

CBJ DOCKS & HARBORS BOARD
OPERATIONS/PLANNING COMMITTEE MEETING
Thursday, February 20th, 2014

I. Call to Order

Mr. Logan called the meeting to order at 5:00 pm in the Assembly Chambers.

II. Roll Call

The following members were present: David Logan, Greg Busch, John Bush and Robert Janes.

III. Approval of Agenda

MOTION By Mr. Logan TO APPROVE THE AGENDA AS PRESENTED.

The motion passed with unanimous consent.

IV. Public Participation on Non-Agenda Items – None

V. Approval of the January 23rd, 2014 OPS and Planning Meeting Minutes.

MOTION By Mr. Busch TO APPROVE THE JANUARY 23rd, 2014 OPS AND PLANNING MEETING MINUTES AS PRESENTED.

The motion passed with unanimous consent.

VI. Old Business

1. Fee in Lieu payment for Statter Harbor Launch Ramp

Mr. Gillette said the original in-lieu fee from Southeast Alaska Land (SEAL) Trust was \$769,000. After collaboration to consider habitat values rather than zoning, the new total for the in-lieu fee from SEAL Trust is \$329,838. This amount is closer to what we expected the cost would be when we started this project. When the money is transferred, our responsibility for the Corps of Engineer's permit will be passed to SEAL Trust.

Committee Questions

Mr. Busch asked is this an amount we have budgeted for.

Mr. Gillette said yes.

Public Discussion - None

Committee Discussion/Action

MOTION By Mr. Bush TO SEND THE \$329,838 IN LIEU FEE FOR SEAL TRUST TO THE FULL BOARD.

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The motion passed with unanimous consent.

2. Douglas Harbor Corps of Engineers Permit Status

Mr. Gillette said the Douglas Harbor permitting was put on hold around 2009 when contaminated soil was discovered in the area that was to be dredged. The standards for contaminated soil have since changed. Now the contamination that was found is higher than what is allowed. The Harbors and Army Corps of Engineers – Civil have spent in excess of \$1 million in scientific studies, reports, and designs. Some reports show that there was no harm in depositing this material into the channel, but the EPA said we need to do more. The Corps of Engineers Civil Works Division in Anchorage finds this to be important and precedent setting for the entire state of Alaska because dredging occurs elsewhere in Alaska. They came up with funds to help us because it will help the entire state if we can get this resolved. They used more than \$300,000 of their funding to help get this resolved. Even after highly qualified scientists have submitted their reports showing there is no problem with the dredging, EPA still requires a cap of clean material on top of the dredged material. The Corps of Engineers Civil Works has come up with a cap design that meets the demands of EPA. It is a 6 inch cap for the apron with 12 inches on the mound. The Harbor will also need to be capped because we are exposing material that has potential of migrating to the harbor bottom. This will add to the cost of the project. In 2009 the design was about 95% complete and the estimated cost was \$4.9 million, but there was no cap in the cost estimate. The current cost estimate is \$6.9 million, and this includes the cost of capping. There are funds in the deferred maintenance account that are being held for this project that total \$3.6 million. We received a grant from Alaska Department of Transportation (ADOT) of \$2 million for this project. We need to use the grant money soon or we risk losing it. The grant money has been there for 5 years. That is a total of \$5.6 million readily available. That leaves \$1.3 million to come up with to complete the project, which is basically the cost of the cap. There are options. One option is to not do anything. We could let Douglas deteriorate until it is unsafe then close it and use the money for Aurora Harbor, which is next in line for the necessity of repairs. We would have to get the ADOT money appropriated from Douglas to Aurora, and we could be turned down. They might say that the money has to be used for Douglas. Another option is to continue with the Douglas Harbor Project as originally planned, get the permitting and the funding. We could modify the Douglas and Aurora plans. There might be a way to build larger slips in Aurora and smaller slips in Douglas. We might be able to dredge 12 feet instead of 14 feet in Douglas. This way we don't have to cap anything. EPA has let us know that if we don't go into the lower deposit, which is where the methyl mercury is, then we should not have a problem getting approval. Lastly, we could wait for the Corps of Engineers to dredge Douglas Harbor. They have an obligation to perform maintenance dredging for

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the original Douglas Harbor. Our proposed plan goes beyond the original harbor profile. Anything beyond the original profile we would have to dredge, so it would be joint work. It is very competitive to receive the maintenance dredging funding. I have been informed that we might have to wait 10-17 years to get the maintenance dredging. There might be other options for funding through the Corps of Engineers. There are also options with how we dispose of the contaminated soil. The Corp of Engineers and EPA would prefer upland disposal. There are many options for disposal sites, including: Treadwell, Eaglecrest, and the landfill. Those sites would cost \$2 million or more. The Engineering Department is investigating a Sea Walk project that would lead to the bridge. They have an idea for an island that would be about the same size as the amount of fill that we will need to dispose.

