

**MINUTES
NOME PORT COMMISSION
RESCHEDULED REGULAR MEETING
June 14th, 2018**

The Regular Meeting of the Nome Port Commission was called to order at 5:30pm by Vice-Chairman Lean in Council Chambers at City Hall, located at 102 Division Street.

ROLL CALL

Members Present: C. Lean, C. Henderson; C. Sheffield; C. McLarty; C. Smithhisler (arrived 6:05 pm)

Absent: None

Also Present: Joy Baker, Port Director; Lucas Stotts, Harbormaster;

In the audience: Zoe Grueskin, KNOM; Sandra Medearis, Arctic News; Megan Kohen, ADEC; Kathy Shea, ADEC; Jon Dale, USCG; Jereme Altendorf, USCG

APPROVAL OF AGENDA

Vice-Chairman Lean asked for a motion to approve the agenda:

A motion was made by Sheffield and seconded by Henderson.

At the Roll Call:

Ayes: Lean, Henderson, Sheffield, McLarty

Nays:

Abstain:

The motion **CARRIED**.

APPROVAL OF MINUTES

April 19, 2018 Regular
Meeting (Revised)

Vice-Chairman Lean asked for a motion to approve the minutes:

May 17, 2018 Regular
Meeting

After a brief discussion to confirm revisions to April 19th minutes, a motion was made by Henderson, seconded by Sheffield to approve the April 19 and May 17, 2018 meeting minutes:

At the Roll Call:

Ayes: Henderson, Sheffield, McLarty, Lean

Nays:

Abstain:

The motion **CARRIED**.

CITIZENS' COMMENTS

Meg Kohen from ADEC Spill Prevention and Response spoke to say hello and just wished to observe the meeting while in town for the ADHS & EM Workshop.

COMMUNICATIONS

- Legislative Consultants – End of 2018 Session Report
- 18-05-22 Mayor Letter to Governor Walker – F19 ADDP \$1.6M
- 18-05-23 Mayor Letter to Congressional Delegation – USCG Regulations
- 18-06-01 Elements of Mining/Projects by Region – Alaska Business Monthly
- 18-06-07 House Transportation & Infrastructure - Subcommittee Hearing on USCG and Arctic Maritime Transportation

Discussion:

PD Baker provided a news blurb regarding the 5/22/18 Mayor letter on the ADDP funding, citing an ADN story that indicated the Governor just signed both the Operating and Capital Budgets for F19, with Nome's \$1.6M ADDP design funding intact.

CITY MANAGER'S REPORT (18-06-08 Report)

In the Manager's absence, PD Baker provided one comment on behalf of his report; giving kudos to Charlie Lean for his committed attendance in all 3 days of the ADHS&EM Workshop that concluded today. She commended his dedication to the success of emergency services response in Nome and across the region, despite being retired from service – we are fortunate that Charlie doesn't seem to know the difference between being active or inactive which is beneficial to Nome and the region.

Henderson asked what role ADEC had in the offshore mining operations. Megan Kohen with ADEC responded that if the operation is located inside state waters (3 miles) then they play an active role in the review and approval of discharge permits. Lean added that those are considered internal waters, to which Henderson added he was curious as far as jurisdiction based on the fuel transfers occurring further offshore. Lean further added the more restricted regulations inside state waters pushes the offshore tankers outside those limits in order to avoid the costs and effect of the state regulation.

HARBORMASTER'S REPORT (Verbal)

HM Stotts reported that fuel transfers have been occurring over the last few weeks lightering fuel from offshore. Several cargo barges have been and gone, along with a third cargo company, Bering Pacific, offering an alternative carrier option. Alaska Logistics should be in later this evening but have been held off for wind. Gravel loading has been active in the past few weeks with rotating loads for Bering Pacific, Brice and Ridge Contracting. Stockpiling of gravel will continue to meet project quantity needs at the delivery sites. Lighting materials have begun arriving for the Barge Ramp Lighting Project, and once all have landed, a schedule will be determined for trenching along the ditch line, just north of the barge ramp pad to bury service. Small maintenance projects continue to address minor issues and repairs.

Discussion:

Lean inquired as to any concerns about staging area for the cargo operations, to which HM Stotts replied not yet as the crew is working closely with the cargo companies for staging among the vessels on the ramp pad that have not yet launched. Henderson asked if these vessels are late getting in the water – Stotts replied yes, it is later than normal for the rigs to still be on land. Lean stated it looks like the Fish Dock piling fared well through last winter – Stotts replied yes, he's been taking routine photos through winter-spring and comparing them to determine if any movement has occurred with the piling.

