

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

8 April 2004

PRESENT:

Commissioner Pellegrini
Commissioner Fritzsche
Commissioner Hunter
Commissioner Ollivier

ABSENT:

Commissioner Curless

The Closed Session was called to order at 6:00 p.m. District Counsel reported the items of discussion: the Simpson Samoa lease, the Harbor District audit of the US Army Corps of Engineers Harbor Deepening Project records, the August 2003 claim for damages by Ray and Barbara Vasconcellos, Café Marina Lease and the South Bay Marina lease.

Closed Session adjourned at 6:55p.m.

The regular meeting of the Board of Commissioners was called to order by President Pellegrini at 7:01 p.m. Roll call was taken. President Pellegrini led those present in the Pledge of Allegiance.

District Counsel reported the following items were discussed during Closed Session: the Simpson Samoa lease, the Harbor District audit of the US Army Corps of Engineers Harbor Deepening Project records, the August 2003 claim for damages by Ray and Barbara Vasconcellos, Café Marina Lease and the South Bay Marina Lease. No action was taken on these items.

PUBLIC COMMENT

Mike Buettner asked if the date has been set for the reconvening of the Harbor Revitalization Plan Advisory Committee and asked if there would be opportunity for public comment at that meeting.

Maggie Herbelin asked the Board to place an item on their next meeting agenda to consider a monetary donation to help with the expenses of the Humboldt Bay Stewards Symposium held in March. She also stated the Humboldt Bay Stewards will be sponsoring a public forum on concepts of bay development on May 7th at the Wharfinger Building. President Pellegrini suggested to Ms. Herbelin that her request for a donation should be submitted to the Board in writing on her organization's official letterhead and should identify who their organization is and what the donation would be used for.

CONSENT CALENDAR

COMMISSIONER HUNTER MOVED TO APPROVE THE CONSENT CALENDAR.
COMMISSIONER OLLIVIER SECONDED. MOTION CARRIED WITHOUT DISSENT.

CEO REPORT

- 3/27: CEO attended the signing ceremony where the cities of Nelson, New Zealand and Eureka, California officially became "sister" cities.
- 3/29: CEO gave the Mayor and Council members of Nelson, New Zealand along with the Mayor of Eureka and Eureka City Manager a bay tour.
- CEO reported on the progress of the Fields Landing Boat Yard building repairs: the repair of the electric door has been completed and the north shed roof and main building roof have been replaced.
- 4/1: CEO spoke at the Fortuna Rotary Club about current Harbor District projects.

- 4/2: CEO met with Diana Cisteros, co-owner of Mario's Marina in Shelter Cove about the boat ramp, fish cleaning station and breakwater conditions.
- 4/9-13: Oscar Larson & Associates will start surveying of the Shelter Cove breakwater.
- CEO worked with Port of Oakland representative who was looking for information on the Harbor District's oily water bilge system that has been in place for over 20 years. The Port of Oakland is researching for a system that will be used as mitigation for their marina.
- 4/5: CEO met with Mike Knight, City of Eureka, regarding partnering on the maintenance dredge project. At their April 6th Council meeting, the City of Eureka's Council approved hiring Pacific Affiliates for the surveying work needed on the dredge project.
- Dredges Essayons and Yaquina are working in Humboldt Bay. The Essayons has averaged approximately 50,000 cubic yards per day with a daily maximum of 69,000 cubic yards.
- 4/6: Commissioner Fritzsche and CEO met with Assistant Secretary of the Army John Paul Woodley and other representatives from the Corps of Engineers and others regarding endangered species and essential fish habitat issues pertaining to the Coast Seafoods permit and to discuss Corps maintenance dredging of Humboldt Bay.
- 4/8: Commissioners Fritzsche and Hunter, District Treasurer, Administrative Assistant and CEO met with Dennis Ciocca of Sutter Securities regarding refinancing of the deepening project loans.
- CEO reported the Harbor Revitalization Plan advisory committee will reconvene to discuss the future development of Humboldt Bay. CEO also reported that he and Commissioners Fritzsche and Hunter will meet with a prospective facilitator for the meeting.

DISTRICT COUNSEL'S REPORT: None

STAFF REPORT: None

COMMISSIONER REPORTS

Commissioner Fritzsche reported he met with representatives from the Corps of Engineers, Coast Seafoods, various attorneys, representatives from NOAA Fisheries, US Fish & Wildlife Service and the Harbor District regarding Coast Seafoods' permit. He said the history of Coast Seafoods' operation in Humboldt Bay was recounted and details of the changes that have been made over the years in order for Coast Seafoods to stay in compliance with the various agency requirements were discussed.

