PORTS AND HARBOR COMMISSION Minutes for Regular Meeting April 17, 2012

I. CALL TO ORDER

Chairman Bruce Painter called the regular meeting of the Ports and Harbor Commission to order at 7:00 p.m. in the Valdez City Council Chambers.

II. ROLL CALL

Commissioners Present: Bruce Painter, Bernie Culbertson, Jeff Johnson, Steve Cotter, and Mark Swanson.

Commissioners Colleen Stephens and Laura Meadors were absent and excused.

Also present: Diane Kinney, Ports & Harbor Director and Karen Feero, Recording Secretary.

III. APPROVAL OF MINUTES - March 20, 2012

The minutes for the March 20, 2012 meeting were approved as presented.

IV. PUBLIC BUSINESS FROM THE FLOOR

There was no business from the floor.

V. STAFF REPORTS

Diane Kinney, Ports & Harbor Director, reported that Steve Waller is out of the office on vacation. The electrical project at the Small Boat Harbor has some issues that need to be addressed before the project is completed. The contractor will be returning to town to complete the project. Ms. Kinney has been informed by the City's Project Manager that the Sea Wall Dock replacement project won't be able to start until summer, so more than likely this will be a fall project that starts after the harbor slows down.

Ms. Kinney announced the Geotech testing and surveying process will start on Hotel Hill for the harbor expansion project. The landing craft dock at the VCT will be surveyed this summer as well.

VI. UNFINISHED BUSINESS

A. Approval of Recommendation to City Council Naming the Rates and Fees for Port Permits, Agreements and Charges and Repealing Resolution 10-19 Formerly Naming Such Rates and Fees

(Postponed from the regular meeting of March 20, 2012.)

MOTION: Commissioner Johnson moved, seconded by Commissioner

Culbertson, to approve the recommendation to adopt Terminal Tariff No. 100-12 setting rules, regulations and charges for the Port of Valdez and repealing Resolution No. 08-17 formerly adopting Valdez Terminal Tariff No. 100-08

Chairman Painter asked when the AT&T lease would be expiring; he did not see that information in the Agenda Statement. Ms. Kinney said their lease will be expiring in 2015.

Ms. Kinney mentioned that with this version of the draft resolution all cell site lease holders will be at the same rate by 2015. She said that at the last commission meeting the discussion got off track with the discussion regarding Copper Valley Telephone's (CVTC) housing of city equipment. That topic has nothing to do with setting the rate.

Commissioner Swanson asked if the city will be able to negotiate with Copper Valley at a later date. Ms. Kinney responded in the affirmative.

Ms. Kinney spoke with Mr. Dengel from CVTC regarding the lease agreement. Ms. Kinney reassured Mr. Dengel that the 5 year extensions will be in the standard lease. There seemed to be a misunderstanding of the proposed lease agreement. Ms. Kinney explained to Mr. Dengel the commission is trying to set the same rate for all cell site leases.

Ms. Kinney suggested extending CVTC's lease until 2015 with the 5 year extensions. This will give CVTC 3 years of knowing what the rate will be or another suggestion would be to have CVTC's lease expire in 2014 and at that time the city will have the new appraisal amount.

Commissioner Cotter asked if there will be another appraisal that will be done in 2014. Ms. Kinney confirmed there would be.

Ms. Kinney suggested having the lease for CVTC end in 2014 and if CVTC did not accept the new rate after the appraisal the company would have the opportunity to cancel the lease. Ms. Kinney also suggested the same for the lease agreement for GCI.

Commissioner Cotter mentioned that GCI would be a one year lease, if the rate was set in 2014.

Commissioner Culbertson suggested the cell site rate to be set at \$750 until 2015 and when the 2014 appraisal is received set the rate again with an effective year of 2015.

Commissioner Swanson felt the cell site lease holders would be in favor of receiving the rate increase information prior to the new rate going into effect.

Ms. Kinney verified that the commissioners were requesting the resolution to have the rate at \$750 per month until the appraisal in 2014 and then revise theResolution in 2015 with the new appraisal rate. Commissioners agreed with this suggestion.

VOTE ON THE MOTION: 5 yeas, 2 absent (Meadors and Stephens). Motion carried.

VII. NEW BUSINESS

There was no new business

VIII. REPORTS

A. Community Strategic Planning

Chairman Painter attended the open house and was impressed with the information that was displayed. He indicated the 10 slips that he was given when he first arrived confused him. The 10 slips were to be placed on projects that were important to each person. He felt this process needed to be explained in more detail, especially since he ran out of the slips before he got to the other side of the room.

