

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

**April 10, 2014**

**PRESENT:**

Commissioner Marks  
Commissioner Wilson  
Commissioner Higgins  
Commissioner Dale  
Commissioner Newman

President Marks called the Executive Closed Session to order at 6:05 p.m.

Executive Closed Session adjourned at 6:55 p.m.

President Marks called the regular meeting of the Board of Commissioners to order at 7:04 p.m.

Commissioner Higgins led those present in the Pledge of Allegiance.

In District Counsel's absence, CEO reported on the Executive Closed Session as follows: Status of negotiations with the Harbor District labor union – No action taken.

**PUBLIC COMMENT:** None

**CONSENT CALENDAR:** None

**COMMUNICATIONS AND REPORTS**

**CHIEF EXECUTIVE OFFICER REPORT**

- ❖ Stated he is extremely happy to be making progress getting all of the liquors off of the Pulp Mill property.
- ❖ Was impressed that close to 100 people were transported by the Harbor Districts' Fire Boat to Indian Island for the Wiyot World Renewal Ceremony.
- ❖ Reported the Tiger Grant application is in the works. Environmental planning allows for an available \$4.5 million. He will present the application for approval at the next meeting.
- ❖ Researching moving Osprey nests away from Redwood Marine Terminal Berth 1 to new locations to allow the birds more nesting privacy.
- ❖ Attended the annual PORTS meeting. Reported that the traffic on PORTS website is down, but thinks that with advertisement, the hits on the site will increase.

**REPORT ON REDWOOD TERMINAL 2 ACTIVITY BY EPA REPRESENTATIVE**

Christopher Wheaton, EPA Representative, reported that they were experiencing some difficulty removing the liquors and said Steve Calanog, EPA, did an emergency evacuation of the worst of the liquors. Some of the tanks are being moved to the other side of the mill to help make the trucking easier. It takes roughly 6-8 minutes to load per 4,000 gallon truck. 260,000 gallons have been transported so far. The original plan was to use a barge to transport the liquors, but after the recent earthquake, they decided trucking them out would be a quicker alternative. There is constant onsite monitoring. To date, 18 trucks of white, 29 green, and 19 black liquors have been transported. Liquors are being circulated through the tanks to help remove the buildup of sediment on the bottom of the containers.

Commissioner Dale asked if the sediment could be used to neutralize soil. Mr. Wheaton said he was not sure, but that is an option being researched.

Chief Executive Officer Cont'd

- ❖ Reported that he is working to satisfy the Regional Water Quality Control Board requirements to split the Redwood Terminal 2 well between domestic and industrial and may also install an additional monitoring well. He has a meeting April 11, 2014, with Freshwater Tissue Company to discuss well issues.

**STAFF REPORTS**

Director of Facility Maintenance

- ❖ Reported that he was asked by the Wiyot Tribe to help transport people over to the World Renewal Ceremony on Indian Island.
- ❖ He attended the annual Yacht Club Event, which raised money to give back to the children in the community.
- ❖ Reported that half of "F" Dock was hauled out for repairs and that the Fields Landing Boat Yard is at capacity.

Bar Pilot

- ❖ Captain Petrusha reported that he received the signed one-year contract from AgriMarine for the aquaponics facility at Redwood Marine Terminal Berth 1.

Director of Conservation

- ❖ Reported that contractors removed and transported two dock blocks to the County's Samoa parking lot, where they will be picked up at a later date. He said the dock blocks were not leaking Styrofoam.
- ❖ Reported that the Spartina eradication workers are using the Marsh Master to till in the Eureka Slough.
- ❖ Is working on the RFP for dredge workers.

**DISTRICT COUNSEL AND DISTRICT PLANNER REPORTS:**

District Planner

- ❖ Said that he is assisting with the Tiger Grant application and is hoping to move forward in a timely manner. There is no benefit cost analysis.
- ❖ Is awaiting public review of the Humboldt Bay Water Trails Initial Study
- ❖ Is working on the Community Development Block Grant and said it is on track.

