

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

DATE: February 10, 2022

TIME: Closed Session – 5:00 P.M.
Regular Session – 6:00 P.M.

PLACE: Join Zoom Meeting
<https://us02web.zoom.us/j/6917934402>

Meeting ID: 691 793 4402
One tap mobile
(669) 900-9128, 691 793 4402# US

Consistent with Executive Orders N-25-20 and N-29-20, the Board of Commissioners meeting location will not be physically open to the public. Members of the public may observe and participate in the meeting via Zoom or teleconference using the information set forth above.

- 1. Call to Order Closed Session at 5:00 P.M.**
- 2. Public Comment**

Note: This portion of the Agenda allows the public to speak to the Board on the closed session items. Each speaker is limited to speak for a period of three (3) minutes regarding each item on the Closed Session Agenda. 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.

3. Move to Closed Session

- a) CONFERENCE WITH REAL PROPERTY NEGOTIATORS. Terms of Purchase and or Lease of Real Property on Samoa Peninsula, Humboldt County, With Assessor’s Parcel Numbers, 401-031-083-000, 401-112-030-000, 401-031-054-000, 401-031-061-000, 401-112-013-000, 401-031-071-000, and 401-112-029-000, Pursuant to California Government Code § 54956.8. District Negotiators: Larry Oetker, Executive Director and Ryan Plotz, District Counsel. Negotiating Party: Town of Samoa, Green Diamond, Sniper Properties. Under Negotiation: Price and Payment Terms.
- b) CONFERENCE WITH REAL PROPERTY NEGOTIATORS. Terms of Lease of Real Property With Assessor’s Parcel Number 307-101-002-000 in Fields Landing, California Pursuant to California Government Code § 54956.8. District Negotiators: Larry Oetker, Executive

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Director and Ryan Plotz, District Counsel. Negotiating Party: Reincke Marine Fabrication.
Under Negotiation: Price and Payment Terms.

- c) CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION
Significant exposure to litigation pursuant to paragraph (2) or (3) of subdivision (d) of Section 54956.9: one case.

4. Call to Order Regular Session at 6:00 P.M. and Roll Call

5. Pledge of Allegiance

6. Report on Closed Session

7. 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. Callers can “raise their hand” by pressing *9 and unmute themselves by pressing *6.*

8. Consent Calendar

- a) Accept for Filing District Permit No. 2022-01 Hog Island / Sequoia Investments Pier Repair
- b) Receive District Financial Reports for December 2021
- c) Charter Agreement Renewal for Marc Schmidt dba Coastline Charters to operate a Charter Service at Woodley Island Marina
- d) Charter Agreement Renewal for Steve Helton dba Judah Paul Sportfishing to operate a Charter Service at Woodley Island Marina
- e) Charter Agreement Renewal for Matt Dallam dba Northwind Charters to operate a Charter Service at Woodley Island Marina
- f) Charter Agreement Renewal for Tim and Sherry Klassen dba Reel Steel Sportfishing to operate a Charter Service at Woodley Island Marina
- g) Charter Agreement Renewal for Gary Blasi Full Throttle Sportfishing to operate a Charter Service at Woodley Island Marina
- h) Charter Agreement Renewal for Tony Sepulveda dba Shellback Sport Fishing to operate a Charter Service at Woodley Island Marina

Agenda for February 10, 2022 Regular Board Meeting

- i) Charter Agreement Renewal for Andrew Smyth North Coast Sportfishing to operate a Charter Service at Woodley Island Marina
- j) Charter Agreement Renewal for Humboldt Bay Yacht Club to operate a Charter Service at Woodley Island Marina
- k) Charter Agreement Renewal for Jaimoe Kibby dba Humboats Kayak Adventures to operate a Charter Service at Woodley Island Marina
- l) Charter Agreement Renewal for Eric Justesen dba 707 Sportfishing to operate a Charter Service at Woodley Island Marina
- m) Charter Agreement Renewal for Lowell Wallace dba Humboldt Charter Company to operate a Charter Service at Woodley Island Marina
- n) Affirm the Findings Made in Resolution 2021-16 Regarding the Continued State of Emergency and Authorize the Continued use of Teleconference Meetings
- o) Authorize Executive Director to Execute the Legal Engagement Agreement With Cox, Castle, Nicholson Tor legal services Associated With The Proposed New Marine Terminal

9. Communications, Reports and Correspondence Received

- a) Executive Director's Report
- b) Staff Reports
- c) District Counsel and District Treasurer Reports
- d) Commissioner and Committee Reports
- e) Correspondence Received

10. Unfinished Business - NONE

11. New Business

- a) **Consider Adopting Resolution 2022-01 A Resolution Designating Business Matters, Appointment and Authorization for the Humboldt Bay Harbor, Recreation and Conservation District for Calendar Year 2022**

Recommendation: Staff recommends the Board: Adopt Resolution 2022-01 and accept the meeting calendar for 2022.

Summary: Annually the Board approves a Resolution which appoints specific staff and/or consultants, established financial limitations, legal notice designations, meeting schedules, and other business matters of the District.

- b) **Accept the Audit Report for the 2020-2021 Fiscal Year and Extend the Audit Contract with Harshwal & Company LLP**

Recommendation: Staff recommends the Board: Accept the Audit Report for the 2020-2021 Fiscal Year.

Summary: Independent auditors report prepared by Harshwal & Company LLP for the fiscal year ending June 30th, 2021. See page 27 of the Audit for detailed information on restricted cash balances for the Dredge Surcharge and the Float Replacement Surcharge.

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- c) Consider Introducing Amendment NO: 4 to Ordinance NO. 10: An Amendment to Ordinance 10 of the Humboldt Bay Harbor, Recreation and Conservation District Amending and Adjusting the Boundaries of the Election Divisions of the Humboldt Bay Harbor, Recreation, and Conservation District**

Recommendation: Staff Recommends that the Commission: Introduce Amendment NO. 4 to Ordinance NO. 10 and consent to read by title only.

Summary: The proposed amendment would retain the District election boundaries in the same location with no changes. According to the Harbors and Navigation Code the boundaries of all election divisions for the Harbor District Commissioners shall be adjusted following each decennial federal census.

- d) Consider Approval of Amendment No. 1 to the Tuluwat Island Wetland Mitigation Project Agreement with CalTrans**

Recommendation: 1) Approve terms related to Amendment No. 1 of the Tuluwat Island Wetland Mitigation Project (Project) Cooperative Agreement; 2) Authorize the District Attorney to make nonmaterial amendments to the Agreement as may be required by CalTrans; 3) Authorize the Executive Director to execute the amendment and contracts based on these terms; and 4) Bring the final agreement back to the Board for public disclosure.

Summary: On March 4, 2021 the Harbor District entered a cooperative agreement with Caltrans related to implementation of the Tuluwat Island Wetland Mitigation Project. On September 9, 2021 the Board conditionally approved a contract with the Redwood Community Action Agency (RCAA) to implement the project with the Wiyot Tribe to provide cultural monitoring pending approval of the attached funding agreement.

- e) Consider Adding a Commercial Fishing Subcommittee and a Volunteer Fireboat Board Liaison**

Recommendation: Staff recommends that the Board: 1) Review the list of current subcommittees; 2) establish a new Commercial Fishing Subcommittee; and 3) Assign Aaron Newman as the Board Liaison to the Volunteer Fireboat Program; and 4) Make any other changes to current at the Board's discretion.

Summary: Subcommittees serve an important role for the Harbor District and the Board of Commissioners to gather information and recommend action on important issues. Subcommittees are formed as needed throughout the year. For specific items the Board may also appoint a Board member to be the official "Liaison" to an organization or group.

12. Future Agenda Items

- a) Green Diamond Shared Services Agreement

13. Adjournment

COMMISSIONERS

1st Division

Aaron Newman

2nd Division

Greg Dale

3rd Division

Stephen Kullmann

4th Division

Richard Marks

5th Division

Patrick Higgins

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



STAFF REPORT
HARBOR DISTRICT MEETING
February 10, 2022

TO: Honorable Board President and Harbor District Board Members

FROM: Rob Holmlund, Development Director

DATE: February 4, 2022

TITLE: Accept for Filing District Permit No. 2022-01 Hog Island/ Sequoia Investments Pier Repair

STAFF RECOMMENDATION: Staff recommends the Board: Accept Permit Application 2022-01 for filing.

SUMMARY: Sequoia Investments X, LLC submitted [Permit Application 2022-01](#) on January 13, 2022 to conduct a 5-year repair and maintenance plan for the Sequoia Investment's Hog Island dock located at Bivalve way, Samoa, CA (APN 401-301-007). Consistent with District Ordinances and the Harbors and Navigation Code, this is a procedural step to accept a permit to conduct physical improvements within the waters of Humboldt Bay. If the Board chooses to accept the filing of this permit, staff will follow standard procedures to review and evaluate the project. Following that analysis, the project will come before the Board with a staff recommendation for or against approval.

DISCUSSION: All work appears to be outside of mapped eel grass. The proposed project is consistent with the Humboldt Bay Management Plan. The location and general overview of the project are shown in the images on the next page. In addition to pursuing a District permit, Sequoia Investment is also currently in the process of applying for a Coastal Development Permit as part as the conditions for the Emergency Permit issued by the Coastal Commission in October 2021 (Permit #G-1-21-0048). The emergency work was completed on October 29, 2021. Staff will collaborate with the Coastal Commission regarding conditions of approval and potential issues associated with the project.

Staff Report: Consideration of Accepting Permit Application 2022-01 for Filing: Hog Island/ Sequoia Investment Pier Repair

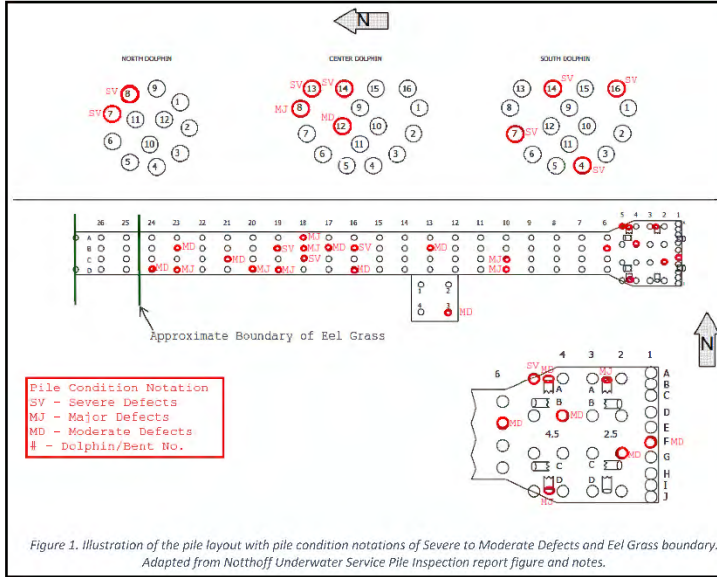


Figure 1. Illustration of the pile layout with pile condition notations of Severe to Moderate Defects and Eel Grass boundary. Adapted from Notthoff Underwater Service Pile Inspection report figure and notes.

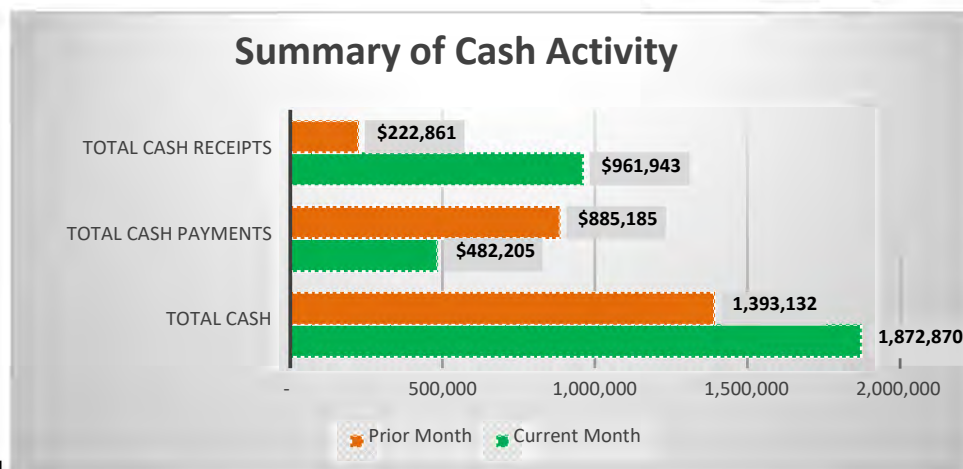


HUMBOLDT BAY HARBOR, RECREATION, AND CONSERVATION DISTRICT

Monthly Cash Flow Analysis

For The Months Ended December 31, 2021 and November 30, 2021

	<u>12/31/21</u>	<u>11/30/21</u>
<u>Account Balances</u>		
Checking	\$ 19,812	\$ 40,494
Savings	45,340	111,054
Tariff	929,047	1,001,039
County Treasury	877,391	238,509
Cash on hand	1,280	2,036
Total Cash	<u>1,872,870</u>	<u>1,393,132</u>
Add: Accounts Receivable (less doubtful accounts)	641,888	620,915
Less: Accounts Payable	(77,096)	(85,239)
Available Cash and Receivables	<u>\$ 2,437,662</u>	<u>\$ 1,928,808</u>
<u>Change in Cash Balance</u>		
Balance, Beginning of Month	\$ 1,393,132	\$ 2,055,456
Monthly Deposits	961,943	222,861
Monthly Payments	(482,205)	(885,185)
Balance, End of Month	<u>\$ 1,872,870</u>	<u>\$ 1,393,132</u>
<u>Monthly Expenses Summary</u>		
Significant/Unusual Expenses:		
Humboldt Bay Development Assoc lease payment		\$ 52,167
BBVA bond and loan payment	\$ 234,942	
Payoff of Coast Seafoods note payable		631,849
Semi-annual property tax expense	21,074	
Sub-total, Significance/Unusual Expenses	<u>256,016</u>	<u>684,016</u>
General operating expenses and other misc. expense	226,189	201,169
Total Cash Payments	<u>\$ 482,205</u>	<u>\$ 885,185</u>
<u>Monthly Deposits Summary</u>		
Significant/Unusual Revenues:		
Property taxes and interest income	\$ 638,882	
Interest Payment on NMTC note receivable	40,187	
Coast Seafoods annual lease payment		\$ 49,395
Nordic Aquafarms deposit	100,000	
Sub-total, Significant/Unusual Revenues	<u>779,069</u>	<u>49,395</u>
General revenues	182,874	173,466
Total Cash Receipts	<u>\$ 961,943</u>	<u>\$ 222,861</u>



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Humboldt Bay Harbor, Recreation & Conservation District

Profit & Loss

02/04/22

December 2021

Accrual Basis

	Dec 21	Jul - Dec 21
Ordinary Income/Expense		
Income		
Donations		
46519 · Donations - Lighthouse	0.00	12.00
Total Donations	0.00	12.00
Dredging Revenue		
41318 · Dredging Surcharge - T	12,884.28	94,671.92
Total Dredging Revenue	12,884.28	94,671.92
Fees		
40108 · PERMITS-T	250.00	1,900.00
40808 · Pilotage Services - T	0.00	1,909.82
41308.1 · Poundage - T	15.00	3,279.22
41818 · Late Charges/Interest - T	1,200.00	5,015.00
41819 · Late Charges/Interest - NT	111.28	3,023.10
45608 · Chevron - Ports O&M - T	8,087.50	16,175.00
Total Fees	9,663.78	31,302.14
Float Replacement Account		
41418 · Float Replacement	4,341.00	31,872.95
Total Float Replacement Account	4,341.00	31,872.95
Grant Revenue		
Harbor Grants		
45208 · Harbor Grants, Other - T	0.00	10,529.50
45208.1 · Harbor Grants, Gov't - T	0.00	27,355.55
Total Harbor Grants	0.00	37,885.05
Total Grant Revenue	0.00	37,885.05
Harbor Surcharge		
40908 · Harbor Improvement Surcharge-T	22,189.02	73,325.24
Total Harbor Surcharge	22,189.02	73,325.24
Interest Revenue		
43108 · Interest Income - T	91.25	531.09
43109 · Interest Income - NT	13,650.00	81,900.04
43318 · Interest On Del Accts - T	77.87	80.07
Total Interest Revenue	13,819.12	82,511.20
Other Revenue		
45908 · Other Revenue - T	1.00	23,735.00
45909 · Other Revenue - NT	569.89	6,510.65
Total Other Revenue	570.89	30,245.65
Rent Income		
40218 · Slip Rents - T	34,673.96	248,567.67
40318.1 · Transient Rentals - T	1,386.11	19,388.05
40518 · Equipment Rent - T	0.00	4,560.00
40519 · Equipment Rent - NT	1,400.00	2,870.00
40809 · Yard Rent - NT	931.20	5,587.20
41108 · Rents, Tidelands Leases - T	28,697.74	186,870.20
41309 · Storage - NT	5,973.71	26,796.79
41409 · Upland Rent - NT		
41409.2 · Redwood Terminal 2 - NMTC	5,007.69	30,046.14
41409 · Upland Rent - NT - Other	72,576.80	1,847,307.37
Total 41409 · Upland Rent - NT	77,584.49	1,877,353.51
Total Rent Income	150,647.21	2,371,993.42
Sales		
40119 · Concession Sales - NT	726.00	2,778.25
Total Sales	726.00	2,778.25
Tax Revenue		
43509 · Property Tax Revenues	106,515.00	639,090.00
Total Tax Revenue	106,515.00	639,090.00
Utility Surcharge		
40409 · Utility Surcharge - NT	4,552.64	30,808.45

Humboldt Bay Harbor, Recreation & Conservation District

02/04/22

Profit & Loss

Accrual Basis

December 2021

	Dec 21	Jul - Dec 21
40418 · Utility Surcharge, Marina Dock	3,652.87	20,602.25
Total Utility Surcharge	8,205.51	51,410.70
47019 · Returned Check Charges	0.00	35.00
52708.1 · Discount	15.19	47.66
Total Income	329,577.00	3,447,181.18
Gross Profit	329,577.00	3,447,181.18
Expense		
Accounting/Auditing Services		
52500 · Accounting Fees - T	1,815.00	13,221.00
52508 · Accounting Fees - NT	605.00	6,072.00
Total Accounting/Auditing Services	2,420.00	19,293.00
Advertising & Promotion		
51000 · Advertising & Promotion - NT	196.40	1,098.67
51008 · Advertising & Promotion - T	411.13	945.23
Total Advertising & Promotion	607.53	2,043.90
Bad Debts		
51308 · Bad Debts - T	0.00	46.78
Total Bad Debts	0.00	46.78
Communications		
51400 · Communications - NT	3,359.86	15,760.39
51408 · Communications - T	1,723.51	6,315.17
Total Communications	5,083.37	22,075.56
Conference & Meetings		
51500 · Conferences & Meetings - NT	215.91	5,611.06
51508 · Conferences & Meetings - T	83.00	2,044.06
Total Conference & Meetings	298.91	7,655.12
Dredging Expense		
55608 · Dredging Expense - T	0.00	7,824.18
56708 · Dredging - GT	0.00	5,237.31
Total Dredging Expense	0.00	13,061.49
Dues, Subscriptions & Licences		
51600 · Dues & Subscriptions - NT	3,128.12	31,043.74
51608 · Dues & Subscriptions - T	265.00	477.50
Total Dues, Subscriptions & Licences	3,393.12	31,521.24
Elections & Government Fees		
51700 · Elections & Prop Tax Assess-NT	21,205.59	55,029.05
51708 · Elections & Prop Tax Assess - T	2,500.22	2,500.22
Total Elections & Government Fees	23,705.81	57,529.27
Engineering Services		
52400 · Engineering Fees - NT	1,245.00	18,008.75
52408 · Engineering Fees - T	5,506.25	50,190.00
Total Engineering Services	6,751.25	68,198.75
Fuel		
50400 · IMPUTED AUTO VALUE G/A	67.80	727.80
51200 · Automotive, Fuel- NT	446.58	2,470.51
51208 · Vessel Fuel	815.23	3,015.79
51218 · Automotive, Fuel - T	514.38	3,005.51
Total Fuel	1,843.99	9,219.61
Grant Expenses		
Conservation Grant Expenses		
54408.3 · Conservation Grant Exp	0.00	-2,249.00
Total Conservation Grant Expenses	0.00	-2,249.00
Harbor Grant Expenses		
54408.1 · Harbor Grant Exp	100.00	250.00
Total Harbor Grant Expenses	100.00	250.00

Humboldt Bay Harbor, Recreation & Conservation District

02/04/22

Profit & Loss

Accrual Basis

December 2021

	Dec 21	Jul - Dec 21
Total Grant Expenses	100.00	-1,999.00
Insurance		
51800 · Insurance - NT	7,431.82	45,415.35
51808 · Insurance - T	1,278.54	7,692.21
Total Insurance	8,710.36	53,107.56
Interest Expense		
55108 · Interest Expense - T	4,579.00	34,349.13
55109 · Interest Expense - NT	8,107.51	49,741.61
Total Interest Expense	12,686.51	84,090.74
Legal Services		
52300 · Legal Fees - NT	445.50	7,511.93
52308 · Legal Fees - T	148.50	3,329.87
Total Legal Services	594.00	10,841.80
Maintenance - Equipment		
51209 · Automotive, Repairs - NT	58.43	1,834.28
52710 · Repairs & Maint, Equip - NT	500.43	2,517.69
52718 · Repairs & Maint, Equip - T	7.64	2,610.18
Total Maintenance - Equipment	566.50	6,962.15
Maintenance - Facilities		
52708 · Repairs & Maint, Facilities - T	2,446.19	48,899.71
52709 · REPAIRS & MAINTENANCE G/NT	0.00	30,000.00
52719 · Repairs & Maint, Facilities - N	2,541.36	32,839.40
Total Maintenance - Facilities	4,987.55	111,739.11
Maintenance - IT		
57008 · Maintenance, IT Equip - T	0.00	187.50
57009 · Maintenance, IT Equip - NT	525.50	5,565.12
Total Maintenance - IT	525.50	5,752.62
Maintenance Supplies		
52008 · Maintenance Supplies - T	0.00	216.09
52010 · Maintenance Supplies - NT	983.78	11,763.62
Total Maintenance Supplies	983.78	11,979.71
Office Supplies		
51900 · Office Supplies - NT	5,244.95	15,915.11
51908 · Office Supplies - T	556.17	4,033.08
51918 · OFFICE EXPENSE M/T	0.00	86.00
Office Supplies - Other	104.91	104.91
Total Office Supplies	5,906.03	20,139.10
Other Expenses		
55419 · Other Expenses - NT	7,500.00	7,500.00
Total Other Expenses	7,500.00	7,500.00
Other Professional/Outside Serv		
52109 · Outside Services, Other - NT	278.00	387.00
52110 · OUTSIDE SERVICES M/A	391.00	3,160.00
52118 · Outside Services, Other - T	19,555.00	45,574.78
Total Other Professional/Outside Serv	20,224.00	49,121.78
Permits		
51618 · Permits - T	11,330.00	13,519.94
Total Permits	11,330.00	13,519.94
Personnel Expenses		
Commissioners Fees		
50200 · Commissioner's Salaries - NT	1,470.00	8,540.00
50208 · Commissioner's Salaries - T	630.00	3,660.00
Total Commissioners Fees	2,100.00	12,200.00
Payroll Burden		
50500 · Payroll Benefits, Other - NT	29,277.11	200,324.53
50508 · Payroll Benefits, Other - T	9,421.98	63,344.31

Humboldt Bay Harbor, Recreation & Conservation District

02/04/22

Profit & Loss

Accrual Basis

December 2021

	Dec 21	Jul - Dec 21
6560 · Workers' Comp	3,198.83	20,917.82
Total Payroll Burden	41,897.92	284,586.66
Salaries/Wages		
50100 · Salaries & Wages - NT	63,387.26	413,643.30
50108 · Salaries & Wages - T	226.94	699.91
50119 · Sal. & Wages, Part-time - NT	0.00	1,680.00
Total Salaries/Wages	63,614.20	416,023.21
Total Personnel Expenses	107,612.12	712,809.87
Planning Services		
52200 · Planning Fees - NT	920.00	9,504.25
52208 · Planning Fees - T	3,418.75	7,338.61
Total Planning Services	4,338.75	16,842.86
Rent Expense		
52600 · Rent Expense - NT	63.00	689.00
54308 · Redwood Terminal 2 Lease Expens	17,650.00	116,777.72
Total Rent Expense	17,713.00	117,466.72
Small Tools		
52800 · Small Tools - NT	73.40	839.63
52808 · Small Tools - T	0.00	151.86
Total Small Tools	73.40	991.49
Utilities		
52909 · Utilities - NT	11,203.66	115,362.50
52918 · Utilities - T	3,553.03	23,646.19
53000 · Water, Sewer, & Refuse - NT	9,709.18	59,597.63
53008 · Water, Sewer, & Refuse - T	4,199.31	24,699.33
Total Utilities	28,665.18	223,305.65
Total Expense	276,620.66	1,674,816.82
Net Ordinary Income	52,956.34	1,772,364.36
Net Income	52,956.34	1,772,364.36

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Humboldt Bay Harbor, Recreation & Conservation District

Balance Sheet

02/04/22

As of December 31, 2021

Accrual Basis

	<u>Dec 31, 21</u>
ASSETS	
Current Assets	
Checking/Savings	
10000 · PETTY CASH ON HAND	150.00
10100 · CHANGE FUND ON HAND	400.00
10111 · COIN MACHINE FUND	730.00
10200 · CASH IN BANK, CHECKING	5,603.19
10200.1 · Cash in PNC, Checking	14,209.17
10400 · CASH IN COUNTY - FUND 2720	841,871.69
10500 · CASH IN COUNTY - FUND 3872	35,518.88
10600.1 · Cash in bank, Tariff PNC	929,047.23
10700.1 · Cash in bank, Water PNC	45,339.91
10901 · UNEXPENDED MARINA SURCHARGES	1,492,000.88
10903 · RESTRICTED CASH	-1,492,000.88
Total Checking/Savings	<u>1,872,870.07</u>
Accounts Receivable	
12000 · ACCTS RECEIVABLE	937,369.01
Total Accounts Receivable	<u>937,369.01</u>
Other Current Assets	
12100 · ALLOW FOR BAD DEBTS	-295,481.26
12200 · TAXES RECEIVABLE	-2,292.10
12300 · INTEREST RECEIVABLE	4,894.64
12600 · Note Receivable - NMTC	5,849,375.00
12700 · PREPAID EXPENSES	62,794.33
12800 · LEASE RECEIVABLE	1,050.89
Total Other Current Assets	<u>5,620,341.50</u>
Total Current Assets	<u>8,430,580.58</u>
Fixed Assets	
CAPITAL ASSETS, NET	
14910 · BEACH PROPERTY	208,149.00
15000 · AUTOMOTIVE EQUIPMENT	95,639.08
15100 · OFFICE EQUIPMENT	193,303.88
15200 · OPERATING EQUIPMENT	314,098.74
15500 · MARINA, RESTAURANT COMPLEX	34,100.00
15600 · MARINA	10,529,004.29
15700 · FL BOAT BLDG & REPAIR FACILITY	4,302,259.53
15800 · SHELTER COVE	2,386,247.10
15900 · DREDGING COSTS	215,226.78
16000 · KING SALMON	15,143.99
16100 · MARINA DREDGE, CONSTR IN PROGRES	1,214,232.34
16400 · REDWOOD DOCK PROPERTY	3,010,194.30
16500 · HOMELAND SECURITY EQUIPMENT	2,254,007.60
16600 · TABLE BLUFF LIGHTHOUSE	361.44
16700 · AQUAPONICS PILOT FACILITY	96,036.61
16800 · REDWOOD TERMINAL 2	2,613,169.43
16900 · Dredge	1,215,423.27
17000 · ACCUMULATED DEPRECIATION	-17,855,858.17
Total CAPITAL ASSETS, NET	<u>10,840,739.21</u>
14800 · SHIPWRECK PROPERTY	50,088.05
14900 · DOG RANCH PROPERTY	7,507.70
Total Fixed Assets	<u>10,898,334.96</u>
Other Assets	
19000 · Deferred Outflows of PERS	320,904.00
Total Other Assets	<u>320,904.00</u>
TOTAL ASSETS	<u><u>19,649,819.54</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
20000 · ACCOUNTS PAYABLE	77,096.44
Total Accounts Payable	<u>77,096.44</u>
Other Current Liabilities	
Payroll tax & Withholding Liab	
21300 · STATE UNEMPLOYMENT TAX	194.89

Humboldt Bay Harbor, Recreation & Conservation District

Balance Sheet

02/04/22

Accrual Basis

As of December 31, 2021

	Dec 31, 21
21600 · PERS CARE/MEDICAL INSURANCE	6,476.96
Total Payroll tax & Withholding Liab	6,671.85
20100 · LEASE PAYABLE TO HBDA	538.00
20200 · NOTES PAYABLE	310,482.25
20400 · ACCRUED WAGES PAYABLE	30,648.93
20500 · ACCRUED INTEREST	-387.34
20600 · ACCRUED VACATION PAYABLE	35,976.00
20800 · DEPOSITS ON HAND	
20801 · KEY DEPOSITS ON HAND	16,300.00
20802 · PLUG DEPOSITS ON HAND	1,020.00
20803 · SLIP DEPOSITS ON HAND	49,863.40
20804 · STORAGE DEPOSITS	3,711.65
20806 · LEASE SECURITY DEPOSIT	243,529.42
20807 · STORAGE DEPOSIT - REDWOOD DOCK	2,750.26
20808 · WAIT LIST DEPOSIT	3,300.00
Total 20800 · DEPOSITS ON HAND	320,474.73
22000 · DEFERRED LEASE INCOME	61,699.40
24000 · Ground Lease Deferred Income	3,906,000.00
24002 · Groundlease Current Def Income	60,092.31
28000 · DEFERRED INCOME	159,379.27
28500 · OTHER DEFERRED CREDITS	723,523.92
Total Other Current Liabilities	5,615,099.32
Total Current Liabilities	5,692,195.76
Long Term Liabilities	
24001 · Gound Lease Amortization	-349,276.10
24003 · Groundlease Current Offset	-60,092.31
25200 · ENVIRONMENTAL REMEDIATION LIAB	10,162.77
25500 · OPEB Liability	220,710.00
25700 · BOND PAYABLE 2014 REFINANCING	1,968,656.20
25800 · BBVA Loan Payable	1,058,384.95
25900 · LESS CURRENT PORTION	-310,482.25
27000 · Net Pension Liability	1,150,835.00
27200 · Deferred Inflows of PERS	153,290.00
Total Long Term Liabilities	3,842,188.26
Total Liabilities	9,534,384.02
Equity	
3000 · OPENING BALANCE EQUITY	0.01
30500 · INVESTMENT IN FIXED ASSETS	9,181,656.59
30900 · RESTRICTED FUND BALANCE	1,433,244.90
31200 · GENERAL FUND BALANCE	
31000 · FUND BALANCE - TIDELANDS TRUST	-2,628,399.20
31200 · GENERAL FUND BALANCE - Other	356,568.86
Total 31200 · GENERAL FUND BALANCE	-2,271,830.34
Net Income	1,772,364.36
Total Equity	10,115,435.52
TOTAL LIABILITIES & EQUITY	19,649,819.54

