

**MINUTES  
NOME PORT COMMISSION  
REGULAR MEETING  
September 15<sup>th</sup>, 2016**

The Regular Meeting of the Nome Port Commission was called to order a 6:15pm by Chairman West in City Hall, located at 102 Division Street.

**ROLL CALL**

Members Present: Charlie Lean; Jim West, Jr.; Doug Johnson (Telephonically)  
Mark Johnson; Tony Cox; Mike Sloan;

Absent: Megan Alvanna-Stimpfle; (excused)

Also Present: Joy Baker, Port Director; Lucas Stotts, Harbormaster; Tom Moran, City Manager; Chris Schuneman, Harbormaster Assistant; Shauntel Bruner, Recording Secretary

In the audience: Margaret DeMaoribus, KNOM; Sandra Medearis, Arctic News; Chuck Wheeler; Richard Pietruszka, Bob Scott, John Keeley, Howard Farley, Ron Lemmons

**APPROVAL OF AGENDA**

Chairman West asked for an approval of the agenda.

A motion was made by C. M Johnson and seconded by C. Sloan to approve the agenda as presented.

At the Roll Call:

Ayes: Lean, M Johnson, Cox, D Johnson, Sloan, West Jr.

Nays:

Abstain:

The motion **CARRIED**.

**APPROVAL OF MINUTES**

August 18, 2016 Regular Meeting

A motion was made by C Cox and seconded by C. Lean to approve the minutes.

At the Roll Call:

Ayes: M Johnson, Cox, West Jr., D Johnson, Sloan, Lean

Nays:

Abstain:

The motion **CARRIED**.

### **CITIZENS' COMMENTS**

**John Keeley**, with Phoenix Marine, takes the podium to discuss a letter he submitted to the Commission requesting permission to keep two of his rigs in the harbor this year for the winter season. He is concerned about causing damage to the rigs by continuing to remove each year. He suggests two different locations as potential options and includes that he has increased his insurance policy to ensure any possible liability issues. He does not foresee any issues with the locations as they are backed by other infrastructure and adds that he will have crew in Nome through the winter in the event adjustments need to be made.

**Chairman West** inquires about the insurance coverage.

**Mr. Keeley** responds that there is nothing specific mentioned about the structure being stored in ice, but says that the insurance ensures coverage of all risks and the certificate has been provided.

**C. M Johnson** asks if there are any fuel products stored on board that would remain over the winter.

**Mr. Keeley** said the minimum amount of fuel require for the generator to operate the jacking mechanism will be stored in the safest location on the rig. The required equipment to remain onboard consists of one generator and two power packs to operate the hydraulics.

**C. M Johnson** asks if the City of Nome is also named as additionally insured on the policy certificate.

**Mr. Keeley** and **PD Baker** both reply affirmatively.

**C. M Johnson** asks exactly how the rigs would be stored and if ice would only contact with the legs.

**Mr. Keeley** replies that yes, the rig would be jacked up to the preferred height and the ice would only come in contact with the four legs of the vessel.

**C Lean** said, in the past, the only issues have arisen when a vessel's hull was not completely out of the water, so having the rig elevated above the ice would prevent the issue.

**Mr. Keeley** adds that he wants to make it clear he is not doing this to avoid the costs with pulling out the rig for the season, but believes this is the safer option as pulling out causes unnecessary strain on the vessel, adds to delays at the haul out ramp and storage congestion.

**Chairman West** asks how deep does the water need to be where they are stored.

**Mr. Keeley** states that 4-5 feet should be enough after removing the equipment from the deck.

**HM Stotts** interjects that the depth in the harbor is more than sufficient to achieve that depth. He adds that he hasn't witnessed any dramatic movement of the ice near the South Wall and suggests that location as the ideal place of storage.

**C Lean** mentioned that in winters past, where the ice generally freezes between 5-7 feet, the only issue he has witnessed has been wedging between the structure and the ice. He adds that this could be prevented by moving the legs of the vessel about 2-3 feet away from the wall. Additionally, he says as long as the hull/platform of the vessel is out of the water, this won't be an issue.

**Chairman West** interjects and asks about flooding and the possibility of high water in that area.

**PD Baker** asks how high Mr. Keeley is able to jack up the rig.

**Mr. Keeley** responds that he can get above 15 feet. He expects that if there was a flood, he would be able to get at least 5 feet above the wall to avoid problems.

**Mr. Keeley** acknowledged that kids playing on or around the rig are likely a concern of the City, but it would be difficult for them to access the platform in the way it will be stored. He further added that he would consent to paying any additional fees that may be related to storing in the harbor.

