

CBJ DOCKS AND HARBORS BOARD
REGULAR MEETING MINUTES
For Thursday, February 25th, 2021

Zoom Meeting

I. Call to Order –Mr. Etheridge called the Regular Board meeting to order at 5:00 pm via zoom meeting.

II. Roll - The following members were present via zoom or in person: Lacey Derr, Chris Dimond, James Houck, Mark Ridgway, David Larkin, Annette Smith, Bob Wostmann, James Becker and Don Etheridge.

Also present: Carl Uchtyl – Port Director, Matthew Creswell – Harbormaster, Erich Schaal – Port Engineer, and Teena Larson – Administrative Officer.

III. Approval of Agenda

MOTION By MR. RIDGWAY: TO APPROVE THE AGENDA AS PRESENTED AND ASK FOR UNANIMOUS CONSENT.

Motion passed with no objection

IV. Approval of January 28th, 2021 Board minutes.

Hearing no objection, the January 28th Board minutes were approved as presented.

V. Public Participation on Non-Agenda Items-

Holly Johnson, Wings Airways at Taku Lodge.

Ms. Johnson said she is here because she heard there has been requests to replace the Marine Park lightering dock which was removed when 16B was constructed. In 2016 it was decided that there was too many safety concerns for the float planes to reinstall the float and the safety concerns still exist today.

VI. Consent Agenda – None

VII. Unfinished Business

1. Public Hearing for Regulation Change 05 CBJAC 10.010 –“B Zone” Vehicle Description
Mr. Uchtyl said the Board approved this regulation change. This has been publically noticed for 21 days and we have received no comments. Tonight is the public hearing required by ordinance.

Board Questions - None

Public Comment - None

Board Discussion/Action

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MOTION By MR. RIDGWAY: TO RECOMMEND THE ASSEMBLY ADOPT A REGULATION CHANGE REDEFINING “B ZONE” VEHICLES TO 27 FEET OR LESS OVERALL LENGTH FROM VEHICLES CARRYING LESS THAN 18 PASSENGERS AND ASK UNANIMOUS CONSENT.

Motion passed with no objection.

VIII. New Business

1. Consumer Price Index (CPI) Harbor Rate Fee Adjustment

Mr. Uchtyl said the 2020 CPI had a decrease of 1.1%. This rate change occurs automatically unless the Board elects not to change the rates. This will decrease the downtown and Statter Harbor rates by \$.05. Mr. Uchtyl asked the Board if they elect to not take action and have this decrease or take action and not allow the CPI adjustment.

Board Questions

Mr. Ridgway said at the Operations meeting it was approximated at \$30,000 in lost revenue from this decrease.

Mr. Houck asked if this was an increase by 1.1% would the Board even been asked?

Mr. Uchtyl said every year he brings this before the Board and asks if they want the rate to change or keep the same as the previous year. There is no requirement for staff to bring to the Board but we feel this is good governance to have the Board approve or not approve. Changing the rates depends on the makeup of the Board and the economic certainty or uncertainty at that time.

Ms. Derr said she noticed the daily revenue dropped but the monthly increased. She asked Mr. Uchtyl if he anticipated the daily rate would drop again because of no cruise ships?

Mr. Uchtyl said his experience as a Port Director is that the local desire to boat is based on fishing and weather. It is independent of the cruise ships.

Mr. Becker asked if the CPI goes down again next year and we do nothing this year, are the two years accumulated or is this every year?

Mr. Uchtyl said this is reviewed every year.

Mr. Schaal commented that with rounding, there is sometimes no increase.

Mr. Uchtyl said the regulation is written that the rate is rounded to the nearest nickel.

Public Comment - None

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Board Discussion/Action

Mr. Ridgway said he supports letting the CPI take place decreasing the rates.

Mr. Wostmann said he does not see the loss of revenue enough to change the standard the Board has set. He also supports the decrease.

Mr. Houck commented that if the decrease does not happen we are going back on our word.

Mr. Etheridge said the Board has a fiduciary responsibility to make sure the Harbors are funded. In the past the Board elected to bypass the increase when it could have happened. There were several years there was no increase because the CPI change was not enough to change the rate. He said we are at the point we will need to look at other increases in order to keep the Harbors operational. He said he supports not allowing the CPI to happen and to leave the rates the same.

Ms. Derr commented that taking a cut is risky to the situation we are already in. She recommended to leave the rates the same this year and not drop the rates, and look at this again next year.

Mr. Houck commented that we can change the rules. Harbors is not losing 100% of their income like others have. He supports the decrease.