Commissioner Fritzsche reported an article in the North Coast Journal about the operator of HumBoats, Jay Dottle, indicated that Mr. Dottle was concerned about the competition that would take place once the Boating Instruction and Safety Center (BISC) was built for Humboldt State University across the bay next to the Adorni Center. Mr. Dottle is concerned that his rental business will be impacted by the business conducted by the BISC. Commissioner Fritzsche stated the BISC will be operated by HSU's University Center which is a 501C(3) corporation which maintains their own funding. University Center provides access for students in outdoor adventures and rentals of equipment. It has also been shown that once students become interested in a particular activity, they then purchase equipment from retail stores or rent equipment from other local outlets. Commissioner Fritzsche stated he felt the result would most likely be positive in that the BISC would build interest which would then seep into other businesses. He also said that the BISC is in keeping with HSU President Richmond's desire to promote HSU satellite activities in Eureka.

Commissioner Hunter reported that the Human Resources advisory committee met; the finance advisory committee met to discuss the deepening project loans; he attended a recent RREDC meeting; and he hosted his 30th and final Easter Seals Telethon on KAEF-TV.

ADVISORY COMMITTEE REPORTS: None

OTHER: None

NON-AGENDA

Kaye Strickland asked if she could make a public comment during this agenda item because she missed the Public Comment section earlier. President Pellegrini relented. Kaye stated she is also concerned about the undue competition posed by the BISC towards Jay Dottle's business at Woodley Island Marina. She said that Mr. Dottle's business is an existing private enterprise that fits her idea of the businesses that are "right" for Humboldt Bay.

Commissioner Fritzsche stated that several BISCs are currently being built as part of the State college program throughout California. They serve multiple purposes for the study of fisheries, oceanography, biology, etc. He stated that Wing Inflatables' boating program specifically for the disabled, will be centered at the new BISC.

UNFINISHED BUSINESS

A. CONSIDERATION OF ADOPTION OF PRELIMINARY FY 2004/05 BUDGET.

CEO stated the changes resulting from the discussion at the last Board meeting as well as updated information are highlighted on the budget presented at this meeting. He also said that a list of the current Harbor District vehicles noting their age and mileage has also been included per the request of President Pellegrini. CEO stated this preliminary FY 2004/05 budget is being presented; and if adopted, will be available for public review for 30 days. There will also be 3 subsequent meetings at which the FY 2004/05 budget will be an item for consideration on the agenda.

District Treasurer stated that there will most likely be an increase of approximately \$25,000 in the annual tax revenue, but he will not know what the expected increase is until he is able to confirm the information with the County Auditor's office. He said this current budget is based on conservative projections. Similarly past budgets have been conservatively prepared.

COMMISSIONER HUNTER MOVED FOR THE ADOPTION OF PRELIMINARY FY 2004/05 BUDGET. COMMISSIONER OLLIVIER SECONDED.

Maggie Herbelin suggested that a portion of income attributed to the Marina should be allocated to recreation since many of the boats moored at the marina are recreational. Commissioner Hunter suggested that all three divisions of the Harbor District (harbor, recreation and conservation) could be informally outlined.

Penny Elsebusch suggested that money be allocated for surveying the Park Street Marsh because it has been many years since surveying was done.

David Elsebusch asked why the annual lease amount for Simpson Samoa was not included in the annual revenue and also stated he considered Coast Seafoods annual lease amount at \$9,300 too low. It was explained that the annual lease income from Simpson Samoa may not be received in 2004/05 since Simpson Samoa is considering not renewing their lease. Also it was explained that the Harbor District receives revenue for gallonage on oysters harvested from Coast Seafoods and that revenue is included in the category "Other Revenue."

President Pellegrini stated the revenue on annual leases is determined through appraisals done on the lease property. David Elsebusch asked if the appraisals are public

information. District Counsel responded that the appraisals are public information as are the leases.

MOTION CARRIED WITHOUT DISSENT.

B. CONSIDERATION OF AUTHORIZING TASK 2 AND TASK 2A OF AGREEMENT WITH PACIFIC AFFILIATES FOR ENGINEERING SERVICES RELATED TO MAINTENANCE DREDGING OF WOODLEY ISLAND MARINA.

CEO reported that this item was tabled at the last meeting for clarification on how the agreement coordinates with the City of Eureka's agreement with Pacific Affiliates for the joint maintenance dredging project. Pacific Affiliates separated Task 2 (permitting and CEQA documentation for dredging Woodley Island Marina) from Task 2A (the Harbor District's share of the discharge pipeline). The City of Eureka approved their agreement with Pacific Affiliates at their last Council meeting on April 6th and will pay a like share of Task 2A.

David Schneider of Pacific Affiliates asked District Counsel for assistance on the legal work to be done during the dredge project process because of his historical knowledge of previous dredge projects. District Counsel stated he would be available to assist the Harbor District during the dredge project.

