

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

June 23, 2016

PRESENT:

Commissioner Doss
Commissioner Dale
Commissioner Higgins
Commissioner Wilson
Commissioner Marks

President Higgins called the Executive Closed Session to order at 6:07 p.m.

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

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

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

District Counsel reported on the Executive Closed Session as follows: Public Employee Performance Evaluation: Chief Executive Officer, Director of Harbor Operations and Director of Facility Maintenance – no action taken; Conference with Real Property Negotiators: PG&E Property transfer – no action taken.

PUBLIC COMMENT

Monte Provolt said he had good news: the Board does not have to revisit the East-West rail study because a grant has been awarded to Trinity County for an in-depth study on the East-West Rail. He said he would like to see the Board support this study and participate. Mr. Provolt asked for his written comments regarding the District's Coast Seafoods Loan be made a part of the permanent record.

Larry Henderson said Commissioner Dale's Letter to the Editor in the May 30 Times-Standard misrepresented the Harbor Working Group. He said he was insulted by the letter calling HWG "a few retired folks"; he is not retired and is still working. These types of comments can hurt his business if people think he is retired. Mr. Henderson feels an apology is due to the Harbor Working Group. Mr. Henderson asked for his written comments to be made a part of the permanent record.

Karen Brooks said the grant is great news! Years and years and lots of hard work over several counties accomplished this. She took issue with Commissioner Dale's letter. It is unbecoming for an elected official, a community minded person, to demean anyone. The characterization of Marian Brady as irrational was demeaning. She would like to see a greater tone of civility. The Board has verbally abused a citizen group offering time and talents. Every elected official should respect and honor their citizens. This is the worst attitude of public servants. Ms. Brooks asked for her written comments to be made a part of the permanent record.

Sid Berg said he is a lifelong resident of Humboldt County and the face of labor for 20 years. He is doing everything he can to help people in Humboldt County get jobs and has participated in the grassroots efforts of the Harbor Working Group. He assumed Commissioner Dale supported their efforts, but writing the letter as a Commissioner showed the arrogance of this Board. Harbor Working Group is not about the East-West Rail; it is about hard working people.

Kent Sawatzky said it is a tough job of the Board to listen to the public and be held to a higher level of civility. It is a common courtesy to divulge if one is speaking for the Board.

Debbie Provolt said if the Board was doing their job, the Harbor Working Group would not be needed. They are more proactive than the Board.

CONSENT CALENDAR

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

Commissioner Wilson said, in the future, he would like to know why a permit extension is needed.

COMMUNICATIONS AND REPORTS

EXECUTIVE DIRECTOR REPORT

- ❖ A RFQ was distributed for the District Engineer. Responses are due July 1. Will the Restructuring Committee review the responses or a different committee?
- ❖ There is tenant interest in the Redwood Terminal 2 property due to the improvements being made.
- ❖ The dredge pipe in the ocean outfall pipe is feasible. Looking at whether a NPDES permit is required.
- ❖ The clarifiers at Redwood Terminal 2 are 75% drained; sediment depth needs to be measured.
- ❖ Beaver Korea whole log sawdust machine has shipped and due to arrive July 15.
- ❖ Fields Landing mitigation sediment tests are due tomorrow.
- ❖ King Salmon Canal Captains meeting to be set up – Commissioners Marks and Doss are the committee.
- ❖ Mariculture Pre-Permitting Project – started with 458 acres – 177 remain.
- ❖ Shelter Cove Update: 350 Launches, Revenue \$25,000, 60 boat parking spaces rented. The demolition permit should be received in August. On the 4th of July there will be 6 Sheriffs, 3 State, 2 Fish & Wildlife, 6 Resort Improvement Staff and 3 Harbor District Staff. Beach access will not be blocked.

STAFF REPORTS:

Director of Harbor Operations (by Executive Director):

- ❖ Showed a picture of Beaver Korea loading the whole log sawdust machine into a 40' container.
- ❖ Log ship loaded – close to 3 million board feet below deck.
- ❖ Redwood Terminal 2 clarifiers – connected to drain at the same rate; tapered system. The amount of algae growing is impressive.

Director of Facility Maintenance:

- ❖ Working with Maintenance staff at Redwood Terminal 2 to make repairs, keeping costs down. Roofers are onsite on Monday. The improvements are bringing positive attention to the property. All contractors are local.

