

CBJ DOCKS & HARBORS BOARD
REGULAR BOARD MEETING MINUTES

For Thursday, February 5, 2009

I. Call to Order.

Mr. Ethridge called the Regular Board Meeting to order at 7:02 p.m. in the CBJ Assembly Chambers.

II. Roll Call.

The following members were present: Mr. Ethridge, Mr. Jardell, Ms. Jebe, Mr. Kueffner, Mr. Mehrkens, Mr. Preston and Mr. Williams.

The following members were absent: Mr. Fisk and Mr. Knapp.

Also present were the following: Mr. Stone – Port Director, Mr. Gillette – Port Engineer, Ms. Havens – Administrative Officer, and Mr. Dybdahl – CBJ Assembly Liaison.

III. Approval of Agenda

MOTION by Mr. Preston: ASK UNANIMOUS CONSENT TO APPROVE THE AGENDA AS PRESENTED.

The motion passed without objection.

IV. Approval of Previous Meeting Minutes.

Mrs. Jebe asked for an amendment to the previous minutes. On page: 3, number: IX, item: A should read: Ms. Jebe asked Mr. Williams to report on the meeting as he chaired in her absence.

MOTION by Ms. Jebe: TO ASK UNANIMOUS CONSENT TO APPROVE THE MINUTES FROM THE REGULAR BOARD MEETING HELD ON JANUARY 08, 2009 AS AMENDED.

The motion passed without objection.

Mr. Preston asked for an amendment to the Special Board Meeting Minutes. Mr. Preston made both motions to approve the agenda and to approve the emergency amendments to shorepower access.

MOTION by Mr. Preston: TO ASK UNANIMOUS CONSENT TO APPROVE THE MINUTES FROM THE SPECIAL BOARD MEETING HELD ON JANUARY 21, 2009 AS AMENDED.

The motion passed without objection.

V. Public Participation on Non-Agenda Items.

1. Mr. Joseph Geldhof, 2 Marine Way, Suite 207, Juneau AK 99801

Mr. Geldhof has been involved with drafting, researching, passing and implementation of various taxation measures relating to cruise ships for about a decade.

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V. Public Participation on Non-Agenda Items (continued).

Mr. Geldhof is frequently called up to the Capitol to discuss issues relating to cruise ships. He said there is a tremendous opportunity for our community to appropriate funds from the State for the two new cruise ship berths. It is not inconceivable that the City and Borough could get an appropriation from the Alaska Legislature in the range of 10-20 million dollars. These appropriations could even allow for a reduction of the current head tax. This window of opportunity will only exist for another year or two.

Mr. Preston thanked Mr. Geldhof for his comments and urged him to also approach the Assembly with this information since the Assembly must approach the Alaska Legislature on behalf of the Port of Juneau.

Mr. Jardell asked if the Department of Revenue felt that Juneau qualified for funds available for The Port of Call rebates.

Mr. Geldhof thought Juneau's request of the funds was reasonable. He felt there were additional funds available outside the Port of call rebates.

2. Mr. Chip Thoma, P. O. Box 21884, Juneau AK 99801

Mr. Thoma said there is heightened interest in the Legislative Finance Committee to appropriate State Cruise Passenger fee proceeds for worthy cruise related projects, especially in Juneau and Ketchikan. Consequently, tens of millions could well be available this year and next for large Juneau Projects. Both the Legislature and the Governor have proposed and approved a variety of cruise capital projects statewide. Ample funding from 2008 and 2009 head tax revenue is available now for the Juneau dock expansion project. He said he is ready to assist the Board in any way to achieve increased funding for vital capital projects.

VI. Items for action.

1. Approval of Additional Funds for PND/New Fields Mercury Testing at Douglas Harbor.

Mr. Gillette said in the packet is a proposal from PND Engineers, Inc. requesting additional funds in the amount of \$64,865.00. PND and Newfields have assessed additional office, field and lab costs necessary to satisfy State and Federal agency review comments to the proposed environmental sampling program for Douglas Harbor. The soil testing is going well. So far, mercury levels are not exceeding the levels agreed on in the plan. The bioaccumulation test is the final test to complete and this test will end on February 9. We should have a final determination by the end of February.

Mr. Jardell asked if there could be additional engineering costs associated with the testing.

Mr. Gillette said there will be more services that will be required for PND to complete the drawings and provide a new cost estimate since the previous cost estimate is now two years old.

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VI. Items for action (continued)

Mr. Jardell asked what the original cost estimate was.

Mr. Stone said the original plan was around \$200,000 and he estimated an additional \$20,000-\$25,000 would be requested to complete the project.

