Port Director Joy Baker

Harbormaster Lucas Stotts



Nome Port Commission Jim West, Jr., Chairman Charlie Lean, Vice Chairman Doug Johnson Derek McLarty Shane Smithhisler Tony Cox Scot Henderson

102 Division St. • P.O. Box 281 Nome, Alaska 99762 (907) 443-6619 Fax (907) 443-5473

AGENDA NOME PORT COMMISSION JANUARY 19, 2017 REGULAR MEETING ~ 6:30 PM COUNCIL CHAMBERS

I. ROLL CALL

#### II. APPROVAL OF AGENDA

#### III. APPROVAL OF MINUTES

- 11.17.16 Regular Meeting (for reconsideration)
- 12.15.16 Regular Meeting

#### IV. CITIZEN'S COMMENTS

#### V. COMMUNICATIONS

- 01.03.17 Arctic Infrastructure as Unintended Victim Forbes
- 01.06.17 Water Bill Requires Fresh Look at Arctic Port AK Journal of Commerce
- 01.08.17 Polar Code Heralds Safe Navigation in Arctic Arctic Now
- 01.11.17 Russian Icebreaker Ends Longest Navigation Season Arctic RU

#### VI. CITY MANAGER REPORT

• 01.06.17 City Manager Report

#### VII. HARBORMASTER REPORT

• Winter Maintenance/Collections Update - Verbal

#### VIII. PORT DIRECTOR REPORT/PROJECTS UPDATE

• 01.16.17 Port Director/Projects Status Report

#### IX. OLD BUSINESS

- Mid Dock Ramp Extension Change Order
- X. NEW BUSINESS
  - •
- XI. CITIZEN'S COMMENTS

•

#### XII. COMMISSIONER COMMENTS

- XIII. NEXT REGULAR MEETING
  - February 16, 2017 5:30 pm
- XIV. ADJOURNMENT

#### MINUTES NOME PORT COMISSION REGULAR MEETING November 17<sup>th</sup>, 2016

The Regular Meeting of the Nome Port Commission was called to order at 6:34pm by Chairman West in Council Chambers at City Hall, located at 102 Division Street.

#### ROLL CALL

Members Present:	Charlie Lean; Jim West, Jr.; Doug Johnson; Tony Cox;
Also Present:	Joy Baker, Port Director; Lucas Stotts, Harbormaster;
In the audience:	Margaret DeMaioribus, KNOM; Sandra Medearis, Arctic News; Chuck Wheeler

#### APPROVAL OF AGENDA

Chairman West asked for an approval of the agenda.

A motion was made by C. Lean and seconded by C. Cox to approve the agenda as presented.

At the Roll Call: Ayes: Lean, West, D/Johnson, Cox Nays: Abstain:

The motion CARRIED.

#### APPROVAL OF MINUTES

October 20, 2016 Regular Meeting A motion was made by C Lean and seconded by C. Johnson to approve the minutes.

At the Roll Call: Ayes: West, Johnson, Cox, Lean Nays: Abstain:

The motion CARRIED.

#### CITIZENS' COMMENTS

(An operational error occurred with the recording equipment so no audio of this meeting exists – all below transcripts have been generated from meeting notes and participant recall)

Mitch Erickson presented an idea to homeport a small adventure cruise ship out of Nome for excursions along the Alaska and Russian coastlines. He's working with Heritage Expeditions and other folks in the Alaska tourism industry to further develop the potential plan and identify the

necessary steps to achieve the goal. He will present this information at the next Council meeting and keep everyone apprised of his progress as things develop.

#### COMMUNICATIONS

- Promise of the Arctic Agenda 11/2-3/16 Seattle Conference
  - USCG 11/2/16 Presentation on IMO/Polar Code
  - NOAA 11/3/16 Presentation on Charting/Surveys

**PD Baker** noted the conference items provided as information, and other presentations reflected on the agenda were available if desired, but consensus from conference was It's Time for Action.

#### CITY MANAGER'S REPORT (11/09/16 Written)

**PD Baker** pointed out the single port-related item of interest being Congressman Young's visit on Halloween, which was reportedly a success with the kid's event held at Old St. Joe's. Additionally, Manager Moran and Mayor Beneville held a productive meeting the Congressman and his staff, on City and Port issues, specifically his ongoing support for an Arctic Deep Draft Port at Nome, as well as other regional development.

#### HARBORMASTER'S REPORT (Verbal)

**HM Stotts** gave a brief update on the status of the Phoenix barge grounding and overboard equipment loss, as well as the activities occurring with final winter haulouts and storage, followed by active pursuit of AR collections.

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

- 11.14.16 Port Director/Projects Status Report (highlights):
  - Updated Historical Traffic Stats
  - Seawall Erosion Project Elevation Report

#### Discussion:

Commissioners acknowledged the Seawall elevation report with minimal discussion, and reiterated the intent to continue with regular inspections to address any future erosion timely.

#### **OLD BUSINESS**

Dead Man Anchor Concepts Revised Proposal for Services – PND Engineers

#### Discussion:

A general consensus was reached that the revised scope using materials on hand and mostly inhouse labor is that path to pursue. PND will be instructed to submit a revised proposal fee, followed by draft design drawings for burial depth and positioning of the anchor using on-hand materials and labor. Outside services will be solicited for any work beyond the capacity of the Public Works crew.

#### **NEW BUSINESS**

None

#### CITIZENS' COMMENTS

MINUTES – NOME PORT COMMISSION REGULAR MEETING November 17<sup>th</sup>, 2016 Sandra Medearis spoke on the record regarding the passing of Nome Nugget owner, Nancy McGuire, earlier in the day, specifically to her iconic role in delivering Nome's print news and the many other facets of small community life that she supported. She will be missed......