**COMMISSIONERS REPORTS**

Commissioner Newman:

- ❖ Reported he met with representatives from Ellicott Dredges. He said after the meeting, he realized that the dredge was not big enough, it was hydraulically driven, and did not have enough horse power to dredge Humboldt Bay's channels. Ellicott thought that the bigger dredge would be too big.
- ❖ Also visited Nehalem Dredging and spoke with the owner and even "crawled" the equipment. He said he thought the Nehalem Dredge would serve Humboldts' needs best and thinks the District should move forward by putting the purchase on the next agenda or making a special meeting specifically to discuss the purchase.

Commissioner Dale:

- ❖ Is excited for the truck loads of liquors to leave the Pulp Mill and thanked Christopher Wheaton of USEPA for all of his hard work.
- ❖ Reported he and Commissioner Wilson attended the Sea Level Rise Analysis Meeting with HSU students.
- ❖ Attended the tour of the boiler at the Pulp Mill with prospective buyers.

Commissioner Marks:

- ❖ Met with prospective buyers for the boiler and is excited to see the cleanup effort at the Pulp Mill.
- ❖ Attended the North Coast Railroad Authority Meeting. NCRA is hoping to expand and develop a line from Cloverdale to San Rafael, which would hold 178 sitting and 150 standing people. He stated that one gallon of diesel can fuel the train for 500 miles.
- ❖ Reported that the Tiger Grant for a rail trail from Eureka to Fortuna is moving forward. It will be an excursion train and may help the transition into getting cruise ships to Humboldt Bay.

Commissioner Wilson:

- ❖ Reported that he attended the Grand Jury's tour of the Pulp Mill.
- ❖ Helped staff with the Fire Boat when transporting people to the Wiyot World Renewal Ceremony.
- ❖ Expressed having a mobile PORTS application would be very useful.
- ❖ Is working with the County of Humboldt on the EDA Grant. The housing element must be approved before they can move forward. He encouraged the Board of Supervisors to move forward with the application.

Commissioner Higgins:

- ❖ Announced that Water Day on the Eel River will be held April 13, 2014 at the Mateel Community Center in Redway. It is a free event with catering by Pacific Seafoods. Donations are welcome.
- ❖ He said Humboldt County is still battling drought, but is trying to improve the water supply.

**OTHER**

**PRESENTATION BY SAMOA FIRE DISTRICT REGARDING THEIR TAX WAIVER TO THE DISTRICT**

Troy Nicolini, Warning Coordination Meteorologist for the National Weather Service, stated that the Samoa Peninsula Fire District's funding comes from property tax, which has decreased over the years and they are facing annual budget shortfalls. He also thanked the Board of Commissioners and staff for allowing them to train during the propane fire at the Pulp Mill.

Commissioner Marks and CEO thanked Samoa Peninsula Fire District.

**NON-AGENDA:** None

**UNFINISHED BUSINESS:** None

**NEW BUSINESS**

**A. CONSIDERATION OF APPROVAL OF CONTRACT WITH MP ENVIRONMENTAL SERVICE TO TRANSPORT HAZARDOUS MATERIAL**

The two responses to the RFP previously distributed by the District were from PSC and MP Environmental. MP Environmental was more cost effective and recommended by the Staff. CEO stated that he is looking to move things forward with Board approval at the meeting on April 24, 2014.

COMMISSIONER HIGGINS MOTIONED FOR THE APPROVAL OF CONTRACT WITH MP ENVIRONMENTAL SERVICES TO TRANSPORT HAZARDOUS MATERIAL. COMMISSIONER NEWMAN SECONDED.

Commissioner Wilson asked about the time frame. CEO said transportation of the liquors should start next month. Commissioner Dale asked how many truck loads will be needed. CEO said he will not know the total number until later.

MOTION WAS CARRIED WITHOUT DISSENT.

**B. CONSIDERATION OF APPROVAL OF CONTRACT WITH MM DIVING INC. TO INSPECT THE OCEAN OUTFALL**

COMMISSIONER HIGGINS MOVED FOR APPROVAL OF CONTRACT WITH MM DIVING INC. TO INSPECT THE OCEAN OUTFALL. COMMISSIONER DALE SECONDED.

