

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

**July 24, 2014**

**PRESENT:**

Commissioner Marks  
Commissioner Wilson  
Commissioner Higgins  
Commissioner Newman

**ABSENT:**

Commissioner Dale

President Marks called the Executive Closed Session to order at 6:05 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 7:03 p.m.

President Marks asked Sebastian Elrite to lead 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 Threatened Litigation: no action taken; Status on Conference with Legal Counsel: no action taken.

**PUBLIC COMMENT:**

Sebastian Elrite, Aqua-Rodeo Farms, said he mentioned at the previous Board meeting his concerns about the sizes of the Mariculture subleases. He asked if there is a way to break the parcels down more to be more affordable. Commissioner Wilson said the RFP was distributed, but it is not final yet. He said his advice is for the lessees to propose what they want and the District will try to accommodate. Commissioner Higgins asked if the meeting on August 15, 2014 would address these concerns. Director of Conservation said that meeting is a tour of the sites and interested parties should RSVP.

**CONSENT CALENDAR:** None

**COMMUNICATIONS AND REPORTS**

**CEO REPORT:**

- ❖ There is a new updated photo of the Pulp Mill property on Google Earth now,
- ❖ Redwood Terminal 2 Cleanup: Steve Calanog, USEPA, reported as of today approximately 1.83 million gallons of pulping liquors have been transported to Longview, WA, equaling 435 truckloads. There are 4 out of the 11 tanks left to empty. Shipping will continue to Kapstone Paper Company throughout August. The estimated completion date is set for October 1, 2014. Tank demolition will continue and the estimated completion date for that is January 2015. Sludge solidification has begun and hoping to complete that task by March 2015. President Marks said delays were expected, but the progress is great. The EPA has done a phenomenal job. Mr. Calanog said they have a great team with the Harbor District as their partner.
- ❖ CEO said the ocean outfall pipe was inspected. Director of Harbor Operations/Bar Pilot operated the Fire Boat, which saved the District approximately \$5,000 in vessel costs. The four divers went down for an hour at a time; an impressive operation. The GPS coordinates used were extremely

accurate because they had inspected the pipe before. The divers decompressed for about a half hour after each dive. The operation was very successful, they had a perfect weather window and the condition of the pipe seemed to be better than anticipated. A presentation regarding the findings will be given to the Board soon.

- ❖ It is estimated by August 1, 2014, a Community Development Entity letter of commitment should be issued and an accounting firm should be hired to prepare a financial model. The New Markets Tax Credit (NMTC) closing process should begin with the CDE letter and investor announced by August 15, 2014. Phase 1 analysis of the pulp mill property and the financial analysis will have to begin without knowing the full process. The EPA and the Harbor District needs to finalize the cost sharing agreement. The Harbor District and the Regional Water Quality Control Board are working on completing a final draft of the Remedial Action Plan (RAP) by September 1, 2014. The RAP public comment period is 30 days starting October 1, 2014. The NMTC closing date is November 14<sup>th</sup>. Construction work will begin December 1, 2014. There will be approximately 18 months to finish the work.

#### **STAFF REPORTS:**

Director of Facility Maintenance:

- ❖ The dredge arrived in various pieces and was assembled by staff completely. The test drive was done at the dock site. Dredge is now resting comfortably in the boat yard at Fields Landing. The engine in it will get documented by a certified technician then will attempt to sell in Oregon and Washington; it is not California emissions-ready. Staff will continue to maintain the dredge and get it ready to run. It is a working man's dredge; very easy to service. The dredge came with a work boat called the Bar Fly and it performs well also. A cutter welder also came with the dredge, which has the pipe for discharging and is in good working condition.

Director of Harbor Operations/Bar Pilot:

- ❖ The Corps of Engineers dredge finished just in time; dredged the entrance and bar to approximately 75% of project depth. They left as the vessel Crimson Polaris was entering the bay.
- ❖ Went on a tour of the Crimson Polaris; loading is going great; beyond expectations. They should be ready to head out this weekend.

**DISTRICT COUNSEL REPORT:** None.

#### **COMMISSIONER AND COMMITTEE REPORTS:**

Commissioner Newman:

- ❖ Has been commercial fishing in Shelter Cove.

President Marks:

- ❖ Has been involved in quite a few meetings.
- ❖ Went on a tour of the vessel Crimson Polaris. Director of Harbor Operations and Bar Pilot was put to work. He had to pilot the vessel to reposition due to the wind.

