

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

May 14, 2015

PRESENT:

Commissioner Newman
Commissioner Dale
Commissioner Marks
Commissioner Wilson
Commissioner Higgins

President Marks called the Executive Closed Session to order at 6:10 p.m.

President Marks adjourned the Executive Closed Session at 6:43 p.m.

President Marks called the regular meeting of the Board of Commissioners to order at 7:01 p.m.

President Marks led those present in the Pledge of Allegiance.

District Counsel reported on Closed Session as follows: Conference with Real Property Negotiators – 1) Pre-permitted Oyster Leases: Commissioner Dale recused himself and left the room. No action was taken and 2) Exclusive Right to Negotiate with Sustainable World Solutions, LLC: Commissioner Dale returned to Closed Session. The Board of Commissioners voted unanimously they are not interested at this time to enter into negotiations for the six (6) acres with a water clarification facility at the Redwood Terminal 2 property.

PUBLIC COMMENT

Kent Sawatzky said he was at the Board of Supervisors meeting and they were discussing seismic activity. He said he appreciates when a Board member recuses themselves from participating in an agenda item that could be perceived as a conflict of interest. The rules regarding conflicts of interest are very tight.

Sebastian Elrite, Aqua-Rodeo Farms told the Board to check out the quarterly *Insider*. He and Commissioner Dale are included in an article. He said it was nice to see commissioners at the Timber Heritage Association Chamber mixer. Mr. Elrite said we are in a transitional period on Woodley Island and storage has been moved to Redwood Dock. He is being charged for a larger space with limited access. The shuffling is causing tenant inconvenience and staff time. The fencing has been taken down around the original storage yard and is concerned with the riff raff on the island after midnight. There should be more security considering the recent losses.

Rex Olander asked why the minutes are so far behind. Commissioner Higgins responded it is due to staff transition.

Kent Sawatzky said other agencies are behind with their minutes also.

CONSENT CALENDAR

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

COMMUNICATIONS AND REPORTS

EXECUTIVE DIRECTOR'S REPORT:

- ❖ Steve Calanog, USEPA, reported to the Board extensive sludge and tank removal is ongoing. While EPA is the lead agency, USCG Pacific Strike Team and CalOSHA are supporting agencies. Only one steel tank remains standing. A total of approximately 8,000 tons of sludge has been removed. The cost of demolition of the tile and concrete tanks on the north side of the facility are lower than expected. Talks with Special Forces of the Air Force and Navy to see if the

demolition of the smoke stack would meet their training curriculum requirements. Targeting mid-July to end the project with a bang!

- ❖ Redwood Terminal 2 Substation Repairs: Energy cost to operation 20kw- \$2,000/month; Circuit breaker gas leaks- \$2,000 New Market Tax Credit budgeted improvements \$500,000-\$900,000; Substation c/month; Recent inspection 7 of 9 detected leaks; Replacement costs \$12,000 each= \$110,000; can be "mothballed" until repaired; and additional 12kv minimum service- \$15,000.
- ❖ Redwood Marine Terminal Berth 1 - Building 3 had power prior to 2005; Power restored 2013 for the aquaponics pilot project and Timber Heritage Association; Power restored 2014 to operate the hoist and lights; Building 3 needs 3 phase power; Potential Hagfish or live crab tenant; Hagfish tenant lease- \$40,000/yr. revenue and Cost of power restoration- approx. \$20,000.
- ❖ Community Development Block Grant Feasibility Study: County of Humboldt is advertising for RFQ/RFP for an \$80,000 grant; Feasibility study only to repurpose the pulp mill water filtration plant and ocean outfall pipe; wastewater from Samoa Peninsula – outfall; wastewater from Terminal 2 tenants – outfall; wastewater from Eureka discharge – outfall; dredge slurry/sediment processing – water treatment plant and feasibility study used for EDA grant design work.
- ❖ Oyster Bar and Restaurant on Woodley Island – Executive Director presented artist's renderings of the plans for the property at the west end of Woodley Island where the storage yard was previously positioned.

STAFF REPORTS

Deputy Director:

- ❖ Eelgrass Management Plan EPA Proposal – requesting \$80,000; with time contributions from Wiyot Tribe, CA Coastal Commission, CA Coastal Conservancy, County of Humboldt, City of Eureka, City of Arcata, National Marine Fisheries Service, Sea Grant, Humboldt Baykeeper and Hog Island Oyster Company.
- ❖ Hagfish operation project development, water quality measurements and permit applications.
- ❖ Assessing Fields Landing and White Slough as potential options for King Salmon dredge material dewatering and beneficial reuse.
- ❖ Tour with Coastal Conservancy and other agencies of restoration opportunities between Elk River and King Salmon.

