CBJ DOCKS & HARBORS BOARD

REGULAR BOARD MEETING MINUTES

For Thursday, October 28, 2010

I. Call to Order.

Mr. Preston called the Regular Board Meeting to order at 7:05 p.m. in the Assembly Chambers.

II. Roll Call.

The following members were present: Don Etheridge, Tom Donek, Kevin Jardell, Cheryl Jebe, Bob Wostmann, Eric Kueffner, Greg Busch, Michael Williams, and Jim Preston.

Also present were the following: John Stone – Port Director, Gary Gillette- Port Engineer, Ruth Danner –Assembly Liaison and Dixie Hood – Parks & Recreation Advisory Board Member.

III. Approval of Agenda.

Mr. Stone said no changes, but noted two additional handouts.

MOTION by MR. ETHERIDGE: TO APPROVE THE AGENDA AS PRESENTED AND ASKED FOR UNANIMOUS CONSENT.

The motion passed without objection.

IV. Approval of Previous Meeting Minutes.

Hearing no objection, the minutes of September 30, 2010 Regular Board Meeting were approved.

V. Public Participation on Non-Agenda Items (not to exceed 5 minutes per person, or twenty minutes total time).

None

VI. Items for Action

1. Juneau Port Development, LLC.
   Presented by CIP/Planning Committee Chair.

Mr. Williams reported Mr. Lockwood came to the CIP Committee and asked for a 24-month extension to his lease agreement. Mr. Lockwood is cleaning up the area and with the clean up it has taken longer to get the permits. The CIP Committee feels he should be granted the extension.

Mr. Stone said it has taken a lot longer for permitting than originally thought. He knows Mr. Lockwood is dealing with many different problems and mineral claims. Mr. Lockwood was the only proposer during the original bidding process.

VI. Items for Action(continued).

Mr. Wostmann said he agreed with Mr. Stone that it does take a very long time to get the environmental assessment and the permitting. Mr. Wostmann wanted to know the discrepancy in the October 26th, and the October 8th letter that Mr. Lockwood gave to Mr. Stone. He wanted to know if the entire process will take 24 months, or is there going to be a need for another extension to this lease.

Mr. Lockwood, Apt. 28, Thunderbird Terrace, Juneau, AK 99801. He is the Manager of the Juneau Port Development LLC. He said he does not think he will need more than the requested 24 months at this time. The environmental assessment is necessary to go forward. The information from the environmental assessment will be used in the permitting process. He anticipates this will all be done in the 24-month extension that is being requested. He needs to know everything that is in the soil before he can move forward.

Mr. Preston said the original letter asked for only a 24-month extension that was submitted to the CIP Board.

Mr. Williams said he was correct with the 24 months.

Mr. Preston questioned Mr. Stone. He wanted to know if we have the authority to approve this 24-month extension or if it has to go to the Assembly now.

Mr. Stone said the Port Director has the ability to approve this.

Mr. Preston pointed out the typo on the Agenda for Juneau Port Development LLC.

Public Comments
None

Board Comments
None

MOTION by MR. WILLIAMS: TO AUTHORIZE 24-MONTH EXTENSION TO JUNEAU PORT DEVELOPMENT, LLC AS SET OUT IN SECTION 5(C) OF THE LEASE WITH CBJ FOR THE PURPOSE OF PROVIDING ADDITIONAL TIME TO OBTAIN PERMITS AND TO PROVIDE THE CONCEPT PLAN FOR MARINE USE SUBMITTED BY JUNEAU PORT DEVELOPMENT LLC. AND ASK FOR UNANIMOUS CONSENT.

Motion passed without objection

2. Direct Market Fisheries Study – Grant Award
   Presented by CIP/Planning Committee Chair

Mr. Williams reported Mr. Gillette and crew applied for a $25,000 dollar grant from the Alaska Fisheries Development Foundation, and it was awarded. The Grant is for:

1. To develop a coherent approach to helping fishermen direct market salmon to the public in Juneau.

VI. Items for Action(continued).

2. Improve access for Juneau residents and visitors to high quality, "right off the boat" locally caught Alaska salmon.

Mr. Williams feels this might be a good way to help the local commercial fisher people out to have one spot to sell their fish. He feels this is a good start.

Mr. Stone said at the places currently being used, fish carcasses are being dumped and filling in the Harbor. He feels this has a water quality impact. He hopes there is a better-suited area for the fish buying.

Mr. Busch asked if this grant money is only to be used for marketing salmon, or can it be used for other fish.

Mr. Gillette said the grant did not specify a specific fish. It can be direct marketing for all fish.

