

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

**26 October 2006**

**PRESENT:**

Commissioner Pellegrini  
Commissioner Curless  
Commissioner Wilson  
Commissioner Hunter  
Commissioner Ollivier

The Closed Session was called to order at 6:10 p.m. Closed Session adjourned at 6:32 p.m.

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

Kaye Strickland led those present in the Pledge of Allegiance.

District Counsel reported on the items discussed during Closed Session: real property negotiations and potential litigation - Shelter Cove Fish Cleaning station and real property negotiations - status of the Samoa Shops property. No action was taken on these items during Closed Session.

**PUBLIC COMMENT:** None

**CONSENT CALENDAR**

President Pellegrini pulled Consent Calendar Items 6(b) and 6(c) for further discussion.

COMMISSIONER CURLESS MOVED FOR THE APPROVAL OF ITEM 6(A) OF THE CONSENT CALENDAR. COMMISSIONER HUNTER SECONDED. MOTION CARRIED WITHOUT DISSENT.

Commissioner Wilson stated the invoice from Oscar Larson & Associates, Item 6(b) was for the month of June 2006 and he asked if this was the last invoice received from Ken Davlin. CEO responded this invoice finalizes Task Order #3, which was the work involved with the Headwaters Grant application for the Redwood Dock Marine Terminal Feasibility Study.

Commissioner Wilson stated there are two \$34 charges on the invoice from Oscar Larson & Associates that were incurred as negotiations for Task Order #4. Commissioner Wilson said the Harbor District should not pay Ken Davlin for negotiating with the Harbor District for his next job. He then asked for clarification of Samoa Dunes Habitat Restoration, which is a line item on the Pacific Affiliates invoice, Item 6(c) of the Consent Calendar. CEO responded Pacific Affiliate's oversaw a dune habitat restoration project that was a maintenance dredging mitigation measure.

Commissioner Wilson asked for future invoices to include tasks as well as rates.

COMMISSIONER HUNTER MOVED FOR THE APPROVAL OF ITEM 6(B) IN THE AMOUNT OF \$4,844.47 AND ITEM 6(C) OF THE CONSENT CALENDAR. COMMISSIONER CURLESS SECONDED. MOTION CARRIED WITHOUT DISSENT.

**CEO REPORT**

- 10/11-13: CEO attended the PNWA Annual Meeting in Tacoma, WA. CEO reported the Harbor District is the only California member of PNWA. He said PNWA generated all the information to take to Congress to get the dredge restrictions on the West Coast lifted. At this meeting, the PNWA leadership met with Dredge Contractors of America, who have previously opposed lifting the restrictions; and CEO stated the meeting was good, but it is uncertain at this point if Dredge Contractors of America have changed their thinking. At the PNWA meeting, CEO moderated a panel of Coast-wide application of oil spill regulations and also met with Columbia River Bar Pilots.

- 10/19-20: CEO attended a CAPA meeting in Long Beach. He said one of CAPA's functions is to approve tariffs and to assure compliance with the Federal Maritime Commission. The Harbor District's Pilotage Tariff was introduced and approved at this meeting. CEO reported Jerry Bridges of Port of Oakland is this year's President and CEO is the Vice President.
- 10/24-26: CEO and Don Leonard attended the Cruise the West meeting in Seattle and met with cruise line executives. CEO reported the meeting was an opportunity to get feedback on itineraries that were developed and distributed at the SeaTrade conference in March in Florida.
- 10/16: The Bar Pilots started their employment with the Harbor District. Their current task is to review and update the Facility Security Plan for the Redwood Dock.
- The Shelter Cove Breakwater Rehabilitation Project EIR will be considered for adoption by the Board of Commissioners at their November 9<sup>th</sup> meeting. CEO stated four comments were received and included in the Final EIR.
- CEO reported he would meet with Wilson Lacy of the Port of Oakland in early November to discuss the MOU between the two ports.
- 10/14-15: Even though there was inclement weather, CEO said the Harbor District booth at the Paddlefest was a success. Public input was solicited on Humboldt Bay water trails and CEO reported several people responded.
- 10/9: Mobilization for the maintenance dredging began. CEO reported a pre-dredge meeting took place on October 24<sup>th</sup> and it is expected the dredging will begin in early November.

**DISTRICT COUNSEL'S REPORT:** None

**STAFF REPORT:** None

### **COMMISSIONER REPORTS**

Commissioner Wilson reported Paddlefest was a success and the Harbor District's booth contained nice displays, including a questionnaire for public input on water trails.

Commissioner Hunter reported he attended a RREDC meeting where the manager of the Eureka/Arcata Airport spoke on the expansion of the airport terminal and runway.

Commissioner Hunter reported he attended a Chamber of Commerce Board meeting, where the Board was presented with a letter asking the Chamber to take a position supporting the billboards along Highway 101 between Eureka and Arcata.

