

City of Seward Policy Memorandum

Subject: **SEWARD MARINE INDUSTRIAL CENTER (SMIC) UPLAND BOAT WORK POLICY**

PURPOSE. This Policy Statement establishes the City of Seward's policy concerning allowable boat work activities in the upland area at SMIC. This policy applies to temporary use areas; areas not covered by a specific long-term lease or management agreement. Long-term lease and resulting business activities are covered through specific, negotiated agreements and are separate from this policy. It does not apply to boats in a storage-only condition.

DISCUSSION. It is the custom to allow boat owners, businesses and subcontractors to perform various boat work (maintenance and repair) activities in the upland storage area of SMIC. As the use of this area has evolved, so have the number and scope of boat work activities. Section 7.10.545 of the City of Seward Code provides that maintenance and repair activities are permitted in the boat storage area of SMIC and other areas as designated by the Harbormaster. A standard operating policy and list of minimum requirements to be met is necessary in order to protect the interests of the City, its citizens and employees as well as the rights of other businesses. Short-term upland use agreements, insurance requirements, indemnification agreements and permits must be developed and their use instituted to address the concerns and best interests of everyone.

POLICY. The following documents have been approved by the City Council. The Harbormaster shall enforce and administer the policies and procedures.

Allowable Maintenance and Repair Activities - A list of allowable maintenance and repair activities for the SMIC upland storage area.

Rules and Best Management Practices Governing Boat Work Activities - A list of rules and Best Management practices governing maintenance and repair activities.

Pre-approved Contractor List - this list shall be maintained by the harbormaster and shall contain the names, addresses and phone numbers of contractors who have been pre-approved to conduct business at the SMIC storage yard.

Land Use or License Agreement - An agreement between a contractor (license) or boat owner (land use) and the City regarding the use of land in the upland storage area of the SMIC.

Business Licenses - With the exception of State and Federal Contractors and boat owners performing their own work, all businesses will be required to have the appropriate business license required by State and Local Regulations. Evidence of such licenses may be required by the Harbormaster.

Insurance. The person performing the work, having the work performed or contracting for the services must have the required statutory insurance for Worker's Compensation and other insurance required by law. Additionally, all contractors desiring to be on the pre-approved contractor list shall have a minimum of \$1 million liability insurance with the City of Seward listed as an additional insured and a waiver of subrogation.

ACTION. The Harbormaster shall draft, submit for approval, implement and enforce the Seward Marine Industrial Center Upland Boat Work Policy. This policy will be reviewed by the Port and Commerce Advisory Board, the City Administration and approved by the City Council prior to implementation.

THE CITY OF SEWARD,

W. Scott Janke
City Manager

Date

Enclosures: (1) Allowable Maintenance and Repair Activities
(2) Rules, Best Management Practices Governing Boat Work Activities, Pre-approved Contractor List Procedures
(3) Land Use Agreement - Insurance

Enclosure (1) to City of Seward Policy Memorandum regarding Seward Marine Industrial Center (SMIC) Upland Boat Work Policy

Allowable Maintenance and Repair Activities

Allowable Maintenance and Repair Activities. The following maintenance and repair activities or similar activities are authorized in the SMIC area or upland boat storage areas of SMIC.

Replacing zinc anodes

Propeller, shaft, rudder and bearing replacement

Sand or water blasting, sanding, spray painting and painting

Interior Blasting, sanding, spray painting and painting

Engine and equipment repairs, including replacement

Interior habitability changes, upgrades or modifications

Transducer and through hull fitting repair and/or replacement

Installing or replacing permanent or temporary equipment, electronics

Stability improvements such as bilge keels, a modification to ballast or ballast tanks and changes in topside weight distribution/configuration.

Hull plate, planking, or laminate renewal and/or replacement and exclusive of integral petroleum tanks. Any activity opening a petroleum tank or requiring a chemist's gas-free certificate shall have that certificate posted prior to conducting work. A copy of such certificate shall be provided to the Harbormaster.

Welding, cutting, torching and similar hotwork to the extent necessary to complete the above repairs

Construction. Generally, construction shall mean, "to assemble from parts". Any construction or reconstruction shall be done on leased property or on property designated for such purposes. Major construction or reconstruction is not allowed in the boat storage area or similar area at SMIC. Any alteration of the existing silhouette of the boat as hauled out, purely for increasing length, capacity, or similar reasons shall be deemed construction. The Harbormaster shall determine what constitutes maintenance and repair versus major construction activities. This determination will be made prior to commencing work on any boat.

