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

December 12, 2013

PRESENT

Commissioner Dale
Commissioner Wilson
Commissioner Marks
Commissioner Higgins

ABSENT

Commissioner Newman

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

President Wilson adjourned the Executive Closed Session at 6:48 P.M.

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

President Wilson led those present in the Pledge of Allegiance.

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

PUBLIC COMMENT

Monte Provolt told the Board of Commissioners he was discouraged there was no report on the PG&E property acquisition – the public would like to know about that issue. He said there was good information on the King Salmon Canal at the Economic Development Committee meeting. He asked what the Harbor District will gain by the acquisition of the King Salmon Fisherman's Channel; there are too many unknown liabilities and PG&E should retain ownership.

Kent Sawatzky stated Access Humboldt is not showing videos of the District's Board meetings. He said he does not see an upside to the PG&E property acquisition. Mr. Sawatzky said he was glad to see toxins are not being hauled at this time from the pulp mill property site; it is not a good time of year. He also stated the pulp mill property should be a cash cow, not a money pit; suggested improving and leasing out the dock.

CONSENT CALENDAR

Commissioner Higgins requested paragraph #8 of Public Comment on the October 10, 2013 Board Meeting minutes be removed. His statements regarding Public Records Act requests were made based on incorrect assumptions.

COMMISSIONER HIGGINS MOVED FOR THE APPROVAL OF MINUTES FROM THE OCTOBER 10, 2013 BOARD MEETING AS AMENDED. COMMISSIONER DALE SECONDED. MOTION CARRIED WITHOUT DISSENT.
COMMUNICATIONS AND REPORTS

CHIEF EXECUTIVE OFFICER REPORT

- Reported on the Pulp Mill property as follows: USEPA is onsite. Tanks are plumbed and ready for the liquors to be moved. It will take another week to make the final connection to the dock. Domestic water has been hooked up to the warehouse building. The District’s Maintenance staff is repairing the dock.
- Spoke by phone to regulatory and KapStone representatives regarding the shipping of the liquors.
- Held a mandatory walk-through for Taylor Shellfish’s conduit to provide power to their facility. The lease area was revised to include a portion of the warehouse building. Taylor Shellfish’s current annual lease is $45,000; but will be increased to $77,500 for tidelands, dock, building and upland property.

STAFF REPORTS

Director of Conservation

- Reported on the marine debris float removal grant.
- Reported there will be a public meeting with King Salmon residents to discuss dredging the Fisherman’s Channel.
- Currently in the CEQA Public Comment period for the Humboldt Bay Pre-Permitting Project.
- Currently hiring for a Spartina Project Coordinator.
- Working with District Planner to wrap up the Water Trails Project.

Bar Pilot Tim Petrusha

- MV Maple Amethyst will arrive Monday, December 16 for one week.

District Planner

- HCAOG’s Regional Transportation Plan is available for public comment.
- Planwest’s IT staff is working with Bar Pilot Powell on software enhancements.

DISTRICT COUNSEL REPORT: None

COMMISSIONER AND COMMITTEE REPORTS

Commissioner Dale

- Wished all a Merry Christmas, Happy Hanukkah, Merry Kwanzaa, etc.

Commissioner Marks

- Reported negotiations are ongoing with the District and its employee union.
- Chaired the Economic Development Committee meeting and thanked Monte Provolt for providing some history of King Salmon.
- Attended a NCRA meeting in Novato.
Commissioner Higgins

- Attended an Economic Development Committee meeting; Dr. Steve Hacket spoke on Fields Landing.
- Requested the Board of Commissioners meet with the Shelter Cove Resort Improvement District Board on January 23, 2014.
- Stated the website will be reorganized shortly.

NON AGENDA

- **Presentation by Humboldt State University Students on sustainable energy facility.**
  
  HSU students presented ideas and information to use the Pulp Mill property for a Pressure Retarded Osmosis (PRO) facility. The project overview consisted of a site assessment, preliminary PRO system design and an overall technical and economical feasibility assessment. Needed to make the project feasible is a cleaner water source, project closer to a freshwater source and advances in membrane technology. The project is not recommended due to economic infeasibility.

  Monte Provolt suggested a focus on smaller membrane research, although even this may not be feasible in Humboldt County.

- **Presentation by Ryan Wells, Scott Kelley and Mike Nelson, LACO Associates on the Samoa Industrial Waterfront Transportation Access Plan.**

  Scott Kelley stated this project was federally funded by the Federal Transportation Equity Act for the Twenty-First Century (TEA-21). The goal is to improve access to the industrial waterfront properties on the Samoa Peninsula. The scope of work was to investigate transportation routes to and from the industrial waterfront properties, involve property owners, regulatory and funding agencies and other stakeholders and prepare a plan documenting the investigations and a preferred alternative route.

  Permitting requirements and funding opportunities were discussed. Recommendations were made to appoint members to a Technical Advisory Committee and a Policy Advisory Committee.

  Commissioner Wilson said one of the major landowners on the Peninsula asked that utilities be discussed as a part of the study. He said while utilities are one of the pieces for consideration, the funding was to study transportation/public roads.

  Commissioner Dale thanked LACO Associates, stating the project was much more complex than he had anticipated.

  Monte Provolt said if railroad components were included in grant applications, many opportunities would become available.

  Kent Sawatzky asked about access to Redwood Dock; the public is not ready to let go of this public dock. Mr. Kelley said there is access currently to Redwood Dock.

**UNFINISHED BUSINESS:** None
NEW BUSINESS

A. CONSIDERATION OF AWARD OF CONTRACT FOR THE TEMPORARY ELECTRICAL POWER INSTALLATION AT REDWOOD TERMINAL 2.

COMMISSIONER DALE MOVED FOR THE APPROVAL OF AWARD OF CONTRACT FOR THE TEMPORARY ELECTRICAL POWER INSTALLATION AT REDWOOD TERMINAL 2 TO AN ELECTRICIAN, INC. FOR $24,800. COMMISSIONER MARKS SECONDED. MOTION CARRIED WITHOUT DISSENT.

B. CONSIDERATION OF APPROVAL OF COOPERATIVE AGREEMENT WITH THE WIYOT TRIBE FOR MARINE DEBRIS CLEANUP.

COMMISSIONER MARKS MOVED THE APPROVAL OF COOPERATIVE AGREEMENT WITH THE WIYOT TRIBE FOR MARINE DEBRIS CLEANUP. COMMISSIONER DALE SECONDED.

Director of Conservation reported the Wiyot tribe received a grant for marine debris removal. The District will match some services as outlined in the grant application District staff helped write.

MOTION CARRIED WITHOUT DISSENT.

C. CONSIDERATION OF APPROVAL OF TIMBER HERITAGE ASSOCIATION SAMOA SHOPS LEASE EXTENSION AGREEMENT AND SCOPE OF WORK FOR 2014 LEASE OFF-SET.

COMMISSIONER MARKS MOVED FOR THE APPROVAL OF TIMBER HERITAGE ASSOCIATION SAMOA SHOPS LEASE EXTENSION AGREEMENT AND SCOPE OF WORK FOR 2014 LEASE OFF-SET. COMMISSIONER DALE SECONDED.

CEO reported the Timber Heritage Association (THA) has made many improvements to the property in lieu of a lease payment: electrical work in the Round House and other buildings, additional lighting and outlets, roofing repairs and they are working on a scope of works to get the zoning correct to open the facility as a museum.

District Planner said the County General Plan does include a designation change of a portion of the Samoa Shops site to Coastal Recreation, which is more consistent with THA’s efforts. He said it will take some diligence on the District’s part to ensure the County gets the designation in place and puts in the policy language.

Commissioner Wilson asked THA about cost-sharing on the District Planner’s efforts. Mike Kellogg said that was a possibility as long as THA knows what is being done.

Mike Kellogg asked the Board to allow THA to demonstrate steam equipment, such as a steam donkey. He provided proof of insurance coverage.

COMMISSIONER MARKS AMENDED HIS MOTION TO INCLUDE ALLOWING THA TO DEMONSTRATE STEAM EQUIPMENT, SUCH AS A STEAM DONKEY. COMMISSIONER DALE SECONDED THE AMENDMENT.

Monte Provolt suggested getting one or two County Supervisors and a Planner together with the District and THA to work out this zoning issue.

Kent Sawatzky said there was a new designation in the General Plan Update for railroad facilities.

Pete Johnston of THA said he was glad to see George Williamson as District Planner and looks forward to working with him in the future.
D. CONSIDERATION OF APPROVAL OF NO-COST EXTENSION OF CONTRACT WITH LACO ASSOCIATES FOR SERVICES RELATED TO THE SAMOA INDUSTRIAL WATERFRONT TRANSPORTATION ACCESS PLAN.

