1. Call to Order at 6:00 p.m.
   a. Move to Executive Closed Session pursuant to the provisions of the California Government Code Sections 54957(b)(1) (Public Employee Performance Evaluation) and 54956.8 (Conference with Real Property Negotiators)
      1) Public Employee Performance Evaluation
         Title: Chief Executive Officer (Employment Contract)
      2) Conference with Real Property Negotiators
         Agency Negotiator: Board President, Executive Director and District Counsel
         Under Negotiation:
         PG&E property transfer

2. Adjourn Executive Closed Session

3. Call to Order Regular Session at 7:00 P.M. and Roll Call

4. Pledge of Allegiance

5. Report on Executive Closed Session

6. Public Comment

   Note: This portion of the Agenda allows the public to speak to the Board on the various issues not itemized on this Agenda. A member of the public may also request that a matter appearing on the Consent Calendar be pulled and discussed separately. Pursuant to the Brown Act, the Board may not take action on any item that does not appear on the Agenda. Each speaker is limited to speak for a period of three (3) minutes regarding each item on the Agenda. Each speaker is limited to speak for a period of three (3) minutes during the PUBLIC COMMENT portion of the Agenda regarding items of special interest to the public not appearing on the Agenda that are within the subject matter jurisdiction of the Board of Commissioners. The three (3) minute time limit may not be transferred to other speakers. The three (3) minute time limit for each speaker may be extended by the President of the Board of Commissioners or the Presiding Member of the Board of Commissioners at the regular meeting of the District. The three (3) minute time limit for each speaker may be enforced by the President of the Board of Commissioners or the Presiding Member of the Board of Commissioners at the regular meeting of the District.

7. Consent Calendar

   a. Consideration of extension of Permit No. 11-01 to Taylor Mariculture LLC for Berth 2 Facility.
   b. Consideration of approval of minutes from the February 25, 2016 Board meeting.
   c. Consideration of approval of minutes from the March 10, 2016 Board meeting.
   d. Consideration of approval minutes from the March 24, 2016 Board meeting.
8. Communications and Reports
   a. Executive Director Report
   b. Staff Reports
   c. District Counsel, District Planner and District Treasurer Reports
   d. Commissioner and Committee Reports
   e. Other
      • Report from Chris Wheaton – US EPA

9. Non Agenda

10. Unfinished Business

11. New Business
   a. Consideration of Adopting an Addendum to the 2007 Initial Study/Mitigated Negative Declaration for Coast Seafoods Company for Modification of Mariculture Activities.
   b. Consideration of Adoption of Resolution 2016-10, A Resolution Establishing Findings Relative to the Request by Coast Seafoods for Modification of Mariculture Activities.
   c. Consideration of Granting 2016 Modification of Permit 04-03 to Coast Seafoods Company for Modification of Mariculture Activities.
   d. Consideration of Nominations to Humboldt Bay Development Association Board.
   e. Consideration to accept PG&E donation of used foot bridge.
   f. Consideration of extending Lease Listing Agreement with Scott Pesch for one year.
   g. Consideration of extending agreement with Hunter, Hunter and Hunt for services to provide the annual audit for FY2015/16.

12. Administrative and Emergency Permits

13. Adjournment
April 18, 2016

Adam Wagschal
Humboldt Bay Harbor, Recreation, and Conservation District
PO Box 1030
Eureka, CA 95502-1030

RE: Taylor Mariculture LLC Permit Extension
Permit No. 11-01

Dear Mr. Wagschal:

This letter is submitted on behalf of Taylor Mariculture LLC ("Taylor") requesting an extension of Permit No. 11-01. Taylor has completed construction of its upland mariculture facility and installation of its first six FLUPSYs on the project site and plans to install several additional FLUPSYs this year. Taylor requests this extension through January 26, 2017, at which time it anticipates filing another request for a full 1-year extension of the permit. Thank you for your assistance in this matter. Please let me know if you have any questions.

Very truly yours,

Robert M. Smith

RMS:cml
PRESENT:
Commissioner Doss
Commissioner Dale
Commissioner Marks
Commissioner Higgins

ABSENT:
Commissioner Wilson

President Higgins called the Executive Closed Session to order at 6:02 p.m.

President Higgins adjourned Executive Closed Session at 6:47 p.m.

President Higgins called the regular meeting of the Board of Commissioners to order at 7:03 p.m.

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

District Counsel reported on the Executive Closed Session as follows: Conference with Real Property Negotiators regarding the Lease with Mario's Marina at Shelter Cove and New Market Tax Credits – Lease of Redwood Terminal 2 – no action taken.

PUBLIC COMMENT

Debbie Provost said there is legislation that says the Executive Director shall at regular intervals, at least once a month, submit a written report and accounting of all receipts and disbursements and fund balances and file a copy with the Board. She asked if the reports will be filed during the public hearing; available under Public Records; part of the Board packet?

Kent Sawatzky said we live in a “free stuff” world, everyone wants free stuff, but if it seems to good to be true, it usually is. The Board of Supervisors has a $3m budget deficit spending. Hard times are expected in FY 2017/18 and more Measure Z money is expected. He is disappointed in the Board of Supervisors’ lack of fiscal responsibility.

CONSENT CALENDAR: None

COMMUNICATIONS CALENDAR

EXECUTIVE DIRECTOR’S REPORT

- Down to the short list on the New Market Tax Credits transaction. Looking at closing next week. It is possible a Special Board Meeting will be required.
- The LACO Associates reliance letter to lenders contains acceptable language and cost.
- The Subordination agreement is acceptable to Taylor Mariculture and Coast Seafoods Company.
- The BBVA final funding approval – it has been too long since approved in October 2015; additional information may be required.
- Status of Public Records Act Request - 30% complete, after 35 hours of work - an extension has been granted.
- Taylor Mariculture has been expanding and making improvements; it has been a good seed year.
- Dredge electrical wiring is 90% complete; 3,000 ft. more pipe has been purchased.
- The Final Redwood Terminal II Infrastructure Reuse Evaluation will be available soon.

STAFF REPORTS:

Deputy Director:
- Shelter Cove
  - Letters written to potential tenants with boats on the property; Positive responses coming in, tenants want to remain at the storage facility.
Cruise Ship
  - Cruise Ship Interest in stopping in Humboldt Bay in the Fall of 2017. An agent from one of the larger cruise ship companies has made contact and is planning a pre-site visit. Very close to securing a stop, hopefully an announcement coming soon.

Dredge Engine Surplus
  - Staff is looking for a refurbished engine for the booster pump that meets CA emissions standards and needs to meet Tier 3 requirements; ready to surplus engines removed from the dredge and booster pump. There is strong interest in the Engine which has been removed from the Dredge.

PORTS Current monitoring system
  - Maintenance performed on Chevron Dock sensor, re-installed Monday. Meeting with Chevron for renewal of maintenance contract, $30,000 per year.

Federal Dredging
  - USARmy Corps of Engineers' survey boat was here and did soundings, waiting for results; Dredging is scheduled for late April.

Portable Vibracore System Request for Proposals went out.
  - Proposals due back March 14th.
  - System will allow District Staff to conduct pre-dredge sampling.

DISTRICT COUNSEL REPORT:

District Counsel reported he has been spending time on the New Market Tax Credit draft documents; the good news is six of District Counsel’s hours equals one hour from the other attorneys.

COMMISSIONER AND COMMITTEE REPORTS:

Commissioner Dale:
  - Just returned from Willapa Bay where there was a lot of discussion about the ocean and how it is changing.
  - Also spent some time at the San Francisco Tiburon Center for GenCoos; the unusual ocean temperatures with the El Nino has created many unknowns.

Commissioner Higgins:
  - Is distressed about the domoic acid and change in ocean temperatures.
  - Saddened that former Commissioner Charles Ollivier passed away. His dedication to marine trade, the working man and the Harbor District are without question. His contributions are recognized and appreciated.

Commissioner Marks:
  - Attended the Humboldt County Planning Department workshop on Commercial Dependent Industrial zoning issues around the bay.
  - Attended the Humboldt Bay Working Group luncheon where there was a discussion about moving produce from the Central Valley to Humboldt Bay.
  - Umpires are scheduled for high school baseball.

OTHER: None

NON AGENDA: None

UNFINISHED BUSINESS

A. CONSIDERATION OF ADOPTING RESOLUTION 2016-03, WHICH ESTABLISHES FINDINGS RELATIVE TO THE APPLICATION BY THE CITY OF EUREKA FOR THE EUREKA WATERFRONT TRAIL PROJECT.

Deputy Director reported the major goals of the project are to: Enhance the non-motorized transportation/commuter corridor; increase pedestrian connectivity; Increase public access to waterfront; and provide nature study opportunities.

The project consists of a 3.75 miles multi-use trail: paved section to accommodate emergency vehicles with two unpaved shoulders; sections of boardwalk; six bridges; trailheads; interpretive signs; playgrounds; workout equipment; parking; landscaping; street crossing; roadway / sidewalks; lighting; fencing; drainage improvements; invasive plant removal and revegetation and landscaping to buffer sensitive habitats.
Tideland impacts will be: Construction of boardwalk will require equipment on salt marsh; will use tracked vehicles and plants will be disturbed, but root systems remain intact; small helical piles screwed into salt marsh soil; permanent wetland and sensitive habitat impacts: 0.364 acres; and temporary wetland and sensitive habitat impacts: 0.35 acres.

Mitigation results will be: a net increase in area of estuarine saltmarsh habitat and will increase the area of *Salix hookeri*ana Shrubland Alliance.

The project consists of a Monitoring plan; a long-term adaptive management plan and the City of Eureka will own the site and place it under a conservation easement, to maintain protection in perpetuity.

City of Eureka is the CEQA Lead Agency and CEQA is complete (three Mitigated Negative Declarations and two Categorical Exemptions).

COMMISSIONER DALE MOVED FOR THE ADOPTION OF RESOLUTION 2016-03, WHICH ESTABLISHES FINDINGS RELATIVE TO THE APPLICATION BY THE CITY OF EUREKA FOR THE EUREKA WATERFRONT TRAIL PROJECT. COMMISSIONER MARKS SECONDED.

Kent Sawatzky said there may not be enough money to complete the trails; we do not have the economy here. Free stuff is going away. More tax base is needed locally. But this is a great project.

Monte Provolt asked if the wetlands are under the Harbor District's jurisdiction. Deputy Director responded the tidal wetlands are. Mr. Provolt asked who will fix the pollution and damage done by the homeless.

President Higgins asked if California Coastal Trails funds are available. Deputy Director stated the City of Eureka has worked diligently to acquire funding; 95% of the construction is being funded by grants – CalTrans and the California Coastal Conservancy. Additional funding is also being researched.

Commissioner Marks said most of the trail projects are close to being funded. The Harbor District placed two porta-potties near the entrance to the trail behind the Bayshore Mall.

ROLL CALL VOTE WAS TAKEN:

- COMMISSIONER DOSS - AYE
- COMMISSIONER DALE - AYE
- COMMISSIONER HIGGINS - AYE
- COMMISSIONER WILSON - ABSENT
- COMMISSIONER MARKS - AYE

MOTION CARRIED WITHOUT DISSENT.

B. CONSIDERATION OF GRANTING PERMIT 15-06 TO THE CITY OF EUREKA FOR THE WATERFRONT TRAIL PROJECT.

COMMISSIONER MARKS MOVED FOR THE GRANTING OF PERMIT 15-06 TO THE CITY OF EUREKA FOR THE WATERFRONT TRAIL PROJECT. COMMISSIONER DALE SECONDED. MOTION CARRIED WITHOUT DISSENT.

C. CONSIDERATION OF ADOPTING AND CERTIFYING THE FINAL ENVIRONMENTAL IMPACT REPORT AND ASSOCIATED MITIGATION MONITORING AND REPORTING PROGRAM FOR THE HUMBOLDT BAY MARICULTURE PRE-PERMITTING PROJECT.

Commissioner Dale recused himself and left the room.

Deputy Director reported the goal for the mariculture pre-permitting project is to allow for an expansion of commercial mariculture activities in Humboldt Bay, to create jobs and improve the local economy, while also increasing local and sustainable seafood production. Traditionally, the private shellfish grower would go through the regulatory agencies for permits: California Coastal Commission, US Army Corps of Engineers, Regional Water Quality Control Board and the Harbor District. In this process, the private shellfish grower gets
their permit through the Harbor District, who has already obtained permits from the traditional regulatory agencies.

The Environmental Impact Report for the project, addressing Intertidal and Subtidal Culture lists three alternatives: Alternative 1 – Subtidal Culture Only (the current project); Alternative 2 – Intertidal Culture Only and Alternative 3 – No Project.

Alternative 1 – Subtidal Culture Only – consists of three sites of a total 21.2 acres. Floating upwelling systems (FLUPSYS) rafts and macroalgae longline will be used. Potential effects are assessed based on the following resources: Cultural and Archeological Resources; Biological resources; Aesthetics and Visual Resources; Air Quality; Greenhouse Gas Emissions; Hydrology and water quality and Land Use. Primary potential impacts will be Eelgrass impacts; increased predation of birds on salmonids and longfin smelt; avoidance by salmonids and noise effects of pile installation.

Final Environmental Impact Report Mitigation Measures are to be: Compliance with air quality regulations; Educational meetings regarding marine mammal avoidance and avoidance of gear loss; Shielding of light fixtures to reduce glare; Eelgrass avoidance by boats and equipment; Screening of water intakes to avoid aquatic species impacts; Spawning herring avoidance; Remove mature clams from bay; Sound threshold criteria and biological monitor for pile installation; Biofouling organism removal from bay; Standard District protocols for inadvertent discovery of cultural or archeological resources; Native American remains and grave goods and Measures to minimize risk of fuel and petroleum spills.

Deputy Director stated Staff recommends certifying the Final Environmental Impact Report and Mitigation Monitoring and Reporting Program

COMMISSIONER MARKS MOVED TO ADOPT AND CERTIFY THE FINAL ENVIRONMENTAL IMPACT REPORT AND ASSOCIATED MITIGATION MONITORING AND REPORTING PROGRAM FOR THE HUMBOLDT BAY MARICULTURE PRE-PERMITTING PROJECT. COMMISSIONER DOSS SECONDED.

Kent Sawatzky said the bids and ranking are now over a year old, stale bids. Many bids are on the outlying areas; but CEQA is only certifying certain areas. He said the idea of the project was to bring in smaller growers.

Debbie Provolt asked about leasing tidelands in front of privately owned property. If the Harbor District filed a quick claim deed to the private owner, is it included in the leased area? The property has already been given up by the Harbor District

Sebastian Elitte thanked Deputy Director for his hard work. He also thanked the Board for allowing operations such as his to have the opportunity to expand.

MOTION CARRIED WITHOUT DISSENT.

D. CONSIDERATION OF ADOPTING RESOLUTION 2016-04 WHICH ESTABLISHES FINDINGS RELATIVE TO THE APPLICATION BY THE HUMBOLDT BAY HARBOR DISTRICT FOR THE HUMBOLDT BAY MARICULTURE PRE-PERMITTING PROJECT.

Deputy Director stated language clarifying the certification of the Alternative was added to the resolution after circulation of the agenda report.

COMMISSIONER DOSS MOVED FOR THE ADOPTION OF RESOLUTION 2016-04 WHICH ESTABLISHES FINDINGS RELATIVE TO THE APPLICATION BY THE HUMBOLDT BAY HARBOR DISTRICT FOR THE HUMBOLDT BAY MARICULTURE PRE-PERMITTING PROJECT. COMMISSIONER MARKS SECONDED.

Kent Sawatzky said it is hard for the public to not have access ahead of time to Board meeting materials in order to make comments. Complete packets for the public are necessary. Additional people have been included that were not in the previous bidding process. This project should go out to bid again.
ROLL CALL VOTE WAS TAKEN:
  COMMISSIONER DOSS – AYE
  COMMISSIONER DALE – ABSENT
  COMMISSIONER HIGGINS – AYE
  COMMISSIONER WILSON – ABSENT
  COMMISSIONER MARKS - AYE

MOTION CARRIED WITHOUT DISSENT.

E. CONSIDERATION OF GRANTING PERMIT 13-03 TO THE HUMBOLDT BAY HARBOR DISTRICT FOR THE HUMBOLDT BAY MARICULTURE PRE-PERMITTING PROJECT.

