ASSEMBLY COMMITTEE OF THE WHOLE MINUTES

May 4, 2026 at 6:00 PM

Assembly Chambers/Zoom Webinar

A. CALL TO ORDER

Deputy Mayor Smith called the Assembly Committee of the Whole meeting to order at 6:06 p.m. on Monday, May 4, 2026.

B. LAND ACKNOWLEDGEMENT - Led by Ms. Hall

We would like to acknowledge that the City and Borough of Juneau is on Tlingit land and wish to honor the indigenous people of this land. For more than ten thousand years, Alaska Native people have been and continue to be integral to the well-being of our community. We are grateful to be in this place, a part of this community, and to honor the culture, traditions, and resilience of the Tlingit people. *Gunalchéesh!*

C. ROLL CALL

Assemblymembers Present: Mayor Beth Weldon; Deputy Mayor Greg Smith (Chair); Assemblymembers Alicia Hughes-Skandijs, Christine Woll, Paul R. Kelly, Ella Adkison *(via Zoom)*, Neil Steininger, Maureen Hall, and Nathaniel (Nano) Brooks.

Assemblymembers Absent: None.

Staff Present: City Manager Katie Koester; City Attorney Emily Wright; Municipal Clerk Breckan Hendricks; EPW Director Denise Koch; EPW Deputy Director Nate Rumsey; Chief CIP Engineer John Bohan; Finance Director Angie Flick; and Meeting Tech Kevin Allen.

USACE Staff Present: Geotechnical & Engineering Serviced Branch Chief John Rajek; EM Project Manager Daryl Downing; Mendenhall GLOF Technical Lead Mike Records.

D. APPROVAL OF AGENDA - *Approved by unanimous consent.*

Mr. Kelly disclosed for the record that both Goldbelt and Sealaska were referenced in items on the agenda and that his two stepchildren were shareholders in those corporations. He stated that he had discussed both matters with the City Attorney and did not have a conflict of interest. Hearing no objection from the Assembly, Mr. Kelly participated in the discussion.

E. APPROVAL OF MINUTES - *Approved by unanimous consent.*

1. April 13, 2026 Assembly Committee of the Whole Minutes - Draft

F. AGENDA TOPICS

1. Presentation on GLOF Mitigation Phase 1 Reinforcement and Phase 2 (USACE)

Manager Koester introduced the topics, informing the Assembly that two memos were included in their packet. She requested two types of guidance: (1) approval to construct Phase

1 HESCO barriers to withstand a 63,500 CFS flood event and (2) initiation of a discussion on long-term funding for ongoing maintenance of HESCO barriers and GLOF (Glacial Lake Outburst Flood) mitigation services.

U.S. Army Corps of Engineers Presentation

Representatives from the U.S. Army Corps of Engineers (USACE), Mike Records, John Rajek, and Daryl Downing, presented an update on both the hydrologic design criteria informing the project and the status of short, medium, and long-term measures.

Mr. Records described the Annual Exceedance Probability (AEP) framework used in risk-based design, noting that while a large event may seem unlikely in any single year, probability compounds significantly over time. For example, a 10% AEP event has over a 60% chance of occurring at least once within 10 years. He noted that because Suicide Basin has only produced three full drainage events, the AEP estimates were built from physical modeling of the basin rather than a long statistical record, and that confidence intervals — particularly on the high side — reflect meaningful uncertainty. The peak discharge of last year's event was approximately 50,000 CFS, of which roughly 42,000 CFS was attributable to the GLOF itself.
In response to questions, Mr. Records indicated that impactful GLOFs from Suicide Basin are expected to continue on a decadal timescale — roughly 25 years in his model — though an unknown such as the formation of another basin could dramatically shorten that window. He also confirmed that the 63,500 CFS threshold was selected as a forward projection of a likely near-term event size, constructible before the 2026 flood season.

Mr. Downing provided a status update on Phase 2 construction, noting that four full-time crews are now working, with all riprap and flood barriers targeted for completion by July 15. He described the contractor's outreach to affected property owners as generally positive, with a public event focused on sandbagging and flood preparedness planned for July. USACE is also working with the U.S. Forest Service on a levee/berm alignment north of Mendenhall Loop Road to address gaps in protection for higher flow events.

Mr. Rajek outlined the medium-term options being evaluated for the 2027 season, including improvements to the existing Gabion/HESCO barrier system, in-river channel modifications to cut through oxbows and improve conveyance, and a sheet pile wall system. He also provided an update on the technical study being conducted with engineering firm AECOM — with local expertise from UAS researchers Eran Hood and Jason Amundson — noting that a draft will be submitted to USACE headquarters in early August 2026. The study will document short, medium, and long-term risk reduction measures but will not make a final recommendation; rather, it will provide an array of options at different flow levels for decision-makers.

Assemblymembers expressed appreciation for the Corps' partnership and the quality of the information provided.