COMMISSIONER MARKS MOVED FOR THE APPROVAL OF NO-COST EXTENSION OF CONTRACT WITH LACO ASSOCIATES FOR SERVICES RELATED TO THE SAMOA INDUSTRIAL WATERFRONT TRANSPORTATION ACCESS PLAN. COMMISSIONER DALE SECOND. MOTION CARRIED WITHOUT DISSENT.

E. DISCUSSION OF RE-ESTABLISHING THE SHELLFISH TECHNICAL ADVISORY COMMITTEE (TAC).

Commissioner Wilson said the original Shellfish TAC was based out of the Regional Water Quality Control Board to monitor shellfish culture on Humboldt Bay: pre-permitting, monitoring and sources of pollution.

Commissioner Dale said it was established through legislation in the early '90s, but the Water Board has no staff or funding to head the committee.

Commissioner Wilson said the TAC will be an ad hoc committee to last until the end of February 2014.

The purpose of the TAC will be to collect information, seek funding and will create an opportunity for fixing shellfish issues for Humboldt Bay. The District will be agency to work with the Water Board – it was agreed “agency to agency” participation is invaluable.

The TAC will be comprised of: Ted Kuiper, Scott Sterner, Jen Kalt, Sebastian Elrite, Todd VanHerpe, Commissioner Dale and Director of Conservation.

Monte Provolt asked if the TAC is to address water quality, shouldn't all life in the bay be considered. Commissioner Wilson stated shellfish is a fundamental beneficial use of good water quality.

Commissioner Dale said the TAC is tied with legislation and mandates at the State level.

Todd VanHerpe suggested City of Arcata have a seat on the TAC. Commissioner Wilson said any stakeholder agency could have a seat.

Jen Kalt, Humboldt Baykeeper, said they have been monitoring creeks around the Bay since 2005 and fecal coliform is through the roof. This would be a good area for the TAC to study to determine where it is coming from

ADMINISTRATIVE AND EMERGENCY PERMITS: None

President Wilson adjourned the Regular Meeting of the Board of Commissioners at 9:25 P.M.

APPROVED BY: Patricia Tyson
Director of Administrative Services

RECORDED BY: Patricia Tyson
Director of Administrative Services
MINUTES
REGULAR MEETING OF THE BOARD OF COMMISSIONERS
HUMBOLDT BAY HARBOUR, RECREATION AND CONSERVATION DISTRICT

November 14, 2013

PRESENT
Commissioner Newman
Commissioner Dale
Commissioner Wilson
Commissioner Marks
Commissioner Higgins

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

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

President Wilson called the Regular Meeting of the Board of Commissioners to order at 7:03 P.M.

President Wilson led those present in the Pledge of Allegiance.

District Counsel reported out of the Executive Closed Session as follows: Conference with Labor Negotiator. Commissioners Marks and Higgins were appointed to work with Labor Negotiators, CEO and District Counsel.

PUBLIC COMMENT

Sebastian Elrite of Aqua-Rodeo Farms said he has been browsing the Internet regarding the dredge the District has been considering purchasing and asked them to do their due diligence on researching it, including getting a second opinion; stated the dredge capsized in Washington in 2010 and asked how this incident affected the dredge. Mr. Elrite asked how much the District paid for the Pulp Mill; how much the loan amount was.

District Counsel reported on the purchase of the pulp mill property no money changed hands, although a loan could be a possibility for cleanup.

Kevin Pinto stated he does not want to see the District buy a dredge because costly maintenance is needed on what the District already owns. He asked the District to put out a Request for Bids for an alternative; and if no one submits, then consider buying the dredge. Mr. Pinto also said the Travelift is not being used to its full capability, which could increase revenue to the District and that additional storage options at the Fields Landing Boat Yard could also be an additional revenue source.

Commissioner Wilson stated the Economic Development Committee meeting on Monday will focus on Fields Landing and he recommended Mr. Pinto attend.

Kent Sawatzky said he is concerned the Board of Commissioners is not following it’s State mandates, especially regarding the short-term temporary borrowing limit of $200,000. He asked the Board to follow the mandated guidelines.

Jerry Martien of Elk River stated he sent an email to the District regarding the upcoming public forum regarding Elk River sediment, silt and flooding where Green Diamond wants to clear cut into a watershed. He said the Regional Water Quality Control Board Staff and Baykeepers will be attending the meeting sponsored by the County Supervisors. Mr. Martien requested the use of the District’s video camera.
Minutes
Regular Meeting of the Board of Commissioners
Humboldt Bay Harbor, Recreation and Conservation District
November 14, 2013
Page 2 of 6

CONSENT CALENDAR: None

COMMUNICATIONS AND REPORTS

CHIEF EXECUTIVE OFFICER REPORT

✓ Reported on the Pulp Mill property as follows: two truckloads of sulfuric acid was trucked to Fresno; CEO presented a schedule of transport where a third barge could be needed due to capacity issues; Coast Guard approved the use of a chemical barge; dock repairs have been completed; Louisiana Pacific has agreed to pay $44,800 for landfill costs; an RFP has been released for the purchase of the chemical recovery boiler and turbine generator.

STAFF REPORTS

Director of Conservation

✓ Attended a Sea Level Rise planning meeting this past week.
✓ Said Spartina densiflora eradication continues.
✓ Has been working with PG&E on the CEQA document for the King Salmon power plant; met with them to discuss sediment testing results for the King Salmon Canal.
✓ Stated a Sediment Reuse project is underway with SHN Engineering.
✓ Has been working on the State tideland lease for the outfall pipe.

Bar Pilot Tim Petrusha

✓ Has been working on the potential dredge purchase; the City submitted a letter of intent to show dredge owner Vern Scovell they are serious about considering the purchase. Reported the dredge did tip over in Washington, as brought up by Sebastian Elrile, due to captain error; explains why the dredge is in such good shape because many parts were rebuilt. Said new dredges can be less expensive, but the costs increase considerably when you are looking at dredges with deeper dredging capability.

Commissioner Dale asked if the potential dredge could ever work on the shoaling in the Entrance. Captain Petrusha stated he believed it could be done in the right conditions.

Kevin Pinto asked who would operate the dredge. Captain Petrusha said the District will be considering many qualifications when hiring.

Director of Facility Maintenance

✓ Reported Berth Two dock pilings and substructure are sound, but the top decking of the dock needs to be replaced. Said Bar Pilots assisted in the Port Authority boat during Maintenance Staff work on the dock to remove any debris that fell in the water.

Director of Administrative Services

✓ Has been working with the District’s new auditing firm, Hunter, Hunter and Hunt.
✓ Stated electricity bills are being sent out to Marina tenants.

DISTRICT COUNSEL REPORT: None
COMMISSIONER AND COMMITTEE REPORTS

Commissioner Newman

- Said there have been two crab quality tests and the season may open here around December 1-15; crabbing started in San Francisco today.
- Chaired the California Salmon Council meeting recently.
- Reported he is happy with the clean-up progress at the Pulp Mill property.

Commissioner Dale

- Took local youth to Kentucky for a National FFA Conference where a local student was in the top four in the nation.
- Stated the dock at the Pulp Mill property looks good and the site keeps looking better.

Commissioner Wilson

- Said the M580 celebration took place this year on November 1; went last year but it was cancelled. Reported he hopes it will be successful so that other short sea shipping ports will grow in activity.
- Had a meeting with federal representatives hoping to get more funding for the Pulp Mill property cleanup.

Commissioner Marks

- Attended a meeting with Commissioner Wilson and federal representatives to give them an update on the Pulp Mill property cleanup, which is looking great. He commented favorably on the work District Maintenance Staff has been doing on the dock.
- Reported he was President of the employee union in 2008 when the Pulp Mill shut down and Evergreen’s company disappeared still owing workers money.
- Attended an NCRA meeting yesterday.

Commissioner Higgins

- Attended an Economic Development Committee meeting.
- Went diving in the Eel River recently to count salmon.

NON AGENDA: None

UNFINISHED BUSINESS: None

NEW BUSINESS

A. CONSIDERATION OF REDWOOD TERMINAL 2 EXPENDITURES EXCEEDING CEO’S AUTHORITY.

CEO stated he needs approval on the expense for Berth 2 water and power utilities.

COMMISSIONER MARKS MOVED FOR APPROVAL OF A $72,000 EXPENDITURE FOR REDWOOD TERMINAL 2. COMMISSIONER DALE SECONDED.

Director of Facility Maintenance said this should be considered a temporary power solution.
Monte Provolt reported there are no permitting numbers. CEO stated that will be part of the contractor's responsibility.

Mr. Provolt asked if the new wood on the dock is pressure treated. Director of Facility Maintenance said it will be salt-cured.