Mr. Ridgway said he suggests reevaluating the regulation that adjusts the rates based on CPI, maybe add a clause for the current situation. He said it does not seem not letting the rates follow the CPI is not in alignment with our regulation.

Mr. Etheridge said the reason it was put in the ordinance “unless the Board elects not to change the rates” so it could be left up to the Board. The Board did not want to be increasing the rates when it was not needed and not take a hit when we need the funds. He said at this time Harbors cannot afford the decrease.

Ms. Smith asked if there are areas in the Harbor that is booked solid versus other areas that are not. She suggested to keep some rates the same in some areas and others drop to encourage more use.

Mr. Creswell said the highest used harbor is Statter Harbor with three to four months out of the year it is at or over capacity. Now that North Aurora is demolished, Aurora will be at capacity as well this summer and we do not have extra space anymore.

Mr. Dimond commented that this is a small amount spread over a wide and diverse area. He could see not passing this if it was not so wide spread but we are looking at a lot of lost revenue. He supports to leave the rates the same.

Mr. Becker asked how much lost revenue will there be?

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Mr. Ridgway said approximately \$22,000 for the year in lost revenue.

Mr. Etheridge pointed out there has been no public here to speak against this or for it.

MOTION By MS. SMITH: MOVE TO MAINTAIN THE RATES AS THEY ARE WITHOUT THE DECREASE.

ROLL CALL VOTE

Ms. Derr – Yes

Mr. Dimond – Yes

Mr. Houck – No

Mr. Ridgway – No

Mr. Larkin – No

Ms. Smith – Yes

Mr. Wostmann - No

Mr. Becker – No

Mr. Etheridge – Yes

5 – No, 4 Yes – Motion did not pass

IX. Items for Information/Discussion

1. Overview of Whale Sense www.whalesense.org

Mr. Uchytel said Staff invited Dr. Teerlink to speak tonight on Whale Sense which is a national program modeled after TBMP for charter operators and how they navigate in and around whales. Why staff felt this was appropriate to bring before the Board was because in the Visitor Industry Task Force (VITF) recommendation they want charter operators to be members of Whale Sense before a permit is processed. The VITF recommendations have not been approved by the Assembly yet, but the City Manager has been given direction to start executing parts of the recommendations and this is one of them. This Whale Sense presentation will provide information to the Board so you will be able to make a future decision if you want to make this mandatory as part of our permit process.

Dr. Suzie Teerlink, NOAA Fisheries

Ms. Teerlink went over a presentation on the Whale Sense program to show the Board what this program is all about. Juneau is a premier destination for Whale Watching. This program was initially developed on the east coast in 2009 to provide more explicit direction to the Charter Operators. This has been a very successful program to date and she went on to describe what this program offers.

Committee Discussion/Public Comment

Public Comment

Mr. Kirby Day, Juneau, AK

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Mr. Day said Whale Sense is a great program and TBMP has been working very closely with Ms. Teerlink as a supporting partner and we are hoping the Juneau membership continues to grow. The whale watching is vital to our community but it needs to be done in an appropriate manner.

Mr. Wostmann asked to expand on how much of the Juneau whale watching fleet has signed up for this and has there been resistance?

Ms. Teerlink said we have 10 Juneau operators currently signed up and there are about 20 overall companies that participate in whale watching. Some of them are smaller companies. We have been gaining membership. Over the past six years we have most of the main companies in whale watching but not all.

Mr. Wostmann asked if there are specific objections from operators that are not willing to participate.

Ms. Teerlink said companies are resistant to sign onto more obligations and working with the government. This is a good partnership to have. She said she is not sure of all the hold outs, but she does not sense as much resistance as initially and people are coming into this program on their own. Without the disruptions of the last couple of years, the rest of the whale watching fleet would likely have signed on to this program.

Mr. Ridgway asked if there is a correlation between marketing efforts by industry and those getting on board? Do you believe people are more willing to get on the charter boats that have joined the program?

Ms. Teerlink said that would only be determined by a directed passenger study and that study has not been done since this program started. Looking at the web browser information, we get the sense that most people are interested in this commitment from their operators.

Mr. Uchtyl asked if the guarantee for whale sittings advertisement or money back guarantee, and the limitation of only five boats per whale allowed or required in Juneau is a problem?

Ms. Teerlink said the money back guarantee has never been a part of Whale Sense. There was a suggestion by Whale Sense to reduce the number of vessels around a whale as a voluntary direction. This is good practices and does not dictate if they stay in the program or not.

