



DOCKS AND HARBORS REGULAR BOARD MEETING MINUTES

January 25th, 2024 at 5:00 PM

City Hall Conf. Room 224/Zoom Webinar

- A. CALL TO ORDER:** Mr. Etheridge called the meeting to order at 5:00 pm.
- B. ROLL CALL:** The following members attended in person or via zoom meeting - James Becker, Debbie Hart, Matthew Leither, Annette Smith, Mark Ridgway(arrived at 5:03 pm), and Don Etheridge.

Absent: Paul Grant, and Shem Sooter

Also in Attendance: Carl Uchtyl – Port Director, Matthew Creswell – Harbormaster, Matthew Sill – Port Engineer, Kevin Dugan – Harbor Operations Supervisor, and Teena Larson – Administrative Officer.

- C. PORT DIRECTOR REQUESTS FOR AGENDA CHANGES – No Changes**

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

Motion approved with no objection.

- D. PUBLIC PARTICIPATION ON NON-AGENDA ITEMS – None**

1. Special Order of Business

a. Katie Kachel & Dave Jansen (Consultants with Blank-Rome) – Mr. Uchtyl introduced our Federal Consultants from DC, Katie Kachel and Dave Jansen. They are our CBJ conduit to all Federal Grants, Federal Laws, and they are watching for opportunities for Docks & Harbors. When Mr. Uchtyl goes to DC, they set up meetings with the Army Corp of Engineers, NOAA Administrator, and our congressional delegation. They help us advance the mission of Docks & Harbors as well as CBJ Federal initiatives. They came for the Legislative breakfast that was held this morning. While they are here, this is a good opportunity for the Board to ask questions.

Ms. Kachel said there was a full session this morning with the Assembly. There was a lot of Docks & Harbors pending wins for some of the bills that need to go over the finish line. One bill is for the Auke Bay breakwater that would prioritize the project and expedite the study and another bill is for the funding. They just need to be passed by Congress. She commented that the Docks & Harbors projects are fun to work on.

Mr. Becker asked to explain the status on the delay of the Coast Guard icebreaker?

Mr. Jansen said the Coast Guard has acted on the right of first refusal to have the NOAA pier transferred to them and they have made it clear they intend to rebuild the facility for a capital vessel. He said we were disappointed Senator Sullivan request for funds was set aside in the fiscal year 2023 budget, but the Delegation continues to be strongly supportive in both the House and Senate appropriations for the money for the acquisition for a commercial icebreaker. The Senators have written to the Office of Management & Budget asking for an “anomaly” for funding outside of what was flat funding under a continuing resolution for that acquisition. The Commandant of the Coast Guard has testified that she supports this. We are optimistic Congress will ultimately get this done and in the fiscal year 2024 budget they will have some funding to acquire a commercially available Ice Breaker which will then have them re-engage with NOAA on the transfer of the pier and begin the capital planning process for that renovation, as well as acquire an icebreaker and move forward on getting that vessel refit to meet Coast Guard mission standards. There is still a lot to do but there is progress on moving that whole objective forward.

Mr. Uchytel said Ms. Kachel and Mr. Jansen also participated in the debrief from our application for the MARAD grant for the Aurora Harbor drive down float. He said it was very positive from the MARAD side. They recommended to improve what we can and resubmit the application at the end of April. We may need to have some amount of a local match to be more competitive.

b. Employee of the Quarter Recognition – Mr. Uchytel recognized Kevin Dugan as the Employee of the Quarter for October 2023 – December 2023 and read his award.

E. APPROVAL OF MINUTES

2. December 28th, 2023 Minutes

Hearing no objection, the minutes were approved as presented.

F. UNFINISHED BUSINESS

3. FY24 Amended and FY25/FY26 Proposed Docks & Harbors Budget -Pages six to twenty in the packet. Mr. Uchytel said on page six is the Docks budget overview. This is the budget that will be brought to the Assembly for approval. We are currently working with CBJ Finance to see if we need to do a supplemental now or after the fiscal year end. Typically, we estimate our revenues conservatively. The budget we are proposing for Docks has the new Deputy Port Operations Manager position and the additional Harbors Security Officer. On page seven in the packet is the Harbors budget overview. This shows an increase in our Debt Service fee which is provided by CBJ Finance. If these numbers at the end of the year are what we estimate, we will need to go for a supplemental. We plan to hire the additional security officer this year and that is another reason for the increase in expense.

