

CBJ DOCKS & HARBORS BOARD
REGULAR MEETING MINUTES

For Thursday, August 26, 2004

I. Call To Order.

Chairman Mr. Knapp called the Regular Board meeting to order at 7:00 p.m. in the CBJ Assembly Chambers.

II. Roll.

The following Members were present: Mr. Derr, Mr. Fisk, Mr. Grussendorf, Mr. Hurley, Mr. Preston, Mr. Simpson, and Mr. Knapp.

Mr. Clough arrived at 7:07 p.m.

The following Member was absent: Mr. Etheridge.

Also present were the following: Mr. John Stone--Port Director, Mr. Krieber -- Port Engineer, and Mr. McCall – Harbormaster.

Mr. David Stone -- CBJ Assembly Liaison was absent.

III. Approval of Agenda.

1. Mr. Stone requested to change the motion under Items for Action #E-Wireless Internet Service Agreement to read:

MOTION: TO AUTHORIZE THE PORT DIRECTOR TO ACCEPT COMMERCIAL USE APPLICATIONS FOR WIRELESS INTERNET SERVICE AS SET OUT IN TITLE 5, CHAPTER 1 OF THE CBJ ADMINISTRATIVE CODE.

2. To add an Item for Action #G. Appraisal of Tideland Lot next to Alaska Glacier Seafood in Auke Bay and a motion to read:

MOTION: TO AUTHORIZE THE PORT DIRECTOR TO PURSUE AND COMPLETE AN APPRAISAL OF THE TIDELAND LOT NEXT TO ALASKA GLACIER SEAFOODS IN AUKE BAY FOR AN AMOUNT NOT TO EXCEED \$1,000.00

3. To add an Item for Information #B 2004 Winter Hot Berth Policy with the presentation by Mr. McCall—Harbormaster.

4. To add a new Item # IV Special Presentation. This to be presented by Mr. Knapp—Harbor Board Chairman. All other items would change down numerically.

5. Under Executive Session add the following 2 items:

- A. DeHart's Marina Appraisal.
- B. Personnel Issues

MOTION by Mr. Fisk: ASK UNANIMOUS CONSENT TO APPROVE THE AGENDA AS AMENDED. The motion passed without objection.

IV. Public Participation on Non-Agenda Items. (Not to exceed 5 minutes per person, or twenty minutes total).

1. Bob Tkatz. -- Live-Aboard A-K-034

Mr. Tkatz had questions about the electrical and ramp projects that are taking place in Aurora Harbor. He feels that there is serious in-competence in how the repairs and projects in the Harbors are being managed.

He also was curious as to why the Harbors is having to pay off a Contractor for a past project in Douglas Harbor in the form of a Law Suit, when we have insurance to cover this type of loss. The Harbor Users are being asked to pay higher rates as a result of poor management of funds.

2. Brian DeRaimer – Houseboat at Auke Bay

Mr. DeRaimer has a vessel certified by the Coast Guard as a pontoon vessel. With Winter coming on he'd like to be able to move the vessel back into the Auke Bay Harbor. At present we have a ruling not to allow any "houseboats" into any of our Harbors.

Discussion followed with Mr. Stone, Mr. McCall, and Mr. Knapp.

Mr. Stone said that the Coastguard has a very broad definition of boats. He added according to CBJ Rules the vessel's general use is for navigation as a means of transportation.

The Operations Committee and the Board Members will be looking at this item for a resolution at a later date.

V. Special Presentation.

A. Board Members Recognition.

Mr. Knapp called Mr. Romer Derr and Mr. Bob Hurley to the front. He said on behalf of all the Harbor Board Members and Staff he wanted to express thanks for their dedication and service for several terms on our Docks and Harbors Board. He gave each of them an engraved Alaskan Gold Pan as a memento from the Harbor Board Members.

