

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

August 13, 2015

PRESENT:

Commissioner Newman
Commissioner Dale
Commissioner Marks
Commissioner Wilson
Commissioner Higgins

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

Kent Sawatzky handed out a paper on Government Code 1090 regarding Conflict of Interest. He said he feels Commissioner Dale has a conflict of interest regarding the current and past Coast Seafoods Company issues before the Board.

President Marks adjourned to Executive Closed Session at 6:09 p.m.

President Marks adjourned Executive Closed Session at 6:50 p.m.

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

President Marks led those present in the Pledge of Allegiance.

District Counsel reported on Closed Session as follows: Public Employee Performance Evaluations – Director of Administrative Services, Director of Facility Maintenance and Director of Harbor Operations/Bar Pilot – there was no action taken. Conference with Real Property Negotiators – Coast Seafoods Company Tideland Lease Values – No action taken. District Counsel stated Commissioner Dale recused himself and left the room during this item. Commissioners Newman and Wilson were appointed by consensus as the subcommittee to work with staff on lease evaluations.

PUBLIC COMMENT

Kent Sawatzky said if a Board member has to recuse himself from agenda items as often as Commissioner Dale does, it may not be appropriate for him to sit on the Board. Mr. Sawatzky read from a document he provided to the Board earlier on CA Government Code Section 1090 regarding conflict of interest.

Susan Penn thanked the Director of Facility Maintenance for hiring a very bright, young lady to work in maintenance. She is very effective in kicking people off the Island at night who do not belong.

CONSENT CALENDAR

COMMISSIONER DALE MOVED FOR THE APPROVAL OF THE CONSENT CALENDAR.
COMMISSIONER HIGGINS.

Commissioner Higgins said staff did a good job on the minutes.

Commissioner Wilson said while he would like to have the minutes soon, they are very complete.

Kent Sawatzky said he was glad to see the minutes getting caught up. It is difficult to rely on memory to make sure the minutes are accurate, although they appear to be. He suggested contracting with someone from the public to watch the meetings and provide the minutes; many public agencies' minutes are not current.

COMMUNICATIONS AND REPORTS

EXECUTIVE DIRECTOR'S REPORT:

- ❖ Samoa Wood Pellet (SWP) Update: SWP partners have reviewed the lease and are "OK with the basic terms". Conference call with SWP and United Energy Trading regarding environmental understanding of site conditions. A Drop Box has been created with all important environmental documents. United Energy Trading may fund the project- waiting for a signed Letter of Intent. It is SWP's intent to sign the District lease for Commission's August 27th meeting.
- ❖ New Market Tax Credits Update: Two Community Development Entities (CDE) are interested in providing tax credits - Chase and Community Capital Solutions. BBVA, Compass Bank approved first phase of finance and forwarded leverage loan to underwriting subject to Pellet Mill Lease. Closing transaction items: leverage loan, EPA settlement, east half RAP completed, ownership transfer of Parcel B and bid contracts. CDE's are holding \$9 million in allocation until mid-September.
- ❖ Potential Boat Yard Fabricator Shop: Bud Hoy - Alaskan Anvil, LLC building steel boats since 1970. Familiar with past boat yard operations in Newport. Current operation in Port Townsend, WA. Does new construction, sponson and lengthen work. Has contracts in place for local fisherman and is expected to move here in November. Needs office, side shop and two outside stations. Lease \$2,300/month plus haul out and \$100/day travellift building.

STAFF REPORTS

Deputy Director:

- ❖ Hagfish farm is operating.
- ❖ Received fully executed State Lands lease for outfall pipe.
- ❖ Received Coastal Commission waiver for Humboldt State University Aquaponics research and education project at Redwood Dock.
- ❖ Hosted Mariculture Pre-Permitting project meeting in San Francisco.
- ❖ Have moorage available for 20'-70' vessels, will be advertising on website.

Director of Harbor Operations:

- ❖ Assisted with the diving inspection and maintenance of the outfall pipe. Used the Port Authority boat.
- ❖ Within the last month, two ships were in port. While the second one, *CRIMSON POLARIS* was here, the US Army Corps of Engineers Col. Morrow and his staff were here. A tour was arranged to take the Colonel and his staff to talk with the Captain. Commissioner Newman gave fresh tuna to the Captain and Commissioner Dale provided oysters. It was a good opportunity for the Corps staff to listen to the ship's Captain talk about the needs of the shipping industry for Humboldt Bay.

Director of Facility Maintenance:

- ❖ Hagfish offloading at Redwood Marine Terminal Berth 1
- ❖ Dredge engine replacement next week with Vern Scovell, the previous owner of the dredge.
- ❖ King Salmon Breakwater repairs next project.
- ❖ Dock floats will arrive in two weeks for repair and replacement.

