

CBJ DOCKS AND HARBORS BOARD
REGULAR BOARD MEETING MINUTES
For Thursday, July 27th 2017

I. Call to Order

Mr. Donek called the Regular Board Meeting to order at 5:00 pm in the Assembly Chambers.

II. Roll Call

The following members were present: Bob Janes, David Lowell, Mark Ridgway, David Seng, Budd Simpson, and Tom Donek.

Absent: Weston Eiler, Don Etheridge, Robert Mosher,

Also present were the following: Carl Uchtyl – Port Director, Gary Gillete – Port Engineer, David Borg – Harbormaster, and Mary Becker – Assembly Liaison.

III. Approval of Agenda

Mr. Uchtyl recommended under new business #2 move to items for information.

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

Motion passed with no objection.

IV. Election for Docks & Harbors Chair and Vice-Chair

MOTION By MR. SENG: TO NOMINATE MR. DONEK AS CHAIR AND MR. SIMPSON AS VICE-CHAIR AND ASK UNANIMOUS CONSENT.

Motion passed with no objection.

V. Minutes from the June 22nd, 2017 Regular Board Minutes.

Mr. Uchtyl said Mr. Ridgway's name needs to be corrected.

Hearing no objection, the June Regular Board minutes were approved as amended.

VI. Public Participation on Non-Agenda Items – None

VII. Consent Agenda –

- A. Public Requests for Consent Agenda Changes - None
- B. Board Members Requests for Consent Agenda Changes - None
- C. Items for Action

- 1. Assembly Resolution – ADOT Harbor Facility Grant Application

RECOMMENDATION: THAT THE ASSEMBLY ADOPT A RESOLUTION OF SUPPORT FOR 50-50 MATCHING HARBOR FACILITY GRANT TO RETROFIT DOUGLAS HARBOR AND HARRIS HARBOR WITH ZINC ANODES.

CBJ DOCKS AND HARBORS BOARD
REGULAR MEETING MINUTES
For Thursday, July 27th, 2017

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

Motion passed with no objection

VIII. Unfinished Business-

1. Public Hearing for Regulation Changes to prohibit the discharge of sewage into Juneau Harbors (05 CBJAC 45.005, 05 CBJAC 45.010 and 05 CBJAC 45.015)

Mr. Uchytel said this proposal is brought forward for Docks & Harbors desire to become a Alaska Clean Harbors facility. The first section of this regulation is defining waste water discharge, the second section is the definition of marine sanitation devices and the third is about the live-aboard vessels required to have a Marine Sanitation Device. These three regulations work together prohibiting raw discharge in the harbor. The regulation has been properly noticed and staff has not received any public comments on the regulations. If this is approved by the Board tonight, it goes to the Assembly for final approval on Monday.

Committee Questions- None

Public Comment- None

Committee Discussion/Action

MOTION By MR. SIMPSON: TO RECOMMEND THE ASSEMBLY ADOPT REGULATIONS TO PROHIBIT THE DISCHARGE OF SEWAGE INTO JUNEAU HARBORS AND ASK UNANIMOUS CONSENT.

Motion passed with no objection

2. Public Hearing for Regulation Changes Amending the Docks & Harbors Shorepower Access Fee (05 CBJAC 30.010)

Mr. Uchytel said the information on this regulation change was not included in the packet by error and he recommended to wait until next meeting.

This item is tabled to the next meeting.

3. Public Hearing for Regulation Change to provide a Daily Fee for Commercial Use of Boat Launches (05 CBJAC 20.070)

Mr. Uchytel said currently we do not have a daily rate for commercial users. This regulation will allow for a daily fee of \$30.00 for commercial users at any of our launch ramp facilities. He said he has not received any comments for this proposed regulation change.

Committee Questions- None

Public Comment- None

CBJ DOCKS AND HARBORS BOARD
REGULAR MEETING MINUTES
For Thursday, July 27th, 2017

Committee Discussion/Action

MOTION By MR. JANES: TO RECOMMEND THE ASSEMBLY ADOPT A REGULATION ALLOWING FOR THE USE OF A DAILY COMMERCIAL USE RATE AT BOAT LAUNCHES AND ASK UNANIMOUS CONSENT.