Kent Sawatzky reported he would like to see budgeted items instead of only expenditures.

MOTION CARRIED WITHOUT DISSENT.

B. CONSIDERATION OF AMENDMENT TO THE EXISTING AGREEMENT WITH FRIENDS OF THE DUNES FOR SERVICES IN THE SPARTINA ERADICATION PROGRAM.

Commissioner Wilson recused himself and left the room to avoid any possible conflict of interest.

COMMISSIONER HIGGINS MOVED FOR AMENDMENT TO THE EXISTING AGREEMENT WITH FRIENDS OF THE DUNES FOR SERVICES IN THE SPARTINA ERADICATION PROGRAM. COMMISSIONER DALE SECONDED.

Director of Conservation stated this Item adds $2,000 to the original Agreement for monitoring and is fully funded through the Coastal Conservancy.

MOTION CARRIED WITHOUT DISSENT.

Commissioner Wilson returned to the room.

C. CONSIDERATION OF BROWNFIELDS GRANT APPLICATION FOR PHASE II WORK AT THE DISTRICT'S PULP MILL SITE PROPERTY.

Andrew Whitney, Humboldt County Economic Development Specialist regarding Brownfields, said the EPA likes to see an engaged public process for any grant consideration and that it makes the application more competitive.

CEO said the scope of work for Phase II's soil remediation may contain some demolition and the total funding could be approximately $400,000.

Commissioner Wilson stated CEO and Mr. Whitney should continue working together and bring more information to the Board.

Commissioner Higgins said he is thrilled the District is getting support from the County on this project.

Commissioner Dale asked if there was anything the District could do to make the County's communications with the EPA go smoother. Mr. Whitney reported letters and phone calls may be in order.

Kent Sawatzky asked what the funding source is within the County and how they prioritize sites.

Mr. Whitney stated the funding is through a community-wide Brownfield Assessment Grant and that EPA grant funds have been funding Phase I.

Mike Nelson of LACO Associates said they have been working with the District and the County, which has been a very helpful resource; would love to help with the next grant application.
Debbie Provott asked if the County works with private property landowners and if it ever leads to grants for them as well.

Mr. Whitney reported all assessment activities are made with site access agreements, so it is unlikely that a property owner would allow access to a site where a corrective action would likely incur.

D. CONSIDERATION OF AGREEMENT WITH GEORGE WILLIAMSON OF PLANWEST PARTNERS INC. TO PROVIDE DISTRICT PLANNER SERVICES.

COMMISSIONER HIGGINS MOVED FOR AGREEMENT WITH GEORGE WILLIAMSON OF PLANWEST PARTNERS INC. TO PROVIDE DISTRICT PLANNER SERVICES. COMMISSIONER DALE SECONDED.

Mr. Williamson said he had the privilege of working with Chad Roberts, the District's previous District Planner.

Kent Sawatzky asked if there were any possible conflicts of interest since Mr. Williamson is involved with LACFO; transparency is his concern.

Commissioner Wilson reported at the moment there is no conflict.

Mike Nelson stated he has known and worked with Mr. Williamson for several years; and although LACO Associates submitted an RFQ for District Planner as well, he is happy to work with Mr. Williamson in the future.

MOTION CARRIED WITHOUT DISSENT.

E. DISCUSSION OF COAST SEAFOODS' TIDELAND LEASE.

Commissioner Dale recused himself and left the room to avoid any possible conflict of interest.

CEO said this Item is connected to a letter of credit and that as long as the District owes Coast Seafoods money, this lease will stay in effect.

Kent Sawatzky reported he believes this Item to be a conflict of interest and asked if it is a personal line of credit; questioned the legality of the loan.

District Counsel stated all tideland leases are fairly standardized at this point including five year terms and incremental increases.

Mr. Sawatzky said he disagreed that this lease qualifies as standard.

District Counsel reported it is primarily a way to pay off the line of credit.

Monte Provoit said he does not like the clause regarding forty years; and asked if the District does not pay the $1,250,000 owed, does Coast Seafoods get a forty year lease and the District will help them with future permitting; reported the line of credit should be paid off the boiler sale instead of moving on with other projects.

Kevin Pinto reported when one must borrow money and it is done in this fashion, the entity loaning money will typically end up in a better situation; asked why Coast Seafoods would lend money if they did not see some benefit in it.

Commissioner Higgins asked if the District would favor Coast Seafoods on new leases.
District Counsel stated the existing lease addendum is only in place until the letter of credit is paid.

CEO said the District would help any lessee the same as Coast Seafoods regarding permitting.

District Counsel reported Coast Seafoods’ interest in this is due to the liquors’ potential to contaminate the Bay, where Coast Seafoods does their business.

Debbie Provolt stated this Item is just one document that is part of a larger transaction.

CEO said one of the conditions regarding this line of credit is that the funds be used to transport the liquors out of this area; this is a discussion item only.

ADMINISTRATIVE AND EMERGENCY PERMITS: None

President Wilson adjourned the Regular Meeting of the Board of Commissioners at 9:08 P.M.

APPROVED BY:

[Signature]

Patrick Higgins
Secretary

RECORDED BY:

[Signature]

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

October 24, 2013

PRESENT

Commissioner Newman
Commissioner Wilson
Commissioner Marks
Commissioner Higgins

ABSENT

Commissioner Dale

President Wilson called the Regular Meeting of the Board of Commissioners to order at 7:05 P.M.

President Wilson asked Adam Wagschal to lead those present in the Pledge of Allegiance.

PUBLIC COMMENT

Steve Harris, Operating Engineers District representative, stated there are qualified people in the area to work on the Pulp Mill project, and would like to work with the District to employ local workers.

Susan Penn, Woodley Island Marina tenant, said there have been a lot of recent dog issues on the Island. Recently a dog aggressively approached a visiting friend of hers; the dog belonged to a fisherman who when approached, acted with hostility toward her friend. Ms. Penn reported the incident was conveyed to the District office; and while there are many signs on the Island saying there are no dogs allowed, the rules are confusing when there is a dog area present. She stated it is not fair that fishermen can have dogs on their boats, but anyone visiting her boat cannot.

Commissioner Wilson asked Commissioner Higgins who he worked with on this topic when it came up previously. Commissioner Higgins said it was with past Commissioner Pellegrini. Commissioner Wilson assigned Commissioners Higgins and Newman to work with Director of Facility Maintenance on this subject.

Director of Facility Maintenance reported Staff is aware of the situation and are looking into changing the Island signs and reviewing District Ordinance 9.

Sebastian Elrite of Aqua Rodeo Farms said oyster tourism has been increasingly successful and is raising funds to purchase a boat for six-man tours; visit the website www.indiegogo.com to donate.

CONSENT CALENDAR

COMMISSIONER HIGGINS MOVED FOR APPROVAL OF THE CONSENT CALENDAR. COMMISSIONER MARKS SECONDED. MOTION CARRIED WITHOUT DISSENT.
COMMUNICATIONS AND REPORTS

CHIEF EXECUTIVE OFFICER REPORT

- Reported at Redwood Terminal 2, the first significant volume of liquors left, leaving one empty tank; sulfuric acid will be taken care of next. CEO is still working on bringing power to the offices and warehouse; the District could end up with a credit from PG&E. Staff has been doing a lot of cleanup around the site; found a climber to ascend the stack to install an aviation light; a dock inspection revealed that only the top boards need to be replaced to be able to bring in a chemical barge.

STAFF REPORTS

Director of Conservation

- Reported he and Captain Powell surveyed the condition of the Redwood Terminal 2 ocean outfall pipe with the side scan sonar, a requirement of the State Lands Commission to change the lease into the District’s name.
- Will attend a meeting with SHN Consulting Engineers to discuss sediment reuse.
- Said there will be a Sea Level Rise Adaptation planning process public meeting on November 12.

Director of Facility Maintenance

- Reported the Maintenance staff have been busy making repairs to the dock and cleaning the site at Redwood Terminal 2.
- Went with Captain Petrusha and City of Eureka Harbormaster to Oregon to assess the dredge the District has been discussing purchasing.

Bar Pilot Tim Petrusha

- Reported a log ship recently left the Bay; expecting two more by the end of the year. There is talk of a chip barge coming to the Bay before traveling to Canada.

DISTRICT COUNSEL REPORT: None

COMMISSIONER AND COMMITTEE REPORTS

Commissioner Newman

- Stated crab quality tests will be done soon.

