

**AGENDA
REGULAR MEETING OF THE BOARD OF COMMISSIONERS
HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT**

DATE: June 12, 2014

TIME: 6:00 p.m. Executive Closed Session
7:00 p.m. Regular Session

PLACE: Woodley Island Marina Meeting Room

The Meeting Room is wheelchair accessible. Accommodations and access to Harbor District meetings for people with other handicaps must be requested of the Director of Administrative Services at 443-0801 24 hours in advance of the meeting.

1. Call to Order at 6:00 p.m.

- a. Move to Executive Closed Session pursuant to the provisions of the California Government Code Sections 54957.6 (Negotiations with Represented Employees), 54957(b)(1) (Public Employee Performance Evaluation) and 54956.8 (Conference with Real Property Negotiator)

1. Conference with Real Property Negotiator

Agency Negotiations: Commissioner Richard Marks Board President, Commissioner Mike Wilson, Jack Crider Chief Executive Officer; Paul Brisso District Counsel
Under Negotiation: Sale of boiler; EPA Settlement Agreement

2. Adjourn Executive Closed Session

3. Call to Order Regular Session at 7:00 P.M. and Roll Call

4. Pledge of Allegiance

5. Report on Executive Session

6. Public Comment

Note: This portion of the Agenda allows the public to speak to the Board on the various issues not itemized on this Agenda. A member of the public may also request that a matter appearing on the Consent Calendar be pulled and discussed separately. Pursuant to the Brown Act, the Board may not take action on any item that does not appear on the Agenda. Each speaker is limited to speak for a period of three (3) minutes regarding each item on the Agenda. Each speaker is limited to speak for a period of three (3) minutes during the PUBLIC COMMENT portion of the Agenda regarding items of special interest to the public not appearing on the Agenda that are within the subject matter jurisdiction of the Board of Commissioners. The three (3) minute time limit may not be transferred to other speakers. The three (3) minute time limit for each speaker may be extended by the President of the Board of Commissioners or the Presiding Member of the Board of Commissioners at the regular meeting of the District. The three (3) minute time limit for each speaker may be enforced by the President of the Board of Commissioners or the Presiding Member of the Board of Commissioners at the regular meeting of the District.

7. Consent Calendar

Note: All matters listed under the Consent Calendar are considered to be routine by the Board of Commissioners and will be enacted by one motion. There will be no separate discussion of these items. If discussion is required, that item will be removed from the Consent Calendar and considered separately.

- a. Consideration of approval of minutes from the January 9, 2014 Board Meeting.
b. Consideration of approval of minutes from the January 23, 2014 Board Meeting.

Agenda for June 12, 2014 Regular Board Meeting

8. Communications and Reports

- a. Chief Executive Officers Report
 - Redwood Terminal 2 Cleanup Update
- b. Staff Reports
- c. District Counsel and District Planner Reports
- d. Commissioner and Committee Reports
- e. Other

9. Non Agenda

10. Unfinished Business

- a. Public Hearing and First Reading of FY 2014/15 Budget.

11. New Business

- a. Consideration of accepting for filing application for Permit 14-01 to Northcoast Regional Land Trust for the Martin Slough Tide Gate Improvement Project.
- b. Consideration of accepting for filing application for Permit 14-02 to Chevron USA, Inc. for the Eureka Terminal Repair Project.
- c. Consideration of accepting for filing application for Permit 14-03 to Coast Seafoods Company for Renewal and Expansion of Coast Seafoods Shellfish Farm Parcels.
- d. Consideration of Adoption of Resolution 2014-06, a Resolution to Enter into a Contract and Accept Funds from the California Department of Fish and Wildlife for Secretariat Services for the Harbor Safety Committee of the Humboldt Bay Area.
- e. Consideration of ballot for election of Special District Representatives to serve on LAFCo.
- f. Consideration of accepting the grant agreement with the California Natural Resources Agency for the Humboldt Bay Spartina Eradication Project.
- g. Consideration of Adoption of Resolution 2017-07, A Resolution Authorizing the Commencement of Proceedings in Connection with the Refinancing of Certain Long-Term Debt Obligations, an Appointing the Weist Law Firm as Bond Counsel and Stern Brothers & Co. as Placement Agent in Connection Therewith.

12. Administrative and Emergency Permits

13. Adjournment

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**MINUTES (Subject to Approval)
REGULAR MEETING OF THE BOARD OF COMMISSIONERS
HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT**

January 9, 2014

PRESENT

Commissioner Newman
Commissioner Dale
Commissioner Wilson
Commissioner Marks
Commissioner Higgins

President Wilson called the Executive Closed Session to order at 6:03 P.M.

President Wilson adjourned the Executive Closed Session at 6:52 P.M.

President Wilson called the Regular Meeting of the Board of Commissioners to order at 7:07 P.M.

President Wilson asked Pete Oringer to lead those present in the Pledge of Allegiance.

District Counsel reported out of the Executive Closed Session as follows: Conference with Labor Negotiator and Conference with Real Property Negotiator – Commissioner Higgins resigned from the Negotiating Committee and Commissioner Dale agreed to take his place; Conference with Real Property Negotiator – No action taken; Conference Regarding Potential Initiation of Litigation – The Board of Commissioners authorized District Counsel to enforce legal proceedings enforcing District's right under the subject lease.

PUBLIC COMMENT

Kent Sawatzky said 2013 was, to him, the year of the carrot. 2014 will be the year of the stick. In the court of public opinion, the Harbor District should stay out of litigation. He said he tried to find out information about the Closed Session items; any group not transparent violates the public's trust.

Sebastian Elrite, Aqua-Rodeo Farms, asked when there would be an update from staff on the aquaculture expansion project. When will the Harbor District start scoping meetings. CEO stated a meeting is scheduled for Thursday, January 16 @ 8 a.m. to discuss leases and process.

Pete Oringer said CEO recently gave a pleasant presentation on the EPA Brownfields grant application. He said many answers were given to questions on the pulp mill property cleanup process.

CONSENT CALENDAR: None

COMMUNICATIONS AND REPORTS

Chief Executive Officer

- ❖ Reported on the Pulp Mill property as follows: Power, water and sewer are now working. The property is ready for showing to potential tenants. Phase 3 of the dock has begun. EPA will return on February 3 – six test trucks will be loaded. KapStone and Port of Longview are reconsidering barging to a pipeline instead of trucking on the dike road. KapStone and EPA continue to work through legal agreement.
- ❖ CEO is working on a new outfall line agreement with DG Power Fairhaven.
- ❖ Taylor Mariculture/Berth 2: installing power to dock and warehouse; Regional Water Quality Control Board inspection January 13; Coastal Commission to consider granting modified approval at their February meeting; flupsys will be operational in March; Lease negotiations complete and

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final draft will be presented to the Board for consideration of approval at the January 23rd meeting.

STAFF REPORTS

Director of Conservation

- ❖ Spartina eradication coordinator hiring in process.
- ❖ Meeting tomorrow with stakeholders on the sediment reuse project.
- ❖ On December 31st there was a King Tide, but there was no flooding due to the absence of rainfall.
- ❖ Currently in the comment period for the King Salmon Canal Dredge permitting CEQA document.
- ❖ Working with CBS Outdoor on their permit application to remove downed billboards.

Director of Facility Maintenance

- ❖ Phase 3 of Berth 2 repairs to approachway and catwalks started.
- ❖ EPA will be using the Redwood Terminal 2 building offices; the carpets have been cleaned.

Bar Pilot Tim Petruscha

- ❖ A log ship will be in port next week.

DISTRICT COUNSEL REPORT: None

COMMISSIONER AND COMMITTEE REPORTS

Commissioner Newman

- ❖ Stated it is time to dredge in the marina slips; shallowing of areas around the slips is becoming a real problem.

Commissioner Wilson

- ❖ Took his 98-year old grandfather on a tour of the new Bay Area distillery, repurposing of a naval base.
- ❖ Neither US Fish & Wildlife Service or CalTrans is interested in maintaining the billboards through the 101 Safety Corridor.

Commissioner Marks

- ❖ Hoping for a resolution of the employee union negotiations.
- ❖ Attended a NCRA meeting yesterday

Commissioner Higgins

- ❖ Reported he was relieved (literally) of his post on the union negotiating committee.
- ❖ Enormous potential for the aquaponics facility.
- ❖ January 13 – Economic Development Committee will discuss Harbor District properties.
- ❖ January 29 – Humboldt Bay Harbor Working Group will meet – Stephen Pepper and Stas Margaronis will speak on short sea shipping.
- ❖ Salmon surveys on the Eel River show thousands of salmon spawned successfully.

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NON AGENDA: None

UNFINISHED BUSINESS: None

NEW BUSINESS

A. CONSIDERATION OF ADOPTION OF RESOLUTION 2014-01, A RESOLUTION OF THE HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT AUTHORIZING THE ADOPTION OF THE HUMBOLDT OPERATIONAL AREA HAZARDS MITIGATION PLAN.

COMMISSIONER DALE MOVED FOR THE ADOPTION OF RESOLUTION 2014-01, A RESOLUTION OF THE HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT AUTHORIZING THE ADOPTION OF THE HUMBOLDT AREA HAZARDS MITIGATION PLAN. COMMISSIONER HIGGINS SECONDED.

Bar Pilot Petrusha reported 34 local agencies are involved in the five-year update of this Plan, which allows for grant funding for pre-disaster planning. The County Board of Supervisors has already approved the Plan and it has now gone to the local agencies for approval. Hazards Mitigation Plans are required by the Federal Government for disaster preparedness.

Kent Sawatzky said he addressed his concerns to the City of Arcata about the location of the Arcata sewer treatment plant due to its close proximity to Humboldt Bay. The location makes it vulnerable to many risks and an alternate site should be researched.

ROLL CALL VOTE WAS TAKEN:

COMMISSIONER NEWMAN – AYE
COMMISSIONER DALE – AYE
COMMISSIONER WILSON – AYE
COMMISSIONER MARKS – AYE
COMMISSIONER HIGGINS – AYE

MOTION CARRIED WITHOUT DISSENT.

B. CONSIDERATION OF APPROVAL OF AMENDMENT NO. 3 TO THE HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT PROFESSIONAL SERVICES AGREEMENT WITH PLANWEST PARTNERS, INC. FOR SAMOA INDUSTRIAL WATERFRONT TRANSPORTATION ACCESS PLAN.

COMMISSIONER HIGGINS MOVED FOR THE APPROVAL OF AMENDMENT NO. 3 TO THE HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT PROFESSIONAL SERVICES AGREEMENT WITH PLANWEST PARTNERS, INC. FOR SAMOA INDUSTRIAL WATERFRONT TRANSPORTATION ACCESS PLAN. COMMISSIONER MARKS SECONDED.

Kent Sawatzky asked if the Board could extend the contract without advertising a Request for Proposals. He also asked if there would be a conflict of interest since George Williamson is the District Planner.

President Wilson said George Williamson is the District Planner, which is a contract position. He is not an employee of the District.

MOTION CARRIED WITHOUT DISSENT.

C. CONSIDERATION OF AWARD OF CONTRACT FOR THE CHEMICAL RECOVERY BOILER AND TURBINE GENERATOR AT REDWOOD TERMINAL 2.

CEO reported the RFP was published on November 17; a mandatory site visit was held on December 4, four interested parties attended. Two proposals were received – one from Staton and one from Figas Construction. Complaints were received that enough time was not given for the development of a proposal and the environmental cleanup requirements are unclear.

CEO recommended the withholding the award and send out new RFPs in 60-90 days.

COMMISSIONER HIGGINS MOVED TO WITHHOLD THE AWARD OF CONTRACT FOR THE CHEMICAL RECOVERY BOILER AND TURBINE GENERATOR AT REDWOOD TERMINAL 2. COMMISSIONER DALE SECONDED.

President Wilson created an ad hoc committee of Commissioner Higgins and Commissioner Newman to work with CEO.

COMMISSIONER HIGGINS MOVED FOR A FRIENDLY AMENDMENT TO HIS MOTION TO INCLUDE THE AD HOC COMMITTEE OF COMMISSIONERS DALE AND HIGGINS. COMMISSIONER DALE AGREED TO THE FRIENDLY AMENDMENT.

Steve Root, one of the two proposers, agreed with staff's recommendation even though it may not make a difference to Staton's proposal.

Kent Sawatzky said he supported the idea to wait and then send out a new RFP. He said he would like the bids to be made public, which is standard procedure. Mr. Sawatzky offered his help to the committee as a member of the public.

District Counsel said the Board is choosing to reject all proposals. The proposals are proprietary and could be disadvantageous if they are made public.

Bob Figas said tightening up the components of the RFP would help the responders.

Julie Salminen said the RFP was vague – is it a proposal or is it a bid? She said appointing a committee is a good idea and public participation is recommended. She offered to help the committee.

Commissioner Higgins said the boiler and generator are large tangible assets for the District. The Board needs leeway to make the best business plan for the District. Allowing public participation could be a problematic.

President Wilson said the public can give their comments to the Board without being on the committee.

Monte Provolt said there were ambiguous phrases in the RFP. Keep the ambiguity out, it minimizes problems.

Commissioner Dales said if someone participates in the development of the document, they would then not be allowed to bid.

MOTION CARRIED WITHOUT DISSENT.

D. CONSIDERATION OF APPROVAL OF CONTRACT WITH LEROY ZERLANG TO LEASE A PORTION OF THE FIELDS LANDING BOAT YARD FOR MARINE SERVICES.

Bar Pilot Petrusha reported the lease is for one (1) year with optional extensions. The monthly lease amount is \$2,650 for 14,000 square feet of yard space and 1,100 square feet of the machine building. Haul-out fees will be reduced because the Mr. Zerlang will provide the ground crew. There will also be separate power meters.

Commissioner Higgins said this lease will help to fully realize the potential of the Fields Landing Boat Yard; a profitable partnership.

Kent Sawatzky said the approval of this lease appears to be a prudent business decision.

Ken Bates said he is in favor of the new operation. He asked if the District staff and Mr. Zerlang met to inspect the condition of the Travelift and building before the lease takes place.

CEO stated District staff will continue to operate the Travelift; Mr. Zerlang provides the ground crew.

Monte Provolt said he would be interested in Mr. Zerlang's suggestions for improvement at the boat yard.

MOTION CARRIED WITHOUT DISSENT.

E. CONSIDERATION OF CONTRACT FOR *SPARTINA DENSIFLORA* ERADICATION PROJECT COORDINATOR.

Director of Conservation said there is funding in the current Coastal Conservancy grant for a project coordinator. He recommended contracting with Craig Benson of RCAA to serve as the *Spartina densiflora* Project Coordinator for 1 ½ years for \$70,000.00.

COMMISSIONER HIGGINS MOVED FOR THE APPROVAL OF CONTRACT WITH CRAIG BENSON TO SERVE AS THE *SPARTINA DENSIFLORA* PROJECT COORDINATOR.

President Wilson said he would like to see the contract. CEO said all crews have been stopped until the Coordinator is hired; then most likely the same workers will be hired.

District Counsel told the Board of Commissioners they can authorize the CEO to sign with or without Counsel's concurrence. The Board agreed that the CEO could sign the contract with approval of Counsel.

COMMISSIONER MARKS SECONDED.

Kent Sawatzky said the public would like the opportunity to vet Craig Benson; would it really matter to postpone the contract, unless it is an emergency situation. He asked how many hours will be worked for the \$70,000. CEO stated Mr. Benson's and secondary staff time are covered under the budget of \$70,000.

Ryan Wells, LACO Associates, said he has worked with Mr. Benson in the past on habitat restoration projects and feels Mr. Benson is very qualified for the position.

Julie Salminen said she has also worked with Mr. Benson in the past and he is mindful of detailed information. She supports the contract with Mr. Benson.

President Wilson asked Commissioner Dale to work with CEO and District Counsel on the contract.

