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Port of Anchorage Commission Meeting
Date: August 15, 2018
Time: 12:03 – 1:15 pm
Location: Port Commission Chambers

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|---------|---------------------|---|
| Present | Port Commissioners: | Brad Kroon, Chair; Bob Pawlowski, Vice Chair; Moire Duggan; Stephanie Kesler; Aves Thompson; Ron Ward; Garret Wong |
| | Staff: | Steve Ribuffo, Port Director; Sharen Walsh, Deputy Port Director; Cheryl Beckham, Director of Finance; Todd Cowles, Port Engineer; Stuart Greydanus, Port Operations Director; Jim Jager, Director of External Affairs; Diane Bickford, Executive Assistant |
| | Guests: | Tom Rueter, AK Maritime; Paul Mehler, Andeavor; Casey Desiderio, Andeavor; Scott DeWandel, ABI; Chris Vernon, North Star; Luke Hasenbank, AK Maritime |
| Absent | Port Commissioners: | Simon Lisiecki; Andrew MacLeod |
| | Staff: | Paul Rotkis |

I. The meeting was called to order at 12:03 pm

- A. Roll Call of Port Commissioners
- B. Self-introductions by those present

II. Safety Minute

Mr. Ribuffo said in an emergency the way out of the building is through the door you entered by. If we have to leave the building go out the door, across the nearest trestle and muster in the lot on the land side.

III. Approval of Agenda

- A. It was moved by Commissioner Kesler to approve the Agenda as submitted; seconded by Commissioner Thompson. The Agenda was approved unanimously.

IV. Approval of Minutes of June 20, 2018

- A. Commissioner Kesler moved to approve the minutes of June 20, 2018 as presented; seconded by Commissioner Duggan. The minutes were approved unanimously.

V. Public Comments

VI. Port Director's Comments

- Mr. Ribuffo passed out Port of Alaska fact cards Mr. Jager had developed.
- The USS MOMSON is at dock and he noted she would be in Port until four o'clock Saturday afternoon.

- Mr. Ribuffo said the ship is playing the role of flagship for an Arctic Maritime Symposium hosted by Joint Base Elmendorf-Richardson. Mr. Jager said there is a tour at three o'clock on Friday and if anybody wanted to join that one to let him know.
- On Friday General Terry O'Shaunessy, Commander of US Northern Command, will be brought to the Port by General Wilsbach and we will talk in more detail about the Modernization Program.

Commissioner Pawlowski suggested talking about the quality of life for the military, that the direct link between the Port and the Commissary is essential to having our junior people able to live in Alaska.

VII. Informational Items

A. Deputy Director - Sharen Walsh

Ms. Walsh introduced herself to the new Commissioners.

- Ms. Walsh said the Port submitted an application for a State Ports and Harbors Grant for 50% funding for the South Floating Dock, the same application we submitted last year.
- The Port Security Grants discussed at the last meeting included three different projects: putting the Municipality's GIS Database in the government cloud, replacing all computers in the Port Security Center and Maritime Firefighting for Land-Based Fire Fighters which is training for Anchorage Fire Department personnel. We expect to hear by early September if we've been awarded grants for any or all of those projects.
- We're closing grants for some of our 2015 projects. The first, Lights and Cameras at the Small Boat Launch, was completed last year. She said we will also put lights and cameras on the North End. The Port is in discussions with JBER about sending a feed to them.

Commissioner Ward asked if there was a way for Port users to link to the camera system; it would be good for operators to be able to see the ice at the dock.

Ms. Walsh said the Port would look into that, it's definitely possible.

- The staff is also working on the Geospatial Information System platform for the Port. We have the software and there's an option to add on to that software so we can have the feed go to select people's computers in addition to the Security Center. But that's a cyber security issue that has to be sorted before that can happen.
- The last grant from 2015 was for gates at Check Point 1. That contract is out to be awarded and by our next meeting we should have the gates installed.
- Next week we will open bids for a contract to replace the motor-operated valves and motors at the Valve Yard.

Commissioner Kroon asked if that project would take both docks out of service.

Ms. Walsh said the contractor is being required to coordinate with the shippers and do the project between deliveries.

- The Wharf Pile contractor mobilized this week.
- ### B. Operations – Stuart Greydanus
- Mr. Greydanus said there are three more cruise ships scheduled for this year.
 - The USS MOMSON arrived and docked without any issues.

