

1st Quarter Report



Valdez Ports & Harbors

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Ports & Harbors

Quarter 1

Summary

Staff has been very busy the 1st quarter of 2019 as we begin a very aggressive work plan. This year packed full of exciting new challenges that we look forward to tackling. We have been delayed because we continue to recover from last July's ransomware attack. We have been able to meet our objectives, but have been using some of our overtime reserves to meet our deadlines. We continue to meet customer needs and deliver an experience we are proud of.

Ransomware Recovery

The entire billing staff has been working with the IT and finance teams to bring the entire 2018 financials into our new billing system. This has been an obstacle and was compounded with the addition of an entirely new system for billing. This has delayed the 1st quarter financials for 2019.

Cruise Valdez

The 2019 Cruise Ship Season is less than two months away with the first vessel set to arrive on May 13th! We are excited to welcome them into our new facilities and appreciate the support for the project from both the community and council. We have started to think about a small ribbon cutting ceremony and will be coordinating with the Clerk to get a date on the calendar. The Kelsey Dock is going to be welcoming tourists into our community and providing the community with a place to let loose and have a good time.



Port Operations Manager Jenessa Ables has reported that both Viking Cruise Line and Holland America will be returning in 2020 with the addition of Windstar Cruises who will be joining the line-up.

The Port has also developed a marketing publication targeted specifically to cruise lines which can be distributed in print or digitally and will seamlessly supplement a future Port of Valdez website with marketing packets targeting a variety of user types (i.e. fish freight, private events, military, etc.)

Ports & Harbor Director Talbott will be meeting with additional Cruise line companies and representatives in April at the Sea-Trade conference in Miami, Florida. Several other Cruise Lines have expressed interest and some will be in the area over the summer looking to set up operations for 2020 and 2021.

*Alaska is the hottest market in the cruise ship industry and according to the McDowell Group the City of Valdez is the fastest growing cruise ship Port of call!

Appendix A of this report will include a full cruise ship packet provided to the Ports & Harbor and Economic Development Commission. We have also presented the information to the local business community at two separate meetings with the last being a well-attended Economic Development business lunch on March 19th.



New Boat Harbor Construction Project

Construction crews have been able to work through the winter and we are very close to having the first boats entering the Harbor. You will start to see vessels show up in the new basin in May and we should have utilities and final project close out items by July 15th. Harbormaster Sarah VonBargen has been busy with the ransomware recovery and has shifted her focus towards the opening of the new facilities. We will be working with the City Clerk as information becomes available to host a public ribbon cutting.

Appendix B will be the last two Harbor Construction Reports attached.

Valdez Container Terminal Freight News/Speculation

We have seen a lot of specialty construction cargo moving through the facility and up the Richardson Highway, mostly related to the oil and gas sector.

Mining related chemicals also continue to increase to the mines in Fairbanks.

The F-35 Program has driven an increased volume of construction related materials with several large construction projects already underway and several logistics companies calling for rates to move additional materials over the next two seasons.

The Salmon forecast is for an average season, so we will keep our fingers crossed because this has the greatest influence on our revenue and operating budgets.

Five Separate construction projects involving the VCT have required a lot of coordination to ensure that our customers are effected as little as possible.

- VCT LED High Mast Light Replacement-(nearing completion.)
- VCT and SBH Underwater Repairs-(Set to begin.)
- VCT Electrical Upgrades-(Bid is on the street.)
- Port Security Cameras-(Design)
- VCT Security Gate-(Final Close Out)

We also have some load capacity work out with PND engineering. This is just in time with the recent earthquake up in Anchorage several of the freight companies operating out of the Port of Anchorage have been updating their contingency planning and, like the military, we quickly become high on their list as an alternate strategic port.

Airport

H2O guides has been moved out of their space and Vertical solutions will be moving into the vacated space once some maintenance has been finished in April.



Maintenance crews have been changing out the ballasts and inspecting the lighting systems when not removing snow and moving abandoned property. The Whitney side of the building is prepped and ready if we decide to go forward with the office remodel project this summer.

We will be assisting as needed with the May Fly-In Event on May 10th-12th, this event has seen as many as 3,000 people attend in recent years with multiple world records being broken in the STOL competition. Save the dates!



Small Boat Harbor



When not moving snow or recovering from the ransomware attack the Harbor team has been busy fine tuning the boat lifting procedures and planning for the opening of the New Boat Harbor.

The Harbor team has done a great job keeping vessels afloat this winter catching several vessels that were snow-loaded before they had a chance to go down. We had a small fuel spill from a vessel stored in the upland storage yard that involved the DEC and the vessel owner overseeing clean up and disposal.

Harbormaster Sarah VonBargen will be working closer this year with the fish processing fleets and assisting with fleet logistic needs as we open the new harbor and make room for cruise ships.

Going Green in '19

The Ports and Harbors Departments have always been good environmental stewards of our waterfront, but this year we are going to highlight the accomplishments.

Green initiatives include;

- **LED light replacement/installation** at the Valdez Container terminal, small boat harbor and New Commercial Boat Harbor. (The stevedores have reported increased visibility when under night operations that have increased worker safety)
- **Alaska Clean Harbor Certification/compliance.** There has been several budget cuts at the state level that have delayed the Alaska Clean Harbor Certification of our Boat Harbors. We have been

patiently waiting to hear back from the state for over a year. The Harbor has met and exceeded the state requirements including managing a storm water prevention and pollution plan completed in early 2018. (<http://alaskacleanharbors.squarespace.com/>)

- **Customer Best Management Practices Handbooks.** Have been drafted and delayed from the ransomware attack/ files, we will complete and publish them later this spring.
- **Budgeted Harbor Pump-out Skiff.** (This project is on hold as we wait for additional information on the state budget crisis.)
- **New Harbor Bilge Water Treatment Facility.** The New Boat Harbor once finished will have the capability to accept and process 10,000 gallons of oily bilge water a day, via dock side pump out. With the pump out vessel and this facility we will be leading our industry in environmental stewardship.
- **HAZZWOPER Certified,** the majority of the Ports and Harbors Staff is trained in oil spill response and prevention to the operations level. We stock pile spill response materials and equipment and respond regularly to spills until vessel owners or private contractors can take over clean-up operations.

The Ports & Harbors team has silently climb their way to the top of our industry as environmental stewards and we are going to tell that story this year and recognize the teams effort.

Waterfront Master Plan

The waterfront Master plan contract was approved and three weeks later the Engineering team from PND, ECI, Corvus and McDowell groups embedded themselves into the community to get an idea of how the community wanted to build out there waterfront.

At the end of the week they had listened to the community, reviewed the Ports & Harbors Commissions planning work and filtered through the North Star's visioning materials and were ready to present some concept to the community. Multiple site concepts were presented for feedback from the public and the PND team met with the stake holder group afterwards too work through several options and had general consensus of direction forward.

On April 15th there will be an additional presentation of the same material to allow for further public input on the purposed concepts.

Jeremy Talbott
Ports & Harbors Director