CITY OF UNALAKLEET
Special Meeting
Council Chambers/Teleconference
November 5, 2020 – 3PM
1-888-392-4560
Code: 54227917#
Approved Meeting Minutes

1. Call to Order: Mayor Kira Eckenweiler called the meeting to order at 3:07PM.

2. Roll Call: Mayor Kira Eckenweiler, Vice Mayor Frank Doty, and Council Member Kathleen Panzer, City Manager Stephen Lindsey, City Clerk Kelly Otton, Public Works Director George Turner Jr., and Tank Farm Manager Thomas Alakayak were present in the Council Chambers. On the teleconference line; Council Member Christopher Masters Jr., George Jackson Jr.; Unalakleet Native Corporation Mark Johnson, Galen Doty, Brian Johnson, and Michelle Harvey; West Coast Dave Cunningham, Davida Hanson; Bering Strait School District Gary Eckenweiler, Sony Mashiana; and Unalakleet Valley Electric Co-Op Reese Huhta.

3. Tank Farm Operations Maintenance and Financing
   A. Operation & Maintenance of Tank Farm
   B. Establishment of Escrow Accounts
   C. Financing of Operation Maintenance & Replacement
   D. Escrow Agreements
   E. Appointment of an Operations & Maintenance Manager
   F. Discussion of Insurance
   G. Upcoming Major Maintenance and Repair Activities for Summer 2021
   H. Ten Year Engineering Inspection
   I. Sandblasting & Painting of Tanks, Pipelines, and Flowlines

- City Manager Stephen Lindsey started off with the background of the Tank Farm.
  o Tank Farm was funded by the Denali Commission along with the Alaska Energy Authority.
  o 2005-2006 City of Unalakleet made a representation to the funding authorities about the plans for the operations and maintenance of the Tank Farm
  o Set up two trust fund accounts; one to provide operation and maintenance of the facility and two, to provide a sinking fund to build up the replacement cost to build a new tank farm when the useful life of the existing tank farm
  o Number of inspection and repair and maintenance that haven’t been done
  o Number of filings due with the state and federal regulatory agencies have not been filed
  o Representations that the City and other entities made to acquire the funds have not been honored
  o Tank Farm facility has not been insured with no property liabilities or pollution liability since the existence of the Tank Farm
  o Supposed to be a 10 year detailed inspection of the tanks by an engineering firm
  o Tank Farm needs to be sandblasted and painted; about $400,000.00 that needs to be spent this summer; Because these accounts were not set up as intended, we have no money for the repair and maintenance of the Tank Farm
The City will have a Tank Farm Operator, start the inspections, and the maintenance and repairs that are needed, start filing the reports, acquire the insurance, set up the trust fund accounts, then to look to recoup the funds that should have been put into the accounts, form a management committee.

4. Questions & Comments

- Question for City Manager Stephen: What reporting requirements are you talking about that haven’t been done? The transmission lines require an annual leak test, documented inspections every year, at the least a ten year complete inspection.
- Some of these inspections; the header inspection has been conducted; mainly UVEC keeps a record and shares the record with BSSD. The north side of the Tank Farm is leaning toward the north, seems like erosion; issue that needs to be dealt with along with inspections.
- Thomas Alakayak, Public Works with the City of Unalakleet, looked at the tanks; a lot of corrosion.
- The City has one pressure test that occurred in 2020 for the coupling line.
- West Coast did the gas line and UVEC did the jet fuel diesel line in 2020.
- Thomas Alakayak observed the Tank Farm and found most of the lighting are not working, most of the gauges are broken, the fencing for the Tank Farm is designated to have all the gates locked.
- Supposed to have an annual field exercise on spill prevention and control; no training or simulated responses have been done that is required under a spill prevention and control plan.
- To set up the trust accounts will need volume information and usage for the 12 years; two deliveries a year, should have 24 run statements on fuel deliveries.
- Very concerning to have no insurance; quotes have been sent out today, Thomas has done a detailed list of every tank.
- Question: can each entity get their own insurance for the product? There are two things; property and liability insurance and the product insurance. Both were requested for a quote. The other policy is for the spill, the clean-up cost and possible damage. The agreement with the Denali Commission and Alaska Energy, the City is suppose to carry the insurance for the facility.
- As tenants, UVEC, cares about the operation and maintenance of the Tank Farm; the entities gathered in 2015, Richard Olson an engineer did comprehensive studies for the ten year timeline. Diesel pressure tests are done typically in the spring before the barge arrives. The big inspection was done; do know work items were identified.
- Contents are insured with UVEC.
- Have the Tank Farm issues resolved within the next 60 to 90 days. Thomas and George will let out contracts to start the maintenance next summer.
- Based on the projections for the maintenance, 1.1 to 1.3 million dollars is owed.
- Repairs for the Tank Farm are around $400,000.00 to $500,000.00.
- Any resolution has to cover the sinking fund and the major expenses that is needed for maintenance coming up.
- Whatever comes up in the resolutions, there should be at least three signatures involved for any major expenses.
- UNC does pay insurance for their product
- Need to get the sinking fund going
- Get volumes for the last 12 years
- There is fuel gauges at the Tank Farm, from the tank to where they dispense from
- If the tanks have not been drained, likely the tanks have not been inspected
- Check the fuel records
- Look at the original plan; based on each entity's size of the tank farm capacity or the volume dispensed
- There needs to be a pre-equipment deployment exercise semi-annually and a pre-unannounced exercise as requested by the EPA and Coast Guard
- Also requested by the EPA and Coast Guard that all tank farm operators has to be properly trained
- Regular meetings and gather a master list
- Next meeting December 3, 2020 – 3PM

5. Action Items
   A. Establish Trust Accounts
   MOTION: Vice Mayor Frank Doty made a motion to allow the City to establish trust accounts for the Tank Farm maintenance. West Coast, Dave Cunningham seconded. No discussion. Motion passed unanimously.

   B. Secure Insurance
   MOTION: Vice Mayor Frank Doty made a motion to secure the insurance for the Tank Farm. Councilmember Kathleen Panzer seconded. Discussion: BSSD requested all entities see the quotes and make a decision as a group on which carrier. Two policies; 1) to cover the product and 2) to cover the spills and accidents. Actually, three policies; 1) to cover the facility, 2) to cover the product, and 3) spill liability. Have some quotes by the next meeting. MOTION: Vice Mayor Frank made a motion to solicit quotes for the insurance that will be shown to each entity. Councilmember Kathleen Panzer seconded. Motion passed unanimously.

   C. Obtain and Review Volume Deliverables for each Participant
   - Volume numbers will be at the next meeting.

6. Adjournment
   MOTION: Councilmember Kathleen Panzer made a motion to adjourn the meeting. Vice Mayor Frank Doty seconded. Motion passed unanimously. Meeting adjourned at 4:06PM.

DATE APPROVED: November 10, 2020

Kira Eckenweiler, Mayor

Kelly Otton, City Clerk