VI. Approval of Previous Meeting Minutes.

MOTION by Mr. Fisk: ASK UNANIMOUS CONSENT TO APPROVE THE JULY 29, 2004 REGULAR BOARD MINUTES AS PRESENTED. The motion passed without objection.

VII. Items for Action.

A. Transient Shore Power Fees.

Mr. Preston gave a short presentation on this topic. He said that basically we are changing from 1.75% and lowering fees down to 1.2% instead.

Public Participation

1. Myron Dennison – New Boater to Alaska

Mr. Dennison said he would like to obtain copies of the Rules, Fees and Regulations for the Harbors.

Mr. McCall will provide him with the copies he is requesting.

2. Linda Kaderlik – Live-Aboard A-A-005

Ms. Kaderlik had some questions on these power rates and whether it effects her or not. Right now she has her power with AEL&P so these rates don't affect her at this point.

MOTION by Mr. Preston: MOVE TO PROPOSE CHANGES TO THE TRANSIENT ELECTRIC FEES AS RECOMMENDED BY THE FINANCE COMMITTEE AT ITS AUGUST 19, 2004 MEETING AS FOLLOWS:

1. WRITTEN COMMENTS FROM THE PUBLIC WILL BE ACCEPTED UNTIL SEPTEMBER 22, 2004 AT 4:00 P.M.

2. A PUBLIC HEARING WILL BE HELD AT THE BOARD'S REGULAR SEPTEMBER MEETING ON SEPTEMBER 23, 2004 AFTER WHICH THE BOARD WILL ADOPT THE CHANGES WITH OR WITHOUT AMENDMENT.

Mr. Fisk seconded the motion.

The motion passed without objection.

B. Billing Procedures for Tenders.

Mr. Preston gave a short summary of this topic.

Public Participation

1. Linda Kaderlik -- Live-Aboard A-A-005

Ms. Kaderlik said her vessel extends beyond the finger of her stall so would fall under the second part of the billing procedures.

VII. Items for Action (cont'd)

Mr. McCall responded that where her tender is placed now is suitable and inside the footprint of the stall so there would be no additional fee as long as it is placed in the current position.

MOTION by Mr. Preston: MOVE TO ADOPT THE BILLING PROCEDURE FOR TENDERS AS RECOMMENDED BY THE FINANCE COMMITTEE, WITH INPUT PROVIDED FROM THE OPERATIONS COMMITTEE. Mr. Derr seconded the motion. The motion passed without objection.

C. Tideland Lease Annual Rent Adjustments.

Mr. Stone gave a short presentation on this topic. Mr. Stone recommended that the Board adopt the rent adjustments as originally presented by Mr. Horan for all the leases. He also recommended that the adjustments take effect at the next regular billing date for each lessee.

He also added that if a lessee continues to dispute the rent, he recommends that the Board allow each lessee to present an alternative appraisal for consideration, provided the appraisal is presented to the Board by November 30, 2004 and that the appraisal is performed by an appraiser acceptable to the Board.

Discussion followed with Mr. Simpson, Mr. Derr, Mr. Fisk, and Mr. Knapp.

Proposed MOTION: TO ADOPT THE CHANGES TO THE TIDELAND LEASE RENTS AS RECOMMENDED BY THE PORT DIRECTOR.

Public Participation

There was none.

MOTION by Mr. Simpson: MOVE TO APPROVE THE RECOMMENDED LEASE ADJUSTMENT FOR THOSE PROPERTIES THAT COME DUE IN 2004 OR LATE 2003 WHICH DID NOT APPEAL THE RE-ADJUSTMENT APPRAISAL FEES. Mr. Hurley seconded the motion.

