

CBJ DOCKS AND HARBORS BOARD
REGULAR BOARD MEETING MINUTES
For Thursday, August 31st, 2023

- A. **Call to Order:** Mr. Etheridge called the Regular Board meeting to order at 5:00 p.m. in CBJ Room 224 & Via Zoom.
- B. **Roll Call** – The following members were in person or via Zoom – James Becker, Paul Grant, Debbie Hart, Matthew Leither, Annette Smith, Shim Sooter, Don Etheridge.

Absent: Mark Ridgway and Albert Wall

Also in Attendance: Carl Uchytel – Port Director, Matthew Sill – Port Engineer, Matthew Creswell – Harbormaster, Rorie Watt – CBJ City Manager, Wade Bryson – Assembly Liaison, Nichole Lynch – CBJ Law, Emily Wright – CBJ Law (Zoom), and Sherri Layne – CBJ Law (Zoom)

C. Port Director Requests for Agenda changes

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

Motion passed with no objection.

D. Public Participation on Non-Agenda Items

Zack Worrell, Commercial Fisherman, Juneau, AK –
Mr. Worrell expressed concerns about the lack of prioritization of local sport and commercial fisherman at Statter Harbor. He also expressed concern over the facility that houses the whale watching fleet. Mr. Worrell posed the question: why have local sport and commercial users not been prioritized since he attended a board meeting in 2009 where he and other local fishermen were assured that they would be?

Mr. Grant asked whether it's related to how the harbor is used or if it's overcrowded.

Mr. Worrell clarified that it's about how the harbor is used and where the priority lies. He expressed how tourism in the area has made it difficult for locals to get in and out of the harbor.

Mr. Becker agreed with Mr. Worrell on the issue of Statter Harbor being crowded and stated that there have been discussions on this issue, but there are no immediate resolutions.

Mr. Sooter presented his own experiences using Statter Harbor all summer long. He validated Mr. Worrell's concern and said that he hopes to have more discussions with the board over the winter to help resolve some of these concerns.

Mr. Leither chimed in to express thanks for Mr. Worrell bringing up the discussion and touched on how the Harbors funds are separate from the Docks funds and cannot cross which leads to the Passenger for Hire situation that Mr. Worrell is concerned about with the whale watching fleet.

Ms. Smith brought up her experience from the past before the Passenger for Hire float was approved and said that while it was not where she would have put the float, it did take some pressure off everyone else who had a boat tied up. She then asked Mr. Worrell what his recommendation would be to improve Statter Harbor.

Mr. Worrell responded from Ms. Smith's question and expressed more concern about the city funding coming from summer tourism rather than locals that are here year-round. He then suggested putting the tourism Out the Road or on Douglas rather than where locals would be at Statter Harbor.

E. Approval of July 27th, 2023, Board minutes

1. Hearing no objection, the July 27th, 2023, Board minutes were approved as presented.

F. Consent Agenda

- a. Public Requests for Consent Agenda Changes – None
- b. Board Members Requests for Consent Agenda Changes – None
- c. Items for Action

2. Potentially Available Breakwater – Reuse in Juneau

RECOMMENDATION: TO DIRECT STAFF TO EXPEND RESOURCES TO EVALUATE CONDITION AND VALUE OF 180 FOOT BREAKWATER POTENTIALLY AVAILABLE TO BE REPURPOSED.

3. Boat Shelter Sale – Board Right-of-First Refusal to Purchase

RECOMMENDATION: TO WAIVE THE DOCKS & HARBORS BOARD RIGHT-OF-FIRST REFUSAL TO PURCHASE BOAT SHELTER AG-24/AG-25 FOR \$65K.

4. Dock Electrification Update & Pursuit of EPA DERA (Diesel Emissions Reduction Act) Grant

RECOMMENDATION: TO FORWARD DOCK ELECTRIFICATION MEMO UPDATE TO THE ASSEMBLY AND APPLY FOR \$1.5M EPA DERA GRANT.

Ms. Hart removed herself from the consent agenda motion vote.

MOTION by MS. SMITH: TO APPROVE THE CONSENT AGENDA AS PRESENTED AND ASK UNANIMOUS CONSENT.

Motion passed with no objection.

