

CBJ DOCKS AND HARBORS BOARD
REGULAR MEETING MINUTES
For Thursday, February 24th, 2022
Via Zoom Meeting

I. Call to Order – Mr. Etheridge called the Regular Board meeting to order at 5:39 p.m. via Zoom.

II. Roll: The following member were in attendance via zoom or in person at the Port Director's conference room. Lacey Derr, Paul Grant, David Larkin, Matthew Leither, Mark Ridgway, Bob Wostmann, James Becker and Don Etheridge.

Also in attendance: Christine Woll – Assembly member, Matthew Creswell – Harbormaster, Erich Schaal – Port Engineer, Benjamin Brown – Attorney II, Teena Larson – Administrative Officer and Tony Homan – HDR Representative.

Absent – Annette Smith

III. Approval of Agenda

Mr. Creswell asked to add a fourth information item regarding a new truck purchase.

MOTION By MS DERR: TO APPROVE THE AGENDA AS AMENDED AND ASK UNANIMOUS CONSENT.

Motion passed with no objection.

IV. Approval of January 27th Board minutes.

Hearing no objection, the January 27th Board minutes were approved as presented.

V. Public Participation on Non-Agenda Items

Mr. Kirby Day, Juneau, AK

Mr. Day commented that he appreciated the exceptional opportunity the Board has given to the public for public comment. That has been questioned by some over the last several months and he feels the Board does an exceptional job, not only with prior notification of meetings but also the way the Special Board meeting was held tonight.

Clayton Hamilton, Juneau, AK

Mr. Hamilton said he has no idea what just happened at the Special Board meeting. He hopes Docks & Harbors can give more information to patrons like him that do not have time to attend the meetings. He wanted to express his frustration.

Mr. Etheridge said the Board has had over a dozen meeting on the proposed regulation change, voted on at tonight's Special Board meeting.

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Mr. Ridgway thanked Mr. Hamilton for coming to the meeting and explained what the Board voted on at the Special Board meeting. He explained the change and how it would affect fees.

VI. Consent Agenda –

- A. Public Requests for Consent Agenda Changes - None
- B. Board Members Requests for Consent Agenda Changes - None
- C. Items for Action

MOTION By MS. DERR: TO APPROVE THE CONSENT AGENDA AS PRESENTED AND ASK UNANIMOUS CONSENT.

Motion passed with no objection.

VII. Unfinished Business - None

VIII. New Business –

1. Statter Harbor Repair Bid Opening Results

Mr. Schaal said this Tuesday we had a bid opening for the Statter Harbor D Float repair but received zero bids. Staff reached out to three or four contractors letting them know about the project and held pre-bid meetings. The request in the motion is to allow staff to proceed with a modification request which is to find a sole source contractor who will do the repair work this summer. It is to install two new floating concrete modules that are currently being fabricated by Bellingham Marine Industries. They were purchased with a modification request through the purchasing code. This is similar to the process we went through in 2014 when the C Float at Statter Harbor failed. Staff hoped to secure a contractor through the normal bid process but was unsuccessful. Staff will reach out to a contractor who has done this type of work before. This is a workaround to be able to get the facility repaired and back open to the public.

Board Questions

Mr. Wostmann asked if there was any indication on why there was a lack of bidding. He asked if it was due to the contractors being busy, not comfortable with the work or possibly a price issue.

Mr. Schaal said it was due to the contractors being busy. Staff will work on finding a capable contractor to complete the work by this summer.

Ms. Derr asked if the work could potentially cost more now.

Mr. Schaal said he does not think it will cost more than going through the bid process. The scope of work is not going to change. After speaking with the contractors they feel the job will cost close to \$200,000. This will need to go through the Assembly for approval. The contractors are uncomfortable giving a fixed fee for the work when the job is so complex and unique to repair.

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Mr. Grant asked about the purchasing code and what steps staff go through to select a sole source contractor.