- Yesterday Andeavor conducted an exercise simulating a spill at the Port using the Alaska Railroad as their headquarters and he asked Mr. Mehler to discuss it.
Mr. Mehler said it was a “worse case scenario” drill with the State and the Coast Guard. The simulation was a manifold failure on a tanker at POL 2 resulting in 2,600 bbl. of product in the water.
The follow-on to this exercise will be held in November. He said it’s rare to do a worst case scenario but it’s required by statute and this was our opportunity to do it at the dock to see what would happen.
Commissioner Pawlowski asked if there was a contract associated with the drill. Mr. Mehler said Cook Inlet Spill Prevention & Response, Inc. (CISPRI) was lead in the exercise and they actually did the deployments. He said they had planned to test CISPRI’s skimmers but they didn’t come to the dock due to the weather so we deployed small boats, which went fine.
Mr. Greydanus said the Port’s Security Plan mandates that we do three drills a year so the staff decided to turn this exercise into one of the required drills and made notification to all of the Stakeholders.
 - The Port is currently in the process of hydrostatic testing the petroleum lines.
 - The Eklutna Interpretive Site is going up at the Ship Creek Boat Launch area. Ms. Walsh said the project was funded about six years ago as part of a mitigation project for the original Port Expansion Project.
 - The Port has had fuel barges and tankers, a pipe ship, a cement ship and a heavy-lift ship. Mr. Vernon said the pipe ship came in on July 28th with 550 tons of pipe offloaded with the shipboard cranes.
 - Commissioner Pawlowski asked about the new Tariff, that he was concerned about ensuring users had access. Mr. Ribuffo said the day after the Assembly approval, a copy of Tariff 8.2 was sent to all stakeholders as well as being posted online.
 - Commissioner Kroon asked Mr. Greydanus how the PortCall system was working. Mr. Greydanus said it was working well.
- C. Finance Director - Cheryl Beckham
- Ms. Beckham said the meeting packet contained a re-cap of the Port budget through June 30th. She said there was nothing really exciting but it’s all good. Our revenue is on track, we’re paying all the project bills and just making sure we stay within budget.
 - The Municipality is still working on the 2017 Financial Statement preparation and issues. The Port had no issues and is right on track for the 2018 budget.
Commissioner Wong said the litigation expenses are a huge line item and asked when all but the recent litigation will go away. Mr. Ribuffo said when the Port settles with the Federal Government. Commissioner Wong asked if that line item will be that large in the forecasting for next year. Ms. Beckham said the Municipal Attorney’s office has told us we should budget the same amount for 2019, about \$2.5 million, and that would be the last year. Commissioner Kesler asked to be reminded when the Port got settlement payments and what they were booked under. Ms. Beckham said the payments went into Retained Earnings; we received some in 2016 and in 2017, totaling about \$19 million. She said \$1.9 million of that

amount is a restricted settlement until the MARAD lawsuit is settled, set aside and not counted as capital.

Commissioner Kroon asked what part of MARAD's suit is to reimburse the City for legal fees if we win. Mr. Ribuffo said the suit was for reimbursement for damages in whole that we've calculated.

Commissioner Pawlowski asked if there is a projection that we're going to see substantially more revenue involvement in Bulk Liquids. Commissioner Kesler said she wondered also, it's increased in the last couple of years. Ms. Beckham said it has.

D. Modernization Project Update - Todd Cowles

Mr. Cowles used a drawing to point out areas discussed and said the Port is currently focusing on construction.

- Mr. Cowles said the Petroleum & Cement Terminal (PCT) construction has started with soil improvements in the area of the future trestle. We're looking ahead to next year and moving forward with some of the other work related to the PCT. We're in final negotiations with Kiewit-Manson Joint Venture, our construction manager. They're going to provide the transitional dredging for the future terminal next season.

Following this current work we're going to stabilize the South Backlands. That work will also progress next season, as will relocation of the South Floating Dock. As we look to 2020, which is when we want to construct the balance of the Terminal, the South Floating Dock is going to be in the way of future dolphin pilings so we'll need to move it south.

Commissioner Kesler asked who uses the South Floating Dock. Mr. Greydanus said the dredge contractor, the surveyor hired by Manson, and the Fire Department as well as the Port.

Mr. Ribuffo asked if the Port will order the piling before the end of this year and Mr. Cowles said that was the plan.

Commissioner Kroon asked if the Port would be doing off-shore work next year. Mr. Cowles said it would depend; there's still dredging and pile driving associated with the South Floating Dock to be done.

Commissioner Ward asked about the requirement for the Port to do transitional dredging. Mr. Cowles said it was a result of building a facility where currently no dredging is being done. The site needs to be transitioned down about 30 feet which the Port program has to fund. Once there is a dock in that location maintenance dredging will be done by the Corps.

E. Director of External Affairs – Jim Jager

Mr. Jager said the Port finished giving legislative and candidate tours at the end of July.

- Our big project last week was attempting to get on the State Chamber's issues agenda for the Legislature so they're actively backing us during the legislative process. We got the submission done and we're waiting to hear back.
- The Port is in the process of setting up our road show; we're going to start talking about the Port of Alaska and our Modernization Project on the Kenai Peninsula, in the MatSu Borough and in Fairbanks.

Commissioner Wong asked what reaction the Port is receiving from the Legislature about supporting the Port effort. Mr. Jager said it varies by individual.

