AGENDA

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

DATE: May 14, 2015
TIME: 6:00 p.m. Executive Closed Session
7:00 p.m. Regular Session
PLACE: Woodley Island Marina Meeting Room

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

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 54956.8 (Conference with Real Property Negotiators):
      1. Conference with Real Property Negotiator
         Agency Negotiator: Board President, Executive Director and District Counsel
         Under Negotiation:
         Pre-Permitted Oyster Leases
      2. Conference with Real Property Negotiator
         Agency Negotiator: Board President, Executive Director and District Counsel
         Under Negotiation:
         Exclusive Right to Negotiate with Sustainable World Solutions, LLC.

2. Adjourn Executive Closed Session

3. Call to Order Regular Session at 6:00 P.M. and Roll Call

4. Pledge of Allegiance

5. 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.

6. Consent Calendar
   a. Consideration of approval of minutes from the August 28, 2014 Board Meeting.
   b. Consideration of approval of minutes from the September 11, 2014 Board Meeting.
   c. Consideration of approval of minutes from the September 25, 2014 Board Meeting.
   d. Consideration of approval of minutes from the October 9, 2014 Board Meeting
   e. Consideration of approval of minutes from the October 23, 2014 Board Meeting.
   f. Consideration of approval of minutes from the November 13, 2014 Board Meeting.
Agenda for May 14, 2015 Regular Board Meeting

7. Communications and Reports
   a. Executive Directors Report
      • Redwood Terminal 2 – Clean up
      • Redwood Terminal 2 – Substation repairs
      • Redwood Marine Terminal 1 – Power restoration
      • Community Development Block Grant Feasibility Study
   b. Staff Reports
   c. District Counsel, District Planner and District Treasurer Reports
   d. Commissioner and Committee Reports
   e. Other
      • Albert Lemus – Lawes Enterprises

8. Non Agenda

9. Unfinished Business
   a. Status of Coastal Development Permit, Water Board 401 Permit and Arcata Use Permit for Water Trails Project.
   b. Consideration of adoption of FY 2015/16 Preliminary Budget.

10. New Business
    a. Discussion - Woodley Island Wildlife Committee – Commissioner Higgins
    b. Consideration of accepting for filing Permit Application 15-04 from the Humboldt Bay Harbor, Recreation and Conservation District for a hagfish holding facility at Redwood Marine Terminal Berth 1 (Redwood Dock).
    c. Consideration of letter of Support for SB 788, the California Coastal Protection Act of 2015.
    d. Consideration of securing credit card information from tenants to allow for automatic payments.
    e. Consideration of rates for offloading seafood at District properties.
    f. Consideration of costs and insurance requirements for direct sales of fish from vessels at Woodley Island Marina.

11. Administrative and Emergency Permits
    a. Administrative Permit A-2015-01 was issued to chevron USA for removal of 4 abandoned concrete floats in Humboldt Bay.

12. Adjournment
MINUTES (Subject to Approval)
REGULAR MEETING OF THE BOARD OF COMMISSIONERS
HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT

August 28, 2014

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

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

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

President Marks called the regular meeting of the Board of Commissioners to order at 7:01 p.m.

Captain John Powell led those present in the Pledge of Allegiance.

District Counsel reported on the Executive Closed Session as follows: Status of Conference with Real Property Negotiator: No action taken; Status on Conference with Legal Counsel – Existing Litigation: District Counsel reported the case has been resolved and settled. Full payment and back rent has been approved by general consensus of all Board members.

PUBLIC COMMENT:

Debbie Provolt asked how much the USEPA wants for the cleanup compensation from the Harbor District. She said she is not asking for disclosure of confidential information, but she heard the cost of the cleanup was approximately $8m and she was wondering who they were going to collect from.

Karen Brooks announced on September 28 at 10 a.m. there would be a 2 or 5 mile waterfront run and she invited everyone to attend. The money raised will be used to purchase youth running shoes and to promote the bay trail. Also in April and September the Six Rivers Running Club Marathon from Elk River to Arcata and back will be to support bay trails.

Kent Sawatzky said he and others are willing to donate/grant funds to Timber Heritage Association, but the main criteria is that they must own the property. He also said he support enabling coastal dependent industrial properties to be used short-term for other uses; however he does not support those properties being converted to residential.

CONSENT CALENDAR: None

COMMUNICATIONS AND REPORTS

CEO REPORT:

- CEO wished Captain John Powell well in his retirement from the Harbor District and his new private endeavor as Humboldt Bar Pilots Association and thanked him for his years of service to the Harbor District.
Redwood Terminal 2 Cleanup: CEO reported he saw the first couple of tanks, originally brought in for additional storage capacity, leaving today by truck. He said the vacant spots are very obvious looking down from the top of the boiler. USEPA will be gone for about one month and then will return to start removing the sludge. There are less than 1,100 gallons of liquors left to be transported and they should be gone the first week of September.

Vic Markytan, President of MM Diving, gave the Board a report. He said the GPS coordinates were good and the diver found the pipe on the first try. There is 864' of clogged pipe. It will cost $12-14,000 per day, plus the cost of a boat, to dig out the pipe and will take approximately one week. It is critical to put a buoy on to mark the end of the pipe as soon as possible.

**STAFF REPORTS:**

- Adam Wagschal – HT Harvey & Associates
  - Reported interested mariculture growers were taken on a site visit as part of the mariculture pre-permitting project.
  - Reported on the Eelgrass Management Plan for Humboldt Bay
    - The current management of eelgrass is not working; there are too many differing policies and the mitigation plans are failing.
    - A two-day workshop is being planned for October 6-7 to address eelgrass issues. Non-governmental organizations, regulatory agencies, stakeholders and experts are being invited.

District Planner

- Fisherman’s Channel Dredging
  - PG&E staff took District Planner on a site visit August 21. The primary dredging need is at the channel entrance. PG&E estimates 560 cy of sediment will need to be removed to achieve a design depth of 8'. A biological survey noted the presence of 0.14 acres of eelgrass and it is anticipated that a 4:1 eelgrass mitigation plan will be required.
  - A potential dredge material disposal site is at King Salmon Beach. An alternative site is the District’s Fields Landing site for temporary dredge material dewatering.
  - Staff seeks direction from the Board to hold a meeting for the regulatory agencies for project review and early consultation.

**DISTRICT COUNSEL REPORT:** None.

**COMMISSIONER AND COMMITTEE REPORTS:**

Commissioner Dale:

- Met with the new Port Commission Officer in Coos Bay, Oregon.

President Marks:

- Reported the tanks at the pulp mill site are being quickly moved out. He thanked the Board, District staff and USEPA for all the hard work accomplishing this clean-up project.

Commissioner Wilson:

- Attended a barbeque luncheon sponsored by the District and the US Coast Guard – a thank you to the USEPA and agency staff.
- Attended the shellfish growers tour. Heard compliments about how this is the most business friendly area.
- Attended the Humboldt Bay Harbor Working Group meeting - Andrew Sturmfels, the Legislative and Intergovernmental Affairs representative from GOBiz was the guest speaker.
Commissioner Higgins:
- Had a great time at the barbeque.
- Met the new US Army Corps of Engineers Lt. Col. John Morrow
- Pacific halibut – Even though there is plenty of halibut, the August closure will most likely continue for years.

OTHER

Larry Henderson, Humboldt Bay Harbor Working Group, spoke about interagency harbor collaboration. The goal is to create new jobs. The harbor is underutilized – there should be one vision, one strategy, one priority and one plan of action for the harbor portion of the bay. He said the District, City and County should all adopt the same plan so that there would be one guiding document.

Susanna Munsell said Mr. Sturmfels (GOBiz) said businesses look for a united community.

Commissioner Higgins asked Mr. Henderson what he thought of the two recent rail studies. Mr. Henderson said his purpose of this presentation was not to debate the benefits of the railroad, but that he understood the results of the study was that the study was made to determine whether the District should spend money at this time and the study said no, the rail should not be a high priority at this time.

Commissioner Wilson spoke about the many ways the District is collaborating with others on various planning processes, studies, etc. He said he doesn’t see any conflict with the agencies the District is already collaborating with.

Commissioner Dale said he was offended by the notion the Harbor District does not currently, or has not in the past, collaborate with others. He said the District Board is just not doing what the Harbor Working Group wants them to do.

Mr. Henderson said the District is out of compliance with planning laws. Commissioner Wilson said he spoke with Dr. Chad Roberts, who said the District is in compliance. District Planner agreed as well.

UNFINISHED BUSINESS

President Marks acknowledged a number of people in the audience wishing to speak on the Fisherman’s Channel dredging project. He said normally Public Comment is where this should take place, but there was some confusion about the item being under District Planner’s report. He allowed public comment at this time.

Monte Provolt asked about the time frame on the dredging now that the District has received money from PG&E. He asked who is responsible for what pieces of the dredging project. Dredging is imperative because the banks are sloughing in and at low tide the channel is silted in. He asked how many more phases have to be completed before the dredging can begin.

NEW BUSINESS:

A. CONSIDERATION OF ACCEPTING FILING APPLICATION FOR PERMIT 14-06 TO MLRX2, LLC FOR THE MLRX2 STORMWATER IMPROVEMENT AND TIDE GATE PROJECT.

COMMISSIONER HIGGINS MOVED TO ACCEPT FOR FILING THE APPLICATION FOR PERMIT 14-06 TO MLRX2, LLC FOR THE MLRX2 STORMWATER IMPROVEMENT AND TIDE GATE PROJECT. COMMISSIONER WILSON SECONDED. MOTION CARRIED WITHOUT DISSENT.
B. CONSIDERATION OF ADOPTION OF REVISED DISTRICT PERSONNEL POLICIES.

COMMISSIONER WILSON MOVED TO TABLE THE ADOPTION OF REVISED DISTRICT PERSONNEL POLICIES. COMMISSIONER HIGGINS SECONDED.

Commissioner Wilson suggested the position of Director of Conservation should remain since the Environmental Specialist does not have the authority or weight to represent the District.

President Marks suggested Commissioner Wilson work with CEO to finalize the document for Board consideration.

MOTION CARRIED WITHOUT DISSENT.

ADMINISTRATIVE AND EMERGENCY PERMITS

Administrative Permit A-2014-04 to Wiyot Tribe for Debris Cleanup on Indian Island was issued.

The Regular Meeting of the Board of Commissioners adjourned at 9:04 p.m.

APPROVED BY: 

RECORDED BY:

Greg Dale  
Secretary

Patricia Tyson  
Director of Administrative Services
MINUTES (Subject to Approval)
REGULAR MEETING OF THE BOARD OF COMMISSIONERS
HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT

September 11, 2014

PRESENT:
Commissioner Newman
Commissioner Dale
Commissioner Marks
Commissioner Higgins

ABSENT:
Commissioner Wilson

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

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

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

Commissioner Dale led those present in the Pledge of Allegiance.

District Counsel reported on the Executive Closed Session as follows: Status of Conference with Real Property Negotiator; Timber Heritage Association purchase of Redwood Marine Terminal Berth 1 Roundhouse Real Property - No action taken; Status of Public Employee Performance Evaluation: District Counsel reported personnel items are confidential; however the Board wanted to report out that in evaluating the Chief Executive Officer, they are very pleased in his job performance and feel he is doing a great service to the Commission, the employees, the District and the community and they have every confidence in his abilities. Commissioner Wilson was absent during the CEO’s evaluation; and the action of the other four Commissioners was unanimous.

PUBLIC COMMENT: None

CONSENT CALENDAR: None

COMMUNICATIONS AND REPORTS

CEO REPORT:

- Fisherman’s Channel Dredging
  - Positive direction for a disposal site for the Fisherman’s Channel dredging. Exploring use of existing cells on King Salmon beach, which is very close to the entrance of the channel.
  - Eelgrass mitigation is a challenge for the dredging project.
  - Several of the PG&E representatives introduced themselves.
  - The next step is to reach out to local agencies regarding the concept of the King Salmon beach disposal. The previous permitting documents were reviewed; but the permitting was 25 years ago and the cells were never filled. The cells have now filled in with vegetation.

- Announced Congressman Huffman released the notice that the liquors have all been removed from the pulp mill site. The cost of transportation came in under $1.25 million, which was the total amount of the Coast Seafoods loan.

- Three items came in after the agenda was distributed and are time sensitive; Advanced Appraisal International $8,000 for the Fields Landing appraisal; MM Diving $9,000 for the outfall pipe buoy and testing fire boat jet for clearing pipe; and Robert Colburn Electric $11,000 for Berth 1 electrical service for lights and hoist. These items need Commission approval since they exceed the CEO’s authorization limit.
COMMISSIONER HIGGINS MOVED TO ADD THESE THREE ITEMS TO THE AGENDA AS NEW BUSINESS ITEMS 10E, 10F AND 10G FOR CONSIDERATION. COMMISSIONER DALE SECONDED. MOTION CARRIED WITHOUT DISSENT.

STAFF REPORTS:

Director of Harbor Operations/Bar Pilot:
- Trucks were in today with the final load of the dredge equipment.
- As part of the debris removal project, 13 floats were removed near the ice plant within the last two days; loaded on trucks and transported for disposal.

District Planner
- Continuing to receive RFPs for Redwood Terminal 2 improvements and there is a voluntary site visit next Monday. There has been good interest in the site.
- Continuing to look at the beneficial reuse; White Slough is an option.

District Treasurer
- Has been working on the District’s year end accounting issues and readying for the annual audit.
- Has been responding to information requests for the bond refunding.

DISTRICT COUNSEL REPORT: None.

COMMISSIONER AND COMMITTEE REPORTS:

Commissioner Higgins:
- Interested in the New Markets Tax Credit project.
- Helped with the press article to welcome the new Lt. Colonel of the US Army Corps of Engineers.
- Suggested Commissioners thank USEPA for their work cleaning up the pulp mill site.
- Flew in an airplane to view the Eel River for the Eel River Recovery Project. The river has disconnected near Fortuna.

President Marks:
- Assisted with tours at Redwood Terminal 2. There are many prospective tenants.
- Working with the committee for cruise ship itinerary sites.
- Working with Timber Heritage Association on the purchase of property.
- NCRA meeting – Karen Diemer talked about the Trails with Trails from Arcata to south of Target in Eureka.

Commissioner Dale:
- Met with an individual who had interesting suggestions for Redwood Terminal 2.

