

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

**9 November 2005**

**PRESENT:**

Commissioner Pellegrini  
Commissioner Fritzsche  
Commissioner Hunter  
Commissioner Ollivier

**ABSENT:**

Commissioner Curless

The Closed Session was called to order at 6:01 p.m. Closed Session adjourned at 6:17 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 lead those present in the Pledge of Allegiance.

District Counsel reported on the items discussed during Closed Session including the Coast Seafoods tideland lease renewal, Simpson tideland lease assignment, LP lease assignment, and the dredge line access agreement, but no action was taken.

**PUBLIC COMMENT**

Melvin McKinney suggested that the Harbor District should be looking at erosion that has occurred around the bay since 1998 and wondered if the Corps of Engineers could look at erosion problems in Humboldt Bay.

Penny Elsebusch noted that the Headwaters Board meeting was coming up on November 16. Penny also noted that the Harbor District's Redwood Dock Marine Terminal Modernization Project Headwater's grant application has been moved to the "Community Infrastructure Fund" part of the Headwater's program.

David Elsebusch asked to pull consent calendar item 6A.

General Schroedel, Division Commander of the South Pacific Division of the U.S. Army Corps of Engineers, gave a short presentation on his current visit to the north coast. General Schroedel has authority over ten western states and is visiting the north coast to review a number of important local issues.

Melvin McKinney asked about the Coast Seafoods biological opinion, which has been on hold by the National Marine Fisheries Service for nearly a year.

General Schroedel responded by stating that one of the main reasons he is here is to work on the Coast Seafoods application. General Schroedel noted that there were six thousand permit applications in his division last year and out of the six thousand many required consultation with National Marine Fisheries Service or the U.S. Fish and Wildlife Service. General Schroedel noted that delays in the permit process due to those agencies accounted for four to fourteen months each. He noted that years ago the Corps of Engineers took very little public input on projects and designed projects to fit what the Corps thought to be in the best public interest. He mentioned that today, the Corps of Engineers works to include public comment and work toward a compromise with developers to meet both good project goals and environmental protection. General Schroedel noted that the Corps of Engineers job is to issue permits and he also noted that National Marine Fisheries Service has assured him that the final biological opinion for Coast Seafoods should be delivered to the Corps of Engineers within a week or two.

General Schroedel also noted that with the upcoming Veterans Day holiday, everyone should thank a veteran for protecting the freedoms that we all enjoy in this country.

## CONSENT CALENDAR

COMMISSIONER OLLIVIER MOVED FOR THE APPROVAL OF THE CONSENT CALENDAR ITEM 6B.  
COMMISSIONER FRITZSCHE SECONDED. MOTION CARRIED WITHOUT DISSENT.

President Pellegrini asked the Board of Commissioners if they had any questions regarding item 6A. The commissioner's responded that they did not.

Commissioner Hunter asked Mr. Elsebusch to explain his request.

David Elsebusch noted that in the minutes for October 27, 2005 under the China Trip Report, he didn't see any reference to a figure that Ken Davlin had verbally noted regarding possible terminal upgrades to be at approximately \$100,000,000. Mr. Elsebusch stated that he thought \$100,000,000 was excessive and requested that the reference to this monetary amount be mentioned in the October 27, 2005 minutes.

MOTION CARRIED WITHOUT DISSENT.

