

REGULAR AGENDA - 7:00 PM

I. CALL TO ORDER

Chairman Swanson called the meeting to order at 7:00 P.M. in Council Chambers.

II. ROLL CALL

Commission Members Present:	<i>Chair Mark Swanson Commission Member Colleen Stephens Commission Member Montgomery Morgan Commission Member Ryan Sontag, Jr. Commission Member Alan Sorum Commission Member Stu Hirsch</i>
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Commission Members Absent:	<i>Commission Member Steve Cotter</i>
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Also Present:	<i>Ports & Harbor Director / Staff Advisor Diane Kinney Recording Secretary Keri Talbott Harbormaster Jeremy Talbott Ron Rozak, Arcadis US, Inc Kim Nielsen, R&M Consultants (via teleconference)</i>
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III. APPROVAL OF MINUTES

The regular meeting minutes of April 18th, 2016 were approved as presented.

IV. PUBLIC BUSINESS FROM THE FLOOR

There was no public business from the floor.

V. UNFINISHED BUSINESS

1. Discussion Item: New Boat Harbor Project

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Mr. Rozak presented four alternate design concepts for the New Harbor drive down float configuration. Further blasting and excavation of the east rock outcrop is needed in order to accommodate the drive down float. Mr. Rozak explained the additional rock removal cannot be performed within the current budget. This prompted the design team and Administration to meet and conceptualize four alternate options.

Option #1 omits the drive down float all together, but features a 144 foot float extension on the east end of the head walk. Mr. Rozak said the cost of this option is approximately \$200,000 and would not require any changes to the uplands or federal navigation channels. Mr. Rozak noted that Option #1 does not include any future provision for a drive down float. Ms. Nielsen said no additional funding would be needed to pursue this concept, as it fits well within the budget.

Commissioner Stephens asked for specifics in regards to the drive down float budget. Mr. Rozak said the cost is approximately \$6.3 million including the rock removal at this time. He said it will be an estimated \$5 million for the drive down float and \$1.3 million for rock removal. Chairman Swanson asked if leaving the rock in place would have an effect on the circulation of the Harbor basin. Ms. Nielsen said the original design, approved by the Corps of Engineers, did not include the removal of the west rock outcrop. Therefore, there should not be any implications in regards to leaving the rock. Commissioner Morgan asked what the estimated cost of \$200,000 will cover. Ms. Nielsen said this figure only covers the cost of the float extension itself.

Mr. Rozak said Option #2 features the transfer ramp, drive down float, and moorage floats in the original configuration. No changes to the uplands or federal navigation channel would be needed, but the cost is estimated to be \$9.6 million, including the additional rock removal. Commissioner Morgan asked if the sediment containment berm shown north of the drive down float is included in this cost. Mr. Rozak confirmed it is. Ms. Nielsen said there is the possibility of deferring the portion of the cost associated with the sediment containment berm since it does not necessarily have to be installed right away.

Mr. Rozak said Option #3 is similar to Option #2, but only includes rock removal while deferring the drive down float until an unspecified future date. No changes to the uplands or federal navigation channel would be needed and deferring the drive down float would save an estimated \$5 million. Commissioner Hirsch asked if the installation of utility lines is included in the cost estimate for Option #3, despite the deferment of the drive down float itself. Mr. Rozak said Option #3 includes the cost of stubbing out utilities at the head wall for future development.

Option #4 features a 60 foot by 135 foot drive down float with two 100 foot fingers extending from the east side. Although Mr. Rozak acknowledged Option #4

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results in lost moorage space, he felt there could be some merit in sacrificing slips in order to include the drive down float while remaining on budget. Chairman Swanson asked if there will be a considerable amount of stress on the finger float connections when the drive down float is carrying changing or heavy loads. Ms. Nielsen said this was addressed during the design process with the inclusion of heavy duty transition ramps. She explained the transfer ramp design, noting that the float fingers are not directly connected to the drive down dock. This allows the floats to move up and down with the shifting weight. Mr. Rozak said the cons to this option are a 144 foot reduction in overall moorage and the need to modify the federal navigation channel or shorten the fuel float. Ms. Nielsen said she did not think these changes would pose any major issues or schedule setbacks. She said it would only be a matter of obtaining approval from the Corps. Mr. Rozak said there is a chance Option #4 will still require a minimal amount of rock removal.

Commissioner Stephens asked if modifications would need to be made to the uplands fuel lines to accommodate the additional fuel dock length. Ms. Nielsen said the routing and location of fuel lines and tanks would not need to be altered to include the extended fuel dock in Option #4.

