

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

December 3, 2015

PRESENT:

Commissioner Newman
Commissioner Dale
Commissioner Marks
Commissioner Wilson
Commissioner Higgins

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

President Marks adjourned the Executive Closed Session at 6:48 p.m.

President Marks called the regular meeting of the Board of Commissioners to order at 7:02 p.m.

Commissioner Newman led those present in the Pledge of Allegiance.

District Counsel reported on Executive Closed Session as follows: Conference with Real Property Negotiators regarding Proposed Tideland Lease Values for Mariculture Pre-Permitting Project – Commissioner Dale recused himself and left the room – No action taken. Commissioner Dale returned to the Closed Executive Session. Existing Litigation: Sears v. Humboldt Bay Harbor, Recreation and Conservation District – No action taken.

PUBLIC COMMENT

Kevin Pinto suggested the Harbor District require fishermen to pay to sell product off their boats in the marina to increase revenue and to provide liability insurance. Is there a possibility the Harbor District could create an insurance pool? It might help to get rid of the liability the fishermen create for the Harbor District and for themselves. He said he appreciates the Harbor District looking out for the fishermen.

Kent Sawatzky said he supports helping the fishermen, but doesn't support the Harbor District benefitting financially. He said it is alleged that he doesn't follow through. The Harbor District has had three years of the carrot and this next year it will be the stick. The Harbor District is engaging in unfair business practices; a monopoly. It is illegal and criminal. He will use tools at his avail to bring forward these practices.

Pete Oringer, Timber Heritage Association, said they have applied officially for a Lot Line Adjustment. Without the Harbor District's help, they would not have been able to do this. Also a grant application has been submitted for the Phase 2 clean up. Mr. Oringer said he appreciates the support of the Harbor District Board; without it, the community could not have such an asset as the Timber Heritage Museum.

CONSENT CALENDAR

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

COMMUNICATIONS AND REPORTS

EXECUTIVE DIRECTOR'S REPORT

- ❖ Commissioners Dale, Higgins and Doss swearing in December 7 at noon.
- ❖ New Market Tax Credits closing documents are being drafted - Board approval December 17.
- ❖ Weist Law Firm is preparing BBVA loan documents – Possibly ready for December 17 Board meeting.
- ❖ Redwood Terminal 2 Plumbing scope of work has changed. Advertisement for bids out next week.
- ❖ Special Board Meeting in Shelter Cove on December 11 from 5pm-7pm.
- ❖ Negotiating with Taylor Mariculture on option to expand at RT2.
- ❖ Agency (EPA, DTSC, Water Board, County Health) inspection at Redwood Terminal 2 on January 12.

STAFF REPORTS: None

DISTRICT COUNSEL REPORT: The Motion to Dismiss the lawsuit filed against the Humboldt Bay Harbor, Recreation and Conservation District, its Board of Commissioners and Executive Director has been heard and the judge has 90 days to make a decision.

DISTRICT PLANNER REPORT:

- ❖ There has been good coordination between the County staff and the District – the Redwood Terminal 2 Coastal Development Permit/Conditional Use Permit passed unanimously by the County Planning Commission.

COMMISSIONER AND COMMITTEE REPORTS:

Commissioner Newman:

- ❖ This is supposed to be the 3rd day of Dungeness Crab season; it may open on December 10th. Anyone with a crab boat hopes the situation is better real soon.

Commissioner Marks:

- ❖ Took a reporter to see the hag fish operation. They watched the operators agitate the eels so that they "slimed".
- ❖ Also toured the HSU aquaponics facility with the reporter. There were many Sturgeon and lots of lettuce.

Commissioner Wilson:

- ❖ Suggested Kevin Pinto talk with Executive Director – The Harbor District does charge \$100 per year to sell product off the boats in the marina.
- ❖ Spoke at a Friends of Arcata Marsh meeting regarding Redwood Terminal 2. As a member of the Workplace Investment Board he was asked to be on a committee to review job market space.
- ❖ Yvonne Everett, HSU, is going to offer a planning project to her students relative to the Woodley Island Wildlife Area.
- ❖ Recently spent time with his grandfather, 100, and his grandmother, 96.

