

CBJ DOCKS & HARBORS BOARD
OPERATIONS/CIP/PLANNING COMMITTEE MEETING MINUTES
August 22nd, 2013

I. Call to Order.

Mr. Simpson called the meeting to order at 5:00 p.m. in the Assembly Chambers.

II. Roll.

The following members were in attendance: Budd Simpson, David Logan, John Bush, and Robert Janes.

Also in attendance were: Tom Donek, Mike Peterson, Carl Uchtyl – Port Director, Dwight Tajon – Harbor Master, Gary Gillette – Port Engineer, Matthew Seal, with PND Engineers, INC, and Gretchen Keiser, Conservation Specialist with SEAL Trust.

III. Approval of Agenda.

MOTION: TO APPROVE THE AGENDA AS PRESENTED

The motion passed with unanimous consent.

IV. Public Participation for non-agenda items.

Mr. Chris Rushman, with Southeast Alaska Communications Wireless, said there are wireless networks for Aurora and Harris Harbors. Southeast Alaska Communications is currently building wireless networks for the Statter and Douglas Harbors. This will allow for internet connectivity for the patrons without requiring cables. Patrons have requested wireless connectivity in the Harbors. We are trying to meet the demand for wireless internet.

V. Approval of Previous Meeting Minutes.

Hearing no objections, the CIP meeting minutes for May 23, 2013 and the Operations meeting minutes for June 18, 2013 were approved as presented.

VI. Items for Action.

1. Aurora Harbor Rebuild.

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Mr. Uchytel said this is the fourth public meeting for public comment regarding how to rebuild Aurora Harbor to last the next 50 years. At the meeting in July we had 32 harbor patrons which was a good turnout. We are working with our consulting team of engineers to find direction as to what is the vision for Aurora Harbor. I am asking for the insight of the Board to find which of the designs is right. We have been presented with four options. We are down to three options because the option to rebuild the harbor as it is now has been ruled out, as we have agreed to widen the fingers. We are dealing with fixed real estate. The cost to move the breakwater is not in the budget. It would cost 25 to 30 million dollars to move the breakwater.

Matthew Seal presented the options for the Aurora Harbor rebuild and said the three remaining options have these things in common: head-walk realignment, approach docks, wider gangway lining for loading and unloading. Option 2 is the same as the current layout at the Aurora Harbor but has wider fingers. The wider fingers are safer, easier to use, and stronger than the existing fingers. In most areas, this plan will allow for more room for boats to maneuver. A few stalls will be rebuilt narrower, but most will be wider. This is made possible by realigning the head-walk to allow for 10 more feet on both "A" and "B" Floats. Everyone who has a stall today is accommodated for in Option 2. Option 3 has the same widened finger and the same realigned head-walk, but calls for eliminating a finger on "A" float and two fingers on "B" float to allow for longer and wider stalls. This results in six fewer stalls. This is to accommodate future vessels which are getting wider. "C" and "D" floats will remain the same. Option 4 removes one finger and has wider stalls on one side of "A" float. "B" float is the same as in Option 2. This results in two fewer stalls.

Committee Questions

Mr. Logan asked if dredging would be required to allow for the wider and longer vessels as those vessels might be deeper as well.

Mr. Seal said there are no dredging permits at this time, and none of the current plans call for dredging.

Mr. Logan asked what is the depth on the inner part of "A" float where the "A" float meets the head-walk.

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Mr. Seal said that area is very flat and is around 15 to 16 feet. The new alignment will move the vessels The Christian and The Alaskan Grandeur to the east approximately the width of a float. The "A" float will stay where it is to within a foot.

Mr. Janes asked if longer and wider vessels are more likely to be deeper too.

Mr. Seal said it depends on the vessel, but in many cases, yes.

Mr. Peterson asked is there anything innovative so that fingers can be placed and then in the future fingers can be removed or added?