Mr. Uchtyl said the Whale Sense program will not be universally embraced. He said his conversations with whale watching operators saying that Docks & Harbors authority stops when the vessel leaves the dock and we do not have the authority to manage in federal waters. Staff was thinking to roll this out as voluntary this calendar year and required for 2022.

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Mr. Ridgway asked what is the response to someone who says that Docks & Harbors authority stops at a specific area? He said this is a good program.

Mr. Uchytel said the way he would answer now is even though the Assembly has not totally embraced the VITF recommendations, there is a sense that TBMP and Whale Sense will be mandatory for permit operators using CBJ facilities.

Mr. Uchytel said he has authority to implement permit requirements without oversight of the Board.

Ms. Derr asked what the consequences are if this program is attached to someone's permit and they violate rules?

Ms. Teerlink said the integrity of the program depends upon there being consequences. Compliance efforts are made by following up with our companies, undisclosed ride along, mechanisms for the public and other companies to report companies not following the rules. Someone not following through with the requirements of this program would not be allowed to stay in the program.

Ms. Derr asked if there would be fines?

Ms. Teerlink said the ride along would be done by those trained in NOAA fisheries that understand the Whale Sense program, which is a voluntary program. If other violations are reported, they would go to the NOAA Fisheries law enforcement offices which is handled separately and they would be able to impose fines.

2. Proposed Board Resolution to address arriving cruise ship passengers experiencing limited mobility.

Mr. Uchytel said this issue was brought forward and discussed at the last Operation Committee meeting. To keep the discussion moving forward, he believes the proposed resolution in the packet is a better solution than trying to find a brick and mortar parking location with signage. This commits Docks & Harbors staff to address on an individual basis people coming downtown to pick up somebody off a ship with limited mobility. He believes the Port staff is more than capable of making things happen. There could be a hotline set up that would go to the Harbor Officer duty cell phone where someone could give a 24 hour advance notice that they will need help to facilitate the pickup and drop off of a person with limited mobility. Trying to come up with a parking space that fits everyone's needs is very challenging and how do you know it will not be misused by certain people in the public. He asked the Board if this is something they want to pursue?

Committee Discussion/Public Comment

Ms. Smith said she is not sure this needs to be such a formal process. In regards to the new Archipelago lot where staff did not want anyone in the lot not trained. She said that is not a good approach because on occasion the Harbor staff is great, and

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sometimes they are not great, insisting you move right away. Is there really a need to have this set up in resolution and what happens when someone does not answer the phone? It is a lot of bureaucracy for something that should be fairly simple as long as there is signage for the parking space made available for this need.

Mr. Ridgway said he would remove the “how close they are to 500 public spaces” in the resolution, which is irrelevant. The need statement is in there. He proposes to let the Board members look this over and return comments to Mr. Uchytel.

Mr. Wostmann said this is a step in the right direction. In past years he didn't have a permanent stall and he had to call ahead and staff was always extremely helpful working with him. Calling a number and letting Harbor staff know what is needed he believes will work.

Mr. Houck said he sees the Harbor employees going out of their way to get people where they need to be. This is a service need he has given for free before and when he and his staff are all busy, he has seen staff do some amazing things to help people get to where they need to be.

Mr. Larkin said he likes the resolution but it may not need to be so formal. The idea behind this is great. He believes something like this is the right answer rather than setting up specific parking areas. Just call Docks & Harbors and they will make it work.

Ms. Smith said the call in does not bother her but what does someone do when no one answers the phone. When we had the discussions about someone using the new Archipelago lot for picking up people with mobility issues, it was stated that staff does not want anyone from the public in the lot because they do not know how to drive. She said she does not believe this is the correct approach.

Mr. Creswell said speaking to the phone issue. Staff in the summer mans the phones at the port from 5:00 am to midnight. The Port office is maned from 8:00 am to 4:30 pm, and on duty Harbor officer is required to answer the cell phone when it rings and the only reason that would not be answered is if they were actively talking to someone else. It is a requirement the Port cell is maned at all times during operating hours when the Port is in operations.

Mr. Becker suggested to let the Board members think about this and come back with changes and ideas. He would like to table this discussion at this time.

Mr. Etheridge said hearing no objection to this item being tabled, this will be brought back at a later date. Any comments or suggestion please pass on to Mr. Uchytel.

3. NCL Public Meeting of February 18th, 2021

Mr. Uchytel said he wanted to show NCL's presentation from last week. NCL's architect MRV held their third public meeting. NCL continues to be interested in

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developing the property. The Alaska Ocean Center now has an MOA with NCL to develop the uplands. He said they spoke a lot about sustainability and what they have done throughout Alaska. They talked about going out with a RFP type process for what the makeup of the uplands will be (i.e., retail, restaurant, mixed use, or housing). This was a well-attended meeting and they are moving forward. The City Manager talked about the process, the Assembly will need to amend the Long Range Waterfront Plan to allow a new dock. NCL appears to be ready to move forward with the permitting if given the opportunity.

