

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

DATE: June 23, 2010

TIME: 6:00 p.m. 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 five (5) working days 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 Section 54957.6 (Negotiations with Represented Employees)**
 1. Conference with Labor Negotiator
Agency Negotiator: Chief Executive Officer, District Counsel, District Treasurer, two (2) or less of the members of the Board of Commissioners.
Employee organization: As recognized by the Board of Commissioners of the Humboldt Bay Harbor, Recreation and Conservation District, including International Longshore and Warehouse Union, Local 14A.
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 Closed Session**
6. **Public Comment**

Note: This portion of the Agenda allows the public to speak to the Board on 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 an 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 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.

Agenda for June 23, 2010 Board Meeting

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 May 27, 2010 Board meeting.
- b. Consideration of approval of purchase of charger and electric motor from Autowest of Roseville for repair of Gem Car security vehicle. \$1,544.52
- c. Consideration of approval of travel for the District's Director of Maritime Commerce to attend business development meeting on June 25, 2010 in Seattle, WA.
- d. Consideration of approval of Cooperative Agreement with the Humboldt County Sheriff's Office to utilize labor from the Custody Services Program for *Spartina densiflora* eradication.
- e. Consideration of one-year extension of Permit No. 07-01 to the City of Arcata for the McDaniel Slough Wetland Enhancement Project.

8. Communications and Reports

- a. Chief Executive Officer's Report
- b. District Counsel's Report
- c. Staff Reports
- d. Commissioner Reports
- e. Advisory Committee Reports
- f. Other
 - a. Presentation by Norman Fassler-Katz, Senior Consultant to the Senate Transportation & Housing Sub-Committee on California Ports & Goods Movement and staff director to the California Marine and Intermodal Transportation System Advisory Council.

9. Non Agenda

10. Unfinished Business

- a. Consideration of approval of Amendment 2 to Pilot Employment Agreement with Captain John Powell.
- b. Consideration of approval of Amendment 2 to Pilot Employment Agreement with Captain Tim Petrusha.
- c. Consideration of approval of Amendment 2 to Employment Agreement with Wilson Lacy.
- d. Consideration of adoption of Resolution 2010-10 which establishes findings relative to the application by the US Fish and Wildlife Service for the *Spartina densiflora* Eradication Project.
- e. Consideration of granting Permit No. 10-02 to the US Fish and Wildlife Service for the *Spartina densiflora* Eradication Project.
- f. First Reading of the FY 2010/11 budget.

11. New Business

- a. Consideration of Receiving and Filing the District's Economic Development Committee Final Report.
- b. Consideration of Sixth Extension and Amendment of Agreement with the International Longshore and Warehouse Union AFL-CIO, Local 14, Unit A.
- c. Consideration of Lease Extension and Amendment to Lease PRC 3303.1 (Fairhaven Terminal) with Sequoia X, LLC.
- d. Consideration of sending a letter to the Pacific Fishery Management Council detailing concerns with their approving Amendments 20 and 21 of the Groundfish Fishery Management Plan.
- e. Consideration of agreement with Access Humboldt for the installation of equipment to televise District Board meetings.

12. Administrative and Emergency Permits

13. ADJOURNMENT

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

June 23, 2010

PRESENT:

Commissioner Pellegrini
Commissioner Curless
Commissioner Wilson
Commissioner Higgins
Commissioner Marks

ABSENT:

None

President Curless called the Executive Closed Session to order at 6:06 p.m.

President Curless asked if anyone had a Public Comment. David Elsebusch said the negotiations with the District's employee union should be easy in light of the deficit budget for fiscal year 2010/11. He said any increase in expenses due to employee raises should not have to come from reserves; it is the time to cut expenses. Mr. Elsebusch then left the room.

Executive Closed Session adjourned at 6:56 p.m.

President Curless called the regular meeting of the Board of Commissioners to order at 7:04 p.m.

President Curless led those present in the Pledge of Allegiance.

District Counsel reported on the Executive Closed Session as follows: Status of negotiations with the Harbor District labor union – No action was taken.

PUBLIC COMMENT

David Elsebusch asked for Consent Calendar Item (c) to be pulled for further discussion.

