

CBJ Docks and Harbors Board
Harbor Fee Review Committee Meeting Minutes
For Wednesday March 8th, 2017

I. Call To Order – Budd Simpson called the meeting to order at 12:07 p.m. in CBJ Room 224.

II. Roll Call – The following members were present: Bob Janes, David Lowell, Robert Mosher, and Budd Simpson.

Absent: Tom Donek

Also present were the following: Carl Uchytel – Port Director, Dave Borg – Harbormaster, and Doug Unruh – Operations Maintenance Supervisor.

III. Approval of Agenda.

Mr. Uchytel requested to add a staff report after Future Business.

MOTION By MR.JANES: TO APPROVE THE AGENDA AS AMENDED AND ASK FOR UNANIMOUS CONSENT.

Motion Passed With No Objection

IV. Approval of February 15th Harbor Fee Review Committee minutes.

Hearing no objection, the February 15th, 2017 Harbor Fee Review minutes were approved as presented.

V. Public Participation on Non-Agenda Items – None

VI. Unfinished Business - None

1. Monthly Shorepower access Fee (05 CBJAC 30.010)

Mr. Uchytel said the monthly rates are on page 9 in the packet and staff recommends leaving the monthly rates as is. Docks & Harbors is charging enough to cover the expense.

Committee Questions - None

Public Discussion - None

Committee Discussion/Action

Mr. Simpson commented that the monthly rate is more of a bargain than the daily electrical rate. From his own experience from a metered rate, the winter rates are right in line, but the summer rate is high. He recommended to leave it the same

Mr. Janes recommended to keep the current rates, but keep the rates in line with what AEL & P charges. If the rate increases for Docks & Harbors, our customers rates should go up proportionately.

Mr. Simpson clarified that if the rate Docks & Harbors is paying changes, our customers are subject to adjustment and if there is another emergency with a surcharge the surcharge could also be applied.

Mr. Uchytel pointed out that on page 9 paragraph (h) in the packet the regulation already covers the emergency situations.

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Mr. Uchytel said staff wants to omit the sentence in (b) With approval of the Docks and Harbors Department, a person may use a 50 amp service and be assessed a 30 amp fee provided the service is current limited to 30 amps.

Mr. Borg said this is not needed. If they are plugged into a 50 amp that is the service they will pay for. If they are plugged into a 30 amp, that is the service they will pay for.

Mr. Lowell said there is something in regulation in case of an avalanche, but nothing that covers a normal rate increase.

Mr. Simpson said the monthly rates will stay the same as long as the rates are what they are today. This regulation deals with an emergency increase, but nothing on a routine increase. That should be part of our policy if AEL & P raises their rates, our rates go up.

Mr. Janes recommended to have staff look at AEL&P rates annually and provide the Board with a verbal report annually.

Mr. Simpson recommended to look at the current base line rate and check every year.

Mr. Uchytel said his preference is to have the electricity rate looked at the same time as the CPI is looked at for the moorage rates. He would like this more of a policy than a regulation.

Mr. Simpson recommended to have the rate based off the rate we pay to AEL & P and not on a CPI rate increase and have that implemented as part of the policy that would apply to the daily and monthly electrical rates. With it part of the policy, it would be pre-approved to make a cost of living adjustment as rates change. The Board will have the final decision if the rates will be raised or not and not have to take it to the Assembly every time.

MOTION By MR. LOWELL: TO ADOPT THE CURRENT SUMMER AND WINTER MONTHLY SHOREPOWER ACCESS FEES AS SHOWN ON PAGE 9 WITHOUT CHANGING THE RATES, DELETE THE SENTENCE IN 05 CJBAC 30.010 SHOREPOWER ACCESS FEES SUBSECTION (b) (*With approval of the Docks and Harbors Department, a person may use a 50 amp service and be assessed a 30 amp fee provided the service is current limited to 30 amps*). ADD A COST ADJUSTMENT PROVISION TO TRACK INCREASES IN THE COST OF OUR RATES IMPOSED BY AEL&P ON AN ANNUAL BASIS SUBJECT TO REVIEW BY THE BOARD.

Motion passed with no objection.

Mr. Uchytel said he will draft the intent for the regulation change and have CBJ Law review it. He wanted to know the intent on the increase if it will be rounded to the nearest dime or dollar for monthly and daily rates?

Mr. Simpson said his intent is for staff to bring the electricity rate to the Board every year to review the same time as the CPI review and the Board will decide if our rates need to be raised based on AEL&P rates.

Mr. Uchytel clarified that staff will just be asking the Board to review the electrical rates and adjust if applicable and not have to go to the Assembly.

