



DOCKS AND HARBORS OPERATIONS MEETING MINUTES

February 21, 2024 at 5:00 PM

City Hall Conf. Room 224/Zoom Webinar

- A. CALL TO ORDER:** Mr. Ridgway called the meeting to order at 5:00pm.
- B. ROLL CALL:** The following members attended in person or via zoom meeting - James Becker, Don Etheridge, Matthew Leither, Annette Smith, Shem Sooter, Mark Ridgway.
- Absent:** Paul Grant, Debbie Hart
- Also in Attendance:** Carl Uchytel – Port Director, Matthew Creswell – Harbormaster, Matthew Sill – Port Engineer, Emily Wright – CBJ Law Dept, and Leah Narum – Administrative Assistant.
- C. PORT DIRECTOR REQUESTS FOR AGENDA CHANGES – No Changes**
- MOTION BY MR. ETHERIDGE: TO APPROVE THE AGENDA AS PRESENTED AND ASK UNANIMOUS CONSENT.**
- Motion approved with no objection.
- D. PUBLIC PARTICIPATION ON NON-AGENDA ITEMS - None**
- E. APPROVAL OF MINUTES**
1. January 17th, 2024 Minutes
Hearing no objection the minutes were approved as presented.
- F. UNFINISHED BUSINESS**
2. Vessel Disposal Surcharge – Options
Mr. Creswell presented the power point presentation on page 13 in the packet which was previously provided. He reviewed the bullet points and suggestions regarding Vessel Disposal Surcharge. He stressed that the current VDS charge is not equivalent to fees associated with disposing of a vessel. Mr. Creswell talked about the large weather event in January in which nine vessels sank and he discussed the costs associated with some of the salvage and disposal. The vessels remaining in the harbor are required to perform a sea-trial, haul out, or face impound in which Docks and Harbors would be responsible for the disposal. Mr. Creswell went over some options he and staff suggested, increase the VDS fee to reflect actual cost of disposal of a vessel, require all vessels to be insured or pay VDS, and insured vessels must list CBJ as additional insured. Wrangel is increasing their VDS to \$3.00 per foot for uninsured vessels. This would work out that a 30' boat would pay \$90 per month and for a boat with insurance costs about \$105 per month.
- Committee Questions
- Ms. Smith asked if there is any way for us to know if a patron cancels their insurance after showing us proof of insurance? Has that happened in the past? What is the history of why we charge VDS to stall holders and not transient or liveaboards?
- Mr. Creswell does not know the history behind the why and seeks input from Mr. Uchytel and Mr. Etheridge.
- Mr. Etheridge said that was one thing not thought of because we did not have very many liveaboards when creating the VDS regulation. Transient was just transient and not liveaboard.
- Mr. Uchytel speculated that it would be ato require transient users to have insurance due to the very

limited time most of those users are in the harbor.

Mr. Creswell said we would need to make some major changes to require every vessel to come to the office and show proof of insurance and manage that. It would be a big lift for the administrative staff.

Ms. Smith asked of the transient boaters, the ones that stay for about five days at a time, do they typically sink in our harbors?

Mr. Creswell said he does not know of any at this time. Regarding seaworthy, if a vessel is seaworthy, and can demonstrate seaworthy three times a year, they are generally not vessels that sink. The summertime transient fishing boats are seaworthy, constantly moving, and safe. Right now, for the requirement to demonstrate seaworthy, he completed Harris and Douglas harbors and is working on Aurora. After we have a better handle on this, it will go smoother, but it has been a project to get all the boats compliant. If a boat is being used and moved, those are not the boats that sink.

Mr. Ridgway asked what the requirements are for the boat owner if they fail a seaworthy test?

Mr. Creswell said if a vessel is unseaworthy, he issues the owner a 30-day letter. If the owner does not comply with that letter, he issues a 72-hour notice which gives them 72-hours to show seaworthy or remove the boat from the harbor. If they do not comply with the 72-hours, we send out a pre-impoundment letter which then gives them 10-days to comply or request a hearing and the hearing officer can offer an extension.

Mr. Ridgway said he would recommend amending title 85 to say, as soon as a vessel fails a safety check, it must be insured within a week. A VDS is a favor Docks & Harbors provides for patrons and he would remove the VDS and require insurance.

