

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

27 May 2004

PRESENT:

Commissioner Pellegrini
Commissioner Curless
Commissioner Fritzsche
Commissioner Ollivier

ABSENT:

Commissioner Hunter

The Closed Session was called to order at 6:05 p.m. District Counsel reported the items of discussion: Simpson Samoa lease, Louisiana-Pacific North Coast Exports lease, Louisiana-Pacific pulp mill lease, Fur Breeders lease and the Humboldt Bay Forest Products lease.

Closed Session adjourned at 6:37p.m.

The regular meeting of the Board of Commissioners was called to order by President Pellegrini at 7:02 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: Simpson Samoa lease, Louisiana-Pacific North Coast Exports lease, Louisiana-Pacific pulp mill lease, Fur Breeders lease and the Humboldt Bay Forest Products lease. No action was taken on these items.

PUBLIC COMMENT

Melvin McKinney spoke as a representative for Maggie Herbelin of the Humboldt Bay Stewards. He said that Ms. Herbelin extends her invitation to the Commissioners for participation in the bay planning meeting the Stewards are sponsoring on June 7th from 5:30 p.m. – 9:00 p.m. at the Adorni Center in Eureka. Mr. McKinney also stated his concern of the bank erosion occurring on the Emerson Slough as a result of the activity from sport fishing boats. Mr. McKinney also handed a recent copy of the *Eureka Reporter*, a weekly local newspaper, to CEO.

Ken Davlin reported that the bank erosion in the Emerson Slough Mr. McKinney referred to is being researched by Oscar Larson & Associates through a request by the Reclamation District #768 and is most likely a result of recent levy failures due to extreme weather. Mr. Davlin also stated this particular area falls under the jurisdiction of several different agencies.

David Elsebusch asked to have the Consent Calendar item (a) pulled for a correction. He stated that at the last meeting when he was suggesting the Harbor District retain recorded minutes for a period of time, he stated MCSD retained theirs for years, not "forever" as stated in the minutes. He also stated the County of Humboldt as a policy to retain their recordings of meetings for a period of five years.

Daniel Pearce showed the Board of Commissioners a book written by Arnold Schwarzenegger about body building and stated his thoughts of how we are now in a Republican era. Mr. Pearce also talked about the use of pepper spray as a topic on a "Simpsons" episode. He stated that Humboldt Bay enhances all of our lives and should be protected. He also stated that passenger trains will make a difference for those who live here and will attract tourists.

Kaye Strickland urged to Commissioners to attend the Humboldt Bay Stewards meeting on June 7th. Ms. Strickland stated the Citizens for Port Development group will be represented at the meeting.

CONSENT CALENDAR

Commissioner Fritzsche requested the Minutes from the May 13, 2004 Board of Commissioners meeting by pulled for discussion. He asked that the word "forever" in Mr. Elsebusch's public comment be changed to "for years".

COMMISSIONER FRITZSCHE MOVED FOR THE APPROVAL OF THE CONSENT CALENDAR TO INCLUDE THE REQUESTED CHANGE. COMMISSIONER CURLLESS SECONDED. MOTION CARRIED WITHOUT DISSENT.

CEO REPORT

- CEO and Mark Wheelley of the Dept. of Fish and Game have been working on the grant application for the \$150,000 EPA grant approved at the last Board of Commissioners meeting and have submitted it to EPA for processing. If funded, the project will not start until October 2004.
- 5/20: Harbor Safety Committee (HSC) met. Discussion centered on the promotion of the boating and safety classes offered by the US Coast Guard Auxiliary. Also discussed was final recommendations for Harbor District Ordinance No. 17 which establishes rules and regulations for anchoring vessels in Humboldt Bay and the HSC offered to send letters of support for the Harbor District's Appropriations request for dredge funding.
- 5/14-16: Boy Scouts Camp-O-Ree was held on Woodley Island. Approximately 75 Scouts and several adults camped out for the weekend.
- 5/19: A Port Security Drill was held. This purpose of the drill was for local agencies to be able to practice with the resources available immediately in the event of a real incident.
- CEO has been working with the City of Eureka and Visitors and Conventions Bureau coordinating the cruise ship visit on August 7th.
- CEO reported that preparations for the Humboldt Bay Maritime Expo on September 25th are on schedule.

