

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

April 9, 2015

PRESENT:

Commissioner Newman
Commissioner Dale
Commissioner Marks
Commissioner Wilson
Commissioner Higgins

President Marks called the Executive Closed Session to order at 6:00 p.m.

President Marks adjourned the Executive Closed Session at 6:53 p.m.

President Marks called the regular meeting of the Board of Commissioners to order at 7:00 p.m.

Commissioner Wilson led those present in the Pledge of Allegiance.

District Counsel reported on the Executive Closed Session as follows: Status of Conference with Real Property Negotiators for the Sale of Turbine/Generator at Redwood Terminal 2 property and Amendment of Option Agreement with Freshwater Tissue— No action taken. Threatened Litigation – USEPA Settlement Agreement – No action taken.

PUBLIC COMMENT: None

CONSENT CALENDAR: None

COMMUNICATIONS AND REPORTS

EXECUTIVE DIRECTOR'S REPORT:

- ❖ Redwood Terminal 2 Clean Up: Steve Calanog, USEPA, reported since last fall's accident when a contracted crew member fell into one of the tanks and was injured, the safety programs for this clean-up project were evaluated and revised prior to resuming work last week. Tank demolition is continuing. Sludge is being treated for solidification and removal. To date, 31 trucks of treated corrosive sludge (approximately 600 tons) has been removed. Pipeline removals continue and a 55-ton crane was brought in to remove steel tank pieces. President Marks asked if the concrete tanks were going to be left on the property. Mr. Calanog said the removal is a budget issue and USEPA wants to make sure the project is done correctly. The tanks are empty, but there is residual corrosives to clean on the inside of the tanks.
- ❖ A RFP is being distributed for a feasibility study for the uses of Redwood Terminal 2 water treatment and outfall pipe. A Community Development Block Grant will be used to pay for the study. An EDA grant for \$300,000 will be obtained for the design and engineering on the feasibility use.
- ❖ The costs to repair the sewer line for HSU's Aquatic Center (\$10,000) and to pump the holding tank to keep the Café Marina open (\$4,000) have been sent to the City of Eureka and HSU.
- ❖ Café Marina submitted their letter of approval for the fish market on Woodley Island.

STAFF REPORTS

Deputy Director

- ❖ Responses have been received on the Mariculture Pre-Permitting Project Environmental Impact Report
- ❖ Design and Permitting stage for King Salmon Dredging and Beneficial Reuse Project
- ❖ Eelgrass Management Plan Funding and RFP
- ❖ Attended California Shellfish Initiative Meeting
- ❖ Assessing Bay Habitat Restoration/Mitigation Options (Debris Removal and Restoration of Former Tidelands)
- ❖ Updated Sea Level Rise Web-Page.

Director of Harbor Operations:

- ❖ Working on lease renewal for USCG Cutter Barracuda, office, storage, moorage and parking.
- ❖ Annual inspection of the US Army Corps of Engineers office
- ❖ Listing boats for sale at Fields Landing Boat Yard.
- ❖ Draft Leases for Athena Green, Stone Cold Chillin, and the Hagfish Operation at Berth 1
- ❖ King Salmon Breakwater wall inspection with Deputy Director and Director of Facility Maintenance, preliminary work for repairs.
- ❖ Bruce Connor, Cruise Director—Reports Given to City Council and County Board of Supervisors

Director of Facility Maintenance:

- ❖ D-dock end tie replacement next week.
- ❖ Redwood Marine Terminal Berth 1 power and seawater supply possibilities.
- ❖ PG&E run from water tank storage to District properties on Samoa waterfront.
- ❖ Water main run to Redwood Marine Terminal 2 warehouses 1, 2 and 3 using 4" poly pipe provided by USEPA (2,000' of pipe).

Director of Administrative Services:

- ❖ With the addition of another Bookkeeper, staff has worked diligently to get caught up on monthly financials.
- ❖ March 2015 unaudited financials to the Board on April 23
- ❖ Budget:
 - April 23 – Budget workshop
 - Additional special meeting?
 - Schedule to be set for adoption of preliminary budget, public hearing after the 30 day comment period, 1st reading and 2nd reading and adoption – prior to July 1

District Planner:

- ❖ Has been helping with grant-funding on the various District projects.
- ❖ Fisherman Channel Pilot Project – preliminary review of grant competitiveness.

COMMISSIONER AND COMMITTEE REPORTS:

Commissioner Newman:

- ❖ Will attend tomorrow's Pacific Fishery Management Council meeting Rohnert Park.
- ❖ Participated on the cold storage committee meeting
- ❖ Exciting to see the pulp mill cleaned up.

Commissioner Dale:

- ❖ Attended a meeting in Ketchikan last week on shellfish food safety.
- ❖ Said the District should support the Wiyot Tribe's petition to the City for transfer of ownership of Indian Island.
- ❖ Has been looking at bay sites for mitigation potential.