Committee Questions

Ms. Smith asked if our debt service is a loan?

Mr. Uchytel said it is a revenue bond we are paying back.

Ms. Smith asked if it is a fixed rate interest?

Ms. Larson said these numbers are provided from CBJ Finance and I do not see any of the paperwork about the debt service. The numbers provided I add to the budget sheet. Ms. Larson said she could have someone come from CBJ Finance to talk about our debt service at another meeting.

Mr. Uchytel continued showing the fleet reserve schedule on page eight in the packet. Page nine shows what will be purchased in this current year and what we anticipate will be purchased in FY25 and FY26. Page ten shows our travel training for FY24, FY25, and FY26. Pages eleven through thirteen show Docks staffing schedules for FY24, FY25, and FY26. Pages Fourteen and Fifteen is Docks expense and revenue. Pages sixteen through eighteen is the Harbors FY24, FY25, and FY26 staffing schedules. Pages nineteen and twenty shows the Harbor expense and revenue projections. Mr. Uchytel said with this storm, Harbors could be out an additional \$50,000 to \$100,000 on vessel disposal.

Public Comment –

Mr. Clayton Hamilton, Douglas, AK

Mr. Hamilton said he talked with the Kodiak Harbor to compare our rates with a like harbor. Compared to Kodiak prices, it will be twice as expensive in the downtown harbors to their prices and about three times as expensive in Auke Bay to Kodiak prices. He asked to be conservative with our money.

Committee Discussion/Action

Mr. Ridgway said he wanted to make sure the staff has the support that is needed in terms of accounting. The budget is incredibly complex and so many of the things are a moving target, he would

like the Board to consider in the future spending maybe up to \$5,000 on additional support for the budget preparation.

Ms. Hart asked if in future budgets, there be a winter contingency in case of a winter storm event like what we are having right now, where staff is struggling to keep up. If we are not able to get help and another storm comes, we might lose more boats and fingers and she is not sure our current budget is able to capture that.

MOTION By MR. RIDGWAY: TO RECOMMEND THE BOARD ACCEPT THE FY24 AMENDED BUDGET, FY25 AND FY26 PROPOSED BUDGETS AS PRESENTED, WHICH INCLUDES A DEPUTY PORT MANAGER AND A SECOND EVENING SECURITY HARBOR OFFICER AND ASK UNANIMOUS CONSENT.

Motion passed with no objection.

G. ITEMS FOR INFORMATION/DISCUSSION

4. Harbor Snow Removal Response

Mr. Creswell showed his Facebook posts of the snow on the vessels, our crew shoveling off some vessels, a sunken vessel, a boat shelter that had to be removed, and he talked about all the challenges with the snow. He said daily Facebook alerts and SMS text were sent out.

Committee Discussion

Mr. Etheridge asked if we are charging customers for the time spent on snow removal.

Mr. Creswell said we charge when we are expending more than a few minutes. The boat on Facebook showing staff members shoveling will probably get billed out at ten staff hours.

Mr. Creswell said depending on which harbor, we had between five and seven feet of snow in eleven days. After the first storm, staff started getting a little bit ahead, and then last Sunday morning it started snowing again and the snow event just kept getting worse and worse. He talked to the weather service, and they are expecting Juneau to get four to six inches of rain on top of all this snow. Staff has been doing great and he has not heard any complaints. We have some staff that have only had one day off in over 20 days, and they are still happy to come to work. We brought back Part Time Limited staff, Summertime Seasonal Benefitted Staff, and we utilized some of the Protected Species Observers because the construction project was not driving piles this week. All able body staff have been on a snowblower on the docks, and there is still a ton of snow to remove. He said staff have been running the snow blowers so hard we were down to three, but we are now back up to eight. Staff has gone to shoveling fingers in some places. We will now start widening the areas on the docks and then get back on removing the snow from the fingers.

