



City of Bethel
Port Commission Agenda
Rescheduled Meeting
November 23, 2015 - 7 pm
City Council Chambers, City Hall, Bethel, AK



Commissioners

Alan Murphy
Chair

Term Expires 2015
(907)543-2805

Greg Roczicka
Vice-Chair

Term Expires 2017
(907)543-2903

groczicka@hotmail.com

Richard Pope
Port Commissioner
Term Expires 2017

(907)543-1900

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Alisha Welch
Council Member

Term Expires 2017
(907)545-6026

arwelch@cityofbethel.net

Ex-Officio

Peter A. Williams,
Port Director

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Nathan Greydanus
Port Admin

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Allen Wold

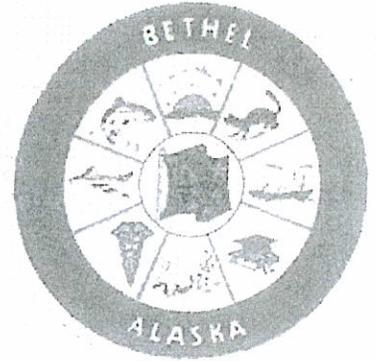
City Dock Attendant
(907)543-2310

awold@cityofbethel.net

- i. **CALL TO ORDER**
- ii. **ROLL CALL**
- iii. **PEOPLE TO BE HEARD**
- iv. **APPROVAL OF AGENDA**
- v. **APPROVAL OF MINUTES FROM THE REGULAR MEETINGS**
APPROVAL OF MINUTES FROM THE REGULAR MEETINGS APRIL 2015, AUGUST 2015,
SEPTEMBER 2015, OCTOBER 2015
- vi. **SPECIAL ORDER OF BUSINESS**
- vii. **DEPARTMENT HEAD COMMENTS**
- viii. **UNFINISHED BUSINESS**
AML's warehouse lease
Abandon Derelict Vessel Task Force (ADV)
- ix. **NEW BUSINESS**
251 East Ave.
- x. **COMMISSION MEMBER'S COMMENTS**
- xi. **ADJOURNMENT**

PORT OF BETHEL

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TO: Ann Capela
FROM: Peter A. Williams- Port Director
SUBJECT: September 2015 Managers Report
Out of the office Oct 11-18, 2015

PORT ADMINISTRATION ACTION ITEMS AND ACTIVITIES

- **SMALL BOAT HARBOR-** Harbor personnel have started to de-mob the SBH for the winter and will be finished by October 15. The harbor will be open for those who wish to use it but harbor personnel will only be on patrol M-F from 8am-4:30pm. I think the SBH attendants deserve a shout out for their work in the harbor this summer. Attendance was way up and they worked well each other. We will picking up skiffs and putting them in *storage for twenty-five dollars a month* as the cold weather moves in.
- **City Dock-** AML's last barge of the season, *the Hawaii Trader*, arrived on 9-22 with 2200T and departed 9-28. Alaska Logistics last sailing has not been scheduled yet, originally due to arrive for Oct. 5, I expect it to be in Bethel by around Oct 15. There still is a large amount of coastal freight that AML will pick up. AML's *Warehouse Lease* expires Oct 15. AML would like to lease the warehouse out for two more years. Their request for renewal will be on Planning Comm. Agenda for Oct. 8th. A request too Affiliated Appraisers for a Building Assessment for this property, on the City Dock, has been made but hasn't been completed. This building is un-heated and has no insulation and AML was the only company willing to pay for 12 mos. a year. It is used during the summer for SPAM orders and in the winter time for storage. The two large wire cranes are hopefully will be removed this month after residing on the dock for 5 yrs. There is 10,000 sq ft of building material and equipment on Beach 1, adjacent to the City Dock, that needs to to various Coastal Communities. This same area will be used later this month too store vessels for the winter in Bethel.
- **BBSP -Jung/Active Parcels-**Mr.Jung has signed off on the Plat and the Actives have agreed to sign it. This is in regards to ROW on East Ave and land needed for the Bethel Bank Stabilization Project
- **Brown Slough-** The two vessels moored in the slough will depart for freeze-up. Hopefully we will re-new our Permit to finish excavating the shallow spots alongside the dock.
- **Slough Shop** at 251 East Ave – a steel floor was finished and insulation an plywood for the walls are being installed with electrical wor to follow later this month. Except for the electrical work port personnel have completed all of the improvements. Once finished this will be the first shop the Port has had to perform work in during the winter months. **Sand Shed** -400 Chevron Rd. – The building was insulated with spray foam by

T&H Leveling. This building is being has been used for storing equipment during the winter. We hope to use too reconstruct the wooden floats in the SBH. We will be able to heat the building to 50 degrees on a " as needed " basis, just enough to work inside during the winter months.

- **Beach 2-** (depending what era you are from are/is also known as Hospital Cove ,Mission Beach , Bootleggers Cove)- This the area is at the end of Standard Oil Rd. where you take a left turn and go down to the river. Recently a barge company have has delivered gravel to this landing and has staged the gravel on the upper portion of the property. The rates as prescribed in the Terminal Tariff are being applied for any commercial activity on this property. In USS Survey 400 there is approximately 10.29 acres that was passed via ANSCA & then was via Quit Claim Deed given to the City for the following uses some not all include; Port Facility (public use); Docks ,wharves, bulkheads, sea walls; combined port and ferry terminals; storing and staging; warehouse facilities and light industrial use.
- **Personnel-** Admin. Assistant Ed Flores is no longer employed and we have hired a new employee to take his place. The SBH attendants will be laid off by October 15th or sooner if they help is not required.
- **Petro-Port** –(Petroleum Dock)- Approximately 6.5 million gals was delivered over the petroleum dock in September. This represents 50% of what we projected FY-16. There is one more barge with a small amount that has not arrived yet. It appears that there is a few deliveries yet to be made to the surrounding villages

Peter Williams
Port Director

CITY OF BETHEL
REVENUES WITH COMPARISON TO BUDGET
FOR THE 4 MONTHS ENDING OCTOBER 31, 2015

MUNICIPAL DOCK

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEARNED	PCNT
<u>INTEREST & PENALTIES</u>					
52-40-403 CITY DOCK-PENALTIES & INT	1,383.80	1,383.80	12,000.00	10,616.20	11.5
TOTAL INTEREST & PENALTIES	1,383.80	1,383.80	12,000.00	10,616.20	11.5
<u>STATE FUNDING</u>					
52-41-410 FY06 PERS INCREASE	.00	.00	15,500.00	15,500.00	.0
TOTAL STATE FUNDING	.00	.00	15,500.00	15,500.00	.0
<u>CHARGES FOR SERVICES</u>					
52-43-402 CITY DOCK-STORAGE	4,828.80	4,828.80	50,000.00	45,171.20	9.7
52-43-404 CITY DOCK-PERMITS	720.00	720.00	3,000.00	2,280.00	24.0
52-43-405 CITY DOCK-WHARFAGE	44,859.39	44,859.39	140,000.00	95,140.61	32.0
52-43-407 CITY DOCK-DOCKAGE	6,692.14	6,692.14	24,000.00	17,307.86	27.9
52-43-424 PETRO YARD - STORAGE	762.00	762.00	2,000.00	1,238.00	38.1
52-43-426 PETRO PORT-FUEL THRU-PUT	83,210.05	83,210.05	500,000.00	416,789.95	16.6
52-43-427 PETRO PORT-DOCKAGE	6,004.21	6,004.21	20,000.00	13,995.79	30.0
52-43-432 SEAWALL-STORAGE	1,152.00	1,152.00	12,000.00	10,848.00	9.6
52-43-433 SEAWALL MOORAGE	.00	.00	40,000.00	40,000.00	.0
52-43-434 SEAWALL DOCKAGE	7,243.29	7,243.29	30,000.00	22,756.71	24.1
52-43-435 SEAWALL-WHARFAGE	432.96	432.96	1,000.00	567.04	43.3
52-43-454 BEACH-STORAGE	.00	.00	30,000.00	30,000.00	.0
52-43-455 BEACH-WHARFAGE	5,848.83	5,848.83	30,000.00	24,151.17	19.5
52-43-457 BEACH-DOCKAGE	5,150.55	5,150.55	17,000.00	11,849.45	30.3
52-43-462 BOAT HARBOR-STORAGE	.00	.00	4,500.00	4,500.00	.0
52-43-463 BOAT HARBOR-MOORAGE	430.50	430.50	25,000.00	24,569.50	1.7
TOTAL CHARGES FOR SERVICES	167,334.72	167,334.72	928,500.00	761,165.28	18.0
<u>LEASE REVENUE</u>					
52-44-467 LEASE REVENUE	4,000.00	4,000.00	24,000.00	20,000.00	16.7
TOTAL LEASE REVENUE	4,000.00	4,000.00	24,000.00	20,000.00	16.7
<u>MISCELLANEOUS</u>					
52-45-462 SMALL BOAT HARBOR STORAGE	641.50	641.50	.00	(641.50)	.0
52-45-464 SMALL BOAT HARBOR PERMITS	1,920.00	1,920.00	12,000.00	10,080.00	16.0
52-45-467 EXTRA WATER CALLS	7,108.50	7,108.50	30,000.00	22,891.50	23.7
TOTAL MISCELLANEOUS	9,670.00	9,670.00	42,000.00	32,330.00	23.0

