AGENDA
SPECIAL MEETING OF THE BOARD OF COMMISSIONERS
HUMBOLDT BAY HARBOUR, RECREATION AND CONSERVATION DISTRICT

DATE: September 8, 2016
TIME: Executive Closed Session – 6:00 PM
      Regular Session – 7:00 PM
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 Section 54956.8 (Conference with Real Property Negotiators):
      1) Conference with Real Property Negotiators
         Agency Negotiator: Board President, Executive Director and District Counsel
         Under Negotiation: Humboldt Bay Forest Products Lease - Fields Landing
      2) Conference with Real Property Negotiators
         Agency Negotiator: Board President, Executive Director and District Counsel
         Under Negotiation: Mario Marina Lease - Shelter Cove

2. Adjourn Executive Closed Session

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

4. Pledge of Allegiance

5. Report on Executive Closed Session

6. Public Comment

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

7. Consent Calendar
   a. Consideration of approval of minutes from May 2, 2016 Special Board Meeting.
   b. Consideration of approval of minutes from May 12, 2016 Regular Board Meeting.
   c. Consideration of approval of minutes from May 20, 2016 Special Board Meeting.

8. Communications and Reports
   a. Executive Director Report
   b. Staff Reports
   c. District Counsel, District Planner, District Treasurer, District Engineer Reports
   d. Commissioner and Committee Reports
   e. Other
9. Unfinished Business
   a. Consideration of District Engineer's Contract with Mike Foget and SHN Engineers
   b. Consideration of Proposal and Selection of Solar Consultant, Power Purchase Agreement and Lease.

10. New Business
   a. Consideration of Grant Agreement with Ocean Protection Council for $228,071.62 for improvements to Shelter Cove Fish Cleaning Station.
   b. Consideration of accepting for filing application for Permit No. 2016-7, from Jerry Yeung for shellfish culture on approximately 64 acres in east bay near Brainard.

11. Administrative and Emergency Permits

12. Adjournment
PRESENT:
Commissioner Doss
Commissioner Dale
Commissioner Higgins – arrived at 12:14 p.m.
Commissioner Wilson
Commissioner Marks

Vice President Wilson called the Special meeting of the Board of Commissioners to order at 12:07 p.m.
Vice President Wilson lead the Pledge of Allegiance.

PUBLIC COMMENT
Kent Sawatzky said the United States is in debt for $19 trillion. 13.7% of the taxes paid covers the interest on the debt and that is not a pretty picture. Consider this when setting the District’s budget. There is no such thing as “free stuff”.

NEW BUSINESS

A. FY 2016/17 BUDGET WORKSHOP.

Executive Director stated the projects for FY 2016/17 have been downsized compared to last year. During the next six months the New Market Tax Credits project will be completed and Shelter Cove will be done with fishing season for awhile.

Executive Director and Director of Administrative Services presented to the Board proposed revenue and expenses for FY 2016/17 for Administration, Woodley Island, Redwood Marine Terminal Berth 1, Redwood Terminal Berth 2, Tideland Leases, Fields Landing Boat Yard, King Salmon, Dredging, Shelter and Cruise Ship categories.

Commissioner Wilson said he would like to see revenue sources cover the expenses for the year. He said a matrix showing the comparison of revenue and expenses of Woodley Island to Redwood Marine Terminal Berth 1 for the next 20 years would be helpful.

Commissioner Higgins said he is inclined to be conservative with outlays, even if the project is valid. He would like to be in a stronger cash position before acquiring more debt.

Commissioner Dale said Humboldt Bay could use better service and additional opportunities.

Executive Director stated he will be using the conceptual to solicit partners for the Oyster Bay on Woodley Island.

Commissioner Doss said the barbeque/picnic area proposed at the Oyster Bar area should be expedited. It gives the idea of what is proposed for that area of the island and shows off more of the bay.

Commissioner Wilson said there should be a small budget for the design. Executive Director suggested $3,000 be allocated for the design work and additional monies for more picnic tables.

Commissioner Marks stated Hog Island’s business on Tomales Bay was shut down because there were too many people, too much business.

Commissioner Dale asked what needs to be done to get rid of the boiler at Redwood Terminal 2. More advertisement? Executive Director stated scrap prices are down at this time.
Commissioner Doss asked about solar options at the Fields Landing Boat Yard. Commissioner Wilson said he would like to have a long-term plan for the expansion of Fields Landing Boat Yard.

The Special Meeting of the Board of Commissioners adjourned at 1:30 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

May 12, 2016

PRESENT:
Commissioner Doss
Commissioner Dale
Commissioner Higgins
Commissioner Wilson
Commissioner Marks

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

President Higgins adjourned Executive Closed Session at 6:26 p.m.

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

President Higgins asked Pete Oringer to lead the Pledge of Allegiance.

District Counsel reported on the Executive Closed Session as follows: Public Employee Performance Evaluation: Chief Executive Officer Annual Evaluation – no action taken.

PUBLIC COMMENT: None

President Higgins said there has been a lack of decorum during Public Comment. He said this will not be tolerated; and if necessary, the meeting will be recessed until the meeting can be brought under control.

CONSENT CALENDAR

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

COMMUNICATIONS AND REPORTS

EXECUTIVE DIRECTOR REPORT

- Manila Community Services District & Gabrych Family have approved use of tideland for intertidal pre-permitting - total 262 acres - waiting on 4 more.
- Have two unsolicited proposals for energy generation at Redwood Terminal 2 - Solar and biomass - Need to put out RFO/RFP - simulated by recent legislation.
- Board of Supervisors decision on CDI - June 14th - Need private landowners to attend – the main concern is the timing of the Planning Commission lease approval.
- Next week will take sediment samples at Fields Landing mitigation site - test will provide the final approval to use the location or not.
- Happy/sad to announce the retirement of Patti Tyson- Director of Administrative Services who has worked for the District for 19 years. Her last day will be July 29th.
- With the recent staffing changes, it is a good time to look at some restructuring. President Higgins appointed Commissioners Dale and Wilson as a committee to work with Executive Director on staff restructuring.

STAFF REPORTS:

Director of Facility Maintenance:

- Received one tractor bid from Coastal Tractor in Salinas - $23,650 for a 2008 Case JX 95 Mudder 95 hp, 2074 hours- Excellent condition. The bid was awarded and the tractor was delivered today, in service tomorrow.
- Removed the "Coast Guard Boat hedge" for deck repairs and to remove dead animals. Repairs will include increasing the size by 8ft in width.
- Revenues at Shelter Cove $4,200 - Bottom fish opens this weekend. Cultural resource investigation next week - 8 test holes dug and sifted.
- Redwood Terminal 2 electrical and plumbing contractors are working - roof and siding will begin June 1.
Minutes (Subject to Approval)
Regular Meeting of the Board of Commissioners
Humboldt Bay Harbor, Recreation and Conservation District
May 12, 2016
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Director of Harbor Operations:
- Vibracore system arrived; training held with District and City Staff.
- Dredge BAYPORT scheduled to arrive next week. Additional dredge equipment to arrive this weekend.
- M/V GLORIOUS PLUMERIA arrived last Saturday to the California Redwood Chip Export dock. Loaded three hatches and departed safely under the draft limit of 25’.
- Additional chip ship will arrive next month. A new agreement for California Redwood Company was signed. New fendering for the dock has been ordered.
- Schneider Dock – log ship ordered May 22, under deck load.

DISTRICT COUNSEL, DISTRICT PLANNER AND DISTRICT TREASURER REPORT: None

COMMISSIONER AND COMMITTEE REPORTS:

Commissioner Doss:
- Said he was shocked and excited to see a chip ship come in to the bay.
- Stressed the importance of continuing talking about ground transportation, Highway 101 and Last Chance Grade; there is a danger of losing that leg of Highway 101.
- Reported it was a great time at the Rhododendron Parade.

Commissioner Dale:
- Attended the Coastal Commission hearing yesterday in Newport Beach; meetings are confusing. Discussion was on land use designation versus zoning on properties around Carlsbad. Highly recommends the Board attend the local Coastal Commission meeting in the Fall.

Commissioner Higgins:
- Spoke on KMUDs Monday Morning Magazine along with Director of Facility Maintenance and Director of Harbor Operations; topics included shoaling and Shelter Cove.
- Has been working at the upper South Fork of the Eel River – Coho Salmon.
- Suggested the Board make a minor investment in the media and community outreach to tell the District’s story.

Commissioner Wilson:
- Reported the Benbow Dam is being removed; he has a lot of childhood memories of the Dam.
- Said John Casali, a Shelter Cove advocate, has reported the District’s activities are successful.
- Participated as an interviewee for this year’s Cascadia Program.

Commissioner Marks:
- Attended a Samoa Trail project meeting. The scope of work was discussed. The District will provide the maintenance for the project.
- Attended a NCRA meeting yesterday in Eureka. Timber Heritage Association presented an update; 3,000 people enjoyed the speeder rides last year. There was an update on the Annie/Mary Trail project and the City of Eureka gave an update on their trail project.

OTHER

Presentation by Humboldt State University classes regarding Woodley Island Wildlife Area Management and Shoreline Protection Options for Humboldt Bay.

Students from Yvonne Everett’s HSU 2016 Senior Planning Practicum course spoke on development of an inventory of shoreline protection devices; the majority of shorelines in Humboldt Bay were built over 100 years ago. Their recommendations were to conduct further analysis of wind and wave energy; implement a program permitting process for shoreline protection projects and study strategies the could be used in combination with shoreline protection methods.

Commissioner Wilson stated this was the most sophisticated report and the end result is a tool to be used for planners in the future. It should be placed on the District’s website.
Commissioner Doss said there is an inordinate amount of information about this from the East Coast as there is so much property on water; permitting is ridiculous and undone.

Commissioner Dale asked about the impact of sea level rise around Humboldt Bay; are the shorelines retreating.

Uri Driscoll said Gordon Peabody has done extensive work on Cape Cod.

Pete Oringer said Chesapeake Bay is a classic example. He commended the students on the quality of the rendering. He and Commissioner Dale were on the Humboldt Bay Management Plan Committee and he said this report should be adopted as an addendum to the Humboldt Bay Management Plan.

A report on the Woodley Island Wildlife Area Management Plan Update was given. The Wildlife Area was designated in 1977 as mitigation for the building of the marina. The students looked at habitat types, exotic and invasive plants, fencing, allowing dogs, and public access. A roadside trail with interpretive signs was recommended as a compromise to public access to the Wildlife Area as the consensus was access should be limited. Also continued maintenance and monitoring was recommended.

NON AGENDA: None

UNFINISHED BUSINESS

A. DISCUSSION OF PRELIMINARY FY 2016/17 BUDGET.

Executive Director said the following items were deleted from the items presented at the Board’s Budget Workshop on May 2 in order to present to the Board a balanced budget: Administration: meeting room carpet, tables and chairs; Woodley Island: Oyster Bar design/permitting, barbeques and picnic tables; Redwood Marine Terminal Berth 1: Fuel dock; Redwood Terminal 2: Change orders; Fields Landing Boat Yard: Lighting; and Dredging: King Salmon entrance dredging.

Kent Sawatzky asked for the Projected Expenses of Debt Payments for FY 2015/16 be added to the Preliminary FY 2016/17 Budget.

