

CBJ DOCKS AND HARBORS BOARD
SPECIAL MEETING MINUTES

For Friday, April 14, 2023

CBJ Room 224 and via Zoom

A. Call to Order: Mr. Etheridge called the Special Board meeting to order at 12:07 p.m. in City Hall Room 224 and via Zoom.

B. Roll Call: James Becker, Paul Grant, Matthew Leither, Mark Ridgway and Don Etheridge.

Absent: Debbie Hart, David Larkin and Annette Smith.

Also Present: Carl Uchytel – Port Director, Matthew Creswell – Harbormaster, Teena Larson – Administrative Officer, Matthew Sill – Port Engineer, Chelsea Swick – Risk Management Officer, Sherri Layne – City Attorney and Nichole Benedict – Administrative Assistant.

C. Port Director Request for Agenda Changes – None

D. Public Participation on Non-Agenda Items – None

E. New Business

1. Aurora Harbor Phase III Bid Award

Mr. Uchytel said staff held the bid opening on Wednesday for the Aurora Harbor Phase III project and our CIP has a balance of \$4.1M. For the bid offering, the project was broken down. There was a base bid, and four alternate bid items. Staff was hopeful to at least be able to award the base bid. The base bid for the apparent low bidder was \$4.3M. At this time, we do not have enough money to make a recommendation to the Assembly to make an award. The next item on the agenda is an action item for the Board to decide if you want to commence a process to transfer additional money into the CIP in order to salvage the base bid. The other reason to start the process today is in order to transfer from a fund balance into a CIP takes two Assembly meetings. There is an Assembly meeting on Monday and then the next meeting would be May 8th. If this is not introduced on Monday it would be introduced on May 8th and we would not have funds to award until June. A contractor is required to hold a bid for 90 days but it really is not fair to have them hold it that long so we are trying to expedite as promptly as possible.

Mr. Sill said he put together a slide show showing the bid results and project costs over the years. He said the low bidder is Trucano Construction with the low bid of \$4.25M which is almost \$1M over the engineers estimate. The base bid is just a skeleton of a project that was put in with four alternates. Added alternative A is an extension of the head walk, added alternative B is finger floats on the south side of the main walk, added alternative C is a T float on the end of the float, and added alternative D is the anodes. There were two bidders and the high bidder was Western Marine Construction and they were only \$241,000 higher than Trucano. He said he is confident these numbers are real. He believes these higher prices are due to inflation, labor shortages that are hitting the float manufacturers, material shortages, and lead time for electrical items. Another thing

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is that there was a lot of grant money and now there are a lot of people competing for the same material. He showed a graph with project costs over the past ten years, and also current project costs. From 2013 to 2018, the 10' wide float cost was approximately \$110 a square foot and were reasonably flat. In Southeast Alaska, the first bids received for 10' wide floats after COVID was Angoon at \$300 a square foot and the Aurora Harbor Project bid at \$297 a square foot. The finger floats were \$104 to \$125 per square foot, now they are \$282 per square foot. Mooring piles were \$100 LF and they are currently at \$228 LF. Comparing to the Angoon bid prices, the bid for piles came in higher. For the Electrical system, since 2018 the costs for copper have quadrupled and the components for our electrical system are not available for many months. The bid we received showed a sharp and uncontrolled jump in prices. He showed a slide showing what the base bid will buy us. The base bid is two modules that is 128' of head walk, finger floats on the north side of the main walk, and nothing on the south side.

Board Questions

Mr. Leither asked if not adding alternate D (anodes) initially will cause damage to our floats?

Mr. Sill said it is fairly common to have this as an alternate bid item because they are good projects for the matching grant applications which range in the \$70K price range. The low bid for this was \$73K. The pilings are galvanized and protected for roughly five years without concern.

There was no more discussion on this topic due to not having funds to award the bid.

Mr. Uchytel said the \$250K transfer requested in the next item takes two meeting. In the posting notice, it will be publically announced that we intend to ask the Assembly to approve transfer of money and we intend to award a \$4.3M bid to Trucano Construction. If the Assembly approves the \$250K at the May 8th meeting, they can also approve the bid award later in that meeting.

2. Transfer of \$250K from Harbor Fund Balance to Aurora Harbor Improvement (CIPH51-125).

Mr. Uchytel said on page seven in the packet shows our projected fund balance numbers for the end of FY23 to be \$2M. The Board approved moving \$500K to the Aurora project to have the 50/50 match for this bid. After the \$500K staff is currently projecting to have \$1.5M. The question for this meeting is do we want to salvage the base bid award and move \$250K from our fund balance to make the base bid award. Page six in the packet shows the October 2022 1% sales tax where Docks & Harbors will receive \$6.5M. We will receive \$2.4M of that in FY24 but probably not available until the second quarter. From the 2017 1% sales tax, we received \$1.5M but that will not be available until July 1, 2023.

Board Questions

Mr. Grant asked if we should ask the Assembly for the \$250K.

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Mr. Uchytel said if we are asking about the 1% sales tax money, there just is not money in the first quarter. The contractor is required to hold their bid for three months but we typically do not treat our contractors like that. There is the \$2M that the Assembly appropriated for the UAS purchase but he does not believe the Assembly would want to use that for this project. There are not a lot of good options to expedite the funding for this project.

Mr. Grant suggested to renegotiate the scope of work on the base bid.

Mr. Sill said that is generally not allowed. The point of having alternates is to give us flexibility. He said he believes that would draw out a protest from the other bidder and it would look unfair.