Enclosure (2) to City of Seward Policy Memorandum regarding Seward Marine Industrial Center (SMIC) Upland Boat Work Policy

Rules Governing Boat Work Activities And Best Management Practices

The following rules and Best Management Practices apply to businesses, boat owners and other persons, performing maintenance and repair activities at SMIC.

Pre-Approved Contractors List. Those businesses and/or individuals performing activities for fees such as mechanical or structural repairs, handling of hazardous material or use of complicated equipment are required to meet the requirements of and be listed on the City's Pre-Approved Contractor's List. Incidental businesses providing services that are non-hazardous and non-technical such as boat cleaning, detailing, canvas/sail repairs and carpet cleaning are not required to be on this list. No other contractors are allowed to conduct mechanical or structural repairs on boats at the SMIC.

Business License. Businesses and/or individuals performing activities for fees shall have a current Business license from the City of Seward and Kenai Peninsula Borough..

Water. The person performing the maintenance and repair work will provide and bear the expense for, water if necessary to perform the activities, or pay a fee for this service if provided by the City.

Restrooms. The person performing the maintenance and repair work will provide and bear the expense for, restroom facilities for their workers either through construction of a facility or rental of temporary restroom containers.

Electricity. Electricity shall be supplied by the person performing the maintenance and repair work through portable generating equipment or through an installed electrical service. Installed electrical service shall only be used upon permission of the Harbormaster. Fees for use of the installed electrical service will be assessed according to the Port and Harbor Tariff. No alterations, additions or changes to the meter, meter base, cabling, breakers or any part of the existing service is allowed unless authorized by the Harbormaster in advance and performed by a certified electrician.

Garbage. A limited amount of refuse disposal is provided. There is one construction material dumpster and one general garbage dumpster for public use. Contractors are encouraged to supply their own waste receptacles. Garbage shall be separated as required by the refuse contractor.

Used Oil, HAZMAT Disposal. The person performing the maintenance and repair work shall provide and bear the expense, for containment, collection, removal, clean up and disposal of all used oil, petroleum products, anti-freeze, solvents and other HAZMAT in accordance with existing Federal, State and Local regulations. The harbor department has the ability to collect and dispose of limited quantities of clean, used oil. Disposal of absorbs, filters and other oiled products is limited. Fees for collection and disposal of these items are contained in the Port and Harbor Tariff. Disposal of these items that exceed the capabilities of the harbor department or disposal of other hazardous materials or waste is the responsibility of the contractor and/or the boat owner.

Blast Grit. The person performing the maintenance and repair work shall provide and bear the expense for, containment, collection, removal, clean up and disposal of all blast grit and paint debris as a result of blasting, chipping, scraping or other activities resulting in paint debris in accordance with existing Federal, State and Local regulations. (Revised 9/00)

Spray Painting. The person performing the maintenance and repair work shall provide and bear the expense for, containment, collection, removal, clean up and disposal of all paint, paint products and overspray associated with painting activities in accordance with existing Federal, State and Local regulations.

Materials/Equipment Stowage. All vehicles, materials, equipment, supplies and associated appurtenances used in maintenance and repair activities shall be stowed neatly in the area surrounding the boat. At no time shall any of these items be left in such a manner as to obstruct access to adjacent boats, the roadway, fire lanes, utility accesses, or Travelift runway. The area under and around the boat including the “footprint” of the Travelift is the designated area for these items and then only if actively in use.

Failure to Observe Rules. Failure of any party conducting repairs and maintenance activities to observe these rules is a default of the user's agreement with the City and may result in a stop work order issued by the Harbormaster and/or action taken on a performance bond.

Best Management Practices

All repairs and maintenance activities listed in Enclosure (1) to this policy shall be conducted within the fenced upland storage area at SMIC. No repairs and maintenance activities with the exception of propeller changes, bolt-on zinc replacement, incidental business activities and visual inspections may be conducted outside of this area.

Work areas shall be cleaned after each operation is completed or at the end of the day. Remove all trash, debris, paint ships, fiberglass, blast grit and residue etc.

Any maintenance involving blasting, chipping, sanding or other ablative/abrasive removal of material or paint shall be done over canvas or plastic tarps. If water blasting is conducted, filter fabric may be used instead of canvas or plastic tarps to allow water to pass through. These activities shall be done in an enclosed or sheltered structure or in a tarped enclosure to contain airborne debris and dust. Use of vacuum sanders and equipment is encouraged to collect and retain material. Use of alternative blasting systems, such as an enclosed plastic medium blast and recovery system, is strongly encouraged.

Collected paint chips, dust, sediment, blast grit and similar debris shall be placed in containers approved for such material and disposed of according to Federal, State and local regulations. This material shall not be disposed of in the trash or construction materials dumpsters, unless tested and approved for such disposal by an environmental services company approved by the City.