The parcels identified are the following:

1. ATS 123 ADL#1799 Nowell Avenue Development
2. ATS 18 ADL#1891 Channel Marina
3. ATS 18 ADL#2090 Channel Marina
4. ATS 7 ADL#2193 Juneau Redi-Mix
5. ATS 615 ADL#29281 Donahue
6. ATS 857 ADL#53504 Taku Oil Sales
7. ATS 1356 ADL#104320 Di-Pac
8. ATS 1533 ADL#106233 Allen Marine

VIII. Items for Action (cont'd).

Discussion followed with Mr. Derr, Mr. Fisk, Mr. Simpson, Mr. Knapp, Mr. Clough, and Mr. Preston.

The motion passed with Mr. Derr voting no.

Mr. Knapp added that all the appealed leases would be tabled until further review.

Mr. Knapp called for a five-minute break at 8:06 p.m.

The meeting was called back to order at 8:15 p.m.

D. Shore Power Alternative Selection.

Mr. Stone gave a short presentation on this topic. He said there are three methods being considered. They are the following:

1. AEL&P Option (AEL&P Provides Turtle Meters).
2. Docks & Harbors with Manual Meter Reading
3. Docks & Harbors Option with Automated Meter Reading

Mr. Fisk offered some additional discussion.

Public Participation

1. Mr. Eric Kueffner -- AEL&P Representative/Attorney with Faulkner & Banfield Law Office.

Mr. Kueffner said that one of the major regulatory and cost issues in whether Docks & Harbors would be subject to economic regulations under the State's Utility Laws. He said the Board needs to ask the Utilities Commission if a transfer of shore power to the Docks & Harbors administration would subject us to economic regulation.

More discussion followed with Mr. Derr, Mr. Simpson, Mr. Clough and Mr. Krieber.

MOTION by Mr. Fisk: MOVE TO ADOPT THE TWO DOCKS AND HARBORS OPTIONS WITH EITHER MANUAL OR AUTOMATED METER READINGS WITH THE PURPOSE OF SEEKING A STATUTORY RULING FROM THE REGULATORY COMMISSION OF ALASKA. Mr. Simpson seconded the motion.

Public Participation

1. Bob Tkatz -- Live-Aboard A-K-034

Mr. Tkatz said that we need to get a neutral position on all the facts. The motion passed without objection.

VII. Items for Action (cont'd).

E. Wireless Internet Service Agreement.

Mr. Stone gave a short presentation on this topic.

Discussion followed with Mr. Derr, Mr. Fisk, Mr. Clough, Mr. Simpson, and Mr. Preston.

Public Participation

1. Judy Goldsberg -- Harris Harbor Resident

Ms. Goldsberg asked when this service would go into effect and if we have consulted the University to see if they already have this service available to our harbor areas. She was assured that we would check into both these questions.

2. Myron Dennison – Auke Bay Harbor Resident

Mr. Dennison said that many of the live-aboards in Auke Bay sign up for Computer Classes at the University so they can have internet access through the University.

She added that we should be sure that any new Internet Service Provider does not cause interference with existing internet services.

3. Diane Dennison -- Auke Bay Resident

Ms. Dennison added that ACS is already providing internet service to their local telephone subscribers in all Juneau areas.

More discussion followed with Mr. Derr, Mr. Knapp, Mr. Preston, and Mr. Clough.

Mr. Clough said he'd like to refer this topic back to the Operations Committee for further review.

Mr. Fisk said he'd like to have this topic go out to an RFP Bid Process.

MOTION by Mr. Fisk: ASK UNANIMOUS CONSENT TO AUTHORIZE THE PORT DIRECTOR TO ACCEPT COMMERCIAL USE APPLICATIONS FOR WIRELESS INTERNET SERVICE AS SET OUT IN TITLE 5, CHAPTER 1 OF THE CBJ ADMINISTRATIVE CODE. The motion passed without objection.

F. Request for Additional Funds for Wharf Maintenance and Repairs.

Mr. Krieber gave a short presentation on this topic. He said he was requesting to ask the CBJ Assembly to appropriate \$40,000 for construction of an ADA Ramp and to do sidewalk and asphalt repairs and to transfer the funds from the Ferry Terminal Sidewalk Project.