Commissioner Newman:
- Toured Timber Heritage Association’s facility at Berth 1.
- Tomorrow is opening day of commercial salmon season in Humboldt Bay.

OTHER

Albert Lemus from Loews Enterprises updated the Board on the New Market Tax Credits program process. Currently there are two commitments from two intermediaries for a total of $12 million. He is also working with three lenders to secure the loan to facilitate the transactions. The next steps are to finalize the project scope and budget (September 22), present the progress to the Board (October 15) and finalize the loan and close (November 15).
UNFINISHED BUSINESS

A. DISCUSSION OF REVISED DISTRICT PERSONNEL POLICIES AND JOB CLASSIFICATION DESCRIPTIONS.

CEO stated there have been some changes to the classification descriptions and position titles. He said having an Executive Director instead of a CEO is more consistent in the port world and he suggests creating a Deputy Director position as second in charge. Director of Conservation will be eliminated; the Environmental Specialist would cover the majority of the job responsibilities. Director of Harbor Operations replaces Director of Maritime Commerce. The Harbor District continues to certify Bar Pilots, but the job title will be eliminated. CEO talked about several other positions that have been eliminated and created through the recent employee union negotiations.

B. DISCUSSION OF FINANCIAL SUPPORT OF SAMOA FIRE DISTRICT.

CEO stated recently the Harbor District was invoiced $5,000 by the County of Humboldt for Samoa peninsula property taxes now that the District purchased the pulp mill property. The Harbor District and the Samoa Fire District (SFD) have appreciation for each other's responsibilities and want to work out an agreement that would benefit both, other than simply paying the property taxes. SFD waived the 2012/13 property taxes assessed to the Harbor District, which was appreciated. CEO said if the pulp mill property was full of tenants, the property taxes paid to the County would be helpful to SFD; currently the Fire Chief is not being paid due to expenses are more than revenues. Both agencies have assets and staff that complement each other and are wanting to support each other.

District Counsel stated generally speaking government agencies are not taxes (i.e. property taxes) and he will do more research. He also said as long as there are no gifts of public funds by either entity, an agreement for mutual support could be developed.

President Marks said he is a past Board member of the SFD and realizes the hardship SFD faces to keep operating. He asked staff to bring back this item as an action item for the Board's consideration at the next Board meeting.

NEW BUSINESS:

A. CONSIDERATION OF APPROVING FUNDING IN THE AMOUNT OF $10,000 TO SUPPORT THE HUMBOLDT BAY EELGRASS MANAGEMENT WORKSHOP.

Adam Wagschal from HT Harvey & Associates said eelgrass is a native seagrass plant in Humboldt Bay. In California, there has been a major decline in seagrass from a variety of reasons; however, in Humboldt Bay, eelgrass is well distributed and is the most dominant intertidal habitat. Permitting for projects, especially the upcoming dredging projects, affect eelgrass and there is no consistent policy.

The draft goals of the Eelgrass Management Plan are: develop consistent, effective and broadly applied policies for eelgrass management, including for how eelgrass impacts are minimized, assessed and mitigated; and development mechanisms for effective and predictable mitigation and conservation.

Mr. Wagschal said holding a two-day workshop would accomplish these goals. The workshop would consist of presentations from eelgrass experts nationwide, state and federal regulatory agencies, and a boat tour of the bay. The anticipated workshop outcomes are 1) a common understanding regarding: eelgrass and eelgrass ecology in Humboldt Bay and elsewhere, eelgrass management in Humboldt Bay and elsewhere, past eelgrass restoration efforts in
Humboldt Bay, effects of human activity on eelgrass and existing laws and regulations pertaining to eelgrass management in Humboldt Bay; and 2) agreement regarding options that would potentially improve eelgrass management in Humboldt Bay and agreement regarding a process for developing a Humboldt Bay Comprehensive Eelgrass Management Strategy.

CEO said funds were received from PG&E for dredging activities and this eelgrass workshop would be a good fit. It is time to get the agencies to roll up their sleeves and find a solution to this problem of eelgrass mitigation. He has been asked if the Harbor District will do another symposium; if so, he would like to do one on eelgrass.

COMMISSIONER HIGGINS MOVED FOR THE APPROVAL OF FUNDING IN THE AMOUNT OF $10,000 TO SUPPORT THE HUMBOLDT BAY EELGRASS MANAGEMENT WORKSHOP. 
COMMISSIONER NEWMAN SECONDED.

Commissioner Dale said this is the beginning of a process to develop a regional eelgrass mitigation plans and hopefully the state and federal regulatory agencies will come through with some monetary help. He also said he would make sure the shellfish industry contributes as well.

MOTION CARRIED WITHOUT DISSENT.

B. CONSIDERATION TO OF APPROVING FUNDING NOT TO EXCEED $10,000 TO SUPPORT HIRING OF A CRUISE SHIP DIRECTOR.

CEO reported there has not been much marketing since 2010. He learned what has to be marketed and who to market to during his time in Astoria. Astoria has a Cruise Ship Director who caters to the itinerary planners, excursion planners, bookings, etc.

Bruce Conner is the Cruise Ship Director in Astoria since 2004. It takes 1-2 years in order to get bookings. His cost to provide services is $25,000 and renewal of the Cruise the West membership. The City of Eureka has agreed to contribute $10,000 and the County of Humboldt would consider the expense in October.

The three most important things to attract cruise ships are to keep the ship captain happy, keep the passengers happy and protect the financial interests of the ship company.

COMMISSIONER DALE MOVED TO APPROVE FUNDING TO SUPPORT HIRING OF A CRUISE SHIP DIRECTOR. COMMISSIONER NEWMAN SECONDED.

Commissioner Higgins asked CEO about the infrastructure. CEO said there have been many conversations with Dave and Ryan Schneider regarding the use of his dock. The Schneiders are willing to work around the log ships. A 75’ gangway is needed to make the dock area useable for cruise ships.

COMMISSIONER DALE AMENDED HIS MOTION TO APPROVE FUNDING NOT TO EXCEED $10,000 TO SUPPORT HIRING OF A CRUISE SHIP DIRECTOR. COMMISSIONER NEWMAN SECONDED. MOTION CARRIED WITH COMMISSIONER HIGGINS DISSENTING.

C. CONSIDERATION OF ADOPTION OF RESOLUTION 2014-10 WHICH ESTABLISHES FINDINGS RELATIVE TO THE APPLICATION BY CHEVRON USA, INC. FOR THE EUREKA TERMINAL REPAIR PROJECT.

COMMISSIONER HIGGINS MOVED FOR THE ADOPTION OF RESOLUTION 2014-10 WHICH ESTABLISHES FINDINGS RELATIVE TO THE APPLICATION BY CHEVRON USA, INC. FOR THE EUREKA TERMINAL REPAIR PROJECT. COMMISSIONER DALE SECONDED.
District Planner reported the permit is for repairs at the Chevron dock. The repairs are consistent with the Humboldt Bay Management Plan.

ROLL CALL VOTE:
COMMISSIONER NEWMAN – AYE
COMMISSIONER DALE – AYE
COMMISSIONER MARKS – AYE
COMMISSIONER WILSON – ABSENT
COMMISSIONER HIGGINS – AYE

MOTION CARRIED WITHOUT DISSENT.

D. CONSIDERATION OF GRANTING PERMIT 14-02 TO CHEVRON USA, INC. FOR THE EUREKA TERMINAL REPAIR PROJECT.

COMMISSIONER HIGGINS MOVED FOR GRANTING PERMIT 14-02 TO CHEVRON USA, INC. FOR THE EUREKA TERMINAL REPAIR PROJECT. COMMISSIONER NEWMAN SECONDED. MOTION CARRIED WITHOUT DISSENT.

E. CONSIDERATION TO AUTHORIZE PAYMENT OF THE FOLLOWING EXPENSES WHICH HAVE BEEN IDENTIFIED AS BEING BEYOND THE CEO’S AUTHORIZATION LIMIT: ADVANCED APPRAISAL INTERNATIONAL $8,000; MM DIVING $9,000; AND ROBERT COLBURN ELECTRIC $11,000.

COMMISSIONER HIGGINS MOVED TO AUTHORIZE PAYMENT OF THE FOLLOWING EXPENSES WHICH HAVE BEEN IDENTIFIED AS BEING BEYOND THE CEO’S AUTHORIZATION LIMIT: ADVANCED APPRAISAL INTERNATIONAL $8,000; MM DIVING $9,000; AND ROBERT COLBURN ELECTRIC $11,000.COMMISSIONER NEWMAN SECONDED.

ADMINISTRATIVE AND EMERGENCY PERMITS: None.

The Regular Meeting of the Board of Commissioners adjourned at 8:40 p.m.

APPROVED BY: _________________________________  RECORDED BY: _________________________________

Greg Dale  Patricia Tyson
Secretary  Director of Administrative Services
MINUTES (Subject to Approval)
REGULAR MEETING OF THE BOARD OF COMMISSIONERS
HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT

September 25, 2014

PRESENT:
Commissioner Newman
Commissioner Marks
Commissioner Higgins

ABSENT:
Commissioner Dale
Commissioner Wilson

President Marks called the Executive Closed Session to order at 6:01 p.m.

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

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

Commissioner Higgins led those present in the Pledge of Allegiance.

District Counsel reported on the Executive Closed Session as follows: There was an error on the agenda: There was no item for Public Employee Performance Evaluation. Status of Conference with Real Property Negotiator: Timber Heritage Association purchase of Redwood Marine Terminal Berth 1 Roundhouse Real Property - No action taken.

PUBLIC COMMENT

Kent Sawatzky met with Tom Leroy of the Pacific Watershed Association regarding coho restoration in the Glendale area. With the approval of local landowners, it may be possible to put in a pond instead of a hatchery.

CONSENT CALENDAR

COMMISSIONER HIGGINS MOVED FOR THE APPROVAL OF THE CONSENT CALENDAR. COMMISSIONER NEWMAN SECONDED. MOTION CARRIED WITHOUT DISSENT.

COMMUNICATIONS AND REPORTS

CEO REPORT:

- Travelled to Vancouver, WA to attend the Seagrass Conference and Trade Show. Several tenants investing in Humboldt Bay were present. The District's Mariculture Pre-Permitting project was acknowledged and CEO was able to hand out copies of the RFP for mariculture tenants.
- Liquors continue to be trucked from Redwood Terminal 2. To date, 648 truckloads have left the facility.
- Visited Astoria during the time when a Norwegian Cruise Line ship (950') was in port with 3,500 passengers. CEO talked with the captain and interviewed staff, gathering information to use when researching cruise ship activity for Humboldt Bay.

STAFF REPORTS:

Director of Facility Maintenance:
- Attended HSU's annual giveaway of surplus items for public agencies, police and fire.
- Assisted in removing floats which were creating navigation hazards.
- Acquired a crane from former Commissioner Dennis Hunter. It will be used at Berth 1 for loading crab pots.
- Repairing the end of D-dock. Maintenance staff is building the weldments and plan to rebuild many floats in the marina.
District Planner
  ❖ Reported on the progress of the Mariculture Pre-Permitting project and the beneficial reuse of
dredge material.

DISTRICT COUNSEL REPORT: None.

COMMISSIONER AND COMMITTEE REPORTS:

Commissioner Newman:
  ❖ Glad to see the rain – it is helpful to the rivers.

President Marks:
  ❖ Not so happy to see the rain – it creates havoc with softball season.
  ❖ Attended CMANC meeting in San Francisco. Met the new Brigadier for the US Army Corps of
  Engineers.

Commissioner Higgins:
  ❖ Attended an aquaponics conference at Humboldt State University.
  ❖ The Eel River is now moving out of the drought stage.
  ❖ October 11 and 26 will be river dives, as part of the Eel River Recovery, as long as there is no
  more rain.

OTHER: None

UNFINISHED BUSINESS

A. CONSIDERATION OF ADOPTING RESOLUTION 2014-12 WHICH ESTABLISHES FINDINGS
RELATIVE TO THE APPLICATION BY SIERRA PACIFIC INDUSTRIES FOR PERMIT 14-04
FOR THE SIERRA PACIFIC DOCK MAINTENANCE DREDGING PROJECT.

COMMISSIONER HIGGINS MOVED FOR ADOPTING RESOLUTION 2014-12 WHICH
ESTABLISHES FINDINGS RELATIVE TO THE APPLICATION BY SIERRA PACIFIC
INDUSTRIES FOR PERMIT 14-04 FOR THE SIERRA PACIFIC DOCK MAINTENANCE
DREDGING PROJECT. COMMISSIONER NEWMAN SECONDED.

The motion was withdrawn until Item 9(b) was considered.

B. CONSIDERATION OF ADOPTING THE MITIGATED NEGATIVE DECLARATION (DATED
SEPTEMBER 18, 2014) FOR THE SIERRA PACIFIC DOCK MAINTENANCE DREDGING
PROJECT.

COMMISSIONER HIGGINS MOVED FOR ADOPTING THE MITIGATED NEGATIVE
DECLARATION (DATED SEPTEMBER 18, 2014) FOR THE SIERRA PACIFIC DOCK
MAINTENANCE DREDGING PROJECT. COMMISSIONER NEWMAN SECONDED.

District Planner stated there were two (2) comments on the Mitigated Negative Declaration and
the responses from Pacific Affiliates, the project manager, are included the MND. Cory Mattson of
Pacific Affiliates said he spoke with USEPA regarding dioxins and USEPA said the sediments are
not substantially contaminated.
CEO said there are no real standards at this time and the Regional Water Quality Control Board
needs to be clearer on their standards.

MOTION CARRIED WITHOUT DISSENT.

COMMISSIONER HIGGINS MOVED FOR ADOPTING RESOLUTION 2014-12 WHICH
ESTABLISHES FINDINGS RELATIVE TO THE APPLICATION BY SIERRA PACIFIC
INDUSTRIES FOR PERMIT 14-04 FOR THE SIERRA PACIFIC DOCK MAINTENANCE
DREDGING PROJECT. COMMISSIONER NEWMAN SECONDED.

ROLL CALL VOTE:
COMMISSIONER NEWMAN – AYE
COMMISSIONER DALE – ABSENT
COMMISSIONER MARKS – AYE
COMMISSIONER WILSON – ABSENT
COMMISSIONER HIGGINS – AYE

MOTION CARRIED WITHOUT DISSENT.

