

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

**26 January 2006**

**PRESENT:**

Commissioner Pellegrini  
Commissioner Curless  
Commissioner Wilson  
Commissioner Hunter  
Commissioner Ollivier

The Closed Session was called to order at 6:00 p.m. Closed Session adjourned at 6:18 p.m.

The regular meeting of the Board of Commissioners was called to order by President Pellegrini at 7:00 p.m.

President Pellegrini led those present in the Pledge of Allegiance.

District Counsel reported on the items discussed during Closed Session: real property negotiations regarding the Redwood Dock property and lease with Evergreen Pulp; potential litigation regarding the vessel Yankee Girl and the Louisiana-Pacific tideland leasehold improvement removal; and a Personnel Matter, the CEO's Evaluation, but no action was taken. District Counsel stated that the final execution of the documents to be considered under New Business as Items E & F have not been received; and therefore, District Counsel asked for those items to be pulled for later consideration.

**PUBLIC COMMENT**

David Elsebusch asked what was the resolution to Commissioner Wilson's question during the January 12<sup>th</sup> meeting about the jurisdiction of the billboards that blew down during the December 31<sup>st</sup> storm. He also asked what triggered the meeting that Commissioners Pellegrini and Curless had with Supervisor Bonnie Neely and Kirk Girard from the County of Humboldt. President Pellegrini stated the discussion was about the Samoa Town wastewater treatment needs.

Pete Nichols stated the Baykeeper's comments regarding the Woodley Island Marina/City of Eureka Maintenance Dredging Project that will be presented to the Coastal Commission at their February 9, 2006 meeting. The comments centers around the composition of dredge sediments. Mr. Nichols said the Baykeeper feel the Harbor District is lacking some required permits and that there are some legal issues relative to compliance for disposal of the dredge materials. He also said the CEQA documents did not address salmonids in the Bay and "take" issues. Mr. Nichols said the Harbor District should consider the HOODS site for dredge disposal and should conduct a summer "trial" run to the HOODS site. He handed a copy of the Baykeeper's comments to the Board and said the Baykeeper would be willing to discuss these concerns with the Board of Commissioners.

Moss Bittner reported he would be attending two conferences next week: California Faster Freight Cleaner Air Conference, concerning issues surrounding port impacts on communities and the National Urban Freight Conference, which looks at efficiency issues. Mr. Bittner stated he is going on behalf of RAPIT and said he would be happy to carry forward any message from the Harbor District as the Board of Commissioners requests.

**CONSENT CALENDAR**

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

**CEO REPORT**

- √ 2/9: The California Coastal Commission will consider the permit application for maintenance dredging by the Harbor District and the City of Eureka.
- √ 1/13: CEO and Administrative Assistant met with the contract insurance agent for SDRMA for the storm damage incurred on December 31, 2005.

- √ 1/18: Bellingham Marine inspected the storm damage that occurred to the marina's breakwater and Dock A.
- √ 1/9: CEO chaired the Harbor Safety Committee meeting.
- √ CEO reported the Samoa Town Master Plan is in circulation. Comments regarding the plan are due to the County of Humboldt by March 3, 2006.
- √ 1/23: It was reported that the Coast Guard Cutter Aspen moved Buoy 2 back in its place in the Entrance Channel. Buoy 2 was displaced approximately 150 feet due to the December 31<sup>st</sup> storm.
- √ CEO reported the Corps of Engineers is currently performing winter hydrographic surveying in Humboldt Bay.
- √ 1/24: CEO attended the HCAOG Regional Transportation Plan Meeting.

Commissioner Hunter asked CEO to explain the Harbor District process regarding the Samoa Town Master Plan. CEO responded that the President will assign an advisory committee to meet and make recommendations to the Harbor District Board of Commissioners. Since the County's deadline is March 3<sup>rd</sup>, the recommendations would have to be considered at the February 23<sup>rd</sup> meeting.

President Pellegrini appointed Commissioners Curless and Hunter to the Samoa Town Master Plan Advisory Committee.

**DISTRICT COUNSEL'S REPORT:** None

#### **STAFF REPORT**

District Treasurer presented the Treasurer's Report for the period July 1 – December 31, 2005. He said the County Treasury's balance has decreased during this period due to the debt payments that were made.

Administrative Assistant presented the Management Report for the period July 1 – December 31, 2005.

#### **COMMISSIONER REPORTS**

Commissioner Wilson reported that he, CEO and Conservation Specialist will be working with a class of HSU students on bay projects, such as land uses relative to aquaculture and bay trails relative to water trails.

