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

March 27, 2014

PRESENT
Commissioner Newman
Commissioner Dale
Commissioner Wilson
Commissioner Marks
Commissioner Higgins

President Marks called the Executive Closed Session to order at 6:00 P.M.

President Marks adjourned the 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.

President Marks asked Commissioner Higgins to lead those present in the Pledge of Allegiance.

District Counsel reported out of the Executive Closed Session as follows: Conference with Labor Negotiator - no action to report; Administrative Staff Salary Raises 2013/14 – Unanimous vote to increase CEO salary $5,000 effective May 1; Director of Administrative Services and Director of Facility Maintenance a 4.8% (3% merit and 1.8% cost of living) raise effective July 1, 2013; and Bar Pilots a 1.8% cost of living raise effective July 1; Conference with Real Property Negotiator - no action to report.

PUBLIC COMMENT
Monte Provolt said he wanted to clarify that the $2,000,000 from PG&E is for the District to buy a dredge in exchange for dredging King Salmon and if there was a timeframe.

Sharon Cracker of King Salmon asked the District to separate the funds for King Salmon dredging from it’s General Fund.

Jim Roberts asked where the money received from PG&E is being distributed; said the money should be used for King Salmon, not the Pulp Mill.

Debbie Provolt asked if there is a way to buy a dredge for King Salmon and the Bay at the same time; if one will fit both needs.

Rob Thessler stated he liked the idea of renting the dredge to other agencies after dredging King Salmon to pay for other project needs in King Salmon.

CONSENT CALENDAR: None

COMMUNICATIONS AND REPORTS

CHIEF EXECUTIVE OFFICER REPORT

- Reported the District has been working with the City of Eureka and engineering firms on a RFP to build a dock at Redwood Terminal 2 for a cruise ship to dock; would cost $7-8 million.
- Met with Patrick O’Shea and Mr. Smullett and Commissioners Dale and Marks in Garberville regarding Shelter Cove.
- Said the District is hiring an engineer to assist with reducing the volume of fish carcasses in Shelter Cove; Shelter Cove Resort Improvement District wants to challenge the designation of the Biological Significant Area around the discharge pipe.
Redwood Terminal 2 Cleanup Update – Steve Calanog EPA

Mr. Calanog reported EPA has been attempting to secure a barge for shipping the liquors for the last two months, but have not found one that would meet Coast Guard standards; the recent local 6.9 earthquake has increased interest in getting the liquors moved and the earthquake did compromise the sulfuric acid tank. Tank trucks will start to load next week and that already thousands of gallons of hydrochloric acid have been removed; will have emergency personnel ready to respond if something happens. Mr. Calanog stated he would prefer to have a tanker vessel to move the liquors to reduce the amount of trucks on the road, but one has not yet been secured. Mr. Calanog said Congressman Huffman and other representatives will tour the site tomorrow.

Monte Provolt asked how many truckloads would be needed, if they would go through Grants Pass and if they would convoys.

Mr. Calanog stated there are about three million gallons of pulping liquor; if all are trucked, there would be around 700 to 750 trucks through Grants Pass and would not convoy. Mr. Calanog reported there would be five to ten trucks per day, seven days per week; they would leave mid-morning to mid-afternoon an hour apart utilizing 35 to 40 trucks; and some will be local.

Commissioner Higgins thanked Mr. Calanog for the work he has put into the project; also thanked EPA and USCG.

Commissioner Dale thanked EPA and USCG for the work on such a massive job; asked when tanks are being prioritized if they are looking for one type of liquor to be transported first.

Mr. Calanog said the black liquors in the concrete tanks are being prioritized, but green and white liquors are important to remove as well.

STAFF REPORTS

Director of Conservation

- Stated there will be a heavy equipment operator from Samoa removing dock blocks that have been floating around in the Bay.
- Reported US Fish & Wildlife Service has been utilizing the Marshmaster in the Eureka Slough and Permit Applications have been submitted to extend Spartina eradication out of the Refuge area.
- Attended a Shellfish Growers meeting last week regarding land availability through the bidding process and there will be a discussion at the next Meeting.
- Attended a meeting today with potential dredge contractors.
- Said an application has been submitted for the outfall pipe lease with the State Lands Commission.

Director of Facility Maintenance

- Stated floupies were brought to the Fields Landing Boat Yard by Taylor Mariculture and assembled there; they are now in place at Redwood Terminal 2.
- Worked last week with the Samoa Fire District, Cal Fire and other County Fire Departments training on the Fire Boat; the Fire Boat performed flawlessly.

Commissioner Dale suggested agencies around the Bay should be notified before training takes place so they know nothing is wrong. Director of Facility Maintenance said he received many phone calls with people asking what had occurred.

- Stated the Maintenance Department will be working on repairing F-dock; the USCG boat usually docked at the end of F-dock can use the Redwood Terminal 2 dock.
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DISTRICT COUNSEL’S REPORT: None

DISTRICT TREASURER’S REPORT: None

COMMISSIONER AND COMMITTEE REPORTS

Commissioner Newman

❖ Spent a few days in Boston at the North American Seafood Show promoting California Wild King Salmon.
❖ Has learned a lot about dredges over the past few weeks; he travelled with Leroy Zerlang to look at dredges in Washington and Oregon.

Commissioner Dale

❖ Spent last weekend in Oakland at a Pacific Rim Shellfish Conference; water quality was the main topic; reported many of the FDA representatives are familiar with Humboldt Bay, the current Pulp Mill activities and are happy its issues are being remedied.
❖ Attended the recent meeting in Shelter Cove where there was good public input on a variety of topics; reported it was one of the most fun meetings he has ever attended.

Commissioner Marks

❖ Said the meeting in Shelter Cove was spirited and that it was good to interface with the large crowd.
❖ Stated he worked at the Pulp Mill almost 30 years and is glad it is being cleaned up; is excited about job creation at the site.

Commissioner Wilson

❖ Reported there was a double homicide in Eureka yesterday; one of the victims was former District Commissioner, Rick Storre, who was also the owner of Freshwater Farms.
❖ Went with County Economic Development Specialist Jacqueline DeBets to the Board of Supervisors to ask them to list the Pulp Mill property as a County blight to help the District get EDA funding.
❖ Attended meetings over the last week regarding pallet export and ethanol export.

Commissioner Higgins

❖ Said economic development was discussed at the Shelter Cove meeting and that President Marks’ chairing of that meeting was superb.
❖ Attended a meeting in King Salmon; and while he wants to help them to maintain their channels, he stated the main channel is still the responsibility of PG&E and the other channels are the residents’ responsibilities.
❖ Reported the Economic Development Committee will meet on the April 14; the topic of discussion is Woodley Island.
❖ Said Steelhead fishing has begun.
❖ Has been working on the Fall Chinook report for the Eel River Recovery Project; there is a Water Day on April 13 in Redway.

Jim Roberts stated he would like the dredging done in King Salmon to be significant. President Marks reported Mr. Roberts was out of order.
ENVIRONMENTAL LAW CONFERENCE MAY 2, 2014 – CLIMATE CHANGE – PAUL HAGEN

Paul Hagen said there is an educational opportunity put together for the County public sponsored by the State Bar of California, but regional in nature to educate on the importance of climate change, which he said is relevant to the District; stated it will take place at the Wharfinger Building on May 2. Mr. Hagen reported the speakers will address what the State of California is doing in preparation for climate change and how that applies to the North Coast.

Commissioner Wilson said attendance at a similar event anywhere else in California would cost $500, so $45 to attend is affordable. Mr. Hagen stated the cost is low as it is being subsidized. Commissioner Dale reported these events are popular among attorneys in California.