NEW BUSINESS

A. CONSIDERATION OF TIMBER HERITAGE ASSOCIATION PURCHASE OPTION AGREEMENT EXTENSION.

Executive Director reported the original Option Agreement was signed and the $5,000 deposit was received on March 12, 2015. Timber Heritage Association (THA) has requested a one-year extension at the sole District Board discretion. In the Agreement it states a request for an extension shall be in writing 30 days prior to expiration of the agreement; this is a late request. Also in the Agreement, it states THA must demonstrate significant progress toward entitlements and Staff has determined that significant progress has been made. Staff recommends approval of Option Agreement extension.

COMMISSIONER HIGGINS MOVED FOR THE APPROVAL OF THE TIMBER HERITAGE ASSOCIATION PURCHASE OPTION AGREEMENT EXTENSION. COMMISSIONER WILSON SECONDED.

Commissioner Doss said he is excited about the impressive amount of work that has been done.

Commissioner Marks said there has been an incredible amount of volunteer hours put into this project and they have accomplished a lot. THA is hosting more festivals and Chamber meetings to bring the public's attention to the project. Commissioner Marks thanked THA for all their hard work.

Commissioner Higgins said the layout as a museum is impressive.
Commissioner Wilson said he is happy with the success of receiving the EPA funding for the Targeted Brownfields Assessment Program.

Pete Oringer said the final product is not there yet – museums tell stories when successful. This area is rich in stories and they will tell both the good and bad parts of the story – it is a work in progress. Mr. Oringer thanked the Board for their partnership.

Bruce Seivertson, THA President, said they estimated there were 9,000 volunteer hours spent in 2015. He invited all to come to the Oysters, Ales and Rails fundraiser on August 27.

MOTION CARRIED WITHOUT DISSENT.

B. CONSIDERATION OF HAG FISH LEASE EXTENSION AND EXPANSION.

Director of Harbor Operations said the Hag Fish Corporation Lease began August 2015 and includes 4,500 sf of warehouse space, 600 sf of outside storage, 144 sf of office space, 75 ft. of dock space, and a Landing Charge of $.015 per pound for Hag Fish over the dock. Improvements have been made to the facility: New power to the building and dock and a new water pumping system. The Lessee is requesting additional warehouse space and outside storage space for market growth and frozen food offerings and is requesting a three-year Lease Extension with an Additional Option. The one-year estimate for rent, moorage and landings is $53,160.

COMMISSIONER DALE MOVED FOR THE APPROVAL OF HAG FISH LEASE EXTENSION AND EXPANSION. COMMISSIONER WILSON SECONDED.

District Counsel suggested the motion be amended to authorize the Executive Director to sign the Lease Extension and Expansion upon approval by District Counsel.

COMMISSIONER DALE ACCEPTED DISTRICT COUNSEL'S FRIENDLY AMENDMENT. COMMISSIONER WILSON SECONDED. MOTION CARRIED WITHOUT DISSENT.

ADMINISTRATIVE AND EMERGENCY PERMITS: None

The Regular Meeting of the Board of Commissioners adjourned at 8:34 p.m.

APPROVED BY:                                                  RECORDER BY:

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

ABSENT:
Commissioner Higgins

Vice President Wilson called the Special Meeting of the Board of Commissioners to order at 12:16 p.m.

District Treasurer led those present in the Pledge of Allegiance.

PUBLIC COMMENT
Kent Sawatzky said in the legal profession there is a saying “give them enough rope and they will hang themselves”. The rope gets longer through collusion and unfair monopolistic business practices, such as the potential conversion from farmland to oyster beds or when one business has 90% of the market. Also fair business practices allow anyone who is leasing tidelands for oyster cultivation the same rate as Coast Seafoods Company.

UNFINISHED BUSINESS

A. CONSIDERATION OF ADOPTION OF PRELIMINARY FY 2016/17 BUDGET.

Director of Administrative Services reported the budget presented to the Board is the same budget presented to them at their last meeting. The adoption of this budget then begins the 30 day public comment period, after which the Board will hold a public hearing and conduct the first and second readings and adoption of the FY 2016/17 Budget. The Board may hold any additional special meetings on the budget as they feel are needed.

Commissioner Wilson reported he and Commissioner Dale met earlier in the day with the Coastal Commission staff regarding the potential of the restaurant on Woodley Island and ongoing budget consideration. Within the Preliminary Budget there are proposed uses for the location, such as picnic tables, barbeques and allocation for design work. Commissioners Wilson and Dale are reviewing staffing levels, consideration of hiring additional staff or consultants; but will stay within the budget allowance. This next budget year will be a year of no additional projects; finish what has been started.

Kent Sawatzky said projected revenue is off by 32%; the Board should prioritize projects now. He said he appreciates fiscal responsibility. The marina operated at a loss for years, but now has a positive cash flow. This budget is better than some in the past.

Commissioner Doss asked for a placeholder be set aside to update the District's rail study and transportation options in light of the situation of Highway 101 at Last Chance Grade. The rail study was done in an economic downturn and should be updated.

Commissioner Wilson said an estimated cost of an update should be obtained from the consultants.

Monte Provolt offered his help with the updated study. He said he has lots of information from farmers in Oroville and the Central Valley. Transportation options should be researched. Nick Angeloff has been lobbying in Washington DC and has a lot of information. The Board should be looking 20 years into the future.

District Treasurer said it is a good time to catch our breath with this budget and it is necessary to increase the District’s cash reserves.
COMMISSIONER MARKS MOVED FOR THE ADOPTION OF THE PRELIMINARY FY 2016/17 BUDGET. COMMISSIONER DALE SECONDED. MOTION CARRIED WITHOUT DISSENT.

The Regular Meeting of the Board of Commissioners adjourned at 12:32 p.m.

APPROVED BY:                                      RECORDED BY:

Greg Dale                                         Patricia Tyson
Secretary                                         Director of Administrative Services
Service Agreement

This Agreement is made this __________ day of __________, 20__, between Humboldt Bay Harbor, Recreation and Conservation District, subsequently referred to as "CLIENT," and SHN Consulting Engineers & Geologists, Inc., 812 W. Wabash Avenue, Eureka, California, a California Corporation, subsequently referred to as "SHN." SHN's professional work is conducted by or under the direction of licensed engineers and geologists. The work under this contract will be under the direction of Michael K. Foget, PE, California Registered Professional Engineer, # C054123, located at SHN Consulting Engineers & Geologists, Inc., 812 W. Wabash Avenue, Eureka, California 95501-2138. SHN may assign another appropriately licensed person to direct such work by providing reasonable notice of such to CLIENT.

1. Project

A. By joining in this Agreement, CLIENT retains SHN to provide consulting services for the role of District Engineer to the Humboldt Bay Harbor, Recreation and Conservation District (HBHRCD). Re engineering services for HBHRCD located properties and for projects under HBHRCD jurisdiction, and subsequently referred to as "Project."

B. CLIENT is aware that no work will begin until both CLIENT and SHN sign this Agreement.

2. Scope of Services

A. By this Agreement, the scope of SHN's services is limited to:
   (i) On-call engineering support.
   (ii) On-call permitting support including, but not limited to:
        a. handling of dredge material,
        b. storm water compliance, and
        c. aquaculture activities.
   (iii) Attending HBHRCD meetings.

B. SHN will not be responsible for any services not specifically listed under 2(A) above, including but not limited to:
   (i) planning services.

C. Except as expressly provided for in Sections 3(C) and 5(B) hereof, there will be no addition or deletion to the scope of services, schedule for performance, or the fees charged for such services without the written consent of both parties. Such written consent addressing the scope of services, schedule for performance, and fees charged for such services shall be required prior to any additional work being provided except as otherwise provided for in Sections 3(C) and 5(B) hereof.

3. Work Schedule

A. SHN will perform the services described in the scope of services, in conformance with the following schedule: Services are to be provided on an "on-call" basis.

B. Reasonable schedule extensions will be allowed for any delay that is beyond the control of SHN. Matters beyond the control of SHN that may give rise to schedule extensions include, but are not limited to inclement weather, unanticipated Project
conditions, delays in obtaining necessary third party approvals regarding the Project, illness or death of key Project personnel, and delays caused by third parties working on the Project. In the event of delay allowed for herein, the parties agree to work together in good faith to make appropriate modifications to the schedule described in Section 3(A) above. SHN shall not be liable for damages arising out of any such delay and shall not be deemed to be in breach of this agreement as a result thereof.

C. In the event there is a change to the scope of services that is agreed to in writing by the parties, but the parties fail to agree upon a change to the above described schedule for performance of the services, a reasonable extension to the schedule will be allowed to accommodate the change to the scope of services.

4. General Conditions

The following general conditions are incorporated into and made part of this Agreement:

A. SHN is an independent contractor and will maintain complete control of and responsibility for its employees, subconsultants, subcontractors, and agents.

B. CLIENT will provide SHN with all available information concerning this Project, including electronic copies, as necessary. SHN shall be entitled to rely, without liability, on the accuracy and completeness of any and all information and services provided by CLIENT, CLIENT's consultants and contractors, and information from public records, without the need for independent verification.

C. In order to complete the work, CLIENT will provide the right of entry for SHN and subcontractor personnel.

D. While SHN will take all reasonable precautions to minimize any damage to the property, it is understood by CLIENT that in the normal course of work some damage may occur, the correction of which is not part of this Agreement unless otherwise noted. In the execution of work, SHN will take all reasonable precautions to avoid damage to surface and subsurface structures and/or utilities. CLIENT agrees to hold SHN harmless for any damages to subsurface structures and/or utilities that are not called to SHN's attention and are not currently shown on the plans furnished or otherwise identified by CLIENT.

In the course of performing the Scope of Services as outlined in this Agreement, previously unknown or unidentified hazardous materials or substances may be encountered. In such event, SHN will not be considered the Owner, in control of, or responsible for said materials. SHN's sole responsibility will be to notify CLIENT of said hazardous materials and possible courses of action for CLIENT to pursue. All work on the Scope of Services outlined in this Agreement will cease until hazardous conditions have been resolved. Any additional work with regard to the hazardous material mitigation measures will be subject to negotiation of a new Agreement. CLIENT agrees to indemnify, defend, and hold SHN, its agents, employees, officers, directors, and independent contractors harmless from any liability relating to or arising from the breach of CLIENT's duties hereunder.

In addition, if cross-contamination of aquifers or other hydrous bodies were to occur in connection with the Scope of Services provided hereunder, CLIENT waives any and all claims against SHN and agrees to defend, indemnify, and hold SHN harmless from any claim or liability for injury or loss that may arise as a result of alleged cross-contamination. CLIENT further agrees to compensate SHN for any time spent or expenses incurred by SHN in defense of any such claim, in accordance with SHN's prevailing fee schedule and expense reimbursement policy.
E. SHN will take reasonable precautions to safeguard its own employees. Except as otherwise expressly agreed to in writing by SHN, SHN will have no responsibility for any Project safety program or the safety of any entity or person other than SHN and its employees.

F. Services performed by SHN under this Agreement will be conducted in a manner consistent with that level of care and skill ordinarily expected by members of the profession currently practicing in the same locality, under similar conditions. SHN will comply with applicable laws, rules, and regulations.