COMMISSIONER MARKS MOVED TO GRANT PERMIT 13-03 TO THE HUMBOLDT BAY HARBOR DISTRICT FOR THE HUMBOLDT BAY MARICULTURE PRE-PERMITTING PROJECT. COMMISSIONER DOSS SECONDED.

Kent Sawatzky said it may not be in the best interest of the Harbor District for the Committee to grant the permit to itself.

MOTION CARRIED WITHOUT DISSENT.

Commissioner Dale returned to the meeting room.

NEW BUSINESS

A. CONSIDERATION OF ACCEPTING FOR FILING PERMIT APPLICATION 16-03 FROM THE HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT FOR THE HUMBOLDT BAY PILOT DESALINATION PROJECT.

Deputy Director stated once the permit is accepted for filing by the Board, the 30-day public comment period will begin. The environmental analysis of the desalination project is that there is very little change to the chemistry of the water. At the water intake is a screen to reduce potential impingement of fish.

COMMISSIONER DALE MOVED TO ACCEPT FOR FILING PERMIT APPLICATION 16-03 FROM THE HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT FOR THE HUMBOLDT BAY PILOT DESALINATION PROJECT. COMMISSIONER MARKS SECONDED.

Commissioner Doss asked about the goals of Humboldt State University. Deputy Director responded the professor is at the cutting edge of desalination research and funding comes from the Department of Water Resources. Commissioner Doss asked if it generates its own power; the project is considered high energy consumption. Deputy Director responded it does generate power and at a low cost. Executive Director stated the cost of the energy is part of the match.

Commissioner Dale said reverse osmosis and pressure retarded osmosis work together; cutting edge from power generating processes.

Executive Director reported this project leveraged approximately $800,000 of grant funds.

Kent Sawatzky said he strongly supports this project. He asked about the net financial gain and said he guesses HSU is a non-taxpaying tenant.

Monte Provolt asked about the volumes of water. Deputy Director stated 10 gallons of water per minutes through the outfall pipe continuously for one year.

MOTION CARRIED WITHOUT DISSENT.
B. CONSIDERATION OF AWARDING CONTRACT TO MERKEL & ASSOCIATES IN AN AMOUNT NOT TO EXCEED $89,568 FOR DEVELOPMENT OF A HUMBOLDT BAY EELGRASS MANAGEMENT PLAN.

Deputy Director reported the goals of the Humboldt Bay Eelgrass Management Plan as follows: to ensure that the sum of individual eelgrass conservation actions have the greatest benefit to eelgrass and eelgrass functions; facilitate more efficient regulatory processes for projects in the bay; and to provide a long-term eelgrass habitat conservation strategy that allows for sea level rise adaptation, dredging and economic development in Humboldt Bay.

Selection began with a competitive RFP process with a multi-agency selection committee, resulting in seven responses. The scope of work was determined through a public workshop and five partner meetings. The timeline for the development of the plan is March 2016-November 2017. Funding is from an EPA grant to the Harbor District.

COMMISSIONER DALE MOVED TO AWARD A CONTRACT TO MERKEL & ASSOCIATES IN AN AMOUNT NOT TO EXCEED $89,568 FOR DEVELOPMENT OF A HUMBOLDT BAY EELGRASS MANAGEMENT PLAN. COMMISSIONER DOSS SECONDED.

Commissioner Doss said he is hoping through this process suggestions will be given as to how to manage eelgrass different from the guidelines now imposed.

Whelan Gilkerson, Merkel & Associates, said he recognizes there are strong feelings on both sides of the eelgrass management issues. Humboldt Bay is fortunate to have a lot of eelgrass; however it is a challenge to manage activities that need to occur and may impact eelgrass.

Commissioner Higgins said he is glad this issue is being addressed; strategies need to be developed.

Monte Provost said he has a boat moored at King Salmon. Since there is such an abundance of eelgrass there, is it possible to transplant eelgrass and help the rest of the state?

Kent Sawatzky said Aleutian Geese like eelgrass; he suggested breeding them.

Commissioner Dale said Mr. Gilkerson is probably the most knowledgeable about eelgrass in our area. Eelgrass is valuable, but also creates heartburn. The goal is to maintain our infrastructure without harm to the habitat.

Commissioner Marks said Humboldt Bay has more eelgrass than San Francisco Bay. We have a healthy ecosystem. Brant eat half the eelgrass stem and helps to increase production. Humboldt Bay has the only high health certification; how much is attributed to eelgrass and oysters?

MOTION CARRIED WITHOUT DISSENT.

C. CONSIDERATION OF ADOPTION OF RESOLUTION 2016-05, A RESOLUTION APPROVING THE APPLICATION FOR AND/OR EXECUTION OF GRANT FUNDS FROM THE WATER QUALITY, SUPPLY, AND INFRASTRUCTURE ACT OF 2014 (PROPOSITION 1).

Deputy Director reported the Shelter Cove Fish Cleaning Station Remediation process as follows: Replace the existing fish waste disposal system by separating the fish cleaning wastes into three streams: carcasses, fish offal, and wash water from the cleaning tables. The carcasses will be boxed and stored in an onsite freezer, transported to the Eureka area, and sold as bait for the commercial crab fleet. Local organic farmers will utilize the soft parts for composted fertilizer amendments after the offal is ground up and stored in plastic barrels for pickup. The unutilized waste from the fish cleaning station will be the wash water which will enter the Shelter Cove Resort Improvement District's wastewater system.

The Harbor District's match is $22,000 per year for the next four years.
COMMISSIONER DOSS MOVED FOR THE ADOPTION RESOLUTION 2016-05, A RESOLUTION APPROVING THE APPLICATION FOR AND/OR EXECUTION OF GRANT FUNDS FROM THE WATER QUALITY, SUPPLY, AND INFRASTRUCTURE ACT OF 2014 (PROPOSITION 1). COMMISSIONER DALE SECONDED.

Commissioner Doss asked if the cost of the cultural inspection is included in the match. Executive Director responded it is.

Sebastian Elrite said this sounds like a good project. He said he knew a couple of charter boat operators and crab fishermen that might be interested in the carcasses.

ROLL CALL VOTE WAS TAKEN:
   COMMISSIONER DOSS – AYE
   COMMISSIONER DALE – AYE
   COMMISSIONER HIGGINS – AYE
   COMMISSIONER WILSON – ABSENT
   COMMISSIONER MARKS – AYE

MOTION CARRIED WITHOUT DISSENT.

ADMINISTRATIVE AND EMERGENCY PERMITS: None

The Regular Meeting of the Board of Commissioners adjourned at 8:45 p.m.

APPROVED BY:                                  RECORDED BY:

Greg Dale                                     Patricia Tyson
Secretary                                     Director of Administrative Services
PRESENT:
Commissioner Doss
Commissioner Dale
Commissioner Wilson
Commissioner Marks

ABSENT:
Commissioner Higgins

Vice President Wilson called the Executive Closed Session to order at 6:02 p.m.

Vice President Wilson adjourned Executive Closed Session at 6:58 p.m.

Vice President Wilson called the regular meeting of the Board of Commissioners to order at 7:05 p.m.

Vice President Wilson asked Commissioner Marks to lead the Pledge of Allegiance.

District Counsel reported on the Executive Closed Session as follows: Conference with Real Property Negotiators regarding the Lease with Mario’s Marina at Shelter Cove and King Salmon canal lease – no action taken.

Vice President Wilson moved New Business Item (a) to this point in the meeting.

NEW BUSINESS

A. CONSIDERATION OF ADOPTION OF RESOLUTION 2016-07, A RESOLUTION HONORING THE MEMORY OF FORMER COMMISSIONER CHARLES OLLIVIER.

COMMISSIONER MARKS MOVED FOR THE ADOPTION OF RESOLUTION 2016-07, A RESOLUTION HONORING THE MEMORY OF FORMER COMMISSIONER CHARLES OLLIVIER. COMMISSIONER DALE SECONDED.

Commissioner Marks said Commissioner Ollivier was bigger than life as a union leader and longshoreman. Commissioner Marks said he was fortunate to have Commissioner Ollivier as a keynote speaker when he was organizing chip dock workers. He was one of a kind, honest, and stood behind his passion and words and Commissioner Marks said he was honored to get to know Commissioner Ollivier.

Commissioner Wilson said it was fun have Commissioner Ollivier on the Board. They did not always agree, but Commissioner Wilson learned lots; Commissioner Ollivier was “super cool”. He had lots of stories and details relative to the history of Humboldt Bay and its people. His drive was from the want to improve lives of people in Humboldt County. Commissioner Wilson said he appreciated Commissioner Ollivier’s perspective of collective bargaining and democracy; he believed in the function of government.

Commissioner Dale said Commissioner Ollivier made him feel comfortable during his first meeting at the Harbor District and then was his friend and mentor from then on. Commissioner Ollivier loved oysters and was certainly larger than life. Commissioner Ollivier worked hard for his community, the Harbor District and for the people.

Commissioner Doss said he knew Commissioner Ollivier outside of the Harbor District; he was honored to meet him during the election cycle. Commissioner Ollivier was such a resource and a very positive force. Commissioner Doss said he was looking forward to Commissioner Ollivier’s help during his first term; he was just learning about Commissioner Ollivier’s depth of knowledge about the harbor.

District Counsel said it was a pleasure to meet Commissioner Ollivier in 2001, who made him feel comfortable from the beginning when he was retained to the be the second-ever District Counsel for the Harbor District; he was a fountain of knowledge and cared deeply about people. Commissioner Ollivier acted in the best interest of his constituents; he was confident, knowledgeable and fun. District Counsel said he was sorry for the loss of
Commissioner Ollivier to his family and his community. He will be missed by the people of Humboldt County and Humboldt Bay in particular.

Director of Harbor Operations stated he worked with Commissioner Ollivier just less than 20 years. Commissioner Ollivier always said he was lucky to work on Humboldt Bay.

Commissioner Wilson said he had just returned from Paris and Marseille, France and thought of the many stories Commissioner Ollivier had told. His stories were always about adventures. Commissioner Ollivier married adventure. Commissioner Wilson then introduced Carol Ollivier.

Carol said she was raised locally, rode the ferry to Hammond Lumber Company. Les Westfall, Westfall Stevedore, introduced her to Commissioner Ollivier.

Commissioner Wilson presented the resolution to Carol Ollivier.

THE BOARD OF COMMISSIONERS ADOPTED THE RESOLUTION BY ACCLAMATION.

PUBLIC COMMENT

Jim Roberts, Sr. said the Harbor District and PG&E signed the documents for the pilot project for King Salmon; the Harbor District took the $2 million and ran. The people of King Salmon have no say; the pilot project is law. The Harbor District signed a contract stating they will do one thing and then did another. Last week at the meeting people were upset. There was a good turnout.

Jim Roberts, Jr. said all his life PG&E has promised to dredge. Three years ago there were quarterly meetings with PG&E and then the $2 million check was given. Now the pilot project is out. The Harbor District blamed the Coastal Commission, then Fish and Game and then others. No one has a record of the Harbor District applying for a permit. The Harbor District never tells the truth. King Salmon was supposed to be dredged to the original depth and width and the fingers permitted, but now nothing. The Harbor District is wasting time, money and resources. The dredge that was purchase was sunk for a while. Executive Director will not return phone calls. Mr. Roberts asked how he gets honesty from anyone. The Harbor District is the most corrupt organization. There is a contract signed by the Harbor District and PG&E. The pilot project is a joke.

CONSENT CALENDAR

COMMISSIONER MARKS MOVED FOR THE APPROVAL OF THE CONSENT CALENDAR. COMMISSIONER DALE SECONDED. MOTION CARRIED WITHOUT DISSENT.

COMMUNICATIONS AND REPORTS

EXECUTIVE DIRECTOR’S REPORT

- New Market Tax Credit transaction completed at 11:20 today.
  - All clear given at 8:57am yesterday- by 2pm - $8.6 million transfers.
  - Contractors meeting next Wednesday – The Notice to Proceed will be issued to all contractors.
  - First draw before the end of the month - Scheduled advances.
  - Professional and closing costs budget $500,000 over <$57,000>.
  - CDE and Lowes’ retainers returned $95,000 net to project +$38,000.
  - County property taxes had to be paid $11,000 plus $4,000 transfer fees
    - District Counsel stated the County has attempted to charge the Harbor District in years past, but the CA constitution prohibits the County from assessing another public agency for taxes. It is really the Samoa Fire District’s assessment and the County Assessor said he did not have the authority to remove it. A letter was written to the Samoa Fire District, but no response. A letter was written today to the County Assessor and copied to the Samoa Fire District stating these taxes were paid in order to close the New Markets Tax Credits transaction, but were paid in protest. Asked county to remit back to us immediately when received; do not remit to the Samoa Fire District. If necessary, the Harbor District will file legal action against County of Humboldt in order to get them the authority they need to release the funds back to the Harbor District.
Disbursement account balance - $3,406,000 includes $200,000 management fee.
Four new checking accounts with BBVA setup - approvals needed soon.

STAFF REPORTS:

Deputy Director:
- Provided update to County Board of Supervisors regarding Mariculture Pre-Permitting Project.
- Coordinating with Humboldt State University Students on senior projects related to shoreline management and Woodley Island Wildlife Area management.
- Continuing regulatory processes for:
  - King Salmon Dredging
  - Mariculture Pre-Permitting Project
  - HSU Desalination Project
  - Seafood Market Project
  - Spartina Eradication Project

Director of Harbor Operations:
- Cruise Ship Convention Fort Lauderdale, Florida March 14.
  - Bruce Conner Leaving Saturday, Representing Humboldt Bay and Astoria.
  - Marketing Items from Eureka Sent for Show.
  - Bruce will be Meeting with Representatives from Most of the Major Cruise Lines.
- Lease Renewals coming up for USACE Office, MSRC Fields Landing, Chevron/PORTS.
- USACE Yearly Inspection was conducted.
- New Lease for Office Space at Berth 2 - Nelson Bio, Inc.
- USACE Soundings Delivered. 31 foot Draft Restriction put in place.
- Surplus Engines - Auction bids are out and due back April 4.
- F/V Dennis Gayle sunk at Humboldt Bay Forest Products Dock in Fields Landing.
  - USACE to survey to see if the vessel is in the Navigational Channel.
  - Owner has responded and is working on a solution with CA Dept. Fish and Wildlife and the US Coast Guard.

Director of Facility Maintenance:
- Dredge repairs
  - Tier 3 main engine installed; Auxiliary engine serviced; Fuel tanks cleaned and inspected; New fuel filters; New fuel lines, tank to filters, filters to main and auxiliary engines; Generator inspection and output checks checked; Hydraulic pump serviced; Hydraulic fluid changed to environmentally safe type; Hydraulic hoses inspected and replaced as necessary; Cutter head rebuilt with hard facing cutter teeth and main boss supports; Wheel house instrumentation cleaned up with new dash mount paint; New insulation in the wheel house; New paneling and floor boards in wheel house; All cabling removed and inspected, replaced as necessary and lubed; Anchor wrenches refurbished; All new DC switch gear and panels; All new AC switch gear and panels; All new wiring; DC and AC; All new interior work lights and New navigational equipment and monitor.

DISTRICT COUNSEL REPORT:

District Counsel reported he has been spending time on the New Market Tax Credit documents to make sure they were ready for the close of the transaction.

DISTRICT PLANNER REPORT:

- Last Thursday he attached a Humboldt County Planning Commission meeting regarding the lot line adjustment creating the parcel PG&E will be giving to the Harbor District. General Plan conformity needs to be reviewed by the Planning Commission; a vote of 3-1 confirmed conformity.
- Working on the language for the RFP for use of EDA funds for Samoa Peninsula for economic development.
- Commenting to County on the interim use ordinance which will go back to the Planning Commission next month.
DISTRICT TREASURER REPORT:

❖ Audit has been finalized. It is needed by BBVA for New Markets Tax Credits transaction.

COMMISSIONER AND COMMITTEE REPORTS:

Commissioner Doss:
❖ Attended the special workshop meeting with the King Salmon residents. The pilot program was discussed.
❖ CA Department of Public Health will be conducting a water quality study in Humboldt Bay from March 14-25; red dye will be put in the water for testing.
❖ Was honored at the HumCPR dinner with Estelle Fennell and Mock Wahlund.

Commissioner Dale:
❖ His son attend Cal Poly San Luis Obispo and was selected to be part of the team to analyze water storage; the team presented to the state legislature last week and Commissioner Dale watched a private presentation to the Farm Bureau. It was enlightening to have the information brought down to an understandable level. The younger generation is doing just fine.
❖ Attended the King Salmon dredge workshop.