G. Unfinished Business

5. Harbor Rate Increase (9%)

Mr. Uchytel said on page 19 in the packet is the schedule of the 9% increase rate. At last week's Operations/Planning Committee meeting, the committee decided to set a hearing date of October 4th, 2023, which is dependent on the direction of the Board at this meeting. Page 20 in the packet starts the regulation for the rate changes. Starting on page 33 is the landscape version of the Notice of Proposed Changes to Regulation. This is what will be posted at the libraries and online. Providing the fiscal note, estimating the approximate revenue increase, is required in regulation which is stated on page 37 in the packet. Also included, starting on page 38, is Mr. Clayton Hamilton's letter to every local fisherman with a permit in Juneau, informing them of the 9% rate increase and on page 40 is Mr. Burke Bohnsack's response to Mr. Hamilton's letter. Mr. Uchytel asked the board what the expectations are for the special board meeting on October 4th regarding the regulations. He goes on to explain that in the past each item has been read aloud and voted on. He also asked the Board to give him and his staff direction on whether there should be more public outreach.

Board Comments/Questions –

Mr. Becker asked, does the Board need to have a hearing for the rate increase? He noted there have only been two written responses to the Board at this time.

Mr. Etheridge stated that it is required to have a hearing and to go through each item at the hearing to allow for comments and votes.

Mr. Becker asked, does the public have another opportunity to object to these items at the hearing?

Mr. Etheridge said the public will have the opportunity to object and make their comments heard at the hearing.

Mr. Uchytel stated that after the public hearing, the results will go to the Assembly for the October 23rd meeting to adopt or not adopt the 9% rate increase.

Ms. Smith, speaking to Mr. Becker, said that the public is welcome to come to any of our meetings to speak and there are lots of opportunities for comment.

Public Comment – None

Board Discussion/Action –

MOTION By MS. SMITH: TO DIRECT DOCKS & HARBORS STAFF TO COMMENCE THE REQUISITE PUBLIC NOTICE TO INCREASE FEES 9% APPLICABLE REGULATIONS AND SET A HEARING DATE OF OCTOBER 4TH, 2023 AND AS UNANIMOUS CONSENT.

Motion passed with no objection.

H. New Business – None

I. Items for Information/Discussion

6. Proposed Changes to Title 85

Mr. Uchytel said City Manager Rorie Watt would attend at 5:30p.m. which is four minutes from now. Mr. Uchytel starts the presentation. On page 41, the red lines are the proposed changes of Title 85. He states that these changes have not been reviewed by the Law department yet and that it is Mr. Watt's first draft of the changes.

Board Questions for Mr. Uchytel –

Mr. Leither asked, does this mean that the Docks & Harbors Board is still an Enterprise Board?

Mr. Uchytel responds in the affirmative to Mr. Leither.

Ms. Smith asked Mr. Uchytel, what is your opinion of the changes to retain Harbors but remove Docks?

Mr. Uchytel said that to him, it doesn't sound like the board is being removed from the cruise ship oversight in totality. He explains that the board is responsible for day-to-day operations and maintenance but not for rate settings. Mr. Uchytel goes on to state that his opinion is that if you're responsible for the day-to-day operations and maintenance, you should have some say in rate settings. He was also unsure of where it would end up going because it seemed to him that the Assembly would want the Board to have some input in rates. He points out the change made on page 44 of the packet that the Port Director would take direction from the City Manager and explains that he would follow those instructions as long as they are legal, ethical, and moral. He explained that he doesn't see these changes as super impactful.

Ms. Smith followed up and asked Mr. Uchytel, do you believe that it is reasonable or responsible to have the people not responsible for the maintenance and operation of the part of the docks to be the ones that are setting the rates?

Mr. Watt walked into the room before Mr. Uchytel could answer Ms. Smith's question.

Mr. Watt starts his presentation by saying that he didn't want to make more changes than were necessary. He clarifies that he only proposed two changes that deal with general powers of the Board and reflecting that in the duties of the Port Director. Mr. Watt explains that CBJ has empowered Board Directors that report to Boards, or we have department heads that report to City Managers and that Docks & Harbors is somewhat in between that structure. Mr. Watt wants to clarify the authority over the cruise ship tourism and streamline things for the Port Director.

Board Questions for Mr. Watt –

Mr. Grant asked, is this for information or for action?