#### COMMISSIONERS' COMMENTS

- C. Lean none
- C. D/Johnson very sorry to hear about passing of Nancy McGuire
- **C.** Cox good work session with Planning Commission, something we should do on a routine basis.
- **C. West** yes, a diverse group to bounce ideas off, and we share common goals around the Port.

#### SCHEDULE OF NEXT MEETING

The next meeting: December 15<sup>th</sup>, 2016 at 5:30PM.

#### **ADJOURNMENT**

Motion was made by C. Cox for adjournment – meeting adjourned at 7:35 PM.

APPROVED and SIGNED this 15th day of December, 2016.

ATTEST:

Jim West, Chairman

Tony Cox, Secretary

#### MINUTES NOME PORT COMISSION REGULAR MEETING December 15<sup>th</sup>, 2016

The Regular Meeting of the Nome Port Commission was called to order at 5:41pm by Chairman West in Council Chambers at City Hall, located at 102 Division Street.

Clerk Hammond administered the Oath of Office to the 3 new members recently appointed to the Commission by Mayor Beneville:

Commissioner Derek McLarty Commissioner Scot Henderson Commissioner Shane Smithhisler

#### ROLL CALL

Members Present:	Shane Smithhisler; Jim West Jr.; Scot Henderson; Derek McLarty;
Also Present:	Lucas Stotts, Harbormaster; Joy Baker, Port Director; John Blees, City Engineer (both telephonically)
In the audience:	Lauren Frost, KNOM; Sandra Medearis, Arctic News; Katy Priester

#### APPROVAL OF AGENDA

Chairman West asked for an approval of the agenda.

A motion was made by C. McLarty and seconded by C. Smithhisler to approve the agenda as presented.

At the Roll Call: Ayes: West, Henderson, McLarty, Smithhisler Nays: Abstain:

The motion CARRIED.

#### **APPROVAL OF MINUTES**

November 17, 2016 Regular Meeting	A motion was made by C McLarty and seconded by C. West
	to approve the minutes.

At the Roll Call: Ayes: Henderson, McLarty, West Nays: Smithhisler Abstain:

The motion FAILED. (Will be presented at Jan 2017 meeting)

#### CITIZENS' COMMENTS

None

#### **COMMUNICATIONS**

- Business View Magazine Article on Port of Nome
- Draft NCC Resolution 16-12-02 on 2017 City of Nome Federal Priorities
- Draft NCC Resolution 16-12-03 on 2017 City of Nome State Priorities

**PD Baker** pointed out the specific port-related priorities, and a provided clarification on the location of Block 20, Nome Airport.

#### CITY MANAGER'S REPORT (12/09/16 Written)

**PD Baker** highlighted the one port-related item in the report as the Kawerak sponsored Economic Development meeting held from 6-9 December at the Covenant Church, with a great deal of discussion on regional economic development, including the Arctic Deep Draft Port. Additionally, the Commission was advised of the Council's approval of the resolutions regarding the 2017 State and Federal Priorities at Monday's 12/12/16 meeting.

#### HARBORMASTER'S REPORT (Verbal)

**HM Stotts** gave a brief report on recent efforts on collections of the unpaid A/R listing, to include a round of equipment/vessel impounds for those accounts meeting that criteria. A variety of minor maintenance projects are underway to prepare equipment for the 2017 season, as well as ongoing tasks with the tug scrap operation as crew and equipment are available. All of the equipment lost overboard as a result of the Phoenix barge grounding incident has been recovered and a sonar scan done in the berthing and approach to the dock, showing nothing remaining from the incident. Discussions are underway regarding the removal of the beached barge taking place next spring considering its frozen state. In the meantime, cables attached to the barge have been secured to the beach to ensure the vessel remains in place during the upcoming southerly storms.

**PD Baker** added that there isn't really a significant downside or risk to leaving it in place until spring breakup, when removal efforts will allow it to be floated off the beach and disassembled at the dock. All the hazardous contaminants have been removed so the remaining unit is essentially a barge with some screening equipment bolted to the deck, similar to the LuLu that sat beached for 20 years. We will advise the Commission on the results of ongoing discussions with the owner/insurance carriers.

Discussion among the Commission members concluded that the risks were minimal and the owner had more than sufficient levels of insurance in place to address any abandonment requiring the City's response.

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

• 12.08.16 Port Director/Projects Status Report

#### Discussion:

**PD Baker** touched on a few highlights of the report; specifically the recent legislation on the floor in Congress in both the WRDA and NDAA bills. We are hopeful of passage by the end of the year.

F15 to F17 comparison at 10/31 (1st quarter fiscal)

#### Discussion:

Provided as informational, **PD Baker** gave a few details as to the format, and offered to answer any questions, now or later, that the new Commissioners may have.

Sand Spit Property Map

#### Discussion:

Provided as informational on ownership along the sandspit, and as a guideline in assisting with development planning. **C. Smithhisler** asked if there would be an opportunity to see this document again before the Planning Commission approved the changes; likely not as that is why the Port Commission was asked to review and determine if changes around the Port were necessary. **C.** McLarty added that it is his understanding the intent of this review is to incorporate any other changes needed, to coincide with changes being made around the old hospital property site. **C. Henderson** asked if any potential conflicts with the Strategic Development Plan had been identified; no conflicts appear to be present.

#### OLD BUSINESS

- Thornbush Site Development Project Documents DRAFT
  - Snake River Dredging Plans
    - Site Fill Plan Layout

#### Discussion:

City Engineer Blees opened the discussion by outlining the intent to put a good layer of fill across the top of the original dredge spoils in place, with a surface course topping. The intent is to then fill westward to the extent possible, based on availability of funds. The drawings provided by PND address the area along the west side of Snake River to be dredged, with spoils being hauled and disposed of along the bank of the pad where the state trailers used to be. This spoils area would then be allowed to dewater over a 1-2 year period, and then be ready to receive dry fill for further pad development. A protection berm will be built along the north side of the unfilled BFI property to prevent water from affecting the stability of the existing pad.