Todd VanHerpe said the Board of Commissioners should be aware that the MLPA regional stakeholders group recently proposed an MPA in North Bay – a proposed recreational management area from Arcata south to Bracut. He said this is important to watch because it could lead to multi-layer bureaucratic difficulties within the Harbor District's jurisdiction.

CONSENT CALENDAR

President Curless pulled Item (c) for further discussion.

COMMISSIONER PELLEGRINI MOVED FOR THE APPROVAL OF THE REMAINDER OF THE CONSENT CALENDAR. COMMISSIONER WILSON SECONDED. MOTION CARRIED WITHOUT DISSENT.

Item (c): David Elsebusch said the CEO should do this travel; the Board may not approve the Director of Maritime Commerce's contract later in the meeting. He said the Director of Maritime Commerce position is unnecessary and he recommended the Board not approve the travel for this employee.

Gregg Gardiner said he disagreed with Mr. Elsebusch; marketing is extremely important to building business relationships. But, he said, it doesn't happen overnight. Mr. Gardiner urged the Board to approve the travel.

Pete Oringer said he agreed with Mr. Gardiner and the Director of Maritime Commerce's expertise is stellar.

Stephen Pepper expressed his appreciation to the Board of Commissioners for their support of his short sea shipping project and said this marine highway business development meeting is a big step in creating the public/private partnership. The Director of Maritime Commerce is already in Portland on other business, making the travel expense minimal.

Charles Ollivier said a great deal of thought by former Commissioners was put into hiring Mr. Lacy as Director of Maritime Commerce. The maritime industry is complex and deals with the world's economy; it takes many years to develop a talent like Mr. Lacy. Mr. Ollivier stated this port is dead and it will only take one project by Mr. Lacy to bring it alive.

Michael Newman said the expenses associated with this trip are low. Marketing is important and necessary for the port's success.

Perry Bressman said now is not the time to pull the plug; there is still a chance to save the port. Stop the negativity; this is a viable port. Recreational activities are important too, but this area needs industry.

Commissioner Higgins stated the discussion is not about whether to retain the Director of Maritime Commerce, but about travel.

COMMISSIONER PELLEGRINI MOVED FOR THE APPROVAL OF TRAVEL FOR THE DISTRICT'S DIRECTOR OF MARITIME COMMERCE TO ATTEND BUSINESS DEVELOPMENT MEETING ON JUNE 25, 2010 IN SEATTLE, WA. COMMISSIONER WILSON SECONDED.

Commissioner Wilson said he would approve this expense because it fits into the Director of Maritime Commerce's niche.

MOTION CARRIED WITHOUT DISSENT.

CEO REPORT

- ❖ At the last Board meeting, staff was directed to apply for eight different grant opportunities from four different sources. One of the projects has already fallen off the program – Stas Margaronis, owner of Santa Maria Shipowning and Trading, Inc. withdrew his request. Staff has continued to pursue the first of these opportunities; the America's Marine Highway Project Designation. Since last meeting, two applications have been submitted under this program, namely Golden State Marine Highways program and West Coast Hub-Feeder Project.
- ❖ 6/10-11: CEO attended a CAPA meeting in San Francisco. This meeting centered on coordination and assisting AAPA with the National Freight Task Force as per request by US Department of Transportation.
- ❖ The Humboldt Amateur Radio Club will hold their annual "Field Day" on Saturday and Sunday at Woodley Island.
- ❖ The Shelter Cove Breakwater Rehabilitation Project bid package is available on the Harbor District's website and also hard copies are available in the office. The bid opening will be held on July 16 at 2 p.m. at the District office.
- ❖ 6/3: the pilot's bill passed off the Assembly floor and is now on the Senate side. It will be heard by the Senate soon. The bill still lacks support with PMSA and the San Francisco Bar Pilot's Association, although both organizations realize something should be done to assist the retention of the District's Bar Pilots. Yesterday CEO and the Bar Pilots travelled to Sacramento to meet with representatives from Assemblymember Chesbro's office, PMSA and the San Francisco Bar Pilot's Association. Commissioner Pellegrini asked who on the Senate side will carry this bill. CEO stated it is hoped that Senator Lowenthal will. Commissioner Pellegrini said she would like to travel with CEO to Sacramento to promote this bill.
- ❖ 7/4: The preparation of Woodley Island for the July 4th celebration is on-going.
- ❖ The Collaborative Fisheries Research Project data collection continues.
- ❖ Director of Maritime Commerce is attended a West Coast Corridor Coalition (WCCC) meeting today. As a result, the WCCC will write support letters for Humboldt Maritime Logistics, West Coast Hub-Feeder Project and the Golden State Marine Highway applications.