DISTRICT COUNSEL, DISTRICT PLANNER AND DISTRICT TREASURER REPORT

District Planner:

- ❖ Gave an update on the HSU Water Desalination Pilot Project. Revised the application adding the Flake Salt project and response to Regional Water Quality Control Board and Coastal Commission agency comments on June 22. Both uses are at Redwood Terminal 2 and use the same bay water intake system. They are coastal depending and the desalination pilot project uses the ocean outfall.
- ❖ Humboldt Bay Symposium will be held on October 21 and 22. The tentative title will be "Changing Tides, Changing Times". Topics will include climate change, sea level rise, sediments, economic development and activities on the bay and ocean changes. The District's participation will be to lead the economic development session, participation in the organization/production/funding and provide speakers on aquaculture expansion, eelgrass management and pulp mill cleanup and repurposing.

COMMISSIONER AND COMMITTEE REPORTS:

Commissioner Doss:

- ❖ Has been fact-gathering and having discussions regarding Coastal Dependent Industrial zoning.
- ❖ Excited to hear about the grant for the rail study. The State of California feels there are viable shipping opportunities in Humboldt Bay. Humboldt Bay is the perfect set up for shipping, mariculture and other opportunities.

Commissioner Dale:

- ❖ Missed last meeting; he was attending his son's graduation from Cal Poly San Luis Obispo.
- ❖ The Oyster Festival in Arcata was a huge success. It is estimated there were 14-18,000 people in attendance.
- ❖ Spoke on KINS Community Comment

- ❖ Attended Garberville Rotary meeting; made a presentation on Shelter Cove activities; all comments were positive.
- ❖ 95th Annual Fortuna Rodeo is next month.

Commissioner Higgins:

- ❖ Has heard the District's launch service in Shelter Cove is working well.
- ❖ There are abundant Coho Salmon in the South Fork of the Eel River. Every square foot of the Eel River is covered in eels/lamprays.
- ❖ Great to see the revitalization of the Redwood Terminal 2 buildings. Hopes the Board of Supervisors can move forward with the CDI interim use approval on July 5.
- ❖ Presented videos of fish in the Eel River.

Commissioner Wilson:

- ❖ Participated as an oyster-tasting judge at the Oyster Festival.
- ❖ As a kid, jumped off the backside of the Benbow dam into a pool of eels.
- ❖ Was elected to the County Board of Supervisors effective January 1, 2017. Volunteered to work with Commissioner Higgins to develop options for the vacant seat; two years of the term is left.

Commissioner Marks:

- ❖ Chaired the Humboldt Bay Development Association meeting.
- ❖ NCRA will hold a meeting in Eureka in September. Harbor Working Group will be invited to give an update.

OTHER

John Hummer – US Maritime Administration (MARAD)

Mr. Hummer stated MARAD is one of the modal administrations within the Department of Transportation. MARAD keeps a fleet of ships along the coasts maintained in a state of readiness in case of deployment for national or local emergencies. The largest fleet is in Alameda and they are known for the mothball fleet in Suisun Bay. 55 ships have been scrapped already. Mr. Hummer works with the ports in the commercial maritime sector. In Northern California there are seven public ports and one private port (Benicia).

The FAST Act legislation replaced TEA 21 and requires the Federal Government to produce a national freight plan. There is a draft national maritime strategy waiting for review before enacting. Port finance and project development are included. Smaller ports could benefit from MARAD. There is not a lot of funding, but there is a program called "Strong Ports"; Congress allocates funds to the maritime sector.

The national freight system begins and ends with ports. California is the gateway to Asia. Mr. Hummer toured Redwood Terminal 2 and said he will ask his colleagues back East to see if they can help Humboldt Bay. Port of Humboldt Bay needs to make noise in Washington DC. California is completing a statewide freight plan, mandated by the Federal Freight Plan. Governor Brown is looking to make the complete chain zero or near zero emission targets. Alameda is submitting its own freight plan. Oakland is the dominate export port, mainly produce from the Central Valley. It is a freight-rich environment and opportunity is presenting itself now. He is very impressed with the current activities and the rail study approved by CalTrans.

A \$250,000 market analysis was done on short sea shipping. It was determined the M5 (maritime highway) was too slow; it would never work. A tie to Mexico and Canada was researched, but an international connection cuts off federal funding.

