

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

May 28, 2015

PRESENT:

Commissioner Newman
Commissioner Dale
Commissioner Marks
Commissioner Wilson

ABSENT:

Commissioner Higgins

President Marks called the Executive Closed Session to order at 6:01 p.m.

Kent Sawatzky told the Board that he would like to see as many small leases as possible be approved through the mariculture pre-permitting project. It is good to see new blood enticed to and creating jobs in Humboldt Bay.

The Board then moved into Executive Closed Session. Commissioner Dale recused himself.

President Marks adjourned the Executive Closed Session at 6:23 p.m.

President Marks called the regular meeting of the Board of Commissioners to order at 7:03 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 Negotiator: Once Commissioner Dale recused himself, the Board discussed the subject Pre-Permitted Oyster Leases. No action taken.

PUBLIC COMMENT

Susan Penn said based on the District's Profit & Loss Statement of January 31, 2015 this fiscal year will end in a deficit of \$1 million. She suggested that prior to spending more money on Redwood Terminal 2, revenue should be brought in from additional tenants.

Kent Sawatzky said in 20 years there will be 9 billion people on earth. Humboldt County has stored water and everything to survive when Mother Nature does her thing. He also said good, viable tenants are needed at Redwood Terminal 2 or it will not be able to sustain itself. New tenants should have the option to purchase the property in order to put it back on the County's tax rolls.

Sebastian Elrite, Aqua-Rodeo Farms, said in April Executive Director mentioned SB141 regarding tide and submerged lands in Humboldt Bay was going through the process at the State level. He said he was curious what the Board thought about the wording changes and the District needs to understand its obligations through common law doctrine.

CONSENT CALENDAR: None

COMMUNICATIONS AND REPORTS

EXECUTIVE DIRECTOR'S REPORT: None

STAFF REPORTS: None

DISTRICT COUNSEL, DISTRICT PLANNER AND DISTRICT TREASURER REPORTS: None.

COMMISSIONER AND COMMITTEE REPORTS:

Commissioner Wilson:

- ❖ 5/27 – TalkShop on KINS radio.
- ❖ Attended with Deputy Director and District Planner the Eureka City Council/Planning Commission meeting on the General Plan Update regarding zoning changes for Woodley Island. He said there was a split vote on how to move forward with the requested zoning changes.
- ❖ The vessel Golden Rule, which has a long history, specifically the first boat used to protest nuclear arms, will be launched on June 20th after a lengthy restoration. Commissioner Wilson encouraged the Board to approve a proclamation at the next Board meeting.

OTHER: None

UNFINISHED BUSINESS

A. CONSIDERATION OF ADOPTION OF RESOLUTION 2015-06, A RESOLUTION ESTABLISHING RATES FOR OFFLOADING SEAFOOD AT DISTRICT PROPERTIES.

Deputy Director reported this item was discussed at the last Board meeting. The concept is consistent with other ports.

COMMISSIONER WILSON MOVED FOR THE ADOPTION OF RESOLUTION 2015-06, A RESOLUTION ESTABLISHING RATES FOR OFFLOADING SEAFOOD AT DISTRICT PROPERTIES. COMMISSIONER DALE SECONDED.

Commissioner Newman said he never understood why this has not been done before now.

Zack Rotwein said his biggest concern is the City of Eureka adopted the same type of policy for their public hoists. After about six months, they leased the hoists to two companies who “locked” up the hoists and small buyers could not utilize the facility. As long as this scenario does not happen at Harbor District properties, it will be good for the industry.

President Marks said he envisions this will be an enhancement and open up opportunities.

ROLL CALL VOTE WAS TAKEN:

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

MOTION CARRIED WITHOUT DISSENT.

B. CONSIDERATION OF ADOPTION OF RESOLUTION 2015-07, A RESOLUTION ESTABLISHING PROTOCOLS FOR SECURING CREDIT CARD INFORMATION FROM TENANTS TO ALLOW FOR AUTOMATIC PAYMENTS.

Deputy Director stated a qualified third party payment processor will hold the credit card information; staff will have access only to a portion of the cardholder's information. Tenants will be required to sign an authorization form allowing their credit card to be charged.

COMMISSIONER NEWMAN MOVED FOR THE ADOPTION OF RESOLUTION 2015-7, A RESOLUTION ESTABLISHING PROTOCOLS FOR SECURITY CREDIT CARD INFORMATION FROM TENANTS TO ALLOW FOR AUTOMATIC PAYMENTS. COMMISSIONER DALE SECONDED.

Sebastian Elrite said he supports this decision, it is a good idea to automate. He asked the Board to consider a local payment processor, such as Eureka Payments.

ROLL CALL VOTE WAS TAKEN:

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

MOTION CARRIED WITHOUT DISSENT.