CEO reported that there would be no long-term contracts made until there is a maintenance analysis. Commissioner Higgins asked about bad weather costs as the listed fee margin was large. CEO explained that the inspection has to be done, so they will have to take the risk of bad weather regardless.

MOTION WAS CARRIED WITHOUT DISSENT

**C. CONSIDERATION OF APPROVAL OF EXCLUSIVE RIGHT TO NEGOTIATE AGREEMENT WITH ENERGISTYCS INC. FOR FACILITIES LEASE AT REDWOOD TERMINAL 2**

COMMISSIONER NEWMAN MOVED FOR APPROVAL OF EXCLUSIVE RIGHT TO NEGOTIATE AGREEMENT WITH ENERGISTYCS INC. FOR FACILITIES LEASE AT REDWOOD TERMINAL 2. COMMISSIONER HIGGINS SECONDED.

Tim Crowley, North Coast Fabricators, introduced Ravi Aluru who is familiar with the pellet energy industry. Mr. Aluru said the world market for this kind of energy is growing. He also said Kyoto Protocol is helping keep it green, renewable, and sustainable.

Tim Crowley said he is a 3<sup>rd</sup> generation local and is excited and honored to create jobs in Humboldt County. He, Kevin Leary, and Ravi Aluru are looking to expand manufacturing to Brookings, Hoopa Valley, and Ukiah. They are estimating 8-10 ships the first year and 14 the 2<sup>nd</sup> year. There is a potential to create approximately 300 jobs. Phase 1 - 140,000 tons to be shipped out. Phases 2-5 would be the expansion of plants up and down the West Coast.

Commissioner Dale offered to help on the project, if needed, with policies, approvals, etc.

Commissioner Wilson voiced his concern about ships being too large for the channel.

Captain Petrusha said that tug companies will come knocking once the project gets underway and that smaller ships are available if the larger ships are too big.

Commissioner Marks said that he appreciates the creation of jobs.

Virginia Bass, County Supervisor, spoke of the project as "the little engine that could" and said this type of energy production has been proven successful. She encouraged the Board to move forward.

Chet Albin, Eureka Councilmember, suggested Energistycs make a presentation in Eureka.

A local commercial fisherman expressed that he is grateful for ships because it means more business in the Bay and more dredging.

MOTION WAS CARRIED WITHOUT DISSENT.

**D. CONSIDERATION OF APPROVAL OF CONTRACT FOR COMMERCIAL REAL ESTATE BROKER SERVICES**

Tim Petrusha explained that there are two qualified brokers, Scott Pesch with Coldwell Banker Commercial Real Estate and David Wells with Wells Commercial Real Estate. Staff recommended the Board contract with Mr. Pesch.

CEO stated that Scott Pesch is the best fit for the Harbor District's needs.

COMMISSIONER HIGGINS MOVED FOR APPROVAL OF CONTRACT FOR COMMERCIAL REAL ESTATE BROKER SERVICES WITH SCOTT PESCH, COLDWELL BANKER COMMERCIAL REAL ESTATE. COMMISSIONER DALE SECONDED.

Commissioner Wilson said he would like to see the contract.

Sebastian Elrite, Aqua-Rodeo Farms, said he knows Scott Pesch and has worked with him in the past. He said Scott Pesch has done great work in the community.

MOTION CARRIED WITH COMMISSIONERS MARKS AND NEWMAN ABSTAINING.

**E. CONSIDERATION OF APPROVAL OF PURCHASING FLOAT REPLACEMENT PARTS FROM BELLINGHAM MARINE SERVICES**

Director of Facility Maintenance reported that he is currently assessing the dock site at Fields Landing as well as the marina, for repair and overhaul.

He said that Bellingham Marine is pricing the floats at approximately \$1600 per marina dock. He would like to buy enough for one end dock and then leapfrog down to the other docks.

CEO said it is part of the Float Replacement Program, which has gained approximately \$50,000.00 to date. Staff is requesting \$7600.00 to purchase the floats, which is enough for four docks.