CITY OF BETHEL
 REVENUES WITH COMPARISON TO BUDGET
 FOR THE 4 MONTHS ENDING OCTOBER 31, 2015

MUNICIPAL DOCK

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEARNED	PCNT
<u>MISCELLANEOUS</u>					
52-49-487 INVESTMENT INCOME	.00	.00	1,000.00	1,000.00	.0
52-49-495 MISCELLANEOUS REVENUE	435.00	435.00	5,000.00	4,565.00	8.7
TOTAL MISCELLANEOUS	435.00	435.00	6,000.00	5,565.00	7.3
TOTAL FUND REVENUE	182,823.52	182,823.52	1,028,000.00	845,176.48	17.8

CITY OF BETHEL
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 5 MONTHS ENDING NOVEMBER 30, 2015

MUNICIPAL DOCK

	ENCUMBRANCE	YTD ACTUAL	TOTAL	BUDGET	UNEXPENDED
<u>DOCK EXPENDITURES</u>					
52-50-501 SALARIES	.00	64,187.89	64,187.89	181,878.00	117,690.11
52-50-502 OVERTIME	.00	527.34	527.34	2,000.00	1,472.66
52-50-508 LEAVE CASHOUT	.00	.00	.00	8,051.00	8,051.00
52-50-510 SOCIAL SECURITY EXPENSE	.00	1,110.99	1,110.99	1,293.00	182.01
52-50-511 MEDICARE FICA	.00	990.58	990.58	2,666.00	1,675.42
52-50-512 EMPLOYEE GROUP BENEFITS	.00	13,200.33	13,200.33	41,761.00	28,560.67
52-50-515 UNEMPLOYMENT	.00	.00	.00	1,471.00	1,471.00
52-50-516 WORKMEN'S COMP	.00	8,817.13	8,817.13	9,900.00	1,082.87
52-50-517 PERS ON BEHALF	.00	.00	.00	11,000.00	11,000.00
52-50-518 PERS	.00	10,295.19	10,295.19	35,427.00	25,131.81
52-50-519 UTILITY BENEFIT	.00	.00	.00	9,768.00	9,768.00
52-50-545 TRAINING/TRAVEL	.00	.00	.00	7,000.00	7,000.00
52-50-561 SUPPLIES	.00	570.64	570.64	4,700.00	4,129.36
52-50-563 WEARING APPAREL	.00	.00	.00	1,300.00	1,300.00
52-50-601 VEHICLE MT	.00	184.37	184.37	4,000.00	3,815.63
52-50-602 GASOLINE/DIESEL/OIL	.00	8,407.69	8,407.69	20,000.00	11,592.31
52-50-621 ELECTRICITY	.00	670.25	670.25	5,000.00	4,329.75
52-50-622 TELEPHONE	.00	186.70	186.70	3,000.00	2,813.30
52-50-623 HEATING FUEL	.00	.00	.00	2,000.00	2,000.00
52-50-624 WATER, SEWER, GARBAGE	.00	.00	.00	12,000.00	12,000.00
52-50-626 WATER FOR BARGES	.00	.00	.00	12,000.00	12,000.00
52-50-642 LEGAL FEES	.00	.00	.00	5,000.00	5,000.00
52-50-643 PLANNING/ENGINEERING FEES	.00	.00	.00	5,000.00	5,000.00
52-50-661 VEHICLE MAINT/REPAIR	.00	.00	.00	10,605.00	10,605.00
52-50-666 MUNICIPAL DOCK MAINT.	.00	4,265.13	4,265.13	7,000.00	2,734.87
52-50-667 MAINT-SEAWALL	.00	5,440.80	5,440.80	7,000.00	1,559.20
52-50-668 MAINT SMALL BOAT HARBOR	.00	214.98	214.98	.00	(214.98)
52-50-669 OTHER PURCHASED SERVICES	.00	1,173.17	1,173.17	20,000.00	18,826.83
52-50-683 MINOR EQUIPMENT	.00	259.99	259.99	4,000.00	3,740.01
52-50-687 LAND/EASEMENT ACQUISITION	.00	9,436.20	9,436.20	20,000.00	10,563.80
52-50-699 XFER TO FLEET REPLACE FUND	.00	.00	.00	25,000.00	25,000.00
52-50-721 INSURANCE	.00	8,873.00	8,873.00	22,000.00	13,127.00
52-50-724 DUES	.00	150.00	150.00	500.00	350.00
52-50-727 ADVERTISING	.00	90.00	90.00	500.00	410.00
52-50-738 BAD DEBT EXPENSE	.00	.00	.00	5,000.00	5,000.00
52-50-775 MUNICIPAL DOCK GRAVEL	73,002.00	66,485.50	139,487.50	135,000.00	(4,487.50)
52-50-776 HYDROGRAPHIC SURVEY	.00	20,000.00	20,000.00	20,000.00	.00
52-50-799 MISCELLANEOUS EXPENSES	.00	.00	.00	250.00	250.00
52-50-990 XFER OUT	.00	.00	.00	300,000.00	300,000.00
52-50-996 ADMIN OVERHEAD-IT SVCS	.00	.00	.00	15,372.00	15,372.00
52-50-998 ALLOCATION ADMIN OVERHEAD	.00	.00	.00	35,028.00	35,028.00
TOTAL DOCK EXPENDITURES	73,002.00	225,537.87	298,539.87	1,013,470.00	714,930.13

SMALL BOAR HARBOR

52-55-501 SALARIES	.00	39,780.97	39,780.97	.00	(39,780.97)
52-55-502 OVERTIME	.00	2,129.54	2,129.54	.00	(2,129.54)
52-55-510 SOCIAL SECURITY	.00	2,238.59	2,238.59	.00	(2,238.59)
52-55-511 MEDICARE FICA	.00	618.82	618.82	.00	(618.82)
52-55-512 EMPLOYEE GROUP BENEFITS	.00	1,650.67	1,650.67	.00	(1,650.67)

CITY OF BETHEL
 EXPENDITURES WITH COMPARISON TO BUDGET
 FOR THE 5 MONTHS ENDING NOVEMBER 30, 2015

MUNICIPAL DOCK

	ENCUMBRANCE	YTD ACTUAL	TOTAL	BUDGET	UNEXPENDED	PC
52-55-518 PERS	.00	1,276.92	1,276.92	.00	(1,276.92)	
52-55-668 SMALL BOAT HARBOR MAINTENANCE	.00	56.98	56.98	.00	(56.98)	
TOTAL SMALL BOAR HARBOR	.00	47,752.49	47,752.49	.00	(47,752.49)	
TOTAL FUND EXPENDITURES	73,002.00	273,290.36	346,292.36	1,013,470.00	667,177.64	

**CITY OF BETHEL PORT FACILITIES
RENEWAL OF LEASE AGREEMENT**

This Renewal of Lease Agreement ("Lease") entered into this _____ day of January 2013, is made by and between the City of Bethel, a municipal corporation organized under the laws of the State of Alaska, located at 300 State Highway, Bethel, Alaska, 99559, ("Lessor"), and Northland Services, a corporation organized under the laws of the State of Washington, whose physical address is ("Lessee"). This Lease is a renewal of the 2011 lease previously in effect between the parties which terminated on July 1, 2012.

