ASSEMBLY STANDING COMMITTEE
COMMITTEE OF THE WHOLE
Meeting Minutes – November 1, 2021

I. CALL TO ORDER
The Assembly Committee of the Whole Meeting, held in the Assembly Chambers and broadcasted virtually via Zoom, was called to order by Deputy Mayor Gladziszewski at 6:00p.m.

II. LAND ACKNOWLEDGMENT
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*!

III. ROLL CALL
Assemblymembers Present: Maria Gladziszewski, Wade Bryson, Alicia Hughes-Skandijs, Greg Smith (via Zoom), Christine Woll, Michelle Hale

Assemblymembers Absent: Carole Triem, and Mayor Beth Weldon.

Staff Present: City Manager Rorie Watt, Deputy City Manager Robert Barr, City Attorney Robert Palmer, Municipal Clerk Beth McEwen, Deputy Clerk Diane Cathcart, Port Director Carl Uchytil, Port Engineer Erich Schaal

IV. APPROVAL OF AGENDA
The agenda was approved as presented.

V. APPROVAL OF MINUTES
A. August 30, 2021 Assembly Committee of the Whole Draft Minutes
MOTION by Ms. Hale for the Assembly to approve of the August 30, 2021 Committee of the Whole Meeting Minutes and asked for unanimous consent. *Hearing no objections, the minutes of the August 30, 2021 meeting were approved by unanimous consent.*

V. AGENDA TOPICS
A. Cruise Dock Electrification Update
Port Engineer Erich Schaal shared a presentation in collaboration with Port Director Carl Uchytil, as well as consultants Ben Haight from Haight and Associates, Jim Calvin from McKinley Research Group, and Brandon Ivanowicz from PND Engineers Inc.

In addition to the consultants, Docks & Harbors Staff also answered questions from committee members regarding points in the presentation and the draft report.

Mr. Schaal provided an update on the Cruise Ship Dock Electrification process. Mr. Watt spoke to the efforts in place to ensure that ships are stationed in docks that best suit them. This "best ship at best dock" strategy can assist in achieving community goals. He added that if the City were to electrify the docks, Docks & Harbors would work diligently to maximize the use of the docks.

Mr. Haight presented a table that depicted Juneau's energy profile, particularly regarding Juneau's hydroelectric energy production. The typical annual energy production for hydroelectric power plants amounted to 430,000 per Megawatt Hour (MWH). The estimated annual energy production for future hydroelectric power plants amounts to 223,300 MWH. These numbers were calculated by AEL&P and Juneau Hydropower, and are based on an average precipitation year.

Mr. Haight continued describing Juneau's various energy profiles. This included a calculated estimate of the energy consumption at CBJ Docks, which amounted to 4,581MWH. He explained how that degree of energy consumption would apply to an electrified dock.

Mr. Haight shared an energy profile that documented the hydroelectric energy production of future hydroelectric facilities. He detailed the effects that seasonal changes can have on the energy consumption at CBJ docks, which was demonstrated via a bar graph of calculated monthly energy consumption. He also explained the configuration of the ship portals with the starboard connections, as there are a few ships with portals for connectivity on both sides.

Ms. Gladziszewski asked if Mr. Haight was making an assumption the ship configuration would remain as-is, and ships would not move around based on need. Mr. Haight explained that the ships have made pre-existing agreements to determine where they will be moored. He described other contributing factors which could include ships retrofitted for portal connectivity on more than one side. Mr. Haight anticipated that they will get better utilization from the ships' ability to connect to the dock over time.

Ms. Hale mentioned a comment on the presentation which stated that power will only be available 25% of the time. She asked Mr. Haight to clarify the reasoning behind this calculation. Mr. Haight explained that the calculation was in relation to water availability. The study featured in the presentation shows the AEL&P rural curve, which allows for a reserved capacity throughout the season for their regular customers. He further explained that there is not as much water available during the summer months, most of it is available in the shoulder seasons.

