Person: Jim Rothlin 360-813-0821
Grant Agreement Number: GCC 1318	Project Title: Bremerton National Airport Feasibility Study Phase 2
Grant Amount: \$300,000.00	Project Location: Bremerton National Airport
Term of Agreement: From 7/01/2025 to 6/30/2027	Scope of Project: As set forth in EXHIBIT A, SCOPE OF WORK, PROJECT SCHEDULE & BUDGET

This GRANT AGREEMENT, hereinafter referred to as AGREEMENT, is between the STATE OF WASHINGTON DEPARTMENT OF TRANSPORTATION, hereinafter referred to as the "STATE", and the Port of Bremerton, hereinafter referred to as the "RECIPIENT," collectively referred to as the "PARTIES" and individually the "PARTY."

WHEREAS, pursuant to Engrossed Substitute House Bill 5161, Chapter 416, Laws of 2025, § 213, paragraph (3), which amends the 2025-2027 Transportation Budget and appropriates grant funds solely to the RECIPIENT for the purpose of conducting a feasibility study on commercial aviation services;

WHEREAS, pursuant to RCW 47.68.090, WSDOT Aviation Division is authorized to develop and administer a grant program to any municipality, tribe, or private person(s) acting in the planning of an airport owned or controlled by the aforementioned entities, and held available for the general use of the public; and

WHEREAS, the RECIPIENT is the local entity for administering the PROJECT monies.

NOW, THEREFORE, in consideration of the terms, conditions, performances and mutual covenants herein set forth, and the attached Exhibit A, "Scope of Work, Project Schedule, and Budget", and Exhibit B, "Airport Aid Program Grant Assurances" which are incorporated and made a part hereof, and the benefits to accrue to the State of Washington and the public from the accomplishment of the project and the operation and maintenance of the airport as herein provided, the State hereby agrees to grant monies for allowable costs incurred in accomplishing the PROJECT.

The grant terms and conditions of this grant agreement are as follows:

Section 1 Definitions

- A. "Authorized Representative" is the local entity with the authority to enter into this AGREEMENT and be responsible for administering the PROJECT monies.
- B. "Contractor" refers to all contractors and subcontractors who perform work described in EXHIBIT A, SCOPE OF WORK, PROJECT SCHEDULE & BUDGET at any tier.

- C. "Grant Performance Period" is the useful life of the PROJECT, not to exceed twenty (20) years from the Project End Date.
- D. "PROJECT" means the project described in the Scope of Work defined in EXHIBIT A, SCOPE OF WORK, PROJECT SCHEDULE & BUDGET, and all other work to be performed by the RECIPIENT using the monies granted under this Agreement.
- E. "Project End Date" is the calendar date the PROJECT construction or acquisition is completed and ready for use.
- F. "PROJECT SCHEDULE" is the anticipated time to complete the PROJECT, including major milestones for preliminary engineering, right of way/acquisition, and construction activities, as appropriate for the Scope of Work.
- G. "RECIPIENT" is the local entity or private party responsible for performing the PROJECT and administering the PROJECT monies, also known as the Airport Sponsor.
- H. "WSDOT" is the Washington State Department of Transportation.

Section 2 Scope of Work

The general Scope of Work is defined in the table at the beginning of this Agreement under the field "Scope of Project," which describes a PROJECT that the STATE has determined will improve the STATE's aviation transportation system and benefit the STATE and local economy. Complete details are included in EXHIBIT A, SCOPE OF WORK, PROJECT SCHEDULE, & BUDGET, which is attached hereto and by this reference made a part of this AGREEMENT.

Section 3 Term of Agreement

This AGREEMENT shall become effective upon the date listed in the table at the beginning of this Agreement under the field titled, "Term of Agreement". The AGREEMENT shall continue in full force and effect for the useful life of the facilities developed but, in any event, is not to exceed twenty (20) years from the Project End Date.

