

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

February 25, 2016

PRESENT:

Commissioner Doss
Commissioner Dale
Commissioner Marks
Commissioner Higgins

ABSENT:

Commissioner Wilson

President Higgins called the Executive Closed Session to order at 6:02 p.m.

President Higgins adjourned Executive Closed Session at 6:47 p.m.

President Higgins called the regular meeting of the Board of Commissioners to order at 7:03 p.m.

President Higgins asked Commissioner Marks to lead the Pledge of Allegiance.

District Counsel reported on the Executive Closed Session as follows: Conference with Real Property Negotiators regarding the Lease with Mario's Marina at Shelter Cove and New Market Tax Credits – Lease of Redwood Terminal 2 – no action taken.

PUBLIC COMMENT

Debbie Provolt said there is legislation that says the Executive Director shall at regular intervals, at least once a month, submit a written report and accounting of all receipts and disbursements and fund balances and file a copy with the Board. She asked if the reports will be filed during the public hearing; available under Public Records; part of the Board packet?

Kent Sawatzky said we live in a "free stuff" world, everyone wants free stuff; but if it seems too good to be true, it usually is. The Board of Supervisors has a \$3m budget deficit spending. Hard times are expected in FY 2017/18 and more Measure Z money is expected. He is disappointed in the Board of Supervisors' lack of fiscal responsibility.

CONSENT CALENDAR: None

COMMUNICATIONS AND REPORTS

EXECUTIVE DIRECTOR'S REPORT

- ❖ Down to the short list on the New Market Tax Credits transaction. Looking at closing next week. It is possible a Special Board Meeting will be required.
- ❖ The LACO Associates reliance letter to lenders contains acceptable language and cost.
- ❖ The Subordination agreement is acceptable to Taylor Mariculture and Coast Seafoods Company.
- ❖ The BBVA final funding approval – it has been too long since approved in October 2015; additional information may be required.
- ❖ Status of Public Records Act Request - 30% complete, after 35 hours of work - an extension has been granted.
- ❖ Taylor Mariculture has been expanding and making improvements; it has been a good seed year.
- ❖ Dredge electrical wiring is 90% complete; 3,000 ft. more pipe has been purchased.
- ❖ The Final Redwood Terminal II Infrastructure Reuse Evaluation will be available soon.

STAFF REPORTS:

Deputy Director:

- ❖ Shelter Cove
 - Letters written to potential tenants with boats on the property; Positive responses coming in, tenants want to remain at the storage facility.

- ❖ Cruise Ship
 - Cruise Ship Interest in stopping in Humboldt Bay in the Fall of 2017. An agent from one of the larger Cruise ship companies has made contact and is planning a pre-site visit. Very close to securing a stop, hopefully an announcement coming soon.
- ❖ Dredge Engine Surplus
 - Staff is looking for a refurbished engine for the booster pump that meets CA emissions standards and needs to meet Tier 3 requirements; ready to surplus engines removed from the dredge and booster pump. There is strong interest in the Engine which has been removed from the Dredge.
- ❖ PORTS Current monitoring system
 - Maintenance performed on Chevron Dock sensor, re-installed Monday. Meeting with Chevron for renewal of maintenance contract,\$30,000 per year.
- ❖ Federal Dredging
 - -USARmy Corps of Engineers' survey boat was here and did soundings, waiting for results; Dredging is scheduled for late April.
- ❖ Portable Vibracore System Request for Proposals went out.
 - -Proposals due back March 14th.
 - -System will allow District Staff to conduct pre-dredge sampling.

DISTRICT COUNSEL REPORT:

District Counsel reported he has been spending time on the New Market Tax Credit draft documents; the good news is six of District Counsel's hours equals one hour from the other attorneys.

COMMISSIONER AND COMMITTEE REPORTS:

Commissioner Dale:

- ❖ Just returned from Willapa Bay where there was a lot of discussion about the ocean and how it is changing.
- ❖ Also spent some time at the San Francisco Tiburon Center for CenCoos; the unusual ocean temperatures with the El Nino has created many unknowns.