Committee Discussion/Public Comment

Mr. Wostmann said he came away with the understanding that NCL will issue an RFI instead of a RFP for the upland developments. They are looking for partners to fund the further development of the uplands but not the terminal which will be fully funded by NCL.

Mr. Etheridge said they gave a good presentation.

Mr. Ridgway asked if they provided a schedule for the work?

Mr. Etheridge said no.

Mr. Wostmann said NCL did point out they would get the RFI out in the near future.

Mr. Etheridge said NCL is looking at doing one more public meeting.

4. Potential Ballot Initiative limiting Cruise Ship Tourism

Mr. Uchytel said there is an organization in Juneau called Juneau Cruise Activist Networkers exploring the opportunity to put on an upcoming ballot initiative with certain criteria that would limit the number of cruise ships, and the number of hours that a cruise ship can be in port, which is modeled after Key West. He is just letting the Board know this is happening and could be as early as October of this year.

Committee Discussion/Public Comment

Mr. Ridgway asked if this would have an impact on our operations? If this moved forward, would Docks & Harbors be the enforcer of this?

Mr. Uchytel said yes it would impact Docks & Harbors, but he is unsure how this would affect the private docks.

Mr. Wostmann commented to the other Board members to read the background on this topic to be prepared as possible if this does move forward.

X. Committee and Member Reports

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1. Operations/Planning Committee Meeting- Wednesday, February 17th, 2021.

Mr. Ridgway reported the Committee discussed several topics;

- Went through the CIP projects
- The tideland request from ADNR
- Discussed the 2021 Cruise Ship prospects
- Downtown parking availability

2. Member Reports

Mr. Becker said the pipe line is restored at DIPAC and they are getting full use of the water and chum salmon are being spawned. The concern with the chum salmon is how they are reacting because they were on recycled water for some time, but they look fine.

Mr. Etheridge reported that the crime rate is staying down and looking better than it has in the past.

3. Assembly Lands Committee Liaison Report – Mr. Dimond said he has not had time to attend the last couple meeting and if anyone would like to take over his position he would be happy to discuss this. He is slowly moving out of Juneau.

4. Auke Bay Steering Committee Liaison Report – Mr. Wostmann said there is no longer an Auke Bay Steering Committee. This should be retitled the Auke Bay Neighborhood Association Liaison Report which is the only active group. The matter before them is the uplands rezoning which is quite contentious but there is no new news.

XI. Port Engineer's Report

Mr. Schaal provided an update for the Statter Harbor project - the piles are completely installed and socketed including the three new piles at the Auke Bay Marine Station and those did not need to be socketed so there are some savings there. The new gangway to the passenger for hire floats is in place.

Mr. Etheridge asked Mr. Creswell to send out all contact numbers to the Board members.

XII. Harbormaster's Report

Mr. Creswell reported

- Successfully weathered the freezing temperatures. Only had a few frozen pipes, but all repaired.
- Shoveled snow yesterday.
- There was wind damage last week at the National Guard Dock and Harris Harbor.
- One of the two cranes has been repaired.
- Keeping an eye on the cruise ship season to determine staffing. There are several larger projects that could be accomplished if the seasonal staff are brought back.

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- We successfully surplused our old truck to the Juneau School District and the money went back in our fleet budget.
- Our new Deputy Harbormaster Jeremy Norbryhn will start next Monday.

Mr. Etheridge asked if the Harris Harbor restrooms are working?

Mr. Creswell said he thought they were but will find out for sure and let him know.

Ms. Smith asked if there is plans to put rescue ladders on the fingers or floats in the Harbors similar to the ones in Statter Harbor.

Mr. Creswell said he would be more than happy to install ladders if the Board makes that a priority for him.

Mr. Ridgway asked if the two barges in North Aurora are Western Marine barges?

Mr. Creswell said they are and they waiting to do the dredging in April.

XIII. Port Director's Report

Mr. Uchytel reported;

- SEALIFT technicians are at Auke Bay troubleshooting the Sealift. Staff is confident the Sealift will get working again and ready for Karl's Marine to start using it.
- Cruise Ship update - Representative Young has introduced a bill that has a work around for the Passenger Vessel Services Act. His bill will redefine a cruise out of Seattle to be an international voyage. Murkowski and Sullivan have a companion bill in the Senate that will mimic what Representative Young is proposing. The Carnival Ports have cancelled all of their sailings out of Vancouver
- Monday the Assembly will take up the regulation change for the B Zone changed tonight
- The Planning Committee Zoom Meeting will be at noon on Friday to discuss the CIP list appropriate for the Legislative priority list.
- The budget presentation to the Assembly Finance Committee is April 5th.