C. CONSIDERATION OF GRANTING PERMIT 14-04 TO SIERRA PACIFIC INDUSTRIES FOR
THE SIERRA PACIFIC DOCK MAINTENANCE DREDGING PROJECT.

COMMISSIONER NEWMAN MOVED TO GRANT PERMIT 14-04 TO SIERRA PACIFIC
INDUSTRIES FOR THE SIERRA PACIFIC DOCK MAINTENANCE DREDGING PROJECT.
COMMISSIONER HIGGINS SECONDED.

A Sierra Pacific Industries representative thanked the Board and staff for their time and energy.
He said this permit has been 2½ years in the making.

MOTION CARRIED WITHOUT DISSENT.

NEW BUSINESS:

A. CONSIDERATION OF APPROVAL OF CONTRACT WITH SUSTAINABLE WORLD
SOLUTIONS, LLC/ROBERT ZACK TO HOLD A GLOBAL MUSIC AND NATURAL FOOD
FESTIVAL.

Robert Zack told the Board of Commissioners his vision for the Redwood Terminal 2 property is a
place where aquaponics, aquaculture, float platforms, float tanks, sustainable world university,
etc. can be promoted. He said these ideas would be promoted through a music/dance/food
festival at the site. These types of festivals bring in revenue and calls attention to the area. Mr.
Zack said he would like to pursue this concept and discuss it in more detail with the Board,
including pro forma budgets, costs, people involved, etc.

Kent Sawatzky said this is a great concept, coastal dependent industrial uses would be promoted.
He said it is important to assess the risks, including cash flow.

The Board agreed to move to the next step with Mr. Zack. No contract was considered at this
time.

B. CONSIDERATION OF ADOPTION OF RESOLUTION 2014-11, A RESOLUTION
AUTHORIZING THE REFUNDING OF THE DISTRICT’S OUTSTANDING LONG-TERM
INDEBTEDNESS AND APPROVING AND DIRECTING THE EXECUTION AND DELIVERY OF
CERTAIN FINANCING DOCUMENTS IN CONNECTION THEREWITH, AND PROVIDING FOR
OTHER MATTERS PROPERLY RELATING THERETO.

Andrew Ciocca of Sutter Securities suggested the Board table this item until their next meeting.
He said he is waiting on finalizing some documents from BBVA, the funding bank.

COMMISSIONER HIGGINS MOVED TO TABLE THE ADOPTION OF RESOLUTION 2014-11, A
RESOLUTION AUTHORIZING THE REFUNDING OF THE DISTRICT’S OUTSTANDING LONG-
TERM INDEBTEDNESS AND APPROVING AND DIRECTING THE EXECUTION AND
DELIVERY OF CERTAIN FINANCING DOCUMENTS IN CONNECTION THEREWITH, AND
C. CONSIDERATION OF RELEASE OF DREDGE PURCHASE FUNDS.

CEO explained the following: the dredge purchase price $950,000; the District has already paid $833,753, leaving a balance owing $116,247. Funds to be held for operational training $25,000; County property tax $53,000; generator/pipe $8,000. CEO recommended $30,000 to be released towards the dredge purchase.

COMMISSIONER HIGGINS MOVED FOR THE APPROVAL OF THE RELEASE OF $30,000 TO NEHALEM DREDGE. COMMISSIONER NEWMAN SECONDED.

Kent Sawatzky asked if there had been a search done on lien holders.

District Counsel stated the District is not required to search of liens, but must honor them if there are any. The County property taxes referred to are those assessed while the dredge was in the County for previous dredging activities.

MOTION CARRIED WITHOUT DISSENT.

D. CONSIDERATION OF CONTRACT WITH LACO ASSOCIATES FOR THE FIELDS LANDING PHASE 1.

E. CONSIDERATION OF LOAN APPLICATION TO THE NORTHERN CALIFORNIA COMMUNITY LOAN FUND.

F. CONSIDERATION OF LOAN APPLICATION TO THE COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION FUND.

COMMISSIONER HIGGINS MOVED TO TABLE NEW BUSINESS ITEMS D, E & F. COMMISSIONER NEWMAN SECONDED. MOTION CARRIED WITHOUT DISSENT.

ADMINISTRATIVE AND EMERGENCY PERMITS: None.

The Regular Meeting of the Board of Commissioners adjourned at 7:56 p.m.

APPROVED BY: 

RECORDED BY:

Greg Dale 
Secretary 

Patricia Tyson 
Director of Administrative Services
MINUTES (Subject to Approval)
REGULAR MEETING OF THE BOARD OF COMMISSIONERS
HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT

October 9, 2014

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

President Marks called the Executive Closed Session to order at 6:13 p.m.

President Marks adjourned the Executive Closed Session at 6:35 p.m.

President Marks called the regular meeting of the Board of Commissioners to order at 7:04 p.m.

Pete Oringer led those present in the Pledge of Allegiance.

District Counsel reported on the Executive Closed Session as follows: Status of Conference with Real Property Negotiator; Timber Heritage Association purchase of Redwood Marine Terminal Berth 1 Roundhouse Real Property and Public Employee Performance Evaluation; Chief Executive Officer - No action taken.

PUBLIC COMMENT: None

CONSENT CALENDAR

COMMISSIONER HIGGINS MOVED FOR THE APPROVAL OF THE CONSENT CALENDAR. COMMISSIONER NEWMAN SECONDED. MOTION CARRIED WITHOUT DISSENT.

COMMUNICATIONS AND REPORTS

CEO REPORT:

- New Market Tax Credits – CEO reported this has been postponed until March/April 2015.
- Eel Grass Workshop – was held on October 6 & 7 and was well attended by experts, regulatory agencies, stakeholders.
- Redwood Terminal 2 Prospective Tenants – US Recyclers, Coast Seafoods Company and US Mine Corp. are looking at the various buildings.

STAFF REPORTS:

Director of Facility Maintenance:
- Refurbishing Berth 1 for use by crab fishermen. Installing a crane donated from the old ice plant by Dennis Hunter.
- Humboldt Bay Municipal Water District is giving the District 500,000 gallons of water to top off the tank at Redwood Terminal 2 final flush water after repairs are done to their lines.
- The dredge will be put in the water next week. Cummins West will be certifying the old engine to retail it after repowering the dredge.
- Maintenance staff are gearing up for crab season.

Director of Harbor Operations
- Took divers out to the outfall pipe and buoys were placed.
- A log ship will be in Humboldt Bay on Sunday.

District Planner - In District Planner’s absence, CEO reported on:
- King Salmon dredging – The dredging will be a phased dredging project. Currently USEPA is preparing the CEQA review. There are two sites available for dewatering the spoils: one at King Salmon and one at Fields Landing. Stillwater Sciences has completed the eelgrass survey. A
Minutes (Subject to Approval)
Regular Meeting of the Board of Commissioners
Humboldt Bay Harbor, Recreation and Conservation District
October 9, 2014
Page 2 of 3

community meeting is being planned for mid-November to talk to the King Salmon residents about the dredging schedule. The dredge will be available inside the building for people to see.

- Redwood Terminal 2 contractor proposals – RFPs were requested for the buildings; roof; doors; water, gas and leach fields; alarm system; fencing and gates; and electrical. This was done in order to get estimates of costs for the improvements as part of the New Market Tax Credit program.

District Treasurer

- Ready for the audit to begin – work papers have been prepared.
- Working on the MuniPay model – an affordability model used to determine the amount the District can afford to pay back to USEPA. Originally the model said the District could afford to pay the entire $10 million; however it was determined that amount was based on the District’s ability to raise the taxes of all taxpayers in Humboldt County. Based on the District’s cash balances, it has now been determined that $450,000 is affordable. The District has already spent over $1 million trucking the liquors.
- Issued compiled financial statements (unaudited) as a request of the bond refinancing lenders.

DISTRICT COUNSEL REPORT: None.

COMMISSIONER AND COMMITTEE REPORTS:

Commissioner Newman:

- October 11 – North Coast Regional Land Trust Benefit

Commissioner Dale:

- Attended the Eelgrass Management Workshop. It was well attended, lots of information, lots of comradery.
- Attended the Shellfish Growers conference in Vancouver, WA. Commissioner Wilson did a good job with his presentation on the mariculture pre-permitting project. There is lots of interest of shellfish growers.
- Met with NOAA staff in Washington DC regarding funding for eelgrass monitoring in Humboldt Bay.

Commissioner Marks:

- Attended the Eelgrass Management workshop. He said there was an all-star team of presenters.
- Attended the NCRA Board meeting.

Commissioner Wilson:

- Attended “Wine by the Sea”, a fundraiser on October 4th for Friends of the Dunes.
- Attended Arts Alive in Eureka – there is an excellent exhibit about Humboldt Bay at First Street Gallery.

Commissioner Higgins:

- Has been researching pike minnow for the Eel River Recovery Project.

OTHER: None

UNFINISHED BUSINESS: None

NEW BUSINESS:

A. CONSIDERATION OF DISTRICT PERSONNEL POLICIES.

COMMISSIONER HIGGINS MOVED FOR THE ADOPTION OF THE DISTRICT PERSONNEL POLICIES. COMMISSIONER DALE SECONDED.
Karen Brooks said it is good to see positions changing and keep as much work in-house as possible. She said the policies should be reviewed every year and it is good to be proactive in human resource needs.

MOTION CARRIED WITHOUT DISSENT.

ADMINISTRATIVE AND EMERGENCY PERMITS: None.

The Regular Meeting of the Board of Commissioners adjourned at 8:14 p.m.

APPROVED BY: 

Greg Dale
Secretary

RECORDED BY:

Patricia Tyson
Director of Administrative Services
MINUTES (Subject to Approval)
REGULAR MEETING OF THE BOARD OF COMMISSIONERS
HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT

October 23, 2014

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

President Marks called the Executive Closed Session to order at 6:06 p.m.

Pete Johnston reported he, Larry Doss and CEO met yesterday to discuss the agreement between Timber Heritage Association and the Harbor District. He said he believes THA has proven to be a viable organization and is happy the agreement is further along than they expected. THA had been focusing on moving large equipment to the Roundhouse property and that is done; it is time to refocus on the agreement.

Larry Doss told the Board he appreciates their offer of the property and hopes to further discuss some of the agreement’s ambiguities.

The Board of Commissioners then convened to Executive Closed Session.

President Marks adjourned the Executive Closed Session at 6:35 p.m.

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

Commissioner Wilson led those present in the Pledge of Allegiance.

District Counsel reported on the Executive Closed Session as follows: Status of Conference with Real Property Negotiator: Timber Heritage Association purchase of Redwood Marine Terminal Berth 1 Roundhouse Real Property and Sale of Boiler at Redwood Terminal 2 property. No action taken on either item.

PUBLIC COMMENT: None

CONSENT CALENDAR

COMMISSIONER WILSON MOVED FOR THE APPROVAL OF THE CONSENT CALENDAR. COMMISSIONER HIGGINS SECONDED. MOTION CARRIED WITHOUT DISSENT.

COMMUNICATIONS AND REPORTS

EXECUTIVE DIRECTOR’S REPORT:

- USEPA is mobilizing on the pulp mill site to remove the sludges. There is a large shear to cut the tanks apart. The tanks will be transported to Klamath Falls.
  - Steve Calanog, USEPA, is overseeing the cleanup process. The liquors transport was completed last month – 650 truckloads with no incident. The next phase is the sludge removal and transport; this will take 4-5 months.
  - Commissioner Higgins asked if the rain creates any problems. Mr. Calanog said they are monitoring the rainfall; a manageable problem.
- Mariculture Pre-Permitting Project – 13 proposals were received; local and non-local, small, startup and larger companies. No proposals were received for the subtidal sites.
  - ED suggested forming a committee to review the proposals: 2 Board members (Commissioners Higgins and Newman), 1 Headwaters Fund member, 1 Eureka City staff or council member. The committee would establish selection criteria, discuss second option sites with proposers and make recommendations to the Board in February 2015.
Attended a California Shellfish Initiative Working Group meeting in Santa Rosa. Issues discussed: improve permitting procedures and improve communication with permitting agencies. Assembly Joint Resolution 43 for the expansion and protection of shellfish beds was also discussed.

STAFF REPORTS:

Director of Harbor Operations
- The second log ship of the year, loaded with 3.2 million board feet of logs left Humboldt Bay this week. The next log ship will arrive in late October - early November.
- Has been working with the County and City of Eureka on the Foreign Trade Zone designation.
- Is going to attend the Harbor Safety Committee Summit in Napa next week.
- Has been working on updating the storage leases.

District Planner
- King Salmon dredging – Working on scheduling the King Salmon Phased dredging Project with PG&E. His planning an agency pre-permitting meeting and will invite representatives from every agency with permitting jurisdiction. Also being planned is the King Salmon resident’s meeting at Fields Landing Boat Yard to discuss the dredging schedule. He said pizza will be served.
- Met with Rob Holmlund, City of Eureka Community Development Director regarding land use changes.
- Reviewing the proposals submitted for the Redwood Terminal 2 improvements.
- Praxis, a fiber optic cable company, toured Redwood Terminal 2.

DISTRICT COUNSEL REPORT: None.

COMMISSIONER AND COMMITTEE REPORTS:

Commissioner Newman:
- Getting closer to opening of crab season. Testing protocols are being determined.
- Last Friday, he, Commissioner Dale and ED travelled to Nevada to tour the Barrick Corp. mine. US Mine Corp. is interested in the Redwood Terminal 2 site and they appear to be a very community-conscious and safety-oriented company.

Commissioner Dale:
- Attended the Shellfish Initiative Working Group meeting in Santa Rosa.
- Visited the Nevada mine and watched ore processing.

Commissioner Marks:
- Said he is only thinking of softball during this rainy season, not the pulp mill.

Commissioner Wilson:
- Said everyone should visit the First Street Gallery in Eureka and see Cynthia Hooper’s exhibit of Humboldt Bay.

Commissioner Higgins:
- Attended the North coast Land Trust Dinner – the event of the year! He commended Commissioner Newman on his efforts on behalf of the North Coast.
- Doing water temperature probes throughout the Eel River Basin. It is the driest year on record in the last 100 years and it is important to track the water temperatures during these times.
- Counted 2,457 salmon in Eel River’s 12th Street Pool.
- Attended the Round Valley Salmon Festival sponsored by the Eel River Recovery Project.

