

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

January 23, 2014

PRESENT

Commissioner Newman
Commissioner Dale
Commissioner Wilson
Commissioner Marks
Commissioner Higgins

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

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

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

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

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

PUBLIC COMMENT

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

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

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

CONSENT CALENDAR: None

COMMUNICATIONS AND REPORTS

CHIEF EXECUTIVE OFFICER REPORT

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

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

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

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

STAFF REPORTS

Director of Conservation

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

Director of Facility Maintenance

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

Bar Pilot Tim Petrusha

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

DISTRICT COUNSEL REPORT: None

DISTRICT TREASURER'S REPORT

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

DISTRICT PLANNER'S REPORT

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

COMMISSIONER AND COMMITTEE REPORTS

Commissioner Newman

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

Commissioner Dale

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

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Commissioner Wilson

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

Commissioner Marks

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

Commissioner Higgins

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

NON AGENDA: None

UNFINISHED BUSINESS

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

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

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

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

Commissioner Higgins said the Report seemed thorough.

MOTION CARRIED WITHOUT DISSENT, COMMISSIONER WILSON RECUSED.

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

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

ROLL CALL VOTE WAS TAKEN:

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

MOTION CARRIED WITHOUT DISSENT, COMMISSIONER WILSON RECUSED.

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

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

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

MOTION CARRIED WITHOUT DISSENT, COMMISSIONER WILSON RECUSED.

Commissioner Wilson re-entered the room.

NEW BUSINESS

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

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

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

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

Mr. Shanahan stated he believed so.

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

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

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

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

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

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

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

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

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

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

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

MOTION CARRIED WITHOUT DISSENT.

B. CONSIDERATION OF AQUAPONICS LEASE AT BERTH 1 FACILITY.

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

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

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

Robert Zack of Grow Foods spoke representing his company.

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

Luke Besmer, Arcata resident, spoke representing his company.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Commissioner Dale stated he would like to be the alternate.

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

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

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

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

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

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

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

MOTION CARRIED WITHOUT DISSENT.

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

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

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

MOTION CARRIED WITHOUT DISSENT.

G. ELECTION OF OFFICERS

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

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

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

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

Commissioner Higgins thanked Commissioner Wilson for his service.

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

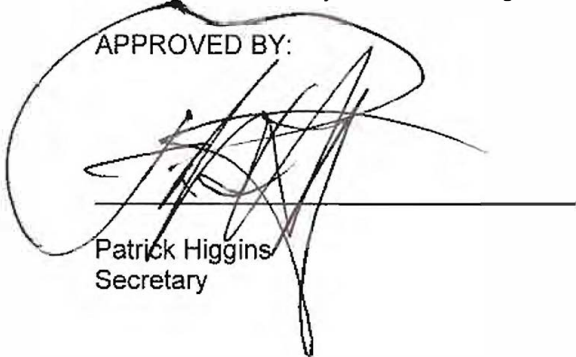
MOTION CARRIED WITHOUT DISSENT.

Commissioner Marks thanked the Board for election as President.

ADMINISTRATIVE AND EMERGENCY PERMITS: None

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

APPROVED BY:



Patrick Higgins
Secretary

RECORDED BY:



Kim Farrell
Clerk