

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

August 27, 2015

PRESENT:

Commissioner Newman
Commissioner Marks
Commissioner Wilson
Commissioner Higgins

ABSENT:

Commissioner Dale

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

Kent Sawatzky said he supports the raise for the Executive Director. He deserves 20% for "hazard" pay. He does what he is told by the Board of Commissioners. Under the Real Property Negotiators for Coast Seafoods Company Tideland Lease Values, Mr. Sawatzky said the "per acre" price is \$170-\$175. He asserted there is a conflict of interest with Commissioner Dale sitting on the Board. Nobody else in Humboldt County could have any more of a "dog in the fight" than Commissioner Dale. Long-term contracts are not in the best interest of the Harbor District. Nobody should have more than 50% of the available acres; no overwhelming advantage. There should be open competition.

Jim Roberts said he is running for 1st Division Commissioner. Executive Director is paid by the taxpayers and fishermen. \$130,000 per year is too high. The District should get back in the black before giving him a raise. The District just entered into a \$1.25 million loan. Run the Harbor District as a business. He no longer has his boat moored here – the rates are outrageous.

President Marks adjourned to Executive Closed Session at 6:11 p.m.

President Marks adjourned Executive Closed Session at 6:55 p.m.

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

Commissioner Wilson led those present in the Pledge of Allegiance.

District Counsel reported on Closed Session as follows: Public Employee Performance Evaluation – Executive Director – there was no action taken. However, the Board by consensus, directed staff to return with a proposed contract for the Executive Director at the next meeting. Conference with Real Property Negotiators – Coast Seafoods Company Tideland Lease Values – No action taken. However the Board by consensus, directed staff to continue negotiations with Coast Seafoods Company for their tideland lease.

PUBLIC COMMENT

Kent Sawatzky said if any special Board meeting is scheduled between now and September 5, staff should contact him by mail. He said he has not seen more of a conflict of interest than with Coast Seafoods Company tideland lease and Greg Dale as a Commissioner. Mr. Dale's involvement in the Harbor District is of great magnitude. It is in the Harbor District's and Coast Seafoods Company's best interest that Mr. Dale not be making any decisions as a Commissioner. He urged the Board to go to the mat to get the maximum tideland lease revenue. He said he would also like to see the Board's direction be that no one has more than 50% of the available tidelands.

President Marks cautioned Mr. Sawatzky that he was skirting an agenda item and it was not the appropriate time.

Susan Rotwein introduced herself to the Board and said she is a candidate for 5th Division Commissioner. She said she attended the recent California Department of Boating and Waterways meeting where they discussed the weather buoys. She said it is a necessity to keep the buoys intact and functional for the fishermen and US Coast Guard.

Susan Penn said she feels there is a strong conflict of interest with Commissioner Dale on the Board. Although she personally likes Commissioner Dale, it looks ugly that he is on the Board while they are discussing loans, leases, etc. for Coast Seafoods Company. The Board needs to talk without breaking the Brown Act – Commissioner Dale should step down – he is out of order.

Jim Roberts said since the marina rates have been increased, the Board should have no problem increasing lease rates.

CONSENT CALENDAR

President Marks said he was tabling the Consent Calendar since the minutes were not ready for approval by the Board.

COMMUNICATIONS AND REPORTS

EXECUTIVE DIRECTOR'S REPORT:

- ❖ Red Tank Status at Redwood Terminal 2: In 1998 a Shared Services, Facilities Access and Use Agreement was approved with LP Samoa, Simpson Samoa, Simpson Timber and Simpson Investment for a term of 99 years. Simpson is responsible for the Fire System including Red Tank and the responsibility is binding on successors and assigns. Simpson properties sold to California Redwood, Samoa Pacific Group and Harbor District. Access, Use and Maintenance Agreement approved September 2004 between Samoa Pacific and the Harbor District. Red Tank is on Harbor District property and District owns the asset. Samoa Pacific is responsible for the Red Tank operation and maintenance, per 1998 and 2004 agreement. California Redwood has been paying all costs- \$20K-\$30K/year. System pumps 24 hours from Samoa Township and the line leaks. California Redwood wants District to take over operation and Samoa Pacific wants to wait till new system is installed.
- ❖ Purchased a trailer at auction for \$2,500 at Myrtleowne Lumber. Also purchased supplies for the small retail store at the Fields Landing Boat Yard.
- ❖ Toured the bay on the Port Authority boat with the Department of Boating and Waterways staff.

