

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

28 June 2007

PRESENT:

Commissioner Pellegrini
Commissioner Curless
Commissioner Hunter
Commissioner Ollivier

ABSENT:

Commissioner Wilson

The Closed Session was called to order at 6:12 p.m. Closed Session adjourned at 6:28 p.m.

President Curless called the regular meeting of the Board of Commissioners to order at 7:01 p.m.

President Curless asked Commissioner Ollivier to lead those present in the Pledge of Allegiance.

In District Counsel's absence, CEO reported the Closed Session items as follows: Real Property Negotiations – Shelter Cove recreational property: action to be considered on this agenda; Fields Landing property negotiations: no action was taken on this item.

PUBLIC COMMENT: None

CONSENT CALENDAR

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

CEO REPORT

- ∅ CEO stated this last year has been a banner year for the Harbor District. It is the end of the fiscal year and many noteworthy projects were completed including:
 - Woodley Island Marina maintenance dredging
 - Humboldt Bay Management Plan
 - 2007-2012 Strategic Plan development has begun
 - \$2 million in grant funding was obtained, including a \$1.7 million grant for the Shelter Cove Breakwater Rehabilitation Project. CEO projected the Notice to Proceed on this project will be given at the end of July
 - Staff reorganization was approved
- ∅ 6/21: the final outreach meeting for the Strategic Plan was held. The next meeting will be on July 10th and the committee will begin the process of plan development.

DISTRICT COUNSEL'S REPORT: None

STAFF REPORT: None

COMMISSIONER REPORTS

Commissioner Pellegrini reported she spent the last week camping with her family in southern Trinity County.

Commissioner Pellegrini reported there was a meeting on June 26th regarding the funds to be disbursed to those affected by the salmon disaster.

Commissioner Pellegrini said National Geographic magazine called her to say they were doing an article on restoration of fishing on the Klamath River. For the article, they want to take a picture of Paul Pellegrini and their daughters on their fishing boat.

Commissioner Pellegrini reported the Final Humboldt Bay Management Plan and Executive Summary are ready for distribution. She said the Plan gives the Harbor District its marching orders into the future to care for public resources.

Commissioner Hunter said earlier in the week he was notified one of his family's fishing vessels located in Oregon was transmitting a distress signal. Apparently the Coast Guard, during an inspection, inadvertently set it off.

Commissioner Hunter attended a RREDC meeting where Jacqueline Debets from the County of Humboldt identified six targets of opportunity in Humboldt, Del Norte and Trinity Counties. He said there was no mention of shipping/commercial activity or fishing.

Commissioner Hunter attended a Chamber of Commerce meeting on June 28th where Charles Fielding, District 1 Director of CalTrans, spoke on various local projects.

Commissioner Ollivier attended a NCRA meeting in Healdsburg on June 11th. On June 29th he participated in a phone conference to vote on a contract approval for 59 railroad crossing lights to be installed between Shellville and Windsor. Commissioner Ollivier also reported two new NCRA Board members are from Marin County.

President Curles reported plans are underway for the Fortuna Rodeo in July.

ADVISORY COMMITTEE REPORTS

President Curless reported he and Commissioner Hunter attended the Strategic Plan Advisory Committee meeting on June 21st. The information gathered from the past meetings will be combined and the committee will meet again on July 10th. Commissioner Hunter stated the meeting on July 10th would not be an outreach meeting, but a committee discussion of the information from the previous meetings.

Commissioner Pellegrini reported the Human Resources Advisory Committee met to discuss the applications received for the Director of Maritime Commerce position and to interview Wilson Lacy for the position. The results of that meeting will be considered under New Business during this meeting.

OTHER: None

NON-AGENDA: None

UNFINISHED BUSINESS

A. SECOND READING AND ADOPTION OF THE FY 2007/08 BUDGET.

District Treasurer stated the summary of the FY 2007/08 Budget as follows: Revenue \$3,069,163; Operating Expenses \$2,279,551; Non-Operating Expenses \$1,857,333; Excess Revenues under Expenses (\$1,067,721); Transfers for Capital Expenditures from Fund Balance Designations \$448,000; and Total after Transfers (\$619,721).

Commissioner Hunter asked about the status of the current year budget compared to actual. District Treasurer responded there are no final figures at this point, including tax revenue figures from the County of Humboldt. CEO stated over \$2 million was paid for the Woodley Island Marina Maintenance Dredging Project.

COMMISSIONER PELLEGRINI MOVED FOR THE ADOPTION OF THE FY 2007/08 BUDGET.
COMMISSIONER HUNTER SECONDED.