G. No representation, express or implied, of warranty or guarantee is included or intended in this Agreement or in any report, opinion, document, or otherwise.

H. CLIENT recognizes that subsurface conditions at various locations on the Project property may vary from those encountered at the location where borings, surveys, or explorations are made by SHN.

I. The data, interpretations, and recommendations of SHN are based solely on the information available to SHN. SHN will be responsible for its data, interpretations, and recommendations, but will not be responsible for interpretations of the developed information made by others.

J. Unless express provisions to the contrary are provided herein, SHN shall retain ownership and all copyrights to any plans, specifications, reports, and any other documents it creates for CLIENT, its agents, or assigns. Upon payment to SHN as set forth herein, CLIENT is merely granted a license to use such documents for the Project described herein.

K. In such a case where CLIENT requests that SHN provide machine-readable information and data regarding PROJECT to CLIENT or CLIENT's authorized agent, SHN shall not be liable for claims, liabilities, or losses arising out of or in connection with:

(i) the modifications or misuse by CLIENT or third parties of such electronic data;

(ii) decline of accuracy of readability of electronic data due to inappropriate storage conditions or duration;

(iii) any use by CLIENT or third parties of such electronic data, for additions to this project, for the completion of this project by others, for generation of record drawings, or for any other project by SHN.

Drawings shall not be interpreted as being true scale documents of the proposed work. CLIENT, by acceptance of such electronic data, agrees to indemnify SHN for damages and liability resulting from the modification, use, or misuse of such electronic data, as described above.

L. Neither CLIENT nor SHN may delegate, assign, or transfer their duties or interest in this Agreement without the written consent of the other party except as expressly allowed for herein. SHN may use third parties it engages to perform the services provided hereunder, and SHN may assign the right to collect any amounts due for work performed pursuant to this Agreement to third parties, without the consent of CLIENT having first been obtained.

M. CLIENT shall review and approve SHN-prepared project documents conforming to the Scope of Services at each phase of the Project.

N. Any opinion of the capital, construction, or operating costs of the facilities or operations related to the Scope of Services and prepared by SHN, represents SHN's
judgment as a professional and is supplied for the general guidance of CLIENT. Because SHN has no control over the cost of labor, material, or equipment, or over the competitive bidding or market conditions, SHN does not guarantee the accuracy of such opinions as compared to contractor bids or actual costs to CLIENT.

O. If SHN assists CLIENT in the process of selecting other consultants, contractors, or services, CLIENT shall perform its own due diligence in making a final decision. SHN makes no warranty or guarantee on the performance of the selected consultant, contractor, or service.

P. If CLIENT proposes and goes forward with an objectionable project decision or feature, construction activity, or operational procedure, SHN shall notify CLIENT of its objection and the reasons for the objection. If CLIENT moves forward with the objectionable action, SHN shall be held harmless from liability and negative results related to the action.

Q. SHN and CLIENT agree that any dispute arising under this Agreement and the performance thereof with an amount in controversy exceeding $10,000.00 shall be subject to non-binding mediation as a prerequisite to further legal proceedings. The cost of such mediation shall be borne equally by the parties. Any party making a demand for mediation shall do so in writing to the other party, and such demand shall suggest not less than five (5) licensed attorneys with offices located within Humboldt County, California, as disinterested mediators to assist with resolution of the dispute. The parties shall cooperate to arrange mediation with a mediator from such list selected by the non-demanding party to be conducted not less than 60 days after the demand having been made. Failure by a party to cooperate with the foregoing shall enable the other party to proceed to further legal proceedings without completing mediation and the party so failing shall be liable for any damages caused by such. Any pertinent statute of limitations shall be tolled pending the conduct of the above described mediation process. This Agreement shall be governed by the laws of the State of California, and any litigation or other legal proceedings shall be conducted in the Superior Court of California. The parties agree that this Agreement was negotiated and executed in Humboldt County, California, and as such, agree that the proper venue for adjudication of any disputes arising hereunder shall be the Superior Court of California located in Humboldt County, California. SHN and CLIENT waive any right to a trial by jury.

R. To the fullest extent permitted by law, the total liability, in the aggregate, of SHN and its agents and subconsultants, to CLIENT, and anyone claiming by, through, or under CLIENT, and to any third parties granted reliance, for any claims, losses, costs, or damages whatsoever arising out of, resulting from, or relating to the Project shall not exceed the total compensation received by SHN. CLIENT may negotiate a higher limitation of liability for an additional fee, which is necessary to compensate for the greater risk assumed by SHN.

To the extent damages are covered by insurance of CLIENT, CLIENT waives all rights against the contractors, consultants, agents, and employees of SHN for damages, except such rights as CLIENT may have to the proceeds of such insurance. CLIENT shall require its contractors, subcontractors, consultants, subconsultants, agents, and such parties' employees to execute similar waivers in a form and substance that is acceptable to SHN, in its reasonable discretion. SHN may further require any insurer capable of providing coverage described herein to expressly waive subrogation of claims against SHN, but failure of any such insurer to expressly waive subrogation shall in no way create a right of subrogation inconsistent with the terms hereof.
S. SHN and CLIENT waive all consequential damages and any similar damages in tort, including, but not limited to damages for loss of use, profits, revenue, business opportunity, or production for claims, disputes, or other matters arising out of or relating to this Agreement, regardless of whether such claim or dispute is based upon breach of contract or the negligent act, or omission of SHN or its employees, agents, subconsultants, or other legal theory. This mutual waiver shall survive termination or completion of this Agreement.

T. Unless noted otherwise in Section 5 of this Agreement, CLIENT warrants and represents all work to be performed by SHN pursuant to this Agreement is not subject to State or Federal prevailing wages. If it is subsequently determined that work performed is subject to prevailing wages, CLIENT shall compensate SHN 1.3 times the difference between actual wage paid and prevailing rate required, plus any penalties. CLIENT shall also indemnify, defend, and hold SHN harmless for any other liabilities arising from or related to the breach of CLIENT’s representation and warranty regarding prevailing wages.

U. This Agreement shall be terminated as follows:

(i) Upon completion of the Scope of Services and receipt of all compensation due to SHN; or

(ii) Upon receipt by either party from the other of ten (10) days' written notice of termination. In such event, SHN shall be compensated for all service performed prior to the termination notice date plus reasonable termination expenses, including the cost of completing analysis, records, and reports necessary to document job status at the time of termination.

5. Fee

A. SHN will be compensated for these services on a time and expenses basis. Annual fees are estimated as sixty thousand dollars ($60,000), which is equatable to approximately five thousand dollars ($5,000) per month.

Fees DO NOT include Prevailing Wage Rates.

To initiate work on Project, a retainer of zero dollars ($0) is required.

B. If Project requirements indicate that the scope of services covered by this Agreement should be revised, an additional Service Agreement or a written addendum to this Agreement will be entered into to cover the revised scope and fee. In the event a change to the scope of services is agreed to in writing as provided for herein, but the parties fail to agree in writing to a revised method or figure for fees concerning the changed scope of services, the fees for the changed scope of services shall be determined on the basis of time and expense in accordance with SHN's current schedule of fees (included as Exhibit A).

C. SHN will submit monthly progress invoices to CLIENT and the final bill upon completion of the services. CLIENT shall notify SHN within two (2) weeks of receipt of invoice of any dispute with the invoice. CLIENT and SHN will act in good faith to resolve any disputed items promptly. Payment on invoice amounts is due upon receipt of invoice by CLIENT and is past due fifteen (15) days from the date of the invoice. Thereafter, SHN will charge, and CLIENT agrees to pay, a finance charge of 1.5% per month on the outstanding balance. At SHN’s discretion, this Agreement may be terminated without penalty or liability to SHN for CLIENT failure to make timely payment for outstanding invoices.
In Witness Whereof, the parties have executed this Agreement the day and year first set forth.

**SHN Consulting Engineers & Geologists, Inc.**

**CLIENT:** Humboldt Bay Harbor, Recreation and Conservation District

**Address:** 812 W. Wabash Ave. Eureka, CA 95501-2138

**By:** Mike Foget

**Title:** Civil Services Principal

**Signature:** 

**Date:** 

**License #:** PE # C054123

**Address:** 601 Startare Drive Eureka, CA 95501

**By:** Jack Crider

**Title:** Executive Director

**Signature:** 

**Date:** 
When accurate definition of the proposed work is not possible, an hourly charge out rate for determining compensation shall be used. Hourly charge rates include payroll costs, overhead, and profit. Hourly services are billed portal to portal and are subject to a 2-hour minimum. Current rates are as follows:

<table>
<thead>
<tr>
<th>Position</th>
<th>Hourly Rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Principal Engineer</td>
<td>$135.00 - $180.00</td>
</tr>
<tr>
<td>Principal Engineering Geologist</td>
<td>$125.00 - $155.00</td>
</tr>
<tr>
<td>Principal Surveyor</td>
<td>$125.00 - $155.00</td>
</tr>
<tr>
<td>Project Manager</td>
<td>$ 85.00 - $155.00</td>
</tr>
<tr>
<td>Senior Planner</td>
<td>$ 100.00 - $140.00</td>
</tr>
<tr>
<td>Senior Engineer</td>
<td>$ 115.00 - $150.00</td>
</tr>
<tr>
<td>Senior Geotechnical Engineer</td>
<td>$ 125.00 - $155.00</td>
</tr>
<tr>
<td>Senior Geologist</td>
<td>$ 115.00 - $145.00</td>
</tr>
<tr>
<td>Senior Surveyor</td>
<td>$ 105.00 - $135.00</td>
</tr>
<tr>
<td>Engineer</td>
<td>$  85.00 - $120.00</td>
</tr>
<tr>
<td>Traffic Engineer</td>
<td>$  85.00 - $140.00</td>
</tr>
<tr>
<td>Geologist</td>
<td>$  85.00 - $115.00</td>
</tr>
<tr>
<td>Certified Industrial Hygienist</td>
<td>$  95.00 - $140.00</td>
</tr>
<tr>
<td>Environmental Specialist</td>
<td>$  75.00 - $130.00</td>
</tr>
<tr>
<td>Environmental Planner</td>
<td>$  75.00 - $115.00</td>
</tr>
<tr>
<td>Staff Surveyor(^3)</td>
<td>$  75.00 - $105.00</td>
</tr>
<tr>
<td>Assistant Engineer</td>
<td>$  75.00 - $120.00</td>
</tr>
<tr>
<td>Survey Party Chief(^6)</td>
<td>$  75.00 - $105.00</td>
</tr>
<tr>
<td>Junior Engineer</td>
<td>$  65.00 - $  90.00</td>
</tr>
<tr>
<td>Engineering Technician/Draftsperson(^3)</td>
<td>$  65.00 - $  90.00</td>
</tr>
<tr>
<td>Lab/Field Technician(^3)</td>
<td>$  65.00 - $100.00</td>
</tr>
<tr>
<td>Survey Technician(^6)</td>
<td>$  65.00 - $  90.00</td>
</tr>
<tr>
<td>Technical Writer</td>
<td>$  55.00 - $  70.00</td>
</tr>
<tr>
<td>Clerical</td>
<td>$  50.00 - $  70.00</td>
</tr>
<tr>
<td>Expert Witness(^2,4)</td>
<td>$155.00 - $255.00</td>
</tr>
</tbody>
</table>