Anti-fouling paints containing the minimum amount of toxin necessary for the expected conditions is strongly recommended. Avoid the use of soft ablative paints and use water based paints where possible. Stay informed about anti-fouling products such as Teflon, silicone, polyurethane and wax that have limited negative impacts. Inform your customers and substitute use of these products where applicable.

Minimize the use of spray painting equipment. Use brushes and rollers whenever possible. Spray painting is prohibited over water. Mix only as much paint as necessary for the job and use small containers. Smaller containers mean smaller spills when they occur. Designate an area to mix paints, solvents and reducers. Keep records of paint use, type, application, amount required etc. All spray painting shall be conducted over land in a spray booth or under a tarp. Use equipment with high transfer efficiency such as high volume, low-pressure spray guns, air-atomizer spray guns or gravity-feed guns. Use trained painters in order to reduce overspray and minimize the amount of paint per job.

Store opened containers of useable solvents and paints in covered, UL-listed, or Factory Mutual approved containers. Hire a licensed waste hauler to recycle or dispose of used solvents. Direct solvents used to clean spray equipment into containers to prevent evaporation of volatile organic compounds. A closed gun cleaning system will save money on cleaning materials. Use only one cleaning solvent to simplify disposal and use only the minimal amount of solvent needed for a given job. Use soy-based solvents and other similar products with no or low volatility. Order your spray painting jobs to minimize coating changes and order your work light to dark. Fewer changes mean less spray gun purging and cleaning. Allow solids to settle out of used strippers and thinners so you can reuse solvents. Keep records of solvent and paint use so you know the amount of hazardous waste generated on site.

Store engine parts and engines on impervious surfaces. Do not wash engine parts over bare ground or water. Use pre-cleaning methods such as wire brushing and avoid unnecessary parts cleaning. Adopt alternatives to solvent-based parts washers such as Bioremediating systems that take advantage of microbes to digest petroleum. Bioremediating systems are self-contained; there is no effluent. The cleaning fluid is a mixture of detergent and water. Microbes are added periodically to "eat" the hydrocarbons. If using solvent to clean engine parts, do so in a container parts washer with a lid to prevent evaporation of volatile organic compounds. Reuse the solvent. Once the solvent is totally spent, recycle it. Use drip pans when handling any type of liquid and use separate drip pans for reach fluid to avoid mixing. Recycle the collected fluid. Use funnels to transfer fluids and drain all parts of fluid prior to disposal. Clean engine repair areas regularly using dry cleanup methods. Capture petroleum spills with absorbent pads and materials. Do not hose down the repair area with water.

Winterizing. Use propylene glycol antifreeze for all systems; it is less toxic than ethylene glycol. Use the minimum amount of antifreeze necessary for the job. Ethylene glycol should never be used in potable water systems; it is highly toxic and can not be purged reliably. Add stabilizers to fuel to prevent degradation. Stabilizers are available for gasoline and diesel fuels and for crankcase oil. Be sure fuel tanks are 85-90% full to prevent flammable fumes from accumulating and to minimize the possibility of condensation leading to corrosion. Do not fill the tank more than 90% full. Use the highest rated octane recommended by the engine manufacturer; premium fuels are more stable than others are. Be sure the gas cap seals tightly.

There may be additional requirements mandated by Alaska Department of Ecology, Environmental Protection Agency, various Federal and State regulations, and/or other regulatory agencies. You are required to know and comply with these regulations.

Pre-Approved Contractor Listing

License Agreement – A License Agreement is required for anyone conducting boat maintenance on City property not leased for long term use. This agreement includes indemnification and hold harmless clauses as well as insurance coverage provisions.

Business License – Valid, applicable business licenses (City, State) are required for contractors to work on boats or to conduct maintenance and repair activities.

Insurance – Pre-approved contractors must procure and maintain, at their own expense, the following minimum insurance coverage in force at all times in order to be on the pre-approved contractor list.

<u>Coverage</u>	<u>Per Occurrence</u>
Commercial General Liability	\$1,000,000
Automobile Liability	\$1,000,000
Ship Repair Legal Liability	\$1,000,000
Worker’s Compensation	As required by AS 23.30.045 and other statutory Obligations

Owners conducting their own repairs and maintenance shall have a minimum of \$1,000,000 General Liability insurance and may be required to post a \$50,000 performance bond as determined by the Harbormaster.

All insurance policies shall name the City as an additional insured with a waiver of subrogation against the City of Seward. The contractor and/or boat owner shall pay all deductibles.