Commissioner Wilson

- Read a draft letter to EPA regarding employing a local work force at Redwood Terminal 2.
- Was at the Board of Supervisors on Monday as part of the General Plan Update process; asked to participate on a committee to discuss the Economic Development section and make recommendations to the Board of Supervisors.
- Received the second administrative draft from LACO regarding the Samoa Industrial Waterfront Transportation Access Plan.
Minutes
Regular Meeting of the Board of Commissioners
Humboldt Bay Harbor, Recreation and Conservation District
October 24, 2013
Page 3 of 7

Commissioner Marks

❖ Chairated an Economic Development Committee about aquaculture facilitated by Ted Kuiper, which was well attended; said Humboldt Bay is the only high-health bay in California, so larva shipment could create about 110 jobs with $10,000,000 coming into the local economy. Stated pre-permitting would be helpful.

Commissioner Higgins

❖ Stated there were great presentations at the Economic Development Committee and much excitement with many good suggestions; the next meeting is November 11, Shelter Cove and Field Landing will be discussed. Thanked the press for being there.
❖ Went diving in the Eel River and will be going again soon.
❖ Said the District’s website will be revamped soon.

NON AGENDA: None

UNFINISHED BUSINESS: None

NEW BUSINESS

A. CONSIDERATION OF CREATION OF AN INTERAGENCY AD HOC HARBOR DEVELOPMENT COMMITTEE.

Commissioner Wilson reported this item is coming from the Humboldt Bay Harbor Working Group. The Group is requesting $5,000 be spent from the District Budget to record the meetings. Commissioner Wilson requested no meetings take place until the Economic Development Committee meetings have ended and stated City of Arcata should also be asked to participate.

Susana Munzell said the Group welcomes the representatives on the Committee; had a lengthy conversation with Commissioner Wilson earlier where understandings were met. Ms. Munzell reported there are issues that the Working Group is not able to respond to completely without first talking to the other agencies on the Committee; glad there is progress with a Committee being formed.

Commissioner Wilson asked the Group to postpone the November 6 meeting because he cannot make it.

Ms. Munzell stated she would speak with the other Committee participants.

COMMISSIONER NEWMAN MOVED FOR CREATION OF AN INTERAGENCY AD HOC HARBOR DEVELOPMENT COMMITTEE AND THE EXPENDITURE OF $5,000 FROM DISTRICT’S BUDGET TO FACILITATE RECORDING OF MEETINGS. COMMISSIONER MARKS SECONDED.

Commissioner Higgins said he is impressed with the amount of time Commissioner Wilson has committed.

Ms. Munzell asked when the Economic Development Committee meetings would end so the Committee can begin meetings. Commissioner Higgins reported there will be about five more meetings, so it will not end until around May; welcomed the Group to come to the EDC meetings.

MOTION CARRIED WITHOUT DISSENT.
B. CONSIDERATION OF APPROVAL OF THE FOLLOWING CONTRACTS FOR TASKS RELATED TO THE SPARTINA ERADICATION PROGRAM:

1. CONTRACT WITH H.T. HARVEY AND ASSOCIATES TO ASSIST THE DISTRICT AND CONSERVANCY WITH COMPLETING THE REMAINING PERMITTING, AND WITH THE ASSOCIATED BIOLOGICAL MONITORING.

Director of Conservation said more permitting is needed to expand Spartina eradication areas; H.T. Harvey wrote the EIR, so it makes sense for them to be on call to review some of the work. Mr. Berman reported this Item is on an hourly basis up to $10,000, which is what was budgeted with the Coastal Conservancy grant.

COMMISSIONER NEWMAN MOVED FOR APPROVAL OF CONTRACT WITH H.T. HARVEY AND ASSOCIATES TO ASSIST THE DISTRICT AND CONSERVANCY WITH COMPLETING THE REMAINING PERMITTING, AND WITH THE ASSOCIATED BIOLOGICAL MONITORING. COMMISSIONER HIGGINS SECONDED.

MOTION CARRIED WITHOUT DISSENT.

2. CONTRACTS WITH US FISH & WILDLIFE SERVICE TO COMPLETE THIS YEAR'S SEED BANK RESEARCH COMPONENT OF THE PROJECT.

Commissioner Wilson recused himself and left the room to avoid any possible conflicts of interest.

Director of Conservation stated this Item has been changed to working with Friends of the Dunes, who will employ people to complete this year's seed bank research component; is for $17,000.

COMMISSIONER HIGGINS MOVED FOR CONTRACT WITH FRIENDS OF THE DUNES TO COMPLETE THIS YEAR'S SEED BANK RESEARCH COMPONENT OF THE PROJECT. COMMISSIONER MARKS SECONDED.

MOTION CARRIED WITHOUT DISSENT.

Commissioner Wilson returned to the room.

3. CONTRACT WITH RANSOM SEED LABORATORIES FOR ANALYSIS ASSOCIATED WITH THE SEED BANK RESEARCH COMPONENT OF THE PROJECT.

Director of Conservation said all the money being spent is from the grant from the Conservancy.

COMMISSIONER HIGGINS MOVED FOR CONTRACT WITH RANSOM SEED LABORATORIES FOR ANALYSIS ASSOCIATED WITH THE SEED BANK RESEARCH COMPONENT OF THE PROJECT. COMMISSIONER MARKS SECONDED.

MOTION CARRIED WITHOUT DISSENT.
C. CONSIDERATION OF LEARNING SITE AGREEMENT CONTRACT TO BE ESTABLISHED BETWEEN HSU/CSU AND THE HUMBOLDT BAY HARBOR DISTRICT TO COVER HSU STUDENT INTERN.

COMMISSIONER HIGGINS MOVED FOR LEARNING SITE AGREEMENT CONTRACT TO BE ESTABLISHED BETWEEN HSU/CSU AND THE HUMBOLDT BAY HARBOR DISTRICT TO COVER HSU STUDENT INTERN. COMMISSIONER NEWMAN SECONDED.

Director of Administrative Services reported this Item is for an intern from HSU who would inventory small assets from the Pulp Mill and develop a marketing plan, then implement it; or students could develop a scope of work to re-establish utilities. This is an unpaid position with no benefits, but the students could get credit through their coursework.

MOTION CARRIED WITHOUT DISSENT.

D. CONSIDERATION OF THE CONTRACT WITH CROWLEY TUG & BARGE FOR TRANSPORTATION SERVICES.

CEO said finding a chemical barge has been a tough process and this seems to be the only one available on the West Coast.

Commissioner Higgins asked if for some reason the chemicals do not get moved, is the District still responsible for payment.

CEO reported the amount is below what was originally thought and still would be even if there were delays; is confident with USCG and EPA being there and considers the risk manageable.

District Counsel stated the total estimated costs do not include some things the District will have to consider, such as a marine surveyor and insurance.

CEO said there are risks but the Coast Guard will know what is going on; there will be two barges and some trucks needed to transport. Mr. Crider reported a third barge would not be needed because it would not be full.

Commissioner Wilson reported if there is rejection of the product and the barge does not come, how much the District will be obligated for. CEO stated none.

Commissioner Higgins said the community does not want the liquors around the area.

COMMISSIONER MARKS MOVED FOR APPROVAL OF CONTRACT WITH CROWLEY TUG & BARGE FOR TRANSPORTATION SERVICES. COMMISSIONER NEWMAN SECONDED. MOTION CARRIED WITHOUT DISSENT.

E. CONSIDERATION OF LOUISIANA-PACIFIC PULP MILL ACCESS AGREEMENT.

District Counsel reported Louisiana-Pacific was responsible for monitoring and remediation of the groundwater but now that the District owns the property, they need permission to go on the site.

COMMISSIONER NEWMAN MOVED FOR APPROVAL OF LOUISIANA-PACIFIC PULP MILL ACCESS AGREEMENT. COMMISSIONER MARKS SECONDED.

MOTION CARRIED WITHOUT DISSENT.
F. DISCUSSION OF POTENTIAL DREDGE PURCHASE.

Director of Facility Maintenance stated he went to inspect the dredge with Bar Pilot Tim Petrusha and City Harbormaster Jeff Raimey.

Bar Pilot Tim Petrusha said while the barge is not brand new and perfect, it is in sound working condition and the knowledge of the man running it is incredible; is satisfied with the equipment.

Sebastian Elrite asked what size the cutter is.

Bar Pilot Petrusha reported 12 inches and the Staff is checking on compliance with the local Air Board; there are 9 to 10,000 feet of pipe and that the dredge has been in the Bay. Mr. Petrusha stated the dredge’s owner would be available for the first two dredging cycles for training; asking for a detailed inventory list. Mr. Petrusha said the dredge is currently set up to go up to 20 feet, but there are extenders that go up to 40 feet.

Director of Facility Maintenance reported there is also a cutter-burner so that pieces of pipe can be fitted together and 8-14 feet of pipe.

Commissioner Wilson asked if City Staff seemed to have a positive view of the dredge.

Director of Facility Maintenance stated they seemed to feel that it would suit their needs as well.