Mr. Seal said yes. The floats are put in place with bolts. These bolts can be removed to allow floats to move around. However, there will be utilities: electricity and water, which are laid out to center on the stalls. This makes moving the stalls more difficult. It can be done, just be careful with the utility lines. The other difficult task would be getting a barge into the harbor after the rebuild. Maneuvering a barge between "A" and "B" floats, in order to pull the rebuilt existing piles, would be difficult. Aurora Harbor will be rebuilt working from float "A" and sweeping eastward. It is possible to add or remove sections of the harbor after the initial rebuild; there are small barges that can accomplish that task.

Public Discussion

Mr. Harry James of Juneau, AK said he is here on behalf of his two vessels and for the Ruddy and the Princeton Hall. My biggest issue is with the reduction of floats on options 3 and 4. Patrons pay for moorage by foot and these options reduce the amount of revenue from moorage the Harbors will be able to accrue. Some of these harbors have waiting lists that last years.

Pete Fergin of Juneau, AK asked if a revenue analysis had been completed for the project. Some of the options call for the loss of several slips. The Harbor Department will lose a lot of revenue with these options.

Committee Discussion/Action

Carl Uchtyl said the demand from smaller slips has decreased due to trailering. All the boats in the harbors are being accommodated. There are no wait-lists for the downtown harbors. The current demand is being met and will be met with the rebuild.

Mr. Peterson asked if Phase I was going to have any effect on the 24 foot stalls.

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Mr. Seal said no.

Mr. Simpson said the Harbor Board is aware of the demands of current patrons and have no intention of confronting patrons to remove their slips.

Mr. Donek asked if a boat has ever been refused moorage due to their boat being too wide. Also, if we build the stalls wider but don't dredge, the space will not be utilized because wider boats tend to be deeper.

Mr. Gillette said that boats vary in size, but yes, a wider boat does tend to have more draft. We are limited to 15 to 16 feet in depth. During the rebuild of Phase II there is potential to build longer and wider slips for moorage.

Mr. Janes asked will current boats be displaced if wider slips are built.

Mr. Uchytel said if any boats are displaced another harbor will be able to accommodate them. Or they can be accommodated for in Phase II. The Aurora Harbor is fixed real-estate. It is a challenge to get the right mix for the harbor. With option 2 the isle width between "D" and "E" decreases by 11 feet.

Mr. Simpson asked what the deadline for deciding which option to pick is.

Mr. Gillette said the consultants need a decision soon so they can move forward and stay on the projected schedule.

Mr. Simpson said deciding which option will be optimal is difficult because each touches on different and conflicting concerns patrons have expressed. Some patrons do not want to see a reduction in slips, some want wider slips and both cannot be achieved due to finite space. We could make a decision now, and then the project can move forward.

Mr. Logan said Option 2 is a reasonable choice. If wider stalls are built they may not be able to accommodate the vessels they were built for because the water is not deep enough. It is best to build Phase I based on the current demand and have Phase II built to accommodate future demand.

Mr. Peterson said with Option 2 the revenue stream should not change. Options 3 and 4 could lead to a loss in revenue.

Mr. Janes asked how deep the northeast side of Aurora Harbor is.

Mr. Gillette said it is about 14 or 15 feet deep, which is still within the normal range for harbors. Boats that draw more water than that may need to be accommodated at a different harbor.

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Mr. Uchytel said there will be an opportunity to build slips for longer and deeper vessels when Douglas Harbor is rebuilt.

Mr. Simpson said when Harris Harbor was rebuilt; it was done with the commercial fleet in mind. Smaller stalls were done away with and larger stalls built in their place. There might be vessels out there that are bigger than we cannot accommodate, but I am in favor of accommodating the vessels we have now.

MOTION BY MR. LOGAN: TO RECOMMEND OPTION 2 TO THE FULL BOARD, FOR THE AURORA HARBOR REBUILD.

The motion passed with unanimous consent.