- ❖ 6/6: The Harbor District participated in the Madaket's 100th Anniversary Boat Parade.

DISTRICT COUNSEL REPORT: None

STAFF REPORT: None

COMMISSIONERS REPORTS

Commissioner Pellegrini:

- ❖ Shared original newspaper articles and pictures from the 1964 flood. She said 200 miles of railroad track was demolished and workers were able to repair the tracks for use within six months. Commissioner Pellegrini presented the articles to Pete Oringer of the Timber Heritage Association.

Commissioner Wilson:

- ❖ Also attended Madaket's 100th Anniversary celebration.
- ❖ Attended the Oyster Festival in Arcata.
- ❖ Received a Member Alert from the Humboldt Builder's Exchange regarding the Economic Development Committee's Draft Report which prompted him to meet with the Exchange regarding the incorrect information contained in the memo. Commissioner Wilson said he was going to write a rebuttal which the Exchange will mail to their membership.

Commissioner Higgins:

- ❖ Would like the Board to discuss when it is appropriate for Board meetings to be cancelled when a quorum is available to be present. He requested this item appear on the next meeting agenda.

Commissioner Marks:

- ❖ Stated he found a news tape from 1988 when the Peninsula school students rode the excursion train around the bay.

Commissioner Curless:

- ❖ Reported after 11 years, the Shelter Cove Breakwater Rehabilitation Project is "for sure".
- ❖ The Art and Wine in the Park event in Fortuna was a success.

ADVISORY COMMITTEE REPORTS

Commissioner Marks:

- ❖ Continues to work with Commissioner Curless on the District's employee's union negotiations.

Commissioner Higgins:

- ❖ Reported the MPA oversight committee continues to have concerns regarding size of fish and spacing guidelines.

OTHER

Presentation by Norman Fassler-Katz, Senior Consultant to the Senate Transportation & Housing Sub-Committee on California Ports & Goods Movement and staff director to the California Marine and Intermodal Transportation System Advisory Council (CALMITSAC).

Mr. Fassler-Katz said he has rarely seen an area that per capita shows more interest in local issues. He said he was impressed with the audience speaking about what is important.

Mr. Fassler-Katz said at one time the Port of Sacramento was ready to change its direction; but due to the persuasion by CALMITSAC and others to stay the course, it has become a very successful port, in the black and part of the marine highway.

State Lands has asked the Harbor District Board of Commissioners to care for this essential asset, Humboldt Bay. The awareness throughout the state of the Port of Humboldt Bay is much wider than 10 years ago. The marine highway initiative is coming to California and the Port of Humboldt Bay is a necessary piece of that project.

Mr. Fassler-Katz proposed the CALMITSAC Advisory Committee is willing to work with the Port of Humboldt Bay to convene a port summit for and by the Port of Humboldt Bay. They will work with the Board of Commissioners to bring top level agency representatives to talk about the issues, support and the needed help to make the Port of Humboldt Bay a successful port. Major players are needed at the table for this to happen.

Commissioner Higgins said he likes the idea of a port summit; this would be a more expansive role than suggested in the Economic Development report.

Commissioner Wilson thanked Mr. Fassler-Katz for his assistance with the short sea shipping efforts.

NON-AGENDA: None

UNFINISHED BUSINESS

President Curless moved Item (f) to this point in the agenda.

F. FIRST READING OF THE FY 2010/11 BUDGET.

District Treasurer read the FY 2010/11 Budget Summary as follows: Revenue \$2,003,733; Operating Expenses \$1,977,467; Non-Operating Expenses \$372,669; Excess Revenues Under Expenses (\$346,403); and Transfers From Fund Balance Designations \$346,403. District Treasurer also reported the cash available invested in the County Treasury is approximately \$2.5 million.

Commissioner Wilson said based on projections with several scenarios, the worst case is that the Harbor District's reserves would fall below \$1 million in 2013, which is the limit set by the District's deep dredging bonds. He said the biggest business prospect currently is the start-up of Freshwater Tissue, which would bring in two ships per month starting in December.