DISTRICT COUNSEL'S REPORT

District Counsel reported that the Senate Appropriations Committee on a 5-4 vote voted down SB1272. He said that 4 of the dissenting votes were from Democrats whose district include harbor districts similar to the Humboldt Bay Harbor District.

District Counsel reported that the claim for damages filed against the Harbor District by Ray and Barbara Vasconcellos has been settled with no monies paid out by the Harbor District or its insurance carrier.

STAFF REPORT: None

COMMISSIONER REPORTS

Commissioner Curless reported that last weekend he had a nice conversation with representatives from the Port of Stockton.

Commissioner Fritzsche reported that Humboldt State University will be assisting with the data background research on the EPA Wetland Development Grant.

Commissioner Fritzsche reported that Bonnie Neely was appointed by Governor Schwarzenegger to the California Coastal Commission and that one elected official position had yet to be filled. He said that two appointments to the public-at-large positions which he had applied for had also been filled.

Commissioner Ollivier reported that shipping in Humboldt Bay has been slow in the past, but that four different ships had been at the Simpson dock recently. He said that there are currently 17 longshoremens working on Humboldt Bay compared to 182 in the 1980's.

President Pellegrini suggested moving the date of the next Board meeting from June 10th to June 9th due to conflicts in scheduling.

President Pellegrini reported that the Federal Energy Regulatory Commission (FERC) is holding hearings on the renewal of the license for the Klamath Dam. Hearings will be held in Ashland and Klamath Falls, Oregon and Yreka and Redding, California. Commissioner Pellegrini received a request for the Board to write a letter to FERC requesting a hearing be held in Eureka also. She directed staff to prepare a letter for her signature.

ADVISORY COMMITTEE REPORTS

Commissioner Fritzsche reported that he and Commissioner Hunter as the Finance Advisory Committee, along with CEO, Administrative Assistant and District Treasurer, met with Dennis Ciocca of Sutter Securities regarding refinancing the harbor deepening loan through Six Rivers National Bank. At the first step in the refinancing, the Treasury bill was recently sold for approx. \$864,000 and the new bond issuance costs (approx. \$395,000) will come out of the proceeds. Commissioner Fritzsche did say that the annual payments by the Harbor District would be about \$20,000 less than the current payments, the interest rate is lower by approx. 1%, and the bonds will now be rated.

Commissioner Fritzsche reported that he and Commissioner Hunter are expecting the final results of the HRP Visioning Forum soon. Based on the preliminary information, he said the marine science center on Humboldt Bay and the focus on sustainable industries were the two more popular ideas resulting from the public forum. As soon as the final report is produced, the HRP Advisory Committee will be reconvened.

OTHER: None

NON-AGENDA: None

UNFINISHED BUSINESS:

A. PUBLIC HEARING ON FY 2004/05 BUDGET.

District Treasurer presented the summary of the Preliminary Budget for FY 2004/05 as follows: Revenue, \$1,676,196; Operating Expenses, \$1,457,991; Non-Operating Expenses, \$1,693,500; and Excess Expenses Over Revenue, (\$1,475,295). District Treasurer stated that the deficit is subsidized by the \$1.1 million allocated to reserves over the last several years.

Commissioner Fritzsche stated the EPA Wetlands Development Grant, when approved, should be added to Grant Activity Schedule.

