

**Gary Paxton Industrial Park – Board of Directors Meeting  
July 18, 2024 3:00 pm  
Room 6, Centennial Hall**

**A. CALL TO ORDER:** The Chair, Scott Wagner, called the meeting to order at 3:00 pm

**B. ROLL CALL**

**Members Present:** Scott Wagner, Chad Goeden, Casey Campbell, Lauren Mitchell

**Members Absent:** Mike Johnson

**Staff Present:** Garry White

**City Representatives:** John Leach, Michael Harmon, Thor Christenson

**Others Present:** Members of the public

**C. Review of Minutes – April 22, 2024**

**Motion:** M/S Mitchell/Goeden to approve the minutes of April 22, 2024

**Action:** Motion Passed 4/0 by a voice vote

**D. Correspondence & Other Information- None**

**E. Changes/Additions/ Deletions to Agenda- None**

**F. Reports – None**

**G. Persons to Be Heard- None**

**H. Unfinished Business –**

**1. GPIP Haul Out Project Update**

Mr. Harmon, Municipal Engineer, discussed a status update. He reviewed the project cover sheet and discussed the construction completion has been moved to the end of March, to ensure weather for concrete pouring. He also mentioned October 15th is still the target date for permitting to be completed. He explained, a firm fixed bid with Western Marine has been agreed to with a fixed lumped sum of \$6,248,364. Construction costs came in roughly \$1,055,000 above estimated costs. Permanent concrete wash down pad is removed from scope until more funding can be identified. Additional cuts were made in upland yard grading and

other basic construction related costs. Most cost increases were a 15% increase from local subcontractors of civil and electrical work which reflects inflation costs post-covid.

It was mentioned by Thor Christenson that the board should investigate if the money set aside for this project that has been earning interest can also be added to the overall budget. By his predictions at a 4% interest rate that would be an additional \$650,000. Mr. White & Mr. Harmon will work with CBS to see if this is something we can tap into.

Mr. Harmon stated, PND suggested a 5% contingency, we honestly only have enough for \$100,000 but will continue to try and free up more money from other GPIIP projects that have been closed out.

Mr. White stated he was concerned that public comment on environmental concerns are what could hold this comment up.

## **2. GPIIP Haul Out Operation Discussion**

Mr. White discussed that we have had conversations around whether this haul out would be publicly or privately operated in the past. He then introduced Mr. Harmon to further discuss the process they would like to roll out.

Mr. Harmon walked through a draft Request for Qualifications (RFQ) to request qualifications from experienced firms or individuals to operate a marine vessel haul out and shipyard at the GPIIP. The RFQ requests individuals or firms that have qualifications in the following operations to submit their credentials on:

- Vessel Lift Operations
- Vessel Wash-down Systems
- Vessel Movements
- Permits and Licenses

The goal was to find qualified operators and work with them to develop a detailed scope of work to be incorporated into a Request for Proposals (RFP) for operations of the haul out. Mr. White suggested the board vote if they'd like to move forward with this draft RFQ.

**Motion:**        **M/S Mitchell/Goeden** motion to move forward with the RFQ for the GPIIP haul out operations.

**Action:**        **Passed (4/0)** on a voice vote.

## **I. New Business-**

### **1. Global Hydration, LLC Water Purchase Agreement**

Mr. White explained The City and Borough of Sitka (CBS) has permits to export 29,235 Acre-feet (~9.5 billion gallons) of raw water annually. (This volume represents just under 9% of the average annual rain fall into the Blue Lake Watershed). The CBS has entered into multiple water purchase agreements with multiple entities for bulk export since 1996.

The CBS is currently in a water purchase agreement with Arctic Blue Waters Alaska, LLC (Arctic) & Eckert. Global Hydration would also like a purchase agreement. The board discussed that there is no reason why there cannot be more than one purchase agreement as none of it is exclusive, it is just who cracks the nut on if & how to move the water.

Mr. White explained the details of the very extensive contract, noting it is very similar to our other contracts. Normally the water would belong to the state, but we got the pulp mills rights to the water. Having contracts is not bad because it shows we're "using" the water, if we don't have contracts we lose the rights after 5 years. There is also definitely untapped money in this industry.

**Motion:** M/S Goeden/Mitchell motion to bring the bulk water agreement to the assembly for consideration as written for Global Hydration, LLC.  
**Action:** Passed (4/0) on a roll call vote.

#### J. Adjournment

**Motion:** M/S Wagner/Mitchell move to adjourn the meeting at 4:19 pm  
**Action:** Passed (4/0) on a voice vote