

CBJ DOCKS & HARBORS BOARD
OPERATIONS/PLANNING COMMITTEE MEETING MINUTES
For Wednesday, September 20th, 2017

I. Call to Order The meeting was called to order at 5:02 p.m. in City Hall Conference Room 224.

II. Roll Call The following members were present: Tom Donek, Mark Ridgway, Weston Eiler, Robert Mosher and Budd Simpson.

Also Present: Carl Uchytel-Port Director (by phone), Matthew Creswell-Harbor Operations Manager, Gary Gillette-Port Engineer, Mary Becker-CBJ Assembly Member, Jennifer Mannix-Risk Management.

III. Approval of Agenda

Mr. Gillette asked for the addition of an item under items for information/discussion- 7. Little Rock Dump marine services center preliminary plan.

MOTION By Mr. EILER: TO APPROVE THE AGENDA AS AMENDED AND ASK UNANIMOUS CONSENT.

Motion passed with no objections.

IV. Public Participation on Non-Agenda Items – None

V. Approval of Wednesday, August 23rd, 2017 Operations/Planning Meetings Minutes

Mr. Simpson asked for a correction to page 6 of the minutes, under Staff & Member Reports, to change “exceeded our revenues” to “exceeded our expenses” in regards to the \$734,000.

MOTION BY Mr. DONEK: TO APPROVE THE AUGUST 23rd, 2017 MEETING MINUTES AS AMENDED AND ASK UNANIMOUS CONSENT.

Motion passed with no objections.

VI. Consent Agenda - None

VII. Unfinished Business - None

VIII. New Business - None

IX. Items for Information/Discussion

1. Regulation Change – Insurance (covered under 05 CBJAC 40.010)

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Mr. Creswell said Carl recently sent out to the board, a YouTube video for Port of Bellingham's 2015 public meeting to discuss the State of Washington's law to require insurance to be held by boats in harbors. The fact that this is a state law is interesting meaning it is not just the ports themselves enforcing it. Right now in Juneau the only requirement we have for insurance is to either provide current proof of marine insurance or pay a non-refundable vessel disposal surcharge of \$0.25 per foot per month. This comes to approximately \$18,000 per year. If we have an incident where we are responsible for clean up or a boat sinking, that amount will not touch the amount it will actually cost us. It is our recommendation that we strengthen this language and our insurance requirements to require people to have insurance with Docks and Harbors as the additionally insured, and coverage for pollution oil spill clean-up costs. We currently have very weak language for what we require for insurance and it would be very easy for us to have a hefty clean-up bill.

Committee Discussion/Public Comment

Mr. Donek asked if a boat sinks in the harbor and the owner doesn't or can't pay for clean-up, are we stuck with that bill.

Mr. Creswell answered he is not sure but he assumes we would be the first ones responsible.

Mr. Eiler said we recently had a fire at Auke Bay, and asked if there has been an issue that has punctuated this insurance issue being brought up.

Jennifer Mannix, City & Borough of Juneau, Risk Manager

Ms. Mannix said there have been three claims in the last four years that she has been in this position of Risk Manager. Three boats have caused damage that did not have insurance. There was the Auke Bay boat fire, the Fisherman's Dock, and Aurora Harbor damage from a vessel. Our risk fund pays out the damages and then we hopefully get reimbursed from our marine liability insurance and then try to recover from the owners, but it is out of our pockets. We are still working on the Fisherman's Dock one from 2012 as there is a long statute of limitations.

Mr. Ridgeway said he read on the Port of Bellingham's website that there were additional coverage requirements for vessels over 40ft and over 40 years old. Are you recommending something like that as well?

Mr. Creswell said there are wooden boats that cannot be insured at all. He asked how we write something that does not kick them out as there are nice historical wooden boats that we want in our harbors.

Mr. Simpson said he recalls that is where the idea of the \$0.25 per foot per month came from originally. It was intended for boats that were unable to be insured at all. Now it is being used by people who can get insurance but are choosing not to.

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Mr. Eiler said this issue of not being able to get insurance came up with the boat shelters as well. He asked how many vessels in the harbor currently have insurance and what are other southeast harbors requiring.

Mr. Simpson said he believes most of the boats in the harbor will have insurance as a financed boat is required to have it and responsible boat owners will get insurance on their own.

Mr. Creswell said his current estimate is 60% have insurance and 40% do not.

Mr. Ridgeway asked of the three vessels is there a total cost the city paid and who did we have to pay. He asked was harbor staff time kept track of to deal with these incidents.

Ms. Mannix said she does not know the exact numbers for the two repairs but she can send them. For the recent Auke Bay fire it was just over \$11,000. Insurance will pay \$6,000 and Docks and Harbors has a \$5,000 deductible. The other two projects were about \$100,000 each.