OTHER: None
UNFINISHED BUSINESS

A. CONSIDERATION OF ADOPTING RESOLUTION 2014-13 WHICH ESTABLISHES FINDINGS RELATIVE TO THE APPLICATION BY MLRX2, LLC FOR THE MLRX2 STORMWATER IMPROVEMENT AND TIDE GATE PROJECT.

COMMISSIONER HIGGINS MOVED FOR THE ADOPTION OF RESOLUTION 2014-13 WHICH ESTABLISHES FINDINGS RELATIVE TO THE APPLICATION BY MLRX2, LLC FOR THE MLRX2 STORMWATER IMPROVEMENT AND TIDE GATE PROJECT. COMMISSIONER DALE SECONDED.

Adam Wagschal, HT Harvey & Associates, and Mike Foget, SHN Engineers, spoke on the project. Water Quality is one of the contributing factors to the project, which is CEQA-exempt due to the fact the improvements and repairs are being made to existing structures with no change to the footprint.

ROLL CALL VOTE WAS TAKEN:
COMMISSIONER NEWMAN – AYE
COMMISSIONER DALE – AYE
COMMISSIONER MARKS – AYE
COMMISSIONER WILSON - AYE
COMMISSIONER HIGGINS – AYE
MOTION CARRIED WITHOUT DISSENT.

B. CONSIDERATION OF GRANTING PERMIT 14-06 TO MLRX2, LLC FOR THE MLRX2 STORMWATER IMPROVEMENT AND TIDE GATE PROJECT.

COMMISSIONER DALE MOVED FOR THE APPROVAL OF GRANTING PERMIT 14-06 TO MLRX2, LLC FOR THE MLRX2 STORMWATER IMPROVEMENT AND TIDE GATE PROJECT. COMMISSIONER NEWMAN SECONDED. MOTION CARRIED WITHOUT DISSENT.

NEW BUSINESS:

A. CONSIDERATION OF APPROVAL OF EMPLOYMENT AGREEMENT WITH EXECUTIVE DIRECTOR JACK CRIDER.

COMMISSIONER HIGGINS MOVED FOR THE APPROVAL OF EMPLOYMENT AGREEMENT WITH EXECUTIVE DIRECTOR JACK CRIDER. COMMISSIONER WILSON SECONDED. MOTION CARRIED WITHOUT DISSENT.

B. CONSIDERATION OF APPROVAL OF CONTRACT WITH SHN ENGINEERS AND GEOLOGISTS FOR SERVICES RELATED TO PRE-DREDGE SURVEY SERVICES FOR 13 HUMBOLDT BAY FACILITIES.

Executive Director reported an RFP was distributed for survey services for 13 sites in Humboldt Bay needing dredging. He said he is satisfied with SHN’s proposal and it will be up to the Harbor District and City of Eureka to make sure they are able to complete the surveys without interruption.

COMMISSIONER HIGGINS MOVED FOR THE APPROVAL OF CONTRACT WITH SHN ENGINEERS AND GEOLOGISTS FOR SERVICES RELATED TO PRE-DREDGE SURVEY SERVICES FOR 13 HUMBOLDT BAY FACILITIES. COMMISSIONER NEWMAN SECONDED. MOTION CARRIED WITHOUT DISSENT.
C. CONSIDERATION OF APPROVAL OF CONTRACT WITH EUGENE COWAN FOR SERVICES RELATED TO PROVIDING TAX AND LEGAL ADVICE WITH RESPECT TO THE DEVELOPMENT OF THE HUMBOLDT BAY ECO-INDUSTRIAL PARK FACILITIES.

Executive Director reported Humboldt Bay Eco-Industrial Park is the New Market Tax Credits name for Redwood Terminal 2. Twelve providers were interviewed. Initially Nixon-Peabody was chosen; but a potential conflict arose, so their agreement was terminated. Eugene Cowan was the second choice.

COMMISSIONER WILSON MOVED FOR THE APPROVAL OF CONTRACT WITH EUGENE COWAN FOR SERVICES RELATED TO PROVIDING TAX AND LEGAL ADVICE WITH RESPECT TO THE DEVELOPMENT OF THE HUMBOLDT BAY ECO-INDUSTRIAL PARK FACILITIES. COMMISSIONER DALE SECONDED. MOTION CARRIED WITHOUT DISSENT.

D. CONSIDERATION OF APPROVAL OF CONTRACT WITH UTILITY COST MANAGEMENT, LLC FOR THE CSDA UTILITY BILL PROJECT.

COMMISSIONER HIGGINS MOVED FOR THE APPROVAL OF CONTRACT WITH UTILITY COST MANAGEMENT, LLC FOR THE CSDA UTILITY BILL PROJECT. COMMISSIONER WILSON SECONDED.

Director of Administrative Services reported Utility Cost Management, LLC (UCM) has been working through CSDA with special districts for years, with a proven track record. UCM expertly applies utility regulations to the district’s bills in order to uncover billing errors. They monitor developments in the regulatory environment to ensure that the utility bills are in line with the latest regulations and interpretive decisions. Fees are paid as a percent of savings/findings.

MOTION CARRIED WITHOUT DISSENT.

E. CONSIDERATION OF APPROVAL OF CONTRACT WITH SUSTAINABLE WORLD SOLUTIONS, LLC TO HOLD A GLOBAL MUSIC AND NATURAL FOOD FESTIVAL.

Robert Zack and Ava Stern presented to the Board of Commissioners their vision for a festival highlighting Humboldt Bay and the North Coast. They suggested a $200,000 start-up fee was not out of line.

President Marks assigned Commissioner Wilson to work with he and Executive Director on the contract and details/time frame with Mr. Zack and Ms. Stern.

ADMINISTRATIVE AND EMERGENCY PERMITS: None.

The Regular Meeting of the Board of Commissioners adjourned at 8:20 p.m.

APPROVED BY:                                  RECORDED BY:

Greg Dale                              Patricia Tyson
Secretary                              Director of Administrative Services
MINUTES (Subject to Approval)
REGULAR MEETING OF THE BOARD OF COMMISSIONERS
HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT

November 13, 2014

PRESENT:
Commissioner Marks
Commissioner Wilson
Commissioner Higgins

ABSENT:
Commissioner Newman
Commissioner Dale

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

Craig Spjut, President of the Building and Construction Trades Council of Humboldt County, asked the Board to consider incorporating wording regarding building trades and apprenticeship programs when negotiating contracts for the pulp mill site improvements.

The Board of Commissioners then convened to Executive Closed Session.

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

President Marks called the regular meeting of the Board of Commissioners to order at 7:01 p.m.

Commissioner Wilson led those present in the Pledge of Allegiance.

District Counsel reported on the Executive Closed Session as follows: Status of Conference with Real Property Negotiator: DG Fairhaven ocean outfall use agreement; Sale of Boiler a Redwood Terminal 2 Property; Tideland Lease with Humboldt Bay Municipal Water District - No action taken. District Counsel also reported Conference with Real Property Negotiator: ERTN with Renewable Energy Technologies, LLC is also listed under New Business on this agenda. This item will be pulled and no action was taken in Executive Closed Session.

PUBLIC COMMENT

Kent Sawatzky said the County Board of Supervisors are considering campaign reform. He asked if the Harbor District has campaign limitations.

CONSENT CALENDAR

COMMISSIONER HIGGINS MOVED FOR THE APPROVAL OF THE CONSENT CALENDAR.
COMMISSIONER WILSON SECONDED. MOTION CARRIED WITHOUT DISSENT.

COMMUNICATIONS AND REPORTS

EXECUTIVE DIRECTOR'S REPORT:

- Nehalem River Dredge – Executive Director reported the County tax issue has been resolved; the need for extra pipe has been resolved; $25,000 will be held for setup and operations; $91,000 balance has been paid.
  - Vern Scovell thanked the Board for their business. He said the dredge is a fine machine, but not pretty. He has taken a lot of pride in the dredge and it will do quality work.
- Steve Calanog, USEPA, gave the Board a status update on the first setback, the first accident. A subcontractor employee fell 15' into caustic sludge and then went through emergency decontamination. The employee was released from the hospital three hours later with minor chemical burns and abrasions. Mr. Calanog said during the accident investigation the workers were not wearing fall protection equipment, had no fall protection training and had an inadequate
Health and Safety Plan. He said work has been stopped and advisors were brought in for assistance. Mr. Calanog said they will remobilize the first week of January when the workers will have had more training, will wear the required equipment and there will be safety oversight. He said he wanted to give the Board a personal update as he takes this situation very seriously. The Board expressed their gratitude for the expeditious response to help the injured employee and thanked Mr. Calanog for his report.

- Pre-permitting proposals committee – Greg Seiler and Cedar Reuben from the Headwaters Fund Board, Miles Slattery from City of Eureka, Adam Wagschal from HT Harvey, Commissioners Newman and Higgins and Executive Director. The first meeting will be held November 16; committee will determine the ranking criteria. Letters will be sent to the 13 proposers requesting additional information and interviews will be forthcoming.

- Coastal Regional Sediment Management Plan – A draft plan has been in existence since May 2012. There are many findings in the plan, similar to those of sea level rise and beneficial use reports. The US Army Corps of Engineers would like the Harbor District to be the lead agency for implementation of the plan; a final report and funding should be available by September 30, 2015.

**STAFF REPORTS:**

**Director of Facility Maintenance**

- Berth 1 – repairs include decking, stringers, piling caps, preparations for installation of a fisherman’s crane. Electricity has been restored, allowing for unloading crab pots.
- Tenant shower facility – removal of fiberglass and tile – complete project estimated at $2,000
- Redwood Terminal 2 – roofing repairs
- Fields Landing Boat Yard – moving the dredge inside the building next week; preparing for open house for King Salmon residents.

**Director of Harbor Operations**

- Working on mariculture pre-permitting project.
- Attended the West Coast Harbor Safety Summit in Napa.
- Working with SHN on the pre-dredge surveys
- Waiting for weather window to reinstall the PORTS system.
- Worked with other District staff on marine debris removal.

**Mitch White – Taylor Mariculture**

- Reported on their new installation at Berth 2. Nursery wrap has been installed in order to raise smaller seeds that go into the flupsys. Water is being pumped up the pipes into the room for larvae setting. Rafts constructed by Taylor Shellfish in Washington were staged at the Fields Landing Boat Yard, launched and floated. He said the District staff at the boat yard are very professional.

**District Planner**

- October 28 – Harbor District hosted an agency pre-permitting meeting on the phased dredging project. All regulatory agencies attended and they discussed eelgrass mitigation and environmental review.
- November 18 – The King Salmon community is invited to the Fields Land Boat Yard to see the dredge and learn about the dredge schedule. He said there has been good collaboration between PG&E and the Harbor District.
- Cal Biz program – Last week he responded in collaboration with Humboldt County to a business interested in locating here. The company produces monocrystalline sapphires for LED lights.
- Working with the City of Eureka Community Development Director on the plans for a seafood market on Woodley Island.
- The Harbor District and the City of Eureka are working together on the surveying of 13 Humboldt Bay sites needing to be dredged.
- Said the City’s General Plan Update is a good opportunity to look at land uses for marine-based resources. District Planner will work with Commissioners Wilson and Marks on this issue.
- Met with County staff regarding the Samoa Shops lot line adjustment and Coastal Development Plan for Timber Heritage Association. He sent THA some recommendations for a local independent qualified planner to help them through the process.
DISTRICT COUNSEL REPORT: None.

COMMISSIONER AND COMMITTEE REPORTS:

Commissioner Higgins:
- Attended a mariculture pre-permitting project committee meeting. He said it is a complex task, ranking the proposals; there is great disparity in the proposals.
- 10/11: counted 2,450 fish in the lower Eel River.
- Counted seven (7) green sturgeon on the Eel River by the River Lodge.

Commissioner Marks:
- 11/12: Attended a NCRA Board meeting – the Rails with Trails project will be finished by January in Ukiah.
- Recently the Harbor District placed a B&B toilet on District property on Samoa “Dignity Dump”.

OTHER

Larry Goldberg, from the Governor’s Office on Planning and Research, spoke about Civic Spark, working with local government on adaptation and mitigation for climate change. The Harbor District qualifies to participate as a local government. The goals are to mitigate energy use and lower carbon footprints. He asked the Board to consider applying for a Coastal Conservancy grant for climate change adaptation strategies for coastal development.

UNFINISHED BUSINESS: None

NEW BUSINESS:

A. CONSIDERATION OF APPROVAL OF CONSERVATION CAMP PROGRAM – MEMORANDUM OF UNDERSTANDING WITH CALIFORNIA DEPARTMENT OF FORESTRY AND FIRE PROTECTION FOR PREPARATION AND PAINTING OF THE HARBOR DISTRICT DREDGE.

Director of Harbor Operations reported the District is qualified to use CalFire maintenance crews. The cost is $225/day for 10-15 people; District personnel must be on site and District supplies the tools.

COMMISSIONER HIGGINS MOVED FOR THE APPROVAL OF CONSERVATION CAMP PROGRAM – MEMORANDUM OF UNDERSTANDING WITH CALIFORNIA DEPARTMENT OF FORESTRY AND FIRE PROTECTION FOR PREPARATION AND PAINTING OF THE HARBOR DISTRICT DREDGE. COMMISSIONER WILSON SECONDED. MOTION CARRIED WITHOUT DISSENT.

B. CONSIDERATION OF APPROVAL OF CONSERVATION CAMP PROGRAM – MEMORANDUM OF UNDERSTANDING WITH CALIFORNIA DEPARTMENT OF FORESTRY AND FIRE PROTECTION FOR DEMOLITION OF “LEAN-TO” SHED AND WIND BARRIER AT THE REDWOOD TERMINAL 2 SITE.

COMMISSIONER HIGGINS MOVED FOR THE APPROVAL OF CONSERVATION CAMP PROGRAM – MEMORANDUM OF UNDERSTANDING WITH CALIFORNIA DEPARTMENT OF FORESTRY AND FIRE PROTECTION FOR DEMOLITION OF “LEAN-TO” SHED AND WIND BARRIER AT THE REDWOOD TERMINAL 2 SITE. COMMISSIONER WILSON SECONDED.

Executive Director reported all required permits have been obtained.

Monte Provolt asked who is taking down the barrier. Executive Director replied the USEPA will tip it down and County’s HazMat team will be available if necessary due to the creosoted wood. Mr. Provolt said the District should consider using local labor more often.
MOTION CARRIED WITHOUT DISSENT.