TERMS

1. DESCRIPTION OF PREMISES. Lessor leases to Lessee the premises located at the Bethel City Dock, Bethel Recording District, Fourth Judicial District, State of Alaska, and described more particularly as follows:

The Old Northwest Navigation Warehouse with dimension of the warehouse being 80' long x 60' wide (hereinafter "demised premises").

2. TERM. The term of this Lease shall be forty (40) months, retroactive to ("Commencement Date") and terminating the last day of the month of _____ (the "Termination Date").

3. RENT. Rent shall be payable at the rate of \$ _____ (US) per month for the first _____ months. For the _____ months, rent shall be payable at the rate of \$ _____ per month.

Rent shall be due and payable to Lessor on the first day of each month during the term of the Lease. If rent is not received by the 5th of each month, Lessee shall be in breach and Lessor shall have the right to charge a 5% interest for each day in which the Lease is due and/or to seek any and all remedies available to it by law, including, but not limited to, terminating this Lease Agreement.

4. USE OF PREMISES. The demised premises are to be used by Lessee for the purposes of handling and storing Lessee's LCL (less container load) freight. Lessee shall restrict its use of the demised premises to such purposes subject to the terms, conditions, and other restrictions contained in this Lease. Lessee shall not use or permit the use of the demised premises for any other purpose without the prior, express, and written consent of Lessor, or Lessor's authorized agent.

5. RESTRICTIONS ON USE.

A. Lessee shall not use the demised premises in any manner that will increase risks covered by insurance on the demised premises and result in an increase in the rate of insurance or a cancellation of any insurance policy, even if such use may be in furtherance of Lessee's business purposes.

B. Lessee shall not keep, use, or sell anything prohibited by any policy of fire insurance covering the demised premises, and shall comply with all requirements of the insurers applicable to the demised premises necessary to keep in force the fire and liability insurance.

C. Hazardous Substances.

1. Except as provided herein, Lessee shall not use the demised premises for the handling, storage, or to otherwise facilitate transportation of any Hazardous Substance. Lessee shall be permitted to handle and store freight on the demised premises that contains hazardous materials packaged in non-bulk packaging as defined by 49 C.F.R. Ch. 1, § 171.8, as amended. In the event Lessee handles or stores any non-bulk packaging hazardous materials, Lessee shall comply with all laws, rules and regulations respecting the handling, transporting, and storing of hazardous materials in non-bulk packaging, including but not limited to 49 U.S.C. § 5101 *et. seq.*, as amended and the hazardous materials regulations contained in 49 C.F.R. Parts 100-180, as amended. Lessee shall be solely responsible for any and all liability which results from the handling or storing of any non-bulk packaging hazardous materials on the demised premises, including but not limited to all costs of clean-up, legal costs, including all reasonable attorneys' fees and costs incurred by Lessor as a consequence of Lessee's handling or storage of such hazardous materials on, at, or within the demised premise pursuant to this section.

2. Indemnification. In addition to the indemnification provided in Section 22 of this Lease, Lessee shall protect, indemnify, defend and hold harmless Lessor from any and all loss, damage, cost, expense, judgment or liability of any and every kind and description (including without limitation reasonable attorneys' fees and costs) arising or resulting directly or indirectly out of the use, generation, manufacture, production, processing, installation, storage, treatment, handling, release, discharge, disposal or presence of a Hazardous Substance in, on, under or about the demised premises.

3. Hazardous Substance defined. For purposes of this Lease, "Hazardous Substance" shall mean any flammable, explosive, or radioactive material, crude or refined petroleum, or any hazardous, toxic, or dangerous waste, substance, or material, including hazardous materials, defined as such in (or for purposes of) any Environmental Law.

"Environmental Law" shall mean any Federal, State or local law, ordinance, code, regulation, rule, order, or decree, relating to, or imposing liability or standards of conduct concerning the treatment, storage, use or disposal of any Hazardous Substance, including, but not limited to, the Comprehensive Environmental Response, Compensation, and Liability Action (42 U.S.C.A., Sec. 9601, *et seq.*) as amended by the Superfund Amendments and Reauthorization Act of 1986, the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act of 1976, (42 U.S.C.A. Sec. 6901, *et seq.*), the Clean Air Act, the Federal Insecticide, Fungicide, and Rodenticide Act, the Federal Pesticide Act, the Federal Toxic Substances Control Act, the Hazardous Materials Transportation Act, the Emergency Planning and Community Right-To-Know Act, the Safe Drinking Water Act, the Occupational Safety and Health Act, all applicable federal regulations, as amended, and Alaska Statutes, Title 46,

Chapters 03, 08 and 09, as amended, and the City of Bethel Municipal Code ("BMC"), as now or at any time hereafter in effect.

6. WASTE, NUISANCE, OR UNLAWFUL ACTIVITY. Lessee shall not allow any waste or nuisance on the demised premises, or use or allow the demised premises to be used for any unlawful purpose.

7. UTILITIES. Lessee shall arrange and pay for all utilities furnished to the demised premises for the term of this Lease, including, but not limited to, electricity, gas, water, sewer, and telephone service.

8. REPAIRS AND MAINTENANCE. Lessee shall maintain the demised premises and keep them in good repair at Lessee's expense, except that side and rear exterior walls and the roof will be maintained in good condition by Lessor. Lessor shall also repair and maintain the premises, including all utilities, not otherwise damaged by Lessee or resulting from Lessee's neglect. Lessee and Lessor performed an inspection of the demised premises prior to Lessee's occupation thereof. (Refer to original contract between parties)

9. DELIVERY, ACCEPTANCE, AND SURRENDER OF PREMISES.

A. Lessor represents that the demised premises are in fit condition for use by Lessee.

B. Lessee shall surrender the demised premises on the Termination Date, or termination of this Contract if sooner than Termination Date, in the same condition as when Lessee took possession, allowing for reasonable use and wear, and damage by acts of God, including fires and storms. Before delivery, Lessee shall remove all business signs, equipment, structures and goods placed on the demised premises by Lessee and restore the demised premises to the same condition as when received.

10. PARTIAL DESTRUCTION OF PREMISES. Partial destruction of the demised premises shall not render this Lease void or voidable, nor terminate it except as specifically provided in this Lease. If the demised premises are partially destroyed during the term of this Lease, Lessor shall repair them within forty-five (45) days of the partial destruction or as soon thereafter as can be made in conformity with governmental laws and regulations. Written notice of the intention of Lessor to repair shall be given to Lessee within fifteen (15) days after any partial destruction. Rent will be reduced proportionately to the extent to which the repair operations interfere with the business conducted on the demised premises by Lessee. If the repairs cannot be made within the time specified above, Lessor shall have the option to make them within a reasonable time and continue this Lease in effect with a proportional rent rebate to Lessee as provided for in this Lease. If the repairs cannot be made in sixty (60) days, and if Lessor does not elect to make them within a reasonable time, either party shall have the option to terminate this Lease.

11. RIGHT OF ENTRY.

A. Lessor reserves the right to enter the demised premises at reasonable times to inspect the demised premises, perform required maintenance and repairs, or to make additions, alterations, or modifications to any part of the building in which the demised premises are located, and Lessee shall permit Lessor to do so.

B. Lessor may erect scaffolding, fences, and similar structures, post relevant notices, and place moveable equipment in connection with making alterations, additions, or repairs, all without incurring liability to Lessee for disturbance of quiet enjoyment of the demised premises, or loss of occupation of the demised premises.

12. SIGNS, AWNINGS, AND MARQUEES INSTALLED BY LESSEE.

A. Lessee shall not construct or place signs, awnings, marquees, or other structures projecting from the exterior of the demised premises without the prior, express, and written consent of Lessor.