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MOTION CARRIED WITH COMMISSIONER WILSON DISSENTING.

Commissioner Wilson said he was unsure about the process and wanted to see the contract come back for Board consideration.

F. CONSIDERATION OF APPROVAL OF DRAFT ANALYSIS OF BROWNFIELD CLEANUP ALTERNATIVES AND DRAFT EPA GRANT APPLICATION.

COMMISSIONER HIGGINS MOVED FOR THE APPROVAL OF DRAFT ANALYSIS OF BROWNFIELD CLEANUP ALTERNATIVES AND DRAFT EPA GRANT APPLICATION. COMMISSIONER DALE SECONDED.

Ryan Wells, LACO Associates, and Andrew Whitney, County of Humboldt, spoke on the grant application for the Brownfields Cleanup, a grant for hazardous materials cleanup, due January 22. Harbor District would supply 20% of the match. LACO's contract for sampling and testing count towards the match.

Kent Sawatzky asked how much are the Harbor District's costs. He said the Board should look at each step objectively. Will there be competitive bidding? Make sure everyone has an equal chance at the project.

MOTION CARRIED WITHOUT DISSENT.

ADMINISTRATIVE AND EMERGENCY PERMITS: None

President Wilson adjourned the Regular Meeting of the Board of Commissioners at 8:43 P.M.

APPROVED BY:

RECORDED BY:

Patrick Higgins
Secretary

Patricia Tyson
Director of Administrative Services

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**MINUTES (Subject to Approval)
ANNUAL MEETING OF THE BOARD OF COMMISSIONERS
HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT**

January 23, 2014

PRESENT

Commissioner Newman
Commissioner Dale
Commissioner Wilson
Commissioner Marks
Commissioner Higgins

President Wilson called the Executive Closed Session to order at 6:00 P.M.

President Wilson adjourned the Executive Closed Session at 6:59 P.M.

President Wilson called the Regular Meeting of the Board of Commissioners to order at 7:07 P.M.

President Wilson asked Commissioner Marks to lead those present in the Pledge of Allegiance.

District Counsel reported out of the Executive Closed Session as follows: Conference with Real Property Negotiator: Potential terms for District property acquisition from Pacific Gas & Electric Company: no action to report due to no discussion; Potential terms for Reciprocal Easement Agreement from Freshwater Tissue: no action to report, Administrative and Supervisor staff contract negotiations per section 6 – Annual performance review: no action to report.

PUBLIC COMMENT

Debbie Provolt read a letter of support for Timber Heritage Association from the Humboldt Association of Realtors.

Kent Sawatzky said he attended the last Board of Supervisors meeting, where they announced a \$600 million Tiger Grant and encouraged the District to have a project prepared adequately for application. Mr. Sawatzky stated he disagrees with the proposal of the Indianola overpass due to sea level rise issues.

Sebastian Elrite of Aqua Rodeo Farms said there has been more slick in the Bay water recently, particularly near the Woodley Island shore, B-dock and the gangways.

CONSENT CALENDAR: None

COMMUNICATIONS AND REPORTS

CHIEF EXECUTIVE OFFICER REPORT

Chief Executive Officer reported on Redwood Terminal Two cleanup as follows:

- ❖ Phase III dock repair should be completed around February 1; KapStone in Longview has requested a variance to be able to accept the Pulp Mill liquors; the Crowley barge certificate was expiring and it is going to be an expensive process for renewal, recently found a Bay Area barge, but is smaller so would require more trips to ship the liquors; water line was repaired and the restrooms are now usable; lights and transformers are being repaired; PG&E meter is now

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accurate and there will likely be a credit on the account; commercial property realtors have visited the site to ascertain estimates.

- ❖ Thanked Andrew Whitney and letter of support writers for help with the recent grant application submitted.

STAFF REPORTS

Director of Conservation

- ❖ Stated the Marshmaster will be back in action at Eureka Slough soon and a USACE grant application for \$230,000 for Spartina eradication was successful.
- ❖ Three billboards along the bay shoreline were recently removed.

Director of Facility Maintenance

- ❖ Has been working with PG&E assessing the substation at the Pulp Mill for repairs and maintenance.
- ❖ Reported Phase Two of dock work is complete and Staff is now rebuilding the catwalks, which is tide-dependent, but should be completed by February 1.

Bar Pilot Tim Petrusha

- ❖ Said there was a log ship in the Bay this week.
- ❖ Stated the USS Independence will be in and out of the Bay multiple times over the next week.
- ❖ Has been working on aquaponics and thanked Ted Kuiper and Todd VanHerpe for their time and efforts.

DISTRICT COUNSEL REPORT: None

DISTRICT TREASURER'S REPORT

District Treasurer reported that he has been working on the audit and completed the District's State Controller Annual Report; said cash has gone up about \$1.8 million since 2012-2013.

DISTRICT PLANNER'S REPORT

District Planner stated he attended the Economic Development Committee meeting regarding the Samoa Peninsula Services District and Samoa's Fire District.

COMMISSIONER AND COMMITTEE REPORTS

Commissioner Newman

- ❖ Said he has heard from many fishermen stating their boats have been hitting the bottom of the Bay at low tide.

Commissioner Dale

- ❖ Met with CEO and Director of Conservation regarding the aquaculture expansion project.

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Commissioner Wilson

- ❖ Encouraged a planning class that has done work before with the District to consider studying aquaculture effects and sea level rise; a consideration is sea level rise impacts on the Woodley Island Wildlife Area.

Commissioner Marks

- ❖ Chaired the well-attended Economic Development Committee meeting regarding the Peninsula.

Commissioner Higgins

- ❖ Reported there were productive discussions at the Economic Development Committee meeting he attended.
- ❖ Has been working on Eel River Salmon monitoring; saw about 50-60 Salmon yesterday, about 1/3 of them Coho.

NON AGENDA: None

UNFINISHED BUSINESS

A. CONSIDERATION OF ADOPTING THE MITIGATED NEGATIVE DECLARATION AND ASSOCIATED MITIGATION MONITORING AND REPORTING PROGRAM FOR THE APPLICATION BY PACIFIC GAS AND ELECTRIC COMPANY FOR THE HUMBOLDT BAY POWER PLANT INTAKE AND DISCHARGE CANAL REMEDIATION PROJECT.

Commissioner Wilson recused himself and left the room due to working part-time for the company doing the analysis.

Director of Conservation said last year PG&E submitted a Permit Application and there are low-level contaminants in the Canals they plan to de-water; PG&E will be reviewing wetlands and aquatic species and CEQA impacts. The jetty area will be repaired and will not be connected to the Bay anymore. There will be a soil storage area for a few years, then restoration will take place with many mitigation measures. Four comment letters were received; the City of Eureka's concerns were resolved, the Wiyot Tribe requested notification and was accepted, Humboldt Baykeepers wanted additional data, which was provided and responded the data supported the proposed project boundaries, and the California Department of Fish and Wildlife was satisfied with mitigation proposals.

COMMISSIONER DALE MOVED FOR APPROVAL OF ADOPTING THE MITIGATED NEGATIVE DECLARATION AND ASSOCIATED MITIGATION MONITORING AND REPORTING PROGRAM FOR THE APPLICATION BY PACIFIC GAS AND ELECTRIC COMPANY FOR THE HUMBOLDT BAY POWER PLANT INTAKE AND DISCHARGE CANAL REMEDIATION PROJECT. COMMISSIONER NEWMAN SECONDED.

Commissioner Higgins said the Report seemed thorough.

MOTION CARRIED WITHOUT DISSENT, COMMISSIONER WILSON RECUSED.

B. CONSIDERATION OF ADOPTION OF RESOLUTION 2014-02 WHICH ESTABLISHES FINDINGS RELATIVE TO THE APPLICATION BY PACIFIC GAS AND ELECTRIC COMPANY FOR THE HUMBOLDT BAY POWER PLANT INTAKE AND DISCHARGE CANAL REMEDIATION PROJECT.

COMMISSIONER HIGGINS MOVED FOR ADOPTION OF RESOLUTION 2014-02 WHICH ESTABLISHES FINDINGS RELATIVE TO THE APPLICATION BY PACIFIC GAS AND ELECTRIC COMPANY FOR THE HUMBOLDT BAY POWER PLANT INTAKE AND DISCHARGE CANAL REMEDIATION PROJECT. COMMISSIONER DALE SECONDED.

ROLL CALL VOTE WAS TAKEN:

COMMISSIONER NEWMAN – AYE
COMMISSIONER DALE – AYE
COMMISSIONER WILSON – RECUSED
COMMISSIONER MARKS – AYE
COMMISSIONER HIGGINS – AYE

MOTION CARRIED WITHOUT DISSENT, COMMISSIONER WILSON RECUSED.

C. CONSIDERATION OF GRANTING PERMIT 14-01 TO PACIFIC GAS AND ELECTRIC COMPANY FOR THE HUMBOLDT BAY POWER PLANT INTAKE AND DISCHARGE CANAL REMEDIATION PROJECT.

COMMISSIONER DALE MOVED FOR GRANTING PERMIT 14-01 TO PACIFIC GAS AND ELECTRIC COMPANY FOR THE HUMBOLDT BAY POWER PLANT INTAKE AND DISCHARGE CANAL REMEDIATION PROJECT. COMMISSIONER HIGGINS SECONDED.

Commissioner Dale thanked PG&E on a job well done.

MOTION CARRIED WITHOUT DISSENT, COMMISSIONER WILSON RECUSED.

Commissioner Wilson re-entered the room.

NEW BUSINESS

A. CONSIDERATION OF RECEIVING AND FILING FY2012/13 AUDIT.

District Treasurer introduced Donna Taylor and Patrick Shanahan of Hunter, Hunter and Hunt, CPAs. Ms. Taylor and Mr. Shanahan went over the Audit contents, where the only significant deficiency was regarding the demolition of Redwood Marine Terminal Building 14.

Commissioner Higgins reported the Audit sounded reasonable and thanked Mr. Shanahan and Ms. Taylor.

District Counsel asked a question regarding Note Seven: Post-Employment Benefits. Mr. Brisso said the District has two types of employees; Union and non-Union; the Union employees' rights to health benefits expired June 30, 2013, and has not been renewed. Mr. Brisso asked if post-employment benefits figures assume the contract will be renewed and that management will continue to receive the benefits.

Mr. Shanahan stated he believed so.

District Counsel reported the District does have a right to change it when the contract expires.

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Mr. Shanahan said the likelihood will be looked at and there is no evidence that obligation will be reduced, which he can follow up on.

District Counsel stated he does not want it interpreted as an assured benefit.

District Treasurer reported the assumption does not mean that it is guaranteed and that it is based on the best information available.

Kent Sawatzky said outstanding grant funds will be different next year and asked what the Pulp Mill is worth.

Mr. Shanahan stated the grants receivable is in the report; the Pulp Mill acquisition was early in the process, so the auditors referred to previous Board Meeting Minutes. Mr. Shanahan reported HSU interns will complete their analysis and it will help determine the value.

Ms. Taylor said the acquisition happened after the Audit closed, so the estimates are as good as possible for the upcoming year.

Commissioner Wilson reported the cash on hand jumped up due to grant receivables received, but the District had spent that money; District has not dropped in cash although the money was spent.

Mr. Shanahan said a Cash Flow statement should show that well.

COMMISSIONER HIGGINS MOVED FOR RECEIVING AND FILING FY 2012/13 AUDIT.
COMMISSIONER MARKS SECONDED.

Kent Sawatzky said he applauded the District for utilizing a local firm.

MOTION CARRIED WITHOUT DISSENT.

B. CONSIDERATION OF AQUAPONICS LEASE AT BERTH 1 FACILITY.

Bar Pilot Tim Petrusha reported RFPs for leasing the aquaponics facility at Redwood Marine Terminal Berth 1 were distributed and proposals were received. Staff interviewed all three companies. Mr. Petrusha said he recommended more time for the process and asked the Board to allow Robert Zack from Grow Foods to have an opportunity to tell the Board about the company.

President Wilson stated if there are representatives of companies that submitted RFPs in attendance, they should have an opportunity to represent their companies; clarified that District Staff needed more time to decide.

CEO clarified that more time is needed by District Staff due to the decision being an important one.

Robert Zack of Grow Foods spoke representing his company.

CEO reported Mr. Zack will be in the area until Monday for meetings and that it would be great to have a commissioner present.

Luke Besmer, Arcata resident, spoke representing his company.

Debbie Provolt asked how many businesses the District has room for. Commissioner Wilson said he believed only one.

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Kent Sawatzky asked if that company would take over the existing facility and stated the two local people working for the international one seemed like a good suggestion if they do not win the proposal.

Commissioner Wilson stated he is shocked there are three good proposals and is glad at the response the District has received.

COMMISSIONER HIGGINS MOVED TO TABLE AQUAPONICS LEASE AT BERTH 1 FACILITY.
COMMISSIONER MARKS SECONDED. MOTION CARRIED WITHOUT DISSENT.

C. CONSIDERATION OF EDA GRANT APPLICATION AND PUBLIC FORUM FEBRUARY 10, 2014.

District Planner stated the Grant is for research, energy and innovation park planning and development and that having the facility under District authority would be very attractive to EDA; the Grant will be a match-grant. Mr. Williamson reported the Forum will be at the Aquatic Center, which HSU is donating the use of to the District for no charge and supplying food; asked for Board direction to start publicizing.

Commissioner Higgins said he is happy to have the EDC service the Forum for the project.

Commissioner Wilson stated it should be noticed as a Special Meeting Workshop of the Board so all the Commissioners can attend.

Commissioner Dale asked what would work as a match for EDA and if it is a 50/50 match. District Planner reported dollars with some in-kind available and it is a 50/50 match.

Ted Kuiper said one station should include aquaculture and aquaponics so the public can see the concept; volunteered his time for the event. Mr. Kuiper stated other people who have worked with the District regarding aquaculture should be invited.

Debbie Provolt asked if this is a State or Federal Grant and what EDA stands for.

CEO reported Economic Development Administration and it is a Federal Grant.

Andy Colonna asked if the event would be televised. Commissioner Higgins stated he hoped it would be.

COMMISSIONER HIGGINS MOVED FOR THE NEXT MEETING OF THE ECONOMIC DEVELOPMENT COMMITTEE TO BE HELD AS A SPECIAL MEETING OF THE BOARD.
COMMISSIONER MARKS SECONDED. MOTION CARRIED WITHOUT DISSENT.

D. CONSIDERATION OF BOARD REPRESENTATION TO REDWOOD REGION ECONOMIC DEVELOPMENT COMMISSION.

Commissioner Wilson reported this is a requirement of RREDC and as the representative would like to continue being so.

Commissioner Higgins said he would like another alternate besides himself due to being overworked.

Commissioner Dale stated he would like to be the alternate.

COMMISSIONER HIGGINS MOVED TO APPOINT COMMISSIONER WILSON AS BOARD REPRESENTATION TO REDWOOD REGION ECONOMIC DEVELOPMENT COMMISSION WITH COMMISSIONER DALE AS ALTERNATE. COMMISSIONER MARKS SECONDED. MOTION CARRIED WITHOUT DISSENT.

E. CONSIDERATION OF REVISING PERMIT 11-01 WITH TAYLOR MARICULTURE LLC FOR THE TAYLOR MARICULTURE BERTH 2 FACILITY.

COMMISSIONER HIGGINS MOVED FOR REVISING PERMIT 11-01 WITH TAYLOR MARICULTURE LLC FOR THE TAYLOR MARICULTURE BERTH 2 FACILITY. COMMISSIONER MARKS SECONDED.

Director of Conservation reported the District has acquired upland property since the last approved lease went into effect.

CEO said Taylor Mariculture will have an option to expand in the warehouse.

Director of Conservation reported this Item increases rent and the existing leach field will be used instead of building a new one; said there are no new CEQA impacts and the existing impacts would be lessened if this Item were approved.