Ms. Smith asked if there is anyway in an emergency like this you can hire staff quickly? There are a lot of people out there doing shoveling.

Mr. Creswell said there may be. We are fortunate we have a large summertime staff, and we were able to bring back as many people as we had equipment for. He said he could use a couple more people for shoveling. He said Mr. Uchytel reached out to the football team and the hockey team to see if they could come shovel, but we did not get any traction with that idea. He said everyone in town needs the same thing we need right now. If we don't get any more snow, the work is a clean-up effort.

Ms. Hart asked when you are in a situation that a boat has sunk and still tied to the dock pulling on the finger that has a lot of snow, should the snow from the finger be thrown in the contaminated water?

Mr. Creswell said in that situation to shovel the finger is fine. There were three boats that sank in a matter of three hours yesterday, so it was all bad really fast. He said staff is working hard to make sure

that our facility is safe and right now our infrastructure is holding up fine. He said it is fine to shovel the finger and put the snow in the contaminated water. The Coast Guard is going around and putting booms out. He has been given authorization from the State to put the piles of snow in the water which is usually not allowed. He rented a large loader from Karl Leis with a five-yard snow bucket on it and we will keep that until the middle of next week so we can get caught up. Staff is working to open the entrances wider onto Egan because it is very dangerous with the large piles of snow not being able to see. He plans to get back over to Douglas to remove more snow tomorrow. He said this is day thirteen of this snow event and there have been nine vessels that sank. There were about three dozen other boats saved during the course of this storm. Admin staff have been calling boat owners when notified by the Harbor Officers. During the first storm event, we had three vessels sink in Aurora Harbor, 28' Zoe, 22' C Tiger, and 48' Alaskan Dream. In the most recent storm was the, 28' Island Star in Harris Harbor, 37' Skagit Chief in Aurora Harbor, 42' Kiona in a boat shelter, 38' Carol W. in Statter Harbor, 46' Peggy Sue in Statter Harbor, and Flower, a small sailboat in Douglas. Anytime a boat sinks, we check for safety of life and property, then we notify the national response center for all pollution and casualty events to file a report. That report is then sent out to Coast Guard Sector SE, DEC, and the Coast Guard investigative services. We call the local Coast Guard and let them know they are about to get a report and they head down to the Harbor. They can see on their phone when the report comes in. DEC comes down a couple hours later to determine pollution threat. Staff calls the owner to find out if the vessel is insured. If the vessel is insured, the owner contacts their insurance and they work with a marine salvage. Not all vessels have insurance, and this has not been the normal. Several of the boats that have sunk during this last storm have been federalized and the oil spill liability trust fund is being opened. That allows the Coast Guard to pay a salvage company to remove the pollutants from a vessel. When a vessel is underwater, it is much easier to raise the vessel first and then remove the pollutants. Anything past that point is on the owner and if we must deal with it, we go after the owner. Currently the Coast Guard has contracted with three different salvage companies, Melino's Marine Salvage, Hansen Marine out of Petersburg, and Global Diving. All three companies will start raising vessels tomorrow. Staff met with the Coast Guard today for a plan and the boat disposal becomes his concern because it does come out of our budget. It looks like right now; we could be paying disposal for six of the vessels, but he does not have an estimate. The larger boat in Statter is a big concern and if he can find a boat hauler to haul the boat out and put it in our launch ramp parking lot, we may dispose of it there. He does not feel we are out of the woods yet with 39" of snow and four to six inches of rain coming. Another thing of concern is the warmup after a prolonged cold spell. Frozen vessels expand, which causes holes and fast sinking vessels. Staff is watching everything very closely.

Mr. Leither asked how many of these boats that sank are derelict? He knows the boats have to do a seaworthy test, but he sees some boats that have not moved in years.