President Pellegrini said she appreciated the DVD given to the Board of Commissioners by the Bar Pilots, which showed the Bar Pilots at work. She offered to loan her DVD to anyone interested.

President Pellegrini said she recently had an opportunity to experience "blogging" and learned it is a popular way to communicate on the computer. She was able to clarify the Harbor District's hiring of the Bar Pilots to some inquiring bloggers and the importance of their employment to the future of Humboldt Bay.

President Pellegrini said she was happy to see Mr. Elsebusch in the audience since she had heard he recently had been very ill.

### **ADVISORY COMMITTEE REPORTS**

Commissioner Wilson reported the Website Advisory Committee met with Doug Renwick of Copia Group and Conservation Specialist and he said he was pleased with the progress of the Harbor District's new website. CEO stated staff will make a presentation on the new website to the Board of Commissioners at their November 9<sup>th</sup> meeting.

Commissioner Hunter reported the Strategic Plan Advisory Committee met earlier this evening and is finalizing the list of names for the planning committee to be presented for Board approval at their November 9<sup>th</sup> meeting.

## **OTHER**

Commissioner Hunter introduced Moss Bittner and said he would like Mr. Bittner to have the opportunity to address the Board.

Mr. Bittner gave a report on upcoming bond issues discussed at two recent meetings he attended and their importance to the port and the rail.

Commissioner Wilson asked Mr. Bittner to clarify his relationship to the Harbor District. Mr. Bittner said he is a citizen participating in RAPIT, a support group for the port and rail. Mr. Bittner did suggest the Harbor District consider hiring someone to represent the Harbor District's interests at various transportation infrastructure meetings.

**NON-AGENDA:** None

**UNFINISHED BUSINESS:** None

## **NEW BUSINESS**

### **A. CONSIDERATION OF GRANT AGREEMENT BETWEEN THE COUNTY OF HUMBOLDT AND HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT.**

CEO reported this would be the last step in the Headwaters Fund Grant application process to engage a consultant team to prepare a feasibility study on the Redwood Dock Marine Terminal.

COMMISSIONER HUNTER MOVED FOR THE APPROVAL OF GRANT AGREEMENT BETWEEN THE COUNTY OF HUMBOLDT AND HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT. COMMISSIONER OLLIVIER SECONDED.

Commissioner Wilson asked if the Board of Commissioners had reviewed the draft grant application. CEO responded the Redwood Dock Advisory Committee reviewed the application and the Board of Commissioners reviewed the document in September 2005.

Commissioner Wilson said he noticed one of the purposes of the feasibility study is for the consultant to seek out uses for the marine terminal. He said it was important for the Board of Commissioners to keep their options open. Commissioner Wilson also stated in the Harbor Revitalization Plan container barging was categorized as "unattractive market segment" and that something must have changed in the last three years since the Plan was approved to change the market.

Commissioner Ollivier responded the Port of Humboldt Bay, while once a break bulk port, times have changed to where container shipping is now considered viable. CEO stated one of the main things that have changed since the report was the purchase of the pulp mill by Evergreen Pulp purchased in November 2004, which changed the local shipping environment.

Commissioner Hunter stated another change is the Port of Humboldt Bay has begun a relationship with the Port of Oakland, going from a competitor to a partner; and the port has moved from a small niche port to being marketed as part of the State's transportation system.

Commissioner Wilson then asked about a possible change in zoning referred to in the grant application. CEO responded the coastal development industrial zoning would be the primary consideration; however, the study may also consider a zoning change for other options, as in the negotiations for the Samoa Shops Property for the Blue Ox Millworks or Timber Heritage Museum.

Commissioner Hunter stated the Headwaters Fund Grant Committee has approved the Harbor District's application, the Board of Supervisors has approved the application and this is the opportunity for the Board of Commissioners to approve the agreement. He said if the agreement is not approved by the Board of Commissioners, the grant will be eliminated and the Board does not get a second chance. Commissioner Wilson responded the \$200,000 grant should not be approved for the wrong purpose.

Commissioner Hunter replied that is why it is so important to carefully choose the consultant to develop the feasibility study and business plan.

MOTION CARRIED WITHOUT DISSENT.

**B. CONSIDERATION OF APPROVAL OF TASK ORDER NO. 4 WITH OSCAR LARSON AND ASSOCIATES FOR CONSULTING SERVICES RELATED TO THE REDWOOD MARINE TERMINAL FEASIBILITY STUDY AND BUSINESS PLAN AND BUILDING 14 REPAIR.**

CEO reported this is the last of the task orders relative to the Headwaters Fund grant. CEO said Task Order No. 4 accomplishes two major matters: 1) assist CEO in development of the feasibility study and business plan for the Redwood Marine Terminal property and 2) provide engineering support services for the repair of Redwood Marine Terminal Building 14.

Commissioner Wilson asked if this proposal was based on the Anvick report of the storm damage to Building 14; and if so, why wouldn't Mr. Anvick be hired for this function instead of Ken Davlin. CEO responded the Anvick report was used for the analysis of the damage and it would be a poor use of Mr. Anvick's talents to develop the specifics for the RFQ.