Mr. Brown said Docks & Harbors will be required to fill out a modification waiver request. They will be required to select one of the exemptions listed under the code, which includes failed bid contracts. Once that has been accepted and approved the Department of Law will go through the contract and give their approval.

Mr. Leither asked about the timeline for completion and if this will move it back to later in the summer.

Mr. Schaal said one of the contractors said they would be busy through May 2022 and could not meet our deadline for the middle of May. The contractor was worried this would cause liquidated damages so they did not bid. Mr. Schaal has not spoken to them since the bid closing to find out what timeline could work for them.

Mr. Leither inquired about this contractor and if we still plan to go back to them even though they did not bid.

Mr. Schaal said he reaches out to local contractors to let them know when a contract is going out to bid. We try to give them as much information as possible to reduce risk. We recently switched over to an online bidding process and checked with everyone to make sure they had not run into technical problems while submitting bids.

Mr. Wostmann asked why we would not go out for a competitive bid a second time.

Mr. Schaal said he did look into that when no bids were received. The timing for procurement makes him think we would only hurt ourselves to start over with the bidding process.

Public Comments

Mr. Dennis Watson – Juneau, Alaska

Mr. Watson asked if the contractor we are speaking about has a good reputation.

Mr. Schaal said the contractor is very capable and has a good reputation. They have been providing Docks & Harbors great service for decades.

Board Discussion/Action

MOTION By MS. DERR: TO PROCEED WITH MODIFICATION REQUEST TO SOLE SOURCE CONTRACT AS PERSCRIBED BY PURCHASING CODE AND ASK UNANIMOUS CONSENT.

Motion passed with no objections.

IX. Items for Information/Discussion

1. Consultant Update to Harbor Rate Study

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Mr. Tony Homan said his company started the rate study on January 19, 2022. He started by reviewing a lot of finance and background documents provided by Ms. Larson and Mr. Uchytel. This helped him get an idea who he should be interviewing and helped gain an understanding of Docks & Harbors tariffs. Mr. Homan thinks adding the CPI adjustment is a great start. Another main thing he is looking at is the rates vs costs incurred. He took a market based approach and looked at benchmarks others have taken. He is also looking at the supply and demand issues seen throughout the harbors.

Committee Discussion

Mr. Ridgway thanked Mr. Homan for being at the meeting and making time to review the progress. He feels the main things to look at when setting a rate is the operational budget, which is very static, differed maintenance and capital improvement projects. Improvements is the wild card as it is hard to know what we will need on hand to accomplish our goals, or if they will be paid through grants. He asked Mr. Homan if coming up with how much money we need is a part of the rate analysis.

Mr. Homan said he is looking at what type of replacement reserves Docks & Harbors has available to maintain the facilities. Doing a replacement reserve analysis is very important to keep moving forward.

Ms. Woll introduced herself to Mr. Homan. She said she is not a voting member of this Board, but is a liaison to the Juneau Assembly. The Assembly votes on things like rate increases. She understands the fundamental reason for this study is to help Docks & Harbors understand what to charge for services so their revenue covers expenses. She said the Assembly has a goal to offer affordable housing. She asked if he could also look into community goals when giving input on rates.

Mr. Homan said that was a good question and this gets to the difficult decisions that will be made by the Board. His company will be providing suggestions, how they align with local interests is more of a Board issue. One way you might lower fees is reducing the quality of your product. He said his company will be providing a lot of options and pros and cons. At the end of the day the Board will be making difficult decisions moving forward. His job is to give the best information to make these decisions.

Mr. Grant asked Mr. Homan what considerations he is looking at with equity between user groups.

Mr. Homan said there are things that may make sense from an economic standpoint, one group may be able to absorb an increase while another cannot.

Mr. Leither said one of his desires is to get as much documentation as possible behind the information provided in the study. It is his hope there is as much data as possible, he doesn't want Mr. Homan to feel he is giving us too much.

