**CBJ Docks and Harbors Board**
**SPECIAL BOARD MEETING MINUTES**
**For Thursday, February 13th, 2014**

I. Call to Order.

Mr. Busch called the Special Board Meeting to order at 5:00 p.m. in CBJ room 224

II. Roll Call.

The following members were present: Tom Donek (via telephone), David Logan, Budd Simpson, Scott Spickler (via telephone), and Greg Busch.

Absent: John Bush, Robert Janes, Kevin Jardell and Michael Peterson.

Also present: Carl Uchytil – Port Director, and Duff Mitchell – Vice-President Juneau Hydro Power.

III. Approval of Agenda.

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

***Motion was approved with no objection.***

IV. Public Participation on Non-Agenda Items -
Jim Becker, Juneau, AK,
Mr. Becker said he is the Chair of the Fisheries Development Committee. They are working on a project called roadside fisheries, and they found property on Channel drive that would work for this project. The property owner is Doug Trucano and he is not interested in giving an easement to go across his property, but to make a trade with CBJ for the property by the bridge on the North Douglas side that he pays Docks & Harbors lease fees. He would like to trade straight across for that land. He understands it would be hard for Docks & Harbors during budget times to give up lease fees, but the Fisheries Development would like to use that property for developing the roadside fisheries, if CBJ could financially do this. With this new land, handicapped accessibility and parking could be developed. Mr. Becker said he spoke with PRAC and they would most likely manage the roadside fisheries area. He said he is not looking for an answer today, but would like the Board to consider this property trade and weigh the opportunities for CBJ.

Mr. Simpson said he likes the idea of roadside fisheries, but why so close to the other State float across from the Empire?

Mr. Becker said because that is where the fish are coming by.

Mr. Busch asked what timeline was the Fisheries Development Committee wanting to move forward with this?

Mr. Becker said the first thing is to see if this land swap is doable, and then they would like progress on going.

V. Items for Action

1. Determine appropriate level of support for the Juneau Hydro Power request for FY15 Marine Passenger Fees.

Mr. Uchytil said all CBJ departments and non-profit entities were asked by the City Manager to make a list for FY15 Marine Passenger Fees proceeds by the end of December. Juneau Hydro Power put together a list to push the development and engineering of the electrification of the new cruise ship berths. Mr. Duff Mitchell is requesting some level of support for this request from the Docks & Harbors Board for marine passenger fees to be used for future engineering development for electrification. The public comment period for all the marine passenger fees projects is due on February 15th to the City Manager. When Docks & Harbors submitted their list, there were several items that didn't make the final list, downtown restrooms, additional uplands staging area at the Archipelago property, and the visitor center kiosk. Mr. Mitchell's request also did not make the final list, but he is still requesting Docks & Harbors letter of support.

Board Questions-

Mr. Bush asked what level of support Juneau Hydro Power was hoping to receive?

Mr. Mitchell said he is looking for a letter from the Docks & Harbors Board to the Assembly supporting the general concept of electrifying the docks.

Mr. Simpson asked what the timeline was for the Sweet Heart Creek project?

Mr. Mitchell said Juneau Hydro Power has turned in federal documents with year of production 2016.

Public Comment –

Scott Willis - AEL&P representative

He said presently, AEL&P does not have power over and above the community's needs to serve additional cruise ship docks in most years. In a wet year, AEL&P could potentially serve the cruise ship docks some power, and as community loads grow, this could decrease. There wouldn't be a

steady supply of power to the dock until another potential project. Today, AEL&P could not supply power for this project.

Mr. Logan asked if AEL&P sees a potential project within the next decade?

Mr. Willis said at this time there is relatively slow load growth. AEL&P has identified the next project that they would do as phase II of Lake Dorothy. This project would only happen when there was a need for additional electricity for the town. At this time it does not look like this would happen in the next decade.

Mr. Logan asked if this project did move forward, how much would it increase the power availability?