MOTION by Mr. Preston: ASK UNANIMOUS CONSENT TO AUTHORIZE THE PORT DIRECTOR TO AMEND THE CONTRACT WITH PND, INC. FOR THE DOUGLAS BOAT HARBOR RENOVATION PROJECT TO INCREASE FEES BY AN AMOUNT OF \$64,865.00 FOR ADDITIONAL WORK RELATED TO MERCURY TESTING AS REQUIRED BY STATE AGENCIES.

The motion passed without objection.

2. Taku Harbor Cooperative Agreement Amendment 2

Mr. Gillette said this is a project done at the Taku Harbor moorage facility. Tire matt was installed to stabilize the floating access ramp, signage was installed and improvements were made to the Stockade Point float. We have a cooperative agreement with the Department of Fish and Game and they have provided the funding for these projects.

Mr. Kueffner pointed out that this was a project that actually came in under the budget amount.

Mr. Preston asked if the docks refurbished docks from the Juneau Harbors were working.

Mr. Stone said that they were working, but the transition from the old dock to the new dock did not work out so well. This was part of the mentioned repairs.

MOTION by Mr. Kueffner ASK UNANIMOUS CONSENT TO AUTHORIZE THE PORT DIRECTOR TO ACCEPT AN AMENDMENT TO THE TAKU HARBOR COOPERATIVE AGREEMENT WITH ALASKA DEPARTMENT OF FISH AND GAME TO INCREASE THE FUNDING AWARD BY \$93,000 FOR MOORAGE FLOAT REPAIRS AND INSTALLATION OF SIGNAGE AND TO RECOMMEND THAT THE ASSEMBLY APPROVE AN APPROPRIATION OF THE FUNDING PROVIDED BY ADF&G.

The motion passed without objection.

3. 2010 CIP List for CBJ Budget Document.

Mr. Gillette said enclosed is a list of CIP projects submitted to the CBJ Engineering Department. These are projects we are looking to fund for 2010. This is a draft document and can be changed if requested by the Board. We either have funding or are anticipating funding for all projects listed for FY 2010.

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VI. Items for action (continued)

Mr. Preston asked why Aurora Harbor was not included in the projects list for 2010.

Mr. Gillette said we would like to apply for a State matching grant to help with the cost of replacing Aurora Harbor. We have discovered that you can only apply for up to five million dollars per year and you can only apply once per harbor. We decided it would be better to apply for five million this year for Statter Harbor and apply for another five million next year for Aurora Harbor.

Mr. Stone said Aurora Harbor was on a list of request sent to the City Manager to take to the State Legislature for funding. We are asking for a general fund grant in the amount of fourteen million.

Mr. Kueffner asked why Statter Harbor was given a higher priority than Aurora Harbor.

Mr. Stone said there are matching funds dedicated to the Statter Harbor project. We do not have any funding identified yet for Aurora Harbor.

There was further discussion between Board members.

MOTION by Mr. Jardell ASK UNANIMOUS CONSENT TO APPROVE THE 2010 CIP LIST FOR DOCKS AND HARBORS AS AMENDED INCLUDING THE AURORA PROJECT FOR INCLUSION IN THE FY 2010 CBJ BUDGET .

The motion passed without objection.

4. Planning Concept Comments for the Cruise Ship Terminal/Tram Area.

Mr. Gillette said we held a public meeting on January 28 to present Master Plan three, scheme A and B for the Cruise Ship Terminal/Tram Area Concept. About fifteen people attended from the cruise industry, vendors and other interested parties. He enclosed a list of comments received at the public meeting as well as comments from the JCVB. There was some concern about vendor visibility. We are ready to move on to the next phase of planning and would like some input from the Board.

Mr. Kueffner said there are a number of comments concerning moving the Customs office to the Coast Guard area. He wondered if this was a serious consideration.

Mr. Gillette said at this point, we do not have a commitment from the Coast Guard to provide space for the Customs office. He was also told by Customs that the way the federal law reads is that it is the cruise industry's responsibility to provide port facilities for them. The Assembly decided a number of years ago to provide port facilities for Customs through passenger fees.

Mr. Jardell said he had a chance to talk with a number of people at the public meeting who felt having Customs at the Port caused a congestion issue.

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VI. Items for action (continued).

Mr. Mehrkens agreed with Mr. Jardell and suggested moving Customs out of the Port and providing a temporary structure for the summer months.

Public Comment:

1. Chip Thoma, Box 21884, Juneau AK 99801

Mr. Thoma said he had a tour of the Coast Guard Station and there is a lot of space available. The Coast Guard is a little concerned about heightened security since 9/11. They suggested that the proper place for Customs might be in a temporary structure on the property next to the Coast Guard Station. This property belongs to the Mental Health Trust and is not currently being used. Customs interviews roughly 30-40 people per day from the Cruise ships for five months of the year. Mr. Thoma has also contacted GSA and they are also interested in helping relocate Customs.

There was further discussion between Board members and Mr. Gillette.