Commissioner Higgins stated unless the District can bring in revenues to protect the reserves, Chapter 9 bankruptcy is looming in the near future. He said the Board has to cut overhead and give no employee raises; this will extend the window of business.

Commissioner Pellegrini asked CEO if Freshwater Tissue will create enough revenue for the District to break even. CEO said the two ships per month will certainly help towards that end and the mill is a seed for generating other business interest in the bay.

Jennifer Savage asked when the next marina dredging is scheduled. CEO responded the typical cycle is every eight to ten years, so 2015/16 is likely the next opportunity.

Rob McBeth suggested since Freshwater Tissue will provide much needed revenue for the District, the Board should write a letter of support for the mill to the Regional Water Quality Control Board because without the water permit, the mill will not open.

CEO stated PMSA and ILWU have both agreed to write support letters for Freshwater Tissue to the Regional Water Quality Control Board.

John Osborne asked if mill does not open, will that mean doomsday for the District. Commissioner Higgins replied staff continues to pursue grant revenue and the District may have to re-organize, but it will not dissolve.

Gregg Gardiner stated a Chapter 9 bankruptcy does not mean the District would go out of business. He suggested District Counsel educate the Board of Commissioners on the various types of bankruptcy.

Susan Penn asked what triggered the Harbor District employing the Bar Pilots. CEO responded that reaction by the Bar Pilots' own association to the drop in business caused the action by the Board to employ them as a last resort to retain this critical service. At the time, business was so slow, the pilots were either going to leave the area or raise the rates high enough that business would be driven away. CEO stated Grays Harbor in Washington suffered through the same scenario a few years earlier and tried to get help from the State, but to no avail. Since they hired their pilots, Grays Harbor has had a few lean years, but business has since increased to approximately five ships per week.

David Elsebusch said the Harbor District is very limited in its option and they have to cut costs somewhere. Grants are for specific purposes and do not help with the bottom line. He said it was anticipated the Bar Pilots revenue would cover the expenses, but that is not happening. The Board will have to bite the bullet soon.

Commissioner Higgins said he has the highest regard for Wilson Lacy, Director of Maritime Commerce, but the Board needs to reconsider the position in changing the direction of the Harbor District.

John Shafer said the Harbor District needs to be responsible to its constituency and change direction.

President Curless closed the First Reading of the FY 2010/11 Budget.

A. CONSIDERATION OF APPROVAL OF AMENDMENT 2 TO PILOT EMPLOYMENT AGREEMENT WITH CAPTAIN JOHN POWELL.

COMMISSIONER WILSON MOVED FOR THE APPROVAL OF AMENDMENT 2 TO PILOT EMPLOYMENT AGREEMENT WITH CAPTAIN JOHN POWELL. COMMISSIONER HIGGINS SECONDED.

David Elsebusch said the Board has the opportunity to make changes to the District's deficit. He is not convinced that "rent-a-pilot" is not an option. He said the total of the three positions – two Bar Pilots and one Director of Maritime Commerce – make up a portion of the District's deficit.

Commissioner Wilson said he did not like the way the amendment is written and said he would amend his motion to provide more flexibility to move forward.

COMMISSIONER WILSON AMENDED HIS MOTION TO CHANGE THE AMENDMENT TO BE EFFECTIVE FOR ONE YEAR ONLY, THE EMPLOYEE WILL BE AT-WILL, AND REMOVE THE THIRD SENTENCE IN THE SECOND PARAGRAPH. COMMISSIONER HIGGINS ACCEPTED THIS AMENDMENT.

Commissioner Marks stated last year the Bar Pilots took a 50% decrease in salary and Director of Maritime Commerce took a 40% decrease. They have already gone beyond what should be expected of an employee and the Board should be thanking them for their sacrifice.

District Counsel stated he did not prepare the contract extension and does not approve of the wording. The original contract states the position is unclassified and District Counsel feels the wording of the Amendment violates the District's Enabling Legislation Appendix D Article 73. He said in order for the Amendment to be legal, the Board has to retain the power to terminate the position by a majority vote of the Board.