Commissioner Wilson said he felt the Board was going through a de facto hiring of a District Engineer without going through a formal hiring process and he was also concerned about a public perception of partiality since the Task Order stated Mr. Davlin would be reviewing and editing the consultant's final work product.

President Pellegrini stated Mr. Davlin would be assisting CEO. CEO stated the Redwood Dock Advisory Committee, Board of Commissioners, Port of Oakland and the County representative would all review the study for approval.

Commissioner Wilson stated he was not clear about the relationship with the Port of Oakland and he said it is not clear what their role is without a formalized agreement. CEO said the Port of Oakland is very interested in this project and have already spent \$70-80,000 on reports on the Port of Humboldt Bay, which shows Port of Oakland has a vested interest.

Commissioner Ollivier said if the Harbor District had not acquired the property, this opportunity for the Headwaters Fund grant and enhance the port would not be a reality. He said he was proud to be a part of such a progressive Board.

**COMMISSIONER OLLIVIER MOVED FOR THE APPROVAL OF TASK ORDER NO. 4 WITH OSCAR LARSON AND ASSOCIATES FOR CONSULTING SERVICES RELATED TO THE REDWOOD MARINE TERMINAL FEASIBILITY STUDY AND BUSINESS PLAN AND BUILDING 14 REPAIR. COMMISSIONER CURLESS SECONDED.**

David Elsebusch handed the Board a written statement as follows: "If I had any idea that Ken Davlin would be paid \$31,000 of the \$200,000 Headwaters grant and be virtually in control of the feasibility study, I would have adamantly opposed the grant. Davlin is so closely tied to the harbor District and receives so many no-bid jobs, he can't be considered independent. What is needed is truly independent, objective study – including a cost-benefit analysis that could even result in a conclusion that it is not economically feasible to restore the dock. That would likely not happen if Davlin was in charge, as he would look forward to endless no bid jobs, ensuring a continuing flow of revenue for him. One of the reasons I am biased against Davlin is that he was involved in the original faulty engineering of the big blue Fields Landing building that required virtual reconstruction, and he was rewarded by engineering work to restore it! If your board approves the appointment of Davlin, the district will sink into the category of being hopelessly corrupt."

CEO restated Mr. Davlin would only be tasked with assisting CEO with the process of hiring a consultant team and the report would come from that third party consultant. CEO also stated the \$31,000 is part of the Harbor District's match agreed to in the grant and would not be funded from the grant.

Commissioner Hunter stated in response to Mr. Elsebusch's accusation, "We are not corrupt. This district is not corrupt, nor is anyone associated with the Harbor District." He also stated five Board members are in charge of the project, not one consultant.

Commissioner Wilson said he did not agree with Mr. Elsebusch's statements, but is concerned with the public's perception.

Kaye Strickland stated Ken Davlin has the background information to do the job and she is pleased it is finally happening because this is what the Headwaters Fund was intended for. She said the completion of the Redwood Dock Marine Terminal will help with the restoration of the railroad.

Penny Elsebusch said the Harbor District hired Chad Roberts for the Humboldt Bay Management Plan; and since the feasibility study and business plan for the Redwood Dock Marine Terminal are similar to the Management Plan, Mr. Roberts should also be involved in this project. She said she is concerned with Mr. Davlin working with the chosen consultant team because it the report would not be independent.

President Pellegrini asked if Commissioner Ollivier would like to change the motion to delete the word "edit" from Item 2.1.e of Task Order #4.

COMMISSIONER OLLIVIER AMENDED HIS ORIGINAL MOTION TO APPROVE TASK ORDER NO. 4 WITH OSCAR LARSON AND ASSOCIATES FOR CONSULTING SERVICES RELATED TO THE REDWOOD MARINE TERMINAL FEASIBILITY STUDY AND BUSINESS PLAN AND BUILDING 14 REPAIR, WITH THE DELETION OF THE WORD "EDIT" FROM ITEM 2.1.E. COMMISSIONER CURLESS SECONDED.

Commissioner Ollivier stated the Port of Oakland would help the Port of Humboldt Bay if asked. He said it is typical for the larger ports to assist the smaller ones.

MOTION CARRIED WITH COMMISSIONER WILSON DISSENTING.

#### **ADMINISTRATIVE AND EMERGENCY PERMITS**

CEO reported the Reclamation District has applied for a permit for levee repair; however, some of the work must be done this winter to prevent failure of the levee. Therefore, Emergency Permit E-2006-02 was granted to the Reclamation District 768 for levy repairs.

The Regular Meeting of the Board of Commissioners adjourned at 8:26 p.m.

APPROVED BY:

RECORDED BY:

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Signature on File  
Roy Curless, Secretary

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Signature on File  
Patricia L. Tyson, Admin. Assistant