## CEO REPORT

- ✓ CEO noted that on November 2<sup>nd</sup>-4<sup>th</sup> he had participated in the State's Goods Movement Action Plan Phase II effort in Sacramento. He recalled that during the Phase I portion of the Goods Movement Action Plan, the Port of Humboldt Bay had been recognized as the Northern Gateway for goods movement in California. The Phase II effort will develop an action plan that is intended to be to the Governor by mid-December 2005. The action plan will direct certain projects to improve goods movement in California. CEO noted that there were several positive results from attending this meeting. First, that the State of California knows who and where the Port of Humboldt Bay is, and that this recognition is a reflection of the multi-pronged awareness campaign that we have been conducting. Efforts made have included commenting on documents in detail, the Port of Humboldt Bay partnership with the Port of Oakland, Ken Davlin's work of integrating the Ports of Humboldt Bay, Oakland and the North Coast Railroad Authority, the port brochure, and the presentation and comments made to various legislators by the Port of Humboldt Bay in May of 2005. Secondly, CEO noted that the Harbor District at this Goods Movement meeting made several comments relative to the State's need to take advantage of underutilized port resources such as Port of Humboldt Bay in any goods movement strategies. Several people backed up these comments, most notably, Jim Spinosa, President of the ILWU. Lastly, there was a great deal of continued interest from the State in our port, and they left the door open for the Port of Humboldt Bay to get some short list projects considered for the final Phase II Goods Movement Action Plan.
- ✓ 10/31: Sara K Advisory Committee met and concluded that CEO ask the owner to get a written appraisal of the value of the vessel and asked District staff to estimate the repair costs before meeting again.
- ✓ 11/9: CEO reported that he chaired the Humboldt Bay Harbor Safety Committee meeting where a number of issues were discussed relative to bay charting, navigational aids improvement, and port security.
- ✓ 11/8: CEO met with representatives from the NCRA and their consultant team on railroad repairs and scheduling which included initiating a project to repair the breakwater along the railroad right-of-way just north of the Humboldt Bay Power Plant.
- ✓ CEO noted that he had been in contact with Will Edington, the Harbor District's advocate in Washington D.C., who reported that the Energy and Water appropriations are now out of the conference committee. It was reported that although the Harbor District had asked Congress for \$5,069,000 for federal fiscal year 2006, the conference committee is recommending \$4,582,000. According to one of our associations, the Pacific Northwest Waterway Association, all operation and maintenance activities in the Corps on the west coast were cut by approximately 8%, which is consistent with the cut that we received. The Corps of Engineers assured CEO that this was adequate funding to maintain the deep draft navigation channels in Humboldt Bay, and other Corps of Engineers structures during fiscal year 2006. CEO also noted that Congress had approved \$125,000 in the Long Term Shoal Management Study Project.
- ✓ CEO noted that for the first time in several months, two deep draft ships would be calling on the Port of Humboldt Bay this month, shipping paper pulp to Asia.

- ✓ CEO also noted that dredge sampling for the Woodley Island Marina Maintenance Dredging Project began last weekend and the sampling is progressing well.

## **DISTRICT COUNSEL'S REPORT**

District Counsel reported he had nothing to report.

**STAFF REPORT:** None

## **COMMISSIONER REPORTS**

Commissioner Fritzsche noted that the election was yesterday, and that Mike Wilson would now be representing Division Three of the Harbor District for the next term. Commissioner Fritzsche thanked the Humboldt Fisherman's Marketing Association, the oyster companies, Central Labor and others for supporting him in his campaign to retain the Third Division seat.

President Pellegrini noted that Commissioner Fritzsche is a class act and that she has learned a lot from him over his many years of service on the Board of Commissioners.

Commissioner Hunter, having retained the Fourth Division Harbor Commissioner seat in the recent election, thanked all that had voted for him and thanked Commissioner Fritzsche for all the years of help that he had provided to the Board of Commissioners, the Harbor District, and the community.

Commissioner Ollivier noted that he had learned a lot from Commissioner Fritzsche and considered him a special individual who helped to diversify the Board by reaching out to all the constituents. Commissioner Ollivier noted that the Commission will miss Commissioner Fritzsche, and he will be remembered as one heck of a team player. Commissioner Ollivier also noted that Mike Wilson should be able to learn a lot from the current Board members, and asked Commissioner Fritzsche not to be a stranger and drop by once in awhile.

Commissioner Hunter noted that there is one area that he knows Commissioner Fritzsche has a special love for and that is the Fields Landing Boat Yard. Commissioner Hunter asked staff to put on the agenda for the next meeting an action item that would name something at the Fields Landing Boat Yard in honor of Commissioner Fritzsche so that he is remembered for all the work that he has done for the District and that facility.