Section 4 Eligible Project Costs

The STATE agrees to grant the RECIPIENT monies to accomplish the PROJECT detailed in EXHIBIT A, including all milestones described in the proposed PROJECT SCHEDULE, for each item of work to be performed. The PROJECT SCHEDULE shall be arranged in such a manner as to form a basis for comparison with progress billings for work performed. In the event of a change in the method or time for performance of any work, the RECIPIENT shall update the PROJECT SCHEDULE, subject to STATE approval, to reflect the changed circumstances.

Subject to the stipulations set forth in Section 2, Scope of Work, the STATE agrees to grant the RECIPIENT up to a maximum amount listed in the table at the beginning of this AGREEMENT, in the field titled "Grant Amount", for the actual direct costs expensed by the RECIPIENT in the course of completing the tasks described in the Scope of Work under this AGREEMENT.

Any costs expensed by the RECIPIENT prior to the date listed in the table at the beginning of this AGREEMENT, in the field titled "Term of Agreement", regardless of execution date of this AGREEMENT, will be borne by the RECIPIENT and will not be eligible for reimbursement from the STATE.

The grant monies are intended to pay for planning-related expenses. The expenses must be necessary to complete the Project, reasonable in the amount, and within the approved SCOPE OF WORK.

Ineligible Costs include, but are not limited to: Internal administrative activities, internal project management, fundraising activities, computers or office equipment, rolling stock (such as vehicles), lease payments (including long-term), moving of equipment, furniture, etc., between facilities, and salary and benefits for the employees of the RECIPIENT.

If the STATE, at its sole discretion, determines that the PROJECT is not progressing in a satisfactory manner, the STATE may refuse to grant STATE monies for reimbursement to the RECIPIENT for parts or all of the work performed to date.

Section 5 Payments

The STATE shall grant monies for eligible PROJECT costs expensed and paid related to work performed during the invoice period. The RECIPIENT may submit invoices at any time, but not more frequently than once per calendar month. The STATE will reimburse the RECIPIENT for properly billed and supported amounts within thirty (30) calendar days of receipt of a progress billing.

The RECIPIENT will be reimbursed on a grant basis for actual net PROJECT costs for allowable expenses incurred in completing the PROJECT described in "EXHIBIT A, SCOPE OF WORK, PROJECT SCHEDULE & BUDGET" less any pre-payment discounts, rebates, late penalties and /or refunds. When requesting reimbursement for costs incurred, the RECIPIENT shall submit a signed and completed Invoice Voucher (DOT Form 134-139 EF) supplied by the STATE, identifying the PROJECT activity performed and supported by appropriate invoices, receipts, reports and financial summaries. Reimbursement for overhead costs will not be allowed unless specified in this AGREEMENT. Payment by the STATE shall not relieve the RECIPIENT of any obligation to make good any defective work or material upon or after PROJECT completion.

At the time the final PROJECT invoice is submitted, the RECIPIENT shall provide the STATE with a written statement confirming the RECIPIENT has completed the PROJECT and is in compliance with the terms of the AGREEMENT.

Per chapter 43.88 RCW, any invoices for work performed during a given fiscal year (beginning July 1 and ending on June 30 of the following year) must be submitted to the STATE no later than July 10th (or the soonest business day after July 10th) of the calendar year in which the fiscal year ends. If the RECIPIENT is unable to provide an invoice for such work by this date, an estimate of all remaining payable costs owed by the STATE for work performed by the RECIPIENT prior to July 1 must be submitted to the STATE no later than July 19th of the same year in order for the STATE to accrue the amount necessary for payment. The RECIPIENT will thereafter submit any remaining invoices to the STATE for such work as soon as possible. Failure to comply with these requirements may result in delayed payment. The STATE shall not be required to pay to the RECIPIENT late payment fees, interest, or incidental costs expensed by the RECIPIENT or any other costs related to a delayed payment if the RECIPIENT fails to comply with the invoice requirements of this Section.