Mr. Gillette said we keep track of our staff time, consultant time, and contractor time. We include everything in the account code to be paid and keep good records of them.

Ms. Mannix said that is correct. Pollution can be a big deal and sometimes we have coverage for it and sometimes not.

Mr. Simpson said Bellingham's policy is very interesting, it is a similarly sized harbor and it is working for them. Also that it is a State Law which will probably not happen here.

Mr. Uchtyl said he believes other then Seward, in the State of Alaska most municipalities do not have insurance requirements. In Washington, the State Law required Bellingham to come up with these rules. The committee should realize this is the first volley in discussing where we would like to go regarding insurance, such as how detailed we want to be if we decide to make changes to our existing regulation. Part of this would include the boat shelters.

Mr. Simpson asked Mr. Uchtyl if he agreed with Mr. Creswell on the estimate of 60% people who have insurance.

Mr. Uchtyl said we will need to look that up but he believes the rate may be even higher than that estimate. There would be a benefit to having some sort of insurance requirement.

Mr. Ridgeway asked Mr. Uchtyl if he knows whether or not most insurance policies will include what Bellingham is asking for.

Mr. Uchtyl answered he was not certain at this time.

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Mr. Donek said in the videos he got the impression that the State of Washington was hoping for a higher limit than the \$300,000 but they compromised to that. We should take a look at this and see what amount we want to ask for.

Mr. Simpson said we should find out what is available from insurance companies to the average boat user. He asked what the Board would like staff to do to follow up on this.

Mr. Donek answered staff should come back with a draft regulation that we can discuss and investigate.

Mr. Ridgeway agrees with that idea and also we should figure out what the potential liability is by not having insurance.

Mr. Creswell said we can provide an estimate for what the worst case scenario might be for a 35 ft. vessel.

Mr. Simpson said we should also look at the Seward requirements that they have in place.

Mr. Donek said Seward was asking for a \$1 million policy and there is a statement that coverage afforded will be determined by the insurance agency.

Mr. Simpson said he noticed things in Bellingham's that weren't very clear as well. This is our opportunity to clean it up and make it clear.

Mr. Eiler asked staff to provide actual numbers on how many vessels have insurance.

Mr. Donek said we should look at the average policy cost and raise our vessel disposal fee to entice more people to get insurance.

Mr. Uchtyl said we will also need to think about the challenge of transient vs. permanent moorage as well.

2. Ordinance Change – Safe Condition of Vessels (85.02.020)

Mr. Creswell said our current regulation addressing safe condition of vessel is not very specific about requirements for sufficient means of transportation. A lot of owners are trying to put a kicker on a vessel and that is not enough power for safe operation of the vessel in and out of the harbor. It is required three times per year to leave the harbor which is difficult to enforce. Right now it is up to the Harbormaster's discretion for what is acceptable. We would like to see it strengthened in writing in regulation. We do not want to get so specific where we are asking for a minimum horsepower per length of vessel. We discussed with Ketchikan Harbor as well and came up with the draft regulation in the agenda. A vessel needs to be capable of getting in and out under its own power, operating from the original helm station, and a kicker/auxiliary motor is not sufficient to safely operate vessel.

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Committee Discussion/Public Comment

Mr. Simpson said an exception should be made for small sailboats and houseboats that we allow in the harbor. He doesn't believe a houseboat should require a motor and should be treated differently.

Mr. Creswell said houseboats are designated as non-moving vessels and are put in designated non-moving vessel areas.

Mr. Ridgeway asked if there is a process for someone to convert a vessel into a houseboat.

Mr. Creswell said first we would need space in our designated non-moving vessel area, which we have none as of right now.

Mr. Moser said these people with no working engine may be the same people who do not have insurance. If we will have an exception for non-moving boats then they should all be in one separate area.

Mr. Simpson said there are designated areas behind the gangways that are hard to get in and out of that has been set aside for these non-moving vessels or houseboats.

Mr. Eiler said the proposed language should define a kicker or auxiliary motor more specifically.

Mr. Simpson said by using the words "vessel's own primary power" that helps define it.

Mr. Creswell said this proposed version is very similar to what Ketchikan is using and it is working for them. He does agree with spelling out that this does not apply to non-moving vessels.

Mr. Moser asked to move the vessels not in compliance to a derelict area.

Mr. Ridgeway said we should discuss people who want to convert their vessels to a houseboat.

Mr. Creswell said general practice is people are selling the boats that don't run for \$1 and then we have to start the process over again with a new owner. The vast majority of people do not have the means to correctly dispose of a vessel so they sell them to make them not their problem anymore.

Mr. Simpson said these regulations should apply to the vessel not to the owner. So if it is sold the vessel should be immediately due.