Mr. Creswell said after they fail their sea trial, we are moving to an impoundment. Once we impound the boat, that is our responsibility.

Mr. Leither asked if we could require the people who pay the 6 months or 1 year moorage pay the VDS?

Mr. Creswell said typically the people who pay 6 months or 1 year have the means to insure their vessel is safe.

Ms. Smith asked of the four vessels Mr. Creswell referenced, three were transient liveaboards, one was not, and all four were uninsured. Do these numbers carry over to the majority of our sinking vessels?

Mr. Creswell said comparing the previous sinking boats to the last storm sinking boats, one was a liveaboard and insured, and two were transient and uninsured.

Ms. Smith asked how many of the uninsured vessels that sink has the cost of recovery been paid for by their owners and no cost to us?

Mr. Creswell said he does not have exact numbers but there are very few.

Ms. Smith asked why would current liveaboard vessels in transient moorage be grandfathered and only lose their status if the vessel changed hands or the individual moved off their vessel? It seems that transient is not permanent. Is the only answer to raise the rates?

Mr. Creswell said staff always look for points of compromise and do no harm. The staff feels it is a manageable number that will only go down in time and this change may look too heavy handed to the liveaboard community.

Mr. Ridgway said the recommendation looks good. We just raised rates, but we are spending a lot of money on vessel disposal. The cost we recoup is not enough. He is in favor of a motion that would forward this recommendation to the full board for consideration and emphasize adjusting the rate upwards requiring uninsured vessels to pay the daily rate as well as all the options presented by Mr. Creswell.

Ms. Smith asked Mr. Etheridge, your uninsured vessel sank, how do you think we should handle this?

Mr. Etheridge said he agrees with raising the VDS fee, but putting everyone on a daily rate he disagrees with and that is way overboard. If this is approved, we will wind up with a lot of boats because people will just walk away from them. We are going to have a lot of uninsured boats in our harbors because the insurance companies are changing their policies. If you are late for an inspection, the insurance companies cancel your insurance. If someone has a boat over 20 years old, and you have not had insurance all that time, you are not going to be able to get insurance. The insurance companies are not insuring older boats.

Mr. Leither said he agrees with raising the VDS rate, his concern is having no liveaboards in Statter penalizes people that do not need to be penalized. He is a liveaboard in Statter because if he wants to go hunting, his boat only goes 5 knots and it will take less time to go hunting or fishing than being in one of the downtown harbors. He suggested, staff has billing information for all these boats, if you are there for three months, you either have insurance or pay the VDS rate. If the Board decides to have no more liveaboards in Statter as a policy, that should not be in this conversation.

Mr. Uchytel said Mr. Creswell was saying the liveaboard would be allowed in all the reserved spaces as well as the grandfathered vessel owners in transient now. He made it clear, we are not banning liveaboards from Statter Harbor.

Mr. Ridgway clarified, the liveaboard in Statter Harbor transient would be phased out first. He asked how many stalls are liveaboard in Statter?

Mr. Creswell said we have 70 assigned stalls in Statter Harbor that liveaboards could be in.

Mr. Ridgway asked if we phase out the transient liveaboards, do you control how many of the 70 stalls will be allowed to be liveaboards.

Mr. Creswell said there is nothing in regulation to only allow so many liveaboards. On the waitlist in Statter Harbor, there are 18/42' stalls and the remainder are 32' stalls. The wait for a 32' stall is 7 to 12 years and the 42' stalls we are looking at 10 to 15 years.

Ms. Smith recommended bringing to the full Board the first two recommendations.

1. Raise the VDS fee.
2. Require all uninsured vessels to pay the VDS fee even in transient if they are there for more than three months.

Mr. Creswell said for #2, he meant to say, all uninsured vessels wishing to pay the monthly, semi-annual or annual rate will be required to pay the VDS fee.

Mr. Ridgway said he agrees to move the first two forward with #2 amended by Mr. Creswell but not #3 putting a vessel on a daily rate if they are uninsured, not #4 limiting the liveaboard vessels in transient moorage for now, and not #5 adding a VDS fee to all vessels.