1. Incidental expenses, i.e., lodging, meals, airplane tickets, etc., are billed at cost plus 15%.
2. Minimum daily charge is four hours.
3. Rates depend on the specific personnel assigned and if prevailing wage rates are required in the area of work.
4. Rates for Expert Witness are charged for preparation and testimony for both deposition(s) and trial(s).
<table>
<thead>
<tr>
<th>Reimbursables</th>
</tr>
</thead>
<tbody>
<tr>
<td>The following direct charges are charged in addition to the hourly charge rates set forth above.</td>
</tr>
</tbody>
</table>

**Direct Charges:**

<table>
<thead>
<tr>
<th>Item</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>CADD plots (black &amp; white)</td>
<td>$4.00/ea.</td>
</tr>
<tr>
<td>CADD plots (color)</td>
<td>$20.00/ea.</td>
</tr>
<tr>
<td>Copies</td>
<td>$.15/ea.</td>
</tr>
<tr>
<td>Equipment and other expenditures (required for projects)</td>
<td>Cost + 15%</td>
</tr>
<tr>
<td>FAX</td>
<td>$2.00/sheet</td>
</tr>
<tr>
<td>Field office</td>
<td>Cost + 15%</td>
</tr>
<tr>
<td>Filing fees, telephone expense, etc.</td>
<td>Cost + 15%</td>
</tr>
<tr>
<td>Iron pipe, monuments, flagging, etc.</td>
<td>Cost + 15%</td>
</tr>
<tr>
<td>Mylars</td>
<td>$2.50/sq. ft.</td>
</tr>
<tr>
<td>Services of other consultants</td>
<td>Cost + 15%</td>
</tr>
<tr>
<td>Stakes, hubs, lath, etc.</td>
<td>Cost + 15%</td>
</tr>
<tr>
<td>Subsistence, air travel, etc.</td>
<td>Cost + 15%</td>
</tr>
<tr>
<td>Vehicles</td>
<td>$50.00/day</td>
</tr>
</tbody>
</table>

**Field Testing and Equipment:**

<table>
<thead>
<tr>
<th>Item</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anchor bolt tension testing</td>
<td>$80.00/day plus operator</td>
</tr>
<tr>
<td>CO₂ Meter</td>
<td>$10.00/day</td>
</tr>
<tr>
<td>Concrete Compression Impact Hammer</td>
<td>$25.00/day*+</td>
</tr>
<tr>
<td>Core Drilling Machine</td>
<td>$75.00/day + $3.00/inch cored</td>
</tr>
<tr>
<td>Dissolved Oxygen Meter</td>
<td>$53.00/day*+</td>
</tr>
<tr>
<td>Expendable Supplies</td>
<td>$40.00/day*+</td>
</tr>
<tr>
<td>Fyrite Meter</td>
<td>$33.00/day*+</td>
</tr>
<tr>
<td>Generator</td>
<td>$53.00/day*+</td>
</tr>
<tr>
<td>Geophysical Equipment</td>
<td>By Quotation</td>
</tr>
<tr>
<td>Grundfos Controller &amp; Pump</td>
<td>$275.00/day</td>
</tr>
<tr>
<td>Hand Auger</td>
<td>$33.00/day</td>
</tr>
<tr>
<td>Health &amp; Safety Level D</td>
<td>$35.00/day*+</td>
</tr>
<tr>
<td>Health &amp; Safety Level C</td>
<td>$60.00/day*+</td>
</tr>
<tr>
<td>High Pressure Controller</td>
<td>$60.00/day*+</td>
</tr>
<tr>
<td>Inclinometer</td>
<td>$200.00/day*</td>
</tr>
<tr>
<td>LEL Meter</td>
<td>$66.00/day*+</td>
</tr>
<tr>
<td>Nuclear Density Testing</td>
<td>$25.00/hour plus operator</td>
</tr>
<tr>
<td>Other equipment including drill rigs, backhoes, etc.</td>
<td>Cost + 15%</td>
</tr>
<tr>
<td>ORP Meter</td>
<td>$15.00/day</td>
</tr>
<tr>
<td>OVA</td>
<td>$132.00/day*+</td>
</tr>
<tr>
<td>Ozone Sparge Trailer</td>
<td>$2,000.00/day</td>
</tr>
<tr>
<td>Peristaltic Pump</td>
<td>$50.00/day*+</td>
</tr>
<tr>
<td>pH/Conductivity Meter</td>
<td>$53.00/day*+</td>
</tr>
<tr>
<td>Power Auger</td>
<td>$100.00/day*+</td>
</tr>
<tr>
<td>Pumps</td>
<td>$45.00/day*+</td>
</tr>
<tr>
<td>Quad (ATV)</td>
<td>$150.00/day</td>
</tr>
<tr>
<td>Rebar Locating Device</td>
<td>$40.00/day plus operator</td>
</tr>
</tbody>
</table>

* 1/2 Day Minimum Charge.
+ 25% Weekly Discount, 40% Monthly Discount.
(1) If concrete is sampled and delivered to SHN lab by outside contractor, add $5.00/ea. for processing and curing per ASTM C-31.
<table>
<thead>
<tr>
<th>Field Testing and Equipment, Continued:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Roto-hammer</td>
<td>$ 50.00/day*+</td>
</tr>
<tr>
<td>Skidmore-Wilhelm Bolt Tension Calibration</td>
<td>$ 50.00/day</td>
</tr>
<tr>
<td>Soil/Gas Purge Pumps</td>
<td>$ 30.00/day*+</td>
</tr>
<tr>
<td>Soil Gas Probes</td>
<td>$200.00/day*+</td>
</tr>
<tr>
<td>Torque Wrench (0 to 250 ft lbs)</td>
<td>$ 25.00/day</td>
</tr>
<tr>
<td>Torque Wrench (250 to 1,000 ft lbs)</td>
<td>$ 50.00/day</td>
</tr>
<tr>
<td>Turbidity Meter</td>
<td>$ 26.00/day*+</td>
</tr>
<tr>
<td>Ultrasonic Test Device</td>
<td>$ 20.00/hour plus operator</td>
</tr>
<tr>
<td>Vapor Extraction System</td>
<td>$500.00/day*+</td>
</tr>
<tr>
<td>Water Level Data Logger</td>
<td>$ 60.00/day*+</td>
</tr>
<tr>
<td>Water Level Meter</td>
<td>$ 33.00/day*+</td>
</tr>
<tr>
<td>Well Point</td>
<td>$ 50.00/day</td>
</tr>
<tr>
<td>Well Wizard</td>
<td>$100.00/day*+</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Survey Equipment:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>GPS Station</td>
<td>$300.00/day*</td>
</tr>
<tr>
<td>Level</td>
<td>$ 25.00/day*</td>
</tr>
<tr>
<td>Robotic Total Station</td>
<td>$ 200.00/day</td>
</tr>
<tr>
<td>Total Station</td>
<td>$ 7.50/hour</td>
</tr>
<tr>
<td>Total Station w/Data Collector</td>
<td>$ 100.00/day</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Laboratory Tests:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Asphalt Briquette Compaction</td>
<td>$ 50.00/ea.(1)</td>
</tr>
<tr>
<td>Asphalt Bulk Specific Gravity</td>
<td>$ 30.00/ea.</td>
</tr>
<tr>
<td>Asphalt Content by Nuclear Method</td>
<td>$ 75.00/test</td>
</tr>
<tr>
<td>Asphalt Content Gauge Calibration</td>
<td>$190.00/ea.</td>
</tr>
<tr>
<td>Asphalt Extraction (% Bitumen)</td>
<td>On Request</td>
</tr>
<tr>
<td>Asphalt (Hveem) Mix Design</td>
<td>On Request</td>
</tr>
<tr>
<td>Brass Tube (Liner)</td>
<td>$ 5.00/ea.</td>
</tr>
<tr>
<td>Cleanliness Value (CT 227)</td>
<td>$ 75.00/ea.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Compaction Curves (ASTM D 1557 or Caltrans CT216):</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>4-inch Mold</td>
<td>$150.00/ea.</td>
</tr>
<tr>
<td>6-inch Mold</td>
<td>$150.00/ea.</td>
</tr>
<tr>
<td>Check Point</td>
<td>$ 50.00/ea.</td>
</tr>
</tbody>
</table>

| Concrete Compressive Strength (CT 521 or ASTM C39) | $ 25.00/ea.(2) |
| Concrete Linear Shrinkage (3 Bars)               | $200.00       |
| Concrete Moisture                                | $ 25.00/test (floor test) |
| Consolidation Test                               | $300.00/ea.  |

<table>
<thead>
<tr>
<th>Direct Shear, per point: (ASTM D3080)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Consolidated-Drained (CD)</td>
<td>$130.00/point</td>
</tr>
<tr>
<td>Unconsolidated-Undrained (UU) (Modified ASTM)</td>
<td>$100.00/point</td>
</tr>
<tr>
<td>Consolidated-Undrained (CU) (Modified ASTM)</td>
<td>$115.00/point</td>
</tr>
<tr>
<td>Additional cycles (each)</td>
<td>$ 50.00/ea.</td>
</tr>
<tr>
<td>Disposable Concrete Molds</td>
<td>$ 2.00/ea.</td>
</tr>
</tbody>
</table>

* 1/2 Day Minimum Charge.
+ 25% Weekly Discount, 40% Monthly Discount.