DISTRICT PLANNER’S REPORT: None

NON AGENDA: None

UNFINISHED BUSINESS: None

NEW BUSINESS

A. CONSIDERATION OF COMMERCIAL BROKER LISTING CONTRACT.

Bar Pilot Tim Petrusha said this Item is in regards to a Request for Proposals for commercial real estate broker services to market the Pulp Mill property, including the warehouse and industrial buildings; stated Proposals were due at noon today and there were two received, both being local. Mr. Petrusha reported both were reputable companies and asked the Board not to take action at this meeting so Staff can interview.

COMMISSIONER HIGGINS MOVED TO TABLE CONSIDERATION OF COMMERCIAL BROKER LISTING CONTRACT. COMMISSIONER WILSON SECONDED. MOTION TO TABLE CARRIED WITHOUT DISSENT.

B. CONSIDERATION OF LEASE WITH AGRIMARINE FOR AQUAPONICS PILOT PROJECT TERMINAL 1.

Bar Pilot Tim Petrusha said Agrimarine was rewarded the contract by the Board of Commissioners at their last Meeting and thanked Ted Kuiper for all of his efforts on this Project; stated this Item is for leasing of the greenhouse and aquaponics with no cost for the first year except utilities. Mr. Petrusha stated the greenhouse materials all stay in the District’s possession and that the tenant will provide an insurance bond as surety to protect the District upon early termination. Mr. Petrusha reported there is an option to renew at the end of the contract, taking fair market value into consideration.

COMMISSIONER DALE MOVED FOR APPROVAL OF LEASE WITH AGRIMARINE FOR AQUAPONICS PILOT PROJECT TERMINAL 1. COMMISSIONER WILSON SECONDED.

Commissioner Higgins said he learned a lot by reading the Lease and that it is very thorough; there is potential long-term use.

Commissioner Wilson stated this is the extension to the pilot project the District already did and that a private company is now going to move forward with it.

Commissioner Marks reported the District’s pilot project was successful.

Debbie Provolt said she was at the Meeting where three companies were being considered and asked which one this company was. Mr. Petrusha stated it was the out-of- town company.
Commissioner Higgins reported there will most likely be local people hired to help this company through the process.

MOTION CARRIED WITHOUT DISSENT.

C. CONSIDERATION OF HIRING BROOKS APPRAISAL SERVICES FOR TERMINAL 2 BUILDINGS.

COMMISSIONER HIGGINS MOVED FOR HIRING BROOKS APPRAISAL SERVICES FOR TERMINAL 2 BUILDINGS. COMMISSIONER DALE SECONDED.

CEO said an extensive appraisal is necessary as a key component and this Agency has done work for the District before; stated their task will be to demonstrate equity of the facility for capital funding. Mr. Crider reported the item is for $18,500.

Debbie Provolt asked if Brooks Appraisal Service will be doing an Appraisal on all four properties when the District only owns one of them and if those Appraisals will be made available to the other property owners. CEO confirmed this is accurate.

Mrs. Provolt said it is a good deal for the other property owners.

Commissioner Wilson asked Mrs. Provolt if she considered the price fair. Mrs. Provolt stated while she does not review many prices, in her opinion it probably is.

MOTION CARRIED WITHOUT DISSENT.

D. DISCUSSION TO PURCHASE A DREDGE – LEROY ZERLANG.

Leroy Zerlang reported on his research of the dredges for the District. He said dredges are complicated pieces of equipment and that it is a tough decision.

Monte Provolt asked if the King Salmon residents in attendance can have an answer on their questions before the end of the Meeting.

President Marks said the subject is not on the Agenda.

District Counsel stated since the topic is not on the Agenda, the Board cannot comment to the public; if a member of the public has an item they would like to be considered by the Board, contact Staff. An item must be listed on the Agenda for the Board to legally discuss it.

ADMINISTRATIVE AND EMERGENCY PERMITS: None

President Marks adjourned the Regular Meeting of the Board of Commissioners at 9:01 P.M.

APPROVED BY: [Signature]
Greg Dale
Secretary

RECORDED BY: [Signature]
Kim Farrell
Clerk
MINUTES
REGULAR MEETING OF THE BOARD OF COMMISSIONERS
HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT

March 5, 2014

PRESENT:
Commissioner Marks
Commissioner Wilson
Commissioner Higgins
Commissioner Newman
Commissioner Dale

President Marks called the Executive Closed Session to order at 6:00 p.m.

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

President Marks called the Regular Meeting of the Board of Commissioners to order at 7:05 p.m.

President Marks asked the Sea Scouts to lead those present in the Pledge of Allegiance.

District Counsel reported out of the Executive Closed Session as follows: Conference with Labor Negotiator: no action taken; Conference with Real Property Negotiator: no action taken.

PUBLIC COMMENT: None

CONSENT CALENDAR: None

COMMUNICATIONS AND REPORTS

CHIEF EXECUTIVE OFFICER REPORT:

- Redwood Terminal 2 Cleanup: Washington Department Of Ecology approves variance to accept chemicals; test liquors (30k gallons) and Hydrochloric acid shipped; EPA/KapStone Consent to Access and Receipt of Pulping Liquors awaiting signatures; Foss Barge mobilization cost increases from $226K to $500K due to modifications; Port of Longview dockage cost at $810,000; Total barge cost $2.4M; Truck RFP low bidder $1,680,000; First 200 trucks on EPA contract; if barge costs cannot be resolved, second 400 trucks on Harbor District contract; staff will distribute a RFP for trucking services soon.

STAFF REPORTS

Director of Conservation

- Public Scoping Meeting for Mariculture Pre-Permitting Project held March 4, 2014.
- Contract with RCAA to coordinate Spartina Eradication is in place.
- Attended Pulp Mill and Aquaponics tour with CA Department of Fish & Wildlife staff on March 4, 2014.
- Dock block washed ashore on Samoa Peninsula. The existing grant will help cover debris removal costs.
- Attended a field tour with NOAA grant staff this morning for marine debris/dock block removal.
- Wyot Tribe planning to hold first World Renewal Ceremony at Tuluwat Village since 1864 Massacre.

Director of Facilities Maintenance: Reported on Sea Scouts activities as follows:

- The Sea Scout's attendance was significantly down when they first started meeting again, but with help from the Skipper they were able to recruit quite a few new members.
- Slide presentation to display the Sea Scouts' recent adventures.
- Brian Enloe "Skipper" extended gratitude to the Harbor District and to the Commodores; presented appreciation plaque to the Harbor District.
DISTRICT COUNSEL REPORT: None

STAFF REPORT:

District Planner Report

- Reported that Jacqueline Debets, County of Humboldt, was a big help with the application for the CDBG Grant; sent correspondence letter to Timber Heritage Association (THA) to see what they could do to help; the County's General Plan includes the redesignation of Samoa Shops to commercial recreation; reported the petition was filed and that he feels optimistic about it; Timber Heritage Association may designate a volunteer to help navigate the process as well.
- Commissioner Wilson wanted to make sure that District Planner was keeping track of his work time used to help the THA. District Planner stated that he is in constant communication with the THA and has not spent much time thus far. CEO confirmed. Commissioner Wilson suggested that District Planner's time might be a credit toward the lease.
- Reported that he is making progress with the Water Trails administrative draft CEQA document, which will be reviewed in two weeks; the three part Coastal Development Permit process includes the Peninsula Boat Launch, Arcata CDP Application at South G Street, and Marina CDP Application.

COMMISSIONER AND COMMITTEE REPORTS

Commissioner Newman:

- Reported he attended the Harbor Working Group meeting on Wednesday. The Timber Heritage Association President made a presentation.

Commissioner Dale:

- Reported that he spent the last week in Washington D.C., spoke with Longview area shellfish representatives about the Redwood Terminal 2 activities; he feels they were supportive.
- Commended Jack Crider for all of his hard work on the Redwood Terminal 2 project and gave him a hat with an FBI logo on it, stating it was for his drives in the "cop car."
- Attended the Public Scoping Meeting for the Mariculture Pre-Permitting and thought they did an excellent job informing everyone.