Enclosure (3) to City of Seward Policy Memorandum regarding Seward Marine Industrial Center (SMIC) Upland Boat Work Policy

**SEWARD MARINE INDUSTRIAL CENTER (SMIC)
SHORT TERM USE AGREEMENT
INSURANCE REQUIREMENTS**

INDEMNIFY/HOLD HARMLESS AGREEMENT

To the fullest extent permitted by law, the **User** agrees to defend, pay on behalf of, indemnify, and hold harmless the **City of Seward, Alaska**, its elected and appointed officials, employees, volunteers and others working on behalf of the **City of Seward** against any and all claims, demands, suits, liabilities, penalties or loss, including all costs and attorney fees connected therewith, and for any damages which may be asserted, claimed or recovered against or from the **City of Seward**, its elected and appointed officials, employees, volunteers or others working on behalf of the **City of Seward**, by reason of personal injury, including bodily injury or death, property damage, including loss of use thereof, and environmental damage or liabilities, which arises out of or is in any way connected or associated with the use of this facility or property of the **City of Seward** by the **User**, its employees, agents, or contractors.

SIGNED: _____ **DATE:** _____

INSURANCE REQUIREMENTS

The User shall not commence with use of the City's facility/land until the User has obtained the insurance required under this contract. All coverage shall be with insurance carriers licensed and admitted to do business in the State of Alaska. All coverage shall be with carriers acceptable to the City of Seward. The required lines and limits of insurance are as follows:

Contractors

- 1) **General Liability Insurance:** The User shall procure and maintain during the life of this agreement, general liability insurance on an "occurrence basis" with limits of liability not less than \$1,000,000 per occurrence and/or aggregate combined single limit, personal injury, bodily injury and property damage.
- 2) **Motor Vehicle Liability Insurance:** The User shall procure and maintain during the life of this agreement, motor vehicle liability insurance, including all applicable no fault coverages, with limits of liability of not less than \$1,000,000 per occurrence combined single limit.

(Insurance Requirements Continued)

- 3) **Ship Repair Legal Liability:** The User shall procure and maintain during the life of this agreement, ship repair legal liability insurance, with limits of liability of not less than \$1,000,000 per occurrence combined single limit.
- 4) **Workers Compensation Insurance:** The User shall procure and maintain during the life of this contract, workers compensation insurance, including employers liability coverage, in accordance with all applicable statutes of the State of Alaska.
- 5) **Additional Insured:** All insurance policies, as described above, shall include an endorsement stating the following shall be **Additional Insured:** The City of Seward, its elected and appointed officials, all employees and volunteers, all boards, commissions and/or authorities and board members, including employees and volunteers thereof.

This coverage shall be primary to the Additional Insureds, and not contributing with any other insurance or similar protection available to the Additional Insureds, whether the other available coverage be primary, contributing or excess.

- 6) **Cancellation Notice:** All insurance policies, as described above, shall include an endorsement stating the following: "Sixty (60) days advance written notice of cancellation, non-renewal, reduction and/or material change shall be sent to: Harbormaster, City of Seward, P.O. Box 167, Seward, AK 99664.
- 7) **Proof of Insurance:** Prior to commencement of any maintenance or repair activities at the SMIC, the User shall provide the City with certificates of insurance and/or policies, acceptable to the City of Seward, for each of the insurance policies described above.

Boat owners conducting their own Repairs and Maintenance

- 1) **General Liability Insurance:** The User shall procure and maintain during the life of this agreement, general liability insurance on an "occurrence basis" with limits of liability not less than \$1,000,000 per occurrence and/or aggregate combined single limit, personal injury, bodily injury and property damage.

Additional Insured: All insurance policies, as described above, shall include an endorsement stating the following shall be **Additional Insured:** The City of Seward, its elected and appointed officials, all employees and volunteers, all boards, commissions and/or authorities and board members, including employees and volunteers thereof.

This coverage shall be primary to the Additional Insureds, and not contributing with any other insurance or similar protection available to the Additional Insureds, whether the other available coverage is primary, contributing or excess.

(Insurance Requirements Continued)

Cancellation Notice: All insurance policies, as described above, shall include an endorsement stating the following: “Sixty (60) days advance written notice of cancellation, non-renewal, reduction and/or material change shall be sent to: Harbormaster, City of Seward, P.O. Box 167, Seward, AK 99664.

Proof of Insurance: Prior to commencement of any maintenance or repair activities at the SMIC, the user shall provide the City with certificates of insurance and/or policies, acceptable to the City of Seward, for each of the insurance policies described above.

If this agreement is with a business organization, the User must supply proof of their authority to bind that business organization.

SIGNED: _____ **DATE:** _____

APPROVAL: THE CITY OF SEWARD

APPROVED BY _____ **DATE:** _____