

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

**DATE:** March 27, 2014

**TIME:** 5:30 p.m. Closed Session  
7:00 p.m. Regular Session

**PLACE:** Woodley Island Marina Meeting Room

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

**1. Call to Order at 5:30 p.m.**

- a. Move to Executive Closed Session pursuant to the provisions of the California Government Code Sections 54957.6 (Negotiations with Represented Employees) and 54956.8 (Conference with Real Property Negotiator)

1. Conference with Labor Negotiator

Agency Negotiator: Commissioner Richard Marks, Board President; Commissioner Greg Dale; Jack Crider, Chief Executive Officer; Paul Brisso, District Counsel.

Employee organization: International Longshore and Warehouse Union, Local 14A.

Administrative staff salary raises 2013/14

2. Conference with Real Property Negotiator

Agency Negotiators: Commissioner Richard Marks, Board President; Commissioner Mike Wilson; Jack Crider, Chief Executive Officer; Paul Brisso, District Counsel.

Under Negotiation: Freshwater Tissue, DG Fairhaven Power, Coast Seafood Collateral, Recovery Boiler Sale.

**2. Adjourn Executive Closed Session**

**3. Call to Order Regular Session at 7:00 p.m. and Roll Call**

**4. Pledge of Allegiance**

**5. Report on Executive Closed Session**

**6. Public Comment**

*Note: This portion of the Agenda allows the public to speak to the Board on various issues not itemized on this agenda. A member of the public may also request that a matter*

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

**7. Consent Calendar**

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

**8. Communications and Reports**

- a. Chief Executive Officer's Report
  - 1. Redwood Terminal 2 Cleanup Update – Steve Calanog EPA
- b. Staff Reports
- c. District Counsel's and Treasurer's Report
- d. Commissioner and Committee Reports
- e. Environmental Law Conference May 2, 2014 – Climate Change – Paul Hagen

**9. Non Agenda**

**10. Unfinished Business**

**11. New Business**

- a. Consideration of Commercial Broker Listing Contract.
- b. Consideration of Lease with AgriMarine for aquaponics pilot project Terminal 1.
- c. Consideration of hiring Brooks Appraisal Services for Terminal 2 buildings.
- d. Discussion to purchase a dredge – Leroy Zerlang.

**12. Administrative and Emergency Permits**

**12. ADJOURNMENT**





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# REGISTRATION FORM

Note: One registrant per form. Photocopies may be used.

Bar Number: \_\_\_\_\_

Name: \_\_\_\_\_

Firm: \_\_\_\_\_

Firm Address: \_\_\_\_\_

City, State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

Phone Number: \_\_\_\_\_ Fax Number: \_\_\_\_\_

Email Address: \_\_\_\_\_

(Required for email confirmation)

## REGISTRATION FEES (due by April 25, 2014)

- \$85** Environmental Law Section Members
- \$180** Non-Section Members  
(includes enrollment in the Environmental Law Section for 2014)
- \$65** Government/Non-Profit Attorney
- \$45** General Public

**AMOUNT ENCLOSED OR TO BE CHARGED** \$ \_\_\_\_\_

## CREDIT CARD INFORMATION (VISA/MasterCard Only)

I authorize the State Bar of California to charge my program registration to my VISA/MasterCard account. (No other credit card will be accepted.)

Account Number: \_\_\_\_\_  
(VISA or MasterCard only)

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Cardholder's Name: \_\_\_\_\_

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**Deadline:** In order to pre-register, your form and check, payable to the State Bar of California, or credit card information, must be received by April 25, 2014.

**Register Online:** [www.calbar.ca.gov/enviro](http://www.calbar.ca.gov/enviro)

**Mail To:** Program Registrations, State Bar of California,  
180 Howard Street, San Francisco, CA 94105.

**Fax To:** Program Registration at (415) 538-2368. In order to fax your registration, credit card information is MANDATORY.  
**(Photocopies of checks will NOT be accepted.)**

The State Bar of California and the Environmental Law Section are approved State Bar of California MCLE providers.

Register Online [www.calbar.ca.gov/enviro](http://www.calbar.ca.gov/enviro)



# PROGRAM SCHEDULE

## REGISTRATION

8:00 a.m.

## INTRODUCTION

8:40 a.m. – 9:00 a.m.

Welcome to "Your Voice, Your Future" conference. Introduction to the meaning of the North Coast as a place, what is happening in this place, and how our decisions here are tied to other and larger places and decisions.

Speaker: Paul Hagen, Advisor, Executive Committee of State Bar Environmental Law Section; Environmental Lawyer, Isola Law Group, Arcata, CA

## OUR HOMELAND

9:00 a.m. – 9:45 a.m.

A presentation of local Native American stories about the world and its changing; discussion of the Karuk and other Tribes' efforts to protect the Klamath River.

Speaker(s): Amos Tripp, Tribal Council Member, Karuk Tribe

## BREAK

9:45 a.m. – 10:00 a.m.

## THE TRAGEDY OF THE EMERALD TRIANGLE'S COMMONS: THE DEVASTATION OF MARIJUANA CULTIVATION

10:00 a.m. – 11:15 a.m.

A discussion of the known ecological destruction wrought on the North Coast and across the state by marijuana cultivation sites, and the tools that exist to fight it. A look at law enforcement's need for multi-agency coordination, and distinctions as to agencies' focus regarding "cartel" grows on public lands v. Proposition 215-compliant grows on private lands.

Speaker(s): Cris Carrigan, Director, State Water Resources Control Board's Office of Enforcement  
Scott Bauer, Senior Environmental Scientist (Specialist),  
Coho Recovery, Coastal Conservation Planning, California Department of Fish and Wildlife.

## BREAK

11:15 a.m. – 11:30 a.m.

## CALIFORNIA WATER RESOURCES, STRATEGIC PLANNING, AND THE DROUGHT

11:30 a.m. – 12:45 p.m.

This panel presents two major overviews: From the Department of Water Resources we have the laws and policies explaining California's water resources and strategic water planning activities, including the DWR "Water Plan," the Governor's "Water Action Plan," and Integrated Regional Water Management (statewide and North Coast); from the State Water Resources Control Board comes the historic significance of the drought, particularly in reference to the North Coast, and a discussion of the laws and policies which manage the State's programs and efforts to optimize water in a severely curtailed situation, as well as this year's legislation for funds to assist with examples of projects funded or in queue.



Speaker(s): Curtis Anderson, Chief, Northern Region Office, Department of Water Resources  
Steve Moore, Member, State Water Resources Control Board

## LUNCH (PROVIDED)

12:45 p.m. – 1:30 p.m.

## RECOMMENCEMENT

1:30 p.m. – 1:45 p.m.

Recap of the morning; introduction to California's response to climate change and its vision via Mitigation and Adaptation, and what we on the North Coast can do.