CEO said the City Staff has seemed positive since yearly dredging will be done in small volumes, which is easier to budget for than ten-year increments where millions of dollars are concerned.

Commissioner Wilson reported assuming everything works out such as financing, the question to ask is if this is the best piece of equipment to purchase; would like comparisons done with other equipment.

Bar Pilot Petrusha stated an inventory list with the current potential dredge is being requested and should be helpful in that aspect.

CEO said included in the price is Vern Scovell’s expertise and training.

Susan Penn asked if annual dredging will require yearly permitting.

CEO reported the City and possibly private dock owners will also need the permitting; has been discussing a master permit for ten years with SHN that would include a certain yardage amount.

Commissioner Wilson stated no matter what technology is used, permitting will always be a cost to factor.

ADMINISTRATIVE AND EMERGENCY PERMITS

Director of Conservation said Administrative Permit #2013-04 was issued to the District to replace decking at the Redwood Marine Terminal Berth Two dock to facilitate a chemical barge; will also leave the District with a functional dock. Mr. Berman reported an Emergency Permit will need to be issued from the Coastal Commission, but they are between their meeting cycles.
Minutes
Regular Meeting of the Board of Commissioners
Humboldt Bay Harbor, Recreation and Conservation District
October 24, 2013
Page 7 of 7

President Wilson adjourned the Regular Meeting of the Board of Commissioners at 9:05 P.M.

APPROVED BY: 

[Signature]
Patrick Higgins
Secretary

RECORDED BY:

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

October 10, 2013

PRESENT:

Commissioner Newman
Commissioner Dale
Commissioner Wilson
Commissioner Marks
Commissioner Higgins

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

President Wilson asked Craig Spjut to lead those present in the Pledge of Allegiance.

PUBLIC COMMENT

Craig Spjut, business agent for UA Local 290 Plumbers and Steamfitters, stated he drove by the pulp mill on October 3 and spoke with the EPA representative on-site about the use of local workers. The environment quality management representative stated EPA is not required to pay area standard wages. Mr. Spjut asked that the Harbor District create a project labor agreement requiring all work be performed at area standard wages, thereby supporting apprenticeship opportunities and our local economy.

Jack Birdwell, a retired laborer and current President of building trades union would like to see more local workers hired to support our economy versus the disturbing news that out of state people were hired.

Lawrence, a local pipe fitter and welder, thinks the bay is beautiful, but appears to be a toxic ghost town. He is curious about the price paid for the pulp mill, and is appalled that outside labor has been brought in. He suggested we all try to make this a more beautiful place together.

Commissioner Marks stated he worked as a union member at the pulp mill for 30 years. When the plant was recently purchased, it was obvious the environmental issues needed to be addressed. When the plant was closed in 2008, there were 4 million gallons of caustic liquors above ground because the plant had been “cold stopped”, not knowing if the mill would open again. Since purchasing the mill, the EPA deemed it an emergency place for clean-up, a superfund site. The EPA took over the hiring of people to do the clean-up. Commissioner Marks stated the Harbor District did not hire the EPA, the USCG Pacific Rim strike force, or anyone to do the clean-up. Commissioner Marks clarified that the Harbor District did not hire the outside work force to do the clean-up work. The EPA is enforcing the clean-up and the Harbor District is doing its best, and the local work force is very important. The Harbor District is not in control of this part of the project.
Minutes
Regular Meeting of Board of Commissioners
October 10, 2013
Page 1

Sharon Gassoway, a local laborer, said she would like the Harbor District to notify the EPA there are local people that are qualified to do the type of jobs they are hiring outsiders to perform.

President Wilson stated that the EPA has preset contractors which allow them to act so quickly

Kent Sawatzky stated he hopes that when given the opportunity locals will be hired, and that the Harbor District better updates the public regarding the pulp mill budget and profitability.

Commissioner Higgins responded the answers to his concerns might be covered under the Public Records Act Requests he repeatedly files. Commissioner Higgins hopes the public has been reviewing those cooperatively with the other people who are hitting the Harbor District continuously with Public Records Act Requests; and in fact the Harbor District is transparent on this issue and will be discussed at Economic Development Committee meetings.

Sid Berg, Secretary/Treasurer for the local building & construction trade union is disturbed that the EPA was called in without public notice and now Mr. Berg has to see out of state vehicles driving in taking away jobs from locals. Local trade unions have spent millions training workers to do just these kinds of jobs, which also would have stimulated our local economy. The public should have been more informed; it would have been nice to see some public notices, and give the local working people a chance. Mr. Berg recommends writing a letter to the EPA suggesting they hire local workers. Mr. Berg is concerned that many locals have been driven out of Humboldt County due to the lack of employment, and will never be returning.

Tracy Antonsen said she and her family are long time residents of Humboldt County. Tracy stated that she and others are here working hard, taking classes and getting trained to help the area flourish. She said there are several local individuals with the hazardous materials training required to participate in this clean-up. She stated that this path is a life, not just a job. She wants to bring the community back to itself. Outsiders don’t have the heart for this community as locals do.

President Wilson responded this is not the Harbor District’s contract, but an emergency situation and is being funded by the federal government. There are some expenses to the Harbor District that will be paid from the sale of some assets (i.e. chemical boiler, turbine generator, etc.) from the site. President Wilson said he wanted to make sure the public understands the Harbor District will not have another opportunity for funding to clean the property, except through this venue, and the Harbor District is playing by the EPA’s rules to take advantage of this opportunity. President Wilson said he hears what the public is saying; a recommendation has been made that a request be made to the EPA to look harder at the hiring of local people. President Wilson thinks that’s a reasonable thing for the Harbor District to ask of EPA. On the other side, the Harbor District cannot look a gift horse in the mouth or get in the way of an enforcement issue. The Harbor District is doing its best to be responsible to the environment and our community, as well as the local work force that are very important. The public can expect to see a letter to EPA on the next agenda.

Karen Brooks suggested an update of the Harbor District website. There might be less Public Records Act Requests if there was more accessible information on website. She suggested adding the videos of the Economic Development Committee meetings and said the site needs
to be easier to navigate. Commissioner Higgins states he has a lot of sympathy with Ms. Brooks on the topic of the need for website updating.

CONSENT CALENDAR

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

COMMUNICATIONS REPORTS

CHIEF EXECUTIVE OFFICER REPORT

- The Emergency Response Team and USCG Strike Team arrived at Redwood Terminal 2, and has moved quickly. EPA is making recommendations on how to safely run the site, and checking for proper equipment. EPA arrived with all equipment, and are very skilled in moving hazardous materials. The old tanks are being sealed to prevent rain water overflows.

STAFF REPORTS

Director of Administrative Services:

- RFP to sell the boiler and turbine generator equipment at Redwood Terminal 2 will be distributed the week of October 14. RFPs will be due November 22; a mandatory on-site walk thru will be October 25.
  
  Sid berg asked if the contract will fall under prevailing wage. CEO stated there will be that requirement in the contract.

Captain Petrusha:

- Stated the recent Pacific Coast Congress Conference hosted by the Harbor District was a great success. A tour on the Fire Boat was given and Coast Seafood donated oysters for a barbeque reception.

Director of Conservation:

- Grant submitted to National Marine Fisheries Service (NMFS) for the Carrying Capacity study. There may be a delay in the award due to the Federal Government shutdown.
- Federal Government Shutdown Impacts: Army Corps permits, Coordinating with USFWS on Spartina eradication, and NMFS review of permits and grants
- Spartina Grant awarded to Harbor District for $180,000 from the CA Natural Resources Agency

DISTRICT COUNSEL REPORT: None
COMMISSIONER AND COMMITTEE REPORTS

Commissioner Dale

❖ Stated he initially thought the Pulp Mill clean-up whirlwind appeared to be a catastrophe, but he is now reassured by the progress.

President Wilson

❖ Reported he went to McDaniel's Slough after the September 26 Board Meeting and watched them open it up to tidal flow. President Wilson is still advocating for a pedestrian bridge at that site.
❖ Gave the opening welcome at the Pacific Coast Congress of HarborMasters and Port Captains conference.

Commissioner Marks
❖ Reported he has been quite busy with Redwood Terminal 2 project.
❖ Presented an update from the NCRA meeting he attended.

Commissioner Higgins

❖ Reported that the next Economic Development Committee meeting will be October 14 at 6 p.m. Commissioner Higgins reports that the meeting's topic is Aquaculture.
❖ Asked his fellow Commissioners if they have any ideas to reorganize the Harbor District website.

