

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

16 December 2004

PRESENT:

Commissioner Pellegrini
Commissioner Curless
Commissioner Fritzsche
Commissioner Hunter
Commissioner Ollivier

The Closed Session was called to order at 6:00 p.m. Closed Session adjourned at 6:40 p.m.

The regular meeting of the Board of Commissioners was called to order by President Pellegrini at 7:00 p.m. Roll call was taken. President Pellegrini led those present in the Pledge of Allegiance.

District Counsel reported that during Closed Session the Louisiana-Pacific tideland leases and tonight's item of the tideland lease amendment for Humboldt Bay Forest Products were discussed, but no action was taken.

PUBLIC COMMENT

Pete Oringer reported that a group of private citizens consisting of Charles Ollivier, Moss Bittner, Bill Bertain and himself traveled to Oakland to attend a forum sponsored partly by the Port of Oakland on goods movement and clean air. The group's purpose was to create awareness of the assets of the North Coast and its potential role as a satellite port for the Port of Oakland.

CONSENT CALENDAR

COMMISSIONER CURLESS MOVED FOR THE APPROVAL OF THE CONSENT CALENDAR.
COMMISSIONER FRITZSCHE SECONDED. MOTION CARRIED WITHOUT DISSENT.

CEO REPORT

- √ The Shelter Cove fish cleaning station project has been completed and some associated fencing has been replaced. Many positive comments from the residents of Shelter Cove have been received.
- √ 12/14: The Interagency Coordination Committee and Mariculture Monitoring Committee met to listen to and discuss presentations by Drs. Steve Rumrill, Brent Dumbauld and Jennifer Ruesink on five year's of research they have done on the effects of mariculture activities on eelgrass habitats. In addition, Randy Brown of the USFWS made a presentation on the progress of a fish community in eelgrass study funded by the Harbor District, Coast Seafoods, Headwaters fund and NOAA fisheries. This research has been done as a condition of Coast Seafoods' permit for mariculture activities in Humboldt Bay.

DISTRICT COUNSEL'S REPORT

District Counsel reported he had spent time on the Louisiana-Pacific and Humboldt Bay Forest Products tideland leases.

STAFF REPORT: None

COMMISSIONER REPORTS

Commissioner Curless reported he had talked with the owners of the grocery store in Shelter Cove who are very thankful for the completion of the fish cleaning station.

Commissioner Fritzsche reported that the American Fishery Society, Humboldt Chapter, and the Salmonid Restoration Federation will hold a watershed forum in Fortuna from March 30 – April 2,

2005. Commissioner Fritzsche suggested the Board of Commissioners consider sponsorship of the meeting, if the budget allows.

Commissioner Fritzsche reported he has been placed on the statewide interest group for the Blue Ribbon Task Force of the Marine Life Protection Act and participated in a two-hour conference call today with 20 other people who make up the committee. He asked if anyone was interested in applying to be an alternate for him on the committee to let him know, as he is one of the few committee members without an alternate. The primary function of this group is to get information out on the activities of the Marine Life Protection Act. The next meeting will be held by videoconference on January 10-11, 2004 at Gist Hall at HSU.

Commissioner Hunter reported he, along with various business and community representatives, participated in a College of the Redwoods/ Humboldt State University Economic forum where it was discussed how this geographic region could be enhanced in order to keep the area's young people here to attend college and attract higher paying jobs.

Commissioner Hunter reported he spoke about Harbor District activities at the Humboldt Bay Kiwanis Club.

Commissioner Hunter announced that he was elected to serve for three years on the Chamber of Commerce Board.

Commissioner Ollivier thanked the group of people who traveled to Oakland to attend the recent goods movement and clean air forum. He stated there will be an incredible cargo expansion of approximately 20-30% on the West Coast in upcoming years.

ADVISORY COMMITTEE REPORTS

Commissioner Fritzsche reported he attended the Interagency Coordination and Mariculture Monitoring Committee meetings on December 14th where four reports were presented. He stated the main concepts from Dr. Ruesink's presentation were 1) incredible growth of eelgrass, up to 2" per day, during the summer and 2) clear cutting eelgrass over sand bottom and mud bottom shows the eelgrass growing over sand bottom recovers more rapidly than over the mud bottom; Dr. Steve Rumrill's presentation concerned eelgrass and invertebrate effects of the different widths of long-line cultures showing 1) 1 ½' – 2 ½' widths have a negative effect on eelgrass growth and 2) 5' – 10' do not have a negative effect. The result of Dr. Rumrill's research was that in the future, best management practices prove that long-line cultures with wider spacing should be used. Dr. Dumbauld's research centered around fish, oyster beds and crabs in Washington State and the effects of oyster beds on these habitats. His research showed 1) primary habitat of Dungeness crab in Washington State is in bottom oyster culture beds and 2) it is difficult to catch salmonids in eelgrass beds. Randy Brown from the local office of the US Fish and Wildlife Service presented the findings of USFWS's research: 1) the research was supposed to define the use of eelgrass in Humboldt Bay as a habitat for salmonids, but no salmonids were caught in the eelgrass beds and 2) 8 long fin smelt were caught in the eelgrass beds which shows promise for a species which disappeared from Humboldt Bay 20-25 years ago for unknown reason. Commissioner Fritzsche stated the Mariculture Monitoring Committee recommended the Board of Commissioners approve the permit for Coast Seafoods.