STAFF REPORTS

Deputy Director:

- ❖ Met and toured the bay with Department of Boating and Waterways staff, Commissioners. The group also toured the facilities at Woodley Island and Fields Landing Boat Yard. One of the discussion items was abandoned vessels and how to obtain assistance for removal.
- ❖ Sediment sampling will be conducted next week at Fisherman's Channel, King Salmon to see if it would be compatible to use in the White Slough Restoration Project.
- ❖ Expect to submit sediment sampling analysis plan for North Bay dredging to the Regional Water Quality Control Board next week.

Director of Harbor Operations:

- ❖ New tenant at Redwood Marine Terminal Berth 1 – 4 outdoor spaces for commercial fishing gear
- ❖ Working on new tariff for District terminals to be ready for Commission consideration on September 10.
- ❖ Dive on outfall pipe complete: 7 Days - \$87,500; 8 Pairs of diffusors open with flow; Next 16 have flow and are capped; Remainder partially cleared and capped; New zincs and new buoy placed at end of pipe.

Director of Facility Maintenance:

- ❖ Received bids for Redwood Terminal 2 repairs.
- ❖ Dredge engine is installed.
- ❖ Hagfish operation is doing well.
- ❖ Securing Redwood Terminal 2 and ready for winter rain storm water management.
- ❖ Marina repairs and float replacement in September.

District Planner:

- ❖ Coast Seafoods Company Lease – Harbor District received their application for a permit for mariculture expansion. Environmental Impact Report has been prepared. Responses to agency comments on the Initial Study have been prepared. The Notice of Completion and Final Initial Study have been distributed for the 30 day review period to end on September 21.
- ❖ Samoa Peninsula Fire District released the environmental document for the 30 day review period for their reorganization to a Community Services District.
- ❖ Internal review of Initial Study and Draft Mitigated Negative Declaration for the Conditional Use/Coastal Dependent Permit for Redwood Terminal 2 is ongoing. It has been sent as a courtesy to the County of Humboldt. Favorable comments were received. The Notice of Intent will be distributed next week.
- ❖ Coordinated with staff the review of the Timber Heritage Association's Lot Line Adjustment document.
- ❖ Applied for California Fish and Wildlife Advisory Council grant funding for Woodley Island interpretive signs and was unsuccessful.

COMMISSIONER AND COMMITTEE REPORTS:

Commissioner Newman:

- ❖ Participated in the 2x2 Committee meeting with the City of Eureka. They are moving forward on a presentation to the Eureka City Council on the dredge progress.
- ❖ Engaged in longlining for black cod.

Commissioner Marks:

- ❖ Hagfish operation – the slime eels made it across the ocean.
- ❖ 2x2 Committee meeting – good communication on issues; productive.

Commissioner Wilson:

- ❖ 9/18 – Oysters and Ale will be held on Woodley Island to benefit Humboldt Made.
- ❖ 8/24 – Met with Shatz Energy Lab regarding a visit by the CA Energy Commission. The Blue Lake Rancheria is building a micro-grid, separate from the main grid, to create, generate and store renewable power.