Various questions were asked by the Commission:

- Sequence of the work the dredging excavation will occur in the spring, with suction cleanup and pad development occurring in the summer
- Types of materials specified for the fill a spec fill similar pit run
- Basis to be used for determining the dredging and fill quantities that will be awarded - the number of CY awarded will be based on unit price
- Final grade upon completion same as the existing port pad elevation

#### NEW BUSINESS

• City Zoning and Map Code Update – Port Property Review

#### Discussion:

Commissioners reviewed the memo from Planner Eileen Bechtol asking if there were changes needed for the existing zoning around the Port and Harbor. After discussion, no specific changes were deemed to be necessary.

#### Motion: The following motion was moved by **C McLarty** and seconded by **C West**:

#### Recommend no changes to the current zoning codes in place around the Port and Harbor.

At the Roll Call: Ayes: C. Henderson, C. McLarty, C. West Nays: C. Smithhisler Abstain:

The motion failed.

#### **CITIZENS' COMMENTS**

None

#### COMMISSIONERS' COMMENTS

**C. McLarty** - thanks for the opportunity to serve on the Port Commission and congratulations to the staff and Phoenix Marine on successfully resolving a bad situation.

**C. Henderson** – Phoenix situation could've been much worse, but they were able to achieve the best possible outcome in recovering the equipment lost. In reviewing the materials sent upon becoming a Commissioner, it seems there has been some concern with revenues last year based on Shell's departure. But in reviewing the revenue spreads, it shows how staff was able to take an unexpected event with the Quintillion project and turn it into a very successful revenue stream, based on their ability to adjust to surprises. My accommodations to the port staff in all the prep work that goes into being able to be flexible and make adjustments.

#### **C. Smithhisler** – no comments

**C. West** – next few years could be challenging based on the project funding situation with the state. There is hope and encouragement with the growth in transient vessels coming to Nome, and I look forward working with the Chamber of Commerce in their efforts to attract more tourism vessels to Nome. Other than that, hope everyone has a great Christmas.

#### SCHEDULE OF NEXT MEETING

The next meeting: January 19<sup>th</sup>, 2017 at 5:30PM.

#### **ADJOURNMENT**

Motion was made by C. Henderson for adjournment – meeting adjourned at 7:08 PM.

**APPROVED** and **SIGNED** this 19th day of January, 2017.

ATTEST:

Jim West, Chairman

**Tony Cox, Secretary** 

# Forbes



**Brigham A. McCown** Contributor I cover the intersection of law, policy, and politics. Opinions expressed by Forbes Contributors are their own.

ENERGY 1/03/2017 @ 7:00AM | 1,196 views

## Arctic Infrastructure: The Unintended Victim Of The Administration's Offshore Energy Ban

Last week, the Friday afternoon before Christmas, the Obama Administration announced its long expected offshore oil and gas leasing program for 2017 – 2022. Perhaps unsurprisingly given the timing of the statement, the decision was a controversial one; both of the Arctic leases in the proposed plan had been cut, leaving the Gulf of Mexico and Alaska's Cook Inlet as the only parts of the United States outer continental shelf open to energy development.

The Administration has always acknowledged the essential role that fossil fuel development plays in American life. Last August the President stressed in his weekly address that as long as "our economy still has to rely on oil and gas," the U.S. "should rely more on domestic production than on foreign imports". And as recently as October top official Amy Pope reiterated the point, noting that "responsibly developing Arctic oil and gas resources aligns with United States' 'all-of-the-above' approach to developing domestic energy resources."



The sunsets is reflected in the water at a harbor on Sunday, Jan. 1, 2017, at Auke Bay, Alaska. (AP Photo/Becky Bohrer)

The about-face – perhaps the product of the shock election result and a newfound urgency to cement the Administration's environmental legacy – is surprising and comes with significant ramifications. In particular, it is likely to have dire consequences for Native communities who have repeatedly stressed the importance of on and offshore energy development to their economies.

The Arctic Slope Regional Corporation, an Alaskan Native group that represents 12,000 Iñupiat people, criticized the decision, warning that a ban on Arctic drilling would "endanger our communities with no regard for the future health of our people and region." Alaska's Governor and Congressional delegation in turn issued public statements that that they were "very disappointed" and "infuriated", denouncing the Administration for "once again capitulating to the demands of extreme environmental groups over Alaskans and their fellow Americans."

In addition to the impact on the state and Native economies, the ruling also casts a pall of gloom over the future of a number of projects that are integral to asserting America's presence and leadership in the region.

From expanding docks to enhancing search, rescue and emergency capabilities, the United States needs to build out its infrastructure in order to keep pace with the changing conditions in the Arctic, where melting sea ice is affording greater access but also elevates the risks and strategic imperative of the region.

In the past the resources, capabilities and infrastructure that have supported energy development, have played an essential role in this process. Roads built to access oil and gas facilities have improved local transportation networks, while oil and gas vessels have conducted search-and-rescue missions for a Coast Guard that continues to face severe resource constraints in the region.

Now the decision to cut the Arctic from the leasing plan and potentially block any possibility of development until 2022 jeopardizes all of this incremental progress. Nowhere is this more evident than at the Port of Nome, located on the west coast of Alaska. Last year, the Army Corps of Engineers proposed expanding the Port as a means of lowering costs in the region, creating business opportunities and providing the U.S.' first deep-water base to host icebreakers operating in the region.

According to the Corp's calculation, the traffic associated with offshore energy development would help meet the expected \$211 million cost of the project. But after Shell announced its withdrawal from the Arctic last year, the Corps put the project on hold, explaining that the company's departure brought "into question the validity of the current economic assumptions and the overall justification for the project."