Commissioner Hunter reported the Finance Advisory Committee (Commissioners Hunter and Fritzsche) met with CEO, District Treasurer and Administrative Assistant prior to tonight's meeting to discuss revisions to the Harbor District's 2004/05 Annual Budget since the Harbor District will lose \$227,000 per year for this fiscal year and next due to the State's mandatory property tax shift. Commissioner Hunter stated the 2004/05 Mid-Year Budget will be presented at the January 13, 2005 Board meeting.

OTHER

A. CONSIDERATION OF RESOLUTION 2004-15 COMMENDING DON ATTERBURY FOR 35 YEARS OF SERVICE AS SKIPPER OF SEA SCOUT SHIP 1 "YANKEE".

President Pellegrini read the resolution.

COMMISSIONER HUNTER MOVED FOR THE APPROVAL OF RESOLUTION 2004-15 COMMENDING DON ATTERBURY FOR 35 YEARS OF SERVICE AS SKIPPER OF SEA SCOUT SHIP 1 "YANKEE". COMMISSIONER CURLESS SECONDED. ROLL CALL VOTE WAS TAKEN:

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

MOTION CARRIED WITHOUT DISSENT.

B. CHANGE OF WATCH CEREMONY – SEA SCOUT SHIP 1 "YANKEE".

Brian Morrison read the "Skipper's Orders" and introduced Kevin Kleckner who will be replacing Don Atterbury as Skipper of Sea Scout Ship 1 "Yankee". Mr. Morrison then read the orders of the Vice Commodore and welcomed Mr. Atterbury as the new Vice Commodore of the Sea Scout Ship 1 "Yankee". Mr. Atterbury was also presented with a frame containing the original flag flown on the Sea Scout Ship 1 "Yankee".

NON-AGENDA

CEO presented an agenda item for consideration at tonight's meeting: Consideration of rejection of all bids for maintenance dredging of Woodley Island Marina and various Eureka Waterfront Sites. District Counsel stated this item is a matter necessitating immediate attention by the Board of Commissioners since it must be finalized prior to December 31, 2004.

COMMISSIONER FRITZSCHE MOVED THE APPROVAL OF ADDING AGENDA ITEM "NEW BUSINESS (I) CONSIDERATION OF REJECTION OF ALL BIDS FOR MAINTENANCE DREDGING OF WOODLEY ISLAND MARINA AND VARIOUS EUREKA WATERFRONT SITES. COMMISSIONER HUNTER SECONDED. MOTION CARRIED WITHOUT DISSENT.

UNFINISHED BUSINESS

A. CONSIDERATION OF ASSIGNMENT OF LEASE AND LESSOR'S CONSENT FOR ASSIGNMENT OF FUR BREEDER'S AGRICULTURAL COOPERATIVE TIDELAND LEASE TO HUMBOLDT BAY FOREST PRODUCTS.

COMMISSIONER CURLESS MOVED FOR THE APPROVAL OF ASSIGNMENT OF LEASE AND LESSOR'S CONSENT FOR ASSIGNMENT OF FUR BREEDER'S AGRICULTURAL COOPERATIVE TIDELAND LEASE TO HUMBOLDT BAY FOREST PRODUCTS. COMMISSIONER HUNTER SECONDED. MOTION CARRIED WITHOUT DISSENT.

NEW BUSINESS

A. CONSIDERATION OF CONFIRMATION OF DISTRICT'S SUBORDINATION OF CERTAIN TAX REVENUE TO FORTUNA REDEVELOPMENT AGENCY BONDS PER 1989 AGREEMENT.

District Counsel reported that in 1989 the Harbor District signed an agreement with the Fortuna Redevelopment Agency (FRA) whereby the Harbor District would subordinate the tax revenue received from the FRA in order for FRA to pay for its bonds. FRA's bond counsel is now asking the Harbor District to confirm the 1989 agreement in order for FRA to obtain current bonds.

COMMISSIONER CURLESS MOVED FOR THE APPROVAL OF CONFIRMATION OF DISTRICT'S SUBORDINATION OF CERTAIN TAX REVENUE TO FORTUNA REDEVELOPMENT AGENCY BONDS PER 1989 AGREEMENT. COMMISSIONER FRITZSCHE SECONDED.