Commissioner Wilson:

- ❖ Had a meeting with John Driscoll, Representative for Congressman Jared Huffman.
- ❖ Met with representatives of Shatz Energy Lab regarding a study to look at a site for potential wave energy research.

Commissioner Higgins:

- ❖ Attended a meeting with EPA and had very productive discussions.
- ❖ Has been monitoring the Eel River and does not recommend swimming in it because it is getting low and algae is forming.
- ❖ Attended the Northern Nights Music Festival on the Eel River. Talked to a lot of young people about the river and how to take care of it.

**UNFINISHED BUSINESS:**

**A. CONSIDERATION OF ADOPTION OF RESOLUTION 2014-09, A RESOLUTION ESTABLISHING FINDINGS RELATIVE TO THE PERMIT APPLICATION BY NORTH COAST REGIONAL LAND TRUST FOR THE MARTIN SLOUGH TIDE GATE IMPROVEMENT PROJECT, ELK RIVER, CALIFORNIA.**

COMMISSIONER HIGGINS MOVED FOR THE ADOPTION OF RESOLUTION 2014-09, A RESOLUTION ESTABLISHING FINDINGS RELATIVE TO THE PERMIT APPLICATION BY NORTH COAST REGIONAL LAND TRUST FOR THE MARTIN SLOUGH TIDE GATE IMPROVEMENT PROJECT, ELK RIVER, CALIFORNIA. COMMISSIONER WILSON SECONDED.

Director of Conservation said there are two linked items: the adoption of the item and then granting the permit. The project is to replace an existing tide gate. It will significantly improve fish passage. It qualifies for categorical exemption from the CEQA process because it is only replacing an existing structure. Maintaining the existing tidal regime is priority. He recommends that the Board adopts the resolution.

Commissioner Newman said he is supportive as a Board member of the North Coast Regional Land Trust, but he will be recusing himself.

Don Allen, Redwood Community Action Agency, said he was approached in 2001 about replacing the tide gates. It has taken 13 years to get to this point. He appreciates the consideration and thanked all the staff who worked on the project. Commissioner Higgins said Mr. Allen deserves gratitude for all of his hard work. This is good for whole system and good for the community.

MOTION CARRIED WITHOUT DISSENT, WITH COMMISSIONER NEWMAN RECUSED.

**B. CONSIDERATION OF GRANTING PERMIT 14-01 TO NORTH COAST REGIONAL LAND TRUST FOR THE MARTIN SLOUGH TIDE GATE IMPROVEMENT PROJECT.**

COMMISSIONER WILSON MOVED FOR THE APPROVAL OF PERMIT 14-01 TO NORTH COAST REGIONAL LAND TRUST FOR THE MARTIN SLOUGH TIDE GATE IMPROVEMENT PROJECT. COMMISSIONER HIGGINS SECONDED. MOTION CARRIED WITHOUT DISSENT.

**NEW BUSINESS:**

**A. CONSIDERATION OF ACCEPTING FOR FILING PERMIT APPLICATION 14-04 TO EUREKA FOREST PRODUCTS FOR MAINTENANCE DREDGING OF THE SIERRA PACIFIC DOCK.**

COMMISSIONER HIGGINS MOVED FOR THE APPROVAL OF FILING PERMIT APPLICATION 14-04 TO EUREKA FOREST PRODUCTS FOR MAINTENANCE DREDGING OF THE SIERRA PACIFIC DOCK. COMMISSIONER NEWMAN SECONDED.

Director of Conservation said this is the final step in the process for filing for the permit. The Board accepted the permit application for the same project a year ago, but a new round of sediment data was necessary, which has now been completed. Harbor District Staff recommended accepting the filing of this permit.

MOTION CARRIED WITHOUT DISSENT.

**B. CONSIDERATION OF ACCEPTING FOR FILING PERMIT APPLICATION 14-05 TO THE HUMBOLDT BAY HARBOR DISTRICT FOR THE HUMBOLDT BAY REGIONAL INVASIVE SPARTINA ERADICATION AND NATIVE SALT MARSH RESTORATION PROJECT.**

COMMISSIONER HIGGINS MOVED FOR THE APPROVAL OF FILING PERMIT APPLICATION 14-05 TO THE HUMBOLDT BAY HARBOR DISTRICT FOR THE HUMBOLDT BAY REGIONAL INVASIVE SPARTINA ERADICATION AND NATIVE SALT MARSH RESTORATION PROJECT. COMMISSIONER WILSON SECONDED.