Speaker: Paul Hagen, Advisor, Executive Committee of State Bar Environmental Law Section; Environmental Lawyer, Isola Law Group, Arcata, CA

## CALIFORNIA'S VISION OF CLIMATE CHANGE: MITIGATION AND ADAPTATION

1:45 p.m. – 3:15 p.m.

A report from the Air Resources Board and the Governor's Office of Emergency Services on the State's administrative initiatives and vision to address climate change. From the ARB's mitigation efforts, the "Climate Action Plan," AB 32, the view to 2020 and beyond; from the OES, "Safeguarding California," the State's climate adaptation strategy now under development; how these plans pertain to the North Coast.

Speaker(s) Johnnie Raymond, Air Pollution Specialist, Stationary Source Division, California Air Resources Board

Tina Curry, Deputy Director, Governor's Office of Emergency Services

## BREAK

3:15 p.m. – 3:30 p.m.

## THE RISING SEA: STRATEGIES TO PROTECT OUR COASTS

3:30 p.m. – 5:00 p.m.

Rising sea levels and more damaging storms threaten the California coast. Coastal planners and decision makers have the opportunity to adapt to this threat while securing benefits from natural coastal habitats. This panel explores current adaptation approaches and survey results of public perception of coastal adaptation strategies, and discusses how sustaining agricultural practices is feasible in the face of projected sea level rise, provided environmental laws do not constrain property owners' adaptive capacity.

Speaker(s) Meg Caldwell, Executive Director, Center for Ocean Solutions and Director, Environmental and Natural Resources Law and Policy Program, Stanford University

Aldaron Laird, Adaptation Planner, Humboldt Bay Sea Level Rise Adaptation Planning Project

## CLOSING REMARKS

5:00 p.m. – 5:15 p.m.

Speaker: Paul Hagen, Advisor, Executive Committee of State Bar Environmental Law Section; Environmental Lawyer, Isola Law Group, Arcata, CA



# REGISTRATION INFORMATION

## **PRE-REGISTRATION DEADLINE:**

In order to pre-register, your form and check, payable to the State Bar of California, or credit card information, must be received by April 25, 2014.

## **ON-LINE REGISTRATION:**

Register online at [www.calbar.ca.gov/enviro](http://www.calbar.ca.gov/enviro). Online registration closes after April 25, 2014.

## **MAIL:**

Mail to Program Registration, State Bar of California, 180 Howard Street, San Francisco CA 94105.

## **FAX:**

Fax to (415) 538-2368. Credit card payment is required.

## **CANCELLATIONS & REFUNDS:**

Requests must be received in writing by April 25, 2014. A \$25 processing fee will be charged. Refunds will not be available after April 25, 2014.

## **ON-SITE REGISTRATION:**

On-site registration is subject to availability. Call to confirm space availability.

## **MCLE:**

The State Bar of California and the Environmental Law Section are State Bar of California approved MCLE Providers.

## **QUESTIONS:**

For registration information call (415) 538-2508. For information regarding the program call (415) 538-2582.



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## REQUEST FOR PROPOSAL FOR COMMERCIAL REAL ESTATE BROKER SERVICES

The Humboldt Bay Harbor, Recreation and Conservation District (District) is requesting a proposal for services of a Commercial Real Estate Broker (Broker) to help in the design, property lease evaluation and tenant search for the Redwood Terminal 2 in Samoa, California. Proposals are due on Thursday, March 27, 2014 at 12:00 PM at the offices of the Humboldt Bay Harbor, Recreation and Conservation District at; 601 Startare Drive Eureka, CA 95501.

Services provided will include but are not limited to:

- Compare commercial warehouse space and industrial yard area with similar properties that have recently leased, in order to determine its competitive market price.
- Market available commercial warehouse space and industrial yard area through electronic media and non-electronic media.
- Act as an intermediary in negotiations with potential Tenants over lease prices and other lease details.
- Monitor lease contract terms to ensure that they are handled in a timely manner.
- Complete lease agreements between parties in order to reflect the contractual obligations by each party (Landlord and Tenant).
- Site repair and upgrade evaluation.

Qualifications:

-Must have a California real estate license and have knowledge of laws, legal codes, government regulations, and agency rules that would apply to leasing commercial property in California.

\*\*Please include proposed fee/commission schedule in proposal.

The District Reserves the right to check and evaluate professional qualifications and references of the Broker. The District reserves the right to accept any responsive and reasonable proposal from the Broker. Proposed candidates will be discussed by the District Board of Commissioners in a regularly scheduled public meeting. Award for contracted services with the Broker is to be announced no later than March 28, 2014. Award for these services is subject to the sole determination of the District. The District reserves the right to withhold award and re-request proposals at their sole discretion.

Questions shall be directed to Jack Crider, District CEO by phone (707)443-0801 or by email [jcrider@humboldtby.org](mailto:jcrider@humboldtby.org)

**COMMERCIAL LEASE**

**DRAFT**

**Date:**

**Between:** **Humboldt Bay Harbor, Recreation & Conservation District**  
P.O. Box 1030  
Eureka, CA 95502-1030  
("District")

**And:** **ArgiMarine Holdings Inc.** ("Tenant")

**Area: Redwood Marine Terminal Berth 1.**

District leases to Tenant and Tenant leases from District the following described property (the "Premises") on the terms and conditions stated below:

**Aquaponics Pilot Project, Greenhouse and Aquaponics System**

**Section 1. Occupancy**

**1.1 Original Term.** The term of this lease shall be April1, 2014, to, April 1, 2015 unless sooner terminated as hereinafter provided.

**1.2 Possession.** Tenant's right to possession and obligations under the lease shall commence on April1, 2014.

**1.3 Renewal Option.** If the lease is not in default at the time each option is exercised or at the time the renewal term is to commence, Tenant shall have the option



to renew this lease for one successive term, as follows:

- (1) The renewal term shall commence on the day following expiration of the initial term.
- (2) The option may be exercised by written notice to District given not less than 120 days prior to the last day of the initial term. The giving of such notice shall be sufficient to make the lease binding for the renewal term without further act of the parties. District and Tenant shall then be bound to take the steps required in connection with the determination of rent as specified below.
- (3) The terms and conditions of the lease for the renewal term shall be identical with the original term except for rent and except that Tenant will no longer have any option to renew this lease that has been exercised and rent for the renewal term shall be the fair market rental value of similar land and facilities.

## **Section 2. Rent**

**2.1 Base Rent.** During the original term, Tenant shall pay no rent to the District. Tenant shall be responsible for all monthly utilities.