(1) If asphalt is delivered to SHN lab unmixed, add $75.00/ea. for processing and mixing per Caltrans CT304.
(2) If concrete is sampled and delivered to SHN lab by outside contractor, add $5.00/ea. for processing and curing per ASTM C-31.
<table>
<thead>
<tr>
<th>Laboratory Tests, Continued:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Durability Index</td>
<td>$ 75.00/ea.</td>
</tr>
<tr>
<td>Expansion Index</td>
<td>$150.00/test</td>
</tr>
<tr>
<td>Fireproofing Density</td>
<td>$ 50.00/ea.</td>
</tr>
<tr>
<td>Grout Compressive Strength</td>
<td>$ 40.00/ea.</td>
</tr>
<tr>
<td>LA Rattler (abrasion resistance)</td>
<td>$150.00/test</td>
</tr>
<tr>
<td>Liquid Limit</td>
<td>$ 75.00/ea.</td>
</tr>
<tr>
<td>Masonry Block Compressive Strength</td>
<td>$ 65.00/ea.</td>
</tr>
<tr>
<td>Masonry Block Linear Shrinkage</td>
<td>$ 85.00/ea.</td>
</tr>
<tr>
<td>Masonry Block Prism Compressive Strength</td>
<td>$125.00/ea.</td>
</tr>
<tr>
<td>Masonry Core Shear Test</td>
<td>$ 50.00/core</td>
</tr>
<tr>
<td>Moisture Content</td>
<td>$ 15.00/ea.</td>
</tr>
<tr>
<td>Moisture-Density Test</td>
<td>$ 25.00/ea.</td>
</tr>
<tr>
<td>Particle Size Analysis (ASTM 422)</td>
<td>$100.00/ea.</td>
</tr>
<tr>
<td>Percent Crushed Particles</td>
<td>$125.00/ea.</td>
</tr>
<tr>
<td>Percent Entrained Air In Concrete</td>
<td>$ 10.00/ea.</td>
</tr>
<tr>
<td>Percent Organics</td>
<td>$ 50.00/ea.</td>
</tr>
<tr>
<td>Plastic Limit</td>
<td>$ 50.00/ea.</td>
</tr>
<tr>
<td>Plasticity Index</td>
<td>$125.00/ea.</td>
</tr>
<tr>
<td>R-Value</td>
<td>$250.00/ea.</td>
</tr>
<tr>
<td>Rice Specific Gravity of Asphalt (ASTM D2041)</td>
<td>$ 70.00/ea.</td>
</tr>
<tr>
<td>Sand Equivalent</td>
<td>$ 50.00/ea.</td>
</tr>
<tr>
<td>Sawing Rocks and Concrete Cores</td>
<td>$ 30.00/unit</td>
</tr>
<tr>
<td>Sieve Analysis--Coarse</td>
<td>$ 45.00/ea.</td>
</tr>
<tr>
<td>Sieve Analysis--Fine</td>
<td>$ 55.00/ea.</td>
</tr>
<tr>
<td>Sieve Analysis--Passing 200</td>
<td>$ 45.00/ea.</td>
</tr>
<tr>
<td>Specific Gravity, Rock</td>
<td>$ 45.00/ea.</td>
</tr>
<tr>
<td>Stabilometer of Premixed AC</td>
<td>$ 75.00/ea.</td>
</tr>
<tr>
<td>Sulfate Soundness</td>
<td>$ 80.00/cycle</td>
</tr>
<tr>
<td>Swell Test</td>
<td>$ 55.00/point</td>
</tr>
<tr>
<td>Triaxial Compression</td>
<td></td>
</tr>
<tr>
<td>Unconsolidated Undrained (TXUU) (ASTM D2850)</td>
<td>$115.00/point</td>
</tr>
<tr>
<td>Consolidated Undrained (TXCU) (ASTM D4767)</td>
<td>$385.00/point</td>
</tr>
<tr>
<td>Consolidated Drained (TXCD) (ACOE)</td>
<td>$500.00/point</td>
</tr>
<tr>
<td>Consolidated Undrained (TXCU-3 stage) (ASTM D4767)</td>
<td>$810.00/test</td>
</tr>
<tr>
<td>Consolidated Drained (TXCD-3 stage) (ACOE)</td>
<td>$860.00/test</td>
</tr>
<tr>
<td>USDA Bulk Density Test</td>
<td>$ 30.00/ea.</td>
</tr>
<tr>
<td>USDA Textural Suitability Test</td>
<td>$ 50.00/ea.</td>
</tr>
<tr>
<td>Unconfined Compression</td>
<td>$ 50.00/ea.</td>
</tr>
<tr>
<td>Unit Weight of Lightweight Concrete</td>
<td>$ 50.00/unit</td>
</tr>
</tbody>
</table>

**Notes:**

All samples of soil or rock from physical testing are discarded 30 days after submission of final report unless prior arrangements are made. Samples of soil or rock submitted for testing for hazardous substances will be returned to the Client, who is responsible for proper disposal.

This fee schedule is subject to review and adjustment, as required.

Certain services may require prevailing wages or overtime at premium pay to SHN employees. In such circumstances, fees will be adjusted to reflect increased labor costs.
EXHIBIT B - STAFF RECOMMENDATION
Shelter Cove Fish Cleaning Station Remediation

CALIFORNIA OCEAN PROTECTION COUNCIL

Staff Recommendation
June 29, 2016

Shelter Cove Fish Cleaning Station Remediation

Cyndi Dawson, Program Manager

RECOMMENDED ACTION: Authorization to disburse up to $228,072 to Humboldt Bay Harbor, Recreation and Conservation District to completely remove an existing point source discharge into the King Range National Conservation Area Area of Biological Significance\(^1\) by redesigning the existing fish cleaning station to remediate the bio-waste stream, and adoption of findings under the California Environmental Quality Act.

LOCATION: Shelter Cove, Humboldt County, CA

STRATEGIC PLAN OBJECTIVE(S): Area D: Coastal and Ocean Impacts from Land; Issue 9: Downstream Impacts.

EXHIBITS

Exhibit A: Project location and maps

Exhibit B: Site Images

Exhibit C: Support Letters

Exhibit D: Humboldt Bay Harbor, Recreation and Conservation District’s Notice of Exemption under the California Environmental Quality Act

Exhibit E: Draft Notice of Exemption for Ocean Protection Council potential action

FINDINGS AND RESOLUTION:
Staff recommends that the Ocean Protection Council (OPC) adopt the following findings:
“Based on the accompanying staff report and attached exhibits, the Ocean Protection Council hereby finds that:

1) The proposed projects are consistent with the purposes of Division 26.5 of the Public Resources Code, the Ocean Protection Act.

2) The proposed projects are consistent with the Ocean Protection Council’s Proposition 1 grant guidelines (adopted September 2015).

\(^1\) [http://www.waterboards.ca.gov/publications_forms/publications/general/docs/asbs_kingrange.pdf](http://www.waterboards.ca.gov/publications_forms/publications/general/docs/asbs_kingrange.pdf)
3) The Ocean Protection Council has reviewed the Final Notice of Exemption, adopted by Humboldt Bay Harbor, Recreation and Conservation District on March 15, 2016 pursuant to the California Environmental Quality Act and attached to the accompanying staff recommendation as Exhibit D, and finds that section §15303 of CEQA Guidelines “New Construction or Conversion of Small Structures” is appropriate. The Council authorizes staff to file a Notice of Exemption on the Council’s behalf citing the same sections as rationale.

Staff further recommends that the OPC adopt the following resolution pursuant to Sections 35500 et seq. of the Public Resources Code:

“The California Ocean Protection Council hereby approves the disbursement of up to $228,072 to Humboldt Bay Harbor, Recreation and Conservation District to remediate the fish cleaning station at Shelter Cove operated by the grantee.

Prior to the disbursement of any funds, Humboldt Bay Harbor, Recreation and Conservation District shall submit for the review and written approval of the OPC’s Executive Director the following:

1) A detailed work program, including budget and schedule;
2) Evidence that all necessary permits and approvals have been obtained;
3) A plan for signage to acknowledge OPC and Proposition 1 funding.”

PROJECT SUMMARY:
Humboldt Bay Harbor, Recreation and Conservation District (HBHRC) is requesting $228,072 in funding from the Ocean Protection Council’s (OPC) Proposition 1 Grant Program to implement measures that will stop the ongoing discharge of fish cleaning wastes into the King Range Conservation Area Area of Special Biological Significance (ASBS) in perpetuity. HBHRC proposes to replace the existing fish waste disposal system by removing the gravity-driven pipe that delivers wastes to the ocean and instituting concession-driven alternatives for the final disposition of fish offal. There will be no associated fisheries-related economic losses from the modifications to this fish cleaning facility, and fishing activities will not be affected or interrupted.

Proposed modifications include:
1. Installation of a water line to connect the fish cleaning station drain to the existing Shelter Cove Resort District’s sewer system (for table cleaning water only; solid waste separator will be included);
2. Placement of 20-foot freezer/cooler containers with electrical hookups at Shelter Cove and Eureka;
3. Hiring of seasonal employees (funded by the HBHRC using matching funds) who will manually separate the fish cleaning wastes into carcass remnants suitable for commercial crab bait and other bio-wastes to be ground up and used in fertilizer amendments. Segregated fish waste solids will be stored in freezer/cooler containers for local pick-up and/or delivery to Eureka.
4. Removal and disassembly of the gravity driven discharge pipe will occur following the successful implementation of the alternative waste disposal system. Removal of the existing pipe apparatus will be planned for “off-season months” so as to not interrupt recreational fishing activities and negatively impact Shelter Cove’s economy.

HBHRCD plans that the installation of the new waterline (with solid waste separator) from the fish cleaning station to the Shelter Cove Resort Improvement District’s sewer system, subsequent procurement of the freezers, cooler containers and supplies, and the hiring of a seasonal, on-site employee will be completed by May 1, 2017, before the beginning of the busiest time of year for recreational anglers visiting Shelter Cove. As soon as the renovated facility is operational (May 2017), HBHRCD will cease using the current direct discharge pipe to dispose of fish wastes, and will shift to the new waste disposal system, as well as begin monitoring the amounts (numbers of fish, weights) of fish offal that the new system redirects for the concession-based uses of crab bait and fertilizer amendments.

HBHRCD is dedicated to protecting the local economy during the construction and transition phases of this project. HBHRCD will leave the existing discharge pipe in place until after the conclusion of the 2017 fishing season as an “adaptive management option” to ensure that the revamped fish cleaning station has the capacity to process the actual amounts of waste generated without interrupting fishing activities. HBHRCD does not foresee any difficulties or logistical issues to interfere with the exclusive operation of the new waste disposal system at the fish cleaning station based on estimates made during previous years of operation of the fish cleaning station. Following the first complete season of successful operations for the renovated facility (fall 2017), HBHRCD will contract with the California Conservation Corps (CCC’s) to assist with the removal and disassembly of the direct discharge pipe apparatus and cabling. HBHRCD expects that the existing discharge pipe apparatus will be completely removed before the beginning of recreational fishing in spring 2018.

Site Description:
The California State Water Resources Control Board (SWRCB), designated 34 specific “Areas of Special Biological Significance” (ASBS) in the mid-1970s through the adoption of water quality control plans for regulation of wastes discharged to ocean waters (SWRCB 1979). ASBS’s are intended to afford special protection to marine life by banning waste discharges within these designated areas. The prohibition on this activity is further confirmed by the latest iteration of the “California Ocean Plan”².

The King Range National Conservation Area ASBS is located primarily in Humboldt County, California, and extends from the mouth of the Mattole River southward to a point near Whale Gulch, four miles south of the Mendocino County line. Shelter Cove, the largest town in the King Range ASBS, is located on the remote southwestern coast of Humboldt County, with a local economy that relies heavily on sport

fishing-related tourism. The ocean off Shelter Cove is extraordinarily productive due to the presence of the Gorda Canyon and consistent upwelling driven by long-shore wind.

This location is the only ocean access for trailer-able boats along an approximately 110 mile stretch of coast. This facility is very popular with boaters and fishermen; and therefore, it has become indispensable to the Shelter Cove economy. HBHRCD has helped maintain boating access at Shelter Cove since the mid-1970s and has assisted with the operation of the existing fish cleaning station since 1988, when funds were provided by the State Coastal Conservancy (SCC) for its construction. The existing station is located on a bluff, approximately 200 feet above the ocean adjacent to the boat launching facility (Exhibit A). Fishermen clean their catch on a table and direct fish waste into a central chute (Exhibit B). The chute leads to a commercial grinder that grinds the fish waste and discharges it to an offshore location via suspended pipe. In 2004, the California Department of Boating and Waterways provided HBHRCD with a $37,000 grant to replace/upgrade the mechanical portions of the facility ensuring its continued safe and effective use.

The Humboldt Bay Harbor, Recreation and Conservation District (HBHRCD) has obtained a long term 20 year lease agreement from the land owner, Mr. David Tefler-Smollett proprietor of Mario’s Marina LLC, for the operation of the boat launch facility including the fish cleaning station.