2:31 PM

Humboldt Bay Harbor, Recreation & Conservation District

Account QuickReport

As of December 31, 2021

02/04/22

Accrual Basis

Type	Date	Num	Name	Memo	Amount
10200.1 - Cash in PNC, Checking					
Liability Check	12/07/2021	E-pay	Employment Developme...	499-0307-3 QB T...	-1,167.67
Liability Check	12/07/2021	E-pay	Internal Revenue Service	94-2262845 QB ...	-3,622.78
Liability Check	12/09/2021		QuickBooks Payroll Serv...	Created by Payro...	-17,297.26
Liability Check	12/10/2021	ACH	State Disbursement Unit	0230000067964	-233.53
Liability Check	12/10/2021	ACH	State Disbursement Unit	0230000067964	-170.19
Bill Pmt -Check	12/10/2021	ACH	CalPERS 457 Program	457Match 12/10/...	-250.00
Liability Check	12/10/2021	ACH	CalPERS 457 Program	450348	-1,825.00
Liability Check	12/10/2021	ACH	PERS Unfunded Accrue...	2233447024	-3,826.65
Bill Pmt -Check	12/10/2021	61718	101Netlink	WIM	-250.00
Bill Pmt -Check	12/10/2021	61719	Advanced Security Syste...		-589.65
Bill Pmt -Check	12/10/2021	61720	Airgas USA	3980904	-71.05
Bill Pmt -Check	12/10/2021	61721	AT&T Phone	707 443-0801 07...	-1,983.15
Bill Pmt -Check	12/10/2021	61722	BT Metal Sales and Fabr...		-75.67
Bill Pmt -Check	12/10/2021	61723	California Redwood Co.	Red Tank 09/20-...	-495.83
Bill Pmt -Check	12/10/2021	61724	California Special District...	Membership ID: ...	-7,615.00
Bill Pmt -Check	12/10/2021	61725	Campton Electric Supply		-70.43
Bill Pmt -Check	12/10/2021	61726	CAPA	Membership Due...	-2,728.12
Bill Pmt -Check	12/10/2021	61727	Englund Marine Supply		-689.01
Bill Pmt -Check	12/10/2021	61728	Enterprise-Record, Merc...	RFQ RMT Repla...	-371.27
Bill Pmt -Check	12/10/2021	61729	Eureka Chamber of Com...	2022 Membershi...	-425.00
Bill Pmt -Check	12/10/2021	61730	Eureka Oxygen Company		-290.83
Bill Pmt -Check	12/10/2021	61731	Eureka Ready Mix	PO #1708	-313.01
Bill Pmt -Check	12/10/2021	61732	Friends of the Dunes	Section 2.1 of Ag...	-7,500.00
Bill Pmt -Check	12/10/2021	61733	Humboldt Bay Municipal ...	9002.001 RMT2	-1,079.04
Bill Pmt -Check	12/10/2021	61734	Humboldt Bay Solar Fun...	HB0520	-6,680.27
Bill Pmt -Check	12/10/2021	61735	Humboldt No. 1 Fire Prot...	Benefit Assessm...	-132.00
Bill Pmt -Check	12/10/2021	61736	Humboldt Waste Manag...		-103.61
Bill Pmt -Check	12/10/2021	61738	Industrial Electric Arcata,...		-1,292.56
Bill Pmt -Check	12/10/2021	61739	Keenan Supply	FLBY	-845.31
Bill Pmt -Check	12/10/2021	61740	Lawson Products, Inc.	10347668	-129.61
Bill Pmt -Check	12/10/2021	61741	Mad River Community H...	A0073115	-148.75
Bill Pmt -Check	12/10/2021	61742	Mission Uniform & Linen	299313	-280.55
Bill Pmt -Check	12/10/2021	61743	Mitchell Law Firm, LLP		-2,976.00
Bill Pmt -Check	12/10/2021	61744	Napa Auto Parts		-327.31
Bill Pmt -Check	12/10/2021	61745	Nilsen Company	1623	-141.31
Bill Pmt -Check	12/10/2021	61746	Northern California Safet...	Hazwoper Refres...	-125.00
Bill Pmt -Check	12/10/2021	61747	Overhead Door Compan...	PO #1694 Laund...	-641.99
Bill Pmt -Check	12/10/2021	61748	Pacific Coast Congress	Annual Corporat...	-265.00
Bill Pmt -Check	12/10/2021	61749	Pacific Gas & Electric (3...	6598073494-4	-171.65
Bill Pmt -Check	12/10/2021	61750	Pacific Gas & Electric (8...	0074698259-4	-7,777.55
Bill Pmt -Check	12/10/2021	61751	Pacific Gas & Electric (N...	2072047	-332.96
Bill Pmt -Check	12/10/2021	61752	Pierson Building Center	1297	-423.91
Bill Pmt -Check	12/10/2021	61753	Pintermedia LLC		-130.00
Bill Pmt -Check	12/10/2021	61754	Planwest Partners, Inc.	2021 District Pla...	-1,771.25
Bill Pmt -Check	12/10/2021	61755	Recology Eel River	061097997	-418.42
Bill Pmt -Check	12/10/2021	61756	Recology Humboldt Cou...	061218064	-856.12
Bill Pmt -Check	12/10/2021	61757	Recology Humboldt Cou...	A0060000265	-2,977.40
Bill Pmt -Check	12/10/2021	61758	Reincke Marine Fabricati...	Electric Meter Ba...	-458.00
Bill Pmt -Check	12/10/2021	61759	Schmidbauer Building S...	WIM	-135.72
Bill Pmt -Check	12/10/2021	61760	Security Lock & Alarm		-41.39
Bill Pmt -Check	12/10/2021	61761	Shafer's Ace Hardware	1586	-51.26
Bill Pmt -Check	12/10/2021	61762	Shelter Cove Fishing Pre...	SC Janitorial Dec...	-2,083.33
Bill Pmt -Check	12/10/2021	61763	SHN Consulting Enginee...		-9,273.75
Bill Pmt -Check	12/10/2021	61764	State Water Resource C...	RMT 2 07/01/21...	-1,738.00
Bill Pmt -Check	12/10/2021	61765	Stoel Rives LLP	Humboldt County...	-822.00
Bill Pmt -Check	12/10/2021	61766	Times-Standard, Tri-City ...	Newspaper Subs...	-277.05
Bill Pmt -Check	12/10/2021	61767	US Bank Corporate Pay...	4246044555706...	-6,353.06
Bill Pmt -Check	12/10/2021	61768	World Oil Environmental S...	15055	-95.00
Bill Pmt -Check	12/10/2021	61737	Humboldt Waste Manag...	RMT2	-241.50
Check	12/10/2021	61769	Ponts, Jim	Tenant Refund	-378.95
Check	12/10/2021	61770	Simpson, Larry	Tenant Refund	-226.60
Check	12/10/2021	61771	Tokaruk, Demetro (Tuck)	Tenant Refund	-299.00
Check	12/10/2021	61772	Burns, Kenneth D	Tenant Refund	-247.65
Bill Pmt -Check	12/10/2021	61773	StewTel, Inc.	Service Initiation	-1,037.90
Liability Check	12/13/2021	E-pay	Internal Revenue Service	94-2262845 LO ...	-6.70
Bill Pmt -Check	12/13/2021	ACH	PERS Unfunded Accrue...	2233447024	-7,091.83
Liability Check	12/14/2021		QuickBooks Payroll Serv...	Created by Payro...	-216.59
Liability Check	12/15/2021	ACH	PERS Unfunded Accrue...	2233447024 LO ...	-33.10

Account QuickReport

As of December 31, 2021

Type	Date	Num	Name	Memo	Amount
Liability Check	12/21/2021	E-pay	Employment Developme...	499-0307-3 QB T...	-1,244.37
Liability Check	12/21/2021	E-pay	Internal Revenue Service	94-2262845 QB ...	-3,975.42
Liability Check	12/22/2021		QuickBooks Payroll Serv...	Created by Payro...	-18,621.28
Liability Check	12/22/2021	E-pay	Employment Developme...	499-0307-3 QB T...	-406.60
Liability Check	12/22/2021	E-pay	Internal Revenue Service	94-2262845 QB ...	-1,041.04
Bill Pmt -Check	12/23/2021	61774	ACWA JPIA	215	-25,194.16
Bill Pmt -Check	12/23/2021	61775	AT&T Internet	831-000-8571 571	-882.85
Bill Pmt -Check	12/23/2021	61776	CA Harbor Masters & Po...	Association Annu...	-350.00
Bill Pmt -Check	12/23/2021	61777	Coastal Business Syste...	WIM Copier Lease	-471.91
Bill Pmt -Check	12/23/2021	61778	David L. Moonie & Comp...		-3,478.00
Bill Pmt -Check	12/23/2021	61779	Industrial Electric Arcata...	WIM Sewer Tunn...	-872.44
Bill Pmt -Check	12/23/2021	61780	Lawson Products, Inc.	10347668	-49.05
Bill Pmt -Check	12/23/2021	61781	Mad River Community H...	VOID: A0073115	0.00
Bill Pmt -Check	12/23/2021	61782	Mission Uniform & Linen	299313	-176.38
Bill Pmt -Check	12/23/2021	61783	Northern California Glove	3474	-195.44
Bill Pmt -Check	12/23/2021	61784	OpenMind Creations	Conference Roo...	-75.00
Bill Pmt -Check	12/23/2021	61785	Shelter Cove Resort Imp...	SC	-203.46
Bill Pmt -Check	12/23/2021	61786	Southwest Answering Se...	11/4-12/01/2021 ...	-365.00
Bill Pmt -Check	12/23/2021	61787	Staples Credit Plan	6035 5178 1247 ...	-301.02
Bill Pmt -Check	12/23/2021	61788	State Water Resource C...	RMT2 07/01/21-...	-9,592.00
Bill Pmt -Check	12/23/2021	61789	Valley Pacific Petroleum ...	114137	-802.17
Bill Pmt -Check	12/23/2021	61790	Verizon Wireless		-395.53
Bill Pmt -Check	12/23/2021	61791	Verizon Wireless		-107.96
Liability Check	12/23/2021	ACH	PERS Unfunded Accrue...	2233447024	-3,936.96
Bill Pmt -Check	12/23/2021	ACH	CalPERS 457 Program	457Match 12/23/...	-250.00
Liability Check	12/23/2021	ACH	CalPERS 457 Program	450348	-1,825.00
Liability Check	12/23/2021	61794	Operating Engineers Loc...	94-2262845	-299.04
Liability Check	12/23/2021	61795	Franchise Tax Board	558379330	-100.00
Liability Check	12/23/2021	ACH	State Disbursement Unit	0230000067964	-233.53
Liability Check	12/23/2021	ACH	State Disbursement Unit	0230000067964	-170.19
Bill Pmt -Check	12/23/2021	61796	Airgas USA	3980904	-351.82
Bill Pmt -Check	12/23/2021	61797	Humboldt Community Se...	3165	-500.90
Bill Pmt -Check	12/23/2021	61798	Nylex.net	New email for R. ...	-57.50
Bill Pmt -Check	12/23/2021	61799	Pacific Gas & Electric (1...	Acct #06704919...	-3,835.58
Bill Pmt -Check	12/23/2021	61800	Pacific Gas & Electric (N...	2072047	-198.54
Bill Pmt -Check	12/23/2021	61802	Humboldt County Tax Co...	2nd Installment 3...	-21,073.59
Bill Pmt -Check	12/23/2021	61803	PNC Bank, N.A.	36603233	-111,149.28
Bill Pmt -Check	12/23/2021	61804	PNC Bank, N.A.	36603233	-80,707.89
Bill Pmt -Check	12/23/2021	61805	California Redwood Co.	Red Tank 10/19-...	-398.29
Bill Pmt -Check	12/23/2021	61806	GHD Inc.	Habitat Mitigation...	-340.85
Bill Pmt -Check	12/23/2021	61807	City of Eureka (Sewer)	2001-901804-02	-2,630.42
Bill Pmt -Check	12/23/2021	61808	City of Eureka (Water)	2001-901802-01	-5,388.20
Bill Pmt -Check	12/23/2021	61809	Humboldt Area Chapter ...	Dues for 2022	-50.00
Bill Pmt -Check	12/23/2021	61810	Pintermedia LLC		-60.00
Bill Pmt -Check	12/23/2021	61811	Planwest Partners, Inc.		-4,053.75
Bill Pmt -Check	12/23/2021	61812	PNC Bank, N.A.	36603233	-43,084.94
Liability Check	12/24/2021		QuickBooks Payroll Serv...	Created by Payro...	-4,995.28
Bill Pmt -Check	12/28/2021	ACH	Pacific Gas & Electric (8...	0074698259-4	-8,307.35
Total 10200.1 · Cash in PNC, Checking					-475,797.03
TOTAL					-475,797.03

HUMBOLDT BAY HARBOR, RECREATION
AND CONSERVATION DISTRICT

PERMIT AND AGREEMENT TO
OPERATE A *CHARTER SERVICE*

601 Startare Drive
Woodley Island Marina
P.O. Box 1030
Eureka, CA 95501

PERMITTEE:
Marc Schmidt
dba Coastline Charters
2173 Ridgewood Drive
Eureka, CA 95503

This Permit and Agreement is executed in triplicate at Woodley Island Marina, Eureka, California, between HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT, hereinafter referred to as "District", and **MARC SCHMIDT** dba **COASTLINE CHARTERS** hereinafter referred to as "**Marc Schmidt.**"

WHEREAS, Marc Schmidt will be the Lessee of Slip Number 12, Float D, at the Woodley Island Marina for a vessel, pursuant to a Berthing Permit and Rental Agreement for the Woodley Island Marina; and

WHEREAS, on or about January 24, 2022, **Marc Schmidt** made a written request to renew the Permit and Agreement to operate the business **Coastline Charters** on a vessel to be moored at Slip Number 12, Float D at the Woodley Island Marina; and

WHEREAS, Ordinance Number 9, Section 6.7, subparagraph (a) of the District prohibits any commercial endeavor or charter service for hire without a special permit from the District.

AFTER REVIEW AND CONSIDERATION thereof by the Board of Commissioners of the District of the application of **Marc Schmidt:**

THE PARTIES, THEREFORE, AGREE AS FOLLOWS:

1. District shall permit **Marc Schmidt**, to operate the business **Coastline Charters** for the purpose of charter service at the Woodley Island Marina. The charter services shall consist primarily of sport fishing. Diving or diving instruction from or on said vessel shall not be allowed and shall be prohibited at all times at any locations within or without the boundaries of Woodley Island Marina while **Marc Schmidt** operates the business of charter services from the Woodley Island Marina.
2. The term of this Permit and Agreement shall be for three (3) years commencing May 01, 2022 and terminating on April 30, 2025. District or **Marc Schmidt** may terminate this Permit and Agreement by giving sixty (60) days written notice of termination to the other party. District may terminate this Permit and Agreement with **Marc Schmidt** with or without cause or reason by giving **Marc Schmidt** sixty (60) days written notice of termination and **Marc Schmidt** shall terminate their business, as defined in Paragraph 1, (60) days from the date of personal service of said written notice of termination or sixty (60) days from the date of deposit or the written notice of termination deposited, enclosed in a sealed envelope with postage thereon fully prepaid, in the United States mail, and addressed to **Marc Schmidt**, at 2173 Ridgewood Drive, Eureka, CA 95503. In the event **Marc Schmidt** is in default of any of the provisions of the Berthing Permit and Rental Agreement for the Woodley Island Marina, and **Marc Schmidt's** Berthing Permit is terminated pursuant to said Agreement, this Permit and Agreement to operate a Charter Service shall terminate forthwith on the date of termination of **Marc Schmidt's** Berthing Permit and Rental Agreement for the Woodley Island Marina without the requirement of the hereinabove set forth sixty (60) day notice of termination provisions.
3. In addition to the monthly rental payable by **Marc Schmidt** to the District pursuant to the Berthing Permit and Rental Agreement for the Woodley Island Marina, **Marc Schmidt** shall pay District the sum of two hundred fifty dollars and

no cents (\$250.00) per year, however all rates may be changed pursuant to paragraph 3 of the Berthing Permit and Rental Agreement for Woodley Island Marina which provides that the District may change or increase the rates by giving thirty (30) days notice.

4. On or prior to the date of the Agreement, to wit: May 01, 2022, **Marc Schmidt** shall purchase and maintain throughout the term of the Permit and Agreement Commercial General Liability insurance covering **Marc Schmidt** pursuant to the terms of this Permit and Agreement. Said insurance policy of "protection and indemnity insurance" insuring **Marc Schmidt** from liability for bodily injury, death, or property damage as a result of their operation and shall name District as an additional insured and provide District, prior to May 01 each year, with a Certificate of Insurance stating the amount of the insurance and proof that the District is an additional named insured, and the agreement of said insurance company that District shall be notified forthwith of the event of non-payment of the premium or termination of said insurance policy. The amount of insurance shall be One Million Dollars and no cents (\$1,000,000.00) per occurrence. In the event said liability insurance policy referred to in the Paragraph 4 is cancelled or terminated, **Marc Schmidt** shall forthwith cease and stop their **Coastline Charter** business at District's premises at the Woodley Island Marina and shall not resume operations until said liability insurance policy is fully reinstated and in full force and effect.
5. **Marc Schmidt** shall, prior to commencing operation of **Coastline Charters**, obtain any and all necessary permits, if applicable, including but not limited to City of Eureka business license and California Department of Fish and Wildlife licenses.
6. **Marc Schmidt** agrees that neither the Humboldt Bay Harbor, Recreation and Conservation District, nor its Board of Commissioners, nor any Officer of the District shall be liable to any extent for the injury or damages to any person or property or for the death of any person arising out of or connected with **Marc**

Schmidt, and **Marc Schmidt** shall indemnify and hold harmless District, its Commissioners, and Officers free and harmless from any liability for any such injury, death or damages. In addition, **Marc Schmidt** agrees to hold harmless, indemnify, and hold District non-responsible for any of **Marc Schmidt's** operations according to the provisions of paragraphs 11, 13, and 19 of the Berthing Permit and Rental Agreement for Woodley Island Marina, a copy of which is attached hereto as Exhibit "A" and incorporated by reference as though set forth in full.

7. **Marc Schmidt** at all times shall comply and shall obtain compliance of Lessees' family, agents, employees, business visitors, and invitees of all laws, ordinances, rules and regulations, including Ordinance No.9, the Woodley Island Marina Rules and Regulations, and those of local, state, and federal government.
8. **Marc Schmidt** at all times shall ensure that walkways and finger piers are not obstructed in any manner. No tires, ropes, canvas, or other material shall be nailed or attached to finger piers, docks, and piles without the written approval of the District. No person shall throw, discharge, or deposit from any vessel or from the shore or float or in any other manner, any waste, fish or shellfish parts into or upon the waters of the Woodley Island Marina or upon the banks, walls, sidewalks, or parking areas within the boundaries of the Woodley Island Marina. No person shall place or leave dead animals, fish, shellfish, bait, or other putrefying matter on or along seawalls, harbor structures, floats, piers, sidewalks, or parking areas within the boundaries of the Woodley Island Marina. Vessel must be kept free of trash and waste product so as not to attract seagulls, sea lions, harbor seals, and other animals. All trash and waste product shall be properly disposed of each day.
9. **Marc Schmidt** may place a sign on the vessel the size of which must be approved by the District's Executive Director. **Marc Schmidt** may place a directional sign for incoming traffic onto Woodley Island Marina in an area

approved by the Executive Director. Type and size of all signs are to be approved by the Executive Director of the District and, shall reasonably conform in size, shape, and colors of the signs heretofore existing on Woodley Island and the Woodley Island Marina.

10. This Permit and Agreement is not transferable or assignable by **Marc Schmidt** without approval in writing by the District. Any transfer of assignment or attempted transfer or assignment of this Permit by **Marc Schmidt** shall be null and void.
11. This Permit and Agreement is non-exclusive and District retains the right to enter into agreements with and grant permits to other persons or business for the same purposes as set forth in this Permit and Agreement.
12. The covenants and conditions herein contained shall apply to and bind the heirs, legal representatives, successors, and assigns of all of the parties hereto; and all of the parties hereto shall be jointly and severally liable hereunder.
13. Time is of the essence of this Permit and Agreement and of each and every covenant, term, and condition, and provision hereof.
14. **Marc Schmidt** is hereby notified by the District that this Permit and Agreement to Operate **Coastline Charters** in conjunction with the Berthing Permit and Rental Agreement for a vessel at the Woodley Island Marina or property interests created herein, if any, may be subject to a possessory interest tax or property taxation if created pursuant to Sections 107 to 108 of the California Revenue and Taxation Code and that **Marc Schmidt** and/or the party in whom the possessory interest is vested may be subject to the payment of property taxes levied upon such interests. **Marc Schmidt** agrees and acknowledges that they have actual notice pursuant to Section 107.6 of the California Revenue and Taxation Code and that **Marc Schmidt** may be required to pay a possessory interest tax as a result of this Permit and Agreement to operate a charter service in conjunction with a Berthing Permit and Rental Agreement for the vessel for Woodley Island Marina. **Marc Schmidt** hereby acknowledges

that they have actual knowledge of the existence of a possessory interest tax and have read the provision of Section 107 to 108 of the California Revenue and Taxation Code. **Marc Schmidt** agrees to and shall pay all possessory interest taxes levied by any governmental agency by reason of this Permit and Agreement and their Berthing Permit and Rental Agreement for their vessel, for Woodley Island Marina.

EXECUTED on, _____, 2022, by authority of the Board of Commissioners of the HUMBOLDT BAY HARBOR, RECREATION, AND CONSERVATION DISTRICT.

**GREG DALE, President
Board of Commissioners
HUMBOLDT BAY HARBOR, RECREATION,
AND CONSERVATION DISTRICT**

Marc Schmidt, dba *Coastline Charters*, as Permittee in this Permit and Agreement hereby accepts and agrees to all terms and conditions herein above set forth.

Dated: _____, 2022 **By _____
MARC SCHMIDT, Owner
Coastline Charters**

HUMBOLDT BAY HARBOR, RECREATION
AND CONSERVATION DISTRICT

PERMIT AND AGREEMENT TO
OPERATE A CHARTER SERVICE

Startare Drive
Woodley Island Marina
P.O. Box 1030
Eureka, CA 95501

PERMITTEE:
Steve Helton
dba Judah Paul Sport Fishing
3685 Newburg Road
Fortuna, CA 95540

This Permit and Agreement is executed in triplicate at Woodley Island Marina, Eureka, California, between HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT, hereinafter referred to as "District", and **Steve Helton**, dba **Judah Paul Sport Fishing** hereinafter referred to as "**Steve Helton.**"

WHEREAS, Steve Helton will be the Lessees of Slip Number 16, Float D, at the Woodley Island Marina for vessel **JUDAH PAUL** pursuant to a Berthing Permit and Rental Agreement for the Woodley Island Marina, a copy of which is attached hereto and incorporated by reference as Exhibit "A" hereto; and

WHEREAS, on or about January 24, 2022, Steve Helton made a written application to the District for a Permit from the District to operate the business **Judah Paul Sport Fishing** on a vessel **BECKARAE** moored at Slip Number 04, Float D at the Woodley Island Marina; and

WHEREAS, Ordinance Number 9, Section 6.7, subparagraph (a) of the District prohibits any commercial endeavor or charter service for hire without a special permit from the District.

AFTER REVIEW AND CONSIDERATION thereof by the Board of Commissioners of the District of the application of **Steve Helton:**

THE PARTIES, THEREFORE, AGREE AS FOLLOWS:

1. District shall permit **Steve Helton** to operate the business ***Judah Paul Sport Fishing*** for the purpose of charter service at the Woodley Island Marina. The charter services shall consist primarily of sport fishing. Diving or diving instruction from or on said vessel shall not be allowed and shall be prohibited at all times at any locations within or without the boundaries of Woodley Island Marina while **Steve Helton** operates the business of charter services from the Woodley Island Marina.
2. The term of this Permit and Agreement shall be for **three (3) years commencing May 01, 2022** and terminating on **May 01, 2025**. District or **Steve Helton** may terminate this Permit and Agreement by giving sixty (60) days written notice of termination to the other party. District may terminate this Permit and Agreement with **Steve Helton** with or without cause or reason by giving **Steve Helton** sixty (60) days written notice of termination and **Steve Helton** shall terminate their business, as defined in Paragraph 1, (60) days from the date of personal service of said written notice of termination or sixty (60) days from the date of deposit or the written notice of termination deposited, enclosed in a sealed envelope with postage thereon fully prepaid, in the United States mail, and addressed to **Steve Helton, 3685 Newburg Road, Fortuna, CA 95540**.

In the event **Steve Helton** is in default of any of the provisions of the Berthing Permit and Rental Agreement for the Woodley Island Marina, a copy of which is attached hereto as Exhibit "A", and **Steve Helton's** Berthing Permit is terminated pursuant to said Agreement, this Permit and Agreement to operate a Charter Service shall terminate forthwith on the date of termination of **Steve Helton's** Berthing Permit and Rental Agreement for the Woodley Island Marina without the requirement of the hereinabove set forth sixty (60) day notice of termination provisions.

3. In addition to the monthly rental payable by **Steve Helton** to the District pursuant to the Berthing Permit and Rental Agreement for the Woodley Island Marina, a copy of which is attached hereto as Exhibit "A", **Steve Helton** shall pay District the sum of Two hundred fifty dollars and no cents (\$250.00) per year, however all rates may be changed pursuant to paragraph 3 of the Berthing Permit and Rental Agreement for Woodley Island Marina which provides that the District may change or increase the rates by giving thirty (30) days notice.
4. On or prior to the date of the Agreement, to wit: **May 01, 2022**, **Steve Helton** shall purchase and maintain throughout the term of the Permit and Agreement **Commercial General Liability** insurance covering **Steve Helton** pursuant to the terms of this Permit and Agreement. Said insurance policy of "protection and indemnity insurance" insuring **Steve Helton** from liability for bodily injury, death, or property damage as a result of their operation and shall name District as an additional insured and provide District, prior to **May 01** each year, with a Certificate of Insurance stating the amount of the insurance and proof that the District is an additional named insured, and the agreement of said insurance company that District shall be notified forthwith of the event of non-payment of the premium or termination of said insurance policy. The amount of insurance shall be One Million Dollars and no cents (\$1,000,000.00) **per occurrence**. In the event said liability insurance policy referred to in the Paragraph 4 is cancelled or terminated, **Steve Helton** shall forthwith cease and stop their **Judah Paul Sport Fishing** business at District's premises at the Woodley Island Marina and shall not resume operations until said liability insurance policy is fully reinstated and in full force and effect.
5. **Steve Helton** shall, prior to commencing operation of **Judah Paul Sport Fishing**, obtain any and all necessary permits, if applicable, including but not limited to City of Eureka business license and **California Department of Fish and Wildlife** licenses.
6. **Steve Helton** agrees that neither the Humboldt Bay Harbor, Recreation and

Conservation District, nor its Board of Commissioners, nor any Officer of the District shall be liable to any extent for the injury or damages to any person or property or for the death of any person arising out of or connected with **Steve Helton**, and **Steve Helton** shall indemnify and hold harmless District, its Commissioners, and Officers free and harmless from any liability for any such injury, death or damages. In addition, **Steve Helton** agrees to hold harmless, indemnify, and hold District non-responsible for any of **Steve Helton's** operations according to the provisions of paragraphs 11, 13, and 19 of the Berthing Permit and Rental Agreement for Woodley Island Marina, a copy of which is attached hereto as Exhibit "A" and incorporated by reference as though set forth in full.

7. **Steve Helton** at all times shall comply and shall obtain compliance of Lessees' family, agents, employees, business visitors, and invitees of all laws, ordinances, rules and regulations, including Ordinance No.9, the Woodley Island Marina Rules and Regulations, and those of local, state, and federal government.
8. **Steve Helton** at all times shall ensure that walkways and finger piers are not obstructed in any manner. No tires, ropes, canvas, or other material shall be nailed or attached to finger piers, docks, and piles without the written approval of the District. No person shall throw, discharge, or deposit from any vessel or from the shore or float or in any other manner, any waste, fish or shellfish parts into or upon the waters of the Woodley Island Marina or upon the banks, walls, sidewalks, or parking areas within the boundaries of the Woodley Island Marina. No person shall place or leave dead animals, fish, shellfish, bait, or other putrefying matter on or along seawalls, harbor structures, floats, piers, sidewalks, or parking areas within the boundaries of the Woodley Island Marina. Vessel must be kept free of trash and waste product so as not to attract seagulls, sea lions, harbor seals, and other animals. All trash and waste product shall be properly disposed of each day.

9. **Steve Helton** may place a sign on the vessel the size of which must be approved by the District's Executive Director. **Steve Helton** may place a directional sign for incoming traffic onto Woodley Island Marina in an area approved by the Executive Director. Type and size of all signs are to be approved by the Executive Director of the District and, shall reasonably conform in size, shape, and colors of the signs heretofore existing on Woodley Island and the Woodley Island Marina.
10. This Permit and Agreement is not transferable or assignable by **Steve Helton** without approval in writing by the District. Any transfer of assignment or attempted transfer or assignment of this Permit by **Steve Helton** shall be null and void.
11. This Permit and Agreement is non-exclusive, and District retains the right to enter into agreements with and grant permits to other persons or business for the same purposes as set forth in this Permit and Agreement.
12. The covenants and conditions herein contained shall apply to and bind the heirs, legal representatives, successors, and assigns of all of the parties hereto; and all of the parties hereto shall be jointly and severally liable hereunder.
13. Time is of the essence of this Permit and Agreement and of each and every covenant, term, and condition, and provision hereof.
14. **Steve Helton** is hereby notified by the District that this Permit and Agreement to Operate ***Judah Paul Sport Fishing*** in conjunction with the Berthing Permit and Rental Agreement for a vessel at the Woodley Island Marina or property interests created herein, if any, may be subject to a possessory interest tax or property taxation if created pursuant to Sections 107 to 108 of the California Revenue and Taxation Code and that **Steve Helton** and/or the party in whom the possessory interest is vested may be subject to the payment of property taxes levied upon such interests. **Steve Helton** agrees and acknowledges that they have actual notice pursuant to Section 107.6 of the California Revenue and Taxation Code and that **Steve Helton** may be required to pay a possessory

interest tax as a result of this Permit and Agreement to operate a charter service in conjunction with the Berthing Permit and Rental Agreement for the vessel for Woodley Island Marina. **Steve Helton** hereby acknowledge that they have actual knowledge of the existence of a possessory interest tax and have read the provision of Section 107 to 108 of the California Revenue and Taxation Code. **Steve Helton** agrees to and shall pay all possessory interest taxes levied by any governmental agency by reason of this Permit and Agreement and their Berthing Permit and Rental Agreement for their vessel, for Woodley Island Marina.

EXECUTED on, _____, 2022, by authority of the Board of Commissioners of the HUMBOLDT BAY HARBOR, RECREATION, AND CONSERVATION DISTRICT.

**GREG DALE, President
Board of Commissioners
HUMBOLDT BAY HARBOR, RECREATION,
AND CONSERVATION DISTRICT**

Steve Helton, dba, *Judah Paul Sport Fishing*, as Permittee in this Permit and Agreement hereby accepts and agrees to all terms and conditions herein above set forth.

Dated: _____, 2022

By _____
**Steve Helton, Owner
*Judah Paul Sport Fishing***

HUMBOLDT BAY HARBOR, RECREATION
AND CONSERVATION DISTRICT

PERMIT AND AGREEMENT TO
OPERATE A CHARTER SERVICE

Startare Drive
Woodley Island Marina
P.O. Box 1030
Eureka, CA 95501

PERMITTEE:
Matt Dallam
dba Northwind Charters
P.O. Box 402
Blue Lake, CA 95525

This Permit and Agreement is executed in triplicate at Woodley Island Marina, Eureka, California, between HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT, hereinafter referred to as "District", and **MATT DALLAM**, dba **NORTHWIND CHARTERS** hereinafter referred to as "**Matt Dallam.**"

WHEREAS, **Matt Dallam** will be the Lessees of Slip Number 02, Float D, at the Woodley Island Marina for a vessel, pursuant to a Berthing Permit and Rental Agreement for the Woodley Island Marina, a copy of which is attached hereto and incorporated by reference as Exhibit "A" hereto; and

WHEREAS, on January 24, 2022, **Matt Dallam** made verbal application to renew the Permit to operate the business **Northwind Charters** on a vessel moored at Slip Number 02, Float D at the Woodley Island Marina; and

WHEREAS, Ordinance Number 9, Section 6.7, subparagraph (a) of the District prohibits any commercial endeavor or charter service for hire without a special permit from the District.

AFTER REVIEW AND CONSIDERATION thereof by the Board of Commissioners of the District of the application of **Matt Dallam**:

THE PARTIES, THEREFORE, AGREE AS FOLLOWS:

1. District shall permit **Matt Dallam, Northwind Charters**, to operate the business

2022 Northwind Charters
Page 1 of 6

Northwind Charters for the purpose of charter service at the Woodley Island Marina. The charter services shall consist primarily of sport fishing. Diving or diving instruction from or on said vessel shall not be allowed and shall be prohibited at all times at any locations within or without the boundaries of Woodley Island Marina while **Matt Dallam** operates the business of charter services from the Woodley Island Marina.