2. The Statter Harbor Launch Ramp Mitigation

Mr. Gillette said we have received an Army Corps of Engineers permit to place fill for the Statter Harbor Launch Ramp Project. A special condition of the permit requires compensatory mitigation. At this time there are no projects that meet the requirements needed for the Docks and Harbors to collaborate on to offset the impacts of the filling of valuable habitat. So the other option is the in lieu fee, which is a payment, in this case is to the Southeast Alaska Land Trust (SEAL). The Army Corps of Engineers allows them to accept money, which then will be used to find land with similar habitat value to protect. The total acreage is 10.28 acres. SEAL Trust calculated an in lieu fee totaling \$729,901 for this project.

Gretchen Keiser, Conservation Specialist with SEAL Trust, said SEAL Trust is an in lieu fee sponsor for The Army Corps of Engineers. The Army Corps of Engineers requires mitigation for permit holders. A permit holder can provide their own mitigation, but, as Mr. Gillette mentioned, they have tried to find suitable land to protect in lieu of paying the fee. Under the clean water act, the type of organizations doing this work are nonprofit land trust, the State of Oregon is an in lieu sponsor, and other municipalities around the country have done this work as well. SEAL Trust's mission is to cooperate with land owners and municipalities to ensure that natural habitat open space remain recreational and historic areas are in place for future generations. When we take on an obligation it becomes an in perpetuity. SEAL Trust's mission is in line with what the Clean Water Act and the 404 permitting are trying to achieve, which is wetland protection. When SEAL Trust takes on an obligation of finding a property, we monitor the property annually to make sure that

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appropriate land use is happening. SEAL Trust will take action if there are violations. SEAL Trust is not involved in the permitting process. SEAL Trust has a 6 percent fee for administrative costs. We have provided a base transaction for an average project. Once SEAL Trust receives the money for the fee, we notify The Army Corps of Engineers that we have that money. Once the Harbor Department provides the money to SEAL Trust, it has met its obligation. SEAL Trust is then required to find comparable or better wetlands, in this case, for the Statter Harbor Project, 10.2 acres. SEAL Trust prefers land that is under threat of being developed. The land needs to have ecological value. In many cases, 1 or 2 acres scatter around do not meet the requirement. SEAL Trust researches and documents the ecological value of the properties it acquires. In the Juneau area, it costs approximately \$1,400 annually to steward a piece of property. Which is, annual monitoring, an estimate for how often SEAL Trust will need to deal with a violation, and endowing for a once in 50 year legal defense. The estimate of \$729,901 comes from the cost of: land, transportation, and transaction. Juneau's waterfront property is the highest in the region. The in lieu fees are segregated into a separate account from the organizations operating funds. On an annual basis, we report our account information to The Army Corps of Engineers.

Committee Questions

Mr. Logan asked if the estimate could only be on undeveloped property instead of both developed and undeveloped properties.

Ms. Keiser said we have used an approach that capitalizes the least amount of cost.

Mr. Simpson asked if the property with equal ecological value, for example an area containing eel grass, needs to be in close proximity to the area being developed, such as Auke Bay. Also, what is the economic connection between the ecological values that are lost and the SEAL Trust's ability to replace those or preserve them somewhere else? I would like to see the Harbor Department pay the somewhere else price. The public funds need to be spent efficiently and as best as possible.

Ms. Keiser said when SEAL Trust was first contacted by Mr. Uchytel and the engineers we tried to work with them to find tide lands in Juneau. However, there are no tidelands at this time that will work for this project. The requirements are not only for ecological value, but the

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agencies and the rules push for comparable or higher valued wetlands and areas that are under threat of development. This means the land is going to cost more. SEAL Trust needs the resources to: come between the development of the land and protect the land.

Public Comment

Dennis Watson of Juneau, AK said most of the land in Juneau is waterfront commercial and is under threat of development. When an appraiser appraises a home for fair-market value it is based upon what is sold in the community. When a property is on the market for a long period of time, the price might be too high, and should come down. Perhaps the way SEAL Trust has appraised the cost for the Auke Bay Project Land's should be reevaluated.