Public Comments

None

Board Comments

Ms. Jebe commented maybe the Commercial Fisherman that are advertising for free now, may not want to pay for advertising.

Mr. Jardell said he thinks this is a great idea that would benefit the fishermen.

Mr. Williams said he feels Ms. Jebe has a good point. The fishermen people are fiercely independent. However, if they can see an opportunity and benefit, he thinks they will go for it.

Mr. Preston commented other users have to pay a fee to use the dock and commercial fisheries do not.

MOTION By MR. WILLIAMS: TO REQUEST THE ASSEMBLY APPROPRIATE A GRANT OF $25,000 FROM THE ALASKA FISHERIES DEVELOPMENT FOUNDATION FOR THE PURPOSE OF DEVELOPING A PLAN FOR IMPROVED MARKETING OF FISH AT CBJ HARBOR FACILITIES AND ASKED FOR UNANIMOUS CONSENT

Motion passed without objection

Mr. Preston asked Mr. Gillette if the money has been awarded yet, and Mr. Gillette said not yet.

VI. Items for Action(continued).

3. Board Attendance Ordinance Change
Presented by Operations Committee Chair

Ms. Jebe said the Board attendance was discussed at the Operations Committee Meeting. We have a proposal in the packet requesting the Board to amend 85.02.030 (a) (4) ordinance to:

> If a member is unable to attend regular Board meetings for a period of more than 90 days **without being excused by the Board**.

This is because we have people that work in the industry or gone in the summertime and not able to get to a telephone.

Public Comments

Ms. Hood, 9350 View Drive, Juneau, AK 99801 said she addressed the subject of the Board attendance at the last meeting and she did not see the comment in the minutes. To have the extended absence from the Board is not in the best interest of the Board or the public. When someone who is in the industry and they come back if they have an agenda item that they have input on they could still be of value to the Board without holding the position that could be held by someone that could regularly attend the meetings.

Mr. White, 8121 Gladstone, Juneau, AK 99801 questioned if this was a common problem.

Mr. Preston said he was the one who brought this topic forth. Some members have been precluded from this body because of possible absences during their work season. If this is approved the Board would be able to excuse a member for a particular meeting with prior approval, just as the Assembly does.

Board Comments

Mr. Wostmann said the ordinance still includes a Board member may not miss more than 40% of the meetings. If they are absent from too many meeting, they cannot be effective. If the meetings are missed in the summer, they will have to attend all the winter meetings.

Mr. Jardell said that the ordinance still ensures you have participation throughout the year. This recognizes that we are volunteers and still have to hold regular jobs. When the Assembly interviewed him, he felt they wanted to make sure that all the different user groups were represented.

Mr. Preston corrected the ordinance mentioned on the Agenda to 85.02.030(a) (4)

MOTION By MS. JEBE: TO RECOMMEND THE ASSEMBLY AMEND THE BOARD MEMBER ATTENDANCE REQUIRMENT SET OUT IN THE CBJ ORDIANANCE 85.02.030 (a)(4) SUCH THAT A BOARD MEMBER MAY MISS REGULAR BOARD MEETINGS FOR MORE THAN 90 DAYS WITH PRIOR APPROVAL OF THE BOARD AND ASKED FOR UNANIMOUS CONSENT.

Motion passed without objection.

VI. Items for Action(continued).

4. Douglas Harbor Rebuild Additional Permit Work.
   Presented by Port Director

Mr. Stone said the project quote in the agenda packet is for the additional permit work to support our current preferred alternative. We need to dredge Douglas Harbor and dispose of the spoils. The plan is to dredge six inches and fill with clean soil to cover the mercury-contaminated soil. Then we would take the dredge spoils to the middle of the channel and put a six inch cap over the spoils to isolate those. We submitted this plan to the agencies for comments. The two primary concerns from the regulatory agencies are:

1. They do not think a six inch cap is thick enough.
   We are proposing to transport a machine to Juneau and determine with x-ray measures if a six inch cap is enough.
2. The current velocity(moves the material).
   We found three current studies at depth in the Juneau area that were done by NOAA at the Auke Bay laboratory and we submitted those studies in support of our application. The regulators recognize that this is good data, but they still want the current measured at the bottom of Gastineau Channel.

Our final task is to answer all concerns and put it in a letter. The work to do the above will cost $86,930 dollars.

In relooking at the whole project, we could take a different approach:

1. Abandon the project - pull the floats and have the Corp dredge this. It is the Corps basin, however, it will probably take five to ten years for the Corp to do so.