Director of Harbor Operations:

- ❖ Trip to Astoria to shadow Bruce Conner during a cruise ship visit
 - *Golden Princess* arrived May 7th for a 9-hour visit
 - Approximately 3,000 passengers
 - 10 varieties of tours offered - Used approximately 30 Tour/School Buses
 - Local volunteers acting as Tour Guides
- ❖ Marine debris removal From King Salmon Channel.
- ❖ U.S.S. Champion arriving May 28th from San Diego, transiting to Fleet Week in Portland
- ❖ Working with California Redwood Company on a trip to Washington D.C.
- ❖ Continued work on new and renewing leases for the District properties.
- ❖ Divers to Marker 5 in South Bay for PORTS inspection and maintenance.

Director of Facility Maintenance:

- ❖ D-dock end tie replacement is complete; dredge tender Bar Fly was used.
- ❖ The storage yard cleanup project was mostly favorable with the tenants; most of the spaces are now slightly larger.
- ❖ A forklift was stolen from Redwood Marine Terminal Berth 1 on May 7th. It is a felony to steal public property. The Harbor District is offering \$1,000 reward for information leading to the recovery of the forklift.

District Planner:

- ❖ Met with PG&E representatives and revised the Initial Study and Mitigated Negative Declaration based on the comments received during the public comment period.
- ❖ A meeting will be held next week with the Cities, County, property owners and Harbor District on the LCP amendment.

- ❖ The RFQ will be distributed on May 18 for the Community Development Block Grant.
- ❖ Starting tomorrow, a full-time intern will be working on harbor projects.
- ❖ Attended the THA Chamber mixer with some of the commissioners.

District Treasurer

- ❖ New accounting standards requires public agencies to report their unfunded pension liabilities. CalPERS does the computation and the report will be available in June. The cost of the report is \$850.

COMMISSIONER AND COMMITTEE REPORTS:

Commissioner Newman:

- ❖ Sorry to report the commercial salmon fishing season is not a good one.

Commissioner Marks:

- ❖ Attended the THA Chamber mixer.
- ❖ Attended a NCRA Board meeting where removing billboards between Arcata and Eureka were discussed. CalTrans has requested NCRA to resubmit information because they lost the original submittal. Also discussed were NCRA locomotives on the Balloon Track. Security National is removing/refurbishing some of the locomotives.
- ❖ Humboldt Redwood Company wants to remove the rails on their property as they are a hazard with the forklifts. This would relieve NCRA of a \$250,000 debt.

Commissioner Wilson

- ❖ Attended the THA Chamber mixer
- ❖ Attended a Woodley Island Wildlife Area subcommittee meeting.

Commissioner Higgins:

- ❖ Researching the salmon runs as an incubator in main stem of Eel River.
- ❖ Attended the THA Chamber mixer.
- ❖ Eel River Recovery Project – free consult on water pollution prevention and water conservation.

OTHER

Albert Lemus – Lowes Enterprises

New Market Tax Credit update - \$3.5 billion is expected to be released at the end of May and there are 100 firms (Community Development Enterprises (CDE)) involved. Mr. Lemus has received strong interest in the Harbor District's project from four CDEs and feels good that the District will receive an allocation in the 2015 round. Key tasks pending are finalizing the EPA settlement, obtaining construction contracts of \$3,000,000 and issuing conditional awards based on the New Market Tax Credit process.

The schedule for the project is as follows:

June/July – secure allocations from CDEs - \$50,000 deposit will be owed
September (closing) \$3 million deposited in construction account; administrative fee due \$200,000

Commissioner Higgins asked if plans can be adapted to new prospective tenants. Mr. Lemus replied there are 100 items to be performed and they can be revised if similar and on the same parcel (change orders).

Allocation of \$9.8 million in credits. Harbor District's contribution: Collateral Parcels A & B, seven-year commitment, \$1.5 million borrowed. The benefit is \$3 million in improvements.

Kent Sawatzky asked if the \$1.5 million borrowed is second to the Coast Seafoods loan. Mr. Lemus replied the Coast Seafoods loan would be senior to the New Market Tax Credits.

