

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

April 29, 2014

PRESENT:

Commissioner Newman
Commissioner Marks
Commissioner Wilson
Commissioner Higgins

ABSENT:

Commissioner Dale

President Marks called the Special Meeting to order at 12:02 p.m.

Commissioner Wilson led those present in the Pledge of Allegiance.

District Counsel reported on the Executive Closed Session as follows: Status of negotiations with the Harbor District Labor Negotiator: no action taken; Status on Conference with Real Property Negotiator Freshwater Pulp Mill boiler sale and EPA provisions and remediation costs: no action taken.

PUBLIC COMMENT: None

NEW BUSINESS

A. CONSIDERATION OF ADOPTION OF RESOLUTION 2014-05, A RESOLUTION APPROVING SALE OF LIMITED OBLIGATION NOTE PURSUANT TO HARBOR AND NAVIGATIONS CODE SECTION 6084.2 TO COAST SEAFOODS INC.

CEO reported he and District Counsel have been working with Coast Seafoods' legal counsel to write the documents within the bounds of the District's Enabling Legislation. There will be two documents: the Limited Obligation Note and the Secured Lease Security Agreement.

CEO said the District has offered to assist Coast Seafoods with their future permitting, which is something the District does for all leasees/permittees. The District would not be giving Coast Seafoods any preferential treatment as a result of the loan.

CEO also stated that real property cannot be offered as collateral, only future revenues. If the sources that are identified within the documents do not generate enough revenue to pay the loan payment, then other District revenue sources can be accessed.

District Counsel said if the Board authorizes the Limited Obligation Note through the adoption of the resolution, they will be authorizing the signing of additional loan documents.

COMMISSIONER HIGGINS MOVED FOR THE ADOPTION OF RESOLUTION 2014-05, A RESOLUTION APPROVING SALE OF LIMITED OBLIGATION NOTE PURSUANT TO HARBOR AND NAVIGATIONS CODE SECTION 6084.2 TO COAST SEAFOODS INC. WITH THE AMENDMENT MADE TO PARAGRAPH #6 TO REFLECT THE WORDING FROM THE LIMITED OBLIGATION NOTE. COMMISSIONER NEWMAN SECONDED.

District Counsel stated USEPA will be looking for security on the same items that are being pledged in the Note. Commissioner Wilson said the USEPA will not generate income by liening District property, they will go after assets not encumbered.

CEO said he was led to believe the District's line of credit from Coast Seafoods to pay for the transport of the liquors was the extent of the District's obligation.

ROLL CALL VOTE WAS TAKEN:

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

MOTION CARRIED WITHOUT DISSENT.

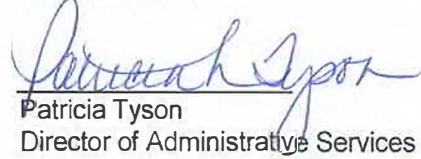
The Special Meeting of the Board of Commissioners adjourned AT 12:29 p.m.

APPROVED BY:



Patrick Higgins, Vice President
For
Greg Dale, Secretary

RECORDED BY:



Patricia Tyson
Director of Administrative Services