**2.2 Security Deposit.** To secure Tenant's compliance with all terms of this lease, Tenant will purchase a Surety bond in the amount of \$10,000 as a payment guarantee for electrical and water as well as the removal of any private property at the end of the lease period. The bond shall be a debt from District to Tenant, refundable within 30 days after expiration of the lease term or other termination not caused by Tenant's default. District shall have the right to offset against the bond any sums owing from Tenant to District and not paid when due, any damages caused by Tenant's default, the cost of curing any default by Tenant should District elect to do so, and the cost of

performing any repair or cleanup that is Tenant's responsibility under this lease. Offset against the bond shall not be an exclusive remedy in any of the above cases, but may be invoked by District, at its option, in addition to any other remedy provided by law or this lease for Tenant's nonperformance. District shall give notice to Tenant each time an offset is claimed against the bond, and, unless the lease is terminated, Tenant shall within 10 days after such notice deposit with District a sum equal to the amount of the offset so that the total deposit amount, net of offset, shall remain constant throughout the lease term.

**2.3 Additional Rent.** All taxes, insurance costs, utility charges that Tenant is required to pay by this lease, and any other sum that Tenant is required to pay to District or third parties shall be additional rent.

**2.4 Late Charges.** Tenant acknowledges that late payment of any rent or other payment required by this lease from Tenant to District will result in costs to District, the extent of which is extremely difficult and economically impractical to ascertain. Tenant therefore agrees that if Tenant fails to make any rent or other payment required by this lease to be paid to District within ten days of the date it is due, District shall impose a late charge of five percent (5%) of the overdue payment, to reimburse District for the cost of collecting the overdue payment. District may levy and collect a late charge in addition to all other remedies available for Tenant's default, including but not limited to interest, and collection of a late charge shall not be in lieu of nor shall it waive the breach caused by the late payment.

**2.5 Renewal Term Rent.** If Tenant exercises its option for the renewal term, a base rent will be set in addition to the Additional Rent items included in 2.3 above. The parties will negotiate between the time of the notice of exercise of the option to renew and the start of the renewal term to set the base rent amount, which shall be the fair market rental value of similar real property and facilities. If the parties cannot agree on the fair market rental value the rent shall be set by binding arbitration pursuant to the procedure set forth in Section 15, below.



**Section 3. Use of the Premises**

**3.1 Permitted Use.** The Premises shall be used for Aquaponics purposes only, and for no other purpose without the consent of Landlord, which consent shall not be withheld unreasonably. However, the facilities shall not be used for the cultivation of marijuana, even if such use is deemed legal pursuant to local or state laws or policies. If Aquaponics purposes are prohibited by law or governmental regulation, or if a higher and better use required by the zoning of the Premises is developed, this lease shall terminate on 180 days notice to Tenant.

**3.2 Restrictions on Use.** In connection with the use of the Premises, Tenant shall:

- (1) Conform to all applicable laws and regulations of any public authority affecting the premises and the use, and correct at Tenant's own expense any failure of compliance created through Tenant's fault or by reason of Tenant's use, but Tenant shall not be required to make any structural changes to effect such compliance [unless such changes are required because of Tenant's specific use].
- (2) Refrain from any activity that would make it impossible to insure the Premises against casualty, would increase the insurance rate, or would prevent District from taking advantage of any ruling of the California Insurance Rating Bureau, or its successor, allowing District to obtain reduced premium rates for long-term fire insurance policies, unless Tenant pays the additional cost of the insurance.
- (3) Refrain from any use that would be reasonably offensive to other tenants or owners or users of neighboring premises or that would tend to create a nuisance or damage the reputation of the Premises.
- (4) Refrain from loading the electrical system or floors beyond the point considered safe by a competent engineer or architect selected by District.
- (5) Refrain from making any marks on or attaching any sign, insignia,

antenna, aerial, or other device to the exterior or interior walls, windows, or roof of the premises without the written consent of District.

- (6) Tenant shall not cause or permit any Hazardous Substance to be spilled, leaked, disposed of, or otherwise released on or under the Premises. Tenant may use or otherwise handle on the Premises only those Hazardous Substances typically used or sold in the prudent and safe operation of the business specified in Section 3.1. Tenant may store such Hazardous Substances on the Premises only in quantities necessary to satisfy Tenant's reasonably anticipated needs. Tenant shall comply with all Environmental Laws and exercise the highest degree of care in the use, handling, and storage of Hazardous Substances and shall take all practicable measures to minimize the quantity and toxicity of Hazardous Substances used, handled, or stored on the Premises. Upon the expiration or termination of this lease, Tenant shall remove all Hazardous Substances from the Premises. The term Environmental Law shall mean any federal, state, or local statute, regulation, or ordinance or any judicial or other governmental order pertaining to the protection of health, safety or the environment. The term Hazardous Substance shall mean any hazardous, toxic, infectious or radioactive substance, waste, and material as defined or listed by any Environmental Law and shall include, without limitation, petroleum oil and its fractions.

**3.3 Maintenance.** Tenant shall be responsible, at Tenant's cost, to maintain and repair all premises and facilities owned by District during the term of this lease, including but not limited to all tanks, pumps, plumbing, and related equipment. Said premises and facilities shall be returned to the District in their original condition at the end of the lease, normal wear and tear excluded.



## **Section 4. Common Areas**

**4.1 Tenant's Use.** Tenant, its customers, agents and invitees shall have the non-exclusive right to use areas designated by District as common areas. "Common areas" means any parking areas, roadways, sidewalks, landscaped areas, security areas and any other areas owned by District where such areas have been designated or may be designated in the future by District as areas to be used by the general public or in common by tenants.

**4.1 District's Rights.** With respect to the common areas the District reserves the following rights;

- (1) To establish reasonable rules and regulations for the use of the common areas;
- (2) To close all or any portion of the common areas to make repairs or changes;
- (3) To construct, alter, or remove buildings or other improvements in the common areas and to change the layout of such common areas, including the right to add to or subtract from their shape and size or to eliminate such common areas;
- (4) To exercise any of District's governmental powers over the common areas;  
and
- (5) To grant the right to use the common areas to third parties.

## **Section 5. Property Insurance**

**5.1 Insurance Required.** District shall keep the real property improvements of the Premises insured at District's expense against fire and other property damage and loss risks covered by a standard fire insurance policy with an endorsement for extended coverage. Tenant shall bear the expense of any insurance insuring the

personal property, equipment and fixtures of Tenant on the Premises against such risks but shall not be required to insure. District shall not be liable to Tenant for any loss or damage to Tenant's personal property, equipment or fixtures.

**5.2 Waiver of Subrogation.** Tenant shall not be liable to the District or to its successors or assigns for any property loss or property damage caused by fire or any of the risks enumerated in a standard fire insurance policy with an extended coverage endorsement, and in the event of insured loss, District's insurance company shall not have a subrogated claim against the Tenant. This waiver shall be valid only if the insurance policy in question expressly permits waiver of subrogation or if the insurance company agrees in writing that such a waiver will not affect coverage under the policies. Nothing in this provision shall be construed to waive any rights of District against Tenant for losses or damages to the premises that are caused by Tenant's negligence or for which the Tenant is otherwise legally liable, if such damage or loss is not covered by insurance.