Commissioner Fritzsche asked if CEO foresees any difficulty with EPA during the permitting process since during the last dredge project permitting process EPA did not approve their permit easily. CEO responded that the trouble during the last project was due to the fact that EPA thought the dredge spoils were to be deposited in a marine sanctuary, which was not the case.

COMMISSIONER HUNTER MOVED TO AUTHORIZE CEO TO PROCEED WITH TASK 2 NOT TO EXCEED \$35,000 AND TASK 2A NOT TO EXCEED \$9,000 OF AGREEMENT WITH PACIFIC AFFILIATES FOR ENGINEERING SERVICES RELATED TO MAINTENANCE DREDGING OF WOODLEY ISLAND MARINA. COMMISSIONER FRITZSCHE SECONDED. MOTION CARRIED WITHOUT DISSENT.

NEW BUSINESS

A. CONSIDERATION OF EXTENSION OF TIDELAND LEASE WITH GILBERT A. HUNTER.

Commissioner Hunter recused himself and left the room during the discussion of this agenda item.

COMMISSIONER OLLIVIER MOVED FOR THE APPROVAL OF THE EXTENSION OF TIDELAND LEASE WITH GILBERT A. HUNTER. COMMISSIONER FRITZSCHE SECONDED. MOTION CARRIED WITHOUT DISSENT.

Commissioner Hunter resumed his position at the Board table.

B. CONSIDERATION OF APPROVAL OF THE ENVIRONMENTAL CHECKLIST FOR THE APPLICATION BY PACIFIC GAS & ELECTRIC COMPANY FOR MAINTENANCE DREDGING OF HUMBOLDT BAY POWER PLANT INTAKE CANAL HEADWORKS.

CEO reported that Pacific Affiliates prepared the Mitigated Negative Declaration for the permit.

COMMISSIONER OLLIVIER MOVED FOR THE APPROVAL OF THE ENVIRONMENTAL CHECKLIST FOR THE APPLICATION BY PACIFIC GAS & ELECTRIC COMPANY FOR MAINTENANCE DREDGING OF HUMBOLDT BAY POWER PLANT INTAKE CANAL HEADWORKS. COMMISSIONER FRITZSCHE SECONDED.

Commissioner Fritzsche asked how often the dredging of the Woodley Island Marina, Eureka Public Marina and other sites in between was needed. David Schneider responded that this is the first time the area in front of the Boardwalk would be dredged. CEO responded that Woodley Island Marina should be dredged every 5-7 years.

Commissioner Fritzsche then asked about dredging the King Salmon canals and if the dredging of the canals could be partnered with the PG&E project. CEO responded that it is the responsibility of the landowners to dredge the canals, but that now would be an opportune time to pursue partnering with PG&E to possibly add on to their project.

MOTION CARRIED WITHOUT DISSENT.

C. CONSIDERATION OF FINDING ADEQUATE THE MITIGATED NEGATIVE DECLARATION FOR THE APPLICATION BY PACIFIC GAS & ELECTRIC COMPANY FOR MAINTENANCE DREDGING OF HUMBOLDT BAY POWER PLANT INTAKE CANAL HEADWORKS.

COMMISSIONER OLLIVIER MOVED FOR FINDING ADEQUATE THE MITIGATED NEGATIVE DECLARATION FOR THE APPLICATION BY PACIFIC GAS & ELECTRIC COMPANY FOR MAINTENANCE DREDGING OF HUMBOLDT BAY POWER PLANT INTAKE CANAL HEADWORKS. COMMISSIONER HUNTER SECONDED. MOTION CARRIED WITHOUT DISSENT.

D. CONSIDERATION OF ADOPTION OF RESOLUTION 2004-06 WHICH ESTABLISHES FINDINGS RELATIVE TO THE APPLICATION BY PACIFIC GAS & ELECTRIC COMPANY FOR MAINTENANCE DREDGING OF HUMBOLDT BAY POWER PLANT INTAKE CANAL HEADWORKS.

COMMISSIONER FRITZSCHE MOVED FOR THE ADOPTION OF RESOLUTION 2004-06 WHICH ESTABLISHES FINDING RELATIVE TO THE APPLICATION BY PACIFIC GAS & ELECTRIC COMPANY FOR MAINTENANCE DREDGING OF HUMBOLDT BAY POWER PLANT INTAKE CANAL HEADWORKS. COMMISSIONER OLLIVIER SECONDED. ROLL CALL VOTE WAS TAKEN:

COMMISSIONER PELLEGRINI – AYE
COMMISSIONER CURLESS – ABSENT
COMMISSIONER FRITZSCHE – AYE
COMMISSIONER HUNTER – AYE
COMMISSIONER OLLIVIER – AYE

MOTION CARRIED WITHOUT DISSENT.

