

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

March 27, 2014

PRESENT

Commissioner Newman
Commissioner Dale
Commissioner Wilson
Commissioner Marks
Commissioner Higgins

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

President Marks adjourned the Executive Closed Session at 6:55 P.M.

President Marks called the Regular Meeting of the Board of Commissioners to order at 7:00 P.M.

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

District Counsel reported out of the Executive Closed Session as follows: Conference with Labor Negotiator - no action to report; Administrative Staff Salary Raises 2013/14 – Unanimous vote to increase CEO salary \$5,000 effective May 1; Director of Administrative Services and Director of Facility Maintenance a 4.8% (3% merit and 1.8% cost of living) raise effective July 1, 2013; and Bar Pilots a 1.8% cost of living raise effective July 1; Conference with Real Property Negotiator - no action to report.

PUBLIC COMMENT

Monte Provoit said he wanted to clarify that the \$2,000,000 from PG&E is for the District to buy a dredge in exchange for dredging King Salmon and if there was a timeframe.

Sharon Cracker of King Salmon asked the District to separate the funds for King Salmon dredging from it's General Fund.

Jim Roberts asked where the money received from PG&E is being distributed; said the money should be used for King Salmon, not the Pulp Mill.

Debbie Provoit asked if there is a way to buy a dredge for King Salmon and the Bay at the same time; if one will fit both needs.

Rob Thessler stated he liked the idea of renting the dredge to other agencies after dredging King Salmon to pay for other project needs in King Salmon.

CONSENT CALENDAR: None

COMMUNICATIONS AND REPORTS

CHIEF EXECUTIVE OFFICER REPORT

- ❖ Reported the District has been working with the City of Eureka and engineering firms on a RFP to build a dock at Redwood Terminal 2 for a cruise ship to dock; would cost \$7-8 million.
- ❖ Met with Patrick O'Shea and Mr. Smullett and Commissioners Dale and Marks in Garberville regarding Shelter Cove.
- ❖ Said the District is hiring an engineer to assist with reducing the volume of fish carcasses in Shelter Cove; Shelter Cove Resort Improvement District wants to challenge the designation of the Biological Significant Area around the discharge pipe.

Minutes

Regular Meeting of the Board of Commissioners

Humboldt Bay Harbor, Recreation and Conservation District

March 27, 2014

Page 2 of 5

Redwood Terminal 2 Cleanup Update – Steve Calanog EPA

Mr. Calanog reported EPA has been attempting to secure a barge for shipping the liquors for the last two months, but have not found one that would meet Coast Guard standards; the recent local 6.9 earthquake has increased interest in getting the liquors moved and the earthquake did compromise the sulfuric acid tank. Tank trucks will start to load next week and that already thousands of gallons of hydrochloric acid have been removed; will have emergency personnel ready to respond if something happens. Mr. Calanog stated he would prefer to have a tanker vessel to move the liquors to reduce the amount of trucks on the road, but one has not yet been secured. Mr. Calanog said Congressman Huffman and other representatives will tour the site tomorrow.

Monte Provolt asked how many truckloads would be needed, if they would go through Grants Pass and if they would convoy.

Mr. Calanog stated there are about three million gallons of pulping liquor; and if all are trucked, there would be around 700 to 750 trucks through Grants Pass and would not convoy. Mr. Calanog reported there would be five to ten trucks per day, seven days per week; they would leave mid-morning to mid-afternoon an hour apart utilizing 35 to 40 trucks; and some will be local.

Commissioner Higgins thanked Mr. Calanog for the work he has put in to the project; also thanked EPA and USCG.

Commissioner Dale thanked EPA and USCG for the work on such a massive job; asked when tanks are being prioritized if they are looking for one type of liquor to be transported first.

Mr. Calanog said the black liquors in the concrete tanks are being prioritized, but green and white liquors are important to remove as well.

STAFF REPORTS

Director of Conservation

- ❖ Stated there will be a heavy equipment operator from Samoa removing dock blocks that have been floating around in the Bay.
- ❖ Reported US Fish & Wildlife Service has been utilizing the Marshmaster in the Eureka Slough and Permit Applications have been submitted to extend Spartina eradication out of the Refuge area.
- ❖ Attended a Shellfish Growers meeting last week regarding land availability through the bidding process and there will be a discussion at the next Meeting.
- ❖ Attended a meeting today with potential dredge contractors.
- ❖ Said an application has been submitted for the outfall pipe lease with the State Lands Commission.