David Elsebusch asked if there were any prospects that would help alleviate the loss of revenue from Simpson. District Counsel stated that any new lessee would be reported on in open session. Mr. Elsebusch also asked if the dredging project will impact the Unrestricted Funds. District Treasurer responded that there should be enough money set aside in Restricted Funds to cover the dredging costs. Commissioner Fritzsche suggested that the recent sale of the Treasury bill may increase the Unrestricted Funds balance.

President Pellegrini stated that since this is the Public Hearing on the Preliminary Budget for FY 2004/05, action by the Board was not required.

NEW BUSINESS

A. CONSIDERATION OF EXTENSION OF PERMIT 01-08 TO STATE OF CALIFORNIA DEPARTMENT OF TRANSPORTATION FOR THE SEISMIC RETROFIT OF THE HUMBOLDT BAY BRIDGES.

COMMISSIONER OLLIVIER MOVED FOR THE APPROVAL OF EXTENSION OF PERMIT 01-08 FOR ONE YEAR TO STATE OF CALIFORNIA DEPARTMENT OF TRANSPORTATION FOR THE SEISMIC RETROFIT OF THE HUMBOLDT BAY BRIDGES. COMMISSIONER CURLESS SECONDED. MOTION CARRIED WITHOUT DISSENT.

B. CONSIDERATION OF FIRST READING OF ORDINANCE 17 – AN ORDINANCE ESTABLISHING RULES, REGULATIONS AND ENFORCEMENT PROCEDURES FOR THE ANCHORING, SECURITY AND DISPOSITION OF VESSELS IN HUMBOLDT BAY.

CEO reported the Harbor Safety Committee (HSC) has been working for several years to develop this document which would establish anchoring rules and outline procedures for the disposition of abandoned vessels. CEO stated the HSC researched other agencies' policies and consulted Larry Mallon, Harbor District Maritime Counsel. Since this is the first reading of this ordinance, no action was necessary.

Commissioner Fritzsche remarked that the Port of San Diego has an ordinance against beaching/grounding boats. CEO responded that the Port's property manager was forwarding a copy of their policy.

C. CONSIDERATION OF AMENDMENT NO. 2 TO AGREEMENT WITH ROBERTS, KEMP AND ASSOCIATES FOR CONSULTANT SERVICES RELATED TO THE HUMBOLDT BAY MANAGEMENT PLAN.

CEO recommended tabling this item until the amendment is complete. Commissioner Fritzsche asked for a resume of Mr. Robert's associate to be included with the agreement.

D. CONSIDERATION OF APPROVAL OF RAMP REPAIR AND MODIFICATION GRANT CONTRACT WITH THE CA DEPARTMENT OF BOATING AND WATERWAYS.

CEO reported that Richard Culp from the Resort Improvement District #1 (RID) notified him that the fish grinder at the Shelter Cove Boat Launching Facility needs to be replaced. CEO contacted Department of Boating and Waterways about funds available for small grant programs. The \$37,000 grant would allow the purchase of a new fish grinder as well as the repair of the old one to keep on as a spare. Mr. Culp offered that the RID would install the new fish grinder.

COMMISSIONER FRITZSCHE MOVED FOR THE APPROVAL OF RAMP REPAIR AND MODIFICATION GRANT CONTRACT WITH THE CA DEPARTMENT OF BOATING AND WATERWAYS. COMMISSIONER CURLESS SECONDED. MOTION CARRIED WITHOUT DISSENT.

E. CONSIDERATION OF PURCHASE OF NEW GRINDER AND REBUILD OLD GRINDER FOR THE SHELTER COVE BOAT LAUNCHING FACILITY FISH CLEANING STATION FROM U.S. FILTER/LINK BELT.

COMMISSIONER CURLESS MOVED FOR THE APPROVAL OF PURCHASE OF NEW GRINDER AND REBUILD OLD GRINDER FOR THE SHELTER COVE BOAT LAUNCHING FACILITY FISH CLEANING STATION FROM U.S. FILTER/LINK BELT NOT TO EXCEED \$37,000. COMMISSIONER OLLIVIER SECONDED. MOTION CARRIED WITHOUT DISSENT.