Commissioner Higgins:

- ❖ Will be meeting with Audubon Society regarding the Woodley Island Wildlife Area in the near future. The common effort is to make sure the wildlife area is protected and to improve habitat.
- ❖ A good summary of climate change adaptation can be found in a recent New York Times article.
- ❖ The current rain we are having locally will help the Chinook Salmon in the lower Eel River.
- ❖ He caught three fish in the Eel River with eye problems that will be sent to UC Davis for studying.
- ❖ Presented a video on the abundance of fish in the Eel River.

OTHER: None

NON AGENDA: None

UNFINISHED BUSINESS: None

NEW BUSINESS

A. CONSIDERATION OF INSTALLING GANGWAY GATES.

Executive Director reported the materials were purchased in 2014 and District staff built and installed one at the top of Dock F. Gates will be locked with a card lock mechanism the same as the restroom keys. Gates will only be locked from 10 p.m. to 6 a.m. Existing Tenants will receive two extra card keys at no cost. Smart locks can be added at a later date if necessary. It will take 30+ days for gate installation. They should be in use by January 15, 2016. Gangway side panels will be added for an additional deterrent.

COMMISSIONER HIGGINS MOVED FOR THE APPROVAL OF INSTALLING GANGWAY GATES.
COMMISSIONER WILSON SECONDED.

Commissioner Wilson asked if a gate had been installed. Director of Facility Maintenance replied one was temporarily installed of F-dock, the dock where the US Coast Guard docks. He said he was living on a boat

moored on F-dock at the time and he is an advocate of gates. Several tenants were asked their opinion on the gangway gates and he said he received good feedback. Commissioner Wilson asked if the tenants would want the gangway gates to continue. Director of Facility Maintenance said he has not done outreach, but assumes the vote would be 50/50.

Executive Director said there had been miscommunication on how long the gates would be closed each day. Tenants do not want the gates closed all the time. They would be locked open at 6 a.m. and locked closed at 10 p.m.

Commissioner Newman said not everyone in the fishing fleet is happy about the gates; but no one can deny in the last few years there are more people wandering around Woodley Island. He said he would like to see 24 hour staffing. As a tenant he is in favor of the gates; boats are a large investment. Some fishermen have an issue with the gates being locked at night when they are bringing supplies to their boat; it is inconvenient to unlock the gate and go back to the vehicle. As long as the gate can be propped open for a period of time, there is no compelling reason not to have them locked.

Commissioner Dale asked how many actual problems have occurred on the docks in the last two years. Executive Director said there have been a couple of break-ins on boats and in the parking lots. Often it is a disgruntled deck hand or someone related to a boat owner.

Commissioner Higgins said he heard about some problems at Woodley Island Marina during his campaign. If a tenant can prop open the gate to take care of their business, then he is in favor of installing the gates.

Commissioner Wilson said he does not like gates in general, but would listen to what the public has to say about the issue.

Kevin Pinto said he doesn't like the gates because of the cost and what they represent. He said he only hears about problems once in a while, but there are lots of riff raff around. If the Board thinks the gates are worth the cost, then install them. There is technology available for cameras to read license plates. It is an unfortunate sign of the times.

Susan Penn said it is a mixed bag of who does and does not want the gates. Before putting the gates in, look at the useless existing security cameras. Recently someone broke into a truck and a boat, but the video was not clear enough to be able to identify the suspect. Does there need to be better lighting around the cameras? The technology is there, but does not work. Gates won't stop everyone. Work with what is already in place. Do not install the gates at more labor cost and expense.

Susan Rotwein said she was glad to see the security issue acknowledged. Installation of security cameras has done little or nothing. Installing gates will not make a difference. What is needed are eyes on the ground. Put in security through the evening hours. Fisherman's Marketing Association voted against the installation of gates because they impede the working fishermen. Will the gates be considered by Department of Boating and Waterways as working against the public access? Also, some tenants that are problems now will have keys.

Kent Sawatzky said people do not care if you have cameras; they are not a deterrent to crime. Try the gates for a while; experiment with minimal cost. But there is no better solution than having a person on security. Not doing something might create liability.

President Marks said having gates will not cause more problems; will create a safer environment.

Commissioner Wilson agrees with trying an experimental, phased approach; place the gates on docks where tenants want them.