Commissioner Pellegrini reported that she would like to clear the air on an issue that Commissioner Fritzsche was picked on during the Humboldt Bay Management Plan planning process in regards to removing billboards from the areas around Humboldt Bay. She noted that through some comments received on the Management Plan, there was a perception that the Harbor District was neutral over removing the billboards. She stated that Commissioner Fritzsche is a class act, mainly due to the fact that during the review of the goals and policies of the Management Plan, it was recognized that every issue has two sides, noting that it took U.S. Fish and Wildlife Service thirty years to remove the billboards on their property. She continued that some people have a fondness for the billboards and that some people dislike them. Commissioner Pellegrini recounted that her husband's family has been in Humboldt County for nearly one hundred years and her husband's grandfather hand painted billboards for years from Del Norte County to Garberville, noting that what is ugly to some is not to others. Commissioner Pellegrini noted that she wishes that the public could see how the Commissioners work to compromise on issues when two sides are represented. Commissioner Pellegrini also noted that in the end the Harbor District didn't stay neutral, and that the policy states that no new billboards are to be installed on the fringe of Humboldt Bay, however the old ones would remain there until they fall down.

## **ADVISORY COMMITTEE REPORTS**

### **a) Port of Oakland Advisory Committee Update**

Ken Davlin noted that he had a conference call with Wilson Lacy, Maritime Director of the Port of Oakland, and that the Port of Oakland stands ready to work with the Port of Humboldt Bay on the request for a proposal to develop a feasibility study and business plan for the Redwood Dock Terminal. Mr. Davlin noted that he met with Richard Aschieris, Port Director for the Port of Stockton, on developing a barge relationship with the Port of Humboldt Bay. Mr. Davlin also noted that Fred Chien is continuing to converse with his Chinese contacts. Mr. Davlin noted that he has also attended a couple of

meetings with the North Coast Railroad Authority and feels the time is right to have the joint port/rail advisory committee begin meeting. Mr. Davlin reported on other relative projects including the status of the Willits bypass and the Confusion Hill bridge project. Mr. Davlin recommended that he feels the time is right to have Board members from the Port of Humboldt Bay and the Port of Oakland meet to discuss future business orientations between the two ports.

Commissioner Hunter recommended that the advisory committee look at setting up this meeting.

Pete Nichols asked about the Port of Oakland purchasing the Port of Sacramento and it's impacts on Humboldt Bay.

Mr. Davlin responded by stating that the Port of Sacramento is evaluating several offers at this time and has not made a decision as of yet. Mr. Davlin stated that he did not have any additional information beyond that.

Commissioner Ollivier noted that the Port of Sacramento has a depth problem and is limited to ships with a 28-foot draft.

Pete Nichols questioned if the Port of Sacramento was more attractive than the Port of Humboldt Bay to the Port of Oakland.

Mr. Davlin disagreed noting that the Port of Sacramento will not be a major hub due to water depth and transportation limitations.

Pete Oringer asked Mr. Davlin about the Willits Bypass.

Mr. Davlin responded that the Willits Bypass is approximately six miles long and approximately \$200,000,000 in costs.

Mr. Oringer noted that at that rate, the Willits Bypass would be roughly twice the cost of reestablishing rail service on the rail line from Willits to Humboldt Bay.

#### **b) Long-Term Sediment Management Study Update**

CEO noted that he had met with General Schroedel and had asked him to do everything in his power to help extend the deadline for the cost share agreement on the Long-Term Sediment Management Study Update project. As it is written now, the federal cost share agreement has a deadline of July 1, 2006 for the Harbor District to sign the document. CEO noted that although the Harbor District has initiated discussions with the California Association of Port Authorities in the State of California to develop a state share of the cost share program, it is highly unlikely that such a program will in place by July 1. General Schroedel was very receptive to this request and will report back to the CEO.

CEO also noted that on his recent trip to Sacramento, he made a visit to the California Association of Port Authority's office. During this visit he perused several of CAPA's old files to repackage relevant information developed during CAPA and the Harbor District's previous attempts at developing a state share of a federally authorized navigation project or navigation study.

#### **OTHER**

None.

#### **NON-AGENDA**

Commissioner Pellegrini noted that a non-agenda item has arisen which provides an opportunity for the Harbor District, however, the Board must first decide if they would like to put the item on the agenda.

District Counsel Paul Brisso noted that in order to put a non-agenda item on the agenda, the Board must agree by a 4/5 vote to add the item. He noted that since there are only four Commissioners present, all four of them

must be in favor of adding the particular item to the agenda. The item can then be considered under the regular agenda items.