C. CONSIDERATION OF PROFESSIONAL SERVICES AGREEMENT WITH S. BRUCE CONNER TO PROVIDE SERVICES TO MARKET EUREKA/PORT OF HUMBOLDT BAY TO BLUE WATER CRUISE SHIPS REPOSITIONING TO AND FROM ALASKA.

Executive Director said Mr. Conner is the Cruise Marketing Director in Astoria. He has relationships with cruise itinerary planners. Mr. Conner will be the main ship agent for Port of Humboldt Bay, working on excursions and working directly with the ship captains.

The contract is for one year. The Harbor District, City of Eureka and County of Humboldt will all pay $10,000 for a total of $30,000.

Commissioner Higgins said this is a grounded plan and shows the District’s ability to work congenially with the City and County.

Commissioner Wilson said the District has paid money for cruise ship recruitment in the past with no results. This is good plan.

Commissioner Marks said this collaborative project needs an ambitious and energetic person.

Sebastian Elrite said he would like to work with Mr. Conner on Humboldt Bay tours.

COMMISSIONER WILSON MOVED FOR THE APPROVAL OF PROFESSIONAL SERVICES AGREEMENT WITH S. BRUCE CONNER TO PROVIDE SERVICES TO MARKET EUREKA/PORT OF HUMBOLDT BAY TO BLUE WATER CRUISE SHIP'S REPOSITIONING TO AND FROM ALASKA. MOTION CARRIED WITHOUT DISSENT.

D. CONSIDERATION OF APPROVAL OF EXCLUSIVE RIGHT TO NEGOTIATE WITH RENEWABLE ENERGY TECHNOLOGIES, LLC FOR SALE AND LEASE AGREEMENT OF THE DISTRICT’S AHLSTROM CHEMICAL RECOVERY BOILER AND RELATED ANCILLARY POWER GENERATION FACILITIES.

This item was pulled, no action taken.

E. CONSIDERATION OF APPROVAL OF TIDELAND LEASE TO HUMBOLDT BAY MUNICIPAL WATER DISTRICT FOR THE WATER PIPELINE CROSSING OF MAD RIVER SLOUGH.

Executive Director reported there are three pipelines across the mad River Slough that were permitted in the 1960's and the permits remain in place. It is time to update the lease.

Staff recommended a new tideland lease with no cost to Humboldt Bay Municipal Water District. This item will be brought back to the Board at their next meeting.

This item was tabled; no action taken.

ADMINISTRATIVE AND EMERGENCY PERMITS: None.

The Regular Meeting of the Board of Commissioners adjourned at 8:22 p.m.

APPROVED BY: 

RECORDED BY:

Greg Dale  
Secretary

Patricia Tyson  
Director of Administrative Services
Humboldt Bay Harbor,

Recreation and Conservation

District

FY 2015/16 BUDGET
ADOPTION OF PRELIMINARY BUDGET

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<td>NON-OPERATING EXPENSES (Capital Expenses, Debt Pmt)</td>
<td>4,560,825</td>
<td>248,286</td>
<td>4,809,111</td>
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<tr>
<td>EXCESS REVENUES OVER(UNDER) EXPENSES</td>
<td>1,056,378</td>
<td>95,025</td>
<td>1,151,403</td>
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<tr>
<td>DEDUCT SINGLE-USE REVENUES (WIM Dredge Surchg/Float Replace)</td>
<td>0</td>
<td>(175,100)</td>
<td>(175,100)</td>
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<tr>
<td>TOTAL BUDGET BALANCE</td>
<td>$1,056,378</td>
<td>($80,075)</td>
<td>$976,303</td>
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For the May 14, 2015 Board Meeting
## REVENUE

<table>
<thead>
<tr>
<th>Line #</th>
<th>Description</th>
<th>2013-14 Actual</th>
<th>2014-15 Budget</th>
<th>2014-15 Projected</th>
<th>2015-16 Proposed Budget</th>
<th>% of Total</th>
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</thead>
<tbody>
<tr>
<td></td>
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<td>Audited</td>
<td>General</td>
<td>Marina</td>
<td>TOTAL</td>
<td></td>
</tr>
<tr>
<td>R1</td>
<td>Tax Revenue</td>
<td>911,862</td>
<td>792,000</td>
<td>88,000</td>
<td>880,000</td>
<td>10.0%</td>
</tr>
<tr>
<td>R2</td>
<td>Sales &amp; Permits</td>
<td>14,858</td>
<td>3,000</td>
<td>17,600</td>
<td>20,600</td>
<td>0.2%</td>
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<tr>
<td>R3</td>
<td>Harbor Surchg</td>
<td>63,162</td>
<td>97,028</td>
<td>83,600</td>
<td>97,028</td>
<td>1.1%</td>
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<tr>
<td>R4</td>
<td>Pilotage Tariff</td>
<td>63,300</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>0.0%</td>
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<tr>
<td>R5</td>
<td>Slip Rents</td>
<td>498,603</td>
<td>-</td>
<td>525,000</td>
<td>525,000</td>
<td>5.9%</td>
</tr>
<tr>
<td>R6</td>
<td>Trans Rental</td>
<td>40,271</td>
<td>-</td>
<td>47,380</td>
<td>47,380</td>
<td>0.5%</td>
</tr>
<tr>
<td>R7</td>
<td>WIM Dredge Srchg</td>
<td>99,663</td>
<td>-</td>
<td>105,060</td>
<td>105,060</td>
<td>1.2%</td>
</tr>
<tr>
<td>R8</td>
<td>WIM Float Replace</td>
<td>66,279</td>
<td>-</td>
<td>70,040</td>
<td>70,040</td>
<td>0.8%</td>
</tr>
<tr>
<td>R9</td>
<td>WIM Electrical</td>
<td>57,155</td>
<td>-</td>
<td>51,500</td>
<td>51,500</td>
<td>0.6%</td>
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<tr>
<td>R10</td>
<td>Fields Landing</td>
<td>126,262</td>
<td>220,201</td>
<td>-</td>
<td>220,201</td>
<td>2.5%</td>
</tr>
<tr>
<td>R11</td>
<td>Berth 1</td>
<td>22,432</td>
<td>131,000</td>
<td>-</td>
<td>131,000</td>
<td>1.5%</td>
</tr>
<tr>
<td>R12</td>
<td>Berth 2</td>
<td>8,100</td>
<td>1,668,400</td>
<td>-</td>
<td>1,668,400</td>
<td>18.9%</td>
</tr>
<tr>
<td>R13</td>
<td>Rents</td>
<td>169,831</td>
<td>180,000</td>
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<td>215,000</td>
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<td>R14</td>
<td>Tideland Leases</td>
<td>201,086</td>
<td>324,938</td>
<td>-</td>
<td>324,938</td>
<td>3.7%</td>
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<tr>
<td>R15</td>
<td>Late Fees/Interest</td>
<td>17,466</td>
<td>3,075</td>
<td>12,600</td>
<td>15,675</td>
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<tr>
<td>R16</td>
<td>Other Revenue</td>
<td>566,223</td>
<td>35,000</td>
<td>-</td>
<td>35,000</td>
<td>0.4%</td>
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<tr>
<td></td>
<td>Gallonage</td>
<td>17,736</td>
<td>17,000</td>
<td>-</td>
<td>17,000</td>
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<td>R17</td>
<td>Interest</td>
<td>33,102</td>
<td>20,000</td>
<td>33,000</td>
<td>20,000</td>
<td>0.2%</td>
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<tr>
<td>R18</td>
<td>Grant Revenue</td>
<td>605,541</td>
<td>537,782</td>
<td>-</td>
<td>537,782</td>
<td>6.1%</td>
</tr>
<tr>
<td>R19</td>
<td>New Mkts Tax Credits</td>
<td>-</td>
<td>1,600,000</td>
<td>-</td>
<td>1,600,000</td>
<td>18.1%</td>
</tr>
<tr>
<td>R20</td>
<td>Borrowed Funds</td>
<td>-</td>
<td>1,500,000</td>
<td>-</td>
<td>1,500,000</td>
<td>17.0%</td>
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<tr>
<td>R21</td>
<td>Coast Seafoods Loan</td>
<td>-</td>
<td>1,250,000</td>
<td>1,156,375</td>
<td>-</td>
<td>0.0%</td>
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<tr>
<td>R22</td>
<td>Brownfields Grant</td>
<td>-</td>
<td>250,000</td>
<td>-</td>
<td>-</td>
<td>0.0%</td>
</tr>
<tr>
<td>R23</td>
<td>TIGER Grant</td>
<td>-</td>
<td>959,400</td>
<td>-</td>
<td>-</td>
<td>0.0%</td>
</tr>
<tr>
<td>R24</td>
<td>CDB/EDA Grants</td>
<td>-</td>
<td>250,000</td>
<td>-</td>
<td>250,000</td>
<td>2.8%</td>
</tr>
<tr>
<td>R25</td>
<td>Mitigation Reimbursement</td>
<td>-</td>
<td>500,000</td>
<td>-</td>
<td>500,000</td>
<td>5.7%</td>
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<tr>
<td>R26</td>
<td>TOTAL REVENUE</td>
<td>3,582,932</td>
<td>12,876,997</td>
<td>3,853,225</td>
<td>7,879,424</td>
<td>952,180</td>
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## OPERATING EXPENSES

<table>
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<tr>
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</thead>
<tbody>
<tr>
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<td></td>
<td></td>
<td>General</td>
<td>Marina</td>
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<tr>
<td>E1</td>
<td>Salaries/Wages</td>
<td>798,442</td>
<td>730,000</td>
<td>800,000</td>
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<td>E2</td>
<td>Commish Fees</td>
<td>25,200</td>
<td>25,200</td>
<td>25,200</td>
<td>25,200</td>
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<tr>
<td>E3</td>
<td>Temp Srvcs</td>
<td>56,211</td>
<td>3,000</td>
<td>72,272</td>
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<tr>
<td>E4</td>
<td>Auto Value</td>
<td>-</td>
<td>-</td>
<td>147</td>
<td>-</td>
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<td>E5</td>
<td>Payroll Burden</td>
<td>327,716</td>
<td>360,000</td>
<td>358,216</td>
<td>306,000</td>
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<td>E6</td>
<td>Advert/Promo</td>
<td>3,495</td>
<td>7,000</td>
<td>2,200</td>
<td>3,500</td>
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<td>E7</td>
<td>Automotive</td>
<td>24,263</td>
<td>31,000</td>
<td>20,868</td>
<td>24,000</td>
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<td>E8</td>
<td>Communications</td>
<td>14,096</td>
<td>14,000</td>
<td>14,126</td>
<td>5,460</td>
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<td>E9</td>
<td>Conf/Mtgs</td>
<td>24,356</td>
<td>28,000</td>
<td>26,000</td>
<td>25,000</td>
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<tr>
<td>E10</td>
<td>Dues/Subs</td>
<td>40,685</td>
<td>34,000</td>
<td>32,572</td>
<td>29,000</td>
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<tr>
<td>E11</td>
<td>Elect/Gov. Fees</td>
<td>25,162</td>
<td>25,000</td>
<td>45,000</td>
<td>20,000</td>
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<td>E12</td>
<td>Insurance</td>
<td>52,979</td>
<td>85,000</td>
<td>84,365</td>
<td>72,500</td>
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<td>E13</td>
<td>Office Expense</td>
<td>41,163</td>
<td>41,000</td>
<td>41,000</td>
<td>25,000</td>
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<td>E14</td>
<td>Oper Supplies</td>
<td>7,815</td>
<td>7,000</td>
<td>7,000</td>
<td>1,500</td>
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<tr>
<td>E15</td>
<td>Security Guards</td>
<td>35,399</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
<td>E16</td>
<td>Legal Services</td>
<td>22,426</td>
<td>53,000</td>
<td>50,000</td>
<td>42,400</td>
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<tr>
<td>E17</td>
<td>Acctg/Audit</td>
<td>39,965</td>
<td>31,000</td>
<td>31,000</td>
<td>25,000</td>
</tr>
<tr>
<td>E18</td>
<td>District Planner</td>
<td>37,464</td>
<td>60,000</td>
<td>35,000</td>
<td>40,000</td>
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<tr>
<td>E19</td>
<td>Prof. Srvcs</td>
<td>42,585</td>
<td>131,500</td>
<td>60,000</td>
<td>118,350</td>
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<td>E20</td>
<td>Utilities</td>
<td>198,450</td>
<td>220,000</td>
<td>210,340</td>
<td>30,000</td>
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<td>E21</td>
<td>Maintenance</td>
<td>100,894</td>
<td>90,000</td>
<td>89,362</td>
<td>30,000</td>
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<td>E22</td>
<td>Fields Landing</td>
<td>71,756</td>
<td>45,000</td>
<td>64,428</td>
<td>65,000</td>
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<td>E23</td>
<td>Shelter Cove</td>
<td>20,328</td>
<td>25,000</td>
<td>27,036</td>
<td>15,000</td>
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<tr>
<td>E24</td>
<td>King Salmon</td>
<td>-</td>
<td>2,000</td>
<td>150</td>
<td>2,000</td>
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<tr>
<td>E25</td>
<td>Berth 1</td>
<td>2,021</td>
<td>35,000</td>
<td>3,000</td>
<td>35,000</td>
</tr>
<tr>
<td>E26</td>
<td>Berth 2</td>
<td>178,652</td>
<td>80,000</td>
<td>1,485,312</td>
<td>80,000</td>
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<tr>
<td>E27</td>
<td>Marctre Lse Fee</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>10,000</td>
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<tr>
<td>E28</td>
<td>Interest/Fees</td>
<td>9,048</td>
<td>16,000</td>
<td>15,672</td>
<td>16,000</td>
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<tr>
<td>E29</td>
<td>Grant Expense</td>
<td>576,073</td>
<td>-</td>
<td>457,844</td>
<td>521,682</td>
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<td><strong>TOTAL</strong></td>
<td></td>
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<tr>
<td>E30</td>
<td><strong>OPERATING EXPENSES</strong></td>
<td>2,776,644</td>
<td>2,178,700</td>
<td>4,058,110</td>
<td>2,262,221</td>
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## NON-OPERATING EXPENSES

### CAPITAL EXPENDITURES

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<tbody>
<tr>
<td></td>
<td></td>
<td>General</td>
<td>Marina</td>
</tr>
<tr>
<td>NOE1</td>
<td>WI Facility Improvmt</td>
<td>39,026</td>
<td>96,000</td>
</tr>
<tr>
<td>NOE2</td>
<td>Dredging Expenses</td>
<td>505,000</td>
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</tr>
<tr>
<td>NOE3</td>
<td>FL Boat Yard</td>
<td>-</td>
<td>60,000</td>
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<tr>
<td>NOE4</td>
<td>Marine Term Impr</td>
<td>3,241</td>
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<tr>
<td>NOE5</td>
<td>Harbor Improvmt</td>
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<td>80,000</td>
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<tr>
<td>NOE6</td>
<td>Property Acquisition</td>
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<td>NOE7</td>
<td>Property Improvement</td>
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<td>Rec Enhance</td>
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<td>NOE9</td>
<td>Cons Enhance</td>
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<tr>
<td>NOE10</td>
<td>Auto/Operating Equip</td>
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<tr>
<td>NOE11</td>
<td>Office Equipment</td>
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<td><strong>TOTAL CAPITAL</strong></td>
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<td><strong>EXPENDITURES</strong></td>
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<td>7,681,900</td>
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### DEBT PAYMENTS

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<td></td>
<td></td>
<td>General</td>
<td>Marina</td>
</tr>
<tr>
<td>NOE13</td>
<td>Cal Boating &amp;Deepening Loans</td>
<td>313,669</td>
<td>314,528</td>
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<td>NOE14</td>
<td>Elect.Mtr. Loan Pmt</td>
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<td>NOE15</td>
<td>Forklift Loan Pmt</td>
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<tr>
<td>NOE16</td>
<td>Coast Seafood Repay</td>
<td>-</td>
<td>1,250,000</td>
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<tr>
<td>NOE17</td>
<td>NMTD Loan repay*</td>
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<td><strong>TOTAL DEBT</strong></td>
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<tr>
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<td><strong>PAYMENTS</strong></td>
<td>313,669</td>
<td>1,617,676</td>
</tr>
</tbody>
</table>

*NMTC loan repay to be determined
NARRATIVE FOR FY 2015/16 BUDGET

REVENUE

R1 - Tax Revenue

Estimated income received from County of Humboldt - District's portion of property taxes paid to County.