Committee Discussion/Action

Mr. Uchytel said we have investigated using CBJ holdings, but there are no lands available at this time. Due to this, The Army Corps of Engineers is saying the Harbor Department needs to go through SEAL Trust.

Mr. Simpson asked how much CBJ paid SEAL Trust for the 200 acres to mitigate the Airport Project.

Ms. Keiser said CBJ paid \$30,000 per acre for that project. There is room to negotiate the amount for the Statter Harbor land mitigation.

Mr. Janes asked what happens to the excess money from a SEAL Trust transaction.

Ms. Keiser said the money goes into the in lieu fee account and over a period of time the flow of money will average out so there will be no excess or insufficient funds.

Mr. Simpson asked what Mr. Gillette and Mr. Uchytel what action they are seeking from the Board.

Mr. Gillette said this is an obligation required by the Army Corps of Engineers permit that must be met in order for the project to proceed. The best option we were able to come up with on our own would have cost \$1.3 million, and that is more than what we would be paying SEAL Trust for mitigation. If the Board was interested in taking

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another route, we would need to go to the Army Corp of Engineers to and that would take more time. We have been advised that SEAL Trust's approach is reasonable and the amount they have quoted is defensible. The project needs to move forward. The deadline to resolve this is September 17th, 2013, which is a year from the date the permit was issued.

Mr. Simpson said he would like to see the cost come down before moving forward.

Mr. Janes asked how does that the fee of \$729,901 fit into the budget for the project.

Mr. Gillette said we are under budget for that line item, we budgeted for \$500,000. There is still money to cover the project.

Mr. Bush asked if Mr. Uchytel would be able to negotiate a lower price with SEAL Trust.

Mr. Uchytel said he would like to seek consultation on how to best negotiate a lower price.

Mr. Simpson said SEAL Trust is willing to negotiate a price and that should be pursued further.

Mr. Janes asked if this should be sent to the Finance Committee. A lower price point would help future negotiations.

Mr. Simpson asked if the committee would like to schedule a special meeting to discuss what direction to pursue regarding The Statter Harbor Launch Ramp Mitigation.

Mr. Logan asked to send the topic to the Finance Committee for recommendation.

Mr. Simpson said yes, let's refer to the Finance Committee.

Mr. Uchytel asked if Ms. Keiser if she has the authority to negotiate the amount.

Ms. Keiser said no, but my executive director, who is out of town, assists with negotiations. My board will be responsive to your current needs.

3. State of Alaska Access to the Douglas Harbor Parking Lot

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Mr. Uchytel said the State approached the Harbor for 40 additional parking spots in Douglas. It is possible to meet their request and I recommend approval from the Board to send this to the Finance Committee. The Finance Committee can decide on an acceptable rate.

Committee Questions

Mr. Peterson asked what kind of burden will be placed on staff to remove the snow by 7 am. Also, since Fish and Game has already been hired to remove snow where these vehicles are currently parked, can we ask them to remove snow from the intended parking spaces at Douglas Harbor?

Mr. Uchytel said that is negotiable.

Mr. Tajon said that staff removes snow around 6 am after a large accumulation.

Mr. Peterson asked if the vehicles are all being used during the winter.

Mr. Uchytel said these are mostly State owned vehicles, 26 of which are used mainly in the summer and the State needs a place to park them in the winter.

Mr. Peterson said he does not want to put the burden on Docks and Harbors.

Mr. Simpson said Douglas Hwy is plowed by the State and the extra parking spots would not take up much more of their time to include in plowing.

Public Comment

None.

Committee Discussion/Action

Mr. Logan said a ten year lease might be too long as we do not know what the needs of the Harbor Department will be. Could we shorten the lease to five years?

Mr. Uchytel said yes, we are still negotiating. Currently it is ten years, renewable annually. That is ten-one-year leases.

Mr. Bush asked if the Harbors will be able to use the spaces during peak times.