David Elsebusch asked if the subordination is a waiver of revenue owed to the Harbor District. District Counsel stated that the subordination amounts to approximately \$800-\$1200 per year.

MOTION CARRIED WITHOUT DISSENT.

B. CONSIDERATION OF AMENDMENT TO HUMBOLDT BAY FOREST PRODUCTS TIDELAND LEASE NO. 1522.1.

COMMISSIONER OLLIVIER MOVED FOR THE APPROVAL OF AMENDMENT TO HUMBOLDT BAY FOREST PRODUCTS TIDELAND LEASE NO. 1522.1. COMMISSIONER CURLESS SECONDED.

District Counsel stated that this amendment of Humboldt Bay Forest Products' current lease incorporates the existing lease and increases the length of the lease to 25 years.

Commissioner Hunter stated the Board of Commissioners encourages quality businesses to expand and thereby help the local economy.

MOTION CARRIED WITHOUT DISSENT.

C. CONSIDERATION OF EXTENSION OF PERMIT NO. 03-01 TO SIMPSON TIMBER COMPANY FOR A CHIP EXPORT FACILITY.

District Counsel stated his firm does work for Simpson Timber Company, but he did not confer with either the Harbor District or Simpson Timber Company on this item.

COMMISSIONER OLLIVIER MOVED FOR THE EXTENSION OF PERMIT NO. 03-01 TO SIMPSON TIMBER COMPANY FOR A CHIP EXPORT FACILITY. COMMISSIONER CURLESS SECONDED.

CEO reported that Simpson Timber Company plans to build a chip export facility at the Simpson Fairhaven area that included modifying the dock, more pilings, and reutilizing some of the upland area. No work has been done; therefore, an extension has been requested.

Cynthia Elkins asked if this project was in compliance with CEQA requirements. CEO responded that SHN Consulting Engineers a couple of years ago completed a Mitigated Negative Declaration. Ms. Elkins then asked if there were any NEPA requirements and the CEO responded that there were not.

MOTION CARRIED WITHOUT DISSENT.

D. CONSIDERATION OF EXTENSION OF PERMIT NO. 03-05 TO NAIM AND LOUISE OBEJI FOR THE REMOVAL AND REPLACEMENT OF AN EXISTING BOAT RAMP AND LIFT AT EZ LANDING.

CEO reported this is the first extension of the permit. The Obejis have completed their upland work at EZ Landing in King Salmon and are preparing to begin the work in the water.

COMMISSIONER CURLESS MOVED FOR THE EXTENSION OF PERMIT NO. 03-05 TO NAIM AND LOUISE OBEJI FOR THE REMOVAL AND REPLACEMENT OF AN EXISTING BOAT RAMP AND LIFT AT EZ LANDING. COMMISSIONER HUNTER SECONDED. MOTION CARRIED WITHOUT DISSENT.

E. CONSIDERATION OF AUTHORIZING CHIEF EXECUTIVE OFFICER TO NEGOTIATE WITH OSCAR LARSON AND ASSOCIATES TO DEVELOP A WORK PLAN FOR IMPLEMENTATION OF HARBOR AND RAIL REVITALIZATION TASKS WITH THE PORT OF OAKLAND.

Ken Davlin of Oscar Larson & Associates stated that the foundation for a relationship with the Port of Oakland has been established by the Harbor District and now is the time to set goals, timelines, procedures to develop a program with the Port of Oakland. As part of Mr. Davlin's proposal, a condition would be included to prepare useful documentation in order to obtain grant efforts to help pay for these services.

Commissioner Fritzsche asked if it was premature to consider this type of project before the CEQA process is completed on the Harbor Revitalization Plan. District Counsel responded that he was not prepared to answer that particular question, but that the item was to authorize negotiations only with Mr. Davlin, not to enter into an agreement.

Commissioner Fritzsche then stated that since this is ultimately a work plan for partnership with the Port of Oakland that possibly the Port of Oakland would help pay for such a plan and possibly RFP's should be requested.

Mr. Davlin asked that the Harbor District consider exclusive negotiation with him because he already has a relationship with the Port of Oakland.

Commissioner Hunter stated that he doesn't feel ready to take action and suggested the Port of Oakland advisory committee meet with Mr. Davlin and CEO to discuss the work plan, get answers to the CEQA requirement questions and bring a specific recommendation back to the Board on January 13th.

COMMISSIONER CURLESS MOVED TO TABLE ITEM 10(E).

Commissioner Ollivier stated this is a critical time for the Harbor District and he felt the Board should pursue an agreement with Mr. Davlin because the CEO doesn't have the time available to negotiate with the Port of Oakland.

COMMISSIONER HUNTER SECONDED COMMISSIONER CURLESS'S MOTION.
MOTION CARRIED WITHOUT DISSENT.

