

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

February 26, 2015

PRESENT:

Commissioner Newman
Commissioner Dale
Commissioner Marks
Commissioner Wilson
Commissioner Higgins

President Marks called the regular meeting of the Board of Commissioners to order at 7:02 p.m.

President Marks led those present in the Pledge of Allegiance.

PUBLIC COMMENT: None

CONSENT CALENDAR

COMMISSIONER HIGGINS MOVED FOR THE APPROVAL OF THE CONSENT CALENDAR.
COMMISSIONER NEWMAN SECONDED. MOTION CARRIED WITHOUT DISSENT.

COMMUNICATIONS AND REPORTS

EXECUTIVE DIRECTOR'S REPORT:

- ❖ Crescent Asset Partners inspected the turbine and are happy with the equipment. They will be making a proposal.
- ❖ Attended the CA Shellfish Initiative meeting, where they completed their charter.
- ❖ California Maritime Leadership Symposium – larger Southern California ports are at 38% of capacity. Shipbuilders are building ships at 20,000 TEU, which are too big to go through the Panama Canal.
- ❖ Public scoping meeting on Coast Seafoods Company Draft Initial Study. Approximately 3,000 emails were received. Coast Seafoods Company would like the Harbor District to do the Environmental Impact Report process.
- ❖ King Salmon Channel dredging – PG&E has hired Chris Vargas as the Project Manager. The Phase 1 will be completed in 2016.
- ❖ Completed all interviews with mariculture pre-permitting tenants. Half are from Tomales Bay; some will have over 100 acres. All new tenants will bring \$265,000 annual lease income to the Harbor District.

STAFF REPORTS

Director of Facility Maintenance:

- ❖ The proposals for the dredge engine replacement are due tomorrow.
- ❖ Minor repairs needed on the tender BarFly.
- ❖ Hired a second Harbor Maintenance Worker III, a hydraulics mechanic who is ready to start work on the dredge.

Director of Harbor Operations:

- ❖ Has been working with Bruce Conner to get ready for the Cruise The West SeaTrade conference and looking at cruise ship options.
- ❖ Corps of Engineers sounding are not what was hoped for. There is no exact time for the dredge to arrive, late June or early July.
- ❖ Director of Harbor Operations and Director of Facility Maintenance are now certified for water sampling.
- ❖ Worked with HSU on PORTS; a quarterly meeting will be held tomorrow.
- ❖ Recovery operation for a deceased person.

District Planner:

- ❖ Helped with Coast Seafoods Company Draft Initial Study and participated in the public comment meeting last week. Next step is the determination of the CEQA document.
- ❖ Land use committee – proposed for unincorporated lands on the Samoa Peninsula and Woodley Island.
- ❖ PGE – Received assignment of project description, which will be the framework for the CEQA documents and will be used by other agencies.
- ❖ Has an intern from HSU who is interested in research for tenants for Redwood Terminal 2.
- ❖ March 4 – Mariculture pre-permitting project Draft EIR public comment meeting.

District Treasurer:

- ❖ Working on audit items, Management Discussion and Analysis letter and final adjustment and review.

COMMISSIONER AND COMMITTEE REPORTS:

Commissioner Higgins:

- ❖ 3/21 – Earth, Water & Fire Day in Garberville – learn about living in harmony with nature.

Commissioner Wilson:

- ❖ 3/3 – Sea Level Rise public meeting sponsored by the CA Coastal Commission.
- ❖ Recently travelled to Bay Area to visit grandparents; the Oakland terminals were very quiet; there is an extreme labor issue on the West Coast.
- ❖ Presented at the UCLA law seminar; Humboldt Bay's Mariculture Pre-Permitting Project is looked at as a model for other areas.
- ❖ Attended a Planning Commission meeting regarding the Samoa Peninsula and Fields Landing.

Commissioner Marks:

- ❖ The one-day work stoppage on the West Coast is causing a back log of citrus fruit.

Commissioner Dale:

- ❖ Coast Seafoods Company had their first public hearing on their permit
- ❖ Attended a CA Dept. Fish & Wildlife meeting on aquaculture disease.
- ❖ Attended the CA Shellfish Initiative meeting.

Commissioner Newman:

- ❖ The numbers for the analysis of west coast salmon fishing are good; looking like the salmon season this year will be a good one.

OTHER: None

NON AGENDA: None

UNFINISHED BUSINESS: None

NEW BUSINESS

A. CONSIDERATION OF RECEIVING AND FILING FY 2013/14 AUDIT – HUNTER, HUNTER & HUNT, LLP PRESENTATION.

Donna Taylor and Patrick Shanahan presented the FY 2013/14 Audit to the Board in the form of a PowerPoint presentation.