Mr. Schaal explained how AEL&P coordinated with the cruise industry at the beginning of the tourism season to provide an update on the status of the hydropower reservoirs. During this process, AEL&P compares the availability of the rural curve to determine if they have enough in the the water supply to meet the demands of their customers.
Mr. Ivanowicz provided a thorough explanation on the updated Alaska Steamship (AS) & Cruise Terminal (CT) Dock site plans, including newly revised ship dock positioning, a new AEL&P substation, a new submarine cable, and new power floats for each ship.

Ms. Woll asked Mr. Haight to elaborate on the costs associated with electrification, specifically which costs will be attributed to AEL&P, and which will be attributed to CBJ. Mr. Haight clarified that the costs will include all of the substation, the cabling under the floats. He added that all of these costs were included for funding by the RAISE grant.

Mr. Bryson asked if there were any consideration given to wastewater connections included in this proposal. Mr. Schaal explained that the ships pay for the off load of wastewater based on the amount of wastewater and the oxygen levels within the wastewater that is unloaded. Mr. Watt added the wastewater facility can take in the wastewater from ships when capacity is available. He clarified that the facility's capacity can be restricted based on liquid or solid intake. He said that high flows, such as high rain periods, or high amounts of organic loading could be a limiting factor as well.

Mr. Ivanowicz detailed the project cost estimates for the AS Dock with an estimated bid cost for the project of $9.87M, with a final project budget totaling at $13,830,536.

He continued by sharing the cost estimates for the CT Dock project. This included an estimated bid amount of $7.9M, with added indirect costs totaling $11,121,320. The total combined cost estimate for both the AS and CT docks came to a total of $24,951,856.

Mr. Ivanowicz also provided an update on Cruise Ship Air Quality estimates based on fuel consumption avoidance per season for each dock. Franklin Dock was estimated at 461,000 gallons, AS Dock estimated at 293,000 gallons, CT Dock estimated at 65,000 gallons, and the combined total amounted to 819,000 gallons per season.

Ms. Woll noted the total project cost of $25M, and asked if they intended to work on one dock at a time through a phased approach, as opposed to working on both docks simultaneously. Mr. Ivanowicz said that the intent was to work on both docks simultaneously, adding that a delay between the docks could be affected by inflation.

Ms. Hale asked Mr. Ivanowicz to clarify if the Air Quality estimates could change if additional capacity were to be made available. Mr. Haight explained that they had already factored in additional capacity when calculating their estimates. He further clarified that these estimates were based on an average wet year, during which plenty of energy is available.

Mr. Calvin gave an overview of the Economic Analysis. The Economic Analysis found that increased revenues from the interruptible sales ultimately lowers the energy costs to be paid by firm customers. He noted that one of the key ideas that derived from the analysis was to turn cruise ships into firm customers. Mr. Calvin explained that costs would be higher with cruise docks as firm customers, as it would result in lower revenue offsets.

There was a brief discussion regarding interruptible power estimates.

Mr. Calvin shared the Cost Recovery analysis, which detailed the $25M investment required for the dock electrification project, ($13.8M for AS Dock) and noted the $4.9M committed by CBJ as a match to the federal grant. He explained that the demand for CBJ Docks added up to 5 Million Kilowatt Hours (kWh) per year. A full cost recovery would require rates of $0.50 per kWh. The cost of taking on debt would be certain if CBJ was to go into debt but the amount that could be cost recovered is uncertain.

Mr. Calvin concluded the economic analysis by highlighting the key points of the presentations: the first point described federal grant funding as essential, the second point illustrated their goal to avoid debt financing, and the third point noted their plan to implement interruptible sales for cruise ships.

Ms. Woll asked if the analysis had taken into consideration the changes taking place around the world in regards energy-related regulations, such as reducing emissions. Mr. Calvin explained that their analysis was based on finding a development strategy that would not be a local burden.