With last week's announcement there is little immediate hope of reversing that decision and other critical infrastructure projects, including upgrading Port Clarence into a maritime support base and expanding the dock capabilities at Cape Blossom in Kotzebue, also face a similarly uncertain future.

Fortunately the Obama Administration's decision to cut Arctic leases is not final and can be reversed. Congress can either reintroduce Arctic through legislation during the 60 days it has to review the current leasing program, or the Department of Interior, at the new Administration's direction, could develop an entirely new program – one that includes the region.

Neither process will be straightforward, and both will require significant amounts of time for the consultation process to be carried out, potentially as much as 18 months.

But that process should begin as soon as possible. The current commodity price may mean that it is unlikely that industry will want to explore in the Arctic in the short term, but the lead in time needed to build out infrastructure will take more than a decade. It is only by getting started now that we will be able to develop the facilities we will need in time, and it is only by including the Arctic in the leasing program that that process can begin. I hope that Congress and the next Administration will recognize the importance of this issue and move quickly and decisively to enable offshore energy production in the Arctic. Without it, there is little prospect of the region's infrastructure ever being developed.

Mr. McCown is a philanthropist, fmr federal gov't executive, public policy expert, and the founder of the non-profit group Aii.org. To learn more, visit him at brighammccown.com or follow @BAMcCown.

#### **RECOMMENDED BY FORBES**

2017 30 Under 30: The Standouts

Meet The 2017 Class Of 30 Under 30

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# Journal of Commerce "

### Water bill requires fresh look at Arctic port

By: Elwood Brehmer (/authors/elwood-brehmer), Alaska Journal of Commerce Post date: Fri, 01/06/2017 - 2:46pm



The U.S. Army Corps of Engineers halted work on an Arctic port at Nome when Shell pulled out of the Chukchi Sea in 2015, but a new look at the idea is required under a recent bill signed by President Barack Obama, this time with a focus on national security benefits. (Photo/Courtesy/US Army Corps of Engineers)

A small clause in the nation's most recent water resources and funding bill could breathe new life into plans for a large vessel port in Western Alaska.

The Water Infrastructure Improvements for the Nation Act, passed by Congress and signed by President Barack Obama shortly before the holidays, directs U.S. Army Corps of Engineers officials to add national security interests to the list of reasons why the country should possibly add to the limited maritime infrastructure around Nome.

Specifically, it orders consultation with leaders of the Homeland Security — the agency housing the U.S. Coast Guard — and Defense departments to determine if there would be national security benefits associated with building an Arctic deep-draft port.

Up until now all work on an Arctic port had been based solely on economic merits expected to materialize as sea ice continues to melt and business activity of all kinds in the region increases.

The Corps suspended its multi-year study of such a port in October 2015 shortly after Shell announced it was cutting its Arctic offshore oil exploration program due to high costs and uninspiring drilling results.

In February 2015 the Corps released draft plans to expand the existing Port of Nome at a cost of \$210 million.

Advertisement

While shallower than what is usually considered a true deep-draft port, the tentative plan called for deepening Nome's outer harbor from 22 feet to 28 feet; extending the existing causeway by more than 2,100 feet, thus adding much more sheltered water; and adding a large vessel dock at the end of the new causeway.

Former Nome Mayor Denise Michels said the Corps' plan drew extensively from a proposal the city drafted in the 1980s.

Nome is not north of the Arctic Circle, but a Western Alaska port would likely be a hub for research, private industry and emergency response vessels working in the Arctic.

Sen. Dan Sullivan said in an interview shortly after the bill became law that he sees the mission change as a significant step towards getting an Arctic port built because of the clout the Homeland Security and Defense secretaries carry.

Nome was selected from 14 potential Western Alaska port sites for its combination of relatively deep water and existing infrastructure. Nearby Port Clarence, a naturally deepwater area where vessels have long sought shelter from open sea storms and ice, came in second because it is undeveloped, Corps Alaska District officials said at the time.

The \$210 million economics-based port plan — the cost of which was shared with the State of Alaska — would have had the feds picking up \$97 million and state or local sponsors funding the rest. The federal portion was derived from a calculation of what work would have national economic benefits.

How adding national security considerations may change the work that has been done to-date on a deep-draft Arctic port remains to be seen.

A Corps Alaska spokeswoman said the district is waiting for guidance from top brass in Washington, D.C., after passage of the WIIN Act.

Offshore Arctic outer continental shelf, or OCS, oil and natural gas extraction until recently was viewed by industry as the very long-term, but natural development progression in Alaska. However, Shell's pullout from the Chukchi Sea in 2015 and subsequent orders from the Obama administration aimed at curtailing development in Arctic waters for environmental reasons have combined to cloud that outlook.

Still, experts see the Bering Strait as a potential high-traffic shipping corridor as trans-Arctic routes open.

According to data collated by the Alaska District of the Coast Guard, vessel traffic in the Bering Strait has more than doubled in less than a decade with 485 transits through the maritime chokepoint in 2016 (/sites/alaskajournal.com/files/files/Bering%20Strait%20transits.jpg), compared to 220 in 2008. The activity peaked in 2015 — at the end of Shell's offshore work in the Chukchi — with about 540 transits of the strait. Along those lines the number of vessels in the Coast Guard's Alaska "Area of Concern" north and east of the Bering Strait has nearly tripled since 2008 as well (/sites/alaskajournal.com/files/files/Arctic%20traffic.jpg). The increase in maritime traffic has come primarily from cargo, tanker and scientific research vessels, according to the Coast Guard.

The 1,700-passenger luxury cruise liner Crystal Serenity made a highly-publicized stop in Nome last August before traversing the Northwest Passage on its voyage to New York City. It is the largest cruise ship ever to call on the rural Alaska port town.

Elwood Brehmer can be reached at elwood.brehmer@alaskajournal.com (mailto:elwood.brehmer@alaskajournal.com).