Mr. Watt says that it is for comment and that if the Board is ready to act, they could and that there is no strict time deadline.

Mr. Grant commented that he doesn't think it's particularly impactful except for how the Board would be responsible for day-to-day operations but the control over funding is taken away. He feels as though this would set the Board up for failure should the Assembly not grant enough funding for Docks activities, and they need to run something that is underfunded.

Mr. Watt clarified that this wasn't meant to throttle revenue to the department and suggests that maybe what is needed is something that explicitly says that the Board may make recommendations to the Assembly on necessary funding to carry out required duties.

Mr. Grant followed up with a comment about the Assembly not always following the Board's recommendations, but he feels like this is a reasonable way to approach it if it is changed to "the Board shall make recommendations to the Assembly." He closes his statements by reiterating that he doesn't feel like these changes would be overly impactful.

Mr. Sooter asked, is it the financial impact or the impact of tourism on the citizens that Mr. Watt is trying to vacate?

Mr. Watt responded with it is about the impact of tourism on the citizens and a consolidated fee negotiation in the industry.

Mr. Sooter clarified that he is meaning to ask, would it be unreasonable to narrow the statement down to the scheduling or policy issues affecting the cruise ship industry and only the impacts on the citizens?

Mr. Watt said that the fees are in there too and poses the question: should Docks & Harbors maintain a subset of those fees? He is suggesting that they all interplay because they all affect the cost of operations, and he wants a very consolidated approach to fee setting in the industry.

Mr. Leither stated that he agrees somewhat with Mr. Grant, but he doesn't see it as hugely revolutionary. He presented hypotheticals to help with his understanding of where the division breaks down. Regarding the desire of multiple Board members to request a new lightering float, he asked, does this new model give all of the authority over the possibility of getting a lightering float go to the Assembly or does the Board still have control over that?

Mr. Watt says that he thinks the Board can propose anything that it wants through the capital improvement program before or after these proposed changes. If the Board wanted to prioritize the lightering float, they could do that today or in the future and he doesn't see how this would change that.

Mr. Leither follows up with a question to the Chair and Mr. Uchytel. He asked, if the Board were to have the lightering float on the agenda right now and they agreed to it, would it go to the Assembly anyway under the current powers without the changes Mr. Watt is looking to make?

Mr. Watt said that the process would be if the Board wanted a lightering float, the Board would direct the Port Director to put in a capital improvement plan that would go through the Assembly anyway.

Mr. Uchytel explained that the process would be a list of projects the Board would like to see funded submitted on an annual basis in January.

Mr. Watt stated that the process would be the same for other infrastructure projects and would compete for that funding.

Mr. Leither asks for further clarification by asking if the Board decided to pay for something out of the Board's budget rather than the Marine Passenger Fees or something of that nature, would the Board still be going through the Assembly?

Mr. Uchytel stated that anything over \$100,000 requires the Assembly's approval.

Ms. Hart tied this discussion to the situation at Eaglecrest and being asked to supply people to run the gondola but wasn't given the funding or authority to do the scheduling. She commented that what she always thought the Docks & Harbors Board was there for was to be a sounding board for the public and then the Assembly would approve or not approve any applicable proposals. She feels that these changes would take away that opportunity and wants clarification on where the responsibilities are going if they're not with the Board.

Mr. Watt explained that it stems from the Visitor Task Force Report recommending that CBJ centralize that tourism function rather than having bits and pieces of different departments. What Mr. Watt is trying to do is make changes but still leave

the Board as an empowered board while finding ways for everybody's main priorities to be cared for.

Mr. Uchytel explained from the Board perspective that this change could line up with the Board asking the Assembly to raise all rates 9% for both Docks & Harbors so he is unsure how that particular line (85.02.060 section a, line one) will play out. He continued on about the discussion leading up to the public hearing regarding the 9% fee increase.

Mr. Becker asked, if these changes are made and something doesn't end up working, can the Board go to the Assembly to get certain aspects changed?

Mr. Watt responded affirmatively.

Ms. Hart asked, what does the timeframe look like and does the Board need to shift their timeline for the 9% fee increase?

Mr. Watt said that he believes the timeline for the rate increase will be fine to move forward as planned and he doesn't see a conflict.