Commissioner Marks:

- Attended the Public Scoping Meeting for the Mariculture Pre-Permitting Project.
- Also attended the New Harbor Committee Meeting, where they discussed the possibility of cruise ships coming to Humboldt Bay, docking on the Eureka side and using a "speeder car" from there into town.
- Reported Humboldt Bay Municipal Water District may use a rail right of way when building a pipeline from Mad River to San Francisco.
- Attended the North Coast Rail Authority Property Meeting where they finalized a deal with Trail Project in Ukiah.

Commissioner Wilson:

- Attended the New Harbor Committee Meeting; asked if Commissioner Marks would switch roles making Commissioner Wilson the Alternate and Commissioner Marks the Actual Member; Commissioner Marks agreed.
- Reported that the Wiyot World Renewal Ceremony will be held at the end of the week.

Commissioner Higgins:

- Attended the Economic Development Committee Meeting February 10, 2014; the meeting recordings are available on Access Humboldt.
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- Reported that he was happy about the Timber Heritage Association moving forward on permits.
- Attended the Humboldt Bay Municipal Water District meeting; hopes that the HBMWD and the Harbor District can find ways to help each other.
- Caught a steelhead.
- 15-30,000 Chinook Salmon returned this year.

NON-AGENDA: None

UNFINISHED BUSINESS: None

NEW BUSINESS

A. CONSIDERATION OF AGREEMENT FOR DREDGING AND TRANSFER OF FISHERMAN’S CHANNEL.

CEO reported PG&E would fund the dredge permitting, provide $2 million to the District for purchase and operation of the dredge, and transfer ownership of the Fisherman’s Channel to the District; the District will perform one-time dredging of Fisherman’s Channel, repair the breakwater wall, and accept the transfer of ownership.

COMMISSIONER DALE MOVED FOR APPROVAL OF AGREEMENT FOR DREDGING AND TRANSFER OF FISHERMAN’S CHANNEL. COMMISSIONER NEWMAN SECONDED.

Commissioner Wilson was concerned about the transfer of property issues.

Alison Talbot, Local Government Representative for PG&E, reported that this is a terrific example of a public/private partnership and it benefits the community. She thanked the District for its leadership and said PG&E will continue to communicate with King Salmon residents by sending out a notification on the vote and by meeting with them to answer any questions or concerns.

Chet Albin, Eureka City Council, voiced that he was excited about the partnership and supports this transaction.

MOTION CARRIED WITHOUT DISSENT.

B. CONSIDERATION OF LEASE AGREEMENT WITH AGRIMARINE HOLDINGS INC. FOR AQUAPONICS DEMONSTRATION PROJECT.

CEO stated that the interested party, AgriMarine Holdings Inc., is back and has submitted a proposal to the Harbor District. He reported that Ted Kuiper has been very valuable in the process. It is a two-year lease agreement, no cost, and AgriMarine will pick up all of the out of pocket expenses and will renew the Aquaponics Pilot Project Permit.

Ted Kuiper, Community Volunteer in Aquaculture, did background and reference checks on proposing parties, approving AgriMarine.

Commissioner Marks thanked Ted Kuiper for all of his hard work.

Robert Zack, U.S. Business Developer for AgriMarine, stated that AgriMarine is very interested in leasing the existing Aquaponics Green House. They are looking to create initially a demonstration project, which will turn into a complete 5-10 acre project, and hire a local workforce providing all funding necessary. They are focused on the Redwood Marine Terminal Berth 1 site. The final project will produce both fish and produce, utilizing the aquaponics method of farming.

Commissioner Marks stated there would be well over 150 local workers employed by the project, which would be very beneficial to the community.
Commissioner Wilson voiced his concern that the project would continue to run and asked when AgriMarine would begin their project. Mr. Zack stated that AgriMarine would like to start in less than six months.

CEO confirmed that it should be up and running within a month or two.

Commissioner Wilson was concerned about the no-cost lease not holding anyone accountable to keep the project going.

Commissioner Higgins stated that he thought it was the capitalistic interest that would keep things going and is confident that there will be a market.

CEO stated that lease terms will be communicated to the Commissioners.

Commissioner Wilson was concerned about a large company coming in versus a smaller, local company.

COMMISSIONER HIGGINS MOVED FOR THE APPROVAL OF THE LEASE AGREEMENT WITH AGRIMARINE HOLDING INC. FOR AQUAPONICS DEMONSTRATION PROJECT. COMMISSIONER NEWMAN SECONDED.

Commissioner Marks stated that this agreement would create jobs and knowing that it will create commerce makes the project very worthwhile to the community.

Commissioner Dale stated that he appreciates all the people that helped put this deal together and thinks that moving forward with the agreement is a good idea.

Commissioner Wilson thanked the Headwaters Fund for funding the project.

Luke Besner, also a lease proposer for the Aquaponics project, stated that he was wary about a big company coming in, but is now excited about it. He is concerned about higher paying jobs being scarce as well as diseased crops hurting the project if only one type of crop is being grown. He thinks that growing the right types of crops could in turn help support other local businesses. He hopes to make sure that the interests of our community are kept at the highest priority.

Tim Ross, aquaculture volunteer, thinks that there is no detriment at all to this deal and hopes to move ahead rapidly.

MOTION CARRIED WITHOUT DISSENT.

C. CONSIDERATION OF HIRING Z & Z MARINE TO INSPECT DREDGE EQUIPMENT IN OREGON.

CEO reported that the District distributed an RFP for the purchase of dredge equipment and received six responses. Two proposals were for equipment located in Oregon. He stated that the cost would not exceed his spending limit. Surveys on both vessels, recommendation from Z&Z Marine and a report from Commissioner Newman will all be available at the next Board Meeting.

Commissioner Marks thanked Z&Z Marine for their participation.

D. CONSIDERATION OF AGREEMENT AND PERMIT TO BRIAN SAXTON DBA, HUMBOAT KAYAK ADVENTURES.

COMMISSIONER DALE MOVED FOR THE APPROVAL OF AGREEMENT AND PERMIT TO BRIAN SAXTON, DBA, HUMBOAT KAYAK ADVENTURES. COMMISSIONER HIGGINS SECONDED.

CEO reported Humboats yearly payment to the District is roughly $6,100.00. This is a transfer of lease and Mr. Saxton is waiting for Escrow to close.
Brian Saxton, new owner of Humboats, stated that he is excited and intends to maintain the integrity of the business and thanked the District.

MOTION CARRIED WITHOUT DISSENT.

E. CONSIDERATION OF PULP MILL BLIGHT DESIGNATION FOR COMMUNITY DEVELOPMENT BLOCK GRANT AND PROVIDING $5000 CASH MATCH.

CEO reported that the County of Humboldt will designate the Pulp Mill site as blighted; EDA Grant requires a match and CEO is very glad that Community Development Block Grant has been made available; $100,000 Community Development Block Grant and $150,000 EDA Grant to develop the Pulp Mill site property.

COMMISSIONER HIGGINS MOTIONED FOR THE APPROVAL OF PULP MILL BLIGHT DESIGNATION FOR COMMUNITY DEVELOPMENT BLOCK GRANT AND PROVIDING $5000.00 CASH MATCH.
COMMISSIONER NEWMAN SECONDED.

Commissioner Higgins said he appreciates the County’s support.

MOTION CARRIED WITHOUT DISSENT.

ADMINISTRATIVE AND EMERGENCY PERMITS:

Director of Conservation reported the District issued an Administrative Permit to the Department of Fish and Wildlife for the placement of crab larvae trap at Woodley Island Marina. A small trap monitors the abundance of crab larvae for a few months.

An Emergency Permit was granted to Englund Marine for replacement of some of their pilings.

The Regular Meeting of the Board of Commissioners adjourned at 8:28 p.m.