Public Comment – None

Committee Discussion/Action

MOTION BY MS. SMITH: FORWARD OPTION #1, AND OPTION #2 AMENDED BY MR. CRESWELL TO THE FULL BOARD AND ASK UNANIMOUS CONSENT.

Motion passed with no objection.

3. CY2023 Consumer Price Index (CPI) Adjustment

Mr. Uchytel said on page 19 in the packet is a memo from him. In February 2023 the Board approved adding CPI adjustments to nearly all our Docks & Harbors fees and that was approved by the Assembly. The calendar year 2023 CPI adjustment for Urban Alaska is 1.5%. In the wording for the CPI adjustment, the Board has at their discretion the ability to take action to keep the fees the same as the prior year or increase the fee in an amount less than the CPI adjustment. If the Board does nothing, the fees will increase by the 1.5%. Our fees are adjusted at different times. Some fees are a calendar year, the tourism related fees are increased April 1st, and the remainder of the fees adjusted by CPI increase July 1st.

Committee Questions

Mr. Ridgway commented that we hired a consultant to provide a rate study and in that rate study it talked about what we need for a fund balance. We have raised our rates according to that study and it also recommends adjusting our fees annually with CPI. He asked Mr. Uchytel, in looking at the fiscal stability of Docks & Harbors, is there a good reason to not allow this increase to automatically happen?

Mr. Uchytel said no. In my memo I recommend moving forward with the 1.5% adjustment.

Ms. Smith said we did just add the additional security officer, so we do need to keep this increase.

Public Comment –

Mr. Kirby Day, Juneau, AK

Mr. Day said he does not have an objection and the cruise ship fees are on this docket as well. Because he has followed the Board fee increase process and the Board being very transparent, the cruise ship fees were built from the proposed fees. Going forward, he will be watching the CPI and forecasting their fees in the same manner.

Committee Discussion/Action - None

Motion: None

4. Memorandum of Understanding (MOA) with AELP to complete Dock Electrification Design Efforts

Mr. Uchytel said the Board saw this in January. Ms. Emily Wright with CBJ law helped craft this. He said himself, Mr. Sill, and Ms. Wright have been meeting with AELP periodically to craft a way forward for the dock electrification for the two City owned docks. This is a pass through, but Docks & Harbors takes full ownership for the output and the eventual design that AELP will execute a contract with a competent Engineering firm in California to design all the transmission lines to a float to hook up the cruise ship dock. He said staff believe this is the best way to move forward. AELP is the key for this to be successful and lead the effort with the qualified engineering firm. AELP's only concern is that they do not want ownership with something they are not familiar with. At some point there will be a demarkation on who owns what and that is indicated in the MOA. The only change is that AELP would like to have some kind

of consideration for their administrative overhead and their efforts in the design efforts with their contractor. Mr. Uchytel feels that would be fair.

Mr. Sill pointed out that the majority of this project is in the domain of AELP. It would not make sense for us to be the lead because we are not utility Engineers. The vast majority of the infrastructure is within AELP and they should be running the design because they know their system.

Committee Questions

Ms. Smith asked what the California contractor is going to be doing.

Mr. Uchytel said the company is H3, the principle is a former Long Beach electrical engineer for the Port of Long Beach who oversaw the dock electrification project at that facility. He is retired and started his own company. He knows the system and what is out there. To have this independent company working for AELP is really beneficial to have that expertise.

Ms. Smith said her concern is that they are from California, and the contractors not from Alaska typically misjudge our weather, conditions, and tides. How will that be dealt with?

Mr. Uchytel said AELP is comfortable with this contractor doing the work. At this point, it is Docks & Harbors staff to help the contractor understand the construction challenges be it working on a hillside and large tidal swings. He said he is not concerned this company would be unable to do the work.

Mr. Sill said we will have a seat at the table with all discussions with this contractor. We will be reviewing the submittals and design concepts. He does not anticipate this contractor will go down the road with a bad idea because we will be there to point that out and head off problems. We have a good working relationship with AELP. The head of this company sat on the cruise ship standards board and helped write the standards for cruise ship electrification.

Mr. Etheridge asked what the timeline for this is?

Mr. Uchytel said once awarded, H3 will have the design done in a year?

Mr. Etheridge asked when this needs to be approved?