Mr. Homan said he understands what Mr. Leither means and has read a lot of the meeting minutes and his comments about this issue. If you are looking at a price you think is

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currently undervalued compared to the services provided sometimes you adjust your price at a trial and error basis. We cannot give you an exact amount and as we start adjusting prices it will not be an exact science. We will give suggestions on types of adjusting for certain areas.

Mr. Ridgway said he was looking forward to working with HDR. He appreciates the terms “discretionary” and “not an exact science”, he is not looking for a formula for an exact rate but the rationale for adjustment. He thinks having this study as backup when face to face with our customers will be helpful.

Public Comment

Mr. Clayton Hamilton – Juneau, Alaska

Mr. Hamilton said this was informative but he does not think we should be spending money to have other people tell us what to do.

2. Update – F/V ANGELA K

Mr. Schaal shared his screen showing a picture of the sunken vessel Angela K in 113 feet of water. The U.S. Coast Guard (USCG) and Alaska Department of Environmental Conservation (DEC) both responded to the sinking. It was determined there was a very small sheen on the water and the USCG and DEC decided to close their case on the sinking. We hired an underwater submersible to bring us these photos and obtain the location and condition of the vessel. He also received a report with the photographs and video and would be happy to show it to anyone interested. The vessel appears to have sunk straight down and is sitting upright on the bottom. The vessel is about forty-five feet tall with the troll poles, so even at low water there is sixty plus feet of clearance. Docks & Harbors has received two rough estimates for raising the Angela K. One estimate came in at \$100,000 - \$150,000, the other thought it could be done for about \$60,000. He is worried it will set a precedent if we do not make the registered owner financially obligated to remove it. He forwarded the video and report to the USCG and DEC and is waiting to hear back from them before he makes a final decision regarding the removal. If the USCG decides there is too much fuel in the water and raises the vessel Docks & Harbors will still be financially responsible for its removal and destruction. Mr. Creswell did send a certified letter to the owner reminding him he is financially responsible for any costs incurred.

Mr. Becker asked if it could be saved if we brought it back to the surface.

Mr. Creswell said it was a wooden boat and could be raised. It would be up to a marine salvage expert to say if it could be seaworthy again.

Mr. Ridgway asked if the vessel was insured.

Mr. Creswell said this was an uninsured vessel.

Mr. Larkin asked if we have an approximate amount of fuel on board and if pumping it out had been discussed.

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Mr. Creswell said the owner had estimated ten to fifteen gallons of fuel in the vessel at the time of the sinking. This information was passed along to the USCG and DEC and they did not feel it was worth pumping out.

Ms. Derr asked if the vessel had moved recently, at least once in the last year.

Mr. Creswell said the vessel did recently pass the sea trial. He also said within the last three or four years it was an active fishing vessel. He did not know the exact date of the sea trial.

Mr. Leither asked if it would be more expensive to remove it years down the road if we needed it raised to do work in the harbor.

Mr. Etheridge said they do degrade and fall apart quickly, especially wooden boats.

Mr. Creswell said he cannot imagine needing to dredge Statter Harbor since it is already so deep there.

Mr. Grant asked if there is any decision points needed from the Board or if the report is only informational.

Mr. Creswell said it is informational right now. He wants to wait until he hears back from the USCG and DEC before bringing it to the Board for action.

Mr. Ridgway asked if the USCG takes action against the owner if they get involved and raise the vessel.

Mr. Creswell confirmed that is true, they do go after the owner for financial compensation.

Committee Discussion – None

Public Comment

Mr. Dennis Watson – Juneau, Alaska

Mr. Watson said the boat was uninsured and in our harbor for a long period of time. He wants to know why we are not requiring vessels in our harbors to prove they are insured if at the harbor more than a couple of days.

Mr. Creswell said we need to revisit our insurance requirements.

Mr. Leither had the same question. He said his boat insurance does not cover him if it sinks because of snow or ice accumulation.