APPROVED BY:  

RECORDED BY:

Greg Dale  
Secretary

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

February 13, 2014

PRESENT
Commissioner Newman
Commissioner Dale
Commissioner Wilson
Commissioner Marks

ABSENT
Commissioner Higgins

President Marks called the Executive Closed Session to order at 6:00 P.M.

President Marks adjourned the Executive Closed Session at 6:55 P.M.

President Marks called the Regular Meeting of the Board of Commissioners to order at 7:04 P.M.

President Marks asked Debbie Provolt to lead those present in the Pledge of Allegiance.

District Counsel reported out of the Executive Closed Session as follows: Conference with Labor Negotiator - no action to report; Conference with Real Property Negotiator: Potential terms for District property acquisition from Pacific Gas & Electric Company: no action to report.

PUBLIC COMMENT
Kent Sawatzky said he worked with Commissioner Higgins on a particular situation before it became public and commended him. Mr. Sawatzky stated he believed Suzanna Munzell and Karen Brooks have been unfairly treated and is giving the Commission a chance to come to him and work it out before it goes public; reported people are doing things for their own gains and with their own agendas in mind and said the person knows who he is and recommended that person contact him.

CONSENT CALENDAR
President Marks stated he did not get a copy of the Minutes on the Consent Calendar.

CEO reported the Item was an administrative error and wished Director of Administrative Services was not on leave; the Minutes have already been approved.

COMMUNICATIONS AND REPORTS

CHIEF EXECUTIVE OFFICER REPORT

- Reported on Redwood Terminal 2 as follows: 16 kv power is hooked back up and works as it should very helpful for Taylor Mariculture's project; power to the dock has been established; the dock catwalks have been completed; had a conference call with the Port of Longview and Kapstone to negotiate the tariff rate for the docking of the liquor barge and review of the pipeline.
- Met today with Patrick O'Shea regarding Shelter Cove; there has been progress and he plans to submit marina plans to the Coastal Commission and to invest approximately $140,000 on Phase I of his project.
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- Will meet with the Shelter Cove Resort Improvement District on March 6 with two Commissioners regarding many Shelter Cove issues including the breakwater and the boat ramp; Mr. O'Shea believes he will freeze about 70 percent of the fish this year, eliminating the need for the pipeline from the fish cleaning station.

STAFF REPORTS

Director of Conservation

- Sent a letter today regarding the billboards along the Highway 101 Safety Corridor; has not received a Permit Application yet.

District Counsel said there must be property owner consent to place a billboard. Director of Conservation stated it is not clear yet who owns the land.

District Counsel reported the company must get a Permit from the District to place the billboard and the District must make sure the company is following the law.

- Recently received notice of another successful grant application for Spartina eradication.

Kent Sawatzky said he does not like the billboards but believes the permitting process should allow adequate time for comments. District Counsel stated no time deadlines have been imposed.

Debbie Provolt asked the Commission if they are aware of the letter turned into Humboldt County about the General Plan Update that refers to billboard laws. Director of Conservation reported he has not seen the letter but would appreciate a copy.

Commissioner Wilson said he has seen the letter and it does not reference the lawsuit against the City of Arcata because it is not in the writer’s favor.

Bar Pilot John Powell

- Has been busy photographing inventory at the Pulp Mill.
- Stated the USS Independence has come into the Bay three times over the past two weeks.

Commissioner Dale said Mr. Powell did a nice job on the pictures.

DISTRICT COUNSEL’S REPORT: None

DISTRICT TREASURER’S REPORT: None

COMMISSIONER AND COMMITTEE REPORTS

Commissioner Newman

- Attended the Economic Development Committee meeting at the Humboldt Bay Aquatic Center and thanked District Staff, the community, and the University; said it was powerful to see all the ideas for the National Marine Research and Innovation Park Site.
Commissioner Dale

- Stated the EDC meeting was well organized and that it was a pleasure to see positive things happening in the community.

Commissioner Marks

- Reported the EDC meeting was a great and well-attended meeting; said he saw previous workers from the Pulp Mill in attendance that were excited about environmentally friendly happenings going on at the site.
- Met with Patrick O'Shea, who has spent a lot of money to develop his property at Shelter Cove; said Mr. O'Shea has already had success selling fish from Shelter Cove to the Bay Area.
- Attended an NCRA meeting.

Commissioner Wilson

- Had a telephone meeting with Kapstone today which was quite productive; EPA is driving the work of Kapstone’s pulp mill receiving the liquor from the District’s Redwood Terminal 2 site.

Commissioner Marks said the EPA has made it clear they are the only agency that can handle a project like this.

DISTRICT PLANNER’S REPORT

- Stated he got good news from the County – they have tentatively identified a source for match for the EDA grant so the District will not have to spend as much out of pocket.
- Reported the County’s General Plan is in action and the process will take place over the next two years; will monitor and advise the Commissioners when commenting will be appropriate.
- Said the Coastal Commission has come out with a sea level rise document and extended the public comment period until tomorrow; some of the information is relevant to the District.
- Has been assisting GHD Engineers and Moffatt and Nichols with the Water Trails Project, which is underway and going well with the Coastal Conservancy.

NON AGENDA: None

UNFINISHED BUSINESS: None

NEW BUSINESS


COMMISSIONER DALE MOVED FOR ADOPTION OF RESOLUTION 2014-03, A RESOLUTION DESIGNATING BUSINESS MATTERS, APPOINTMENT AND AUTHORIZATION FOR THE HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT FOR CALENDAR YEAR 2014. COMMISSIONER WILSON SECONDED.

District Counsel stated there should be a minor correction – Legal Counsel is LLP, not LLC.

Commissioner Wilson reported two of the newspapers; the Arcata Eye and McKinleyville Press in the Resolution do not exist any longer and should be replaced with Mad River Union.
Pete Oringer said the Resolution references the northerly doors where the Agenda is normally posted, but that is not correct.

Commissioner Dale stated the Resolution should read the main building outside northwestern door.

COMMISSIONER DALE ACCEPTED THE AMENDMENTS. COMMISSIONER WILSON ACCEPTED THE AMENDMENTS.

Kent Sawatzky reported the District is doing a good job putting the sign "Closed Session in Progress" up and requested the second side of the Agenda should be posted where the public can view it.

ROLL CALL VOTE WAS TAKEN:

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

MOTION CARRIED WITHOUT DISSENT, COMMISSIONER HIGGINS ABSENT.

CEO said Agenda Items B through E will be revised and District Counsel will discuss those revisions.

District Counsel stated District Staff has been working on some Draft Agreements with Coast Seafoods, but Coast Seafoods would like to do the Agreements more formally and will take the lead on re-drafting, so the Agreements will not be ready for Board consideration for about two weeks.

COMMISSIONER NEWMAN MOVED TO TABLE ITEMS B THROUGH E. COMMISSIONER WILSON SECONDED.

Commissioner Wilson asked if discussion on these Items should take place now.

CEO reported the Items will change, so it would be best to discuss at a future meeting.

Pete Oringer asked if the final sale document on the Pulp Mill was ever made public.

District Counsel said it was made available as a public document a few months ago; he suggested Mr. Oringer contact Staff for a copy.

Pete Oringer asked if the Fire Boat was used as a funding source.

District Counsel stated money was not paid, so the Fire Boat was not used as collateral; the District basically assumed liability for cleanup.

Debbie Provolt reported she is glad the District is revising the loan documents; while she supports the liquors getting removed, she has concerns of the interest being over $40,000, which will put the District further behind financially every year.
District Counsel said the loan repayment will be linked to selling part of the Pulp Mill assets.

Debbie Provolt, Humboldt Land and Title, stated that information is in the Resolution, but not in the Loan Document and asked if the land was now subject to public trust rights since the District owns it.

District Counsel reported the District acquired Freshwater assets with no public trust funds, therefore it is still not public trust; not all land owned by a public entity is public trust.

Debbie Provolt said if the District uses public trust funds for a loan, it could change how the property is viewed and advised the District to look into that.