Updated: 01/06/2017 - 2:46pm



The Coast Guard Cutter Polar Star transits near the beginning of the ice edge in the Chukchi Sea north of Wainwright, Alaska, Tuesday, July 16, 2013. The heavy icebreaker's crew are undergoing ice trails following the conclusion of a major overhaul in 2012 to return the ship to service. (Petty Officer 1st Class Sara Mooers / U.S. Coast Guard)

# The Polar Code heralds a new era of safer navigation in Arctic waters

Author: Lawson Brigham O Updated: January 8 at 9:48 PM
 Published January 8 at 9:47 PM

An historic milestone was reached on New Year's Day 2017 when the International Maritime Organization's Polar Code for Ships Operating in Polar Waters came into force. The 'Polar Code,' as it is widely known throughout the maritime world, is designed to improve marine safety and enhance protection of Arctic peoples and polar marine environments. It is a groundbreaking marine governance regime for the Arctic and Southern oceans. The code establishes a set of mandatory and voluntary international standards for new and existing commercial ships and passenger vessels (all 500 tons or more) operating in Arctic and Antarctic waters. In contrast with Canada's Arctic Shipping Pollution Prevention Regulations and Russia's Rules for the Northern Sea Route — both long established within national statutes — the U.S. has lacked any special polar

ship rules and regulations to govern marine operations in its maritime Arctic. This situation will change quickly as the U.S. Coast Guard begins to implement and enforce the many elements of the Polar Code during a two-year, phased application to ships sailing on international voyages in Alaska's polar waters. Canada and Russia are engaged in merging their national regulations with the Polar Code; Denmark (for Greenlandic waters) and Norway (for Svalbard) are taking measures to implement the Code in their Arctic waters.

#### [As Polar Code takes effect, a mixture of confidence and concern]

The Polar Code will be applied in all Antarctic waters south of 60 degrees south. This boundary around the Antarctic continent corresponds to the northern boundary of the Antarctic Treaty. In the Bering Sea, the code's boundary has been established at 60 degrees north to correspond roughly with the winter maximum extent of sea ice and as an added measure of protection for the region's world class fishery. The code's boundary in the North Atlantic has been adjusted to take into account its warmer waters and runs south of Greenland, north of Iceland and Norway, and intersecting east of Russia's Kola Peninsula. These marine areas are well north of the Arctic Circle and remain ice-free throughout the year.

Importantly, the Polar Code is a set of amendments to existing IMO agreements, or conventions, on safety, environmental protection and mariner qualifications including experience and training. New ship structural standards and marine safety equipment have been developed that are relevant to operating in remote, polar waters. A Polar Ship Certificate issued by the flag state (nation under whose laws the commercial ship is operating) will be required as well as a ship specific Polar Water Operational Manual. Discharges of oil and noxious liquid substances are prohibited in polar waters under the Code; limits are placed on the discharges of sewage, garbage and food wastes. New requirements and a certification process for polar experience and training for all ship's officers and crew will be in force by January 2018.

jbaker

The history of the Polar Code dates back to the 1993 formation of an outside working group to IMO that drafted the first framework document. The IMO initially developed voluntary guidelines for ships operating in Arctic ice-covered waters. By 2009 the guidelines were updated by IMO to include ships operating in polar waters, regardless of the presence or absence of sea ice. In 2010 IMO's key marine safety and environmental committees began the lengthy negotiation process for a mandatory Polar Code that was recommended by the Arctic Council in its 2009 Arctic Marine Shipping Assessment.

All eight Arctic states share the challenge and responsibility of showing strong leadership in the Polar Code's implementation and enforcement. There may be key, cooperative roles that the new Arctic Coast Guard Forum can address in this process. The ship classification societies and the marine insurance industry will be important players in evaluating the future risks of polar ship operations and assisting the flag states in the code's implementation. The IMO will continue to develop future polar-specific rules addressing such issues as heavy fuel oil use in the Arctic, ship emissions controls, and future discharges.

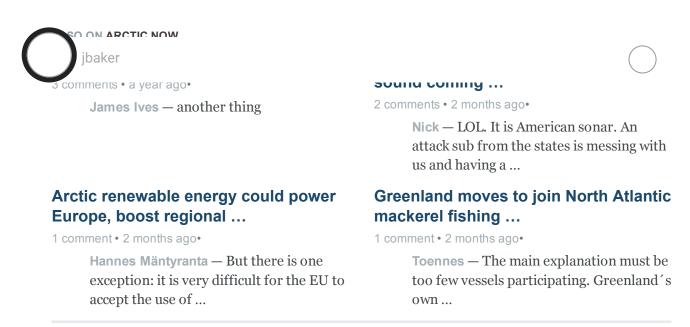
[Conservation groups renew push for an IMO ban on heavy fuel oil in the Arctic]

Quietly, New Year's Day 2017 was among the most monumental dates in the history of the Arctic Ocean. The IMO's Polar Code will long be remembered in Alaska and throughout the circumpolar world as a seminal achievement that advanced protection of Arctic peoples and the marine environment while creating a uniform, nondiscriminatory set of rules and regulations, essentially a level playing field for future Arctic marine operators. And critical additions to the Polar Code will evolve in the years ahead further making it a centerpiece for governance of Arctic shipping and marine operations in the 21st century and beyond.

Dr. Lawson Brigham conducts research at the University of Alaska Fairbanks' International Arctic Research Center and has worked on the Polar Code since 1993. He is a fellow at the U.S. Coast Guard Academy's Center for Arctic Study and Policy, and a Senior Fellow at the Anchorage-based Institute of the North.

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## INFRASTRUCTURE

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11 JANUARY 2017

#### Russian icebreaker ends longest navigation season

The nuclear-powered icebreaker 50 Let Pobedy has successfully completed a long, unprecedented navigation season after escorting a three-ship convoy comprised of the module carrier AUDAX, the freighter Arktika-1 and the tanker Shturman Ovtsyn along the Northern Sea Route, TASS reports, quoting the press service of Rosatomflot.