Commissioner Wilson:
❖ Missed the last Board meeting because he was in France; visited the port city of Marseille.
❖ He and Deputy Director met with HSU students who have bioengineered levy protections and are looking at less expensive, less intrusive ways for fixing the levies around the bay.

Commissioner Marks:
❖ Chaired the Humboldt Bay Development Association meeting prior to this meeting. The New Market Tax Credits transaction is complete – the first in Northern California.
❖ Attended the King Salmon dredge meeting. There were people at the meeting who were very solution-oriented. The Harbor District did a good job telling what the future plans are. Congratulations to Commissioner Dale for being on the frontline and handling it well.
❖ The dredge – the Board made the decision to buy the dredge; used local maritime consultants and staff research. The dredge will save the City of Eureka and others millions of dollars.
❖ NCRA is selling property; funds needed for projects.
❖ Needs the rain to stop – umpires are assigned for high school and college baseball games.

Commissioner Wilson said the Board looked at multiple dredge options, technology and methods; had many public meetings. It was an arduous and exhaustive process.

Commissioner Dale said he wanted to be clear, he did not dance with the $2 million check. Regarding the dye release next week in Humboldt Bay, City of Arcata is changing their outfall location and the study is to determine where would be the best location.

OTHER: None

NON AGENDA: None

UNFINISHED BUSINESS

A. CONSIDERATION OF ADOPTING RESOLUTION 2016-08, WHICH ESTABLISHES FINDINGS RELATIVE TO THE APPLICATION BY COAST SEAFOODS COMPANY FOR THE REDWOOD TERMINAL 2 COAST SEAFOODS COMPANY WATER INTAKE AND DISCHARGE PROJECT.

Commissioner Dale recused himself and left the room.

COMMISSIONER MARKS MOVED TO ADOPT RESOLUTION 2016-08, WHICH ESTABLISHES FINDINGS RELATIVE TO THE APPLICATION BY COAST SEAFOODS COMPANY FOR THE REDWOOD TERMINAL 2 COAST SEAFOODS COMPANY WATER INTAKE AND DISCHARGE PROJECT. COMMISSIONER DOSS SECONDED.
Deputy Director reported the project includes four 6-inch intake pipes, and intake screen designed to State and Federal criteria for protection of juvenile salmonids and longfin smelt and intakes and discharge 5-6 ft. above the bay floor with horizontal discharge.

The 30-day public review period for the project is complete. There was consultation with the Wiyot Tribe and Bear River Band of Rohnerville Rancheria regarding initial concern about ground disturbance for pipe installation across the road, but the parties were satisfied that an existing trench will be used. The Harbor District is CEQA lead and the project qualifies for a Categorical Exemption under CEQA §15303 (New Construction of Small Structures). Permits are also needed from the California Coastal Commission, US Army Corps of Engineers and the North Coast Regional Water Quality Control Board. The Harbor District permit contains standard language as well as requirements for intake screen that protects juvenile salmonids and longfin smelt from entrainment or impingement. Deputy Director will add District's standard inadvertent cultural resource discovery protocol to permit.

ROLL CALL VOTE WAS TAKEN:
COMMISSIONER DOSS – AYE
COMMISSIONER DALE – RECUSED
COMMISSIONER HIGGINS – ABSENT
COMMISSIONER WILSON – AYE
COMMISSIONER MARKS – AYE

MOTION CARRIED WITHOUT DISSENT.

B. CONSIDERATION OF GRANTING PERMIT 15-05 TO COAST SEAFOODS COMPANY FOR THE REDWOOD TERMINAL 2 COAST SEAFOODS COMPANY WATER INTAKE AND DISCHARGE PROJECT.

COMMISSIONER MARKS MOVED FOR THE GRANTING OF PERMIT 15-05 TO COAST SEAFOODS COMPANY FOR THE REDWOOD TERMINAL 2 COAST SEAFOODS COMPANY WATER INTAKE AND DISCHARGE PROJECT. COMMISSIONER DOSS SECONDED. MOTION CARRIED WITHOUT DISSENT.

Commissioner Dale returned to the meeting.

NEW BUSINESS

B. CONSIDERATION OF APPROVAL OF PERMIT AND AGREEMENT TO OPERATE A CHARTER SERVICE WITH MARC SCHMIDT DBA COASTLINE CHARTERS.

C. CONSIDERATION OF PERMIT AND AGREEMENT TO OPERATE A BED AND BREAKFAST BUSINESS WITH R. CHARLES (DOBY) AND KIM CLASS DBA FIRST CLASS.

D. CONSIDERATION OF PERMIT AND AGREEMENT TO OPERATE A CHARTER SERVICE WITH GARY BLASI DBA FULL THROTTLE SPORTFISHING.

E. CONSIDERATION OF PERMIT AND AGREEMENT TO OPERATE A CHARTER SERVICE WITH MATT DALLAM DBA NORTHWIND CHARTERS.

F. CONSIDERATION OF PERMIT AND AGREEMENT TO OPERATE A CHARTER SERVICE WITH CLIFF FRIEDLEY, DBA FOREEL SPORTFISHING.

G. CONSIDERATION OF PERMIT AND AGREEMENT TO OPERATE A CHARTER SERVICE WITH TIM KLASSEN AND SHERRY KLASSEN DBA REEL STEEL SPORTFISHING.

H. CONSIDERATION OF PERMIT AND AGREEMENT TO OPERATE A CHARTER SERVICE WITH JOHN W. KRAMER LLC DBA JOLI TIME SPORT FISHING.

I. CONSIDERATION OF PERMIT AND AGREEMENT TO OPERATE A CHARTER SERVICE WITH TONY SEPULVEDA DBA SHELLBACK SPORT FISHING.

Deputy Director reported New Business Items (B) through (I) are standard Harbor District permits to operate businesses within Woodley Island Marina and all are renewals.

COMMISSIONER DALE MOVED FOR THE APPROVAL OF NEW BUSINESS ITEMS (B) THROUGH (I). COMMISSIONER DOSS SECONDED. MOTION CARRIED WITHOUT DISSENT.
ADMINISTRATIVE AND EMERGENCY PERMITS: None

The Regular Meeting of the Board of Commissioners adjourned at 8:05 p.m.

APPROVED BY: 

_________________________
Greg Dale
Secretary

RECORDED BY: 

_________________________
Patricia Tyson
Director of Administrative Services
PRESENT:
Commissioner Doss
Commissioner Dale
Commissioner Higgins
Commissioner Wilson
Commissioner Marks

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

President Higgins adjourned Executive Closed Session at 6:54 p.m.

President Higgins called the regular meeting of the Board of Commissioners to order at 7:03 p.m.

President Higgins asked Commissioner Dale to lead the Pledge of Allegiance.

District Counsel reported on the Executive Closed Session as follows: Conference with Real Property Negotiators regarding the Lease with Mario’s Marina at Shelter Cove and King Salmon canal lease – no action taken and Existing Litigation regarding Sears v. Humboldt Bay Harbor, Recreation and Conservation District – no action taken.

PUBLIC COMMENT

Kim Bergel, City of Eureka Councilmember, thanked the Board of Commissioners for putting the portable toilets at the Palco Marsh property and for their willingness to step forward. She apologized for not telling the Board prior to the City posting their notice of eviction.

Jim Roberts said a contract for dredging the King Salmon Fisherman’s Channel to its original depth and width was signed by both PG&E and Executive Director. PG&E will not return his phone calls and he cannot get information. PG&E has to pay for the permits. The Harbor District lied to people in King Salmon for years, now they have taken over the boat launch in Shelter Cove. He said he wanted the Board to know it is hard to get information.

CONSENT CALENDAR

COMMISSIONER MARKS MOVED FOR THE APPROVAL OF THE CONSENT CALENDAR. COMMISSIONER WILSON SECONDED.

COMMISSIONER DOSS ASKED FOR A FRIENDLY AMENDMENT TO PULL ITEM 7(A). COMMISSIONERS MARKS AND WILSON AGREED TO THE FRIENDLY AMENDMENT. MOTION CARRIED WITHOUT DISSENT TO APPROVE ITEM 7(B).

Commissioner Doss said his Commissioner’s Report was incorrectly attributed to Commissioner Higgins in the minutes from the Board meeting of January 14, 2016.

COMMISSIONER WILSON MOVED FOR THE APPROVAL OF ITEM 7(A) TO INCLUDE THE CORRECTION BY COMMISSIONER DOSS. COMMISSIONER DOSS SECONDED. MOTION CARRIED WITHOUT DISSENT.

COMMUNICATIONS AND REPORTS

STAFF REPORTS:

Deputy Director:

- Reported Bar Pilot provided boat support to those doing the dye testing in the bay to look at water circulation at the City of Eureka’s wastewater discharge. Also Director of Facility Maintenance provided boat support taking the MPA Enterprise representatives to South Bay.
DISTRICT COUNSEL, DISTRICT PLANNER AND DISTRICT TREASURER REPORT: None

COMMISSIONER AND COMMITTEE REPORTS:

Commissioner Doss:
- Continuing his education on eelgrass; reading research from around the country, legal issues of eelgrass.

Commissioner Dale:
- Thanked Staff for their assistance with the boat tour for the FDA; City of Arcata is changing their wastewater treatment plant and outfall location. The FDA representatives complimented Staff and loved the community.

Commissioner Higgins:
- Said he is fully recovered from 13 days of the flu.
- UC Davis is researching the salmon in the lower Eel River; salmon are blind due to the flukes caused by the low, warm water flow.

Commissioner Wilson:
- Went on the MPA tour in South Bay. Director of Facility Maintenance drove the fire boat.
- Participated in the League of Women Voters Community Participation Fair.
- Attended a workshop on biomass from the perspective of energy export and forest health.

Commissioner Marks:
- Thanked Councilmember Bergel for her work with the homeless; she is a great advocate and has done a great job.
- NCRA is having problems with squatters on the tracks.
- Said the public should not be calling Board Members liars when they do not know the individual. He said he also questioned why the dredge spoils are being sent to White Slough. The pilot project was approved by several agencies.

OTHER: None

NON AGENDA: None

UNFINISHED BUSINESS: None

NEW BUSINESS

A. CONSIDERATION OF APPROVAL OF LEASE AGREEMENT WITH MARIO’S MARINA, LLC IN SHELTER COVE.

Deputy Director reported the intent of the lease is to take over management of some of the activities in Shelter Cove; such as the tractor boat launch operations; boat storage area; marina building commercial operations; fish purchasing station; fish cleaning station; and all commercial rights to charge fees for fish buying and charter boat operations.

The terms of the lease are as follows: the initial term is April 1, 2016 – March 31, 2021; three five-year and two ten-year options to renew. For the Fish Cleaning Station: April 1, 2016 – March 31, 2036 (twenty years). If other aspects of the lease are not renewed, then the District will pay $500/year during first ten years and $1,000 / year during last ten years. The Harbor District has the right to terminate if: the cultural investigation results preclude development of site; the marina building cannot be reasonably and economically constructed; or any other reason that is reasonably likely to make the operation not economically feasible. Termination would not affect fish cleaning station terms.

Additional terms of the lease are by the end of Year One: contract and pay for cultural site investigation and improve fish cleaning station and discharge. By the end of Year Two: demolish existing marina building and
remove remains, clean up, grade and fence boat parking / storage area. By the end of Year Four: Conduct site preparation and seek building permit(s) for construction of a marina building. By the end of Year Six: Begin construction of a marina building. By the end of Year Eight: Contract and pay for a lot split through the County of Humboldt. The Harbor District is responsible for all utilities. The lease contains standard indemnification language. The Harbor District is responsible for all permitting and insurance requirements.

The first six years the Harbor District will pay no rent. After six years the rent is to be negotiated or based on fair market value as determined by an arbitrator. District Counsel said there is a proposal for arbitration of the lease if the parties cannot come to negotiation. The Harbor District will pay property taxes. The Harbor District will have the first right of refusal to purchase property and to lease the restaurant, bar, motel, and mobile home rental area.

Commissioner Dale said he appreciates everyone’s interest in the project. It is a big step for the Harbor District. David Smollett, the owner of Mario's Marina, wants to do the right thing for Shelter Cove. It is going to be more work for Harbor District Staff and Board, but it is the right thing to do.

COMMISSIONER MARKS MOVED FOR THE APPROVAL OF LEASE AGREEMENT WITH MARIO'S MARINA, LLC IN SHELTER COVE. COMMISSIONER DALE SECONDED.

John Casali said he lives in Shelter Cove. On behalf of the fishermen there, he said he appreciates the Harbor District putting forth this effort. The biggest concern is the tractor facility situation. The fishermen are worried about the salmon season opener on April 2. He said he would like to store his boat at times, but there is no one there to pay the fees to, no tractor operator, etc. Director of Harbor Operations stated staff has gone down to set up the office. Mr. Casali asked if the fishermen will be able to launch on the opener. Will the Harbor District purchase a tractor or do the fishermen need to buy one?

Deputy Director said Board and Staff are reviewing several options to purchase a tractor.

Commissioner Wilson said there are some main things that are good about this project. The Southern Humboldt community pays property taxes to the County and the Harbor District should be responsive to the Shelter Cove residents. This is a proactive approach and has the potential to be a good solution.

Commissioner Marks said the Board has had a few meetings with the Shelter Cove Resort Improvement District (RID) regarding this project. The RID did not want to take on this project. The Harbor District has had positive interaction with the Shelter Cove residents.

MOTION CARRIED WITHOUT DISSENT.

B. CONSIDERATION OF ACCEPTING FOR FILING APPLICATION FOR PERMIT NO. 16-04 TO CITY OF ARCATA FOR THE RAIL-WITH-TRAIL CONNECTIVITY PROJECT – HUMBOLDT BAY TRAIL NORTH.

COMMISSIONER WILSON MOVED FOR THE ACCEPTING FOR FILING APPLICATION FOR PERMIT NO. 16-04 TO CITY OF ARCATA FOR THE RAIL-WITH-TRAIL CONNECTIVITY PROJECT – HUMBOLDT BAY TRAIL NORTH. COMMISSIONER MARKS SECONDED.

Deputy Director reported he has reviewed the application and have found it to be complete. The project consists of 3 miles of approximately 10 ft. – 14 ft. wide paved trail with 2 ft. shoulders, a surface area of 3.25 acres. Bridges will be constructed over: Gannon Slough; Butcher Slough; Jacoby Creek; and Old Jacoby Creek, which will also involve vibratory pile installation.

There will be a permanent impact to 1.78 Wetland Acres: a 4:1 Mitigation Ratio (3 Parts Enhancement, 1 Part Creation); a temporary impact to 1.0 Wetland Acres: 1:1 Mitigation Ratio and Mitigation would be part of CalTrans’ Humboldt Bay Area Mitigation project.

City of Arcata is CEQA Lead Agency. Mitigated Negative Declaration has been adopted, but will require a supplement due to project changes. The Project will require approval from: Army Corps of Engineers; North
Coast Regional Water Quality Control Board; CA Dept. of Fish and Wildlife; California Coastal Commission; and City of Arcata.

Commissioner Dale asked if the bridges will be replaced will they be rail compatible. Commissioner Marks, a member of the NCRA Board, said they will be.

MOTION CARRIED WITHOUT DISSENT.

C. CONSIDERATION OF APPROVAL OF PURCHASE OF VIBECORE-D4 PORTABLE ELECTRIC VIBRACORE SYSTEM FROM SPECIALTY DEVICES INC. NOT TO EXCEED $14,125.00.

COMMISSIONER DALE MOVED FOR THE APPROVAL OF PURCHASE OF VIBECORE-D4 PORTABLE ELECTRIC VIBRACORE SYSTEM FROM SPECIALTY DEVICES INC. NOT TO EXCEED $14,125.00. COMMISSIONER WILSON SECONDED.

Deputy Director stated prior to dredging, it must be determined whether there is contamination in the sediment. Sampling is difficult, contracting is expensive. Two proposals were received in response to the Request for Proposals distributed by the Harbor District. Specialty Devises Inc. submitted the lowest responsive, responsible proposal for $14,125.00. The next agenda item will be to consider a MOU with the City of Eureka for half of the cost.

Commissioner Wilson asked if smaller pilings can be driven with this equipment; it can provide a lot of function for sampling and construction.

Monte Provolt said he had concerns with Harbor District Staff doing the sampling. The Staff would not have to report any negative samples; consultants are obligated. This would be an environment concern and this process should be slowed for more research.