Mr. Simpson said the State won't use the spaces much on the weekends. Would we be giving them an exclusive, marked area?

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Mr. Uchtyl said State workers will want to park close to their building. There are 17 spaces already near the building, and they will likely park in the next 23 closed spaces too. For the most part, patrons are parking close to the gangway. I recommend we give the State workers, who will be parking there, tags to hang from their rearview mirrors, which say: 7 am – 5 p, daily Mon-Fri. We want the spaces to be away from the trailers

MOTION BY MR. BUSH: TO SEND THE STATE OF ALASKA ACCESS TO THE DOUGLAS HARBOR PARKING LOT TO THE FINANCE COMMITTEE FOR REVIEW.

The motion passed with unanimously consent.

VII. Items for Information/Discussion

1. Online Launch Ramp Permit Sales.

Mr. Tajon said the online launch ramp permit sales have been useful for users. As of August 3, staff reported a total of 1500 annual permits sold in the office and online. The daily launch ramp permits sold total is 196. In the enclosed packet I provided, you will find the breakdown of the figures. There is an option on the parking meter at Statter Harbor to purchase a daily launch ramp permit, and I do not have the figure for how many permits were sold via the parking meter.

Committee Questions

None.

2. Norway Point Power

Mr. Tajon said Alaska Light and Power informed me that there is room for electric supply expansion at Norway Point. This will allow for six-32 foot boats or five-42 foot boats to access power. The boats would need to have less than 12 foot drafts. This could also be used as a transient area. I do not have an estimate at this time.

VIII. Member & Staff Reports

Mr. Tajon said that every minus tide staff has to go to the launch ramp at Douglas Harbor to remove the debris. This has been necessary for the North Douglas Launch Ramp too. I will be meeting with Mr. Ward and Doug Unruh to discuss the 30 rules that have been drafted. The cruise ship the Millennium

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has cancelled the remainder of their cruises and so will not be coming to Juneau for the remainder of the year. The Silver Shadow will be using the Millennium's space at the Port.

Mr. Uchytel said the cancellation of the Millennium is an estimated loss of \$3 million to the city. A patron has voiced her concern that the fish cleaning station at Amalga Harbor Boat Launch is not being used properly. She would like the fish cleaning station to be removed as it is a hazard. I do not agree with her analysis, but the Board needs to address her concern.

Dr. Logan said a sign at the fish cleaning station informing patrons that boats are not to be moored, and only for use unloading and loading, might help.

Mr. Tajon said there is a private fish cleaning station and float. There are no signs currently. When a patron is at the fish cleaning station, they will need to wave the on-coming patrons by so they can pull their boats.

Mr. Peterson said the issue might stem from patrons attempting to launch at harbors other than Statter Harbor. I think the fish cleaning station is useful and Amalga will have less demand after the construction at Statter Harbor is complete.

Mr. Gillette said the Assembly did approve the award for the cruise ship terminal staging area. Therefore, Stage II will begin on Monday. We anticipate advertising for cruise ship bids on September 10th.

Mr. Uchytel said a 49' vessel was pulled using the self-propelled boat lift at Statter Harbor. It was a victory at Statter Harbor. Also, I will be investigating the possibility of acquiring property near the Aurora Harbor Office that is currently owned by the University of Alaska.

IX. Committee Administrative Matters

Mr. Simpson said the fish cleaning station at the end of the float in Statter Harbor is causing some issues for patrons. Some patrons are mooring their vessels in the float next to the fish cleaning station and this has become an issue for the patron who is assigned that slip. Some signs have been placed there, but the issue has not been resolved. The cleaning table might need to be removed.

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Mr. Peterson said the lines painted at the North Douglas Launch Ramp for kayakers, work. I have seen many people staying outside of the boat-trailer's section of the parking lot.

Next Operations/CIP/Planning Committee Meeting is scheduled for September 19, 2013.

X. Adjournment

The Operations/CIP/Planning Committee adjourned at 6:26 pm.