Rosatomflot's Deputy Director for Fleet Operations Andrei Smirnov said, "This is the first late-season straightthrough transit season, running from December 2016 through early January 2017, with one icebreaker escorting three vessels of different types."

The first two vessels sailed to Sabetta and delivered construction materials for the unfinished Yamal LNG plant, and the third ship took on crude oil at a Novoportovskoye oilfield terminal near Cape Kamenny.

It took 14 days to reach the Gulf of Ob, TASS reports. The icebreaker 50 Let Pobedy sailed into the Chukchi Sea, met the vessels near the Bering Strait, and escorted them to their destinations.

The 50 Let Pobedy is currently escorting other vessels, including some from the Murmansk Shipping Company and the Northern Project transport company, toward the Gulf of Ob along with the icebreaker Taimyr. Both icebreakers are escorting Gazprom Neft tankers to Cape Kamenny.

http://arctic.ru/infrastructure/20170111/519692.html



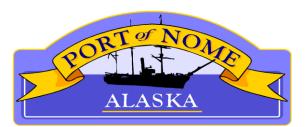
CITY OF NOME City Manager's Office P.O. Box 281 Nome, Alaska 99762 907.443.6600 tmoran@nomealaska.org

#### City Manager's Report

From: Reporting Period: Tom Moran, City Manager December 13, 2016 – January 6, 2017

- Thanks to all who attended the Employee Christmas Party on Friday, December 16<sup>th</sup>. Thanks also to those who attended the Volunteer Fire Department Christmas Party on Saturday, December 17<sup>th</sup>. Believe me when I say that we're all very lucky to have such a committed staff (both paid and volunteer).
- Thanks to the Utility Manager and the City Clerk for their vital assistance with Operation Christmas Turkey. I hope you all enjoyed yours over a peaceful and relaxing holiday week.
- My gratitude goes out to Clerk Hammond, who served as Acting City Manager during my holiday travel. Though traditionally a quiet time of the year, Bryant had to deal with a number of unique issues resulting from the week's wintery conditions.
- Please make sure to thank your friendly neighborhood Public Works Operators for their gargantuan effort to move snow over the holidays instead of spending well-deserved time with their families. Unfortunately, a few complaints about punctuality were received at City Hall. I ask that our citizens remember that there is a policy in place which requires the plowing of emergency access lanes before any other snow removal can occur. I further ask that our citizens remember that we have over 34 miles of city-owned roads and only four full-time employees (one of whom runs the landfill). *Attachment 1.*
- Unfortunately, the New Year's Eve fireworks had to be canceled due to inclement weather. Fear not, however, as they're being rescheduled for one of our upcoming winter festivities (possibly Nome-Golovin). Stay tuned for details.
- Congratulations to Candace Weidler (Executive Assistant) for being selected as the City's Employee-of-the-Month for the month of December. Keep up the good work, Candace!
- The Planning Commission met on Tuesday, January 3<sup>rd</sup> to begin updating the Zoning Map. This is an important public process, as the correlating Zoning Code was adopted almost nine years ago, and now needs to be modernized. The City Council will need to ratify any action that is eventually taken by the Planning Commission.
- The Road Crew is experiencing some frustration with commercial businesses clearing their parking lots into City rights-of-way. Please review the attached PSA and help spread the word. *Attachment 2.*

- If you were wondering, City Hall will be open on Martin Luther King, Jr. Day (Monday, January 16<sup>th</sup>). Please join us in remembrance of Dr. King's unprecedented contributions to advancing racial equality in America and beyond.
- As requested by Councilman Johnson, we've scheduled a work session before your next meeting to discuss possible exemptions to the seasonal sales tax increase. Please plan to attend.



# Memo

To:	Tom Moran – City Manager
From:	Joy L. Baker – Port Director $ {\cal JLB} $
CC:	Mayor & Nome Common Council
	Nome Port Commission
Date:	1/17/2017

Re: Port & Harbor Report/Projects Update – January 2017

The following provides a status update on active issues and projects pertaining to the Port & Harbor.

#### Administrative:

Efforts remain focused on AR collection and the first round of impounds will be final on 31 January. Statistical report updates continue on traffic, commodity volumes and rev/expense comparisons. FY17 revenue at 12/31 shows 85.9% in revenue has been achieved – with just 27.9% expended.

Phoenix Marine has been granted authorization to leave the beached flexi-float platform in place through winter, as it was determined it would be a destructive effort to remove during freezing temperatures. Efforts will resume upon breakup, when the area is ice-free and allow it to be disassembled in place or at a dock. The company's insurance policy with the City remains in effect, with limits exceeding those required by the Port.

The Port & Harbor Surveillance Camera System Project, funded by the DHS/Port Security Grant Program, is underway with the development of an RFP for cameras and technical services. Project is scheduled for the late spring and summer of 2017.

#### Causeway:

<u>Arctic Deep Draft Port Study:</u> Excellent news in the recent passage of the WIIN 2016 and NDAA 2016 legislation. Ongoing discussions with the Corps indicate the new language increases options for justification and ensures forward movement on the Arctic Deep Draft Port Study. See attached ADDP strategy outline on efforts underway to assist in facilitating the development of the Implementation Guidance the Corps will need to take action.

<u>Middle Dock:</u> Contractor change order pricing has been received on the concrete ramp extension, and is in the 1/19 Port and 1/23 Council meeting packets for review and approval for execution by the City Manager. Compliance with funding sources has been verified, and upon authorization of the change order, the additional work will be scheduled for June 2017.

#### **Port Industrial Pad:**

#### Port Pad Development:

The bid package for the Thornbush Site Development and Snake River Dredging Phase II was released on January 5, 2017, with bids due by 3:00pm on February 7, 2017. Funding sources consist of two separate state grants.