Commissioner Higgins:

- ❖ Kayaked Trinidad Bay; caught Chinook Salmon near shore.
- ❖ Eel River has all-time record low flows.
- ❖ Good to hear about King Salmon Fisherman's Channel and White Slough; preparations for Sea Level Rise.
- ❖ Harbor District Divisions 1, 2 and 5 have challengers to the incumbents this year. Election Day is November 3.
- ❖ Regarding Commissioner Dale – leases are about 5% of what the Harbor District does.
- ❖ Wildlife Area Committee – lots of non-native species on Woodley Island – Audubon has offered assistance.

OTHER – Samoa Wood Pellets LLC

Executive Director reported the Exclusive Right to Negotiate with Samoa Wood Pellets LLC is for 60 days at \$5,000. A new financial company is involved; therefore, an extension to the ERTN has been granted for an additional \$2,500.

Kevin Leary reported they are doing their due diligence with United Energy Corporation (UEC). The changes to the site lease have been reviewed and they are waiting for UEC's attorney response. Concerns about environmental and health issues are holding up the progress.

Mr. Leary said they are expecting to ship pellets to Asia in 2017.

NON AGENDA: None

UNFINISHED BUSINESS

A. CONSIDERATION OF ADOPTING THE MITIGATED NEGATIVE DECLARATION FOR THE APPLICATION BY PACIFIC GAS AND ELECTRIC COMPANY FOR THE HUMBOLDT BAY POWER PLANT FINAL SITE RESTORATION PLAN IMPLEMENTATION.

Commissioner Wilson recused himself and left the room; he was employed as a subcontractor on the project.

District Planner reported the Mitigated Negative Declaration review has been completed. Two comment letters were received; extensive responses were prepared by PG&E. Since no new information is evident there is no need to recirculate.

Kris Vardas of PG&E sincerely thanked Executive Director and staff for the time afforded PG&E and the level of professionalism shown during this project. The site overview, plan overview and permits have all been completed and the net effect is the project is beneficial for the environment.

COMMISSIONER HIGGINS MOVED FOR THE ADOPTION OF THE MITIGATED NEGATIVE DECLARATION FOR THE APPLICATION BY PACIFIC GAS AND ELECTRIC COMPANY FOR THE HUMBOLDT BAY POWER PLANT FINAL SITE RESTORATION PLAN IMPLEMENTATION. COMMISSIONER NEWMAN SECONDED.

Jen Kalt of Humboldt Baykeeper thanked PG&E for meeting with her regarding informational data on sediments. 25 past Coastal Development Permits called for mitigation measures; Coastal Commission has not accepted the applications as completed as there is still work that needs to be done. More work is needed on the environmental impacts of the red legged frog, for instance. Mitigation is inadequate; a repository for materials is needed. She urged the Board to wait until the Coastal Commission determination of their application is complete.

Kent Sawatzky said he doesn't like PG&E and where they allow pot growers to grow in houses. He trusts Jen Kalt and the Harbor District Board to out for the environment.

Commissioner Higgins asked what bearing does the Coastal Commission requirement have; is there need to revisit before considering this item.

Deputy Director responded the Coastal Act is different from CEQA and the Harbors & Navigation Code. It states if the project changes with significant impacts, the document should be recirculated.

Commissioner Higgins said he has been in Humboldt County since 1972 and has been concerned about the nuclear waste problems. The condition of the facility has advanced to a high degree.

Kris Vardas said they are working with the Coastal Commission staff to address the issues. The Coastal Commission requires the Harbor District permit to be issued before they will finalize their permit. The main issues are the red legged frog impact, a buffer of 100', mitigation measures and a truck turnaround.

MOTION CARRIED WITHOUT DISSENT.

B. CONSIDERATION OF ADOPTION OF RESOLUTION 2015-14, WHICH ESTABLISHES FINDINGS RELATIVE TO THE APPLICATION BY PACIFIC GAS AND ELECTRIC COMPANY FOR THE HUMBOLDT BAY POWER PLANT FINAL SITE RESTORATION PLAN.