District Planner:

- ❖ Filed Redwood marine Terminal 2 Conditional Use/Coastal Development Permit application. Finished the Draft Initial Study and Mitigated Negative Declaration. There is good information included for the Samoa Wood Pellet project. County has sent out referrals; two comments were received for minor clarifications.
- ❖ Filed a grant application for interpretive signage through the California Fish & Wildlife Advisory Council. If funded, HSU students would like to design the signs as a class assignment at no charge. The grant monies would be used to make the signs.
- ❖ Coast Seafoods Company permits are on track for the Notice of Preparation for the Environmental Impact Report and Final Initial Study to be sent out next week for the 30-day comment period.

- ❖ Responding to comments received on the PG&E Humboldt Bay Power Plant Final Site Restoration Plan Implementation. Hoping to have the Board consider granting the permit on August 27.
- ❖ Attended the final presentation of the C-F Streets charrette sponsored by City of Eureka. Many of the designs look across at Woodley Island and include much activity and exposure of Eureka's waterfront area.
- ❖ Working on some website content with his staff.

COMMISSIONER AND COMMITTEE REPORTS:

Commissioner Newman:

- ❖ Missed the last meeting because he was fishing for ten days; then returned to Woodley Island and sold his product for ten days.
- ❖ Participated on the Fisherman's Advisory Council for the North Coast MPA Baseline Program Socioeconomic Human Dimensions Project looking at the effects of before and after the MPA – little effect on fishing grounds.

Commissioner Dale:

- ❖ Toured the *CRIMSON POLARIS* with Colonel Morrow, his staff, District staff and watch the ship load from the CA Redwood Company dock. He said the facility is incredible and fun to watch in action.

Commissioner Marks:

- ❖ Toured the pulp mill property with Executive Director and Security National staff. Commissioner Newman joined them when they went to tour Security National's facility. SN is looking for ways to participate in the oyster expansion and to add a causeway to make them more competitive.
- ❖ Serves on the Board of Humboldt Domestic Violence Services and they are looking for volunteers to serve on the Board.
- ❖ Attended a NCRA meeting in Novato. NWPCo presented an update of their progress. They are putting spurs in Sonoma County, hoping to serve Kendall Jackson Winery and completing a spur to Laganitas. Looking at moving forward North to Island Mountain, which was a surprise.
- ❖ Miraculous things are happening at the Balloon Tract – the engines that have been sitting there for years drained of all their liquids suddenly are leaking diesel. The diesel was tested and found to be new. Someone apparently filled the tanks then popped them so that they would leak and then filed an environmental disaster claim. Therefore, the engines continue to sit and will remain until the investigation is complete.

Commissioner Wilson:

- ❖ Did not attend the last Board meeting – he was in Scotland, traveling and visiting friends, touring the Outer Hebrides Islands.

Commissioner Higgins:

- ❖ Last year went fishing for salmon 17 times and caught one. Fished off Shelter Cove recently and caught one. The wait at the boat launch was two hours. It helped to have a fiberglass boat that could be pushed into the water and bypass the wait.
- ❖ Halibut season closed last night at midnight.
- ❖ Attended a North Coast Collaborative meeting for the Klamath River – another iteration of the MLPA. Kiosks are being made to say "you cannot fish here"; but Woodley Island needs the kiosks that promote economic development for the charter services, kayak rentals, etc. – not just the ones that say no fishing period. Deputy Director is going to assist in getting the revised kiosks.
- ❖ Humboldt State University is collecting data which will be a benefit for us to manage fisheries. Need to integrate the data into the community. The results will be available in 6-9 months.
- ❖ Reggae on the River – best practices outreach for the Eel River Recovery Project. South Fork of the Eel River is showing ecological stress. The main Eel River and the middle fork look good. Placing salmon toxin monitors.
- ❖ Regional Water Quality Control Board decided today they are going to regulate marijuana growers. Rates will be deliberated at the State Water Quality Control Board meeting on December 17.

- ❖ Susan Penn has initiated contact with Audubon regarding the Woodley Island Wildlife Area – offering to do a wildlife survey.

OTHER: None

NON AGENDA: None

UNFINISHED BUSINESS: None

NEW BUSINESS

A. CONSIDERATION OF EMPLOYMENT CONTRACTS FOR DIRECTOR OF ADMINISTRATIVE SERVICES, DIRECTOR OF FACILITY MAINTENANCE AND DIRECTOR OF HARBOR OPERATIONS/BAR PILOT.