Commissioner Dale said when the Harbor District hires someone to do the sampling, they rent the equipment, which is essentially paid for by the Harbor District. It is possible Staff will not do the sampling.

Deputy Director said a sampling analysis plan will be developed and given to agencies for approval. Staff would do the sampling with an expert on site, a licensed third party review.

MOTION CARRIED WITHOUT DISSENT.

D. CONSIDERATION OF APPROVAL OF MEMORANDUM OF UNDERSTANDING WITH THE CITY OF EUREKA TO COST-SHARE THE PURCHASE OF THE VIBECORE-D4 PORTABLE ELECTRIC VIBRACORE SYSTEM.

Deputy Director reported the City of Eureka and the Harbor District will split the initial purchase cost of $14,125.00. The City and the District will schedule the use on a first come, first served basis. Revenue from renting the unit to others will go towards maintenance, replacement or split between City and District. The City and District will share maintenance costs.

COMMISSIONER WILSON MOVED FOR THE APPROVAL OF MEMORANDUM OF UNDERSTANDING WITH THE CITY OF EUREKA TO COST-SHARE THE PURCHASE OF THE VIBECORE-D4 PORTABLE ELECTRIC VIBRACORE SYSTEM. COMMISSIONER DALE SECONDED. MOTION CARRIED WITHOUT DISSENT.
Administrative and Emergency Permits: None

The Regular Meeting of the Board of Commissioners adjourned at 8:00 p.m.

Approved By:                                      Recorded By:

[Signature]
Greg Dale
Secretary

[Signature]
Patricia Tyson
Director of Administrative Services
AGENDA REPORT

For agenda of: June 9, 2016

Agenda Items: Agenda Items 11 (a-c)

New Business

11(a) Consideration of adopting an Addendum to the 2007 Initial Study/Mitigated Negative Declaration (SCH #99062069) which analyzed Coast Seafood’s intertidal and subtidal shellfish aquaculture activities in Humboldt Bay (approximately 300 acres total). Approximately 294 intertidal acres of the operational footprint are now planted with oyster longlines, primarily cultch-on-longline culture, with some basket-on-longline culture (the remaining acreage is subtidal).

The Addendum analyzes the proposed modification to convert one existing approximately 7.88 acre intertidal shellfish aquaculture bed (MR 10) from 2.5-foot spaced, single-hung longlines to 5-foot spaced, double-hung longlines. Addendum Exhibits A-C show existing and proposed spacing and map of existing intertidal shellfish aquaculture areas and bed MR10 location.

The Addendum determines that the 2007 IS/MND analyses and conclusions remain current and valid. The proposed permit modification would not cause new significant effects not identified in the MND nor increase the level of environmental effect to substantial or significant, and, hence, no new mitigation measures would be necessary to reduce significant effects. No change has occurred with respect to circumstances surrounding the proposed project that would cause new or substantially more severe significant environmental effects than were identified in the 2007 IS/MND. In addition, no new information has become available that shows that the project would cause new or substantially more severe significant environmental effects which have not already been analyzed in the MND. Therefore, no further environmental review is required beyond this Addendum.

Board Packet Material:
- Addendum to the 2007 IS/MND for Permit 04-03, 2016 Modification for Coast Seafoods Company

Staff Recommendation: that the Board of Commissioners adopt the 2007 IS/MND Addendum and determine that:

(1) The Addendum to the 2007 IS/MND has been completed in compliance with CEQA,

(2) The Addendum to the 2007 IS/MND was presented to the decision-making body of the Humboldt Bay Harbor District and that the Humboldt Bay Harbor District reviewed and considered the information contained in the Addendum prior to approving the project; and

(3) The Addendum to the 2007 IS/MND reflects the Humboldt Bay Harbor District’s independent judgement and analysis.

and,
11(b) Consideration of adopting Resolution 2016-10 which establishes findings relative to the 2016 modification of Permit 04-03 for the Coast Seafoods Company Humboldt Bay Permit Renewal and Expansion Project.

**Board Packet Material:**
- Resolution 2016-10

**Staff Recommendation:** approval of Resolution 2016-10

11(e) Consideration of granting a modification to Coast Seafoods Company Permit 04-03, for the Humboldt Bay Permit Renewal and Expansion Project, to convert longline spacing at one existing intertidal shellfish aquaculture bed.

**Summary:** Coast’s existing Permit 04-03 authorizes approximately 300 acres of intertidal and subtidal floating shellfish aquaculture. Longline spacing varies, with most longlines spaced at 2.5-ft intervals, typically with a wider row of 5-ft between groups of 5 longlines. Each longline is supported by notched PVC stakes driven into the substrate every 2.5-ft and is suspended between 8-12 inches above the substrate.

The proposed permit modification would allow Coast to widen spacing between oyster longlines within approximately 7.88 acres of its existing intertidal footprint (2.6% of its existing intertidal culture footprint) known as aquaculture bed MR 10, from 2.5-ft spaced, single-hung longlines to 5-ft spaced, double-hung longlines.

As part of the bed MR 10 redesign, Coast will be proposing “double-hanging” oyster longlines and planting them at wider spacing in an effort to reduce impacts to eelgrass and other resources. Double-hung longlines have two rows of oysters strung vertically one on top of the other, with the first (bottom) row of oysters at 8 inches above the substrate and the second (top) row of oysters at 16 inches above the substrate. The top and bottom rows of oysters are supported by separate PVC pipes, with the two pipes supporting the top and bottom.

**Board Packet Material:**
- Letter from Plauche Carr April 22 2016 Coast Seafoods Company Application for Modification of Permit No. 04-03
- Letter from Plauche Carr May 03 2016 Coast Seafoods Company Application for Modification of Permit No. 04-03
- Permit 04-03 Coast Seafoods Company – 2016 Modification

**Staff Recommendation:** Modify Permit 04-03 as described.
April 22, 2016

Adam Wagschal
Humboldt Bay Harbor, Recreation and Conservation District
601 Startare Drive
Eureka, CA 95501

RE: Coast Seafoods Company Application for Modification of Permit No. 04-03

Dear Adam:

I am writing on behalf of Coast Seafoods Company ("Coast") to request modification of Coast’s Humboldt Bay Harbor, Recreation and Conservation District ("Harbor District") Permit No. 04-03 ("Permit"). The Permit authorizes approximately 300 acres of intertidal and subtidal floating shellfish aquaculture in Humboldt Bay. Per this letter, Coast requests that the Harbor District authorize a minor modification of the Permit to allow Coast to widen the spacing between oyster longlines within approximately 7.88 acres of its existing intertidal footprint (2.6% of its existing intertidal culture footprint).

Approximately 294 intertidal acres\(^1\) of Coast’s existing operational footprint are planted with oyster longlines, primarily cultch-on-longline culture with some acreage of basket-on-longline culture. Longline spacing on Coast’s existing acreage varies, with most longlines spaced at 2.5-ft intervals, typically with a wider row of 10-ft between groups of 5 longlines. Each longline is supported by notched PVC stakes driven into the substrate every 2.5-ft and is suspended between 8-12 inches above the substrate. The spacing and configuration of longlines on Coast’s existing intertidal acreage is depicted in Exhibit A.\(^2\)

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\(^1\) The remaining acreage is subtidal.

\(^2\) Additional information can be found in Section 4.3 of the DEIR for Coast’s Humboldt Bay Permit Renewal and Expansion Project.
1. Pending Application for Humboldt Bay Permit Renewal & Expansion Project

On June 2, 2014, Coast submitted a permit application ("Application") to the Harbor District requesting authorization to continue its existing shellfish farming activities in Humboldt Bay and to expand its intertidal culture of oysters in the Bay by 621 acres ("Humboldt Bay Permit Renewal and Expansion Project" or "Project"). Subsequently, Coast worked with the Harbor District to draft and publish a Draft Environmental Impact Report ("DEIR") for the Project pursuant to the California Environmental Quality Act ("CEQA"). The DEIR was circulated for a 45-day public comment period ending on December 31, 2016. Numerous State and Federal agencies, scientists, environmental non-profits and members of the public took the opportunity to submit comments on the Project before the close of comments. The comments were helpful to identify areas for improvement in both the analysis of impacts and the proposed Project design.

Over the last three months, Coast has been working on extensive changes to the Project design to address the comments received on the DEIR. Coast has also worked closely with experts to revise the analysis of potential eelgrass impacts associated with the Project. Because the Project revisions are extensive, Coast is proposing to recirculate a revised DEIR later this year for a second round of public comments.

As part of the redesign of its Humboldt Bay Permit Renewal and Expansion Project, Coast will be proposing "double-hanging" oyster longlines and planting them at wider spacing in an effort to reduce impacts to eelgrass and other resources. Double-hung longlines have two rows of oysters strung vertically one on top of the other, with the first (bottom) row of oysters at 8 inches above the substrate and the second (top) row of oysters at 16 inches above the substrate. See Exhibit B. The top and bottom rows of oysters are supported by separate PVC pipes, with the two pipes supporting the top and bottom row of oysters planted as close together as possible in the substrate, and with 2.5-ft between each set of 2 pipes. There will be no substantial change in the total number of PCV pipes planted in the substrate as a result of the conversion to 5-ft spaced, double-hung longlines.

The best available science on the interaction between oyster longlines and eelgrass in Humboldt Bay, Rumrill and Poulton (2004), shows that there is a correlation between spacing and eelgrass growth, with more eelgrass growth in wider-spaced longlines. Therefore, conversion from 2.5-ft spaced single hung longlines to 5-ft or wider-spaced double-hung longlines is expected to reduce the eelgrass impacts associated with Coast’s existing culture in Humboldt Bay while maintaining the farm’s economic productivity. However, because Coast has not previously used a double-hung configuration in Humboldt Bay, there are operational uncertainties regarding the grow rate and success of oysters when they are double-hung.
2. **Request for Permit Modification to Move to 5-ft Spacing on 7.88 Acres of Existing Intertidal Culture Footprint**

In order to resolve some of the operational questions associated with wider-spaced, double-hung longlines, Coast requests that the Harbor District modify its Permit to allow it to convert a small, 7.88-acre portion of its existing acreage to 5-ft spaced, double-hung lines this summer. The conversion of this small test plot would allow Coast to determine how oysters grow when double-hung in advance of wider application of this technique as part of the Humboldt Bay Permit Renewal and Expansion Project. While this is a very limited sample, Coast believes that it may learn enough in one growing season to evaluate oyster growth when longlines are double hung and spaced at wider intervals.

The area proposed for this conversion ("Conversion Area") is in the North West portion of Humboldt Bay near the Mad River Slough (Plot MR 10), as depicted in **Exhibit C**. The Conversion Area is on Humboldt County Parcel 400-201-002, which Coast leases from the Karamu Corporation. The Conversion Area is currently planted with 503 longlines spaced with a uniform 2.5-ft between longlines. If authorized, Coast would remove approximately half of the existing longlines in the plot and change the remaining approximately 251 longlines from a single to double-hung configuration. The total number of oysters planted in the Conversion Area would not change significantly with the move to 5-ft spaced lines.

Because longline spacing in the test plot will change from 2.5-ft to 5-ft, the scientific literature supports the conclusion that impacts on eelgrass growth will be reduced by making the conversion. The potential impacts associated with the conversion are therefore expected to be less than those analyzed in previous CEQA documents associated with Coast’s existing intertidal longline oyster culture (2007 Mitigated Negative Declaration).

I would be happy to answer any questions you may have regarding this request for permit modification. Thank you for your time and consideration.

Very truly yours,

Jessica F. Anderson

JFA:cmi
Enclosures

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3 Coast is also requesting permit modifications from the California Coastal Commission, U.S. Army Corps of Engineers, and North Coast Regional Water Quality Control Board.

4 An analysis of longline aquaculture on MR 10 was included in the 2007 MND. However, note that bed MR 10 was inadvertently omitted from the maps provided in Coast’s Application and those included in the DEIR. That omission will be corrected going forward.
EXHIBIT A – Graphic showing configuration of longlines in Coast’s existing operational footprint (2.5-ft spaced, single-hung lines).
EXHIBIT B - Graphic showing proposed configuration of 5-ft spaced, double-hung longlines proposed in Conversation Area.
EXHIBIT C – Map of Coast Seafoods Company’s existing intertidal shellfish aquaculture in Humboldt Bay with Conversion Area shown
May 3, 2016

Adam Wagschal
Humboldt Bay Harbor, Recreation and Conservation District
601 Startare Drive
Eureka, CA 95501

Re: Coast Seafoods Company Application for Modification of Permit No. 04-03

Dear Adam:

Thank you for your email and the detailed comments on my April 22, 2016 letter requesting modification of Coast Seafoods Company’s (“Coast”) Humboldt Bay Harbor, Recreation and Conservation District Permit No. 04-03. Permit 04-03 authorizes Coast’s existing intertidal and subtidal shellfish aquaculture activities in Humboldt Bay. My April 22, 2016 letter requested authorization for Coast to convert one of its existing intertidal shellfish aquaculture beds (MR 10) from 2.5-ft spaced, single-hung longlines to 5-ft spaced, double-hung longlines. This letter responds to your questions and comments on the specifics of the proposed conversion and provides additional information regarding the conversion’s potential impacts under the California Environmental Quality Act (“CEQA”).

1. Duration of change

The change from 2.5-ft spaced, single-hung cultch-on-longlines to 5-ft spaced, double-hung cultch-on-longlines on bed MR 10 (“Conversion Area”) will carry forward into the future, provided that the double-hung configuration allows for adequate oyster growth. Coast will be amending its applications for the Humboldt Bay Permit Renewal and Expansion Project to include this change in its existing acreage.

2. PVC pipes

There are currently approximately 20,623 PVC pipes supporting 503 single-hung longlines in the Conversion Area. Post-conversion, there will be approximately 20,582-20,664 PVC pipes supporting between 251-252 double-hung longlines. To support a double-hung longline, a set of two PVC pipes is planted as close together in the substrate as possible (i.e. right next to each other), with one pipe supporting the top longline and the other, shorter pipe, supporting the bottom longline. Each set of two PVC pipes are separated by 2.5-ft. This arrangement is as illustrated in Exhibit B of my earlier letter.
3. **Number of oysters**

Coast’s current approvals allow Coast to plant either Kumamoto or Pacific oysters. The number of oysters planted per longline changes depending on the species planted (Kumamoto or Pacific). The Conversion Area is currently planted with approximately 241,440 Kumamoto oysters. Post-Conversion, Coast anticipates that it will continue to plant Kumamoto oysters in the Conversion Area and that it will plant 251 to 252 double-hung longlines, which will support approximately 240,960 or 241,920 Kumamoto oysters, respectively.

4. **Potential Impacts to Biological Resources**

The 2007 MND discussed potential impacts to Federally-listed species, sensitive natural communities including eelgrass, and migration corridors. With mitigation, these potential impacts were found to be less-than-significant. The nature and degree of potential impacts to biological resources as a result of the conversion to 5-ft, double-hung longlines is not expected to change. Moreover, Coast will continue to implement all mitigation measures identified in the 2007 MND to ensure that potential impacts to biological resources remain less-than-significant.

Because the space between longlines will be wider following the conversion from 2.5-ft to 5-ft spaced longlines, the potential impacts to eelgrass are expected to be less significant than those analyzed in the 2007 MND. Coast’s current permit authorizes Coast to plant longlines up to 12 inches in height. The double-hung longlines proposed by Coast will be up to 4-inches taller at 16-inches above the substrate. The 16-inch double-hung longlines are expected to cast a larger shadow than is cast by single-hung 12-inch longlines. However, the space between lines will be doubled, allowing much greater light penetration throughout the Conversion Area.

Current research shows that light is not a limiting factor in Humboldt Bay. According to research conducted by Thom et al. (2008), the daily thresholds for eelgrass survival is 7 mol photosynthetically active radiation (PAR) on average during spring and summer. Long-term survival (i.e., through the winter) requires a minimum average of 3 mol PAR. In Humboldt Bay, Rumril and Poulton (2004) measured incidental light profiles along a transect that ran beneath single-hung oyster longlines spaced 2.5-ft apart with a 5-ft space every six lines. The light meter was passed under oyster longlines multiple times with drops in light levels observed within oyster beds that were not observed in adjacent eelgrass beds. These drops in light levels were due to shading from oyster culture and represented up to a 62% decrease in available light (from approximately 60 mol/day to 23 mol/day). This reduction in incidental light from the shellfish aquaculture gear is more than three times higher than the daily threshold for eelgrass survival reported by Thom et al. (2008). Even if the assumption is that the shading footprint can exclude eelgrass, this would likely occur only at the lower limit of eelgrass growth where light is a control factor. Gilkerson (2008) observed maximum depths of eelgrass as ranging between -1.5-ft and -4.5-ft MLLW in North Bay, and oyster culture overlaps this maximum depth range between -1.5-ft and -2.0-ft MLLW. In summary, data from Rumril and Poulton (2004) indicates that, even with shellfish longlines installed, there is ample light available for eelgrass survival.