3. Update - Grant Funding

Mr. Schaal spoke about RAISE and PIDP Grants. Mr. Etheridge, Mr. Uchytel and Mr. Schaal met with the Assembly at their last Committee of a Whole meeting. They spoke

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about cruise ship dock electrification. The RAISE Grant will be due in the middle of April and the PIDP Grant will be due in the middle of May. He is working with the Juneau Commission on Sustainability (JCOS) to help with this next round of grants. They asked us to meeting with a Fairbanks based grant writing group and find out the cost for their help. The PIDP grant does not normally fund anything to do with tourism. This year they changed that so it is very important to submit for the dock electrification. Last year we applied for the Fisherman's Terminal project.

Committee Discussion – None

Public Comment – None

4. New Truck Purchase

Mr. Creswell spoke about the fleet replacement schedule. We currently have a diesel truck at our downtown location that has been a maintenance nightmare. Docks & Harbors has spent \$16,000 on repairs in the last few years. Our replacement schedule had us due to replace it this year. The current auto industry supply chain issues made it near impossible to purchase a replacement, especially for government purposes. We decided to push the purchase to next fiscal year. A few weeks ago the auto dealer in Anchorage called and was able to get a truck through the state contract.

Mr. Becker asked about diesel trucks and mentioned how hard it is to find someone to work on them. He wanted to make sure we decided to get a gas vehicle this time.

Mr. Creswell confirmed it was a one ton gas powered truck.

Mr. Ridgway asked if we were considering switching the fleet over to electric anytime soon.

Mr. Creswell said that is a goal of his. He is also looking into an electric boat at the Port, as it will not be doing much towing.

Mr. Wostmann said if a vehicle is on the schedule he thinks it is within the authority of staff to go ahead and purchase it without Board involvement.

Mr. Etheridge asked for it to be added to the agenda tonight. He did that because this change moved it from next year's fiscal budget to the current one.

Mr. Grant asked if we have any local purchase preferences.

Mr. Creswell said he tries to purchase everything he can locally. Vehicles are purchased through a state government contact. There are three dealers in Anchorage, one for Chevy, Ford and Dodge. Every time he receives a quote for a vehicle he goes to the local Mendenhall Auto Dealership and shows them the quote to see if they would be willing to match it.

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Public Comment – None

X. Committee and Member Reports

1. Finance Sub-Committee Wednesday Meetings February 23rd, 2022

Mr. Wostmann reported the committee met and mostly spoke about the Special Board meeting held tonight. Mr. Leither presented his proposal again for raising rates at Statter Harbor. The committee also spoke about a proposal to add a fee structure or incentive for green vessels.

2. Operations/Planning Committee Meeting- Wednesday, February 16th, 2022

Mr. Ridgway reported the committee forwarded a motion to have the 4.9% CPI added to the rates the CPI already applies to. We also met the new CBJ Tourism Manager and listened to a brief presentation. Mr. Schaal spoke about the upcoming Statter Harbor repairs.

3. Member Reports – None

4. Assembly Lands Committee Liaison Report

Ms. Derr reported the Franklin Foods property (Pocket Park) has been recommended to be sold to the individual that owns surrounding property. They are also discussing some changes to parking maps downtown. There was a suggestion to include Peratrovich Plaza to that amendment.

5. Auke Bay Neighborhood Association Liaison Report – Mr. Wostmann had nothing to report.

6. South Douglas/West Juneau Liaison Report – No report

XI. Port Engineer's Report

Mr. Schaal had a couple of updates on future planning for the Harris and Aurora Harbors. The Marine Exchange of Alaska is looking to build a new facility north of the Douglas Bridge facing the harbors. They are discussing this with the Alaska Department of Transportation (DOT) because they have air rights above the bridge. They also talked about a building in the Juneau Yacht Club area. Mr. Schaal met with the new owners of the Juneau Electronics building. They own a parcel and also lease a portion from Docks and Harbors. It may come before the Board to discuss some sort of land swap agreement.