NON AGENDA: None

UNFINISHED BUSINESS

A. STATUS OF COASTAL DEVELOPMENT PERMIT, WATER BOARD 401 PERMIT AND ARCATA USE PERMIT FOR WATER TRAILS PROJECT.

District Planner reported the design is in, the environmental documents and review are complete, a lengthy list of additional request from agencies regarding bay impact and other issues were received. He said there will be coordination with City of Arcata on the Use Permit.

B. CONSIDERATION OF ADOPTION OF FY 2015/16 PRELIMINARY BUDGET

Director of Administrative Services reported the FY 2015/16 Preliminary Budget being presented at this meeting is the same one presented during the Board's Budget Workshop held on April 23.

Commissioner Wilson said he was not in favor of splitting out the improvements to Woodley Island into the General category. He said all of Woodley Island's improvement expenses should be left in the Marina category.

Commissioner Newman said many tenants feel raising the rates at this time is unreasonable due to the rising increase in rates over the last couple of years. The assumption was that there would be no incremental raises for a time. Also the off-boat sales permits have been free up until now, where the budgeted amount is \$250/yr. At times the season is very short and there is not much product. Commissioner Newman suggested \$100/yr. He said he felt the increase in rates for Fields Landing Boat Yard are appropriate.

Commissioner Wilson said he agrees with the \$100/yr. for off-boat sales; the charter boats pay \$250/yr. but their season is longer.

Executive Director stated tenant electrical use is down approximately 40% due to the fact they now pay for their electrical use.

Commissioner Newman said some of the tenants feel many of the services are going away and the rates are increasing.

COMMISSIONER HIGGINS MOVED FOR THE ADOPTION OF FY 2015/16 PRELIMINARY BUDGET. COMMISSIONER WILSON SECONDED.

Commissioner Dale said he would support the motion if it was amended to \$100/yr. for off-boat sales permits and a 1% increase to marina rates.

Commissioner Higgins said he would not accept Commissioner Dale's suggestion.

Kent Sawatzky said he appreciated Commissioner Dale's suggestion; it is a good compromise. Woodley Island Marina was originally designed for the fishermen. It's a small amount of money when the District has so many large projects.

Sebastian Elrite said as a business owner he applied for the no cost permit to sell shellfish off his boat. Having that permit, the Harbor District should get something.

Susan Penn asked where are the projected capital expenses and debt payments? Maintenance of Woodley Island marina is the largest concern. Tenant restrooms are not cleaned; make sure the facilities are appropriately attended to.

Mike Cunningham, commercial fisherman, said services have plateaued or decreased and rates have been increased. He cannot get out of his slip 10-20% of the time due to the silt. The last

crab season was poor and the upcoming salmon season may not be better. Retail sales draw people to the island and other services are utilized. What are the fishermen getting for the \$250/yr.?

COMMISSIONER HIGGINS AMENDED HIS MOTION TO ADOPT THE FY2015/16 PRELIMINARY BUDGET TO INCLUDE \$100/YR FOR AN OFF-BOAT SALES PERMIT AND A 1% INCREASE IN MARINA RATES. COMMISSIONER WILSON ACCEPTED THE AMENDMENT. MOTION CARRIED WITH COMMISSIONER NEWMAN DISSENTING.

NEW BUSINESS

A. DISCUSSION – WOODLEY ISLAND WILDLIFE COMMITTEE – COMMISSIONER HIGGINS

Commissioner Higgins reported when the Woodley Island Wildlife Area committee met on April 28, it had been 22 years since their last meeting. The committee took a field trip around Woodley Island and some expressed concern with the non-native vegetation removal by the Conservation Corps without agency knowledge/participation.

The committee discussed the non-native trees, such as the Eucalyptus trees, and some root growth around water pipes. Several artifacts dredged from the bay sit near the weather service office. Donating the artifacts to Timber Heritage Association would require a permit from the Coastal Commission.

Many areas of the fencing are gone or need replacement.

Rex Olander asked how far back does one figure out what is native. Eucalyptus trees were grown to make pilings because they grow fast and do not rot. Eucalyptus trees are grown in many ports.

Susan Penn said she participated as non-voting, a volunteer. She said some agency members thought the meeting was closed and she probably will not be invited back, but does feel there is a place for public involvement.

Commissioner Newman said public involvement should be embraced.

Commissioner Wilson said it is the Harbor District's obligation to run the committee. The last time the committee met the Brown Act did not exist. The committee is a condition of the Coastal Development Permit to manage the wildlife area.

District Counsel said if the committee is a standing one for the Harbor District, the Brown Act would apply and transparency and openness would be welcome.