VII. Items for Action (cont'd).

MOTION by Mr. Simpson: MOVE TO ASK THE CBJ ASSEMBLY TO APPROPRIATE \$200,000 OF PORT MAINTENANCE DUES AND TO INCLUDE UP TO \$40,000 FROM OTHER SOURCES AS NECESSARY TO PERFORM WHARF MAINTENANCE AND REPAIRS AS RECOMMENDED BY THE CIP/PLANNING COMMITTEE. Mr. Preston seconded the motion.

Public Participation

1. Bob Tkatz – Live-Aboard A-K-034

Mr. Tkatz said he would like to have the Harbor Board slow down on all CIP Projects.

The motion passed without objections.

G. Appraisal of Tidelands next to Alaska Glacier Seafoods.

Mr. Stone gave a short presentation on this topic. He said the reason we are interested in this property is that there is a possible use for our Auke Bay Loading Facility Project at this location.

Discussion followed with Mr. Preston, Mr. Simpson, and Mr. Fisk.

Public Participation

There was none.

MOTION by Mr. Simpson: MOVE TO AUTHORIZE THE PORT DIRECTOR TO PURSUE AND COMPLETE AN APPRAISAL OF THE TIDELAND LOT NEXT TO ALASKA GLACIER SEAFOODS IN AUKE BAY FOR AN AMOUNT NOT TO EXCEED \$2,000 FROM THE COMMERCIAL LOADING FACILITY FUND.

Mr. Preston seconded the motion. The motion passed without objection.

VIII. Items for Information/Discussion.

A. Docks and Harbor Fee Rate Changes.

Mr. Preston said that over the next few months the Finance Committee will be looking at changing the Dock Fees, Harbor Fees, and Electrical Fees. There will be Public Participation meetings. The goal is to have all these new fees available to customers prior to the July 1st date for implementation.

Mr. Stone added that all the paperwork concerning fees will be posted on our web-site available to patrons.

VIII. Items for Information/Discussion (cont'd).

B. 2004 Winter Hot-Berth Policy.

Mr. McCall gave a short presentation on this topic. He said that this year we will take names for the Winter Hot-Berth List from September 1st to September 30th. Assignments will be made according to the date the patron signed up on the list.

IX. Committee, Member & Staff Reports.

A. Finance Committee -- August 19, 2004

Mr. Preston said that the CBJ Finance Director Mr. Craig Duncan came to our meeting to discuss Reserve Funds. We also received a first right of refusal letter from a Boat Shelter patron wanting to sell his boat shelter. Financially we are unable to purchase it at this time so a letter was sent by the Port Director thanking the patron and declining our purchase of the boat shelter at this time.

B. Operations Committee Meeting – August 12, 2004

Mr. Derr said that the 2 issues they talked about were presented tonight and acted on. He said they also talked about the inactive vessel moorage zones.

Mr. Preston said he would like for the Operations Committee to reconsider letting the houseboats back into the harbors during the winter months.

Mr. McCall said that in State owned facilities houseboats and or floating barges are not allowed at all.

Mr. Knapp said that once new Committees and Chairmen have been assigned then the issues can be looked at again by each Committee.

C. CIP/Planning Committee – August 24, 2004.

Mr. Simpson said that the DeHart's Marina issue will be looked at during the Executive Session. He had nothing further to add at this time.

X. Capital Improvement Project Report.

Mr. Krieber gave a short report on the progress of our projects.

1. Taku Harbor

We need matching funds for Fish & Game. \$83,000 match amount for the Project.

X. Capital Improvement Project Report (cont'd).

Some ideas were Amalga Harbor Floats—but they would require significant renovation so we might as well give Fish and Game cash instead.

The Harris gangways were a possibility but Fish and Game said that this wouldn't work so rejected that offer.

At Norway point we placed 2 pontoon floats with decking. Those floats have also been rejected by Fish and Game as being too-high for recreational users. So we are faced with matching the \$100,000 grant money for Norway Point.