Sebastian Elrite reported he does not want to see the District charge too much.

MOTION CARRIED WITHOUT DISSENT.

F. CONSIDERATION OF ADOPTING A REVISED TIDELAND AND UPLAND LEASE WITH TAYLOR MARICULTURE LLC FOR THE TAYLOR MARICULTURE BERTH 2 FACILITY.

COMMISSIONER HIGGINS MOVED FOR ADOPTING A REVISED TIDELAND AND UPLAND LEASE WITH TAYLOR MARICULTURE LLC FOR THE TAYLOR MARICULTURE BERTH 2 FACILITY. COMMISSIONER MARKS SECONDED.

Commissioner Higgins said he is glad to see this coming to fruition after so much hard work.

MOTION CARRIED WITHOUT DISSENT.

G. ELECTION OF OFFICERS

Commissioner Wilson reported after being President for three years, he is ready to give up that position and proposed Commissioner Marks as President, Commissioner Higgins as Vice-President and Commissioners Dale or Newman as Secretary.

COMMISSIONER NEWMAN MOVED TO ELECT COMMISSIONER MARKS AS PRESIDENT, COMMISSIONER HIGGINS AS VICE-PRESIDENT AND COMMISSIONER DALE AS SECRETARY. COMMISSIONER HIGGINS SECONDED.

Kent Sawatzky thanked Commissioner Wilson for his service and supported the Motion.

Commissioner Wilson said there were so many events occurring within the District that he felt staying on as President was necessary at the time.

Commissioner Higgins thanked Commissioner Wilson for his service.

Minutes (Subject to Approval)
Annual Meeting of the Board of Commissioners
Humboldt Bay Harbor, Recreation and Conservation District
January 23, 2014
Page 8 of 8

Commissioner Marks thanked Commissioner Wilson for being President through some tough decisions.

MOTION CARRIED WITHOUT DISSENT.

Commissioner Marks thanked the Board for election as President.

ADMINISTRATIVE AND EMERGENCY PERMITS: None

President Marks adjourned the Regular Meeting of the Board of Commissioners at 9:16 P.M.

APPROVED BY:

RECORDED BY:

Patrick Higgins
Secretary

Kim Farrell
Clerk

TRINITY ASSOCIATES

11a

Specializing in
Regulatory Compliance, Historical Research in Aquatic Environments,
and
Sea Level Rise Adaptation Planning

May 19, 2014

Humboldt Bay Harbor, Recreation, and Conservation District
Mr. Dan Berman
PO Box 1030
Eureka, CA 95502

Reference: **Martin Slough Tide Gate Improvement Project**

Dear Mr. Berman:

The Martin Slough Tide Gate Improvement Project will replace tide gates before they cease to function, improve fish passage, reduce flood impacts, and enhance inter-tidal and brackish water wetlands.

Enclosed please find a completed application for the Martin Slough Tide Gate Improvement Project. Additionally, I have enclosed a stand-alone project description with design plans as well as a list of adjoining landowners.

Please contact me if you have any questions, concerns, or if you would like to visit the project site.

Sincerely,



Aldaron Laird
Trinity Associates

Enc.



HUMBOLDT BAY
HARBOR, RECREATION AND CONSERVATION
DISTRICT



P.O. BOX 1030
Eureka, California 95502
(707) 443-0801
(707) 443-0800 fax

Permit 2014-01

Date Filed _____

General Information	For Commission Use
1.) Name & Address of Developer, Project Sponsor and Legal Owner Northcoast Regional Land Trust PO Box 398, Bayside, CA 95524 707-822-2242	A. Application No. <u>14-01</u> Application Type: Franchise <input type="checkbox"/> Permit <input type="checkbox"/> Lease <input type="checkbox"/>
2.) Address of Project and Assessor's block, lot and Parcel Number Confluence of Martin Slough and Swain Slough, APN 302-161-003	B. Date Received by Harbor District
3.) Name, Address and Telephone No. of Person to be contacted concerning this Project Aldaron Laird, Trinity Associates 980 7 th Street, Arcata, CA 95521 707-825-8770 riverplanner@sbcglobal.net	C. Date Accepted for filing by BOC
4.) Attach list of names and addresses of all adjoining property owners	D. Date of Public Notice
5.) List and Describe any other related Permits & Other Public Approvals required for this Project, including those required by City, Regional, State & Federal Agencies. Please see the complete list of project permits, included in the attached Project Description.	E. Date of Acceptance EIR or Negative Declaration
6.) Existing Zoning District Ag. Exclusive, 60 ac. Minimum, flood hazard and transitional agriculture overlays	F. Date of Public Notice
7.) Proposed Use of Site (Title of Project for which this form is filed) Martin Slough Tide gate Improvement Project	G. Date of Public Hearings
	H. Date of Approval Disapproval _____ Conditional _____ Approval _____
	I. Expiration Date
	Comments

N/A

19. If institutional, indicate the major function, estimated employment per shift, estimated occupancy, loading facilities, and community benefits to be derived from the project.

N/A

20. If the project involves a variance, conditional use or recognizing application, state this and indicate clearly why the application is required.
The project is a Principally Permitted Use. Permits from Humboldt County are not permitted.

Are the following items applicable to the project or its effects? Answer yes or no. Discuss all items answered yes.

21. Change in existing features of any bays, tidelands, beaches, lakes or hills, or substantial alteration of ground contours.
Yes. The project will replace three existing culvert tide gates with a concrete structure. The new inlet/outlet will be enlarged and armored with rock.

22. Change in scenic views or vistas from existing residential areas or public lands or roads.
No. The project will not alter the a scenic view or vista. A short-term construction footprint will be visible near Pine Hill Road. Over the long-term, the tide gates will be less visibly intrusive than the existing pipe inlets.

23. Change in pattern, scale or character of general area of project.
No.

24. Significant amounts of solid waste or litter.
No.

25. Change in dust, ash, smoke, fumes or odors in vicinity.
No.

26. Change in ocean, bay, lake, stream or ground water quality or quantity, or alteration of existing drainage patterns.

Yes, improved. The existing muted tide will be maintained. The increased capacity and side hinged tide gates will increase drainage during storm water runoff periods.

27. Substantial change in existing noise or vibration levels in the vicinity.

A. During Construction
Yes. During construction, heavy equipment will be operating, causing some noise. Noise is not expected to be excessive.

B. During Project Utilization
No.

- 28. Site on filled land or on slope of 10% or more.
No.
- 29. Use of disposal or potentially hazardous materials, such as toxic substances, flammable or explosives.
No.
- 30. Substantial change in demand for municipal services (police, fire, water, sewage, etc.)
No.
- 31. Substantially increase fossil fuel consumption (electricity, oil, natural gas, etc.).
No.
- 32. Relationship to larger project or series of projects
No.

ENVIRONMENTAL SETTING:

33. Describe the project site as it exists before the project including information on topography, soil stability, plants and animals, and any cultural, historical, or scenic aspects. Describe any existing structures on the site and the use of the structures. Attach photographs of the site. Snapshots or polaroid photos will be accepted.

Please see Project Description document; cover page, Figure 2, page 9, and Appendix A Sheet D101.

34. Describe the surrounding properties, including information on plants and animals and any cultural, historical, or scenic aspects. Indicate the type of land use (residential, commercial, etc.) intensity of land use (one-family, apartment houses, shops, department stores, etc.) and the scale of development (height, frontage, set-back, rear yard, etc.) Attach photographs of the vicinity. Snapshots or polaroid photos will be accepted.

Please see Project Description document, cover page, Figure 2, and page 9.

-----C--Questions 35; 36 and 39 MUST BE ANSWERED!-----

35. How will the proposed use or activity promote the public health, safety, comfort, and convenience?

This project will reduce the duration of floodwaters that inundate the Eureka Municipal Golf Course and pasture lands, thereby improving public safety and decreasing flood-related impacts to public and private property. The project will also improve the estuarine environment of Martin Slough.

Report (EIR) or Negative Declaration for the project and the procedures necessary to comply with the provisions of the public resources code on the Applicants project. In the event your project contains an analysis of issues pertaining to the Environmental Quality Act of 1970, as amended, for which District staff is not competent to independently review, or District requires the same in preparation of an Environmental Impact Report (EIR) or Negative Declaration for the project, the District may retain a reviewing consultant to evaluate the content of the Administrative-Draft EIR and Final EIR or Negative Declaration with respect to these issues. The cost of such reviewing consultant services shall be borne by the Applicant.

CERTIFICATION: I hereby certify that the statements furnished above and in the attached exhibits present the data and information required for this initial evaluation to the best of my ability, and that the facts, statements, and information presented are true and correct to the best of my knowledge and belief.

Dated: 05/20/2014


For MICHAEL CIPRA
NRAT

36. How is the requested grant, permit, franchise, lease, right, or privilege required by the public convenience and necessity?

The existing tide gates between Swains Slough and Martin Slough are at risk of failing. They also contribute to flooding and reduce fish passage for multiple species. Replacing the existing tide gates will increase floodwater drainage, provide fish passage for multiple species, and increase the quantity and quality of estuarine habitat.

37. Financial statement:

A. Estimated cost of the project is \$349,000.

B. How will the project be financed.

The project will be financed by funding from State Water Resources Control Board, Proposition 50.

38. Describe fully directions necessary to arrive at project site.

Take Elk River Road to Pine Hill Road. Heading uphill on Pine Hill across bridge 1,000 feet, the project site is located on the right hand side. See Figures 1 and 2 of the attached Project Description.

39. Will the Applicant agree that as a condition of the permit being issued to Applicant, to indemnify and hold harmless the Humboldt Bay, Harbor Recreation and Conservation District from any and all claims, demands, or liabilities for attorneys' fees obtained from or against demands for attorney's fees, costs of suit, and costs of administrative records made against District by any and all third parties as a result of third party environmental actions against District arising out of the subject matter of this application and permit, including, but not limited to, attorney's fees, costs of suit, and costs of administrative records obtained by or awarded to third parties pursuant to the California Code of Civil Procedure Section 1021.5 or any other applicable local, state, or federal laws, whether such attorneys' fees, costs of suit, and costs of administrative records are direct or indirect, or incurred in the compromise, attempted compromise, trial, appeal, or arbitration of claims for attorneys' fees and costs of administrative records in connection with the subject matter of this application and permit?

Yes.

NOTE

The District hereby advises the Applicant that, under California Public Resources Code Section 21089, the District when a lead agency under the Environmental Quality Act of 1970, as amended, pertaining to an Environmental Impact Report (EIR) or a Negative Declaration may charge and collect from the Applicant a reasonable fee in order to recover the estimated costs incurred by the District in preparing an Environmental Impact

Martin Slough Tide Gate Replacement Project
Adjacent Landowners

APN	NAME	ADDRESS2	CITY	ZIP	STATE	SITHSNBR	SITSTNAME	SITSTTYP	SITCITY	SITZIP	Phone Number
30118102	SELVAGE JOHN R & LESLIE A TR	207 FREDRICKSON LN	EUREKA	CA	CA	207	FREDRICKSON LN	EUREKA	EUREKA	95503	(707) 445-2349
30118103	FREDRICKSON EDWIN P & ELIZABETH A	PO BOX 6604	EUREKA	CA	CA	222	FREDRICKSON LN	EUREKA	EUREKA	95503	(707) 445-0277
30120106	MAHER RONALD S & CATHLEEN B TR	5658 COUNTRY LN	EUREKA	CA	CA	824	PINE HILL RD	EUREKA	EUREKA	95503	(707) 443-3353
30120107	WATTS JED E & JANERA L	824 PINE HILL RD	EUREKA	CA	CA	824	PINE HILL RD	EUREKA	EUREKA	95503	(707) 441-4868
30120114	SENESTRARO EUGENE J & BETTY L TR	510 VALLEY VIEW DR	EUREKA	CA	CA	851	PINE HILL RD	EUREKA	EUREKA	95503	(707) 444-2976
30215109	HEIDGER JOHN E & VALORIE	895 Pine Hill Rd	EUREKA	CA	CA	851	PINE HILL RD	EUREKA	EUREKA	95503	(707) 444-2976
30215110	QUAL SHANNON V	531 K ST	EUREKA	CA	CA	815	PINE HILL	EUREKA	EUREKA	95503	(707) 444-2976
30215111	CITY OF EUREKA	5590 Noe Ave	EUREKA	CA	CA	815	PINE HILL	EUREKA	EUREKA	95503	(707) 444-2976
30215119	CHAMBERLAIN SHARON B	979 Pine Hill Rd	EUREKA	CA	CA	815	PINE HILL	EUREKA	EUREKA	95503	(707) 444-2976
30215120	JACOBSON LOU & ELIZABETH HWJT	PO Box 23	EUREKA	CA	CA	815	PINE HILL	EUREKA	EUREKA	95503	(707) 444-2976
30218108	PRIOR ROBERT D	PO Box 23	EUREKA	CA	CA	815	PINE HILL	EUREKA	EUREKA	95503	(707) 444-2976
30216103	NORTH COAST REGIONAL LAND TRUST CF PO BOX 398	PO Box 23	BAYSIDE	95524-0398	CA						
30120117	SENESTRARO EUGENE J & BETTY L TR	510 VALLEY VIEW DR.	EUREKA	CA	CA						
30121107	NORTH COAST REGIONAL LAND TRUST CF PO BOX 398	510 VALLEY VIEW DR.	BAYSIDE	95524-0398	CA						
30121106	NORTH COAST REGIONAL LAND TRUST CF PO BOX 398	PO BOX 398	BAYSIDE	95524-0398	CA						
30117102	FARNUM DANIELS S & LARONA K HWCP	305 GATLIFF AVE	EUREKA	95503	CA	611	MYERS	EUREKA	EUREKA	95503	(707) 443-2579
30103108	EUREKA CITY OF PL	MUNICIPAL GOLF COURSE	EUREKA	95503	CA	305	GATLIFF	EUREKA	EUREKA	95503	(707) 443-8748
30103117	HAUGER MICHAEL & ROSMARIE HW JT	5103 FAIRWAY DR	EUREKA	95503	CA	5103	FAIRWAY	EUREKA	EUREKA	95503	(707) 443-8748
30103118	EUREKA CITY OF PL	MUNICIPAL GOLF COURSE	EUREKA	95503	CA	4750	FAIRWAY	EUREKA	EUREKA	95503	(707) 443-8748
30502108	VROMAN TRUMAN E	2950 E STREET # C	EUREKA	95501	CA						
30502110	VROMAN TRUMAN E	2950 E STREET # C	EUREKA	95501	CA						
30502103	PRIOR ROBERT D	PO BOX 23	EUREKA	95501	CA						



PACIFIC AFFILIATES
CONSULTING ENGINEERS

990 W. WATERFRONT DRIVE, EUREKA, CA 95501 • TEL (707) 445-3001 FAX (707) 445-3003

11b

May 22, 2014

Permit 14-02

Mr. Dan Berman
Director of Conservation
Humboldt Bay Harbor, Recreation and Conservation District
601 Startare Drive, Eureka, CA 95502

Re: Application for District Permit
Chevron Eureka Terminal Repair Project
3400 Christie Street
Eureka, CA 95501
APNs 004-071-008 & -013

Mr. Berman:

Please find attached a permit application for maintenance repairs to the Chevron Eureka Marine Terminal at the above referenced location. Also included are a number of attachments with additional information on the project including a detailed project description, plans and specifications. The Chevron Dock is vital to the local economy as approximately 80% of the fuel used in the area is delivered via barge over the dock. Our goal is to commence the first phase of construction in late summer of 2014, as there are portions of the dock with severe damage.

Attached is a check (#10534) for \$100.00 is attached to cover the application fee. Digital copies of the attachments are available upon request. Should you have any questions or require additional information please contact this office or me via email at cmatson@pacaff.com.