President Pellegrini asked CEO for a short report of the issue.

CEO responded by noting that in April of 2005, the Harbor District had been encouraged by the Port of Oakland to accompany a China trade delegation hosted by the Governor of the State of California. The April trade trip was postponed until June, and then postponed again until November. At the last Board meeting, the CEO was instructed by the Board to follow up on the status of the China trip although the dates were not known at that time, and see if the Harbor District could possibly secure up to two seats on that trip. CEO noted that while he was in Sacramento last week, he followed up with the Governor's office and several other representatives to determine the status of the trip. CEO noted that Moss Bitner had done some groundwork that had saved the CEO some time in finding the people who were directly connected with establishing the trip. CEO noted that the Governor's office had told him on Friday the 4<sup>th</sup> of November, that there were no seats available for this trip, and although several weeks ago it appeared there had been a few spots available, those in fact turned out to be reserved for people who had at that time decided they would go, therefore closing the trip. November 4 was also the date of the publication of this meetings agenda, and therefore CEO informed a couple of Commissioners that the trip had been closed and that the Harbor District would not be able to go on this particular trip. CEO noted that there was one other person in the Governor's office who was out on Friday November 4 that may have had knowledge regarding future trips. On Saturday November 5, CEO emailed this person in the Governor's office and received a response on Monday November 7. This person in the Governor's office stated that in fact the Harbor District could have two seats on the China trip. CEO noted that since the opportunity to go on this trip was presented after the publication of the agenda, and if it is to be acted on, it needs to be acted on before the next board meeting, as the trip is planned for the week of November 14-19.

With that description, President Pellegrini asked CEO if the motion would then be to add an agenda item under new business item 10e, to consider attending the China trade delegation with the Governor. CEO responded that was correct.

COMMISSIONER OLLIVIER MOVED THAT THE COMMISSION FINDS THAT THERE IS A NEED TO TAKE IMMEDIATE ACTION ON THE ISSUE OF WHETHER THE DISTRICT SHOULD PARTICIPATE IN THE GOVERNOR'S TRADE DELEGATION TO CHINA, AND THE NEED FOR ACTION DID NOT COME TO THE ATTENTION OF THE DISTRICT UNTIL AFTER POSTING OF THE REGULAR MEETING AGENDA. COMMISSIONER HUNTER SECONDED. MOTION CARRIED WITHOUT DISSENT TO BE PLACED ON THE AGENDA AS ITEM 10E.

**UNFINISHED BUSINESS:** None

#### **NEW BUSINESS**

**A. CONSIDERATION OF EXTENSION OF PERMIT NO. 03-03 TO THE CALIFORNIA DEPARTMENT OF FISH AND GAME FOR THE ZOSTERA JAPONICA ERADICATION PROJECT.**

COMMISSIONER OLLIVIER MOVED FOR THE EXTENSION OF PERMIT NO. 03-03 TO THE CALIFORNIA DEPARTMENT OF FISH AND GAME FOR THE ZOSTERA JAPONICA ERADICATION PROJECT. COMMISSIONER HUNTER SECONDED.

District Counsel noted that this permit extension is for one year and asked if the motion maker would like to add that to the motion.

Commissioner Ollivier and Commissioner Hunter agreed on adding "one year" to the motion.

Commissioner Fritzsche asked Neil Kalson of the California Department of Fish and Game, what is the range of the exotic eelgrass *Zostera japonica*'s noting that it is extremely common in Newport, Oregon.

Mr. Kalson responded that the exotic eelgrass patch in Humboldt Bay is the first reported in California of that species.

Commissioner Fritzsche also asked about sampling peripheral locations.

Mr. Kalson responded that *Zostera japonica* occurs in higher intertidal areas, and so they sample locations that it would most likely be growing in.

Commissioner Fritzsche asked if *Zostera japonica* was elsewhere in Humboldt Bay as they only sampled small areas.

Mr. Kalson noted that it could be in other areas of Humboldt Bay but that they hoped it would show up in the biennial *Zostera marina*, the native eelgrass surveys.

Greg Dale noted that he and his staff haven't seen *Zostera japonica* anywhere else so it would likely not be anywhere else in Humboldt Bay.

MOTION CARRIED WITHOUT DISSENT.