Commissioner Higgins:

- ❖ Is distressed about the domoic acid and change in ocean temperatures.
- ❖ Saddened that former Commissioner Charles Ollivier passed away. His dedication to marine trade, the working man and the Harbor District are without question. His contributions are recognized and appreciated.

Commissioner Marks:

- ❖ Attended the Humboldt County Planning Department workshop on Commercial Dependent Industrial zoning issues around the bay.
- ❖ Attended the Humboldt Bay Working Group luncheon where there was a discussion about moving produce from the Central Valley to Humboldt Bay.
- ❖ Umpires are scheduled for high school baseball.

OTHER: None

NON AGENDA: None

UNFINISHED BUSINESS

A. CONSIDERATION OF ADOPTING RESOLUTION 2016-03, WHICH ESTABLISHES FINDINGS RELATIVE TO THE APPLICATION BY THE CITY OF EUREKA FOR THE EUREKA WATERFRONT TRAIL PROJECT.

Deputy Director reported the major goals of the project are to: Enhance the non-motorized transportation/commuter corridor; increase pedestrian connectivity; Increase public access to waterfront; and provide nature study opportunities.

The project consists of a 3.75 miles multi-use trail: paved section to accommodate emergency vehicles with two unpaved shoulders; sections of boardwalk; six bridges; trailheads; interpretive signs; playgrounds; workout equipment; parking; landscaping; street crossing; roadway / sidewalks; lighting; fencing; drainage improvements; invasive plant removal and revegetation and landscaping to buffer sensitive habitats

Tideland impacts will be: Construction of boardwalk will require equipment on salt marsh; will use tracked vehicles and plants will be disturbed, but root systems remain intact; small helical piles screwed into salt marsh soil; permanent wetland and sensitive habitat impacts: 0.364 acres; and temporary wetland and sensitive habitat impacts: 0.35 acres.

Mitigation results will be: a net increase in area of estuarine saltmarsh habitat and will increase the area of *Salix hookeriana* Shrubland Alliance.

The project consists of a Monitoring plan; a long-term adaptive management plan and the City of Eureka will own the site and place it under a conservation easement, to maintain protection in perpetuity.

City of Eureka is the CEQA Lead Agency and CEQA is complete (three Mitigated Negative Declarations and two Categorical Exemptions).

COMMISSIONER DALE MOVED FOR THE ADOPTION OF RESOLUTION 2016-03, WHICH ESTABLISHES FINDINGS RELATIVE TO THE APPLICATION BY THE CITY OF EUREKA FOR THE EUREKA WATERFRONT TRAIL PROJECT. COMMISSIONER MARKS SECONDED.

Kent Sawatzky said there may not be enough money to complete the trails; we do not have the economy here. Free stuff is going away. More tax base is needed locally. But this is a great project.

Monte Provolt asked if the wetlands are under the Harbor District's jurisdiction. Deputy Director responded the tidal wetlands are. Mr. Provolt asked who will fix the pollution and damage done by the homeless.

President Higgins asked if California Coastal Trails funds are available. Deputy Director stated the City of Eureka has worked diligently to acquire funding; 95% of the construction is being funded by grants – CalTrans and the California Coastal Conservancy. Additional funding is also being researched.

Commissioner Marks said most of the trail projects are close to being funded. The Harbor District placed two porta-potties near the entrance to the trail behind the Bayshore Mall.

ROLL CALL VOTE WAS TAKEN:

COMMISSIONER DOSS – AYE
COMMISSIONER DALE – AYE
COMMISSIONER HIGGINS – AYE
COMMISSIONER WILSON – ABSENT
COMMISSIONER MARKS – AYE

MOTION CARRIED WITHOUT DISSENT.

B. CONSIDERATION OF GRANTING PERMIT 15-06 TO THE CITY OF EUREKA FOR THE WATERFRONT TRAIL PROJECT.

COMMISSIONER MARKS MOVED FOR THE GRANTING OF PERMIT 15-06 TO THE CITY OF EUREKA FOR THE WATERFRONT TRAIL PROJECT. COMMISSIONER DALE SECONDED. MOTION CARRIED WITHOUT DISSENT.