**PD Baker** replies that the fees would be assessed in the same manner as if he were onshore.

**Chairman West** added that storing the rigs in the ice would actually free up space for storage of other user's vessels.

**Mr. Keeley** thanked the commission for their consideration.

### **COMMUNICATIONS**

- A. A letter to the Port Commission from John Keeley, President of Phoenix/pioneer Marine Mining requesting approval to anchor/station two of his three jack-up rigs in the inner harbor for the winter season.
- B. A notice from the City of Nome regarding Fall Clean-Up Week scheduled for October 10<sup>th</sup> through the 15<sup>th</sup>.
- C. A handout regarding the summary of events and schedule for the Arctic Science Ministerial Side-Event happening September 27<sup>th</sup>, 2016.
- D. A draft agenda for the 37<sup>th</sup> Annual AAHPA Conference scheduled to begin September 26<sup>th</sup>, 2016 through September 29<sup>th</sup>, 2016.
- E. An article written by CDR Hector L. Cintron, Jr.- Chief, Prevention Department U.S. Coast Guard Sector Anchorage, titled "Commerce and Navigation Safety on the High Seas in U.S. Arctic and western Alaska."

**PD Baker** mentions that Mayor Richard Beneville will be attending the Arctic Science Ministerial on behalf of the city in Washington D.C. later this month. Additionally, Harbormaster Lucas Stotts will be representing the City/Port at the Annual AAHPA Conference in Dutch Harbor. She adds that there is also an Arctic Ambitions conference in Anchorage scheduled for October 4<sup>th</sup> and 5<sup>th</sup> that she will be attending and presenting on the Port's increased traffic, existing capabilities and plans for expansion.

### **CITY MANAGER'S REPORT** (9/6/16 Written)

**CM Moran** spoke briefly about the issues in his report that affect the Port, mentioning the time spent with Assistant Secretary Darcy with the U.S. Army Corps of Engineers, which included a tour of the port while discussing the traffic and congestion in addition to day to day operations experienced this year. They also attended a preplanning session with the Army Corps District personnel to realign the message regarding the Deep Draft Port pursuit. He also mentions that the Senate Bill that addressed changes in language within the Water Resources & Development Act that supports improvements of remote port facilities when they affect the region has been approved and passed, and there is a corresponding bill currently being considered in the House.

Discussion:

**C. Lean** asks if there was any mention of Cape Nome.

**CM Moran** responds that we are at a bit of a crossroads and thinking that the City may no longer need the Cape, allowing private industry can move in and operate the jetty. He reminds the Commission that it is still in disrepair, but we are hopeful it will be fully restored by fall 2017.

#### **HARBORMASTER'S REPORT**

- September has been surprisingly busy this year and traffic has been diverse from the research vessel to two other French cruises to fuel and cargo vessels coming through.
- Crowley just finished the transportation and delivery of 1.76 million gallons for Bonanza.
- Progress on the tug demo is ongoing with internal cleaning and debris removal.
- Future haul outs happening this year including Bering Marine wanting to get out a barge to store and repair, NSEDC storing a landing craft they hope to sell, as well as the haul outs for existing users that occurs each year.

Discussion:

**C. Lean** inquired about whether consideration has been given to allowing vessels to haul out at the gravel ramp on the east side of the harbor to take advantage of the adjacent Port property.

**HM Stotts** replied that site has been discussed as a possible option but not fully vetted yet as there is a barge buried in the channel. It is possible that the slope could be laid back to allow for haul outs, depending on the final location of the buried barge, and discussion with the City.

**PD Baker** stated that she has photos of the barge burial during the project and its proximity to the southwest corner of Crowley's green warehouse.

**C. M Johnson** asked about the presence of residential properties in the vicinity, receiving an immediate yes, just to the east of E Street, on the north side of River Street, which still allows for a large portion of Tract C being available for use located to the west, and closer to the gravel ramp.

Staff will continue to gather information on the possible future use of this location for storage.

#### **Port Director Report / Projects Update (Written)**

- ASACW Darcy visit; they were very surprised by traffic data and anchored traffic increase.
- Between 2011-2015, dock traffic increased 261%— anchored traffic up 543%
- Traffic stats through 8/31 for 2016 show that we've nearly reached 2015 levels for docked and almost doubled levels for anchored traffic
- WRDA 2016 legislation passed the Senate yesterday and is being considered in the House.
- Preconstruction meeting with Knik was held earlier this week. The crews are onsite sorting the existing rock on hand at the pit to inventory for what is suited to the project.
- Work session with Capt Ed Page for 9/27/16 is on schedule to meet the Commission and discuss the scope of services to assist in developing navigational parameters at the port

#### **OLD BUSINESS**

Snake River Dredging – Sedimentation/Infill for Reconsideration/Discussion

- 09.08.16 PND Technical Memo & Drawings on dredging infill in Snake River

**PD Baker** explained the intent of the additional information from PND was to provide the results of the hydrographic survey/report to address any concerns about sediment infill risks from dredging.