F. CONSIDERATION OF EXTENSION OF PERMIT AND AGREEMENT FOR HUMBOLDT YACHT CLUB TO OPERATE DINGHY DOCK AT WOODLEY ISLAND MARINA.

CEO reported this is a one-year extension and the conditions of the original agreement remain in effect.

COMMISSIONER CURLESS MOVED FOR THE APPROVAL OF EXTENSION OF PERMIT AND AGREEMENT FOR HUMBOLDT YACHT CLUB TO OPERATE DINGHY DOCK AT WOODLEY ISLAND MARINA. COMMISSIONER OLLIVIER SECONDED. MOTION CARRIED WITHOUT DISSENT.

G. CONSIDERATION OF EXTENSION OF PERMIT NO. 1998-3 TO COAST SEAFOODS FOR MARICULTURE ACTIVITIES.

CEO reported this is a one-year extension of Permit No. 1998-3, which allows Coast Seafoods to conduct mariculture activities on Humboldt Bay. The Mariculture Monitoring Committee recommended approval of the one-year extension. CEO stated staff also recommends approval of the extension with the exception of removing the condition that states Coast Seafoods shall continue with the funding and facilitating the ongoing USFWS salmonid study, because within eight months the study will be complete and Coast Seafoods has already contributed their \$14,000 towards the study per the agreement.

COMMISSIONER CURLESS MOVED FOR THE APPROVAL OF EXTENSION OF PERMIT NO. 1998-3 TO COAST SEAFOODS FOR MARICULTURE ACTIVITIES AS AMENDED. COMMISSIONER OLLIVIER SECONDED.

Melvin McKinney stated he also attended the IAC and MMC meetings on December 14th and was disappointed in the report given by Dr. Steve Rumrill. Mr. McKinney said one important issue was not addressed and that was rack and bag vs. rack and post, but the study had already been developed when this issue was brought forth. He said another issue that should be openly discussed is the fact that there are no other mariculture leases on Humboldt Bay and this could become a discrimination order. Mr. McKinney recommended the Board approve the permit and keep the information gathering ongoing.

Commissioner Fritzsche stated there are still other permits Coast Seafoods has to obtain. In fact, the next agenda item begins the process for Coast Seafoods next permit. The Mariculture Monitoring Committee was set up as a result of the Mitigated Negative Declaration for this first permit and it remains to be seen if the MMC will be brought back for the new permit. He suggested that the MMC remain as a standing committee to provide guidance for all mariculture operators.

MOTION CARRIED WITHOUT DISSENT.

H. CONSIDERATION OF ACCEPTING FOR FILING PERMIT APPLICATION NO. 04-03 TO COAST SEAFOODS FOR MARICULTURE ACTIVITIES.

COMMISSIONER OLLIVIER MOVED FOR THE APPROVAL OF ACCEPTING FOR FILING PERMIT APPLICATION NO. 04-03 TO COAST SEAFOODS FOR MARICULTURE ACTIVITIES. COMMISSIONER CURLESS SECONDED. MOTION CARRIED WITHOUT DISSENT.

I. CONSIDERATION OF REJECTION OF ALL BIDS FOR MAINTENANCE DREDGING OF WOODLEY ISLAND MARINA AND TEN EUREKA WATERFRONT SITES.

CEO reported that in 1998 the Harbor District partnered with the City of Eureka on the maintenance dredging of Woodley Island Marina and 10 Eureka waterfront sites. A 10-year US Army Corps of Engineers permit was acquired which is still active. There are new endangered species and a California Coastal Commission permit is still needed to commence the dredging. The dredge window of time is January – April and three weeks

ago two bids were opened, assuming all required permits were forthcoming.
Unfortunately, it was confirmed earlier this week after the publication of the agenda, that

the California Coastal Commission will not address the dredge permit until at least their February 2005 meeting, which will not allow sufficient time for the dredging to be completed. Per the requirements of the bid documents, all bids must be rejected by December 30th (before the Harbor District's next meeting) or additional expenses will be incurred. The project can be re-bid when all permits are in hand.

COMMISSIONER FRITZSCHE MOVED TO REJECT ALL BIDS FOR MAINTENANCE
DREDGING OF WOODLEY ISLAND MARINA AND TEN EUREKA WATERFRONT
SITES. COMMISSIONER CURLESS SECONDED.

Penny Elsebusch asked if it is legitimate to reject the bids but reaccept them once the permits have been received. CEO responded that it is not, but the vendors can re-bid the project.

MOTION CARRIED WITHOUT DISSENT.

ADMINISTRATIVE AND EMERGENCY PERMITS: None

The Regular Meeting of the Board of Commissioners adjourned at 8:20 p.m.

APPROVED BY:

RECORDED BY:

Signature on File
Ronald A. Fritzsche, Secretary

Signature on File
Patricia L. Tyson, Admin. Assistant