Motion passed with no objection.

IX. New Business –

1. Central Council Tlingit & Haida Indian Tribes of Alaska (CCTHITA) – Immersion Park Development Plan Modification.

Mr. Uchytel said as a result of an RFP issued in 2015 CCTHITA was selected during the RFP process to receive a 35 year lease for a cultural immersion center. He said the proposal received by CCTHITA is in the packet. The effective date of the lease is October 26th, 2016. In mid June of this year he received a call from CCFR that the leasee is considering having a controlled burn to raze the old main building. He contacted Myrna Gardner to let her know she needed to provide a request for the burn. He received the request to raze the building and they also provided a structural evaluation from PND Engineers who recommended to remove the building because it is not up to code. The question at the OPS/Planning meeting last week, “is the building an asset or liability to Docks & Harbors?” We do have say in what happens on our leased property. Mr. Uchytel read from the lease the Board responsibilities, “The leasee is authorized to use the leased premises for CCTHITA Immersion Park as proposed in the RFP. Should the leasee further develop the premises the leasee shall be required to obtain approval of the development plans from CBJ Docks & Harbors prior to any further development of the leased premises or improvements. Leasee shall be responsible for providing all necessary permits and approvals for the leasee development of the lease premises”. With this in the lease, the Board has the responsibility of approving any future development plans as it deviates from what was selected in the RFP. Last Tuesday the building in question was inspected by myself, the Deputy Port Engineer, and a Board member that toured the facility. Absent the PND report, Mr. Uchytel said the building could be an asset and repurposed. He said he also received word from CCFR that the proposed control burn will not happen on July 29th because the permits are not in that need to go through DEC. The earliest for the control burn would be early to mid August. The options for the Board tonight would be to approve the burn, get a second opinion to PND’s structural analysis, approve the burn but provide a updated business, financial, and construction plan, or require the leasee to obtain a bond to ensure the lease area is cleaned up after the controlled burn. CCFR is only going to do the burn and is not responsible to remove the material after the burn. Mr. Uchytel read another section from the lease, “Failure to make substantial use of the land consistent with the proposed use within one year shall be with discretion of the Board and approval from the Assembly shall constitute default”.

Committee Questions

Mr. Ridgway asked if the permit process included the assessment for hazardous material?

CBJ DOCKS AND HARBORS BOARD
REGULAR MEETING MINUTES
For Thursday, July 27th, 2017

Mr. Uchytel said yes.

Mr. Ridgway asked if the assessment has been completed?

Mr. Uchytel said CCFR is required to have a permit from ADEC, but CCTHITA has not provided the required verification the hazardous household items have been removed. After the needed information is provided by CCTHITA, it will take several days to complete the permit.

Mr. Ridgway asked if this building is currently on CBJ's Assessor's database and what the value is?

Mr. Gillette said yes it is and it has an assessed value of around \$170,000. However, the appraisal report provided by Horan & Company says the building has no value.

Mr. Uchytel said the building is fully depreciated.

Mr. Ridgway asked if improvements made to the property are City owned or owned by the Leasee?

Mr. Uchytel said any improvements made are the property of the Leasee but if anything is left after the end of the lease become the property of the owner.

Public Comment-

William Nichol, Douglas, AK

He asked if the building could be repurposed or reused instead of being burnt?

Mr. Uchytel said his understanding is CCFR is going to burn it to the ground and nothing would be removed.

Mr. Nichol said he was asking about the structural beams.

Committee Discussion/Action

Mr. Janes said he was the Board member that toured the building. He said he has some issues with burning the building down. He is excited about the development plan, but he believes the building is repairable. Not knowing what the financing plans, timeline, and building replacement is going to be, he says the Board owes it to the public to get this information before giving approval to burn down the building. If the plans don't solidify, someone else may find that building as an asset.

Myrna Gardner, Manager of Business and Economic Development for CCTHITA.