Commissioner Marks asked Mr. Hummer if he is familiar with the SMART train and the interface with NCRA. Mr. Hummer stated he was a former locomotive engineer and ran trains. It is very expensive to get rail service to Humboldt County; renovation of the tracks is expensive.

NON AGENDA: None

UNFINISHED BUSINESS

A. CONSIDERATION OF ADOPTING THE INITIAL STUDY/MITIGATED NEGATIVE DECLARATION AND ASSOCIATED MITIGATION MONITORING AND REPORTING PROGRAM FOR THE APPLICATION BY CHEVRON USA FOR THE CHEVRON EUREKA TERMINAL DOCK SEISMIC RETROFIT.

COMMISSIONER DALE MOVED FOR THE ADOPTION OF THE INITIAL STUDY/MITIGATED NEGATIVE DECLARATION AND ASSOCIATED MITIGATION MONITORING AND REPORTING PROGRAM FOR THE APPLICATION BY CHEVRON USA FOR THE CHEVRON EUREKA TERMINAL DOCK SEISMIC RETROFIT. COMMISSIONER DOSS SECONDED.

District Planner reported the proposed project will provide a seismic upgrade to the existing dock structure and will not add any additional square footage or capacity to the Chevron Eureka Terminal Dock. The project is compliance-driven as required by the California State Lands Commission. The existing timber structure is inadequate to support the pipeway during the considered seismic events. Retrofitting the structure consists of isolating the pipeway from the timber dock structure by installing a new steel support system along the trestle and a new unloading platform on the wharf. The remainder of the existing dock will remain in place and is not part of this project.

CEQA Compliance is as follows: Impacts to the following environmental factors: biological resources, cultural resources, hazards and hazardous materials, hydrology and water quality and noise, can occur from construction activities; mitigation measures have been development for each affected environmental factor, reducing potential impacts to less than significant; and the proposed Initial Study/Mitigated Negative Declaration was made available for the public's review and comment via a Notice of Intent, with a comment period beginning May 16 and ending June 16. No comments regarding this project were received.

Travis Schneider, project manager, reported upgrades are being done by state mandates. Chevron has taken the initiative to comply and they foresee longevity in Humboldt Bay. Mr. Schneider commended staff; helpful even after work hours and on weekends.

Sid Berg asked if the jobs are local prevailing wage or union jobs.

MOTION CARRIED WITHOUT DISSENT.

B. CONSIDERATION OF ADOPTING RESOLUTION 2016-12, WHICH ESTABLISHES FINDINGS RELATIVE TO THE CEQA INITIAL STUDY/MITIGATED NEGATIVE DECLARATION FOR CHEVRON EUREKA TERMINAL DOCK SEISMIC RETROFIT.

COMMISSIONER DOSS MOVED FOR THE ADOPTION OF RESOLUTION 2016-12, WHICH ESTABLISHES FINDINGS RELATIVE TO THE CEQA INITIAL STUDY/MITIGATED NEGATIVE DECLARATION FOR CHEVRON EUREKA TERMINAL DOCK SEISMIC RETROFIT. COMMISSIONER WILSON SECONDED.

Commissioner Dale asked about the status of the facility; if there are any problems. Mr. Schneider stated Chevron maintains the facility and operates above the minimum standards.

Karen Brooks said she hopes the pilings will be repurposed and not put into a landfill.

ROLL CALL VOTE WAS TAKEN:

COMMISSIONER DOSS – AYE
COMMISSIONER DALE – AYE
COMMISSIONER HIGGINS – AYE
COMMISSIONER WILSON – AYE
COMMISSIONER DALE – AYE

MOTION CARRIED WITHOUT DISSENT.

C. CONSIDERATION OF APPROVAL OF GRANTING TO CHEVRON PERMIT 16-02 FOR THE CHEVRON EUREKA TERMINAL DOCK SEISMIC RETROFIT.

COMMISSIONER WILSON MOVED FOR THE APPROVAL OF GRANTING TO CHEVRON PERMIT 16-02 FOR THE CHEVRON EUREKA TERMINAL DOCK SEISMIC RETROFIT. COMMISSIONER DALE SECONDED. MOTION CARRIED WITHOUT DISSENT.