Reimbursement for travel, subsistence, and lodging expenses will not be eligible under this AGREEMENT unless specifically pre-approved in writing by the STATE. If pre-approved, the RECIPIENT shall comply with the rules and regulations regarding travel costs in accordance with the Washington State Administration and Accounting Manual (SAAM), Chapter 10.90 "Travel Rates" and revisions thereto, accessible online at: <https://ofm.wa.gov/sites/default/files/public/legacy/policy/10.90.pdf> and by this reference incorporated herein. If online access is not available, contact the Washington State Department of Transportation headquarters office in Olympia to obtain copies of the "Travel Rates" and any updates.

It is agreed that any money granted by the STATE, pursuant to any RECIPIENT payment request, will not constitute agreement as to the appropriateness of any item, and that required adjustments, if any, will be made at the time of STATE's final payment. In the event that the STATE and/or its representatives conducts an audit, and that audit indicates an overpayment of monies granted against costs expensed by the RECIPIENT, the

RECIPIENT agrees to pay the overpayment to the STATE within thirty (30) calendar days after being billed therefor.

Section 6 Labor Provisions

Prevailing Wage Law. The RECIPIENT certifies that all contractors and subcontractors performing work on the Project shall comply with all state and federal prevailing wage requirements, including but not limited to Prevailing Wages on Public Works, Chapter 39.12 RCW, as applicable to the Project funded by this AGREEMENT, including but not limited to the filing of the "Statement of Intent to Pay Prevailing Wages" and "Affidavit of Wages Paid" as required by RCW 39.12.040. The RECIPIENT shall maintain records sufficient to evidence compliance with Chapter 39.12 RCW, and shall make such records available for the STATE's review upon request.

Overtime Requirements. No contractor or subcontractor contracting for any part of the PROJECT work which may require or involve employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty (40) hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty (40) hours in such workweek. Contractors will comply with Title 49 RCW, Labor Regulations.

Prohibition against Payment of Bonus or Commission. The monies provided under this AGREEMENT shall not be used in payment of any bonus or commission for the purpose of obtaining approval of the application for such monies or any other approval or concurrence under this AGREEMENT, provided, however, that reasonable fees for bona fide technical consultant, managerial, or other such services, other than actual solicitation, are not hereby prohibited if otherwise eligible as project costs.

Section 7 Recapture of Granted Monies

At the STATE's sole option, the RECIPIENT shall immediately repay the full amount of any grants paid to the RECIPIENT up to that date, if any of the following events occur:

1. Failure to complete the PROJECT tasks specified in EXHIBIT A;
2. Sale, conveyance or transfer of the RECIPIENT property underlying the PROJECT airport improvements within the grant performance period;
3. Any sale, conveyance, transfer, or removal of all or any of the PROJECT capital improvements or equipment purchased with the monies granted under this AGREEMENT within the grant performance period;
4. Any transfer, conveyance, or sale of all or any of the PROJECT capital improvements or equipment purchased with monies granted under this AGREEMENT to any person or entity, public or private, that at any time subsequent to that transfer, conveyance, or sale removes the PROJECT airport improvements or equipment purchased with granted monies from this AGREEMENT, or significant portions thereof, from operation within the grant performance period; and
5. Any abandonment or other liquidation by the RECIPIENT or its successor of the PROJECT capital improvements or equipment purchased with monies granted under this AGREEMENT for any reason whatsoever within the grant performance period.

Any payment by the RECIPIENT to the STATE pursuant to this Section shall be payable in U.S. Dollars (USD) and shall be sent via certified mail to the STATE contact person identified in the Notices Section of this AGREEMENT not more than thirty (30) calendar days from receipt of written notice from the STATE that repayment is required.

Section 8

Accounting Records

Project Accounts. The RECIPIENT agrees to establish and maintain for the Project either a separate set of accounts or separate accounts, within the framework of an established accounting system that can be identified with the Project. The RECIPIENT agrees that all checks, payrolls, invoices, contracts, vouchers, orders, or other accounting documents pertaining in whole or in part to the Project shall be clearly identified, readily accessible and available to the STATE upon request, and, to the extent feasible, kept separate from documents not pertaining to the Project.