Therefore, the conversion from single-hung to taller, double-hung lines is not expected to exceed daily thresholds for eelgrass survival and will not result in a significant impact to eelgrass. Given that the conversion will promote eelgrass regrowth in areas currently occupied by PVC pipes, and that the increased longline height is not anticipated to result in adverse shading impacts, the biological impacts from conversion are anticipated to be less than those analyzed in the 2007 MND.
5. **Other potential impacts**

The proposed conversion to double-hung longlines in the Conversion Area is expected to result in less than significant impacts to all resources of concern. The 2007 MND analyzed potential impacts to the following resources:

- aesthetics
- agricultural resources
- air quality
- biological resources
- cultural resources
- geology and soils
- hazards and hazardous materials
- hydrology and water quality
- land use planning
- mineral resources
- noise
- population and housing
- public services
- recreation
- transportation/traffic
- utilities and service systems

Of these, the 2007 MND identified potentially significant impacts to biological resources, air quality, toxics/hazards and water quality and adopted mitigation and conversation measures to ensure that these impacts were less than significant.

It is expected that there will be no change in the significance of any of the potential impacts as a result of the conversion to 5-ft spaced, double-hung longlines in the Conversion Area. Coast is not proposing any change to the suite of mitigation and conservation measures incorporated into the MND or Permit 04-03. Therefore, all potential impacts are expected to remain less than significant.

A brief summary of each resource is provided below.

- **aesthetics:** The conversion is expected to result in less-than-significant impacts to aesthetics. The Conversion Area is in the middle of Coast's existing culture area in North Bay, and mariculture structures such as longlines are part of the historical viewscape in the Bay. Because the Conversion Area is one of Coast's existing beds furthest from any viewpoint or public highway, it is unlikely that the average observer will detect any significant visual change as a result of the conversion. Moreover, as with the current culture area, the bed will be submerged and not visible for a substantial portion of daylight hours. When it is exposed, there will be more open space between longlines as a result of wider longline spacing, creating better views of the water and substrate. Therefore, visual impacts associated with the conversion will be less than significant and may be less significant than those analyzed in the 2007 MND.

- **agricultural resources:** There will be no impact to agricultural resources beyond that analyzed in the 2007 MND. Impacts to agricultural resources will be less than significant.

- **air quality:** There will be no change to the number of boat trips or other maintenance or operation activities in the Conversion Area as a result of the conversion. Therefore, the potential
impacts to air quality are the same as those analyzed in the 2007 MND and are expected to remain less-than-significant with mitigation.

- biological resources: Discussed above.

- cultural resources: There are no known cultural or archaeological resources in the Conversion Area. The Conversion Area is an area that has been historically farmed by Coast for many years and there will be no new ground disturbance. Therefore, the potential impacts to cultural resources are the same as those analyzed in the 2007 MND and are expected to remain less-than-significant.

- geology and soils: The proposed change to 5-ft spaced, double-hung longlines is not expected to result in any impacts to geology or soils different or greater than those impacts analyzed in the 2007 MND.

- hazards and hazardous materials: There will be no change in any of Coast’s operations related to the use of hazardous materials or the creation of hazardous conditions. Coast will continue to follow the Mitigation Measures identified in the 2007 MND and its existing approvals to ensure that hazardous materials are appropriately used and disposed of. Therefore, the proposed change to 5-ft spaced, double-hung longlines is not expected to result in any impacts to hazards or hazardous materials different or greater than those impacts analyzed in the 2007 MND. Through incorporation of existing mitigation identified in the 2007 MND, this impact is less-than-significant.

- hydrology and water quality: The 2007 MND identified potentially significant impacts associated with sedimentation and water quality, particularly as a result of spillage of hazardous materials. Coast is not proposing any operational changes in relation to its conversion to 5-ft spaced, double-hung longlines. Post-conversion, the Conversion Area will be planted with substantially the same number of PVC pipes and Kumamoto oysters as are currently planted on MR 10. Therefore, the potential impacts to hydrology and water quality are expected to be the same as those analyzed in the 2007 MND and, as already mitigated will be less-than-significant.

- land use planning: The proposed change to 5-ft spaced, double-hung longlines is not expected to result in any impacts to land use planning different or greater than those impacts analyzed in the 2007 MND.

- mineral resources: The proposed change to 5-ft spaced, double-hung longlines is not expected to result in any impacts to mineral resources different or greater than those impacts analyzed in the 2007 MND.

- noise: There will be no change to the number of boat trips or other maintenance or operation activities in the Conversion Area as a result of the conversion. Therefore, the proposed change to 5-ft spaced, double-hung longlines is not expected to result in any noise impacts different or greater than those impacts analyzed in the 2007 MND.

- population and housing: The proposed change to 5-ft spaced, double-hung longlines is not expected to result in any population and housing impacts different or greater than those impacts analyzed in the 2007 MND.
• public services: The proposed change to 5-ft spaced, double-hung longlines is not expected to result in any impacts to public services different or greater than those impacts analyzed in the 2007 MND.

• recreation: The proposed change to 5-ft spaced, double-hung longlines will not change the overall operational footprint in the Conversion Area or its less-than significant impact to recreation. The increased spacing between longlines may allow for more/easier access to the project area by small non-motorized watercraft at tide heights that make navigating over the longlines infeasible. When the Conversion Area is inundated, recreational access will not be impaired. This potential impact is expected to be less than significant, and less significant than that analyzed in the 2007 MND.

• transportation/traffic: Coast is not proposing any additional boat trips to service the Conversion Area and will not be hiring additional staff or using additional facilities as a result of the conversion. Therefore, the proposed change to 5-ft spaced, double-hung longlines is not expected to result in any impacts to transportation/traffic different or greater than those impacts analyzed in the 2007 MND.

• utilities and service systems: The proposed change to 5-ft spaced, double-hung longlines is not expected to result in any impacts to utilities or service systems different or greater than those impacts analyzed in the 2007 MND.

I would be happy to answer any further questions or provide additional information. Feel free to contact me at (206) 973-1261 or at jessica@plauchecontr.com.

Very truly yours,

Jessica F. Anderson

JFA:cm1
ADDENDUM

CEQA INITIAL STUDY/ MITIGATED NEGATIVE DECLARATION

Coast Seafoods Company
Continued Mariculture Operations in Humboldt Bay, California
(SCH #99062069)

Lead Agency:
Humboldt Bay Harbor, Recreation and Conservation District
P.O. Box 1030
Eureka, CA 95502
(707) 443-0801

May 2016
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ATTACHMENTS

INTRODUCTION

This document constitutes an Addendum to the 2007 Initial Study/Mitigated Negative Declaration (2007 IS/MND) prepared for Coast Seafoods Company’s (Coast) application for continued mariculture operations in Humboldt Bay, California. This Addendum evaluates whether proposed minor modifications to Coast’s Humboldt Bay Harbor, Recreation and Conservation District (Harbor District) Permit No. 04-03 (Permit) would result in any new or substantially more adverse significant effects or require any new mitigation measures not identified in the 2007 IS/MND.

Coast’s existing Permit authorizes approximately 300 acres of intertidal and subtidal floating shellfish aquaculture in Humboldt Bay. The proposed Permit modification would allow Coast to widen the spacing between oyster longlines within approximately 7.88 acres of its existing intertidal footprint (2.6% of its existing intertidal culture footprint). The proposed modification would allow Coast to convert one of its existing intertidal shellfish aquaculture beds (MR 10) from 2.5-ft spaced, single-hung longlines to 5-ft spaced, double-hung longlines.

As verified in this Addendum, the analyses and the conclusions in the 2007 IS/MND remain current and valid. The proposed Permit modification would not cause new significant effects not identified in the MND nor increase the level of environmental effect to substantial or significant, and, hence, no new mitigation measures would be necessary to reduce significant effects. No change has occurred with respect to circumstances surrounding the proposed project that would cause new or substantially more severe significant environmental effects than were identified in the 2007 IS/MND. In addition, no new information has become available that shows that the project would cause new or substantially more severe significant environmental effects which have not already been analyzed in the 2007 IS/MND. Therefore, no further environmental review is required beyond this Addendum.

BACKGROUND

Harbor District Permit 04-03 authorizes Coast’s existing intertidal and subtidal shellfish aquaculture activities in Humboldt Bay (approximately 300 acres total). Approximately 294 intertidal acres \(^1\) of Coast’s existing operational footprint are planted with oyster longlines, primarily cultch-on-longline culture with some acreage of basket-on-longline culture. Longline spacing on Coast’s existing acreage varies, with most longlines spaced at 2.5-ft intervals, typically with a wider row of 5-ft between groups of 5 longlines. Each longline is supported by notched PVC stakes driven into the substrate every 2.5-ft and is suspended between 8-12 inches above the substrate. The spacing and configuration of longlines on Coast’s existing intertidal acreage is depicted in Exhibit A.

Coast now wishes to convert a small portion of its existing acreage from the 2.5-ft spacing described above to 5-ft spaced, double-hung cultch-on-longlines. Double-hung longlines have two rows of oysters strung vertically one on top of the other, with the first (bottom) row of oysters at 8 inches above the substrate and the second (top) row of oysters at 16 inches above the substrate (Exhibit B). The top and bottom rows of oysters are supported by separate PVC pipes, with the two pipes supporting the top and bottom row of oysters planted as close together as possible in the substrate, and with 2.5-ft between each set of 2 pipes.

\(^1\) The remaining acreage is subtidal.
CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) FRAMEWORK

This addendum analyzes the proposed permit modification as required under the CEQA Guidelines, Sections 15162 and 15164. An addendum to an adopted mitigated negative declaration shall be prepared if only minor technical changes or additions are necessary or none of the following conditions calling for the preparation of a subsequent MND have occurred:

(1) Substantial changes in the project which require major revisions to the MND due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects;

(2) Substantial changes with respect to the circumstances under which the project is undertaken which require major revisions to the MND due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects; or

(3) New information of substantial importance, which was not known and could not have been known with the exercise of reasonable diligence at the time of MND adoption, shows any of the following:
   A) The project will have one or more significant effects not discussed in the MND,
   B) The project will result in impacts substantially more severe than those disclosed in the MND,
   C) Mitigation measures or alternatives previously found not to be feasible would in fact be feasible and would substantially reduce one or more significant effects of the project, but the project proponent declines to adopt the mitigation measure or alternative, or
   D) Mitigation measures or alternatives that are considerably different from those analyzed in the MND would substantially reduce one or more significant effects on the environment, but the project proponent declines to adopt the mitigation measure or alternative.

The purpose of this Addendum is to evaluate whether the proposed permit modification would result in any new or substantially greater significant effects not identified in the 2007 IS/MND and to demonstrate that the proposed project does not trigger any of the conditions described above. Based on the analysis provided below, an Addendum to the 2007 IS/MND is the appropriate CEQA document.

PROJECT INFORMATION

Summary

Coast has requested that the Harbor District\(^2\) modify its Permit to allow it to convert a small, 7.88-acre portion of its existing acreage to 5-ft spaced, double-hung lines. The conversion of this small test plot would allow Coast to determine how oysters grow when double-hung in advance of wider application of this technique as part of Coast’s Humboldt Bay Shellfish Aquaculture: Permit Renewal and Expansion Project. While this is a very limited sample, Coast believes that it may learn enough in one summer growing season to evaluate oyster growth when longlines are double hung and spaced at wider intervals.

\(^2\) Coast is also requesting permit modifications from the California Coastal Commission, U.S. Army Corps of Engineers, and North Coast Regional Water Quality Control Board.
The area proposed for this conversion (Conversion Area) is in the North West portion of Humboldt Bay near the Mad River Slough (Plot MR 10), as depicted in Exhibit C. The Conversion Area is on Humboldt County Parcel 400-201-002, which Coast leases from the Karamu Corporation. The Conversion Area is currently planted with 503 longlines spaced with a uniform 2.5-ft between longlines. If authorized, Coast would remove approximately half of the existing longlines in the plot and change the remaining approximately 251 longlines from a single to double-hung configuration. The total number of oysters planted in the Conversion Area would not change significantly with the move to 5-ft spaced lines.

The best available science on the interaction between oyster longlines and eelgrass in Humboldt Bay, Rumrill and Poulton (2004), shows that there is a correlation between spacing and eelgrass growth, with more eelgrass growth in wider-spaced longlines. Therefore, conversion from 2.5-ft spaced single hung longlines to 5-ft or wider-spaced double-hung longlines is expected to reduce the eelgrass impacts associated with Coast’s existing culture in Humboldt Bay while maintaining the farm’s economic productivity. However, because Coast has not previously used a double-hung configuration in Humboldt Bay, there are operational uncertainties regarding the grow rate and success of oysters when they are double-hung.

**PVC Pipes**
There will be no substantial change in the total number of PCV pipes planted in the substrate as a result of the conversion to 5-ft spaced, double-hung longlines. There are currently approximately 20,623 PVC pipes supporting 503 single-hung longlines in the Conversion Area. Post-conversion, there will be approximately 20,582-20,664 PVC pipes supporting between 251-252 double-hung longlines. To support a double-hung longline, a set of two PVC pipes is planted as close together in the substrate as possible (i.e. right next to each other), with one pipe supporting the top longline and the other, shorter pipe, supporting the bottom longline. Each set of two PVC pipes are separated by 2.5-ft. This arrangement is as illustrated in Exhibit B.

**Number of Oysters**
Coast’s current approvals allow Coast to plant either Kumamoto or Pacific oysters. The number of oysters planted per longline changes depending on the species planted (Kumamoto or Pacific). The Conversion Area is currently planted with approximately 241,440 Kumamoto oysters. Post-Conversion, Coast anticipates that it will continue to plant Kumamoto oysters in the Conversion Area and that it will plant 251 to 252 double-hung longlines, which will support approximately 240,960 or 241,920 Kumamoto oysters, respectively.

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3 An analysis of longline aquaculture on MR 10 was included in the 2007 MND.
EVALUATION OF POTENTIAL ENVIRONMENTAL EFFECTS

The proposed conversion to double-hung longlines in the Conversion Area is expected to result in less than significant impacts to all resources of concern. The 2007 MND analyzed potential impacts to the following resources:

- aesthetics
- agricultural resources
- air quality
- biological resources
- cultural resources
- geology and soils
- hazards and hazardous materials
- hydrology and water quality
- land use planning
- mineral resources
- noise
- population and housing
- public services
- recreation
- transportation/traffic
- utilities and service systems

Of these, the 2007 MND identified potentially significant impacts to biological resources, air quality, toxics/hazards and water quality and adopted mitigation and conservation measures to ensure that these impacts were less than significant.

It is expected that there will be no change in the significance of any of the potential impacts as a result of the conversion to 5-ft spaced, double-hung longlines in the Conversion Area. Coast is not proposing any change to the suite of mitigation and conservation measures incorporated into the 2007 MND or Permit 04-03. Therefore, all potential impacts are expected to remain less than significant.

The following discussion begins with key topics and related environmental effects to biological resources followed by a brief summary of the other resources listed above.

Biological Resources
The 2007 MND discussed potential impacts to Federally-listed species, sensitive natural communities including eelgrass, and migration corridors. With mitigation, these potential impacts were found to be less-than-significant. The nature and degree of potential impacts to biological resources as a result of the conversion to 5-ft, double-hung longlines is not expected to change. Moreover, Coast will continue to implement all mitigation measures identified in the 2007 MND to ensure that potential impacts to biological resources remain less-than-significant.

Because the space between longlines will be wider following the conversion from 2.5-ft to 5-ft spaced longlines, the potential impacts to eelgrass are expected to be less significant than those analyzed in the 2007 MND. Coast’s current permit authorizes Coast to plant longlines up to 12 inches in height. The double-hung longlines proposed by Coast will be up to 4-inches taller at 16-inches above the substrate. The 16-inch double-hung longlines are expected to cast a larger shadow than is cast by single-hung 12-inch longlines. However, the space between lines will be doubled, allowing much greater light penetration throughout the Conversion Area.