In combining both Taku Harbor and Norway Point we can use the \$100,000 Fish and Game Grant money for the Taku Harbor Project and they are released from the Norway Point Project. We can develop Norway Point any way we see fit and can release our obligation to Taku Harbor.

Then when we redo Harris Harbor we can use a portion of Float #3 at Norway Point and then we can use the 2 pontoon floats where we want. In the final analysis we will come out money ahead.

2. Amalga Harbor

The parking lot was open and fully occupied for the Salmon Derby. We are close to wrapping up that Project.

3. Aurora Harbor.

The suppliers for the Contractor are having a hard time getting the supplies to them. The hurricane in Florida didn't help as the transformers are made in Florida.

The gangways are done but H gangway has creosote treated members and they are done in Oregon and Canada. They are looking at later in September for a delivery date. The Contractor has been told to wait on demolition of H gangway—at no cost to us. We have F, G, and H floats wired into C float for electrical. Floats J, K, & L are on temporary power until the electrical transformers are available. We are hoping to get the electrical accomplished by the end of October. If we don't have the materials readily available by then, then the Contractor will stop the Project and resume in the Spring.

3. Douglas Breakwater

Mr. Krieber said he had received an e-mail from the Corps of Engineers and the Drilling contractor will be in town the first week of October.

He added that he had put out the bid for the rental of the barge as a temporary breakwater today.

X. Capital Improvement Project Report (cont'd).

Public Participation

1. Linda Kaderlik -- Live-Aboard A-A-005

She said she is confused as to whether the electricity will be turned off in Aurora Harbor.

Mr. Krieber said we will not turn off the power unless all the materials are here and ready to be installed. If power is down it probably won't be for more than 2 weeks to make the change-over.

XI. Harbormaster's Report.

Mr. McCall gave a short presentation.

He said that the Fishing Derby went well and we provided ice for the Derby Officials. Also we will have a sealed bid Auction for 4 impounded vessels on September 1, 2004.

At the Port some security cones were stolen and some fencing was thrown into the water.

The Aurora Harbor Office is now on Winter Hours.

XII. Port Director's Report.

Mr. Stone said that our Operating Expenses would be going up this year. Mr. Duncan, CBJ Finance Director said the PERS amount is increasing, there are negotiated pay increases, and insurance increases. He added that he expects it to go up 8 to 9% for the Harbors Budget and 10% at least for Operating Expenses.

Mr. Stone said he is meeting with the Coast Guard on Security Requirements and the added expenses on implementing the new additional Security Requirements that are being imposed.

XIII. Committee Administrative Matters.

A. Meeting Calendar for September 2004.

The following Committee Meetings were scheduled:

Finance Committee Meeting – September 16, 2004	5:00 p.m.	Aurora Harbor Office
Operations Committee Meeting – None Set At This Time		
CIP/Planning Committee Meeting – September 21, 2004	5:00 p.m.	Aurora Harbor Office
Regular Board Meeting – September 23, 2004	7:00 p.m.	CBJ Assembly Chambers

XIV. Executive Session.

1. DeHart's Marina Appraisal.
2. Personnel Issues

MOTION by Mr. Preston: ASK UNANIMOUS CONSENT TO GO INTO EXECUTIVE SESSION. The motion passed without objection.

Mr. Knapp called for a short 10-minute break at 9:55 p.m.

Executive Session began at 10:05 p.m.

MOTION by Mr. Clough: ASK UNANIMOUS CONSENT TO ADJOURN THE EXECUTIVE SESSION AT 10:32 P.M. The motion passed without objection.

The Regular Board Meeting reconvened at 10:35 p.m.

XV. Adjournment.

MOTION by Mr. Preston: ASK UNANIMOUS CONSENT TO ADJOURN THE MEETING. The motion passed without objection.

The meeting was adjourned at 10:37 p.m.