She said CCTHITA has been working on the utilization and revitalization of the property known as the Thane Ore House. Tlingit and Haida responded to the RFP. In the RFP it identified that Docks & Harbors would consider proposals that would consider razing of the building because of the building's present condition. In our proposal, we did say we were going to renovate it, but

CBJ DOCKS AND HARBORS BOARD
REGULAR MEETING MINUTES
For Thursday, July 27th, 2017

after contracting the structural engineer PND, we had an environmental assesement done and both reports said the building is not fit. Because of the present condition, having no appraised value, not being part of the lease but identified as being owned by CBJ, and with CCTHITA's responsibility to renovate or raze the building, we decided to raze the building.

Mr. Donek asked what the development plan is?

Ms. Gardner said their proposal stated they would operate a salmon bake restaurant, a traditional dance activity, and a gift shop in the foot print of this building. Because of the current condition of the building and with the thought of razing the building, we decided to replicate the history and the people that resided here. We have worked with Jensen Yorba Lott to do preliminary designs of native houses that previously existed here on the same footprint as our proposal. We have not deviated from our original proposal except the design of the exterior of the building.

Mr. Simpson asked if the hazardous material will be removed after the fire?

Ms. Gardner said our Environmental Engineers did an assessment on the building for asbestos and mold. They provided a detailed report and provided a one page list of what was required to be removed prior to the fire. CCTHITA currently has a crew working to remove the items on the list. We plan on finishing the list this week and once this is completed we will work with CCFR to provide them with a letter saying all the required items have been removed from the building.

Mr. Janes said he believes that building is an asset and could be an asset to someone. Before the building is burned, is the financing secured currently to rebuild this building once it is burned down? Is there a timeline for when construction will start?

Ms. Gardner said our plan in our proposal does not deviate from what was originally approved and our financing resources are all lining up. She said how long it takes after the approval of razing the building all will be determined here. There are also different construction seasons. It was not our original intent to raze the building but what was determined after the conditional reports were received and what was in the best interest.

Ken Truitt, Deputy Chief Operating Officer

He said CCTHITA has the resources to finance and build a building themselves. However, we are seeking additional financing through grants and other financial backers. The plan in the proposal was to seek additional financing and we are currently in that process. There is a tour set up for potential financial backers in the next couple of weeks.

Mr. Janes asked if CCTHITA would be able to provide information whether the people coming for the tour were interested in being financial backers?

Mr. Truitt said yes.

Mr. Ridgway said he is more concerned with what is below ground . Has a septic system and water well been brought into the design, and has there been discussion with the State on the wastewater treatment requirements?

CBJ DOCKS AND HARBORS BOARD
REGULAR MEETING MINUTES
For Thursday, July 27th, 2017

Ms. Gardner said yes, it is part of the cost estimate. The wastewater treatment plant and water well is in the design.

Mr. Donek said he disagrees with Mr. Janes and trying to salvage material from a building is costly unless you do everything yourself. He said this building is fully depreciated and it is not an asset to Docks & Harbors. He said he is not in favor of trying to salvage the building.

Mr. Simpson said the asset to Docks & Harbors is that CCTHITA is wanting to do something with that property. Their plan is consistent with their proposal that was solicited and chosen as the best one. The existing structure based on the PND report is a liability. Now that we know it is a liability he would like to allow CCTHITA to proceed as indicated.

Mr. Seng asked if the decision needed to be made tonight so CCTHITA can move forward or can we get more information without effecting CCTHITA's project.

Ms. Gardner said we currently have crew's cleaning and decommissioning the building. They will have to lay people off and wait. She also has not heard who would pay for additional engineer's reports. She said they already paid for a report. After the building is razed it will still need to be cleaned up and this would all be delayed. Another thing is the imposed requirement by the lease that certain things needed to be done in a certain amount of time.

Mr. Ridgway asked if there is a construction schedule currently?

Ms. Gardner said we are currently working on the decommissioning and cleaning of the building. Next we will need to have the foundation inspected and determine if it is useable. If it is not then that will need to be broken out and see if there are contaminates. We do have a construction schedule but there are many things that are linked to the schedule that can affect it. We are also working on the building that is adjacent to it.

Mr. Ridgway asked if there is a breaking ground date for building the building?

Ms. Gardner said we are in the process of applying for permits for the building and going out with an invitation to bid for contractors. The schedule is based upon how things are progressing in our activities.