Operating Revenue – increased approximately \$250,000 due to new rents and leases.

Operating Expenses – no real increase; \$179,000 Redwood Terminal 2 expenses were unique for FY 2013/14.

Non-Operating Revenues and Expenses – the net doubled from FY 2012/13. There was a loss due to the disposal of Building 14 at Redwood Marine Terminal Berth 1 and a portion of the PGE grant was realized \$530,000. Unrestricted Cash decreased, partly due to Parcels B & C escrow \$320,000.

Capital Assets – increased due to \$1.6 capital expenses for Redwood Terminal 2 cleanup and depreciation.

Mr. Shanahan told the Board the final fee for the audit had increased over the contracted amount due to more hours were incurred than thought when the audit was bid. This was due to the disposal of Building 14 and the addition of Redwood Terminal 2.

COMMISSIONER WILSON MOVED TO RECEIVE AND FILE THE FY 2013/14 AUDIT FROM HUNTER, HUNTER AND HUNT, LLP. COMMISSIONER HIGGINS SECONDED. MOTION CARRIED WITHOUT DISSENT.

B. CONSIDERATION OF APPROVAL OF PERMIT AND AGREEMENT TO OPERATE KAYAK RENTAL SERVICES FOR BRIAN SAXTON DBA *HUMBOATS KAYAK ADVENTURES*.

COMMISSIONER HIGGINS MOVED FOR THE APPROVAL OF PERMIT AND AGREEMENT TO OPERATE KAYAK RENTAL SERVICES FOR BRIAN SAXTON DBA *HUMBOATS KAYAK ADVENTURES*. COMMISSIONER WILSON SECONDED. MOTION CARRIED WITHOUT DISSENT.

C. CONSIDERATION OF ACCEPTING FOR FILING APPLICATION FOR PERMIT 15-02 FOR CHEVRON USA FOR THE CHEVRON EUREKA MARINE TERMINAL REPAIR PROJECT.

This permit is for the removal of additional concrete floats – eelgrass mitigation associated with Chevron's dock repairs.

COMMISSIONER HIGGINS MOVED TO ACCEPT FOR FILING APPLICATION FOR PERMIT 15-02 FOR CHEVRON USA FOR THE CHEVRON EUREKA MARINE TERMINAL REPAIR PROJECT. COMMISSIONER DALE SECONDED. MOTION CARRIED WITHOUT DISSENT.

D. CONSIDERATION OF ACCEPTING THE GRANT AGREEMENT WITH THE CALIFORNIA NATURAL RESOURCES AGENCY FOR THE HUMBOLDT BAY SPARTINA ERADICATION PROJECT.

The grant is for the eradication of Spartina on 250 acres of City of Arcata and US Fish & Wildlife Service property. The deed restrictions have been removed.

COMMISSIONER WILSON MOVED TO ACCEPT THE GRANT AGREEMENT WITH THE CALIFORNIA NATURAL RESOURCES AGENCY FOR THE HUMBOLDT BAY SPARTINA ERADICATION PROJECT. COMMISSIONER HIGGINS SECONDED. MOTION CARRIED WITHOUT DISSENT.

E. CONSIDERATION OF LEASE TERMINATION – AGRIMARINE.

Executive Director reported previously Agrimarine signed a lease for an aquaponics pilot project at Redwood Marine Terminal Berth 1. There has been no activity, no insurance, no surety bond. The company has new ownership and new priorities. There is future interest in Redwood Terminal 2.

President Marks said he was disappointed. The property has been tied up for a whole year free of charge and nothing comes of it.

Commissioner Higgins attended a conference on aquaponics at HS and there is not a lot of people who have the capital for such a project.

COMMISSIONER HIGGINS MOVED FOR APPROVAL OF THE LEASE TERMINATION WITH AGRIMARINE. COMMISSIONER DALE SECONDED. MOTION CARRIED WITHOUT DISSENT.

F. CONSIDERATION OF EXCLUSIVE RIGHT TO NEGOTIATE WITH SUSTAINABLE WORLD SOLUTIONS – REDWOOD TERMINAL 2 WATER TREATMENT PLANT.

Executive Director called Ava Stern and Judd Canepari of Sustainable World Solutions. The company is interested in hydroponics and aquaponics at the water treatment site of Redwood Terminal 2. The ERTN would be for 6 months with extensions at \$5,000, plus six acres of associated property. Ms. Stern said they have several sustainable businesses who want to sublease the property.