Commissioner Higgins said he agrees that the Harbor District would be negligent if they do not respond. This is a prudent measure. Additional motion sensor lighting is suggested.

Commissioner Newman restated his request for 24 hour staffing on Woodley Island.

Commissioner Dale said for years there was 24 hour security. Through the budget process it was determined to be a significant expense, upwards of \$120,000 per year. The Coast Seafoods dock has a gate and he resisted it at first; but is surprised that much of the problems they were having have gone away. Currently at Woodley Island there is no security guard, only staff member. He suggested looking at the cost of putting a security guard on during the night hours.

Executive Director stated when there was a full time security guard on the island there still were problems. Staff does janitorial work as well as checking the docks and facilities. Even with a security guard on the island, crime will still happen.

MOTION CARRIED WITH COMMISSIONER WILSON DISSENTING.

B. CONSIDERATION OF LETTER OF ENGAGEMENT WITH BOCARSLY EMDEN COWAN ESMail & ARNDT LLP TO PROVIDE TAX AND LEGAL ADVICE FOR THE DEVELOPMENT OF THE HUMBOLDT BAY ECO-INDUSTRIAL PARK THROUGH NEW MARKETS TAX CREDITS.

COMMISSIONER HIGGINS MOVED FOR THE APPROVAL OF LETTER OF ENGAGEMENT WITH BOCARSLY EMDEN COWAN ESMail & ARNDT LLP TO PROVIDE TAX AND LEGAL ADVICE FOR THE DEVELOPMENT OF THE HUMBOLDT BAY ECO-INDUSTRIAL PARK THROUGH NEW MARKETS TAX CREDITS. COMMISSIONER NEWMAN SECONDED.

Executive Director reported the original contract was approved in 2014 through an RFP selection process, but an update was needed. The rates have increased from \$600 to \$625/hour and the retainer increased from \$2,500 to \$5,000. All costs are covered by the New Market Tax Credits funding and paid only at closing.

Commissioner Higgins said the New Market Tax Credits creates a whole layer of banking bureaucracy, but these are the people you need to make sure the project is done right.

Kent Sawatzky said if they are worth the price, go for it. Is there a guess at how many hours will be used? Executive Director said the hours are broken up between consultants and there is a fixed budget.

MOTION CARRIED WITHOUT DISSENT.

C. CONSIDERATION OF NOMINATION AND SELECTION OF MEMBERS FOR THE NEW MARKETS TAX CREDITS NON-PROFIT BOARD.

Executive Director reported the Board of Directors will be made up of two Harbor District Commissioners and three non-Harbor District members. When the Board of Commissioners last discussed this item at their November 12 Board meeting, Commissioners Marks and Higgins expressed a desire to participate on the Board and Aaron Newman (who will be a member of the public by the time the Board first meets), Larry Oetker, Leroy Zerlang and Gregg Foster were suggested as public members.

Commissioner Wilson said he would like to see Rhea Williamson's name added to the list of potential public members.

Commissioner Higgins said he was thrilled at the prospect to serve on the Board. Redwood Terminal 2 will become one of the stronger economic assets on Humboldt Bay. He strongly recommended Aaron Newman, Leroy Zerlang and Larry Oetker as the public members.

Commissioner Newman said he would like to serve and Leroy Zerlang would be a great addition.

Commissioner Dale said they are all great candidates and the list is diverse. He suggested Aaron Newman, Leroy Zerlang and Rhea Williamson as the public members.

President Marks said he had previously suggested Andrew Whitney from the County and Susan Rotwein had submitted her written request to be on the non-profit Board.

Kent Sawatzky said Andrew Whitney has resigned from the County of Humboldt and Larry Oetker is resigning from City of Arcata; does anyone know if he is leaving the area? Is the Board limited to 5?

President Marks said Andrew Whitney will be working for the City of Eureka.

Pete Oringer said expanding the Board of Directors would be beneficial; all are quality people who know how to work on Boards. Take advantage of their talents.

Commissioner Wilson said with larger Boards it is difficult to get everyone to meet at the same time.

COMMISSIONER HIGGINS NOMINATED COMMISSIONER MARKS AND HIMSELF, AARON NEWMAN, LEROY ZERLANG AND LARRY OETKER.