Mr. Grant suggested that if the Board moves forward with the fee increase and that is put into place before these changes are made, there wouldn't be any question as to if the Board is exceeding its authority.

Ms. Smith asked Mr. Watt, do you believe it is responsible to have people who are not involved or responsible for the docks be the ones setting the rates?

Mr. Watt said that in this case he does believe it is responsible. He said that he doesn't see fee increases or fee setting should negatively impact proper budget allocation for the department.

Ms. Smith commented that she doesn't think the Board is supposed to strive for what's best for the cruise ship industry and that they're supposed to strive for what's best for Docks & Harbors and not any particular industry.

Mr. Watt steered the conversation towards the community impacts regarding moving ships around the harbors and the discord in fee structures at the different docks as some are publicly owned and some are privately owned.

Mr. Sooter asked, which docks are more expensive – the public or private docks?

Mr. Watts said the private docks are significantly more expensive. He goes on to explain how placement of ships on different docks can cause congestion problems because of an unwillingness to change locations due to fee differences at the docks.

Mr. Uchytel states that Mr. Watt retires in a month. He asked, what should the Board do with these proposed changes to go forward?

Chairman Etheridge said to put it on the Ops Committee meeting next month.

Mr. Leither asked, what is the goal or objective in bringing these proposed changes back at the Ops Committee meeting?

Mr. Etheridge replied that the goal is to come up with a position on what the Board thinks the direction of this should be or what changes need to be made to the proposal.

Mr. Leither asked, would the Board rewording of the proposed changes be presented to the Assembly as a recommendation?

Mr. Etheridge said this is correct.

Mr. Grant suggested that Mr. Watt might want to send a new draft of the proposed changes to the Ops Committee as he backtracked on the rates as the discussion went on.

Ms. Hart asked, are any other policy decisions being made by the Board that are going to change? She suggested that at the Ops/Planning Committee Meeting they discuss specific policies that they may not have full control over if these changes are made.

Mr. Uchytel closed the discussion by saying that he feels it is important that the Board give some input on these changes to the Assembly.

Public Comment – None

J. Committee and Member Reports

1. Operations Committee Member Report – None
2. Assembly Lands Committee Liaison Report –
 - Mr. Becker reported that he will be attending the meeting on September 18th at 5:00pm.
3. South Douglas/West Juneau Liaison Report –
 - Ms. Smith reported that she had not received any meeting notices.
4. Member Reports -

- Mr. Grant reported that he attended a luncheon on the Celebrity Eclipse where the information presented was very interesting. At the conclusion of the presentation, he asked if the cruise industry sees any limitations on itself. The response was that infrastructure was the only limitation. Mr. Grant said that what he took from that response is that the cruise industry will just build their ships taller and allow more passengers until the infrastructure can no longer accommodate for it. He said that the conclusion of this is that the limitation of only allowing 5 ships a day here in Juneau is not the answer because they will just build bigger ships to allow for the passenger counts that they're wanting. Mr. Grant is concerned with how the Board can address that and is concerned that the cruise industry doesn't see itself as having any internal limitations.

Mr. Uchytel touched on how the presenter said that there are vessels that would never come to Alaska because they are just too big.

Mr. Grant clarified that he wasn't talking about any specific vessel but that he wanted to note the trend that they will send as many people as possible.

Mr. Becker commented that it is getting very crowded in the channel. He said he doesn't know if it's possible to just say x number of ships are allowed and x number of passengers are allowed.

Mr. Leither commented that it's interesting that this discussion is happening directly after the discussion of the proposed Title 85 changes because the Board would be formally taken out of the equation in the luncheon discussion under the changes to Title 85. He stated that he doesn't feel like the Board is part of those limitation discussions anyway as they have been Assembly decisions and discussions.

Mr. Bryson addressed Mr. Grant's concerns and said that if the case was that they would build taller ships and pack more and more people in each vessel then we would see numbers for next year skyrocket. According to Mr. Bryson, per Ms. Pierce, that is not the case and that numbers for next year are set to be flat. He continued on to say that the situation we have now is roughly the same situation we will have going forward and explaining the lingering struggles that local tourism businesses are having in regard to getting back to 100% operation after the pandemic. He said that by next year a lot of the struggles that these businesses are facing will be gone so everything will calm down.