COMMISSIONER HIGGINS MOVED FOR APPROVAL OF PURCHASING FLOAT REPLACEMENT PARTS FROM BELLINGHAM MARINE SERVICES. COMMISSIONER WILSON SECONDED.

Commissioner Newman said the forty-year old marina needs repair.

Commissioner Dale asked if the docks have to come out of the water to be repaired and if they all needed replacing. Director of Facility Maintenance explained that the docks do need to come out of the water and not all of them need to be replaced. CEO reported that the Harbor District still has some unused piling material.

Commissioner Wilson suggested that more than normal wear and tear on the docks should have larger consequences for tenants. Director of Facility Maintenance said that the end ties are the worst because the wind sometimes pushes the boats into the docks.

Commissioner Higgins thanked Director of Facility Maintenance for his handiness.

MOTION CARRIED WITHOUT DISSENT.

**F. DISCUSSION OF BIDDING AND LEASING OPTIONS FOR THE MARICULTURE PRE-PERMITTING PROJECT**

Director of Conservation reported that the Harbor District would like to award leases to shellfish operators, but no decisions need to be made tonight. The primary goal is to create jobs. Staff is working with shellfish growers to develop options. He said that issues may vary between intertidal and subtidal leases. He suggested using just one lease type to simplify things because subleasing can be complicated. To minimize costs, staff is writing a draft Project Description that will list and map all the dredge sites, list and map the key disposal sites and options, include recent SAP and available results, describe the dredge equipment and methods, and specify the key tasks needed. Key consultant tasks would be to collect and analyze sediment samples at disposal sites to establish guidelines for what material can go there, conduct sampling at Woodley Island Marina and City of Eureka basin so leasing can start there as soon as possible, refine draft project description provided by District, and secure permits based on it (Coastal Commission, Army Corps of Engineers, Regional Water Quality Control Board). Permits need to allow XX yds/year, allow

disposal at a range of sites based on sediment quality, provide a process for additional disposal options to be added as they become available, and approve SAP to be used for sampling future sites.

Commissioner Dale said the goal is to give everyone the opportunity to succeed and that financial and permitting help would be beneficial to lessees. He also suggested help for start-up businesses.

Commissioner Wilson said he was curious about the process. CEO said the Board can make decisions after they've seen and discussed all the options.

Commissioner Dale explained that this is the brainstorming phase, and next they will discuss options and make decisions.

Commissioner Higgins said he would like to see some of the permits to go to smaller entrepreneurs.

Commissioner Wilson said he would like to discuss commercial space and lease time. He thinks there should be more qualifications for longer lease times. He would also like to see adaptive lease management with flexibility. Commissioner Dale said that the original leases would eventually pay for additional leases.

Commissioner Higgins asked for the final number for oyster limiting. Dan Berman said that he is working on it for the EIR and they won't have a final number until the final permitting is done.

Ted Kuiper thanked the Commissioners and staff for all the work they have done on the project so far. He reported that two growers have already put in bids. It is the largest aquaculture project in California and it is creating a great marketing tool, a huge investment and creates a lot of jobs. He urged the Board to support the project. It is creating worldwide contacts, which is also attracting future tenants. President Marks thanked Ted Kuiper.

Sebastian Elrite, Aqua-Rodeo Farms, said he was grateful for the project and thinks that enforcing qualifications is a good step to ultimately having the best growers.


Todd VanHerpe, Humboldt Bay Oysters, thanked everyone who has been involved with the project. He said he understands it is a complicated process and that Dan Berman and Adam Wagschal have done a good job making things clear.

Jen Kalt, Humboldt BayKeeper, said she is curious about the quality standards for oysters and hopes it is kept as a priority for the Harbor District and its lessees.

**ADMINISTRATIVE AND EMERGENCY PERMITS: None**

The Regular Meeting of the Board of Commissioners adjourned at 9:18 p.m.

APPROVED BY:

  
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Greg Dale  
Secretary

RECORDED BY:

  
\_\_\_\_\_  
Megan Smith  
Clerk