Mr. Jager said he has been at the Port for two and a half years and when he first got here the typical response was “we’re not going to spend another nickel on the port, you’ve wasted too much money” referring back to the Expansion Project. He said he thought we’ve turned that conversation but nobody has written a check yet.

Commissioner Wong asked the cost of Phase 1. Mr. Cowles said the total cost, for project management, program management, design and construction, is currently estimated at \$200 million.

Commissioner Wong asked if the staff had spoken to the Governor’s Office and what did they think. Mr. Jager said we took the Governor on a tour under the dock.

Commissioner Ward asked if the staff thought we could get Congressional funding when the lawsuit is over.

Mr. Jager said we joke about that but I think that is part of our problem, it’s hard to request money while we’re suing them. If it came in the form of a fast settlement directed to be paid toward the cost of not only repairs but the project that would be fine. He said there is some interest in doing some back-room discussions in Washington to see if that could happen.

Commissioner Wong asked if he meant the City. Mr. Ribuffo said yes, the Port is a City department.

Commissioner Wong asked if the total cost of Phases 1-5 is the estimated one billion dollars. Mr. Ribuffo said that amount included removing a piece of the North End that’s unstable. Mr. Jager said that’s a repair project but we can’t build the Modernization Project without repairing that piece which was done during the Expansion Project.

Commissioner Wong asked if a revenue bond would be on the Municipality’s bonding authority. Mr. Ribuffo said there could be a component that is a public/private partnership arrangement. That’s why we contracted with Capstan Consulting, to help us figure that out.

VIII. Old Business

A. HazMat Parking

Commissioner Thompson said he had nothing to report as he had not been able to coordinate a meeting of the stakeholders. He hoped to do so before the next Commission meeting.

Commissioner Kroon asked if there had been any other issues for the truck drivers. Mr. Ribuffo said there was only the one incident brought to us; there’s been nothing since.

IX. New Business

A. Commissioner Kroon asked about the Assembly Resolution for the Port Tariff. Mr. Ribuffo said it passed unanimously and Tariff 8.2 is in effect.

Commissioner Kroon asked about future ships coming in. Mr. DeWandell said ABI has one cement ship coming in next week, the last one at the end of September. Commissioner Kroon asked how the dome was doing and Mr. DeWandell said very well. Mr. Ribuffo was asked if there would be cruise ships coming in next

year and he said the Port anticipates ten ships though we have not seen a published schedule.

Commissioner Pawlowski asked when there would be an introduction to the Capstan work. Mr. Ribuffo said the Port will have the first formal presentation from them at the end of August. Their contract ends October 19th so that would be a good time for us to give you an update; we ought to have the 90% solution and will certainly have something we can share. He suggested scheduling the next Commission meeting after that date.

X. Commissioners Around the Horn

Commissioner Wong introduced himself and said he has been an Alaskan resident since 1985. He and his wife own a boutique financial planning service company doing financial planning.

Commissioner Ward said for those who didn't know him he is with the Southwest Pilots, was previously a Port Commissioner and is on the Managing Board of the Cook Inlet Harbor Safety Committee. He has been a state resident since 1993, a pilot since 1997 and has been working in the Inlet and the area steadily for 20+ years. He said the Port is near and dear to the Pilots' hearts because it's probably their second largest income stream.

Commissioner Kroon welcomed them both to the Commission and asked if there were any comments from the rest of the group.

Commissioner Duggan welcomed the new Commissioners.

Commissioner Kesler said she was glancing through the Sunset Audit of the Port Commission and noticed that a number of the members had not been reappointed. She said she has some memory of discussing this topic and asked if it was true. Mr. Ribuffo said as far as the Port is concerned you're current; getting the paperwork right is not our responsibility, it's the 8th floor's. He said we'll put together a Resolution for the Assembly Consent Agenda, they pass it and you're done.

Commissioner Kroon said he had just come from the American Waterway Operators Pacific Coast meeting, an organization made up of tug and barge operators. One of the items discussed was funding; they're helping to lobby for funding in Washington state for the Ballard Locks and some other projects, and said they were willing to support us in our lobbying efforts but weren't sure how to do that. He said he would be happy to make introductions. Mr. Jager asked Commissioner Kroon to send him an email.

Mr. Jager excused himself from the meeting but said if anyone wanted an under-dock tour to let him know. He will send out an email with a list of some low tide opportunities.

Commissioner Ward commented he liked the ads with the Rusty WharfPile character talking about the current conditions at the Port.

Commissioner Kroon said the last item is to schedule the next meeting.

Mr. Ribuffo said we could have the Capstan information ready for presentation if you'd like to wait until the later in October. Commissioner Kroon asked if there were any objections to that timeframe; there were none and the October meeting was scheduled.

XI. Next Meeting: October 24, 2018

XII. Meeting Adjourned at 1:15 pm