District Counsel thanked Ms. Provolt for the information and said he would look into it.

Debbie Provolt stated assisting Coast Seafoods with Permit applications should be compensated, and that it should not be a gift because it uses public funds. District Counsel reported that matter should be cleared up in the Draft and that it is something the District would do for anyone seeking to establish and develop a business in the Bay; it is General Policy. Ms. Provolt said that should be clarified.

District Counsel stated if any company applies for a Permit, the District will assist them.

Kent Sawatzky said he agreed with everything Debbie Provolt said; regarding Coast Seafoods’ 40-year lease, their tideland lease rate would be lower than other companies’ due to their having an increased footprint. Mr. Sawatzky asked since the District will have more than a $2 million loan temporarily, is there Policy that overrides that mandate.

District Counsel said the Harbors and Navigation Code does.

Kent Sawatzky stated he would like a copy of that document.

MOTION TO TABLE CARRIED WITHOUT DISSENT, COMMISSIONER HIGGINS ABSENT.


COMMISSIONER DALE MOVED FOR TERMINATING THE SOUTH BAY MARINA TIDE SUBMERGED LANDS BETWEEN THE DISTRICT AND THE ESTATE OF G.A. HUNTER. COMMISSIONER NEWMAN SECONDED.

Director of Conservation reported Dennis Hunter wants to end the Lease due to selling the property and that their lease is paid up; said the issue before the Board is there is a provision in the Lease stating the lessee should remove improvements or offer compensation and that there are some additional pilings now in place. Director of Conservation stated he does not see a benefit in removing the pilings and recommended the Board consider letting Mr. Hunter leave them and not seek compensation from Mr. Hunter. There was a series of lawsuits in the past between the Hunters and the District regarding where the appropriate boundaries are and there was an old judgment in the file largely in the District’s favor.

District Counsel said the lessee has the right to terminate the Lease and are current on payments; stated the property has potential value to the District. Mr. Bristo reported the judgment is from 1982 for $5,000 and the District’s previous District Counsel did not recall much about the suit; there must have been some point where the Lease expired and the District
obtained a judgment for the improvements to be removed. Mr. Brisso said the judgment was never renewed and expires ten years afterwards if not renewed; recommended accepting the improvements and terminating the Lease.

Kent Sawatzky stated he supported terminating the Lease.

MOTION CARRIED WITHOUT DISSENT.

Dennis Hunter asked if the District can correspond with the Title Company since there is a Hold Harmless clause in the sale of the upland property.

Debbie Provolt, Humboldt Land and Title, reported the Title Company had prepared a Release.

ADMINISTRATIVE AND EMERGENCY PERMITS: None

President Marks adjourned the Regular Meeting of the Board of Commissioners at 8:10 P.M.

APPROVED BY: [Signature]

RECORDER BY: [Signature]

Greg Dale
Secretary

Kim Farrell
Clerk
MINUTES
ANNUAL MEETING OF THE BOARD OF COMMISSIONERS
HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT

January 23, 2014

PRESENT
Commissioner Newman
Commissioner Dale
Commissioner Wilson
Commissioner Marks
Commissioner Higgins

President Wilson called the Executive Closed Session to order at 6:00 P.M.

President Wilson adjourned the Executive Closed Session at 6:59 P.M.

President Wilson called the Regular Meeting of the Board of Commissioners to order at 7:07 P.M.

President Wilson asked Commissioner Marks to lead those present in the Pledge of Allegiance.

District Counsel reported out of the Executive Closed Session as follows: Conference with Real Property Negotiator: Potential terms for District property acquisition from Pacific Gas & Electric Company: no action to report due to no discussion; Potential terms for Reciprocal Easement Agreement from Freshwater Tissue: no action to report, Administrative and Supervisor staff contract negotiations per section 6 – Annual performance review: no action to report.

PUBLIC COMMENT
Debbie Provolt read a letter of support for Timber Heritage Association from the Humboldt Association of Realtors.

Kent Sawatzky said he attended the last Board of Supervisors meeting, where they announced a $600 million Tiger Grant and encouraged the District to have a project prepared adequately for application. Mr. Sawatzky stated he disagrees with the proposal of the Indianola overpass due to sea level rise issues.

Sebastian Elrite of Aqua Rodeo Farms said there has been more slick in the Bay water recently, particularly near the Woodley Island shore, B-dock and the gangways.

CONSENT CALENDAR: None

COMMUNICATIONS AND REPORTS

CHIEF EXECUTIVE OFFICER REPORT

Chief Executive Officer reported on Redwood Terminal Two cleanup as follows:

- Phase III dock repair should be completed around February 1; KapStone in Longview has requested a variance to be able to accept the Pulp Mill liquors; the Crowley barge certificate was expiring and it is going to be an expensive process for renewal, recently found a Bay Area barge, but is smaller so would require more trips to ship the liquors; water line was repaired and the restrooms are now usable; lights and transformers are being repaired; PG&E meter is now
accurate and there will likely be a credit on the account; commercial property realtors have visited the site to ascertain estimates.

- Thanked Andrew Whitney and letter of support writers for help with the recent grant application submitted.

STAFF REPORTS

Director of Conservation

- Stated the Marshmaster will be back in action at Eureka Slough soon and a USACE grant application for $230,000 for Spartina eradication was successful.
- Three billboards along the bay shoreline were recently removed.

Director of Facility Maintenance

- Has been working with PG&E assessing the substation at the Pulp Mill for repairs and maintenance.
- Reported Phase Two of dock work is complete and Staff is now rebuilding the catwalks, which is tide-dependent, but should be completed by February 1.

Bar Pilot Tim Petrusha

- Said there was a log ship in the Bay this week.
- Stated the USS Independence will be in and out of the Bay multiple times over the next week.
- Has been working on aquaponics and thanked Ted Kuiper and Todd VanHerpe for their time and efforts.

DISTRICT COUNSEL REPORT: None

DISTRICT TREASURER’S REPORT

District Treasurer reported that he has been working on the audit and completed the District’s State Controller Annual Report; said cash has gone up about $1.8 million since 2012-2013.

DISTRICT PLANNER’S REPORT

District Planner stated he attended the Economic Development Committee meeting regarding the Samoa Peninsula Services District and Samoa’s Fire District.

COMMISSIONER AND COMMITTEE REPORTS

Commissioner Newman

- Said he has heard from many fishermen stating their boats have been hitting the bottom of the Bay at low tide.

Commissioner Dale

- Met with CEO and Director of Conservation regarding the aquaculture expansion project.
Commissioner Wilson

- Encouraged a planning class that has done work before with the District to consider studying aquaculture effects and sea level rise; a consideration is sea level rise impacts on the Woodley Island Wildlife Area.

Commissioner Marks

- Chaired the well-attended Economic Development Committee meeting regarding the Peninsula.

Commissioner Higgins

- Reported there were productive discussions at the Economic Development Committee meeting he attended.
- Has been working on Eel River Salmon monitoring; saw about 50-60 Salmon yesterday, about 1/3 of them Coho.

NON AGENDA: None

UNFINISHED BUSINESS

A. CONSIDERATION OF ADOPTING THE MITIGATED NEGATIVE DECLARATION AND ASSOCIATED MITIGATION MONITORING AND REPORTING PROGRAM FOR THE APPLICATION BY PACIFIC GAS AND ELECTRIC COMPANY FOR THE HUMBOLDT BAY POWER PLANT INTAKE AND DISCHARGE CANAL REMEDIATION PROJECT.

Commissioner Wilson recused himself and left the room due to working part-time for the company doing the analysis.

Director of Conservation said last year PG&E submitted a Permit Application and there are low-level contaminants in the Canals they plan to de-water; PG&E will be reviewing wetlands and aquatic species and CEQA impacts. The jetty area will be repaired and will not be connected to the Bay anymore. There will be a soil storage area for a few years, then restoration will take place with many mitigation measures. Four comment letters were received; the City of Eureka’s concerns were resolved, the Wiyot Tribe requested notification and was accepted, Humboldt Baykeepers wanted additional data, which was provided and responded the data supported the proposed project boundaries, and the California Department of Fish and Wildlife was satisfied with mitigation proposals.