**B. CONFIRMATION OF RENEWAL OF LEASE AND ACKNOWLEDGEMENT OF RENT INCREASES OF WATER BOTTOMS FOR AQUACULTURE TO COAST SEAFOODS COMPANY.**

COMMISSIONER FRITZSCHE MADE A MOTION TO RENEW THE LEASE AND ACKNOWLEDGE RENT INCREASES OF WATER BOTTOMS FOR AQUACULTURE TO COAST SEAFOODS. COMMISSIONER HUNTER SECONDED THE MOTION.

Melvin McKinney, a member of EPIC, voiced great concern and wanted a protest on record, noting that he was not aware of where the lease area was located in Humboldt Bay and alleged that no permits had been issued for such an activity. Mr. McKinney noted that he was not in favor of allowing continued use of tideland leases without the concurrent and various agencies and their permits. He suggested that they needed more information.

Commissioner Fritzsche noted that this issue was a lease issue and was not a permit issue.

District Counsel Paul Brisso added that although this action item sounds like a lease renewal, it is really a continuance of a lease that was started in 1983. The 1995 version of the lease allows this renewal if Coast Seafoods desires so. The 1995 lease was for a ten-year period, with two five-year extensions at the discretion and request of Coast Seafoods. Coast Seafoods has requested a five-year extension, so the only issue needing to be discussed is the lease amount. Mr. Brisso noted that cost of living and other increases to the lease have been included in this action.

Commissioner Hunter noted that there has been no change in the location and that the lease area is the same as it has been for the last twenty years. Commissioner Hunter suggested that District staff include relevant maps in future action items such as this one.

David Elsebusch asked if there were any more lease extensions.

District Counsel responded by stating that there is one more five-year extension possible on the 1995 tideland lease to Coast Seafoods.

Larry Evans of EPIC stated that they don't believe the Harbor District should automatically approve the lease, and accused Coast Seafoods of stalling on the acquisition of relevant permits with the California Coastal Commission and the U.S. Army Corps of Engineers.

District Counsel responded that this extension was agreed to in 1995 and that it is at the request of Coast Seafoods to extend it.

Greg Dale of Coast Seafoods urged the Harbor District Board to renew this lease, which originally has predated the Coastal Act, the Clean Water Act and the Harbor District. Greg Dale also noted that Coast Seafoods is not holding up the process with the Coastal Commission and the Corps of Engineers.

Mark Matteoli noted that Coast Seafoods would be fools if they did not have their tideland lease and would be spending money on developing aquaculture products in the bay, noting that they cannot operate if they don't have a lease.

MOTION CARRIED WITHOUT DISSENT.

**C. CONSIDERATION OF APPROVAL OF COMMERCIAL SERVICES AGREEMENT WITH COX BUSINESS SERVICES TO PROVIDE TELECOMMUNICATIONS SERVICES TO THE HARBOR DISTRICT'S FIELDS LANDING BOAT YARD.**

Commissioner Hunter recused himself as, although he would not benefit from this action, his wife works for Cox Communications, in a different division.

COMMISSIONER OLLIVIER MOVED FOR THE APPROVAL OF A COMMERCIAL SERVICES AGREEMENT WITH COX BUSINESS SERVICES TO PROVIDE TELECOMMUNICATIONS SERVICES TO THE HARBOR DISTRICT'S FIELDS LANDING BOAT YARD. COMMISSIONER FRITZSCHE SECONDED.

CEO noted that this agenda item provides the opportunity for Cox Cable to install Internet service to the Fields Landing Boat Yard facility as a first step toward including a remote surveillance system for this facility. CEO also noted that this service installation would be covered under the recently acquired port security grant.

Commissioner Ollivier asked what the savings might be from installing a remote security system in place of security guards. CEO responded that savings to the Harbor District could be as much as \$70,000 per year.

MOTION CARRIED WITHOUT DISSENT.

Commissioner Hunter returned to the meeting.

**D. CONSIDERATION OF APPROVAL OF CONTRACT WITH CENTRATION TO PROVIDE STATE MANDATED COST REIMBURSEMENT SERVICES.**

Commissioner Hunter confirmed that the Beth Hunter on the Centration contract is of no relation to him or his family.

