

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

September 11, 2014

PRESENT:

Commissioner Newman
Commissioner Dale
Commissioner Marks
Commissioner Higgins

ABSENT:

Commissioner Wilson

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

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

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

Commissioner Dale led those present in the Pledge of Allegiance.

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

PUBLIC COMMENT: None

CONSENT CALENDAR: None

COMMUNICATIONS AND REPORTS

CEO REPORT:

- ❖ Fisherman's Channel Dredging
 - Positive direction for a disposal site for the Fisherman's Channel dredging. Exploring use of existing cells on King Salmon beach, which is very close to the entrance of the channel.
 - Eelgrass mitigation is a challenge for the dredging project.
 - Several of the PG&E representatives introduced themselves.
 - The next step is to reach out to local agencies regarding the concept of the King Salmon beach disposal. The previous permitting documents were reviewed; but the permitting was 25 years ago and the cells were never filled. The cells have now filled in with vegetation.
- ❖ Announced Congressman Huffman released the notice that the liquors have all been removed from the pulp mill site. The cost of transportation came in under \$1.25 million, which was the total amount of the Coast Seafoods loan.
- ❖ Three items came in after the agenda was distributed and are time sensitive; Advanced Appraisal International \$8,000 for the Fields Landing appraisal; MM Diving \$9,000 for the outfall pipe buoy and testing fire boat jet for clearing pipe; and Robert Colburn Electric \$11,000 for Berth 1 electrical service for lights and hoist. These items need Commission approval since they exceed the CEO's authorization limit.

COMMISSIONER HIGGINS MOVED TO ADD THESE THREE ITEMS TO THE AGENDA AS NEW BUSINESS ITEMS 10E, 10F AND 10G FOR CONSIDERATION. COMMISSIONER DALE SECONDED. MOTION CARRIED WITHOUT DISSENT.

STAFF REPORTS:

Director of Harbor Operations/Bar Pilot:

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

District Planner

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

District Treasurer

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

DISTRICT COUNSEL REPORT: None.

COMMISSIONER AND COMMITTEE REPORTS:

Commissioner Higgins:

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

President Marks:

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

Commissioner Dale:

- ❖ Met with an individual who had interesting suggestions for Redwood Terminal 2.

Commissioner Newman:

- ❖ Toured Timber Heritage Association's facility at Berth 1.
- ❖ Tomorrow is opening day of commercial salmon season in Humboldt Bay.

OTHER

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

UNFINISHED BUSINESS

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

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

B. DISCUSSION OF FINANCIAL SUPPORT OF SAMOA FIRE DISTRICT.

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

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

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

NEW BUSINESS:

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

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

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

Mr. Wagschal said holding a two-day workshop would accomplish these goals. The workshop would consist of presentations from eelgrass experts nationwide, state and federal regulatory agencies, and a boat tour of the bay. The anticipated workshop outcomes are 1) a common understanding regarding: eelgrass and eelgrass ecology in Humboldt Bay and elsewhere, eelgrass management in Humboldt Bay and elsewhere, past eelgrass restoration efforts in

Humboldt Bay, effects of human activity on eelgrass and existing laws and regulations pertaining to eelgrass management in Humboldt Bay; and 2) agreement regarding options that would potentially improve eelgrass management in Humboldt Bay and agreement regarding a process for developing a Humboldt Bay Comprehensive Eelgrass Management Strategy.

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

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

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

MOTION CARRIED WITHOUT DISSENT.

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

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

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

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

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

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

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

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

COMMISSIONER HIGGINS MOVED FOR THE ADOPTION OF RESOLUTION 2014-10 WHICH ESTABLISHES FINDINGS RELATIVE TO THE APPLICATION BY CHEVRON USA, INC. FOR THE EUREKA TERMINAL REPAIR PROJECT. COMMISSIONER DALE SECONDED.

District Planner reported the permit is for repairs at the Chevron dock. The repairs are consistent with the Humboldt Bay Management Plan.

ROLL CALL VOTE:

COMMISSIONER NEWMAN – AYE
COMMISSIONER DALE – AYE
COMMISSIONER MARKS – AYE
COMMISSIONER WILSON – ABSENT
COMMISSIONER HIGGINS – AYE

MOTION CARRIED WITHOUT DISSENT.

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

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

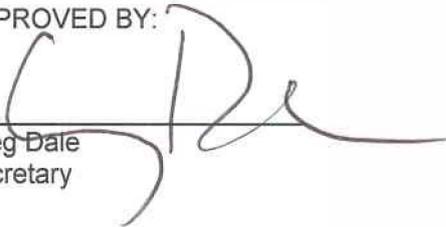
E. CONSIDERATION TO AUTHORIZE PAYMENT OF THE FOLLOWING EXPENSES WHICH HAVE BEEN IDENTIFIED AS BEING BEYOND THE CEO'S AUTHORIZATION LIMIT: ADVANCED APPRAISAL INTERNATIONAL \$8,000; MM DIVING \$9,000; AND ROBERT COLBURN ELECTRIC \$11,000.

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ADMINISTRATIVE AND EMERGENCY PERMITS: None.

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

APPROVED BY:



Greg Dale
Secretary

RECORDED BY:



Patricia Tyson
Director of Administrative Services