VII. Items for Information/Discussion.

1. Municipal Harbor Matching Grant Application Submitted for Statter Harbor Rehabilitation - \$5M.

Mr. Gillette said this application has been submitted.

2. Homeland Security Grant Application Submitted for Port Security Operations Center - \$1M.

Mr. Gillette said this application has been submitted also.

3. Amalga Harbor Cooperative Agreement Amendment #2 Appropriation Ordinance.

Mr. Gillette said this Item had been introduced to the Assembly on February 2, 2009 and a hearing was scheduled for March 16, 2009.

4. Taku Harbor Cooperative Agreement Amendment #2 Appropriations Ordinance.

Mr. Gillette said this Item was acted on tonight and will be introduced to the Assembly on February 23, 2009 and a hearing will be on March 16, 2009.

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VII. Items for Information/Action (continued).

5. Letter from Goldbelt, Inc.

Mr. Stone said the letter from Goldbelt was a response to a Navigation Study completed by the Marine Exchange of Alaska. The Marine Exchange is a non-profit organization and their primary mission is promoting safety and efficiency for maritime operations throughout the State. The organization is made up of commercial maritime operators and Mr. Stone said he serves as a Board member. The Marine Exchange has done almost all of our security work at the port and we have used them extensively for regulatory issues with the Coast Guard. They have a database of all of the cruise ship movements for the past several years. They can actually look at what the cruise ships have done in and out of port. For these reasons, he felt the Marine Exchange would be the best choice for the Navigation Study. The Second phase of the Navigation Study would be a simulation. Mr. Stone said that he is not compensated for his service as Board member.

The Board members further discussed the importance of the Navigation Study findings.

6. Written Findings of Emergency for Harbors Shorepower.

Mr. Stone said the regulation was in the packet and no further discussion was needed.

Mr. Preston asked if all harbors were under one billing cycle.

Mr. Stone said that each harbor had a different billing cycle that will be effected by the ECOPA.

7. Harbor Projects Listed on the 2010 Statewide Transportation Improvement Program List.

Mr. Gillette said we have been asked by DOT to submit the City's needs list for consideration on the STIP Program. The State will evaluate the list and decide which projects will become part of the STIP list that will be eligible for funding if available. The list needs to be to DOT by March 2, 2009. He has included a hand out in the packet to show harbor related projects on the current needs list.

VIII. Committee and Board Member Reports.

A. Operations Committee Meeting – January 21, 2009

Ms. Jebe said the Emergency for Harbors Shorepower Access was the major topic at the meeting. Mr. Clauder also gave a winter project update and report about sinking boats in the harbors. Nobody showed up from the Fisherman's Memorial to give us an update.

VIII. Committee and Board Member Reports.

B. Finance Committee Meeting – January 15, 2009 (meeting was cancelled).

C. CIP/Planning Committee Meeting- January 6, 2009 (meeting was cancelled).

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IX. Administrative Officer's Report.

Ms. Havens said she has been with the Docks and Harbors for one month now. Although most of the month was spent in training, she had worked on the Emergency Shorepower Access, some lease agreements and established internal procedures for spending accountability. She is now working on the FY10 amended budget.

X. Port Engineer's Report.

Mr. Gillette said his report was in the Packet.

XI. Port Director's Report.

Mr. Stone said our new Harbormaster, Phil Benner, will be here March 2, 2009.

He spent the last week at the Seattle Boat show. He spoke with about 1,000 people who had either been to Alaska or were coming to Alaska in their boat. The news at the boat show was the boat builders are not doing well and most have stopped building boats as of last fall and are trying to liquidate the inventory they have.

He also had a chance to make a presentation jointly with Marty Owen, Kodiak Harbormaster, to the Puget Sound Cruising Club. They are a group of about 100 boaters, most of them have been or plan to come to Alaska. They have asked the Harbor department to make a donation in the form of free moorage as an item in their annual fund raising event.

Mr. Ethridge thanked the interview team for their time interviewing and choosing Phil Benner as the new Harbormaster. He was very impressed by Mr. Benner.

XII. Committee Administrative Matters.

A. Meeting Calendar for February 2009

Operations Committee Meeting – February 18, 2009

5:00 p.m. at the Aurora Harbor Office

Finance Committee Meeting – February 12, 2009

5:00 p.m. in the CBJ Conference room #224

CIP/Planning Committee Meeting – February 24, 2009

5:00 p.m. at the CBJ Assembly Chambers

Regular Board Meeting – February 26, 2009

7.00 p.m. at the CBJ Assembly Chambers

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XIII. Adjournment

MOTION by Mr. Jardell: ASK UNANIMOUS CONSENT TO ADJOURN THE REGULAR BOARD MEETING.

The motion passed without objection.

The Regular Board Meeting was adjourned at 8:22 p.m.