Respectfully,

Corey Matson
RCE 75416

Attachments

cc: File 14-1669

between McDonald's and the Bayshore Mall), then continue west to the security gate at the Chevron Terminal, 3400 Christie Street (APN 007-071-08). The terminal's trestle and wharf (APN 007-071-13) extend 645 feet from shore into Humboldt Bay, which is where the proposed construction will take place. See Sheet C-1 of the attached plans for location and vicinity maps.

Facility Description

The Chevron Eureka Terminal consists of a timber dock situated on the tidelands of Humboldt Bay and the bulk fuel storage facility on the adjacent upland parcel. The dock is 'T' shaped with an approximately 600 ft long trestle, approximately 150 ft long wharfhead, and five mooring/breasting dolphins connected by timber catwalks, as shown on Sheet C-2. Believed to have been originally constructed in the early 1900's, the facility has been expanded, upgraded, and repaired numerous times since. The Eureka Terminal services fuel barge traffic only, with barges typically arriving once every 10-12 days to deliver fuel to the landside bulk storage terminal. Barges provide hoses and pumps; therefore the terminal does not have any equipment, rack, towers, or loading arms on the wharf. Approximately 80% of the fuel used by the greater Eureka area is delivered via barge to the Chevron Terminal.

The 594 foot long trestle extends from the shoreline and consists of an approximately ten foot wide roadway and nine foot pipeway supporting five pipelines of diameters varying between six and ten inches. The wharfhead at the end of the trestle is approximately 152 feet long by 22 feet to 36 feet wide and supports a containment area and the operators shack. Catwalks connect the wharf to three dolphins to the south and two to the north.

Construction of the trestle and wharf are typical of a timber structure. Wood piles driven in rows are connected with a 12"x12" timber cap. Stringers span between pile caps and are covered with 4"x12" decking. Piles are primarily creosote treated, but a number of pressure treated piles have been installed over the years during repairs. A more detailed description of the terminal construction can be found in the structural inspection reports by M&N^{3,4}. These reports are available upon request.

Project Description

In order to maintain operations at the terminal into the future, repairs to the structure must be made. The docks sole use is the transfer of fuel from the barge to the storage facility, so it is imperative that the dock structure be maintained considering the potential environmental consequences of a failure of the structure. According to the M&N reports, minor and moderate damage noted in the field survey is considered allowable and should be closely monitored in future inspections. Those elements of the structure that were characterized as having major or severe damage will be replaced. In total, eight piles with major damage and 16 piles with severe damage were discovered (23 total, one pile has major damage above water and severe damage below water, so it was counted twice). These damaged creosote treated piles are proposed to be replaced with new coated timber piles during the initial effort scheduled for 2014. Hardware, bracing, decking and other above water elements of the dock will be replaced as necessary as

between McDonald's and the Bayshore Mall), then continue west to the security gate at the Chevron Terminal, 3400 Christie Street (APN 007-071-08). The terminal's trestle and wharf (APN 007-071-13) extend 645 feet from shore into Humboldt Bay, which is where the proposed construction will take place. See Sheet C-1 of the attached plans for location and vicinity maps.

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well. Sheet C-2 of the plans shows a plan view of the dock and calls out the areas of the dock with major and severe damage.

In addition to replacing piles, there are other elements of the dock identified as needing replacement. These items are noted on Sheet C-2 as well and include corrosion of metal handrails and walkway grating, timber fender lagging, bracing, beams and blocking and delaminating of a containment membrane along the west side of the dock. It should be noted that there will be no expansion of the existing structure, only in-kind replacement of existing elements of the dock.

The California State Lands Commission has recently required inspections of the dock structure to be performed annually. Specifically, those areas of the structure having been identified as having minor or moderate damage will be re-inspected annually. Should conditions worsen, or if other damage is discovered that warrants repair, Chevron may elect to repair the structure during the annual work window established as part of this project. Based on the results of the inspection, Chevron will provide all permitting agencies a written update annually, including any plans to make repairs to the dock.

In order to have the flexibility to make repairs that are not specifically identified during permitting, Chevron is seeking five-year permits to perform maintenance to the structure. When portions of the dock are deconstructed during construction, Chevron may elect to replace additional elements of the dock depending on their condition. A maximum of 150 piles will be replaced over the lifetime of the permits and up to 40 piles during any single year. Bracing, decking and hardware will be replaced as deemed necessary during inspection or as a result of construction.

Inspection Findings

A total of 472 piles support the trestle, wharf, dolphins and catwalks. For the above water inspection, 35 (7%) were not inspected, 321 (68%) had no reportable damage, 84 (18%) had minor damage, 16 (3%) had moderate damage, 7 (1%) had major damage, and 9 (2%) had severe damage. The superstructure framing, equipment, and hardware were also examined, with isolated damage being reported. Typical damage consisted of degraded bracing and rusted grating and connections. Superstructure framing typically did not have reportable damage, though there are a few areas noted as having rotten or sagging members.

For the underwater inspection, 42 piles (9%) were not inspected (inspected to mudline as part of above water inspection), 393 (83%) had no reportable damage, 16 (3%) had minor damage, 7 (1%) had moderate damage, 1 (0%) had major damage, and 13 (3%) had severe damage. Bracing below +3 ft mean lower low water (MLLW) was examined as part of this effort, and with one exception was found to have no reportable damage. Tables 1 and 2 below were taken from the M&N reports and summarize significant deficiencies noted during inspection. Pile labels and photos reference the notation contained in the M&N reports.

PACIFIC AFFILIATES

Table 1 - Summary of significant deficiencies (major and severe damage) from above water inspection

Pile Bent #	Pile Label or Nearest Pile	Above Water		
		Rating	Comments	Photo
112	E-KP11	MJ	ND to timber pile. Steel shell major corrosion, maybe half section loss pile appears ok	Photo 5
113	W-D	SV	Missing	
114	M	SV	Missing, only pin visible	Photo 6
116	W-A	SV	Hollowed out 8 ft from top, not accessible from under wharf	Photo 7
118	W-E	SV	Pile missing, bolted connection visible	Photo 8
121	E-AA	SV	Severely hollowed out	Photo 9
113-117	W-A	SV	Rotten / broken / missing fender lagging	Photo 10
117-120	W-A	MJ	Containment membrane cracked and delaminating	Photo 11
4	N	SV	Split / hole at 4 ft from top	Photo 14
4	S	SV	Split / hole at 4 ft from top	Photo 15
10	N	MJ	No brace connection, hollowed, sistered to M1 pile	Photo 16
32	S2	MJ	Inner pile, free headed but no visual damage; therefore likely not pinned. Can be moved by hand.	Photo 17
33	S	SV	4 in. diameter 12 in. deep hole in west face 6 ft below top of pile	Photo 18
16	S	MJ	Major rot on adjacent pilecap	Photo 21
23	S	SV	Adjacent brace top connection has little edge distance. South brace on the east side is rotted to nothing at the bottom connection	Photo 22
25	S	SV	Curb at pipeway is severely rotted	Photo 25
D3	A3	MJ	Large split and hollow inside	Photo 26
D3	A5	SV	DNE, cut near top	Photo 27
D3	D1	MJ	Hollow sound and crushing on 'backside	Photo 28
D8	C1	MJ	Splitting and 2 in. diameter hole, top connection moderately rusted	Photo 29
D8	F2	MJ	Visually moving, cut slot at the connection where the wood is soft and sounds hollow	
D8	F3	MJ	Cut slot at the connection where the wood is soft and sounds hollow	
D2	E1	SV	Hollow blocking 8 ft below top of piles	Photo 30
109-110	W	MJ	Coating failure on metal railing	Photo 31
128-130	W	MJ	Coating failure on metal railing	Photo 31 Similar
137	W	SV	Severe corrosion of metal grating deck at dolphin gangplank landing	Photo 32
143	W	SV	Severe corrosion of metal grating deck at dolphin gangplank landing	Photo 33

reported by M&N that are scheduled to be repaired. The M&N reports are available upon request and contain a more complete discussion of the inspections and findings.

Construction

Construction materials will be staged at Schneider Dock, located on the eastern side of Humboldt Bay 1.4 miles north of the Chevron Dock, or Fairhaven Terminal, located on the western side of Humboldt Bay 0.7 miles north of Chevron. The staging area used will be contingent on ship traffic at the time of construction. New piles will be delivered to the staging area and stored as described in the section below, Storage of Materials.

All work will be performed from the Moondoor II barge, which measures 78 feet wide by 114 feet long and will be maneuvered by the Joseph George tugboat. The barge will be used to transport waste material and new timbers between the Chevron Dock and the staging area. During construction, the barge will be positioned adjacent to the dock and tied to the mooring dolphins. A Kobelco CK1000-III Crawler Crane with a 120 foot boom positioned on the barge will be used to remove and install elements of the dock. The crane will be able to reach across the dock to access the back side of the wharf. See the attached Work Plan provided by WCC for a description of the planned construction sequencing. Also attached are the specifications for equipment to be used during construction.

There are a few piles, bracing and beams in toward the shoreline in the tidal zone that require replacement. This work will take place during high tides to allow the barge to float over any eel grass that may be in the area. A tide of at least five feet above MLLW is required to ensure there is enough water to clear the five foot loaded draft depth of the barge. Work in shallow depths will only take place when tides permit the barge to float, thus avoiding any impacts to marine plants or animals.

Where piles are to be replaced, the dock will be deconstructed as necessary to access the pile(s). The bull rail, decking and equipment attached thereto will be removed and set aside on the dock to expose the stringers and pile cap, which will also be removed and set aside. The crane fitted with a vibratory hammer will attach to the pile to be removed and subsequently vibrate and pull the pile out of the ground. In the event a pile is not able to be removed in its entirety, it will be cut off one foot below the existing mudline. It is not anticipated that piles will be unable to be removed, so once removed, the pile will be placed on the barge in the containment area as described in the attached Chevron Dock Repair Information document provided by WCC. The new pile will then be hoisted and placed as close to the original pile location as possible. An impact hammer will be used to drive the pile to depth. Once the pile is in place, the pile cap, stringers and decking will be replaced. Any elements of the dock that are damaged during construction will be replaced in kind. All damaged elements of the dock removed during construction will be stored in the containment area on the barge until they are transported to the staging area where they will be offloaded and stored for future disposal. Waste Management will be commissioned to transport all waste from the staging area to their landfill in Anderson, CA.

reported by M&N that are scheduled to be repaired. The M&N reports are available upon request and contain a more complete discussion of the inspections and findings.

Construction

Construction materials will be staged at Schneider Dock, located on the eastern side of Humboldt Bay 1.4 miles north of the Chevron Dock, or Fairhaven Terminal, located on the western side of Humboldt Bay 0.7 miles north of Chevron. The staging area used will be contingent on ship traffic at the time of construction. New piles will be delivered to the staging area and stored as described in the section below, Storage of Materials.

All work will be performed from the Moondoor II barge, which measures 78 feet wide by 114 feet long and will be maneuvered by the Joseph George tugboat. The barge will be used to transport waste material and new timbers between the Chevron Dock and the staging area. During construction, the barge will be positioned adjacent to the dock and tied to the mooring dolphins. A Kobelco CK1000-III Crawler Crane with a 120 foot boom positioned on the barge will be used to remove and install elements of the dock. The crane will be able to reach across the dock to access the back side of the wharf. See the attached Work Plan provided by WCC for a description of the planned construction sequencing. Also attached are the specifications for equipment to be used during construction.

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Storage of Materials

Schneider Dock will be used as the primary staging area for construction materials during the project. In the event that Schneider Dock is occupied by a ship during construction, materials will be staged at the Fairhaven Terminal. New timber members will be stored on an asphalt paved area cleaned of dirt and debris and protected by a layer of 10 mil (minimum) plastic. Absorbent booms will be laid around the perimeter of the storage area, underneath the plastic to create a pool effect. Lumber or small timbers will be placed beneath the piles to minimize the risk of tearing the plastic liner during handling. In the event of rain, the storage area will be covered with 6 mil (minimum) plastic sheeting. The sheeting will be run over the absorbent booms and held in place with sandbags. See detail on Sheet C-3 of the plans.

Materials stored on the barge will be handled in a similar fashion as described above. WCC will create a continuous plastic lined berm in the area shown on the attached barge layout sheet. The berm will be made of timbers laid out in a rectangular pattern on the deck of the barge. Plastic sheeting will line the area and overlap the timbers to create a pool effect. The pool will be monitored daily for liquids and cleaned as deemed necessary to avoid any leakage onto the barge deck or into the waters of Humboldt Bay. If necessary, the materials will be covered with plastic held in place with sandbags during weather.

All materials removed from the dock and debris generated during the project will be held in the containment area on the barge until transferred to the land side storage area where they will be placed in roll-off containers provided by Waste Management. When the containers are full, they will be transported to Waste Management's landfill in Anderson, CA. The containers are water tight, so no leakage will occur and covers will be provided during rain events to prevent water from entering the container. Absorbent pads or booms will be placed in each container to soak up any free water that accumulates.

New Timbers

All new timbers installed (piles, beams, bracing, etc.) will be pressure treated Douglas fir and will be in-kind replacements of the existing elements. The pressure treatment will be Ammoniacal Copper Zinc Arsenate (ACZA), commonly known as Chemonite. The minimum retention of the treatment shall be 1.5 pounds per cubic foot (pcf) with a minimum penetration of 0.5 inches. Treatment of the wood shall be in accordance with the Best Management Practice guide published, in part, by the Western Wood Preservers Institute (WWPI)⁵.

Piles will be 16 inches in diameter at the butt and 60 to 70 feet in length, with approximately 20 feet driven into the ground. Those portions of the new piles that will be in direct contact with bay water will be sealed with Specguard's Marine Grade Polyurea coating (E-375-08). E-375-08 is a slow cure Polytetramethylene ether glycol (PTMEG) based Polyurea system suitable for continuous emersion in marine environments. This system has been used successfully on a number of projects along the California coastline involving treated wood piles. The coating cures to a smooth, continuous finish encapsulating the wood preservative to prevent chemicals from leaching into the environment.

The piling supplier will apply a 250 mil thick, black Polyurea coating over the treated wood piles and allow it to cure before shipping to the site. The minimum coating area on the piles will extend from the top of the pile to five feet below the mudline. Attached are the MSDS and product information for the Polyurea coating.

Environmental Considerations

Eelgrass

Humboldt Bay contains a number of Environmentally Sensitive Habitat Areas (ESHA), including the eelgrass beds located near the shoreline along the terminal. Impacts to eelgrass will be mitigated by using vibratory equipment to remove piles and an impact hammer during pile installation to minimize turbidity. Below water work will also be coordinated with low tides to avoid the eelgrass. When work is required in the shallow intertidal waters, the work will take place during high tides to allow the barge to float above the eelgrass. Based on visual observations, eelgrass appears to extend out approximately 375 feet from the shoreline, near the abandoned piling from the old dock. Sheet C-2 shows the approximate boundary of the eelgrass in relation to the dock.

Fish

Chinook (*Oncorhynchus tshawytscha*) and coho (*Oncorhynchus kisutch*) salmon and steelhead trout (*Oncorhynchus mykiss*), all of which are federally listed as threatened, travel through Humboldt Bay as juveniles when out-migrating to the ocean and as adults when migrating back to their natal streams for spawning. Longfin smelt (*Spirinchus Thaleichthys*), which is also a listed species, have a sustained population within Humboldt Bay and migrate up streams tributary to the bay to spawn. Seasonal implementation of underwater construction activities is proposed in an effort to minimize disturbances to migrating fish. A work window from August 1st to October 31st of each year is proposed for underwater work.

Acoustics

A vibratory hammer will be used to remove the existing piles, however since the piles are being pulled and not driven, resulting sound levels should not be of concern. A diesel impact hammer will be used to drive the new timber piles to depth. It is estimated that at a hammer energy of 30,000 ft-lb, the piles will require a maximum of six blows per foot and approximately 50 blows per pile. With four piles being placed per day, the total number of blows per day will be approximately 200. Water depths will range from a few feet in the tidal zone to approximately 30 feet adjacent to the face of the dock. Attached are the specifications for the hammers to be used.

