

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

November 14, 2013

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 6:55 P.M.

President Wilson called the Regular Meeting of the Board of Commissioners to order at 7:03 P.M.

President Wilson led those present in the Pledge of Allegiance.

District Counsel reported out of the Executive Closed Session as follows: Conference with Labor Negotiator: Commissioners Marks and Higgins were appointed to work with Labor Negotiators, CEO and District Counsel.

PUBLIC COMMENT

Sebastian Elrite of Aqua-Rodeo Farms said he has been browsing the Internet regarding the dredge the District has been considering purchasing and asked them to do their due diligence on researching it, including getting a second opinion; stated the dredge capsized in Washington in 2010 and asked how this incident affected the dredge. Mr. Elrite asked how much the District paid for the Pulp Mill; how much the loan amount was.

District Counsel reported on the purchase of the pulp mill property no money changed hands, although a loan could be a possibility for cleanup.

Kevin Pinto stated he does not want to see the District buy a dredge because costly maintenance is needed on what the District already owns. He asked the District to put out a Request for Bids for an alternative; and if no one submits, then consider buying the dredge. Mr. Pinto also said the Travelift is not being used to its full capability, which could increase revenue to the District and that additional storage options at the Fields Landing Boat Yard could also be an additional revenue source.

Commissioner Wilson stated the Economic Development Committee meeting on Monday will focus on Fields Landing and he recommended Mr. Pinto attend.

Kent Sawatzky said he is concerned the Board of Commissioners is not following it's State mandates, especially regarding the short-term temporary borrowing limit of \$200,000. He asked the Board to follow the mandated guidelines.

Jerry Martien of Elk River stated he sent an email to the District regarding the upcoming public forum regarding Elk River sediment, silt and flooding where Green Diamond wants to clear cut into a watershed. He said the Regional Water Quality Control Board Staff and Baykeepers will be attending the meeting sponsored by the County Supervisors. Mr. Martien requested the use of the District's video camera.

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CONSENT CALENDAR: None

COMMUNICATIONS AND REPORTS

CHIEF EXECUTIVE OFFICER REPORT

- ❖ Reported on the Pulp Mill property as follows: two truckloads of sulfuric acid was trucked to Fresno; CEO presented a schedule of transport where a third barge could be needed due to capacity issues; Coast Guard approved the use of a chemical barge; dock repairs have been completed; Louisiana Pacific has agreed to pay \$44,800 for landfill costs; an RFP has been released for the purchase of the chemical recovery boiler and turbine generator.

STAFF REPORTS

Director of Conservation

- ❖ Attended a Sea Level Rise planning meeting this past week.
- ❖ Said *Spartina densiflora* eradication continues.
- ❖ Has been working with PG&E on the CEQA document for the King Salmon power plant; met with them to discuss sediment testing results for the King Salmon Canal.
- ❖ Stated a Sediment Reuse project is underway with SHN Engineering.
- ❖ Has been working on the State tideland lease for the outfall pipe.

Bar Pilot Tim Petrusha

- ❖ Has been working on the potential dredge purchase; the City submitted a letter of intent to show dredge owner Vern Scovell they are serious about considering the purchase. Reported the dredge did tip over in Washington, as brought up by Sebastian Elrite, due to captain error; explains why the dredge is in such good shape because many parts were rebuilt. Said new dredges can be less expensive, but the costs increase considerably when you are looking at dredges with deeper dredging capability.

Commissioner Dale asked if the potential dredge could ever work on the shoaling in the Entrance. Captain Petrusha stated he believed it could be done in the right conditions.

Kevin Pinto asked who would operate the dredge. Captain Petrusha said the District will be considering many qualifications when hiring.

Director of Facility Maintenance

- ❖ Reported Berth Two dock pilings and substructure are sound, but the top decking of the dock needs to be replaced. Said Bar Pilots assisted in the Port Authority boat during Maintenance Staff work on the dock to remove any debris that fell in the water.

Director of Administrative Services

- ❖ Has been working with the District's new auditing firm, Hunter, Hunter and Hunt.
- ❖ Stated electricity bills are being sent out to Marina tenants.