2. Abandon the middle of Gastineau channel disposal option. Explore upland alternatives, but we do not have enough money.

3. Go to the Assembly to ask for more money to do a tideland fill at theYacht Club site.

We still have to do the Douglas Harbor dredging no matter what we do. This has been a long permitting exercise and Mr. Stone said he would like to see this go forward.

Mr. Etheridge asked how much money is in this project so far.

Mr. Stone said about $475,000 dollars.

Mr. Kueffner said he is about ready to abandon the project. He asked Mr. Stone what indication does he have from the regulators that say they will accept this?

Mr. Stone stated they said they would accept the capping guidance that the Corp of Engineers issued, and we are collecting information that meets that capping guidance manual.

VI. Items for Action(continued).

Mr. Kueffner wanted to know how much confidence Mr. Stone has that they are not going to require more work.

Mr. Stone said he thinks the regulators would like to issue a permit and get to the end.

Mr. Jardell wanted to know how black and white are the Corp. of Engineers Guidelines.

Mr. Stone said there is nothing in the Clean Water Act that is hard data.

Mr. Busch asked if this probe could only look six inches down, how would we know how deep we need to go.

Mr. Stone said when we drop the probe it will penetrate deeper than six inches and we only have a few bioturbaters that go deeper than 6 inches. We know we do not have those bioturbaters in our area.

Ms. Jebe asked when would the report be finalized and presented to the Corp.

Mr. Stone said we are looking at doing the fieldwork next week. Probably three weeks after that to have a report to submit to the Corp., and it has been taking them about two months to look at our submittals.

Mr. Wostmann asked Mr. Stone to what extent do the agencies consider cost to practicality?

Mr. Stone said the City Attorney found it was considered by looking at similar entities and the level of expenditure that they make for environmental protection. Capping would be considered a normal expenditure.

Mr. Wostmann asked if we have any comparable capping project that other harbors have dealt with.

Mr. Stone said there was a six inch cap done at Ward Cove, but he does not have the expense for that project.

Public Comment

Ms. Hood said the issue of dredging the Douglas harbor was on the original joint agenda meeting and was eliminated. It is an issue that the Department of Park and Recreation and PRAC are very concerned about the decisions that were moving ahead with the Docks and Harbor board. Ms. Hood said she is disappointed in the abbreviated joint meeting and felt it was a disastrous outcome. She had comments from the PRAC board members that said they did not need to be here because it was not even a working session. She said she feels it is unfortunate that the PRAC was not involved as a committee.

Ms. Jebe asked what the objection was.

VI. Items for Action(continued).

Ms. Hood said it is the difficulty in ensuring that humans and fish are not going to get toxic elements from consumption of sea life from that area. There has been periodic talk about having warning signs giving the public information about what the situation is so they can use their own judgment about whether they want to fish there or not.

Board Comments

Mr. Stone wanted the public to know that this mercury is not the only mercury found in the area. Mercury was used to reclaim gold. It just so happens that the Harbor has higher levels.

Mr. Preston asked if we were not able to get the permitting for the dredging, would our only alternative be to abandon that portion of Douglas Harbor that is collapsing.

Mr. Stone said that we would notify the Corp of Engineers at that time and they would be responsible to come and dredge.

Mr. Preston said at what time would we have to pull the floats out.

Mr. Stone said it would be getting close.

Mr. Jardell asked how long before the floats will not be usable.

Mr. Stone said it is a matter of judgment. The electrical needs to be taken out of service. The finger floats need to be taken out of service. He said he would meet the Board in Douglas Harbor and go over everything there.

Mr. Jardell said the problem is we are spending a lot of money on a floats that do not have very long of a life unless the Douglas Harbor is dredged.

Mr. Stone said many floats are unusable now because of the huge biomasses.

Public Comment

Robert Dahl, 12175 Glacier Hwy, Juneau, Alaska 99801, a member of the Assembly. He said the Assembly members were asked to nominate items that the Assembly should look into, and he put the Douglas Harbor on the list. He urges the board to not reach an irrevocable decision until the Assembly discusses this. The Assembly will need to come up with the money or an alternative solution or nobody will get to use Douglas Harbor. He feels the Assembly does not want this to happen.

Board Comment

Mr. Etheridge asked Mr. Dahl if we did the proposal that Mr. Stone brought to us, would it help in the Assembly's discussions.

VI. Items for Action(continued).

Public Comment

Mr. Dahl speculated that the Assembly would want the Board to do everything they can to keep the Douglas Harbor.

Board Comment

Mr. Preston asked Mr. Stone about the possible alternatives.