F. CONSIDERATION OF APPROVAL OF TASK ORDER #4 WITH OSCAR LARSON AND ASSOCIATES TO PROVIDE ENGINEERING AND CONSTRUCTION SERVICES RELATED TO THE NORTH WALL OF TRAVELIFT BUILDING AT FIELDS LANDING BOAT YARD.

CEO reported that approval was received from the Harbor District's property insurance carrier to proceed with the redesign and installation of the north wall of the Travelift building at the Fields Landing Boat Yard that was damaged due to inclement weather on January 1, 2004. O&M Industries submitted a wall replacement cost estimate of \$35,433. The partial payment from the insurance company was \$41,482 less a \$1,000 deductible. Oscar Larson & Associates submitted a Task Order Change for the engineering services of the wall in the amount of \$22,300. District Counsel reported that once the project is completed, any additional costs above the partial payment from the insurance company will be submitted to the insurance company for reimbursement.

COMMISSIONER CURLESS MOVED FOR THE APPROVAL OF TASK ORDER #4 WITH OSCAR LARSON AND ASSOCIATES TO PROVIDE ENGINEERING AND CONSTRUCTION SERVICES RELATED TO THE NORTH WALL OF TRAVELIFT BUILDING AT FIELDS LANDING BOAT YARD. COMMISSIONER OLLIVIER SECONDED.

David Elsebusch asked if the insurance company would cover the additional costs of the wall replacement. District Counsel responded that while nothing is for certain, the negotiation for payment of the engineering costs is a valid one since most public projects require the services of an engineer.

MOTION CARRIED WITHOUT DISSENT.

G. CONSIDERATION OF APPROVAL OF CHANGE ORDER #2 TO O&M INDUSTRIES TO REPLACE NORTH WALL OF TRAVELIFT BUILDING AT FIELDS LANDING BOAT YARD.

COMMISSIONER CURLESS MOVED FOR THE APPROVAL OF CHANGE ORDER #2 TO O&M INDUSTRIES TO REPLACE NORTH WALL OF TRAVELIFT BUILDING AT FIELDS LANDING BOAT YARD NOT TO EXCEED \$35,433. COMMISSIONER OLLIVIER SECONDED.

Mr. Davlin also complimented Harbor District Maintenance Person Matt Wardynski on his work during this lengthy project.

MOTION CARRIED WITHOUT DISSENT.

H. CONSIDERATION OF OPPOSITION TO THE ELIMINATION OF THE CA DEPARTMENT OF BOATING AND WATERWAYS.

CEO reported that in the past the Department of Boating and Waterways has been targeted to be one of the state agencies to be eliminated under the Governor's pending reorganization plan. Several port associations have been opposed to this idea.

COMMISSIONER OLLIVIER MOVED TO OPPOSE THE ELIMINATION OF THE CA DEPARTMENT OF BOATING AND WATERWAYS. COMMISSIONER CURLESS SECONDED.

David Elsebusch asked the Board if they had considered the other side of the argument as to why the Department of Boating and Waterways was going to be incorporated into another agency, that maybe the intent of the California Performance Review was something the Board should consider. Mr. Elsebusch stated he found it bombastic and blasphemous that the Board would send a letter of opposition without considering both sides of the argument.

Kaye Strickland suggested that the reason the DBAW has been targeted is that they are an easy target since they have caused many projects to be completed without using money from the State's General Fund.

Vee Sorenson stated that if the Board approved the opposition of the elimination of the DBAW that they would be performing their duties to the highest level.

ADMINISTRATIVE AND EMERGENCY PERMITS: None

The Regular Meeting of the Board of Commissioners adjourned at 8:13 p.m.

APPROVED BY:

RECORDED BY:

Signature on File
Ronald A. Fritzsche, Secretary

Signature on File
Patricia L. Tyson, Admin. Assistant