B. Lessee shall remove signs, displays, advertisements, or decorations it has placed on the premises that, in the opinion of Lessor, are offensive or otherwise objectionable. If Lessee fails to remove such signs, displays, advertisements, or decorations within seven (7) days after receiving written notice from Lessor to remove them, Lessor reserves the right to enter the demised premises and remove them at the expense of Lessee.

13. BUSINESS SALE SIGNS. Lessee shall not conduct "Going out of Business," "Lost Our Lease," "Bankruptcy," or other sales of similar nature on the demised premises without the prior written consent of Lessor.

14. NONLIABILITY OF LESSOR FOR DAMAGES.

Lessor shall not be liable for liability or damage claims for injury to persons or property from any cause relating to the occupancy of the demised premises by Lessee, including those arising out of damages or losses occurring on sidewalks and other areas adjacent to the demised premises during the term of this Lease or any extension of such term. Lessee shall defend and indemnify Lessor from any and all liability, loss, or other damage claims or obligations resulting from any injuries or losses of this nature.

15. INSURANCE.

A. Lessee shall obtain, at its own expense, and maintain at all times during the term of this Lease, and shall require any consultant or contractor entering the Property on its behalf to obtain general liability insurance providing at least one million dollars (\$1,000,000) as a combined single limit (CSL) for property damage and bodily injury and two million dollars (\$2,000,000) aggregate. A certificate of general liability insurance must be provided to the Lessor prior to any use of the demised premises for the uses described in this Lease.

B. All insurance required by the Lease must include the Lessor, its officers, agents, and employees as an additional insured and contain a waiver of subrogation endorsement.

C. Lessee agrees to provide no less than thirty (30) days' written notice of cancellation for any material change in coverage.

- D. Lessee agrees to maintain automobile liability insurance in the amount of one million dollars (\$1,000,000) for bodily injury and property damage.
- E. Lessee shall maintain and provide a certificate of coverage to the Lessor of any Workers' Compensation and employers' liability insurance as required by Alaska law.
- F. Lessee shall replace certificates, policies and endorsements for any insurance expiring prior to the termination of this Lease. Unless otherwise provided for in this Lease, Lessee shall maintain such insurance from the execution of this Lease until terminated and the demised premises fully restored.
- G. All certificates and endorsements for any insurance Lessee is required to provide under this section shall be submitted to Lessor and attached to Exhibit A of this Lease.

16. PROPERTY INSURANCE.

- A. Lessor may elect to obtain property insurance for the leased building protecting its own financial interests. Lessee shall not be named or added as a co-insured on such policy nor provided any coverage.
- B. All property belonging to Lessee or others that is in, on or adjacent to the leased premises shall be there at the risk of the Lessee or of such other person only. Lessor and its officers and employees shall not be liable for any loss or damage to such property.

17. ASSIGNMENT, SUBLEASE, OR LICENSE.

- A. Lessee shall not assign or sublease the demised premises, or any right or privilege connected with the demised premises, or allows any other person except agents and employees of Lessee to occupy the demised premises or any part of the demised premises without first obtaining the written consent of Lessor. Consent by Lessor shall not be consent to a subsequent assignment, sublease, or occupation by other persons.
- B. An unauthorized assignment, sublease, or license to occupy by Lessee shall be void and shall terminate this Lease at the option of Lessor.
- C. The interest of Lessee in this Lease is not assignable by operation of law without the prior written consent of Lessor.

18. BREACH. The failure of Lessee to comply with each term and condition of this Lease, the appointment of a receiver to take possession of the assets of Lessee, a general assignment for the benefit of the creditors of Lessee, or any action taken or allowed to be taken by Lessee under any bankruptcy act, shall constitute a breach of this Lease. Lessee shall have ten (10) days following receipt of written notice from Lessor of any breach to correct the conditions specified in the notice. If the corrections cannot be made within the ten (10) day period, Lessee shall have a reasonable time to correct the default if action is commenced by Lessee within ten (10) days after receipt of the notice and Lessee takes steps to correct the default as soon as reasonably practicable.

19. REMEDIES OF LESSOR FOR BREACH BY LESSEE.

No right or remedy conferred by this Lease is intended to be exclusive of any other right or remedy provided by this Lease or by law. In addition to other rights and remedies provided by law, Lessor shall have the following remedies in the event Lessee breaches this Lease and fails to make corrections.

A. Lessor may reenter the demised premises immediately and remove the property and personnel of Lessee, store the property in a public warehouse or at a place selected by Lessor, at the expense of Lessee.

B. Upon reentry, Lessor may terminate this Lease on giving thirty (30) days' written notice of termination to Lessee. Without such notice, reentry will not terminate this Lease. On termination, Lessor may recover from Lessee all damages proximately resulting from the breach, including, but not limited to, the cost of recovering the demised premises and the balance of the rent payments remaining due and unpaid under this Lease.

C. After reentry, Lessor may re-let the demised premises or any part of the demised premises to a new lessee for any term at such rent and on such terms as Lessor may choose. Lessor may make all reasonable alterations and repairs to the demised premises at Lessee's expense. The duties and liabilities of the parties if the demised premises are re-let shall be as follows:

1. In addition to Lessee's liability to Lessor for breach of this Lease, Lessee shall be liable for all expenses of the re-letting, for the alterations and repairs made, and for the difference between the rent received by Lessor under the new lease and the rent installments that were due for the same period under this Lease.

2. Lessor, at its option, shall have the right to apply the rent received from Re-letting the premises (a) to reduce Lessee's indebtedness to Lessor under this Lease, not including indebtedness for rent, (b) to expenses of the re-letting and alterations and repairs made, (c) to rent due under this Lease, or (d) to payment of future rent under this Lease as it becomes due.

3. If the new lessee does not pay a rent installment promptly to Lessor, and the rent installment has been credited in advance of payment to the indebtedness of Lessee other than rent, or if rentals from the new lessee have been otherwise applied by Lessor as provided for in this section, and during any rent installment period, are less than the rent payable for the corresponding installment period under this Lease, Lessee shall pay Lessor the deficiency, separately for each rent installment deficiency period, and before the end of that period. Lessor may, at any time after such re-letting, terminate this Lease for the breach on which Lessor based the reentry and re-let the demised premises.

D. After reentry, Lessor may procure the appointment of a receiver to take possession and rents and profits of the business of Lessee. If necessary to collect the rents and profits, the receiver may carry on the business of Lessee and take possession of the personal property used in the business of Lessee, including inventory, trade fixtures, and furnishings and use them in the business without compensating Lessee.

20. ATTORNEY FEES.

If Lessor files an action to enforce any provision or term of this Lease, or for breach of any covenant or condition, Lessee shall pay Lessor all attorney's fees and costs reasonably incurred by Lessor to enforce this Lease.

21. INDEMNITY.

Lessee shall defend, indemnify and hold harmless Lessor, including its elected and appointed officials, officers, employees, legal representatives, consultants, agents, and assigns from and against any and all demands, claims, causes of action (whether in the nature of an action for damages, indemnity, contribution, or otherwise), actions, damages, fines, penalties, judgments, costs and expenses (including without limitation costs of defense, settlement, and reasonable attorney's fees), charges, forfeitures, liens, and liabilities or losses of any nature or kind whatsoever, including, but not limited to, personal injury, property damage and wrongful death (collectively "claims"), arising or resulting directly or indirectly from (1) a breach of this Agreement by Lessee; (2) a misrepresentation by Lessee; (3) an act, negligent or intentional, or error, or omission of Lessee; or (4) Lessee's operations or use of the Dock or the Facilities; except to the extent that any portion of any such claim arises from an act or omission of the Lessor or arises from a structural defect in the Dock. For purposes of this section, "Lessee" shall include Lessee's officers, employees, agents, contractors, subcontractors, invitees, customers, or assigns, and their respective employees, agents, contractors, or subcontractors directly responsible to Lessee for any activity or services rendered on the demised premises. All the foregoing rights to indemnification shall survive the expiration, abandonment, termination, or early termination of this Lease.