Current research shows that light is not a limiting factor in Humboldt Bay. According to research conducted by Thom et al. (2008), the daily thresholds for eelgrass survival is 7 mol photosynthetically active radiation (PAR) on average during spring and summer. Long-term survival (i.e., through the winter) requires a minimum average of 3 mol PAR. In Humboldt Bay, Rumill and Poulton (2004) measured incidental light profiles along a transect that ran beneath single-hung oyster longlines spaced...
2.5-ft apart with a 5-ft space every six lines. The light meter was passed under oyster longlines multiple times with drops in light levels observed within oyster beds that were not observed in adjacent eelgrass beds. These drops in light levels were due to shading from oyster culture and represented up to a 62% decrease in available light (from approximately 60 mol/day to 23 mol/day). This reduction in incidental light from the shellfish aquaculture gear is more than three times higher than the daily threshold for eelgrass survival reported by Thom et al. (2008). Even if the assumption is that the shading footprint can exclude eelgrass, this would likely occur only at the lower limit of eelgrass growth where light is a control factor. Gilkerson (2008) observed maximum depths of eelgrass as ranging between -1.5-ft and -4.5-ft MLLW in North Bay, and oyster culture overlaps this maximum depth range between -1.5-ft and 2.0-ft MLLW. In summary, data from Rumrill and Poulton (2004) indicates that, even with shellfish longlines installed, there is ample light available for eelgrass survival.

Therefore, the conversion from single-hung to taller, double-hung lines is not expected to exceed daily thresholds for eelgrass survival and will not result in a significant impact to eelgrass. Given that the conversion will promote eelgrass regrowth in areas currently occupied by longlines, and that the increased longline height is not anticipated to result in adverse shading impacts, the biological impacts from conversion are anticipated to be less than those analyzed in the 2007 MND.

Aesthetics
The conversion is expected to result in less-than-significant impacts to aesthetics. The Conversion Area is in the middle of Coast’s existing culture area in North Bay, and mariculture structures such as longlines are part of the historical viewscape in the Bay. Because the Conversion Area is one of Coast’s existing beds furthest from any viewpoint or public highway, it is unlikely that the average observer will detect any significant visual change as a result of the conversion. Moreover, as with the current culture area, the bed will be submerged and not visible for a substantial portion of daylight hours. When it is exposed, there will be more open space between longlines as a result of wider longline spacing, creating better views of the water and substrate. Therefore, visual impacts associated with the conversion will be less than significant and may be less significant than those analyzed in the 2007 MND.

Agricultural Resources
There will be no impact to agricultural resources beyond that analyzed in the 2007 MND. Impacts to agricultural resources will be less than significant.

Air Quality
There will be no change to the number of boat trips or other maintenance or operation activities in the Conversion Area as a result of the conversion. Therefore, the potential impacts to air quality are the same as those analyzed in the 2007 MND and are expected to remain less-than-significant with mitigation.

Cultural Resources
There are no known cultural or archaeological resources in the Conversion Area. The Conversion Area is an area that has been historically farmed by Coast for many years and there will be no new ground disturbance. Therefore, the potential impacts to cultural resources are the same as those analyzed in the 2007 MND and are expected to remain less-than-significant.

Geology and Soils
The proposed change to 5-ft spaced, double-hung longlines is not expected to result in any impacts to geology or soils different or greater than those impacts analyzed in the 2007 MND.
Hazards and Hazardous Materials
There will be no change in any of Coast’s operations related to the use of hazardous materials or the creation of hazardous conditions. Coast will continue to follow the Mitigation Measures identified in the 2007 MND and its existing approvals to ensure that hazardous materials are appropriately used and disposed of. Therefore, the proposed change to 5-ft spaced, double-hung longlines is not expected to result in any impacts to hazards or hazardous materials different or greater than those impacts analyzed in the 2007 MND. Through incorporation of existing mitigation identified in the 2007 MND, this impact is less-than-significant.

Hydrology and Water Quality
The 2007 MND identified potentially significant impacts associated with sedimentation and water quality, particularly as a result of spillage of hazardous materials. Coast is not proposing any operational changes in relation to its conversion to 5-ft spaced, double-hung longlines. Post-conversion, the Conversion Area will be planted with substantially the same number of PVC pipes and Kumamoto oysters as are currently planted on MR 10. Therefore, the potential impacts to hydrology and water quality are expected to be the same as those analyzed in the 2007 MND and, as already mitigated, will be less-than-significant.

Land Use Planning
The proposed change to 5-ft spaced, double-hung longlines is not expected to result in any impacts to land use planning different or greater than those impacts analyzed in the 2007 MND.

Mineral Resources
The proposed change to 5-ft spaced, double-hung longlines is not expected to result in any impacts to mineral resources different or greater than those impacts analyzed in the 2007 MND.

Noise
There will be no change to the number of boat trips or other maintenance or operation activities in the Conversion Area as a result of the conversion. Therefore, the proposed change to 5-ft spaced, double-hung longlines is not expected to result in any noise impacts different or greater than those impacts analyzed in the 2007 MND.

Population and Housing
The proposed change to 5-ft spaced, double-hung longlines is not expected to result in any population and housing impacts different or greater than those impacts analyzed in the 2007 MND.

Public Services
The proposed change to 5-ft spaced, double-hung longlines is not expected to result in any impacts to public services different or greater than those impacts analyzed in the 2007 MND.

Recreation
The proposed change to 5-ft spaced, double-hung longlines will not change the overall operational footprint in the Conversion Area or its less-than significant impact to recreation. The increased spacing between longlines may allow for more/easier access to the project area between longlines by small non-motorized watercraft when the tide is at heights that make navigating over the longlines infeasible. When the Conversion Area is inundated, recreational access will not be impaired. This potential impact is expected to be less than significant, and less significant than that analyzed in the 2007 MND.
Transportation/Traffic
Coast is not proposing any additional boat trips to service the Conversion Area and will not be hiring additional staff or using additional facilities as a result of the conversion. Therefore, the proposed change to 5-ft spaced, double-hung longlines is not expected to result in any impacts to transportation/traffic different or greater than those impacts analyzed in the 2007 MND.

Utilities and Service Systems
The proposed change to 5-ft spaced, double-hung longlines is not expected to result in any impacts to utilities or service systems different or greater than those impacts analyzed in the 2007 MND.

SUMMARY OF FINDINGS
Overall, the proposed permit modification would result in similar effects to those of the existing permit with similar operations as those which were originally proposed and would therefore generate comparable effects. The permit modification would not cause new significant effects nor increase the level of environmental effect to substantial or significant and thus no new mitigation measures would be required. No change has occurred and no new information has become available with respect to circumstances surrounding the proposed project that would cause new or substantially more severe significant environmental effects than were identified in the 2007 IS/ND. The analysis and conclusions in the 2007 IS/MND remain current and valid and the mitigation measures would remain applicable.

On the basis of the evaluation presented above, the proposed permit modification would not trigger any of the conditions requiring preparation of a subsequent or supplemental environmental impact report or negative declaration. Thus, this Addendum satisfies the requirements of CEQA Guidelines sections 15162 and 15164.
Exhibit A – Typical configuration of cultch-on-longline culture within Coast's existing intertidal culture footprint.
Exhibit B – Configuration of 5-ft spaced, double-hung longlines proposed in Conversion Area.
Exhibit C – Map of Coast's existing intertidal shellfish aquaculture in Humboldt Bay, with Conversion Area.
RESOLUTION NO. 2016-10

A RESOLUTION ESTABLISHING FINDINGS RELATIVE TO THE APPLICATION BY COAST SEAFOODS FOR MODIFICATION OF MARICULTURE ACTIVITIES

WHEREAS, the Board of Commissioners of the Humboldt Bay Harbor, Recreation, and Conservation District is empowered by Appendix II of the Harbors and Navigation Code, and its own ordinances and resolutions, to grant permits, leases, rights, and privileges; and,

WHEREAS, no permits, rights, leases, and privileges may be granted without first having considered certain potential impacts and without first having made findings relative to said impacts; and,

WHEREAS, the Board of Commissioners of the Humboldt Bay Harbor, Recreation, and Conservation District has been presented with certain evidence relating to the impact of mariculture activities by Coast Seafoods upon the air, land, environment, and ecology of the land under the jurisdiction of the Humboldt Bay Harbor, Recreation, and Conservation District.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Humboldt Bay Harbor, Recreation and Conservation District as follows:

The Humboldt Bay Harbor, Recreation and Conservation District Board of Commissioners has found the following to be true and adopts the following findings with respect to the uses by Coast Seafoods approved in Permit 04-03 (by Commission Resolution 2007-12), with proposed modification to change longline spacing in shellfish aquaculture bed (MR 10), and supplements and amendments thereto:

1. The use proposed by Coast Seafoods is necessary to promote the safety, health, comfort, and convenience of the public;

2. The proposed use is required by the public convenience and necessity;

3. The proposed use is reasonably required to promote growth, and to meet area demands, and does not adversely effect the environment or ecology of the area to any substantial degree; and,

4. The proposed use will not produce an unreasonable burden on the natural resources and aesthetics of the area, on the public health and safety, and air and water quality in the vicinity of Humboldt Bay, or on the parks, recreation and scenic area, historic sites and buildings, or archeological sites in the area.

PASSED AND ADOPTED by the Humboldt Bay Harbor, Recreation and Conservation District Board of Commissioners at a duly called meeting held on the 9th day of June 2016, by the following polled vote:

AYES:

NOES:

ABSENT:

PATRICK HIGGINS, President
Board of Commissioners

ATTEST:

Mike Wilson, Vice President for Greg Dale, Secretary
Board of Commissioners
CERTIFICATE OF SECRETARY

The undersigned, duly qualified and acting Secretary of the HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT, does hereby certify that the attached Resolution is a true and correct copy of RESOLUTION NO. 2016-10 entitled,

A RESOLUTION ESTABLISHING FINDINGS RELATIVE TO THE APPLICATION BY COAST SEAFOODS FOR MODIFIED MARICULTURE ACTIVITIES

as regularly adopted at a legally convened meeting of the Board of Commissioners of the HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT, duly held on the 9th day of June 2016; and further, that such Resolution has been fully recorded in the Journal of Proceedings in my office, and is in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand this 9th day of June.

Mike Wilson, Vice President for Greg Dale, Secretary
Board of Commissioners
HUMBOLDT BAY HARBOR, RECREATION
AND CONSERVATION DISTRICT

PERMIT MODIFICATION

Permit No. 04-03 (2016 MODIFICATION) 601 Startare Drive
Woodley Island Marina
P O Box 1030
Eureka, CA 95502-1030

Permittee:

COAST SEAFOODS COMPANY
25 Waterfront Drive, Eureka, California 95501

The Board of Commissioners of the Humboldt Bay Harbor, Recreation and
Conservation District hereinafter referred to as "District", approved permit, number 04-03,
for Coast Seafoods Company, 25 Waterfront Drive, Eureka, California 95501, hereinafter
referred to as "Permittee", and the Humboldt Bay Harbor, Recreation and Conservation
District as the lead agency, pursuant to the California Environmental Quality Act of 1970, as
amended, having made a determination approving a Mitigated Negative Declaration (SCH
99062069) dated January 2007 and the Board of Commissioners of the District having on
April 12, 2007, passed Resolution No. 2007-02 establishing findings relative to the Application
by Permittee for continued Mariculture Operations in Humboldt Bay, California provided for in
this Permit, the Permittee was authorized to perform the work of improvement, as described in
the Application filed with the District and the Mitigated Negative Declaration referred to above.

A permit modification has been filed for shellfish aquaculture bed (MR 10) as described below
and an Addendum to the Mitigated Negative Declaration (SCH 99062069) prepared for this
modification.

You are hereby authorized to conduct that activity described in the Permit Application of
Permittee, as modified, consisting of:

All Mariculture Operations in Humboldt Bay, California originally permitted, and a
modification to convert one existing intertidal shellfish aquaculture bed (MR 10) from 2.5-foot
spaced, single-hung longlines to 5-foot spaced, double-hung longlines.

That the proposed activity location shall be in Humboldt Bay, Humboldt County, California.

SUBJECT TO THE FOLLOWING TERMS AND CONDITIONS:

1. If you materially change the plan and scope of the activity, it will be
necessary for you to request a revision of your Application and plans.

2. That all activities authorized by this Permit shall further be subject to the
conditions of approval of the following public agencies:
   A. United States Army Corps of Engineers San Francisco District
B. State of California Coastal Commission
C. State of California Regional Water Quality Control Board, North Coast Region

3. That there shall be no unreasonable interference with navigation by the work herein authorized.

4. That no attempt shall be made by the Permittee to interfere or forbid the full and free use by the public of all navigable waters at or adjacent to the work.

5. That Permittee shall fully comply with and perform all of the Mitigation Measures set forth and described in the Mitigated Negative Declaration (MND) approved for this activity and the MND Addendum for the Permit Modification:

6. That the District, its Commissioners, or any officer or employee of the District shall in no case be liable for any damages or injury of the work herein authorized which may be caused by or result from future operations undertaken by the District for the conservation or improvement of navigation, or for other purposes, and no claim or right to compensation shall accrue from any such damage.

7. That neither the District, nor its Board of Commissioners, nor any officer of the District shall be liable to any extent for any such injury or damage to any person or property or for the death of any person arising out of or connected with the work authorized by this Permit.

8. That the District Board of Commissioners may revoke this Permit at any time upon a finding by the District of a violation by the Permittee of any Permit condition.

9. That the Permittee shall comply with any regulations, condition, or instructions affecting the work hereby authorized if and when issued by the Federal Water Pollution Control Administration and/or the State of California Water Resources Control Agency having jurisdiction to abate or prevent water pollution. Such regulations, conditions, or instruction in effect or prescribed by Federal or State Agencies are hereby made a condition of this Permit.

10. That neither the District, nor its Board of Commissioners, nor any officer of the District shall be liable to any extent for the injury or damage to any person or property or for the work authorized by this Permit, and the Permittee shall indemnify and hold harmless the District, its Commissioners and officers free and harmless from any liability for any such injury, death or damage.

11. That Permittee shall furnish to the District a written annual progress report and upon completion, a written completion report describing the completion of the project. Permittee shall at all times notify the District in writing of all locations, including new locations, in Humboldt Bay, that Permittee proposes to install the uses permitted herein, prior to said installation.

12. That as a condition of Permit issuance, Permittee agrees to indemnify and hold harmless District from an against any and all liability, loss, or damage District may suffer from claims and demands for attorneys’ fees, costs of suit, and costs of
administrative records made against District by any and all third parties as a result of third party environmental actions against District arising out of the subject matter of this Permit, including, but not limited to attorneys' fees, costs of suit, and costs of administrative records pursuant to the California Code of Civil Procedure §1021.5 or any other applicable local, state or federal laws, whether such attorneys' fees, costs of suit, and costs of administrative records are direct or indirect, or incurred in the compromise, attempted compromise, trial appeal or arbitration of claims for attorneys' fees, costs of suit, and costs of administrative records in connection with the subject matter of this Permit.

13. That this Permit was valid as of the 13th day of April 2007, and made subject to the Permittee approving and agreeing to the conditions above set forth and executing said approval, as modified by this action, as hereinafter provided.

EXECUTED on this 9th day of June 2016, by authority of the Board of Commissioners of the Humboldt Bay Harbor, Recreation and Conservation District.

PATRICK HIGGINS, President
Board of Commissioners
Humboldt Bay Harbor, Recreation and Conservation District

Coast Seafoods Company, Permittee, in the above Permit, hereby accepts and agrees to all of the conditions hereinabove set forth. Permittee shall indemnify and hold harmless the District, its Board of Commissioners, officers and employees from any and all claims of any nature arising from the performance of and work of improvement contained in the Application for injury, death or damage to any person or property.

Coast Seafoods Company, Permittee, in the above Permit, agrees to indemnify and hold harmless District, its Board of Commissioners, officers and employees from and against any and all liability, loss or damage District may suffer from claims and demands from attorneys' fees; costs of suit and costs of administrative records made against District by any and all third parties as a result of third party environmental actions against District arising out of the subject matter of this Permit including, but not limited to, attorneys' fees, costs of suit and costs of administrative records pursuant to the California Code of Civil Procedure §1021.5 or any other applicable local, state or federal laws, whether such attorneys fees, costs of suit and costs of administrative records are direct or indirect, or incurred in the compromise, attempted compromise, trial, appeal or arbitration of claims for attorneys' fees, costs of suit and costs of administrative records in connection with the subject matter of this Permit.