Mr. Seng asked when the lease went into effect? When is the one year time limit up?

Mr. Uchytel said the effective date of the lease is October 26th, 2016. He read the clause from the lease, "Failure to make substantial use of the land consistent with the proposed use within one year shall in the discretion of the city with approval of the Assembly constitute grounds for default". He said he asked CBJ Law what "substantial use of the land" means and he did not get an answer.

Mr. Simpson said it seems like what we are looking for are things like the leasee to be proceeding in good faith and making significant efforts and some kind of showing of progress.

CBJ DOCKS AND HARBORS BOARD
REGULAR MEETING MINUTES
For Thursday, July 27th, 2017

Mr. Donek said the property was leased in good faith and we have to show some trust.

Mr. Ridgway said they do have an estimator waiting but it is difficult to estimate something unless you know what you're starting with. With that, the decision to raze the building is needed sooner rather than later even though they don't have a hard construction schedule.

MOTION By MR. JANES: TO HAVE CENTRAL COUNCIL WORK WITH AND PROVIDE A PLAN TO MR. UCHYTIL TO REMOVE THE WASTE FROM THE BURNING OF THE EXISTING BUILDING ON CBJ LEASED LAND AND ASK UNANIMOUS CONSENT.

Mr. Donek asked for clarification- the motion allows CCTHITA to give a plan to Mr. Uchytel and it doesn't have to come back to the Board.

Mr. Janes said it does not have to come back to the Board. When it is approved by Mr. Uchytel they can proceed with the burning of the building.

Mr. Simpson asked CCTHITA representatives if the conditions of the motion would work for them?

Richard Peterson, President of CCTHITA

He said he would just request the approval be done timely after the plan is submitted.

Mr. Uchytel said when the plan is received and is satisfactory he will get the approval right back to them. The goal is not to hold anything up moving forward on the construction plans.

Mr. Peterson said this is a project that will benefit our community and will increase safety and security in this area.

Mr. Ridgway said he would want to make sure the plan also addresses removal of any hazardous waste after the fire.

Motion passed with no objection.

6:07 - 5 Minute Break

6:15 - Meeting back in session

2. FY18 Docks & Harbors Committees & Special Committees – moved to items for information
3. Professional Services Contract Amendment – Statter Phase III (a)

Mr. Gillette said on page 75 in the packet is a proposed amendment for PND professional services to continue planning and permitting services for the Statter Harbor Phase III. The permitting will be for the dredging, blasting and disposal of that material. This is a time and material contract. They are moving forward with final design and bid phase of phase III (a) which is a lump sum fee

CBJ DOCKS AND HARBORS BOARD
REGULAR MEETING MINUTES
For Thursday, July 27th, 2017

of an additional \$230,000. The contract amendment total is \$290,000 to get through the next phase of work.

Committee Questions

Mr. Simpson asked if in the 3rd paragraph of the amendment is a typo “March 31, 2017” and should be 2018?

Mr. Gillette said yes and it has already been changed to 2018. Mr. Sommerville has signed it and if approved tonight Mr. Uchytel will sign it.

Public Comment - None

Committee Discussion/Action

MOTION By MR. SIMPSON: TO APPROVE CONTRACT AMENDMENT TO PND ENGINEERS FOR STATTER HARBOR PHASE III (A): (1) NOT TO EXCEED TIME & MATERIALS AMOUNT OF \$60K FOR ADDITIONAL PERMITTING SERVICES; AND, (2) LUMP SUM FEE OF \$230K FOR FINAL DESIGN AND BID PHASE SERVICES AS PRESENTED IN THE PACKET AND ASK UNANIMOUS CONSENT

Motion passed with no objection.

4. FY17 Docks Enterprise Supplemental Appropriation – moved to items for information.

X. Items for Information/Discussion

FY17 Docks Enterprise Supplemental Appropriation-

Mr. Uchytel said in our Docks Enterprise FY17 budget, we exceeded our expenditures by \$100,000. Our revenues are exceeding our expenditures, but we have added FTE's and took money out of our operating funds for a Port Security Grant. We knew in April we would be over budget and needed a supplemental. This will need to be approved by the Assembly and then finance will adjust the expenditure line in our FY17 budget.