Mr. Willis said this is actually energy and not power. It is kilowatt hours in a year. Phase II Lake Dorothy would add 80 or 90 million kilowatts per year. To put that in perspective, the towns demand today is 350 million kilowatts per year. His guess to what the additional cruise ship docks might use is 10 million kilowatt hours. The Princess dock currently uses about 5 million kilowatts per year.

Mr. Busch asked if there would be any change to support this if there was only one dock versus the two?

Mr. Willis said any additional surplus energy is already committed out to Princess and Greens Creek. It would take another project to even support one more dock.

Board Discussion/Action

Mr. Spickler said he agrees to support the concept and all other components in general terms and let the process move forward.

Mr. Simpson said he is in support of sending the letter Mr. Busch drafted providing general support for the idea of shore power, but points out the problem that there is not enough surplus energy to support this project.

Mr. Logan said he also supports sending the general support letter.

***MOTION By MR. SIMPSON: TO AUTHORIZE SENDING CHAIRMAN BUSCH'S LETTER AS DRAFTED AND ASK UNANIMOUS CONSENT.***

***Motion passed with no objection.***

2. Provide direction to the Port Director on the Vendor Booth Sales Outcry Auction.

Mr. Uchytil said on Monday was the deadline to receive applications to bid on the available vendor booth permits and also the deadline to pay for the reissuance of multiple year permit. By Monday, we received five applicants for the advertised three/one year permits. However, two companies that were seeking reissuance, MGT, and Donna's Tours, did not meet the deadline to pay their reissuance fees. This opens up two/three year permits. These two permits provided $98,000 in revenue for the Port operations. Within regulations, the Port Director has the authority to notice there is three/one year permits, but also has the authority to reduce the number of permits. Mr. Uchytil identified the available options for moving forward;

- Auction the three/one year permits (five bidders for three permits).
- Re-advertise with the two/three year permits that are now open (hope to get more bidders)
- Auction the three/one year permits and the two/three year permits (five bidders, five permits – Docks & Harbors could potentially only get minimum bid for all five permits)

Mr. Uchytil said he would like some direction moving forward because the potential downfall for this would be Port revenues would be down close to $100,000. If the two/three year permits were removed, he does not suspect any complaints from the current vendor permit holders. It could also potentially raise the value of the one year permits because there are five applicants trying for three permits and there will only be nine vendor booth permits this year.

Board Questions –

Mr. Simpson asked why the two companies didn't reissue?

Mr. Uchytil said he is unsure.

Mr. Spickler said five applicants and five permits would be problematic.

Mr. Uchytil said the application information is not given out.

Mr. Busch said there has been concerns at prior auctions with collusion and staff has been making efforts to watch that. He asked Mr. Uchytil what his preference would be moving forward.

Mr. Uchytil said to take the two multi-year permits out of circulation this year and go forward with the five applicants bidding on three/one year permits.

Mr. Simpson said reducing the number of permits does not limit the people that don't have permits. They can still sell through another vendor. This sounds like a good decision and wouldn't have an adverse impact on anyone.

Mr. Donek said if we hold those permits off the market now, and the vendors request to bid on those permits, could another auction be held in 30 days?

Mr. Busch said there is no stipulation how many auctions Docks and Harbors can have.

Mr. Simpson said he does not see that as fair to the bidders that bid on the three/one year permits.

Mr. Busch said what does losing $100,000 out of the Port budget do bottom line for this fiscal year?

Mr. Uchytil said both Docks & Harbors budget is running a surplus.

Public Comment – None

Board Discussion/Action –

Mr. Logan said he suggested taking only one of the three year permits out of circulation and that would make it five applicants for four permits. Try to maximize revenues.

Mr. Donek said it sounds like something needs to be fixed. The payment for the reissuance needs to be at least 30 days prior to auction.

Mr. Uchytil said the companies did provide written request for reissuance, but they just didn't pay on the last day.

Mr. Busch said this falls under the Port Directors authority to execute an action.

No Motion required

VI. Adjournment

The regular Board Meeting adjourned at 5:39 p.m.