COMMISSIONER NEWMAN MOVED FOR THE APPROVAL OF EXCLUSIVE RIGHT TO NEGOTIATE WITH SUSTAINABLE WORLD SOLUTIONS – REDWOOD TERMINAL 2 WATER TREATMENT PLANT FOR 90 DAYS. COMMISSIONER DALE SECONDED.

Commissioner Higgins asked about their capital and partners. Ms. Stern said they are refining their list of partners.

District Counsel said it is not clear what the entity is.

Commissioner Wilson asked if there is any competition for the parcels. Executive Director replied there is need for smaller chunks of the property.

Ms. Stern requested a six month ERTN.

President Marks said there is a motion on the floor and the Board is moving through the process.

Commissioners Higgins said it is appropriate for the Board to allow US Mine to have a six-month ERTN due to the level of community anxiety.

Commissioner Wilson asked if the fishermen's storage area would be impacted. Executive Director said that area was avoided.

Commissioner Wilson stated the aquaponics pilot project is still on the property. What is the timeline to get it running again? Ms. Stern said they do not have a timeline yet. They will need three months for financing and three months for set up.

Commissioner Newman said his intent in shortening the time period is to be able to see the progress. District Counsel stated within the ERTN there are mile posts to meet within 60 days.

COMMISSIONER NEWMAN WITHDREW HIS MOTION. COMMISSIONER DALE WITHDREW HIS SECOND.

COMMISSIONER HIGGINS MOVED FOR THE APPROVAL OF EXCLUSIVE RIGHT TO NEGOTIATE WITH SUSTAINABLE WORLD SOLUTIONS – REDWOOD TERMINAL 2 WATER TREATMENT PLANT. COMMISSIONER WILSON SECONDED.

Commissioner Wilson said his biggest concern is the existing aquaponics infrastructure; there has been interest expressed.

Mr. Canepari said his gut feeling is that they will not need the existing infrastructure.

Commissioner Higgins asked if the aquaponics infrastructure could be moved to another site since it is portable.

Commissioner Wilson suggested the aquaponics demonstration project equipment be excluded from the lease. District Counsel stated the way to ensure there are no problems is to exclude any personal property.

COMMISSIONER HIGGINS AMENDED HIS MOTION TO ADD A SECTION TO THE ERTN REMOVING ALL PERSONAL PROPERTY. COMMISSIONER WILSON SECONDED.

Commissioner Dale said he is hoping there will be interest in using the equipment that has sat unused for 1 ½ years.

Mr. Canepari said the equipment will not be a hindrance to this project. He would be interested in crafting a relationship with anyone interested in the equipment.

Susan Penn asked what water is being clarified. Mr. Canepari said there would be a transferable, sustainable source of make-up water and make up of evaporation and aspiration, depending on the size of gardens and tanks. The water would be used for storage, not treatment.

MOTION CARRIED WITHOUT DISSENT.

G. CONSIDERATION OF EXCLUSIVE RIGHT TO NEGOTIATE WITH SUSTAINABLE WORLD SOLUTIONS – REDWOOD TERMINAL 1 – PARCELS 1 AND 2.

Executive Director reported the site at Redwood Terminal 1, Parcels 1 and 2, would be used for an aquaponics research and productions business part. The ERTN is for six months with extensions at \$5,000 for 13.52 acres.

COMMISSIONER HIGGINS MOVED FOR THE APPROVAL OF EXCLUSIVE RIGHT TO NEGOTIATE WITH SUSTAINABLE WORLD SOLUTIONS – REDWOOD TERMINAL 1 – PARCELS 1 AND 2 FOR 90 DAYS. COMMISSIONER WILSON SECONDED. MOTION CARRIED WITHOUT DISSENT.

Staff was directed to remove aquaponics equipment from the ERTN.

H. DISCUSSION/PRESENTATION – ATHENA GREENE, INC. – KATIE KELLEY.

Katie Kelley, representing Athena Greene Inc., explained how their aquaponics and biochar business operates. Fruits, vegetables, and herbs are organically certified. Biochar is charcoal used for soil addition and other uses. They are working with UC Davis and HSU on education for the public. They are expecting 40-65 part-time jobs and 30+ full-time jobs with two acres of greenhouses. Trout, bass, catfish and sturgeon, depending on the permitting, are used in the aquaponics area.

Ms. Kelley said she has a meeting scheduled to tour the Fields Landing Sea Scouts building and surrounding area for their use.

Commissioner Dale asked what the base material for the biochar is. Ms. Kelly responded recycled untreated pallets and other waste wood.

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The Regular Meeting of the Board of Commissioners adjourned at 8:55 p.m.

APPROVED BY:



Greg Dale
Secretary

RECORDED BY:

Patricia Tyson
Director of Administrative Services