Commissioner Marks:

- ❖ Met with former District CEO Jack Alderson and current Executive Director regarding King Salmon. Saddened that the plans for the softball fields never happened, nor did the Robinson Crusoe theme park and hotel.
- ❖ As the Chair of the NCRA Trails ad hoc committee, he has been dealing with billboards, abandoned rail cars and feral cats.
- ❖ As Director of California Cannabis Voice Humboldt, he met with the Board of Equalization when they were here looking at ways to tax cannabis.

Commissioner Wilson:

- ❖ Met with Commissioner Dale and Deputy Director regarding mitigation sites.
- ❖ Abalone growers in Ventura are looking at Humboldt Bay's Mariculture Pre-Permitting Project for potential in the open ocean.
- ❖ Met with District Planner regarding Woodley Island land use updates.

Commissioner Higgins:

- ❖ Mariculture Pre-Permitting Project – exciting prospects.
- ❖ Salmon season is open in Shelter Cove.

OTHER: Samoa Pellets Update – Postponed.

NON AGENDA: None

UNFINISHED BUSINESS: None

NEW BUSINESS

A. CONSIDERATION OF EXCLUSIVE RIGHT TO NEGOTIATE WITH HUMBOLDT WHOLESALE FOR REDWOOD TERMINAL 2 WAREHOUSE.

Steve Geider told the Board Humboldt Wholesale has been distributing gardening supplies for House & Garden Nutrients for eight years to 1,000 retail stores. House and Garden Markets in Europe, Canada, Australia and United States. There will be some light industrial blending and bottling. A mixologist has been hired to mix the nutrients. The nutrients create no aromas, gasses, fumes or by-products.

Mr. Geider spoke about the process and the facility, which was disassembled in Holland and shipped to the U.S.

COMMISSIONER HIGGINS MOVED FOR THE APPROVAL OF EXCLUSIVE RIGHT TO NEGOTIATE WITH HUMBOLDT WHOLESALE FOR REDWOOD TERMINAL 2 WAREHOUSE. COMMISSIONER WILSON SECONDED.

District Counsel stated the ERTN is the standard District form, 120 days, \$5,000 deposit. In the interim, a long term lease will be explored. Humboldt Wholesale is not interested in using the entire warehouse; the District will continue to market the remaining area. A short term lease is also an option to accommodate the heavy equipment as long as applicable permits are acquired.

Commissioner Newman said he is enthusiastic about the project.

Commissioner Higgins said as a public entity there is much risk, but there is zero risk to the bay and its resources. He said there should be a full court press on the California Coastal Commission to encourage them to grant permits.

Commissioner Wilson said he is cautiously optimistic to get through the process and is glad staff is up to the challenge. The assets need to be used or the infrastructure will be lost.

MOTION CARRIED WITHOUT DISSENT.

B. CONSIDERATION OF POTENTIAL TENANTS FOR MARICULTURE PRE-PERMITTING PROJECT.

Executive Director reported 13 responses were received. At their first meeting, the committee reviewed the responses and requested additional information. Ranking and selections were made at the second committee meeting. District staff conducted interviews in January and February and selections were made based on ranking, operational needs, the interview and money.

The next steps will be for the Board to approve the selections and draft leases based on permit requirements, operations, insurance, bonding and credit checks. A wild card remains – private ownership claims of the leased areas. State Lands and Kelly-O’Hern surveys are helping to alleviate questions.

Deputy Director said the District is still in the permitting process, which is subject to change, and will be concurrent with leasing. Lessees understand the lease terms may change due to changes during permitting.

COMMISSIONER HIGGINS MOVED FOR THE APPROVAL OF POTENTIAL TENANTS FOR MARICULTURE PRE-PERMITTING PROJECT AS RECOMMENDED BY THE COMMITTEE. COMMISSIONER NEWMAN SECONDED.

Commissioner Dale recused himself and left the room.

Sebastian Elrite said he is glad the Board and staff took charge with pending lessees and are working concurrently with permitting and leasing. He is excited to be a part of the project.

MOTION CARRIED WITHOUT DISSENT.

C. DISCUSSION OF EUREKA’S GENERAL PLAN UPDATE PROCESS AND WOODLEY ISLAND LAND USE DESIGNATION RECOMMENDATIONS.

Executive Director presented a proposed letter to the City of Eureka to the Board for their consideration regarding land use designations for Woodley Island.

District Planner said City of Eureka is reviewing opportunities for Land Use Designations changes throughout as part of the General Plan Update process and sent out a letter notifying landowners that Land Use change requests are being accepted through April 17. The City will consider all landowner requests. There will be many input opportunities as it is still early in the City’s process – outreach is scheduled for each task.

The General Plan Update includes the following: Planning Context – defining existing conditions, objectives, priority issues; Identifying Desired Achievements – vision statement, preferred Land Use Plan; Draft Documents – General Plan, LCP Land Use Plan, Climate Action Plan; Environmental Impact Analysis – Programmatic EIR; and Finalize & Adopt the plan & environmental documents.