D. PUBLIC HEARING AND FIRST READING OF BUDGET FOR FY 2016/17.

Director of Administrative Services reported the Board adopted their Preliminary Budget for FY 2016/17 at their May 2 Special Board Meeting. A 30-day public comment period followed, with no comments received. There were no dollar changes in the budget presented at this meeting; there was a narrative change. At the May 2 meeting, Commissioner Doss asked for a placeholder in Professional Services for a potential rail study revisit, but no dollars were allocated.

Commissioner Doss said he would like some dollars allocated to a potential rail study; there maybe potential matching funds for the grant that was awarded. He would like for the Harbor District to participate if Trinity County asks for assistance. There should always be something in the budget allocated towards transportation.

COMMISSIONER WILSON MOVED FOR THE APPROVAL OF THE BUDGET TO INCLUDE \$10,000 FOR THE HARBOR DISTRICT TO ADDRESS SUPPORT OF TRANSPORTATION PLANNING AND/OR STUDY. COMMISSIONER DALE SECONDED.

Commissioner Dale said some of the criticism of the Board by the Harbor Working Group is valid; the Harbor District is part of public transportation.

Karen Brooks said a press release will be forthcoming by CalTrans states the grant is \$350,000 for the study, with a \$50-\$80,000 match. \$10,000 is a great start, but she would like to see the District authorize \$15-\$20,000. Any help is appreciated.

MOTION CARRIED WITHOUT DISSENT.

Karen Brooks asked about projections vs. actual and about salaries and wages. What is happening with the vacant Deputy Director position? She noted there are no allocations for defense of levies; this should be a continual issue such as dredging.

Commissioner Wilson said the District has some jurisdiction around the bay on levies, but there is no ownership. He suggested Ms. Brooks contact the levy districts. No one has said the levies should be abandoned; there needs to be a plan to address sea level rise and impacts on levies.

NEW BUSINESS

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

Executive Director said it has been a pleasure over the last four years working with the Board and staff. The agreement is the same as last year, no golden parachute. Annual salary is proposed at \$136,000.

Commissioner Higgins said Executive Director's productivity has been extraordinary.

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

B. CONSIDERATION OF ADOPTION OF RESOLUTION NO. 2016-11, A RESOLUTION TO ENTER INTO A CONTRACT AND ACCEPT FUNDS FROM THE CALIFORNIA DEPARTMENT OF FISH AND WILDLIFE

Complaint regarding Commissioner Dale's 5-30-16 Letter to the Editor.

For a business man, father, husband, Rotarian, elected Harbor Commissioner, member and past officer of the Farm Bureau and Eureka Chamber of Commerce among other community service activities it is unbecoming ^{that} any community minded person, and especially a person with the privilege of holding public office to demean anyone.

To Demean in case you want to know is to cause a severe loss in the dignity of and respect for (someone or something). You demeaned Marian Brady for her opinion of Mike Wilson as a supervisor based on his actions or inactions as a Harbor Commissioner. You can certainly ^{dis}agree but to call her opinion irrational is libelous, unless you hold a degree in psychology. The harbor district is already defending you in one law suit why invite another?

Isn't politics toxic enough? Can we be civil to one another even when we disagree?

As a member of the Humboldt Bay Harbor Working Group since its beginning in 2011, I'm offended by the routine abuse by this board. Your, collectively, rude and hostile when we make presentations, you have come to our meetings and verbally abused us, we see no cooperation or appreciation for the advocacy and education we do on a volunteer basis to outreach our community about economic development opportunities in and around our Harbor.

Then to condemn the actions of citizens demeans the office you hold and demonstrates the worst possible attitude of being in service to your community. You are not kings to dismiss your subjects. You work for us, we are your boss. Your comments we out of line and I would like to give you an opportunity to show the public that you misspoke and apologize for your efforts to support Mike Wilson.

Thank you

Karen Brooks
Bayside
6-24-16

Mike Wilson's public service unsurpassed

Posted: 05/30/16, 11:50 AM PDT | Updated: 3 weeks, 2 days ago

0 Comments

I wasn't shocked by Marion Brady's irrational statement regarding Mike Wilson's public service by ridiculing his attendance at the Humboldt Bay Working group as a required part of a commissioners duties ("Uri Driscoll is the clear choice for the 3rd District," May 21, Page A5).

