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

DATE: August 12, 2013

TIME: 4:00 p.m.

PLACE: Woodley Island Marina Meeting Room

The Meeting Room is wheelchair accessible. Accommodations and access to Harbor District meetings for people with other handicaps must be requested of the Director of Administrative Services at 443-0801 24 hours in advance of the meeting.

1. Call to Order at 4:00 p.m. and Roll Call

2. Pledge of Allegiance

3. Public Comment

4. Move to Executive Closed Session pursuant to the provisions of the California Government Code Sections 54956.8 (Conference with Real Property Negotiator)

   A. Conference with Real Property Negotiator
   Negotiating Parties: Paul Brisso, District Counsel; Mike Wilson, Board President; Richard Marks, Board Vice President; Jack Crider, Chief Executive Officer

   Under Negotiation:
   1) Freshwater Tissue Company property purchase negotiations

5. Adjourn Executive Closed Session

6. Report on Executive Closed Session

7. Call to Order Regular Session

8. New Business

   a. Consideration of purchase of Freshwater Tissue Company property, Samoa, California

9. Adjournment

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

August 12, 2013

PRESENT

Commissioner Dale
Commissioner Wilson
Commissioner Marks
Commissioner Higgins

ABSENT:

Commissioner Newman

President Wilson callled to order the Special Board Meeting of the Board of Commissioners at 4:08 p.m.

PUBLIC COMMENT

Kent Sawatzky commended the Board for their intentions of cleaning up the toxic materials on the pulp mill property. He said he is concerned about the proposed uses and is worried about the public dollars at risk; a potential money pit. Mr. Sawatzky also urged the Board to be transparent in their considerations of the purchase. He said there has not been enough time for the public to review the Phase ! documents and he respectfully asked the Board to postpone their decision.

The Board of Commissioners adjourned to Executive Closed Session at 4:14 p.m.

President Wilson adjourned the Executive Closed Session at 4:30 p.m.

President Wilson called to order the Regular Meeting of the Board of Commissioners at 4:31 p.m.

District Counsel reported on the Executive Closed Session as follows: Freshwater Tissue Company property purchase negotiations - No action taken.

NEW BUSINESS

A. CONSIDERATION OF PURCHASE OF FRESHWATER TISSUE COMPANY PROPERTY, SAMOA, CALIFORNIA.

CEO made a PowerPoint presentation on the specifics of the Freshwater Tissue Company property: Parcel A is 72 acres; road easements solves adjacent property owner issues; there is a connection to the federal highway system, allowing the use of Redwood Marine Terminal Berth 2, which is the District's best docking facility; and there are several buildings and a recovery boiler located on the parcel

COMMISSIONER MARKS MOVED FOR THE PURCHASE OF THE FRESHWATER TISSUE COMPANY PROPERTY, SAMOA, CALIFORNIA, FOR THE TERMS AS LAID OUT IN THE PURCHASE AND SALE AGREEMENT. COMMISSIONER HIGGINS SECONDED.

Commissioner Higgins stated with the threat of pollution to the bay imminent, the District is in a unique position to clean the site and reduce the threat. The community will end up with the green development, new jobs and a healthy bay.

Commissioner Marks said he worked at the facility for nearly 30 years. The former owner created the environmental issues, not caused by Freshwater Tissue Company. This is the District's response to help protect the bay.

Commissioner Dale said this is a nerve-wracking proposition, the magnitude of the facility is incredible, conditions are grave; but he sees the Harbor District has an opportunity and an obligation.

Commissioner Wilson said there have been talks with many agencies about project concepts; there has been positive feedback and a vision for development. He said he worked with the Wiyot Tribe to purchase the North end of Indian Island; it was daunting, but the right thing to do.

District Counsel said Louisiana-Pacific remains liable for what happened on their watch (spills on the property) and prior; there has been ongoing monitoring of the stormwater discharge. There are assurances that Freshwater Tissue Company and their unnamed predecessors will not be held liable.

Bruce Rupp, Humboldt Bay Municipal Water District Board Member, said he heard a presentation in January on this project and has been impressed by the level of due diligence by the Board and staff. He said the Water District supports this effort.

Jessica Hall, Humboldt Baykeeper, said her organization wants to see the site cleaned of the contamination.

Jennifer Kalt, Humboldt Baykeeper, asked for elaboration on the indemnification of Freshwater Tissue Company.

Monte Provolt said it appears the Board is going to make their decision without the benefit of a market plan. There is no assurance to taxpayers; what is the public liable for? He asked about the cost of the maintenance and cleaning of the outfall pipe.

Rhea Williamson reemphasized Humboldt State University's interest in this site and support of this entrepreneurial effort. There is incredible opportunity for the community and HSU.

Ted Kuiper thanked the Board for their leadership and hundreds of research hours. He said it is imperative to protect Humboldt Bay's water quality.

District Counsel responded regarding liability and indemnification of Freshwater Tissue Company (FTC). He said if FTC is sued for their ownership liability, the Harbor District is now responsible; however Louisiana-Pacific is working with the water board on their issues for which they are liable. Liability for the liquor spills are the biggest concern for the Harbor District and negotiations are ongoing for a catastrophic loss insurance policy.

CEO stated it is virtually impossible for a private party to get a grant to remove the liquors. Also the outfall pipe was inspected five years ago and the zincs were changed; a current inspection is necessary.

MOTION CARRIED WITHOUT DISSENT, COMMISSIONER NEWMAN ABSENT.

COMMISSIONER MARKS MADE A FRIENDLY AMENDMENT AND CLARIFIED THE MOTION AS FOLLOWS: MOVE FOR THE BOARD TO AUTHORIZE THE PRESIDENT TO EXECUTE THE REAL ESTATE PURCHASE AND SALE AGREEMENT WITH FRESHWATER TISSUE COMPANY, LLC FOR THE PURCHASE OF THE FRESHWATER TISSUE COMPANY PROPERTY, PARCEL A, LOCATED AT SAMOA, CALIFORNIA, AND TO CLOSE ESCROW. COMMISSIONER HIGGINS ACCEPTED THE FRIENDLY AMENDMENT. MOTION CARRIED WITHOUT DISSENT, COMMISSIONER NEWMAN ABSENT.

The Special Meeting of the Board of Commissioners was adjourned at 5:05 p.m.

APPROVED BY:

Patrick Higgins
Secretary

RECORDED BY:

Patricia Tyson
Director of Administrative Services