2. The term of this Permit and Agreement shall be for three (3) years commencing May 01, 2022 and terminating on April 30, 2025. District or **Matt Dallam** may terminate this Permit and Agreement by giving sixty 60 days written notice of termination to the other party. District may terminate this Permit and Agreement with **Matt Dallam** with or without cause or reason by giving **Matt Dallam** sixty 60 days written notice of termination and **Matt Dallam** shall terminate their business, as defined in Paragraph 1, 60 days from the date of personal service of said written notice of termination or sixty 60 days from the date of deposit or the written notice of termination deposited, enclosed in a sealed envelope with postage thereon fully prepaid, in the United States mail, and addressed to **Matt Dallam**, at P.O. Box 402, Blue Lake, CA 95525. In the event **Matt Dallam** are in default of any of the provisions of the Berthing Permit and Rental Agreement for the Woodley Island Marina, a copy of which is attached hereto as Exhibit "A", and **Matt Dallam's** Berthing Permit is terminated pursuant to said Agreement, this Permit and Agreement to operate a Charter Service shall terminate forthwith on the date of termination of **Matt Dallam's** Berthing Permit and Rental Agreement for the Woodley Island Marina without the requirement of the hereinabove set forth sixty 60 day notice of termination provisions.
3. In addition to the monthly rental payable by **Matt Dallam** to the District pursuant to the Berthing Permit and Rental Agreement for the Woodley Island Marina, a copy of which is attached hereto as Exhibit "A", **Matt Dallam** shall pay District the sum of two hundred fifty dollars and no cents (\$250.00) per year, however all rates may be changed pursuant to paragraph 3 of the Berthing Permit and

Rental Agreement for Woodley Island Marina which provides that the District may change or increase the rates by giving thirty (30) days notice.

4. On or prior to the date of the Agreement, to wit: May 01, 2022, **Matt Dallam** shall purchase and maintain throughout the term of the Permit and Agreement Commercial General Liability insurance covering **Matt Dallam** pursuant to the terms of this Permit and Agreement. Said insurance policy of "protection and indemnity insurance" insuring **Matt Dallam** from liability for bodily injury, death, or property damage as a result of their operation and shall name District as an additional insured and provide District, prior to May 01 each year, with a Certificate of Insurance stating the amount of the insurance and proof that the District is an additional named insured, and the agreement of said insurance company that District shall be notified forthwith of the event of non-payment of the premium or termination of said insurance policy. The amount of insurance shall be One Million Dollars and no cents (\$1,000,000.00) per occurrence. In the event said liability insurance policy referred to in Paragraph 4 is cancelled or terminated, **Matt Dallam** shall forthwith cease and stop their **Northwind Charters** business at District's premises at the Woodley Island Marina and shall not resume operations until said liability insurance policy is fully reinstated and in full force and effect.
5. **Matt Dallam** shall, prior to commencing operation of **Northwind Charters** obtain any and all necessary permits, if applicable, including but not limited to City of Eureka business license and California Department of Fish and Wildlife licenses.
6. **Matt Dallam** agrees that neither the Humboldt Bay Harbor, Recreation and Conservation District, nor its Board of Commissioners, nor any Officer of the District shall be liable to any extent for the injury or damages to any person or property or for the death of any person arising out of or connected with **Matt Dallam**, and **Matt Dallam** shall indemnify and hold harmless District, its Commissioners, and Officers free and harmless from any liability for any such injury, death or damages. In addition, **Matt Dallam** agrees to hold harmless,

indemnify, and hold District non-responsible for any of **Matt Dallam**'s operations according to the provisions of paragraphs 11, 13, and 19 of the Berthing Permit and Rental Agreement for Woodley Island Marina, a copy of which is attached hereto as Exhibit "A" and incorporated by reference as though set forth in full.

7. **Matt Dallam** at all times shall comply and shall obtain compliance of Lessees' family, agents, employees, business visitors, and invitees of all laws, ordinances, rules and regulations, including Ordinance No.9, the Woodley Island Marina Rules and Regulations, and those of local, state, and federal government.
8. **Matt Dallam** at all times shall ensure that walkways and finger piers are not obstructed in any manner. No tires, ropes, canvas, or other material shall be nailed or attached to finger piers, docks, and piles without the written approval of the District. No person shall throw, discharge, or deposit from any vessel or from the shore or float or in any other manner, any fish or shellfish parts into or upon the waters of the Woodley Island Marina or upon the banks, walls, sidewalks, or parking areas within the boundaries of the Woodley Island Marina. No person shall place or leave dead animals, fish, shellfish, bait, or other putrefying matter on or along seawalls, harbor structures, floats, piers, sidewalks, or parking areas within the boundaries of the Woodley Island Marina. Vessel must be kept free of trash and waste product so as not to attract seagulls, sea lions, harbor seals, and other animals. All trash and waste product shall be properly disposed of each day.
9. **Matt Dallam** may place a sign on the vessel the size of which must be approved by the District's Executive Director. **Matt Dallam** may place a directional sign for incoming traffic onto Woodley Island Marina in an area approved by the Executive Director. Type and size of all signs are to be approved by the Executive Director of the District and, shall reasonably conform in size, shape, and colors of the signs heretofore existing on Woodley Island and the Woodley Island Marina.
10. This Permit and Agreement is not transferable or assignable by **Matt Dallam**

without approval in writing by the District. Any transfer of assignment or attempted transfer or assignment of this Permit by **Matt Dallam** shall be null and void.

11. This Permit and Agreement is non-exclusive, and District retains the right to enter into agreements with and grant permits to other persons or business for the same purposes as set forth in this Permit and Agreement.
12. The covenants and conditions herein contained shall apply to and bind the heirs, legal representatives, successors, and assigns of all of the parties hereto; and all of the parties hereto shall be jointly and severally liable hereunder.
13. Time is of the essence of this Permit and Agreement and of each and every covenant, term, and condition, and provision hereof.
14. **Matt Dallam** is hereby notified by the District that this Permit and Agreement to Operate ***Northwind Charters*** in conjunction with the Berthing Permit and Rental Agreement for a vessel at the Woodley Island Marina or property interests created herein, if any, may be subject to a possessory interest tax or property taxation if created pursuant to Sections 107 to 108 of the California Revenue and Taxation Code and that **Matt Dallam** and/or the party in whom the possessory interest is vested may be subject to the payment of property taxes levied upon such interests. **Matt Dallam** agrees and acknowledges that they have actual notice pursuant to Section 107.6 of the California Revenue and Taxation Code and that **Matt Dallam** may be required to pay a possessory interest tax as a result of this Permit and Agreement to operate a charter service in conjunction with the Berthing Permit and Rental Agreement for the vessel for Woodley Island Marina. **Matt Dallam** hereby acknowledges that they have actual knowledge of the existence of a possessory interest tax and have read the provision of Section 107 to 108 of the California Revenue and Taxation Code. **Matt Dallam** agrees to and shall pay all possessory interest taxes levied by any governmental agency by reason of this Permit and Agreement and their Berthing Permit and Rental Agreement for their vessel, for Woodley Island Marina.

EXECUTED on, _____, 2022, by authority of the Board of Commissioners of the HUMBOLDT BAY HARBOR, RECREATION, AND CONSERVATION DISTRICT.

**GREG DALE, President
Board of Commissioners
HUMBOLDT BAY HARBOR, RECREATION,
AND CONSERVATION DISTRICT**

Matt Dallam, dba, *Northwind Charters*, as Permittee in this Permit and Agreement hereby accepts and agrees to all terms and conditions herein above set forth.

Dated: _____, 2022

By _____
**MATT DALLAM, Owner
*Northwind Charters***

HUMBOLDT BAY HARBOR, RECREATION
AND CONSERVATION DISTRICT

PERMIT AND AGREEMENT TO
OPERATE A CHARTER SERVICE

Startare Drive
Woodley Island Marina
P.O. Box 1030
Eureka, CA 95501

PERMITTEE:
Tim Klassen and Sherry Klassen
dba *Reel Steel Sportfishing*
6934 Seaview
Eureka, CA 95503

This Permit and Agreement is executed in triplicate at Woodley Island Marina, Eureka, California, between HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT, hereinafter referred to as "District", and **TIM KLASSEN** and **SHERRY KLASSEN**, REEL STEEL CORPORATION, dba ***Reel Steel Sportfishing*** hereinafter referred to as "**TIM and SHERRY KLASSEN.**"

WHEREAS, Tim and Sherry Klassen will be the Lessees of Slip Number 08, Float D, at the Woodley Island Marina for a vessel, pursuant to a Berthing Permit and Rental Agreement for the Woodley Island Marina, a copy of which is attached hereto and incorporated by reference as Exhibit "A" hereto; and

WHEREAS, on or about January 24, 2022, **Tim and Sherry Klassen** made a written application to renew the Permit to operate the business ***Reel Steel Sportfishing*** on a vessel moored at Slip Number 08, Float D at the Woodley Island Marina; and

WHEREAS, Ordinance Number 9, Section 6.7, subparagraph (a) of the District prohibits any commercial endeavor or charter service for hire without a special permit from the District.

AFTER REVIEW AND CONSIDERATION thereof by the Board of Commissioners of the District of the application of **Tim and Sherry Klassen**:

THE PARTIES, THEREFORE, AGREE AS FOLLOWS:

2022 *Reel Steel Sportfishing*
Page 1 of 6

1. District shall permit **Tim and Sherry Klassen**, Reel Steel Corporation, to operate the business **Reel Steel Sportfishing** for the purpose of charter service at the Woodley Island Marina. The charter services shall consist primarily of sport fishing. Diving or diving instruction from or on said vessel shall not be allowed and shall be prohibited at all times at any locations within or without the boundaries of Woodley Island Marina while **Tim and Sherry Klassen** operates the business of charter services from the Woodley Island Marina.
2. The term of this Permit and Agreement shall be for three (3) years commencing May 01, 2022 and terminating on April 30, 2025. District or **Tim and Sherry Klassen** may terminate this Permit and Agreement by giving sixty (60) days written notice of termination to the other party. District may terminate this Permit and Agreement with **Tim and Sherry Klassen** with or without cause or reason by giving **Tim and Sherry Klassen** sixty (60) days written notice of termination and **Tim and Sherry Klassen** shall terminate their business, as defined in Paragraph 1, (60) days from the date of personal service of said written notice of termination or sixty (60) days from the date of deposit or the written notice of termination deposited, enclosed in a sealed envelope with postage thereon fully prepaid, in the United States mail, and addressed to **Tim and Sherry Klassen**, at 6934 Seaview, Eureka, CA 95503. In the event **Tim and Sherry Klassen** are in default of any of the provisions of the Berthing Permit and Rental Agreement for the Woodley Island Marina, a copy of which is attached hereto as Exhibit "A", and **Tim and Sherry Klassen's** Berthing Permit is terminated pursuant to said Agreement, this Permit and Agreement to operate a Charter Service shall terminate forthwith on the date of termination of **Tim and Sherry Klassen's** Berthing Permit and Rental Agreement for the Woodley Island Marina without the requirement of the hereinabove set forth sixty (60) day notice of termination provisions.
3. In addition to the monthly rental payable by **Tim and Sherry Klassen** to the District pursuant to the Berthing Permit and Rental Agreement for the Woodley Island Marina, a copy of which is attached hereto as Exhibit "A", **Tim and**

Sherry Klassen shall pay District the sum of two hundred fifty dollars and no cents (\$250.00) per year, however all rates may be changed pursuant to paragraph 3 of the Berthing Permit and Rental Agreement for Woodley Island Marina which provides that the District may change or increase the rates by giving thirty (30) days notice.

4. On or prior to the date of the Agreement, to wit: May 01, 2022, **Tim and Sherry Klassen** shall purchase and maintain throughout the term of the Permit and Agreement Commercial General Liability insurance covering **Tim and Sherry Klassen** pursuant to the terms of this Permit and Agreement. Said insurance policy of "protection and indemnity insurance" insuring **Tim and Sherry Klassen** from liability for bodily injury, death, or property damage as a result of their operation and shall name District as an additional insured and provide District, prior to May 01 each year, with a Certificate of Insurance stating the amount of the insurance and proof that the District is an additional named insured, and the agreement of said insurance company that District shall be notified forthwith of the event of non-payment of the premium or termination of said insurance policy. The amount of insurance shall be One Million Dollars and no cents (\$1,000,000.00) per occurrence. In the event said liability insurance policy referred to in Paragraph 4 is cancelled or terminated, **Tim and Sherry Klassen** shall forthwith cease and stop their **Reel Steel Sportfishing** business at District's premises at the Woodley Island Marina and shall not resume operations until said liability insurance policy is fully reinstated and in full force and effect.
5. **Tim and Sherry Klassen** shall, prior to commencing operation of **Reel Steel Sportfishing**, obtain any and all necessary permits, if applicable, including but not limited to City of Eureka business license and California Department of Fish and Wildlife licenses.
6. **Tim and Sherry Klassen** agrees that neither the Humboldt Bay Harbor, Recreation and Conservation District, nor its Board of Commissioners, nor any Officer of the District shall be liable to any extent for the injury or damages to

any person or property or for the death of any person arising out of or connected with **Tim and Sherry Klassen**, and **Tim and Sherry Klassen** shall indemnify and hold harmless District, its Commissioners, and Officers free and harmless from any liability for any such injury, death or damages. In addition, **Tim and Sherry Klassen** agrees to hold harmless, indemnify, and hold District non-responsible for any of **Tim and Sherry Klassen**'s operations according to the provisions of paragraphs 11, 13, and 19 of the Berthing Permit and Rental Agreement for Woodley Island Marina, a copy of which is attached hereto as Exhibit "A" and incorporated by reference as though set forth in full.

7. **Tim and Sherry Klassen** at all times shall comply and shall obtain compliance of Lessees' family, agents, employees, business visitors, and invitees of all laws, ordinances, rules and regulations, including Ordinance No.9, the Woodley Island Marina Rules and Regulations, and those of local, state, and federal government.
8. **Tim and Sherry Klassen** at all times shall ensure that walkways and finger piers are not obstructed in any manner. No tires, ropes, canvas, or other material shall be nailed or attached to finger piers, docks, and piles without the written approval of the District. No person shall throw, discharge, or deposit from any vessel or from the shore or float or in any other manner, any fish or shellfish parts into or upon the waters of the Woodley Island Marina or upon the banks, walls, sidewalks, or parking areas within the boundaries of the Woodley Island Marina. No person shall place or leave dead animals, fish, shellfish, bait, or other putrefying matter on or along seawalls, harbor structures, floats, piers, sidewalks, or parking areas within the boundaries of the Woodley Island Marina. Vessel must be kept free of trash and waste product so as not to attract seagulls, sea lions, harbor seals, and other animals. All trash and waste product shall be properly disposed of each day.
9. **Tim and Sherry Klassen** may place a sign on the vessel the size of which must be approved by the District's Executive Director. **Tim and Sherry Klassen** may place a directional sign for incoming traffic onto Woodley Island

Marina in an area approved by the Executive Director. Type and size of all signs are to be approved by the Executive Director of the District and, shall reasonably conform in size, shape, and colors of the signs heretofore existing on Woodley Island and the Woodley Island Marina.

10. This Permit and Agreement is not transferable or assignable by **Tim and Sherry Klassen** without approval in writing by the District. Any transfer of assignment or attempted transfer or assignment of this Permit by **Tim and Sherry Klassen** shall be null and void.
11. This Permit and Agreement is non-exclusive and District retains the right to enter into agreements with and grant permits to other persons or business for the same purposes as set forth in this Permit and Agreement.
12. The covenants and conditions herein contained shall apply to and bind the heirs, legal representatives, successors, and assigns of all of the parties hereto; and all of the parties hereto shall be jointly and severally liable hereunder.
13. Time is of the essence of this Permit and Agreement and of each and every covenant, term, and condition, and provision hereof.
14. **Tim and Sherry Klassen** are hereby notified by the District that this Permit and Agreement to Operate ***Reel Steel Sportfishing*** in conjunction with the Berthing Permit and Rental Agreement for a vessel at the Woodley Island Marina or property interests created herein, if any, may be subject to a possessory interest tax or property taxation if created pursuant to Sections 107 to 108 of the California Revenue and Taxation Code and that **Tim and Sherry Klassen** and/or the party in whom the possessory interest is vested may be subject to the payment of property taxes levied upon such interests. **Tim and Sherry Klassen** agrees and acknowledges that they have actual notice pursuant to Section 107.6 of the California Revenue and Taxation Code and that **Tim and Sherry Klassen** may be required to pay a possessory interest tax as a result of this Permit and Agreement to operate a charter service in conjunction with the Berthing Permit and Rental Agreement for the vessel for Woodley Island Marina. **Tim and Sherry Klassen** hereby acknowledge that they have actual

knowledge of the existence of a possessory interest tax and have read the provision of Section 107 to 108 of the California Revenue and Taxation Code. **Tim and Sherry Klassen** agrees to and shall pay all possessory interest taxes levied by any governmental agency by reason of this Permit and Agreement and their Berthing Permit and Rental Agreement for their vessel, for Woodley Island Marina.

EXECUTED on, _____, 2022, by authority of the Board of Commissioners of the HUMBOLDT BAY HARBOR, RECREATION, AND CONSERVATION DISTRICT.

**GREG DALE, President
Board of Commissioners
HUMBOLDT BAY HARBOR, RECREATION,
AND CONSERVATION DISTRICT**

Tim and Sherry Klassen, Reel Steel Corporation, dba, *Reel Steel Sportfishing*, as Permittees in this Permit and Agreement hereby accepts and agrees to all terms and conditions herein above set forth.

Dated: _____, 2022

By _____
**TIM KLASSEN, Owner
*Reel Steel Sportfishing***

Dated: _____, 2022

By _____
**SHERRY KLASSEN, Owner
*Reel Steel Sportfishing***

HUMBOLDT BAY HARBOR, RECREATION
AND CONSERVATION DISTRICT

PERMIT AND AGREEMENT TO
OPERATE A CHARTER SERVICE

Startare Drive
Woodley Island Marina
P.O. Box 1030
Eureka, CA 95501

PERMITTEE:

Gary Blasi
dba Full Throttle Sportfishing
50 Thistle Ridge Road
Eureka, CA 95503

This Permit and Agreement is executed in triplicate at Woodley Island Marina, Eureka, California, between HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT, hereinafter referred to as "District", and **GARY BLASI** an individual, dba **FULL THROTTLE SPORTFISHING** hereinafter referred to as "**Gary Blasi.**"

WHEREAS, Gary Blasi will be the Lessee of Slip Number 06, Float D, at the Woodley Island Marina for a vessel, pursuant to a Berthing Permit and Rental Agreement for the Woodley Island Marina, a copy of which is attached hereto and incorporated by reference as Exhibit "A" hereto; and

WHEREAS, on or about January 21, 2022 Gary Blasi made a written request to renew the Permit to operate the business **Full Throttle Sportfishing** on a vessel moored at Slip Number 06, Float D at the Woodley Island Marina; and

WHEREAS, Ordinance Number 9, Section 6.7, subparagraph (a) of the District prohibits any commercial endeavor or charter service for hire without a special permit from the District.

AFTER REVIEW AND CONSIDERATION thereof by the Board of Commissioners of the District of the application of **Gary Blasi:**

THE PARTIES, THEREFORE, AGREE AS FOLLOWS:

1. District shall permit **Gary Blasi**, an individual, to operate the business **Full**

2022 Full Throttle Sportfishing
Page 1 of 6

Throttle Sportfishing for the purpose of charter service at the Woodley Island Marina. The charter services shall consist primarily of sport fishing. Diving or diving instruction from or on said vessel shall not be allowed and shall be prohibited at all times at any locations within or without the boundaries of Woodley Island Marina while **Gary Blasi** operates the business of charter services from the Woodley Island Marina.

2. The term of this Permit and Agreement shall be for three (3) years commencing May 01, 2022 and terminating on April 30, 2025. District or **Gary Blasi** may terminate this Permit and Agreement by giving sixty (60) days written notice of termination to the other party. District may terminate this Permit and Agreement with **Gary Blasi** with or without cause or reason by giving **Gary Blasi** sixty (60) days written notice of termination and **Gary Blasi** shall terminate his business, as defined in Paragraph 1, (60) days from the date of personal service of said written notice of termination or sixty (60) days from the date of deposit or the written notice of termination deposited, enclosed in a sealed envelope with postage thereon fully prepaid, in the United States mail, and addressed to **Gary Blasi**, at 50 Thistle Ridge Road, Eureka, CA 95503. In the event **Gary Blasi** is in default of any of the provisions of the Berthing Permit and Rental Agreement for the Woodley Island Marina, a copy of which is attached hereto as Exhibit "A", and **Gary Blasi's** Berthing Permit is terminated pursuant to said Agreement, this Permit and Agreement to operate a Charter Service shall terminate forthwith on the date of termination of **Gary Blasi's** Berthing Permit and Rental Agreement for the Woodley Island Marina without the requirement of the hereinabove set forth sixty (60) day notice of termination provisions.
3. In addition to the monthly rental payable by **Gary Blasi** to the District pursuant to the Berthing Permit and Rental Agreement for the Woodley Island Marina, a copy of which is attached hereto as Exhibit "A", **Gary Blasi** shall pay District the sum of two hundred fifty dollars and no cents (\$250.00) per year, however all rates may be changed pursuant to paragraph 3 of the Berthing Permit and

Rental Agreement for Woodley Island Marina which provides that the District may change or increase the rates by giving thirty (30) days notice.

4. On or prior to the date of the Agreement, to wit: May 01, 2022, **Gary Blasi** shall purchase and maintain throughout the term of the Permit and Agreement Commercial General Liability insurance covering **Gary Blasi** pursuant to the terms of this Permit and Agreement. Said insurance policy of "protection and indemnity insurance" insuring **Gary Blasi** from liability for bodily injury, death, or property damage as a result of his operation and shall name District as an additional insured and provide District, prior to May 01 each year, with a Certificate of Insurance stating the amount of the insurance and proof that the District is an additional named insured, and the agreement of said insurance company that District shall be notified forthwith of the event of non-payment of the premium or termination of said insurance policy. The amount of insurance shall be One Million Dollars and no cents (\$1,000,000.00) per occurrence. In the event said liability insurance policy referred to in Paragraph 4 is cancelled or terminated, **Gary Blasi** shall forthwith cease and stop his **Full Throttle Sportfishing** business at District's premises at the Woodley Island Marina and shall not resume operations until said liability insurance policy is fully reinstated and in full force and effect.
5. **Gary Blasi** shall, prior to commencing operation of **Full Throttle Sportfishing**, obtain any and all necessary permits, if applicable, including but not limited to City of Eureka business license, and California Department of Fish and Wildlife licenses.
6. **Gary Blasi** agrees that neither the Humboldt Bay Harbor, Recreation and Conservation District, nor its Board of Commissioners, nor any Officer of the District shall be liable to any extent for the injury or damages to any person or property or for the death of any person arising out of or connected with **Gary Blasi** and **Gary Blasi** shall indemnify and hold harmless District, its Commissioners, and Officers free and harmless from any liability for any such injury, death or damages. In addition, **Gary Blasi** agrees to hold harmless,

indemnify, and hold District non-responsible for any of **Gary Blasi**'s operations according to the provisions of paragraphs 11, 13, and 19 of the Berthing Permit and Rental Agreement for Woodley Island Marina, a copy of which is attached hereto as Exhibit "A" and incorporated by reference as though set forth in full.

7. **Gary Blasi** at all times shall comply and shall obtain compliance of Lessee's family, agents, employees, business visitors, and invitees of all laws, ordinances, rules and regulations, including Ordinance No.9, the Woodley Island Marina Rules and Regulations, and those of local, state, and federal government.
8. **Gary Blasi** at all times shall ensure that walkways and finger piers are not obstructed in any manner. No tires, ropes, canvas, or other material shall be nailed or attached to finger piers, docks, and piles without the written approval of the District. No person shall throw, discharge, or deposit from any vessel or from the shore or float or in any other manner, any fish or shellfish parts into or upon the waters of the Woodley Island Marina or upon the banks, walls, sidewalks, or parking areas within the boundaries of the Woodley Island Marina. No person shall place or leave dead animals, fish, shellfish, bait, or other putrefying matter on or along seawalls, harbor structures, floats, piers, sidewalks, or parking areas within the boundaries of the Woodley Island Marina. Vessel must be kept free of trash and waste product so as not to attract seagulls, sea lions, harbor seals, and other animals. All trash and waste product shall be properly disposed of each day.
9. **Gary Blasi** may place a sign on the vessel the size of which must be approved by the District's Executive Director. **Gary Blasi** may place a directional sign for incoming traffic onto Woodley Island Marina in an area approved by the Executive Director. Type and size of all signs are to be approved by the Executive Director of the District and, shall reasonably conform in size, shape, and colors of the signs heretofore existing on Woodley Island and the Woodley Island Marina.
10. This Permit and Agreement is not transferable or assignable by **Gary Blasi**

without approval in writing by the District. Any transfer of assignment or attempted transfer or assignment of this Permit by **Gary Blasi** shall be null and void.

11. This Permit and Agreement is non-exclusive and District retains the right to enter into agreements with and grant permits to other persons or business for the same purposes as set forth in this Permit and Agreement.
12. The covenants and conditions herein contained shall apply to and bind the heirs, legal representatives, successors, and assigns of all of the parties hereto; and all of the parties hereto shall be jointly and severally liable hereunder.
13. Time is of the essence of this Permit and Agreement and of each and every covenant, term, and condition, and provision hereof.
14. **Gary Blasi** is hereby notified by the District that this Permit and Agreement to Operate **Full Throttle Sportfishing** in conjunction with the Berthing Permit and Rental Agreement for a vessel at the Woodley Island Marina or property interests created herein, if any, may be subject to a possessory interest tax or property taxation if created pursuant to Sections 107 to 108 of the California Revenue and Taxation Code and that **Gary Blasi** and/or the party in whom the possessory interest is vested may be subject to the payment of property taxes levied upon such interests. **Gary Blasi** agrees and acknowledges that he has actual notice pursuant to Section 107.6 of the California Revenue and Taxation Code and that **Gary Blasi** may be required to pay a possessory interest tax as a result of this Permit and Agreement to operate a charter service in conjunction with the Berthing Permit and Rental Agreement for the vessels for Woodley Island Marina. **Gary Blasi** hereby acknowledges that he has actual knowledge of the existence of a possessory interest tax and has read the provision of Section 107 to 108 of the California Revenue and Taxation Code. **Gary Blasi** agrees to and shall pay all possessory interest taxes levied by any governmental agency by reason of this Permit and Agreement and his Berthing Permit and Rental Agreement for his vessel, for Woodley Island Marina.

EXECUTED on, _____, 2022, by authority of the Board of Commissioners of the HUMBOLDT BAY HARBOR, RECREATION, AND CONSERVATION DISTRICT.

GREG DALE, President
Board of Commissioners
HUMBOLDT BAY HARBOR, RECREATION,
AND CONSERVATION DISTRICT

Gary Blasi, an individual, dba, *Full Throttle Sportfishing*, as Permittee in this Permit and Agreement hereby accepts and agrees to all terms and conditions herein above set forth.

Dated: _____, 2022

By _____
GARY BLASI, Owner
Full Throttle Sportfishing

HUMBOLDT BAY HARBOR, RECREATION
AND CONSERVATION DISTRICT

PERMIT AND AGREEMENT TO
OPERATE A CHARTER SERVICE

Startare Drive
Woodley Island Marina
P.O. Box 1030
Eureka, CA 95501

PERMITTEE:
Tony Sepulveda
dba *Shellback Sport Fishing*
4893 Cummins Road
Eureka, CA 95503

This Permit and Agreement is executed in triplicate at Woodley Island Marina, Eureka, California, between HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT, hereinafter referred to as "District", and **TONY SEPULVEDA**, dba ***SHELLBACK SPORT FISHING*** hereinafter referred to as "**Tony Sepulveda.**"

WHEREAS, **Tony Sepulveda** will be the Lessees of Slip Number 03, Float D, at the Woodley Island Marina for a vessel, pursuant to a Berthing Permit and Rental Agreement for the Woodley Island Marina, a copy of which is attached hereto and incorporated by reference as Exhibit "A" hereto; and

WHEREAS, on or about January 24, 2022, **Tony Sepulveda** made written request to renew the Permit to operate the business ***Shellback Sport Fishing*** on a vessel moored at Slip Number 03, Float D at the Woodley Island Marina; and

WHEREAS, Ordinance Number 9, Section 6.7, subparagraph (a) of the District prohibits any commercial endeavor or charter service for hire without a special permit from the District.

AFTER REVIEW AND CONSIDERATION thereof by the Board of Commissioners of the District of the application of **Tony Sepulveda**:

THE PARTIES, THEREFORE, AGREE AS FOLLOWS:

2022 Shellback Sport Fishing
Page 1 of 6

1. District shall permit **Tony Sepulveda**, to operate the business **Shellback Sport Fishing** for the purpose of charter service at the Woodley Island Marina. The charter services shall consist primarily of sport fishing. Diving or diving instruction from or on said vessel shall not be allowed and shall be prohibited at all times at any locations within or without the boundaries of Woodley Island Marina while **Tony Sepulveda** operates the business of charter services from the Woodley Island Marina.
2. The term of this Permit and Agreement shall be for three (3) years commencing May 01, 2022 and terminating on April 30, 2025. District or **Tony Sepulveda** may terminate this Permit and Agreement by giving sixty (60) days written notice of termination to the other party. District may terminate this Permit and Agreement with **Tony Sepulveda** with or without cause or reason by giving **Tony Sepulveda** sixty (60) days written notice of termination and **Tony Sepulveda** shall terminate their business, as defined in Paragraph 1, (60) days from the date of personal service of said written notice of termination or sixty (60) days from the date of deposit or the written notice of termination deposited, enclosed in a sealed envelope with postage thereon fully prepaid, in the United States mail, and addressed to **Tony Sepulveda**, at 4893 Cummings Road, Eureka, CA 95503.

In the event **Tony Sepulveda** is in default of any of the provisions of the Berthing Permit and Rental Agreement for the Woodley Island Marina, a copy of which is attached hereto as Exhibit "A", and **Tony Sepulveda's** Berthing Permit is terminated pursuant to said Agreement, this Permit and Agreement to operate a Charter Service shall terminate forthwith on the date of termination of **Tony Sepulveda's** Berthing Permit and Rental Agreement for the Woodley Island Marina without the requirement of the hereinabove set forth sixty (60) day notice of termination provisions.

3. In addition to the monthly rental payable by **Tony Sepulveda** to the District pursuant to the Berthing Permit and Rental Agreement for the Woodley Island Marina, a copy of which is attached hereto as Exhibit "A", **Tony Sepulveda**

shall pay District the sum of two hundred fifty dollars and no cents (\$250.00) per year, however all rates may be changed pursuant to paragraph 3 of the Berthing Permit and Rental Agreement for Woodley Island Marina which provides that the District may change or increase the rates by giving thirty (30) days notice.

4. On or prior to the date of the Agreement, to wit: May 01, 2022, **Tony Sepulveda** shall purchase and maintain throughout the term of the Permit and Agreement Commercial General Liability insurance covering **Tony Sepulveda** pursuant to the terms of this Permit and Agreement. Said insurance policy of "protection and indemnity insurance" insuring **Tony Sepulveda** from liability for bodily injury, death, or property damage as a result of their operation and shall name District as an additional insured and provide District, prior to May 01 each year, with a Certificate of Insurance stating the amount of the insurance and proof that the District is an additional named insured, and the agreement of said insurance company that District shall be notified forthwith of the event of non-payment of the premium or termination of said insurance policy. The amount of insurance shall be One Million Dollars and no cents (\$1,000,000.00) per occurrence. In the event said liability insurance policy referred to in Paragraph 4 is cancelled or terminated, **Tony Sepulveda** shall forthwith cease and stop their **Shellback Sport Fishing** business at District's premises at the Woodley Island Marina and shall not resume operations until said liability insurance policy is fully reinstated and in full force and effect.
5. **Tony Sepulveda** shall, prior to commencing operation of **Shellback Sport Fishing**, obtain any and all necessary permits, if applicable, including but not limited to City of Eureka business license and California Department of Fish and Wildlife licenses.
6. **Tony Sepulveda** agrees that neither the Humboldt Bay Harbor, Recreation and Conservation District, nor its Board of Commissioners, nor any Officer of the District shall be liable to any extent for the injury or damages to any person or property or for the death of any person arising out of or connected with **Tony Sepulveda**, and **Tony Sepulveda** shall indemnify and hold harmless District, its

Commissioners, and Officers free and harmless from any liability for any such injury, death or damages. In addition, **Tony Sepulveda** agrees to hold harmless, indemnify, and hold District non-responsible for any of **Tony Sepulveda's** operations according to the provisions of paragraphs 11, 13, and 19 of the Berthing Permit and Rental Agreement for Woodley Island Marina, a copy of which is attached hereto as Exhibit "A" and incorporated by reference as though set forth in full.