Documentation of Project Costs and Program Income. The RECIPIENT agrees to support all allowable costs charged to the Project, including any approved services contributed by the RECIPIENT or others, with properly executed payrolls, time records, invoices, contracts, or vouchers describing in detail the nature and propriety of the charges. The RECIPIENT also agrees to maintain accurate records of all program income derived from implementing the Project.

Section 9

Maintenance of Records and Audit Requirements

During the progress of the work, and for a period of not less than six (6) years from the date this AGREEMENT is terminated under Sections 3, 11, or 12, records and accounts of the RECIPIENT are to be kept available for inspection and audit by representatives of the STATE.

Copies of the records shall be furnished to the STATE upon request and shall be maintained in accordance with accepted job cost accounting procedures as established in 48 CFR § 31. All costs must be supported by actual invoices and canceled checks. The RECIPIENT agrees to comply with the audit requirements contained herein, and to impose the same requirement on any consultant, contractor, or subcontractor who may perform work funded by this AGREEMENT.

The records to be maintained by the RECIPIENT shall include, but are not limited to, the following:

- a) Records that identify the sources and applications of monies for this AGREEMENT and contain information pertaining to outlays;
- b) Supporting source documents;
- c) All documentation underlying the preparation of the financial reports;
- d) Any other records which are required following notification of an amendment to State of Washington or federal regulations which takes effect during the period in which costs are allowable; and
- e) Any other records necessary to disclose fully the amount and disposition of the monies granted to the RECIPIENT under this AGREEMENT and charged to the PROJECT, supported by documents evidencing in detail the nature and propriety of the charges, the total cost of each undertaking for which the assistance was granted or used, the amount of the costs of the undertaking supplied by other sources, and other books, records, and documents needed for a full and complete verification of the RECIPIENT's responsibilities and all payments and charges under this AGREEMENT. In the event that any litigation, claim or audit is initiated prior to the expiration of said six-year period, the records shall be retained until such litigation, claim, or audit involving the records is complete.

Section 10

Representations, Warranties, and Covenants

The following representations and warranties by the PARTIES hereto shall be considered conditions precedent to the effectiveness of this AGREEMENT.

The RECIPIENT represents and warrants the following:

- a) That the monies the RECIPIENT will derive through this AGREEMENT will be used solely for the

PROJECT as defined in this AGREEMENT;

- b) That it has the full power and authority to enter into this AGREEMENT, and to carry out the obligations, which it has hereby undertaken;
- c) That all public, corporate and other proceedings required to be taken by or on the part of the RECIPIENT to authorize its entrance into this AGREEMENT, have been or will be duly taken;
- d) That execution of this AGREEMENT and the performance of the planning hereunder will not violate any statute, rule, regulation, order, writ, injunction or decree of any Court, administrative agency or government body;
- e) It is the intent of the STATE to reimburse the RECIPIENT for its actual PROJECT costs up to the maximum grant amount. It is understood that if unforeseen circumstances cause the PROJECT cost to exceed the PROJECT estimate, the RECIPIENT shall complete the PROJECT and assume the entire cost overrun;
- f) That the RECIPIENT has not employed or retained any company or person to solicit or secure this AGREEMENT, and that it has not paid or agreed to pay any company or person, any fee, commission percentage, brokerage fee, gifts, or any other consideration, contingent upon or resulting from the award or making of this AGREEMENT. For breach or violation of this warranty, the STATE shall have the right to terminate this AGREEMENT without liability;
- g) That the RECIPIENT shall not engage on a full, part-time, or other basis, during the period of the AGREEMENT, any professional or technical personnel, to work on this AGREEMENT, who are, or have been, at any time during the period of the AGREEMENT, in the employ of the STATE without the prior written consent of the employer of such person; and
- h) That the RECIPIENT shall not extend any grant, gratuity, or gift of money in any form whatsoever to any employee, agent, or officer of the STATE, nor will the RECIPIENT rent or purchase any equipment or materials from any employee or officer of the STATE.