COMMISSIONER DALE MOVED FOR APPROVAL OF ADOPTING THE MITIGATED NEGATIVE DECLARATION AND ASSOCIATED MITIGATION MONITORING AND REPORTING PROGRAM FOR THE APPLICATION BY PACIFIC GAS AND ELECTRIC COMPANY FOR THE HUMBOLDT BAY POWER PLANT INTAKE AND DISCHARGE CANAL REMEDIATION PROJECT. COMMISSIONER NEWMAN SECONDED.

Commissioner Higgins said the Report seemed thorough.

MOTION CARRIED WITHOUT DISSERT, COMMISSIONER WILSON RECUSED.
B. CONSIDERATION OF ADOPTION OF RESOLUTION 2014-02 WHICH ESTABLISHES FINDINGS RELATIVE TO THE APPLICATION BY PACIFIC GAS AND ELECTRIC COMPANY FOR THE HUMBOLDT BAY POWER PLANT INTAKE AND DISCHARGE CANAL REMEDIATION PROJECT.

COMMISSIONER HIGGINS MOVED FOR ADOPTION OF RESOLUTION 2014-02 WHICH ESTABLISHES FINDINGS RELATIVE TO THE APPLICATION BY PACIFIC GAS AND ELECTRIC COMPANY FOR THE HUMBOLDT BAY POWER PLANT INTAKE AND DISCHARGE CANAL REMEDIATION PROJECT. COMMISSIONER DALE SECONDED.

ROLL CALL VOTE WAS TAKEN:

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

MOTION CARRIED WITHOUT DISSENT, COMMISSIONER WILSON RECUSED.

C. CONSIDERATION OF GRANTING PERMIT 14-01 TO PACIFIC GAS AND ELECTRIC COMPANY FOR THE HUMBOLDT BAY POWER PLANT INTAKE AND DISCHARGE CANAL REMEDIATION PROJECT.

COMMISSIONER DALE MOVED FOR GRANTING PERMIT 14-01 TO PACIFIC GAS AND ELECTRIC COMPANY FOR THE HUMBOLDT BAY POWER PLANT INTAKE AND DISCHARGE CANAL REMEDIATION PROJECT. COMMISSIONER HIGGINS SECONDED.

Commissioner Dale thanked PG&E on a job well done.

MOTION CARRIED WITHOUT DISSENT, COMMISSIONER WILSON RECUSED.

Commissioner Wilson re-entered the room.

NEW BUSINESS

A. CONSIDERATION OF RECEIVING AND FILING FY2012/13 AUDIT.

District Treasurer introduced Donna Taylor and Patrick Shanahan of Hunter, Hunter and Hunt, CPAs. Ms. Taylor and Mr. Shanahan went over the Audit contents, where the only significant deficiency was regarding the demolition of Redwood Marine Terminal Building 14.

Commissioner Higgins reported the Audit sounded reasonable and thanked Mr. Shanahan and Ms. Taylor.

District Counsel asked a question regarding Note Seven: Post-Employment Benefits. Mr. Brisco said the District has two types of employees; Union and non-Union; the Union employees’ rights to health benefits expired June 30, 2013, and has not been renewed. Mr. Brisco asked if post-employment benefits figures assume the contract will be renewed and that management will continue to receive the benefits.

Mr. Shanahan stated he believed so.

District Counsel reported the District does have a right to change it when the contract expires.
Mr. Shanahan said the likelihood will be looked at and there is no evidence that obligation will be reduced, which he can follow up on.

District Counsel stated he does not want it interpreted as an assured benefit.

District Treasurer reported the assumption does not mean that it is guaranteed and that it is based on the best information available.

Kent Sawatzky said outstanding grant funds will be different next year and asked what the Pulp Mill is worth.

Mr. Shanahan stated the grants receivable is in the report; the Pulp Mill acquisition was early in the process, so the auditors referred to previous Board Meeting Minutes. Mr. Shanahan reported HSU interns will complete their analysis and it will help determine the value.

Ms. Taylor said the acquisition happened after the Audit closed, so the estimates are as good as possible for the upcoming year.

Commissioner Wilson reported the cash on hand jumped up due to grant receivables received, but the District had spent that money; District has not dropped in cash although the money was spent.

Mr. Shanahan said a Cash Flow statement should show that well.

COMMISSIONER HIGGINS MOVED FOR RECEIVING AND FILING FY 2012/13 AUDIT. COMMISSIONER MARKS SECONDED.

Kent Sawatzky said he applauded the District for utilizing a local firm.

MOTION CARRIED WITHOUT DISSENT.

B. CONSIDERATION OF AQUAPONICS LEASE AT BERTH 1 FACILITY.

Bar Pilot Tim Petrusha reported RFPs for leasing the aquaponics facility at Redwood Marine Terminal Berth 1 were distributed and proposals were received. Staff interviewed all three companies. Mr. Petrusha said he recommended more time for the process and asked the Board to allow Robert Zack from Grow Foods to have an opportunity to tell the Board about the company.

President Wilson stated if there are representatives of companies that submitted RFPs in attendance, they should have an opportunity to represent their companies; clarified that District Staff needed more time to decide.

CEO clarified that more time is needed by District Staff due to the decision being an important one.

Robert Zack of Grow Foods spoke representing his company.

CEO reported Mr. Zack will be in the area until Monday for meetings and that it would be great to have a commissioner present.

Luke Besmer, Arcata resident, spoke representing his company.

Debbie Provolt asked how many businesses the District has room for. Commissioner Wilson said he believed only one.
Kent Sawatzky asked if that company would take over the existing facility and stated the two local people working for the international one seemed like a good suggestion if they do not win the proposal.

Commissioner Wilson stated he is shocked there are three good proposals and is glad at the response the District has received.

COMMISSIONER HIGGINS MOVED TO TABLE AQUAPONICS LEASE AT BERTH 1 FACILITY. COMMISSIONER MARKS SECONDED. MOTION CARRIED WITHOUT DISSENT.

C. CONSIDERATION OF EDA GRANT APPLICATION AND PUBLIC FORUM FEBRUARY 10, 2014.

District Planner stated the Grant is for research, energy and innovation park planning and development and that having the facility under District authority would be very attractive to EDA; the Grant will be a match-grant. Mr. Williamson reported the Forum will be at the Aquatic Center, which HSU is donating the use of to the District for no charge and supplying food; asked for Board direction to start publicizing.

Commissioner Higgins said he is happy to have the EDC service the Forum for the project.

Commissioner Wilson stated it should be noticed as a Special Meeting Workshop of the Board so all the Commissioners can attend.

Commissioner Dale asked what would work as a match for EDA and if it is a 50/50 match. District Planner reported dollars with some in-kind available and it is a 50/50 match.

Ted Kuiper said one station should include aquaculture and aquaponics so the public can see the concept; volunteered his time for the event. Mr. Kuiper stated other people who have worked with the District regarding aquaculture should be invited.

Debbie Provolt asked if this is a State or Federal Grant and what EDA stands for.

CEO reported Economic Development Administration and it is a Federal Grant.

Andy Colonna asked if the event would be televised. Commissioner Higgins stated he hoped it would be.

COMMISSIONER HIGGINS MOVED FOR THE NEXT MEETING OF THE ECONOMIC DEVELOPMENT COMMITTEE TO BE HELD AS A SPECIAL MEETING OF THE BOARD. COMMISSIONER MARKS SECONDED. MOTION CARRIED WITHOUT DISSENT.

D. CONSIDERATION OF BOARD REPRESENTATION TO REDWOOD REGION ECONOMIC DEVELOPMENT COMMISSION.

Commissioner Wilson reported this is a requirement of RREDC and as the representative would like to continue being so.