## **Section 6. Taxes; Utilities**

**6.1 Property Taxes and Assessments.** Tenant shall pay as due all taxes on its personal property located on the Premises. Tenant shall pay as due all real property taxes and special assessments levied against the Premises before the same become past due. As a public entity, District does not pay property taxes, but Tenant will be assessed directly by the County a possessory use tax on the leasehold premises. Tenant shall provide District, on or before May 15 of each year, with proof of payment of all taxes and any other assessments.

## **Section 7. Damage and Destruction**

**7.1 Partial Damage.** If the Premises are partly damaged other than through



the fault of the Tenant and Section 7.2 does not apply, the Premises shall be repaired by District at District's expense. Repairs shall be accomplished within a reasonable time.

**7.2 Destruction.** If the Premises are destroyed or damaged other than through the fault of the Tenant such that the cost of repair exceeds 50% of the value of the structure before the damage, either party may elect to terminate the lease as of the date of the damage or destruction by notice given to the other in writing not more than 45 days following the date of damage. In such event all rights and obligations of the parties shall cease as of the date of termination, and Tenant shall be entitled to the reimbursement of any prepaid amounts paid by Tenant and attributable to the anticipated term. If neither party elects to terminate, District shall proceed to restore the Premises to substantially the same form as prior to the damage or destruction. Work shall be commenced and completed within a reasonable time.

**7.3 Rent Abatement.** Rent shall be abated during the repair of any damage to the extent the premises are untenable, except that there shall be no rent abatement where the damage occurred as the result of the fault of Tenant. Rent abatement will not apply to Additional Rent within the meaning of section 2.3 above.

**7.4 Damage Late in Term.** If damage or destruction to which Section 7.2 would apply occurs within one year before the end of the then-current lease term, Tenant may elect to terminate the lease by written notice to District given within 30 days after the date of the damage. Such termination shall have the same effect as termination by Landlord.

## **Section 8. Liability and Indemnity**

### **8.1 Liens**

- (1) Except with respect to activities for which District is responsible, Tenant shall pay as due all claims for work done on and for services

rendered or material furnished to the Premises, and shall keep the Premises free from any liens. If Tenant fails to pay any such claims or to discharge any lien, District may do so and collect the cost as additional rent. Any amount so added shall bear interest at the rate of 9% per annum from the date expended by District and shall be payable on demand. Such action by District shall not constitute a waiver of any right or remedy which District may have on account of Tenant's default.

- (2) Tenant may withhold payment of any third party claim in connection with a good-faith dispute over the obligation to pay the third party, as long as District's property interests are not jeopardized. If a lien is filed as a result of nonpayment, Tenant shall, within 10 days after knowledge of the filing, secure the discharge of the lien or deposit with District cash or sufficient corporate surety bond or other surety satisfactory to District in an amount sufficient to discharge the lien plus any costs, attorney fees, and other charges that could accrue as a result of a foreclosure or sale under the lien.

**8.2 Indemnification.** Tenant shall indemnify and defend District from any claim, loss, or liability arising out of or related to any activity of Tenant or its customers, invitees, employees, or contractors on the Premises or any condition of the Premises in the possession or under the control of Tenant. District shall have no liability to Tenant for any injury, loss, or damage caused by third parties, or by any condition of the Premises. District has no obligation or duty to provide security for the premises or Tenant's property. Tenant shall inspect the premises upon taking possession, and shall notify District in writing within three days of any condition of the premises Tenant believes constitutes a hazard or dangerous condition of the property. Failure to provide such a notice shall constitute an agreement by the Tenant that there is no such hazard or dangerous condition for which the District is responsible.



**8.3 Liability Insurance.** Before going into possession of the Premises, Tenant shall procure and thereafter during the term of the lease shall continue to carry the comprehensive general liability insurance in a responsible company with limits of not less than \$1,000,000 for injury to one person, \$2,000,000 for injury to two or more persons in one occurrence, and \$1,000,000 for damage to property. Such insurance shall cover all risks arising directly or indirectly out of Tenant's activities on or any condition of the Premises. Such insurance shall protect Tenant against the claims of District on account of the obligations assumed by Tenant under Section 8.2, and shall name District as an additional insured. The insurance procured by Tenant shall be primary to any insurance coverage covering the same loss or claim procured by District. Certificates evidencing such insurance and bearing endorsements requiring 10 days' written notice to District prior to any change or cancellation shall be furnished to District prior to Tenant's occupancy of the property.

## **Section 9. Quiet Enjoyment; As Is**

**9.1 District's Warranty.** District warrants that it is the owner of the Premises and has the right to lease them. Tenant takes the Premises "AS IS", with all faults, except as to those conditions of which it gives notice to the District pursuant to 8.2. Tenant shall be responsible for all maintenance of the premises except for structural components and the roof.

**9.2 Estoppel Certificate.** Either party will, within 20 days after notice from the other, execute and deliver to the other party a certificate stating whether or not this lease has been modified and is in full force and effect and specifying any modifications or alleged breaches by the other party. The certificate shall also state the amount of monthly base rent, the dates to which rent has been paid in advance, and the amount of any security deposit or prepaid rent. Failure to deliver the certificate within the specified

time shall be conclusive upon the party from whom the certificate was requested that the lease is in full force and effect and has not been modified except as represented in the notice requesting the certificate.

### **Section 10. Assignment and Subletting**

No part of the Premises may be assigned, mortgaged, or subleased, nor may a right of use of any portion of the property be conferred on any third person by any other means, without the prior written consent of District. This provision shall apply to all transfers by operation of law. If Tenant is a corporation or partnership, this provision shall apply to any transfer of a majority voting interest in stock or partnership interest of Tenant. No consent in one instance shall prevent the provision from applying to a subsequent instance. District may withhold or condition such consent in its sole and arbitrary discretion.

### **Section 11. Default**

The following shall be events of default:

**11.1 Default in Rent.** Failure of Tenant to pay any rent or other charge within 10 days after written notice that it is due.

**11.2 Default in Other Covenants.** Failure of Tenant to comply with any term or condition or fulfill any obligation of the lease (other than the payment of rent or other charges) within 20 days after written notice by District specifying the nature of the default with reasonable particularity. If the default is of such a nature that it cannot be completely remedied within the 20-day period, this provision shall be complied with if Tenant begins correction of the default within the 20-day period and thereafter proceeds with reasonable diligence and in good faith to effect the remedy as soon as practicable.

**11.3 Insolvency.** Insolvency of Tenant; an assignment by Tenant for the



benefit of creditors; the filing by Tenant of a voluntary petition in bankruptcy; an adjudication that Tenant is bankrupt or the appointment of a receiver of the properties of Tenant; the filing of any involuntary petition of bankruptcy and failure of Tenant to secure a dismissal of the petition within 30 days after filing; attachment of or the levying of execution on the leasehold interest and failure of Tenant to secure discharge of the attachment or release of the levy of execution within 10 days shall constitute a default. If Tenant consists of two or more individuals or business entities, the events of default specified in this Section shall apply to each individual unless within 10 days after an event of default occurs, the remaining individuals produce evidence satisfactory to District that they have unconditionally acquired the interest of the one causing the default. If the lease has been assigned, the events of default so specified shall apply only with respect to the one then exercising the rights of Tenant under the lease.