<u>Port Road Improvements:</u> Another request has been submitted to ADOT in Fairbanks for a status update on this project and a revised cost-share agreement. (Construction is scheduled for FY2018/19, based on STIP funding).

<u>West Nome Tank Farm (WNTF)</u>: USAF personnel have confirmed that all environmental requirements have been achieved at the site, and they are working on the interim lease, to be followed by final property conveyance.

#### **External Facilities:**

Cape Nome:

The Alaska Department of Homeland Security & Emergency Services (ADHS/EM) recently transmitted the electronic versions of an authorized Project Worksheet 17 Revision No. 3 and the corresponding Obligating Award Document to fund the remaining Additive Alternates of the project needed to perform the stone placement and complete the project during the summer of 2017. Once the original OAD is received by the City and executed, the remaining Additive Alternates should be awarded to the contractor.

Additional information on any of these projects is available upon request.

#### Port of Nome ADDP strategy outline (For Public Distribution)

- 1. 2016 WIIN Act provisions
  - Work with USACE HQ to implement expanded Remote and Subsistence Harbor provision

New language broadens provision to include benefits to communities supported by the project. This increases the benefits of an ADDP in Nome and strengthens the justification within the USACE decision-making process.

• Work with USACE HQ to implement revised ADDP provisions

Revisions made to clarify and facilitate participation of Alaska Native organizations.

- 2. FY17 National Defense Authorization Act
  - Work with Senator Sullivan's office to implement ADDP national security provisions

This new authority helps expand the justification of an ADDP to include national security and strategic factors, which will help further justify development of port infrastructure in the Arctic region.

3. AK Congressional Delegation

Continue to work with Delegation offices to keep them updated on progress with USACE and request support as appropriate

- 4. Update Nome ADDP materials
  - Complete preparation of new briefing materials that include 2016 traffic numbers and anticipated near-term growth in 2017-18
  - ADDP Project Estimated USACE Timeline by Phase TBD based on ongoing discussions with AK District

#### PORT OF NOME MIDDLE DOCK PROJECT CHANGE ORDER

	No. <u>08</u>	Dated <u>Jan. 12, 2017</u>	<u>7</u>		
City of Nome Project No	NA	Engineer's Proje	ect No. <u>321140</u> 2	<u>23</u>	
Project Port of Nome Middle Dock		City			Nome, Alaska
Contractor Orion Marine Contractors, Inc.		Contract Date		]	December 1, 2014
Contract For Port of Nome Midd	lle Dock Project	<u>t</u>			
Nature of the Changes:					
Construct an extension of the Middle Dock extension of time is also included to perfor		O ramp in accordanc	e with MP13R	.1 as a	ttached. An
The changes result in the following adjustr	nent of Contrac	t Price and Contract	Time:		
Contract Price Prior to this Change Order:			\$		7,267,543.19
Net (Increase) (Decrease) Resulting from t	his Change Ord	er	\$		253,225.00
Current Contract Price Including this Chan	ge Order		\$		7,520,768.19
Contract Time Prior to this Change Order				705	Calendar Days
Net (Increase) (Decrease) Resulting from t	his Change Ord	er (06/30/2017)		237	Calendar Days
Current Contract Time Including this Char	nge Order			942	Calendar Days
The above changes are recommended:					
		Engine	er		
By: <u>Bristol Engineering Services Corp.</u>		Date			
The above changes are approved:		<u> </u>			
		City of	Nome		
By		Date			
The above changes are accepted:					
		Contra	ctor		
By			Dat	te	

Port of Nome Harbor Improvements Change Order Page 1 of 1



Harbor Improvements - Middle Dock Bristol Engineering Services PND Engineers

#### MODIFICATION PROPOSAL/FIELD DIRECTIVE

CONTRACTOR:	Orion Marine Contractors	<b>MP #:</b>	13R1
PROJECT NAME:	Nome Middle Dock	DATE:	10/14/16
LOCATION:	Nome, Alaska	ENGINEER:	Bristol Engineering

#### Please furnish your proposal to perform the following work:

DESCRIPTION:	
Ramp Revisions	
ATTACHMENTS: Drawings dated 9/14/2016	

COST OR (DEDUCT)	\$ 253,225.00		
TIME EXTENSION:	Final Completion to 6/30/2017		
BRISTOL ENGINEERING	Digitally signed by John Blees Date: 2017.01.12 11:43:33 -09'00'	SIGNATURE	1/12/2017 DATE
CITY'S REVIEW:	Joy L Baker 2017.01.12 12:57:52 -08'00'	SIGNATURE	1/12/2017 DATE

#### Field Order. Proceed with the work immediately if signed below as a field directive.

ENGINEER:	Digitally signed by John Blees Date: 2017.01.12 14:20:21 SIGNATURE	DATE
NOT TO EXCEED PRICE:	\$253,225.00	