Mr. Stone said we have the two million dollar grant that cannot be used as dredging. The Additional tideland is three million dollars. He went on to discuss the other funding issues.

Mr. Wostmann said if we start with the assumption that we have to retain Douglas Harbor, abandonment is not an option. If we commit to this $86,000 and it works, we will have saved ourselves a substantial amount of funding. We really have no choice.

Mr. Jardell said this would make it about $386,000 dollars to be able to make the next decision. He agrees that this is what we have to do and stop chasing the Corp.

Mr. Williams said to clarify, we already spent $475,000 and looking at another $86,000 on studies, and have not gotten anywhere. He finds it astounding that we have spent over $550,000 dollars and the Agencies and Regulators still cannot give us a decision.

Mr. Etheridge said he agrees with Mr. Wostmann. After listening to Mr. Dahl's advice, he feels this is something we need to move forward with to give the Assembly one more tool to know this is all we could do with this. He said he would support this.

Mr. Kueffner said we have learned a lot from this process. He said he would support this.

Mr. Donek said this is really distasteful. However, he feels we need to go forward.

MOTION By MR. JARDELL: TO APPROVE FUNDING AN ADDITIONAL STUDY TO EVALUATE THE DOUGLAS HARBOR DISPOSAL SITE TO RESPOND TO PERMITTING AGENCIES TO NOT EXCEED $86,000 DOLLARS AND ASKED FOR UNANIMOUS CONSENT.

Motion passed without objections.

Mr. Preston confirmed with Mr. Stone that the work would start next week.

VII. Items for Information/Discussion.

None

VIII. Committee and Board Member Reports.

1. Operations Committee Meeting- October 19, 2010

Ms. Jebe reported three items were discussed at the board meeting.

1. The Board attendance ordinance change that was brought here tonight.
2. Echo Cove Commercial use permit for Coeur Alaska for the purpose of operating a passenger shuttle from Echo Cove to the Kensington Mine from October 24th to April 30th. It is a better point to go from in the winter months. The Board had no objection and authorized the Port Director to issue a permit.
3. White Fisheries Crane Repair. We asked the Port Director to see if the University will help split the cost. We are waiting for more information.

Ms. Jebe said the Harbor Master, Mr. Benner, reported:

1. The lumber in the lot at Statter Harbor and Auke Bay, is being used to replace bull rails. Float A has had the full bull rail replaced. He said they work on these projects at the end of the summer season and before the summer season starts.
2. He talked about an Auke Bay storage. The federal requirement for oil spill response needs to be a building instead of a connex box.
3. Mr. Benner also commended his staff for handling the floats during the windstorms.

Mr. Etheridge clarified that the Kensington Mine will be using the beach on the north side of the launch ramp and not using the launch ramp itself.

2. CIP/Planning Committee Meeting –October 21, 2010

Mr. Williams reported the Board talked with Mr. Lockwood from Juneau Port Development LLC, and that was discussed here tonight. We also discussed the restrooms study in the Cruise Ship terminal area. The report said that the signage was poor but they felt the restrooms were adequate. Mr. Gillette outlined under the bridge utility and park concepts. He said this can be an area for the fishermen to offload and sell fish that concurs with the grant they were awarded. We talked about a Port Office under the bridge and possibly rent or lease a portion to the Juneau Marine Exchange. The Port Office lease expense now is $55,000. North Wind Architects is working on a study for conceptual ideas for the area from South Harris to the yacht club. Marine Park Seawalk planning was also discussed. Mr. Carothers submitted a document on the Archie VanWinkle Memorial. He wanted Docks and Harbors to take over the memorial and for it to never be moved. The, never be moved, was an issue for the Board because things are moving and changing all the time at the Harbors.

3. Finance Committee Meeting – Meeting Cancelled

IX. PRAC Representative Report

Ms. Hood said she was hoping after the very brief joint meeting tonight with PRAC that there would be an opportunity after all the things that are being referred to the Assembly to come back and have a full meeting between PRAC and Docks & Harbors Board that would actually be a committed separate joint meeting. She is hoping for a full meeting before action is taken to join with the PRAC on these issues.

X. Port Engineer's Report.

Mr. Gillette's report was included in the packet.

Mr. Jardell said he would like an update with the PND study with Statter Harbor on the chains and the dive.

Mr. Gillette reported we have a contract signed with PND and we are just getting started.

XI. Harbor Master's Report.

Mr. Stone reported that Mr. Benner says hi and he is still at the Harbor Masters Conference in Wrangell.