R2 - Sales and Permits

General - Estimated income from permit fees.
Marina - Estimated income from coin-operated showers, washers, and dryers, vending machines, ice machine, liveaboard inspection fees, charter service and other business permits and forklift fees. Permits for fish sales at marina - $250/year

R3 - Harbor Surcharge

Anticipated revenues to be generated by Harbor Improvement Surcharge.

R5 - Slip Rentals

Marina - Estimated income from the rental of slips at the Marina. 3% rate increase.

R6 - Transient Rentals

Marina - Estimated income from the rental of transient slips at the Marina. 3% rate increase.

R7 - WIM Maintenance Dredging Surcharge

Charge assessed toward future maintenance dredging of Woodley Island Marina. Revenue from this fee transferred directly to Woodley Island Marina Maintenance Dredge Cash Designation. 3% rate increase.

R8 - WIM Float Replace

Charge for all tenants/transients of Woodley Island Marina deposited into a fund designated specifically for dock/float replacement. Revenue from this fee will be transferred directly to Woodley Island Marina Float Replacement Cash Designation. 3% rate increase.

R9 - WIM Electrical

Revenue received from the metering of electrical use by Woodley Island Marina tenants.

R10 - Fields Landing

Revenue received from storage (boats and trailers) utilities, forklift, and equipment rentals, building space rent, and Travelift haul out fees and usage. A new revenue source is the lease for yard and building space to Zerlang & Zerlang Marine Services. Average 15% increase in rates.

R11 - Redwood Dock/Berth 1

Revenue received from building space rent/terminal lease/wharfage and dockage. Additional revenue for FY 2015/16 to be received from increased dock use/forklift fees, unloading live crab/eels, building lease (seafood company) and the installation of a fuel dock. Additional buildings used for storage of crab pots. New oyster tenant.

R12 - Redwood Terminal 2/Berth 2

Revenue estimated to be received from the tenants of this property: Taylor Mariculture, DG Power, Samoa Pellets and Coast Seafoods Company. Also, $1,400,000 is estimated for the sale of surplus equipment from the upland property. $200,000 new leases.
R13 - Rents

Money to be received by the District for rents and concessions as follows: Café Marina Restaurant; Office Space; and work yard rent on Woodley Island. Additionally, a storage area on Woodley Island for trailers has been designated and will be available from May 1 – September 30. **Fish Market Lease revenue $10,000.**

R14 - Tideland Leases

Money to be received by the District for tidelands leases held throughout the Humboldt Bay area. **$130,000 new aquaculture leases.**

R15 - Late Fees and Interest on Delinquent Accounts

Late fees and interest collected on delinquent accounts.

R16 - Other Revenue

Revenue received from Coast Seafoods for gallonage fees as a condition of their tideland lease, Secretariat Services for Harbor Safety Committee, Chevron’s payment for the PORTS O&M costs, other government agencies and miscellaneous operating and non-operating revenue. Also monies anticipated to be received for support of fire boat operation and maintenance.

R17 - Interest

Interest earned by the District on monies presently deposited in the Humboldt County Treasury.

R18 - Grant Revenue

Monies received from grant-funded projects expected to be received in FY 2015/16.

R19 - New Markets Tax Credits

Monies acquired for asset purchase and improvements.

R20 – Borrowed Funds

$1.5 million borrowed as part of the New Market Tax Credits program.

R21 – Coast Seafoods Loan

Monies borrowed in FY 2014/15 from Coast Seafoods Company to pay for the trucking of the liquors from Redwood Terminal 2.

R22 – Brownfields Grant

Monies received for the cleanup of the Redwood Terminal 2 property.

R23 – TIGER Grant

Monies received for the planning and permitting pertaining to the Samoa Industrial Waterfront Transportation Access Plan.

R24 – CDB/EDA Grants

Community Development Block Grant and Economic Development Administration grants for Redwood Terminal 2 upgrades.

R25 – Mitigation Reimbursement

Monies received for payment of mitigation expenses for dredging project.
EXPENSES

E1 - Salaries and Wages
Salaries and wages paid to Harbor District employees. Includes the addition of one (1) Harbor Maintenance Worker 1 and the negotiated increases for the District’s represented employees. 5% increase for management employees.

E2 - Commissioners Fees
Fees paid for the service of Commissioners on the Board.

E3 - Temporary Services
Expenses paid for additional temporary services as needed.

E4 – Auto Value – No expenses for FY 2015/16

E5 - Payroll Burden
Payroll Burden consists of employer-paid taxes and employer-paid benefits and insurances provided for in the District’s Personnel Policy. The Employer Contribution Rate for PERS for FY 2015/16 is 8.003%, plus a lump sum $21,639 for PERS unfunded liability.

E6 - Advertising and Promotion
General - Allocation for the printing of legal notices in the local newspapers required by laws and permit procedures of the State and the District. This line item also funds the printing and distribution of notices to inform the public of special interest items concerning the District’s meeting and projects. There is also an amount included for the publication and for additional port, Marina and District marketing and promotional materials.

Marina – Allocation for the printing of notices, newsletters, Marina advertisements etc. to inform the Marina tenants and/or the general public of items which may be of special interest to them.

E7 - Automotive Expense
Cost of maintaining and fueling the District’s automobiles, vessels, electric trucks, security vehicles, forklift, and other operating equipment.

E8 - Communications
Telephones and Cell Phones - This amount includes the costs for the FAX, modem, E-mail and Website hosting, offsite Web link, wifi and cell phones.

E9 - Conferences & Meetings
Approves travel expenses for attendance at the following up to the total budget amount: (4) CMANC conferences; (3) CAPA conferences; (1) California Maritime Leadership Symposium; (3) legislative trips to Sacramento and Washington DC; (1) CSDA training conference, (4) Pacific Coast Congress of Harbor Masters, (2) Northern Area Port Security meetings, (4) Conservation-related meetings; and (2) safety seminars in order to maintain discounted Workers Compensation premiums. Additional conferences or travel that would exceed the budget require individual approval by the Board.

E10 - Dues & Subscriptions
This category includes dues for membership in the following organizations: California Marine Affairs and Navigation Conference, California Association of Port Authorities, California Special District Association, Association of California Water Agencies, Pacific Coast Congress of Harbor Managers and Port Masters, California Association of Harbor Masters and Port Captains, Fishing News, Pacific Fishing, Costco and various other subscriptions. Dues/Subscription costs vary by a variety of factors and amounts shown are estimated. Dues and subscriptions expenses that would exceed the budget require individual approval by the Board of Commissioners.
E11 - Elections and Fees Paid to Other Governmental Entities

There are three Board seats slated for election for the District in FY 2015/16.

E12 - Insurance

The Special Districts Risk Management Authority (SDRMA) policy combines several of the individual property, liability, bonds and other miscellaneous policies into one, plus the Marina Operator’s Liability policy. SDRMA reported there will be no increase in the base rate for Property/Liability and Workers Compensation policies for FY 2013/14. There will be a decrease in the Workers Comp experience modification from 129% to 108% for 2015/16. The CAPA excess insurance through AON Risk Services is still in order. The District’s Fireboat and Port Security/Work boat are insured through Poseidon Insurance. Insurance for Redwood Terminal 2 is also included. Insurance expenses that would exceed the budget require individual approval by the Board of Commissioners.

E13 - Office Expense

Expenses include office supplies, postage and other expenses necessary for the operation of the office.

E14 - Operating Supplies

Expenses for janitorial supplies.


E16 - Legal Services

Fees paid to District Counsel Paul Brisso for work in connection with the Woodley Island Marina and to do District legal work to draw up ordinances, permits, agreements, leases etc. between the District and other agencies/entities, attend Commissioner meetings and all other general legal and litigation work needed by the District.

E17 - Accounting/Auditing Services

Fees paid for the services of District Treasurer Mark Wetzel for service in a controllership capacity, supervision of bookkeeping functions, statements and reports and monitoring all District cash transactions. Fees paid to independent accounting firm to perform the District’s annual certified audit. Hunter, Hunter & Hunt is the contracted auditing firm for FY 2015/16.

E18 - District Planner Services

Fees paid for the services of District Planner George Williamson for service in all aspects of planning associated with District projects.

E19 - Professional/Outside Services

Excess Liability Insurance broker fees ($10,000) split between CAPA ports. This account also includes funds for website revision, appraisal services, engineering and environmental consultant services required that have not been covered in any other category. Professional services may be hired to assist with Ordinance revisions, asset inventory, Personnel Policy revision, and dredging-related projects.

E20 - Utilities

Expenses for electricity, gas, water, sewer and refuse for the District office, Marina docks, lights, office spaces, and buildings. This expense will be offset by the revenue received through the installation of water and electrical meters.

E21 - Maintenance Expense

Estimated expenses for repairs and maintenance to Marina docks, light fixtures, compressor, miscellaneous equipment, facilities and roof repairs to the main building, as well as other District facilities. Also includes all tools less than $2,500 and annual maintenance agreements on office equipment.
E22 - Fields Landing Expense

This is to cover any expenses of the District for the repair and maintenance of the District's Fields Landing property including storm water filters, repairs to buildings and yard lighting. Also included are insurance, utilities, water, sewer, refuse, and telephone service.

E23 - Shelter Cove Expense

Expenses/miscellaneous items needed for the repair and maintenance of the District's facilities at Shelter Cove (includes Insurance Expense). Also includes repairs to breakwater, roads, fencing and fish cleaning station.

E24 - King Salmon Expense

Estimated expenses for maintaining the King Salmon Beach area, including replacing signage and vegetation maintenance.

E25 - Redwood Marine Terminal/Berth 1 Expense

Estimated expenses for maintaining the Redwood Dock/Berth 1 property (planking, roadway upgrade, power).

E26 - Redwood Terminal 2/Berth 2 Expense

Estimated expenses for maintaining the Redwood Terminal 2/Berth 2 property, utilities and minor repairs.

E27 -Mariculture Lease Fees

Fees paid to City of Eureka for mariculture leases.

E28 – Interest/Fee Expense

E29 - Grant Expense

Expenses associated with grant-funded projects expected to occur in FY 2015/16.

CAPITAL EXPENDITURES

NOE1 - Woodley Island Facility Improvement

Estimated expense for the purchase of replacement floats ($40,000), gangway gates ($3,000), improvements to work yard ($5,000), fence replacement ($10,000), floating dock for kayaks ($5,000), fish market preparation ($20,000) and camera for the island entrance to capture license plate numbers ($7,000).

NOE2 – Dredging Expenses

Estimated expenses in preparation of dredging the marina and other bay sites, including Fisherman's Channel at King Salmon. $50,000 is estimated for dredge permitting and sediment sampling for Woodley Island Marina. Permitting and mitigation of Fisherman's Channel ($200,000 - $500,000), sediment sampling for Berths 1 & 2 and Fields Landing ($25,000), Wheel house/booster pump and extra pipes for dredge ($30,000), Ready Redwood Terminal 2 water treatment plant for dredge material ($50,000).

NOE3 - Fields Landing Boat Yard

Estimated expenses for capital improvements to the Fields Landing Boat Yard, including installation of a lower dock next to Travelift pier ($5,000), water and sewer to the Sea Scouts building ($5,000), cables and door repair ($20,000) and purchase of a backhoe ($25,000).

NOE4 – Redwood Marine Terminal Berth 1 Improvement

Estimated expenses required for power, lights and pump ($20,000), fencing ($10,000), installation of a fuel dock ($75,000), dock repairs ($5,000).
NOE5 - Harbor Improvement

Payments for harbor improvement projects such as channel deepening, shoreline protection, shoal abatement and navigation aid improvement. Sea wall repair ($10,000) and designation of a Port Authority dock ($5,000).

NOE6 - Property Acquisition

None anticipated in FY 2015/16.

NOE7 - Property Improvement – Redwood Terminal 2

Expenses associated with the Redwood Terminal 2 property and paid from New Markets Tax Credits revenue, including but not limited to: new main electrical power ($500,000), domestic water ($100,000), industrial water and fire protection ($50,000), warehouse, shop and office roof, door and outside wall repairs/improvements ($2,100,000), road improvements ($50,000), outfall pipe repairs ($100,000) and environmental cleanup/debris removal ($100,000).

NOE8 - Recreational Enhancements

There are no anticipated capital expenditures expected for Shelter Cove for FY 2015/16.