Project History
Beginning in 2005, the SWRCB initiated a dialogue with the HBHRCD calling for the cessation of the point-source discharge of fish waste into the ASBS at Shelter Cove. After studying multiple alternatives, including closing the fish cleaning station to the public, and sewer all fish cleaning wastes, HBHRCD concluded that maintaining the existing fish cleaning station was the most viable alternative. In March 2010, HBHRCD requested a conditional waiver to allow for the continuation of fish waste discharges, and proposed an adaptive management solution including the adoption of a “Shelter Cove Fish Cleaning Station Biological Monitoring Plan” and incorporation of “Best Management Practices” for the cleaning station (HBHRCD 2010).

The SWRCB subsequently denied the HBHRCD request for a conditional waiver and reemphasized that the HBHRCD must move forward to cease the fish cleaning station discharges into the ASBS as mandated by the California Ocean Plan (SWRCB 2010). Since 2010, HBHRCD has been working with the local Shelter Cove community and resource agencies to identify the most feasible solution to ending the discharge of fish wastes without incurring economic damage to the community.

PROJECT FINANCING

<table>
<thead>
<tr>
<th>Proposition 1</th>
<th>$228,072</th>
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</table>

4
<table>
<thead>
<tr>
<th>Humboldt Bay Harbor, Recreation &amp; Conservation District (in-kind)</th>
<th>$114,619</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL</td>
<td>$342,691</td>
</tr>
</tbody>
</table>

The expected source of Ocean Protection Council funds for this project is the fiscal year 2015-16 appropriation to the Natural Resources Agency pursuant to the Water Quality, Supply, and Infrastructure Improvement Act of 2014 (Proposition 1, Water Code §79700 et. seq.). Funds appropriated to the Natural Resources Agency derive from Chapter 6 (commencing with §79730) and may be used “for multibenefit water quality, water supply, and watershed protection and restoration efforts for the watersheds of the state” (Water code §79731). Section 79732 identifies specific purposes of Chapter 6, which include the reduction of pollution into coastal waters, protection of nearshore ecosystems, and protection of economic benefits arising from healthy fishery resources.

The proposed project is an appropriate use of Proposition 1 funds because it has multibenefits and will permanently remove an identified point source discharge that has caused documented negative effects to the surrounding nearshore ecosystem and marine populations, including seabirds. The benefits of the project are improved water quality, removal of fish bio-waste from Shelter Cove that has caused the contamination and fouling of over 200 seabirds, and the return of a natural chemical and physical water regime to the nearshore ecosystem in and around the cove that will likely benefit multi-species.

The proposed project was selected through a competitive grant process under the Ocean Protection Council’s Proposition 1 Grant Guidelines adopted in September 2015 (“Prop 1 Guidelines”) (see §79706(a)). The proposed project meets each of the evaluation criteria in the Prop 1 Guidelines as described in further below.

CONSISTENCY WITH CALIFORNIA OCEAN PROTECTION ACT:
The proposed project is consistent with the Ocean Protection Act, Division 26.5 of the Public Resources Code, because it is consistent with trust-fund allowable projects, defined in Public Resources Code Section 35650(b)(2) as projects which:
(A) Eliminate or reduce threats to coastal and ocean ecosystems, habitats, and species
(C) Foster sustainable fisheries, including grants or loans for one or more of the following:
(ii) The design of community-based or cooperative management mechanisms that promote long-term stewardship and collaboration with fishery participants to develop strategies that increase environmental and economic sustainability.
(D) Improve coastal water quality.
(E) Allow for increased public access to, and enjoyment of, ocean and coastal resources, consistent with sustainable, long-term protection and conservation of those resources.
(F) Improve management, conservation, and protection of coastal waters and ocean ecosystems.
(H) Protect, conserve, and restore coastal waters and ocean ecosystems, including any of the following: (ii) Acquisition from willing sellers of vessels, equipment, licenses, harvest
rights, permits, and other rights and property, to reduce threats to ocean ecosystems and resources.

**CONSISTENCY WITH THE OPC'S STRATEGIC PLAN:**
The results of the project will primarily implement Focal Area D: Coastal and Ocean Impacts from Land and specifically addresses Issue 9: Downstream Impacts. This project supports efforts to improve understanding of or reduce the impacts of water pollution on marine managed areas and other critical ocean resources.

**CONSISTENCY WITH THE OPC'S PROPOSITION 1 GUIDELINES:**
The following are the criteria that were applied to the applications in either the Letter of Intent or full proposal stage of the evaluation.

**Chapter 6 of Proposition 1 purposes:**
Purpose 1: Protect and increase the economic benefits arising from healthy watersheds, fishery resources, and instream flow
Purpose 10: Protect and restore coastal watersheds, including, but not limited to, bays, marine estuaries, and nearshore ecosystems
Purpose 11: Reduce pollution or contamination of rivers, lakes, streams, or coastal waters, prevent and remediate mercury contamination from legacy mines, and protect or restore natural system.

**OPC's Key Issue Areas for Prop 1 Funding:**
- Marine Managed Areas and Coastal and Ocean Water Quality Impacts: This project improves ability for a marine managed area (MMA) to meet its statutory goals, and reduces pollution and contaminants entering the marine ecosystem.

**Multi-benefits:** The benefits of the project are improved water quality, removal of fish bio-waste from Shelter Cove that has caused the contamination and fouling of over 200 seabirds and the return of a natural chemical and physical water regime to the nearshore ecosystem in and around the cove that will likely benefit multi-species. The project will also improve coastal access and support the local marine economy which Shelter Cove is highly dependent on.

**Ability to adapt to impacts of climate change:** The proposed project location is on bluffs approximately 200 feet above sea level, and as such will not be vulnerable to sea level rise, flooding, inundation, or storm surges expected during the next 100 years. Erosion of the existing shoreline will likely occur during the next 100 years, but the project has low vulnerability due to being situated away from the shoreline, and at an elevation well above sea level.

**California Water Action Plan Goals:** Action # 4: "Protect and restore important ecosystems."
The existing practice of discharging fish wastes into the coastal waters of the King Range National Conservation Area ASBS will cease as a result of this project. The King Range National Conservation Area ASBS was designated in 1974, and the fish cleaning station has been in
operation since the 1980's. ASBS's support an unusual variety of aquatic life (often unique individual species) and are basic building blocks for a sustainable, resilient coastal environment and economy.

Removes or reduces multiple stressors to the environment: This project will eliminate the ongoing, point-source pollution (direct discharge of fish cleaning wastes) into ocean waters and the coastal environment of the King Range National Conservation Area ASBS.

Utilizes green infrastructure, natural systems, or systems that mimic natural systems: This project will utilize the vast majority of the fish waste for crab bait to be sold to crab fishermen and the remaining solid waste as fertilizer amendments. This will reduce the overall amount of fish offal needing to be disposed of and only the residual table water will be sewered. None of the fish offal or carcasses generated at the fish cleaning station will be sent to the landfill; these "waste products" will be utilized in natural systems and to fulfill existing needs for crab bait and composted fertilizer.

New, innovative, or proven technologies or practices: This utilizes an innovative approach of creating a self-funded concession at the port that will support the long-term sustainability of the outcomes achieved from this project.

Sustainable outcomes: The HBHRCD Governing Board has passed a resolution certifying that the applicant has sufficient funds to operate and maintain the project.

Ability to begin implementing the project in timely fashion: HBHRCD states that it can begin implementing the project as soon as funding is made available. HBHRCD issue a Notice of Exemption on March 15, 2016 and surveys for archaeological resources are underway. HBHRCD states that it plans for the majority of construction to be completed before May 1, 2017.

The subject parcel (APN#10817123) is zoned “CDR-Q/AP, A, D”. The acronym CDR stands for Coastal Dependent Recreation and the marina and fish cleaning station are principally permitted uses. However, the A and D combining zones refer to Special Archaeological Resource Areas and Design Review. The Design Review combining zone requires that a Special Permit be secured for new development. This is a separate permit apart from the CDP that can be processed administratively without need for hearing in most cases. OPC has received details from the contractor that is conducting the required Archaeological work and has determined he possess the appropriate qualifications and knowledge to conduct the work. OPC has also received notice from the Bear River Band of Rohnerville Rancheria of their support of the project and involvement in monitoring the archaeological survey work. OPC will continue to track the progress of this work to ensure all requirements are met and the tribe is informed and engaged throughout. After the results of the archaeological work are available we will require the submittal of the additional permit prior to approving any work on this project.

Provide mapping/data that can enhance current understanding: Not applicable.
Demonstrates solutions that can be implemented regionally and/or statewide: The utilization of fish waste from recreational fish cleaning stations and education of recreational fishermen on the negative impact of fish waste are important environmental and economic issues in many coastal communities. Many coastal communities rely on the income generated by fishing-related tourism. This project can be a model for other locations because it provides an integrated solution of utilizing the fish waste while preserving the cleaning station.

Demonstrates experience successfully implementing similar projects or demonstrates appropriate and necessary partnerships to complete the project. HBHRCD oversees planned development of the harbors and ports within Humboldt County, as well as protection of the natural resources. It is a countywide agency with permit jurisdiction over all tide, submerged and other lands granted to the District, including all of Humboldt Bay. They have successfully implemented many infrastructure projects throughout their jurisdiction of similar scale and scope to the proposed project.

Consistent with best available science: Fish bio-waste is a natural pollutant, but when accumulated over time, can affect oxygen levels, salinity, temperature, pH levels, and the overall abundance of organisms in sea water\(^3\). Marine environments adjacent to fish waste disposal sites are at risk for anoxia (dissolved oxygen depletion), algae blooms, and other harmful effects such as contamination of sea birds. In addition, the infiltration of fish bio-wastes can affect the food web of surrounding marine environments, especially when present in large amounts\(^4\). The proposed project will completely eliminate a known point source discharge into an ASBS permanently and improve water quality significantly.

Demonstrates a clear and reasonable method for measuring and reporting effectiveness of project: Total removal of discharge will be easily assessed visually by confirming the permanent removal of the discharge pipe and relocation of the fish cleaning station away from the bluff.

Likelihood of project to fulfill its stated objectives: HBHRCD has been involved with administering the Shelter Cove fish cleaning station and public fishing access since the late 1980’s, and with that breadth of experience, is uniquely qualified to manage and implement this project successfully. Mr. Jack Crider is the Executive Director of HBHRCD, with 25 years of experience in managing Marine Port Authorities and associated marina operations. Mr. Adam Wagschal, Deputy Director of HBHRCD, has accrued 15 years of experience as a professional fisheries biologist and environmental consultant, specializing in marine conservation issues. HBHRCD is committed to remediating the discharge from the fish cleaning station into the ASBS. The HBHRCD is proposing a solution for this issue that involves funding from OPC to purchase and install the required equipment. The HBHRCD will fund the maintenance, permitting, grant administration, and planning portions of the project with the goal of attaining a self-sustaining solution through sales of the carcasses for crab bait and fish offal for fertilizer.


This project relies on the funding of the OPC for the initial investment, enabling the HBHRCD to divert the fish waste away from the ASBS and keep it out of the landfill while utilizing the waste for known demands. The HBHRCD is committed to funding their portion of the project dependent on the award of the OPC funding.