According to a Memorandum from National Marine Fisheries Service (NMFS) on Sound Propagation Modeling for Marine Mammals¹, current underwater sound threshold levels for marine mammals are:

- Disturbance: 160 dB_{RMS} re 1 μ Pa for impulse sound (impacts pile driving)
- 120 dB_{RMS} re 1 μ Pa for continuous sound (vibratory pile driving)
- Injury: 180 dB_{RMS} re 1 μ Pa for cetaceans
- 190 dB_{RMS} re 1 μ Pa for pinnipeds

Frequency ranges for cetaceans and pinnipeds are as follows:

Low-frequency cetaceans (humpback, gray and minke whales): 7Hz to 20kHz

Mid-frequency cetaceans (killer whales): 150Hz to 20kHz

High-frequency cetaceans (harbor and Dall's porpoises): 200Hz to 20kHz

Pinnipeds (Steller and California sea lions and harbor and elephant seals): 75Hz to 20kHz

The Fisheries Hydroacoustic Working Group (FHWG) established sound threshold of 183 dB for potential impact to fish <2 grams and 187 dB for fish >2 grams².

Impact driving wood piles does not typically generate sound levels that cause injury to mammals and fish. The piles will also have the 250 mil polyurea coating which may dampen the sound generated.

Spill Prevention

Chevron and West Coast Contractors each have existing Spill Prevention, Control and Countermeasure (SPCC) plans that will be altered, if necessary, specifically for this project. Spill kits with contents appropriate for the types of hazardous materials present will be maintained on the barge and the dock. Kits shall be equipped with enough material to provide preliminary containment for a volume of material that can reasonably be expected to spill. Booms will be available to contain any materials spilled in the water.

References

1. *Guidance Document: Sound Propagation Modeling to Characterize Pile Driving Sounds Relevant to Marine Mammal*. National Marine Fisheries Service Northwest Region and Northwest Fisheries Science Center, January 31, 2012
2. *Concurrence and General Instruction on Use of the Underwater Noise Monitoring Template*. Fisheries Hydroacoustic Working Group, August 28, 2013
3. *Chevron Eureka Terminal, September 2013 MOTEMS Inspection, Section 3102F, Above Water Structural Inspection Report*. Moffat & Nichol, December 6, 2013
4. *Chevron Eureka Terminal, September 2013 MOTEMS Inspection, Section 3102F, Underwater Structural Inspection Report*. Moffat & Nichol, December 6, 2013
5. *Best Management Practices, For the use of treated wood in aquatic and wetland environments*. Western Wood Preservers Institute, Wood Preservation Canada, Southern Pressure Treaters' Association, Souther Forest Products Association, November 1, 2011

Attachments

Chevron Eureka Dock and Piling Repairs, Work Plan by WCC
Chevron Dock Repair Information by WCC
Estimated construction schedule for 2014 by WCC
Chevron U.S.A. Inc., Eureka Marine Terminal, MOTEMS Inspection Repair Plans, Sheets C-1 to C-4
Equipment specifications:
 I.C.E. Diesel Impact Hammer
 Ape Model 150 Vibratory Driver Extractor
 APE Model 24 Concrete Clamp
 Moondoor II Barge layout and Survey by Zerlang & Zerlang Marine Services
 Kolbelco CK1000-III Hydraulic Crawler Crane Specifications
 Joseph George Tugboat Survey by Marine Safety Consultants, Inc.
Specguard's Polyurea (E-375-08) specifications and MSDS
ACZA pressure treatment MSDS

PLAUCHÉ & CARR

LLP



llc

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Amanda M. Carr

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June 2, 2014

Via Email and Federal Express

Jack Crider

Dan Berman

Humboldt Bay Harbor, Recreation, and Conservation District

601 Startare Drive

Eureka, California 95502-1030

RE: Renewal and Amendment of Coast Seafood Shellfish Farm Permit

Dear Jack and Dan:

Enclosed for your review is Coast Seafoods Company's ("Coast") application for renewal of its Harbor District permit for its existing 296 acres of shellfish culture (with the exception of a 6.6 acre area where farming will be discontinued) and request to expand its farm by an additional 621 acres of intertidal culture area within Coast's existing 3,394 acres of leased area within Humboldt Bay.

Based on the prior environmental review that has been conducted by the District for Coast's operations and proposed mitigation measures and best management practices proposed by Coast as part of its project description, we believe that a mitigated negative declaration would be appropriate for the project. We would like to discuss the details of the proposed project and potential environmental review under the California Environmental Quality Act once you have had an opportunity to review the proposal. Once we have discussed the proposal, Adam Wagschal will work on submitting a draft Initial Study for your review.

Thank you for your time and consideration of this matter. Feel free to contact me if you have any questions.

Very truly yours,

A handwritten signature in black ink, appearing to be 'RMS', is written over a horizontal line.

Robert M. Smith

RMS:cml
Attachments

Humboldt Bay
 Harbor, Recreation and Conservation District
 P.O. BOX 1030
 Eureka, California 95502
 (707) 443-0801
 (707) 443-0800 fax

Date Filed June 2, 2014

General Information	For Commission Use
<p>1) Name & Address of Developer, Project Sponsor and Legal Owner:</p> <p>Coast Seafoods Company 25 Waterfront Drive Eureka, CA 95501-0375</p>	<p>A. Application No. _____ Application Type:</p> <p style="text-align: right;">Franchise <input type="checkbox"/> Permit <input type="checkbox"/> Lease <input type="checkbox"/></p>
<p>2) Address of Project and Assessor's block, lot and Parcel Number</p> <p><i>See Attachment B</i></p>	<p>B. Date Received by the Harbor District</p>
	<p>C. Date Accepted for filing by BOC</p>
	<p>D. Date of Public Notice</p>
	<p>E. Date of Acceptance EIR or Negative Declaration</p>
<p>3) Name, Address and Telephone No. of Person to be contacted concerning this Project</p> <p>Robert Smith Plauché & Carr LLP 811 First Avenue, Suite 630 Seattle, WA 98104 (206) 436-0615 robert@plauchecarr.com</p>	<p>F. Date of Public Notice</p>
	<p>G. Date of Public Hearings</p>
<p>4) Attach list of names and addresses of all adjoining property owners</p> <p><i>See Attachment C</i></p>	<p>H. Date of Approval</p> <p style="text-align: right;">Disapproval _____ Conditional _____ Approval _____</p>
<p>5) List and Describe any other related permits & Other Public Approvals required for this Project, including those required by City, Regional, State and Federal Agencies</p> <p><i>See Attachment D</i></p>	<p>I. Expiration Date</p>

	Comments
<p>6) Existing Zoning District: NR-W (Natural Resources-Coastal Wetlands). The project is a permitted use within the designated zoning district. See Humboldt County Code Section 313-5.4.</p>	
<p>7) Proposed Use of Site (Title of Project for which this form is filed)</p> <p>Renewal and Expansion of Coast Seafoods Shellfish Farm Parcels</p>	

PROJECT DETAILS

8. Site Size

Coast is seeking to renew its Harbor District permit for its existing 296 acres of shellfish culture, with the exception of a 6.6 acre area where farming will be discontinued (see Figures 2 and 3 of the project description, attached as Attachment A) and seeking permits for an additional 621 acres of intertidal culture area within Coast's existing 3,394 acres of leased area within Humboldt Bay. See Figure 12 of the project description. The project will also include a minor change to Coast's FLUPSY, to include eight additional upwelling bins.

9. Square footage

The project does not include any additional land-based development or square footage, as defined by the Humboldt County Code.

10. Number of floors of construction:

0

11. Amount of off-street parking provided

None, beyond that provided for Coast's existing operations.

12. Attach plans

See Figures 1 through 3, 6, and 8 through 12 of the project description.

13. Proposed scheduling

At this time, Coast plans to initiate expansion of its farm operations on the additional parcels immediately upon project approval, which it hopes to receive in the second quarter of 2015; however, the specific order in which the parcels will be planted will depend on environmental, climate, and growing conditions at the time of project approval. Coast plans to expand to all permitted parcels within three years, unless additional time is needed based on environmental factors or market conditions.

14. Associated projects

None.

15. Anticipated incremental development:

16. If residential, include the number of units, schedule of unit sizes, range of sale prices or rents, and type of household size expected.

Not applicable.

17. If commercial, indicate the type, whether neighborhood, city or regionally oriented, square footage of sales area, and loading facilities.

The project does not include any commercial uses.

18. If industrial, indicate type, estimated employment per shift, and loading facilities.

The project is anticipated to create 50 new aquaculture jobs associated with shellfish cultivation, sorting, and shipping. Coast will use their existing loading facilities located at 25 Waterfront Drive, Eureka, CA to load shellfish products for transportation and shipment. The number of employees for any particular parcel cannot be estimated with any certainty, as it will vary significantly based on the shellfish harvest cycles, tidal and weather conditions, season, and shellfish growing rates.

19. If institutional, indicate the major function, estimated employment per shift, estimated occupancy, loading facilities, and community benefits to be derived from the project.

Not applicable.

20. If the project involves a variance, conditional use or recognizing application, state this and indicate clearly why the application is required.

The project does not include a variance, conditional use or recognizing application.

Are the following items applicable to the project or its effects? Answer yes or no. Discuss all items answered yes:

21. Change in existing features of any bays, tidelands, beaches lakes or hills, or substantial alteration of ground contours.

No. The project is located entirely within Coast's existing leased or owned area and will not affect or remove any existing features within that area. Studies have indicated that oysters planted in eelgrass can promote eelgrass growth based on improvements to water clarity and light penetration from filtration. However, to mitigate any potential impacts to eelgrass, Coast proposes to adopt the longline spacing regime recently recognized by the National Marine Fisheries Service as avoiding impacts to eelgrass in Washington State as part of the Nationwide Permit 48 renewal process, and implement an adaptive management plan to monitor eelgrass and revise operations should the monitoring disclose adverse significant impacts to eelgrass.

22. Change in scenic views or vistas from existing residential area or public lands or roads.

No. The project would incorporate additional areas for shellfish cultivation, which would include a maximum of 521 acres of cultch-on-longline growing methods, and a maximum of 100 acres of basket-on-longline and/or rack-on-bag growing methods. Some of these additional locations will be visible from some public roads. However, the proposed growing methods have a low visual profile and will only be visible during low tides. Further, views of existing shellfish beds are common in Humboldt Bay and are considered a part of the existing views and vistas from public lands and roads.

23. Change in pattern, scale or character of the general area of project.

No. The project will include installation of additional shellfish beds in areas already leased or owned by Coast. They are located in Arcata Bay, which contains a significant amount of existing shellfish cultivation. Further, the Harbor District considers expansion of shellfish cultivation within Humboldt Bay to be consistent with the general character of the area, as evidenced by its proposed Humboldt Bay Mariculture Pre-permitting Project to expand aquaculture leases by up to 527 acres throughout the Bay.

24. Significant amounts of solid waste or litter.

No. The proposed mitigation measures would prevent Coast from intentionally discarding shells onto the Bay floor. Within 30 days of harvest on any area that is being discontinued, or taken out of production for one year or more, Coast will remove all shellfish culture apparatus from the area, including but not limited to stakes, racks, baskets and pallets. Further, all removal of biofouling organisms off the equipment will take place onshore and any such materials will be disposed of at a proper upland facility.

25. Change in dust, ash, smoke, fumes or odors in vicinity.

No. The project will emit minor amounts of exhaust from small internal combustion engines associated with equipment used at the site, including power washers and outboard engines; however, these emissions are expected to be negligible.

26. Change in ocean, bay, lake, stream or ground water quality or quantity, or alteration of existing drainage patterns.

No. Shellfish cultivation operations generally improve overall water quality because shellfish are filter feeders and will remove organic detritus and other materials from the waters in the surrounding area. While there may be some minor sediment disruption during the installation of the longlines and/or racks and bags and during harvest, these impacts are anticipated to be temporary and outweighed by the long-term benefits to water quality provided by shellfish filtration. There are no anticipated negative impacts on surface or groundwater quality associated with the project, as no upland facilities are proposed.

27. Substantial change to existing noise or vibration levels in the vicinity.

A. During Construction

No. The construction activities will be limited to installing the longlines or racks and bags, which is not anticipated to result in a significant amount of noise.

B. During Project Utilization

No. During project operations work will include pressure washing and work boat operations. The use of several small watercraft will generate sound that is similar to, and typical of, other recreational and commercial watercraft in common use on the Bay.

28. Site on filled land or on slope of 10% or more.

No. The project does not include any additional uplands development.

29. Use of disposal or potentially hazardous materials, such as toxic substances, flammable or explosives.

Yes. Gasoline will be used in minor quantities for fueling small internal combustion engines such as outboards or pressure washers, or other similar equipment. All appropriate spill and handling protocols will be followed.

30. Substantial change in demand for municipal services (police, fire, water, sewage, etc.).

No.

31. Substantially increase fossil fuel consumption (electricity, oil, natural gas, etc).

No. Other than the occasional fueling of watercraft and pressure washers, no other fossil fuels will be used.

32. Relationship to larger project or series of projects

There is no larger project or series of projects directly related to Coast's proposed project. However, there are several projects to expand shellfish farms in Humboldt Bay that were either recently approved or are currently under consideration. The Harbor District's Humboldt Bay Mariculture Pre-permitting Project, currently being considered by the Harbor District, would result in permitting of approximately 54 new culture rafts (floating upwelling systems (FLUPSYs) and nursery rafts) to mature Kumamoto oyster, Manila clam, and Pacific oyster seed, and intertidal shellfish culture on up to 527 acres. Additionally, Taylor Mariculture and Hog Island Oyster Company recently had projects approved that will collectively add a total of 21 culture rafts (15 FLUPSYs and 6 nursery rafts) in Humboldt Bay.

ENVIRONMENTAL SETTING

33. Describe the project site as it exists before the project including information on the topography, soil stability, plants and animals, and any cultural, historical or scenic aspects. Describe the existing structures on the site and the use of the structures. Attach photographs of the site. Snapshots or Polaroid photos will be accepted.

In Humboldt Bay, Kumamoto oysters (*Crassostrea sikamea*), Pacific oysters (*C. gigas*) and Manila clams (*Tapes philippinarum*) are cultured. There are five companies currently farming shellfish in the bay, using various methods to culture clams in subtidal areas and oysters in both subtidal and intertidal areas. There are approximately 70 raft type structures culturing shellfish in subtidal areas, 35 of which are managed by Coast. Additionally, there are approximately 301 acres of intertidal areas cultured, of which approximately 293 acres are managed by Coast. Historically, Coast farmed on as many as 1,000 intertidal acres using on-bottom culture methods. However, in the late 1990's Coast adopted off-bottom (suspended) methods. Other than Coast's existing permitted farm operations, no other structures exist in the identified project areas.¹ Coast's existing operations are described in greater detail in the project description.

Humboldt Bay includes the following sensitive aquatic animal species that may be in the vicinity of the project site: Green sturgeon (*Acipenser medirostris*); Coho salmon (*Oncorhynchus kisutch*); Coastal Cutthroat Trout (*Oncorhynchus clarki clarki*); Steelhead (*Oncorhynchus mykiss*); Pacific eulachon (*Thaleichthys pacificus*); and Longfin smelt (*Spirinchus thaleichthys*). The project also includes areas covered by eelgrass (*Zostera marina*) which is an important habitat for several species of fish and other regional fauna.

¹ Given the scope of the project and number of locations involved, we have not submitted photographs with the application; however, should the Harbor District desire representative photographs of Coast's existing operations or a particular site, we can provide them as needed in the Initial Study or project review process.