22. CONDEMNATION.

Eminent domain proceedings resulting in the condemnation of a part of the demised premises, but leaving the remaining premises usable by Lessee for the purposes of its business, will not terminate this Lease unless Lessor or Lessee, at its option, terminates this Lease by giving written notice of termination to the non-terminating party within 30 days of receiving notice of commencement of the eminent domain action. The effect of any condemnation, where the option to terminate is not exercised, will be to terminate this Lease as to the portion of the demised premises condemned, and the lease of the remainder of the demised premises shall remain intact. The rental for the remainder of the lease term shall be reduced by the amount that the usefulness of the demised premises has been reduced for the business purposes of Lessee. Lessee assigns and transfers to Lessor any claim it may have to compensation for damages as a result of any condemnation.

23. OPTION TO RENEW.

Lessor grants to Lessee an option to renew this Lease for two (2) years, with all other terms and conditions of the renewal lease to be the same as those in this Lease unless otherwise agreed by the parties in writing. To exercise this option to renew, Lessee must give Lessor written notice of intention to do so at least 180 days, per

BMC 4.08.050, before this Lease expires. If the Lease term expires pending renewal in accordance with this section, the parties may continue month-to-month until a new lease is entered. During this holdover period, the terms of this Lease shall remain in effect and Lessee shall continue to pay rent at the rate set forth in section 3 of this Lease.

24. WAIVER.

The waiver by either party by default in the performance of any term or provision of this Agreement will not be construed as a waiver of any subsequent default in the performance of any term or provision of this Agreement.

25. GOVERNING LAW.

It is agreed that this Lease shall be governed by, construed and enforced in accordance with the laws of the State of Alaska and the City of Bethel.

26. VENUE.

The venue for any action brought to enforce this Lease shall be brought in the Superior Court for the Fourth Judicial District of the State of Alaska located at Bethel, Alaska or other state superior court as agreed to by the parties, or, if federal jurisdiction applies, in the United States District Court for the District of Alaska, located in Anchorage, Alaska.

27. ENTIRE AGREEMENT.

This Lease shall constitute the entire agreement between the parties. Any prior understanding or representation of any kind preceding the date of this Lease shall not be binding upon either party except to the extent incorporated in this Lease.

28. MODIFICATION OF AGREEMENT.

Any modification of this Lease or additional obligation assumed by either party in connection with this agreement shall be binding only if evidenced in a writing signed by each party or an authorized representative of each party.

29. SEVERABILITY. If any part, article, paragraph, sentence or clause of this Agreement is not enforceable, the affected portion shall be curtailed and limited only to the extent necessary to bring it within the requirements of the law, and the remainder of the Agreement shall continue in full force and effect.

30. UNDERSTANDING OF THE PARTIES.

This Lease has been jointly negotiated and drafted by the parties and both parties have had the ability and opportunity to consult with legal counsel prior to execution of this Lease. In the event of a dispute arising out of this Lease, the terms of the Lease shall not be construed for or against either party. Each party states that they fully understand the same and signs this Lease as their own free act without any duress.

31. COUNTERPARTS. This Lease may be executed in counterparts, each of which shall be deemed an original, and, when taken together with other signed counterparts, shall constitute one Agreement, which shall be binding upon and effective as to all

parties.

32. NOTICES.

A. All notices, demands, or other writings that this Lease requires to be given, or which may be given, by either party to the other, shall be deemed to have been fully given when made in writing and deposited in the United States mail, certified and postage prepaid, and addressed as follows:

To Lessor:

City of Bethel
ATTN: City Manager
PO Box 1388
Bethel AK 99559-1388

To Lessee:

ATTN:
PO Box 24527
Seattle WA 98124

B. The address to which any notice, demand, or other writing may be given or made or sent to any party as above-provided may be changed by written notice given by such party as above-provided.

33. BINDING EFFECT.

This Lease shall bind and inure to the benefit of the respective heirs, personal representatives, successors, and assigns of the parties.

34. TIME OF THE ESSENCE. It is specifically declared and agreed that time is of the essence of this Lease.

35. PARAGRAPH HEADINGS.

The titles to the paragraphs of this Lease are solely for the convenience of the parties and shall not be used to explain, modify, simplify, or aid in the interpretation of the provisions of this Lease.

36. AUTHORITY.

By signing this Lease, the undersigned represent that they are authorized to execute this Lease and bind the parties and their respective officers, directors, employees, agents, heirs, successors and assigns hereto, and that they have not assigned any claim covered by this release.

37. EFFECTIVE DATE.

This Lease shall take effect on the date of both parties have executed this Lease. In the event the Lease is executed in counterparts, the Effective Date shall be the date upon which the final party to this Lease signs below.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

In witness whereof, each party to this Lease has caused it to be executed on the date below.

LESSOR:

CITY OF BETHEL

LESSEE:

NORTHLAND SERVICES

By:
Its: City Manager
Date:

By: Larry Keith Stauffer
Its: President
Date:

**Exhibit A to the
City of Bethel Port Facilities
Renewal Lease Agreement**

Certificate of Insurance

The certificates of insurance required by Lessee pursuant to Section 16 of the Lease Agreement shall be attached hereto.

Ad-hoc Alaska Abandoned & Derelict Vessel Task Force Meeting Summary - FINAL

Tuesday, October 27, 2015

10 AM - 4 PM

Anchorage, AK

ACTION ITEMS are in **RED**

Action Items from the meeting are summarized in the table below. PLEASE REVIEW.

WHO	WHAT
ALL	Send Rachel pertinent information you have on Steamboat Slough
ALL	Review the ADV database and collector tools and provide Wyn with feedback on menus, user interface, etc.
ALL	Send VOC report forms to your colleagues and encourage their use!
Bryan	Get more information from the Marine Adjusters of Alaska on vessel insurance questions
DNR/Kyle (IT)	Draft and send Rachel a brief memo outlining the estimated hours needed to complete a robust legacy ADV database from the records available.
Holly	Get Rachel the legislative history on Article 3
Holly/Katie	Set-up one-on-one short conversations with Task Force members to garner feedback
Holly/Katie	<ul style="list-style-type: none"> • Review riparian right laws regarding private landowners • Look into the definition of 'waterways' and revise keeping in mind the DNR definitions and the issues with the term 'navigable' • Look into options for post-impoundment hearing timeline • Provide more feedback to the group on definitions of 'Ownership' and 'Operator'

	<ul style="list-style-type: none"> Look into the term 'nuisance' as it may or may not be pertinent in state statute.
Mike	Ask about single vs. multiple agencies with enabling authority in statute
Rachel	Check with private industry on Article 3
Rachel	Re-send out the Northern Economics ADV cost report to the Task Force

A participant list is included at the end, including emails and phone.

Introductions and Overview

Participants went around the table to introduce themselves and their agency/roles. The group reviewed the agenda and Wyn provided a safety overview for the meeting space.

Updates and Action Items

Rachel reviewed action items from the previous meeting (August 19) and asked leads for updates on each.

NOAA ADV Project (Wyn). Case studies were selected by NOAA, and their national ADV Info Hub should be live online in the next few months.

ADNR ADV ListServ (Jusdi). Jusdi hasn't sent out a test email, however she's also not receiving any new VOC reporting forms. There is interest from several legislators and others as to how to engage the public, and although this will hopefully be a good avenue at this point the mapping component probably needs to be live to show people there is some result from sending information. Everyone should encourage co-workers/agency folks to utilize, and consider outreach to tribes and villages through IGAP (perhaps Bob with EPA would be a good person to help with that outreach?), Bryan will encourage AAHPA members to utilize – all should include photos whenever possible. **Rose will send out a copy to the Watershed Council.** The VOC Report form can be found on the ADV webpage on the Clean Harbors website: <http://alaskacleanharbors.org/resources/harbor-management/derelict-vessels/>

Database (DNR) - All ADV data have been entered into the database that has come in so far on the new VOC report forms. Task Force had given some feedback at the last meeting on how to modify the drop down menus, etc. Jusdi showed an example map from Steamboat Slough that pulled information from the database. Each dot you can click on for the information included on the reporting form. Photos are also attributes when you have them. Database is internally live, but not pushed out yet. Some questions about permissions to modify, etc. Don't need to collect information on vessels already in the area, but gives you the opportunity to see what's recorded to be there, and also update if there are new conditions to note. Would be good to be able to note site visits over time and update the records, especially if vessels are moving from one jurisdiction to another (i.e. harbor to DNR land). Alissa asked about the vessels recorded in Steamboat Slough - 33 vessels identified/recorded in 2014. Wyn clarified that if a vessel is pushed all the way up on private land, it's not a high concern for DNR but they would note it if they had time/saw it. But if there is any connection with DNR lands they would have recorded it. Steve noted that identified vessels were all done before anyone tried to establish ownership/land ownership. Entry of vessels into the database is open to all stakeholders/landowners, not just

for DNR tidelands etc. AFE might be a great timeline for getting pushed out the door. **Rachel will check back in with them about having it live by early-Feb, and will check in on a demo account for people to sign in to. Rachel will wrap around to get a memo from Kyle/DNR on creating a legacy database.**

File Sharing (Rachel) – It sounds like agencies are able to use YouTube now. Think they can use Wikishare. Rachel can put large files on the website at this point.