C. CONSIDERATION OF ADOPTING RESOLUTION 2015-08 WHICH ESTABLISHES FINDINGS RELATIVE TO THE APPLICATION BY THE HUMBOLDT BAY NATIONAL WILDLIFE REFUGE FOR THE WHITE SLOUGH TIDAL WETLANDS RESTORATION PROJECT.

Deputy Director reported the Coastal Conservancy is the CEQA Lead Agency and there is a certified Mitigated Negative Declaration.

COMMISSIONER WILSON MOVED FOR THE ADOPTION OF RESOLUTION 2015-08 WHICH ESTABLISHES FINDING RELATIVE TO THE APPLICATION BY THE HUMBOLDT BAY NATIONAL WILDLIFE REFUGE FOR THE WHITE SLOUGH TIDAL WETLANDS RESTORATION PROJECT. COMMISSIONER NEWMAN SECONDED.

Kent Sawatzky said there should be an allowance for sea level rise and mitigation for contiguous landowners.

Kelly Reid said it looks like there is a gain of 26 acres of salt marsh and a loss of 24 acres of brackish marsh. What happens with the other two acres; a lot of money is being spent to create two acres of salt marsh. Deputy Director replied the two acres become brackish pond; the overarching goal is to create salt marsh habitat.

ROLL CALL VOTE WAS TAKEN:

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

MOTION CARRIED WITHOUT DISSENT.

D. CONSIDERATION OF GRANTING PERMIT 15-03 TO THE HUMBOLDT BAY NATIONAL WILDLIFE REFUGE FOR THE WHITE SLOUGH TIDAL WETLANDS RESTORATION PROJECT.

COMMISSIONER DALE MOVED TO GRANT PERMIT 15-03 TO THE HUMBOLDT BAY NATIONAL WILDLIFE REFUGE FOR THE WHITE SLOUGH TIDAL WETLANDS RESTORATION PROJECT. COMMISSIONER NEWMAN SECONDED. MOTION CARRIED WITHOUT DISSENT.

NEW BUSINESS:

A. CONSIDERATION OF EXCLUSIVE RIGHT TO NEGOTIATE WITH SAMOA PELLETS LLC FOR REDWOOD TERMINAL 2.

Executive Director reported Samoa Wood Pellets LLC's project at Redwood Terminal 2 is the exporting of 250 tons/year of wood pellets. It would mean an investment of \$35 million and create 25-28 jobs. The lease area of Redwood Terminal 2 would be the machine shop (31,000 sf), warehouse (92,000 sf) and the dock (7,000 sf). The 90 days Exclusive Right to Negotiate (ERTN) has two 90-day extensions for a cost of \$5,000 for the initial ERTN and \$2,500 for each of the extensions.

Steve Mueller, President of International WoodFuels LLC was the former owner of DG Fairhaven Power and is familiar with the area. He said they are more interested in a 30-year site lease than an ERTN. Shipments will begin in 2018 and they cannot wait another year to start building their facility. If they can get a lease and start building before the end of the year, they will be able to seal a 10-year contract with Japan. He said 8-10 ships per year are expected. Redwood Terminal 2 is where the right confluence of site, harbor, fiber/product and market exists. There will be almost zero emissions and all environmental requirements will be met.

COMMISSIONER WILSON MOVED TO APPROVE THE EXCLUSIVE RIGHT TO NEGOTIATE WITH SAMOA PELLETS LLC FOR REDWOOD TERMINAL 2. COMMISSIONER DALE SECONDED.

President Marks said as a previous worker managed by poor stewards of the environment, zero emissions is exciting.

Commissioner Wilson said HS has received funding for forest management with fuel reduction and he urged Mr. Mueller to contact them. Commissioner Wilson also encouraged him to use local engineers and workers. Mr. Mueller said they always use the local workforce when possible. He said they hope to be back in a month with a signed lease.

Kent Sawatzky thanked Mr. Mueller and Mr. Leary for considering this area for their facility. He said there is very little to object to with this type of project.

Susan Penn said this type of lease would go a long way to get the Harbor District out of the red.

A representative from ILWU14 said he supported the project; Humboldt County needs the work.

MOTION CARRIED WITHOUT DISSENT.

B. CONSIDERATION OF COAST SEAFOODS COMPANY LEASE FOR REDWOOD TERMINAL 2 WAREHOUSE.

Commissioner Dale recused himself and left the meeting room.

Executive Director reported Coast Seafoods Company's project is for oyster seed sitting and production and would use the warehouse SE, rail pit and S access of Redwood Terminal 2. The lease calls for four 5-year options for \$3,500/mo plus CPI and includes a dock easement. The lease would start July 1, 2015 and is subject to the approval of the subtidal leases.