Mr. Creswell said most of the boats that sank are in Aurora Harbor. He reported in past meeting of going through the harbors and requiring sea trials. Staff started doing seaworthy tests in Douglas in 2022, he went to Harris in 2023, and this year he was going to do Aurora boats. This is a great example of why we make vessels have to move as prescribed in our regulation because it will be less likely to have problems like this.

Mr. Ridgway asked what the fixed cost is with our term contractor Trucano Construction for the boat demolition? Is there a chance we could do something different with these boats?

Mr. Creswell said at least two of the vessels will have to go to Trucano under our Term Contract. The smaller ones, if we can get them on trailers, and dispose of them by other means is much cheaper. Our Term Contract with Trucano is broken down into two categories with set prices, vessels 20 to 28 feet and 28 to 38 feet. If we go over our Term Contract Boat length, Trucano will give us a quote. The last

couple boats taken to Trucano were well over the 38 feet and he believes they were fair prices. We do save a lot of money if we do not have to get a boat taken out by Trucano.

Mr. Ridgway asked what we paid for the last boats; he thought it was about \$30K. He just wants to know what to expect.

Mr. Uchytel said that expense was for the ferro-cement boat, and it was around \$20K just in dump fees. Including the other disposal fees, it ended up being \$30K.

Mr. Creswell said he does not know what these will cost. We pay the demolition fee and the dump fees separately.

Mr. Dugan said the Northern Star disposal cost was \$10.5K.

Mr. Leither commented that he did not think insurance would cover a vessel that sank because it was not shoveled off.

Mr. Creswell said he did not know.

Mr. Etheridge said there are some policies that would classify that as neglect.

Mr. Creswell said two weeks ago we issued 10 day pre-impound letter to seven vessels. These were issued after 120 days past due when impounding for lack of payment. This gives them notification that they have ten days to pay their moorage before it is impounded. Only four have requested a hearing with Mr. Robert Barr. The impound date was Tuesday and we will end up impounding three of the seven hopefully tomorrow. One of the four is the Carol W that sank and because we had not taken possession, it is still the owners responsibility. Their impound was stayed until February 5th. After a boat is impounded, they have 30 days to pay their fees. During the 30 days, we advertise the vessel for sale which is required to do ten days before the sale. At the end of the 30 days, there is a sealed bid auction. If it doesn't sell at the auction, then we put it on Public Surplus.

Ms. Smith said that it bothers her that the responsible Harbor patrons are paying for the boat recovery and disposal. The Board talked about the Vessel Disposal Fee in the past and we know it does not cover these costs. She asked what should the Board be doing to prevent this or mitigate this?

Mr. Creswell said in December he presented to the Operations Committee the Vessel Disposal Fees and options on what the Board could do.

Mr. Etheridge asked to have the VDS presentation sent out to the Board members for their review and add it to the next Operations Meeting in February.

Mr. Ridgway commented that he would like to look at the required vessel sea trial because he believes that is what works to prevent the derelict boats. He asked Mr. Creswell to come back in February with suggestions.

Mr. Uchytel said we are not at the point that we are not going to get paid. We are billing all these boat owners. It is easy to bill out, but hard to get paid.

Mr. Leither said in general, a lot of the boats are aging. Are there any resources or programs to dispose of a boat for people who have a boat that is no longer any good?

Mr. Creswell said Alaska is not alone with the derelict boat problem. It is more expensive to dispose of boats in Alaska, but it is everywhere. There are Veteran programs that remove boats, but we do not have that in Alaska. It is a constant battle for staff to stay on top of the boats that are selling for a dollar.

Mr. Etheridge said one of the reasons people keep paying their moorage is because it is cheaper to do that than it is to get rid of your boat.

Mr. Ridgway commented with this growing problem of derelict boats, some group should address a Congressional Delegation and let them know this is an issue.

Mr. Jansen said about five or six years ago, congress did pass legislation for the Marine Debris Act which was to provide some support for abandoned and derelict vessels. This was particularly for those vessels that created a navigational hazard. There was not a lot of money devoted to this, but this program does provide some assistance and they are trying to build this program up. The Alaska Delegation could look into this further to maybe increase appropriations for the Marine Debris Program which Senator Murkowski and Senator Sullivan have been very supportive of.