**11.4 Abandonment.** Failure of Tenant for twenty (20) days or more to occupy the Premises for one or more of the purposes permitted under this lease, unless such failure is excused under other provisions of this lease.

## **Section 12. Remedies on Default**

**12.1 Termination.** In the event of a default the lease may be terminated at the option of District by written notice to Tenant. Whether or not the lease is terminated by the election of District or otherwise, District shall be entitled to recover damages from Tenant for the default, and District may reenter, take possession of the premises, and remove any persons or property by legal action or by self-help with the use of reasonable force and without liability for damages and without having accepted a surrender.

**12.2 Reletting.** Following reentry or abandonment, District may relet the Premises and in that connection may make any suitable alterations or refurbish the Premises, or both, or change the character or use of the Premises, but District shall not

be required to relet for any use or purpose other than that specified in the lease or which District may reasonably consider injurious to the Premises, or to any tenant that District may reasonably consider objectionable. District may relet all or part of the Premises, alone or in conjunction with other properties, for a term longer or shorter than the term of this lease, upon any reasonable terms and conditions, including the granting of some rent-free occupancy or other rent concession.

**12.3 Damages.** In the event of termination or retaking of possession following default, District shall be entitled to recover immediately, without waiting until the due date of any future rent or until the date fixed for expiration of the lease term, the following amounts as damages:

- (1) The loss of rental from the date of default until a new tenant is, or with the exercise of reasonable efforts could have been, secured and paying out.
- (2) The reasonable costs of reentry and reletting including without limitation the cost of any cleanup, refurbishing, removal of Tenant's property and fixtures, or any other expense occasioned by Tenant's default including but not limited to, any remodeling or repair costs, attorney fees, court costs, broker commissions, and advertising costs.
- (3) Any excess of the value of the rent and all of Tenant's other obligations under this lease over the reasonable expected return from the Premises for the period commencing on the earlier of the date of trial or the date the premises are relet, and continuing through the end of the term. The present value of future amounts will be computed using a discount rate equal to the prime loan rate of major California banks in effect on the date of trial.

**12.4 Right to Sue More than Once.** District may sue periodically to recover damages during the period corresponding to the remainder of the lease term, and no action for damages shall bar a later action for damages subsequently accruing.

**12.5 District's Right to Cure Defaults.** If Tenant fails to perform any obligation under this lease, District shall have the option to do so after 30 days' written



notice to Tenant. All of District's expenditures to correct the default shall be reimbursed by Tenant on demand with interest at the rate of 9% annum from the date of expenditure by District. Such action by District shall not waive any other remedies available to District because of the default.

**12.6 Remedies Cumulative.** The foregoing remedies shall be in addition to and shall not exclude any other remedy available to District under applicable law.

### **Section 13. Surrender at Expiration**

**13.1 Condition of Premises.** Upon expiration of the lease term or earlier termination on account of default, Tenant shall deliver all keys to District and surrender the Premises in good repair and broom clean. District shall have the option, in its sole discretion, to permit alterations constructed by Tenant to remain at no cost to the District, or be removed or restored to the original condition at the expense of Tenant. Repairs and restoration for depreciation and wear from ordinary use for the purpose for which Tenant is responsible shall be completed to the latest practical date prior to such surrender. Tenant's obligations under this section shall be subordinate to the provisions of Section 9 relating to destruction.

#### **13.2 Fixtures**

- (1) All fixtures placed upon the Premises during the term, other than Tenant's trade fixtures, shall, at District's option, become the property of District at no cost to the District. If District so elects, Tenant shall remove any or all fixtures that would otherwise remain the property of District, and shall repair any physical damage resulting from the removal. If Tenant fails to remove such fixtures, District may do so and charge the cost to Tenant with interest at the legal rate from the date of expenditure.
- (2) Prior to expiration or other termination of the lease term Tenant shall remove all furnishings, furniture, and trade fixtures that remain its

property. If Tenant fails to do so, this shall be an abandonment of the property, and District may retain the property and all rights of Tenant with respect to it shall cease or, by notice in writing given to Tenant within 20 days after removal was required, District may elect to hold Tenant to its obligation of removal. If District elects to require Tenant to remove, District may effect a removal and place the property in public storage for Tenant's account. Tenant shall be liable to District for the cost of removal, transportation to storage, and storage, with interest at the legal rate on all such expenses from the date of expenditure by District.

- (3) Prior to expiration or other termination of the lease term, Tenant shall restore the District's facilities to their condition prior to the commencement of the lease, normal wear and tear excluded.

### **13.3 Holdover**

- (1) If Tenant does not vacate the Premises at the time required, District shall have the option to treat Tenant as a tenant from month to month, subject to all of the provisions of this lease except the provisions for term and renewal and at a rental rate equal to 150 percent of the rent last paid by Tenant during the renewal term, or to eject Tenant from the Premises and recover damages caused by wrongful holdover. If the Tenant holds over after the original term, fair market value rent shall be set pursuant to this lease and the holdover rent shall be 150 percent of the established fair market rental value. Failure of Tenant to remove fixtures, furniture, furnishings, or trade fixtures that Tenant is required to remove under this lease shall constitute a failure to vacate to which this section shall apply if the property not removed will substantially interfere with occupancy of the Premises by another tenant or with occupancy by District for any purpose including preparation for a new tenant.
- (2) If a month-to-month tenancy results from a holdover by Tenant under this



Section, the tenancy shall be terminable at the end of any monthly rental period on written notice from District given not less than 10 days prior to the termination date which shall be specified in the notice. Tenant waives any notice that would otherwise be provided by law with respect to a month-to-month tenancy.

#### **Section 14. Miscellaneous**

**14.1 Nonwaiver.** Waiver by either party of strict performance of any provision of this lease shall not be a waiver of or prejudice the party's right to require strict performance of the same provision in the future or of any other provision.

**14.2 Attorney Fees.** If suit or action, including arbitration, is instituted in connection with any dispute arising out of this lease, the prevailing party shall be entitled to recover in addition to costs such sum as the court or arbitrator may adjudge reasonable as attorney fees at trial, on petition for review, and on appeal.

**14.3 Notices.** Any notice required or permitted under this lease shall be given when actually delivered or 48 hours after deposited in United States mail as certified mail addressed to the address first given in this lease or to such other address as may be specified from time to time by either of the parties in writing.

**14.4 Succession.** Subject to the above-stated limitations on transfer of Tenant's interest, this lease shall be binding on and inure to the benefit of the parties and their respective successors and assigns.

**14.5 Recordation.** This lease shall not be recorded without the written consent of District. [District shall execute and acknowledge a memorandum of this lease in a form suitable for recording, and Tenant may record the memorandum.]