[Clerk Note: The meeting recessed at approximately 7:00 p.m. and reconvened at 7:11 p.m.]

CBJ Engineering and Public Works Presentation – Phase 1

EPW Director Koch and Deputy Director Rumsey briefed the Assembly on Phase 1 HESCO barrier armoring, repair, reconstruction, and raising, and presented options for the Assembly's direction.
Director Koch summarized the progression of GLOF events: while the 2023 flood damaged homes, the 2024 event caused an order-of-magnitude increase in residential damage. The 2025 event, though larger in discharge at approximately 50,000 CFS, caused significantly less damage than the 2024 event, which staff attributed to the Phase 1 HESCO barriers despite some seepage. She acknowledged funding from multiple partners, including a 50%-forgivable State Revolving Fund (SRF) loan of $6.8 million approved in May 2025, and a pending application for an $18 million SRF loan. An anticipated reimbursement of over $3 million under the first SRF loan was described as imminent.

Three options were presented for Phase 1 ahead of the 2026 GLOF season, against an available funding base of approximately $11.8 million:

- **Option 1:** Reconstruct armoring and HESCO barriers that were damaged in the 2025 GLOF and reinforce sections of Riverside Drive, Killewich Drive, and Marion Drive, where floodwaters are the most powerful. Under this scenario the barriers would protect most other areas against the same level GLOF as 2025 (49,000 cfs). Some additional areas of HESCO barriers, primarily around the Dimond Park Fieldhouse, have also already been raised. Total anticipated cost - $7.5 - 9M.
- **Option 2:** Everything listed above in addition to raising the barriers to protect against a 63,500 cfs event. This means building wider and higher with barriers. Total anticipated cost - $14.8M.
- **Option 3:** Everything listed above in addition to raising the barriers to protect against a 90,000 CFS event. This means additional barrier width and height. Total anticipated cost - $19.8M.

Manager Koester explained that her recommendation was Option 2, noting that while engineering staff had initially communicated to affected property owners that the project would be built to 90,000 CFS, a cost-estimate revealed that doing so was not feasible with available funding. She emphasized that building incrementally now and returning to raise to 90,000 CFS in a future year would cost more than doing so at once due to remobilization expenses, estimated at roughly $10 million in additional cost. She further noted that USACE leadership had been engaged in early conversations about potentially absorbing Phase 1 up to the 90,000 CFS level in a future season, but no commitment had been made.

Deputy Director Rumsey and Chief CIP Engineer Bohan discussed construction challenges: work started approximately one month late due to the severe winter; frozen ground, snow removal, and the need to fully reconstruct (rather than simply reinforce) large sections of the barrier system all increased costs and complexity. Staff confirmed that some sections are already being built toward the 90,000 CFS configuration.

Assemblymembers engaged in extended discussion about the AEP risk data, the flow of SRF funding, the relationship between available funds and project authority, and the feasibility of the various options. Deputy Mayor Smith summarized the SRF financing: under Option 2, CBJ would draw down the $11.8 million CIP by approximately $7.4 million (the local match), with the remaining half covered by the forgivable loan — effectively making the state a 50% partner. Manager Koester confirmed this understanding. Finance Director Flick confirmed that if funding is secured through the DEC loan process in time, no separate interim appropriation would be needed; she estimated the loan could be in hand for an appropriating ordinance by June 8.

<u>MOTION</u> by Mayor Weldon to authorize Alternative 2 to reinforce and raise Phase 1 HESCO barriers and associated bank armoring in time for the 2026 GLOF to protect against a 63,500 CFS GLOF.

Ms. Woll and Ms. Hall both expressed concern about limiting the project to 63,500 CFS given the scientific information indicating that 90,000 CFS protection may ultimately be necessary, with Ms. Hall formally objecting to the motion. Mayor Weldon acknowledged the risk but emphasized the City's financial constraints, suggesting that proceeding with the lower level now would allow additional time while anticipating that the Army Corps of Engineers could ultimately assume responsibility if 90,000 CFS protection becomes necessary. Deputy Mayor Smith similarly noted that Option 2 preserves a financial buffer in the GLOF CIP, whereas Option 3 would largely deplete available reserves. Mr. Brooks observed that Option 3 could be funded through reallocating other City resources, such as delaying other expenditures.

Roll Call Vote — Yeas: Weldon, Brooks, Steininger, Adkison, Kelly, Hughes-Skandijs, Smith (7); **Nays:** Hall, Woll (2). **Motion carried 7–2.**

[Clerk Note: The meeting recessed at approximately 8:57 p.m. and reconvened at 9:06 p.m.]

Long-Term Funding Discussion – LID vs. GLOF Service Area
Manager Koester provided an overview of the long-term funding question for ongoing HESCO barrier maintenance and GLOF response, framing it as a new service that requires a dedicated and equitable funding source. She noted that the approximately 400 property owners in the existing Local Improvement District (LID) have not yet been assessed — their share totaling approximately $2.3 million — and that the Assembly has delayed finalizing the LID assessment in part due to fairness concerns, given that the Phase 1 barriers now protect a much broader area than originally scoped.