Community support as well as support from outside local area: Support letters have been received from: United States Congressman Jared Huffman; California State Senator Mike McGuire; California Assemblyman Jim Wood, Humboldt County Supervisor; 2nd District Estelle Fennell, Humboldt Baykeeper; Mario’s Marina, LLC; David Harris, local gardener group/resident; Bear River Band of Rohnerville Rancheria and Shelter Cove Resort Improvement District.

Bonus points:

Marine Managed Areas: This project advances the management individual marine managed areas (MMAs) or the statewide MMA network for the reasons outlined above.

Disadvantaged community: Shelter Cove is a disadvantaged community place as defined by the California Water Code §79505.5a and §79735c. Shelter Cove’s Place ID Number is 0671372.

COMPLIANCE WITH CEQA:
HBHRCD filed a Notice of Exemption on March 15, 2016 citing categorical exemptions of “new construction or conversion of small structures” under Section 15303 of the CEQA guidelines (New Construction or Conversion of Small Structures). Ocean Protection Council staff concur that a categorical exemption is appropriate because the proposed project is removing existing structures and construction meets the definition of a “small structure” under CEQA. If the Ocean Protection Council approves disbursement of funds for this project, staff will file a Notice of Exemption (in draft form as Exhibit E).
EXHIBIT A

STATE OF CALIFORNIA NATURAL RESOURCES AGENCY
GRANT AGREEMENT

Proposition 1: Water Quality, Supply, and Infrastructure Improvement Act
Grant Program (California Water Code (CWC) Division 26.7)

Grantee Name: Humboldt Bay Harbor, Recreation and Conservation District (HBHRCD)
Project Title: Shelter Cove Fish Cleaning Station Remediation
Agreement Number: P01-1-03

Project Scope:
HBHRCD will implement measures that will stop the ongoing discharge of fish cleaning wastes into the King Range Area of Special Biological Significance in perpetuity. The existing fish waste disposal system will be replaced by removing the gravity-driven pipe that delivers wastes to the ocean and instituting concession-driven alternatives for the final disposition of fish offal. There will be no associated fisheries-related economic losses from the modifications to this fish cleaning facility, and fishing activities will not be affected/interrupted.
Project includes:
• Relocation of the fish cleaning station away from the bluff edge.
• Installation of a water line to connect the relocated fish cleaning station drain to the existing Shelter Cove Resort District’s sewer system (for table cleaning water only; solid waste separator will be included);
• Placement of 20-foot freezer/cooler containers with electrical hookups at Shelter Cove and Eureka;
• Hiring of seasonal employee (funded by HBHRCD from other funding sources) who will manually separate the fish cleaning wastes into carcass remnants suitable for commercial crab bait and other bio-wastes to be ground up and used in fertilizer amendments. Segregated fish waste solids will be stored in freezer/cooler containers for local pick-up and/or delivery to Eureka. Crab bait and fertilizer will be sold to offset costs of operation of the fish cleaning station.
• Removal and disassembly of the gravity driven discharge pipe will occur following the successful implementation of the alternative waste disposal system. Removal of the existing pipe apparatus will be planned for “off-season months” so as to not interrupt recreational fishing activities and negatively impact Shelter Cove’s economy.
## Project Schedule:

<table>
<thead>
<tr>
<th>Task 1: Project Management</th>
<th>Line Items</th>
<th>Description of task relative to OPC funds</th>
<th>Start Date</th>
<th>End Date</th>
<th>Deliverable(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Grant Administration*</td>
<td>Project Oversight, including: Compliance with permitting, landowner agreements, grant requirements; Coordination and problem solving with local project partners, agencies, employees, subcontractors, and the public; Tracking project's budget and progress; Preparation, review and editing of all invoices and reporting for project.</td>
<td>9/1/16</td>
<td>1/31/2020</td>
<td>Finalized Lease Agreement; Invoices</td>
<td></td>
</tr>
<tr>
<td>B. Permitting and Cultural Review*</td>
<td>CEQA Notice of Exemption Coastal Commission/County CDP modification Building permit Cultural Review</td>
<td>ongoing</td>
<td>3/15/2017</td>
<td>Notice of Exemption for CEQA by 7/15/18; Completed permitting, Cultural Survey findings report</td>
<td></td>
</tr>
<tr>
<td>C. Project Planning*</td>
<td>Site layout plan; Issue RFPs for plumbing and electrical contractors; Coordinate with CCCs for relevant construction tasks; Coordinate logistics between Shelter Cove and Eureka for delivery of crab bait; coordinate logistics with local gardeners for fish waste pickup for farm use.</td>
<td>9/1/2016</td>
<td>1/31/2020</td>
<td>Completed Site layout plan; Hiring of plumbing and electrical contractors; Contract with CCC's for manual labor assistance</td>
<td></td>
</tr>
<tr>
<td>D. Project Monitoring*</td>
<td>Tracking of number of finfish cleaned, and pounds of fish waste segregated at renovated fish cleaning station for crab bait and fertilizer amendment uses.</td>
<td>5/1/2017</td>
<td>10/31/2019</td>
<td>Create and maintain database in a spreadsheet</td>
<td></td>
</tr>
<tr>
<td>E. Project Reporting*</td>
<td>Annual progress reports, and final project report</td>
<td>12/31/2016</td>
<td>12/31/2019</td>
<td>Annual progress reports due to OPC on: 12/31/2016, 12/31/2017, and</td>
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### Task 2: Construction

<table>
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<tr>
<th>Task 2: Construction</th>
<th>Line Items</th>
<th>Description of task relative to OPC funds</th>
<th>Start Date</th>
<th>End Date</th>
<th>Deliverable(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2A. Install new water line from fish cleaning station to SCRID sewer system</td>
<td>Trenching and connection of water line from FCS to SCRID sewer system Install solid waste separator for waterline connecting Fish Cleaning Table to existing Sewer system</td>
<td>3/1/2017</td>
<td>9/1/2017</td>
<td>New waterline with solid waste separator installed, connecting fish cleaning station table to SCRID sewer system for disposal of water wastes.</td>
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<tr>
<td>2B. Site Prep for Freezer and</td>
<td>Site preparations, including appropriate electrical hook-ups for installation of</td>
<td>3/1/2017</td>
<td>7/1/2017</td>
<td>Electrical hookups installed for freezer and cooler containers at Shelter Cove</td>
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<tr>
<td>Task: Operations</td>
<td>Description</td>
<td>Date1</td>
<td>Date2</td>
<td>Remarks</td>
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<td>-----------------</td>
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<td>---------</td>
<td></td>
</tr>
<tr>
<td>2C. Equipment Bids/Purchasing</td>
<td>HBHRCRD initiates multiple bid process for procurement of freezer/cooler containers, used forklift, and commercial grinder.</td>
<td>1/1/2017</td>
<td>5/1/2017</td>
<td>Successful procurement of (3) 20-foot freezer/cooler containers, a used forklift, and a commercial grinder for fish wastes to be used as fertilizer/farm feed</td>
<td></td>
</tr>
<tr>
<td>2D. Remove and Disassemble Existing Discharge Pipe</td>
<td>Removal, disassembly, and disposal of gravity driven waste disposal pipeline after renovations to cleaning station are completed and new fish-waste disposal system operational</td>
<td>3/1/2018</td>
<td>4/1/2018</td>
<td>Removal and disposal of existing direct discharge pipe and cabling from project site</td>
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</tr>
<tr>
<td>2E. Install OPC Signage</td>
<td>Install informational signage at project site to acknowledge Prop 1 and OPC funding, as well as educational information about the King Range ASBS (MMA)</td>
<td>5/1/2017</td>
<td>6/30/2017</td>
<td>Installation of Prop 1/OPC signage at project site</td>
<td></td>
</tr>
<tr>
<td>3A. Hire Seasonal Employee</td>
<td>Hire seasonal employees to manage the segregation of fish wastes at cleaning station, and to coordinate site logistics.</td>
<td>5/1/2017</td>
<td>10/31/2019</td>
<td>Successful hiring of one part time seasonal employee between April 4 and November 8 and additional full time help June 1 through September 7 to operate Shelter Cove Fish Cleaning Station</td>
<td></td>
</tr>
<tr>
<td>3B. Site Operations</td>
<td>Oversight and management of day to day functions and funding of operating costs (Electricity, water, sewer, and trucking costs) for three seasons.</td>
<td>5/1/2017</td>
<td>12/31/2019</td>
<td>Bill invoices detailing electrical, water, sewer, and trucking costs for 2017-2019 Operating seasons.</td>
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<tr>
<td>3C. Consumable Supplies</td>
<td>Order expendable supplies as needed for new fish waste disposal system</td>
<td>4/1/2017</td>
<td>12/31/2019</td>
<td>Invoices for purchased supplies</td>
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## EXHIBIT A

### Budget:

<table>
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<tr>
<th>Tasks Number and Title</th>
<th>Line Items</th>
<th>Amount Requested from OPC</th>
<th>Applicant's Funding (denote in-kind)</th>
<th>Other Funding Sources (denote in-kind)</th>
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<tr>
<td>Task 1: Project Management</td>
<td>A. Grant Administration*</td>
<td>$32,487.00</td>
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<td>B. Permitting*</td>
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<td>$4,936.00</td>
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<td>C. Planning*</td>
<td>$5,000.00</td>
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<td>D. Project Monitoring*</td>
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<td>E. Project Reporting*</td>
<td>$5,000.00</td>
<td>$0.00</td>
<td>$0.00</td>
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<tr>
<td>Task 2: Construction</td>
<td>2A. Install new water line with solid waste separator from fish clearing station to SCRIPD sewer system</td>
<td>$6,600.00</td>
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<tr>
<td></td>
<td>2B. Site prep (electrical) for Freezer and Cooler containers</td>
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<td>2C. Equipment Bids and Purchasing: solid waste separator; freezer/cooler containers (n=3); used forklift; shelving.</td>
<td>$107,000.00</td>
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<td>2D. Remove and Disassemble Existing Discharge Pipe</td>
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<td>2E. Install Prop 1/0PC signage*</td>
<td>$1,000.00</td>
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<tr>
<td>Task 3: Site Operations</td>
<td>3A. Hire seasonal employee (1147h rs/yr) to oversee renovated Fish Cleaning Station operations*</td>
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<td>$70,905.25</td>
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<tr>
<td></td>
<td>3B. Operating Costs including: electric, water, sewer, truck d river, and transportation costs)</td>
<td>$0.00</td>
<td>$22,365.75</td>
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<td>3C. Consumable Supplies including freezer boxes, liners, plastic barrels)</td>
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<tr>
<td>Contingency (10% of amount requested from OPC)</td>
<td>Requesting Contingency Funds for additional freezer container or other unforeseen capital cost</td>
<td>$20,733.78</td>
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<td>Total</td>
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<td>$114,619.16</td>
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<td></td>
<td>Total cost of the project through 2020:</td>
<td>$342,691.30</td>
<td>Total of OPC non-implementation cost:</td>
<td>$82,032.45</td>
</tr>
</tbody>
</table>