C. CONSIDERATION OF ADOPTING AND CERTIFYING THE FINAL ENVIRONMENTAL IMPACT REPORT AND ASSOCIATED MITIGATION MONITORING AND REPORTING PROGRAM FOR THE HUMBOLDT BAY MARICULTURE PRE-PERMITTING PROJECT.

Commissioner Dale recused himself and left the room.

Deputy Director reported the goal for the mariculture pre-permitting project is to allow for an expansion of commercial mariculture activities in Humboldt Bay, to create jobs and improve the local economy, while also increasing local and sustainable seafood production. Traditionally, the private shellfish grower would go through the regulatory agencies for permits: California Coastal Commission, US Army Corps of Engineers, Regional Water Quality Control Board and the Harbor District. In this process, the private shellfish grower gets

their permit through the Harbor District, who has already obtained permits from the traditional regulatory agencies.

The Environmental Impact Report for the project, addressing Intertidal and Subtidal Culture lists three alternatives: Alternative 1 – Subtidal Culture Only (the current project); Alternative 2 – Intertidal Culture Only and Alternative 3 – No Project.

Alternative 1 –Subtidal Culture Only – consists of three sites of a total 21.2 acres. Floating upwelling systems (FLUPSYs) rafts and macroalgae longline will be used. Potential effects are assessed based on the following resources: Cultural and Archeological Resources; Biological resources; Aesthetics and Visual Resources; Air Quality; Greenhouse Gas Emissions; Hydrology and water quality and Land Use. Primary potential impacts will be Eelgrass impacts; increased predation of birds on salmonids and longfin smelt; avoidance by salmonids and noise effects of pile installation.

Final Environmental Impact Report Mitigation Measures are to be: Compliance with air quality regulations; Educational meetings regarding marine mammal avoidance and avoidance of gear loss; Shielding of light fixtures to reduce glare; Eelgrass avoidance by boats and equipment; Screening of water intakes to avoid aquatic species impacts; Spawning herring avoidance; Remove mature clams from bay; Sound threshold criteria and biological monitor for pile installation; Biofouling organism removal from bay; Standard District protocols for inadvertent discovery of cultural or archeological resources; Native American remains and grave goods and Measures to minimize risk of fuel and petroleum spills.

Deputy Director stated Staff recommends certifying the Final Environmental Impact Report and Mitigation Monitoring and Reporting Program

COMMISSIONER MARKS MOVED TO ADOPT AND CERTIFY THE FINAL ENVIRONMENTAL IMPACT REPORT AND ASSOCIATED MITIGATION MONITORING AND REPORTING PROGRAM FOR THE HUMBOLDT BAY MARICULTURE PRE-PERMITTING PROJECT. COMMISSIONER DOSS SECONDED.

Kent Sawatzky said the bids and ranking are now over a year old, stale bids. Many bids are on the outlying areas; but CEQA is only certifying certain areas. He said the idea of the project was to bring in smaller growers.

Debbie Provolt asked about leasing tidelands in front of privately owned property. If the Harbor District filed a quick claim deed to the private owner, is it included in the leased area? The property has already been given up by the Harbor District

Sebastian Elrite thanked Deputy Director for his hard work. He also thanked the Board for allowing operations such as his to have the opportunity to expand.

MOTION CARRIED WITHOUT DISSENT.

D. CONSIDERATION OF ADOPTING RESOLUTION 2016-04 WHICH ESTABLISHES FINDINGS RELATIVE TO THE APPLICATION BY THE HUMBOLDT BAY HARBOR DISTRICT FOR THE HUMBOLDT BAY MARICULTURE PRE-PERMITTING PROJECT.

Deputy Director stated language clarifying the certification of the Alternative was added to the resolution after circulation of the agenda report.