Committee Questions

Mr. Logan asked how would changes to the Douglas and Aurora Harbors effect the amount of slips.

Mr. Gillette said we have not gone in depth with the idea of changes to the Douglas and Aurora Harbors, but it looks like it would be possible to swap the two plans. Have the smaller slips in Douglas and the larger slips in Aurora.

Mr. Logan asked how much the designs would cost.

Mr. Gillette said it should not be a major effort.

Mr. Janes asked how long the ADOT money will be available. Would the ADOT money be safe until we figure out the best option?

Mr. Gillette said we have been communicating with the ADOT about why we have not used the money yet, but we need to use the money before they take the money back. As far as the Sea Walk goes, the Engineering Department plans to build a ring, and then they will add some material around the edges to create room for habitat. Within the ring will need to be fill. We might be required to wrap the fill with material so the mercury does not leak out. This would be considered an upland disposal site. The current application cannot go forward. We do have to present our proposed changes as a modification to the permit.

Mr. Busch asked what do we risk losing if we propose one design and are unable to come up with the funding for the capping system.

Mr. Gillette said when a permit is received there are 5 years to do it, and there is nothing that says you have to do it. We can continue to make modifications to the permit. The worst they can say is that there are too many modifications and we have to

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apply for a new permit. EPA regulations focus on water disposal. If we dispose of the contaminated soil in an upland project then we have the Department of Environmental Conservation (DEC) regulations to comply with, and it might be a less rigorous permitting process.

Mr. Busch asked why is the Corps of Engineers not required to dredge this to 14 feet.

Mr. Gillette said they have an obligation for maintenance dredging, but there is not enough money for them to get to Douglas Alaska. They have other obligations to other harbors that seem to be a higher priority for them. There might be a program that smaller harbors can try to go through to get the maintenance dredging.

Mr. Bush asked how do we find which funds are available to us. We should submit the application for the permit and then search for the money.

Mr. Uchytel said half of Douglas Harbor is Federal and half is for expansion. The expansion would not be dredged by the Corps of Engineers for maintenance dredging.

Mr. Janes asked would we be able to modify our decision during the construction.

Mr. Gillette said it would be more difficult to do during the construction. He said the Engineering Department is preparing the paperwork to apply for the Sea Walk project permit.

Public Discussion - None

Committee Discussion/Action

Mr. Donek said I suggest we apply for the permit we have planned for. After we receive the permit allowing us to dredge 14 feet, we can easily do less than the permit allows if we decide that is best.

Mr. Logan said I want to investigate redesigning the Douglas Harbor with smaller slips and Aurora Harbor with larger slips. This can be done at the same time that we are reapplying for the permit.

Mr. Busch said I want to reevaluate this in six months.

Mr. Donek asked could we use the grant money to dredge then delay the rest of the project until funding is resolved.

Mr. Gillette said the grant cannot go towards dredging. It could be used towards demolition.

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Mr. Logan said we will discuss this further in six months to see where we are at with the permitting process, design and funding.

VII. Items for Information/Discussion – None

VIII. Member & Staff Reports

Mr. Uchytel said the taxis prefer to be in the two stops closest to S. Franklin St. and away from the Port Customs Building. This will allow for the Port Customs parking to be located closest to the building. Also, there were 3-1 year permits that were open for the Outcry Auctions. The winning bids were for \$23,000, \$24,000, and \$25,000.

Mr. Gillette said Bellingham Marine built the original floats for Statter Harbor and they have the original drawings. PND has been instructed to create some document that we can use. We plan to get BMI to build the pieces we need and have them subcontract the construction work. We should have something in place by this summer.

Mr. Uchytel said the Taku Dock is complete.

IX. Committee Administrative Matters

Next meeting: Thursday, March 20th, 2014

X. Adjournment

The Operations/Planning Meeting adjourned at 6:04 p.m.