*Non-Implementation costs are generally limited to no more than 25% of total grant cost. If non-implementation costs are significantly higher than 25% of the total asking amount, OPC has the right to modify the budget accordingly, or to eliminate the application from further review. Non-Implementation costs include permitting, planning, monitoring, designs, grant management, assessments, studies, modelling, research, data gathering, CEQA, indirect costs, overhead, among others. up to 10% of the grant may be budgeted for contingency costs. All such costs must be eligible per these guidelines. Contingency funds may not be used to increase the amount of funds used for non-implementation costs beyond the maximum nor any other caps set forth in these guideline.
HUMBOLDT BAY HARBOR, RECREATION AND
CONSERVATION DISTRICT

P.O. BOX 1030
Eureka, California 95502
phone (707) 443-0801
fax (707) 443-0800

PERMIT APPLICATION

Date Filed____________________

<table>
<thead>
<tr>
<th>General Information</th>
<th>For Commission Use</th>
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<tbody>
<tr>
<td>1.) Name, Address, phone # and email of Developer, Project Sponsor and Legal Owner Mr. Ying Kit (Jerry) Yeung 15071 Costela St. San Leandro, CA 94579 415-623-0215 <a href="mailto:jerrykyeung@gmail.com">jerrykyeung@gmail.com</a></td>
<td>A. Application No.__________________</td>
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<td>Application Type:</td>
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<td>2.) Address of Project and Assessor’s block, lot and Parcel Number 50124104, 50125103</td>
<td>B. Date Received by Harbor District</td>
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<tr>
<td>3.) Contact person Name, Address, phone # Adam Wagschal Project Consultant, ICF Jones &amp; Stokes 820 Wiley Court Arcata, CA 95521 707-496-2088 <a href="mailto:adam.wagschal@icfi.com">adam.wagschal@icfi.com</a></td>
<td>C. Date Accepted for filing by Commission</td>
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<td>4.) Attach list of names and addresses of all adjoining property owners See Attachment A</td>
<td>D. Date of Public Notice</td>
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<td>5.) List and describe any other related Project Permits &amp; Other Public Approvals required, including those required by City, Regional, State &amp; Federal Agencies. See Attachment A</td>
<td>E. Date of Environmental Compliance</td>
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<td>6.) Existing City/County Zoning See Attachment A</td>
<td>F. Date of Public Notice</td>
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<td>7.) Proposed Site Use (Project Title) Yeung Oyster Farm</td>
<td>G. Date of Public Hearings</td>
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<td>H. Date of Commission Action</td>
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I. Expiration Date

Comments
Describe proposed project

(See Attachment B)
Answer all questions completely on a separate page. If the question does not apply to your project, so indicate by marking N.A. Contact Harbor District Office with questions.

**PROJECT DESCRIPTION (See Attachment A)**

8. Site Size
9. Square Footage
10. Number of floors of construction
11. Amount of off-street parking provided
12. Attach plans
13. Proposed scheduling
14. Associated projects
15. Anticipated incremental development
16. If residential, include the number of units, schedule of unit sizes, range of sale prices or rents, and type of household size expected.
17. If commercial, indicate the type, whether neighborhood, city or regionally oriented, square footage of sales area, and loading facilities
18. If industrial, indicate type, estimated per shift employment & loading facilities.
19. If institutional, indicate the major function, estimated per shift employment, occupancy, loading facilities, and community benefits derived from the project.
20. If the project involves a variance, conditional use or recognizing application, state this and indicate clearly why the application is required.

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.

22. Change in scenic views or vistas from existing residential areas or public lands or roads.

23. Change in pattern, scale or character of general area of project.

24. Significant amounts of solid waste or litter.

25. Change in dust, ash, smoke, fumes or odors in vicinity.

26. Change in ocean, bay, lake, stream or ground water quality or quantity, or alteration of existing drainage patterns.

27. Substantial change in existing noise or vibration levels in the vicinity.
   A. During Construction
   B. During Project Utilization

28. Site on filled land or on slope of 10% or more.
29. Use of disposal or potentially hazardous materials, such as toxic substances, flammable or explosives.

30. Substantial change in municipal services demand (police, fire, water, sewage, etc.)

31. Substantially increase fossil fuel consumption (electricity, oil, natural gas, etc.).

32. Relationship to larger project or series of projects

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. Photos will be accepted.

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. Photos accepted.

Questions 35; and 36 MUST BE ANSWERED!

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

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

37. Financial statement:
   A. Estimated project cost.
   B. How will the project be financed?

38. Describe fully directions necessary to arrive at project site.

39. The Applicant agrees to as a condition of the permit being issued, 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.
NOTE

The District hereby advises the Applicant that, under California Public Resources Code (PRC) Section 21089, the District when a lead agency under the California Environmental Quality Act (CEQA) of 1970, as amended, pertaining to an Environmental Impact Report (EIR) or a Negative Declaration (MND/ND) may charge and collect from the Applicant a reasonable fee in order to recover the estimated costs incurred by the District in preparing an EIR or MND/ND for the project and the procedures necessary for PRC compliance on the Applicant’s project.

In the event your project contains an analysis of issues pertaining to CEQA, for which District staff is not competent to independently review, or District requires the same in preparation of an EIR or MND/ND for the project, the District may retain a reviewing consultant to evaluate the content of the Administrative-Draft EIR and Final EIR or MND/ND 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 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. And I agree to indemnify the District as described in part 39 of this application.

Dated: 8/27/16

[Signature]

Mr. Ying Kit (Jerry) Yeung
Yeung Oyster Farm  
Humboldt Bay Harbor District Permit Application  
Attachment A

4. Adjoining property owners.

| Gabrych Family Limited Partnerships  
2006 Hwy 395  
Fallbrook, CA 92028 | City of Eureka  
531 K Street  
Eureka, CA 95501 | Ca. Dept. of Fish and Wildlife  
619 2nd St.  
Eureka, CA 95501 |
|----------------------|---------------------|---------------------------|
| Thomas McMurray  
PO Box 1032  
Eureka, CA 95502 | Northwest Pacific Railroad  
419 Talmage Road  
Ukiah, CA 95482 | Bracut Lumber Co.  
1788 Virginia Way  
Arcata, CA 95521 |

5. Other required approvals.

- Ca. Dept. of Fish and Wildlife Aquaculture Registration
- State Dept. of Health Growing Area Certification
- Ca. Coastal Commission Coastal Development Permit
- North Coast Regional Water Quality Control Board Certification
- US Army Corps of Engineers Permit
- City of Eureka Use Permit
- National Marine Fisheries Service Consultation
- NEPA Documentation
- CEQA Documentation


7. Project Title. Yeung Oyster Farm

8. Site Size. 64 acres

9-11. N/A

12. See Attachment B

13. Proposed Scheduling. Mr. Yeung intends to obtain regulatory approvals in mid-late 2017 and implement the oyster farm soon after.

14. Associated Projects. None

15. Anticipated Incremental Development. None

16-20. N/A
21. **Change in existing features.** Yes. The proposed project would add basket-on-longline type oyster culture in an area of the bay without any existing uses.

22. **Change in scenic vistas or views.** Yes, the proposed basket-on-longline type oyster culture would be visible from parts of Humboldt Bay.

23. **Change in pattern, scale or character of general area.** No. Oyster culture is abundant in Humboldt Bay and so the proposed project would not change the character of the general area.

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

25. **Change in dust, ash, smoke, fumes or odors.** No.

26. **Change in drainage patterns.** Yes, potentially minor hydrologic changes resulting from the placement of shellfish culture equipment and shellfish in tidelands.

27. **Substantial change in noise or vibration.** No.

28. **Site on slope of 10% or more.** No.

29. **Use of hazardous material.** No.

30. **Substantial change in municipal service demand.** No.

31. **Substantially increase fossil fuel consumption.** No.

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

33-34. **Descriptions of site and surrounding area.** The proposed project site and surrounding area are intertidal habitat at elevations ranging from approximately 1.0′ – 3.0′ MLLW. Eelgrass (*Zostera marina*) and marine algae are present. The substrate is “soft mud” that is crossed by small tidal channels. There are no structures or land uses at or surrounding the proposed project site.

35. **Promotion of public health, safety, comfort and convenience.** Shellfish culture at the site would create a new source of sustainable seafood, create jobs and benefit the local economy.

36. **Public convenience and necessity.** A majority of seafood consumed in the United States is imported. Local shellfish culture provides a sustainable source of seafood that benefits the public convenience and necessity.

37. **Estimated Project Cost and Financing.** $25,000 privately financed.

38. **Directions.** The site needs to be accessed by boat. See maps in Attachment B.
Yeung Oyster Farm
Humboldt Bay Harbor District Permit Application

Attachment B

The property is located in northeast Humboldt Bay (Figure 1). Approximately 64 acres of the property have been identified as having potential for shellfish culture (Figure 2). This area was identified because:

1) It is generally less than 3.0 ft. MLLW (Figure 3), which may be viable for shellfish culture. Areas greater than 3 ft. MLLW are likely not suitable for culture and the area between 1.5 - 3.0 ft. MLLW may be challenging.

2) It appears to avoid dense eelgrass (Zostera marina) beds (Figure 4), which are a particularly sensitive habitat. Further eelgrass mapping may be needed to confirm avoidance.

Figure 1. Jerry Yeung properties and 2005 aerial imagery (NAIP 2005).
Figure 2. Jerry Yeung property, potential culture site and 2005 aerial imagery (NAIP 2005).
Figure 3. Jerry Yeung property, potential culture site and elevation data \(^1\).

Proposed Culture Species

The same species currently cultured in intertidal areas of Humboldt Bay are proposed for culture at the site: Kumamoto oysters (*Crassostrea sikamea*) and Pacific oysters (*C. Gigas*).

Proposed Culture Method: Basket-on-Longline

A basket-on-longline culture method is proposed. The following description of this method is from the Humboldt Bay Mariculture Pre-Permitting Project Final Environmental Impact Report (SCH #2013062068).

Basket-on-longline culture is used to grow Kumamoto oysters and Pacific oysters as singles. This method utilizes baskets that hang off a monofilament line suspended off the bottom using 2-inch schedule 80 PVC pipe. The monofilament line is 5mm in diameter and protected by a 3/8-inch polyethylene sleeve that the monofilament is slid inside. The baskets are approximately 24 inches (in) x 10 in x 6 in and are held on the line with plastic clips. A float, which is approximately 2.5 in diameter and 5.5 in long, is often attached to the baskets so that the baskets float up during high tides. Once the oysters reach a harvestable size, in approximately 1.5–2 years, the baskets are removed from the water, and the oysters are accessed through end caps on the baskets. See Figures 5 and 6. Installation of the culture equipment and periodic maintenance would be done on-foot at low tides. However, most access to the oysters for planting, grading and harvesting would be done from small boats.
**Structure (Side View):** Lines are held up by 2 inch PVC pipe driven into the mud every 10 feet. Anchors made of galvanized fence posts are driven at the ends of each line. The lines are attached to the anchors and tension is created by a fence tightener. The baskets can be clipped and unclipped from the lines.

**Spacing (Top View):** Lines are 100 feet long and there are 40 baskets on each line. Lines are in groups of 3, with a 3 foot space between each line and a 20 foot space between each group of 3 lines. The 20 foot space is used to access the baskets with a boat.

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Figure 5. Proposed spacing of basket-on-longline culture equipment.

Figure 6. Basket-on-longline culture.