Section 11 Termination for Fault

Should either the STATE or the RECIPIENT substantially fail to perform their obligations under this AGREEMENT, and continue in such default for a period of sixty (60) calendar days, the PARTY not in default shall have the right at its option, after first giving thirty (30) calendar days written notice thereof by certified mail to the PARTY in default, and notwithstanding any waiver by the PARTY giving notice of any breach thereof, to terminate this AGREEMENT. The termination of this AGREEMENT shall not impair any other rights of the terminating PARTY under this AGREEMENT or any rights of action against the defaulting PARTY for the recovery of damages. For purposes of this provision, a substantial failure to perform on the part of the RECIPIENT shall be deemed to include, but shall not be limited to, any action of the RECIPIENT that jeopardizes its ability to perform pursuant to this AGREEMENT.

Section 12 Termination for Convenience

The STATE may terminate this AGREEMENT in whole, or in part, upon thirty (30) calendar days' written notice whenever:

- a) The requisite grant funding becomes unavailable through failure of appropriation or otherwise; and/or
- b) The STATE determines that such termination is in the best interests of the STATE.

If the STATE exercises its rights under this Section, then the STATE shall reimburse the RECIPIENT for any expenses and costs eligible hereunder that were actually incurred prior to receipt of such notice of termination.

Section 13 Agreement Modifications

Either PARTY may request changes to this AGREEMENT. Any changes to the terms of this AGREEMENT must be mutually agreed upon and incorporated by written amendment to this AGREEMENT. Such written

amendment to this AGREEMENT shall not be binding or valid unless signed by the persons authorized to bind from each of the PARTIES. Any amendment that authorizes the RECIPIENT to receive additional grant monies under this AGREEMENT must be mutually agreed upon and fully executed in writing prior to the RECIPIENT incurring additional costs.

Section 14 Assignment and Succession

Neither the STATE nor the RECIPIENT may assign or in any manner transfer either in whole or in part this AGREEMENT or any right or privilege granted to it hereunder, nor permit any person or persons, company or companies to share in any such rights or privileges without the prior written consent of the other PARTY hereto, except as otherwise herein provided. Nothing in this AGREEMENT shall be construed to permit any third party or any other person, corporation, or association, directly or indirectly, to possess any right or privilege herein.

Section 15 Force Majeure

It is further understood and agreed that neither the RECIPIENT nor the STATE, as the applicable case may be, shall be required to keep this AGREEMENT in effect during any period(s) it is prevented from doing so by governmental action, war, strikes, riots, terrorism, or civil commotion, or if the airport facilities or any portion thereof is made unserviceable by Acts of God including, but not limited to, floods, high water, or other damage by the elements.

Section 16 Notices

Any notice, request, consent, demand, report, statement or submission which is required or permitted to be given pursuant to this AGREEMENT shall be in writing and shall be delivered personally to the respective PARTY set forth below, or if mailed, sent by certified United States mail, postage prepaid and return receipt required, to the respective PARTIES at the addresses set forth below, or to such other addresses as the PARTIES may from time to time advise by written notice to the other PARTY. The date of personal delivery or of execution of the return receipt in the case of delivery by certified U.S. mail, of any such notice, demand, request, or submission shall be presumed to be the date of delivery.

NOTICES IN THE CASE OF THE RECIPIENT:

Cole Barnes, Airport Manager
Port of Bremerton
8850 SW State HWY 3
Bremerton, WA 98312

Should the above Registered Agent become unavailable, the RECIPIENT consents to allowing the legal notices to be sent to the Secretary of State of the State of Washington.

NOTICES IN THE CASE OF THE STATE:

Eric, Deputy Director WSDOT
Aviation Division
7702 Terminal Street SW
Tumwater, WA 98501-7264
Email: eric.johnson@wsdot.wa.gov

Section 17 Interpretation

This AGREEMENT shall be construed liberally so as to secure to each PARTY hereto all of the rights, privileges, and benefits herein provided or manifestly intended. This AGREEMENT, and each and every provision hereof, is for the exclusive benefit of the PARTIES hereto and not for the benefit of any third party.

Nothing herein contained shall be taken as creating or increasing any right of a third party to recover by way of damages or otherwise against the PARTIES hereto.