Ms. Gladziszewski asked Mr. Calvin to explain how he came to the conclusion that "Federal grant funding is essential." Mr. Calvin said that given the high capital costs for this, they do not expect cost recovery could be assumed by CBJ's finances. He said that the concept of federal grant funding being essential was his opinion. Mr. Watt added that federal grant funding could be considered essential for a project such as this when based on a business-case prism. He said that their view of federal grants could be expanded to include passenger fees as comparable to federal funding. As a municipality, he explained that one key function of government is to provide services that businesses cannot afford, and to provide those services under a general business model.

Mr. Bryson asked if other cities with cruise ship docks provide power, and if those ports are also only offering power 25% of the time. Mr. Haight spoke to some policies in California related to their docks. He also compared the isolated grid that CBJ is on vs. the electrical grid capabilities of docks in the lower 48.

Assemblymembers asked staff and the presenters a number of questions related to the grant process, the likelihood of CBJ being awarded the grant and the concerns related to global supply chain and timing issues. Mr. Watt said that he has asked the Engineering/Public Works Director to give an update in November about the capital improvement projects and that it is likely they will need to slow down or provide additional funding with the bids that have been coming through.

MOTION by Ms. Hale to schedule this topic for a future COW meeting following the public comment period, and that all the public comments be included in the COW packet when it is brought back to the Assembly.

Mr. Schaal explained that the public comment link will be posted on the website in the near future and they will leave it open for the length of time that the Assembly directs.

Additional discussion took place and Mr. Uchytil said that the announcement about who will be awarded the RAISE grant is expected on November 22. He said that the current presidential administration has dock electrification is a high priority even if the RAISE grant is not how this project gets funding. He said it may seem like a low bar but what they are planning for is the next 50 years. He said that Norwegian Cruise Line, if they get a dock, is planning on electrifying their dock.

Hearing no objections, the motion passed by unanimous consent.

The Committee of the Whole took a break at 7:40p.m. The meeting resumed at 7:50p.m. Assemblymember Smith did not rejoin the meeting when it came back from the break, however, a quorum was still present.

B. UAS Property Acquisition (Downtown Boatyard)

Mr. Watt provided a summary of this proposal and recommended they do anything that the Assembly can do to reduce the overall operational expenses to the city.

The Assembly discussed this matter at length with staff. Mr. Bryson asked if they had considered a land swap with UAS. Mr. Uchytil said that UAS was not interested in any of the lands that CBJ might be willing to swap for this property. Mr. Watt said it was something of a balancing act with raising harbor rates if money were taken from the Docks & Harbors Fund balance.

Staff then answered questions from Assemblymembers related to the map of the property. Mr. Uchytil provided a history of the current lease which had been at a favorable lease rate of $8,500 per year due to CBJ's contribution of $500,000 towards the UAS Egan Library. They went from paying $8,500/year previously to a new proposed lease agreement that would require paying UAS $200,000/yr. Mr. Watt suggested various options the city could use to pay for this, including the possibility of Docks & Harbors pursuing a revenue bond.

Ms. Gladziszewski said that if we want to be a maritime community, they really need this facility and she would be supportive of the Assembly assisting with half the costs.

Mr. Bryson said he was thinking along the same lines.

MOTION by Mr. Bryson for the Assembly to provide $1,000,000 towards the purchase of this property.
In speaking to his motion, Mr. Bryson said it would be his intention for the Docks & Harbors Board to decide on how they would fund the remainder. Mr. Bryson said he would be in favor of a Docks & Harbors revenue bond as Mr. Watt suggested.

Objection by Ms. Hale for purposes of a question and she asked Mr. Uchytil how would they repay the revenue bonds and if that would raise rates for harbor patrons. Mr. Uchytil said that for the harbor fund, their revenues are generally exceeding their expenses by about $200,000-

$500,000/year. He said that if Docks & Harbors had to pick up the remaining $1,800,000, they would have to find new sources of revenue to keep the harbor fund solvent. He said that revenue that is generated from the boat yard to D&H is about $30,000/year. He said they would appreciate any amount of support the Assembly was willing to contribute but the D&H Board would have to find alternative sources of funding or raise fees to be able to fund the boat yard if it isn't fully funded by the Assembly.