COMMISSIONER WILSON ASKED COMMISSIONER HIGGINS TO AMEND HIS MOTION TO INCLUDE RHEA WILLIAMSON AND REMOVE LEROY ZERLANG. COMMISSIONER HIGGINS DID NOT ACCEPT THE FRIENDLY AMENDMENT. HIS MOTION FAILED FOR LACK OF A SECOND.

COMMISSIONER DALE NOMINATED COMMISSIONERS MARKS AND HIGGINS, AARON NEWMAN, LARRY OETKER AND RHEA WILLIAMSON COMMISSIONER WILSON SECONDED. MOTION CARRIED WITHOUT DISSENT.

Executive Director then suggested the Board think about a name for the non-profit. The following have been suggested:

- 1) Redwood Terminal 2 LLC
- 2) Redwood Terminal 2 Development LLC
- 3) Samoa Innovation Park Development LLC
- 4) Redwood Marine Terminal Development LLC
- 5) Humboldt Bay Development LLC
- 6) Redwood Marine Innovation Park Development LLC
- 7) North Coast Marine Development LLC
- 8) Redwood Redevelopment Authority LLC
- 9) Redwood Innovation Center LLC
- 10) Samoa Marine Park LLC
- 11) Samoa Public Port Authority LLC
- 12) Samoa Port Development Group LLC
- 13) Humboldt Bay Maritime, Energy and Innovation Park
- 14) National Marine Research and Innovation Park
- 15) Humboldt Bay Maritime Research and Innovation Park
- 16) Redwood Terminal 2 Redevelopment LLC

D. DISCUSSION OF PROPOSITION 1 GRANT PROPOSAL FOR FISH WASTE MANAGEMENT AT SHELTER COVE.

Deputy Director reported the grant proposal is due on December 1, but no commitment is necessary at this point. A Notice of Intent (NOI), which included funding staff for two years, was submitted to Ocean Protection Council (OPC) by Tom Gast & Associates. OPC will review the NOI and notify if a full proposal should be developed.

The proposal would consist of complete elimination of fish cleaning station discharge. Carcasses would be frozen and trucked to Eureka to be sold as crab bait. The Offal could be used as fertilizer.

The Conceptual Budget would be as follows (and most likely changed in the full proposal): Ocean Protection Council: Electrical, plumbing, operations and maintenance, equipment and supplies - \$225,657; Harbor District: monitoring, permitting, grant administration and planning - \$77,437.

Kent Sawatzky said he told one of the speakers, who is a fertilizer producer, at the City Council meeting to talk to the Harbor District relative to Shelter Cove.

E. CONSIDERATION OF ADOPTION OF RESOLUTION 2015-16, A RESOLUTION COMMENDING AARON NEWMAN FOR HIS SERVICE AS COMMISSIONER OF THE HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT.

COMMISSIONER HIGGINS MOVED FOR THE ADOPTION OF RESOLUTION 2015-16, A RESOLUTION COMMENDING AARON NEWMAN FOR HIS SERVICE AS COMMISSIONER OF THE HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT. COMMISSIONER DALE SECONDED.

President Marks read the resolution aloud.

Kent Sawatzky said he considered Aaron Newman to be a friend and thanked him for his service.

Larry Doss thanked Commissioner Newman for his years of service. He said he will work hard to keep up the same passion and efforts.

Leroy Zerlang thanked Commissioner Newman very much. He said Commissioner Newman was a pleasure to work with and that he made a huge difference on the Board.

President Marks presented Commissioner Newman with his framed resolution.

Commissioner Newman said it has been an honor to be a Harbor District Commissioner. He said this Board has created what should be a role model as to how Boards should work together. It has been great hanging out with his fellow Commissioners.

Commissioner Higgins said Commissioner Newman is such a committed Board member, a great volunteer.

Commissioner Wilson said Commissioner Newman's dedication to people and the organization is amazing.

Commissioner Dale said he has learned a lot about fisheries and he appreciates Commissioner Newman's friendship.

ADMINISTRATIVE AND EMERGENCY PERMITS: None

The Regular Meeting of the Board of Commissioners adjourned at 8:47 p.m.

APPROVED BY:

RECORDED BY:



Greg Dale
Secretary

Patricia Tyson
Director of Administrative Services