If any covenant or provision, or part thereof, of this AGREEMENT shall be adjudged void, such adjudication shall not affect the validity or obligation of performance of any other covenant or provision, or part thereof, which in itself is valid, if such remainder conforms to the terms and requirements of applicable law and the intent of this AGREEMENT. No controversy concerning any covenant or provision shall delay the performance of any other provisions except as herein allowed.

All remedies provided in the AGREEMENT are distinct and cumulative to any other right or remedy under this document or afforded by law or equity, and may be exercised independently, concurrently, or successively therewith.

Any forbearance of the PARTIES in exercising any right or remedy hereunder, or otherwise afforded by applicable law, shall not be a waiver of, or preclude the exercise of that or any other right or remedy hereunder.

Each PARTY hereby agrees to immediately notify the other PARTY of any change in conditions or any other event which may significantly affect the TERM of this AGREEMENT or the PARTY's ability to perform the PROJECT in accordance with the provisions of this AGREEMENT.

Section 18

Subcontracting

It is understood that the RECIPIENT may choose to subcontract all or portions of the work. The RECIPIENT must obtain the STATE's advanced written approval of all subcontractors it shall employ on the PROJECT.

No contract between the RECIPIENT and its contractors and/or their subcontractors, and/or material suppliers shall create any obligation or liability of the STATE with regard to this AGREEMENT without the STATE's specific written consent to such obligation or liability notwithstanding any concurrence with, or approval of, the award, solicitation, execution, or performance of any contract or subcontract. The RECIPIENT hereby agrees to include the provisions of this AGREEMENT in all contracts entered into by the RECIPIENT for the employment of any individuals, procurement of any materials, or the performance of any work to be accomplished under this AGREEMENT.

Section 19

Laws to be Observed

General Compliance. The RECIPIENT shall comply with all applicable State, federal, and local laws, rules, regulations, and orders pertaining to the PROJECT, including but not limited to EXHIBIT B, AIRPORT AID PROGRAM GRANT ASSURANCES, which is attached hereto and by this reference made a part of this AGREEMENT. If any action or inaction by the RECIPIENT results in a fine, penalty, cost, or charge being imposed or assessed on or against the RECIPIENT and/or the STATE, the RECIPIENT shall assume and bear any such fine, penalty, cost, or charges. In the event the STATE, for any reason, is required to pay the same, the RECIPIENT, upon demand, shall promptly reimburse, indemnify, and hold harmless the STATE for or on account of such fine, penalty, cost or charge and shall also pay all expenses and attorney's fees incurred in defending any action that may be brought against the STATE on account thereof. The RECIPIENT shall, in the event of any such action and upon notice thereof from the STATE, defend any such action(s) free of cost, charge and expense to the STATE.

Permits and Compliance with land use and environmental laws. The RECIPIENT shall be responsible for obtaining all necessary permits from federal, state, and local agencies of government and compliance with land use and environmental regulations pertaining to the performance of work under this AGREEMENT.

Compliance with Labor Laws. During the term of the AGREEMENT, the RECIPIENT and its contractors, subcontractors, and lessees shall comply with all applicable STATE and FEDERAL workmen's compensation, employer's liability and safety and other similar laws applicable to the RECIPIENT, including but not limited to the Washington Industrial Safety and Health Act, RCW 49.17, the Industrial Insurance Act, RCW Title 51, and the Occupational Safety and Health Act of 1970, 29 U.S.C. ch. 15.

Equal Employment Opportunity. In connection with the execution of this AGREEMENT, the RECIPIENT or its Contractor shall not discriminate against any employee or applicant for employment because of race, creed, marital status, age, color, sex or national origin, or disability, except for a bona fide occupational qualification. The RECIPIENT agrees to comply with all applicable state and federal laws against discrimination, including but not limited to Title VII of the Civil Rights Act of 1964, 42 U.S.C. § 2000d *et seq.*, the Washington Law Against Discrimination, RCW 49.60, and for recipients of FAA funds authorized by 49 U.S.C. 47101, 49 C.F.R. Part 26.