Commissioner Wilson said he is continuing to look into the issue regarding the downed billboards.

Commissioner Hunter said he attended a meeting with Senator Chesbro, along with Commissioner Ollivier and members of the RAPIT group, where discussion centered on the public works bond issue, port development and the railroad. He said Senator Chesbro was in favor of seeking support from the State and that it would be helpful to have the Port of Oakland show their support of NCRA. President Pellegrini reported that this will be one of the issues discussed with Port Director Wilson Lacy and the Board President of the Port of Oakland when they visit the Port of Humboldt Bay in February. Commissioner Hunter stated the Port of Humboldt Bay is on the State's radar and is an important factor in the State's intermodal transportation plan.

Commissioner Ollivier said that some failed dikes during the December 31<sup>st</sup> storm that caused railroad track damage need to be repaired. NCRA has a new Board President, Allan Hemphill. Commissioner Ollivier also expressed his concern for the Corps of Engineers' ability to survey the shoaling during this inclement weather.

President Pellegrini said the Eureka High School band is raising money for a trip to New York City and urged everyone to attend the Dance & Delectables event at the Adorni Center on Saturday, January 28<sup>th</sup>.

President Pellegrini stated that she had already made several presentations on her China trip and still has more to do. She thanked CEO and Conservation Specialist for their assistance with the presentations.

## **ADVISORY COMMITTEE REPORTS**

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

CEO reported that details are still being finalized for Port Director Wilson Lacy and Port of Oakland's Board President to visit in February.

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

CEO reported he and President Pellegrini met with Senator Chesbro and his assistant Zuey Goosby to discuss the Harbor District's 2006 Legislative Priorities which include a request for the State to develop a cost-share program to share in the local share of federally authorized navigation projects and investigations like the long-term sediment management program. Senator Chesbro's staff is investigating the request to see if can be included in one of the several proposed infrastructure bond proposals currently being considered by the legislature.

**OTHER:** None.

**NON-AGENDA:** None

**UNFINISHED BUSINESS:** None

## **NEW BUSINESS**

### **A. CONSIDERATION OF ASSIGNMENT, CONSENT TO ASSIGNMENT AND AMENDMENT TO LEASE PRC 3303.1 (AKA FAIRHAVEN TERMINAL) BETWEEN THE HARBOR DISTRICT, SIMPSON PAPER COMPANY AND SEQUOIA INVESTMENTS X, LLC.**

District Counsel reported that several months ago Simpson Paper Company sold the property to Sequoia Investments X, LLC. The documents were prepared for the assignment of the lease, but not submitted to the Harbor District until now due to various staff illness and Hurricane Katrina damage at Sequoia's main office.

COMMISSIONER OLLIVIER MOVED FOR THE APPROVAL OF ASSIGNMENT, CONSENT TO ASSIGNMENT AND AMENDMENT TO LEASE PRC 3303.1 (AKA FAIRHAVEN TERMINAL) BETWEEN THE HARBOR DISTRICT, SIMPSON PAPER COMPANY AND SEQUOIA INVESTMENTS X, LLC. COMMISSIONER CURLESS SECONDED.

Commissioner Hunter asked what will happen to the assignment after the termination date of 2010. District Counsel responded that the Board of Commissioners could renegotiate the contract if they desire.

Commissioner Wilson asked if the lease property was land or tideland and what is the current use. CEO responded that the property is submerged tidelands. Evergreen Pulp presently ships paper pulp to China through the Fairhaven Terminal.

Commissioner Wilson asked what the intended use would be. Randy Gans of Sequoia Investments X, LLC responded that they are hopeful Evergreen Pulp will be one of many users of the facility.

MOTION CARRIED WITHOUT DISSENT.

### **B. CONSIDERATION OF AGREEMENT AND CONSENT TO ENCUMBRANCING OF LEASE PRC 3303.1.**

COMMISSIONER HUNTER MOVED FOR THE APPROVAL OF AGREEMENT AND CONSENT TO ENCUMBRANCING OF LEASE PRC 3303.1. COMMISSIONER OLLIVIER SECONDED. MOTION CARRIED WITHOUT DISSENT.

**C. CONSIDERATION OF ASSIGNMENT OF LEASE AND CONSENT OF LANDLORD WITH COAST SEAFOODS.**

District Counsel reported Coast Seafoods has applied to Northwest Farm Credit Services for a loan and is using their lease interest as collateral for their ongoing business since their lease interest in the Harbor District property is an important part of their business. He said if Coast Seafoods stops paying their loan payments and the bank forecloses, the bank will be responsible for the tideland lease payments and will look aggressively for someone to take over the lease interest. District Counsel stated this document does not limit the Harbor District's rights within the lease agreement.