Steamboat Slough - Rachel gave an overview of the status of pulling together information on Steamboat Slough and the current NOAA funding opportunity (due Nov2). At this point the deadline won't be met for putting in a proposal, but we're getting closer to understanding what products and information are needed to help DNR move forward. Wyn - DNR is the landowner out there, they are still looking at a litigation strategy. If they go to court and ask for the RPs to remove their vessels, the court is going to ask how much will that cost and how? So for a product, having salvage and removal cost estimate and methodology would be very helpful. Delta Chief & Shenk's Ark are clearly the most important/highest priority (in the channel and submerged). Rachel suggested getting more prioritized vessels from the list of 33 out there, looking for a total of maybe 8-10 representative vessels to include in a cost estimate, which would help lower the initial project costs. Steve had been quoted ~ \$25k from Magone to land in Bethel and go take a look at the Delta Chief. Cost for actually removing those vessels will be quite large. DNR has sent trespass notice to all vessels. Walsh gave a \$100k price tag for pulling out the vessel at cost to make the thing go away to Greg. Steve - problem is that the dispute exists that he put the barge there, and so even if he's not the 'owner' not ready to pay him to take it out if it sank under his watch. Alissa asked if it would be possible to ask someone else to pull it out and pay them. Wyn - DNR could take custody and take care of it, then duke it out later as far as who takes care of the bill. Issues: money has to put up front and DNR doesn't have the money to do it. Still have to have the money for going to court to pay for the legal battle. No bond and no insurance. Steve - most of the barges are unregulated, uninspected, uninsured. Permits do require bonding, but almost none of them have permits (Crowley is an exception). DNR is looking to reject permit applications from certain companies because they have trespass notices out there.

Rose asked if the removal of Shenk's Ark could be a "special project" to train people how to remove a vessel that sunk? Ideas were floated to partner with corporate/private folks in the area to get some outside funding (mitigation). Steve – it would be great if the community would provide laborers/techs, but there's also economic opportunity for getting folks trained on management/coordination aspects of these projects. Certified emergency responders, etc.

Rachel asked what the best role is for the Task Force moving forward. Rose - Murkowski talked about getting the villages getting a barge to collect trash from multiple areas, etc., which could be used for cleaning up derelict barges. The group discussed the limitations under current state statutes, and how they're not as straightforward as some municipal codes. Wyn - ultimately, DNR is going to have to go through legal steps to resolve. Understanding what type of cost to get the barges out will help, and putting money on the ground to take vessels out will need some base money put down on the table. Having multiple agencies on board with putting skin in the game will be very useful for any funding requests. City of Bethel boundaries - Steamboat Slough is not in the city limits, but in the 'sphere of influence' clarified from Peter. **Rachel asked folks to continue getting information to her on Steamboat Slough information. As a Task Force effort, she will continue to pull together a broad package of information on Steamboat Slough. At that point, funding will need to be procured by a more appropriate entity (i.e. Cook Inletkeeper is not the appropriate entity for managing a project for acquiring cost estimate for salvage of vessels in Steamboat Slough).**

ADV State Statute (30.30) Revision

Rachel gave an overview of the statutes and where we currently stand. The group discussed the need for 'stopping the bleeding' and preventing continued accumulation of ADV.

Holly then stepped everyone through the 30.30 statute revision as presented in the meeting packet. Feedback is critically important from Task Force members.

General notes from the current draft of 30.30 revisions:

- We are not focusing on order at this point.
- This document starts with the bare bones provision.
- Derelict vessel unlawful was wrapped back in (30.30.095). Holly did revise for the definition changes. Greg noted that 'upon waters' should maybe wrap further to include under/on/etc. Rachel reviewed previous discussions regarding pulling out of the 'abandoned' term and process and put under 'derelict' to maintain consistent language and process throughout statute.

The group then discussed the current Article 3 at length. Not sure why there's a statute section for private businesses. HB131 just added municipalities, didn't change anything. Mike surmised that private businesses were established on DOT leased properties, and wanted to have some inclusion under statute when it was originally drafted. DNR gives leasees (i.e. Burkeshore Marina on Big Lake) authority to operate a marina on state land, and probably does need to keep some protection for those businesses. Similar to WA - if you are a marina operating on state waters, you will be held to these standards dealing with ADV. As a private landowner they have action & enforcement opportunities that don't exist for the state in their privately owned uplands. Holly would like to take a stab at Article 3 to reframe in an obligation approach on state/muni lands where there's a lease (insurance requirements, etc). What about privately owned boatyards? Holly - any vessel operating in the state that may hit the water should be considered as to what we can reasonably expect a business owner to enforce/require, even just for ownership information. Haul-out operation (i.e. Northern Enterprise) is a contract between two private parties. Northern is allowing a vessel to come up into their yard.

The group then discussed making Article 3 more general and make specific to state/muni tidelands leases. **Rachel will go and check with private industries to see what their thoughts are on the Article as it currently stands (Holly will get Rachel the legislative history on Article 3).** Bryan thinks they protect themselves pretty well. Pete - there are a lot of private property owners in the Slough, may be helpful for them if it were broadened to include private property that isn't a business. The definition in 30.30.090 includes private property. Private property owners don't need anything under this statute as there are other avenues available. However the Task Force might consider maintaining some interest in derelicts on private property as there's some strange examples out there of areas ceded to private interests in the state. Holly noted that private landowners aren't bound to the same federal admiralty law, except when the boat isn't fully destroyed there are still liens held against it. Rachel noted FEMA and private property access to ADV funds as places where private landowners are engaged in the state statutes in other states. **Holly will confirm riparian right laws regarding private land owners (rivers etc).** Wyn - in state statutes DNR definitions include tidelands, submerged lands and shorelands (inland navigable waters). Federal law has different definitions. The group discussed the concept of "Navigability", which is a messy term with a lot of different definitions. May be a better idea to just say under state/muni ownership. USCG there are different definitions of "navigable" for pollution vs waterways management. Currently the definition of "waters of the state" is maintained from the previous legislation to maintain DOT jurisdiction (AS 44.03). Wyn - if you want the most global definition, the state's "rubber ducky rule" means waters for any recreational purpose = navigable waters. Covers lakes, rivers, streams, etc. The state 38.05.965 is the state definition that is probably the most broad you'll find. Tony - waterways management goes

more with what the Corps says which is very specific and limiting. USCG pollution side is basically the 'rubber ducky rule', but obstructions to navigation etc. is within the Corps definitions. Wyn - who are you writing the legislation for? Corps and USCG don't need it - state and munis do, and so that's really all that matters, but want to have some feedback from the feds to understand/avoid boxing in.

Holly is pretty sure that 'waterways' under 30.30 right now includes the definition of navigable and will look into that further, as well as the DNR definitions of tidelands, submerged and shorelands, and the other items discussed above with an overall aim of keeping 30.30 broad.