Board Discussion/Public Comment - None

FY18 Docks & Harbors Committees & Special Committees –

Mr. Uchytel said this is our annual meeting by our By-Laws and this is a good time to discuss how we want to organize for the upcoming year. Per our By-Laws we have standing committee's, OPS/Planning Committee and Finance Committee. Last year the Finance Committee was used just in preparation for the annual budget cycle but was cancelled the other times of the year. Does the Board want to cancel the rest of the Finance meetings for the remainder of the year and just have a Special Committee during the budget cycle. Last year the OPS/Planning Committee was made up of six people. In years past we have had three Committee's and now we are down to two.

CBJ DOCKS AND HARBORS BOARD

REGULAR MEETING MINUTES

For Thursday, July 27th, 2017

Does the Board want the OPS/Planning Committee to continue as is with six people or a Committee of the Whole? He asked how the Board wanted the standing Committee's organized?

Board Discussion/Public Comment –

Mr. Simpson said since the majority of the Board sits on the OPS/Planning Committee anyway, and it involves a lot of repetition with this Committee and the Board, it would make sense to just appoint all Board members to this Committee. If we did this, and stand down the Finance Committee, any financial issues could be brought to the OPS/Planning Committee. This may help streamline the operations.

Mr. Janes said he thinks the more members on the OPS/Planning Committee is better. He also feels this will streamline things because all things discussed at this meeting would just need to be on the consent agenda for the Board meeting.

Mr. Lowell said he agrees that there is a lot of repetition and with everyone on the OPS/Planning the Board meeting would be more efficient.

Mr. Seng said this is a good idea, the Finance Committee only met 50% of the time so it does make sense to just roll those issues into the OPS/Planning Committee meetings.

Mr. Ridgway said the OPS/Planning has the ability to deal with a lot of different topics so it would make sense to keep it simple.

Mr. Donek said if we have a large OPS/Planning Committee we have to have five members at every meeting to have a quorum.

Mr. Seng asked how many people usually show up to the OPS/Planning meeting?

Mr. Simpson said there is usually a quorum.

Mr. Seng said he would not have a problem attending.

Mr. Simpson said we can also add a special committee if needed.

Mr. Donek said we will have the OPS/Planning Committee with all the Board members and Finance can go away. He said he would also like to have a Special Committee review Title 85 but not have it as time consuming as the Fee Review Committee's. He asked who would like to participate in the following Special Committee's.

Title 85 Review – Budd Simpson and David Seng

Fisheries Development – Mr. Becker will bring issues to Mr. Uchytel to put on the OPS/Planning Committee agenda.

Marketing & Promotion of Juneau Harbors – Not now/will bring back at another time.

CBJ DOCKS AND HARBORS BOARD
REGULAR MEETING MINUTES
For Thursday, July 27th, 2017

Land Management Plan – Mr. Donek requested staff look at requirements and bring back to OPS/Planning.

Mr. Uchytel recommended this be the first thing the Title 85 review committee looks at.

Port Directors Evaluation – Mr. Simpson, Mr. Lowell, and Mr. Eiler

Land Committee Liaison – Weston Eiler

Auke Bay Steering Committee – Bob Janes

1. Assembly's 1% Sales Tax

Mr. Uchytel said on page 85 in the packet is the list of 1% of sales tax projects. The Assembly should introduce this list on Monday August 21st and will take up for adoption. Docks & Harbors submitted two projects, Aurora Harbor Phase III for \$7M and Douglas Harbor \$1.5M scaleable to \$1M. The Douglas Harbor did not make the final cut. The important thing is Aurora Harbor Phase III is critical to get completed.

Board Discussion/Public Comment - None

2. Auke Bay Marine Station Agreement

Mr. Uchytel said in the packet is the agreement with UAS. On page 95 in the packet is the map showing how the area will be partitioned. Lot one is 1.91 AC and Lot two would go to the University.

Mr. Gillette said the target for finalization of this and providing us with a deed is November 1st.

Mr. Ridgway asked if Docks & Harbors was provided all the environmental assessments that have been done on the property.

Mr. Gillette said yes, that was all made available through the process.