COMMISSIONER NEWMAN MOVED FOR ADOPTION OF RESOLUTION 2015-14, WHICH ESTABLISHES FINDINGS RELATIVE TO THE APPLICATION BY PACIFIC GAS AND ELECTRIC COMPANY FOR THE HUMBOLDT BAY POWER PLANT FINAL SITE RESTORATION PLAN. COMMISSIONER HIGGINS SECONDED. ROLL CALL VOTE WAS TAKEN:

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

MOTION CARRIED WITHOUT DISSENT.

C. CONSIDERATION OF GRANTING PERMIT 15-01 TO PACIFIC GAS AND ELECTRIC COMPANY FOR THE HUMBOLDT BAY POWER PLANT FINAL SITE RESTORATION PLAN IMPLEMENTATION.

COMMISSIONER HIGGINS MOVED TO GRANT PERMIT 15-01 TO PACIFIC GAS AND ELECTRIC COMPANY FOR THE HUMBOLDT BAY POWER PLANT FINAL SITE RESTORATION PLAN IMPLEMENTATION. COMMISSIONER NEWMAN SECONDED. MOTION CARRIED WITHOUT DISSENT.

NEW BUSINESS

A. CONSIDERATION OF AWARDING CONTRACTS TO SUCCESSFUL BIDDERS SUBJECT TO FUNDING FOR REDWOOD TERMINAL 2 DOOR REPLACEMENT; REDWOOD TERMINAL 2 ELECTRIC POWER SUPPLY; REDWOOD TERMINAL 2 WAREHOUSES, SHOP, LABORATORY, STORAGE & OFFICE SIDING AND WINDOW REPLACEMENT; REDWOOD TERMINAL 2 WAREHOUSES, SHOP, LABORATORY & OFFICE ROOF REPAIRS; AND REDWOOD TERMINAL 2 MACHINE BUILDING REPAIRS.

Executive Director reported out of five projects advertised, three projects were bid. There were no bidders on the electrical power supply or the machine building repairs. Director of Facility Maintenance thoroughly reviewed the bids.

The low bidders were: Alves Inc. \$932,500 for the Redwood Terminal 2 Warehouses, Shop, Laboratory & Office Roof Repairs; Thomas Home Center \$305,521.20 for Redwood Terminal 2 Door Replacement and ACGC Inc. \$871,286 for the Redwood Terminal 2 Warehouses, Shop, Laboratory, Storage & Office Siding and Window Replacement.

Staff recommended awarding bids to lowest bidders, with contracts subject to funding. Bids are good for 90 days. Upon receipt of funding contracts will be brought for Board consideration.

COMMISSIONER HIGGINS MOVED TO AWARD CONTRACTS TO SUCCESSFUL LOW BIDDERS SUBJECT TO FUNDING FOR REDWOOD TERMINAL 2 DOOR REPLACEMENT; REDWOOD TERMINAL 2 WAREHOUSES, SHOP, LABORATORY, STORAGE & OFFICE SIDING AND WINDOW REPLACEMENT; AND REDWOOD TERMINAL 2 WAREHOUSES, SHOP, LABORATORY & OFFICE ROOF REPAIRS. COMMISSIONER NEWMAN SECONDED.

Commissioner Higgins said the bids are competitive, local and there is no obligation if the funding is not obtained.

Commissioner Wilson said the District is providing function to a place that could have been lost to the community.

Commissioner Newman said he has faith and trust in staff.

President Marks said this is a good step forward in repurposing the pulp mill.

Kent Sawatzky requested Commissioner Wilson recuse himself when voting on the award of the bids as he has worked as a consultant for Danco Builders.

Commissioner Wilson said he worked as a subcontractor for Danco Builders at least eight years ago.

Jim Roberts asked how big the largest door was being replaced because he thought he could get a better price than the bid. Director of Facility Maintenance said the doors are large enough to drive a semi-truck through; and within ¼ of a mile from the ocean it is required the doors are commercial grade.