COMMISSIONER HUNTER MOVED FOR APPROVAL OF CONTRACT WITH CENTRATION TO PROVIDE STATE MANDATED COST REIMBURSEMENT SERVICES. COMMISSIONER OLLIVIER SECONDED. MOTION CARRIED WITHOUT DISSENT.

**E. CONSIDERATION OF SENDING TWO HARBOR DISTRICT REPRESENTATIVES ON THE GOVERNOR'S CHINA TRADE MISSION.**

COMMISSIONER OLLIVIER MOVED THAT THE DISTRICT DESIGNATE PRESIDENT PELLEGRINI AND FRED CHIEN, IF HE IS WILLING TO ACCEPT THE REQUEST, AS THE DISTRICT'S REPRESENTATIVES ON THE GOVERNOR'S TRADE DELEGATION TO CHINA AND PAY THEIR REASONABLE TRAVEL EXPENSES INCURRED IN THAT ROLE. COMMISSIONER HUNTER SECONDED THE MOTION.

Commissioner Hunter added that it is time to put the District's money where its mouth is and that the Harbor District has been working on developing appropriate port facilities in Humboldt Bay and that this would be a great opportunity.

Vee Sorenson urged the Harbor District to go to China and urged the Board of Commissioners to do anything to create some business. She also stated that Commissioner Pellegrini was a good choice to represent the Harbor District.

Mark Matteoli agreed that the time is right and noted that Fred Chien is on the University Board and would be a good representative. Mr. Matteoli also noted that this provides an opportunity to meet Chinese contacts with the Governor and contacts with U.S. businesses. He noted that Fred Chien has great contacts and that this is a golden opportunity that the Harbor District should pursue.

David Elsebusch asked about additional details on Fred Chien.

Rod Sandretto, former Director of the Economic Development Department, noted that he remembered the Humboldt Bay area when there were many jobs. He noted that he didn't remember any proposal that would fill the bay with ships as was described earlier by Mr. Elsebusch.

Melvin McKinney noted that it was a good idea to take at least one representative that has a marketing background, and suggested that it should be Commissioner Hunter.

Pete Oringer thought that this was a great opportunity. He noted that he knows the value of making contacts and that this trip would help the Harbor District with determining what type of products, etc. that they need. He mentioned that relationships take years to create. Mr. Oringer also noted that this is a good opportunity to build relationships with representatives of the State of California.

Mr. Davlin noted that this China trip would be important, however it is also important to meet with people who would also be on the delegation representing businesses and services from across the State of California. He noted that those individuals and businesses might also be interested in looking at Humboldt Bay. In addition, he noted that the trip would provide a closer association with representatives of the State of California and that the concept of having the head of the Board go is a very important message in Chinese culture.

Penny Elsebusch thought that it was important to convince the Governor and the legislators to come up to the Humboldt Bay area. She suggested that Commissioner Pellegrini take informational items with her on the trip.

Commissioner Fritzsche followed up on Mr. Davlin's comments noting that it is very useful to have multiple interests represented on a trip such as this.

Commissioner Hunter thanked Mr. McKinney but thought that titles are important and stated that he has the utmost confidence in Commissioner Pellegrini and Fred Chien.

Commissioner Ollivier noted that we are not talking about paving the bay with containers but appropriate port growth to create jobs in a stable economic environment in Humboldt County.

Moss Bitner noted that he is pleased that the District is sending people on the China trade delegation. He also noted that he was pleased that Commissioner Pellegrini would be going. Mr. Bitner noted that he too has an opportunity to go and wondered if the Harbor District would be permissible of his attending the China trade delegation.

President Pellegrini noted that it was not a matter of permission as only herself and Mr. Chien would be representing the Harbor District on the trip.

**MOTION CARRIED WITHOUT DISSENT.**

**ADMINISTRATIVE AND EMERGENCY PERMITS: None**

The Regular Meeting of the Board of Commissioners adjourned at 8:52 p.m.

APPROVED BY:

\_\_\_\_ Signature on File \_\_\_\_\_  
Ronnie Pellegrini, President for  
Roy Curless, Secretary

RECORDED BY:

\_\_\_\_ Signature on File \_\_\_\_\_  
Patricia L. Tyson, Admin. Assistant