7. **Tony Sepulveda** at all times shall comply and shall obtain compliance of Lessees' family, agents, employees, business visitors, and invitees of all laws, ordinances, rules and regulations, including Ordinance No.9, the Woodley Island Marina Rules and Regulations, and those of local, state, and federal government.
8. **Tony Sepulveda** at all times shall ensure that walkways and finger piers are not obstructed in any manner. No tires, ropes, canvas, or other material shall be nailed or attached to finger piers, docks, and piles without the written approval of the District. No person shall throw, discharge, or deposit from any vessel or from the shore or float or in any other manner, any fish or shellfish parts into or upon the waters of the Woodley Island Marina or upon the banks, walls, sidewalks, or parking areas within the boundaries of the Woodley Island Marina. No person shall place or leave dead animals, fish, shellfish, bait, or other putrefying matter on or along seawalls, harbor structures, floats, piers, sidewalks, or parking areas within the boundaries of the Woodley Island Marina. Vessel must be kept free of trash and waste product so as not to attract seagulls, sea lions, harbor seals, and other animals. All trash and waste product shall be properly disposed of each day.
9. **Tony Sepulveda** may place a sign on the vessel the size of which must be approved by the District's Executive Director. **Tony Sepulveda** may place a directional sign for incoming traffic onto Woodley Island Marina in an area approved by the Executive Director. Type and size of all signs are to be approved by the Executive Director of the District and, shall reasonably conform

in size, shape, and colors of the signs heretofore existing on Woodley Island and the Woodley Island Marina.

10. This Permit and Agreement is not transferable or assignable by **Tony Sepulveda** without approval in writing by the District. Any transfer of assignment or attempted transfer or assignment of this Permit by **Tony Sepulveda** shall be null and void.
11. This Permit and Agreement is non-exclusive and District retains the right to enter into agreements with and grant permits to other persons or business for the same purposes as set forth in this Permit and Agreement.
12. The covenants and conditions herein contained shall apply to and bind the heirs, legal representatives, successors, and assigns of all of the parties hereto; and all of the parties hereto shall be jointly and severally liable hereunder.
13. Time is of the essence of this Permit and Agreement and of each and every covenant, term, and condition, and provision hereof.
14. **Tony Sepulveda** is hereby notified by the District that this Permit and Agreement to Operate **Shellback Sport Fishing** in conjunction with the Berthing Permit and Rental Agreement for a vessel at the Woodley Island Marina or property interests created herein, if any, may be subject to a possessory interest tax or property taxation if created pursuant to Sections 107 to 108 of the California Revenue and Taxation Code and that **Tony Sepulveda** and/or the party in whom the possessory interest is vested may be subject to the payment of property taxes levied upon such interests. **Tony Sepulveda** agrees and acknowledges that they have actual notice pursuant to Section 107.6 of the California Revenue and Taxation Code and that **Tony Sepulveda** may be required to pay a possessory interest tax as a result of this Permit and Agreement to operate a charter service in conjunction with the Berthing Permit and Rental Agreement for the vessel for Woodley Island Marina. **Tony Sepulveda** hereby acknowledges that they have actual knowledge of the existence of a possessory interest tax and have read the provision of Section 107 to 108 of the California Revenue and Taxation Code. **Tony Sepulveda**

agrees to and shall pay all possessory interest taxes levied by any governmental agency by reason of this Permit and Agreement and their Berthing Permit and Rental Agreement for their vessel, for Woodley Island Marina.

EXECUTED on, _____, 2022, by authority of the Board of Commissioners of the HUMBOLDT BAY HARBOR, RECREATION, AND CONSERVATION DISTRICT.

**GREG DALE, President
Board of Commissioners
HUMBOLDT BAY HARBOR, RECREATION,
AND CONSERVATION DISTRICT**

Tony Sepulveda, dba, *Shellback Sport Fishing*, as Permittee in this Permit and Agreement hereby accepts and agrees to all terms and conditions herein above set forth.

Dated: _____, 2022

By _____
**TONY SEPULVEDA, Owner
*Shellback Sport Fishing***

HUMBOLDT BAY HARBOR, RECREATION
AND CONSERVATION DISTRICT

PERMIT AND AGREEMENT TO
OPERATE A CHARTER SERVICE

Startare Drive
Woodley Island Marina
P.O. Box 1030
Eureka, CA 95501

PERMITTEE:
Andrew Smyth
dba North Coast Sportfishing
1525 Anderson Road
McKinleyville, CA 95519

This Permit and Agreement is executed in triplicate at Woodley Island Marina, Eureka, California, between HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT, hereinafter referred to as "District", and **Andrew Smyth**, dba **North Coast Sportfishing** hereinafter referred to as "**Andrew Smyth.**"

WHEREAS, Andrew Smyth will be the Lessees of Slip Number 21, Float I, at the Woodley Island Marina for vessel **WHISKEY TANGO FOXTROT**, pursuant to a Berthing Permit and Rental Agreement for the Woodley Island Marina, a copy of which is attached hereto and incorporated by reference as Exhibit "A" hereto; and

WHEREAS, on or about January 24, 2022, Andrew Smyth made a written application to the District for a Permit from the District to operate the business **North Coast Sportfishing** on the vessel **WHISKEY TANGO FOXTROT** moored at Slip Number 21, Float I, at the Woodley Island Marina; and

WHEREAS, Ordinance Number 9, Section 6.7, subparagraph (a) of the District prohibits any commercial endeavor or charter service for hire without a special permit from the District.

AFTER REVIEW AND CONSIDERATION thereof by the Board of Commissioners of the District of the application of **Andrew Smyth:**

THE PARTIES, THEREFORE, AGREE AS FOLLOWS:

1. District shall permit **Andrew Smyth, North Coast Sportfishing**, to operate the business **North Coast Sportfishing** for the purpose of charter service at the Woodley Island Marina. The charter services shall consist primarily of sport fishing. Diving or diving instruction from or on said vessel shall not be allowed and shall be prohibited at all times at any locations within or without the boundaries of Woodley Island Marina while **Andrew Smyth** operates the business of charter services from the Woodley Island Marina.
2. The term of this Permit and Agreement shall be for **one (1) year(s) commencing May 01, 2022** and terminating on **April 30, 2023**. District or **Andrew Smyth** may terminate this Permit and Agreement by giving sixty (60) days written notice of termination to the other party. District may terminate this Permit and Agreement with **Andrew Smyth** with or without cause or reason by giving **Andrew Smyth** sixty (60) days written notice of termination and **Andrew Smyth** shall terminate their business, as defined in Paragraph 1, (60) days from the date of personal service of said written notice of termination or sixty (60) days from the date of deposit or the written notice of termination deposited, enclosed in a sealed envelope with postage thereon fully prepaid, in the United States mail, and addressed to **Andrew Smyth**, at 1525 Anderson Road, McKinleyville, CA 95519.

In the event **Andrew Smyth** is in default of any of the provisions of the Berthing Permit and Rental Agreement for the Woodley Island Marina, a copy of which is attached hereto as Exhibit "A", and **Andrew Smyth's** Berthing Permit is terminated pursuant to said Agreement, this Permit and Agreement to operate a *Charter Service* shall terminate forthwith on the date of termination of **Andrew Smyth's** Berthing Permit and Rental Agreement for the Woodley Island Marina without the requirement of the hereinabove set forth sixty (60) day notice of termination provisions.

3. In addition to the monthly rental payable by **Andrew Smyth** to the District pursuant to the Berthing Permit and Rental Agreement for the Woodley Island Marina, a copy of which is attached hereto as Exhibit "A", **Andrew Smyth** shall pay District the sum of Two hundred fifty dollars and no cents (\$250.00) per year, however all rates may be changed pursuant to paragraph 3 of the Berthing Permit and Rental Agreement for Woodley Island Marina which provides that the District may change or increase the rates by giving thirty (30) day notice.
4. On or prior to the date of the Agreement, to wit: **May 01, 2022**, **Andrew Smyth** shall purchase and maintain throughout the term of the Permit and Agreement **Commercial General Liability** insurance covering **Andrew Smyth** pursuant to the terms of this Permit and Agreement. Said insurance policy of "protection and indemnity insurance" insuring **Andrew Smyth** from liability for bodily injury, death, or property damage as a result of their operation and shall name District as an additional insured and provide District, prior to **May 01** each year, with a Certificate of Insurance stating the amount of the insurance and proof that the District is an additional named insured, and the agreement of said insurance company that District shall be notified forthwith of the event of non-payment of the premium or termination of said insurance policy. The amount of insurance shall be One Million Dollars and no cents (\$1,000,000.00) **per occurrence**. In the event said liability insurance policy referred to in the Paragraph 4 is cancelled or terminated, **Andrew Smyth** shall forthwith cease and stop their **North Coast Sportfishing** business at District's premises at the Woodley Island Marina and shall not resume operations until said liability insurance policy is fully reinstated and in full force and effect.
5. **Andrew Smyth** shall, prior to commencing operation of **North Coast Sportfishing**, obtain any and all necessary permits, if applicable, including but not limited to City of Eureka business license and **California Department of Fish and Wildlife** licenses.

6. **Andrew Smyth** agrees that neither the Humboldt Bay Harbor, Recreation and Conservation District, nor its Board of Commissioners, nor any Officer of the District shall be liable to any extent for the injury or damages to any person or property or for the death of any person arising out of or connected with **Andrew Smyth**, and **Andrew Smyth** shall indemnify and hold harmless District, its Commissioners, and Officers free and harmless from any liability for any such injury, death or damages. In addition, **Andrew Smyth** agrees to hold harmless, indemnify, and hold District non-responsible for any of **Andrew Smyth's** operations according to the provisions of paragraphs 11, 13, and 19 of the Berthing Permit and Rental Agreement for Woodley Island Marina, a copy of which is attached hereto as Exhibit "A" and incorporated by reference as though set forth in full.
7. **Andrew Smyth** at all times shall comply and shall obtain compliance of Lessees' family, agents, employees, business visitors, and invitees of all laws, ordinances, rules and regulations, including Ordinance No.9, the Woodley Island Marina Rules and Regulations, and those of local, state, and federal government.
8. **Andrew Smyth** at all times shall ensure that walkways and finger piers are not obstructed in any manner. No tires, ropes, canvas, or other material shall be nailed or attached to finger piers, docks, and piles without the written approval of the District. No person shall throw, discharge, or deposit from any vessel or from the shore or float or in any other manner, any waste, fish or shellfish parts into or upon the waters of the Woodley Island Marina or upon the banks, walls, sidewalks, or parking areas within the boundaries of the Woodley Island Marina. No person shall place or leave dead animals, fish, shellfish, bait, or other putrefying matter on or along seawalls, harbor structures, floats, piers, sidewalks, or parking areas within the boundaries of the Woodley Island Marina. Vessel must be kept free of trash and waste product so as not to attract seagulls, sea lions, harbor seals, and other

- animals. All trash and waste product shall be properly disposed of each day.
9. **Andrew Smyth** may place a sign on the vessel the size of which must be approved by the District's Executive Director. **Andrew Smyth** may place a directional sign for incoming traffic onto Woodley Island Marina in an area approved by the Executive Director. Type and size of all signs are to be approved by the Executive Director of the District and, shall reasonably conform in size, shape, and colors of the signs heretofore existing on Woodley Island and the Woodley Island Marina.
 10. This Permit and Agreement is not transferable or assignable by **Andrew Smyth** without approval in writing by the District. Any transfer of assignment or attempted transfer or assignment of this Permit by **Andrew Smyth** shall be null and void.
 11. This Permit and Agreement is non-exclusive and District retains the right to enter into agreements with and grant permits to other persons or business for the same purposes as set forth in this Permit and Agreement.
 12. The covenants and conditions herein contained shall apply to and bind the heirs, legal representatives, successors, and assigns of all of the parties hereto; and all of the parties hereto shall be jointly and severally liable hereunder.
 13. Time is of the essence of this Permit and Agreement and of each and every covenant, term, and condition, and provision hereof.
 14. **Andrew Smyth** is hereby notified by the District that this Permit and Agreement to Operate **North Coast Sportfishing** in conjunction with the Berthing Permit and Rental Agreement for a vessel at the Woodley Island Marina or property interests created herein, if any, may be subject to a possessory interest tax or property taxation if created pursuant to Sections 107 to 108 of the California Revenue and Taxation Code and that **Andrew Smyth** and/or the party in whom the possessory interest is vested may be subject to the payment of property taxes levied upon such interests. **Andrew**

Smyth agrees and acknowledges that they have actual notice pursuant to Section 107.6 of the California Revenue and Taxation Code and that **Andrew Smyth** may be required to pay a possessory interest tax as a result of this Permit and Agreement to operate a charter service in conjunction with the Berthing Permit and Rental Agreement for the vessel for Woodley Island Marina. **Andrew Smyth** hereby acknowledge that they have actual knowledge of the existence of a possessory interest tax and have read the provision of Section 107 to 108 of the California Revenue and Taxation Code. **Andrew Smyth** agrees to and shall pay all possessory interest taxes levied by any governmental agency by reason of this Permit and Agreement and their Berthing Permit and Rental Agreement for their vessel, for Woodley Island Marina.

EXECUTED on, _____, 2022, by authority of the Board of Commissioners of the HUMBOLDT BAY HARBOR, RECREATION, AND CONSERVATION DISTRICT.

**GREG DALE, President
Board of Commissioners
HUMBOLDT BAY HARBOR, RECREATION,
AND CONSERVATION DISTRICT**

Andrew Smyth, dba, *North Coast Sportfishing*, as Permittee in this Permit and Agreement hereby accepts and agrees to all terms and conditions herein above set forth.

Dated: _____, 2022

By _____
**Andrew Smyth, Owner
*North Coast Sportfishing***

HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT

PERMIT AND AGREEMENT TO OPERATE A DINGHY DOCK

Startare Drive
Woodley Island Marina
P.O. Box 1030
Eureka, CA 95501

PERMITTEE:
Humboldt Yacht Club
Board of Directors
P.O. Box 445
Eureka, CA 95502

This Permit and Agreement is executed in duplicate at Woodley Island Marina, Eureka, California, between HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT, hereinafter referred to as "DISTRICT", and HUMBOLDT YACHT CLUB BOARD OF DIRECTORS, a non-profit California corporation, Eureka, California, hereinafter referred to as "HYC".

WHEREAS, HYC has operated a dinghy storage raft (dinghy dock) in slip I-00-E at Woodley Island Marina since September 1, 1998; and

WHEREAS, HYC requested that DISTRICT continue to allow HYC to operate a dinghy dock as a fundraiser in Slip I-00-E at no charge, through December 31, 2024 for the purpose of storing, launching and retrieving dinghies; and

WHEREAS, Ordinance No. 9, Section 6.78, of the DISTRICT prohibits any commercial endeavor or charter service for hire, subparagraph (a), without a special permit from the DISTRICT;

AFTER REVIEW AND CONSIDERATION thereof by the Board of Commissioners of the DISTRICT of the request of HYC hereinabove referred to:

Humboldt Yacht Club
2022 Permit and Agreement
Page 1 of 5

THE PARTIES, THEREFORE, AGREE AS FOLLOWS:

1. The term of this Permit and Agreement shall be for three (3) years commencing December 31, 2021, and terminating on December 31, 2024. DISTRICT or HYC may terminate this Permit and Agreement by giving sixty (60) days written notice of termination to the other party. DISTRICT may terminate this Permit and Agreement with HYC with or without cause or reason by giving HYC sixty (60) days written notice of termination and HYC shall terminate their Dinghy Dock Operations sixty (60) days from the date of personal service of said written notice of termination or sixty (60) days from the date of deposit or the written notice of termination deposited, enclosed in a sealed envelope with postage thereon fully prepaid, in the United States mail, and addressed to HYC at P.O. Box 445 Eureka CA 95502.

In the event HYC is in default of any of the provisions of the Berthing Permit and Rental Agreement for the Woodley Island Marina, a copy of which is attached hereto as Exhibit "A", and HYC's Berthing Permit is terminated pursuant to said Agreement, this Permit and Agreement shall terminate forthwith on the date of termination of HYC's Berthing Permit and Rental Agreement for the Woodley Island Marina without the requirement of the hereinabove set forth sixty (60) day notice of termination provisions.

2. DISTRICT shall permit HYC, a non-profit organization, to operate their dinghy docks in Slip I-00-E for the purpose of storing, launching and retrieving dinghies. Humboldt Yacht Club shall pay District the sum of \$250.00 (Two hundred fifty dollars and no cents) per year, however all rates may be changed pursuant to paragraph 3 of the Berthing Permit and Rental Agreement for Woodley Island Marina which provides that the District may change or increase the rates by giving thirty (30) days notice.

3. On or prior to the date of the Agreement, to wit: December 31, 2021 HYC shall purchase and maintain throughout the term of the Permit and Agreement Commercial General Liability insurance covering HYC's operation of their Dinghy Docks pursuant to the terms of the Permit and Agreement. Said insurance policy of "protection and indemnity

insurance" insuring HYC from liability for bodily injury, death, or property damage as a result of their Dinghy Dock operation and shall name DISTRICT as an additional insured and provide DISTRICT with a Certificate of Insurance stating the amount of the insurance and proof that the DISTRICT is an additional named insured, and the agreement of said insurance company that DISTRICT shall be notified forthwith of the event of non-payment of the premium or termination of said insurance policy. The amount of insurance shall be One Million dollars (\$1,000,000.00) per occurrence. In the event said liability insurance policy referred to in the Paragraph 4 is cancelled or terminated, HYC shall forthwith cease and stop their Dinghy Dock operation at DISTRICT's premises at the Woodley Island Marina and shall not resume operations until said liability insurance policy is fully reinstated and in full force and effect.

4. HYC shall, prior to commencing Dinghy Dock operations, obtain any and all necessary permits, if applicable.

5. HYC agrees that neither the Humboldt Bay Harbor, Recreation and Conservation District, nor its Board of Commissioners, nor any Officer of the District shall be liable to any extent for the injury or damages to any person or property or for the death of any person arising out of or connected with HYC's Dinghy Dock operations and HYC shall indemnify and hold harmless DISTRICT, its Commissioners, and Officers free and harmless from any liability for any such injury, death or damages. In addition, HYC agrees to hold harmless, indemnify, and hold DISTRICT non-responsible for any of HYC's Dinghy Dock operations according to the provisions of paragraphs 11, 13, and 19 of the Berthing Permit and Rental Agreement for Woodley Island Marina, a copy of which is attached hereto as Exhibit "A" and incorporated by reference as though set forth in full.

6. HYC may place a sign on the Dinghy Dock, the size of which must be approved by the DISTRICT's Chief Executive Officer. HYC may place a directional sign for incoming traffic onto the Marina at a location and the type and size sign which is approved by the Executive Director of the DISTRICT, which shall reasonably conform in size, shape, and colors of the signs heretofore existing on the Woodley Island Marina.

7. This Permit and Agreement is not transferable or assignable by HYC without approval in writing by the DISTRICT. Any transfer of assignment or attempted transfer or assignment of this Permit by HYC shall be null and void.

8. This Permit and Agreement is non-exclusive and DISTRICT retains the right to enter into agreements with and grant permits to other persons or Dinghy Dock operators for the same purposes as set forth in this Permit and Agreement.

9. The covenants and conditions herein contained shall apply to and bind the heirs, legal representatives, successors, and assigns of all of the parties hereto; and all of the parties hereto shall be jointly and severally liable hereunder.

10. Time is of the essence of this Permit and Agreement and of each and every covenant, term, and condition, and provision hereof.

11. HYC is hereby notified by the DISTRICT that this Permit and Agreement to Temporarily Operate a Dinghy Dock in conjunction with the Berthing Permit and Rental Agreement for the Dinghy Dock for the Woodley Island Marina or property interests created herein, if any, may be subject to a possessory interest tax or property taxation if created pursuant to Sections 107 to 108 of the California Revenue and Taxation Code and that HYC and/or the party in whom the possessory interest is vested may be subject to the payment of property taxes levied upon such interests. HYC agrees and acknowledges that they have actual notice pursuant to Section 107.6 of the California Revenue and Taxation Code that HYC may be required to pay a possessory interest tax as a result of this Permit and Agreement to Temporarily Operate a Dinghy Dock in conjunction with the Berthing Permit and Rental Agreement for the Dinghy Dock for Woodley Island Marina. HYC hereby acknowledges that they have actual knowledge of the existence of a possessory interest tax and has read the provision of Section 107 to 108 of the California Revenue and Taxation Code. HYC agrees to and shall pay all possessory interest taxes levied any governmental agencies by reason of this Permit and Agreement to Temporarily Operate Dinghy Dock and their Berthing Permit and Rental Agreement for Dinghy Dock.

EXECUTED on _____, 2022, by authority of the Board of Commissioners of the HUMBOLDT BAY HARBOR, RECREATION, AND CONSERVATION DISTRICT.

GREG DALE, President
Board of Commissioners
HUMBOLDT BAY HARBOR, RECREATION,
AND CONSERVATION DISTRICT

HUMBOLDT YACHT CLUB, BOARD OF DIRECTORS, a non-profit corporation, and Permittee in this Permit and Agreement hereby accepts and agrees to all terms and conditions herein above set forth.

Dated: _____, 2022

HUMBOLDT YACHT CLUB,
BOARD OF DIRECTORS,
A non-profit corporation

By _____
STACY LANE, Commodore

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

**PERMIT AND AGREEMENT TO
OPERATE KAYAK RENTAL SERVICES**

Startare Drive
Woodley Island Marina
PO Box 1030
Eureka, CA 95501

PERMITEE:

Jaimoe Kibby
dba *Humboats Kayak Adventures*
1605 Hughes Ave
McKinleyville, CA 95519

This Permit and Agreement is executed in triplicate at Woodley Island Marina, Eureka, California, between HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT, hereinafter referred to as "District", and **JAIMOE KIBBY**, individually, DBA, **HUMBOATS KAYAK ADVENTURES** hereinafter referred to as "Humboats".

WHEREAS, Humboats desires to operate the Humboats Kayak Adventures as a kayak rental, tour and lesson business from the Woodley Island Marina; and

WHEREAS, on or about January 31, 2022 **Jaimoe Kibby** made written application for a Permit to operate the business Humboats Kayak Adventures at Slip Number 02, Float A at the Woodley Island Marina; and

WHEREAS, Ordinance Number 9, Section 6.7, of the District prohibits any commercial endeavor or charter service for hire, subparagraph (a), without a special permit from the District and payment of permit.

AFTER REVIEW AND CONSIDERATION thereof by the Board of Commissioners of the District of the application of Humboats hereinabove referred to:

THE PARTIES, THEREFORE, AGREE AS FOLLOWS:

1. District shall permit Humboats, an independent contractor, to operate the business Humboats Kayak Adventures for the purpose of rentals, tours and

lessons from Woodley Island Marina. For the purpose of this Permit and Agreement, Humboats commercial endeavor shall be referred to as "Kayak Rental Service". Diving or diving instruction from or on said vessels shall not be allowed and shall be prohibited at all times.

2. As described in Exhibit A, Berthing Permit and Rental Agreement for Woodley Island Marina, a copy of which is attached hereto and incorporated by reference as Exhibit "A" hereto; Humboats is permitted to use Slip Number 02, Float A, at the Woodley Island Marina for their vessels and barge.
3. As described in Exhibit B, Woodley Island Marina Storage Application, Humboats is permitted to use two (2) storage spaces in the Woodley Island Marina Storage Yard.
4. The term of this Permit and Agreement shall be for one (1) year commencing March 01, 2022 and terminating on February 28, 2023. District or Humboats may terminate this Permit and Agreement by giving sixty (60) days written notice of termination to the other party. District may terminate this Permit and Agreement with Humboats with or without cause or reason by giving Humboats sixty (60) days written notice of termination and Humboats shall terminate their Kayak Rental Service sixty (60) days from the date of personal service of said written notice of termination or sixty (60) days from the date of deposit or the written notice of termination deposited, enclosed in a sealed envelope with postage thereon fully prepaid, in the United States mail, and addressed to Jaimoe Kibby, 1605 Hughes Ave, McKinleyville, CA 95519. In the event Humboats is in default of any of the provisions of the Berthing Permit and Rental Agreement for the Woodley Island Marina, a copy of which is attached hereto as Exhibit "A", and Humboats' Berthing Permit is terminated pursuant to said Agreement, this Kayak Rental Service Permit and Agreement shall terminate forthwith on the date of termination of Humboats' Berthing Permit and Rental Agreement without the requirement of the hereinabove set forth sixty (60) day notice of termination provisions.
5. In addition to the monthly/yearly rental payable by Humboats to the District

pursuant to the Berthing Permit and Rental Agreement for the Woodley Island Marina, a copy of which is attached hereto as Exhibit "A", Humboats shall pay District the sum of Two hundred fifty dollars (\$250.00) per year for this Permit to carry on a Kayak Rental Service pursuant to this Agreement. All rates may be changed pursuant to paragraph 3 of the Berthing Permit and Rental Agreement for Woodley Island Marina which provides that the District may change or increase the rates by giving thirty (30) day-notice.

6. Humboats shall pay District all fees described in the agreement and as detailed in Exhibit A and Exhibit B of the agreement on an annual basis.
7. On or prior to the date of the Agreement, to wit: March 01, 2022 Humboats shall purchase and maintain throughout the term of the Permit and Agreement, Commercial General Liability insurance covering Humboats' operation of their Kayak Rental Service operation pursuant to the terms of the Permit and Agreement. Said insurance policy of "protection and indemnity insurance" insuring Humboats from liability for bodily injury, death, or property damage as a result of their Kayak Rental Service operation and shall name District as an additional insured and provide District with a Certificate of Insurance stating the amount of the insurance and proof that the District is an additional named insured, and the agreement of said insurance company that District shall be notified forthwith of the event of non-payment of the premium or termination of said insurance policy. **The amount of insurance shall be One Million Dollars and no cents (\$1,000,000.00) per occurrence.** In the event said liability insurance policy is cancelled or terminated, Humboats shall forthwith cease and stop their Kayak Rental Service for hire operation at District's premises at the Woodley Island Marina and shall not resume operations until said liability insurance policy is fully reinstated and in full force and effect.
8. Humboats shall prior to commencing operation of their Kayak Rental Service obtain any and all necessary permits and licenses applicable to Humboats operation.

9. Humboats agrees that neither the Humboldt Bay Harbor, Recreation and Conservation District, nor its Board of Commissioners, nor any Officer of the District shall be liable to any extent for the injury or damages to any person or property or for the death of any person arising out of or connected with Humboats' Kayak Rental Service operation and Humboats shall indemnify and hold harmless District, its Commissioners, and Officers free and harmless from any liability for any such injury, death or damages. In addition, Humboats agrees to hold harmless, indemnify, and hold District non-responsible for any of Humboats' Kayak Rental Service operations according to the provisions of paragraphs 11, 13, and 19 of the Berthing Permit and Rental Agreement for Woodley Island Marina, a copy of which is attached hereto as Exhibit "A" and incorporated by reference as though set forth in full.
10. Humboats at all times shall comply and shall obtain compliance of Lessee's family, agents, employees, business visitors, and invitees of all laws, ordinances, rules and regulations, including Ordinance No. 9, the Woodley Island Marina Rules and Regulations, California Boating Law and those of federal and state government.
11. Humboats at all times shall ensure that walkways and finger piers are not obstructed in any manner. No tires, ropes, canvas, or other material shall be nailed or attached to finger piers, docks, and piles without the written approval of the District. Vessels underway within the marina limits shall be for the purpose of mooring, entering or leaving a berth. Cruising between piers and under gangways is strictly prohibited. Humboats may place a sign on the vessels the size of which must be approved by the District's Executive Director. Humboats may place a directional sign for incoming traffic onto the Marina at a location and the type and size sign which is approved by the Executive Director of the District, which shall reasonably conform in size, shape, and colors of the signs heretofore existing on the Woodley Island Marina.
12. This Permit and Agreement is not transferable or assignable by Humboats

without approval in writing by the District. Any transfer of assignment or attempted transfer or assignment of this Permit by Humboats shall be null and void.

13. This Permit and Agreement is non-exclusive and District retains the right to enter into agreements with and grant permits to other persons or business for the same purposes as set forth in this Permit and Agreement.
14. The covenants and conditions herein contained shall apply to and bind the heirs, legal representatives, successors, and assigns of all of the parties hereto; and all of the parties hereto shall be jointly and severally liable hereunder.
15. Time is of the essence of this Permit and Agreement and of each and every covenant, term, and condition, and provision hereof.
16. Humboats is hereby notified by the District that this Permit and Agreement to Operate Kayak Rental Services in conjunction with the Berthing Permit and Rental Agreement for the vessels for the Woodley Island Marina or property interests created herein, if any, may be subject to a possessory interest tax or property taxation if created pursuant to Sections 107 to 108 of the California Revenue and Taxation Code and that Humboats and/or the party in whom the possessory interest is vested may be subject to the payment of property taxes levied upon such interests. Humboats agrees and acknowledges that they have actual notice pursuant to Section 107.6 of the California Revenue and Taxation Code that Humboats may be required to pay a possessory interest tax as a result of this Permit and Agreement to operate Kayak Rental Services in conjunction with the Berthing Permit and Rental Agreement for the vessels for Woodley Island Marina. Humboats hereby acknowledges that they have actual knowledge of the existence of a possessory interest tax and has read the provision of Section 107 to 108 of the California Revenue and Taxation Code. Humboats agrees to and shall pay all possessory interest taxes levied any governmental agencies by reason of this Permit and Agreement to Operate Kayak Rental Services and

their Berthing Permit and Rental Agreement for their vessels, for Woodley Island Marina.

EXECUTED on, _____, 2022, by authority of the Board of Commissioners of the HUMBOLDT BAY HARBOR, RECREATION, AND CONSERVATION DISTRICT.

**GREG DALE, President
Board of Commissioners
HUMBOLDT BAY HARBOR, RECREATION,
AND CONSERVATION DISTRICT**

Jaimoe Kibby, an individual, dba, HUMBOATS KAYAK ADVENTURE as Permittee in this Permit and Agreement hereby accepts and agrees to all terms and conditions herein above set forth.

Dated: _____, 2022

By _____
**Jaimoe Kibby, Owner
HUMBOATS KAYAK ADVENTURE**

HUMBOLDT BAY HARBOR, RECREATION
AND CONSERVATION DISTRICT

PERMIT AND AGREEMENT TO
OPERATE A CHARTER SERVICE

Startare Drive
Woodley Island Marina
P.O. Box 1030
Eureka, CA 95501

PERMITTEE:
Eric Justesen
dba 707 Sportfishing
289 Kenmar Road.
Fortuna, CA 95540

This Permit and Agreement is executed in triplicate at Woodley Island Marina, Eureka, California, between HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT, hereinafter referred to as "District", and **ERIC JUSTESEN** an individual, dba **707 Sportfishing** hereinafter referred to as "**Eric Justesen.**"

WHEREAS, Eric Justesen will be the Lessee of Slip Number **8**, Float **C**, at the Woodley Island Marina for a vessel, pursuant to a Berthing Permit and Rental Agreement for the Woodley Island Marina, a copy of which is attached hereto and incorporated by reference as Exhibit "A" hereto; and

WHEREAS, on or about February 19, 2021 **Eric Justesen** made written request to operate the business **707 Sportfishing** on a vessel moored at Slip Number **8**, Float **C** at the Woodley Island Marina; and

WHEREAS, Ordinance Number 9, Section 6.7, subparagraph (a) of the District prohibits any commercial endeavor or charter service for hire without a special permit from the District.

AFTER REVIEW AND CONSIDERATION thereof by the Board of Commissioners of the District of the application of **Eric Justesen**:

THE PARTIES, THEREFORE, AGREE AS FOLLOWS:

1. District shall permit **Eric Justesen**, an individual, to operate the business **707**

2022 707 SPORTFISHING
Page 1 of 6

Sportfishing for the purpose of charter service at the Woodley Island Marina. The charter services shall consist primarily of sport fishing. Diving or diving instruction from or on said vessel shall not be allowed and shall be prohibited at all times at any locations within or without the boundaries of Woodley Island Marina while **Eric Justesen** operates the business of charter services from the Woodley Island Marina.