COMMISSIONER CURLESS MOVED FOR THE APPROVAL OF ASSIGNMENT OF LEASE AND CONSENT OF LANDLORD WITH COAST SEAFOODS. COMMISSIONER HUNTER SECONDED. MOTION CARRIED WITHOUT DISSENT.

**D. CONSIDERATION OF PERMIT AND AGREEMENT TO OPERATE *JENNA LEE'S SEAFOOD* AT WOODLEY ISLAND MARINA.**

CEO reported that last year's permit was a one-year permit and because of the success of the business, this permit would be for a period of three years.

COMMISSIONER OLLIVIER MOVED FOR THE APPROVAL OF PERMIT AND AGREEMENT TO OPERATE *JENNA LEE'S SEAFOOD* AT WOODLEY ISLAND MARINA. COMMISSIONER CURLESS SECONDED. MOTION CARRIED WITHOUT DISSENT.

**E. CONSIDERATION OF SETTLEMENT, RELEASE AND INDEMNIFICATION AGREEMENT TO LEASE PRC 4600.1 (AKA CHEMICAL DOCK) BETWEEN THE HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT; ABLE ADVANCE INTERNATIONAL LIMITED; EVERGREEN PULP AND LOUISIANA-PACIFIC CORPORATION.**

District Counsel asked the Board of Commissioners to postpone this item for consideration at a future meeting.

**F. CONSIDERATION OF LEASE AGREEMENT AND GUARANTY FOR LEASE 4600.1 (AKA CHEMICAL DOCK) BETWEEN THE HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT; EVERGREEN PULP AND ABLE ADVANCE INTERNATIONAL LIMITED.**

District Counsel asked the Board of Commissioners to postpone this item for consideration at a future meeting.

**G. CONSIDERATION OF CONDITIONAL SETTLEMENT AGREEMENT WITH LAURENCE BADGLEY, MD AND SAMOA MARITIME INDUSTRIES, INC.**

District Counsel reported Dr. Laurence Badgley purchased a derelict boat from the Harbor District at auction, but did not remove the boat from its stands at the Fields Landing Boat Yard and is in arrears with the rent. The agreement states that Dr. Badgley will remove the boat from the Fields Landing Boat Yard by March 1, 2006 and will pay back rent in the amount of \$12,000 at \$500 per month for 24 months. A check has been received from Dr. Badgley for the first installment of \$500. The documents presented to the Board of Commissioners include and agreement for President Pellegrini to sign.

COMMISSIONER CURLESS MOVED FOR THE APPROVAL OF CONDITIONAL SETTLEMENT AGREEMENT WITH LAURENCE BADGLEY MD AND SAMOA MARITIME INDUSTRIES, INC. AND AUTHORIZES PRESIDENT PELLEGRINI TO SIGN THE AGREEMENT AND ALL RELATED DOCUMENTS. COMMISSIONER OLLIVIER SECONDED. MOTION CARRIED WITHOUT DISSENT.

**H. ELECTION OF OFFICERS.**

President Pellegrini called for nominations for officers for the Harbor District Board of Commissioners.

Commissioner Curlless nominated Commissioner Pellegrini for President.

Commissioner Wilson nominated Commissioner Hunter for President.

President Pellegrini asked if there were further nominations and hearing none declared the nominations for President closed.

Commissioner Pellegrini received four Ayes for President.

Commissioner Hunter received one Aye for President.

**COMMISSIONER PELLEGRINI WAS ELECTED PRESIDENT.**

Commissioner Ollivier nominated Commissioner Hunter for Vice President.

President Pellegrini asked if there were further nominations and hearing none declared the nominations for Vice President closed.

Commissioner Hunter received a unanimous vote for Vice President.

**COMMISSIONER HUNTER WAS ELECTED VICE PRESIDENT.**

Commissioner Ollivier nominated Commissioner Curlless for Secretary.

President Pellegrini asked if there were further nominations and hearing none declared the nominations for Secretary closed.

Commissioner Curlless received a unanimous vote for Secretary.

**COMMISSIONER CURLLESS WAS ELECTED SECRETARY.**

**ADMINISTRATIVE AND EMERGENCY PERMITS: None**

The Regular Meeting of the Board of Commissioners adjourned at 7:52 p.m.

APPROVED BY:

\_\_\_\_ Signature on File \_\_\_\_\_  
Roy Curlless, Secretary

RECORDED BY:

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