AMENDMENT #1 by Ms. Woll to raise the amount to the full purchase of the property at $2,880,000.

Ms. Woll said that it is a critical need in the community and that the Docks & Harbors Board works very hard to make their enterprise pencil out and this would be a difficult thing for them to try to come up with the remaining amount.

Ms. Hughes-Skandijs said she thought that was reasonable, especially considering the importance of this waterfront property to the commercial fishing industry within our community. She said with respect to looking at the reserves and knowing that Docks & Harbors is looking at overall rates and it would be a stretch for them to come up with that type of funding.

Mr. Bryson said he would be in favor of Ms. Woll's amendment if it was the appetite of this Assembly is to pay full price up front as that would save $1,000,000 in interest payments.

Objection by Ms. Gladziszewski. She said that she wants to support Docks & Harbors as their board does a great job in their work. However, the Assembly is funding a lot of things right now and while she is in favor of keeping this property if at all possible but she'd like the Docks & Harbors to pay half of the cost.

ROLL CALL VOTE on Amendment #1
Yeas: Woll, Hughes-Skandijs, Bryson, Hale, Blake
Nays: Gladziszewski
Motion passed 5 yeas, 1 nay.

Hearing no objection, the main motion, as amended, passed by unanimous consent.

C. Childcare Update

Mr. Barr gave a brief summary of the childcare funding update. He said that as part of the FY22 budget, the Assembly appropriated $625,000 for Childcare Grants. In early August, they finalized a Memorandum of Agreement (MOA) with the Association for the Education of Young Children (AEYC) to administer two programs using those funds.

He said that the bulk of that funding, just over $550,000, was allocated to the per-child stipend program. That program was conceptualized by the Assembly Child Care Committee in which finished its work in 2019. He said that per-child stipend essentially provides $200/month per infant or toddler and $50/month per preschooler with an additional $50/month for children on assistance. Those funds are provided to licensed child care providers who meet certain eligibility requirements. He said that he has been working with Blue Shibler on this program. He said that recently, AEYC has completed its first quarter of FY22 report on this program and they have spent approximately just over half of the amount allocated to the per-child stipend program.

Mr. Barr said that the request before the Assembly COW at this meeting is to amend the terms of the MOA to expand the criteria from a per-child stipend to include the total licensed capacity of the participating child care sectors to get the rest of the funding that has already been allocated into the hands of the childcare providers. The change is not asking for additional funding but rather to amend the MOA to be able to spend the money that has already been appropriated. He said that the child care sector, just like many other sectors of the economy, have been challenged by staffing shortages and that is the impetus behind this request so they can ameliorate those staffing shortages and provide for increased pay to the child care providers to help with staff retention.

MOTION by Ms. Hale to modify the per-child stipend program to release additional funds for providers for FY22 based on the amount of available funding and the licensed capacity of eligible providers or something similar to that as needed, and asked for unanimous consent. Ms. Hale said that everything the Assembly can do to help care providers is critical at this time.

Ms. Gladziszewski asked staff if any of these funds may be eligible for reimbursement from the state as there appears to be some pending funds being made available at the state level for child care purposes. Mr. Barr said that he too would like to know how the state will be distributed the ARPA and CERCA programs and the state is still working on their plans for how those funds will be distributed. He said there is also the potential funding from the Build Back Better federal funds if that passes. He said that none of this funding would be reimbursable from those programs, rather those funds would likely be additional funds going directly to child care providers.

Hearing no objection, the motion carried by unanimous consent.

VI. ADJOURNMENT

There being no further business to come before the Assembly, the Committee of the Whole meeting was adjourned at 8:04 p.m.

Minutes drafted by Administrative Assistant Lacey Davis and respectfully submitted by Municipal Clerk Beth McEwen this 20th day of December, 2021.