2. The term of this Permit and Agreement shall be for one (1) year commencing May 01, 2022 and terminating on April 30, 2023. District or **Eric Justesen** may terminate this Permit and Agreement by giving sixty (60) days written notice of termination to the other party. District may terminate this Permit and Agreement with **Eric Justesen** with or without cause or reason by giving **Eric Justesen** sixty (60) days written notice of termination and **Eric Justesen** shall terminate his business, as defined in Paragraph 1, (60) days from the date of personal service of said written notice of termination or sixty (60) days from the date of deposit or the written notice of termination deposited, enclosed in a sealed envelope with postage thereon fully prepaid, in the United States mail, and addressed to **Eric Justesen**, at 2849 Kenmar Road, Fortuna, CA 95540. In the event **Eric Justesen** is in default of any of the provisions of the Berthing Permit and Rental Agreement for the Woodley Island Marina, a copy of which is attached hereto as Exhibit "A", and **Eric Justesen** Berthing Permit is terminated pursuant to said Agreement, this Permit and Agreement to operate a Charter Service shall terminate forthwith on the date of termination of **Eric Justesen** Berthing Permit and Rental Agreement for the Woodley Island Marina without the requirement of the hereinabove set forth sixty (60) day notice of termination provisions.
3. In addition to the monthly rental payable by **Eric Justesen** to the District pursuant to the Berthing Permit and Rental Agreement for the Woodley Island Marina, a copy of which is attached hereto as Exhibit "A", **Eric Justesen** shall pay District the sum of two hundred fifty dollars and no cents (\$250.00) per year, however all rates may be changed pursuant to paragraph 3 of the Berthing

Permit and Rental Agreement for Woodley Island Marina which provides that the District may change or increase the rates by giving thirty (30) days notice.

4. On or prior to the date of the Agreement, to wit: May 01, 2022, **Eric Justesen** shall purchase and maintain throughout the term of the Permit and Agreement Commercial General Liability insurance covering **Eric Justesen** pursuant to the terms of this Permit and Agreement. Said insurance policy of "protection and indemnity insurance" insuring **Eric Justesen** from liability for bodily injury, death, or property damage as a result of his operation and shall name District as an additional insured and provide District, prior to May 01 each year, with a Certificate of Insurance stating the amount of the insurance and proof that the District is an additional named insured, and the agreement of said insurance company that District shall be notified forthwith of the event of non-payment of the premium or termination of said insurance policy. The amount of insurance shall be One Million Dollars and no cents (\$1,000,000.00) per occurrence. In the event said liability insurance policy referred to in Paragraph 4 is cancelled or terminated, **Eric Justesen** shall forthwith cease and stop his **707 Sportfishing** business at District's premises at the Woodley Island Marina and shall not resume operations until said liability insurance policy is fully reinstated and in full force and effect.
5. **Eric Justesen** shall, prior to commencing operation of **707 Sportfishing** obtain any and all necessary permits, if applicable, including but not limited to City of Eureka business license, and California Department of Fish and Wildlife licenses.
6. **Eric Justesen** agrees that neither the Humboldt Bay Harbor, Recreation and Conservation District, nor its Board of Commissioners, nor any Officer of the District shall be liable to any extent for the injury or damages to any person or property or for the death of any person arising out of or connected with **Eric Justesen** and **Eric Justesen** shall indemnify and hold harmless District, its Commissioners, and Officers free and harmless from any liability for any such injury, death or damages. In addition, **Eric Justesen** agrees to hold harmless,

indemnify, and hold District non-responsible for any of **Eric Justesen** operations according to the provisions of paragraphs 11, 13, and 19 of the Berthing Permit and Rental Agreement for Woodley Island Marina, a copy of which is attached hereto as Exhibit "A" and incorporated by reference as though set forth in full.

7. **Eric Justesen** at all times shall comply and shall obtain compliance of Lessee's family, agents, employees, business visitors, and invitees of all laws, ordinances, rules and regulations, including Ordinance No.9, the Woodley Island Marina Rules and Regulations, and those of local, state, and federal government.
8. **Eric Justesen** at all times shall ensure that walkways and finger piers are not obstructed in any manner. No tires, ropes, canvas, or other material shall be nailed or attached to finger piers, docks, and piles without the written approval of the District. No person shall throw, discharge, or deposit from any vessel or from the shore or float or in any other manner, any fish or shellfish parts into or upon the waters of the Woodley Island Marina or upon the banks, walls, sidewalks, or parking areas within the boundaries of the Woodley Island Marina. No person shall place or leave dead animals, fish, shellfish, bait, or other putrefying matter on or along seawalls, harbor structures, floats, piers, sidewalks, or parking areas within the boundaries of the Woodley Island Marina. Vessel must be kept free of trash and waste product so as not to attract seagulls, sea lions, harbor seals, and other animals. All trash and waste product shall be properly disposed of each day.
9. **Eric Justesen** may place a sign on the vessel the size of which must be approved by the District's Executive Director. **Eric Justesen** may place a directional sign for incoming traffic onto Woodley Island Marina in an area approved by the Executive Director. Type and size of all signs are to be approved by the Executive Director of the District and, shall reasonably conform in size, shape, and colors of the signs heretofore existing on Woodley Island and the Woodley Island Marina.

10. This Permit and Agreement is not transferable or assignable by **Eric Justesen** without approval in writing by the District. Any transfer of assignment or attempted transfer or assignment of this Permit by **Eric Justesen** shall be null and void.
11. This Permit and Agreement is non-exclusive, and District retains the right to enter into agreements with and grant permits to other persons or business for the same purposes as set forth in this Permit and Agreement.
12. The covenants and conditions herein contained shall apply to and bind the heirs, legal representatives, successors, and assigns of all of the parties hereto; and all of the parties hereto shall be jointly and severally liable hereunder.
13. Time is of the essence of this Permit and Agreement and of each and every covenant, term, and condition, and provision hereof.
14. **Eric Justesen** is hereby notified by the District that this Permit and Agreement to Operate **707 Sportfishing** in conjunction with the Berthing Permit and Rental Agreement for a vessel at the Woodley Island Marina or property interests created herein, if any, may be subject to a possessory interest tax or property taxation if created pursuant to Sections 107 to 108 of the California Revenue and Taxation Code and that **Eric Justesen** and/or the party in whom the possessory interest is vested may be subject to the payment of property taxes levied upon such interests. **Eric Justesen** agrees and acknowledges that he has actual notice pursuant to Section 107.6 of the California Revenue and Taxation Code and that **Eric Justesen** may be required to pay a possessory interest tax as a result of this Permit and Agreement to operate a charter service in conjunction with the Berthing Permit and Rental Agreement for the vessels for Woodley Island Marina **Eric Justesen** hereby acknowledges that he has actual knowledge of the existence of a possessory interest tax and has read the provision of Section 107 to 108 of the California Revenue and Taxation Code. **Eric Justesen** agrees to and shall pay all possessory interest taxes levied by any governmental agency by reason of this Permit and Agreement and his Berthing Permit and Rental Agreement for his vessel, for Woodley

Island Marina.

EXECUTED on, _____, 2022, by authority of the Board of Commissioners of the HUMBOLDT BAY HARBOR, RECREATION, AND CONSERVATION DISTRICT.

**GREG DALE, President
Board of Commissioners
HUMBOLDT BAY HARBOR, RECREATION,
AND CONSERVATION DISTRICT**

Eric Justesen, an individual, dba, 707 Sportfishing, as Permittee in this Permit and Agreement hereby accepts and agrees to all terms and conditions herein above set forth.

Dated: _____, 2022

By _____
**Eric Justesen, Owner
707 Sportfishing**

HUMBOLDT BAY HARBOR, RECREATION
AND CONSERVATION DISTRICT

PERMIT AND AGREEMENT TO
OPERATE A CHARTER SERVICE

Startare Drive
Woodley Island Marina
P.O. Box 1030
Eureka, CA 95501

PERMITTEE:
Lowell Wallace
dba *Humboldt Charter Company*
550 Annahy Dr.
Fortuna, CA 95540

This Permit and Agreement is executed in triplicate at Woodley Island Marina, Eureka, California, between HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT, hereinafter referred to as "District", and **LOWELL WALLACE** an individual, dba ***Humboldt Charter Company*** hereinafter referred to as "**Lowell Wallace.**"

WHEREAS, **Lowell Wallace** will be the Lessee of Slip Number **21**, Float **D**, at the Woodley Island Marina for a vessel, pursuant to a Berthing Permit and Rental Agreement for the Woodley Island Marina, a copy of which is attached hereto and incorporated by reference as Exhibit "A" hereto; and

WHEREAS, on or about January 24, 2022 **Lowell Wallace** made written request to operate the business ***Humboldt Charter Company*** on a vessel moored at Slip Number **21**, Float **D** at the Woodley Island Marina; and

WHEREAS, Ordinance Number 9, Section 6.7, subparagraph (a) of the District prohibits any commercial endeavor or charter service for hire without a special permit from the District.

AFTER REVIEW AND CONSIDERATION thereof by the Board of Commissioners of the District of the application of **Lowell Wallace**:

THE PARTIES, THEREFORE, AGREE AS FOLLOWS:

1. District shall permit **Lowell Wallace**, an individual, to operate the business ***Humboldt Charter Company*** for the purpose of charter service at the Woodley Island Marina. The charter services shall consist primarily of sport fishing. Diving or diving instruction from or on said vessel shall not be allowed and shall be prohibited at all times at any locations within or without the boundaries of Woodley Island Marina while **Lowell Wallace** operates the business of charter services from the Woodley Island Marina.
2. The term of this Permit and Agreement shall be for three (3) years commencing May 01, 2022 and terminating on April 30, 2025. District or **Lowell Wallace** may terminate this Permit and Agreement by giving sixty (60) days written notice of termination to the other party. District may terminate this Permit and Agreement with **Lowell Wallace** with or without cause or reason by giving **Lowell Wallace** sixty (60) days written notice of termination and **Lowell Wallace** shall terminate his business, as defined in Paragraph 1, (60) days from the date of personal service of said written notice of termination or sixty (60) days from the date of deposit or the written notice of termination deposited, enclosed in a sealed envelope with postage thereon fully prepaid, in the United States mail, and addressed to **Lowell Wallace**, at 550 Annahy Drive, Fortuna, CA 95540. In the event **Lowell Wallace** is in default of any of the provisions of the Berthing Permit and Rental Agreement for the Woodley Island Marina, a copy of which is attached hereto as Exhibit "A", and **Lowell Wallace** Berthing Permit is terminated pursuant to said Agreement, this Permit and Agreement to operate a Charter Service shall terminate forthwith on the date of termination of **Lowell Wallace** Berthing Permit and Rental Agreement for the Woodley Island Marina without the requirement of the hereinabove set forth sixty (60) day notice of termination provisions.
3. In addition to the monthly rental payable by **Lowell Wallace** to the District pursuant to the Berthing Permit and Rental Agreement for the Woodley Island Marina, a copy of which is attached hereto as Exhibit "A", **Lowell Wallace** shall

pay District the sum of two hundred fifty dollars and no cents (\$250.00) per year, however all rates may be changed pursuant to paragraph 3 of the Berthing Permit and Rental Agreement for Woodley Island Marina which provides that the District may change or increase the rates by giving thirty (30) days notice.

4. On or prior to the date of the Agreement, to wit: May 01, 2022, **Lowell Wallace** shall purchase and maintain throughout the term of the Permit and Agreement Commercial General Liability insurance covering **Lowell Wallace** pursuant to the terms of this Permit and Agreement. Said insurance policy of "protection and indemnity insurance" insuring **Lowell Wallace** from liability for bodily injury, death, or property damage as a result of his operation and shall name District as an additional insured and provide District, prior to May 01 each year, with a Certificate of Insurance stating the amount of the insurance and proof that the District is an additional named insured, and the agreement of said insurance company that District shall be notified forthwith of the event of non-payment of the premium or termination of said insurance policy. The amount of insurance shall be One Million Dollars and no cents (\$1,000,000.00) per occurrence. In the event said liability insurance policy referred to in Paragraph 4 is cancelled or terminated, **Lowell Wallace** shall forthwith cease and stop his ***Humboldt Charter Company*** business at District's premises at the Woodley Island Marina and shall not resume operations until said liability insurance policy is fully reinstated and in full force and effect.
5. **Lowell Wallace** shall, prior to commencing operation of ***Humboldt Charter Company*** obtain any and all necessary permits, if applicable, including but not limited to City of Eureka business license, and California Department of Fish and Wildlife licenses.
6. **Lowell Wallace** agrees that neither the Humboldt Bay Harbor, Recreation and Conservation District, nor its Board of Commissioners, nor any Officer of the District shall be liable to any extent for the injury or damages to any person or property or for the death of any person arising out of or connected with **Lowell Wallace** and **Lowell Wallace** shall indemnify and hold harmless District, its

Commissioners, and Officers free and harmless from any liability for any such injury, death or damages. In addition, **Lowell Wallace** agrees to hold harmless, indemnify, and hold District non-responsible for any of **Lowell Wallace** operations according to the provisions of paragraphs 11, 13, and 19 of the Berthing Permit and Rental Agreement for Woodley Island Marina, a copy of which is attached hereto as Exhibit "A" and incorporated by reference as though set forth in full.

7. **Lowell Wallace** at all times shall comply and shall obtain compliance of Lessee's family, agents, employees, business visitors, and invitees of all laws, ordinances, rules and regulations, including Ordinance No.9, the Woodley Island Marina Rules and Regulations, and those of local, state, and federal government.
8. **Lowell Wallace** at all times shall ensure that walkways and finger piers are not obstructed in any manner. No tires, ropes, canvas, or other material shall be nailed or attached to finger piers, docks, and piles without the written approval of the District. No person shall throw, discharge, or deposit from any vessel or from the shore or float or in any other manner, any fish or shellfish parts into or upon the waters of the Woodley Island Marina or upon the banks, walls, sidewalks, or parking areas within the boundaries of the Woodley Island Marina. No person shall place or leave dead animals, fish, shellfish, bait, or other putrefying matter on or along seawalls, harbor structures, floats, piers, sidewalks, or parking areas within the boundaries of the Woodley Island Marina. Vessel must be kept free of trash and waste product so as not to attract seagulls, sea lions, harbor seals, and other animals. All trash and waste product shall be properly disposed of each day.
9. **Lowell Wallace** may place a sign on the vessel the size of which must be approved by the District's Executive Director. **Lowell Wallace** may place a directional sign for incoming traffic onto Woodley Island Marina in an area approved by the Executive Director. Type and size of all signs are to be approved by the Executive Director of the District and, shall reasonably conform

in size, shape, and colors of the signs heretofore existing on Woodley Island and the Woodley Island Marina.

10. This Permit and Agreement is not transferable or assignable by **Lowell Wallace** without approval in writing by the District. Any transfer of assignment or attempted transfer or assignment of this Permit by **Lowell Wallace** shall be null and void.
11. This Permit and Agreement is non-exclusive, and District retains the right to enter into agreements with and grant permits to other persons or business for the same purposes as set forth in this Permit and Agreement.
12. The covenants and conditions herein contained shall apply to and bind the heirs, legal representatives, successors, and assigns of all of the parties hereto; and all of the parties hereto shall be jointly and severally liable hereunder.
13. Time is of the essence of this Permit and Agreement and of each and every covenant, term, and condition, and provision hereof.
14. **Lowell Wallace** is hereby notified by the District that this Permit and Agreement to Operate ***Humboldt Charter Company*** in conjunction with the Berthing Permit and Rental Agreement for a vessel at the Woodley Island Marina or property interests created herein, if any, may be subject to a possessory interest tax or property taxation if created pursuant to Sections 107 to 108 of the California Revenue and Taxation Code and that **Lowell Wallace** and/or the party in whom the possessory interest is vested may be subject to the payment of property taxes levied upon such interests. **Lowell Wallace** agrees and acknowledges that he has actual notice pursuant to Section 107.6 of the California Revenue and Taxation Code and that **Lowell Wallace** may be required to pay a possessory interest tax as a result of this Permit and Agreement to operate a charter service in conjunction with the Berthing Permit and Rental Agreement for the vessels for Woodley Island Marina **Lowell Wallace** hereby acknowledges that he has actual knowledge of the existence of a possessory interest tax and has read the provision of Section 107 to 108 of the California Revenue and Taxation Code. **Lowell Wallace** agrees to and

shall pay all possessory interest taxes levied by any governmental agency by reason of this Permit and Agreement and his Berthing Permit and Rental Agreement for his vessel, for Woodley Island Marina.

EXECUTED on, _____, 2022, by authority of the Board of Commissioners of the HUMBOLDT BAY HARBOR, RECREATION, AND CONSERVATION DISTRICT.

**GREG DALE, President
Board of Commissioners
HUMBOLDT BAY HARBOR, RECREATION,
AND CONSERVATION DISTRICT**

Lowell Wallace, an individual, dba, *Humboldt Charter Company*, as Permittee in this Permit and Agreement hereby accepts and agrees to all terms and conditions herein above set forth.

Dated: _____, 2022

By _____
**Lowell Wallace, Owner
*Humboldt Charter Company***



COMMISSIONERS
1st Division
Aaron Newman
2nd Division
Greg Dale
3rd Division
Stephen Kullmann
4th Division
Richard Marks
5th Division
Patrick Higgins

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

STAFF REPORT
HARBOR DISTRICT MEETING
February 10, 2022

TO: Honorable Board President and Harbor District Board Members

FROM: Larry Oetker, Executive Director

DATE: February 4, 2022

TITLE: Affirmation of Adopted Resolution No. 2021-16 A Resolution of the Board of Commissioners of the Humboldt Bay Harbor, Recreation, and Conservation District Making Findings Pursuant to Government Code Section 54953, as Amended by Assembly Bill 361, and Authorize the Continued Use of Virtual Meetings

STAFF RECOMMENDATION: Affirm the findings made in Resolution 2021-16 regarding the continued state of emergency and authorize the continued use of virtual meetings.

SUMMARY: On October 14, 2021 the Board of Commissioners adopted Resolution 2021-16 and, as per Section 4 of that Resolution, agreed to reconsider the findings within 30-days. The findings remain in effect as the COVID-19 pandemic has not subsided and the Governor issued Executive Order Nos. N-08-21, N-25-20 and N-29-20, which suspended certain provisions of the Ralph M. Brown Act to allow legislative bodies to conduct public meetings without strict compliance with the teleconferencing provisions of the Brown Act remains in place. Assembly Bill 361, which was signed into law in September of 2021, amended Government Code section 54953, to provide relief from the teleconferencing provisions of the Brown Act under certain circumstances provided the legislative body makes certain findings.

DISCUSSION: As a result of the COVID-19 pandemic, the Humboldt County Health Officer has imposed and has recommended measures to promote social distancing as more particularly set forth in his August 6, 2021, Order, among other prior orders and guidance. Based on these recommendations, Staff recommends that the Board continue to conduct virtual meetings as authorized by AB 361.

ATTACHMENTS:

- A.** Adopted Resolution 2021-16

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

RESOLUTION NO. 2021-16

**A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE HUMBOLDT BAY HARBOR,
RECREATION, AND CONSERVATION DISTRICT MAKING FINDINGS PURSUANT TO
GOVERNMENT CODE SECTION 54953, AS AMENDED BY ASSEMBLY BILL 361, AND
AUTHORIZING THE CONTINUED USE OF VIRTUAL MEETINGS**

WHEREAS, as a result of the COVID-19 pandemic, the Governor issued Executive Order Nos. N-08-21, N-25-20 and N-29-20, which suspended certain provisions of the Ralph M. Brown Act to allow legislative bodies to conduct public meetings without strict compliance with the teleconferencing provisions of the Brown Act;

WHEREAS, Assembly Bill 361, which was signed into law in September of 2021, amended Government Code section 54953, to provide relief from the teleconferencing provisions of the Brown Act under certain circumstances provided the legislative body makes certain findings;

WHEREAS, as a result of the COVID-19 pandemic, the Governor proclaimed a state of emergency on March 4, 2020, in accordance with the section 8625 of the California Emergency Services Act, and the state of emergency remains in effect;

WHEREAS, as a result of the COVID-19 pandemic, the Humboldt County Health Officer has imposed and has recommended measures to promote social distancing as more particularly set forth in his August 6, 2021, Order, among other prior orders and guidance;

NOW, THEREFORE, THE BOARD OF COMMISSIONERS OF THE HUMBOLDT BAY HARBOR, RECREATION, AND CONSERVATION DISTRICT DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. That the Board has reconsidered the circumstances of the previously declared and existing state of emergency arising from the COVID-19 pandemic;

SECTION 2. That the state of emergency continues to directly impact the ability of the members of the Board to meet safely in person, and further that local officials continue to impose or recommend measures to promote social distancing;

SECTION 3. That the Board may continue to conduct public meetings in accordance with Government Code section 54953(e);

SECTION 4. That the Board will reconsider the above findings within 30-days of this Resolution.

PASSED AND ADOPTED by the Humboldt Bay Harbor, Recreation and Conservation District Board of Commissioners at a duly called meeting held on the **14th day of October 2021** by the following polled vote:

AYES: Dale, Higgins, Kullmann, Marks

NOES: ∅

ABSENT: ∅

ABSTAIN: ∅

ATTEST:



Patrick Higgins, Secretary
Board of Commissioners



Stephen Kullmann, President
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. **2021-16** entitled,

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE HUMBOLDT BAY HARBOR, RECREATION, AND CONSERVATION DISTRICT MAKING FINDINGS PURSUANT TO GOVERNMENT CODE SECTION 54953, AS AMENDED BY ASSEMBLY BILL 361, AND AUTHORIZING THE CONTINUED USE OF VIRTUAL MEETINGS

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 **14th day of October 2021**; 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 **14th day of October 2021**.



**Patrick Higgins, Secretary
Board of Commissioners**



Cox, Castle & Nicholson LLP 50
California Street, Suite 3200 San
Francisco, California 94111-4710 P:
415.262.5100 F: 415.262.5199

Peter H. Weiner
415.262.5108
pweiner@coxcastle.com

January 28, 2022

**PRIVILEGED & CONFIDENTIAL
ATTORNEY-CLIENT COMMUNICATION**

Larry Oetker
Executive Director
Humboldt Bay Harbor Recreation & Conservation District
601 Startare Drive
Eureka, CA 95501

Re: Engagement

Dear Larry:

We are pleased that Humboldt Bay Harbor Recreation & Conservation District (“you”) have requested Cox, Castle & Nicholson LLP (the “Firm”) to provide legal services to you, and we thank you for the opportunity to be of assistance.

We apologize for the formality of this Agreement, but we believe that it is important that our clients have a clear understanding of the Firm’s policies regarding legal services and fees from the inception of our relationship. Moreover, many of the provisions of this Engagement Agreement (“Agreement”) are required or recommended by California law, the State Bar of California, or the Code of Professional Responsibility of the American Bar Association.

The purpose of this Agreement is to verify your approval as to the scope of our engagement, the financial terms of our engagement, and all other aspects of this engagement, as follows:

1. Scope of Engagement. By means of this Agreement, you are engaging the Firm to perform only the following specific services: assist clients with real estate lease, acquisition, entitlements, regulatory permitting (including CEQA and NEPA) and advocacy for funding for port development. However, subject to our mutual agreement, you may also engage us to perform additional services in the future.

We will endeavor to keep you informed of the progress of your matter(s) and respond to your inquiries. On your part, you acknowledge the need to provide us with truthful and accurate information, and the need to cooperate and to keep us informed of any developments.

2. Fees and Hourly Rates. Our billing practice is to charge for our legal services, based primarily on the amount of time, including travel time, devoted to a matter at hourly rates for the particular professionals involved. These hourly rates are based upon these professionals’ experience, expertise, and standing. The hourly rates applicable to your matter will generally range

from \$480.00 per hour for our newest associates (including recent law school graduates who are awaiting results of the Bar examination) to \$960.00 per hour for our most senior partners, including senior counsel. Our current hourly charge for paralegal assistants is generally from \$345.00 to \$500.00. My rate on this matter will be \$900.00 per hour. Billing is in tenth-hour increments. These rates are modified by us from time to time, and any new rates would be implemented immediately after they are adopted and would apply to legal services rendered after the effective date of the new rates which will be reflected on your bill.

We believe that our hourly rates are comparable with the rates charged for the same kinds of work by lawyers and other professionals of similar experience, expertise and standing. We try to use associate and paralegal support on projects where appropriate, and we will be happy to discuss the staffing of your project with you.

We normally treat our hourly rates as guidelines and do not always merely multiply the time by the hourly rate to determine the proper fee. When billing, we review our computer-prepared time records carefully and make appropriate adjustments if we feel they are called for under the circumstances. In our experience, this manner of billing is customary for firms like ours, where work is performed by various professionals, many of whom are specialists in the type of work being undertaken.

We normally charge for all activities undertaken in providing legal services to you under this Agreement, including but not limited to the following: conferences, including preparation and participation; preparation and review of correspondence and other documents; legal research; court and other appearances; including preparation and participation; and telephone calls, including calls with you, other attorneys or persons involved with this matter, and governmental agencies. The legal personnel assigned to your matter will confer among themselves about the matter, as required. When they do confer, each person will charge for the time expended. Likewise, if more than one of our legal personnel attends a meeting, court hearing or other proceeding, each will charge for the time spent. We will charge for travel time, both local and out of town.

3. Additional Services and Outside Expenditures. We may provide additional services in-house in connection with our legal representation of you. These in-house additional services typically include photocopying, computerized research, facsimile services, long distance telephone, postage, staff overtime, word processing, and small field expenses for mileage, meals, parking, lodging, and the like. Our practice is to bill these services to you directly at our usual and customary rates. A summary of our charges for these services is available on request.

Our legal representation may also involve additional services provided by third party vendors outside of the Firm. You will be required either to pay for these outside additional services directly, or to reimburse us if we make payment for these services on your behalf. We sometimes will make payment for, and then bill you for reimbursement of smaller items such as filing fees, photocopying by outside copying services, recording fees, messenger services, service of process, and Court fees. When there are substantial expenditures involving outside vendors (such as for depositions, expert witnesses, exhibit preparation, or air fare) or substantial out-of-pocket

expenditures (such as extended field expenses, large outside copying jobs, or jury fees), we will require either that you pay those sums to us before we expend them, that you provide an advance deposit for such expenditures, or that you directly contract with and pay the outside vendor.

4. Monthly Statements and Payment Terms. Our practice is to send a monthly statement of our charges for legal services and in-house additional services rendered and for reimbursement of payments made on our client's behalf for outside additional services. The detail in the monthly statement will inform you of the nature and progress of our work and of the charges and expenditures being incurred.

Each monthly statement is fully due and payable upon receipt, but in no event later than thirty (30) days after its issuance date. We reserve the right to charge, at the rate of ten percent (10%) per year, a monthly late payment charge on the unpaid balance of any statement not timely paid in full, computed from thirty (30) days after the statement issuance date until payment.

We specifically reserve the right to withdraw from representation of you and to cease performing immediately all services if we do not receive full payment of any amounts owed to us within thirty (30) days of any statement.

We do our best to see to it that our clients are satisfied not only with our legal representation and services, but also with the reasonableness of our charges. Therefore, if you should have any question about or objection to a monthly statement, our services, or our charges, then you should raise it promptly for discussion. If you object to only a portion of the charges on a statement, then you agree to pay the remainder, which will not constitute a waiver of your objection.

5. Advance Deposit for Payments. No advance deposit for payments is required at this time. However, we reserve the right to require an advance deposit for payment of our charges for services and expenditures in the future due to circumstances such as substantial expenditures, imminence of trial or other hearing, or delayed payment of any prior statement.

6. Withdrawal From Representation. The attorney-client relationship is one of mutual trust and confidence. If you have any questions at all about the provisions of this Agreement, we invite your inquiries. We encourage our clients to inquire about any matter relating to our engagement agreements or monthly statements which may be in any way unclear or appear unsatisfactory. If you do not meet your obligation of timely payments or deposits under this Agreement, we reserve the right to withdraw from your representation on that basis alone, subject of course to any required judicial, administrative, or other approvals.

This Agreement is also subject to termination by either party upon reasonable notice for any reason. If there were to be such a termination, however, you would remain liable for all unpaid charges for services provided and expenditures advanced or incurred.

7. Duties Upon Termination of Active Representation. Upon termination of our active involvement in a particular matter for which we had previously been engaged, we will have no

further duty to inform you of future developments or changes in law which may be relevant to such matter in which our representation has terminated. Further, unless you and the Firm agree in writing to the contrary, we will have no obligation to monitor renewal or notice dates or similar deadlines which may arise from the matters for which we had been engaged. If your matter involves obtaining a judgment and such judgment is obtained, we will only be responsible for those post judgment services (such as recording abstracts, filing judgment liens, and calendaring renewals of judgments) as are expressly agreed to by you and the Firm in writing, agreed upon by the Firm and for which you will be obligated to pay.

8. Document Storage Policies. The Firm's policy with regard to documents and other materials at the conclusion of a matter is to maintain them in storage. All documents and other materials in our file may be destroyed or discarded after a period of seven (7) years following the conclusion of the matter without notice to you. Accordingly, if there are any documents or other materials you wish to have retrieved from your file at the conclusion of a matter, it will be necessary for you to advise us of that request to ensure that they are not destroyed.

9. Arbitration. We appreciate the opportunity to serve as your attorneys and anticipate a productive and harmonious relationship. If you should feel for any reason that there is a problem with the services we have performed or with our charges, we encourage you to bring that to our attention immediately. If we perceive a problem with your representation, we likewise will endeavor to discuss it with you. Most problems should be rectified by communication and discussion. However, a dispute might arise between us which could not be resolved by negotiation. We believe that such attorney-client disputes are most satisfactorily resolved through final and binding arbitration rather than by litigation. Both the United States Supreme Court and the California Supreme Court have endorsed arbitration as an accepted and favored method of resolving disputes, because it is economical and expeditious.

In arbitration, there is no right to a trial by jury and the arbitrator's legal and factual determinations are generally not subject to appellate review. Arbitration rules of evidence and procedure are often less formal and less rigid than the rules which apply in Court. Arbitration usually results in a decision much more quickly than proceedings in Court, and the attorneys' fees and other costs incurred by both sides may be substantially less. You are free to discuss the advisability of arbitration with us, or with your own independent counsel or any of your other advisors, and to ask any questions which you may have.

By signing this Agreement, we both agree that, in the event of any dispute or claim arising out of or relating to this Agreement, our relationship, our charges, or our services (including but not limited to disputes or claims regarding professional malpractice, errors or omissions, breach of contract, breach of fiduciary duty, fraud, or violation of any statute (hereinafter referred to as "Professional Claims")), **SUCH DISPUTE OR CLAIM SHALL BE RESOLVED BY SUBMISSION TO FINAL AND BINDING ARBITRATION IN SAN FRANCISCO COUNTY, CALIFORNIA, BEFORE A RETIRED JUDGE OR JUSTICE. BY AGREEING TO ARBITRATE, YOU WAIVE ANY RIGHT YOU HAVE TO A COURT OR JURY TRIAL.**

Venue with regard to any ancillary proceedings arising out of such dispute or claim shall also be in San Francisco County. We will attempt to agree upon a single arbitrator, who will decide the dispute or claim. If we are unable to mutually agree on a retired judge or justice, to serve as the sole arbitrator, then either party may petition a court of competent jurisdiction to appoint a retired judge or justice to serve as sole arbitrator. The fees of the arbitrator will be paid initially equally by both the Firm and you. However, the arbitrator shall have the right to order either party to pay all fees and costs as part of his award.

In arbitration, we shall both be entitled to conduct discovery in accordance with the provisions of the California Code of Civil Procedure, but either of us may request that the arbitrator limit the amount or scope of such discovery and, in determining whether to do so, the arbitrator shall balance the need for the discovery against the parties' mutual desire to resolve disputes expeditiously and inexpensively.

The arbitrator shall decide the matter in accordance with the applicable law. Any error in law by the arbitrator or in application of the law shall be deemed in excess of the arbitrator's authority. Any such error in law may be reviewed *de novo* by the Superior Court upon a Petition to Vacate or Confirm the arbitration award and may thereafter be appealed as with any other judgment. The provisions of the California Arbitration Act shall govern this arbitration.

Under California law, you have the right, if you desire, to request arbitration of any fee dispute before an arbitrator or panel of arbitrators selected by a local bar association or the State Bar ("Bar Arbitration") and a trial de novo in court (which is a new trial without regard to the prior decision or knowledge by the court of the prior decision) if dissatisfied with the result. If you do request a Bar Arbitration, the law provides that evidence of any claim of malpractice or professional misconduct (i.e. Professional Claims) is admissible only concerning the fees or costs in dispute and that the Bar Arbitrators shall not award any affirmative relief in the form of damages, offset or otherwise on account of such claim.