Commissioner Higgins said he would like another alternate besides himself due to being overworked.

Commissioner Dale stated he would like to be the alternate.
COMMISSIONER HIGGINS MOVED TO APPOINT COMMISSIONER WILSON AS BOARD REPRESENTATION TO REDWOOD REGION ECONOMIC DEVELOPMENT COMMISSION WITH COMMISSIONER DALE AS ALTERNATE. COMMISSIONER MARKS SECONDED. MOTION CARRIED WITHOUT DISSENT.

E. CONSIDERATION OF REVISING PERMIT 11-01 WITH TAYLOR MARICULTURE LLC FOR THE TAYLOR MARICULTURE BERTH 2 FACILITY.

COMMISSIONER HIGGINS MOVED FOR REVISING PERMIT 11-01 WITH TAYLOR MARICULTURE LLC FOR THE TAYLOR MARICULTURE BERTH 2 FACILITY. COMMISSIONER MARKS SECONDED.

Director of Conservation reported the District has acquired upland property since the last approved lease went into effect.

CEO said Taylor Mariculture will have an option to expand in the warehouse.

Director of Conservation reported this Item increases rent and the existing leach field will be used instead of building a new one; said there are no new CEQA impacts and the existing impacts would be lessened if this Item were approved.

Sebastian Elrite reported he does not want to see the District charge too much.

MOTION CARRIED WITHOUT DISSENT.

F. CONSIDERATION OF ADOPTING A REVISED TIDELAND AND UPLAND LEASE WITH TAYLOR MARICULTURE LLC FOR THE TAYLOR MARICULTURE BERTH 2 FACILITY.

COMMISSIONER HIGGINS MOVED FOR ADOPTING A REVISED TIDELAND AND UPLAND LEASE WITH TAYLOR MARICULTURE LLC FOR THE TAYLOR MARICULTURE BERTH 2 FACILITY. COMMISSIONER MARKS SECONDED.

Commissioner Higgins said he is glad to see this coming to fruition after so much hard work.

MOTION CARRIED WITHOUT DISSENT.

G. ELECTION OF OFFICERS

Commissioner Wilson reported after being President for three years, he is ready to give up that position and proposed Commissioner Marks as President, Commissioner Higgins as Vice-President and Commissioners Dale or Newman as Secretary.

COMMISSIONER NEWMAN MOVED TO ELECT COMMISSIONER MARKS AS PRESIDENT, COMMISSIONER HIGGINS AS VICE-PRESIDENT AND COMMISSIONER DALE AS SECRETARY. COMMISSIONER HIGGINS SECONDED.

Kent Sawatzky thanked Commissioner Wilson for his service and supported the Motion.

Commissioner Wilson said there were so many events occurring within the District that he felt staying on as President was necessary at the time.

Commissioner Higgins thanked Commissioner Wilson for his service.
Commissioner Marks thanked Commissioner Wilson for being President through some tough decisions.

MOTION CARRIED WITHOUT DISSENT.

Commissioner Marks thanked the Board for election as President.

ADMINISTRATIVE AND EMERGENCY PERMITS: None

President Marks adjourned the Regular Meeting of the Board of Commissioners at 9:16 P.M.

APPROVED BY: 

[Signature]

Patrick Higgins
Secretary

RECORDED BY: 

[Signature]

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

January 9, 2014

PRESENT
Commissioner Newman
Commissioner Dale
Commissioner Wilson
Commissioner Marks
Commissioner Higgins

President Wilson called the Executive Closed Session to order at 6:03 P.M.

President Wilson adjourned the Executive Closed Session at 6:52 P.M.

President Wilson called the Regular Meeting of the Board of Commissioners to order at 7:07 P.M.

President Wilson asked Pete Oringer to lead those present in the Pledge of Allegiance.

District Counsel reported out of the Executive Closed Session as follows: Conference with Labor Negotiator and Conference with Real Property Negotiator – Commissioner Higgins resigned from the Negotiating Committee and Commissioner Dale agreed to take his place; Conference with Real Property Negotiator – No action taken; Conference Regarding Potential Initiation of Litigation – The Board of Commissioners authorized District Counsel to enforce legal proceedings enforcing District’s right under the subject lease.

PUBLIC COMMENT
Kent Sawatzky said 2013 was, to him, the year of the carrot. 2014 will be the year of the stick. In the court of public opinion, the Harbor District should stay out of litigation. He said he tried to find out information about the Closed Session items; any group not transparent violates the public’s trust.

Sebastian Elrite, Aqua-Rodeo Farms, asked when there would be an update from staff on the aquaculture expansion project. When will the Harbor District start scoping meetings. CEO stated a meeting is scheduled for Thursday, January 16 @ 8 a.m. to discuss leases and process.

Pete Oringer said CEO recently gave a pleasant presentation on the EPA Brownfields grant application. He said many answers were give to questions on the pulp mill property cleanup process.

CONSENT CALENDAR: None

COMMUNICATIONS AND REPORTS

Chief Executive Officer

- Reported on the Pulp Mill property as follows: Power, water and sewer are now working. The property is ready for showing to potential tenants. Phase 3 of the dock has begun. EPA will return on February 3 – six test trucks will be loaded. KapStone and Port of Longview are reconsidering barging to a pipeline instead of trucking on the dike road. KapStone and EPA continue to work through legal agreement.
- CEO is working on a new outfall line agreement with DG Power Fairhaven.
- Taylor Mariculture/Berth 2: installing power to dock and warehouse; Regional Water Quality Control Board inspection January 13; Coastal Commission to consider granting modified approval at their February meeting; flupsys will be operational in March; Lease negotiations complete and
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final draft will be presented to the Board for consideration of approval at the January 23rd meeting.

STAFF REPORTS

Director of Conservation

- Spartina eradication coordinator hiring in process.
- Meeting tomorrow with stakeholders on the sediment reuse project.
- On December 31st there was a King Tide, but there was no flooding due to the absence of rainfall.
- Currently in the comment period for the King Salmon Canal Dredge permitting CEQA document.
- Working with CBS Outdoor on their permit application to remove downed billboards.

Director of Facility Maintenance

- Phase 3 of Berth 2 repairs to approachway and catwalks started.
- EPA will be using the Redwood Terminal 2 building offices; the carpets have been cleaned.

Bar Pilot Tim Petrusha

- A log ship will be in port next week.

DISTRICT COUNSEL REPORT: None

COMMISSIONER AND COMMITTEE REPORTS

Commissioner Newman

- Stated it is time to dredge in the marina slips; shallowing of areas around the slips is becoming a real problem.

Commissioner Wilson

- Took his 98-year old grandfather on a tour of the new Bay Area distillery, repurposing of a naval base.
- Neither US Fish & Wildlife Service or CalTrans is interested in maintaining the billboards through the 101 Safety Corridor.

Commissioner Marks

- Hoping for a resolution of the employee union negotiations.
- Attended a NCRA meeting yesterday

Commissioner Higgins

- Reported he was relieved (literally) of his post on the union negotiating committee.
- Enormous potential for the aquaponics facility.
- January 13 – Economic Development Committee will discuss Harbor District properties.
- January 29 – Humboldt Bay Harbor Working Group will meet – Stephen Pepper and Stas Margaronis will speak on short sea shipping.
- Salmon surveys on the Eel River show thousands of salmon spawned successfully.
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NON AGENDA: None

UNFINISHED BUSINESS: None

NEW BUSINESS

A. CONSIDERATION OF ADOPTION OF RESOLUTION 2014-01, A RESOLUTION OF THE
HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT AUTHORIZING
THE ADOPTION OF THE HUMBOLDT OPERATIONAL AREA HAZARDS MITIGATION PLAN.