34. Describe the surrounding properties, including information on plants and animals, and any cultural, historical, or scenic aspects. Indicate the type of land use (residential, commercial, etc.) intensity of land use (one-family, apartment houses, shops, department stores, etc.) and the scale of development (height, frontage, set-back, rear yard, etc.) Attach photographs of the vicinity. Snapshots or Polaroid photos will be accepted.

The project is surrounded by Humboldt Bay. Humboldt Bay encompasses roughly 62.4 square kilometers (about 15,400 acres) at mean high tide in three geographic segments: South Bay, Entrance Bay, and Arcata Bay. Humboldt Bay provides habitat for approximately 95 species of fish, 41 of which contribute to sport or commercial fisheries or have contributed to those fisheries in the past. Humboldt Bay is considered an internationally significant area for migratory birds due to the sheer number of birds that depend on it in the fall, winter, and spring. Important bird groups that depend on the bay include waterfowl, shorebirds, waterbirds, raptors, and passerines. More than 50 different species of mammals and a wide variety of reptiles and amphibians are known to utilize Humboldt Bay habitats. A wide variety of mammals use Humboldt Bay NWR aquatic and terrestrial habitats. Marine mammals such as harbor seal (*Phoca vitulina*), harbor porpoise (*Phocoena phocoena*) and California sea lion (*Zalophus californianus*) use bay habitats as well as near shore habitats. (USFWS and HBNWRC 2009).

Reference:

USFWS (U.S. Fish and Wildlife Service) and HBNWRC (Humboldt Bay National Wildlife Refuge Complex). 2009. Humboldt Bay National Wildlife Refuge Complex, Draft Comprehensive Conservation Plan and Environmental Assessment. USFWS, California Nevada Region, Refuge Planning, Sacramento CA.
<http://www.fws.gov/humboldt/bay/DraftCCPEA.pdf> (accessed October 18, 2010).

-----Questions 35, 36, and 39 MUST BE ANSWERED-----

35. How will the proposed use or activity promote the public health, safety, comfort and convenience?

The project will assist in promoting the mariculture industry in Humboldt Bay, consistent with the Harbor District's goals set forth in the Humboldt Bay Management Plan and the State of California's goals of encouraging aquaculture as a means of augmenting food supplies and local economies. Specifically, the project is consistent with Management Plan Policy HFA-5, which promotes identification of additional aquaculture opportunities in Humboldt Bay, and Section 2.3.2, which provides that expanded aquaculture opportunities are "expected to remain primarily within Arcata Bay, which includes areas that have been leased previously by the District, the cities, or the State of California for mariculture purposes." Further, the project is consistent with the Section 30411 of the Coastal Act, which states that "salt water or brackish water aquaculture is a coastal-dependent use which should be encouraged to augment food supplies."

The project will promote public health, safety, comfort and convenience by contributing to the local and regional growth of the mariculture industry, an increasingly important component of the local economy. In addition to the creation of approximately 50 local jobs and lease revenue to the Harbor District and City of Eureka, expansion of Coast's mariculture facilities, in coordination with the Harbor District's Mariculture Pre-Permitting Project, can further establish Humboldt Bay as one of the premier sources of shellfish in the country, potentially creating additional opportunities for local restaurants and tourism. Further, the project will permit Coast to provide a sustainable and continuous source of

shellfish for the local area and state, thereby promoting local sources of sustainable seafood and decreasing the existing dependency on seafood imports.

The project will also be compatible with other coastal dependent uses. The project would occur on property already leased or owned by Coast for shellfish cultivation. The locations proposed for expansion are located in areas with a substantial amount of existing shellfish cultivation. The methods used for cultivation would be the same as those currently used, which have been shown to have a high degree of success without significant adverse impacts to the Bay and surrounding environment.

Coast also has a substantial history of local community involvement. Coast has been an involved member of the community for several decades, providing hundreds of jobs, contributing to community organizations, and acting as a steward of Humboldt Bay and partner with the Harbor District to ensure that Humboldt Bay remains a clean body of water for years to come. A recent example of Coast's community involvement was its letter of credit for over \$1 million to the Harbor District for the removal of pulp liquors from the former Freshwater Tissue Mill site to avoid a potential ecological disaster should the hazardous wastes spill into the Bay. As part of this project, Coast will adopt a monitoring plan to objectively measure eelgrass conditions near shellfish beds, which may provide a scientific basis for determining appropriate eelgrass buffer and spacing conditions for future shellfish projects in Humboldt Bay.

36. How is the requested grant, permit, franchise, lease, right, or privilege required by the public convenience and necessity?

The project is reasonably required to promote area growth and to meet area demands, and does not adversely affect the environment or ecology of the area to any substantial degree. As noted above, the project will facilitate the expansion of the mariculture industry in Humboldt Bay, thereby providing additional jobs and growth in an industry that the Harbor District has identified for future expansion. Further, the project will help produce sustainable seafood, thereby meeting unmet demand in the state for fresh and local shellfish and reducing the state's multi-million dollar seafood deficit. Further, the project's air and water emissions are negligible, and shellfish cultivation generally results in a local improvement of water quality.

The project does not produce an unreasonable burden on the natural resources or aesthetics of the area; will not place a burden on public health and safety; will not burden air and water quality; or impact parks, recreational and scenic areas, historic sites, buildings or archeological sites. The project is on land currently owned or leased by Coast for aquacultural purposes. The project will not result on the demolition or removal of any existing resources or features. As noted above, the structures to be installed have a low profile, will only be plainly visible during low tide, and will be located in an area where aquaculture equipment is already a prevalent feature in the existing visual environment (when visible at all). Finally, there are no nearby recreational facilities that will be impacted, and likewise there are no scenic areas, historic sites, buildings or archeological sites in the vicinity of the project.

37. Financial statement:

A. Estimated cost of the project.

The estimated cost of the project is approximately \$750,000 to \$1,250,000, spread over a three year period to expand to the new parcels.

B. How will the project be financed?

The project will be financed through Coast's existing capital and credit resources, and through the existing operational budget.

38. Describe fully directions necessary to arrive at the project site.

Given the number of sites, it is infeasible to list all directions to the various parcels involved. Should the Harbor District desire to visit any particular site, please contact Greg Dale, at (707) 442-2947 for directions.

39. Will the Applicant agree that as a condition of the permit being issued to Applicant, to indemnify and hold harmless the Humboldt Bay, Harbor Recreation and Conservation District from any and all claims, demands, or liabilities for attorney's fees obtained from or against demands for attorney's fees, costs of suit, and costs of administrative records made against the District by any and all third parties as a result of third party environmental actions against the District arising out of the subject matter of this application and permit, including, but not limited to attorney's fees, costs of suit, and costs of administrative records obtained by or awarded to third parties pursuant to the California Code of Civil Procedure Section 1021.4 or any other applicable local, state or federal laws, whether such attorneys' fees, costs of suit, and costs of administrative records are direct or indirect, or incurred in the compromise, attempted compromise, trial, appeal, or arbitration of claims for attorneys' fees and costs of administrative records in connection with the subject matter of this application or permit?

Yes.

NOTE

The District hereby advises the Applicant that, under California Public Resources Code Section 21089, the District when a lead agency under the Environmental Quality Act of 1970, as amended, pertaining to an Environmental Impact Report (EIR) or a Negative Declaration may charge and collect from the Applicant a reasonable fee in order to recover the estimated costs incurred by the District in preparing an Environmental Impact Report (EIR) or Negative Declaration for the project and the procedures necessary to comply with the provisions of the public resources code on the Applicants project. In the event your project contains an analysis of issues pertaining to the Environmental Quality Act of 1970, as amended, for which District staff is not competent to independently review, or District requires the same in preparation of an Environmental Impact Report (EIR) or Negative Declaration for the Project, the District may retain a reviewing consultant to evaluate the content of the Administrative-Draft EIR and final EIR or Negative Declaration with respect to these issues. The cost of such reviewing consultant services shall be borne by the Applicant.

CERTIFICATION: I hereby certify that the statement furnished above and in the attached exhibits present the data and information required for this initial evaluation to the best of my ability, and that the facts, statements, and information presented are true and correct to the best of my knowledge and belief.

Dated: 2 June 2014



Greg Dale
For Coast Seafoods

Attachment A: Project Description



Memorandum

June 2 2014

From: Mr. Adam Wagschal, Fish Ecologist

Subject: Coast Seafoods Company Humboldt Bay Shellfish Culture Permit Renewal and Expansion Project

This memo provides a draft description of the Coast Seafoods Company (Coast) Humboldt Bay Shellfish Culture Permit Renewal and Expansion Project (Project). The Project consists of extending Coast's permits for their existing intertidal and subtidal shellfish culture operations, increasing culture within an already permitted floating upwelling system and permitting new areas for intertidal shellfish culture in Humboldt Bay, California.

Shellfish Culture in Humboldt Bay

Three species of mollusk are cultured in Humboldt Bay: Kumamoto oysters (*Crassostrea sikamea*), Pacific oysters (*C. gigas*) and Manila clams (*Tapes philippinarum*). There are five companies currently farming shellfish in the bay, using various methods to culture clams in subtidal areas and oysters in both subtidal and intertidal areas. There are approximately 70 raft type structures culturing shellfish in subtidal areas, 35 of which are managed by Coast. Additionally, there are approximately 301 acres of intertidal areas cultured, of which approximately 293 acres are managed by Coast. Historically, Coast farmed on as many as 1,000 intertidal acres using on-bottom culture methods. However, in the late 1990's Coast adopted off-bottom (suspended) methods (Coast 2007). Coast's current and proposed culture operations are described in detail below.

There are several other permitting efforts underway in Humboldt Bay that may also allow for expanded shellfish culture operations. The Humboldt Bay Harbor, Recreation and Conservation District's Humboldt Bay Mariculture Pre-permitting Project would result in approximately 54 new culture rafts to mature Kumamoto oyster, Manila clam, and Pacific oyster seed and intertidal culture of Kumamoto and Pacific oysters on up to 527 acres. Additionally, Taylor Mariculture and Hog Island Oyster Company recently obtained approvals that will collectively add a total of 21 culture rafts (15 FLUPSYs and 6 nursery rafts). Coast currently leases approximately 3,394 acres for shellfish culture and owns 530 acres in Humboldt Bay (Figure 1), but only farms on approximately 296 acres (3 subtidal acres and 293 intertidal acres) (Figures 2 and 3). As part of this Project, Coast intends to discontinue culture on 6.6 intertidal acres where culture currently occurs (Figure 2).





Figure 1. Coast Seafoods Company's shellfish culture leases and ownership in Humboldt Bay, California.

11d

**HUMBOLDT BAY HARBOR, RECREATION
AND CONSERVATION DISTRICT**

RESOLUTION NO. 2014-06

**A RESOLUTION TO ENTER INTO A CONTRACT AND ACCEPT FUNDS FROM THE
CALIFORNIA DEPARTMENT OF FISH AND WILDLIFE FOR
SECRETARIAT SERVICES FOR THE HARBOR SAFETY COMMITTEE
OF THE HUMBOLDT BAY AREA**

WHEREAS, the People of the State of California have enacted the Lempert-Keene-Seastrand Oil Spill Prevention and Response Act of 1990 which appropriates funds for the creation and maintenance of the Harbor Safety Committees within the State of California; and

WHEREAS, the Port of Humboldt Bay/Humboldt Bay Harbor, Recreation and Conservation District is a member of the Harbor Safety Committee of the Humboldt Bay Area and the Dockmaster is Chair of this committee; and,

WHEREAS, the Port of Humboldt Bay/Humboldt Bay Harbor, Recreation and Conservation District applied to the California Department of Fish and Wildlife to conduct Secretariat Services for the Harbor Safety Committee of the Humboldt Bay Area; and,

WHEREAS, the California Department of Fish and Wildlife has approved the Port of Humboldt Bay/Humboldt Bay Harbor, Recreation and Conservation District to conduct the Secretariat Services for the Harbor Safety Committee of the Humboldt Bay Area and to receive payment for the services; and

WHEREAS, the California Department of Fish and Wildlife requires a resolution from the Humboldt Bay Harbor, Recreation and Conservation District accepting the Secretariat Contract and payment of fees.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Humboldt Bay Harbor, Recreation and Conservation District as follows:

Chief Executive Officer Jack Crider is hereby authorized to enter into a contract with the California Department of Fish and Wildlife to conduct Secretariat Services for the Harbor Safety Committee of the Humboldt Bay Area and to accept payment from the California Department of Fish and Wildlife for aforementioned services on behalf of the Humboldt Bay Harbor, Recreation and Conservation District, a public entity established under the laws of the State of California.

PASSED AND ADOPTED by the Board of Commissioners of the Humboldt Bay Harbor, Recreation and Conservation District at a duly called meeting held on the 12th day of June, 2014, by the following polled vote:

AYES:

NOES:

ABSENT:

ATTEST:

RICHARD MARKS, President
Board of Commissioners

GREG DALE, Secretary
Board of Commissioners

CERTIFICATE OF SECRETARY

The undersigned, duly qualified and acting Secretary of the HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT, does hereby certify that the attached Resolution is a true and correct copy of RESOLUTION NO. 2014-06 entitled,

A RESOLUTION TO ENTER INTO A CONTRACT AND ACCEPT FUNDS FROM THE CALIFORNIA DEPARTMENT OF FISH AND WILDLIFE FOR SECRETARIAT SERVICES FOR THE HARBOR SAFETY COMMITTEE OF THE HUMBOLDT BAY AREA

as regularly adopted at a legally convened meeting of the Board of Commissioners of the HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT, duly held on the 12th day of June 2014; and further, that such Resolution has been fully recorded in the Journal of Proceedings in my office, and is in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand this 12th day of June 2014.

GREG DALE, Secretary
Board of Commissioners



RECEIVED
He
MAY 23 2014
H.B.H.R. & C.D.

SPECIAL DISTRICT ELECTION

Date: May 22, 2014
To: Presiding Officers of Independent Special Districts in Humboldt County
From: George Williamson, Executive Officer
Subject: Election of Special District Representatives to serve on LAFCo

Enclosed is a Ballot and a summary of qualifications for each of the candidates for Special District LAFCo Representative.

Please vote for ONE candidate on the BALLOT. Please return the completed ballot by mail to:

Humboldt LAFCo
1125 16th Street, Suite 202
Arcata, CA 95521

The candidates securing the highest votes will be declared elected to the offices in the following order:

LAFCo Office	Term of Office (ends on June 30)	Voting Order
Regular Member	2014 - 2018 (new 4-year term)	Highest votes
Regular Member	2012 - 2016 (unexpired 2-year term)	Second highest votes
Alternate Member	2014 - 2018 (new 4-year term)	Third highest votes

Ballots must be returned by 5:00 p.m. on July 7, 2014.

OFFICIAL ELECTION BALLOT
SPECIAL DISTRICT LAFCO REPRESENTATIVE

Mark selection directly onto the ballot, voting for no more than one (1) candidate. Ballots must be returned to the LAFCo office at 1125 16th Street, Suite 202, Arcata, CA 95521, on or before July 7, 2014 at 5:00 p.m.

- TROY NICOLINI** (incumbent)
Occupation: NOAA's National Weather Service
Sponsor: Samoa Peninsula Fire District

- J. BRUCE RUPP**
Occupation: Retired Real Estate Broker/Owner
Sponsor: Humboldt Bay Municipal Water District
Sponsor: Manila Community Services District

- FRANK SCOLARI**
Occupation: Real Estate Broker/Owner
Sponsor: Humboldt Community Services District

- GEORGE WHEELER**
Occupation: Retired
Sponsor: McKinleyville Community Services District

The _____ Board hereby selects the above candidate to serve as a special district member on the Humboldt Local Agency Formation Commission.