Henderson asked if the Port was going to make budget for the closing fiscal period. PD Baker responded that we are at 98% Revenue with 72% Expense, but there will be expenses coming in through the end of July. Henderson added that the barge traffic Lucas was describing sounds like a good revenue boost to the closing budget. PD Baker clarified that the annual scheduled barges are included in the projected accruals, but cautioned that when using an accrual accounting system, the budgeted figures do not reflect what is

actually collected from users as there is always a percentage of users that delay making payments and have to be pursued. The Period Actual and Year-To-Date Actual reflect what has been billed out, and then the Accounts Receivable ledger indicates what has been paid – so the budget is not so black and white. Henderson further asked if the equipment stored on the new pad translates into unanticipated revenue for the F19 season that could possibly offset the projected deficit. Baker agreed, but countered with the flipside is there are often unanticipated expenses that can increase the deficit so there are two sides to the equation. Henderson indicated he didn't want to restart the budget discussion but wanted to make his point that the additional revenues added to the projected dollars could balance the budget.

McClarty inquired as to the collection practice, and whether folks wanting to get in the harbor this year could not get a docking permit unless they had cleared any open balance with the Clerk's office. PD Baker clarified that under the tariff, there is language that talks about port users owing money to the Clerk's office – so this year, anyone wishing to get a docking permit and owes money to the City, is being sent to discuss the debt with the Clerk's office. McClarty further asked if this also applied to real property or business tax – Baker stated that it related to any balance and would be up to the Clerk to work out. McClarty added that if a customer has a balance with the Clerk's office and is making payments, then why is the Port doubling down and making sure it's happening and what business is it of the Port's that this is happening? Baker reiterated the Port is coordinating with the Clerk's office to capture debt owed to the City as well as the Port since we are part of the same organization.

McClarty further inquired about the Net 30 issue – and whether the larger companies are paying on Net 30 or not, as he wants to ensure there is continuity across the playing field and whether Crowley, Bonanza and Alaska Logistics or any user has ever paid interest on their account have lost their Net 30. Baker replied that net 30 accounts that are 60-90 days past due and become a collection issue are given cash only status.

Sheffield inquired as to whether an offline look at the tariff would be helpful. Lean stated that input from the City Manager and Finance Director would be helpful.

PORT DIRECTOR REPORT (Projects Update)_(18-06-11 Report)

PD Baker advised that the FY19 Port Budget was passed by the City Council with a \$142K deficit – but as discussed earlier, the revenues and expense will fluctuate throughout the fiscal year.

The USAF will have a surveyor in town near the end of the month to conduct the 2nd Environmental Baseline survey which the City will not be paying for – which is good news.

The Port and NVFD will meet next week to outline an MOU for shared use of the Guardian to ensure that the costs of insuring, fueling and maintaining the vessel are not fully borne by the Port.

The USACE maintenance dredging is underway and going well, with them currently digging in the sump. Once they complete that location they are shifting into the Small Boat Harbor to dig back the toe line just south of the fish plant and open up that channel. While I'm at the Alaska District office next week, I plan to request a push up river on the north federal limit line to allow barges backing away from the ramps to have more maneuvering room.

Q Trucking received one final change order to address some drainage on the pad, and once the survey is received by PND, the quantity will be verified we can pay the contractor, engineers and close this project just in time to meet the funding deadline of 30 June.

The Cape contractor will be mobing out next week to drill/shoot the final quantity of rock needed to be placed. We will have an inspector on site for the work which shouldn't take but a week or so – then this project will be closed as well, and all grant reports submitted sometime in July/August as the disaster funds ends December 2018.

Port staff has put together a comprehensive list of ancillary services for the Port, and although short, the companies listed have been thoroughly reviewed and shown to be in full compliance of the requirements

to have a sales tax license and liability insurance to work on the property. In putting together this list we have verified there are still a couple of companies that are operating out of compliance with the Port, and as we have been periodically advised by the vessel companies that these folks are still offering their services, they are a liability risk to the City for operating out of compliance. We are working with the attorney's office to determine a legal avenue for resolution to this matter and will proceed accordingly.

Draft Agreement w/AOOS, NOAA and Marine Exchange for Nome Wave/Data Buoy Deployment

Baker touched on the purpose of the draft agreement is to outline responsibilities for each party to ensure the success of the buoy placement and data monitoring. The buoy is currently aboard the NOAA Ship *Fairweather* and should arrive in Nome in early July. Port staff and Public Works will accept delivery of the buoy and store until the CDIP technician arrives in Nome for final programming and activation. Port staff will transport the buoy aboard the *Guardian* to the defined coordinates, where the technician will be training staff on handling and launch. Data is anticipated to begin transmitting immediately and will be available at the AOOS, NOAA, MXAK and Port of Nome websites.