XIV. Assembly Liaison Report

Ms. Alicia Hughes Skandijs said nothing new to report. Regarding the Whale Sense program, the Assembly has not moved this forward in the formal sense but she does believe that the Assembly as a whole has been supportive of the findings of the tourism working group.

Mr. Etheridge asked if she had an idea of what the Assembly is looking at for changes to the waterfront plan.

Ms. Hughes Skandijs said to allow for a more robust public process.

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XV. Board Administrative Matters

- a. Finance Sub-Committee Meeting – Wednesday, March 3rd at 5:00 pm
- b. Ops/Planning Committee Meeting – Wednesday, March 17th at 5:00pm
- c. Board Meeting – Thursday, March 25th at 5:00pm

XVI. Executive Session –

Mr. Etheridge asked Mr. Sam Kito with UAS if he wanted to make a few comments before the Board went into executive session.

Mr. Kito said he is available to answer any questions regarding the appraisals. In the packet are two appraisals. The reasons for this is that there were three parcels of land leased to CBJ in 1988 and in that lease agreement it expires May 4th, 2021. In anticipation of that, we started the appraisal process and it was just finished. UAS is willing to work with the City to make sure things can work out. The first appraisal shows the market rate identified by the appraiser for the three leased parcels is \$230,400 per year. If the UAS agreed to a sale of those three parcels the market value is \$2.8M. The other document identifies the full sale of the UAS property and it comes in at \$8.5M which is the market value for the potential sale of the entire University of Alaska Southeast parcel that includes our Technology Education Center Building and the Welding Lab Building. The entire parcel is not necessarily on the table but we wanted to have this information available as we entered into this process. He said Mr. Uchtyl has made UAS aware that Docks & Harbors is interested in exercising the single 33 year extension which would be for the market value rent but that does not preclude the other options.

Mr. Ridgway asked if UAS would extend the lease temporarily while working on options? Is there any interest from UAS to continue utilizing the buildings and would there be interest in a partnership moving forward to share up keep or use of those facilities.

Mr. Kito said in regards to the second question, there has been internal discussions. Where UAS is in respect to the use of the property is we have our construction technology program, the mining program, and the welding program all active in those facilities. All of these programs do not require a marine related location but we do not have another location to house these programs. We are interested in maintaining those programs that use the large facility active in those buildings. We are definitely open to working with the City to utilize those facilities if that is an interest of the City to look at the entire purchase.

Mr. Kito said answering the first question, there are provisions in the lease that allow for a month to month until a decision is made.

Mr. Ridgway asked if UAS also had a marine technology program? If not, is there discussion to start one?

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Mr. Kito said UAS does have a Marine Technology Program that is housed out of our Ketchikan Campus. In the Juneau UAS master plan there is no plan to develop one in Juneau.

Mr. Uchytel asked if the University of Alaska Anchorage Nursing Program is not part of the VOTEC building anymore?

Mr. Kito said the Nursing program does still exist there but if the property is sold, UAS would work with the University of Alaska Anchorage to find an alternative space.

Mr. Ridgway asked if UAS knows the building conditions from the maintenance performed?

Mr. Kito said the welding lab building is in the last leg of life and it would be more economical to find a location to build a new facility to replace the existing welding building. We do have that report that can be shared with the Port Director if there is interest. UAS has been working on heating and envelope repair projects for the technical education center. The boilers are approaching end of life and UAS is looking at options on how to replace those with either the air source heat pump or with another oil boiler but at the same time trying to make that facility more energy efficient.

MOTION By MS. DERR: TO ENTER INTO EXECUTIVE SESSION TO DISCUSS THE FINANCIAL CONSEQUENCES OF THE PROPOSED UAS APPRAISAL OF THE JUNEAU FISHERIES TERMINAL.

The Board entered into executive session at 7:11pm.

The Board took a 7 minute break before entering the break room.

- a. To discuss the financial consequences of the proposed UAS appraisal of the Juneau Fisheries Terminal.

Returned from executive session at 8:00pm

Mr. Uchytel said the Board discussed the appraisal report and potential options to continue to pursue for the UAS property.

XVII. Adjournment

Ms. Derr volunteered to take over Mr. Dimond's role of Assembly Lands Liaison.

The meeting adjourned at 8:11 pm.