Commissioner Swanson reported there were about 73 people that attended the open house and offered input. Commissioner Swanson mentioned there is an on-line survey for the public to take if they were not able to attend the open house. The survey will be on the City of Valdez website until April 30th. The input will be gathered and presented at the next strategic planning meetings on May 5th and 6th.

Ms. Kinney encouraged commissioners to spread the word to the community about the on-line survey. She will forward the link to the survey that the City Manager sent out via email.

Chairman Painter asked if the survey was being advertised for the public to review. Ms. Kinney answered that she was under the impression the city would be advertising the survey but she did not know for sure.

Commissioner Painter was impressed with the information that was provided at the open house. One item he suggested in writing was to keep working on a plan for the former Sea Otter RV Park area.

IX. INFORMATION

A. Valdez City Council Minutes of 3/5/12 and 3/19/12

Commissioner Swanson mentioned while reading the March 5th City Council minutes he was concerned with comments from Mr. Hozey on page 7 regarding the size of the new Coast Guard cutters. The minutes indicate the Coast Guard cutters have grown in length since the beginning of the harbor expansion project and it seems that the Corps was unaware of this change. Ms. Kinney said that the Coast Guard was supposed to have someone in attendance at the Corps meetings to discuss the harbor expansion project, but no one showed up. Ms. Kinney asked during the meeting with the Corps of Engineers what the largest size vessel the new harbor would accommodate. The Corps responded the dredging would be for 100 ft. vessels and smaller.

Ms. Kinney mentioned that in past years there was a discussion regarding the Coast Guard using the former Sea Otter RV Park area for a building and dock. When the harbor expansion discussion started, their bigger ships were not included in plans. Acquiring a place in the new harbor would be problematic since there are size and security issues. Ms. Kinney stated the Corps designed the harbor expansion without having a Coast Guard dock in mind.

Commissioner Cotter commented that the Coast Guard should have been involved in the harbor expansion project. Ms. Kinney said no one has been informed so far as to where the new cutter will be stationed.

Commissioner Swanson mentioned the city has been talking with the Coast Guard regarding the harbor expansion since 2002. He also stated the Coast Guard is building larger vessels in mass quantity in order to replace the existing fleet.

Ms. Kinney said there will be many decisions to be made for the new harbor and the commission will be heavily involved in decision making for amenities that may be needed in the new harbor.

X. COMMISSION BUSINESS FROM THE FLOOR

Commissioner Cotter asked if the Port staff knew how much freight has been shipped over the dock for the City of Valdez. He informed the commission that he was asked by the public how much general supplies are being shipped in on the barge for the city. Ms. Kinney said the city has received large equipment and vehicles over the dock that were purchased by the city, but she did not know about other items.

Ms. Feero informed Commissioner Cotter that the city sends out bids and the company that receives the bid for general supplies ships products however theychoose. There is no requirement in the bid documents for the company to ship via barge to Valdez.

Ms. Kinney mentioned that she has been told that when companies receive quotes for shipping they have found that trucking is less expensive that barging

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the items to Valdez.

Commissioner Cotter requested information on the landing craft dock improvements. He was wondering if city council approved the upgrade.

Ms. Kinney said there are construction funds available with several options for design. She has spoken with Samson, North Star, and AML about the designs for the landing craft dock. It seems the least expensive design would be better to do at this time. She mentioned that once the strategic plan is done she would like to have the commission look at a master plan for the VCT.

Commissioner Cotter would like to see comments from the council regarding commission minutes that are in the council packets. Having the city council acknowledge items the commission discusses would be positive reinforcement for the all commissions to see.

Commissioner Culbertson reported that all seining permits will be used this summer for Prince William Sound and the city should expect more fishing vessels using the harbor this year.

Chairman Painter informed the commission that this will be his last meeting. He said he is moving south to Washington in May. He thanked commissioners for their time and he said that he enjoyed his time on the commission.

Ms. Feero encouraged commissioners to review the new city website. She said there is an area to click on to receive all the updates the city provides to on-line users. Search for the link that is marked "Invite" and then there is the choice to pick the information that is important to you.

Ms. Kinney thanked Chairman Painter for his time on the commission and asked him to submit a resignation letter to the Clerk's Office in order for them to advertise for his commission seat. Ms. Kinney asked the commission to consider who might be interested in filling Chairman Painter's position as the commission chair.

XI. ADJOURNMENT

There being no further business, the meeting adjourned at 8:10 p.m.

CITY OF VALDEZ, ALASKA PORTS AND HARBOR COMMISSION

Bruce Painter, Chairman

ATTEST:

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Karen Feero, Recording Secretary