Director of Conservation said this is the Spartina eradication work that has been ongoing for years. It is under a set of permits that authorized work on existing lands. The job now is to expand the work area. The District is doing its own permit process to finish the work with the Coastal Commission.

MOTION CARRIED WITHOUT DISSENT.

**C. CONSIDERATION OF A 90-DAY EXTENSION TO THE EXCLUSIVE RIGHT TO NEGOTIATE WITH ENERGISTYCS, INC. FOR A PORTION OF REDWOOD TERMINAL 2 PARCEL A FOR PURPOSES OF A PELLET MILL OPERATION.**

COMMISSIONER NEWMAN MOVED FOR THE APPROVAL OF A 90-DAY EXTENSION TO THE EXCLUSIVE RIGHT TO NEGOTIATE WITH ENERGISTYCS, INC. FOR A PORTION OF REDWOOD TERMINAL 2 PARCEL A FOR PURPOSES OF A PELLET MILL OPERATION. COMMISSIONER WILSON SECONDED.

CEO stated the initial 180 days have gone by quickly and recommends an additional 90 day extension to the Exclusive Right to Negotiate with Energistycs, Inc.

Kevin Leary, Energistycs Inc., said they are considering three different viable methods of financing. The financing is contingent on obtaining the applicable permits. Mr. Leary said they are finalizing terms with Sierra Pacific, Schmidbauer, South Coast Lumber, and Simpson. Representatives from Mitsubishi, who could be an offtake purchaser, is expected to be here mid-September. Currently they are working on completing a lease agreement, complete with permit requirements and should be done with the document soon.

Commissioner Higgins said he is very optimistic. He is impressed with their drive and attention to detail. It is within bounds of reason to reward hard work with a no cost extension. Mr. Leary thanked Commissioner Higgins. He said their biggest concern right now is obtaining their permit from the Coastal Commission. Commissioner Higgins acknowledged the project is being proposed on coastal dependant industrial land and a lot of the project will be indoors and with low pollution risk.

Commissioner Wilson said he hopes they have an expert on their team who is familiar with permits. Mr. Leary said Scott Foster is their primary permit expert.

President Marks said this is the perfect footprint for this type of project. Replacing coal with wood pellets would be a lot better for the environment; he is very supportive.

Mr. Leary said within 18 months they will be able to sell the pellets within California.

MOTION CARRIED WITHOUT DISSENT.

**D. DISCUSSION OF PERSONNEL POLICIES UPDATE.**

Director of Administrative Services said the Harbor District Staff has been working on revisions to update wording. Wording regarding step raises have been removed and replaced with performance evaluation raises. An employee's sick leave will not be charged for a medical appointment during the work day; it will be paid time off. There will be an education incentive of \$.25/unit raise upon receiving a passing grade.

CEO said the new positions and union negotiations will be discussed with the Board in the near future.

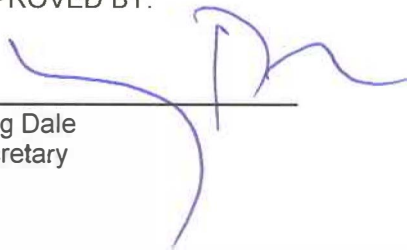
Commissioner Higgins said he is most pleased that staff was receptive and that raises will be awarded on an incentive based process; it is a better motivator for employees. Commissioner Higgins urged Staff to "Keep up the good work and thanks for these changes."

President Marks said when he was first elected he was put in a position to negotiate union issues. He said he is very happy that a consistent contract has been negotiated so that everyone can understand their roles and responsibilities. He is thrilled about the process.

**ADMINISTRATIVE AND EMERGENCY PERMITS:** None.

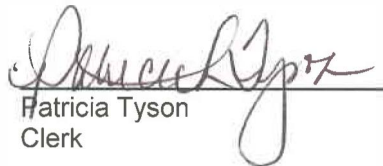
The Regular Meeting of the Board of Commissioners adjourned at 7:58 p.m.

APPROVED BY:



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Greg Dale  
Secretary

RECORDED BY:



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Patricia Tyson  
Clerk