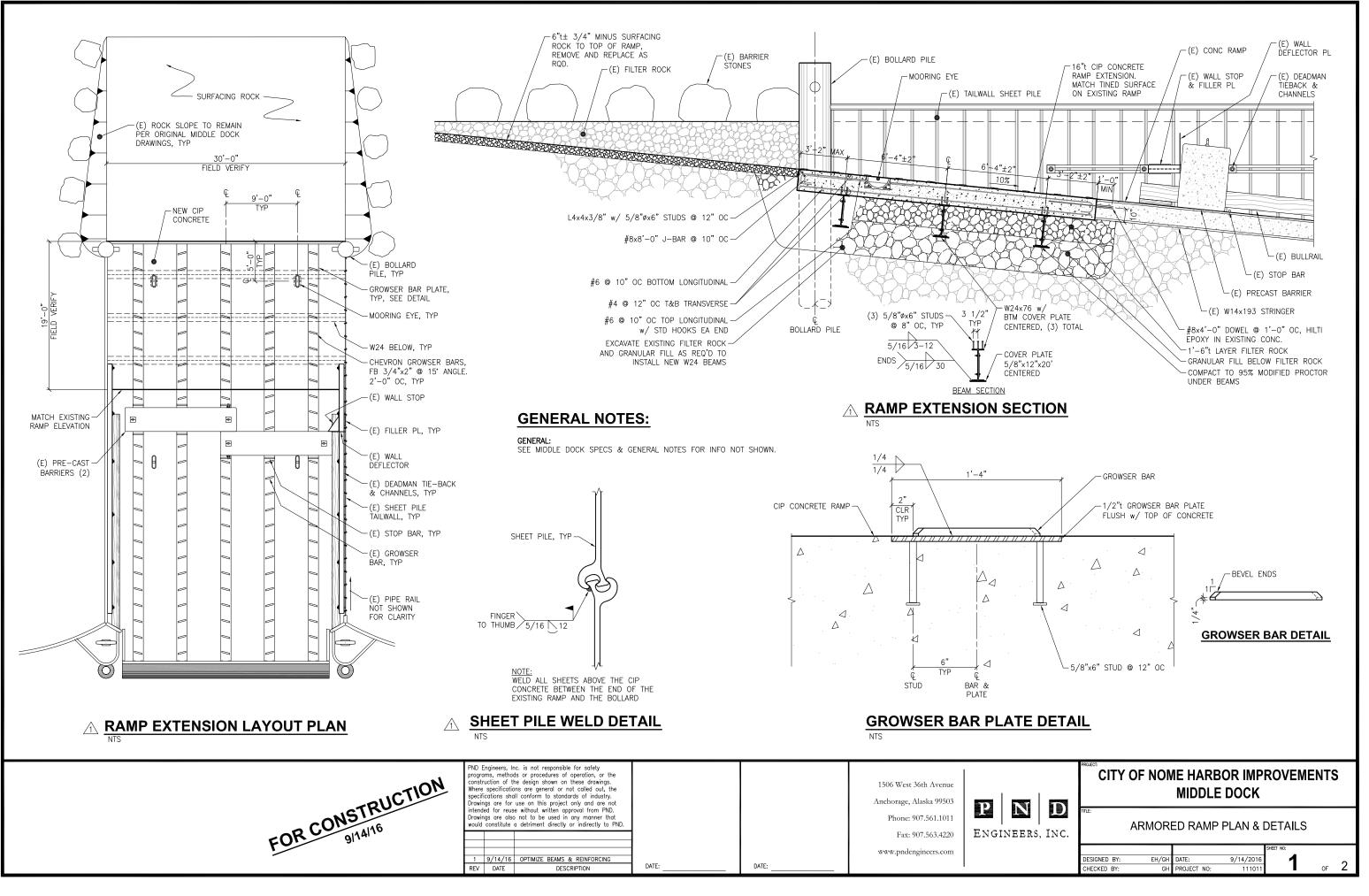
The payments and/or additional time specified and agreed to in this modification proposal include every claim by the contractor for any extra payment, extended overhead or extension of time with respect to the work described herein, including delays to the overall project. The work covered by this modification proposal must be performed under the same terms and conditions as that included in the original contract

 Submitted by:
 Digitally signed by Mark Leick DN: cn=Mark Leick, o=Orion Marine Group, ou, email=mielck@orionmarinegroup.com, c=US Date: 2016.10.15 08:27:31-08'00'
 10/14/16

 AUTHORIZED CONTRACTOR SIGNATURE
 DATE

MAR	RION INE GROUP	ORION MARINE CONTRA NOME MIDDLE DO	СК		MP# DATE:	# 13R1 10/14/2016
DESCR	IPTION: RAMP I	MODIFICATIONS				
DESCR						
THIS M	IODIFICATION INCLUDES RE	CISIONS TO THE RAMP AS FOLLOWS	S:			
1)		CE BEAMS. IT WILL BE NECESSARY <sup>-</sup> E BOLLARDS. SALVAGE AS MUCH FI				
2)	PLACE BEAMS, WELD TO S	SHEETPILE AND BOLLARDS. WELD IN	NTERLOCKS. WELD NELSON STUE	DS.		
3)		R FILL AND FILTER ROCK. IF NEW FI OULD GET IT FROM THE EXISTING C				
4)	FORM UP, PLACE EMBEDS	5, DRILL DOWELS AND POUR CONCR	RETE.			
5)	FIX SIDE SLOPES AND BAC	KFILL TO CONCRETE.				
6)	INCLUDES WELD AND CON	NCRETE TESTING/INSPECTION.				
7)	INCLUDES PLACING 3/4" S	SURFACE COURSE ON RAMP.				
8)		CLUDED FOR SHORT TERM RENTALS ABILITY OR HOTEL ROOMS MUST BI RDER.				
		RES, JOBSITE UTILITY COSTS, SL /ERHEAD, PROFIT, BOND (1%), G				
			COSTS OPTION B			
			LUMP SUM LABOR	\$59,013.00	747	mhrs
			SUBSISTENCE	\$12,699.00	\$17	/PER MHR
			EQUIP	\$43,105.00		
			MATL/FREIGHT	\$59,204.00		
			SUB SUBTOTAL A	\$5,000.00 \$179,021.00		
				¢11 175 00	23%	OF SUBTOTAL A
			JOBSITE INDIRECTS SUBTOTAL B	\$41,175.00 \$220,196.00	2370	UI JUDIUTAL A
			OVERHEAD & MARKUP	\$33,029.00	15%	OF SUBTOTAL B
			TOTAL LUMP SUM	\$253,225.00		



1/111011 Nome Ramp Dock Study/Drawings/Ramp Repairs/01\_02 Ramp Protection Modification 9-14-2016.dwg, 01, 9/14/2016 12:31:07 PN