NOE9 - Conservation Enhancements

Estimated expenses for capital improvements related to conservation enhancements at facilities other than Woodley Island.

NOE10 - Auto/Operating Equipment

There are no Auto/Operating Equipment capital expenditures expected for FY 2015/16.

NOE11 - Office Equipment

Estimated expenses for upgrading District computers and District website.

DEBT PAYMENTS

NOE13 - Cal Boating Loan & Deepening Loan Combined

In FY 2014/15, the Cal Boating Loans and the Deepening Loan were combined as a Bond refinance. The loans were originally incurred to build Woodley Island Marina and dry stack storage and to pay for the deepening of Humboldt Bay's bar and entrance channel.

NOE14 - Electric Meter Loan Payments

Monthly payments on the Woodley Island Marina electric meter loan.

NOE15 - Forklift Loan Payments

Monthly payments on the Redwood Terminal 2 Forklift.

NOE16 - Coast Seafoods Repayment

Repayment of loan to Coast Seafoods for the trucking of the liquors from Redwood Terminal 2 to KapStone.

NOE17 - New Market Tax Credits Payment

Payment on the New Markets Tax Credit Loan: $1.5 million @ 5% for 30 years.

CASH DESIGNATIONS

Woodley Island Facility Improvement

Funds set aside for major Marina and upland construction, rehabilitation, improvement or expansion projects.
Woodley Island Marina Dredging

Funds set aside annually to pay for maintenance dredging of Woodley Island Marina every 7-10 years.

Woodley Island Marina Float Replacement

Funds set aside annually to pay for marina float replacement.

Fields Landing Boat Yard

Funds set aside for future maintenance projects on the Boat Building and Repair Facility in Fields Landing such as future repaving of the yard.

Marine Terminal Improvements

Funds set aside for construction, rehabilitation, improvement or expansion projects at the Redwood Dock Marine Terminal (including Berths 1 & 2 and warehouses and upland dredge disposal site), and Fields Landing Terminal.

Harbor Improvements

Funds set aside for harbor improvement projects such as channel deepening, shoreline protection, shoal abatement and navigation aid improvement.

Recreational Enhancements

Funds set aside for recreational facility construction, rehabilitation, improvement or expansion projects including funds set aside for acquisition of additional recreational facilities and for planning expenses related to the Samoa Shops complex.

Conservation Enhancements

Funds set aside for the acquisition, construction, restoration, rehabilitation or expansion of conservation areas.

Mariculture Management Fund

Each year the District shall reserve 25% of the tideland revenue from mariculture operations on tidelands leased as a part of the District's mariculture expansion project. These funds are reserved for future expenses related to permitting and environmental compliance for mariculture activities on District tidelands.

Emergency

Funds available for expenses related to recovery from emergencies.
<table>
<thead>
<tr>
<th>Title</th>
<th>Grant Total</th>
<th>FY15/16 Revenue</th>
<th>FY15/16 Expenses</th>
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<tbody>
<tr>
<td>US Army Corps of Engineers - Spartina control*</td>
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<td>Natural Resources Agency - Spartina control*</td>
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<td>Headwaters Fund - Aquaculture Expansion</td>
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<tr>
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<td>$23,248</td>
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<tr>
<td>Wiyot Tribe - Debris Removal</td>
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<td><strong>TOTALS</strong></td>
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<td><strong>$537,782</strong></td>
<td><strong>$521,682</strong></td>
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*New grants for FY 2015/16 - the rest are ongoing grants to be completed in FY 2015/16*
Date Filed

<table>
<thead>
<tr>
<th>General Information</th>
<th>For Commission Use</th>
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<tbody>
<tr>
<td>1.) Name &amp; Address of Developer, Project Sponsor and Legal Owner</td>
<td>A. Application No.15-04</td>
</tr>
<tr>
<td>Humboldt Bay Harbor, Recreation and Conservation District; 601 Startare Drive,</td>
<td>Application Type:</td>
</tr>
<tr>
<td>Eureka, CA 95501</td>
<td>Franchise</td>
</tr>
<tr>
<td></td>
<td>Permit</td>
</tr>
<tr>
<td></td>
<td>Lease</td>
</tr>
<tr>
<td>2.) Address of Project and Assessor's block, lot and Parcel Number</td>
<td>B. Date Received by Harbor District</td>
</tr>
<tr>
<td>930 Vance Avenue, Samoa, CA 95537</td>
<td></td>
</tr>
<tr>
<td>APN: 40103140</td>
<td></td>
</tr>
<tr>
<td>3.) Name, Address and Telephone No. of Person to be contacted concerning this</td>
<td>C. Date Accepted for filing by BOC</td>
</tr>
<tr>
<td>Project</td>
<td></td>
</tr>
<tr>
<td>Adam Wagschal</td>
<td></td>
</tr>
<tr>
<td>601 Startare Drive</td>
<td></td>
</tr>
<tr>
<td>Eureka, CA 95501</td>
<td></td>
</tr>
<tr>
<td>707-443-0801</td>
<td></td>
</tr>
<tr>
<td>4.) Attach list of names and addresses of all adjoining property owners <strong>See Attachment A</strong></td>
<td></td>
</tr>
<tr>
<td>5.) List and Describe any other related Permits &amp; Other Public Approvals required</td>
<td></td>
</tr>
<tr>
<td>for this Project, including those required by City, Regional, State &amp; Federal</td>
<td></td>
</tr>
<tr>
<td>Agencies. <strong>See Attachment A</strong></td>
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<td>6.) Existing Zoning District <strong>Coastal Zone, MC</strong></td>
<td></td>
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<tr>
<td>7.) Proposed Use of Site (Title of Project for which this form is filed) <strong>Redwood</strong></td>
<td></td>
</tr>
<tr>
<td>Marine Terminal Berth 1 Hagfish Operations</td>
<td></td>
</tr>
</tbody>
</table>

**Comments**
Describe in detail the proposed project:

See Attachment A
Project Description

8. Site Size The parcel size is 67 acres
9. Square Footage Project will occupy approximately 4,644 square feet
10. Number of floors of construction N/A
11. Amount of off-street parking provided 4 parking spots
12. Attach plans See attachment A
13. Proposed scheduling Implement beginning in July or August 2015
14. Associated projects None
15. Anticipated incremental development None
16. If residential, include the number of units, schedule of unit sizes, range of sale prices or rents, and type of household size expected. N/A
17. If commercial, indicate the type, whether neighborhood, city or regionally oriented, square footage of sales area, and loading facilities N/A
18. If industrial, indicate type, estimated employment per shift, and loading facilities. Seafood holding and packing industry, 2-5 employees per shift, offloading of seafood with a hoist at Redwood Marine Terminal Berth 1.
19. If institutional, indicate the major function, estimated employment per shift, estimated occupancy, loading facilities, and community benefits to be derived from the project. N/A
20. If the project involves a variance, conditional use or recognizing application, state this and indicate clearly why the application is required. N/A

Are the following items applicable to the project or its effects? Answer yes or no. Discuss all items answered yes.

21. Change in existing features of any bays, tidelands, beaches, lakes or hills, or substantial alteration of ground contours. Yes, addition of a water intake and discharge in Humboldt Bay. Also see Attachment A.

22. Change in scenic views or vistas from existing residential areas or public lands or roads. No.

23. Change in pattern, scale or character of general area of project. No.

24. Significant amounts of solid waste or litter. No.

25. Change in dust, ash, smoke, fumes or odors in vicinity. Yes. Minor amount of odor from live hagfish.

26. Change in ocean, bay, lake, stream or ground water quality or quantity, or alteration of existing drainage patterns. No.

27. Substantial change in existing noise or vibration levels in the vicinity. No.
A. During Construction  
B. During Project Utilization

28. Site on filled land or on slope of 10% or more. No.

29. Use of disposal or potentially hazardous materials, such as toxic substances, flammable or explosives. No.

30. Substantial change in demand for municipal services (police, fire, water, sewage, etc.) No.

31. Substantially increase fossil fuel consumption (electricity, oil, natural gas, etc.). No.

32. Relationship to larger project or series of projects No.

ENVIRONMENTAL SETTING:

33. Describe the project site as it exists before the project including information on topography, soil stability, plants and animals, and any cultural, historical, or scenic aspects. Describe any existing structures on the site and the use of the structures. Attach photographs of the site. Snapshots or polaroid photos will be accepted. See Attachment A

34. Describe the surrounding properties, including information on plants and animals and any cultural, historical, or scenic aspects. Indicate the type of land use (residential, commercial, etc.) intensity of land use (one-family, apartment houses, shops, department stores, etc.) and the scale of development (height, frontage, set-back, rear yard, etc.) Attach photographs of the vicinity. Snapshots or polaroid photos will be accepted. See Attachment A

Questions 35; 36 and 39 MUST BE ANSWERED!-------------------------

35. How will the proposed use or activity promote the public health, safety, comfort, and convenience? See Attachment A

36. How is the requested grant, permit, franchise, lease, right, or privilege required by the public convenience and necessity? See Attachment A

37. Financial statement: See Attachment A  
   A. Estimated cost of the project.  
   B. How will the project be financed.

38. Describe fully directions necessary to arrive at project site. From Hwy 101 in Eureka or Arcata, take Hwy 255 then Left on Cookhouse Road then Right on Vance Road.

39. Will the Applicant agree that as a condition of the permit being issued
to Applicant, to indemnify and hold harmless the Humboldt Bay, Harbor Recreation and Conservation District from any and all claims, demands, or liabilities for attorneys’ fees obtained from or against demands for attorney’s 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 application and permit, including, but not limited to, attorney’s fees, costs of suit, and costs of administrative records obtained by or awarded to third parties pursuant to the California Code of Civil Procedure Section 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 and costs of administrative records in connection with the subject matter of this application and permit? Yes

NOTE

The District hereby advises the Applicant that, under California Public Resources Code Section 21089, the District when a lead agency under the Environmental Quality Act of 1970, as amended, pertaining to an Environmental Impact Report (EIR) or a Negative Declaration may charge and collect from the Applicant a reasonable fee in order to recover the estimated costs incurred by the District in preparing an Environmental Impact Report (EIR) or Negative Declaration for the project and the procedures necessary to comply with the provisions of the public resources code on the Applicants project. In the event your project contains an analysis of issues pertaining to the Environmental Quality Act of 1970, as amended, for which District staff is not competent to independently review, or District requires the same in preparation of an Environmental Impact Report (EIR) or Negative Declaration for the project, the District may retain a reviewing consultant to evaluate the content of the Administrative-Draft EIR and Final EIR or Negative Declaration with respect to these issues. The cost of such reviewing consultant services shall be borne by the Applicant.

CERTIFICATION: I hereby certify that the statements furnished above and in the attached exhibits present the data and information required for this initial evaluation to the best of my ability, and that the facts, statements, and information presented are true and correct to the best of my knowledge and belief.

Dated: ____________________________

For ____________________________
Attachment A
Humboldt Bay Harbor District Permit Application
Redwood Marine Terminal Berth 1 Hagfish Operations Supporting Material

Project Description

The Humboldt Bay Harbor, Recreation and Conservation District’s (District) Redwood Marine Terminal Berth 1 (Terminal 1) is located on the Samoa Peninsula adjacent to Humboldt Bay in Humboldt County, California (Figures 1 and 2). Terminal 1 includes a warehouse and dock adjacent to a deep water channel. The proposed project would allow for the relocation of an existing live hagfish holding facility from another part of Humboldt Bay (Fields Landing) to Terminal 1. Proposed project activities include:

1. Transferring live hagfish from commercial fishing vessels to tanks in the warehouse using a hoist and forklift.
2. Holding the live hagfish in tanks in the warehouse for approximately 3-7 days.
3. Packing the live hagfish with chilled and oxygenated water and transporting them away with refrigerated trucks.
4. Use of a portable office.

Further information regarding these proposed activities is provided below.
Figure 1. Redwood Marine Terminal Berth 1, Humboldt County, California.
Transferring Hagfish

There would typically be one to two deliveries of hagfish per week by commercial fishing vessels. The fish would be lifted off the commercial fishing vessels using a hoist, weighed and then moved to the tanks in the warehouse using a forklift (see Figure 2).

Holding Hagfish

The hagfish would be held for approximately 3-7 days in tanks before they are packed for shipping. The project would utilize one tank that is 24-ft-long x 8-ft-wide x 4-ft-deep and twenty tanks that are 12-ft-long x 8-ft-wide x 4-ft-deep. The tanks would be positioned on the bay side of the warehouse (see Figures 2 and 3). Approximately 278 gallons of bay water would enter the tanks through a 3” water intake line that would extend under the dock. The water would circulate through the tanks and then
discharge back to the bay through a 12” water line that would also extend under the dock. Both the intake and discharge would be placed at a depth of approximately 15 feet in water that is a total of 20 feet deep at MLLW. Discharging the water into the deep water channel would ensure that scouring or erosion of mudflat habitat is not caused. For the water intake, a screen would be utilized to ensure that fish and other organisms are not impinged or entrained. The screen is further described below.

![Diagram of tank layout](image)

**Figure 3. Proposed layout of tanks within warehouse at Terminal 1 (diagram is not to scale).**

**Intake Screen**

The same intake screen currently being used at Fields Landing would be used at Terminal 1 (Figure 4). This screen was previously approved for use by the California Coastal Commission (Administrative Permit 1-13-0224). The screen is constructed with 5/32” perforations and has an intake area of 12.3 square feet with over 27% porosity. This ensures that with the 278 gallons per minute withdrawal, approach velocities will not exceed .05 feet / second. This is consistent with California Department of Fish and Wildlife’s recommended criteria for diversions in waters where juvenile longfin smelt (*Spirinchus thaleichthys*) and salmonids may occur.
Packing and Transporting Hagfish

After holding, the hagfish are packed in plastic bags with chilled and oxygenated water, within Styrofoam crates (Figure 5). The crates are typically picked up once or twice a week by a refrigerated truck.

Figure 5. Hagfish are packed in a bag with chilled and oxygenated water that is within a Styrofoam “crate” which is taped shut.
Office

A 12-ft-long x 12-ft-wide portable office would be placed at the site (figure 2) which would be used for bookkeeping associated with the operation.
4. Adjoining Property Owners:

<table>
<thead>
<tr>
<th>Samoa Pacific Group LLC</th>
<th>California Redwood Company</th>
</tr>
</thead>
<tbody>
<tr>
<td>5251 Ericson Way</td>
<td>PO Box 1089</td>
</tr>
<tr>
<td>Arcata, CA 95521</td>
<td>Arcata, CA 95521</td>
</tr>
</tbody>
</table>

5. Other Regulatory Approvals Needed
   
   - California Coastal Commission approval, likely an Administrative Permit.
   - North Coast Regional Water Quality Control Board approval, potentially a Discharge Permit.
   - US Army Corps of Engineers approval, potentially a Nationwide Permit.