Dated: ______________________

GREG DALE
California Operations Manager
COAST SEAFOODS COMPANY
LEASE LISTING AGREEMENT
EXCLUSIVE AUTHORIZATION TO LEASE OR RENT
(C.A.R. Form LL, Revised 11/13)

1. EXCLUSIVE RIGHT TO LEASE: Humboldt Bay Harbor District ("Owner") hereby employs and grants Coldwell Banker Commercial PPRE ("Broker") beginning (date) June 9, 2016 and ending at 3:00 P.M. on (date) December 31, 2016 ("Listing Period") the exclusive and irrevocable right to lease or rent the real property in the City of Samoa, County of Humboldt, California, described as Redwood Terminal 2 (Exhibit A - Attached) ("Premises").

2. LISTING TERMS:
A. RENT AMOUNT: Dollars $ __________ per __________
B. SECURITY DEPOSIT:
C. TYPE OF TENANCY: (Check all that apply): [ ] Month-to-month; [ ] One year [X] Other Monthly - 5 year terms
D. ITEMS INCLUDED IN LEASE/Rental: All fixtures and fittings attached to the Premises and the following items of personal property: No personal property included in lease / rental.
E. ITEMS EXCLUDED FROM LEASE/Rental: [ ] Garage/Carpot;
F. ADDITIONAL TERMS: The leasing rates are reflected in Exhibit A (attached). Security deposits will be negotiated with prospective tenants and acceptable to Owner.

3. COMPENSATION:
Notice: The amount or rate of real estate commissions is not fixed by law. They are set by each Broker individually and may be negotiable between Owner and Broker (real estate commissions include all compensation and fees to Broker).
A. Owner agrees to pay to Broker as compensation for services, irrespective of agency relationship(s), as specified below:
(1) For fixed-term leases:
(a) Either (i) [ ] ______ percent of the total rent for the term specified in paragraph 2 (or if a fixed term lease is executed, of the total rent payments due under the lease); or (ii) [X] Attached Addendum #1.
(b) Owner agrees to pay Broker additional compensation of ________ if a fixed term lease is executed and is extended or renewed. Payment is due upon such extension or renewal.

(2) For Month-to-month rental: Either (i) [ ] ______ percent of ________; or (II) [ ] ________

(3) For either a fixed term or month-to-month:
(a) If during the Listing Period, or any extension, Broker, cooperating broker, Owner or any other person procures a ready, willing, and able Tenant(s) whose offer to lease/rent the Premises on any price and terms is accepted by Owner, and the Tenant takes possession of the Premises under the terms of the lease or rental or is prevented from doing so by Owner. (Broker is entitled to compensation whether any tenancy resulting from such offer begins during or after the expiration of the Listing Period, or any extension.)
(b) If Owner, within 60 calendar days after the end of the Listing Period or any extension thereof, enters into a contract to transfer, lease or rent the Premises to anyone ("Prospective Transferee") or that person's related entity: (i) who physically entered and was shown the Premises during the Listing Period or any extension thereof by Broker or a cooperating broker; or (ii) for whom Broker or any cooperating broker submitted to Owner a signed, written offer to lease or rent the Premises. Owner, however, shall have no obligation to Broker under this subparagraph 3A(3)(b) unless, not later than 60 calendar days after the end of the Listing Period or any extension, Broker has given Owner a written notice of the names of such Prospective Transferees.
(c) If, without Broker's prior written consent, the Premises are withdrawn from lease/rental, are leased, rented, or otherwise transferred, or made unmarketable by a voluntary act of Owner during the Listing Period, or any extension.

B. If commencement of the lease or rental is prevented by a party to the transaction other than Owner, then compensation which otherwise would have been earned under paragraph 3A shall be payable only if and when Owner collects damages by suit, arbitration, settlement or otherwise, and in an amount equal to the lesser of one-half of the damages recovered or the above compensation, after first deducting title and escrow expenses and the expenses of collection, if any.

C. In addition, Owner agrees to pay:

D. Broker may retain compensation due from any Tenant payments collected by Broker.
E. Owner agrees to pay Broker if Tenant directly or indirectly acquires, or enters into an agreement to acquire title to Premises or any part thereof, whether by sale, exchange or otherwise, during the term or any extension of tenancy, compensation equal to percent of the selling price or total consideration in said transfer, whichever is greater. Payment is due upon Tenant's direct or indirect acquisition of any legal or equitable interest in the Premises and, if there is an escrow, shall be through escrow.
F. Broker is authorized to cooperate with and compensate other brokers in any manner acceptable to Broker.
G. (1) Owner warrants that Owner has no obligation to pay compensation to any other broker regarding the lease or rental of Premises unless the Premises are leased or rented to:
(2) If Premises are leased or rented to anyone listed in 3G(1) during the time Owner is obligated to compensate another broker:
(i) Broker is not entitled to compensation under this Agreement; and (ii) Broker is not obligated to represent Owner with respect to such transaction.

Owner acknowledges receipt of a copy of this page.
Owner's initials (________)(________)
Reviewed by ______ Date ______

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REAL PROPERTY

Coldwell Banker Commercial Real Estate, 1034 Fifth Street, Suite A, Arcata, CA 95521
Phone: 707.442.22211 Fax: 707.442.4474

Seitz Peache
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Humboldt Bay
4. TENANT PAYMENTS: Broker is authorized to accept and hold from a prospective Tenant, a deposit to be X held uncashed or □ placed in Broker's trust account. Upon execution of a fixed term or month-to-month lease, payments received from Tenant shall be given to Owner or □.

5. KEYSAFE/LOCKBOX: □ (if checked) Owner authorizes the use of a keysafe/lockbox to allow entry into the Premises and agrees to sign a keysafe/lockbox addendum (C.A.R. Form KLA).

6. SIGN: (if checked) X Owner authorizes Broker to install a FOR LEASE sign on the Premises.

7. MULTIPLE LISTING SERVICE: Information about this listing will (or □ will not) be provided to a multiple listing service(s) (“MLS”) of Broker's selection. All terms of the transaction will be provided to the selected MLS for publication, dissemination and use by persons and entities on terms approved by the MLS. Seller authorizes Broker to comply with all applicable MLS rules. MLS rules allow MLS data to be made available by the MLS to additional Internet sites unless Broker gives the MLS instructions to the contrary.

8. SECURITY AND INSURANCE: Broker is not responsible for loss of or damage to personal or real property, or person, whether attributable to use of a keysafe/lockbox, a showing of the Premises, or otherwise. Third parties, including, but not limited to, inspectors, brokers and prospective tenants, may have access to, and take videos and photographs of, the interior of the Premises. Owner agrees: (i) to take reasonable precautions to safeguard and protect valuables that might be accessible during showings of the Premises; and (ii) to obtain insurance to protect against these risks. Broker does not maintain insurance to protect Owner.

9. OWNERSHIP, TITLE AND AUTHORITY: Owner warrants that: (i) Owner is the legal owner of the Property; (ii) no other persons or entities have title to the Property; and (iii) Owner has the authority to both execute this Agreement and lease or rent the Property.

Exceptions to ownership, title and authority:

10. LEAD-BASED PAINT DISCLOSURE: The Premises X were □ were not constructed prior to 1978. If the Premises were constructed prior to 1978, Owner is required to complete a federally mandated and approved lead-based paint disclosure form and pamphlet, which shall be given to Tenant prior to or upon execution of a lease or rental agreement.

11. OWNER REPRESENTATIONS: Owner represents that, unless otherwise specified in writing, Owner is unaware of: (i) any recorded Notice of Default affecting the Premises; (ii) any delinquent amounts due under any loan secured by, or other obligation affecting, the Premises; (iii) any bankruptcy, insolvency or similar proceeding affecting the Premises; (iv) any litigation, arbitration, administrative action, government investigation, or other pending or threatened action that does or may affect the Premises or Owner's ability to transfer it; and (v) any current, pending or proposed special assessments affecting the Premises. Owner shall promptly notify Broker in writing if Owner becomes aware of any of these items during the Listing Period or any extension thereof.

12. TAX WITHHOLDING:

A. If Owner is not a California Resident or a corporation or LLC qualified to conduct business in California, Owner authorizes Broker to withhold and transmit to California Franchise Tax Board (“FTB”) 7% of the GROSS payments to Owner that exceed $1,500 received by Broker, unless Owner completes and transmits to Broker FTB form 589, nonresident reduced withholding request, FTB form 588, nonresident withholding waiver, or FTB form 590, withholding exemption certificate.

B. If Owner is a nonresident alien individual, a foreign entity, or other non-U.S. person, (Foreign Investor) Owner authorizes Broker to withhold and transmit to the Internal Revenue Service (“IRS”) 30% of the GROSS rental receipts unless Owner elects to treat rental income as "effectively connected income" by submitting to Broker a fully completed IRS form W-8ECI, Certificate of Foreign Person's Claim for Exemption from Withholding on Income Connected With the Conduct of a Trade or Business in the United States. A Foreign Investor Owner will need to obtain a U.S. tax payer identification number and file declaration with the IRS regarding effectively connected income in order to complete the form given to Broker. Further, the Foreign Investor Owner will be responsible for making any necessary estimated tax payments.

13. BROKER’S AND OWNER’S DUTIES: Broker agrees to exercise reasonable effort and due diligence to achieve the purposes of this Agreement. Unless Owner gives Broker written instructions to the contrary, Broker is authorized to advertise and market the Premises in any medium, selected by Broker including MLS and the Internet and, to the extent permitted by these media, including MLS, control the dissemination of the information submitted to any medium. Owner agrees to consider offers presented by Broker and to act in good faith to accomplish the lease or rental of the Premises by, among other things, making the Premises available for showing at reasonable times and referring to Broker all inquiries of any party interested in the Premises subject to 3G. Owner is responsible for determining at what price and terms to list and lease or rent the Premises. Owner further agrees, regardless of responsibility, to indemnify, defend and hold Broker harmless from all claims, disputes, litigation, judgments and attorney’s fees arising from any incorrect information supplied by Owner, whether contained in any document, omitted therefrom or otherwise, or from any material facts that Owner knows but fails to disclose.

14. AGENCY RELATIONSHIPS:

A. Disclosure: If the Premises includes residential property with one to four dwelling units, and the listing is for a tenancy in excess of one year, Owner acknowledges receipt of the “Disclosure Regarding Agency Relationships” form (C.A.R. Form AD).

B. Owner Representation: Broker shall represent Owner in any resulting transaction, except as specified in paragraph 3G.

C. Possible Dual Agency With Tenant: Depending upon the circumstances, it may be necessary or appropriate for Broker to act as an agent for both Owner and Tenant. Broker shall, as soon as practicable, disclose to Owner any election to act as a dual agent representing both Owner and Tenant. If a Tenant is procured directly by Broker or an associate licensee in Broker’s firm, Owner hereby consents to Broker acting as a dual agent for Owner and such Tenant.

Owner acknowledges receipt of a copy of this page.

Owner’s Initials ( □ □)

Reviewed by ______ Date ______

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D. Other Owners: Owner understands that Broker may have or obtain listings on other properties and that potential tenants may consider, make offers on, or lease or rent through Broker, premises the same as or similar to Owner's Premises. Owner consents to Broker's representation of owners and tenants of other properties before, during and after the end of this Agreement.

E. Confirmation: If the Premises includes residential property with one to four dwelling units, and the agreed-upon lease is for a tenancy in excess of one year, Broker shall confirm the agency relationship described above, or as modified, in writing, prior to or coincident with Owner's execution of such lease.

15. EQUAL HOUSING OPPORTUNITY: The Premises is offered in compliance with federal, state and local anti-discrimination laws.

16. ATTORNEY'S FEES: In any action, proceeding or arbitration between Owner and Broker regarding the obligation to pay compensation under this Agreement, the prevailing Owner or Broker shall be entitled to reasonable attorney's fees and costs from the non-prevailing Owner or Broker, except as provided in paragraph 20A.

17. ADDITIONAL TERMS:

18. MANAGEMENT APPROVAL: If a salesperson or broker-associate enters this Agreement on Broker's behalf, and Broker/Manager does not approve of its terms, Broker/Manager has the right to cancel this Agreement, in writing, within 5 calendar Days After its execution.

19. SUCCESSORS AND ASSIGNS: This Agreement shall be binding upon Owner and Owner's successors and assigns.

20. DISPUTE RESOLUTION:

A. MEDIATION: Owner and Broker agree to mediate any dispute or claim arising between them regarding the obligation to pay compensation under this Agreement, before resorting to arbitration or court action. Mediation fees, if any, shall be divided equally among the parties involved. If, for any dispute or claim to which this paragraph applies, any party (i) commences an action without first attempting to resolve the matter through mediation, or (ii) before commencement of an action, refuses to mediate after a request has been made, then that party shall not be entitled to recover attorney fees, even if they would otherwise be available to that party in any such action. THIS MEDIATION PROVISION APPLIES WHETHER OR NOT THE ARBITRATION PROVISION IS INITIALED. Exclusions from this mediation agreement are specified in paragraph 20C.

B. ARBITRATION OF DISPUTES:

Owner and Broker agree that any dispute or claim in Law or equity arising between them regarding the obligation to pay compensation under this Agreement which is not settled through mediation, shall be decided by neutral, binding arbitration. The arbitrator shall be a retired judge or justice, or an attorney with at least 5 years of residential real estate Law experience, unless the parties mutually agree to a different arbitrator. The parties shall have the right to discovery in accordance with Code of Civil Procedure §1283.05. In all other respects, the arbitration shall be conducted in accordance with Title 9 of Part 3 of the Code of Civil Procedure. Judgment upon the award of the arbitrator(s) may be entered into any court having jurisdiction. Enforcement of this agreement to arbitrate shall be governed by the Federal Arbitration Act. Exclusions from this arbitration agreement are specified in paragraph 20C.

"NOTICE: BY INITIALING IN THE SPACE BELOW YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION DECIDED BY NEUTRAL ARBITRATION AS PROVIDED BY CALIFORNIA LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR JURY TRIAL. BY INITIALING IN THE SPACE BELOW YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS THOSE RIGHTS ARE SPECIFICALLY INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPelled TO ARBITRATE UNDER THE AUTHORITY OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY."

"WE HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION TO NEUTRAL ARBITRATION."

C. ADDITIONAL MEDIATION AND ARBITRATION TERMS: The following matters shall be excluded from mediation and arbitration: (i) a judicial or non-judicial foreclosure or other action or proceeding to enforce a deed of trust, mortgage or installment land sale contract as defined in Civil Code §2985; (ii) an unlawful detainer action; (iii) the filing or enforcement of a mechanic's lien; and (iv) any matter that is within the jurisdiction of a probate, small claims or bankruptcy court. The filing of a court action to enforce the recording of a notice of pending action, for order of attachment, receivership, injunction, or other provisional remedies, shall not constitute a waiver or violation of the mediation and arbitration provisions.

Owner acknowledges receipt of a copy of this page.

[Signature]
Owner's Initials: ____________________________ / ____________________________

Reviewed by: ____________________________ Date: ____________________________

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LEASE LISTING AGREEMENT (LL PAGE 3 OF 4)

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Humboldt Bay
21. TIME OF ESSENCE; ENTIRE CONTRACT; CHANGES: Time is of the essence. All understandings between the parties are incorporated in this Agreement. Its terms are intended by the parties as a final, complete and exclusive expression of their Agreement with respect to its subject matter, and may not be contradicted by evidence of any prior agreement or contemporaneous oral agreement. If any provision of this Agreement is held to be inapplicable or invalid, the remaining provisions will nevertheless be given full force and effect. Neither this Agreement nor any provision in it may be extended, amended, modified, altered or changed except in writing. This Agreement and any supplement, addendum or modification, including any copy, may be signed in two or more counterparts, all of which shall constitute one and the same writing.

Owner acknowledges Owner has read, understands, received a copy of and agrees to the terms of this Agreement.