COMMISSIONER DOSS MOVED FOR THE ADOPTION OF RESOLUTION 2016-04 WHICH ESTABLISHES FINDINGS RELATIVE TO THE APPLICATION BY THE HUMBOLDT BAY HARBOR DISTRICT FOR THE HUMBOLDT BAY MARICULTURE PRE-PERMITTING PROJECT. COMMISSIONER MARKS SECONDED.

Kent Sawatzky said it is hard for the public to not have access ahead of time to Board meeting materials in order to make comments. Complete packets for the public are necessary. Additional people have been included that were not in the previous bidding process. This project should go out to bid again.

ROLL CALL VOTE WAS TAKEN:
COMMISSIONER DOSS – AYE
COMMISSIONER DALE – ABSENT
COMMISSIONER HIGGINS – AYE
COMMISSIONER WILSON – ABSENT
COMMISSIONER MARKS - AYE

MOTION CARRIED WITHOUT DISSENT.

E. CONSIDERATION OF GRANTING PERMIT 13-03 TO THE HUMBOLDT BAY HARBOR DISTRICT FOR THE HUMBOLDT BAY MARICULTURE PRE-PERMITTING PROJECT.

COMMISSIONER MARKS MOVED TO GRANT PERMIT 13-03 TO THE HUMBOLDT BAY HARBOR DISTRICT FOR THE HUMBOLDT BAY MARICULTURE PRE-PERMITTING PROJECT. COMMISSIONER DOSS SECONDED.

Kent Sawatzky said it may not be in the best interest of the Harbor District for the Committee to grant the permit to itself.

MOTION CARRIED WITHOUT DISSENT.

Commissioner Dale returned to the meeting room.

NEW BUSINESS

A. CONSIDERATION OF ACCEPTING FOR FILING PERMIT APPLICATION 16-03 FROM THE HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT FOR THE HUMBOLDT BAY PILOT DESALINATION PROJECT.

Deputy Director stated once the permit is accepted for filing by the Board, the 30-day public comment period will begin. The environmental analysis of the desalination project is that there is very little change to the chemistry of the water. At the water intake is a screen to reduce potential impingement of fish.

COMMISSIONER DALE MOVED TO ACCEPT FOR FILING PERMIT APPLICATION 16-03 FROM THE HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT FOR THE HUMBOLDT BAY PILOT DESALINATION PROJECT. COMMISSIONER MARKS SECONDED.

Commissioner Doss asked about the goals of Humboldt State University. Deputy Director responded the professor is at the cutting edge of desalination research and funding comes from the Department of Water Resources. Commissioner Doss asked if it generates its own power; the project is considered high energy consumption. Deputy Director responded it does generate power and at a low cost. Executive Director stated the cost of the energy is part of the match.

Commissioner Dale said reverse osmosis and pressure retarded osmosis work together; cutting edge from power generating processes.

Executive Director reported this project leveraged approximately \$800,000 of grant funds.

Kent Sawatzky said he strongly supports this project. He asked about the net financial gain and said he guesses HSU is a non-taxpaying tenant.

Monte Provolt asked about the volumes of water. Deputy Director stated 10 gallons of water per minutes through the outfall pipe continuously for one year.

MOTION CARRIED WITHOUT DISSENT.

B. CONSIDERATION OF AWARDING CONTRACT TO MERKEL & ASSOCIATES IN AN AMOUNT NOT TO EXCEED \$89,568 FOR DEVELOPMENT OF A HUMBOLDT BAY EELGRASS MANAGEMENT PLAN.

Deputy Director reported the goals of the Humboldt Bay Eelgrass Management Plan as follows: to ensure that the sum of individual eelgrass conservation actions have the greatest benefit to eelgrass and eelgrass functions; facilitate more efficient regulatory processes for projects in the bay; and to provide a long-term eelgrass habitat conservation strategy that allows for sea level rise adaptation, dredging and economic development in Humboldt Bay.

Selection began with a competitive RFP process with a multi-agency selection committee, resulting in seven responses. The scope of work was determined through a public workshop and five partner meetings. The timeline for the development of the plan is March 2016-November 2017. Funding is from an EPA grant to the Harbor District.