**14.6 Entry for Inspection.** District shall have the right to enter upon the Premises at any time to determine Tenant's compliance with this lease, to make necessary repairs to the building or to the Premises, or to show the Premises to any

prospective tenant or purchaser, and in addition shall have the right, at any time during the last two months of the term of this lease, to place and maintain upon the Premises notices for leasing or selling of the Premises.

**14.5 Interest on Rent and Other Charges.** Any rent or other payment required of Tenant by this lease shall, if not paid within 10 days after it is due, bear interest at the rate of 9% per annum (but not in any event at a rate greater than the maximum rate of interest permitted by law) from the due date until paid.

**14.8 Proration of Rent.** In the event of commencement or termination of this lease at a time other than the beginning or end of one of the specified rental periods, then the rent shall be prorated as of the date of commencement or termination and in the event of termination for reasons other than default, all prepaid rent shall be refunded to Tenant or paid on its account.

**14.9 Time of Essence.** Time is of the essence of the performance of each of Tenant's obligations under this lease.

**14.10 Complete Agreement.** This written Agreement constitutes the complete and entire agreement of the parties. No modification of the Agreement is effective unless in writing and signed by the parties.

## **Section 15. Arbitration**

**15.1 Disputes to Be Arbitrated.** If any dispute arises between the parties arising out of this lease the matter shall be resolved by binding arbitration. The arbitrator and arbitration procedures shall be mutually agreed upon by the parties. The arbitrator shall have the power and jurisdiction to decide all procedural and substantive issues in the arbitration proceedings. If the parties cannot agree on the selection of an arbitrator, they shall request the judge of the Humboldt County, California Superior Court with primary responsibility for hearing civil matters, or the presiding judge of that Court, to select an arbitrator.



**15.2 Procedure for Arbitration.** The arbitrator shall proceed according to the California statutes governing arbitration, and the award of the arbitrator shall have the effect therein provided. The arbitration shall take place in Humboldt County, California, unless the parties stipulate in writing to a different location. Costs of the arbitration shall be shared equally by the parties and each party shall pay its own attorney fees and other costs incurred in connection with the arbitration in the first instance, subject to any award of attorneys' fees and costs as may be subsequently ordered pursuant to section 14.2 above.

**Humboldt Bay Harbor, Recreation & Conservation District**

**Tenant:**

By: \_\_\_\_\_  
President

By: \_\_\_\_\_

By: \_\_\_\_\_  
Secretary

By: \_\_\_\_\_

APPROVED AS TO FORM:

\_\_\_\_\_  
Counsel for District

\_\_\_\_\_  
Counsel for Tenant

APPROVED BY COMMISSION ON:

\_\_\_\_\_

Leroy Zerlang  
(707) 498-4618  
humtug@gmail.com



Dalene Zerlang  
(707) 845-4687  
dzerlang@gmail.com

11d

March 20, 2014

Mr. Jack Crider  
Humboldt Bay Harbor Recreation and Conservation District  
601 Startare Drive  
Eureka, CA 95501

Re: Dredge Companies

Dear Mr. Crider,

At the request of the Humboldt Bay Harbor Conservation, Dalene Zerlang, Aaron Newman, and I traveled to Vancouver, Washington and Nehalem, Oregon on March 2 and March 3, 2014, to assess two dredge companies, Underwater Earth Movers and Nehalem Dredge Company, Inc.

On Sunday, March 2nd, I inspected the equipment at Underwater Earth Movers in Vancouver, Washington; and on Monday, March 3<sup>rd</sup>, I inspected the Nehalem Dredge Company equipment in Nehalem, Oregon. Below you will find my Summary of Findings.

#### SUMMARY OF FINDINGS

The Underwater Earth Movers equipment is in excellent condition and turnkey. It is in much better condition than Nehalem Dredge Company's Equipment.

If you take the UEM's price and deduct the cost of the unnecessary and non-approved equipment and add the cost of the needed equipment and repairs, I believe the Harbor District will be paying top value. Instead, the Harbor District should look into the possibility of purchasing new equipment for close to the same price (see breakdown in report).

The Nehalem Equipment is definitely older and in need of repair, clean up and cosmetic work. All of Nehalem's engines, except the generator in the dredge, will have to be replaced. So, too, will the main engine in UEM's tug, Little Pushy, to meet California's Air Resource Board regulations.

It is my professional opinion that the Nehalem dredge, tug Barfly, and deck barges are heavier built and more adaptable to various dredging jobs and uses. The Nehalem dredge has 1/3 more horsepower if the main engine is replaced in kind.



Nehalem equipment will be harder to operate and understand and not as modern or "high-tech" as UEM. The UEM deck barges are good platforms but have little value as a barge and definitely cannot be used as a booster barge.

All the work skiffs are fine.

Both companies have spare part and many extras. UEM is far more organized than Nehalem.

UEM's fusing machine is excellent; Nehalem's is old and tired but works.

UEM has no weights to hold the pipe to the bottom or floats to hold the pipe up. It is my understanding that these will be necessary when dredging the marinas, although UEM states they are not required. Nehalem has the concrete blocks that are serviceable, and new ones will be expensive to build. Nehalem's floats are in poor condition, I would not recommend purchasing them. I have found a company that makes and sells pile floats for \$234.00 each, plus freight.

Both owners are very knowledgeable about dredging and their equipment.

From a financial standpoint, I believe that the prudent decision would be to purchase the Nehalem Dredge Company Equipment. After the estimated repair and cleanup costs, the Harbor District would have stronger, more diversified equipment.

We thank you very much for the opportunity to perform this service and hope it is to your satisfaction. Please do not hesitate to call me if you have any questions or would like to meet with us.

THIS INSPECTION WAS MADE WITHOUT BIAS, PREJUDICE OR OUTSIDE INTERFERENCE FOR THE BENEFIT OF WHOM IT MAY CONCERN.



LEROY ZERLANG  
Master Mariner – Marine Surveyor #USA203542  
Zerlang & Zerlang Marine Services



Leroy Zerlang  
(707) 498-4618  
humtug@gmail.com

Zerlang & Zerlang  
**MARINE SERVICES**

1493 Faye Avenue Fairhaven Ca. 95564

Dalene Zerlang  
(707) 845-4687  
dzerlang@gmail.com

Office:(707)443-5180 Fax:(707) 442-0514

After careful consideration, research, and investigation, we have made the following conclusions regarding the Nehalem dredge package:

The following chart will give a breakdown of values, estimated cost of repairs/refurbishing and repowering:

	Suggested Value	Replacement Cost	Refurbish	Asking	Repower
Dredge	\$700,000.00	\$1,000,000.00	\$80,000.00	\$725,000.00	
Tug	\$100,000.00	\$181,500.00	\$15,000.00	\$125,000.00	\$68,000.00
Deck Barge	\$50,000.00	\$120,000.00	\$7,500.00	\$50,000.00	
Booster	\$20,000.00	\$327,600.00	\$3,500.00	\$50,000.00	\$125,000.00
Fusing Machine	\$10,500.00	\$45,000.00	\$2,000.00	\$15,000.00	
Concrete Weight	\$20,000.00	\$50,000.00	\$1,000.00	\$20,000.00	
Skiff	\$12,000.00	\$21,000.00	\$1,000.00	\$12,000.00	
12" Sub. Pump	\$30,000.00	\$75,000.00	\$1,000.00	\$50,000.00	
225 generator	\$0.00	\$95,000.00	\$0.00	\$20,000.00	
pontoon sponsons	\$0.00	\$25,000.00	\$0.00	\$20,000.00	
Misc.	\$35,000.00	\$50,000.00	\$5,000.00	\$42,630.00	
Pipe	\$70,000.00	\$176,000.00	\$2,000.00	\$80,000.00	
<b>TOTAL</b>	<b>\$1,047,500.00</b>	<b>\$2,166,100.00</b>	<b>\$118,000.00</b>	<b>\$1,209,630.00</b>	<b>\$193,000.00</b>

1. Dredge is heavily built and can be modified for different applications
2. Hydraulic system is complex and can be adapted to other uses and needs
3. I believe this equipment is in fair to good condition but has been neglected over the years
4. It is reported that the Nehalem Dredge Company is currently doing repairs and maintenance on this equipment
5. The pontoon floats are in poor condition and should be replaced with new plastic pipe floats
6. Zerlang & Zerlang Marine Services' suggested dredge value includes the new Tier III engine.



7. Zerlang & Zerlang Marine Services is considering that the value of the booster the pump and frame only.
8. The Tug Bar Fly is a very useful vessel that could be used for other Harbor District jobs.
9. The portable deck barge is important piece of equipment in the event that it is needed for the booster pump and also could be used for other Harbor District jobs.
10. All engines in this package except the generator in the dredge will have to be brought up to California ARB standards.
11. All refurbishing costs are figured using the Harbor District Yard using standard labor rates and supplies.
12. If the district was to purchase the Nehalem dredge package at Z & Z suggested price of \$1,047,500.00, add the refurbishing cost of \$118,000.00, plus the repowering cost of \$193,000.00, and pontoon floats of \$25,000.00, the Harbor District would have a complete dredge package in above average condition with most of the amenities needed to do the general dredging that is required in Humboldt Bay.

Purchase:	\$1,047,500.00
Refurbish:	\$118,000.00
Repower:	\$193,000.00
New pontoons:	<u>\$25,000.00</u>
For a total price of	\$1,383,500.00

**\*DOES NOT INCLUDE TRANSPORTATION COSTS**

Leroy Zerlang  
 (707) 498-4618  
 humtug@gmail.com

Zerlang & Zerlang  
**MARINE SERVICES**  
 1493 Faye Avenue Fairhaven Ca. 95564

Dalene Zerlang  
 (707) 845-4687  
 dzerlang@gmail.com

Office:(707)443-5180 Fax:(707) 442-0514

After careful consideration, research, and investigation, we have made the following conclusions regarding the Underwater Earth Movers package:

The following chart will give a breakdown of values, estimated cost of repairs/refurbishing and repowering:

	Asking Price	Suggested Value	Replacement Cost	Replace Engine
Dredge		\$875,000.00	\$926,500.00	
Work Skiff 1		\$18,500.00	\$25,000.00	
Work Skiff 2		\$18,500.00	\$25,000.00	
Fusing Machine		\$35,000.00	\$44,000.00	
Booster Pump		\$300,000.00	\$327,600.00	
Deck Barge 1		\$13,500.00	\$17,500.00	
Deck Barge 2		\$13,500.00	\$17,500.00	
Tug		\$95,000.00	\$130,000.00	\$68,000.00
Pipe		\$170,000.00	\$181,600.00	
Container/parts		\$103,000.00	\$120,000.00	
		<b>\$1,642,000.00</b>	<b>\$1,814,700.00</b>	
<b>Rolling Items</b>				
Lorain		\$70,000.00		
Daewoo		\$35,000.00		
Skytrak		\$35,000.00		
D-5N LGP		\$85,000.00		
Light Plants (2)		\$5,000.00		
		<b>\$230,000.00</b>		
<b>TOTAL</b>	<b>\$2,125,000.00</b>	<b>\$1,872,000.00</b>	<b>1,814,700.00</b>	<b>\$68,000.00</b>

1. UEM equipment is in excellent condition is a turnkey operation and is ready to work.
2. Built by DSC Dredge in Revere, Louisiana in 2011.
3. Dredge is "state of the art design".
4. Booster pump is still under warranty.



5. Booster pump and Dredge will pass California ARB requirements but must be re-registered.
6. Tug Little Pushy is a good dredge tender but not suitable for other work
7. Tug Little Pushy will not comply with California ARB requirements.
8. Deck Barges are small and will not support Booster pump or any heavy equipment
9. No pipeline weights or floats are provided.
10. Two of the four pieces of rolling stock will not comply with California ARB requirements.
11. If the district was to purchase the UEM package at the Z & Z suggested price of \$1,872,000.00 and remove the rolling stock that is not essential to the dredging operation of \$230,000.00, add the cost of a Booster barge of \$120,000.00, replacement engine for Little Pushy of \$68,000.00, pipe floats at \$25,000.00, pipe weights at \$50,000.00, the Harbor District will have "state of the art" complete dredge package with most of the amenities needed to do the general dredging that is required in Humboldt Bay.

Purchase:	\$1,814,700.00
Rolling stock:	-\$230,000.00
Booster Barge	\$120,000.00
Pipe Floats	\$25,000.00
Engine Repower	\$68,000.00
Weights	<u>\$50,000.00</u>
	\$1,847,700.00
With rolling stock:	\$2,077,700.00

**\*DOES NOT INCLUDE TRANSPORTATION COSTS**



February 21, 2014

Humboldt Bay, recreation and Conservation District  
Post Office Box 1030  
Eureka, CA 95502-1030

Re: Request for Proposal for Cutter Head Dredge

Attn. Jack Crider  
CEO

In response to the Western Dredging Association's email blast for the referenced RFP, we are pleased to offer the following options for your consideration. Our response is in reference to the request detailed below.