Mr. Etheridge said that program would have to be changed considerably for Docks & Harbors to be able to use it. We do not have anything close to qualifying in that program.

Ms. Smith commented that for a vehicle, when you pay for your registration, a portion of those funds are to be used for disposal of vehicles. Should we try to get a portion of the boat registration for disposal of boats?

Mr. Uchytel said working with Alaska Association of Harbormasters and Port Administrators, requiring a title for a vessel was a huge undertaking. There was a lot of Legislative blow back for a \$24 title fee for vessels under 24 feet. He does not see a big appetite in State Legislature for any additional fees for purposes of vessel disposal.

Ms. Smith said she must title her boat and register and pay for her boat sticker.

Mr. Etheridge said getting money from boat registration for boat disposal would need to be passed through Legislation and he does not see a will to do that.

Ms. Hart commented that we are not the only community in Alaska struggling with this and maybe we could be working with our Legislatures and Delegation to try to get some additional support. She does not see the Governor declaring a state of emergency for Juneau, but we do need some help. She would like this raised to a higher level for additional support.

Mr. Etheridge said this has been a statewide issue for years. He does not believe he will see additional support anytime soon.

Ms. Adkison said this could be brought to the Legislation but because they are already a couple weeks in, she is doubtful anything would happen this legislature.

Mr. Uchytel said in Juneau, we have it pretty good. There are other Harbor communities within the state that are worse off. If we pushed derelict vessel removal for the state, there is millions of dollars of need for all abandoned vessels.

Ms. Larson showed the term contract amounts for derelict vessel disposal. For 20' to 28' vessels, \$5,000, and 28' to 38' vessels, \$6,000.

Public Comment – None

Mr. Etheridge said this topic will be on the next Operations meeting for further discussion.

5. Cruise Ship Dock Electrification – Next Steps

Mr. Uchytel said on page 21 in the packet is a draft MOA prepared by CBJ Law Emily Wright. Over the

past year, he and Port Engineer Matthew Sill have been working with AEL&P to craft a plan for dock electrification. We do have money in a CIP for dock electrification that would allow us to pursue an Engineering Consultant hired by AEL&P. This is provided for your attention, because in February we will have more of a firm agreement with AEL&P. This MOA is a \$1.8M pass through AEL&P to hire a consultant to do the evaluation for electrical design to bring shore power to our two City owned docks. There is no Assembly approval requirement. When this is approved by this Board, we can advance this fund transfer.

Committee Discussion

Ms. Smith asked, when the Docks are electrified, and the cruise ships hook up to this power, will they be paying AEL&P? If so, is there anything in the MOA that requires them to start paying back the \$1.8M?

Mr. Uchtyl said the \$1.8M came from Marine Passenger Fees. There are a lot of details that still need to be worked out. Mr. Uchtyl is suggesting to maybe add a hook up fee because we cannot charge for the power. There may be ways to recoup our investment.

Public Comment - None

H. STAFF, COMMITTEE AND MEMBER REPORTS

Operations-Planning Committee Meeting Report

Mr. Ridgway reported the Committee heard the storm update by the Harbormaster, and the budget that was forwarded onto the Board tonight.

Assembly Lands Committee Liaison Report – Mr. Becker said he did not attend the last meeting.