COMMISSIONER DALE MOVED TO AWARD A CONTRACT TO MERKEL & ASSOCIATES IN AN AMOUNT NOT TO EXCEED \$89,568 FOR DEVELOPMENT OF A HUMBOLDT BAY EELGRASS MANAGEMENT PLAN. COMMISSIONER DOSS SECONDED.

Commissioner Doss said he is hoping through this process suggestions will be given as to how to manage eelgrass different from the guidelines now imposed.

Whelan Gilkerson, Merkel & Associates, said he recognizes there are strong feelings on both sides of the eelgrass management issues. Humboldt Bay is fortunate to have a lot of eelgrass; however it is a challenge to manage activities that need to occur and may impact eelgrass.

Commissioner Higgins said he is glad this issue is being addressed; strategies need to be developed.

Monte Provolt said he has a boat moored at King Salmon. Since there is such an abundance of eelgrass there, is it possible to transplant eelgrass and help the rest of the state?

Kent Sawatzky said Aleutian Geese like eelgrass; he suggested breeding them.

Commissioner Dale said Mr. Gilkerson is probably the most knowledgeable about eelgrass in our area. Eelgrass is valuable, but also creates heartburn. The goal is to maintain our infrastructure without harm to the habitat.

Commissioner Marks said Humboldt Bay has more eelgrass than San Francisco Bay. We have a healthy ecosystem. Brant eat half the eelgrass stem and helps to increase production. Humboldt Bay has the only high health certification; how much is attributed to eelgrass and oysters?

MOTION CARRIED WITHOUT DISSENT.

C. CONSIDERATION OF ADOPTION OF RESOLUTION 2016-05, A RESOLUTION APPROVING THE APPLICATION FOR AND/OR EXECUTION OF GRANT FUNDS FROM THE WATER QUALITY, SUPPLY, AND INFRASTRUCTURE ACT OF 2014 (PROPOSITION 1).

Deputy Director reported the Shelter Cove Fish Cleaning Station Remediation process as follows: Replace the existing fish waste disposal system by separating the fish cleaning wastes into three streams: carcasses, fish offal, and wash water from the cleaning tables. The carcasses will be boxed and stored in an onsite freezer, transported to the Eureka area, and sold as bait for the commercial crab fleet. Local organic farmers will utilize the soft parts for composted fertilizer amendments after the offal is ground up and stored in plastic barrels for pickup. The unutilized waste from the fish cleaning station will be the wash water which will enter the Shelter Cove Resort Improvement District's wastewater system.

The Harbor District's match is \$22,000 per year for the next four years.

COMMISSIONER DOSS MOVED FOR THE ADOPTION RESOLUTION 2016-05, A RESOLUTION APPROVING THE APPLICATION FOR AND/OR EXECUTION OF GRANT FUNDS FROM THE WATER QUALITY, SUPPLY, AND INFRASTRUCTURE ACT OF 2014 (PROPOSITION 1). COMMISSIONER DALE SECONDED.

Commissioner Doss asked if the cost of the cultural inspection is included in the match. Executive Director responded it is.

Sebastian Elrite said this sounds like a good project. He said he knew a couple of charter boat operators and crab fishermen that might be interested in the carcasses.

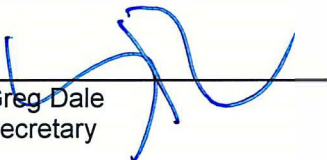
ROLL CALL VOTE WAS TAKEN:
COMMISSIONER DOSS – AYE
COMMISSIONER DALE – AYE
COMMISSIONER HIGGINS – AYE
COMMISSIONER WILSON – ABSENT
COMMISSIONER MARKS – AYE

MOTION CARRIED WITHOUT DISSENT.

ADMINISTRATIVE AND EMERGENCY PERMITS: None

The Regular Meeting of the Board of Commissioners adjourned at 8:45 p.m.

APPROVED BY:



Greg Dale
Secretary

RECORDED BY:



Patricia Tyson
Director of Administrative Services