Susan Rotwein asked if ACGC Inc. is a local, qualified contractor. Executive Director replied Will Adams (ACGC Inc.) is local and qualified. She also asked about power to the terminal. Executive Director stated it is complicated when you add secondary services. The District cannot break up power and sell to tenants. It did create confusion with the bidders; they were nervous about the primary service. Ms. Rotwein asked if there was an option to meter separately. Executive Director replied the cost of the meters is higher.

Debbie Provolt asked if there is an "as built" appraisal for when the property is done. Executive Director stated it is not a requirement to do an "as built" appraisal. The portion of the property that can be occupied has been appraised. Ms. Provolt asked if the only part usable will be collateral. Executive Director stated at a value of \$3.8 million.

MOTION CARRIED WITHOUT DISSENT.

B. CONSIDERATION OF RENEWAL OF COAST SEAFOODS COMPANY TIDELAND LEASE.

COMMISSIONER HIGGINS MOVED TO TABLE THE RENEWAL OF COAST SEAFOODS COMPANY TIDELAND LEASE. COMMISSIONER NEWMAN SECONDED.

Kent Sawatzky said the public has great interest in the item. Will there be a special Board meeting? He requested he be contacted by phone if there is a special Board meeting as he does not use a computer.

Debbie Provolt asked if there were maps available for the lease lands. She said it would be helpful to have them prior to the meeting when this item would be considered.

Deputy Director said there are maps in both the Mariculture Pre-Permitting Project and Coast Seafoods Initial Study.

Monte Provolt said the total lease property available should be included in the map.

Susan Rotwein said the CA Department of Fish & Wildlife has good maps also.

MOTION CARRIED WITHOUT DISSENT.

C. CONSIDERATION OF EXCLUSIVE RIGHT TO NEGOTIATE WITH ALASKAN ANVIL, LLC.

Bud Hoy, Alaskan Anvil, LLC, participated by phone.

Executive Director said the Exclusive Right to Negotiate with Alaskan Anvil, LLC is for 60 days with an option to extend and they are hoping to move in to the Fields Landing Boat Yard by November 1.

Mr. Hoy said his company is a smaller boat repair business; his two sons work with him.

Commissioner Higgins said when the Economic Development Committee was meeting, this was the type of tenant recommended for the boat yard.

COMMISSIONER NEWMAN MOVED TO APPROVE THE EXCLUSIVE RIGHT TO NEGOTIATE WITH ALASKAN ANVIL, LLC. COMMISSIONER WILSON SECONDED.

Kent Sawatzky said he strongly supported this and a business like this is much needed.

Susan Penn asked how much the lease is. Executive Director replied negotiations are ongoing.

Monte Provolt asked the Board to keep in mind the taxpayers when negotiating the lease.

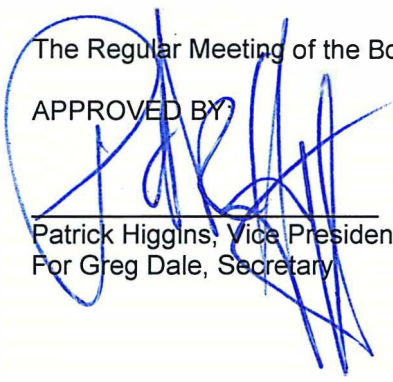
DISTRICT COUNSEL PULLED EXHIBIT B FROM THE EXCLUSIVE RIGHT TO NEGOTIATE BECAUSE THE LEASE HAS NOT YET BEEN NEGOTIATED. THE BOARD AGREED BY CONSENSUS.

MOTION CARRIED WITHOUT DISSENT.

ADMINISTRATIVE AND EMERGENCY PERMITS: None


The Regular Meeting of the Board of Commissioners adjourned at 8:50 p.m.

APPROVED BY:



Patrick Higgins, Vice President
For Greg Dale, Secretary

RECORDED BY:



Patricia Tyson
Director of Administrative Services