Waterfront Commercial Zoning provides for a variety of primary commercial uses to promote coastal-related establishments catering to visitors, including markets, boat landings, fishing-related activities, restaurants, and tourist accommodations. Multiple-unit residential uses and ancillary offices are permitted on the upper floors of multi-story buildings.

Commissioner Wilson said the Waterfront Commercial Zoning provides the most flexibility for future building to derive public serving opportunities. He asked if there was any threat to commercial fishing with this type of zoning. District Planner responded this concern will be included in the District’s letter to the City.

COMMISSIONER HIGGINS MOVED FOR THE APPROVAL OF THE LETTER TO INCLUDE COMMISSIONER WILSON’S CONCERNS FOR THE LOCAL COMMERCIAL FISHING INDUSTRY. COMMISSIONER DALE SECONDED.

Jennifer Kalt, cautioned the Board against maligning the California Coastal Commission publicly.

MOTION CARRIED WITHOUT DISSENT.

D. CONSIDERATION OF AMENDMENT TO FRESHWATER TISSUE COMPANY'S OPTION AGREEMENT.

Executive Director reported the Option Agreement was approved in June 2014 to purchase parcels B & C. The District paid \$320,000 for a 2-year agreement fully refundable if the District doesn't exercise the option. Parcels B & C appraised for \$2.9 million, Buildings valued at 60%, but difficult to lease due to their location. Freshwater Tissue Company exercised their option to retain parcel C for an energy log project. The District is not interested in the buildings and remaining parcel configuration. The most valuable property to Parcel A is 16.5 acres of tarmac adjacent to Humboldt Bay with north access road and was recently appraised by Advanced Appraisal International at \$600,000. Freshwater is willing to sell for \$594,000 including costs of lot-line adjustment. The Amendment to the Option Agreement adds \$274,000 to \$320,000 into escrow. Closing will be after the lot-line adjustment is completed and title is cleared.

Executive Director told the Board Staff recommends moving ahead with the amendment to purchase the 16.5 acres for an additional \$274,000.

COMMISSIONER NEWMAN MOVED TO APPROVE THE AMENDMENT TO FRESHWATER TISSUE COMPANY'S OPTION AGREEMENT TO PURCHASE 16.5 ACRES FOR \$274,000. COMMISSIONER HIGGINS SECONDED.

Commissioner Wilson asked if the District would then own the ditch in the property. Executive Director said a survey would be necessary.

Commissioner Higgins said the ability for storage adjacent to the dock is an asset in the long run.

MOTION CARRIED WITHOUT DISSENT.

E. CONSIDERATION OF PURCHASE AGREEMENT WITH CRESCENT PARTNERS FOR TURBINE/GENERATOR.

COMMISSIONER HIGGINS MOVED FOR THE APPROVAL OF PURCHASE AGREEMENT WITH CRESCENT PARTNERS FOR TURBINE/GENERATOR. COMMISSIONER DALE SECONDED.

Executive Director reported the proposed purchaser is Crescent Partners for a price of \$350,000. The terms are: \$10,000 upon signing, \$40,000 within 30 days and the balance after the rotor inspection. The purchase includes the GE Steam Turbine Generating Unit and the ancillary equipment in building. Buyer accepts all costs of removal.

MOTION CARRIED WITHOUT DISSENT.

F. CONSIDERATION OF DISTRIBUTION OF A REQUEST FOR PROPOSAL FOR DEVELOPMENT OF HUMBOLDT BAY EELGRASS MANAGEMENT PLAN.

Deputy Director reported the District is partnering with the Wiyot Tribe, SeaGrant, California Department of Fish and Wildlife, Coastal Commission, Coastal Conservancy, National Marine Fisheries Service, and Army Corps of Engineers to develop a plan to promote the conservation of eelgrass and the ecosystem and wetland functions that eelgrass provides, allow predictable and coordinated processing of regulatory approvals and uses a bay wide approach for avoiding, minimizing and mitigating impacts of different activities on eelgrass.


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Deputy Director said staff is seeking funding from the various partners and others concurrently with the RFP circulation.

COMMISSIONER WILSON MOVED FOR THE APPROVAL OF DISTRIBUTION OF A REQUEST FOR PROPOSAL FOR DEVELOPMENT OF HUMBOLDT BAY EELGRASS MANAGEMENT PLAN. COMMISSIONER DALE SECONDED. MOTION CARRIED WITHOUT DISSENT.

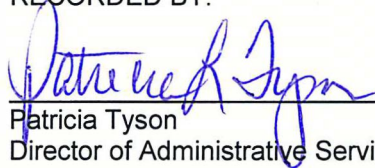
The Regular Meeting of the Board of Commissioners adjourned at 8:45 p.m.

APPROVED BY:



Greg Dale
Secretary

RECORDED BY:



Patricia Tyson
Director of Administrative Services