Director of Facility Maintenance

- ❖ Stated flupsies were brought to the Fields Landing Boat Yard by Taylor Mariculture and assembled there; they are now in place at Redwood Terminal 2.
- ❖ Worked last week with the Samoa Fire District, Cal Fire and other County Fire Departments training on the Fire Boat; the Fire Boat performed flawlessly.

Commissioner Dale suggested agencies around the Bay should be notified before training takes place so they know nothing is wrong. Director of Facility Maintenance said he received many phone calls with people asking what had occurred.

- ❖ Stated the Maintenance Department will be working on repairing F-dock; the USCG boat usually docked at the end of F-dock can use the Redwood Terminal 2 dock.

Minutes

Regular Meeting of the Board of Commissioners

Humboldt Bay Harbor, Recreation and Conservation District

March 27, 2014

Page 3 of 5

DISTRICT COUNSEL'S REPORT: None

DISTRICT TREASURER'S REPORT: None

COMMISSIONER AND COMMITTEE REPORTS

Commissioner Newman

- ❖ Spent a few days in Boston at the North American Seafood Show promoting California Wild King Salmon.
- ❖ Has learned a lot about dredges over the past few weeks; he travelled with Leroy Zerlang to look at dredges in Washington and Oregon.

Commissioner Dale

- ❖ Spent last weekend in Oakland at a Pacific Rim Shellfish Conference; water quality was the main topic; reported many of the FDA representatives are familiar with Humboldt Bay, the current Pulp Mill activities and are happy its issues are being remedied.
- ❖ Attended the recent meeting in Shelter Cove where there was good public input on a variety of topics; reported it was one of the most fun meetings he has ever attended.

Commissioner Marks

- ❖ Said the meeting in Shelter Cove was spirited and that it was good to interface with the large crowd.
- ❖ Stated he worked at the Pulp Mill almost 30 years and is glad it is being cleaned up; is excited about job creation at the site.

Commissioner Wilson

- ❖ Reported there was a double homicide in Eureka yesterday; one of the victims was former District Commissioner, Rick Storre, who was also the owner of Freshwater Farms.
- ❖ Went with County Economic Development Specialist Jacqueline Debets to the Board of Supervisors to ask them to list the Pulp Mill property as a County blight to help the District get EDA funding.
- ❖ Attended meetings over the last week regarding pallet export and ethanol export.

Commissioner Higgins

- ❖ Said economic development was discussed at the Shelter Cove meeting and that President Marks' chairing of that meeting was superb.
- ❖ Attended a meeting in King Salmon; and while he wants to help them to maintain their channels, he stated the main channel is still the responsibility of PG&E and the other channels are the residents' responsibilities.
- ❖ Reported the Economic Development Committee will meet on the April 14; the topic of discussion is Woodley Island.
- ❖ Said Steelhead fishing has begun.
- ❖ Has been working on the Fall Chinook report for the Eel River Recovery Project; there is a Water Day on April 13 in Redway.

Jim Roberts stated he would like the dredging done in King Salmon to be significant. President Marks reported Mr. Roberts was out of order.

ENVIRONMENTAL LAW CONFERENCE MAY 2, 2014 – CLIMATE CHANGE – PAUL HAGEN

Paul Hagen said there is an educational opportunity put together for the County public sponsored by the State Bar of California, but regional in nature to educate on the importance of climate change, which he said is relevant to the District; stated it will take place at the Wharfinger Building on May 2. Mr. Hagen reported the speakers will address what the State of California is doing in preparation for climate change and how that applies to the North Coast.

Commissioner Wilson said attendance at a similar event anywhere else in California would cost \$500, so \$45 to attend is affordable. Mr. Hagen stated the cost is low as it is being subsidized. Commissioner Dale reported these events are popular among attorneys in California.