Mr. Simpson said yes.

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Mr. Lowell asked with adding the Board approval clause will we still need to go to the Assembly for approval?

Mr. Simpson said no, the Assembly will approve this regulation change giving the Board the discretion to raise the rates appropriately. We already have that authority for the moorage rates because they are tied to the Anchorage CPI increase.

VII. New Business

1. Daily Commercial Launch Ramp Permit

Mr. Borg said last year there was a work zone created at the ABLF for commercial vessels to be pulled out of the water to do minor work in under four hours. The area was used by whale watching boats, but we also had several non-commercial users or small fishing vessels as well that wanted to do their own repairs. In order to use the ABLF launch ramp a person needs the commercial launch ramp permit for \$250.00 annually because there are no daily commercial permits. Staff is proposing to have a \$30.00 daily commercial launch ramp permit so if someone needs to pull their boat for a small repair they can do so with a commercial daily permit and not have to pay the annual rate.

Committee Questions

Mr. Simpson asked if this is the correct section to put the daily commercial launch ramp in because the vessels are used recreational and are not commercial vessels? This section is called fees for commercial use.

Mr. Borg said because the ABLF launch ramp is a commercial facility, we do not allow recreational launching. In order to use this ramp, you have to have a commercial launch permit.

Mr. Janes asked if recreational users have the ability to pull the boat at the new Statter Harbor launch ramp and service their vessel in a parking space.

Mr. Borg said no.

Mr. Janes asked if the only space for a recreational user to service their boat is at their house or the ABLF?

Mr. Borg said that is correct.

Mr. Janes asked how many requests did staff receive last year from recreational users to use the ABLF service area?

Mr. Unruh said about 12. Because they had to pay \$250.00 for the annual commercial permit to use this area, none of the 12 used the ABLF launch ramp. They would have probably used the area if it was only \$30.00. With this type of use, he doesn't see a conflict with the other commercial users.

Mr. Janes said this is a commercial area and he is concerned that this \$30.00 onetime fee will increase the use and there could be a potential for recreational/commercial user conflicts.

Mr. Unruh said we currently allow recreational users to use the drive down float to load their boats with camping gear and haven't had any conflicts. The conflicts we do have is when a commercial user doesn't let us know

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when they are going to be using the facility and another commercial user contacted the office and made a reservation. The person with the reservation shows up and someone else is there.

Mr. Simpson said when the boat yard was moved to the ABLF that intermingles recreational and commercial boats.

Mr. Janes said a commercial user is launching or removing the boat and not a recreational boater. He also asked about the wash down pad?

Mr. Unruh said that will only be available through Harri's Commercial Marine (Lease holder).

Mr. Janes has a concern that the \$30.00 launch fee will invite more use. He asked if an area in the Statter Harbor launch ramp parking lot could be designated for small boat repairs?

Mr. Borg said no, that is strictly a launch ramp facility and not a maintenance facility.

Mr. Simpson said if someone needed to change their prop they could do it in the parking lot.

Mr. Borg said we won't allow someone to change their lower unit out.

Mr. Janes said he is a commercial operator and pulls his boats regularly for servicing their vessels. If two recreational users have scheduled a use time, that is eight hours out of a day, which is a big part of the day for a commercial operator to use this area.

Mr. Simpson recommends to follow the staff recommendations and if this doesn't work, come back and change it.

Mr. Unruh said the work area is very specific on what maintenance can be performed. This area is only used for a quick oil change, change a prop or a zinc.

Mr. Borg said he doesn't see a lot of use, but this is just giving another option for recreational users to do small boat maintenance.

Mr. Janes wants to see this facility to stay a commercial use facility.

Mr. Simpson said he recommends to move forward with this, but if there is conflicts to address it at that time.

Public Discussion- None

Committee Discussion/Action

MOTION By MR. LOWELL: TO ADOPT STAFF RECOMMENDATION FOR AN ABLF DAILY COMMERCIAL LAUNCH RAMP FEE OF \$30.00 AND ASK FOR UNANIMOUS CONSENT.

Motion passed with no objection.

VIII. Future Business – None

Mr. Uchytel said the only item that will need to be worked on in the future is live-aboard fees but can be discussed at one of the regular meetings.

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Mr. Simpson said he would like to bring the topic of live-aboard at Statter Harbor to an OPS/Planning meeting in April.

Mr. Uchytel said staff was given direction, and will continue to work on the lease administration review process wording.