South Douglas/West Juneau Liaison Report – No Report

Member Reports – No reports

I. PORT ENGINEER'S REPORT -

Mr. Sill reported -

- Facilities - One of his tasks during this last snow event was to go to the different facilities and address technical issues related to the snow load and make sure the infrastructure was not in danger.
- Statter Harbor – staff is authorizing Carver Construction to redo the floors of both our old restroom at the Harbormasters office and the floor of our new restroom with a durable thick epoxy floor non-slip coating. The quote is for \$22K for the old restroom and \$31K for the new restroom.
- Statter New Restroom close out- He said he has one more final payment for Dawson Construction. Other than a few warranty items, the restroom itself is complete.
- Aurora Harbor Phase III – Trucano Construction has been struggling with the same snow everyone else has been. They paused for the last couple weeks and have sent in a request for a seven-day extension to the contract completion. Staff has that under advisement and that will be negotiated at the end. Staff also gave them leave to pause and go help with the sunken vessels and collapsed boat shelters. That is what they were doing today. They have been making really good progress and he does not have concern on what that does to the schedule. Before the snow hit, they were halfway complete with the physical float installation. It will only take a couple weeks to install the remainder of the floats. After the float installation is complete, there will be a couple months of electrical and water utility installation. We do have all the float modules in town, but some are stuck at AML.
- Aurora Harbor Phase IV – R&M has prepared a draft bid application and Mr. Sill has been rewriting portions of it to reflect what we want to submit.
- Douglas Harbor safety lighting project – All of the components are in town and Chatham Electrical is ready to install after staff can remove the snow around the light pole bases.

- Harris Harbor Security Gate – The fabrication of the aluminum components will be complete this week and the gate will ship out. Staff is still looking at Carver Construction installing the gate in early February.
- Wayside Park – PND did an evaluation of the float and a cost estimate for dredging that came back over \$2M. Staff asked PND to look at what we could get done within our budget. We met today with a dramatically reduced scope, they are now preparing cost proposals for us to do design and permitting work with a reduced scope. This will essentially just be dredging under the float and not take the float out to do any repairs. With this change, we will be able to get close to our budget of \$750K.
- Downtown work – We are working with Carver Construction to replace an expansion joint at the Brickyard and widen the entrance at the Columbia Lot.
- DNR Tidelands – Staff has received the DNR review for the two parcels adjacent to DIPAC. Those comments go to our consultant, they make corrections, one last review by CDD, and then they are signed. We are finally making progress on this transfer process that started in 2005.

Mr. Ridgway asked if there were defects in the new restroom at Statter Harbor that we need the Epoxy coating on and is the new security gate open by sliding to one side?

Mr. Sill said regarding the restroom floor, in the design we asked for a bare concrete floor. It became quickly apparent that was too much to maintain and we needed some kind of coating.

Mr. Sill said regarding the security gate, it is a swing gate but the bottom 6" portion of the door is bars/pickets. If we have another snow event like we just experienced, we may just leave the gate open until the weather clears.

J. HARBORMASTER'S REPORT

Mr. Creswell reported -

- We hired Mr. Brian Haight as our Harbor Security Officer who is exceptionally qualified with over ten years as a police officer and eight years as a Marine providing Embassy security. He will start February 13th. Now that the Board approved the budget, we will most likely make an offer to our number two candidate to fill that second position. Staff is working on a schedule for these positions.
- He is heading out of town Sunday night and will return Friday. Mr. Jeremy Norbryhn will be acting Harbormaster until Thursday and he will take back Harbormaster at that time.

K. PORT DIRECTOR'S REPORT

Mr. Uchytel reported –

- There was an appeal for the Huna-Totem Dock yesterday, it was Ms. Karla Hart against CBJ Planning Commission. He said he listened to the appeal. The hearing officer took the information and will render a verdict at an appropriate time. Ms. Hart's appeal was based on insufficient consideration for air pollution. This is relatively a high bar to get overturned.
- He will be going on vacation starting this weekend until February 14th.

L. ASSEMBLY LIAISON REPORT

Ms. Adkison reported -

- The Assembly is looking at the draft Capital Priorities List. All Assembly members sent in their own list and from those lists came a list compiled using a specific method she is not aware of. The list will be reviewed at their next meeting and Assembly members will decide if anything needs to be changed. The Aurora Harbor rebuild is at priority 12 out of 21, the Auke Bay new Breakwater is at 18, and the North Douglas Boat Ramp is at 20. If anyone would like changes, they are welcome to reach out to her or members of the Assembly, but she is not sure what changes will happen.

M. BOARD ADMINISTRATIVE MATTERS

Next Operations Committee Meeting – Wednesday February 21st, 2024

Next Regular Board Meeting – Thursday February 29th, 2024

N. ADJOURNMENT – The meeting adjourned at 6:34pm