Commissioner Stephens asked if further dredging would be needed on either side of the fuel dock to accommodate the draft of larger vessels. Ms. Nielsen said no additional rock removal should be needed. She referenced the red line show in Option #3, which illustrates where they think rock could be located at -19 tide. With this in mind, Ms. Nielsen explained that rock area north of the fuel dock will be covered by the Corps constructed slope and should not be an issue if Option #4 is selected.

Commissioner Hirsch asked why there is a pedestrian gangway separate from the drive down ramp in Option No. 4. Ms. Nielsen said the alternative option would be widening the transfer bridge to allow for both vehicle and pedestrian traffic, but this would be much more expensive than having the pedestrian gangway separate from the transfer ramp.

Chairman Swanson said there was a 15 percent contingency built into the original project budget. He asked how the cost of rock removal stands relative to the planned contingency. Mr. Rozak said removing the rock to the west would use approximately half of the entire contingency fund. He added that the project no longer has a 15 percent overall contingency since some funding has already been utilized for the additional design development and other unforeseen issues. There is also still some uncertainty with the estimated cost of rock removal.

Mr. Rozak noted the drive down ramp in Option #4 is only 60 feet wide. He asked for any feedback based on experience in regards to the width of the proposed

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drive down ramp.

Commissioner Sorum said he considers the launch ramp and drive down float to be extras. He asked how much funding is wrapped up in the launch ramp and noted the importance of not losing any more moorage. Commissioner Sorum felt the drive down float would be more beneficial than the launch ramp if one had to be chosen over the other. Ms. Nielsen said the Alaska Department of Fish & Game Sport Fish Division Grant covers 75 percent of the cost of the launch ramp.

Chairman Swanson said although the New Harbor is intended to accommodate commercial use, the inclusion of the launch ramp will allow the existing Small Boat Harbor uplands to be better utilized for commercial storage and maintenance. Mr. Rozak said the possibility of excluding one of the three launch ramp lanes has been considered so as not to lose the funding appropriated for this area. Another option discussed was widening the ramp to accommodate a mobile boat lift in this area. Ms. Nielsen said there are lifts up to 75 tons that can operate on a ramp, but that the grade of the ramp may need to be lowered in order for the trailer lift to operate properly. Mr. Talbott said SeaLift quit manufacturing the 75 ton trailer lift and now only offers a 45 ton. Ms. Nielsen said there are other manufacturers that may be worth looking into.

Commissioner Stephens referenced Option #4 and asked whether the two floats extending to the east of the drive down float would be intended for permanent or transient moorage. Mr. Talbott said these slips would likely be for temporary moorage. Chairman Swanson said he thinks the cost of lost revenue is too high. Commissioner Stephens agreed this option limits access to larger vessels which are the very vessels the New Harbor is hoping to attract. Chairman Swanson said while he appreciates the concept of Option #4, the loss of permanent moorage space is unacceptably high.

Chairman Swanson asked if the contingency fund has been used up. Mr. Rozak said currently the contingency fund has not been maxed out. Chairman Swanson stressed the importance of maximizing the facilities with a limited footprint. Mr. Rozak said additional funds in the estimated amount of 3.5 million would be needed to complete the original New Harbor Design including the drive down float and rock removal. Since this amount has not been secured, Administration and the Project Management Team cannot go to bid on a public project with insufficient funds.

Commissioner Hirsch asked if it would be possible to defer the launch ramp rather than the drive down float. Mr. Rozak said this option would most likely go over budget due to the cost of the rock removal for the drive down float. Deferring the launch ramp would not free up the \$3.5 million needed to include the drive down

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float.

Commissioner Stephens asked if the Commission needs to make a recommendation to move forward with one of the four options. Mr. Rozak said a recommendation was not necessary, but any guidance the Commission could provide would be appreciated.

Commissioner Sorum said he understands the need to move forward with the launch ramp since there has been a substantial financial investment in this facility already. After some discussion, he felt the benefit of including the drive down float at this time would not counter balance the amount of lost moorage.

Commissioner Sorum stressed the importance of completing all rock removal while Western Marine is mobilized and on site, with the notion that funding for the installation of the drive down float could be obtained in a couple years as long as the site is completely prepped during the construction of the New Harbor.

Ms. Kinney said a list of deferments was made in the past and it might be a helpful reference. Commissioners and staff discussed different design elements that could be deferred rather than the drive down float. The Commission agreed there is a need to review a comprehensive list of facilities and associated costs in order to prioritize the allocation of funds.

Mr. Rozak said the more pressing issue is whether to approve the additional excavation needed for the launch ramp as is. The cost to have Western Marine complete the dredging in this area is an additional \$200,000. Commissioner Stephens asked if the Alaska Department of Fish & Game Sport Fish Division Grant would be at jeopardy if design modifications were made to the launch ramp design. Ms. Nielsen said the funding is based off a percentage of the overall cost. Although modifications themselves would not affect the grant funding, it is possible the amount awarded could change in relation to the overall cost of the launch ramp.