By signing this Agreement, you agree that if a Bar Arbitration is conducted, that Bar Arbitration or any trial de novo in Court thereafter shall determine only the issue of the amount of fees properly chargeable to you, if any, and that such Bar Arbitration or trial de novo in Court thereafter shall have no effect on the provisions set forth above which require arbitration before a retired judge or justice of any Professional Claims. Any such Professional Claims shall be solely determined in an arbitration proceeding by a retired judge or justice without regard to the result of any Bar Arbitration or trial de novo thereafter. This agreement to arbitrate the Professional Claims is separate from the agreement to arbitrate claims related to any fee dispute, and if arbitration of a fee dispute is determined to be invalid, the agreement and right to arbitrate the Professional Claims shall not be deemed to be invalid.

10. Consent to Electronic Communications. In order to maximize efficiency in this matter, we intend to use advanced communications devices to the fullest extent possible (e.g., email, document transfer by computer, cellular telephones, and facsimile transfers). The use of such devices under current technology may place your confidences and privileges at risk.

However, we believe the effectiveness involved in use of these devices outweighs the risk of accidental disclosure. By signing this letter, you acknowledge your consent to the use of these devices.

11. Disclaimer of Guarantee. Nothing in this Agreement should be construed as a promise or guarantee about the outcome of any matter which we are handling on your behalf. Our comments about the outcome of your matter are expressions of opinion only. If we should provide you with an estimate of the fees and costs which may be incurred in connection with our representation of you, it is important that you understand and acknowledge that any such estimate is merely an estimate based on numerous assumptions which may or may not prove to be correct and that any estimate is not a guarantee or agreement of what the maximum amount of fees and/or costs will be.

12. Future Matters. Unless otherwise agreed in writing between us, all other matters referred to us for representation shall be governed by the terms of this Agreement, except that our obligation to represent you shall consist of an obligation to furnish appropriate representation in such future matters with reasonable diligence as applicable to the matter in question.

13. Insurance. Unless otherwise expressly agreed by the Firm in writing, we will not provide advice to you about insurance coverage issues, including the availability of insurance coverage in a particular situation, and you agree we have no obligation to provide such advice unless we are expressly engaged to do so.

14. Tax Matters. Unless otherwise expressly agreed by the Firm in writing, we will not provide advice to you about tax issues, including the tax implications of your matters under federal or state tax laws, and you agree we have no obligation to provide such advice unless we are expressly engaged to do so.

15. Choice of Law; Integrated Agreement; Modifications; Severability. This Agreement will be governed by California law without reference to its conflicts of laws principles. This is the entire agreement between the Firm and you, and there are no other or additional understandings between us on these subjects, written or oral. Any modification or addition to this Agreement (other than (a) additional matters we may undertake on your behalf or (b) changes in our rates, which will be effective upon notice to you of the change) must be made in a writing signed by the party adversely affected by the change. If any provision of this Agreement is, for any reason, held to be invalid or unenforceable, the other provisions of this Agreement will be unimpaired and the invalid or unenforceable provision will be deemed modified so that it is valid and enforceable to the maximum extent permitted by law.

16. Future Conflict. Our undertaking to represent you in the above matter(s) will not act as a bar so as to prevent us from representing any existing or future client with respect to a claim, litigation or transaction adverse to yours, so long as in the course of our representation of you we have not obtained any information that would be adverse to your interests with respect to such claim, litigation or transaction.

17. Client. The Firm's client for the purpose of our representation is only the person or entity identified in this Agreement. Unless expressly agreed, we are not undertaking the representation of any related or affiliated person or entity, nor any parent, brother-sister, their officers, directors, agents, or employees.

If this Agreement correctly sets forth your understanding of the scope of the services to be rendered to you by Cox, Castle & Nicholson LLP and if all of the terms set forth in this Engagement Letter are satisfactory, then please sign the original of the letter and return it to me so that we will be engaged as your legal counsel. Please also sign the enclosed copy of this letter and retain it for your records. If the scope of services described is incorrect or if the terms set forth are not satisfactory to you, please let us know in order that we can discuss either aspect.

We look forward to working with you and thank you once again for the opportunity to be of service.

Sincerely,

COX, CASTLE & NICHOLSON LLP



By: Peter H. Weiner

The undersigned has read and understands the above Agreement, and accepts and agrees to all of its terms and conditions.

HUMBOLDT BAY HARBOR RECREATION & CONSERVATION DISTRICT

Date

By: _____
Larry Oetker, Executive Director

COMMISSIONERS
1st Division
Aaron Newman
2nd Division
Greg Dale
3rd Division
Stephen Kullmann
4th Division
Richard Marks
5th Division
Patrick Higgins

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



STAFF REPORT – HARBOR DISTRICT MEETING
February 10, 2022

TO: Honorable Board President and Harbor District Board Members
FROM: Larry Oetker, Executive Director
DATE: February 4, 2022
TITLE: **Consider Adopting Resolution 2022-01 A Resolution Designating Business Matters, Appointment and Authorization for the Humboldt Bay Harbor, Recreation and Conservation District for Calendar Year 2022**

STAFF RECOMMENDATION: Staff recommends the Board: Adopt Resolution 2022-01 and accept the meeting calendar for 2022.

BACKGROUND: Annually the Board approves a Resolution which appoints specific staff and/or consultants, established financial limitations, legal notice designations, meeting schedules, and other business matters of the District.

DISCUSSION: A Business Matters Resolution has been adopted annually since 2013 and is used as a guideline for staff regarding media contacts and spending limits, as well as appointed district staff and the officers of the Board of Commissioners. It establishes the board meeting schedule and legal notice designations.

ATTACHMENTS

- A. Resolution 2022-01 Designating Business Matters
- B. Humboldt Bay Harbor District Board of Commissioners Regular Meeting Schedule for the Calendar Year 2022

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

RESOLUTION NO. 2022-01

**A RESOLUTION DESIGNATING BUSINESS MATTERS,
APPOINTMENT AND AUTHORIZATION FOR THE HUMBOLDT BAY HARBOR,
RECREATION AND CONSERVATION DISTRICT FOR CALENDAR YEAR 2022**

BE IT RESOLVED THAT the Board of Commissioners for the Humboldt Bay Harbor, Recreation and Conservation District hereby appoints and/or authorizes the following Business Matters for the calendar year beginning January 1, 2022 and ending December 31, 2022 for all divisions of the Humboldt Bay Harbor, Recreation and Conservation District.

OFFICERS FOR THE BOARD OF COMMISSIONERS:

President -	Greg Dale
Vice President -	Aaron Newman
Secretary -	Richard Marks
Commissioner -	Patrick Higgins
Commissioner -	Stephen Kullmann

ENABLING LEGISLATION:

Appendix II of the State of California Harbors and Navigation Code: Humboldt Bay Harbor, Recreation and Conservation District.

FINANCIAL:

1. Auditors- As approved by the Board.
2. District Treasurer – Mark Wetzel, CPA; David L. Moonie & Co., LLP; 325 Second Street, Suite 301; Eureka, CA 95501
3. Budget Officer – District Treasurer and Executive Director
4. Custodians of Funds – District Treasurer and Executive Director
5. Authorized to Open Accounts – District Treasurer and Executive Director
6. Investment of Surplus Funds – District Treasurer and Executive Director
7. Custodians of State, Federal and other funds, whether loans or grants, to make application for, receive and expend – District Treasurer and Executive Director
8. Expenditures:
 - a. Checks require any two signatures from the following: Current Commissioner or Executive Director.

- b. Expenditures over \$5,000.00 shall follow § 36 of Appendix II of the State of California Harbors and Navigation Code: Humboldt Bay Harbor, Recreation and Conservation District
 - c. Purchase Order is required for non-recurring, single expenditures over \$300.00
 - d. Board approval of any expenditure over \$5,000.00
9. Authorized Revenue Facilities:
- a. Local Bank Checking, Money Market & Savings Accounts – Tri counties Bank, Eureka Branch
 - b. Remote Bank Checking, Money Market/Savings Accounts – PNC Bank
 - c. Humboldt County Treasurer to receive Humboldt County imposed tax revenues and other collected revenues for disbursement to the Humboldt Bay Harbor, Recreation and Conservation District
10. Grants
- a. The Board President and/or Executive Director are authorized to sign grant agreements
11. Contracts
- a. The Board President and/or Executive Director are authorized to sign contracts and expenditures over \$5,000.00 which have been approved by the Board
12. Leases
- a. The Board President and/or Executive Director are authorized to sign lease agreements

LEGAL NOTICE DESIGNATIONS:

- 1. Official Notice posting sites:
 - a. District Conference Room – aside main door on outside wall
 - b. District website: www.humboldtbay.org
- 2. The Times-Standard (newspaper of general circulation) as the newspaper for legal publications
- 3. Email notification to News Media: The Times-Standard, North Coast Journal, Ferndale Enterprise, Mad River Union, KEET-TV, KIEM-TV, KMUD Radio, KHUM Radio, Lost Coast Outpost.
- 4. Email notification to:
 - a. Cities: Eureka, Fortuna, Arcata
 - b. Counties: Humboldt
 - c. Chambers of Commerce: Eureka, Arcata
 - d. Interested parties list

REGULAR MONTHLY BOARD MEETINGS:

- 1. Location: Humboldt Bay Harbor, Recreation and Conservation District; 601 Startare Drive; Eureka, CA
- 2. Time: Closed Session: 5:00 pm PST; Regular Session: 6:00 pm PST

3. When: 2nd Thursdays of each month. Exceptions only if regular meeting dates conflict with holidays.
 4. Notices posted a minimum of 72 hours prior to the meeting.
 5. The general order of business shall be as outlined below. The Board President may add presentations and other special agenda topics to the order of business prior to noticing of said meeting as may be appropriate.
1. Call to Order
 2. Pledge of Allegiance
 3. Report on Executive Session
 4. Public Comment for items not on Agenda
 5. Consent Calendar
 6. Communications, Reports and Correspondence Received
 7. Unfinished Business
 8. New Business
 9. Future Agenda Items
 10. Adjournment

SPECIAL BOARD MEETINGS:

1. Location: Humboldt Bay Harbor, Recreation and Conservation District; 601 Startare Drive; Eureka, CA
2. When: As needed.
3. Notices posted a minimum of 24 hours prior to the meeting.

OTHER BUSINESS:

1. Election Officer – Executive Director
2. Filing of Bonds - Executive Director
3. Authorized to contract as necessary- Executive Director
4. Legal Counsel – Ryan Plotz of The Mitchell Law Firm, LLC, PO Drawer 1008 Eureka, CA 95502
5. District Planner – George Williamson; Planwest Partners Inc.; 1125 16th Street; Arcata, CA 95521
6. District Engineer- Mike Foget; SHN Engineers, 812 W. Wabash Ave, Eureka, CA 95501
7. District Treasurer- Mark Wetzel; DLM & Co. LLP, 325 2nd St., Ste 301, Eureka, CA 95501
8. Insurance Agent of Record – Special Districts Risk Management Authority (Property, Liability, Workers Compensation, Marina Operators Liability)
9. Recognize the Humboldt Bay Harbor, Recreation and Conservation District as an equal opportunity employer.
10. Designation of registered office and agent:
Office: 601 Startare Drive; Eureka, CA 95501
Agent: Executive Director

11. Custodian of Public Records: Executive Director

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 10th day of February 2022, by the following polled vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

**GREG DALE, President
Board of Commissioners**

**RICHARD MARKS, 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. 2022-01 entitled,

**A RESOLUTION DESIGNATING BUSINESS MATTERS,
APPOINTMENT AND AUTHORIZATION FOR THE HUMBOLDT BAY HARBOR,
RECREATION AND CONSERVATION DISTRICT FOR CALENDAR YEAR 2022**

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 10th day of February 2022; 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 10th day of February 2022.

RICHARD MARKS, Secretary
Board of Commissioners



Humboldt Bay Harbor District Board of Commissioners
Regular Meeting Schedule
Calendar Year 2022

<u>MONTH</u>	<u>DATE</u>	<u>TIME</u>
January	01/13/2022	6:00 P.M
February	02/10/2022	6:00 P.M.
March	03/10/2022	6:00 P.M.
April	04/14/2022	6:00 P.M.
May	05/12/2022	6:00 P.M.
June	06/09/2022	6:00 P.M.
July	07/14/2022	6:00 P.M.
August	08/11/2022	6:00 P.M.
September	09/08/2022	6:00 P.M.
October	10/13/2022	6:00 P.M.
November	11/10/2022	6:00 P.M.
December	12/08/2022	6:00 P.M.

COMMISSIONERS
1st Division
Aaron Newman
2nd Division
Greg Dale
3rd Division
Stephen Kullmann
4th Division
Richard Marks
5th Division
Patrick Higgins

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



STAFF REPORT – HARBOR DISTRICT MEETING
February 10, 2022

TO: Honorable Board President and Harbor District Board Members

FROM: Larry Oetker, Executive Director

DATE: February 4, 2022

TITLE: **Accept the Audit Report for the 2020-2021 Fiscal Year and Extend the Audit Contract with Harshwal & Company LLP**

RECOMMENDATION: Staff recommends the Board: Accept the Audit Report for the 2020-2021 Fiscal Year.

BACKGROUND: Independent auditors report prepared by Harshwal & Company LLP for the fiscal year ending June 30th, 2021. See page 27 of the Audit for detailed information on restricted cash balances for the Dredge Surcharge and the Float Replacement Surcharge.

DISCUSSION: The District is pleased to report that there were no findings or issues of concern found during the audit. Staff would like to encourage the Commissioners and members of the public to review the notes starting on page 21 of the Audited Financial Statements and Independent Auditor’s Report, as they are an integral part of the financial statement.

ATTACHMENTS:

- A. 2020-2021 Audited Financial Statements

**HUMBOLDT BAY HARBOR, RECREATION AND
CONSERVATION DISTRICT**
**AUDITED FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT**
FOR THE FISCAL YEAR ENDED JUNE 30, 2021



HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT
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JUNE 30, 2021

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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Humboldt Bay Harbor, Recreation and Conservation District
Eureka, California

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of the Humboldt Bay Harbor, Recreation and Conservation District (the "District") as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America as well as accounting systems prescribed by the State of California Controller's Office and state regulations governing special districts; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the State of California Controller's Minimum Audit Requirements and Reporting Guidelines for California Special Districts. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of Humboldt Bay Harbor, Recreation and Conservation District as of June 30, 2021, and the respective changes in financial position, and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 13 and, the schedule of proportionate share of the net OPEB liability, schedule of the District's proportionate share of the net pension liability, and schedule of pension contributions on pages 42 through 44, to be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Humboldt Bay Harbor, Recreation and Conservation District's basic financial statements. The supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information, as listed in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information, as listed in the table of contents, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2021, on our consideration of Humboldt Bay Harbor, Recreation and Conservation District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Harshwal & Company LLP

Oakland, California
December 21, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

**HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2021**

This section of the Humboldt Bay Harbor, Recreation and Conservation District's annual financial report represents our discussion and analysis of the District's financial activities for the year ended June 30, 2021. Please read it in conjunction with the Independent Auditor's Report and the District's basic financial statements. The District's basic financial statements follow this section.

FINANCIAL HIGHLIGHTS

- The District's operating revenues increased by \$157,438, or 7.2 percent.
- The District's operating expenses decreased by \$15,922, or 0.4 percent.
- General revenues from taxes, interest, and investments accounted for \$1,310,008 in revenues or 27.6 percent of all revenues.
- The District had total expenditures of \$4,109,968, and total revenue of \$4,749,255. The resulting increase in net position of \$639,287 includes net government grant income of \$616,639, and depreciation expense in the amount of \$856,992.
- Notes payable debt has decreased \$635,398 from the prior fiscal year due to scheduled debt service payments.

USING THIS ANNUAL REPORT

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise two components: the government-wide financial statements and the notes to the financial statements. This report also contains supplementary information in addition to the basic financial statements themselves.

The basic financial statements are government-wide financial statements that provide both long-term and short-term information about the District's overall financial status.

The financial statements also include notes that provide additional information that is essential to a full understanding of the data provided in the government-wide financial statements.

In addition to the basic financial statements and accompanying notes, this report also presents a section of required supplementary information that further explains and supports the information in the financial statements.

**HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2021**

REPORTING THE DISTRICT AS A WHOLE

The District as a whole is reported in the government-wide statements and uses accounting methods similar to those used by companies in the private sector. All of the District's assets and liabilities are included in the Statement of Net Position. The Statement of Revenues, Expenses, and Changes in Net Position reports all of the current year's revenues and expenses regardless of when cash is received or paid.

These statements report the District's net position and how they have changed. The District's financial health or position (net position) can be measured by the difference between the District's assets and liabilities.

Increases or decreases in the net position of the District over time are indicators of whether its financial position is improving or deteriorating, respectively.

Additional non-financial factors such as the condition of buildings and other facilities, and changes in the property tax base of the District need to be considered in assessing the overall health of the District.

REPORTING THE DISTRICT'S MOST SIGNIFICANT FUNDS

The District's financial statements provide detailed information about the District's one proprietary fund.

Enterprise Fund.

Because a large portion of the District's revenues are obtained from various charges to customers, all of the District's activities are accounted for in an enterprise fund, which is a proprietary fund type. Enterprise funds provide both long and short-term financial information.

ANALYSIS OF THE DISTRICT AS A WHOLE

Our analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the District's activities.

HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2021

Table 1
Comparative Statement of Net Position

	2021	2020 As Restated	Increase (Decrease)
Assets			
Cash & cash equivalents	\$ 732,213	\$ 678,813	\$ 53,400
Receivables, net	773,319	594,347	178,972
Other assets	123,098	142,506	(19,408)
New Market loan receivable	5,849,375	5,849,375	-
Capital assets, net	<u>10,898,335</u>	<u>11,141,971</u>	<u>(243,636)</u>
Total assets	<u>18,376,340</u>	<u>18,407,012</u>	<u>(30,672)</u>
Deferred outflows of resources			
Deferred outflows of resources - pension	304,271	305,357	(1,086)
Deferred outflows of resources - OPEB	1,897	7,550	(5,653)
Deferred outflows of resources - bond refunding	<u>14,736</u>	<u>18,294</u>	<u>(3,558)</u>
Total deferred outflows of resources	<u>320,904</u>	<u>331,201</u>	<u>(10,297)</u>
Total assets and deferred outflows of resources	<u>18,697,244</u>	<u>18,738,213</u>	<u>(40,969)</u>
Liabilities			
Payables and other liabilities	509,024	478,024	31,000
Unearned income	4,500,893	4,531,672	(30,779)
Environment remediation liability	10,163	66,441	(56,278)
Current portion of notes payable	496,947	663,019	(166,072)
Other long-term liabilities	1,371,545	1,376,002	(4,457)
Long-term portion of notes payable	<u>3,365,192</u>	<u>3,834,518</u>	<u>(469,326)</u>
Total liabilities	<u>10,253,764</u>	<u>10,949,676</u>	<u>(695,912)</u>
Deferred inflows of resources			
Deferred inflows of resources - pension	101,377	135,270	(33,893)
Deferred inflows of resources - OPEB	<u>51,913</u>	<u>2,364</u>	<u>49,549</u>
Total deferred inflows of resources	<u>153,290</u>	<u>137,634</u>	<u>15,656</u>
Net position			
Net investment in capital assets	9,229,636	9,187,855	41,781
Restricted	730,732	677,533	53,199
Unrestricted	<u>(1,670,178)</u>	<u>(2,214,485)</u>	<u>544,307</u>
Total net position	<u>8,290,190</u>	<u>7,650,903</u>	<u>639,287</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 18,697,244</u>	<u>\$ 18,738,213</u>	<u>\$ (40,969)</u>

**HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2021**

Total net position of the District increased by 8.4 percent, or \$639,287 as of June 30, 2021.

June 30, 2020 has been restated to record a \$36,609 overstatement of leases receivable, a \$60,403 understatement of deferred outflow related to pensions, a \$143,000 understatement of a liability for delinquent Redwood Marine Terminal 2 property taxes, and a \$1,371 understatement of prior year net position.

**Table 2
Comparative Statement of Revenues, Expenses, and Changes in Net Position**

	2021	2020 As restated	Increase (Decrease)
Operating Revenues			
Rents and leases	\$ 1,327,112	\$ 1,274,196	\$ 52,916
Slip rentals	734,388	655,006	79,382
Harbor improvement surcharge	189,916	117,557	72,359
Other revenue	107,943	155,162	(47,219)
Total operating revenues	<u>2,359,359</u>	<u>2,201,921</u>	<u>157,438</u>
Operating Expenses			
Salaries, wages and benefits	1,334,484	1,364,566	(30,082)
Depreciation	856,992	826,847	30,145
Repairs and maintenance	220,411	181,132	39,279
Professional and outside services	204,072	241,206	(37,134)
Redwood terminal 2 expenses	221,005	219,160	1,845
Utilities	384,308	495,026	(110,718)
Other operating expenses	536,990	446,247	90,743
Total operating expenses	<u>3,758,262</u>	<u>3,774,184</u>	<u>(15,922)</u>
Operating income (loss)	(1,398,903)	(1,572,263)	173,360
Nonoperating Revenues (Expenses)			
General property taxes	1,146,344	1,157,594	(11,250)
Investment income (loss)	163,664	170,521	(6,857)
Grants and other income	1,079,888	796,799	283,089
Grant expenses	(142,880)	(130,223)	(12,657)
Interest expenses	(206,592)	(237,279)	30,687
Other nonoperating expenses	(2,234)	(694)	(1,540)
Total nonoperating revenues (expenses)	<u>2,038,190</u>	<u>1,756,718</u>	<u>281,472</u>
Increase (decrease) in net position	<u>\$ 639,287</u>	<u>\$ 184,455</u>	<u>\$ 454,832</u>

Operating revenues increased \$157,438 over the prior year, and operating expenses decreased \$15,922. The increase in revenue was due to increases in Redwood Terminal 2 lease revenues and increases in slip rentals and harbor improvement surcharges. The decrease in operating expenses was due to a decrease in water and sewage utilities expense, as well as maintenance staff's consistent efforts to eliminate unnecessary expenditures and closely manage project costs.

**HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2021**

June 30, 2020 has been restated to record a \$36,609 overstatement of lease revenue and a \$26,854 overstatement of pension expense. The remaining restatement for pension expense and for delinquent property taxes noted in the prior page affected beginning net position for the year ended June 30, 2020, not income or expense.

NET POSITION OF THE DISTRICT'S ENTERPRISE FUND

Table 3 presents the net position of the District's one fund, the Enterprise Fund, and an analysis of significant changes in the fund's net position.

**Table 3
Changes in Year-End Net Position**

	2021	2020 As restated	% Change
Net Position, June 30,	\$ 8,290,190	\$ 7,650,903	8.36 %

The 8.36 percent increase is due to increased slip rental fees and lease revenues, as well as an increase in grant revenue.

Table 4 presents a summary of enterprise fund revenues for the year ended June 30, 2021 and the amounts and percentages of increases and decreases of revenues in relation to the prior year.

**Table 4
Summary of Revenues**

	2020-21 Amount	Percent of Total	Increase (Decrease) from 2019-20	Percent Increase (Decrease)
Revenues:				
Rents and leases	\$ 1,327,112	27.94 %	\$ 52,916	4.2 %
Slip rentals	734,388	15.46 %	79,382	12.1 %
Harbor improvement surcharge	189,916	4.00 %	72,359	61.6 %
Other operating income	107,943	2.27 %	(47,219)	(30.4)%
General property taxes	1,146,344	24.14 %	(11,250)	(1.0)%
Interest Income	163,664	3.45 %	(6,857)	(4.0)%
Grant and other nonoperating income	1,079,888	22.74 %	283,089	35.5 %
Total revenues	\$ 4,749,255	100.00 %	\$ 422,420	9.8 %

Slip rentals increased due to partial recovery from impacts of the initial Covid-19 outbreak, as well as an improved salmon season. Harbor improvement surcharge revenues increased due to increased shipping. Other operating income decreased due to the District no longer operating the Fields Landing boat building and repair facility. Grant revenue varies from year to year based on available grant funding. Interest income decreased due to decreases in cash balances during the year.

HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2021

Table 5 presents the variance between the District's budget and the actual results for the fiscal year. The District had no budget modifications during the year, so the final budget and the adopted budget were identical.

Table 5
Final Budget versus Actual Results

	Original & Final Budget	Actual	Favorable (Unfavorable) Variance
Operating Revenues			
Rents and leases	\$ 1,184,000	\$ 1,211,963	\$ 27,963
Slip rentals	620,000	517,518	(102,482)
Dredging and float replacement surcharge	203,000	216,245	13,245
Harbor improvement surcharge	150,000	189,916	39,916
Other revenue	241,087	223,717	(17,370)
Total operating revenues	<u>2,398,087</u>	<u>2,359,359</u>	<u>(38,728)</u>
Operating Expenses			
Salaries, wages and benefits	1,425,315	1,365,337	59,978
Depreciation	-	856,992	(856,992)
Dredging	150,000	-	150,000
Professional and outside services	200,150	265,725	(65,575)
Redwood terminal 2 expenses	102,816	221,005	(118,189)
Repairs and maintenance	207,100	220,411	(13,311)
Utilities	467,500	384,308	83,192
Other operating expenses	528,943	444,484	84,459
Total operating expenses	<u>3,081,824</u>	<u>3,758,262</u>	<u>(676,438)</u>
Operating income (loss)	(683,737)	(1,398,903)	(715,166)
Nonoperating Revenue (Expense)			
General property taxes	1,107,465	1,146,344	38,879
Investment income (loss)	173,950	163,664	(10,286)
Grants and other income	192,274	879,888	687,614
Cable landing fee	-	200,000	200,000
Grant expenses	(25,273)	(142,880)	(117,607)
Interest expenses	(738,071)	(206,592)	531,479
Other nonoperating expenses	(6,000)	(2,234)	3,766
Total nonoperating revenues (expenses)	<u>704,345</u>	<u>2,038,190</u>	<u>1,333,845</u>
Increase (decrease) in net position	<u>\$ 20,608</u>	<u>\$ 639,287</u>	<u>\$ 618,679</u>

**HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2021**

Final Budget versus Actual Results

Variations of more than \$100,000 between budgeted and actual amounts were a result of the following:

The unfavorable variance of \$102,482 in slip rentals revenue was due to lower than expected recovery from Covid-19 impacts.

The unfavorable variance of \$856,992 in depreciation expense was due to the District's policy of budgeting for actual capital outlay for the year rather than depreciation expense. The favorable variance of \$150,000 in dredging expense is due to the capitalization of \$405,207 of dredging expenditures.

The favorable variance of \$687,614 in grants and other non-operating income was due higher than anticipated grants for dredging and other grants. This favorable variance is partially offset by an unfavorable variance of \$117,607 in grant expense, which was due to expenditures of the additional grant revenues. The favorable variance in cable landing fee revenue was due to revenue that was not budgeted in 2020-21 due to uncertainty regarding the timing of the payment. The favorable variance of \$531,479 in interest expense was due to the District including the principal portion of loan payments in the annual budget.

Capital Assets

The District's total capital assets, net of accumulated depreciation, as of June 30, 2021 was \$10,898,335. The total decrease in net capital assets from the prior year was 2.2 percent. This decrease was due to capital acquisitions being offset by the annual depreciation expense. Capital asset balances for 2020/21 and 2019/20 were as follows:

**Table 6
Comparative Schedule of Capital Assets**

	2021	2020
Land, building and improvement	\$ 23,217,801	\$ 23,009,652
Automotive equipment	95,639	95,639
Office and operating equipment	3,977,194	3,977,194
Dredging costs	1,429,459	1,024,252
Marina restaurant work-in-progress	34,100	34,100
Subtotals	<u>28,754,193</u>	<u>28,140,837</u>
Less: accumulated depreciation	<u>17,855,858</u>	<u>16,998,866</u>
Capital assets, net	<u><u>\$ 10,898,335</u></u>	<u><u>\$ 11,141,971</u></u>

**HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2021**

Debt Administration

The District incurred no new long-term debt in 2020-21. The increase in net pension liability was a result of an increase in the District's share of the State-wide CalPERS net pension liability. The District is required to report its proportionate share of that liability in its financial statements. The decrease in other post-employment benefits was due to changes in staff eligible for other post-employment benefits. The ending balances for debts and other long-term liabilities, as of June 30, 2021 and 2020 are presented below in Table 7.

**Table 7
Debt and Other Long-Term Liabilities**

	2021	2020
Notes Payable:		
Refunding Bonds Series 2014	\$ 2,079,806	\$ 2,295,451
Compass BBVA Bank Loan	1,105,633	1,196,035
Note Payable to Coast Seafoods	676,700	1,006,051
Total notes payable	3,862,139	4,497,537
Other Long-Term Liabilities:		
OPEB	220,710	342,799
Net pension liability	1,150,835	1,033,203
Total debt and other long-term liabilities	\$ 5,233,684	\$ 5,873,539

ECONOMIC FACTORS

In February 2020, the World Health Organization declared the outbreak of the novel coronavirus (COVID-19) as a "Public Health Emergency of International Concern," which continues to spread throughout the world and has adversely impacted global commercial activity and contributed to significant declines and volatility in financial markets.

The COVID-19 pandemic is complex and continually evolving. At this point, we cannot reasonably estimate the duration and severity of this pandemic, which could have a material adverse impact on our business, results of operations, and financial position.

The District's efforts to improve economic conditions include the acquisition and environmental clean-up of the Freshwater Tissue/Redwood Terminal 2 property beginning in 2013/14 and continuing into 2020/21. Redwood Terminal 2 had significant deferred maintenance to buildings and utilities which needed to be addressed in order to attract new tenants to the facility. The District obtained funding through the New Market Tax Credit program which resulted in an estimated \$5 million in renovation and improvements to the site. Revenues from tenants at the Redwood Terminal 2 property has increased to over \$500,000 from new tenant leases.

The District is also actively marketing cruise lines and other shippers to make Humboldt Bay a port of call, and is helping the oyster industry expand through the District's pre-permitting project.

**HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2021**

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Humboldt Bay Harbor, Recreation and Conservation District, P.O. Box 1030, Eureka, California 95502.

BASIC FINANCIAL STATEMENTS

HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT
STATEMENT OF NET POSITION - PROPRIETARY FUND
JUNE 30, 2021

ASSETS

CURRENT ASSETS:

Cash & cash equivalents	\$	1,481
Restricted cash & cash equivalents		730,732
Accounts receivable, net		773,319
Interest receivable		2,870
Prepaid insurance		120,228
		1,628,630
Total current assets		1,628,630

NONCURRENT ASSETS:

Nondepreciable capital assets		6,008,177
Depreciable capital assets, net		4,890,158
Notes receivable		5,849,375
		16,747,710
Total noncurrent assets		16,747,710
Total assets		18,376,340

DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows of resources - pension		304,271
Deferred outflows of resources - OPEB		1,897
Deferred outflows of resources - bond refunding		14,736
		320,904
Total deferred outflows of resources		320,904
Total assets and deferred outflows of resources		18,697,244

LIABILITIES

CURRENT LIABILITIES:

Accounts payable		226,716
Accrued wages, payroll taxes & benefit		24,678
Unearned income - current		974,215
Environment remediation liability		10,163
Accrued vacation payable		40,019
Customer deposits payable		217,611
Current portion of notes payable		496,947
		1,990,349
Total current liabilities	\$	1,990,349

Continued..

The accompanying notes are an integral part of these financial statement.

HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT
STATEMENT OF NET POSITION - PROPRIETARY FUND
JUNE 30, 2021

LIABILITIES - CONT'D

NONCURRENT LIABILITIES:

Net OPEB liabilities	\$ 220,710
Unearned income	3,526,678
Net pension liabilities	1,150,835
Notes payable	<u>3,365,192</u>
Total noncurrent liabilities	<u>8,263,415</u>
Total liabilities	<u>10,253,764</u>

DEFERRED INFLOWS OF RESOURCES

Deferred inflows of resources - OPEB	51,913
Deferred inflows of resources - pension	<u>101,377</u>
Total deferred inflows of resources	<u>153,290</u>
Total liabilities and deferred inflows of resources	<u>10,407,054</u>

NET POSITION

Net investment in capital assets	9,229,636
Restricted	730,732
Unrestricted	<u>(1,670,178)</u>
Total net position	<u>8,290,190</u>
Total liabilities, deferred inflows of resources and net position	<u><u>\$ 18,697,244</u></u>

The accompanying notes are an integral part of these financial statement.

HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
- PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2021

OPERATING REVENUES

Sales & permits	\$ 11,135
Slip rentals	734,388
Rents and leases	1,327,112
Harbor improvement surcharge	189,916
Other revenue	<u>96,808</u>
Total operating revenues	<u>2,359,359</u>

OPERATING EXPENSES

Payroll & related cost	1,340,137
Commissioner's fees	25,200
Accounting & auditing	46,691
Advertising & promotion	4,361
Automobile expenses	19,063
Bad debt	90,215
Communications	32,767
Conference & meetings	4,646
Depreciation	856,992
Dues & subscriptions	49,974
Elections & property tax administration fee	84,741
Insurance	107,413
Rent and lease	882
Legal & other professional fees	157,381
Office expenses	32,372
Operating supplies	13,807
Outside service	61,653
Redwood terminal 2 expenses	221,005
Repairs, maintenance & small tools	220,411
Utilities	384,308
Other operating expenses	<u>4,243</u>
Total operating expenses	<u>3,758,262</u>

Operating income (loss) \$ (1,398,903)

Continued..

The accompanying notes are an integral part of these financial statement.

HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
- PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2021

NONOPERATING REVENUES (EXPENSES)	
General property taxes	\$ 1,146,344
Investment income (loss)	163,664
Other governmental grant	759,519
Other nonoperating incomes	320,369
Grant expenses	(142,880)
Interest expenses	(206,592)
Other nonoperating expenses	<u>(2,234)</u>
Total nonoperating revenues (expenses)	<u>2,038,190</u>
CHANGE IN NET POSITION	639,287
NET POSITION, BEGINNING	<u>7,768,738</u>
RESTATEMENT	<u>(117,835)</u>
NET POSITION, BEGINNING, <i>AS RESTATED</i>	<u>7,650,903</u>
NET POSITION, ENDING	<u><u>\$ 8,290,190</u></u>

The accompanying notes are an integral part of these financial statement.

HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT
STATEMENT OF CASH FLOWS - PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2021

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers	\$ 2,230,102
Payments to suppliers	(1,623,878)
Payments to employees	<u>(1,317,431)</u>
Net cash provided (used) by operating activities	<u>(711,207)</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Taxes for general operations	1,146,344
Receipt of grant & contract funds from other governments	759,519
Expenditures of grant funds	(142,880)
Payments for other nonoperating costs	(2,234)
Other nonoperating receipts	<u>320,369</u>
Net cash provided (used) by noncapital financing activities	<u>2,081,118</u>

CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES

Payments to acquire, construct & improve capital assets	(613,356)
Principal payments on notes payable & bonds	(635,398)
Interest paid	(234,308)
Bond refunding premium	<u>3,558</u>
Net cash provided (used) by capital & related financing activities	<u>(1,479,504)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest received	<u>162,993</u>
Net cash provided (used) by investing activities	<u>162,993</u>

INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	53,400
CASH & CASH EQUIVALENTS, BEGINNING	<u>678,813</u>
CASH & CASH EQUIVALENTS, ENDING	<u><u>\$ 732,213</u></u>

FINANCIAL STATEMENT PRESENTATION RECONCILIATION

Cash & cash equivalents	\$ 1,481
Restricted cash & cash equivalents	<u>730,732</u>
CASH & CASH EQUIVALENTS, ENDING	<u><u>\$ 732,213</u></u>

Continued..

The accompanying notes are an integral part of these financial statement.

HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT
STATEMENT OF CASH FLOWS - PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2021

**RECONCILIATION OF OPERATING INCOME (LOSS) TO
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES**

Operating income (loss)	\$ (1,398,903)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:	
Bad debts	90,215
Depreciation	856,992
Restatement	(117,835)
Changes in assets & liabilities:	
Accounts receivable, excluding bad debts	(233,949)
Prepaid expenses	20,078
Accounts payable - related to operating activities	58,805
Customer deposits payable	81,865
Accrued liabilities	4,768
Pension and OPEB liability and deferred outflows and inflows of resources	(42,464)
Unearned income	(30,779)
	\$ (711,207)
Net cash provided (used) by operating activities	\$ (711,207)

NONCASH CAPITAL & RELATED FINANCING ACTIVITIES

Amortization of ground lease	\$ 199,045
Amortization of bond premium	\$ 3,558

The accompanying notes are an integral part of these financial statement.

HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Humboldt Bay Harbor, Recreation and Conservation District (the "District") have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to the government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

This summary of significant accounting policies of the District is presented to assist in understanding the financial statements. The financial statements and notes are representations of management, who is responsible for their integrity and objectivity. These accounting policies have been consistently applied in the preparation of the financial statements.

A. Reporting Entity

The accompanying financial statements include all organizations, activities, and functions that comprise the District. The District has no oversight responsibility over any other governmental unit and is not included in any other governmental "reporting entity" as defined in GASB pronouncements. The District is governed by a five-member Board of Commissioners from the five supervisorial districts in Humboldt County.

B. Nature of Activities

The District is a special district created in 1970 by the State of California. The District was formed for the development of Humboldt County's harbors and ports, for the promotion of commerce, navigation, fisheries, and recreation thereon, as well as the protection of the County's natural resources.

C. Basis of Presentation

The financial statements required by *GASB Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments (GASB No. 34)*, as amended by *GASB Statement No. 63*, include a statement of net position, a statement of revenues, expenses, and changes in net position, and a statement of cash flows.

The District utilizes an enterprise fund, which is a proprietary fund type. Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Enterprise funds account for goods or services that are provided to outside parties. The District has elected to use the reporting model for special-purpose governments engaged only in business-type activities. In accordance with the business-type activities reporting model, the District prepares its statement of cash flows using the direct method.

D. Measurement Focus/Basis of Accounting

Measurement focus refers to what is being measured. Basis of accounting refers to the timing of the recognition of revenues and expenditures in the accounts and their reporting in the financial statements. Proprietary fund types are accounted for on an economic resources measurement focus using the accrual basis of accounting in which revenues are recognized when earned and expenses are recognized when the related liabilities are incurred.

HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

D. Measurement Focus/Basis of Accounting - Cont'd

The District distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the principal ongoing operations. The principal operating revenues of the District are charges to customers for rents and tidelands leases and harbor improvement surcharges. Operating expenses include the cost of maintaining the marina and tidelands, general and administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. Other government grants represent non-operating revenues received from other agencies related to harbor projects, including Spartina eradication, homeland security, port access, aquaponics expansion and other initiatives. Other nonoperating income includes the portion of the PG&E funding (see Note 9) that has been recognized. Grant expenses primarily represent nonoperating expenses related to the other government grants nonoperative revenues.

When both restricted and unrestricted resources are available for use, the District uses restricted resources first, then unrestricted resources as they are needed.

E. Budget and Budgetary Accounting

The Board of Commissioners adopts a budget annually to be effective July 1st of the ensuing fiscal year. Budgets are adopted on a basis consistent with generally accepted accounting principles. Budgetary data for expenses, as revised, are presented in the accompanying supplementary information.

F. Allowance for Doubtful Accounts

The District evaluates the collectability of receivables in order to determine the allowance for doubtful accounts. As of June 30, 2021, the District recorded an allowance for doubtful accounts of \$302,323. Based on historical experience, the District does not expect additional amounts to become uncollectable, however if they are, they will be charged to operations as a bad debt expense. The impact of any bad debt expense recorded in the future is expected to be immaterial to the financial statements.

G. Cash, Cash Equivalents, and Investments

Cash and cash equivalents are considered to be all cash on hand, demand deposits, and pooled cash and investments. The pooled cash and investments consists of cash pooled with the Humboldt County Treasurer's Investment Pool and is used as a demand deposit account.

The District follows the authority governing investments for municipal governments set forth in the California Government Code, Sections 53601 through 53659. The County Treasurer's Investment Pool is administered by the County of Humboldt Treasurer's Office and conforms to the California Government Code. The County's portfolio normally consists of U.S. Treasury issues, U.S. Agency agreements, banker's acceptances, and the State of California Local Agency Investment Fund. All cash invested by the County in demand deposit accounts is collateralized to 110 percent with approved U.S. Government securities, such as Treasury Bills and other U.S. Treasury issues.

The fair value of the District's investments in this pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by the County Treasury for the entire County Treasury portfolio.

HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

H. Capital Assets

The capitalization threshold for all capital assets is \$2,500. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Assets that individually may be below threshold amounts are capitalized if collectively they are above the threshold amount.

Depreciation of all exhaustible capital assets is charged as an expense against operations, with accumulated depreciation reflected in the statement of net position. Depreciation has been provided over the estimated useful lives using the straight-line method.

The estimated useful lives are as follows:

<u>Assets class</u>	<u>Useful life</u>
Equipment	3 - 10 Years
Dredging projects	7 Years
Buildings and improvements	20 - 40 Years

I. Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

J. Net Position

Net position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. The District reports three categories of net position, as follows:

- *Net investment in capital assets* consists of net capital assets reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets.
- *Restricted net position* is considered restricted, if its use is constrained to a particular purpose. Restrictions are imposed by creditors, grantors, contributors, laws, or regulations.
- *Unrestricted net position* consists of all other net position that does not meet the definition of “net investment in capital assets” or “restricted net position” and is available for general use by the District.

K. Property Taxes

The lien date for secured property taxes is March 1st of each year. Taxes are levied as of July 1st on all secured real property and are due and payable November 1st and February 1st of the following fiscal year. Humboldt County is responsible for assessing, collecting, and distributing property taxes in accordance with enabling legislation.

HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

K. Property Taxes - Cont'd

Since the passage of California Proposition 13, beginning with fiscal year 1978-79, taxes are based either on a 1% rate applied to the 1975-76 assessed value of the property, or on 1% of the sales price of the property on sales transactions and construction which occur after the 1975-76 assessment. Assessed values on properties (exclusive of increases related to sales transactions and improvements) can rise at a maximum of 2% per year. The amount collected by the County is distributed in accordance with State law to the various public agencies. Therefore, the District does not levy a specific tax rate but receives a share of the property tax revenue based on State formula.

During fiscal year 1993-94, an alternate method of property tax allocation (the "Teeter Plan") was adopted by the County. Under this Plan, the County's auditor/controller distributes 100 percent of current secured taxes billed to taxing entities during the current year, whether collected or not. The District recognizes property tax revenues on the accrual basis of accounting.

L. Postemployment Benefits other than Pensions

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District's Plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

M. Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the District's California Public Employees' Retirement System (CalPERS) Plan (the "Plan") and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

N. Compensated Absences

All vested vacation is recognized as an expense and as a liability at the anniversary date of hire during the year ended June 30, 2021. The liability for compensated absences is reported as accrued vacation payable. Additionally, 50% of accrued sick hours over 240 is vested and reported as accrued sick leave payable. The accrued vacation payable and accrued sick leave payable are payable from unrestricted current assets.

NOTE 2 - CASH AND CASH EQUIVALENTS

The cash and cash equivalents at June 30, 2021 were classified in the accompanying financial statements as follows:

Cash & cash equivalents	\$	1,481
Restricted cash & cash equivalents		730,732
Total cash and cash equivalents	\$	732,213

HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 2 - CASH AND CASH EQUIVALENTS - CONT'D

Restricted cash and cash equivalents activity for the year ended June 30, 2021 was as follows:

	Marina Dredging Surcharge	Float Replacement Surcharge	Total
Unexpended cash from marina dredging and float replacement surcharges, June 30, 2020	\$ 727,074	\$ 422,140	\$ 1,149,214
Additions, 2020/2021	153,325	62,917	216,242
Unexpended cash from marina dredging and float replacement surcharges, June 30, 2021	\$ 880,399	\$ 485,057	1,365,456
Less: Restricted cash in excess of available cash, June 30, 2021			(634,724)
Restricted Cash, June 30, 2021			\$ 730,732

Total cash and cash equivalents at June 30, 2021, consisted of the following:

Cash on hand	\$ 1,280
Deposits held with financial institutions	492,384
Deposits held with the County Treasurer's Investment Pool	238,509
Undeposited fund	40
Total cash and cash equivalents	\$ 732,213

The District may invest in any obligations, bonds, or securities in accordance with Section 53601 of the California Government Code, provided that the investment is in compliance with any debt covenant.

Fair value of Deposits held with the County Treasurer's Investment Pool as of June 30, 2021 was \$239,516.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that in the event of a failure by a financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code requires that financial institutions secure cash deposits made by state or local governments by pledging securities as collateral. The fair value of the pledged securities must equal at least 110% of the amount deposited by the public agencies. California law also allows financial institutions to secure the District's deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. The District may waive collateral requirements for cash deposits that are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation. The District has not waived the collateralization requirement. The District had deposits with bank balances totaling \$610,817 as of June 30, 2021. The District had an uninsured balance of 345,090, held with bank as on June 30, 2021.

The custodial credit risk for the County Treasurer's Investment Pool is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of government investment pools.

HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 2 - CASH AND CASH EQUIVALENTS - CONT'D

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. The District does not have a specific policy which relates to interest rate risk.

Credit risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization; however, the external investment pool with the County Treasury is not rated.

NOTE 3 - CAPITAL ASSETS

Changes in capital assets during the year ended June 30, 2021, were as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Nondepreciable capital assets:				
Land	\$ 5,550,701	\$ 208,149	\$ -	\$ 5,758,850
Dredging costs (old harbor)	215,227	-	-	215,227
Capital work-in-progress (Marina)	34,100	-	-	34,100
	<u>5,800,028</u>	<u>208,149</u>	<u>-</u>	<u>6,008,177</u>
Total nondepreciable capital assets				
Depreciable capital assets :				
Building and improvement	17,458,951	-	-	17,458,951
Automotive equipment	95,639	-	-	95,639
Office and operating equipment	3,977,194	-	-	3,977,194
Dredging costs	809,025	405,207	-	1,214,232
	<u>22,340,809</u>	<u>405,207</u>	<u>-</u>	<u>22,746,016</u>
Total depreciable capital assets				
Accumulated depreciation :				
Accumulated depreciation	(16,998,866)	(856,992)	-	(17,855,858)
	<u>(16,998,866)</u>	<u>(856,992)</u>	<u>-</u>	<u>(17,855,858)</u>
Total accumulated depreciation				
Depreciable capital assets, net	<u>5,341,943</u>	<u>(451,785)</u>	<u>-</u>	<u>4,890,158</u>
Total capital assets, net	<u>\$ 11,141,971</u>	<u>\$ (243,636)</u>	<u>\$ -</u>	<u>\$ 10,898,335</u>

Total depreciation expense charged to operations for the year ended June 30, 2021 was \$856,992.

HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 4 - NOTES PAYABLE

The following is a schedule of the changes in notes payable for the fiscal year ended June 30, 2021:

	Beginning Balance	Additions	Deletion	Ending Balance	Classification	
					Current Portion	Long-Term Portion
Refunding Bonds Series 2014	\$ 2,295,451	\$ -	\$ (215,645)	\$ 2,079,806	\$ 224,577	\$ 1,855,229
Coast Seafood's Line of Credit	1,006,051	-	(329,351)	676,700	176,457	500,243
Compass BBVA Bank Loan	1,196,035	-	(90,402)	1,105,633	95,913	1,009,720
Total	\$ 4,497,537	\$ -	\$ (635,398)	\$ 3,862,139	\$ 496,947	\$ 3,365,192

Refunding of Debt:

On December 22, 2014, the District issued \$3,333,674 in revenue bonds with an interest rate of 4.1 percent, to refund \$2,180,000 of outstanding 2004 revenue bonds with an average interest rate of 5.42 percent and \$1,241,382 of notes payable to the California Department of Boating and Waterways with an interest rate of 4.5 percent. The bonds are secured by net revenues of the District. The District used \$217,702 of proceeds from the debt service reserve fund on the 2004 revenue bonds to fund the refunding issuance costs and reduce the balance borrowed on the 2014 refunding bonds. The District used \$43,600 of the proceeds from the refunding to pay a call premium on the refunding. The call premium is recorded as a deferred outflow of resources and amortized as interest expense over the 15-year term of the bonds.

The annual requirements to amortize the outstanding bonds payable, as of June 30, 2021 was as follows:

Year Ending June 30	Principal	Interest	Total
2022	\$ 224,577	\$ 82,993	\$ 307,570
2023	233,879	73,691	307,570
2024	243,567	64,004	307,571
2025	253,655	53,916	307,571
2026	264,162	43,409	307,571
2027 - 2029	859,966	62,746	922,712
Total	\$ 2,079,806	\$ 380,759	\$ 2,460,565

HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 4 - NOTES PAYABLE - CONT'D

Coast Seafood's Line of Credit:

The District has a letter of credit agreement with Coast Seafood's Company for up to \$1.25 million. As of June 30, 2018, the District had an outstanding balance of \$1.16 million borrowed from Coast Seafood's Company, at 3.5% annual interest. The loan maturity date was June 2018. The District has negotiated to extend the loan term for a period of 10 years beginning the first day of December 2018. Interest rate on new loan is 4.5% annual interest rate. The primary purpose of original letter of credit was to procure funds for the removal of pulp processing liquors mill in the state of Washington, which began in April 2014 and completed in September 2014. The District pledged collateral of interest in all of the revenue assets of district set forth above as may be evidence by a Line of Credit Instrument, Security Agreement, Assignment of Leases and Rents, Fixture.

As of December 10, 2020, Amendment is entered in the agreement. From the Effective Date of this Amendment, the Interest rate is 3.25%, and the loan term will end on April 30, 2023.

As of June 30, 2021, future debt service related to this loan was as follow:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 176,457	\$ 19,543	\$ 196,000
2023	500,243	9,953	510,196
Total	<u>\$ 676,700</u>	<u>\$ 29,496</u>	<u>\$ 706,196</u>

Compass BBVA Bank Loan:

During the year ended June 30, 2016, the District borrowed \$1,560,000 from Compass BBVA Bank, at a 5.99% annual interest rate. Payments of principal and interest are due semi-annually with the first payment due July 1, 2016. The loan matures on July 1, 2030. In conjunction with this loan, the District entered into an installment sale agreement and pledged all net revenues as collateral with Compass BBVA Bank for the payment of this obligation.

As of June 30, 2021, future debt service related to this loan was as follow:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 95,913	\$ 64,823	\$ 160,736
2023	101,745	58,992	160,737
2024	107,931	52,806	160,737
2025	114,492	46,244	160,736
2026	121,453	39,283	160,736
2027 - 2030	564,099	78,667	642,766
Total	<u>\$ 1,105,633</u>	<u>\$ 340,815</u>	<u>\$ 1,446,448</u>

HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 5 - OTHER POSTEMPLOYMENT BENEFITS

During the fiscal year ended June 30, 2014, the District revised the personnel policies. Under the revised personnel policies, the District provides post-retirement health care benefits, in accordance with state statute, to all employees hired before December 1, 2011, who retire from the District on or after attaining age fifty-five with at least ten years of service up until age sixty-five or when the retired employee is first eligible for Medicare, whichever is later. Employees forced to retire due to disability may retire at any age with at least five years of service.

A. Plan Description

The District has established the Humboldt Bay Harbor, Recreation, and Conservation District Retiree Healthcare Plan (HC Plan), a single-employer plan. The HC Plan provides healthcare insurance for eligible retirees and their spouses. The District pays 100% of the health insurance premiums for retired employees with a minimum of ten years of service and who have reached a minimum of fifty-five years of age up until age sixty-five. The District pays 50% of the health insurance premiums for the retiree spouse who must enroll in Medicare, if eligible. Any employee hired after December 1, 2011, will not be eligible for retiree health insurance. The HC Plan has not established or accumulated any assets in a trust. A separate financial report is not prepared for the HC Plan.

Employees Covered

As of the June 30, 2021 actuarial valuation, the following current and former employees were covered by the benefit terms under the HC Plan:

Active employees	1	
Inactive employees or beneficiaries currently receiving benefits	2	
Inactive employees entitled to, but not yet receiving benefits	-	
Total	3	

B. Contributions

The HC Plan and its contribution requirements are established by agreements with the applicable employee bargaining units and may be amended by agreements between the District and the bargaining units. The annual contribution is based on the current insurance premiums due for the participating retirees. For the fiscal year ended June 30, 2021, the District's cash contributions were \$55,906, and there was no estimated implied subsidy, resulting in total payments of \$55,906. No trust has been created for the purpose of prefunding obligations for past services.

C. Funding Policy

The District funds post-employment health benefits on a pay-as-you-go basis. For the fiscal year ended June 30, 2021, the District's contributions for post-employment health benefit costs were \$32,364.

D. Annual OPEB Cost and Net OPEB Obligation

The District's Net OPEB liability was measured as of June 30, 2021 and the Total OPEB liability used to calculate the Net OPEB liability was determined by an actuarial valuation as of June 30, 2020.

HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 5 - OTHER POSTEMPLOYMENT BENEFIT - CONT'D

E. Actuarial Methods and Assumptions:

The Total OPEB liability was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry-age actuarial cost method
Discount Rate	2.16%
Inflation	2.5%
Salary Increases	2.75% per annum, in aggregate
Investment Rate of Return	2.16% net of expenses
Mortality Rate	Derived using 2017 CalPERS Active Mortality for Miscellaneous Employees tables
Pre-Retirement Turnover	Derived using 2017 CalPERS Turnover for Miscellaneous Employees tables
Healthcare Trend Rate	4.00%

F. Information Related to Assumptions and Other Inputs

Following is the table, the assumptions are based upon.

Mortality	<p>2017 CalPERS Mortality for Miscellaneous and Schools Employees</p> <p>The mortality assumptions are based on the 2017 CalPERS Mortality for Miscellaneous and Schools Employees table created by CalPERS. CalPERS periodically studies mortality for participating agencies and establishes mortality tables that are modified versions of commonly used tables.</p> <p>2017 CalPERS Retiree Mortality for All Employees</p> <p>The mortality assumptions are based on the 2017 CalPERS Retiree Mortality for All Employees table created by CalPERS. CalPERS periodically studies mortality for participating agencies and establishes mortality tables that are modified versions of commonly used tables.</p>
Retirement	<p>2017 CalPERS 2.0%@55 Rates for Miscellaneous Employees</p> <p>The retirement assumptions are based on the 2017 CalPERS 2.0%@55 Rates for Miscellaneous Employees table created by CalPERS. CalPERS periodically studies the experience for participating agencies and establishes tables that are appropriate for each pool.</p>
Turnover	<p>2017 CalPERS Turnover for Miscellaneous Employees</p> <p>The turnover assumptions are based on the 2017 CalPERS Turnover for Miscellaneous Employees table created by CalPERS. CalPERS periodically studies the experience for participating agencies and establishes tables that are appropriate for each pool.</p>

For other assumptions, actual plan provisions and plan data were used.

The alternative measurement method was not used in this valuation.

HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 5 - OTHER POSTEMPLOYMENT BENEFIT - CONT'D

G. Discount Rate

The discount rate estimates investment earnings for assets earmarked to cover retiree health benefit liabilities. The discount rate depends on the nature of underlying assets for funded plans. The rate used for a funded plan is the real rate of return expected for plan assets plus the long term inflation assumption. For an unfunded plan, the discount rate is based on an index of 20 year General Obligation municipal bonds. For partially funded plans, the discount rate is a blend of the funded and unfunded rates. The discount rate used in the valuation was 2.16%.

H. Changes in Net OPEB Liability

Changes in Net OPEB liability as of June 30, 2021 was as follows:

Determination of Net OPEB Liability	For the Year Ending June 30, 2021
Service cost	\$ 4,715
Interest on total OPEB liability	6,905
Employer contribution as Benefit Payments	(55,906)
Experience (Gains)/Losses	(80,755)
Changes in assumptions	2,952
Net changes during 2020-21	(122,089)
Net OPEB liability - beginning of year	342,799
Net OPEB liability - end of year	\$ 220,710

I. Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

Sensitivity of the Net OPEB liability to changes in the discount rate. The following presents the Net OPEB liability, as well as what the Net OPEB liability would be, if it was calculated using a discount rate (2.16 percent) that is 1- percentage point lower (1.16 percent) or 1-percentage-point higher (3.16 percent) than the current discount rate:

	Discount Rate 1% Lower	Valuation Discount Rate	Discount Rate 1% Higher
Net OPEB liability	\$ 227,283	\$ 220,710	\$ 214,286

J. Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

Sensitivity of the Net OPEB liability to changes in the healthcare cost trend rates. The following presents the Net OPEB liability, as well as what the Net OPEB liability would be if it were calculated using healthcare cost trend rates (4.00 percent) that are 1-percentage-point lower (3.00 percent) or 1-percentage-point higher (5.00 percent) than the current healthcare cost trend rates.

	Trend 1% Lower	Valuation Trend	Trend 1% Higher
Net OPEB liability	\$ 211,886	\$ 220,710	\$ 230,189

HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 5 - OTHER POSTEMPLOYMENT BENEFIT - CONT'D

K. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2021, the District recognized OPEB expense/(income) of \$(10,981).

At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB as follows:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Experience gains and Losses	\$ -	\$ 51,913
Changes of assumptions	1,897	-
Total	\$ 1,897	\$ 51,913

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30	Deferred Outflow/ (Inflows) of Resources
2022	\$ (27,787)
2023	(22,229)
2024	-
Thereafter	-
Total	\$ (50,016)

NOTE 6 - PENSION PLAN

A. Plan Description

All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (the Plan), administered by the California Public Employees' Retirement System (CalPERS). The Plan's benefit provisions are established by statute. The Plan is included as a pension trust fund in the CalPERS Comprehensive Annual Financial Report, which is available online at www.calpers.ca.gov.

The Plan consists of a miscellaneous pool and a safety pool (referred to as "risk pools"), which are comprised of individual employer miscellaneous and safety rate plans, respectively, including those of the Humboldt Bay Harbor, Recreation and Conservation District. The District's employer rate plans in the miscellaneous risk pool include the Miscellaneous Plan (Miscellaneous) and the PEPRA Miscellaneous Plan (PEPRA Misc.). The Humboldt Bay Harbor, Recreation and Conservation District does not have any rate plans in the safety risk pool.

HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 6 - PENSION PLAN - CONT'D

B. Benefits Provided

The Plan provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Classic members and PEPRA Safety members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. PEPRA Miscellaneous members with five years of total service are eligible to retire at age 52 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after five years of service. The death benefit is the Basic Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plan's provisions and benefits in effect at June 30, 2021 are summarized as follows:

Employer Rate Plans in the Miscellaneous Risk Pool

<u>Employer rate plan</u>	<u>Miscellaneous Prior to January 01, 2013</u>	<u>PEPRA Misc. On or After January 1, 2013</u>
Benefit formula	2.0% @ 55	2.0% @ 62
Benefit vesting schedule	5 years' service	5 years' service
Benefit payments	Monthly for life	Monthly for life
Retirement age	50	52
Monthly benefits, as a % of eligible compensation	2.418%	1.0% to 2.5%
Required employee contribution rates	6.886%	6.25%
Required employer contribution rates	8.377%	6.555%

C. Contributions Description

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions.

The District's contributions to Miscellaneous Risk Pool plan for the year ended June 30, 2021, was \$136,505.

D. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2021, the District reported net pension liability of \$1,150,835 for its proportionate share of net Pension liability of the Miscellaneous Risk Pool.

The proportionate share of the total NPL to each of the enterprise and internal service funds is not being allocated because it is deemed to have an immaterial effect on the financial statements.

HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 6 - PENSION PLAN - CONT'D

D. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions - Cont'd

The District's Net Pension liability for each risk pool is measured as the proportionate share of each risk pool's net pension liability. GASB 68 indicates that to the extent different contribution rates are assessed based on separate relationships that constitute the collective net pension liability, the determination of the employer's proportionate share of the collective net pension liability should be made in a manner that reflects those relationships. The allocation method used by CalPERS to determine each employer's proportionate share reflects those relationships through the employer rate plans they sponsor within the respective risk pools. An actuarial measurement of the employer's rate plan liability and asset-related information are used where available, and proportional allocations of individual employer rate plan amounts as of the valuation date are used where not available.

As of June 30, 2021, the District's reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling \$1,150,835. The net pension liability was measured as of June 30, 2020. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members.

For the measurement period ended June 30, 2020 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2019 total pension liability determined in the June 30, 2019 actuarial accounting valuation.

The District's proportionate share percentage of the net pension liability and change in proportionate share percentage of the net pension liability for Miscellaneous Risk Pool was as follows:

Proportion - June 30, 2020	0.025800 %
Proportion - June 30, 2021	<u>0.027280 %</u>
Change - increase/(decrease)	<u>0.001480 %</u>

For the year ended June 30, 2021, the District recognized pension expense of \$160,928. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 59,306	\$ -
Change in assumptions	-	8,208
Differences between projected and actual investment earnings	34,187	-
Change in employer's proportion	74,273	-
Differences between employer's contributions and proportionate share of contributions	-	93,169
Contributions subsequent to measurement date	<u>136,505</u>	<u>-</u>
Total	<u>\$ 304,271</u>	<u>\$ 101,377</u>

HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 6 - PENSION PLAN - CONT'D

D. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions - Cont'd

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Measurement Date June 30	Deferred Outflows/ (Inflows) of Resources
2022	4,040
2023	22,397
2024	23,555
2025	16,397
Thereafter	-
Total	<u>\$ 66,389</u>

E. Subsequent Events

There were no subsequent events that would materially affect the results presented in this disclosure.

F. Amortization of Deferred Outflows and Deferred Inflows of Resources

Under GASB 68, gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time.

The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense.

The amortization period differs depending on the source of the gain or loss:

Net difference between projected and actual earnings on pension plan investments 5 year straight-line amortization

All other amounts

Straight-line amortization over the expected average remaining service lifetime (EARSL) of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period

HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 6 - PENSION PLAN - CONT'D

G. Actuarial Methods and Assumptions Used to Determine Total Pension Liability

Total pension liability for the Plan was determined by applying update procedures to a financial reporting actuarial valuation as of June 30, 2019, and rolling forward the total pension liability to June 30, 2020. The financial reporting actuarial valuation as of June 30, 2020, used the following methods and assumptions, applied to all prior periods included in the measurement:

Actuarial Cost Method	Entry Age Normal in accordance with the requirements of GASB Statement No. 68
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table ¹	Derived using CalPERS' Membership Data for all Funds
Post-retirement Benefit Increases	Contract COLA up to 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies,

¹ The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using Society of Actuaries 90% of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

All other actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the fiscal years 1997 to 2011, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website.

H. Discount Rate

The discount rate used to measure the total pension liability was 7.15%. To determine whether the municipal bond rate should be used in the calculation of the discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. The tests revealed the assets would not run out. Therefore, the current 7.15% discount rate is appropriate and the use of the municipal bond rate calculation is not deemed necessary. The long-term expected discount rate of 7.15% is applied to all Plans in the Public Employees' Retirement Fund (PERF). The cash flows used in the testing were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS website under the GASB 68 section.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 6 - PENSION PLAN - CONT'D

H. Discount Rate - Cont'd

In determining the long-term expected rate of return, staff took into account both short-term and long-term market return expectations as well as the expected pension fund (PERF) cash flows. Taking into account historical returns of all the Public Employees Retirement Funds' asset classes (which includes the agent plan and two cost-sharing plans or PERF A, B, and C funds), expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each PERF fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. The target allocation shown was adopted by the Board effective on July 1, 2014.

Asset Class	Current Target Allocation	Real Return Years 1 - 10 ¹	Real Return Years 11+ ²
Global Equity	50.0 %	4.80 %	5.98 %
Global Fixed Income	28.0 %	1.00 %	2.62 %
Inflation assets	- %	0.77 %	1.81 %
Private Equity	8.0 %	6.30 %	7.23 %
Real Estate	13.0 %	3.75 %	4.93 %
Liquidity	1.0 %	- %	(0.92)%
Total	<u>100 %</u>		

¹ An expected inflation of 2.00% used for this period.

² An expected inflation of 2.92% used for this period.

I. Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Humboldt Bay Harbor Recreation and Conservation District's proportionate share of the net pension liability of the each risk pool as of the measurement date, calculated using the discount rate, as well as what the Humboldt Bay Harbor Recreation and Conservation District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower or 1 percentage-point higher than the current rate:

	Discount Rate Less 1% (6.15%)	Current Discount (7.15%)	Discount Rate plus 1% (8.15%)
Proportionate share of the Miscellaneous Risk Pool's net pension liability	\$ <u>1,828,136</u>	\$ <u>1,150,835</u>	\$ <u>591,202</u>

HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 6 - PENSION PLAN - CONT'D

J. Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial report.

Additional financial and actuarial information required for GASB Statement No. 68 disclosures is located in CalPERS' CAFR for the fiscal year ended June 30, 2020, and the CalPERS' GASB 68 Accounting Valuation Report for the schools cost-sharing multiple-employer defined benefit pension plan, which can be found on CalPERS' website at <https://www.calpers.ca.gov/docs/forms-publications/gasb-68>.