Mr. Uchytel said the MOA only needs Board approval. We are still working with AELP to have a final document.

Mr. Leither asked if someone knows the status of the appeal that someone submitted regarding whether pollution was adequately considered for the dock electrification?

Ms. Wright said we are waiting for a decision and expect something in the next 30 to 60 days.

Mr. Ridgway said the MOA does not have any mention of what this body's role is in the design process. His concern is when it gets to the support services, is AELP going to have an onsite inspector during construction?

Mr. Uchytel said the proposal that H3 gave to AELP, is design and construction administrative during construction.

Mr. Ridgway asked if there was somewhere in this MOA for us to potentially open doors to support the Huna Totem project and the other federal project on the waterfront?

Mr. Uchytel said that is communication he had with AELP. The project is to bring power to the two City owned docks, but it has to be done applying the future needs of the larger Juneau-area port.

Public Comment

Mr. Kirby Day, Juneau, AK 99801

Mr. Day said from his history with AELP over the last 23 years, they are the expertise and he believes this is the right thing to do.

Committee Discussion/Action

MOTION BY MR ETHERIDGE: TO FORWARD THIS MOTION TO THE FULL BOARD TO APPROVE THE PROPOSED MOA WITH AELP TO COMPLETE ENGINEERING DESIGN EFFORTS FOR DOCK ELECTRIFICATION AND ASK UNANIMOUS CONSENT.

Motion passed with no objection.

G. NEW BUSINESS – NONE

H. ITEMS FOR INFORMATION/DISCUSSION

5. Port Engineer Update

Mr. Sill reported –

- Security lighting in Douglas was completed last week - It turned out very nice and no complaints to date. (He showed pictures). The total project cost was almost \$72,000 with \$50,000 being the purchase of the light poles, Lumineers, and electrical installation. Docks & Harbors furnished the concrete bases which was a little over \$13,000, design was a little over \$7,000, and permitting was a little over \$1,000. This was all from our operational budget.
- Aurora Harbor Rebuild – Trucano Construction completed the float assembly and pile driving. We were able to let three of the five Protected Species Observers go. The last two are finishing up on the report due to NMFS. All the floats and pilings are in, the next work is all utility. Harri's Plumbing started last week laying in the fire and water pipes and pressure testing. Regarding electrical, the electricians are onsite, and they will spend a couple weeks pulling wires and then they will install light poles and power pedestals. This project is going smoothly and the construction component is complete.

Mr. Ridgway asked how many slips this will provide?

Mr. Sill said eight spaces on the fingers and then over 200' of side tie plus the loading zone. There will be more fingers and the T float added in phase IV.

- Harris Harbor Security Gate – Mantel was the winning manufacturer proposer, he showed pictures of the gate. There will be a security camera and controls added. It was delivered last week, Carver Construction will install it, and Chatham Electric will do the electrical portion of this project. The total cost for this project is over \$50,000. The structure was \$29,000.
- Grants -
 - EPA Clean Ports Grant - He hopes to have the CBJ grant writer put this together. He is still waiting to see the NOFO for this grant.

- PIDP grant - the last two times we submitted this was for the drive down float at Aurora Harbor and they liked it so we will submit it again and include comments.
- We are waiting to see if the Legislature will fund the DOT Harbor matching grant program. We have our \$5M project for this if it is funded.
- The next Harbors matching grant will be for an anode project at Statter Harbor.

Mr. Uchytel reported -

- Brian Hawkins, President of AAHPA who is here tonight, has been in Juneau lobbying for the harbor grant and raising the maximum harbor grant as well as other harbormaster's from around the state. He said the group met with the Deputy Commissioner from DOT, the Office of Management and Budget Director, Ms. Sanders, the President of the Senate, Gary Stevens, and we have widespread support for full funding of the Harbor matching grant program.
- Grants - In March, he would like to do a Juneau Harbor Infrastructure fair. Some of the feedback from the PIDP grant for the drive down float was asking what the outreach has been. We do ask for letters from the community, but he believes we need to demonstrate we are doing community outreach and have an event at the Yacht Club and go over all our infrastructure plans. The PIDP Grant is due at the end of April.

Mr. Etheridge said there is a lot of support for the grant, but there is no money.