33. Description of Project Site
   
The Project would be located at a developed industrial site with a dock, two warehouses and a greenhouse. The warehouses are currently used for storage of Humboldt Bay Harbor District equipment and leased for storage of commercial fishing and mariculture related equipment. Photos are below.

![Photo 1. Dock and hoist that would be used for moving hagfish from commercial fishing boats to the warehouse.](image-url)
Photo 2. Exterior of warehouse where the Project would occur.

Photo 3. Interior of the warehouse where the Project is proposed.
Photo 4. The second warehouse and greenhouse located on the same property as the proposed Project.

34. Adjacent Properties
Adjacent uses include the Timber Heritage Association museum with historic timber, logging and railroad equipment on site. There is also vacant land adjacent to the Project. Representative photos are below.

Photo 5. The Timber Heritage Association museum, on an adjacent property.
35. Promotion of the Public Health, Safety, Comfort and Convenience
The proposed project would allow for landing, holding and packing of seafood. The seafood industry is critical for the region's economy and providing adequate facilities for such uses is in the public's interest for comfort and convenience.

36. Public convenience and necessity
The proposed project would allow for landing, holding and packing of seafood. The seafood industry is critical for the region's economy and providing adequate facilities for such uses is in the public's interest for comfort and convenience.

37. Financial Statement
Establishing the hagfish operation facilities is estimated to cost $30,000 dollars. A portion of this cost (approximately $20,000) will be funded by the Humboldt Bay Harbor District, as site improvements for the tenant. The remainder of the cost will be funded by Hagfish Corporation for other required site improvements.
May 14, 2015

Senator Mike McGuire
State Capitol, Room 5064
Sacramento, CA 95814

RE: Support for SB 788, the California Coastal Protection Act of 2015.

Dear Senator McGuire:

The Board of Commissioners of the Humboldt Bay Harbor, Recreation and Conservation District is proud to support your legislation, SB 788, which seeks to protect our extraordinary coast, including Humboldt Bay and local Marine Protected Areas. This legislation will also protect coastal economies which contribute $40 billion annually to the state’s economy, and nearly half a million important jobs.

In 1969, Santa Barbara experienced one of the nation’s worst oil spills. The incident lasted 11 days and spilled an estimated 4.2 million gallons of crude oil. Two hundred square miles of ocean and 35 miles of California coastline were oiled, ultimately killing thousands of animals. We are committed to avoiding another offshore oil disaster along our pristine coast. Subsequently, California has taken a position to intentionally forgo any revenue from new offshore oil development due to the unacceptably high risk, and has instead focused on developing clean renewable energy.

Unfortunately, the Coastal Sanctuary Act contains a loophole from the offshore extraction prohibition, Public Resources Code 6244. It allows new oil leases if the “State Lands Commission determines that oil and gas deposits contained in tidelands are being drained by means of wells upon adjacent federal lands and leasing of the tidelands for oil or gas production is in the best interest of the State.”

PRC 6244 provides an opening for new offshore oil extraction that could have a detrimental effect on our environment and natural resources. Our nation has witnessed the environmental and economic impacts of highly regulated projects going wrong, such as Deepwater Horizon. We do not want to see a similar tragedy unfold along our scenic and abundant coastline.

Safeguarding our coast, which is a major economic engine, benefits all Californians. For this and the reasons stated above the Humboldt Bay Harbor, Recreation and Conservation District supports SB 788.

Sincerely,

Richard Marks
President, Board of Commissioners
Summary

California's coast is extraordinarily diverse. Its natural splendor attracts over 150 million visitors annually from all around the world seeking to witness its unparalleled beauty. While northern California is known for its majestic redwoods and rocky shores, southern California is known for its palm trees and warm sandy beaches.

California has the world's 8th largest economy. Coastal communities contribute $40 billion annually to the state's economy, and provide nearly half a million important jobs. Commercial fisheries in the state are valued at more than $7 billion annually. Ocean dependent tourism is valued at over $10 billion annually. Recreational fishing is valued at over $2 billion annually along California's coast.

Background

In 1969, Santa Barbara experienced one of the nation's worst oil spills. The oil spill resulted from a well drilling blow-out at an offshore platform off of Santa Barbara County's coast. The incident lasted 11 days and spilled an estimated 4.2 million gallons of crude oil. Two hundred square miles of ocean and 35 miles of California coastline were oiled and thousands of animals were killed.

As a result, California has taken a position to intentionally forgo any revenue from new offshore oil development due to the unacceptably high risk, and has instead focused on developing clean renewable energy.

In 1994, the California Legislature intended to codify a ban on new offshore oil and gas leases by passing the California Coastal Sanctuary Act. The Act states that "oil and gas production in certain areas of state waters poses an unacceptably high risk of damage and disruption to the marine environment of the state."

However, the Coastal Sanctuary Act also contains a loophole from the offshore extraction prohibition, Public Resources Code 6244, by allowing new oil leases if the "State Lands Commission determines that oil and gas deposits contained in tidelands are being drained by means of wells upon adjacent federal lands and leasing of the tidelands for oil or gas production is in the best interest of the State."

In 1999, the state passed the Marine Life Protection Act (MLPA). Marine Protected Areas are designed to protect or conserve marine life and habitat. Fish and Game Code Section 2853 states that the goal of designating a region as a Marine Protected Area is to increase "effectiveness at protecting the state's marine life, habitat and ecosystems."

As the Governors of California, Washington and Oregon recently expressed in a letter to the President of the United States, "a sizeable spill anywhere along our shared coast would have a devastating impact on our population, recreation, natural resources, and our ocean and coastal dependent economies."

Problem

California's coast acts as a meeting point for the warm waters from the South and the cold waters of the North. As a result, California's coast is recognized as one of only five locations in the world that produces such diverse sea life, marine ecology and vegetation.

Allowing for new offshore oil drilling, at the same time stating it poses too great of a risk, is a contradiction within the Coastal Sanctuary Act. This glaring inconsistency is compounded as a result of the subsequent passage of the MLA, which provided stringent new marine protections guidelines in the same coastal regions that remain open to new offshore oil drilling that is authorized under the Coastal Sanctuary Act.

As a result, the Coastal Sanctuary Act and Marine Life Protection Act have conflicting mandates, which allow for offshore drilling in areas that were subsequently designated to protect and conserve marine life.

Solution

The Coastal Sanctuary Act should be updated to reflect the goals established as a result of the subsequent passage of the Marine Life Protection Act.

We have seen, globally, the environmental and economic impacts of highly regulated projects going wrong, such as Deepwater Horizon. Even the slightest chance of an oil spill in a Marine Protected Area far outweighs any potential benefit to the state.

Protecting our coastal resources, which act as a major economic engine, benefits all Californians and will help the state achieve its greenhouse gas reduction targets and the Governor's vision of reducing petroleum use by up to 50 percent. SB 788 repeals PRC 6244 to ensure that the Coastal Sanctuary Act and Marine Life Protection Act are able to provide their intended protections.

Contact

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Support

Santa Barbara Environmental Defense Center
SENATE BILL  

No. 788

Introduced by Senator McGuire  
(Principal coauthors: Senators Jackson and Leno)  
(Coauthors: Senators Allen, Hancock, and Wolk)  
(Coauthors: Assembly Members Dodd, Levine, Mark Stone, and Williams)

February 27, 2015

An act to repeal Section 6244 of the Public Resources Code, relating to coastal resources.

LEGISLATIVE COUNSEL’S DIGEST

SB 788, as introduced, McGuire. California Coastal Protection Act of 2015.

The California Coastal Sanctuary Act of 1994 authorizes the State Lands Commission to enter into a lease for the extraction of oil or gas from state-owned tide and submerged lands in the California Coastal Sanctuary if the commission determines that the oil or gas deposits are being drained by means of producing wells upon adjacent federal lands and the lease is in the best interest of the state.

This bill would enact the California Coastal Protection Act of 2015, which would delete this authorization. The bill would make related legislative findings and declarations.


The people of the State of California do enact as follows:

1 SECTION 1. (a) The Legislature finds and declares all of the following:

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(1) California's coast is 840 miles long. California's coastal economies contribute $40 billion annually to the state's economy, and nearly half a million jobs. Commercial fisheries in California are valued at more than $7 billion annually. Ocean dependent tourism is valued at over $10 billion annually. Recreational fishing is valued at over $2 billion annually along California's coast.

(2) The California coastal current system hosts a wide variety of marine mammals, seabirds, sea turtles, marine fishes, and invertebrates, including many threatened and endangered animals. The ocean off of California's coast also supports rare, deep-water coral habitats that provide habitat for abundant marine life.

(3) The California coastline provides habitat for many threatened or endangered species.

(4) The coast of California is home to numerous protected areas, including national marine sanctuaries, a national park, and a national seashore.

(5) Outdoor coastal recreation is a crucial part of California's business and recreation, including boating, wildlife viewing, hiking, beach visitation, swimming, surfing, and diving. Additionally, many of California's indigenous populations rely on fisheries for subsistence, business, and recreation.

(6) The California Coastal Sanctuary Act of 1994 passed with bipartisan support. The act prohibits any extraction of oil or gas in certain state waters under a new lease, but it also provides an exception that authorizes the extraction of oil or gas from state-owned tide and submerged lands in certain circumstances. Because of this exception, the act falls short of providing a complete ban on new offshore oil drilling.

(7) California has established a network of marine protected areas. The exception for offshore oil drilling in the California Coastal Sanctuary Act of 1994 threatens that network of marine protected areas.

(8) Pursuant to an agreement with the federal government, California receives a portion of the royalties on oil and gas produced in federal waters.

(9) California has not issued new offshore oil permits for over 50 years and has intentionally foregone any revenue from new offshore oil development in state waters and federal waters. The Legislature, Governor, and State Lands Commission have
repeatedly called upon the federal government to prohibit any
offshore oil drilling in federal waters off the California coast.
(10) The federal and state government, as well as the people of
California, have consistently expressed support for an energy policy
that transitions our use from fossil fuel to more renewable energy,
greater fuel efficiency, and conservation.
(11) The Governor of California, along with the governors of
Oregon and Washington, have repeatedly expressed their “strong
opposition” to any offshore oil development off of the West Coast.
In a letter to the President of the United States, they wrote: “While
new technology reduces the risk of a catastrophic event such as
the 1969 Santa Barbara oil spill, a sizeable spill anywhere along
our shared coast would have a devastating impact on our
population, recreation, natural resources, and our ocean and coastal
dependent economies.” They further wrote that: “Oil and gas
leasing may be appropriate for regions where there is state support
for such development and the impacts can be mitigated. However,
along the West Coast, our states stand ready to work with the
Obama Administration to help craft a comprehensive and
science-based national energy policy that aligns with the actions
we are taking to invest in energy efficiency, alternative renewable
energy sources, and pricing carbon.”
(b) This act shall be known, and may be cited, as the California
Coastal Protection Act of 2015.
SEC. 2. Section 6244 of the Public Resources Code is repealed.
6244. The commission may enter into any lease for the
extraction of oil or gas from state-owned tide and submerged lands
in the California Coastal Sanctuary if the commission determines
that those oil or gas deposits are being drained by means of
producing wells upon adjacent federal lands and the lease is in the
best interests of the state.
AGENDA REPORT

For agenda of: May 15, 2015

Agenda Items: Agenda Items 10d, 10e and 10f

10d. Consideration of securing credit card information from tenants to allow for automatic payments.

The District has over 200 tenants, who typically make payments on an annual or monthly basis. Payments are made by cash, check or credit card. However, the District doesn’t currently have a process for securing credit card information. Hence, tenants are required to provide their credit card information during each individual credit card transaction. District staff has consulted with Eureka Payments and identified a sound process for securing credit card information from tenants. Securing credit card information would allow the District to:

1) Collect automatic payments from tenants that elect to have their credit card automatically charged.
2) Collect payments using credit card information when a tenant is past due with their payment.
3) Require all new tenants and transients to pledge a credit card and agree to future charges. If transients cannot provide a credit card then they would be required to pay one month in advance (or if they are staying for less than one month, they would pay for their entire stay).

The Board is to consider securing credit card information from tenants.

10e. Consideration of rates for offloading seafood at District properties.

It is typical for ports to charge for offloading seafood. The Board is to consider the following rates for offloading seafood, which would be conducted at Woodley Island Marina and Redwood Marine Terminal Berth 1 and 2. Fees would only be collected when a District hoist is used to offload seafood. Additionally, these fees would be in addition to any other regular fees such as fees for fork lift use or labor. These fees are consistent with fees in other west coast ports.

Bottom Fish = $.025/lb (under 5,000 lb)
Bottom Fish = $.020/lb (5,000-10,000 lb)
Bottom Fish = $.015/lb (10,000 lb+)
Crab = $.050/lb (under 5,000 lb)
Crab = $.040/lb (5,000 lb-10,000 lb)
Crab = $.030/lb (10,000 lb+)
Salmon = $.075/lb
Shellfish = $.25/bushel

10f. Consideration of costs and insurance requirements for direct sales of fish from vessels at Woodley Island Marina.
District resolution 2003-04 establishes standards authorizing the sale of whole raw fish and shellfish (seafood) from boats moored at Woodley Island Marina. Item 2 of the resolution states "The cost of authorization for the sale of whole raw fish and shellfish under this Resolution shall be set by the Board of Commissioners of the Humboldt Bay Harbor, Recreation and Conservation District and may be revised from time to time at the discretion of the Board." However, no cost has been set by the Board.

Resolution 2003-04 only pertains to sale of seafood from the vessels that caught and landed the seafood being sold. For vessels selling seafood that was not caught and landed by that vessel, the District requires a permit, $250 annual fee and proof of liability insurance. These requirements also pertain to charter boats and other entities conducting business at Woodley Island Marina. The Board is to consider extending these requirements to the sale of seafood from vessels that caught and landed the seafood being sold. These vessels would be required to obtain a District permit, pay a $100 annual fee and provide proof of liability insurance and a public retail license.