Holly then noted that the hearing process must be addressed in revised statute. Page 7 - Right to Impoundment Hearing – she attempted to keep this as simple as possible, trying to create an overarching umbrella that specifies there's a right to a hearing. Municipalities would likely to best maintain their administrative hearing process, as would individual state agencies. You have to have a pre-impoundment hearing unless you have a clear and present danger at which point you have to have a post-impoundment hearing. One of the purposes of making 30.30 apply to municipalities is that many small ones need coverage under the statutes, but don't want to tie the hands proceeding-wise for agencies. Need flexibility for agencies and larger municipalities. Holly's question - can we do the minimum in statute, or do we need more detail to help those without administrative process in place? Wyn - the broader approach allows the municipalities to do their own way, and the state can adopt regulation to do their approaches. Marrying that all in the statute will be messy, but at the same time we don't want to lose sight of the basic requirements. Keep in the legislative record as to the 'why' - maintain the admiralty law requirements. **Make as flexible as possible given case precedent etc and move forward with the outer threshold. Post-impoundment hearing timing – Holly will look further into what the options may be (more than 48hrs).**

Mike suggests adding a definition of "Commissioner". An agency can enact regulations if you have a specific state agency named as the authority to further interpret without going back to the legislature. Holly noted there should be an enabling statute to enable commissioner/agency to enact regulations etc. and to expand upon for municipalities to deviate (i.e. go above & beyond) – this was noted to be understood under all state law. Steve - careful narrowing down to DNR too specifically as the authority, because it takes away imperative for other agencies to share the burden. Mike noted that all agencies should have statutory authority, but the ability to create regulations must be granted. Not sure if that has to be a single agency or if it can be multiple agencies. **Mike will ask the question and report back as to if you can have a single agency to write regs or multiple agencies with enabling authority.** Once we have the answer, then we can get further down into enforcement and authority for implementation of statute.

Steve noted that the new 14 day haz mat statute (HB131) was taken out in the most recent revision under the definition of 'abandoned'. Careful to not reduce the ability of multiple agencies to work together (i.e. that helps DEC and ADF&G work together on permitting).

The group then began looking over the memo provided by Holly and Katie that included an overview and responses to concerns raised in the Juneau Empire regarding the sinking of the M/V Challenger in Gastineau Channel. The memo looked at the overall challenges and the tone in the articles/letters from the Juneau Empire

Insurance challenge. If we provide insurance requirements for our vehicles, why is it that vessel owners can avoid such requirements?

The group had a lengthy discussion regarding vessel insurance which is recorded at length below, with the goal of preserving the thoughts and discussions had to-date as this is an ongoing topic for consideration.

Insurance Summary:

- Because of the remoteness of the coastline/ivers, lack of roads/infrastructure, and other challenges, a vessel doesn't have to be particularly large or old to be a "high risk" or potentially very expensive ADV.
- Multiple agencies/municipalities may connect with a vessel owner for various reasons (moorage in a harbor, ADF&G fishing permit, ADNDR permit for mooring on state tidelands, etc).
- There are no title requirements for boats in Alaska.
- Only three states in the country require boat insurance (one of which is WA).
- Not all vessels would comply with insurance requirements (i.e. small skiffs in rural AK). Where to set a bar for requiring insurance is a big question. Right now put a place holder of 35', but do more homework to figure out what makes the most sense.
- No insurance policy is likely going to cover everything, but some insurance requirements may raise the bar for vessel ownership and transfer to help reduce ADV creation.
- AK could require vessel registration, and at that point require insurance, however there's no state in the country that requires USCG documented vessels to also be registered with the state. That will remove a fairly large portion of vessels from the potential pool.
- We don't currently have any transfer of ownership laws in place for vessels.
- For enforcement, although there may not be one place where someone has to show proof of insurance there would be many opportunities spread out among various agencies/entities.
- What would be a penalty for failure to have insurance?
- Insurance isn't going to solve all problems, and still have a serious issue to face in the 'cradle to grave' appreciation of a vessel's life. Many states are turning to Voluntary Vessel Turn-In Programs (VTIPs).
- Hull and pollution policies are likely more important to the issue of ADV than liability.
- Need to have a better understanding of where a cutoff might exist for larger/higher risk/more expensive problems. Look at current ADV database, Northern Economics study, talk with the Marine Adjusters of Alaska.
- This is very much an ongoing topic for consideration.

It may be possible to craft some real requirements here without offending Alaskan 'freedoms' of vessel ownership, as we already pay insurance on a lot of our other things. With that being said, only three states require boater insurance. Many states have very lengthy educational documents, but don't require insurance. Tone is a big deal - paying attention to WA is important as they are our closest neighbor. They had a very strong public education campaign that followed in tandem with the House Bill on the floor. We can take their public documents and rifle through that for where we like/don't like etc.

Start with looking at WA statutes - 79.100.170 which requires insurance for vessels of a certain age/size class, considered to be a higher risk. Tony noted that from a pollution response perspective, the costs are exponentially higher up here for all vessels because of their remoteness. You could have a 30' vessel with a larger price tag than a 65' vessel. Steve agreed, and most of the ADV in Southeast are smaller and younger vessels. Seiners generally have insurance (they have an insurance pool), pleasure boats with a loan from the bank have insurance, etc.

How do you get to vessel owners who have USCG documented vessels? Wyn - ownership question. Make everyone (incl. USCG documented vessels) register with the state, or have either/or. You could say 'at this point that you do something with your vessel', you have to prove insurance. Steve - the state steps in when the boat isn't mobile. Opportunity with the 14 day permit requirement - using the Leading Lady/Kupreanof, if you're going to anchor in CHA or in state lands for over 14 days you need a permit and to get that permit you should need insurance. Doug - the intent of the WA law that requires vessels to have insurance at point of transfer was

probably to catch those vessels that are uninsurable and stop them from being sold. Fishing in Alaska waters have ADF&G sticker.

In WA, they rely heavily on the private marinas and the counties etc. to do a lot of insurance enforcement. Wyn - we should be exploring what we really want to do, but there is some serious groundtruthing that needs to be done regarding actual costs and reality for Alaska. DNR wrestles with this with bonding because bonding companies are saying they can't do business in Alaska because of the costs, and then companies can't do work here because they can't get bonded. But focus first on the 'right' thing to do, and then follow-up with the reality check.

Bryan - insured vessels are not abandoned vessels (although they can be derelict). Always have an RP - the insurance companies. He believes the goal should be 100% insurance, and there will be vessels that are uninsurable. Tracking insurance, etc. is easier if you're added as 'additionally insured' but it all includes staff time. To keep it legal in Bryan's mind, must apply to everyone. There's some consideration in Homer of having a tiered system in the moorage - if you have no proof of insurance, you pay a much higher rate than if you have proof of insurance. Doug could see that a minimum size vessel that wouldn't require insurance as they wouldn't be too expensive to pull it out.

If transfer of vessel ownership insurance requirement were in place, wouldn't be able to transfer problem/derelict vessels down the line.

Types of insurance: hull, liability, pollution. From a DNR perspective the highest priority is what's it going to take to get the vessel out of the water/off state lands. The feds have a pollution response fund, as does DEC but there's no fund for removing a vessel, so seen as the biggest weakness (i.e. hull insurance may be the most important for ADV disposal).

Estimate for the Challenger was \$925k to raise/dispose of. Wyn - you're not going to be able to cover everything, but having some kind of an insurance policy may be helpful. Potentially could just say at a legal minimum you have to have the coverage to remove everything, and then individuals can work with their broker's to figure out what that is. Greg noted that not every vessel (esp in remote) that river skiffs aren't going to go get insurance. Tony noted that once limit of liability is reached, the insurance company walks away & the money is gone. Will likely not get you cradle to grave.

Rachel/Steve - insurance as a preventative measure is probably more compelling than as a response measure.

Bryan - vessels in the harbor vs vessels at anchor. Vessels in the harbor are attended in some capacity. A questionable vessel in the harbor (VOC) is required in Homer to have a watchkeeper and they have to keep a log etc. A permit from DNR at this point wouldn't require insurance or a responsible party to attend that vessel. Doug noted that the Challenger was in the CBJ harbor until the harbormaster asked him to leave, at which time DNR was encouraging him to apply for a permit but it wasn't happening.