The working group is a few retired folks that meet at the Samoa Cook House for lunch with no responsibilities or mandate. I've attended several of their meetings and found them fun but not particularly useful or productive for Harbor Business. Their focus almost always leads to establishing an East/West rail.

Recognizing that not everyone can attend working group lunches each month, the Commission asked Commissioner Richard Marks (North Coast Railroad Authority Director) to attend and report to the board working group issues. As a result the need was recognized for more detailed and accurate information regarding rail service so as to make informed decisions.

Mike, as chair of the commission, lead us to contracting a renowned rail consultant to study different rail right of ways and the probable customers and cargos as well as construction, operation and maintenance costs. The report was telling and did not align with the working group's dogma. Thus their ire with the commission and Mike.

Those familiar with the HD know that Mike's passion, intellect, record of service and commitment of time is unquestionable. Samoa Pulp Mill acquisition, cleanup and maintenance of critical infrastructure is creating new jobs today.

This is the leadership we need on our Board of Supervisors. This is why I hope you vote for Mike Wilson on June 7.

Greg Dale, 2nd Division harbor commissioner, Eureka

Larry
Henderson

[Introduction]

I wish to comment on a letter to the editor published in the Times Standard May 30.

The letter referenced action taken by your Commission, and was submitted by Commissioner Greg Dale.

As Chairman of the Harbor Working Group, I thank Commissioner Dale for his references to our organization.

Although the references were the masculine equivalent of cow pie, they did serve to promote interest and inquiry about our mission.

I am, however, very disappointed—and very much insulted—by the falsehood of Commissioner Dale's description of us.

To the point...it is not true that I am retired; and it did me great harm describing me being in retirement...that falsely told the world that I am no longer seeking work.

For the record, I still practice my craft; and I still offer my time and talents for money.

Actually, I want more money and need the work to get it...so if you know of anybody who needs a great consultant, give them my contact information.

In any case, I feel like an apology is due for describing me and the Harbor Working Group as just a few retired folks.

In a contract with Pacific Seafoods, the Harbor District borrowed 1.25 million dollars. This contract obligated the District to repay this amount within five years. If the loan is not repaid in time, The District agrees to give Pacific Seafoods a 40 year lease extension of California tide lands. The lease payments will be lower than current lease rates. In addition, California taxpayers will still be obligated to repay the 1.25 million dollars to Pacific Seafoods.

It is my understanding that only interest payments have been made, and in the current and proposed budgets, there are no payments anticipated toward the principle. It is unlikely the loan will be repaid in the given time frame.

This has the appearance of an intentional giveaway to commissioner Dale's parent company in the form of a long term lease extension at discount rates, if so, this is a gross violation of your fiduciary responsibility to the tax payers of California.

Monte Provolt
822-0508

FOR SECRETARIAT SERVICES FOR THE HARBOR SAFETY COMMITTEE OF THE HUMBOLDT BAY AREA.

Executive Director reported this service has been provided by Dockmaster for several years. There are minimum strings attached.

COMMISSIONER WILSON MOVED FOR THE ADOPTION OF RESOLUTION NO. 2016-11, A RESOLUTION TO ENTER INTO A CONTRACT AND ACCEPT FUNDS FROM THE CALIFORNIA DEPARTMENT OF FISH AND WILDLIFE FOR SECRETARIAT SERVICES FOR THE HARBOR SAFETY COMMITTEE OF THE HUMBOLDT BAY AREA. COMMISSIONER MARKS SECONDED.

ROLL CALL VOTE WAS TAKEN:

COMMISSIONER DOSS – AY
COMMISSIONER DALE – AYE
COMMISSIONER HIGGINS – AYE
COMMISSIONER WILSON – AYE
COMMISSIONER MARKS – AYE

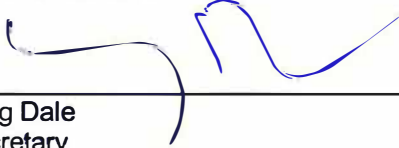
MOTION CARRIED WITHOUT DISSENT.

ADMINISTRATIVE AND EMERGENCY PERMITS: None

Executive Director stated a Special Board Meeting will be called for the Board to discuss Coastal Dependent Industrial related issues.

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

APPROVED BY:



Greg Dale
Secretary

RECORDED BY:



Patricia Tyson
Director of Administrative Services