NON-AGENDA: None

UNFINISHED BUSINESS

A. CONSIDERATION OF TIDELAND LEASE AGREEMENT WITH HOG ISLAND OYSTER COMPANY.

COMMISSIONER HIGGINS MOVED FOR THE APPROVAL OF TIDELAND LEASE AGREEMENT WITH HOG ISLAND OYSTER COMPANY. COMMISSIONER MARKS SECONDED.

Director of Conservation stated included in the tideland lease agreement with Hog Island Oyster Company is a personal guarantee from owner of the company, a recommendation of District Counsel. In response, John Finger, the owner of Hog Island Oyster Company, provided more detailed information regarding their financial information and status to District Counsel, which he said was sufficient. Harbor District staff recommended moving forward with the signing of the lease.

Ken Bates asked if the company ever shut down, could the District require them to clean the property. Director of Conservation stated that is one of the terms of the lease agreement.
MOTION CARRIED WITHOUT DISSENT.

NEW BUSINESS

A. CONSIDERATION OF APPROVAL OF AMENDMENT 2 TO THE JUNE 13, 2013 AGREEMENT WITH NEW DIRECTIONS FOR THE SPARTINA DENSIFLORA ERADICATION PROJECT.

COMMISSIONER HIGGINS MOVED FOR THE APPROVAL OF AMENDMENT 2 TO THE JUNE 13, 2013 AGREEMENT WITH NEW DIRECTIONS FOR THE SPARTINA DENSIFLORA ERADICATION PROJECT. COMMISSIONER MARKS SECONDED.

Dan Berman, Director of Conservation reported on the Spartina eradication project. Mr. Berman stated there is a need to increase the amount of funds available to cover additional allowable expenses in the amount of $10,000 with New Directions. The California Coastal Conservancy is funding the grant for Spartina densiflora eradication.

Sid Berg wants to know if there are prevailing wages in these contracts; and if so, if they are factored in.

Dan Berman responded that it is not a prevailing wage contract. In the past the work has been done by CalFire and prison crews. Also, New Directions used to be nonprofit, but is no longer. Mr. Berg states it should be prevailing wage if New Directions are nonprofit.

MOTION CARRIED WITHOUT DISSENT.

B. DISCUSSION OF POTENTIAL DREDGE PURCHASE.

Captain Petrusha reported staff has been researching the possible purchase of a dredge from Nehalem River Dredging Company. Harbor District staff is also considering this project in partnership with the City of Eureka. Mr. Petrusha stated the cost of the purchase of the dredge would include training by the owner, Vern Scovell, a fifty year veteran of dredging, as well as many replacement parts and supplies. Mr. Petrusha states the dredge is more than adequate for use in the Humboldt Bay and was actually used in a previous Woodley Island Marina dredging project.

The Board asked CEO what the next step would be. CEO stated the next step in the process is to write a non-binding letter of intent and craft the purchase sale agreement, partnering with the City of Eureka.

COMMISSIONER HIGGINS MOVED THE APPROVAL OF SENDING A NON-BINDING LETTER OF INTENT TO VERN SCOVELL TO PURCHASE THE DREDGE NEHALEM. COMMISSIONER MARKS SECONDED.

President Wilson expressed his concern about future permitting requirements, questioning if suction dredging is the best technology. He did agree that it would be best to move forward with this non-binding letter of intent.
Craig Spjut said he is excited about the purchase of a dredge and stated he would love a new sand bar built for surfing with the sediments.

Kent Sawatzky applauds the project, looks at it as a tool for the District to increase revenue in the future and thinks there could be a need to hire a new crew. He asked if unions will be involved; could be beneficial to train local engineers to operate the dredge creating local jobs.

Ken Bates said he was concerned about potential hang-ups if partnering with the City and suggested clearing up “issues” before proceeding with the mutual purchasing. Mr. Bates discussed agitation dredging that is done on the Mississippi and Columbia Rivers suggested the Harbor District take a strong look at what they are planning to do with the dredge sediments that are removed.

Karen Brooks suggested proactively speaking to other harbors and exploring their dredging needs as a possible way to obtain additional business. Ms. Brooks does not believe it is a good time to be purchasing anything.

Sebastian Elrite said he has researched other dredges that are for sale; Mr. Elrite feels the Nehalem dredge the Harbor District is considering purchasing is quite expensive for used equipment.

CEO stated the Harbor District is not just buying the dredging equipment, the District will also get the expertise of Mr. Scovell, who is passionate about the District’s dredge success. CEO said this is the perfect situation to be in. The Harbor District can dredge 3-4 times per year, then haul the dredge and all its pipes out to be stored at the Fields Landing Boat Yard when not in use.

Sid Berg asked for clarification on the staffing of the dredge. Mr. Berg wanted to know if the Harbor District will be using existing staff, or hiring new people. CEO stated that the Harbor District will probably hire some new staff from ILWU affiliates.

Captain Petrusha mentioned that at the recent Pacific Coast Congress meeting, it was reported the latest industry trend is for harbors to purchase their own dredge.

Rex Olander asked for clarification of the letter of intent. Mr. Olander feels the Harbor District is jumping ahead too fast. CEO explained the letter is not binding on the District and is required by Mr. Scovell’s bank since there is a lien against the vessel.

CEO stated if the letter of intent is approved, financing, a Purchase Sale Agreement and an agreement with the City of Eureka are the next steps.

MOTION CARRIED WITHOUT DISSENT.

C. CONSIDERATION OF EXERCISING LETTER OF CREDIT WITH PACIFIC CHOICE SEAFOODS.
Commissioner Dale recused himself since his employer, Coast Seafoods, is an affiliate of Pacific Choice Seafoods.

CEO stated that Pacific Choice Seafoods offered the District a $1,250,000 letter of credit. CEO explained the Harbor District has met the two conditions required to receive said letter of credit, the funds to be used only for the removing of liquors from the Redwood Terminal 2 Site. First, the Harbor District needed to demonstrate their financial ability to transport the liquors to northern pulp mills. Second the Harbor District was asked to extend Coast Seafoods tideland lease for an additional 10 years, as a fall back plan for payment. Currently Coast Seafoods’ lease expires in 2015. Annual payments are ~22,000/yr, with a CPI adjustment.

CEO stated the main mechanisms for repayment are the sale of assets, grant funds, and the credit against the Coast Seafood Lease (which would cover half of the annual interest payments.) CEO said the letter of credit needs to be reviewed by District Counsel and asked the Board to move ahead finalizing the line of credit agreement.

COMMISSIONER HIGGINS MOVED FOR THE APPROVAL OF EXERCISING LETTER OF CREDIT WITH PACIFIC CHOICE SEAFOODS PENDING DISTRICT COUNSEL’S REVIEW. COMMISSIONER NEWMAN SECONDED.

Kent Sawatzky highly recommended seeking District Counsel review of the letter of credit so as to avoid potential legal ramifications.

Ken Bates asked for clarification of the letter of credit.

President Wilson explained the letter of credit is a bridge loan that is tied with the sale of the recovery boiler and other assets at the Redwood Terminal 2.

CEO stated the EPA will be handling the issue of the black liquor. There is an industry-wide obligation to take care of the liquors to make sure they are taken care of properly. An economic analysis has been done to determine the money that will have to be put into this to get usable caustic material.
Sid Berg said he is supportive of the letter of credit and suggested getting some kind of ruling/approval from the State. He also asked for more public information from the District.

Commissioner Higgins stated this is a complicated issue and the public will be able to learn more about it at the Economic Development Committee meetings.

Susan Penn asked for clarification of what the sales of assets were covering.

President Wilson stated the letter of credit is a bridge loan to get the project going; what the District will owe is what can be pulled out of the sale of the assets. The Harbor District anticipates the liquidation of some assets.

Monte Provolt said lending money exposes Pacific Coast Seafoods.
Commissioner Higgins responded that once the Redwood Terminal 2 is cleaned up, it will be worth much more money.

CEO said the Harbor District is aware of Mr. Provolt’s concern and Pacific Choice Seafoods has been named an additional insured on a $100 million insurance policy.

MOTION CARRIED WITHOUT DISSENT.

ADMINISTRATIVE AND EMERGENCY PERMITS: None

The Regular Meeting of the Board of Commissioners was adjourned at 9:15 p.m.

APPROVED BY: 

Patrick Higgins
Secretary

RECORDED BY:

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

September 26, 2013

PRESENT
Commissioner Newman
Commissioner Dale
Commissioner Wilson
Commissioner Marks
Commissioner Higgins

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

President Wilson adjourned the Executive Closed Session at 7:05 P.M.

President Wilson called the Regular Meeting of the Board of Commissioners to order at 7:11 P.M.

President Wilson asked Ryan Wells to lead those present in the Pledge of Allegiance.

District Counsel reported out of the Executive Closed Session as follows: Discussion of Freshwater Tissue Company’s Reciprocal Easement Agreement and terms of Purchase and Sale Agreement and Louisiana-Pacific Company’s Tolling Agreement; Chief Executive Officer Annual Evaluation — no action to report.