"The Humboldt Bay, Recreation and Conservation District (District) is requesting a proposal to purchase a cutter head suction dredge along with all necessary equipment and training to dredge local marinas, private docks and canals. The successful proposal will provide a "turn-key operation" along with a minimum of 2-weeks of operational training for District staff, as more specifically describe below. Proposals are due at 2:00 PM on Monday February 24, 2014, at the Humboldt Bay Harbor, Recreation and Conservation District at; 601 Startare Drive Eureka CA 95502, Faxed at 707-443-0800 or emailed to [jcrider@humboldtbay.org](mailto:jcrider@humboldtbay.org)

The Turn-key operation will include the minimum equipment and training:

- 12" or 14" Cutter Head Suction Dredge with Tier III air emissions main engine
- Work Boat capable of moving dredge and pipe
- Minimum of 8,000 feet of 12" or 14" dredge pipe with all sleeves and clamps
- Pontoon floats to support pipe
- Concrete weights and steel anchors
- Booster pump, portable barge and generator
- Spud and ladder extensions to dredge up to 38 ft. in depth
- All equipment delivered FOB Fields Landing California
- 40 hours of operational training (by qualified operator) after all equipment has been delivered
- 40 hours of operational training (by qualified operator) during actual dredging operation"



We are proposing an option for both a 12" Shark Class Dredge and a 14" Shark Class Dredge and the ancillary equipment for your consideration. Specifications for the dredges, workboat and booster pump are attached. The size of the booster flotation is also detailed below with the equipment packages. The equipment proposed by DSC will meet the Tier III requirements. Since it was not specified in the RFP in how much pipeline needed to be floated or how much pipeline needed to be sunk, we are providing a price within each package to on the price to sink or float a 40' section of pipeline. This will allow the District to determine the cost associated with the proper amount of pipeline. An example to float/sink the 12" HDPE pipe is shown below for bid tabulation purposes.

**Example – Pipe Floats**

Cost to float a 40' section of pipe = \$2,000. If 2,000' of pipeline needs to be floated than the price would be \$100,000 (2,000/40 = 50 x \$2,000 = \$100,000)

**Example – Pipe Weights**

Cost to sink a 40' section of pipe = \$715. If 2,000' of pipeline needs to be floated than the price would be \$35,750 (2,000/40 = 50 x \$715 = \$35,750)

We are pleased to offer the following 12" dredge and ancillary equipment package:

<b>12" Dredge/Equipment Package Option</b>			
<b>Description</b>	<b>Quantity</b>	<b>Unit Price</b>	<b>Extended Price</b>
DSC 12" Shark Dredge Model SH-4250-43D specifications attached	1	926,500.00	926,500.00
DSC Work Boat Model TE-2612-2-115 specifications attached	1	195,000.00	195,000.00
8,000 feet of 12" HDPE SDR17 pipe in 40' flanged spool sections	200	908.00	181,600.00
DSC 12" Diesel Booster Model BO-4250D booster - specifications attached	1	327,600.00	327,600.00
25' long x 16' wide x 4' deep booster barge w/ diesel generator	1	174,000.00	174,000.00
(Lot) freight for items listed above to Fields Landing California	1	193,530.00	193,530.00
<b>Package Price (less pipeline floats/weights)</b>			<b>\$1,998,230.00</b>

<b>Pipe Float/Weight Tabulation Data</b>			
<b>Description</b>	<b>Quantity</b>	<b>Unit Price</b>	<b>Extended Price</b>
Pipefloats (to float 40' joint)	4	500.00	\$2,000.00
Pipeline weights (to sink 40' joint)	1	715.00	\$715.00

# ELLICOTT DREDGES LLC EST. 1885

1425 Wicomico Street • Baltimore, Maryland 21230 • Ph 410-625-0808

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The Humboldt Bay, Recreation and Conservation District

February 21, 2014

601 Startare Drive, Eureka CA 95502

Ellicott Dredges LLC is pleased to provide the following proposal to the Districts Request For Proposal RFI to purchase cutter head suction dredge and equipment. Our offer is based entirely on NEW professionally designed, engineered and built dredging equipment. Ellicott Dredges LLC leads the market in the supply of contractor quality dredging equipment directly to Federal, State, Local government entities and special tax districts. Purchasing only new and proven equipment warranted by a well established company will provide the greatest value to your District along with reliable trouble free operation many years to come. Ellicott has the proposed 670 series dredge in stock and available for immediate outfitting of a new Caterpillar C-18 Tier III engine. Our expert onsite field service personnel will provide a fully developed lesson plan covering safety aspects, operational and maintenance of the equipment. In addition we offer simulator and hands on training here at our Baltimore Md. plant to train and certify your operators personnel. The dredge and booster will be provided with detailed Operation and Maintenance manuals, drawing package and critical spare parts list which you can count on Ellicott stocking. We have delivered over 75 -670 dredges to date and maintain stocking level of 5 to support consistent demand for this highly portable and powerful dredge. The 670 dredge and booster fully meets the USACE and Coast regulations, the 670 is designed to meet ABS river rules requirements, and in use on multiple USACE and county projects every day.

Our scope of supply includes:

- 12" or 14" Cutter Head Suction Dredge with Tier III air emissions main engine.
- Work Boat capable of moving dredge and pipe.
- Minimum of 8,000 feet of 12" or 14" dredge pipe with all sleeves and clamps.
- Pontoon floats to support pipe. (500')
- Concrete weights and steel anchors. (12)
- Booster pump, portable barge and generator.
- Spud and ladder extensions to dredge up to 38 ft. in depth. (not required dredge meets 40" Max)
- All equipment delivered FOB Fields Landing California.
- 40 hours of operational training (by qualified operator) after all equipment has been delivered.
- 40 hours of operational training (by qualified operator) during actual dredging operation.

**Total Sales Price \$1,890,500.00**





8515 Baymeadows Way, Suite 201 • Jacksonville, FL 32256 - USA  
 Phone +1 904-503-9776 FL Office / +1-615-667-0796 TN Office • Fax +1-904-732-2152  
 Email: [sales@pioneedredge.com](mailto:sales@pioneedredge.com)

## PROPOSAL CONTRACT/PRO-FORMA INVOICE

Invoice Date: February 26, 2014

Proposal Number: 1412

Sold To: Humboldt Bay Recreation & Conservation District  
 601 Startare Drive  
 Eureka, CA 95502

Attention: Mr. Jack Crider, CEO

Item	Qty	Description	Unit	Amount
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We are pleased to offer our quotation for a "Hybrid) Pioneer Dredge Predator 2000-12 Cutter Suction Dredge, consisting of 100% brand new hull, pontoons, ladder, control room, wiring, piping and controls. The pump will be a used heavy duty unit with 80% remaining wear life, and the engines will be 0 hour remanufactured. Winches will be factor remanufactured, carrying full warranty.

The attached Specification provides the technical highlights of this machine.

### Pricing

Total Dredge Price, F.O.B. Nashville, TN.....	\$1,139,500.00 USD
Adder #1, 12" x 14" booster pump with Cat Engine on Floating Barge(Booster used, barge new) .....	\$ 189,500.00 USD
Adder # 2, 24' x 8' x 4' work boat with 150 HP engine, A Frame and winch for pipe and anchor work, tank and 12V transfer pump for fueling dredge and Booster.....	\$ 49,500.00 USD
Adder # 3, 8000 Ft. 14" OD HDPE Pipe, DR 17, with floats.....	\$ 199,650.00 USD
Freight from Nashville, TN, to Fields Landing, CA.....	\$ 49,600.00 USD
<b>Total</b>	<b>\$ 1,627,750.00 USD</b>