COMMISSIONER HIGGINS MOVED FOR THE APPROVAL OF EMPLOYMENT CONTRACTS FOR DIRECTOR OF ADMINISTRATIVE SERVICES, DIRECTOR OF FACILITY MAINTENANCE AND DIRECTOR OF HARBOR OPERATIONS/BAR PILOT. COMMISSIONER DALE SECONDED.

Commissioner Higgins said the District is very lucky to have these staff members.

Executive Director reported three employee contracts are due for renewal: Director of Administrative Services - Patti Tyson; Director of Facilities Maintenance - Alan Bobillot and Director of Harbor Operations/Bar Pilot- Tim Petrusha. All satisfactory annual evaluations with improvements. The FY2015/16 Budget includes 5% raises for these employees.

Executive Director recommended a 1-year contract with 2% CPI and 3% merit increase effective 7/1/2015 for the three employees.

Kent Sawatzky said the District has a fantastic staff and the raises are justified. He strongly applauds these staff members and said if the District loses them, it would be a detriment.

MOTION CARRIED WITHOUT DISSENT.

B. CONSIDERATION OF AMENDMENT TO SETTLEMENT AGREEMENT WITH UNITED STATES ENVIRONMENTAL PROTECTION AGENCY REGION IX FOR EMERGENCY RESPONSE REMOVAL ACTIONS AT THE SAMOA PULP MILL SITE.

Executive Director reported that the agreement is based on our model agreement with MUNIPay analysis with a broader covenant – “site wide” to include existing contamination. The Agreement is more realistic to the recovery as the recovery value decreases and the costs have increased. Intentions are clearer as the recovery agreement terminates at the end of 7 years.

District Counsel stated since the beginning of these negotiations, USEPA has come around 180 degrees, fortunately. Originally USEPA said they would help clean the property for no charge; then half-way through they wanted the District to sign the Agreement that said they would collect reimbursement from the District even though they said they would not. This new edition is very clear in the District is only liable if 1) excess funds received from the boiler salvage after the Coast Seafoods Company loan is paid or 2) District sells the property within seven years. After the seven years, that requirement sunsets. Once per year, the District has to send a report on the status of efforts to sell the boiler. It is important to approve this Agreement in order for the New Market Tax Credit project to move forward.

COMMISSIONER NEWMAN MOVED TO APPROVE THE OF AMENDMENT TO SETTLEMENT AGREEMENT WITH UNITED STATES ENVIRONMENTAL PROTECTION AGENCY REGION IX FOR EMERGENCY RESPONSE REMOVAL ACTIONS AT THE SAMOA PULP MILL SITE. COMMISSIONER DALE SECONDED.

Commissioner Higgins said the Board has been criticized for a perceived lack of transparency; however these negotiations had to be done behind closed doors. He thanked the District's Congressional and Senate representatives for their work on the District's behalf.

Commissioner Wilson said staff and Commissioners lobbied actively locally and in Washington DC. Also the local representatives did their own lobbying on the District's behalf and did a great job representing the District.

Commissioner Dale thanked the staff of USEPA for all their hard work to get to this point.

Commissioner Newman said this was a great effort for the community.

Kent Sawatzky said he appreciated Commissioner Higgins' acknowledgment of transparency. He formally requested a submission be given to USEPA with the Agreement. He gave his written paper to Executive Director. Mr. Sawatzky commended the Board for doing "God's" work on the cleanup of the site and said he hopes the property will be put back on the public tax rolls, not become a cash cow for the District. He said the citizens of the United States are not getting reimbursed for the cleanup costs.

Monte Provolt asked if the USEPA knows the District is trying to purchase the other parcel, but is too broke to pay for the cleanup.

President Marks said this situation was caused by Lee & Mann, who didn't follow through properly and stuck the public with an environmental mess when they closed the mill. He said he can sleep easier knowing the District did what they could to rectify the situation and created revenue, not a cash cow, so that the District did not go broke.

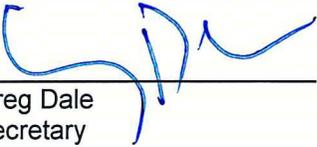
President Marks called for the question as it looked as though people wanted to rebut his comments.

MOTION CARRIED WITHOUT DISSENT.

ADMINISTRATIVE AND EMERGENCY PERMITS: None

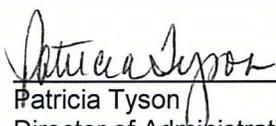
The Regular Meeting of the Board of Commissioners adjourned at 8:08 p.m.

APPROVED BY:



Greg Dale
Secretary

RECORDED BY:



Patricia Tyson
Director of Administrative Services