Katie clarified that folks were discussing having no dollar amount on the coverage, but put minimum requirements for coverage for sinking/pollution and let the insurance company decide. **Bryan noted that the marine adjusters of Alaska would be good folks to touch base with on this - Bryan will follow up with them to get some ideas of cost, etc. for different types of insurance - pollution/hull/liability, with generally hull & pollution higher priorities.**

What vessels should an insurance requirement apply to? "Skiffs" generally 25' or less. Maybe based on the amount of fuel a vessel can carry? 30' and above are the big problems. What's the threshold and why? Are there statistics on the number of vessels sunk in AK/database/where are the problems? **Rachel will re-send the**

Northern Economics ADV cost survey. Wyn - 35' is out there, let's leave it in as a place holder and then do our homework. Age question - nice looking older boats but a lot of older ones in the state as well, but depends on if it's maintained. USCG generally breaks down on tonnage. Documented, inspected/uninspected. Jade noted that there might be good to have similar standards.

Amy - USCG documentation starts at 5 net tons. ~ 30' vessel gets into the 5net ton range. Wyn - could potentially do it on tonnage or amount of fuel, but leave out the age component.

How do we address the cradle to grave question? Around the country a lot of move to a Voluntary Turn In Program. Note that other states generally have bigger problems with smaller, recreational vessels. We're doing this based on risk, which is a much more solid sell.

Katie asked about an obligation to show proof of insurance, when does that happen? Right now we don't have any transfer of ownership requirements in Alaska generally....there are multiple agencies who for different reasons ask for documentation. Bryan - paper napkin bill of sale is a concern - can we have a legal backup to say what an acceptable transfer bill of sale looks like? If you're going to sell your vessel in the state of Alaska, you have to do x/y/z. Wyn - likes it, but noted that Alaska is a non-mandatory reporting state. If that's the way the state operates for houses, etc. then there's no way to to likely get there for vessels. However you could possibly have an overriding registration process. Pete - noted that Bethel uses an affidavit of boat ownership with Alaska DMV. But with that being said, just because you've registered it doesn't mean you own it - we have no title requirements. They've had problems in court holding vessel owners accountable. Need to craft statute or ordinance to declare how you hold ownership accountable.

Enforcement - treat like car insurance, you have to show it to police when you're pulled over. Every agency has the opportunity to enforce. You might not have insurance, but if everyone's looking for it then it's making it very hard. Many people can enforce it through different means. What's the penalty - criminal or civil? Move that into enforcement.

Bryan - documented vessels every year, there's no requirement for insurance. Any chance on a federal level there could be some requirement? Tony - out of the USCG jurisdiction, they don't tend to propagate new regulations.

Ownership challenge.

Language in "ownership" definition may be the place to be explicit. Municipalities have been able to amend their code to be explicit. Education is really important, and helps with enforcement.

"OWNER". Currently not defined in our statute. Wyn - Need is to shift the owner to a mandatory registration or USCG documentation. BUT if you're not registered, there's no holding to liability. So that might not be the best. Oregon has a simple definition, but they leave themselves open to lessees. DNR doesn't hold lessee accountable as an 'owner' because DNR is the landowner. This is dealing with property. We don't care about the lease, we care about the owner. Steve - from a pollution perspective it's owner or operator = the person having control over the substance at the time of release. i.e. when fuel is spilled in transit on land, the transporter is liable. But on the vessel front, always goes back to the owner because of the insurance. Would it be possible to go after either owner or operator? 46.03.822 (2) owner and operator of a vessel or facility from which there is a release or threatened release takes on the cost. Tony - USCG doesn't really care who initiates the clean-up, someone has to or else it will be federalized and then the folks in DC will go after either the owner or the operator, both are potentially on the table. Mike - is there a threshold for what DEC considers substantial pollution threat?

USCG and DEC have similar "substantial" vague definitions of what's justifiable - deliberately written gray. Steve - not a quantity per say, but what can you consider a significant threat.

Wyn - can we say that we go after the owner or operator, and then have two definitions and go either/or. Steve - if we have an owner and operator identifiable, may be stretching the definition of ADV (probably not abandoned, but can still be derelict for a number of reasons).

Katie would like to have the operator definition to see how broad/who it would include. Need to have this discussion taken as homework to think about definitions of ownership and accompanying liability more completely.

Enforcement challenge.

Have to change the language of 30.30 to give every agency at the table to say 'yes' for enforcement, aggressive action and collection. Doesn't address funding, staffing, DOL support, etc. Recommend to make the law as strongly as possible everyone gets to 'yes' - this is strong law that I can enforce. We will wrap back to this discussion at a future meeting.

Definitions.

In addition to the above topics, the group discussed the definition of 'Abandoned' as it is presented.

ABANDONED. Bryan - unattended vessels. Alaska needs to define both abandoned & derelict vessels, and under abandoned should include 'unattended' vessels. A nice vessel can still be a problem if no one is paying attention to it. Gives authority for an agency to say ok - if you want to moor on my lands, what are you going to do to ensure that it's attended to? i.e. hire someone as an 'attendant' to go in and check on the vessel regularly.

Wyn - before was 'left unattended' 'without consent of the landowner' etc. all need more clarification. All of these things are very difficult to prove - the 14 day rule generally doesn't really work to enforce. Not keen on setting another day limit. Keep language to say, "without the consent of" and then the authority lies with the agency/muni to establish what the consent consists of. Bryan's taking it a step further to say that you have to maintain a vessel a certain way which is good, but difficult to define. May not have a place in state statute, but more in practice with each entity. In current drafted language, drop #7. Use common language. Katie is not sure about the "otherwise left" language - maybe add in moored or anchored etc. Common consensus to remove the 'abandoned' terminology and just roll with derelict. Wyn asked if this would adversely affect municipalities. Bryan said he doesn't think so - Homer has derelict or nuisance vessels. Nuisance vessels can include bad behavior of the crew, etc. Mike - should 'nuisance' be included in a definition? Not sure it's feasible. Wyn - need to have citable offenses on the enforcement end of statutes. Later we should have a derelict vessels be a 'citable offense' - don't really need to get into the details of nuisance. **Mike would still like to see the 'nuisance' definition to address the piling of garbage, crazy behavior, etc. Katie will take a look at that and will bring some feedback to the group.**

End Notes

Wyn - Rep Seaton would like a briefing, as would Kreiss-Tomkins. Wyn thinks that once the session begins and after we meet again would be a good time to brief them.

Pete - include Steamboat Slough information with their briefings and include the regional reps/senators

Planning our next meeting: Last week of January is the Seattle Boat Show (Jan 29) & RRT meeting in Anchorage. 2nd week in Feb is AFE in Anchorage. 1st week of February might be the best time.

Rachel will add Katie to the Task Force email list.

Wyn - got the email information to send out for getting into the database to play around and give feedback. He'll check in with Kyle and get an email out to folks probably tomorrow to get feedback.

Meeting adjourned just after 4PM.

Alaska Ad-hoc Abandoned & Derelict Vessel

Task Force

October 27, 2015

Anchorage

Meeting

Participant List

Name	Agency	Email	Phone
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City of Bethel

Committees and Commissions

Recommendation to City Council

Committees and Commissions that wish to make a recommendation to City Council should turn this form in to the City Clerk or to the City Council representative on the committee or commission.

Committee/Commission: Port	Chairman: Alan Murphy
Date Submitted:	Council Rep: Alisha Welch
Issue: 251 East Ave – The City owns a 30x60 unimproved metal building that the Port would like to improve to use as a shop for repairing vehicles, boat storage, etc. The Port has made some improvements but currently the building has no heat or electricity.	
Recommendation: To accept, by Resolution,	
. – Whereas the Port has no maintenance facility; Whereas the Port wishes to maintain and repair their equipment ; Whereas the Port would does not want to unconvinced the Public Works Dept for shop space for various repairs; Whereas the Port needs a secured space for tools and equipment; Whereas Port proposes to improve the facilities at 251 East Ave; The Port proposes that the building at 251 East Ave be utilized for the purposes of the Port of Bethel	

Received by: _____
Date: _____

Other: Passed unanimously by the _____ on _____

Received by: _____
Date: _____



Foundation

CHIEF PORT OF BETHEL