Mr. Leither asked if the money from the fund balance would be replenished by the 1% money in July?

Mr. Uchytel said the 1% money is used to maximize grant match. Next year there will be more competition for the ADOT matching grant. We will still have a need to move money from the 1% money for this project for D&H Port Engineer time and contracted electrical engineer time. The \$250K transfer is just to be able to award the base bid.

Mr. Ridgway commented that the payback at these rates are about 70 years which does not include maintenance. The Douglas Harbor project was half this. This project has doubled in price but our harbor rates have not increased and this needs to be looked at.

Mr. Uchytel said on page three in the packet shows the low bidder electrical system bid of \$1.1M which is 25% of the whole project and noted that Harbors will never recoup any of those funds. Most patrons that have a 60' slip will have an account directly with AELP and we get nothing. We are not an energy provider and cannot sell energy.

Mr. Grant asked if all bid components have been looked at in depth?

Mr. Sill said the best way to look at the bids is to compare the two bids line items. The two bids, at this scale, are almost identical bids and that makes him believe they are realistic bids.

Public Comment - None

Board Discussion/Action

MOTION By MR. GRANT: TO RECOMMEND THE ASSEMBLY APPROVE \$250K TRANSFER FROM THE HARBORS ENTERPRISE FUNDS BALANCE TO AURORA HARBOR IMPROVEMENTS CIP AND ASK UNANIMOUS CONSENT.

Motion passed with no objection.

3. PIDP Grant Match

Mr. Uchytel said on page nine in the packet is a schematic put together for PND and Rain Coast Data to help in the drafting of the PIDP Grant application. Staff has pivoted away from any Grant that would require use of the UAS property. The drawing is

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conceptually what we are moving towards with the grant application which is due April 28th. The grant writing team would like to know if D & H will be providing any match to the grant? He said he called the MARAD Northwest Alaska Regional Gateway Director for the “small project, small port grant” which is an \$11M project and she indicated some match would be appropriate. The \$2M that the Assembly appropriated for the UAS property would not be available to use for this match. He said the only place we could get the match money from is the \$5M from the 1% sales tax for the Aurora Harbor floats, Harbormaster building and uplands.

Board Questions

Mr. Grant asked if the demand for this drive-down float is strictly commercial fishermen or are there other users that could benefit from this?

Mr. Uchytel said the grant application will be written with freight related use in mind. The MARAD grant is for freight being moved across the dock. Rain Coast Data is looking at freight that could go to Taku River, Lucky Me, or surrounding neighboring villages. The use would be similar to the Auke Bay Loading Facility. The Commercial Fishermen want to use it for minor maintenance, changing out their gear, and moving fish products and crab. Staff is looking at what other freight can be legitimately articulated in a grant application.

Mr. Grant said he sees the drive-down float constricting the fairway into Aurora. This will involve making two square turns as opposed to a gradual turn in. There will be a need to have lights on the end of the float.

Mr. Etheridge commented that the design can be looked at in more detail at a later time but the question tonight is if the Board wants to put match money to this grant?

Mr. Grant wanted to know if there is a time factor on this?

Mr. Etheridge said yes.

Mr. Uchytel said the latest to give a final answer on a match is at the Operations Meeting on Thursday.

Mr. Becker said he also has some design issue, but he would like this to move forward.

Mr. Leither asked if Mr. Uchytel has a recommendation for a match amount?

Mr. Uchytel said all other PIDP grants require a 20% match. That does not apply to this grant application but he would say anywhere from zero to \$2M.

Mr. Leither asked what the cost of this project is?

Mr. Uchytel said the Engineers estimate for design and construction is \$11.2M.

Public Comment - None

Board Discussion/Action

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MOTION By MR. BECKER: MOVE TO WAIT UNTIL THURSDAY TO DECIDE A MATCH AMOUNT AND ASK UNANIMOUS CONSENT.

Motion passed with no objection

Mr. Grant asked to have a staff recommendation on a specific amount at the Thursday meeting.

F. Items for Information/Discussion

4. ABLF Work Zone DEC Response

Mr. Creswell said the issue with the pressure washing request at the ABLF has been going on since January. Gastineau Guiding recently removed the request to pressure wash. In the packet on pages 11 to 13 are emails between himself and DEC. The email from DEC states that if minor maintenance is allowed to continue, pressure washing is not allowed. If pressure washing continues, minor maintenance is not allowed.

Board Discussion/Action

Mr. Grant asked if there was any follow up the Board needs to do?

Mr. Creswell said not at this point. Gastineau Guiding and Juneau Tours will continue to do their oil changes at the ABLF but they have a plan for pressure washing the boat bottoms at another facility.

Mr. Grant asked if there is a need for the Board to get involved to somehow make the area more useful by brokering a deal between the users and the boatyard.

Mr. Creswell said Gastineau Guiding and Karl's Auto and Marine had several meetings where they did talk about ways to meet both their needs, and they could not come to an agreement. Gastineau Guiding has a full maintenance staff and they have a plan to meet their needs.

Mr. Leither asked if Karl's still feels like there is controversy or does this resolve the conflict?

Mr. Creswell said he would not say there is no conflict, but oil changes are permitted and have been historically allowed.

Mr. Ridgway said he would like staff to come up with a use plan that has requirements and restrictions for allowing people to do work at that location.

Mr. Etheridge suggested to bring this to the Operations Committee to discuss.

Public Comment - None

G. Adjournment – The meeting adjourned at 12:59 p.m.