PUBLIC COMMENT: None

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

COMMUNICATIONS AND REPORTS

CHIEF EXECUTIVE OFFICER REPORT

✓ Said the Pulp Mill site’s name is now Redwood Terminal 2; EPA is on site and have been taking samples of chemicals for testing. Stated calls have been made to other pulp mills to see if they had use for the liquors. Reported some tanks are at or near capacity and there are some leaks, so temporary storage tanks are being brought in. Phase One is to remove all liquors, which has been declared an emergency; Phase Two is to remove solid hazardous waste and demolish tanks. Security at the site has been increased.
✓ Has been working with the City of Eureka on the purchase of a dredge; City Staff will ask the City Council on October 3 for a letter of intent. Stated the dredge will be available to private dock owners as well.
✓ Has been talking to Leroy Zerlang about a possible lease at the Fields Landing Boat Yard.

STAFF REPORTS

Director of Facility Maintenance

✓ Has been doing sampling at Redwood Terminal 2 with EPA; commended CEO for the way the project is progressing.
Minutes
Regular Meeting of the Board of Commissioners
Humboldt Bay Harbor, Recreation and Conservation District
September 26, 2013
Page 2 of 4

- Has been working at the Fields Landing Boat Yard on a stormwater recovery system.
- Reported internet service at Redwood Terminal 2 may come from a surveillance grant.

Bar Pilot John Powell

- Has been working with Director of Facility Maintenance on documenting inventory at Redwood Terminal 2.
- Said a log ship left Humboldt Bay this week; stated it is the first ship since the new tariff went into effect.
- Assisted in a water rescue of a lady who fell out of her kayak with no life vest and could not get back into her boat.
- Reported the PORTS units are experiencing trouble.

Director of Conservation

- Said a Coastal Cleanup Day took place this past Saturday.
- Stated the grant application for aquaculture pre-permitting Adam Wagschal with H.T. Harvey has been working on will be turned in tomorrow.

Director of Administrative Services

- Reported the first round of dock electrical billing went out; billed $3,000 for two weeks.
- Said there are currently 39 open slips in the Marina and currently in a transition period with the summer tenants leaving.
- Stated the RFP for District Planner is now on the District’s website.

DISTRICT COUNSEL REPORT: None

COMMISSIONER AND COMMITTEE REPORTS

Commissioner Newman

- Attended a Harbor Safety meeting.
- Attended a meeting in Idaho as the California advisor for federal fisheries and funding.
- Asked if there would be any Commissioner involvement at the PCC Conference that will take place in Eureka, October 8-10.

Commissioner Dale

- Apologized for missing the last Meeting due to being in Washington, D.C.; is grateful this area has a Harbor District.
- Met with EPA regarding Redwood Terminal 2.

Commissioner Marks

- Reported softball season is ending.
- Attended a Harbor Working Group meeting where Leroy Zerlang was the guest speaker talking about tugboat history, the Madaket, and stories from the Bay.
- Met EPA at Redwood Terminal Two; said it will be great when it is cleaned up.

Commissioner Higgins

- Stated it is good to be back from traveling.
- Reported the last Economic Development Committee meeting was productive with discussion about the railroad’s feasibility; said the next meeting will be about aquaculture.
NEW BUSINESS

A. CONSIDERATION OF CONTRACT WITH SHN CONSULTING ENGINEERS AND GEOLOGISTS, INC. FOR A FEASIBILITY STUDY FOR THE BENEFICIAL REUSE OF DREDGED MATERIALS FOR TIDAL MARSH RESTORATION AND SEA LEVEL RISE ADAPTATION IN HUMBOLDT BAY.

COMMISSIONER DALE MOVED FOR APPROVAL OF CONTRACT WITH SHN CONSULTING ENGINEERS AND GEOLOGISTS, INC. FOR A FEASIBILITY STUDY FOR THE BENEFICIAL REUSE OF DREDGED MATERIALS FOR TIDAL MARSH RESTORATION AND SEA LEVEL RISE ADAPTATION IN HUMBOLDT BAY. COMMISSIONER MARKS SECONDED.

Director of Conservation stated this Item will be funded with a grant from the California Coastal Conservancy. Mr. Berman reported the District received three proposals, which he scored with Commissioner Wilson and Joel Gerwein of the Coastal Conservancy; planning to convene a Sediment Working Group with agencies such as the Humboldt Baykeeper and the City of Eureka.

Commissioner Higgins said CalTrans may be interested in participating and he would like to be on the Committee when it forms. Director of Conservation said he would invite them.

MOTION CARRIED WITHOUT DISSENT.

B. CONSIDERATION OF TIDELAND LEASE AGREEMENT WITH HOG ISLAND OYSTER COMPANY.

COMMISSIONER HIGGINS MOVED FOR APPROVAL OF TIDELAND LEASE AGREEMENT WITH HOG ISLAND OYSTER COMPANY. COMMISSIONER DALE SECONDED.

Director of Conservation said this lease is based on the $5,000 per acre discussed at a previous Meeting.

District Counsel stated in the current version, there is no personal guarantee clause included, which had been in previous drafts.

Director of Conservation reported he does not know how that guarantee got removed from this version and although he does not think it will be a problem, he would rather check with Hog Island Oyster Company before changing it.

COMMISSIONER HIGGINS AMENDED HIS MOTION TO APPROVE THE TIDELAND LEASE AGREEMENT WITH HOG ISLAND OYSTER COMPANY WITH CONDITION OF PERSONAL GUARANTEE. COMMISSIONER DALE SECONDED.
District Counsel said if Hog Island Oyster Company does not want the agreement changed, it can come back before the Board.

MOTION CARRIED WITHOUT DISSENT.

C. CONSIDERATION OF SITE LEASE WITH OPTION AND T-MOBILE WEST LLC TO INSTALL A CELL TOWER AT FIELDS LANDING BOAT YARD.

COMMISSIONER HIGGINS MOVED FOR APPROVAL OF SITE LEASE WITH OPTION AND T-MOBILE WEST LLC TO INSTALL A CELL TOWER AT FIELDS LANDING BOAT YARD. COMMISSIONER MARKS SECONDED.

Commissioner Wilson stated this Item has been discussed at previous Meetings.

Commissioner Higgins reported it is a good source of revenue for the District.

MOTION CARRIED WITHOUT DISSENT.


COMMISSIONER DALE MOVED FOR APPROVAL OF TRAVEL EXPENSES FOR DISTRICT BOOKKEEPER TO ATTEND THE CALPERS EDUCATIONAL FORUM 2013 IN SAN JOSE, CA, OCTOBER 21-23. COMMISSIONER NEWMAN SECONDED.

Director of Administrative Services said it is important to ensure the Bookkeeper is up to date on current laws and benefits and there have been many CalPERS payroll changes.

MOTION CARRIED WITHOUT DISSENT.

ADMINISTRATIVE AND EMERGENCY PERMITS: None

President Wilson adjourned the Regular Meeting of the Board of Commissioners at 8:09 P.M.

APPROVED BY: Patrick Higgins Secretary

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

September 12, 2013

PRESENT
Commissioner Newman
Commissioner Wilson
Commissioner Marks

ABSENT
Commissioner Dale
Commissioner Higgins

President Wilson called the Executive Closed Session to order at 6:00 P.M.
President Wilson adjourned the Executive Closed Session at 6:50 P.M.
President Wilson called the Regular Meeting of the Board of Commissioners to order at 7:01 P.M.
President Wilson led those present in the Pledge of Allegiance.

President Wilson, in the absence of District Counsel, reported out of the Executive Closed Session as follows: Potential sale of District’s boiler located on recently acquired Samoa Pulp Mill site; Chief Executive Officer Annual Evaluation – no action to report.

PUBLIC COMMENT
Kent Sawatzky said he attended the California Coastal Commission meeting today where many local issues were discussed.

Commissioner Wilson thanked Mr. Sawatzky for the recommendation of a sign on the conference room doors during Executive Closed Session notifying the public that it was still in session.

CONSENT CALENDAR
Commissioner Newman requested Item B removed from the Consent Calendar to be discussed.

Commissioner Wilson requested Item A removed from the Consent Calendar to be discussed.

COMMISSIONER MARKS MOVED FOR APPROVAL OF THE CONSENT CALENDAR WITH ITEMS A AND B REMOVED. COMMISSIONER NEWMAN SECONDED. MOTION CARRIED WITHOUT DISSENT.