Mr. Ridgway asked the status of the lead contaminated soil that was being removed last summer/battery clean up.

Mr. Gillette said the battery clean up has been completed.

Mr. Ridgway asked if the State of Alaska signed off on this?

Mr. Gillette said he would need to check.

Board Discussion/Public Comment - None

3. Alaska Clean Harbor

CBJ DOCKS AND HARBORS BOARD
REGULAR MEETING MINUTES
For Thursday, July 27th, 2017

Mr. Borg said Mr. Creswell provided a tour of our Harbors to Jen Karnik who is in charge of running the Alaska Clean Harbors program and she is satisfied that Docks & Harbors will be receiving Clean Harbors certification within the next month or so. This will now go before her Board to decide if we have met all requirements to receive this certification.

Board Discussion/Public Comment - None

4. Boat Shelter Sale – Right of First Refusal

Mr. Uchytel said he was approached by boat shelter owner Allen Shattuck that his boat shelter is for sale. Mr. Uchytel informed him Docks & Harbors is not interested in purchasing his boat shelter.

Board Discussion/Public Comment - None

XI. Committee and Member Reports

1. Operations/Planning Committee Meeting- July 19th, 2017
Mr. Uchytel said everything at the OPS/Planning was all discussed here tonight.
2. Finance Committee Meeting –CANCELLED
3. Member Reports- None
4. Assembly Lands Committee Liaison Report-None
5. Auke Bay Steering Committee Liaison Report – Mr. Janes said he will have a report at the next meeting.

XII. Port Engineer's Report

Mr. Gillette said his written report is in the packet.

XIII. Harbormaster's Report

Mr. Borg reported;

- The Senior Officer position has been filled by Scott Hinton who was previously a seasonal Harbor Officer. We interviewed three people and chose Scott.
- The loss of the net float at the ABLF has been very upsetting to the fishermen. He said he has been receiving a lot of complaints.
- Staff is getting ready for the Derby.
- He has been getting a lot of complaints about the massive amount of seiner vessels at Amalga Harbor. He has been working with Susan Doherty with the Seiner's Association.
- Today he signed about a dozen letters providing a 30 day notice to vessels that have not moved for years. Dennis Holloway has been heading this project up.

CBJ DOCKS AND HARBORS BOARD

REGULAR MEETING MINUTES

For Thursday, July 27th, 2017

- The new launch ramp worked great for the king crab opener. Many boats were going out and coming in steady all day. Staff has received good feedback on how well the new ramp has been working.
- Staff is still working on relocating vessels for the upcoming Aurora Harbor project.

XIV. Port Director's Report

Mr. Uchytel reported;

- August 24th is the next Live-aboard meeting at the yacht Club facilitated by Robert Barr and requested by Live-aboards.
- He received word that Mr. Lucas Drake, previous owner of the vessel the Lumberman passed away last week. Mr. Drake transferred ownership to another young man and staff will let this individual know he is not allowed to stay on CBJ Tidelands indefinitely. Another regulation change is management of our tidelands and there will be a requirement on how long someone can remain anchored on our submerged lands.

XV. Assembly Liaison Report –

Ms. Becker reported Docks & Harbors items of interest that will be discussed at the Monday night Assembly meeting are the following;

- Resolution naming the Whale Park to Mayor Bill Overstreet Park due to his efforts.
- Ordinance for the amendment to the charter for competitive bidding.
- Docks & Harbors regulation amending the fees pertaining to commercial use of boat launches.
- Docks & Harbors regulation amending shorepower fees.
- Docks & Harbors regulation adding wastewater discharge, marine sanitation devices and requirements
- Seal Trust –the question is whether or not they are going to accept what the Assembly ruled.
- Approval of the supplemental agreement for the pump room and restroom construction under contract E16-128 Seawalk bridge to Gold Creek phase III.
- Notice of recommendation from the Planning Commission about Auke Bay Statter Harbor improvements.

XVI. Board Administrative Matters

- a. Ops/Planning Committee Meeting – Wednesday, August 23rd.
- b. Finance Committee Meeting – Cancelled
- c. Board Meeting – Thursday, August 31st.

XVII. Adjournment – The regular Board Meeting adjourned at 7:24 pm.