Ms. Smith compared our tourism situation to what she saw while traveling abroad. She stated that when looking at places like Rome, Florence, Naples, or any big city in Europe, Juneau's situation is not nearly as bad. Her downtown experience this summer on heavy ship days has not been bad or too crowded specifically with parking and waiting in line for street vendors.

Mr. Uchytel and Chairman Etheridge call for everyone to get back on track.

Ms. Hart inquired about the need for a short-standing committee to do a deep dive into the proposed Title 85 changes.

Chairman Etheridge said he would like to wait until after the Ops Committee Meeting to determine if the Board needs another Committee for this topic.

K. Port Engineer's Report

Mr. Sill reported –

- Marine Park Deckover – Almost off the books. Our consultant is preparing as-builts which should be done in a couple of weeks. After the as-builts are done, they will be done with their involvement, and we will make their final payment. We've already paid Trucano Construction their final payment, so we are nearly closed out on the project.
- Statter Harbor Restrooms – Dawson will be responding to some of the punch lists. Funding is being withheld until notice of completion is received. We are looking at about a month to a month and a half to closing out the project.
- Aurora Harbor Rebuild Phase III – Trucano is on track to start installation right after Christmas 2023. The cables, transformers, and circuit breakers have been approved and ordered. The fabricator will be starting shop drawings soon so we should be able to move forward with that soon. The shop drawings for timber and steel are being reviewed now and should be done in a week. We have permits from the Cops of Engineers. Discussions have started with the protected species observer to make sure wildlife is being protected. Completion for this project is late May 2024.
- Aurora Harbor Phase IV – Our State of Alaska Grant application has been submitted and we are waiting to get a ranking later this year. Mr. Sill estimates this to be a \$10M project but without any contingency or construction administration it is closer to \$9.5M.
- The Tidelands property near DIPAC transfer from the State of Alaska to CBJ is almost complete. The CDD is finalizing their Notice of Decision. Once the Notice is done, the drawings will be signed and move on to recording the property.
- Harris Harbor Gate – He has sent out solicitation memos to fabricators – two in the Pacific Northwest and two in Southeast Alaska. Quotes will be evaluated September 29th.
- Douglas Harbor Lights – Discussed with Morris Engineering to finalize where the poles would go. He reminded the Board that this project is not to light the whole parking lot but is more concerned with having a bit more safety. He is working with the same term contractor, Alaska Electric, who completed the launch ramp light.
- Wayside Park Float – Funding for this project came from the 1% sales tax. Onsite inspections start tomorrow morning (9/1/2023). The inspection report will show us what repairs are necessary, if any. Global Diving will be diving

on the float in mid-September to look at the underside of the floatation structure.

- Taku Harbor Mooring Float Rehabilitation – Working with ADF&G to obtain grant money that is a 25/75 match. ADF&G is currently running it through their budgetary process. We are looking at about a \$2M project to replace the old broken floats and make some other improvements in the area.
- Cruise Ship Dock Electrification – He is continuing to work with AEL&P. The current focus is to figure out how to provide us power. AEL&P is starting to work on bringing in assistance to help answer big picture questions. In a couple weeks there will be an informal tour for one of the two major cable management providers, WABTECH, to show them what everything looks like so they can be of better assistance once the project kicks off.

Mr. Grant, concerned with the safety railing that has already been installed, asked if Mr. Sill has thought about where to place the rest of the railing that has been approved as there is a lot of torn up bow rails near the area and if replacing bow rails enters the equation for this project.

Mr. Sill said that the current plan is to start at the South end, the opposite end of the deckover project. He says that some areas have good bull rails but the area by the deckover project have terrible bow rails so they will need to be replaced. Part of the design process is going to be that if the areas have good bow rails, the safety rail will be placed on top and will look like how it does at Marine Park. However, if the bull rails aren't good, they will be replaced and then they will add the safety railing over the top of the new bull rails. The plan is not to replace good material.

Mr. Grant asked if the bull rails farther down the bow rails are better.

Mr. Sill says that they are better.