Item A: Commissioner Wilson stated he would like to change the February 14, 2013 Minutes on Page Three his comment "an alternative study cannot be done without going through the CEQA process" to "the project cannot be done without going through the CEQA process."
COMMISSIONER MARKS MOVED FOR APPROVAL OF CONSENT CALENDAR ITEM A WITH CORRECTIONS MADE. COMMISSIONER NEWMAN SECONDED. MOTION CARRIED WITHOUT DISSENT.

Monte Provolt reported Governor Jerry Brown is having the same discussion, that the railroad does not need CEQA.

Item B: Commissioner Newman said under his Commissioner’s Report, the second bullet point should read “trollers”, not “trawlers.”

COMMISSIONER MARKS MOVED FOR APPROVAL OF CONSENT CALENDAR ITEM B WITH CORRECTIONS MADE. COMMISSIONER NEWMAN SECONDED. MOTION CARRIED WITHOUT DISSENT.

COMMUNICATIONS AND REPORTS

CHIEF EXECUTIVE OFFICER REPORT

- Stated he has primarily been working on pulp mill property activities, such as tours and inspections with LACO Associates, NOAA, the State Water Board, EPA and the Regional Water Quality Control Board.
- Reported there was good participation and discussion about the railroad at the Economic Development Committee meeting.

STAFF REPORTS

Director of Facility Maintenance

- Said the contents of the tanks at the pulp mill property were confirmed; now CEO can determine what is required to haul the contents off the site; sampled all tanks and is concerned about some of them due to their flat tops and some caving in and retaining water with the rainy season upcoming. Has been putting pumps on some of the roofs to remove water. Stated there was a large debris pile at the site with a lot of loose building materials thrown on top that has been mostly cleaned up, cleaned storm water drains and brush from around a PG&E high-power pole to provide power for the Taylor Mariculture site.
- Reported PG&E donated three oil water separators to the District, which will be used at the Fields Landing Boat Yard to use for stormwater runoff; will use them for boat runoff as well.

Director of Conservation

- Traveled to Sacramento to the California Shellfish Initiative with Commissioners Dale and Wilson to make a well-received presentation; said there were federal NOAA representatives there, who came to Humboldt Bay for a tour.
- Stated there is a Coastal Cleanup day on September 21.
- Reported the Wiyot Tribe Marine Debris Grant they received will clean up some of the old floating dock sections in Humboldt Bay and the Tuluwat Village site.
Bar Pilot Tim Petrusha

- Said since Humboldt Bay was recently dredged, there is again a 38-foot draft and restrictions were lifted; stated there is a log ship that should be in Humboldt Bay next week.

Director of Administrative Services

- Welcomed recently hired District Clerk, Athina Tamagni, and stated Kim Farrell, previous Clerk, will continue to help with Board Minutes for a time.

COMMISSIONER AND COMMITTEE REPORTS

Commissioner Newman

- Reported this has been a great Salmon season.

Commissioner Wilson

- Said the RFQ for District Planner should be out next week.
- Attended the California Shellfish Initiative in Sacramento; stated there were representatives from many places including Washington, D.C. and Washington State and it was largely attended.
- Participated in the NOAA tour on Humboldt Bay.
- Stated HSU students are studying the pulp mill property as the site for osmotic power and will present a report at the end of the semester.
- Was on KINS radio Talk Shop and spoke about dredging.

Commissioner Marks

- Chaired the Economic Development Committee meeting where there was a lively discussion about railroad and short-sea shipping's future; reported the next one is on Monday, October 14.
- Attended an NCRA meeting yesterday.

NON AGENDA: None

UNFINISHED BUSINESS: None

NEW BUSINESS

A. CONSIDERATION OF PERSONAL SERVICES CONTRACT WITH JIM LUND FOR CONSULTING SERVICES RELATED TO THE PULP MILL PROPERTY.

CEO said Jim Lund has over 40 years of experience with the Pulp Mill and this Item is for $60 per hour on an as-needed basis.

Commissioner Marks stated Mr. Lund was the General Manager of the Pulp Mill and has extensive expertise; reported he was always very fair.

COMMISSIONER NEWMAN MOVED FOR APPROVAL OF PERSONAL SERVICES CONTRACT WITH JIM LUND FOR CONSULTING SERVICES RELATED TO THE PULP MILL
PROPERTY. COMMISSIONER MARKS SECONDED. MOTION CARRIED WITHOUT DISSENT.

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

COMMISSIONER MARKS MOVED FOR APPROVAL OF PERMIT AND AGREEMENT TO OPERATE A BED AND BREAKFAST BUSINESS WITH R. CHARLES (DOBY) AND KIM CLASS, DBA FIRST CLASS. COMMISSIONER NEWMAN SECONDED.

Director of Administrative Services stated since the liveaboard fee that the Classes used to pay at the Marina was eliminated, they will pay the $250 per year the charter boats pay.

Director of Facility Maintenance stated there have been people staying at the bed and breakfast.

MOTION CARRIED WITHOUT DISSENT.

C. CONSIDERATION OF APPLICATION FOR THE 2013 SALTONSTALL KENNEDY GRANT FOR AQUACULTURE PRE-PERMITTING.

Adam Wagschal of H.T. Harvey and Associates made a presentation to the Board. Mr. Wagschal reported the grant application is due by September 29; and said while there is no match requirement, offering a match tends to make the application more competitive. Mr. Wagschal said the cost to develop the proposal could be up to $10,000; said there has not been significant expansion of aquaculture in California in decades and this could demonstrate Humboldt Bay’s expansion potential, where there is a lot of interest in this project federally and state-wide.

Commissioner Wilson asked where the $10,000 would come from in the Budget.

CEO stated it could come out of the pulp mill development since aquaculture pre-permitting is a major component in the master pre-permitting.

Commissioner Wilson reported he would prefer the cost to come from the Consultants category.

Commissioner Newman said he has believes this would be a good project for this grant.

COMMISSIONER NEWMAN MOVED FOR APPROVAL OF APPLICATION FOR THE 2013 SALTONSTALL KENNEDY GRANT FOR AQUACULTURE PRE-PERMITTING. COMMISSIONER MARKS SECONDED.

Kent Sawatzky asked if the $10,000 would be reimbursed if the grant was awarded. Commissioner Wilson stated it would not, but the data could be useful for the rest of California as well.
Sebastian Elrite of Aqua-Rodeo Farms reported this would be a good grant to apply for to see if funds are available for this type of study.

MOTION CARRIED WITHOUT DISSENT.

D. CONSIDERATION OF APPROVAL OF LEASE FOR REAL PROPERTY WITH THE US GOVERNMENT ARMY CORPS OF ENGINEERS FOR OFFICE SPACE ON WOODLEY ISLAND.

Bar Pilot Tim Petrusha said this Item is for a five-year renewal with a 2.5% raise per year.

COMMISSIONER NEWMAN MOVED FOR APPROVAL OF LEASE FOR REAL PROPERTY WITH THE US GOVERNMENT ARMY CORPS OF ENGINEERS FOR OFFICE SPACE ON WOODLEY ISLAND. COMMISSIONER MARKS SECONDED. MOTION CARRIED WITHOUT DISSENT.

E. DISCUSSION AND DECISIONS ON THE PULP MILL PROPERTY CLEAN-UP ACTIVITIES AND SHORT-TERM COST APPROVAL.

CEO stated more funds are needed for debris removal and other issues such as stormwater, safety equipment, chemical testing and shipping, electrical and boiler gas; reported he is pretty confident EPA funds will come in.

Commissioner Newman said he has been impressed on the good start at the pulp mill.

Commissioner Marks stated a quick sale on the boiler would be nice; reported while the Pulp Mill does look better after the cleanup that has been done, it does still need more.

COMMISSIONER NEWMAN MOVED FOR APPROVAL OF CLEAN-UP ACTIVITIES AND SHORT-TERM COST APPROVAL OF THE PULP MILL PROPERTY. COMMISSIONER MARKS SECONDED.

Susan Penn asked if the current cash report includes dredge money. CEO said it does.

Director of Administrative Services reported between the dredging and float replacement accounts, the total is about $190,000.

CEO said the Motion is to approval $31,000 for debris removal.

MOTION CARRIED WITHOUT DISSENT.

ADMINISTRATIVE AND EMERGENCY PERMITS

Director of Conservation stated there was one Administrative Permit issued to Sequoia X for Hog Island Oyster Company to sub-lease the dock Sequoia X leases from the District; reported this
project will remove deteriorating deck and replace it. Mr. Berman said this project is exempt from CEQA since there is an existing dock.

Commissioner Newman reported it is good to see the dock getting fixed.

President Wilson adjourned the Regular Meeting of the Board of Commissioners at 8:22 P.M.

APPROVED BY:  

[Signature]

Patrick Higgins  
Secretary  

RECORDED BY:  

[Signature]

Kim Farrell  
Clerk