6. Marine Passenger Fees (MFP) Update

Mr. Uchytel said there is a memo in the packet on page 40 with what Ms. Pierce put together for the Marine Passenger Fees. This is a list of all the projects submitted and the list of projects she is proposing funding. The list has gone to the Assembly Finance Committee and it is in the comment period. The Board and public could comment on this list. Sometime during the budget cycle, the Assembly will approve this. Mr. Uchytel read all the projects Docks & Harbors requested Marine Passenger funds for and went over other projects that are proposed for funding.

Committee Discussion - None

Public Comment - None

I. STAFF, COMMITTEE AND MEMBER REPORTS 6:21

Mr. Creswell reported –

- Vessels – There are about 18 vessels in some form of the impoundment process. There are two boats listed for outcry auction. There are three boats on the public surplus site. Last week he issued seven impound notices and this Friday those come due. Two of those seven have requested hearings. To save money for some of the boats that sank, we will dispose in-house. There are still some that will need to go to our term contractor Trucano to dispose of. Two of the boats that are due to impound on Friday are the Captain Cook and the Adventure Bound.
- We had our two new Harbor Security Officers start last Tuesday. They are Mr. Brian Haight and Mr. Jim Collins. The two are making it possible for around the clock security in our Harbors.
- The Port Deputy is currently being advertised and will provide additional help at the Port.
- There are three benefitted seasonal Harbor Officer positions also being advertised and will close March 4th.
- We have one benefitted seasonal Harbor Technician position that will close about the same time frame.
- We are recruiting three more administrative positions. One year around and two seasonals.
- We are also recruiting for the unbenefitted part-time limited positions.

- Two of our .67 FTE positions return March 4th. They will start the initial start up and get ready for the rest of the seasonal staff to return on April 1st.
- The University building trades class agreed to build a new structure at the top of H ramp in Aurora Harbor. There is a shelter there that we need to demolish and we will procure the material so they can build a new one. The University welding class, we placed an order for aluminum for the class to build new harbor flat carts.
- He received the position concepts for interns back from HR and he submitted the position descriptions for those interns to the University. He hopes to move on this in the next few weeks. We will most likely see our first interns in August.

Mr. Ridgway asked if we ever sold a boat and got it back.

Mr. Creswell said yes. We sell the vessels for what is owed including impound administrative fees and the average cost to purchase a vessel is about \$3,500. We do have a large vessel coming up to impound at the IVF that will be issued paperwork on March 1st. It is a much higher dollar value boat with a brand-new excavator on the back. They have not made a single payment since they arrived in October. They have asked for their balance, but their company is in disarray.

Ms. Smith asked how the additional people we needed to bring in to help with shoveling affected our budget.

Mr. Creswell said he has not updated the numbers for the current year. He did run a report for the calendar year 2022/2023, and he spent \$68,000 total. For this year, early last week when he pulled a report it was at \$102,000 and he believes after adding in the final snow removal we will be at around \$108,000. He hates to forecast, but if we get more snow, we could be around \$130,000.

- He wanted to let the Board know that he and Mr. Norbryhn are working on the request for handicapped moorage at Statter Harbor. They will follow up with the Board after they have that figured out.

Mr. Uchytel reported -

- There was lobbying in Juneau this week statewide.
- He is going to DC this weekend for the ASCE lobbying in DC next week. He is working with our federal lobbyist to set up meetings with maybe the Coast Guard but for sure the delegation and the Army Corp of Engineers as well as MARAD. We are trying to figure out how to get a waiver with MARAD to allow us to use the proceeds from the sealift sale to purchase a Conolift.
- He said he will Zoom into the Board meeting on Thursday and Ms. Larson will be in person.
- On Monday, at the COW meeting, Title 85 will come up for discussion as well as an update on dock electrification.

Mr. Ridgway asked if this is the last version of Title 85?

Mr. Uchytel said the City Manager has the last version this Board has seen. She knows the Board sees no value in this change and wants to know what the Assembly is trying to accomplish.

J. COMMITTEE ADMINISTRATIVE MATTERS

Next Operations Committee Meeting – Wednesday, March 20th, 2024

Ms. Smith said she will be in the middle east next month and not attending meetings.

K. ADJOURNMENT – The meeting adjourned at 6:53 pm.