DISTRICT COUNSEL REPORT: None

COMMISSIONER AND COMMITTEE REPORTS

Commissioner Newman

- ❖ Said there have been two crab quality tests and the season may open here around December 1-15; crabbing started in San Francisco today.
- ❖ Chaired the California Salmon Council meeting recently.
- ❖ Reported he is happy with the clean-up progress at the Pulp Mill property.

Commissioner Dale

- ❖ Took local youth to Kentucky for a National FFA Conference where a local student was in the top four in the nation.
- ❖ Stated the dock at the Pulp Mill property looks good and the site keeps looking better.

Commissioner Wilson

- ❖ Said the M580 celebration took place this year on November 1; went last year but it was cancelled. Reported he hopes it will be successful so that other short sea shipping ports will grow in activity.
- ❖ Had a meeting with federal representatives hoping to get more funding for the Pulp Mill property cleanup.

Commissioner Marks

- ❖ Attended a meeting with Commissioner Wilson and federal representatives to give them an update on the Pulp Mill property cleanup, which is looking great. He commented favorably on the work District Maintenance Staff has been doing on the dock.
- ❖ Reported he was President of the employee union in 2008 when the Pulp Mill shut down and Evergreen's company disappeared still owing workers money.
- ❖ Attended an NCRA meeting yesterday.

Commissioner Higgins

- ❖ Attended an Economic Development Committee meeting.
- ❖ Went diving in the Eel River recently to count salmon.

NON AGENDA: None

UNFINISHED BUSINESS: None

NEW BUSINESS

A. CONSIDERATION OF REDWOOD TERMINAL 2 EXPENDITURES EXCEEDING CEO'S AUTHORITY.

CEO stated he needs approval on the expense for Berth 2 water and power utilities.

COMMISSIONER MARKS MOVED FOR APPROVAL OF A \$72,000 EXPENDITURE FOR REDWOOD TERMINAL 2. COMMISSIONER DALE SECONDED.

Director of Facility Maintenance said this should be considered a temporary power solution.

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Monte Provolt reported there are no permitting numbers. CEO stated that will be part of the contractor's responsibility.

Mr. Provolt asked if the new wood on the dock is pressure treated. Director of Facility Maintenance said it will be salt-cured.

Kent Sawatzky reported he would like to see budgeted items instead of only expenditures.

MOTION CARRIED WITHOUT DISSENT.

B. CONSIDERATION OF AMENDMENT TO THE EXISTING AGREEMENT WITH FRIENDS OF THE DUNES FOR SERVICES IN THE SPARTINA ERADICATION PROGRAM.

Commissioner Wilson recused himself and left the room to avoid any possible conflict of interest.

COMMISSIONER HIGGINS MOVED FOR AMENDMENT TO THE EXISTING AGREEMENT WITH FRIENDS OF THE DUNES FOR SERVICES IN THE SPARTINA ERADICATION PROGRAM. COMMISSIONER DALE SECONDED.

Director of Conservation stated this Item adds \$2,000 to the original Agreement for monitoring and is fully funded through the Coastal Conservancy.

MOTION CARRIED WITHOUT DISSENT.

Commissioner Wilson returned to the room.

C. CONSIDERATION OF BROWNFIELDS GRANT APPLICATION FOR PHASE II WORK AT THE DISTRICT'S PULP MILL SITE PROPERTY.

Andrew Whitney, Humboldt County Economic Development Specialist regarding Brownfields, said the EPA likes to see an engaged public process for any grant consideration and that it makes the application more competitive.

CEO said the scope of work for Phase II's soil remediation may contain some demolition and the total funding could be approximately \$400,000.

Commissioner Wilson stated CEO and Mr. Whitney should continue working together and bring more information to the Board.

Commissioner Higgins said he is thrilled the District is getting support from the County on this project.

Commissioner Dale asked if there was anything the District could do to make the County's communications with the EPA go smoother. Mr. Whitney reported letters and phone calls may be in order.

Kent Sawatzky asked what the funding source is within the County and how they prioritize sites.

Mr. Whitney stated the funding is through a community-wide Brownfield Assessment Grant and that EPA grant funds have been funding Phase I.

