I. CALL TO ORDER

The regular meeting of the Matanuska-Susitna Borough Port Commission was held October 17, 2016 at the DSJ Building, Room 119, Palmer, Alaska. Commissioner Borell called the meeting to order at 3:00 p.m.

II. ROLL CALL

Port Commissioners present were:

Mr. Steven Borell, Chairman
Mr. Christopher Gates, Vice Chairman
Mr. Noel Woods
Ms. Helga Larson
Ms. Claudia Roberts
Mr. Robert Brown
Mr. Mike Janecek

Assembly Persons in attendance were:

Mr. Randall Kowalke
Mr. Dan Mayfield

Borough Staff in attendance were:

Mr. John Moosey, Borough Manager
Mr. Marc Van Dongen, Port Director
Mr. James Wilson, Internal Auditor
Ms. Therese Dolan, Port Secretary

III. QUORUM DETERMINATION

Chairman Borell determined there was a quorum present.

IV. PLEDGE OF ALLEGIANCE

The pledge of allegiance of was led by Commissioner Borell.

V. AUDIENCE INTRODUCTION

Members of the public who introduced themselves were Ms. Jean Woods and Mr. Eugene Haberman

VI. APPROVAL OF AGENDA

The agenda was approved.

VII. APPROVAL OF MINUTES

August 15, 2016 Regular Meeting – The minutes were approved with one minor correction to paragraph VIII., changing "provided," to read "will provide."

VIII. GUEST SPEAKER (S)

Jim McDowell, McDowell Group gave an update on the Rail Freight Commodities Study. He said they were about two weeks away from having the draft report completed. Key areas that he discussed were:

- Developing the Ambler Mining District and the various options of rail or road as well as the challenges of completing 200 miles of road from the Dalton Highway to the mine itself.
- How to supply mines such as Fort Knox and Livingood with materials required for the mine to operate.
- In-state potential for limestone use
- Coal, forest products and LNG exports
- Long range picture of rail in Alaska/Canada and how it changes the freight movement in and out of the state

IX. STAFF REPORTS

A. Borough Manager - Mr. John Moosey

1. Mr. Moosey provided everyone with a copy of the Port Director's job description. He explained that because of Mr. Van Dongen's unique skill set he doesn't think it will be a one for one replacement. He is looking hard at how exactly to fill the position. He said he had been approached about selling the port to a private entity which indicates that others see the value of the port. Mr. Moosey stated the borough is struggling with the budget but a Port Director and an Economic Development Director focused on activity at the port is something he would support and strongly consider. The Borough Manager wrapped up his comments, saying in January he would discuss the Port Director's position and replacement further.

B. Port Director - Mr. Marc Van Dongen

1. Port Update:
   - Last week the Port Director traveled to Healy to give a presentation to the Denali Assembly for which he received positive feedback. While in Healy, he also met with Mr. Joe Usibelli, Usibelli Coal to discuss coal and world markets.
   - Cathodic Protection Repair Project – Mr. Van Dongen said there has been very little change from last month's update. We are still waiting for payment on the $169K invoice we sent Norton Corrosion for the cost of pulling the damaged sleds. The cause of the failure has yet to be determined. He went on to say that Norton is still planning to redesign and construct the new sleds this winter and barge them up for reinstallation in the Spring of 2017.
   - Barge Dock Insurance Claim – Everything that we had on file that the insurance company has asked for has been submitted excluding the engineers/designers calculations. The request for those documents was passed to PND however, they may consider it proprietary information.

Mr. VanDongen provided the Port Commissioners with a copy of earthquake data dating back to the construction of the port. He explained the data and how he believes it could have caused the barge dock failure. This data was also provided to our insurance representative.

- Permit Extensions – During the next month, Mr. Van Dongen will be submitting four permit extensions:
    - Since the new anode sleds won't be reinstalled before April or May and the permit for the Cathodic Protection Project expires March 18, 2017, it will need to be extended.
    - He will request a three year extension on the Port MacKenzie Improvements Permit. This is to add two single piles to the deep-draft dock to support the conveyor loading system and to construct a four pile dolphin and catwalk to the deep-draft dock.
    - The Ferry Landing permit expires at the end of December but a request to extend it, as well as modify it to a tug boat landing will be submitted.
    - The last is a permit to fill a .49 acre pond, which was done this this summer, however it will need more fill as it settles.
    - Mr. Van Dongenen said that he will also apply for one new permit. He currently has designers modifying the design of the next deep-draft dock which will move it further to the north. There will be a road along the base of the buff leading to a dock with two trestles.
- GANTT Charts – Mr. VanDongen briefly reviewed the projects that have been completed in the last few months; the barge dock repair, paving Lu Young Lane, excavating the ridge and filling in the pond, adding a second layer of pavement to Don Young Road, raising the guard rails and painting, completing the sub-base of segment five on the rail line project, and removing the anode sleds and cables.
- Met with PT Capitol regarding a the A2A (Alberta to Alaska) Rail Project. Plans are for a 1500 mile, $15 billion dollar rail line from Alberta to Delta Juction with a projected completion date of 2020. Mr. Van Dongen believes this project will happen someday but not by 2020.
- Discussions have continued with Astoria Forest Products about their possible timber and wood chip operation out of Port MacKenzie. They are looking at subleasing from Dale Rich and using NPI's reclaimer. If they started this winter with an 18 month sublease, that would give REI time to move through their FEED process and make their final investment decision. If REI decides to move forward, then Astoria's operation could be moved about a quarter of a mile away. A new reclaimer would need to be built and an extension to the conveyor.

X. ITEMS OF BUSINESS

A. Unfinished Business

B. New Business

1 Port Commission meetings – Quarterly vs. Monthly

- After a short discussion, it was agreed that the Port Commission should continue to schedule meetings monthly with the expectation that some months would be cancelled unless there was something significant on the agenda.

XI. COMMITEE REPORTS None.

XII. AUDIENCE PARTICIPATION (*three minutes per person*)

A. Mr. Eugene Haberman stated his dissatisfaction with the manner in which the Port Commission conducts business. A few of the points he made were: the agenda was not available on the Borough web site in a timely manner, the door should always be kept open at a public meeting, the room wasn't large enough, commissioners were not recognized by the Chair when they spoke so they could be identified for audio recording purposes, and the Port Commission doesn't seem to want to connect with the public.

B. Mrs. Woods thanked the Port Commission for the flowers that were sent expressing sympathy for the Woods family's loss.

XIII. CLOSING COMMENTS

A. Mr. Borell gave a brief summary of the book, *The Box,* by Marc Levinson, on the history of container shipping and its effect on the world. He closed his comments by pointing out that he firmly believes the port is the single most important piece of real estate in the entire borough and the interior of Alaska.

B. Mr. Woods announced that he would not be seeking another term on the Port Commission but he had enjoyed the past 20 years working with the Borough and he appreciated everyone's support.

C. Mr. Brown had no comments.

D. Ms. Larson had no comments.

E. Mr. Janecek thanked Jim McDowell, McDowell Group for the update on the Rail Freight Commodities Study.

F. Mr. Gates echoed Mr. Janeck's comments and added that he would like to have a list of projects that could be monitored to assist in making these tonnages happen.

G. Ms. Roberts had no comment.

H. Mr. Kowalke thanked Mr. Woods for his service and agreed with Chairman Borell regarding the importance of the Port.

I. Mr. Mayfield also expressed his thanks to Mr. Woods.

XIV. AJOURNMENT

The Chairman adjourned the meeting at 4:59 p.m.

Steven Borell, Chairman

Submitted:

Therese Dolan, Administrative Secretary