Manager Koester described the two primary funding mechanisms under consideration: (1) the existing LID, and (2) a GLOF Special Service Area funded through an area-wide property tax on benefited properties, which would require voter approval. She noted the service area tax would fall outside the general fund property tax cap.

Mayor Weldon offered, without making a formal motion, that the LID should be dissolved and a broader funding mechanism put in place, arguing it was inequitable to burden a small group of property owners when the project now protects a far larger number of residents. Ms. Woll expressed agreement. Finance Director Flick confirmed that dissolving the LID would have no adverse financial impact on the city — no additional funds would need to be found. Deputy Mayor Smith indicated general support for dissolving the LID and exploring a future service area or other mechanism.

No formal action was taken on this item. Manager Koester confirmed this was intended to begin the conversation, not to require a recommendation tonight.

Due to time constraints, Deputy Mayor Smith proposed postponing the Disposal of City Hall agenda item to a future Assembly Committee of the Whole meeting. Hearing no objections, the item was postponed.

2. Assembly Direction to Eaglecrest Board on Gondola Project Next Steps

Manager Koester presented the two components of this agenda item: (1) the need to forward two ordinances to the full Assembly to pay off the Goldbelt RSA and terminate the agreement, and (2) a policy discussion about the future of the Pulse Gondola and Eaglecrest's operational direction.

Manager Koester summarized the options for the gondola:

- **Option A:** Terminate the project entirely and sell all parts and equipment. Anticipated net recovery of approximately $1.6 million over 2–3 years.
- **Option B:** Keep options open by spending approximately $417,000 to hold parts in place and explore either (B1) marketing the gondola as a standalone summer operation or (B2) marketing Eaglecrest as a whole — including the gondola — to a third-party operator. She cautioned that Land and Water Conservation Fund restrictions would make full transfer of Eaglecrest ownership to a third party extremely difficult.

Manager Koester noted that after the RSA payoff, approximately $766,000 would remain in the gondola project CIP.

<u>MOTION</u> by Mayor Weldon to forward Ordinance 2025-01(b)(AL) and Ordinance 2026-18 to the May 18, 2026 Regular Assembly meeting for public hearing, and requested unanimous consent.

Mr. Brooks objected, expressing concern that the city should exhaust other negotiation options with Goldbelt before depleting the project fund balance, and that the gondola would fetch more value sold as a complete system than in parts. Mr. Steininger asked for clarification on whether forwarding the ordinances would foreclose other negotiations; Manager Koester confirmed it would terminate the RSA but would not preclude future conversations with Goldbelt or other operators about operating arrangements.

Roll Call Vote — Yeas: Woll, Kelly, Adkison, Steininger, Hall, Hughes-Skandijs, Smith, Weldon (8); **Nays:** Brooks (1). **Motion carried 8–1.**

Gondola Disposition

The Assembly discussed the appropriate path forward for the gondola. Deputy Mayor Smith expressed interest in a hybrid approach: pursuing Option A (sell parts) while also directing the City Manager to allocate up to $100,000 from the gondola CIP to support Eaglecrest Board efforts to market Eaglecrest for summer and/or winter operations with a third-party partner.

MOTION by Ms. Hughes-Skandijs to choose Option A.

AMENDMENT by Mayor Weldon to include a marketing allocation for Eaglecrest.

Ms. Woll and Ms. Hughes-Skandijs both objected to the amendment, preferring to address the marketing question within the context of the Eaglecrest budget process. Mr. Steininger objected, describing his objection as "reluctant," noting that he was sympathetic to the direction but felt the Assembly had been giving fragmented guidance to the Eaglecrest Board at successive meetings and that a more cohesive path would emerge from the upcoming budget discussions and the November future-of-Eaglecrest meeting.

Mayor Weldon withdrew her amendment.

Deputy Mayor Smith noted his continued support for the concept, and Mr. Brooks stated he would have supported the amendment but removed his objection, noting that Eaglecrest had already come to the Assembly with an extremely constrained budget and that adding a marketing obligation without resources would be unfair.

Hearing no further objection, the motion by Ms. Hughes-Skandijs to approve Option A, terminating the Eaglecrest Gondola project and selling all parts and equipment, was adopted by unanimous consent.

3. Disposal of City Hall

[Clerk Note: Due to time constraints, this item was not discussed and will be moved to a future Assembly Committee of the Whole meeting.]

G. STAFF REPORTS - None

H. NEXT MEETING DATE - JUNE 1, 2026 AT 6:00PM

I. SUPPLEMENTAL MATERIALS

1. CBJ PowerPoint HESCO Phase 1 & Armoring

J. ADJOURNMENT

With no further business to come before the Assembly Committee of the Whole, the meeting adjourned at 9:56 p.m.