Mike Nelson of LACO Associates said they have been working with the District and the County, which has been a very helpful resource; would love to help with the next grant application.

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Debbie Provolt asked if the County works with private property landowners and if it ever leads to grants for them as well.

Mr. Whitney reported all assessment activities are made with site access agreements, so it is unlikely that a property owner would allow access to a site where a corrective action would likely incur.

D. CONSIDERATION OF AGREEMENT WITH GEORGE WILLIAMSON OF PLANWEST PARTNERS INC. TO PROVIDE DISTRICT PLANNER SERVICES.

COMMISSIONER HIGGINS MOVED FOR AGREEMENT WITH GEORGE WILLIAMSON OF PLANWEST PARTNERS INC. TO PROVIDE DISTRICT PLANNER SERVICES.
COMMISSIONER DALE SECONDED.

Mr. Williamson said he had the privilege of working with Chad Roberts, the District's previous District Planner.

Kent Sawatzky asked if there were any possible conflicts of interest since Mr. Williamson is involved with LAFCO; transparency is his concern.

Commissioner Wilson reported at the moment there is no conflict.

Mike Nelson stated he has known and worked with Mr. Williamson for several years; and although LACO Associates submitted an RFQ for District Planner as well, he is happy to work with Mr. Williamson in the future.

MOTION CARRIED WITHOUT DISSENT.

E. DISCUSSION OF COAST SEAFOODS' TIDELAND LEASE.

Commissioner Dale recused himself and left the room to avoid any possible conflict of interest.

CEO said this Item is connected to a letter of credit and that as long as the District owes Coast Seafoods money, this lease will stay in effect.

Kent Sawatzky reported he believes this Item to be a conflict of interest and asked if it is a personal line of credit; questioned the legality of the loan.

District Counsel stated all tideland leases are fairly standardized at this point including five year terms and incremental increases.

Mr. Sawatzky said he disagreed that this lease qualifies as standard.

District Counsel reported it is primarily a way to pay off the line of credit.

Monte Provolt said he does not like the clause regarding forty years; and asked if the District does not pay the \$1,250,000 owed, does Coast Seafoods get a forty year lease and the District will help them with future permitting; reported the line of credit should be paid off the boiler sale instead of moving on with other projects.

Kevin Pinto reported when one must borrow money and it is done in this fashion, the entity loaning money will typically end up in a better situation; asked why Coast Seafoods would lend money if they did not see some benefit in it.

Commissioner Higgins asked if the District would favor Coast Seafoods on new leases.

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District Counsel stated the existing lease addendum is only in place until the letter of credit is paid.

CEO said the District would help any lessee the same as Coast Seafoods regarding permitting.

District Counsel reported Coast Seafoods' interest in this is due to the liquors' potential to contaminate the Bay, where Coast Seafoods does their business.

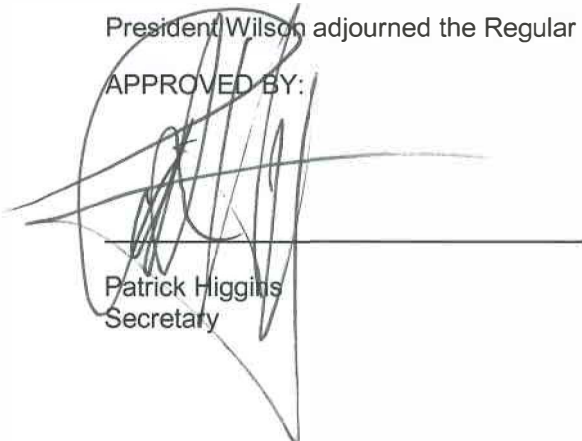
Debbie Provolt stated this Item is just one document that is part of a larger transaction.

CEO said one of the conditions regarding this line of credit is that the funds be used to transport the liquors out of this area; this is a discussion item only.

ADMINISTRATIVE AND EMERGENCY PERMITS: None

President Wilson adjourned the Regular Meeting of the Board of Commissioners at 9:08 P.M.

APPROVED BY:



Patrick Higgins
Secretary

RECORDED BY:



Kim Farrell
Clerk