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## **San Juan Marine Resources Committee Recommendations for Managing Derelict Vessels in San Juan County April 21, 2010**

### **Introduction**

Derelict and abandoned vessels are a problem in the waters of Washington State, including the San Juan Islands. They pose hazards to navigation, detract from aesthetics and are a significant source of marine debris as well as hazardous materials in marine waters and along beaches when they sink. Removing and disposing of derelict vessels before they sink saves money and prevents environmental damage. According to Terry Whalen of A1-Marine, five boats were removed from San Juan waters just within the past 12 months. This is a growing problem in the state. As a result of the economic downturn, more derelict vessels are turning up as people neglect or abandon boats they cannot afford to maintain. The state estimates there are more than 200 abandoned boats in Washington waters, but actual numbers could be much higher.

### **State Derelict Vessel Removal Program**

Legislation (RCW 79.100) was passed to provide local public entities with the tools and funding to deal with derelict vessels. The State Department of Natural Resources manages the program. Since 2003 the Derelict Vessel Removal Program has provided funding and guidance to help Authorized Public Entities in the removal and disposal of derelict vessels. Funding comes from vessel registration fees. An Authorized Public Entity can be the Department of Natural Resources; the Department of Fish and Wildlife; the Parks and Recreation Commission; a metropolitan park district; a port district; and any city, town or county with ownership, management or jurisdiction over the aquatic lands in the state where an abandoned or derelict vessel is located.

Authorized Public Entities are reimbursed by the Department of Natural Resources for authorized expenditures up to ninety percent (90%) of administrative, removal, disposal, and environmental damage costs for the removal and disposal of derelict vessels when the last owners is either unknown after a reasonable search effort or is insolvent. The remaining 10% of costs can be in the form of “in-kind” services.

If a city, county or port cannot or will not assume responsibility for vessel removal, DNR can use its own assets or contract with other entities to remove and dispose of derelict or

abandoned vessels. If the Authorized Public Entity is unwilling or unable to exercise its authority, it may request that DNR assume authority for a vessel.

### **Derelict Vessel Removal Program in San Juan County**

San Juan County was the Authorized Public Entity for derelict vessels from 2005 to 2008. The program was originally managed by Public Works and was transferred to Health and Community Services (H&CS) when the staff that managed the program retired. H&CS recommended that the County Council discontinue the program as the county struggled with budget shortfalls for 2009. The program was discontinued because of the following problems:

- Collections as required for reimbursement from DNR became more difficult to manage. An interview with the Public Works administrator for the derelict vessel program revealed that she did not find collections to be a problem at that time. H&CS reported that during their oversight, DNR pushed for local collections effort prior to payment and also proposed a successor contract that would have imposed difficult collections responsibilities on the county.
- Administrative costs are not fully reimbursed, especially if lengthy collection from vessel owners is required or if complex and hazardous vessel removal and disposal are required. County Administrator Pete Rose estimates that administration of the program would require 4 to 10 hours/week of staff time, costing \$10,000 - \$20,000 per year. The Auditor reported that the net loss to the county from the program in 2007 and 2008 was about \$100 per year.
- The county was required to carry substantial costs before reimbursements were made. The county frequently had to carry \$30,000 - \$40,000 against the department budget to pay contractors in a timely manner since DNR reimbursement can take 3 to 6 months. Such transactions can be difficult for the county to manage if they cross budget years.

### **MRC Recommendations**

The following MRC recommendations are based on the information we learned from individuals who have experience with the regional and San Juan operation of the Derelict Vessel Removal Program. We met with Pete Rose, Terry Whalen from A1 Marine, a marine salvage company that has removed several derelict boats, Melissa Ferris, the Derelict Vessel Program Manager for DNR and Joanruth Baumann, former administer of the program for Public Works.

- 1) The MRC strongly recommends that a derelict vessel removal program be restarted in San Juan County.
- 2) Work with DNR to remove barriers and create a partnership that works for San Juan County. The manager of the state's Derelict Vessel Removal Program said that DNR is

willing to work with the county to streamline the process and remove the responsibility for collections from the local administrator of the program. Towing and safe storage of boats in immediate danger of sinking also needs to be worked out with DNR.

3) Given the County's staffing and resource problems, hiring a contractor may be the most viable way to administer the program. The contractor may be willing to carry administration and removal costs prior to reimbursement or it may be possible to procure grant funds or donations. The MRC urges the Council to authorize the County administrator to create an RFP to solicit a contractor to work with DNR and the County to administer the derelict vessel program.

4) A proactive approach to derelict vessels can save money and prevent environmental harm. A monitoring program to identify abandoned and derelict vessels through checks on boat registrations could prevent vessels from sinking.