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Mr. Eiler asked how many boats are quickly selling like this to avoid the seaworthy requirement.

Mr. Creswell answered that during construction we have been moving boats around and come up with a list of around 38 boats that have not moved in a long time. We sent out 72 hour notices and are working through them in batches at a time.

Mr. Ridgeway said the City had a program in the past for getting rid of junk vehicles. He asked if Docks and Harbors would consider some sort of program to work with and assist owners to get rid of a vessel.

Mr. Creswell said we have not discussed that as an option yet.

Mr. Moser said we could pull them out and store them on land.

Mr. Simpson said there is a legal process but it may be less complicated to declare them as unsafe and pull them from the water. Then give the owner a set amount of time to fix it.

Mr. Ridgeway asked if the Coast Guard has been brought into this.

Mr. Creswell answered that the Coast Guard is not primarily concerned with what is tied up in our harbors.

Mr. Ridgeway said any new way staff can think of to incentivize patrons to do the right thing should be discussed.

Mr. Simpson said staff should proceed with this draft of this regulation.

3. Update to Vessels Anchored on Docks & Harbors Submerged Lands

Mr. Creswell said the new owner of the Lumberman has been issued a letter which is in the packet. The vessel is not anchored, it is moored by four points attached to large concrete blocks that are placed on the bottom. There is no engine or shaft in the vessel and it is not intended to be a working vessel again. Before he passed away this summer, the previous owner traded boats with Mr. Brenden Mattson, giving him the Lumberman. The old owner had been given notice that the vessel has to be removed by the fall. The new owner was told about a court case that was in process. Mr. Mattson has been spoken to in regard to the vessel needing to vacate. Other vessels are now tying up to the Lumberman that had been issued seaworthy notices causing constant skiff traffic. Mr. Mattson has no means to move the Lumberman and nowhere to put it. The Challenger, a similar sized tug, sank and was a \$2 million clean up. The Lumberman, being on our tidelands, would be our responsibility if it does sink where it is. We would like to begin the discussion and write a regulation regarding anchoring and not mooring, on our tidelands.

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Committee Discussion/Public Comment

Mr. Eiler asked how long those mooring blocks have been there.

Mr. Creswell said Trucano placed the moorings around two years ago.

Mr. Simpson said at the time they insisted they had GPS coordinates and it was outside of our tidelands. They were incorrect. Mr. Simpson said Mr. Uchytel told him to vacate but it never happened. We could generate some revenue if we wrote a regulation about mooring.

Mr. Moser asked if we could give the Harbormaster the authority to make decisions to remove people from the harbor.

Mr. Simpson said this boat is essentially trespassing.

Mr. Gillette said it takes time with a vessel like this that cannot just move.

Mr. Moser suggested moving them by force.

Mr. Uchytel said if we are very proactive to evict them then we will end up owning this vessel and be responsible for clean-up and disposal costs. It will cost upwards of \$100,000 to remove it. As of right now it is not a threat of pollution or navigation so the Coast Guard will not engage. We do suspect nefarious activities are happening on board.

Mr. Ridgeway asked who paid to clean up the Challenger.

Mr. Creswell answered the Oil Spill Trust Fund.

Mr. Ridgeway asked if there was another group to incentivize to clean this up. He asked does that fund have any proactive measures. Next time the city might not get so lucky and may be responsible to pay the clean-up costs.

Mr. Creswell said it is not easy to open and is difficult to access. It is only used for large scale events.

Mr. Uchytel said the Coast Guard was able to open the fund because there was no responsible party. In the Lumberman case that will not happen as there is a known responsible party.

Mr. Donek said it needs to be removed and it is cheaper to do so while it's floating rather than sunk.

Mr. Eiler asked what the rest of the process is.

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Mr. Uchytel said this is uncharted waters as we have not done this before. We probably would go down the path to trespass them and he assumes the owner will walk away. The Coast Guard may be involved to inspect it to check if it poses a danger. So far they have not shown any interest.

Mr. Becker said marijuana is legal in town but not on a vessel.

4. TIGER Grant Application

Mr. Gillette said there is another round of Grant applications due mid-October and we are contracting with PND to put together 3 grant applications. Mr. Uchytel has met with Department of Transportation and Senators Sullivan and Murkowski recently to show them some of our plans. They were impressed with our master plan for downtown and long term plans for Statter Harbor. The first application is a new marine services center, we are asking for \$25 million. Another project we are applying for is the Fisherman's Terminal area that was discussed during the master plan, including a new office building, again asking for \$25 Million. The last application is a bay walk to connect the Auke Bay Marine Station to Auke Bay Harbor. We qualify under the rural category meaning we can apply for between 1\$ million and 25\$ million per project. These are nationwide grants and very competitive. It is a long process to decide, starting from a panel of staff on up to the top of DOT to make the final decision. Each project has to be a separate application.