B. CONSIDERATION OF ACCEPTING FOR FILING PERMIT APPLICATION 15-04 FROM THE HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT FOR A HAGFISH HOLDING FACILITY AT REDWOOD MARINE TERMINAL BERTH 1 (REDWOOD DOCK).

Deputy Director reported accepting for filing the permit begins the 30-day public review period. The District is the permittee and the project would relocate the hagfish holding and packing facility from Fields Landing to Redwood Marine Terminal Berth 1.

Director of Facility Maintenance stated the dock has been repaired in order to handle the crossing traffic.

Deputy Director reported water samples of existing facility were taken and there was confirmation today from Regional Water Quality Control Board that they do not consider the discharge as something to require a permit.

MOTION CARRIED WITHOUT DISSENT.

C. CONSIDERATION OF LETTER OF SUPPORT FOR SB788, THE CALIFORNIA COASTAL PROTECTION ACT OF 2015.

Commissioner Wilson reported Senator McGuire is putting forth a bill to help block offshore oil drilling in California.

Executive Director said he originally put out a letter of support, but Commissioner Wilson asked for it to be brought before the Board for approval since the subject is not on the District's Legislative Priorities.

COMMISSIONER DALE MOVED FOR THE APPROVAL OF LETTER OF SUPPORT FOR SB788, THE CALIFORNIA COASTAL PROTECTION ACT OF 2015. COMMISSIONER WILSON SECONDED.

Commissioner Higgins said he worked on this very issue in 1976. Seismic activity and offshore oil drilling are not compatible.

MOTION CARRIED WITHOUT DISSENT.

D. CONSIDERATION OF SECURING CREDIT CARD INFORMATION FROM TENANTS TO ALLOW FOR AUTOMATIC PAYMENTS.

Executive Director reported 200+ tenants pay monthly or annually and the District does not currently retain credit card information from tenants, so card information is provided separately for each transaction. He said staff is considering securing credit card information; collect automatic payments if tenants choose this option and collect payments using credit card if tenant is past due. This new process will require new tenants and transients to provide credit card information and agree to future charges.

E. CONSIDERATION OF RATES FOR OFFLOADING SEAFOOD AT DISTRICT PROPERTIES.

Executive Director reported fees would only be collected when hoist is used and proposed the following fee schedule:

- a. Bottom Fish = \$.025 /lb (under 5,000 lb)
- b. Bottom Fish = \$.020/lb (5,000-10,000 lb)
- c. Bottom Fish = \$.015/lb (10,000 lb +)
- d. Crab = \$.050/lb (under 5,000 lb)
- e. Crab = \$.040/lb (5,000 lb-10,000 lb)
- f. Crab = \$.030/lb (10,000 lb +)
- g. Salmon = \$.075/lb
- h. Shellfish = \$.25/bushel

F. CONSIDERATION OF COSTS AND INSURANCE REQUIREMENTS FOR DIRECT SALES OF FISH FROM VESSELS AT WOODLEY ISLAND MARINA.

Executive Director reported that costs for direct sales from vessels is currently required for other businesses, including boats selling seafood they didn't catch and land. Other businesses have a \$250 annual fee, permit and insurance requirements. He suggested a \$100 annual fee plus Permit and insurance requirements.

Executive Director stated formal resolutions for items D, E and F will be brought back to the Board at the next meeting if there is consensus.

Sebastian Elrite said pertaining to Item E, there are no real Department of Fish & Wildlife landing requirements for shellfish. He says he does keep his sales receipts. If there is a fee to sell produce to the public, will there be a credit to use the hoist?

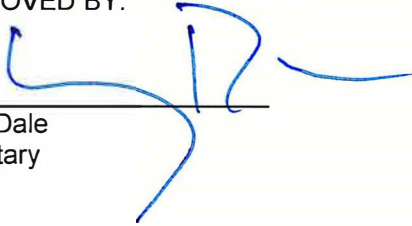
The Board agreed to consider Items D, E and F at the next Board meeting.

ADMINISTRATIVE AND EMERGENCY PERMITS

Deputy Director reported Administrative Permit A-2015-01 was issued to Chevron USA for removal of four abandoned concrete floats in Humboldt Bay.

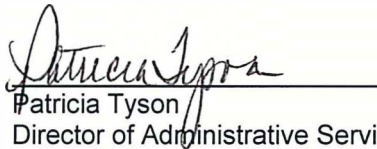
The Regular Meeting of the Board of Commissioners adjourned at 10:05 p.m.

APPROVED BY:



Greg Dale
Secretary

RECORDED BY:



Patricia Tyson
Director of Administrative Services