President Marks asked if all the tenants can work together in the same area. Executive Director replied that Samoa Wood Pellets LLC is willing to work with Coast Seafoods Company and Taylor Mariculture and he does not expect any overlap.

COMMISSIONER WILSON MOVED TO APPROVE THE COAST SEAFOODS COMPANY LEASE FOR REDWOOD TERMINAL 2. COMMISSIONER NEWMAN SECONDED.

Kent Sawatzky said it might be good for the Harbor District to be held harmless if the tenants go "Hatfields and McCoys". More tenants are good for the District. He said the District's Karma is good right now.

Sebastian Elrite said he spoke with Mitch White of Taylor Mariculture, who said the expansion of Coast Seafoods Company's operation will hopefully offload to smaller businesses.

Rebecca Garwood, CA Dept. of Fish & Wildlife said if this project is subject to the mariculture pre-permitting process, make sure to include such in the Environmental Impact Report.

MOTION CARRIED WITHOUT DISSENT.

Commissioner Dale returned to the meeting room.

C. CONSIDERATION OF APPOINTING TWO COMMISSIONERS TO SERVE ON A 2X2 WORKING GROUP WITH TWO EUREKA CITY COUNCILMEMBERS.

Executive Director reported this working group was designed to improve communication between the District and the City of Eureka.

Commissioner Newman said he would like to be on the committee since part of Eureka is in his district and there are a lot of waterfront/fishing considerations.

Commissioner Dale suggested the continuance of the division between the Fisherman's Marketing Association and the District be stopped.

Commissioner Wilson said while he would like to serve on the committee, President Marks' district also contains a part of Eureka; therefore he would be the more sensible committee member. He did caution the committee members about crossover discussions that would pertain to other committees they might serve on. For example, the first topic of discussion will most likely be the zoning change for Woodley Island and there are a couple of different committees that considers that issue.

Kent Sawatzky said it is important for Commissioner Newman to try to mend the fences with the fishermen and the City of Eureka and the Harbor District. And he supported President Marks as a committee member. Mr. Sawatzky said there is a good chance of good things coming from this committee.

Susan Penn said she supported President Marks' participation.

Kelly Reid suggested inviting the County and making it a 2x2x2 committee.

President Marks said he appoints Commissioner Newman and himself, with Commissioner Wilson as alternate, to the 2x2 Working Group.

D. RIGHT TO FISH ORDINANCE – DISCUSSION

Commissioner Wilson said the purpose of such an ordinance is to conserve politics and encourage the development of commercial fishing; reduce potential interference from non-commercial fishing activities; develop procedures for complaints, investigation and resolution and resolve conflict through mediation before legal action is taken. This ordinance would apply to all Harbor District properties and will be included in all future leases where it may pertain. He also said the marina zoning will remain the same; only the zoning of the District's upland property of Woodley Island is likely to change.

President Marks said this ordinance shows the District's commitment to commercial fishermen.

Commissioner Newman thanked Commissioner Wilson for his work and said it will clear up the angst of the fishermen and provide them reassurance of the District's commitment.

Executive Director suggesting adding an additional step that a complaint would go to the Board after the Executive Director and prior to mediation.

Kent Sawatzky said he strongly applauded this idea and said it is a perfect topic for the 2.2 Working Group. He suggested this ordinance be part of the zoning ordinance so as to not be repealed by a future Board of Commissioners.

Susan Penn said since the Executive Director may change from time to time, maybe there should be a different person to hear a complaint. District Counsel responded it would be the Executive Director of designee.

President Marks asked for this ordinance to be an agenda item for the June 11, 2015 Board meeting.

E. CONSIDERATION OF ADOPTION OF RESOLUTION 2015-09, A RESOLUTION GRANTING EASEMENT TO PACIFIC GAS AND ELECTRIC COMPANY FOR FUTURE GAS SERVICE AT REDWOOD TERMINAL 2.

Executive Director reported this easement would complete the process to get gas service to the east end of Redwood Terminal 2 and will be used by Taylor Mariculture and Samoa Wood Pellets LLC.

COMMISSIONER NEWMAN MOVED FOR THE ADOPTION OF RESOLUTION 2015-09, A RESOLUTION GRANTING EASEMENT TO PACIFIC GAS AND ELECTRIC COMPANY FOR FUTURE GAS SERVICE AT REDWOOD TERMINAL 2. COMMISSIONER DALE SECONDED.

ROLL CALL VOTE WAS TAKEN:

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

MOTION CARRIED WITHOUT DISSENT.

ADMINISTRATIVE AND EMERGENCY PERMITS: None.

The Regular Meeting of the Board of Commissioners adjourned at 8:25 p.m.

APPROVED BY:



Greg Dale
Secretary

RECORDED BY:



Patricia Tyson
Director of Administrative Services