Committee Discussion/Public Comment - None

5. Auke Bay Marine Station – Leasing Opportunities

Mr. Gillette said we will be getting the deed for the Auke Bay Marine Station on November 1st. We have been discussing leasing opportunities for three of the buildings that we have no immediate need for. We talked about putting out a request for letter of interest to find out who may want a lease here. The intent is to capture enough revenue in leases that we have no maintenance expenses.

Committee Discussion/Public Comment

Mr. Simpson said it is better to have it occupied then empty.

6. Harris Harbor Bathroom - Update

Mr. Gillette said Joann Lott of Jensen Yorba Architects did a quick sketch to see if we can fit two restrooms with showers in the old Harris Harbor Bathroom. They will fit but we will probably have unisex, one ADA and one non ADA compliant. A design will be worked on and bid documents prepared for this plan.

Committee Discussion/Public Comment

Mr. Simpson asked if we will keep the original building and location and strip the interior as the plumbing is already installed.

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Mr. Gillette said the existing plumbing under the floor will need to be converted as right now it goes to a lift station. Another lift station is expensive so we are looking at maybe doing it as a big holding tank that will be pumped out. We will get a cost estimate on the plan when it is decided.

Mr. Simpson said he recalls that building not being built to high quality is there any merit to tearing it down and rebuilding.

Mr. Gillette said the building is not in bad shape and it has a new roof on it. It will be much less expensive to re-use it. It was originally downtown then was eventually moved to Harris, there were management issues as the bathrooms were being camped in. It was decided to do away with it and make it storage only. The long range master plan incorporates bathrooms in that area as well.

Mr. Simpson said most public boat harbors have some sort of restroom facility.

Mr. Gillette said the plan is to operate it similar to Auke Bay, where it is only open during the day and locked at night with the ability to be opened by key fobs purchased at the office.

7. Little Rock Dump Marine Service

Mr. Gillette passed out drawings saying they were just received today. He said when we did the master plan for the uplands one of the ideas was to put an improved marine services area where the existing Yacht Club is. We received a letter from the Yacht Club that they were not enamored with the idea of being moved to Bridge Park. It was suggested to look at the little rock dump area as an alternative for the marine services center. We hired PND to look at it and it is a possibility. Cost estimates have not been created yet as first we were going to decide if we were interested in pursuing this idea. Page two shows a close up of the Little Rock Dump, the brown spots mark the old sewage cells that are capped. Page three is a preliminary concept drawing showing the haul out pier and a dock where vessels could queue up. There could be an upland staging area and upper boatyard included in the first phase. In multiple phases we could add an access corridor and more upland expansions. This comes close to the same size as the Yacht Club area would be. There was more sheet pile construction in the Yacht Club plan which is very expensive. The Little Rock Dump drawings would keep sheet pile at a minimum. There are other issues to be considered including the distance from the harbors and there may be more wind there.

Mr. Simpson asked Mr. Gillette what his personal opinion was on this.

Mr. Gillette answered this is a different plan from the Yacht Club idea but it is definitely doable.

Mr. Simpson asked does this overlap with the existing lease there.

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Mr. Gillette answered there is no current lease as it has expired and has not been renewed.

Mr. Eiler asked is this included in the TIGER Grant Application.

Mr. Gillette said we will submit the application based on our master plan. If we are successful and decide by then that we would like to move it to the Little Rock Dump, then we will approach the change at that time.

Mr. Eiler said maybe we should consider removing the sludge and remediation now rather than later.

Mr. Gillette said he spoke with Dick Somerville and by putting a few feet of rock on top of this then it could hold the weight of buildings and shops that we are discussing.

Mrs. Becker asked what size travel lift we are discussing.

Mr. Gillette answered 150 ton. The sealift at ABLF is a 45 ton.

Mr. Ridgeway said he is encouraged by the land use plan. Placing rock is acceptable as remediating it. You would be buying future cost by capping that sewage area and creating more land. He hopes this prices out well.

Mr. Gillette said he doesn't know the specifics of these cells but they are capped right now. They will need to be dealt with if we wish to develop further and adding the rock on top would work most likely. We will run this idea by Jeff with Harri's Plumbing and Heating to get their opinion also.

X. Staff & Member Reports - None

XI. Committee Administrative Matters

1. Next Operations/Planning Committee Meeting- **Wednesday, November 8th, 2017.**

XII. Executive Session

1. Personnel matters pertaining to the Port Director's Evaluation – Moved to Regular Board meeting on October 26th, 2017.

XIII. Adjournment – Meeting was adjourned at 6:47p.m.