NOTE 7 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District maintains commercial coverage covering each of those risks of loss. There have been no significant reductions in insurance coverage from the prior year. Management believes such coverage is sufficient to preclude any significant uninsured losses to the District. Settled claims have not exceeded this coverage in any of the past three years.

NOTE 8 - NEW MARKET TAX CREDIT TRANSACTION

The District is a sponsor of New Markets Tax Credits (NMTC) to support redevelopment in distressed communities. The New Markets Tax Credit Program (NMTC Program) was established by Congress in 2000 to spur new or increased investments in operating businesses and real estate projects located in low-income communities.

The District, in collaboration with Chase Bank (Bank), entered into various agreements to provide for the completion of the Humboldt Bay Eco-Industrial Park project, consisting of renovations and improvements to property in Samoa, Humboldt County, California. As part of the NMTC Program transaction, a new independent entity, Humboldt Bay Development Association, Inc. (HBDA) a not-for-profit organization, was formed to participate under the Federal NMTC guidelines and to complete the project improvements. Also, pursuant to NMTC Program requirements, several financial intermediaries were established to finance the project. HBDA's construction costs are projected to be approximately \$5.20 million.

As required under the NMTC agreements with these entities, the District loaned the Chase NMTC Samoa Investment Fund, LLC \$5,849,375 and within the NMTC structure invested \$398,057 in cash to the transaction. Within the structure of the NMTC transaction, this \$398,057 cash investment was offset by a \$565,000 reimbursement from HBDA for project costs incurred by the District prior to the NMTC closing, and the funds to provide the loan to Chase NMTC Samoa Investment Fund, LLC were obtained through proceeds in the amount of \$3,906,000 for a long-term ground lease of the Samoa property to HBDA and from a \$1,560,000 loan obtained from Compass BBVA Bank.

The District's leveraged loan receivable from Chase NMTC Samoa Investment Fund, LLC bears interest of 2.7481% and is receivable in quarterly interest-only payments from June 10, 2016 through March 10, 2023; thereafter principal and interest payments are due until March 10, 2046. As of June 30, 2021, the balance of the loan receivable was \$5,849,375.

HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 8 - NEW MARKET TAX CREDIT TRANSACTION - CONT'D

The District recorded the ground lease as unearned revenue in the liabilities section of its balance sheet, and will recognize operating income over the course of the lease. The District recognized \$60,092 of operating revenue during the year ended June 30, 2021, for a remaining balance of unearned income for an amount of as of \$3,586,770 as long-term deferred income as of June 30, 2021.

To fund HBDA's initial cost of the ground lease and the remaining project costs to be incurred by HBDA, within the NMTC structure New Markets Community Capital XVII, LLC and CNMC SUT-CDE 69, LLC loaned HBDA funds totaling \$8,680,000. In addition, the District and HBDA signed lease agreements under which the District is leasing-back the Samoa, California property from HBDA for the District's operations related to that asset.

As of June 30, 2021, unearned income consisted of:

Unearned HBDA ground lease income - current	\$ 60,092
Unearned PG&E dredge-related income (Note 9)	723,524
Unearned lease income (outfall pipe, tidelands, slip rentals and warehouse)	<u>190,599</u>
Total unearned income - current	<u>974,215</u>
Unearned HBDA ground lease income - long-term	<u>3,526,678</u>
Total unearned income	<u><u>\$ 4,500,893</u></u>

There is a seven-year compliance period for the NMTC program. For the District, the seven-year period ends on March 30, 2023. At that point there is put call option where District has the option to purchase the outstanding debt from the various entities involved for \$1,000. At that point the various NMTC loans payable and receivable will be eliminated. It is estimated that the total cost to the District to terminate the agreements in March 2023 will be less than \$25,000, including professional and legal services.

NOTE 9 - COMMITMENTS AND CONTINGENCIES

PG&E Agreement

During 2014, Pacific Gas and Electric (PG&E) paid the District \$2.0 million for the specific purpose of procuring dredging equipment, financing initial start-up and training of the District personnel, and reuse or disposal of dredged material. As part of the agreement, the District has committed to perform a one-time dredging of certain real property owned by PG&E and located near King Salmon known as Fisherman's Channel. The District assumes responsibility for the dredging activities and repair work of Fisherman's Channel, and upon completion of these contract terms, the District will obtain ownership of the Fisherman's Channel. As of June 30, 2021, \$723,524 of the PG&E funding has not been used and is recorded as unearned income on the statement of net position. The District believes the PG&E grant will cover the costs associated with this commitment. This represents a significant management estimate and actual results could differ.

HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 9 - COMMITMENTS AND CONTINGENCIES - CONT'D

Environmental Protection Agency (EPA) Settlement Agreement

In June 2015, the District signed a settlement agreement with the EPA related to the approximately \$13.3 million of costs the EPA incurred to clean-up Parcel A on the Samoa peninsula (the site). The agreement stipulates that the District will pay all or a portion of this liability from the salvage of fixtures and equipment at the site, or from the potential sale of the property. The obligation to reimburse the EPA from net proceeds of a sale of any real property within the site shall not apply to the property for any sale that occurs at least seven years after August 26, 2015, the date of the agreement. The District has not recorded this liability as the obligation is not payable until a sale occurs.

NOTE 10 - SUBSEQUENT EVENTS

The District has reviewed the change in the net position and evaluated all subsequent events through December 21, 2021, the date on which the financial statements were available to be issued.

As the COVID_19 pandemic is complex and rapidly evolving. At this point, we cannot reasonably estimate the duration and severity of this pandemic, which could have a material adverse impact on our business, results of operations, financial position and cash flows.

NOTE 11 - PRIOR PERIOD ADJUSTMENTS

During the fiscal year ended June 30, 2021, the District determined that changes to the beginning of year net positions and fund balances were necessary. A description, and the effect of the changes, is as follows:

Net position previously reported, June 30, 2020	\$ 7,768,738
Account receivables incorrectly billed in 06/30/2020	(36,609)
Payments to PERS for District's unfunded liability, not included in deferred outflow at 06/30/2020	60,403
Record delinquent property taxes on RMT2 from years 06/30/2015 - 06/30/2019	(143,000)
Adjust net position audited balance	<u>1,371</u>
Net position, as restated, June 30, 2020	<u><u>\$ 7,650,903</u></u>

REQUIRED SUPPLEMENTARY INFORMATION

HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT
SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
FOR THE LAST TEN YEARS *
JUNE 30, 2021

<u>Measurement Period, June 30</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Service cost	\$ 4,715	\$ 3,771	\$ 20,986	\$ 19,877
Interest on total OPEB liability	6,905	7,841	19,794	21,313
Employer contribution as benefit payments	(55,906)	(75,367)	(83,586)	(80,371)
Experience gains/losses	(80,755)	(5,321)	(118,069)	-
Changes in assumptions	<u>2,952</u>	<u>16,988</u>	<u>3,564</u>	<u>-</u>
Net change in net OPEB liability	(122,089)	(52,088)	(157,311)	(39,181)
Net OPEB liability - beginning of year	<u>342,799</u>	<u>394,887</u>	<u>552,198</u>	<u>591,379</u>
Net OPEB liability - end of year	<u>\$ 220,710</u>	<u>\$ 342,799</u>	<u>\$ 394,887</u>	<u>\$ 552,198</u>
Covered Employee Payroll	\$ 47,351	\$ 60,367	\$ 276,928	\$ 376,937
Total OPEB Liability as a Percentage of Covered Employee Payroll	466.11 %	567.86 %	142.60 %	146.50 %

NOTES TO SCHEDULE

1. The District's retiree healthcare plan had no assets accumulated in a trust that meets the criteria in Governmental Accounting Standards Board Statement no. 75, paragraph 4.
2. Changes in assumptions - Discount rate changed from 2.20% to 2.16%.
3. There are no statutorily or contractually established contribution requirements.
4. Historical information is required only for measurement periods for which GASB 75 is applicable. Future years' information will be displayed up to 10 years as information becomes available.

* Fiscal Year 2018 was the first year of implementation, therefore only 4 years are shown.

HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY FOR THE LAST TEN YEARS *
CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM
JUNE 30, 2021

	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Plan's Proportion of the PERF C Net Pension Liability/(Asset)	0.027280 %	0.010080 %	0.009570 %	0.009500 %	0.009023 %	0.007965 %	0.008534 %
Plan's Proportionate Share of the Net Pension Liability /(Asset)	\$ 1,150,835	\$ 1,033,203	\$ 921,868	\$ 941,780	\$ 780,795	\$ 546,685	\$ 531,034
Plan's Covered-Employee Payroll	\$ 764,169	\$ 764,169	\$ 889,228	\$ 794,364	\$ 863,258	\$ 871,775	\$ 730,490
Plan's Proportionate Share of the Net Pension Liability/(Asset) as Percentage of Covered-Employee Payroll	150.60 %	135.21 %	103.67 %	118.56 %	90.45 %	62.71 %	72.70 %
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Total Pension Liability	77.39 %	79.58 %	78.81 %	77.50 %	80.01 %	83.38 %	83.19 %

* Fiscal Year 2015 was the first year of implementation, therefore only 7 years are shown.

HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT
SCHEDULE OF PENSION CONTRIBUTIONS FOR THE LAST TEN YEARS*
CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM
FOR THE YEAR ENDED JUNE 30, 2021

	<u>2020-21</u>	<u>2019-20</u>	<u>2018-19</u>	<u>2017-18</u>	<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>
Actuarially Determined Contributions	\$ 136,505	\$ 55,338	\$ 54,414	\$ 53,870	\$ 83,233	\$ 75,091	\$ 68,939
Actual Contributions During the Measurement Period	<u>(136,505)</u>	<u>(55,338)</u>	<u>(54,414)</u>	<u>(53,870)</u>	<u>(83,233)</u>	<u>(75,091)</u>	<u>(68,939)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-Employee Payroll	\$ 788,024	\$ 764,169	\$ 889,228	\$ 794,364	\$ 863,258	\$ 871,775	\$ 730,490
Contributions as a Percentage of Covered Employee Payroll	17.32 %	7.24 %	6.12 %	6.78 %	9.64 %	8.61 %	9.44 %

* Fiscal Year 2015 was the first year of implementation, therefore only 7 years are shown.

SUPPLEMENTARY INFORMATION

HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT
STATEMENT OF REVENUES AND EXPENSES -
UNRESTRICTED AND TIDELANDS TRUST
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Unrestricted</u>	<u>Tidelands Trust</u>	<u>Total</u>
OPERATING REVENUES			
Sales & permits	\$ 4,123	\$ 7,012	\$ 11,135
Slip rentals	-	733,759	733,759
Utility charges	66,492	51,389	117,881
Rents and concessions	19,838	41,700	61,538
Rents - tideland leases	6,211	356,245	362,456
Rents - redwood terminal 2	787,969	-	787,969
Late fees and interest	2,100	9,185	11,285
Fields landing fees and rents	12,406	-	12,406
Harbor improvement surcharge	-	189,916	189,916
Pilotage services	26,980	11,059	38,039
Other revenue	21,003	11,972	32,975
	<u>947,122</u>	<u>1,412,237</u>	<u>2,359,359</u>
OPERATING EXPENSES			
Salaries and wages	467,734	326,434	794,168
Commissioner's fees	25,200	-	25,200
Imputed auto value	1,165	-	1,165
Payroll benefits	372,647	175,414	548,061
Advertising & promotion	3,329	1,032	4,361
Bad debt	37,359	52,856	90,215
Communications	18,368	14,399	32,767
Conference & meetings	4,606	40	4,646
Dues & subscriptions	49,924	50	49,974
Elections	84,741	-	84,741
Insurance	49,410	58,003	107,413
Automotive expenses	14,020	5,043	19,063
Office expenses	31,544	1,073	32,617
Operating supplies	13,807	-	13,807
Outside services	61,653	-	61,653
Professional services	100,439	25,002	125,441
Legal fees	31,940	-	31,940
Accounting fees	46,691	-	46,691
Rents and leases	882	-	882
Repairs and maintenance	148,146	68,762	216,908
Small tools	1,824	2,420	4,244
Utilities	253,058	131,250	384,308
Redwood terminal 2 expenses	221,005	-	221,005
Depreciation	435,978	421,014	856,992
	<u>2,475,470</u>	<u>1,282,792</u>	<u>3,758,262</u>
Total operating expenses			
Operating income (loss)	\$ (1,528,348)	\$ 129,445	(1,398,903)

HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT
STATEMENT OF REVENUES AND EXPENSES -
UNRESTRICTED AND TIDELANDS TRUST
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Unrestricted</u>	<u>Tidelands Trust</u>	<u>Total</u>
NONOPERATING REVENUES			
Cable landing fee	\$ -	\$ 200,000	\$ 200,000
Investment income	163,664	-	163,664
General property taxes	1,146,344	-	1,146,344
Federal revenues	149	-	149
Other government grants	178,467	580,903	759,370
Other nonoperating incomes	120,369	-	120,369
	<u>1,608,993</u>	<u>780,903</u>	<u>2,389,896</u>
Total nonoperating revenues			
NONOPERATING EXPENSES			
Interest expenses	110,465	96,127	206,592
Grant expenses	95,506	47,374	142,880
Other nonoperating expenses	2,234	-	2,234
	<u>208,205</u>	<u>143,501</u>	<u>351,706</u>
Total nonoperating expenses			
Net nonoperating revenues and expenses	<u>1,400,788</u>	<u>637,402</u>	<u>2,038,190</u>
CHANGE IN NET POSITION	(127,560)	766,847	639,287
NET POSITION, BEGINNING	<u>10,397,139</u>	<u>(2,628,401)</u>	<u>7,768,738</u>
RESTATEMENT	<u>(117,835)</u>	<u>-</u>	<u>(117,835)</u>
NET POSITION, BEGINNING, AS RESTATED	<u>10,279,304</u>	<u>(2,628,401)</u>	<u>7,650,903</u>
NET POSITION, ENDING	<u>\$ 10,151,744</u>	<u>\$ (1,861,554)</u>	<u>\$ 8,290,190</u>

HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT
STATEMENT OF REVENUES AND EXPENSES -
MARINA AND GENERAL
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Marina</u>	<u>General</u>	<u>Total</u>
OPERATING REVENUES			
Sales & permits	\$ 10,635	\$ 500	\$ 11,135
Rents and concessions	32,845	60,067	92,912
Slip rentals	476,434	6,736	483,170
Rents - tideland leases	-	362,456	362,456
Upland rent	149,342	638,627	787,969
Late fees and interest	9,185	2,100	11,285
Fields landing fees and rents	4,645	14,425	19,070
Harbor improvement surcharge	-	189,916	189,916
Dredging surcharge	143,125	10,200	153,325
Marina float replacement surcharge	62,920	-	62,920
Transient rentals	34,194	154	34,348
Utility charges	51,189	66,692	117,881
Other revenue	46	32,926	32,972
	<u>974,560</u>	<u>1,384,799</u>	<u>2,359,359</u>
Total operating revenues			
OPERATING EXPENSES			
Payroll and related cost	409,061	931,076	1,340,137
Commissioner's fees	-	25,200	25,200
Advertising & promotion	901	3,460	4,361
Automobile expenses	3,032	16,031	19,063
Bad debt	30,210	60,005	90,215
Communications	14,399	18,368	32,767
Conference & meetings	40	4,606	4,646
Dues & subscriptions	-	49,974	49,974
Elections	-	84,741	84,741
Insurance	43,535	63,878	107,413
Rent expenses	-	882	882
Office expenses	320	32,051	32,371
Operating supplies	8,622	5,185	13,807
Outside services	3,713	57,940	61,653
Engineering fees	-	91,492	91,492
Legal fees	-	31,940	31,940
Accounting fees	-	46,691	46,691
Planning services	-	33,949	33,949
Repairs and maintenance	38,096	182,315	220,411
Utilities	131,250	253,058	384,308
Redwood terminal 2 expenses	-	221,005	221,005
Small Tools	2,206	2,038	4,244
Depreciation	378,963	478,029	856,992
	<u>1,064,348</u>	<u>2,693,914</u>	<u>3,758,262</u>
Total operating expenses			
Operating income (loss)	<u>\$ (89,788)</u>	<u>\$ (1,309,115)</u>	<u>\$ (1,398,903)</u>

HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT
STATEMENT OF REVENUES AND EXPENSES -
MARINA AND GENERAL
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Marina</u>	<u>General</u>	<u>Total</u>
NONOPERATING REVENUES			
Investment income	\$ -	\$ 163,664	\$ 163,664
General property taxes	-	1,146,344	1,146,344
Other government grants	377,680	381,839	759,519
Other nonoperating incomes	816	319,553	320,369
	<u>378,496</u>	<u>2,011,400</u>	<u>2,389,896</u>
Total nonoperating revenues			
NONOPERATING EXPENSES			
Interest expenses	35,948	170,644	206,592
Grant expenses	500	142,380	142,880
Other nonoperating expenses	-	2,234	2,234
	<u>36,448</u>	<u>315,258</u>	<u>351,706</u>
Total nonoperating expenses			
Net nonoperating revenues and expenses	<u>342,048</u>	<u>1,696,142</u>	<u>2,038,190</u>
CHANGE IN NET POSITION	<u>\$ 252,260</u>	<u>\$ 387,027</u>	<u>\$ 639,287</u>

HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT
STATEMENT OF REVENUES AND EXPENSES -
BUDGET TO ACTUAL - MARINA
FOR THE YEAR ENDED JUNE 30, 2021

	Marina		
	Budget	Actual	Variance Favorable (Unfavorable)
OPERATING REVENUES			
Sales & permits	\$ 13,500	\$ 10,635	\$ (2,865)
Rents and concessions	41,500	32,845	(8,655)
Slip rentals	500,000	476,434	(23,566)
Upland rent	140,000	149,342	9,342
Transient rentals	120,000	34,194	(85,806)
Marina dredging surcharge	125,000	143,125	18,125
Marina float replacement surcharge	63,000	62,920	(80)
Utility charges	56,471	51,189	(5,282)
Fees and rents	8,500	4,645	(3,855)
Late fees and interest	13,000	9,185	(3,815)
Other revenues	30	46	16
	<u>1,081,001</u>	<u>974,560</u>	<u>(106,441)</u>
Total operating revenues			
OPERATING EXPENSES			
Payroll and related cost	573,909	409,061	164,848
Advertising & promotion	-	901	(901)
Bad debt	-	30,210	(30,210)
Communications	7,000	14,399	(7,399)
Conference & meetings	-	40	(40)
Dredging expense	150,000	-	150,000
Dues & subscriptions	500	-	500
Insurance	33,700	43,535	(9,835)
Automotive expenses	5,100	3,032	2,068
Office expenses	4,000	320	3,680
Operating supplies	14,000	8,622	5,378
Outside service	8,000	3,713	4,287
Engineering fees	1,000	-	1,000
Accounting fees	8,300	-	8,300
Repairs and maintenance	41,300	38,096	3,204
Utilities	220,000	131,250	88,750
Small tools	2,000	2,206	(206)
Other operating expense	45,000	-	45,000
Depreciation	-	378,963	(378,963)
	<u>1,113,809</u>	<u>1,064,348</u>	<u>49,461</u>
Total Operating Expenses			
Operating income (loss)	<u>\$ (32,808)</u>	<u>\$ (89,788)</u>	<u>\$ (56,980)</u>

HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT
STATEMENT OF REVENUES AND EXPENSES -
BUDGET TO ACTUAL - MARINA
FOR THE YEAR ENDED JUNE 30, 2021

	Marina		
	Budget	Actual	Variance Favorable (Unfavorable)
NONOPERATING REVENUES:			
Other government grants	\$ -	\$ 377,680	\$ 377,680
Other nonoperating incomes	-	816	816
Total nonoperating revenues	<u>-</u>	<u>378,496</u>	<u>378,496</u>
NONOPERATING EXPENSES:			
Grant Expenses	-	500	(500)
Interest expenses	100,000	35,948	64,052
Other nonoperating expenses	1,000	-	1,000
Total nonoperating expenses	<u>101,000</u>	<u>36,448</u>	<u>64,552</u>
Net nonoperating revenues and expenses	<u>(101,000)</u>	<u>342,048</u>	<u>443,048</u>
CHANGE IN NET POSITION	<u>\$ (133,808)</u>	<u>\$ 252,260</u>	<u>\$ 386,068</u>

HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT
STATEMENT OF REVENUES AND EXPENSES -
BUDGET TO ACTUAL - GENERAL
FOR THE YEAR ENDED JUNE 30, 2021

	General		
	Budget	Actual	Variance Favorable (Unfavorable)
OPERATING REVENUES			
Sales & permits	\$ 2,000	\$ 500	\$ (1,500)
Slip rentals	-	6,736	6,736
Rents and concessions	24,000	60,067	36,067
Rents - tideland leases	307,000	362,456	55,456
Upland rent	671,500	638,627	(32,873)
Late fees and interest on past due accounts	2,200	2,100	(100)
Fees and rents	46,200	14,425	(31,775)
Harbor improvement surcharge	150,000	189,916	39,916
Transient rentals	-	154	154
Utility charges	66,836	66,692	(144)
Cable landing fees	-	-	-
Other revenues	32,350	32,926	576
Dredging surcharge	15,000	10,200	(4,800)
	<u>1,317,086</u>	<u>1,384,799</u>	<u>67,713</u>
Total operating revenues			
OPERATING EXPENSES:			
Payroll and related cost	826,206	931,076	(104,870)
Commissioner's fees	25,200	25,200	-
Advertising and promotion	-	3,460	(3,460)
Bad debt	-	60,005	(60,005)
Communications	17,200	18,368	(1,168)
Conference & meetings	7,000	4,606	2,394
Dues & subscriptions	62,500	49,974	12,526
Elections	50,000	84,741	(34,741)
Insurance	58,800	63,878	(5,078)
Automotive expenses	22,100	16,031	6,069
Office expenses	14,000	32,051	(18,051)
Operating supplies	2,750	5,185	(2,435)
Outside services	47,850	57,940	(10,090)
Engineering fees	29,000	91,492	(62,492)
Legal fees	35,000	31,940	3,060
Accounting fees	41,000	46,691	(5,691)
Planning services	30,000	33,949	(3,949)
Repairs and maintenance	165,800	182,315	(16,515)
Utilities	247,500	253,058	(5,558)
Rent expense	-	882	(882)
Redwood terminal 2 expenses	205,632	221,005	(15,373)
Small tools	1,750	2,038	(288)
Depreciation	-	478,029	(478,029)
Other expenses	78,727	-	78,727
	<u>1,968,015</u>	<u>2,693,914</u>	<u>(725,899)</u>
Total operating expenses			
Operating income (loss)	<u>\$ (650,929)</u>	<u>\$ (1,309,115)</u>	<u>\$ (658,186)</u>

HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT
STATEMENT OF REVENUES AND EXPENSES -
BUDGET TO ACTUAL - GENERAL
FOR THE YEAR ENDED JUNE 30, 2021

	General		
	Budget	Actual	Variance Favorable (Unfavorable)
NONOPERATING REVENUES			
Investment income	\$ 173,950	\$ 163,664	\$ (10,286)
General property taxes	1,107,465	1,146,344	38,879
Federal revenues	-	-	-
Other government grants	71,274	381,839	310,565
Other nonoperating incomes	121,000	319,553	198,553
Total nonoperating revenues	<u>1,473,689</u>	<u>2,011,400</u>	<u>537,711</u>
NONOPERATING EXPENSES			
Interest expenses	638,071	170,644	467,427
Grant expenses	25,273	142,380	(117,107)
Capital Expenditure	-	-	-
Other nonoperating expenses	5,000	2,234	2,766
Total nonoperating expenses	<u>668,344</u>	<u>315,258</u>	<u>353,086</u>
Net nonoperating revenues and expenses	<u>805,345</u>	<u>1,696,142</u>	<u>890,797</u>
CHANGE IN NET POSITION	<u>\$ 154,416</u>	<u>\$ 387,027</u>	<u>\$ 232,611</u>

COMPLIANCE SECTION

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
*GOVERNMENT AUDITING STANDARDS***

To the Board of Commissioners
Humboldt Bay Harbor, Recreation and Conservation District
Eureka, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of Humboldt Bay Harbor, Recreation and Conservation District (the "District"), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 21, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency* in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Harshwal & Company LLP

Oakland, California
December 21, 2021

**HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2021**

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified that are not considered to be material weakness?	None reported
• Noncompliance material to financial statements noted?	No

SECTION II - FINANCIAL STATEMENTS FINDINGS

There are no findings in the current year report.

**HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT
STATUS OF PRIOR YEAR'S FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2021**

No matters were reported in prior years.



COMMISSIONERS
1st Division
Aaron Newman
2nd Division
Greg Dale
3rd Division
Stephen Kullmann
4th Division
Richard Marks
5th Division
Patrick Higgins

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

STAFF REPORT
HARBOR DISTRICT MEETING
February 10, 2022

TO: Honorable Board President and Harbor District Board Members

FROM: Larry Oetker, Executive Director

DATE: February 4, 2022

TITLE: Consider Introducing Amendment NO: 4 to Ordinance NO. 10: An Amendment to Ordinance 10 of the Humboldt Bay Harbor, Recreation and Conservation District Amending and Adjusting the Boundaries of the Election Divisions of the Humboldt Bay Harbor, Recreation, and Conservation District

STAFF RECOMMENDATION: Staff Recommends that the Commission: Introduce Amendment NO. 4 to Ordinance NO. 10 and consent to read by title only.

SUMMARY: The proposed amendment would retain the District election boundaries in the same location with no changes. According to the Harbors and Navigation Code the boundaries of all election divisions for the Harbor District Commissioners shall be adjusted following each decennial federal census.

DISCUSSION: The current election boundaries of the Harbor District mirror the County Board of Supervisors election boundaries. Over the last year, the boundaries of the County Board of Supervisors have been reviewed by the community and Board of Supervisors in great detail. After their review, the Board of Supervisors decided to keep the election boundaries the same.

If Amendment NO.4 is adopted, “the boundaries of all of the election divisions of the Humboldt Bay Harbor, Recreation and Conservation District will mirror the County of Humboldt Supervisorial Districts and are established and fixed as set forth in Chapter 2 of Title II the Humboldt County Code.”

If the Commission Introduces the Ordinance, the adoption of the Ordinance will be placed on the March 10th regular Commission meeting.

ATTACHMENTS:

A Draft Amendment NO: 4 to Ordinance NO. 10

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

. . . .

AMENDMENT NO. 4 TO ORDINANCE NO. 10

**AN AMENDMENT TO ORDINANCE 10 OF THE HUMBOLDT BAY HARBOR,
RECREATION AND CONSERVATION DISTRICT AMENDING AND ADJUSTING
THE BOUNDARIES OF THE ELECTION DIVISIONS OF THE HUMBOLDT BAY
HARBOR, RECREATION AND CONSERVATION DISTRICT**

. . . .

**THE BOARD OF COMMISSIONERS OF THE HUMBOLDT BAY HARBOR,
RECREATION AND CONSERVATION DISTRICT DOES HEREBY AMEND
ORDINANCE NO. 10 TO READ AS FOLLOWS:**

Section 1. That pursuant to the provisions of Section 16.1, Appendix 2, of the California Harbors and navigation Code, the boundaries of all of the election divisions of the Humboldt Bay Harbor, Recreation and Conservation District will mirror the County of Humboldt Supervisorial Districts and are established and fixed as set forth in Chapter 2 of Title II the Humboldt County Code.

Section 2. This ordinance shall become effective thirty (30) days from the date of its publication in the Times Standard newspaper, eureka, California, a daily newspaper of general circulation.

**THIS AMENDMENT TO ORDINANCE NO. 10 PASSED AND ADOPTED THIS
10th DAY OF MARCH 2022, BY THE BOARD OF COMMISSIONERS OF THE
HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT BY
THE FOLLOWING POLLED VOTE:**

AYES:

NOES:

ABSENT:

ABSTAIN

Greg Dale, President
Board of Commissioners

ATTEST:

Richard Marks, Secretary
Board of Commissioners

COMMISSIONERS

1st Division

Aaron Newman

2nd Division

Greg Dale

3rd Division

Stephen Kullmann

4th Division

Richard Marks

5th Division

Patrick Higgins

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



STAFF REPORT
HARBOR DISTRICT MEETING
February 10, 2022

TO: Honorable Board President and Harbor District Board Members

FROM: Larry Oetker, Executive Director

DATE: February 4, 2022

TITLE: Consider Approval of Amendment No. 1 to the Tuluwat Island Wetland Mitigation Project Agreement with CalTrans

STAFF RECOMMENDATION: 1) Approve terms related to Amendment No. 1 of the Tuluwat Island Wetland Mitigation Project (Project) Cooperative Agreement; 2) Authorize the District Attorney to make nonmaterial amendments to the Agreement as may be required by CalTrans; 3) Authorize the Executive Director to execute the amendment and contracts based on these terms; and 4) Bring the final agreement back to the Board for public disclosure.

SUMMARY: On March 4, 2021 the Harbor District entered a cooperative agreement with Caltrans related to implementation of the Tuluwat Island Wetland Mitigation Project. On September 9, 2021 the Board conditionally approved a contract with the Redwood Community Action Agency (RCAA) to implement the project with the Wiyot Tribe to provide cultural monitoring pending approval of the attached funding agreement.

DISCUSSION Terms for Amendment to the Tuluwat Island Wetland Mitigation Project Cooperative Agreement

- District costs to be reimbursed by Caltrans shall not exceed 13% of total Project costs \$774,724.
- Harbor District will contract with the Wiyot Tribe to provide a Tribal Monitor for the Project for a cost not to exceed \$230,572.
- Harbor District will contract with RCAA to implement the Project for a cost not to exceed \$5,728,843.
- Caltrans shall adjust the contract amount upwards to include additional labor costs as may be required by prevailing wage laws.

ATTACHMENTS:

- A Tuluwat Island Wetland Mitigation Project Amendment will be provided as a supplemental agenda packet by 5:00 pm on Wednesday February 9th

COMMISSIONERS
1st Division
Aaron Newman
2nd Division
Greg Dale
3rd Division
Stephen Kullmann
4th Division
Richard Marks
5th Division
Patrick Higgins

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



STAFF REPORT
HARBOR DISTRICT MEETING
February 10, 2022

TO: Honorable Board President and Harbor District Board Members

FROM: Larry Oetker, Executive Director

DATE: February 4, 2022

TITLE: Consider Adding a Commercial Fishing Subcommittee and a Volunteer Fireboat Board Liaison

STAFF RECOMMENDATION: Staff recommends that the Board: 1) Review the list of current subcommittees; 2) establish a new Commercial Fishing Subcommittee; and 3) Assign Aaron Newman as the Board Liaison to the Volunteer Fireboat Program; and 4) Make any other changes to current at the Board’s discretion.

SUMMARY: Subcommittees serve an important role for the Harbor District and the Board of Commissioners to gather information and recommend action on important issues. Subcommittees are formed as needed throughout the year. For specific items the Board may also appoint a Board member to be the official “Liaison” to an organization or group.

DISCUSSION: Commissioner Newman is an active and fully licensed fireboat captain. His volunteer services have greatly assisted the District and as Staff request that he be appointed as the official Board Liaison to the Fireboat Captain Program. The Harbor District has several large projects, programs, properties, and assets that directly and indirectly impact the Commercial Fishing Industry. Staff recommends that the Board appoint two Commission members to a new Ad-Hoc Commercial Fishing Subcommittee. If formed, the new subcommittee will work with staff on Commercial Fishing and Charter Boat issues.

ATTACHMENTS:

- A.** Active Subcommittees list



**Humboldt Bay Harbor, Recreation and Conservation District
Active Subcommittees
2022**

Humboldt Bay Development Association

Marks and Higgins
Zerlang, Slattery & _____

**Budget
(Ad-Hoc)**

Dale and Kullmann

**Labor Relations
(Ad-Hoc)**

Dale and Kullmann

**Dredging
(Ad-Hoc)**

Higgins and Newman

**Shelter Cove/RID
(Ad-Hoc)**

Dale and Higgins

**Samoa Peninsula Infrastructure/
Offshore Wind Energy Subcommittee
(Ad-Hoc)**

Est. 08/13/2020

Marks and Dale

**2x2 Committee (Eureka/Harbor District)
(Ad-Hoc)**

Marks and Newman

**Pilotage Advisory Subcommittee
(Staff Working Group, Ad-Hoc)**

Est. 12/09/2021

Dale and Newman

Captain Petrusha, Captain Powell and Pete
Jackson