Board action taken on the _____ day of _____, 2014, by the following vote:

AYES:
NOSE:
ABSENT:
ABSTAIN:

PRESIDING OFFICER:

Signature

Printed Name



HUMBOLDT BAY MUNICIPAL WATER DISTRICT

828 SEVENTH STREET, PO BOX 95 • EUREKA, CALIFORNIA 95502

OFFICE 707-443-5018 ESSEX 707-822-2918

FAX 707-443-5731 707-822-8245

EMAIL OFFICE@HBMWD.COM

BOARD OF DIRECTORS

ALDARON LAIRD, PRESIDENT
BARBARA HECATHORN, VICE-PRESIDENT
BRUCE RUPP, SECRETARY-TREASURER
KAITLIN SOPOCI-BELKNAP, DIRECTOR
SHERI WOO, DIRECTOR

GENERAL MANAGER

CAROL RISCHÉ

May 16, 2014

Board of Directors
Humboldt Bay Harbor, Recreation,
and Conservation District
PO Box 1030
Eureka, CA 95502-1030

Dear Fellow Directors:

I am a Director and Past President of the Humboldt Bay Municipal Water District. I have been on the Board for about eighteen years. I am asking for your district's support for my election to the vacant special district seat of the Local Agency Formation Commission.

I have been nominated by both the Manila Community Services District and my own district. I am interested in serving because there are potential district boundary changes which could affect our service area as well as the peninsula. In addition, I have run before because of my city, county and private sector experience. My resume of experience was included with the nomination papers.

We would appreciate your support. If you have any questions please feel free to contact me at 707-445-9336 or rupp@hbmwd.com

A handwritten signature in blue ink that reads "J. Bruce Rupp".

J. Bruce Rupp
Director

AGENDA REPORT

11f

For Agenda of: June 12, 2014

Title: Consideration of acceptance of a grant from the California Natural Resources Agency in the amount of \$180,000 to support the ongoing efforts to control the invasive salt marsh cord grass *Spartina densiflora*

Place on Agenda: New Business Item

Summary of the Issue: The District has been awarded this grant in the amount of \$180,000. Acceptance of the grant requires entering into the Grant Agreement provided by the Grantor (the California Natural Resources Agency).

The grant agreement is fairly typical of state agency grants we have accepted in the past, with the following notable points:

1. The Grantor may require that we record a Deed Restriction for those areas treated under this grant which would consist of:
 - a. The State would have to approve any transfer or sale of the property in the future
 - b. The property could not be used again for mitigation (These are mitigation funds), and
 - c. The property could not be used as security for debt.
2. We will need to pay CA prevailing wage for work conducted with these grant funds.

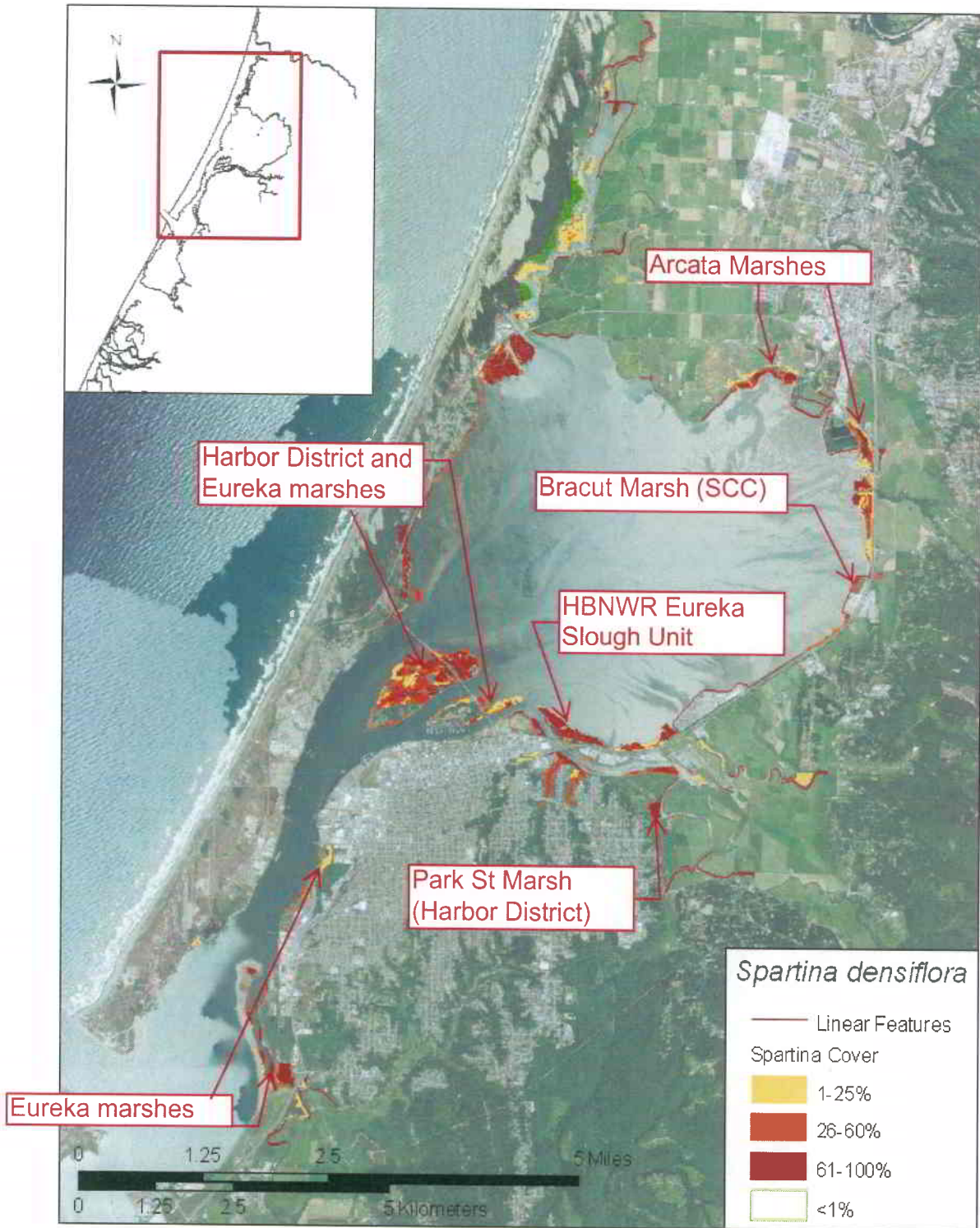
Discussion:

District Council is reviewing the Grant Agreement and will have input at the Commission meeting. The areas in question are all intertidal salt marsh, so the Deed Restrictions seem acceptable from the Conservation Director's perspective. The biggest challenge may be that some of the areas proposed for treatment with these funds are not owned by the District, but by other state, federal, and local government entities. Staff are corresponding with the Grantor to discuss how to address these areas and hope to have a resolution by the meeting date. The Deed Restriction is described as 'may be required' in the Grant Agreement, and staff are arguing that the tidelands nature of the project areas obviates the need for the Deed Restriction.

Fiscal Impacts: None

Staff recommendation:

Staff recommends the Board of Commissioners authorize the CEO to enter into the EEM grant agreement with the California Natural Resources Agency.



Map 2. Humboldt Bay Spartina Eradication EEMP Project Area



May 19, 2014

Jack Crider
Humboldt Bay Harbor, Recreation and Conservation District
601 Startare Drive
Eureka, CA 95502-1030

Re: Environmental Enhancement and Mitigation Program; Humboldt Bay Spartina Eradication

Dear Mr. Crider

Congratulations on receiving the Environmental Enhancement and Mitigation Grant funding. Enclosed are four (4) copies of Grant Agreement number E03113-0 in an amount not to exceed \$180,000 for the Humboldt Bay Spartina Eradication Project. Please sign and date all four copies of the Grant Agreement (Agreement) cover sheet, and return the Agreements to the Natural Resources Agency as soon as possible for further processing. We also request that you complete and return the enclosed Payee Data Form with the signed Agreements.

As soon as the Agreement is fully executed and the funds are encumbered, we will forward a copy of the Agreement for your records.

We have also enclosed the following documents for your review and reference:

- Payment Request Form
- Sample Cost Estimate/Payment Tracking Spreadsheet
- Itemized List of Project Expenditures
- Grantee Labor Costs and Equipment Costs Forms
- Certification Form for Development Projects
- Summary of Expenditures from All Project Funding Sources
- Documents Required for the Department of Finance (DOF) Audit
- Memorandum of Unrecorded Grant Agreement/Deed Restrictions (MOUGA)

Please note that the MOUGA, along with the legal description of the real property, must be completed and recorded with the County Recorder prior to the release of final funds

Please distribute copies of the above documents within your organization as appropriate.

Should you have any questions, please do not hesitate to contact Brad Juarros at (916) 651-7584 or via email brad.juarros@resources.ca.gov.

Sincerely,


Bryan Cash
Deputy Assistant Secretary
Bonds and Grants

Enclosures

1416 Ninth Street, Suite 1311, Sacramento, CA 95814 Ph. 916.653.5656 Fax 916.653.8102 <http://resources.ca.gov>



Recording requested by, and)
when recorded, return to:)
State of California)
Natural Resources Agency)
Bonds & Grants)
1416 Ninth Street, Suite 1311)
Sacramento, CA 95814)

Space above this line for Recorder's use

MEMORANDUM OF UNRECORDED GRANT AGREEMENT/DEED RESTRICTIONS

This Memorandum of Unrecorded Grant Agreement/Deed Restrictions (Memorandum), dated as of _____, 20____, is recorded to provide notice of an agreement between the State of California, by and through the Natural Resources Agency ("Agency") and

("Grantee").

RECITALS

- On or about _____, _____, Agency and Grantee entered into a certain Grant Agreement, Grant No. _____ ("Grant"), pursuant to which Agency granted to Grantee certain funds for the acquisition or development of certain real property, more particularly described in attached Exhibit A and incorporated by reference (the "Real Property").
- Under the terms of the Grant, Agency reserved certain rights with respect to the Real Property.
- Grantee desires to execute this Memorandum to provide constructive notice to all third parties of certain Agency reserved rights under the Grant.

NOTICE

- The Real Property (including any portion of it or any interest in it) may not be sold or transferred without the written approval of the State of California, acting through the Natural Resources Agency, or its successor, provided that such approval shall not be unreasonably withheld as long as the purposes for which the Grant was awarded are maintained.
- The Grantee shall not use or allow the use of any portion of the real property for mitigation without the written permission of the State.
- The Grantee shall not use or allow the use of any portion of the real property as security for any debt.
- For additional terms and conditions of the Grant, reference should be made to the Grant Agreement, which is on file with the Natural Resources Agency, 1416 Ninth Street, Suite 1311, Sacramento, California 95814.

GRANTEE:

By: _____

State of California
Natural Resources Agency – GRANT AGREEMENT

GRANTEE NAME: Humboldt Bay Harbor, Recreation and Conservation District
 PROJECT TITLE: Humboldt Bay Spartina Eradication
 AUTHORITY: Streets and Highways Code Section 164.56
 PROGRAM: Environmental Enhancement and Mitigation Program
 AGREEMENT NUMBER: E03113-0
 TERM OF LAND TENURE: 05/01/2014 to 05/01/2034
 PROJECT PERFORMANCE PERIOD IS: 05/01/2014 to 12/01/2017

Under the terms and conditions of this agreement, the applicant agrees to complete the project as described in the project scope described in Exhibit A, and any subsequent amendments, and the State of California, acting through the Natural Resources Agency pursuant to the Streets and Highways Code Section 164.56, agrees to fund the project up to the total state grant amount indicated.

PROJECT DESCRIPTION:

See project description on page 1 and Exhibit A of the Agreement

Total State Grant not to exceed **\$180,000.00** (or project costs, whichever is less)

The Special and General Provisions attached are made a part of and incorporated into the Agreement.

HUMBOLDT BAY HARBOR, RECREATION AND
CONSERVATION DISTRICT

STATE OF CALIFORNIA
NATURAL RESOURCES AGENCY

By _____ Jack Crider Title Executive Officer Date _____	By _____ Bryan Cash Title Deputy Assistant Secretary Date _____
--	--

CERTIFICATION OF FUNDING

AMOUNT OF ESTIMATE FUNDING	AGREEMENT NUMBER	FUND			
\$180,000.00	E03113-0	0183 – Environmental Enhancement and Mitigation Fund			
ADJ. INCREASING ENCUMBRANCE	APPROPRIATION				
\$	0540-601-0183	PROGRAM 10			
ADJ. DECREASING ENCUMBRANCE	FUNCTION				
\$	Local Assistance				
UNENCUMBERED BALANCE	LINE ITEM ALLOTMENT	CHAPTER	STATUTE	FISCAL YEAR	
\$	0183-0540-2013-601	359	2013, SECTION 17	13/14	
T.B.A. NO.	B.R. NO.	INDEX	OBJ. EXPEND	PCA	PROJECT NUMBER
		0540	751	30031	E03113

I hereby certify upon my personal knowledge that budgeted funds are available for this encumbrance

SIGNATURE OF ACCOUNTING OFFICER

DATE

GRANT AGREEMENT
State of California - The Natural Resources Agency

Grantee Name: Humboldt Bay Harbor, Recreation & Conservation District
Project Title: Humboldt Bay Spartina Eradication
Agreement Number: E03113-0
Authority: Streets and Highways Code Section 164.56
Program: Environmental Enhancement and Mitigation

PROJECT DESCRIPTION

Eradication of *Spartina densiflora* from approximately 250 acres of tidal marsh habitat in Humboldt Bay.

A detailed Project Scope and activities, project schedule and Project Budget are described and attached hereto as Exhibit A.

Grant funds are to be used to contribute to mitigation of the environmental effects of transportation facilities.

TERMS AND CONDITIONS OF GRANT

Special Provisions

1. Upon completion of detailed Project design, plans and specifications, Grantee shall provide to the State for review and approval a revised detailed Project Budget, Project Scope and detailed site plan. If Project includes habitat restoration or landscaping, Grantee shall provide a planting palette demonstrating how native vegetation will be used in the Project. Approval by the State of such plans and specifications, or any other approvals provided for in this Agreement, shall be for scope and quality of work and shall not relieve Grantee of the obligation to construct and maintain the facilities, or carry out any other obligations required by this Agreement, in accordance with applicable law or any other standards ordinarily applied to such work or activity.
2. The Grantee may be required to record a Memorandum of Unrecorded Grant Agreement/Deed Restrictions (the "Memorandum"), incorporating by reference this Grant Agreement and giving public notice that the Grantee received Funds under this Agreement in order to assist Grantee in developing the real property and that, in consideration for the receipt of the Grant Funds, the Grantee has agreed to the terms of this Agreement.
3. As conditions precedent to the State's obligation to make any funding available pursuant to this Agreement, Grantee shall first provide evidence satisfactory to the State of an agreement between Humboldt Bay Harbor District and property owners that:
 - a. Grants permission to Humboldt Bay Harbor District to access and develop the project on City of Arcata, City of Eureka, US Fish & Wildlife Service and State Coastal Conservancy property.

16. The term "State" means the Secretary for Natural Resources or his/her representatives, or other political subdivision of the State.

B. Project Execution

1. Subject to the availability of funds in the Streets and Highway Code, the State hereby grants to the Grantee a sum of money (Grant Funds) not to exceed the amount stated on the signature page in consideration of and on condition that the sum be expended in carrying out the purposes as set forth in the description of Project in this Agreement and its attachments and under the Terms and Conditions set forth in this Agreement.
2. Grantee shall furnish any and all additional funds that may be necessary to complete the Project.
3. Grantee shall complete the Project in accordance with the Project Performance Period set forth on the signature page, unless **an extension has been formally granted by the State** and under the Terms and Conditions of this Agreement. Extensions may be requested in advance and will be considered by State, at its sole discretion, in the event of circumstances beyond the control of the Grantee, but in no event beyond **May 1, 2018**
4. Grantee shall at all times ensure that Project complies with the California Environmental Quality Act (CEQA) (Public Resources Code, Division 13, commencing with section 21000, et. seq., Cal Code Regs tit. 14, section 15000 et. seq.) and all other environmental laws, including but not limited to obtaining all necessary permits. Grant Funds will not be disbursed before the close of the period for legal challenge under CEQA.