Commissioner Pellegrini asked everyone to put themselves in the Bar Pilots' position – they have taken a 50% decrease in pay, are highly specialized and specifically trained to this port. Rent-a-pilot cannot be done; a Bar Pilot has to be licensed by the Port. This is a very complicated situation and a difficult decision. She suggested the Bar Pilots would still be at-will employees if the following language was inserted in the Amendment "Amendment shall remain in effect by or until a 4/5 vote of the Board to terminate the contract or renegotiate the contract." Commissioner Pellegrini said if she were in the Bar Pilots' position, she would need some assurance, some security.

District Counsel cautioned that a "super majority" (4/5 vote) overrides the legislation that requires a "majority".

Commissioner Pellegrini asked how the Board could provide assurance to the Bar Pilots. She also asked what the penalty would be if the Board approved the Amendment as presented because she feels she has to go to the mat for the District's employees.

District Counsel said they would have an illegal contract; but it is not a felony or misdemeanor to approve such a contract.

Commissioner Higgins stated a salary of \$72,000 is good and the District is still operating in the red.

Commissioner Wilson said the Board has a commitment to the public and to the employees.

COMMISSIONER MARKS CALLED FOR THE QUESTION ON THE AMENDED MOTION.

Gregg Gardiner said he has never heard of an employee taking a 50% cut in pay. An employee pays an employer for their desired skill set. He said the community should be grateful the Bar Pilots are here and are willing to work for the pay they do get.

Commissioner Wilson asked if the way the Amendment is written is legal or illegal.

Commissioner Pellegrini said the Board should approve the Amendment as presented since the State mandates the port provide Bar Pilots but will do nothing to help offset the costs. The Board needs to do whatever is possible to retain the Bar Pilots.

Commissioner Wilson asked if the State mandates the Bar Pilots or the Harbor District's ordinance. CEO replied both. The State has a licensing bill and the District's ordinance was written in accordance with State mandate.

District Counsel recommended the Board not approve the Amendment as written, but could delete "and position" because it contravenes Appendix 2 Section 73 (d) of the Harbors and Navigation Code. He suggested the sentence reading "If at any time during this contract period ship traffic increases, compensation rate may be reevaluated." be deleted as well.

Commissioner Pellegrini asked what language can be included in the Amendment that would not violate Appendix 2 Section 73(d).

MOTION FAILED WITH COMMISSIONERS PELLEGRINI, CURLESS AND MARKS DISSENTING.

COMMISSIONER PELLEGRINI MOVED FOR THE APPROVAL OF AMENDMENT 2 TO PILOT EMPLOYMENT AGREEMENT WITH CAPTAIN JOHN POWELL WITH "AND POSITION" DELETED FROM THE FOURTH PARAGRAPH. COMMISSIONER WILSON SECONDED.

Commissioner Higgins asked how the Board is going to address the rate of compensation if business increases. Commissioner Pellegrini said the Board will address when it occurs. Commissioner Higgins said that is lousy business when contracts do not define parameters. He said one has to be clinical if going to maintain the vitality of any organization; do not let emotions override the Board's business sense.

MOTION CARRIED WITH COMMISSIONER HIGGINS DISSENTING.

B. CONSIDERATION OF APPROVAL OF AMENDMENT 2 TO PILOT EMPLOYMENT AGREEMENT WITH CAPTAIN TIM PETRUSHA.

COMMISSIONER PELLEGRINI MOVED FOR THE APPROVAL OF AMENDMENT 2 TO PILOT EMPLOYMENT AGREEMENT WITH CAPTAIN TIM PETRUSHA WITH "AND POSITION" DELETED FROM THE FOURTH PARAGRAPH. COMMISSIONER WILSON SECONDED.

David Elsebush said he is disturbed with the Board's action when they would approve a contract that was not approved by the District Counsel, a sworn officer of the District. He said all this discussion could have been avoided if District Counsel had been involved with the drafting of the Amendment; instead staff drafted the Amendment without District Counsel's input.

Commissioner Wilson stated the Board was also involved with the drafting of the Amendment.

Bar Pilot Tim Petrusha said the Bar Pilots asked for the wording as presented.

MOTION CARRIED WITH COMMISSIONER HIGGINS DISSENTING.