Section 20 Ethics

Relationships with Employees and Officers of WSDOT. The RECIPIENT, and any contractor or subcontractor on the PROJECT, shall not extend any grant, gratuity, gift, compensation, or reward in any form whatsoever to any employee or officer of the STATE, nor shall the RECIPIENT or any contractors or subcontractors on the PROJECT participate in any kind of business transaction with any employee or officer of the STATE, including but not limited to renting or purchasing any Project equipment and materials from any employee or officer of the STATE.

Employment of Former WSDOT Employees. The RECIPIENT, and any contractor or subcontractor on the PROJECT, hereby warrants that it shall not engage on a full, part-time, or other basis during the period of this AGREEMENT, any professional or technical personnel who are, or have been, at any time during the period of this AGREEMENT, in the employ of the STATE, without the prior written consent of the person's employing agency.

Section 21 Independent Contractor

The RECIPIENT shall be deemed an independent contractor for all purposes and the employees of the RECIPIENT or any of its contractors, subcontractors, lessees and the employees thereof, shall not in any manner be deemed the employees or agents of the STATE.

Section 22 Safety and Liabilities

Safety. The RECIPIENT shall do all things necessary and proper for the safe operation of the PROJECT and shall comply with all regulations prescribed by law or any public authority with respect thereto for the safety of the public or otherwise.

Personal Liability of Public Officers. No officer or employee of the STATE or RECIPIENT shall be personally liable for any act, or failure to act, in connection with this AGREEMENT, to the extent they are acting in the scope of their employment or role as an agent of the STATE or RECIPIENT.

Responsibility for Damage. The STATE, Transportation Commission, Secretary of Transportation, CARB members and all officers and employees of the STATE, including, but not limited to, those of the Department of Transportation, shall not be responsible in any manner for: any loss or damage to the work or any part thereof; for any loss of material or damage to any of the materials or other things used or employed in the performance of the work; for any injury to or death of any persons, either workers or the public, or for damage to the public for any cause due to the intentional acts or negligence of the RECIPIENT or its workers, or anyone employed by it.

Indemnification. The RECIPIENT shall indemnify and hold the STATE and all its officers and employees harmless from, and shall process and defend at its own expense, all claims, demands, or suits at law or equity arising out of this AGREEMENT caused by the performance or failure to perform by the RECIPIENT, its agents, employees and/or its subcontractors of any and all duties prescribed by, or incidental to its performance under,

this AGREEMENT; provided that nothing herein shall require the RECIPIENT to indemnify or hold the STATE harmless against claims, demands, or suits based solely upon the negligent conduct of the STATE, its officers or employees; and provided further that if the claims, demands or suit are caused by or result from the concurrent negligence of (a) the RECIPIENT's agents or employees and (b) the STATE's agents or employees, and involves those actions covered by RCW 4.24.115, this indemnity provision with respect to claims or suits based upon such negligence shall be valid and enforceable only to the extent of the RECIPIENT's negligence or the negligence of the RECIPIENT's agents or employees. This indemnification and waiver shall survive the termination of this AGREEMENT for all claims, demands, or suits at law or equity arising out of this Agreement during its term.

The RECIPIENT agrees that its obligations under this Section extend to any claim, demand and/or cause of action brought by, or on behalf of, any of its employees or agents while performing work for the PROJECT. For this purpose, the RECIPIENT, by mutual negotiation, hereby waives with respect to the STATE only, any immunity that would otherwise be available to it against such claims under the Industrial Insurance Act, Title 51 RCW.

Section 23

No Waiver of State's Rights

The STATE shall not be precluded or stopped by any measurement, estimate, or certificate made either before or after the completion and acceptance of the work and payment therefore from showing the true amount and character of the work performed and materials furnished, or from showing that any such measurement, estimate, or certificate is untrue or incorrectly made, or that the work or materials do not conform in fact to the AGREEMENT. Neither the granting of an extension of time, nor acceptance of and/or payment for, the whole or any part of the work by the STATE shall bar the STATE from seeking recovery of damages or any money wrongfully or erroneously paid to the RECIPIENT. A waiver of any breach of contract shall not be held to be a waiver of any other or subsequent breach.