Discussion:

Sheffield asked when the buoy would come out of the water. Baker replied, in the Fall as there are sensors that can't freeze, and warm storage is required.

OLD BUSINESS - None

NEW BUSINESS

Draft Ship Waste Incinerator Proposal – Bristol Engineering

Baker explained this was being brought back to the group just to keep the group informed and what kind of engineering costs are going to be required to pursue development of the incinerator.

Discussion:

A few alternatives were discussed as potential funding paths. Sheffield stated that she had made a few inquiries and received mixed reaction but interested in getting more information. Lean mentioned that this issue was part of the discussion at the DHS&EM workshop in regards to vessel traffic increase and potential impact to the Arctic – this seems like a constructive solution. Henderson asked if the incinerator could be used for any other purpose – Lean indicated it couldn't be used for medical waste. There's potential it could be used for other types of trash waste that required incineration. HM Stotts added that in checking with the cruise ship agent, he received confirmation that each of the vessels calling on Nome now would take advantage of the opportunity to discharge regulated waste in Nome. McLarty added that it would be beneficial to have additional information from the engineers at some point regarding other potential uses.

Motion:

The following motion was moved by Henderson and seconded by McLarty:

Recommend Port staff investigate funding mechanism to develop an Incinerator Facility for accepting and managing regulated galley waste from foreign vessels.

At the Roll Call:

Ayes: Henderson, Sheffield, McLarty, Smithhisler, Lean

Nays:

Abstain:

The motion **CARRIED**.

Coastal Response Research Center – Dispersant Use in Arctic Waters

Baker updated the group on the source of this material coming from USCG Arctic staff to give communities in the Arctic an opportunity to weigh in on the potential impacts of dispersant use in regards to food safety. Lt. Altendorf with the USCG was present at the meeting, and stepped to the podium to provide more info.

Lt. Altendorf indicated the Coastal Response Research Center is under contract to Arctic Domain Awareness Center (funded by DHS) to research this issue for the USCG. The ultimate decision on dropping dispersants in the Arctic falls under the authority of the USCG Captain of the Port through a specific process and under consultation to the Alaska Regional Response Team as defined in the Unified Plan. He recommended the group do a thorough review of the material to understand when the USCG ever apply or seek to potentially apply dispersants, which is actually a very specific set of circumstances. Henderson asked if input from the Commission was required or is this just informational. Lean stated he would definitely like to think about it a little more. Sheffield added that dispersant use is tricky with subsistence resources since, for example; seabirds have natural oil that would also be affected by dispersant use. This is just one of the potential effects of the transboundary resources in the Bering Strait region. What are the impacts if the birds ingest the dispersant which is then ingested by humans – if there is no research?

Altendorf added that ADEC also has a website that provides guidance on dispersant use. He recommends the Commission consider more direct engagement with the USCG Area Committee to discuss dispersants if desired. Per regulatory directive the USCG Sub-Area Committees in Alaska will now be redefined into Area Committees to be in line with the Lower 48 USCG protocol.

CITIZENS' COMMENTS

None

COMMISSIONERS' COMMENTS

C. Smithhisler - asked how Public Works staff is compensated for hours worked at the Port. Is there a way to define the hours it was costing the Port each day they work.

C. McLarty - none

C. Henderson – interesting meeting, and believe the dispersant issue is a relevant issue. Appreciate the USCG giving us the details and offering further. Glad to see some of the projects that staff has been working on for years are coming to fruition. It's great to see the achievements – so hats off to staff. Glad to see budget season is over and very interested to see how the budget shakes out – and glad to see the Port busy again.

C. Sheffield – interesting meeting and thanks for discussing the dispersant issue as I believe it has important implications for the marine environment. There is a seabird die off happening right now - they are washing ashore north of St. Lawrence Island and south of Diomedé. If anyone sees a carcass, please call Gay or Brandon Ahmasuk at Kawerak. She has a poster to share if anyone wants to post it at their office.

C. Lean – the salmon are arriving, chum are reported in Norton Bay and Elim. Some of us biologist types think we're going to have an excellent chum run; they're really strong for this time of year. Red salmon are showing at Port Clarence, which is a little early. This dispersant issue has got me confounded as the use would indicate that we've had a horrible oil spill to begin with, so it's just a bum trade off that we need to evaluation what would need to be done. Very happy to hear the USAF property may be transferred soon.

SCHEDULE OF NEXT MEETING

The next meeting is SCHEDULED to July 19, 2018

ADJOURNMENT

Motion was made by Henderson and seconded by McLarty for adjournment – adjournment at 6:42 PM.

APPROVED and **SIGNED** this 19th day of July 2018,

ATTEST:

Joy Baker, Port Director


Charlie Lean, Vice-Chairman