Commissioner Morgan said everything within the basin needs to be included in the project and constructed while crews are on site, whereas the uplands areas would be easier and more affordable to defer and complete at a later date. Chairman Swanson and Commissioner Stephens both felt it would be appropriate to provide a recommendation to Council in regards to construction priorities and deferments.

Ms. Nielsen referenced the 95% Float Design plans. She said the inclusion of the fish cleaning tables is the most evident update, but that this set of plans also illustrates water and utility lines, float framing, gangway design and launch ramp

excavation in much greater detail than the previous version.

Commissioner Hirsch referenced drawing C3.5. He recalled Mr. Talbott saying he would like to see the pipes above the waterline to allow for easier maintenance and year round usage. Commissioner Hirsch noted the underwater location of the piping in the 95% design and asked if any consideration had been given to making these lines more accessible. Ms. Nielsen said the location of the waterlines had been discussed. Although they decided on the underwater location for the waterlines, the valves can still technically be utilized throughout the winter on a temporary and controlled basis.

Chairman Swanson questioned the plywood float utility tray. He asked if plywood would be a suitable material to withstand a marine environment. Ms. Nielsen said the timber frame will stand up to environmental elements and the plywood is not intended to bear the structural load. She said she has never seen degradation of the plywood to the point of causing major issues.

VI. NEW BUSINESS

VII. REPORTS

1. Water Resources Development Act of 2016

Ms. Kinney said the Sea Otter RV Park area, referred to as Tract G Harbor Subdivision, has made it into the Draft Water Resources Development Act. Capitol Hill Consulting, the City's federal lobbyist, is working to ensure Valdez is included in the final draft of this act, which will release the old Sea Otter RV Park property of navigational servitude. Ms. Kinney said this is potentially great news for future development planning.

Chairman Swanson asked if the draft has been introduced to the Senate. Ms. Kinney said it has.

2. US Army Corps of Engineers Public Notice of Application for Permit - Valdez Small Boat Harbor Dredging

3. Valdez New Boat Harbor Construction Progress Report No. 28

4. 2016 Valdez Fly-In & Air Show Schedule

Ms. Kinney provided the Commission with the 2016 May Day Fly-In Schedule of Events.

5. Alaska Business Monthly Article "Alaska Natural Resources Go To Market"

6. Pacific Maritime Article "Trade with Alaska and Hawaii"

Chairman Swanson said he appreciated the fish freight statistics by community outlined in the article. He said it helped provide perspective on where Valdez stands in comparison to other local markets.

7. Harbormaster Report

Mr. Talbott said Harbor staff has been busy preparing for summer. The uplands maintenance yard is completely full and there is a waiting list. He said he has been working on finishing the stormwater permit process.

8. Ports & Harbor Director Report

Ms. Kinney said the Exclusive Stevedoring Services Permit and corresponding Warehouse Permit will be voted on during the next Council meeting.

The spring munitions move is scheduled for May 18th, pending weather. Ms. Kinney said the barge contract was awarded to Alaska Marine Lines and the trucking portion of the contract has not yet been awarded.

Military Appreciation Weekend is coming up on May 28th and 29th. Ms. Kinney said Sandy Livesay-Moore has retired as the contractor for this event and Doug Desorcie has been hired to coordinate the festivities this year.

VIII. COMMISSION BUSINESS FROM THE FLOOR

Chairman Swanson said due to the cost of diving, Harbor freshwater piping repairs could not be completed with the current budget. He explained that the water pressure is low in the Harbor and also felt there could be some liabilities surrounding any freshwater supply issues. Chairman Swanson asked if the Commission could do anything to call attention to the necessity of completing these repairs during 2016 rather than waiting.

Mr. Talbott said the older side of the existing Harbor has been on hold until the current projects are farther along. He said there is discussion on whether to preform repairs to the existing floats versus saving the money and completely replacing the older floats in the next 5 to 15 years. Mr. Talbott said they will take care of the water pressure issue in the near future regardless of the outcome. The issue of proper fire protection on the docks will be addressed when the floats

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are replaced.

Chairman Swanson said the necessity of these repairs is a wake-up call in regards to budgeting contingency for diving services. Mr. Talbott said he has been working to identify maintenance trends and is planning on making this budgetary request.

Commissioner Stephens asked if there is something the Commission can do to help secure these funds during the mid-year budget process. Ms. Kinney said the City Manager is not planning on conducting mid-year budgetary adjustments as in the past. She was unsure how this process will be handled.

IX. ADJOURNMENT

There being no further business, Chairman Swanson adjourned the meeting at 8:59 P.M.