Section 24

Disputes Resolution

In the event that a dispute arises under this AGREEMENT which cannot be resolved between the PARTIES, either PARTY may request a dispute hearing with the Aviation Director, who may designate a neutral person to decide the dispute. The request for a dispute hearing must:

- 1) Be in writing;
- 2) State the disputed issues;
- 3) State the relative positions of the PARTIES;
- 4) State the RECIPIENT's name, address, and AGREEMENT number; and
- 5) Be mailed to the Aviation Director and the other PARTY's (respondent's) AGREEMENT representative within five (5) working days after the PARTIES agree they cannot resolve the dispute. The respondent shall send a written answer to the requestor's statement to both the Aviation Director or designee and the requestor within five (5) working days of receiving the statement.

The Aviation Director or designee shall review the written statements and reply in writing to both PARTIES within ten (10) working days of receiving the respondent's statement. The Aviation Director or designee may extend this period if necessary by notifying the PARTIES.

The decision shall not be admissible in any succeeding judicial or quasi-judicial proceeding between the PARTIES, except as required by law or court order. Both PARTIES agree that this dispute process shall precede any action in a judicial or quasi-judicial tribunal. Nothing in this AGREEMENT shall be construed to limit the PARTIES' choice of a mutually acceptable alternative dispute resolution method in addition to the dispute hearing procedure outlined above.

Section 25
Venue

In the event that either PARTY deems it necessary to institute legal action or proceedings to enforce any right or obligation under this AGREEMENT, the PARTIES hereto agree that any such action shall be initiated in the Superior Court of the State of Washington, situated in Thurston County. The PARTIES also agree that each PARTY shall be responsible for its own attorney's fees and other legal costs, except as required by law.

Section 26
Complete Agreement

This document and referenced attachments contain all of the covenants, stipulations and provisions agreed upon by the PARTIES. No agents, or representative of either PARTY has authority to make, and the PARTIES shall not be bound by or be liable for, any statement, representation, promise or agreement not set forth herein. No changes, amendments, or modifications of the terms hereof shall be valid unless reduced to writing and signed by the PARTIES as an amendment to this AGREEMENT prior to beginning or continuing any work to be covered by the amendment.

Section 27
Execution of Acceptance

The PARTIES adopt all statements, representations, warranties, covenants, and EXHIBITS to this AGREEMENT.

Section 28
Counterparts

This AGREEMENT may be executed in several counterparts, each of which shall be deemed to be an original having identical legal effect.

STATE OF WASHINGTON Department of Transportation

By: _____ Date: _____
Eric Johnson, Deputy Director,
WSDOT Aviation Division

Printed Name:

By: _____ Date: _____
Authorized Representative
Title: _____
Print Name: _____
Print Title: _____

Approved as to Form on behalf of WSDOT:

By: Albert Wang _____ Date: _____
Assistant Attorney General
State of Washington

Any modification, change or revision to this AGREEMENT requires the further approval as to form by the

Office of the Attorney General.

EXHIBIT A
SCOPE OF WORK,
PROJECT SCHEDULE &
BUDGET

Project Title: Bremerton National Airport Feasibility Study - Phase 2.

Project Description: The Project will include information pertinent to Phase 2 of the Airport Feasibility Study relating to the infrastructure necessary to accommodate air service in the future. This scope of services is organized into two sections: Project Understanding and Scope of Services.

Planning	\$ 300,000.00
Land Acquisition & ROW	\$ 0
Construction	\$ 0
Project Total	\$ 300,000.00

PROJECT SCHEDULE

ITEM	DATE
1. Project Management	July 2025
2. Terminal Phasing Plan	September 2025
3. Air Service Support	July 2025
4. Legislative Support	February 2027

EXHIBIT B: AIRPORT AID PROGRAM GRANT ASSURANCES

The following Airport Grant Program Assurances are incorporated herewith and form a part of the airport sponsor's grant agreement for funding under the Aviation Revitalization Grant Program.

Signature of Applicant's Authorized Representative: _____

Title of Representative: _____

Date: _____