Board Questions

Mr. Becker asked about the Alaska Marine Exchange purchase and if they are getting interference.

Mr. Schaal said he is under the impression the business is doing well with staffing and seeing a need for infrastructure. They are looking for direct water access and trying to consolidate their two locations. The location by the Douglas Bridge has a DOT right-of-way and they started exploring other locations.

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Mr. Ridgway asked for an update on the UAS property.

Mr. Schaal said they have been in contact with the UAS Lands Director. We are still waiting to set up a meeting.

Ms. Larson said Mr. Uchtyl had been working to get a letter written from Docks & Harbors and plan to go out to public comment.

Mr. Grant asked for some detail on the lease for the building Juneau Electronics is in.

Ms. Larson said the lease expires in 2045.

XII. Harbormaster's Report

- Earlier this week our application period closed for Harbor Officers. We received eighteen applications for those four positions. Interviews begin next week. He was extremely pleased with the application pool.
- We are starting our springtime repairs and differed maintenance projects. We will begin the Taku Harbor repair soon. Mr. Creswell recently received notice the damage was getting worse. Some concrete work, wiring and pedestal repairs are also needed around the harbors.
- Tomorrow divers will be at Statter Harbor for a repair to the Breakwater.
- March 1st, 2022 our first two seasonal employees return to work at the Port.
- We were busy with the recent tanner crab opening. Our crane docks were in high demand.
- He invited the Board to come down and meet with him anytime to discuss the condition of the Harbors and go on a tour.

Mr. Ridgway asked about the differed maintenance and if it was tracked in Lucity. He would like to see a spreadsheet or list of the costs so the Board could have a better idea of expenses.

Ms. Derr asked about a homeless encampment near the Alaska Marine Exchange building. She has seen a growing amount of trash and human waste. She believes this is on DOT land and wonders if there is anything the Board can do to help.

Mr. Creswell said this encampment is on his radar and Mr. Kenneth Davis the Harbor Security Officer checks it regularly. It is on the outside of our fence and property, but we noticed some propane tanks there and decided to take action. Mr. Davis has not seen any people at the encampment for some time now and he believes it has been abandoned.

Mr. Creswell also spoke about the derelict vehicles on Docks & Harbors property. He has had good luck contacting owners and having them remove the vehicles on their own. He has been getting the rest junked through the CBJ Derelict Vehicle Program, so we are only responsible for the towing expenses.

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XIII. Port Director's Report - None

XIV. Assembly Liaison Report

Ms. Woll said the Assembly met recently and passed three items pertaining to Docks & Harbors; renaming Peratrovich Plaza, reservations for private docks and increasing the lightering fee. She asked Docks & Harbors to provide a revised draft of the Cruise Ship Dock Electrification Study after receiving public comments. She would like the Assembly Public Works Committee to review it and give input as well.

The Long-Range Waterfront Plan Amendment, allowing for another cruise ship docks to be built, will be before the Assembly soon. This is the first step and the Assembly wanted two public hearings, recognizing it was a big issue and the community will want input. She also spoke about some amendments to the operating procedures for the Assembly. These changes will apply to CBJ boards and commissions, but not the empowered boards.

Mr. Ridgway asked if Ms. Woll had an idea how the Assembly was feeling towards the dock electrification study?

Ms. Woll said she thought the Assembly would like to see community concerns better represented in the report. She would like to see a broad range of interpretations to help with policy decisions.

XV. Board Administrative Matters

- a. Finance Sub-Committee Meeting – Wednesday March 9th and March 22nd, 2022
- b. Ops/Planning Committee Meeting – Wednesday, March 23rd, 2022
- c. Board Meeting – Thursday, March 31st, 2022

XVI. Adjournment – The Regular Board meeting adjourned at 7:14pm.