XII. Port Director's Report.

Mr. Stone said he checked with the University to split the repair expense of the white crane and the lease manager said she had to check with her supervisors and she would get back to him. He said Wrangell did an excellent job with the Harbor Masters Conference.

Mr. Stone said he had an opportunity to give Colonel Koenig from the Corp of Engineers a tour of all of our facilities and he said they discussed permitting, breakwaters, floats, launch ramps and the new loading facility. Mr. Koenig is in charge of all regulatory, civil work, and defense department installations in Alaska.

Mr. Gillette provided an update on DeHart's Marina. We are in the early process still, and nothing has been done with the patrons. Certainly, nothing will be done without full involvement with the DeHart's patrons in the process. We have no plan to kick any patrons out.

Mr. Stone said he was going to run into a minimum leave use problem again like last year and would ask the Board to consider a waiver again.

MOTION By MR. ETHERIDGE: TO WAVE ANNUAL LEAVE REQUIRMENT FOR MR. STONE THIS YEAR AND ASKED FOR UNANIMOUS CONSENT.

Motion passed with no objection.

Mr. Preston brought up storage questions.

Mr. Stone said Mr. Watson submitted comments and wanted this incorporated in the record. Mr. Stone asked for more time to look at the letter with Mr. Benner and to discuss the items talked about.

Mr. Preston suggested sending Mr. Watson's letter to the Operations Committee Meeting.

Mr. Kueffner asked about the fuel supply at Auke Bay Launch Ramp.

XII. Port Director's Report(continued).

Mr. Stone said there are two types of fuel being delivered. Barges loading at the Auke Bay loading facility are taking on bulk fuel in containers to transport to remote communities. There is a Coast Guard specific plan the Harbor Master has to follow. The only fuel deliveries can be made by companies with a response plan provided by the Harbor Master. The only vessel they fueled is the Coast Guard Cutter Liberty.

Mr. Kueffner said his concern is the use permit says you cannot do fuel on the dock.

Mr. Stone said his understanding of this was they could not open a fuel dock.

Ms. Jebe asked if there was a permit that we received that was an addendum to the minutes and Mr. Stone said yes. Ms. Jebe said she would like the addendum available for the Operations committee also.

Mr. Williams said to send this to the Operations Meeting. He said he thinks the only place you can fuel is at a commercial loading zone area. He said the reason the Coast Guard Cutter Liberty is fueling there is because the Charter Boat Operators complained the Coast Guard was taking up their space.

Mr. Preston said this would be taken up with the Operations Committee Board.

XIII. Assembly Liaison Report

Ms. Danner said she is pleased to be our Assembly Liaison. The Assembly is having their Board Retreat on November 6th. She said if there are any issues the Board wants taken to the Assembly to just send her an e-mail. She said one of the reasons she is on the Assembly is because she feels Juneau does not have a clear picture what their government does for them. She would like us to look for opportunities to improve in our consistency, in our accessibility and our transparency. She said one of the Assembly's goals is improved communication with the public. The Assembly and Planning Commission have a group e-mail address that goes to all Assembly members and staff so the public can e-mail the Board directly. She would like to have feedback from the Docks and Harbors Board how they feel about a group e-mail address.

Mr. Wostmann said he would have no objection to a group e-mail.

Mr. Jardell said he agrees.

Mr. Preston commented it would probably save Mr. Stone time to not have to forward the e-mails.

Ms. Danner said this is information she will be taking back to the Assembly and she is asking all Boards and Commissions.

Mr. Preston said the Board has no objections.

Ms. Danner asked Mr. Stone if the Board had information on the November 18th Alaska Port Conference Meeting in Anchorage. She also wanted to make sure the permanent storage for the snow removal equipment is brought before the Operations Committee.

XIV. Committee Administrative Matters.

Mr. Preston said he has been talking to the Mayor to have a Joint Assembly and Docks and Harbors Board Meeting. Tentative date is December 8th, but this is not confirmed.

1. **Operations Committee Meeting – November 16, 2010**
   5:00 p.m. at the Aurora Harbor Office

2. **CIP/Planning Committee Meeting – November 18, 2010**
   5:00 p.m. in the CBJ Assembly Chambers

3. **Finance Committee Meeting – November 30, 2010**
   7:00 p.m. in the CBJ Assembly Chambers

4. **Regular Board Meeting – December 2, 2010**
   7.00 p.m. in the CBJ Assembly Chambers

XV. Adjournment.

MOTION By MR. JARDELL: FOR THE MEETING TO BE ADJOURNED AND ASKED FOR UNANIMOUS CONSENT.

The Regular Board Meeting adjourned at 8:44 p.m.