Staff Report –

Mr. Uchytel reported;

- Aurora Phase II has not been awarded yet because we are still trying to get information from Department of Labor & Workforce Development (DOLWD) on the NCS investigation. The investigation is because NCS didn't pay correct wages on the Sitka project.

Mr. Simpson asked if there will need to be a judgement call that they are non-responsive?

Mr. Uchytel said that could happen, but he is just unsure where DOLWD is in the process. The project needs to start by August 23rd and delaying this decision could delay the project not getting done before Christmas. The other timing issues would be getting Board and Assembly approvals.

Mr. Janes said he received a call from Mr. Trucano, a local contractor, who is \$150,000 under NCS's bid. Mr. Trucano said NCS still owes him a substantial amount of money from Aurora Harbor Phase I and has to take NCS to court for what he is owed. He would like to have a local hire clause in our project proposals. He would like consideration go to Mr. Trucano's bid because he is a local bidder.

Mr. Simpson asked if the dispute between the bidder and Trucano, something owed to a sub-contractor, a reason to disqualify them? Because of the timing on this, the Board may need to make a decision before it goes through the courts which could take a couple of years. If NCS is low balling a bid and not paying a sub-contractor, then that is a contractor that we don't want to use. However, this Committee does not know the answer to that and the dispute could be legitimate. There is always two sides to a story.

Mr. Uchytel said as far as Docks & Harbors is concerned, everyone is paid and that project has been closed out. The issue is what Trucano thinks he is owed but has nothing to do with the award to NCS. This is a labor dispute between a prime contractor and a sub, and would be hard to disqualify someone for that. He said he will ask CBJ Law if a labor dispute makes NCS not a responsive bidder.

Mr. Simpson the problem is the Committee knows there is a dispute but we don't know the right and wrong of it. Does the Docks & Harbors Board have the ability to have our own inquiry into the dispute?

Mr. Uchytel said the contract with the dispute is closed. The dispute is outside the scope of work in the Aurora Harbor phase I contract.

Mr. Janes said Trucano is a local contractor and they have done a lot of work over the years for Docks & Harbors.

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- Mr. Uchytel said he submitted a Conditional Use Permit on Mr. Heuman's behalf. CDD will do a City/State Plan (CSP) review. This will eventually need to be approved by the Board.
- There is a Committee of the Whole meeting on Monday. One of the topics is the Auke Bay Marine Station, the Fish House and the Float. Mr. Gillette and Mr. Donek will be at that meeting. UAS is lobbying the Assembly for a no cost lease for those facilities, but those facilities are not in the property being conveyed by GSA.
- Mr. Uchytel said he will be out of the office two weeks starting Friday.
- There is a boat show expo planned at the Yacht Club for the Boat Shelter owners on Friday May 12th.
- There is a ribbon cutting ceremony planned for the new cruise ship dock on May 5th, with the Maritime Festival on May 6th. With good weather we will hold this event on the float, but if inclement weather it will be in the brick yard.
- There will be a ribbon cutting ceremony planned for Douglas Harbor on May 26th. The Pusich family will be here for that weekend and would like to attend. He will also invite the Corps of Engineers with their great dredging efforts, and Trucano Construction.
- Docks & Harbors employee Doug Unruh will be retiring the end of April and at that time we will have two Operations Maintenance Supervisor positions available and will go out to hire at that time.
- Docks & Harbors Administrative Assistant II at Statter Harbor will be on maternity leave through the summer.

Mr. Borg reported because of a small substance spill at the ABLF from one of Mr. Weltzin's waste oil tank in his storage area, which was all contained, it brought his attention to Mr. Weltzin's operations. Mr. Borg went back and looked at the Conditional Use Permit and it says there shall be no hazardous material stored onsite, but the area is used for a staging area. Mr. Weltzin has been storing propane for long term. He issued a letter to Mr. Weltzin telling him that this practice is not allowed. On Monday a propane tank showed up to the ABLF and started filling his 1,000 gallon propane tank. Docks & Harbors was not notified and this is not allowed which is in direct violation of our Facility Security Plan. These activities were shut down and he had a long talk with Mr. Weltzin and explained that this is not only a Coast Guard issue but a conditional use permit issue. It is not allowed to load fuel into another container at this location, but you can bring loaded containers to this facility to load on a boat and go.

Mr. Janes reported because of several phone calls voicing concern, there is going to be a new section added to TBMP for mariners that they don't come inside of Indian Island from Auke Bay to the Lena Beach area. All the charter operators will be advised to not use the route inside Indian Island.

IX. Next Harbor Fee Review Meetings –

The Harbor fee review is finished.

X. Adjournment – The meeting adjourned at 1:34 pm