Discussion:

**C. Lean** reminded the group of the discussion in previous meetings on additional dredging next year and explained his review of the report indicates it would take 80 years to fill in the 4' area that has already been dredged. He demonstrated with the shoaling graphic indicating where the infill was expected to occur and agreed that the sedimentation would not fill the entire area, only the upper portion and gradually works its way south over time. Therefore the maintenance schedule in the river would likely be every 10 years or so, not annually. The Council didn't disagree with his explanation and seemed to focus on the idea that the dredge spoils would be laid out on the Thornbush subdivision area and liked that we were accomplishing two goals at once.

**Chairman West** asked if the spoils were in fact being disposed of in the Thornbush site, which was confirmed.

Questions ensued about how to determine the quantity of dry fill and volume of dredging for bidding purposes with **PD Baker** explaining the current plan is to structure the bid to fully dredge the southern half of the river plan (area A) to -8 feet MLLW, and obtain a CY price for incrementally dredging area B based on available funds, which will be calculated on the CY price. The same premise will be used to determine the quantity of dry fill for the eastern portion of the Thornbush site that has already received dredge spoils as the unit price will be needed to determine the volume that can be funded.

**Motion:**

Moved by **C M Johnson** and seconded by **C Cox** that the following motion be approved as written:

Move forward with the dredging of Area A within the PND dredge plan with spoils to be placed within the Thornbush Subdivision, and continuing incrementally into Area B as unit costs and funding allow, and be incorporated into the bid package for site development.

At the Roll Call:

Ayes: C. Sloan, C. West, C. Cox, C. D Johnson, C. M Johnson, C. Cox

Nays:

Abstain: C. Lean

**The motion carried.**

**NEW BUSINESS**

Storage of Phoenix Marine Jack Up Rigs in the harbor over winter

**Discussion:**

A consensus discussion ensued as a follow up to earlier comments on the request by Phoenix Marine to store 2 jack-up rigs in the harbor.

**C. D Johnson** reiterated it was time to start capitalizing on the options available to us for reducing haul out and storage congestion at the ramp and these vessels are designed suitably to be stored in the ice, contrary to the vessel with a standard hull.

**C. M Johnson** asked if port staff had a recommendation on the issues raised and whether in-ice storage was a good plan.

**HM Stotts** agreed the space issue onshore is becoming a problem, and believes these vessels being located a few feet away from the south wall and being jacked up above the ice won't be a concern.

Discussion continued on location and vandalism prevention, then proceeded into a recommendation.

**Motion:**

Moved by **C M Johnson** and seconded by **C Cox** that the following motion be approved as written:

Recommend authorization be given to Phoenix Marine to overwinter 2 jack-up platform barges along the south sheet pile wall of the Small Boat Harbor with exact distances and locations at the discretion of port staff.

At the Roll Call:

Ayes: C. Sloan, C. Lean, C. West, C. D Johnson, C. M Johnson, C. Cox

Nays:

Abstain:

The motion carried.

**CITIZENS' COMMENTS**

Chuck Wheeler made statements about the 2013 tariff rate study and recommendation for increase and how those are coming along in future projections. How the revenues have changed significantly in the past 3 years. He questioned spending funds for projects in this economic climate, and the port spending money for the deep water port study. The rate study should be modified to reflect updated information. Does the Port have winter labor force to monitor vessel repair work at the facility.

**COMMISSIONERS' COMMENTS**

**C. Lean** - no comments.

**C. D Johnson** - no comments

**C. Cox** – glad we're making progress on the tug scrap and also glad to see the public for attending the work session.

**C. Sloan** – concerned about the City talking so eagerly about Middle Beach development for family recreation, then talking about storing vessels. Is there a specific plan identified? The existing harbor dredging discharge already takes away from the recreational use of that section of beach.

**C. M. Johnson** – thanks port users for coming to meetings and participating. It helps a great deal.

**Chairman West** – also thanks the public for taking the time to participate in the discussion and look forward to the development in the Thornbush area.

**SCHEDULE OF NEXT MEETING**

The next meeting: October 20<sup>th</sup>, 2016 at 5:30PM.

**ADJOURNMENT**

Motion was made by C. Cox that the meeting be adjourned – meeting adjourned at 7:28 PM.

**APPROVED** and **SIGNED** this 20th day of October, 2016.



**Jim West Jr., Chairman**

**ATTEST:**

  
for Michael L. Stoen

**Megan Alvanna-Stimpfle, Secretary**