DISTRICT PLANNER'S REPORT: None

NON AGENDA: None

UNFINISHED BUSINESS: None

NEW BUSINESS

A. CONSIDERATION OF COMMERCIAL BROKER LISTING CONTRACT.

Bar Pilot Tim Petrusha said this Item is in regards to a Request for Proposals for commercial real estate broker services to market the Pulp Mill property, including the warehouse and industrial buildings; stated Proposals were due at noon today and there were two received, both being local. Mr. Petrusha reported both were reputable companies and asked the Board not to take action at this meeting so Staff can interview.

COMMISSIONER HIGGINS MOVED TO TABLE CONSIDERATION OF COMMERCIAL BROKER LISTING CONTRACT. COMMISSIONER WILSON SECONDED. MOTION TO TABLE CARRIED WITHOUT DISSENT.

B. CONSIDERATION OF LEASE WITH AGRIMARINE FOR AQUAPONICS PILOT PROJECT TERMINAL 1.

Bar Pilot Tim Petrusha said Agrimarine was awarded the contract by the Board of Commissioners at their last Meeting and thanked Ted Kuiper for all of his efforts on this Project; stated this Item is for leasing of the greenhouse and aquaponics with no cost for the first year except utilities. Mr. Petrusha stated the greenhouse materials all stay in the District's possession and that the tenant will provide an insurance bond as surety to protect the District upon early termination. Mr. Petrusha reported there is an option to renew at the end of the contract, taking fair market value into consideration.

COMMISSIONER DALE MOVED FOR APPROVAL OF LEASE WITH AGRIMARINE FOR AQUAPONICS PILOT PROJECT TERMINAL 1. COMMISSIONER WILSON SECONDED.

Commissioner Higgins said he learned a lot by reading the Lease and that it is very thorough; there is potential long-term use.

Commissioner Wilson stated this is the extension to the pilot project the District already did and that a private company is now going to move forward with it.

Commissioner Marks reported the District's pilot project was successful.

Debbie Provolt said she was at the Meeting where three companies were being considered and asked which one this company was. Mr. Petrusha stated it was the out-of-town company.

Minutes
Regular Meeting of the Board of Commissioners
Humboldt Bay Harbor, Recreation and Conservation District
March 27, 2014
Page 5 of 5

Commissioner Higgins reported there will most likely be local people hired to help this company through the process.

MOTION CARRIED WITHOUT DISSENT.

C. CONSIDERATION OF HIRING BROOKS APPRAISAL SERVICES FOR TERMINAL 2 BUILDINGS.

COMMISSIONER HIGGINS MOVED FOR HIRING BROOKS APPRAISAL SERVICES FOR TERMINAL 2 BUILDINGS. COMMISSIONER DALE SECONDED.

CEO said an extensive appraisal is necessary as a key component and this Agency has done work for the District before; stated their task will be to demonstrate equity of the facility for capital funding. Mr. Crider reported the Item is for \$18,500.

Debbie Provolt asked if Brooks Appraisal Service will be doing an Appraisal on all four properties when the District only owns one of them and if those Appraisals will be made available to the other property owners. CEO confirmed this is accurate.

Mrs. Provolt said it is a good deal for the other property owners.

Commissioner Wilson asked Mrs. Provolt if she considered the price fair. Mrs. Provolt stated while she does not review many prices, in her opinion it probably is.

MOTION CARRIED WITHOUT DISSENT.

D. DISCUSSION TO PURCHASE A DREDGE – LEROY ZERLANG.

Leroy Zerlang reported on his research of the dredges for the District. He said dredges are complicated pieces of equipment and that it is a tough decision.

Monte Provolt asked if the King Salmon residents in attendance can have an answer on their questions before the end of the Meeting.

President Marks said the subject is not on the Agenda.

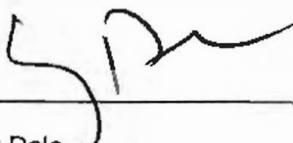
District Counsel stated since the topic is not on the Agenda, the Board cannot comment to the public; if a member of the public has an item they would like to be considered by the Board, contact Staff. An item must be listed on the Agenda for the Board to legally discuss it.

ADMINISTRATIVE AND EMERGENCY PERMITS: None

President Marks adjourned the Regular Meeting of the Board of Commissioners at 9:01 P.M.

APPROVED BY:

RECORDED BY:



Greg Dale
Secretary



Kim Farrell
Clerk