C. CONSIDERATION OF APPROVAL OF AMENDMENT 2 TO EMPLOYMENT AGREEMENT WITH WILSON LACY.

COMMISSIONER PELLEGRINI MOVED FOR THE APPROVAL OF AMENDMENT 2 TO EMPLOYMENT AGREEMENT WITH WILSON LACY WITH "AND POSITION" DELETED FROM THE FOURTH PARAGRAPH. COMMISSIONER MARKS SECONDED.

Commissioner Higgins stated Mr. Lacy graciously gave up \$40,000 of his salary last year. He said there is still no business resulting from Mr. Lacy's work. Mr. Lacy may not be the right person for the District's new business model and the District needs a new business model.

David Elsebusch said the position is not justified; Mr. Lacy has not produced anything tangible.

Stephen Pepper said the marine highways is getting off the ground between Sacramento, Stockton and Humboldt Bay. Mr. Lacy is a proponent, knowledgeable and necessary to the project.

Sid Berg stated the Bar Pilots are tied to the Director of Maritime Commerce and vice versa. He urged the Board to approve another year in order to get industry to come to Humboldt Bay.

Gregg Gardiner said Humboldt County has never faced as deep a recession as now. The Harbor District is in a position to keep all the doors open; nothing comes close to what shipping can bring here. Show the Bar Pilots and Director of Maritime Commerce we appreciate them.

Jennifer Savage said Wilson Lacy was hired to pursue a rail dependent bustling port. Will the approval to keep him on longer pre-empt other projects as listed in the Economic Development Report from being pursued.

Commissioner Wilson stated Wilson Lacy has the expertise and relationships in the industry, but his position may not necessarily be full-time work. No doors are closing, but the District may focus on other projects.

Commissioner Higgins said with the closure of the pulp mill and therefore no shipping, hundreds of thousands of dollars have been lost. If the Harbor District changes direction and other skill sets become necessary, the Director of Maritime Commerce position is an at-will position and it is at the Board's discretion to hire someone else.

MOTION CARRIED WITH COMMISSIONER HIGGINS DISSENTING.

D. CONSIDERATION OF ADOPTION OF RESOLUTION 2010-10 WHICH ESTABLISHES FINDINGS RELATIVE TO THE APPLICATION BY THE US FISH AND WILDLIFE SERVICE FOR THE *SPARTINA DENSIFLORA* ERADICATION PROJECT.

COMMISSIONER HIGGINS MOVED FOR THE ADOPTION OF RESOLUTION 2010-10 WHICH ESTABLISHES FINDINGS RELATIVE TO THE APPLICATION BY THE US FISH AND WILDLIFE SERVICE FOR THE *SPARTINA DENSIFLORA* ERADICATION PROJECT. COMMISSIONER WILSON SECONDED. MOTION CARRIED WITHOUT DISSENT.

E. CONSIDERATION OF GRANTING PERMIT NO. 10-02 TO THE US FISH AND WILDLIFE SERVICE FOR THE *SPARTINA DENSIFLORA* ERADICATION PROJECT.

COMMISSIONER HIGGINS MOVED FOR THE APPROVAL OF GRANTING PERMIT NO. 10-02 TO THE US FISH AND WILDLIFE SERVICE FOR THE *SPARTINA DENSIFLORA* ERADICATION PROJECT. COMMISSIONER MARKS SECONDED. MOTION CARRIED WITHOUT DISSENT.

NEW BUSINESS

A. CONSIDERATION OF RECEIVING AND FILING THE DISTRICT'S ECONOMIC DEVELOPMENT COMMITTEE FINAL REPORT.

Commissioner Wilson explained the committee, made up of various public agency representatives and private business owners, discussed short sea shipping, aquaculture which is a thriving industry and has a huge growth potential, maritime business park models and other areas of interest for Humboldt Bay.

COMMISSIONER MARKS MOVED TO RECEIVE AND FILE THE DISTRICT'S ECONOMIC DEVELOPMENT COMMITTEE FINAL REPORT. COMMISSIONER HIGGINS SECONDED.