Grant Funds for planning and document preparation may be available sooner if included in the grant Project Scope (Exhibit A) and approved by the State. CEQA compliance shall be completed within one (1) year from the Grant Agreement start date, unless an extension is granted by the State.

Changes to the scope resulting from CEQA compliance are permitted provided the State determines that the project continues to meet all objectives of the Environmental Enhancement Mitigation Grant Program and is consistent with the intent cited in the original Application.

If a grantee's project is disapproved on grounds related to the Natural Resource Agency's CEQA determination, the grantee shall have the option of either: (1) reimbursing the Natural Resources Agency for all State-reimbursed preliminary costs (e.g., planning, design, etc.), or (2) relinquishing any planning/design documents, including all copies, reproductions, and variations resulting from said funding, without a license to use or otherwise retain in any form.

5. Projects must comply with Labor Code Section 1771.8 regarding the payment of prevailing wages and the labor compliance program as outlined in the Labor Code Section 1771.5 (b).
6. Grantee certifies that the Project does and will continue to comply with all current laws and regulations which apply to the Project, including, but not limited to, legal requirements for construction contracts, building codes, environmental laws, health and safety codes, and disabled access laws. Grantee certifies that, prior to commencement of construction; all applicable permits and licenses (e.g., state contractor's license) will have been obtained.
7. Grantee shall provide access by the State upon 24-hours' notice to determine if **Project work is in accordance with the approved Project Scope**, including a final inspection upon Project completion.

4. Except as otherwise provided herein, the Grantee shall expend Grant Funds in the manner described in the Exhibit A approved by the State. The total dollars of a category in the Project Budget may be increased by up to ten percent (10%) through a reallocation of funds from another category, without approval by the State. However, the Grantee shall notify the State in writing when any such reallocation is made, and shall identify both the item(s) being increased and those being decreased. Any cumulative increase or decrease of more than ten percent (10%) from the original budget in the amount of a category must be approved by the State. In any event, the total amount of the Grant Funds may not be increased, nor may any adjustments exceed the limits for management costs as described in the Application Guidelines.

D. Project Administration

1. Grantee shall promptly provide Project reports and/or photographs upon request by the State. In any event Grantee shall provide the State a report showing total final Project expenditures with the final payment request and required closing documents.
2. Grantee shall make property and facilities acquired or developed pursuant to this Agreement available for inspection upon request by the State.
3. Grantee shall use any income earned by the Grantee from use of the Project to further Project purposes, or, if approved by the State, for related purposes within the jurisdiction.
4. Grantee shall submit all documentation for Project completion, including a notice of completion as applicable and final reimbursement within ninety (90) days of Project completion, but in no event any later than May 1, 2018.
5. Final payment is contingent upon State verification that Project is consistent with Project Scope as described in Exhibit A, together with any State approved amendments.
6. This Agreement may be amended by mutual agreement in writing between Grantee and State. Any request by the Grantee for amendments must be in writing stating the amendment request and reason for the request. The Grantee shall make requests in a timely manner and in no event less than sixty (60) days before the effective date of the proposed amendment.
7. Grantee must report to the State all sources of other funds for the Project.

E. Project Termination

1. Prior to the completion of Project construction, either party may terminate this Agreement by providing the other party with thirty (30) days' written notice of such termination. The State may also terminate this Grant Agreement for any reason at any time if it learns of or otherwise discovers that there is a violation of any state or federal law or policy by Grantee which affects performance of this or any other grant agreement or contract entered into with the State.
2. If the State terminates without cause the Agreement prior to the end of the Project Performance Period, the Grantee shall take all reasonable measures to prevent further costs to the State under this Agreement. The State shall be responsible for any reasonable and non-cancelable obligations incurred by the Grantee in the performance of the Agreement prior to the date of the notice to terminate, but only up to the undisbursed balance of funding authorized in this Agreement.
3. If the Grantee fails to complete the Project in accordance with this Agreement, or fails to fulfill any other obligations of this Agreement prior to the termination date, the Grantee shall

2. Grantee agrees that during regular office hours, the State and its duly authorized representatives shall have the right to inspect and make copies of any books, records or reports of the Grantee pertaining to this Agreement or matters related thereto. Grantee shall maintain and make available for inspection by the State accurate records of all of its costs, disbursements and receipts with respect to its activities under this Agreement.
3. Grantee shall use applicable Generally Accepted Accounting Principles, unless otherwise agreed to by the State.

H. Use of Facilities

1. The real property (including any portion of it or any interest in it) may not be sold or transferred without the written approval of the State of California, acting through the Natural Resources Agency, or its successor, provided that such approval shall not be unreasonably withheld as long as the purposes for which the Grant was awarded are maintained.
2. Grantee shall maintain, operate and use the Project in fulfillment of the purpose funded pursuant to this Grant for a minimum **20 YEARS**, consistent with the Land Tenure/Site Control requirements included in the Application Guidelines. The Grantee, or the Grantee's successor in interest in the property, may assign without novation the responsibility to maintain and operate the property in accordance with this requirement only with the written approval of the State. Grantee may be excused from its obligations for operation and maintenance of the Project site only upon the written approval of the State for good cause. "Good cause" includes, but is not limited to, natural disasters that destroy the Project improvements and render the Project obsolete or impracticable to rebuild.
3. Grantee shall use the property for the purposes for which the Grant was made and shall make no other use or sale or other disposition of the property. This Agreement shall not prevent the transfer of the property from the Grantee to a Public Agency, if the successor Public Agency assumes the obligations imposed by this Agreement.
4. If the use of the property is changed to a use that is not permitted by the Agreement, or if the property is sold or otherwise disposed of, at the State's sole discretion, an amount equal to (1) the amount of the Grant (2) the Fair Market Value of the real property, or (3) the proceeds from the sale or other disposition, whichever is greater, may be reimbursed to the State. If the property sold or otherwise disposed of is less than the entire interest in the property funded in the Grant, an amount equal to either the proceeds from the sale or other disposition of the interest or the Fair Market Value of the interest sold or otherwise disposed of, whichever is greater, shall be reimbursed to the State.
5. The Grantee shall not use or allow the use of any portion of the real property for mitigation without the written permission of the State.
6. The Grantee shall not use or allow the use of any portion of the real property as security for any debt.

I. Nondiscrimination

1. The Grantee shall not discriminate against any person on the basis of sex, race, color, ancestry, religious creed, national origin, physical disability (including HIV and AIDS), mental disability, medical condition (cancer), age (over 40), marital status, and denial of family care leave in the use of any property or facility acquired or developed pursuant to this Agreement.

Assistant Secretary's written decision. The Assistant Secretary or designee shall, within twenty (20) working days of receipt of Grantee's letter of appeal, review the issues raised and shall render a written decision to the Grantee. The decision of the Assistant Secretary or designee shall be final.

O. Audit Requirements

Grant projects are subject to audit by the State annually and for three (3) years following the final payment of Grant Funds. The audit shall include all books, papers, accounts, documents, or other records of the Grantee, as they relate to the Project for which the Grant Funds were granted.

EXHIBIT A

STATE OF CALIFORNIA NATURAL RESOURCES AGENCY
GRANT AGREEMENT

Environmental Enhancement and Mitigation Grant Program
Streets and Highways Code Section 164.56

Grantee Name: Humboldt Bay Harbor, Recreation and Conservation District

Project Title: Humboldt Bay Spartina Eradication

Agreement Number: E03113-0

Project Scope:

Eradication of *Spartina densiflora* from approximately 125 acres of tidal marsh habitat in Humboldt Bay.

Public Access: Much of the project area is available for passive recreation, such as wildlife viewing, and the project will enhance wildlife viewing opportunities by restoring habitat. Trails and viewing areas to access tidal marsh in the project area are available at the Arcata Marsh and Wildlife Sanctuary*, Mad River Slough Wildlife Area, Bracut Marsh, PALCO Marsh, the Ma-le'I Dunes and Hookton Slough* Units of the Humboldt Bay National Wildlife Refuge (HBNWR), the South Spit Cooperative Management Area, and Elk River Wildlife Sanctuary* (starred areas have ADA accessible restrooms, parking, and/or trails). The project includes a community outreach component to continue volunteer *Spartina* removal workdays in the Arcata Marsh.

Project Schedule:

Activity Description	Timeline
CEQA	Completed Spring 2013
Planning, permitting	January-December 2014
Community outreach	January-December 2014
Surveys	January 2014-December 2014
Initial <i>Spartina</i> treatments	June 2013-October 2015
Re-sprout treatments	January 2014-October 2016
Seedling treatments	May 2014-October 2016
Signage (if applicable)	June 2014
Record MOUGA and Submit Project Closeout package with final Payment Request to State	December 2016

Cost Estimate: See Exhibit A1

Humboldt Bay Harbor, Recreation and Conservation District - Cost Estimate

Environmental Enhancement & Mitigation Streets and Highways Code Section 164.56

Humboldt Bay Spartina Eradication

Project Element	Total Project Cost	EEMP Grant	National Fish & Wildlife Foundation	State Coastal Conservancy	Harbor District In-Kind
1. Project Management	\$139,500	\$12,500	\$100,000	\$15,000	\$12,000
Subtotal Task 1	\$139,500	\$12,500	\$100,000	\$15,000	\$12,000
2. Planning, Design, Permitting	\$70,000	\$0	\$0	\$70,000	\$0
Subtotal Task 2	\$70,000	\$0	\$0	\$70,000	\$0
3. Construction	\$565,100	\$167,500	\$0	\$361,600	\$36,000
Subtotal Task 3	\$565,100	\$167,500	\$0	\$361,600	\$36,000
4. Materials	\$11,000	\$0	\$0	\$11,000	\$0
Subtotal Task 4	\$11,000	\$0	\$0	\$11,000	\$0
Grand Totals	\$785,600	\$180,000	\$100,000	\$457,600	\$48,000

Project management costs to be reimbursed incrementally in conjunction with payment requests for completed benchmarks/deliverables.
 Direct project related costs with detailed time information required for in-house services.

**HUMBOLDT BAY HARBOR, RECREATION
AND CONSERVATION DISTRICT**

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RESOLUTION NO. 2014-07

**RESOLUTION AUTHORIZING THE COMMENCEMENT OF
PROCEEDINGS IN CONNECTION WITH THE REFINANCING OF
CERTAIN LONG-TERM DEBT OBLIGATIONS, AND APPOINTING THE
WEIST LAW FIRM AS BOND COUNSEL AND STERN BROTHERS &
CO. AS PLACEMENT AGENT IN CONNECTION THEREWITH**

The Humboldt Bay Harbor, Recreation and Conservation District Commission hereby finds and resolves as follows:

WHEREAS, the Humboldt Bay Harbor, Recreation and Conservation District (the "District") desires and intends to refund its outstanding Series 2004 Refunding Bonds, originally issued on August 11, 2004 in the aggregate amount of \$2,965,000, maturing July 1, 2029 (the "2004 Bonds"), as well as its various outstanding California Department of Boating and Waterways (DBAW) Loan Obligations (the "DBAW Loans," and together with the 2004 Bonds, the "Prior Obligations") and thereby save the District and its ratepayers money as a result of reduced debt service payments stemming from such refunding of the Prior Obligations (the "Refunding"); and

WHEREAS, the District intends to take all action necessary to provide for the issuance of Series 2014 Enterprise Revenue Refunding Bonds (the "2014 Bonds"), the proceeds of which will be placed in separate irrevocable escrow funds and used solely for the purpose of prepaying, and extinguishing the liens of, all outstanding Prior Obligations on the first optional call date available for each of the Prior Obligations; and

WHEREAS, in order to efficiently accomplish the Refunding and issuance of the 2014 Bonds, the District desires to appoint bond counsel and placement agent to provide the necessary professional services in connection therewith; and

WHEREAS, this action does not constitute a "Project" under California Environmental Quality Act (CEQA) Guidelines Section 15378; and

NOW THEREFORE, BE IT RESOLVED THAT THE HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT ACKNOWLEDGES:

Section 1. Recitals and Findings. The Humboldt Bay Harbor Recreation and Conservation District Board of Commissioners (the "Board") hereby specifically finds and declares that each of the statements, findings and determinations of the District set forth in the recitals set forth above are true and correct and that the formation of the Refunding will result in significant public benefits for the residents of the District.

Section 2. Intention to Proceed with the Refunding. The Board hereby finds and determines that it is necessary and desirable to provide for the execution and delivery of 2014 Bonds, subject to final authorization thereof by resolution of the District at a subsequent meeting held for such purpose. This Resolution does not bind the District to make any expenditure, incur any indebtedness or provide for the issuance of 2014 Bonds.

Section 3. Authorized Representatives. The President, Vice President, Chief Executive Officer, Director of Administrative Services, Secretary and any other person authorized by the Board to act on behalf of the District shall each be an "Authorized Representative" of the District for the purposes of structuring and providing for the execution and delivery of the 2014 Bonds, and are hereby authorized, jointly and severally, for and in the name of and on behalf of the District, to execute and deliver any and all documents and certificates that may be required to be executed in connection with the Refunding and issuance of 2014 Bonds, and to do any and all things and take any and all actions which may be necessary or advisable, in their discretion, to effectuate the actions which the Board has approved in this Resolution.

Section 4. Consultants. The District hereby appoints The Weist Law Firm as Bond Counsel and Stern Brothers & Co. as Placement Agent in connection with the Refunding and issuance of 2014 Bonds described in this Resolution. An Authorized Representative is authorized and directed to execute an agreement with each of such firms in the respective forms on file with the Secretary. As provided in such agreements compensation payable to Placement Agent and Bond Counsel is entirely contingent upon the successful completion of the Refunding and issuance of 2014 Bonds, and shall be paid from a portion of the proceeds of the 2014 Bonds.

Section 5. Official Actions. The Chief Executive Officer, Director of Administrative Services, Secretary and all other officers of the District are each authorized and directed in the name and on behalf of the District to make any and all assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants and other documents which they or any of them might deem necessary or appropriate in order to consummate any of the transactions contemplated by this Resolution. Whenever any officer of the District is authorized to execute or countersign any document or take any action contemplated by this Resolution, such execution, countersigning or action may be taken on behalf of such officer by any person designated by such officer to act on his or her behalf in the case such officer is absent or unavailable.

Section 6. Effective Date. This Resolution shall take effect from and after the date of its passage and adoption.

PASSED AND ADOPTED by the Board of Commissioners of the Humboldt Bay Harbor, Recreation and Conservation District at a duly called meeting held on the 12th day of June 2014, by the following polled vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

**Richard Marks, President
Board of Commissioners**

ATTEST:

**Patrick Higgins, Vice President for
Greg Dale, Secretary
Board of Commissioners**

CERTIFICATE OF SECRETARY

The undersigned, duly qualified and acting Secretary of the HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT, does hereby certify that the attached Resolution is a true and correct copy of RESOLUTION NO. 2014-07 entitled,

**RESOLUTION AUTHORIZING THE COMMENCEMENT OF
PROCEEDINGS IN CONNECTION WITH THE REFINANCING OF
CERTAIN LONG-TERM DEBT OBLIGATIONS, AND APPOINTING THE
WEIST LAW FIRM AS BOND COUNSEL AND STERN BROTHERS &
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as regularly adopted at a legally convened meeting of the Board of Commissioners of the HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT, duly held on the 12TH day of June 2014; and further, that such Resolution has been fully recorded in the Journal of Proceedings in my office, and is in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand this 12th day of June 2014.

Patrick Higgins, Vice President for
Greg Dale, Secretary
Board of Commissioners