E. CONSIDERATION OF GRANTING PERMIT 03-02 TO THE PACIFIC GAS & ELECTRIC COMPANY FOR MAINTENANCE DREDGING OF HUMBOLDT BAY POWER PLANT INTAKE CANAL HEADWORKS.

COMMISSIONER HUNTER MOVED FOR THE GRANTING OF PERMIT 03-02 TO THE PACIFIC GAS & ELECTRIC COMPANY FOR MAINTENANCE DREDGING OF HUMBOLDT BAY POWER PLAN INTAKE CANAL HEADWORKS. COMMISSIONER FRITZSCHE SECONDED MOTION CARRIED WITHOUT DISSENT.

F. CONSIDERATION OF EXTENSION OF PERMIT NO. 1998-5 TO C.J. RALPH FOR REPAIR OF APPROXIMATELY 2,500 FEET OF DIKE ALONG THE MAD RIVER SLOUGH.

COMMISSIONER OLLIVIER MOVED FOR THE EXTENSION OF PERMIT NO. 1998-5 TO C.J. RALPH FOR REPAIR OF APPROXIMATELY 2,500 FEET OF DIKE ALONG THE MAD RIVER SLOUGH. COMMISSIONER FRITZSCHE SECONDED.

CEO explained this would be the last extension for this permit. The Corps of Engineers permit and Coastal Commission permit also expire this year.

MOTION CARRIED WITHOUT DISSENT.

G. CONSIDERATION OF EXTENSION OF PERMIT NO. 1999-6 TO THE CITY OF EUREKA FOR THE CONSTRUCTION OF THE INNER CHANNEL DOCK AND BOARDWALK.

COMMISSIONER OLLIVIER MOVED FOR THE EXTENSION OF PERMIT NO. 1999-6 TO THE CITY OF EUREKA FOR THE CONSTRUCTION OF THE INNER CHANNEL DOCK AND BOARDWALK. COMMISSIONER HUNTER SECONDED. MOTION CARRIED WITHOUT DISSENT.

H. CONSIDERATION OF SB 1272 (ORTIZ).

District Counsel reported that a memo had been received from the California Special Districts Association that stated their opposition to SB 1272 and requested special districts to review the wording of the bill. CSDA feels that SB 1272 as written is ambiguous and a duplication of existing laws. The bill was written in response to a situation at the Sacramento Water District where alleged impropriety and criminal acts were evident. The bill covers such areas as conflict of interest, ethics, annual audits and whistleblower protection. District Counsel reported that the Harbor District is governed by its enabling legislation, but that many sections would be overridden by this bill.

COMMISSIONER HUNTER MOVED TO AUTHORIZE STAFF TO STATE THE HARBOR DISTRICT BOARD'S OPPOSITION TO THE BILL IN ITS PRESENT FORM DUE TO DUPLICATION OF OTHER LAWS AND BECAUSE THE HARBOR DISTRICT IS GOVERNED BY THE HARBORS & NAVIGATION CODE. COMMISSIONER FRITZSCHE SECONDED.

CEO reported that while CSDA is on record as opposing this bill, CAPA is also researching the bill for their membership.

David Elsebusch stated he would be sending e-mails to local legislators voicing his support of the bill as written because he feels it would create better control over special districts.

Penny Elsebusch stated that county auditors would only audit those special districts that are currently not providing an annual audit and all special districts, including Petrolia Cemetery District and Reclamation District #768 for example, would be subject to the provisions in the bill.

Kaye Strickland stated she felt the bill as written needs to be reworded due to its impact on the very small, odd special districts.

MOTION CARRIED WITHOUT DISSENT.

Commissioner Fritzsche stated that even though he was bringing this information to the Board out of order, he wanted to report that a preliminary report had been presented by the US Fish and Wildlife service, contracted to study fish communities in eelgrass beds of Humboldt Bay relevant to the Coast Seafoods permit, has stated that, to date, no salmonids have been found in the eelgrass beds in Humboldt Bay.

ADMINISTRATIVE AND EMERGENCY PERMITS

CEO reported that two administrative permits were issued: A-2004-1 Deployment of Artificial Settlement Panels at Woodley Island Marina to study *Metridium senile* (Plumose anemone) colonization rates at different sites and A-2004-2 Deployment of experimental apparatus to investigate the predator/prey relationship between the mussel and sea star.

The Regular Meeting of the Board of Commissioners adjourned at 8:30 p.m.

APPROVED BY:

RECORDED BY:

Signature on File
Ronald A. Fritzsche, Secretary

Signature on File
Patricia L. Tyson, Admin. Assistant