L. Harbormaster's Report

Mr. Creswell reported –

- At the Harbors it is busy but there is finally starting to be a decrease in Harbor use. Staff have done an amazing job keeping up with the activity through shortages, resignations, and retirements.
- The Army and Coast Guard divers were here for three weeks to do their cold-water diving hours. They did a lot of water line cleaning and inspections for us during this time. Compared to past years, we didn't have as many technical projects for them. However, they did do an underwater inspection of all of the cruise ship docks and the reports that we received were stellar.
- The Salmon Derby went well. There was some bad weather on Saturday (August 12th) but Friday and Sunday (August 11th & 13th) had fishable weather. More fish were caught this year with less participants.

- The King Crab Opener did a seven-day opening from Monday to Monday where in the past it has been a Friday to Monday. This change helped with the congestion that typically happens at the Harbor with these events. Mr. Norbryhn and his crew did a great job at Statter Harbor designating one side of the launch ramp for launching and one side for hauling out to help control the traffic. This may become a more permanent idea for busier weekends as it seemed to work really well.
- The Port – Staff has been able to adapt as the season has gone on and are doing a great job.
- Our Seasonal Employees end dates are tentatively September 30th-October 2nd depending on how their schedules fall. Some seasonal staff will stay on after that point as there are a few cruise ships still coming in until the end of October.
- There will be a staff gathering on September 19th.
- We hired Joelle Worthley at Statter Harbor for the year-round position with Dordie Carter leaving. For the last few months Joelle has been a seasonal admin for us.
- There will be a full time Harbor Officer position opening. We sought out internal year-round Harbor Officer staff first. Dan Turner has transferred to Statter Harbor so we will be hiring for Aurora Harbor. We have many highly qualified internal candidates up for the position. Applications will be reviewed in the next few days.
- Douglas Harbor Lighting – Worked out a deal with SECON to use the back of the launch ramp parking lot for staging and they will trench in the conduit for the light poles. They have also wrapped most of the parking lot and used recycled asphalt and have agreed to do the center section of the main parking lot in front of the Harbor doors.

Ms. Hart thanked Mr. Creswell and his staff for all they have done after the jökulhlaup this month.

Mr. Sooter asked, how did the Launch Ramp Survey do?

Mr. Creswell stated that the Board will get a full update on that at next month's Ops/Planning Committee Meeting, but we had 246 responses with some really good comments and input.

Ms. Smith commented that it has been her experience at Statter Harbor that it is very difficult to get in after 2 or 3 in the afternoon. She noted that if some of the boats would be closer together there would be room for more people. She asked what the rules are for retying boats.

Mr. Creswell stated that he had an idea this year to take one of the port staff members out to be his Dock Ambassador that would help people coming in to tie up boats. However, a lot of his time was taken up by caring for the restrooms and couldn't spend as much time as anticipated tying up boats. Mr. Creswell said that Docks & Harbors doesn't condone one harbor customer moving another harbor customer's boat but recognizes that it does happen sometimes. Most people who use Statter

Harbor will put a note on their window saying to call them if there are any issues with their placement. We encourage patrons to work together if staff are not able to be out tying up boats.

M. Port Director's Report

Mr. Uchytel reported –

- At the previous Ops/Planning Committee Meeting he reported on how his meetings with Transportation Secretary Buttigieg and Senator Murkowski went and will entertain any questions about that.
- He also noted some leave happening at this time. Teena Larson, Administrative Officer, is out until September 18th and he will be leaving tonight (August 31st) and will be out until September 14th leaving just Mr. Sill in the Port Office. The last week of September, Mr. Creswell, Mr. Sill, and Mr. Uchytel will be gone for the Harbormasters Conference in Ketchikan, but Teena Larson will be back in the office by that time.

N. Assembly Liaison Report

Mr. Bryson reported-

- The Visitor Industry Task Force and the Visitor Information was discussed at the Lands Meeting. AEL&P gave their presentation about how they would be able to handle dock electrification. They track their interruptible customers and reported that only once were they not able to provide power.
- He did a river examination with Capital City Fire and Rescue. They discussed what they would be able to do in the future with the jökulhlaup events as well as what can be done with the river and limitations on that.

O. Board Administrative Matters

- a. Operations/Planning Committee Meeting – Wednesday September 20th, 2023
- b. Board Meeting – Thursday September 28th, 2023

P. Adjournment – The meeting adjourned at 6:36 pm.