Owner __________________________ Date __________________________
Owner Humboldt Bay Harbor District
Print Name __________________________
Address 601 Startare Dr City Eureka State CA Zip 95501-0765 Telephone (707)443-0801 Fax (707)443-0800 Email __________________________

Owner __________________________ Date __________________________
Owner __________________________
Address __________________________ City __________________________ State __________________________ Zip __________________________ Telephone __________________________ Fax __________________________ Email __________________________

Real Estate Broker (Firm) Coldwell Banker Commercial PPRE By (Agent) Scott Pesch Cal BRE Lic. # 0119750
Address 1036 5th Street, Suite A City Eureka State CA Zip 95501 Telephone (707)442-2222 Fax (707)442-4474 Email scott.pesch@coldwellbanker.com

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Reviewed by ______ Date ______

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LL REVISED 11/13 (PAGE 4 OF 4) LEASE LISTING AGREEMENT (LL PAGE 4 OF 4)
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Humboldt Bay
DISCLOSURE REGARDING REAL ESTATE AGENCY RELATIONSHIP
(Listing Firm to Seller)
(As required by the Civil Code)
(C.A.R. Form AD, Revised 12/14)

☐ (If checked) This form is being provided in connection with a transaction for a leasehold interest exceeding one year as per Civil Code section 2079.13(k) and (l).

When you enter into a discussion with a real estate agent regarding a real estate transaction, you should from the outset understand what type of agency relationship or representation you wish to have with the agent in the transaction.

SELLER'S AGENT
A Seller's agent under a listing agreement with the Seller acts as the agent for the Seller only. A Seller's agent or a subagent of that agent has the following affirmative obligations:

To the Seller: A Fiduciary duty of utmost care, integrity, honesty and loyalty in dealings with the Seller.

To the Buyer and the Seller:
(a) Diligent exercise of reasonable skill and care in performance of the agent's duties.
(b) A duty of honest and fair dealing and good faith.
(c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the parties. An agent is not obligated to reveal to either party any confidential information obtained from the other party that does not involve the affirmative duties set forth above.

BUYER'S AGENT
A selling agent can, with a Buyer's consent, agree to act as agent for the Buyer only. In these situations, the agent is not the Seller's agent, even if by agreement the agent may receive compensation for services rendered, either in full or in part from the Seller. An agent acting only for a Buyer has the following affirmative obligations:

To the Buyer: A fiduciary duty of utmost care, integrity, honesty and loyalty in dealings with the Buyer.

To the Buyer and the Seller:
(a) Diligent exercise of reasonable skill and care in performance of the agent's duties.
(b) A duty of honest and fair dealing and good faith.
(c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the parties. An agent is not obligated to reveal to either party any confidential information obtained from the other party that does not involve the affirmative duties set forth above.

AGENT REPRESENTING BOTH SELLER AND BUYER
A real estate agent, either acting directly or through one or more associate licensees, can legally be the agent of both the Seller and the Buyer in a transaction, but only with the knowledge and consent of both the Seller and the Buyer.

In a dual agency situation, the agent has the following affirmative obligations to both the Seller and the Buyer:
(a) A fiduciary duty of utmost care, integrity, honesty and loyalty in the dealings with either the Seller or the Buyer.
(b) Other duties to the Seller and Buyer as stated above in their respective sections.

In representing both Seller and Buyer, the agent may not, without the express permission of the respective party, disclose to the other party that the Seller will accept a price less than the listing price or that the Buyer will pay a price greater than the price offered.

The above duties of the agent in a real estate transaction do not relieve a Seller or Buyer from the responsibility to protect his or her own interests. You should carefully read all agreements to assure that they adequately express your understanding of the transaction. A real estate agent is a person qualified to advise about real estate. If legal or tax advice is desired, consult a competent professional.

Throughout your real property transaction you may receive more than one disclosure form, depending upon the number of agents assisting in the transaction. The law requires each agent with whom you have more than a casual relationship to present you with this disclosure form. You should read its contents each time it is presented to you, considering the relationship between you and the real estate agent in your specific transaction. This disclosure form includes the provisions of Sections 2079.13 to 2076.24, inclusive, of the Civil Code set forth on page 2. Read it carefully. I/we acknowledge receipt of a copy of this disclosure and the portions of the civil code printed on the back (or a separate page).

☐ Buyer ☐ Seller ☐ Landlord ☐ Tenant ___________________________ Date ___________________________

☐ Buyer ☐ Seller ☐ Landlord ☐ Tenant ___________________________ Date ___________________________

Agent ___________________________ Date ___________________________

Scott Pesch

(Brelicense or Broker-Associated)

Agency Disclosure Compliance (Civil Code §2079.14):
• When the listing brokerage company also represents Buyer/Tenant: The Listing Agent shall have one AD form signed by Seller/Landlord and a different AD form signed by Buyer/Tenant.
• When Seller/Landlord and Buyer/Tenant are represented by different brokerage companies: (i) the Listing Agent shall have one AD form signed by Seller/Landlord and (ii) the Buyer's/Tenant's Agent shall have one AD form signed by Buyer/Tenant and either the same or a different AD form presented to Seller/Landlord for signature prior to presentation of the offer. If the same form is used, Seller may sign here:

(SELLER/LANDLORD: DO NOT SIGN HERE) (SELLER/LANDLORD: DO NOT SIGN HERE)

Reviewed by ___________________________ Date ___________________________
### CIVIL CODE SECTIONS 2079.24 (2079.16 APPEARS ON THE FRONT)

2079.13 As used in Sections 2079.14 to 2079.24, inclusive, the following terms have the following meanings: (a) "Agent" means a person acting under provisions of Title 9 (commencing with Section 2265) in a real property transaction, and includes a person who is licensed as a real estate broker under Chapter 3 (commencing with Section 10130) of Part 1 of Division 4 of the Business and Professions Code, and under whose license a listing is executed or an offer to purchase is obtained. (b) "Associate licensee" means a person who is licensed as a real estate broker or salesperson under Chapter 3 (commencing with Section 10130) of Part 1 of Division 4 of the Business and Professions Code and who is either licensed under a broker or has entered into a written contract with a broker to act as the broker's agent in connection with acts requiring a real estate license and to function under the broker's supervision in the capacity of an associate licensee. The agent in the real property transaction bears responsibility for his or her associate licensees who perform as agents of the agent. When an associate licensee owes a duty to any principal, or to any buyer or seller who is not a principal, in a real property transaction, that duty is equivalent to the duty owed to that party by the broker for whom the associate licensees functions. (c) "Buyer" means a transferee in a real property transaction, and includes a person who executes an offer to purchase real property from a seller. (d) "Closing agent" means an agent in a real property transaction, and includes a person who executes a contract to sell real property from a seller or who seeks to sell the services of an agent in more than a casual, transactional sense in a non-periodic or preliminary manner, with the object of entering into a real property transaction. (e) "Closing agent" includes vendee or lessee. (d) "Commercial real property" means all real property in the state, except single-family residential real property, dwelling units made subject to Chapter 2 (commencing with Section 1940) of Title 5, mobilehomes, as defined in Section 798.3, or recreational vehicles, as defined in Section 798.29. (e) "Dual agent" means an agent acting either directly or through an associate licensee, as agent for both the seller and buyer in a real property transaction. (f) "List agreement" means a contract between an owner of real property and an agent, by which the agent has been authorized to sell the real property or to find or obtain a buyer. (g) "List agreement" means a person who has obtained a listing of real property to act as an agent for compensation. (h) "List price" is the amount expressed in dollars specified in the listing for which the seller is willing to sell the real property through the listing agent. (i) "Offering price" is the amount expressed in dollars specified in an offer to purchase for which the buyer is willing to buy the real property. (j) "Offer to purchase" means a written contract executed by a buyer acting through a selling agent that becomes the contract for the sale of the real property upon acceptance by the seller. (k) "Real property" means any interest specified by subdivision (1) or (2) of Section 761 in property that constitutes or is improved with one to four dwelling units, any commercial real property, any leasehold in these types of property exceeding one year's duration, and mobile homes, when offered for sale or sold through an agent pursuant to the authority contained in Section 10131.8 of the Business and Professions Code. (l) "Real property transaction" means a transaction for the sale of real property in which an agent is employed by one or more of the principals to act in that transaction, and includes a listing or an offer to purchase. (m) "Sell," "sale," or "sold" refers to a transaction for the transfer of real property from the seller to the buyer, and includes exchanges of real property between the seller and buyer, transactions for the creation of a real property sales contract within the meaning of Section 29865, and transactions for the creation of a leasehold exceeding one year's duration. (n) "Seller" means the transferor in a real property transaction, and includes an owner who lists real property with an agent, whether or not a transfer results, or who receives an offer to purchase real property from which he or she is an agent on behalf of another. "Seller" includes both a vendor and a lessor. (o) "Selling agent" means a listing agent that acts alone, or an agent who acts in cooperation with a listing agent, and who sells or finds and obtains a buyer for the real property, or an agent who locates property for a buyer or who finds a buyer for a property for which no listing exists and offers a purchase to the seller. (p) "Subagent" means a person to whom an agent delegates agency powers as provided in Article 5 (commencing with Section 2349) of Chapter 1 of Title 9. However, "subagent" does not include an associate licensee who is acting under the supervision of an agent in a real property transaction.

2079.14 Any selling agent shall provide the seller and buyer in a real property transaction with a copy of the disclosure form specified in Section 2079.15, and, except as provided in subdivision (c), shall obtain a signed acknowledgement of receipt from that seller or buyer, except as provided in this section or Section 2079.15, as follows: (A) The listing agent, if any, shall provide the disclosure form to the seller prior to entering into the listing agreement. (b) The selling agent shall provide the disclosure form to the seller as soon as practicable prior to presenting the seller with an offer to purchase, unless the selling agent previously provided the seller with a copy of the disclosure form pursuant to subdivision (a). (c) Where the selling agent does not deal on a face-to-face basis with the seller, the disclosure form prepared by the selling agent may be furnished to the seller (and acknowledgement of receipt obtained for the selling agent from the seller) by the listing agent, so long as the selling agent may deliver the disclosure form by certified mail addressed to the seller at her last known address, in which case no signed acknowledgement of receipt is required. (d) The selling agent shall provide the disclosure form to the buyer as soon as practicable prior to execution of the buyer's offer to purchase, except that if the offer to purchase is not prepared by the selling agent, the selling agent shall present the disclosure form to the buyer not later than the next business day after the selling agent receives the offer to purchase from the buyer.

2079.15 In any circumstance in which the seller or buyer refuses to sign an acknowledgement of receipt pursuant to Section 2079.14, the agent, or an associate licensee acting for an agent, shall set forth, sign, and date a written declaration of the facts of the refusal.

2079.16 Reproduced on Page 1 of this AD form.

2079.17 (a) As soon as practicable, the selling agent shall disclose to the buyer and seller whether the selling agent is acting in the real property transaction exclusively as the buyer's agent, exclusively as the seller's agent, or as a dual agent representing both the buyer and the seller. This relationship shall be confirmed in the contract to purchase and sell real property or in a separate written executed or acknowledged by the seller, the buyer, and the selling agent prior to or coincident with execution of that contract by the buyer and the seller; respectively. As soon as practicable, the listing agent shall disclose to the seller whether the selling agent is acting in the real property transaction exclusively as the seller's agent, or as a dual agent representing both the buyer and seller. This relationship shall be confirmed in the contract to purchase and sell real property or in a separate writing executed or acknowledged by the seller and the listing agent prior to or coincident with the execution of that contract by the seller.

<table>
<thead>
<tr>
<th>(Name of Listing Agent)</th>
<th>(DO NOT COMPLETE. SAMPLE ONLY)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Name of Selling Agent if not the same as the Listing Agent)</td>
<td></td>
</tr>
</tbody>
</table>

(d) The disclosures and confirmation required by this section shall be in addition to the disclosure required by Section 2079.14.

2079.18 No selling agent in a real property transaction may act as an agent for the buyer only, when the selling agent is also acting as the listing agent in the transaction.

2079.19 The payment of compensation or the obligation to pay compensation to an agent by the seller or buyer is not necessarily determinative of a particular agent relationship between an agent and the seller or buyer. A listing agent and a selling agent may agree to share any compensation or commission paid, or any right to any compensation or commission for which an obligation arises as the result of a real estate transaction, and the terms of any such agreement shall not necessarily be determinative of a particular relationship.

2079.20 Nothing in this section prevents an agent from selecting, as a condition of the agent's employment, a specific form of agency relationship not specifically prohibited by this article if the requirements of Sections 2079.14 and 2079.17 are complied with.

2079.21 A dual agent shall disclose to the buyer that the seller is willing to sell the property at a price that is less than the listing price, without the express written consent of the seller. A dual agent shall not disclose to the seller that the buyer is willing to pay a price greater than the offering price, without the express written consent of the buyer. This section does not alter in any way the duty or responsibility of a dual agent to any principal with respect to confidential information other than price.

2079.22 Nothing in this article precludes a listing agent from also being a selling agent, and the combination of these functions in one agent does not, of itself, make that agent a dual agent.

2079.23 A contract between the principal and agent may be modified or altered to change the agency relationship at any time before the performance of the act which is the object of the agency with the written consent of the parties to the agency relationship.

2079.24 Nothing in this article shall be construed to either diminish the duty of disclosure owed buyers and sellers by agents and their associate licensees, subagents, and employees of or to relieve agents and their associate licensees, subagents, and employees from liability for their conduct in connection with acts governed by this article or for any breach of a fiduciary duty or a duty of disclosure.

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DISCLOSURE REGARDING REAL ESTATE AGENCY RELATIONSHIP (AD PAGE 2 OF 2)

Produced with zpipos by zpipos 18070 Fifty Mile Road, Fraser, Michigan 48026 www.zpipos.com
Humboldt Bay
ADDENDUM
(C.A.R. Form ADM, Revised 12/15) No. 1

The following terms and conditions are hereby incorporated in and made a part of the: ☐ Purchase Agreement, ☐ Residential Lease or Month-to-Month Rental Agreement, ☐ Transfer Disclosure Statement (Note: An amendment to the TDS may give the Buyer a right to rescind), ☑ Other Lease Listing Agreement dated May 31, 2015, on property known as Redwood Terminal 2, Samoa, in which Coldwell Banker Commercial (Broker) is referred to as ("Buyer/Tenant") and Humboldt Bay Harbor District is referred to as ("Seller/Landlord").

1. Compensation (Paragraph 3 of Lease Listing Agreement):
   a. A 6% commission fee on the total rent received shall be paid on a monthly basis for the initial lease term up to 5 years in length. In the event a longer term lease is executed, years 6-10 shall be at a 4% commission fee. In the event a cooperating broker is involved, the commission fee shall be evenly split.

   b. A commission fee shall not be paid to Broker for any extensions or option periods.

   c. In the event a Tenant is in default or leaves the space prematurely, the commission shall not be paid to Broker for the remaining term. Broker is compensated only when a lease agreement is fully executed and rent commencement begins.

   d. When using the 6% commission fee structure and a lease agreement is completed that results in a total commission between $20,000 - $40,000, the commission fee shall be reduced to 5%. If a lease agreement is completed that results in a total fee over $40,000, the commission fee shall be reduced to 4%.

2. Tenant Exclusions: Within 7 days after executing the Lease Listing Agreement, the Landlord shall provide the Broker a list of potential tenants that would be excluded from the Broker receiving any commission fee. Landlord would work directly with the list of potential tenants without the assistance of the Broker.

The foregoing terms and conditions are hereby agreed to, and the undersigned acknowledge receipt of a copy of this document.

Date ___________________________ Date ___________________________
Buyer/Tenant Coldwell Banker Commercial (Broker) Seller/Landlord Humboldt Bay Harbor District
Buyer/Tenant ___________________________ Seller/Landlord ___________________________

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Reviewed by ______ Date ________

ADM REVISED 12/15 (PAGE 1 OF 1)
ADDENDUM (ADM PAGE 1 OF 1)
Exhibit A

Machine Building
30,400 sq ft @ .10¢
$3,040/mo.

Shops & Stores
Building
41,040 sq ft

Office
3,200 sq ft

Enclosed
Warehouse
@ .40¢ psf

Shops & Stores
Building
@ .15¢ psf
(upper levels - no charge)

Exterior Space
.05¢ psf

Warehouse
10,000sf @ .30¢ = $3,000/mo.
30,000sf @ .25¢ = $7,500/mo.
60,000sf @ .20¢ = $12,000/mo.

Loading Shed
2,400 sq ft

Office
450 sq ft

Common Area
Access
w/ Dock
Loading/Unloading

1

2
Warehouse #2
65,000 sq ft

3

4

5

6
Warehouse #1
66,200 sq ft

7