A member of the audience asked if there was a recent proposal to the Harbor District that was withdrawn. Commissioner Higgins said Stas Margaronis of Santa Maria Shipowning and Trading has withdrawn his proposal, but still has interest to work again with the Harbor District in the future. Commissioner Pellegrini said after the last meeting, Mr. Margaronis voiced his concern to CEO that the Harbor District was spreading itself too thin by working with Humboldt Maritime Logistics as well as his company. CEO assured Mr. Margaronis this was not the case. Commissioner Pellegrini was concerned Mr. Margaronis had not voiced this concern to the Board prior to their vote to direct staff to pursue both projects as well as several others. Commissioner Pellegrini asked Mr. Margaronis if he did not have the match dollars for the project and he said that was a large part of his concern.

Chris Crawford said economic development diversification is a good thing, but there a certain amount of either/or pre-dispositions included in the report. The Board needs to continue looking for harbor trade opportunities and looking towards the east is one way to accomplish that goal; free trade zone opportunities are available. He suggested the Board jointly address these issues with business interests in the Redding area for possible partnership for harbor trade. In the business industry, when the economy is tanking never stop marketing.

Jennifer Savage thanked the Board for exploring realistic opportunities as outlined in the report.

Gregg Gardiner commended Commissioner Higgins who wrote the report. He stated the committee was directed to focus on short-term projects that could be done quickly with little monetary investment; it was a narrow focus. He suggested the Board revisit the report annually.

Commissioner Higgins said even though there was a large sector of shipping trade two years ago, there are no prospects at this time.

Neal Latt said he came to this meeting because of the report. The report shows new ideas are everywhere, not to the exclusion of others. The Board needs to decide where to focus and on what path to go. Focus on the tangible.

MOTION CARRIED WITHOUT DISSENT.

B. CONSIDERATION OF SIXTH EXTENSION AND AMENDMENT OF AGREEMENT WITH THE INTERNATIONAL LONGSHORE AND WAREHOUSE UNION AFL-CIO, LOCAL 14, UNIT A.

This item was tabled.

C. CONSIDERATION OF LEASE EXTENSION AND AMENDMENT TO LEASE PRC 3303.1 (FAIRHAVEN TERMINAL) WITH SEQUOIA X, LLC.

COMMISSIONER PELLEGRINI MOVED FOR THE APPROVAL OF LEASE EXTENSION AND AMENDMENT TO LEASE PRC 3303.1 (FAIRHAVEN TERMINAL) WITH SEQUOIA X, LLC. COMMISSIONER WILSON SECONDED.

District Counsel stated this lease is one of the Harbor District's oldest. It was assigned four years ago to Sequoia X, LLC, but this is the first time the lease has been extended during the District Counsel's tenure; therefore it has been standardized to other District leases using the CPI for annual increases.

MOTION CARRIED WITHOUT DISSENT.

D. CONSIDERATION OF SENDING A LETTER TO THE PACIFIC FISHERY MANAGEMENT COUNCIL DETAILING CONCERNS WITH THEIR APPROVING AMENDMENTS 20 AND 21 OF THE GROUND FISH FISHERY MANAGEMENT PLAN.

Commissioner Pellegrini stated 40-60% of the trawl fleet will be reduced through these amendments because the fishermen cannot make a living on the quotas allowed. Also an observer will be required on the boats and the extra cost will be more than the value of the fish. She said the process should be slowed down to let the dust settle with the groundfish buy-back process.

COMMISSIONER PELLEGRINI MOVED FOR THE APPROVAL OF SENDING A LETTER TO THE PACIFIC FISHERY MANAGEMENT COUNCIL DETAILING CONCERNS WITH THEIR APPROVING AMENDMENTS 20 AND 21 OF THE GROUND FISH FISHERY MANAGEMENT PLAN. COMMISSIONER HIGGINS SECONDED. MOTION CARRIED WITHOUT DISSENT.

E. CONSIDERATION OF AGREEMENT WITH ACCESS HUMBOLDT FOR THE INSTALLATION OF EQUIPMENT TO TELEVISION DISTRICT BOARD MEETINGS.

This item was tabled.

ADMINISTRATIVE AND EMERGENCY PERMITS

CEO reported an Administrative Permit, A-2010-02, was issued to the Department of Fish and Game for trapping and removing invasive green crab in Humboldt Bay.

The Regular Meeting of the Board of Commissioners adjourned at 10:20 p.m.

APPROVED BY:



Richard Marks
Secretary

RECORDED BY:



Patricia L. Tyson
Director of Administrative Services