Bar Pilot Petrusha reported 34 local agencies are involved in the five-year update of this Plan, which allows for grant funding for pre-disaster planning. The County Board of Supervisors has already approved the Plan and it has now gone to the local agencies for approval. Hazards Mitigation Plans are required by the Federal Government for disaster preparedness.

Kent Sawatzky said he addressed his concerns to the City of Arcata about the location of the Arcata sewer treatment plant due to its close proximity to Humboldt Bay. The location makes it vulnerable to many risks and an alternate site should be researched.

ROLL CALL VOTE WAS TAKEN:

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

MOTION CARRIED WITHOUT DISSENT.

B. CONSIDERATION OF APPROVAL OF AMENDMENT NO. 3 TO THE HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT PROFESSIONAL SERVICES AGREEMENT WITH PLANWEST PARTNERS, INC. FOR SAMOA INDUSTRIAL WATERFRONT TRANSPORTATION ACCESS PLAN.

COMMISSIONER HIGGINS MOVED FOR THE APPROVAL OF AMENDMENT NO. 3 TO THE HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT PROFESSIONAL SERVICES AGREEMENT WITH PLANWEST PARTNERS, INC. FOR SAMOA INDUSTRIAL WATERFRONT TRANSPORTATION ACCESS PLAN. COMMISSIONER MARKS SECONDED.

Kent Sawatzky asked if the Board could extend the contract without advertising a Request for Proposals. He also asked if there would be a conflict of interest since George Williamson is the District Planner.

President Wilson said George Williamson is the District Planner, which is a contract position. He is not an employee of the District.

MOTION CARRIED WITHOUT DISSENT.
C. CONSIDERATION OF AWARD OF CONTRACT FOR THE CHEMICAL RECOVERY BOILER AND TURBINE GENERATOR AT REDWOOD TERMINAL 2.

CEO reported the RFP was published on November 17; a mandatory site visit was held on December 4, four interested parties attended. Two proposals were received – one from Staton and one from Figas Construction. Complaints were received that enough time was not given for the development of a proposal and the environmental cleanup requirements are unclear.

CEO recommended the withholding the award and send out new RFPs in 60-90 days.

COMMISSIONER HIGGINS MOVED TO WITHHOLD THE AWARD OF CONTRACT FOR THE CHEMICAL RECOVERY BOILER AND TURBINE GENERATOR AT REDWOOD TERMINAL 2. COMMISSIONER DALE SECONDED.

President Wilson created and ad hoc committee of Commissioner Higgins and Commissioner Newman to work with CEO.

COMMISSIONER HIGGINS MOVED FOR A FRIENDLY AMENDMENT TO HIS MOTION TO INCLUDE THE AD HOC COMMITTEE OF COMMISSIONERS DALE AND HIGGINS. COMMISSIONER DALE AGREED TO THE FRIENDLY AMENDMENT.

Steve Root, one of the two proposers, agreed with staff's recommendation even though it may not make a difference to Staton's proposal.

Kent Sawatzky said he supported the idea to wait and then send out a new RFP. He said he would like the bids to be made public, which is standard procedure. Mr. Sawatzky offered his help to the committee as a member of the public.

District Counsel said the Board is choosing to reject all proposals. The proposals are proprietary and could be disadvantageous if they are made public.

Bob Figas said tightening up the components of the RFP would help the responders.

Julie Salminen said the RFP was vague – is it a proposal or is it a bid? She said appointing a committee is a good idea and public participation is recommended. She offered to help the committee.

Commissioner Higgins said the boiler and generator are large tangible assets for the District. The Board needs leeway to make the best business plan for the District. Allowing public participation could be a problematic.

President Wilson said the public can give their comments to the Board without being on the committee.

Monte Provolt said there were ambiguous phrases in the RFP. Keep the ambiguity out, it minimizes problems.

Commissioner Dales said if someone participates in the development of the document, they would then not be allowed to bid.

MOTION CARRIED WITHOUT DISSENT.
D. CONSIDERATION OF APPROVAL OF CONTRACT WITH LEROY ZERLANG TO LEASE A PORTION OF THE FIELDS LANDING BOAT YARD FOR MARINE SERVICES.

Bar Pilot Petruska reported the lease is for one (1) year with optional extensions. The monthly lease amount is $2,650 for 14,000 square feet of yard space and 1,100 square feet of the machine building. Haul-out fees will be reduced because the Mr. Zerlang will provide the ground crew. There will also be separate power meters.

Commissioner Higgins said this lease will help to fully realize the potential of the Fields Landing Boat Yard; a profitable partnership.

Kent Sawatzky said the approval of this lease appears to be a prudent business decision.

Ken Bates said he is in favor of the new operation. He asked if the District staff and Mr. Zerlang met to inspect the condition of the Travelift and building before the lease takes place.

CEO stated District staff will continue to operate the Travelift; Mr. Zerlang provides the ground crew.

Monte Provolt said he would be interested in Mr. Zerlang's suggestions for improvement at the boat yard.

MOTION CARRIED WITHOUT DISSENT.

E. CONSIDERATION OF CONTRACT FOR SPARTINA DENSIFLORA ERADICATION PROJECT COORDINATOR.

Director of Conservation said there is funding in the current Coastal Conservancy grant for a project coordinator. He recommended contracting with Craig Benson of RCAA to serve as the Spartina densiflora Project Coordinator for 1 1/2 years for $70,000.00.

COMMISSIONER HIGGINS MOVED FOR THE APPROVAL OF CONTRACT WITH CRAIG BENSON TO SERVE AS THE SPARTINA DENSIFLORA PROJECT COORDINATOR.

President Wilson said he would like to see the contract. CEO said all crews have been stopped until the Coordinator is hired; then most likely the same workers will be hired.

District Counsel told the Board of Commissioners they can authorize the CEO to sign with or without Counsel's concurrence. The Board agreed that the CEO could sign the contract with approval of Counsel.

COMMISSIONER MARKS SECONDED.

Kent Sawatzky said the public would like the opportunity to vet Craig Benson; would it really matter to postpone the contract, unless it is an emergency situation. He asked how many hours will be worked for the $70,000. CEO stated Mr. Benson’s and secondary staff time are covered under the budget of $70,000.

Ryan Wells, LACO Associates, said he has worked with Mr. Benson in the past on habitat restoration projects and feels Mr. Benson is very qualified for the position.

Julie Salminen said she has also worked with Mr. Benson in the past and he is mindful of detailed information. She supports the contract with Mr. Benson.

President Wilson asked Commissioner Dale to work with CEO and District Counsel on the contract.
MOTION CARRIED WITH COMMISSIONER WILSON DISSENTING.

Commissioner Wilson said he was unsure about the process and wanted to see the contract come back for Board consideration.

F. CONSIDERATION OF APPROVAL OF DRAFT ANALYSIS OF BROWNFIELD CLEANUP ALTERNATIVES AND DRAFT EPA GRANT APPLICATION.

COMMISSIONER HIGGINS MOVED FOR THE APPROVAL OF DRAFT ANALYSIS OF BROWNFIELD CLEANUP ALTERNATIVES AND DRAFT EPA GRANT APPLICATION. COMMISSIONER DALE SECONDED.

Ryan Wells, LACO Associates, and Andrew Whitney, County of Humboldt, spoke on the grant application for the Brownfields Cleanup, a grant for hazardous materials cleanup, due January 22. Harbor District would supply 20% of the match. LACO’s contract for sampling and testing count towards the match.

Kent Sawatzky asked how much are the Harbor District’s costs. He said the Board should look at each step objectively. Will there be competitive bidding? Make sure everyone has an equal chance at the project.

MOTION CARRIED WITHOUT DISSENT.

ADMINISTRATIVE AND EMERGENCY PERMITS: None

President Wilson adjourned the Regular Meeting of the Board of Commissioners at 8:43 P.M.

APPROVED BY: Patrick Higgins
Secretary

RECORDED BY: Patricia Tyson
Director of Administrative Services