David Elsebusch asked if the revenue and expenses have been tracked for the bar pilots since their hiring. District Treasurer stated the revenue is a line item in the budget and changes. Mr. Elsebusch

asked if a net loss is projected for the first six months of the pilots' employment and District Treasurer replied affirmatively.

MOTION CARRIED WITHOUT DISSENT.

NEW BUSINESS

A. CONSIDERATION OF RESOLUTION 2007-07 MAKING FINDINGS RELATIVE TO THE APPLICATION BY THE CITY OF ARCATA FOR THE MCDANIEL SLOUGH WETLAND ENHANCEMENT PROJECT.

CEO stated City of Arcata employees Juli Neander and Mark Andre have offered to make a presentation on this project to the Board of Commissioners at their July 26th meeting. He said the majority of the work on this project is out of the Harbor District's jurisdiction; but the portion of the project within the District's permitting jurisdiction is consistent with the policies of the Humboldt Bay Management Plan.

COMMISSIONER OLLIVIER MOVED FOR THE APPROVAL OF RESOLUTION 2007-07 MAKING FINDINGS RELATIVE TO THE APPLICATION BY THE CITY OF ARCATA FOR THE MCDANIEL SLOUGH WETLAND ENHANCEMENT PROJECT. COMMISSIONER PELLEGRINI SECONDED.

Pete Oringer cautioned the Harbor District, as well as other public agencies, to make sure all local agencies are invited to comment on projects, even if the project is out of their jurisdiction. He said promotion of cross communication is important.

ROLL CALL VOTE WAS TAKEN:

COMMISSIONER PELLEGRINI – AYE
COMMISSIONER CURLESS – AYE
COMMISSIONER WILSON – ABSENT
COMMISSIONER HUNTER – AYE
COMMISSIONER OLLIVIER – AYE

MOTION CARRIED WITHOUT DISSENT.

B. CONSIDERATION OF PERMIT 07-01 TO THE CITY OF ARCATA FOR THE MCDANIEL SLOUGH WETLAND ENHANCEMENT PROJECT.

COMMISSIONER OLLIVIER MOVED FOR THE APPROVAL OF PERMIT 07-01 TO THE CITY OF ARCATA FOR THE MCDANIEL SLOUGH WETLAND ENHANCEMENT PROJECT. COMMISSIONER PELLEGRINI SECONDED. MOTION CARRIED WITHOUT DISSENT.

C. CONSIDERATION OF APPROVAL OF EMPLOYMENT AGREEMENT WITH WILSON LACY FOR THE POSITION OF DIRECTOR OF MARITIME COMMERCE.

Commissioner Hunter reported the Human Resources Advisory Committee met and interviewed Mr. Lacy for the position of Director of Maritime Commerce. He said they were concerned with two issues: finding someone with extensive experience in international marketing of ports and finding a candidate who can easily work with other entities. He said it was the Human Resource Advisory Committee's unanimous decision to recommend Wilson Lacy for this position. Commissioner Hunter stated hiring Mr. Lacy is a prudent investment in the future of the port.

COMMISSIONER HUNTER MOVED FOR THE APPROVAL OF EMPLOYMENT AGREEMENT WITH WILSON LACY FOR THE POSITION OF DIRECTOR OF MARITIME COMMERCE. COMMISSIONER PELLEGRINI SECONDED.

Commissioner Pellegrini said the Board of Commissioners has past experience working with Mr. Lacy while the Director of Maritime for the Port of Oakland. She said Mr. Lacy will assist the CEO with marketing the port and it is another step in the Board's investment into the community and obligation to

the public. Commissioner Pellegrini said Humboldt County has suffered an economic decline and it will not take many more ships to bring a positive cash flow to the Harbor District.

Commissioner Ollivier said many Northwestern ports have made positive changes over the past several years, mostly due to increased trade with China. Mr. Lacy has many contacts in the industry that will be beneficial to the Harbor District.

Mike Buettner said he understands the Board's commitment and intentions, but he said the Board needs to pay attention to their constituents and look for investments that can make a return.

Kaye Strickland said she is in favor of hiring Wilson Lacy because he can help the Harbor District with their goals to promote the port. She also said the Timber Heritage Association would like to keep their lease on the Redwood Dock property; the rail will bring in jobs and tourists.

Pete Oringer said he applauds the Board's proactive, not reactive, step to address the area's economic future and that hiring Mr. Lacy would be similar to the hiring of the bar pilots; without the bar pilots there would be no harbor. He said the Board has a vision and is trying to implement the vision within restraints. He asked where Mr. Lacy would live. Commissioner Pellegrini stated Mr. Lacy will live in Eureka and will report to the CEO. Mr. Oringer said he would encourage Mr. Lacy to interface in public meetings.

Commissioner Hunter stated within Mr. Lacy's scope of work is to market the port locally and internationally and he will participate in user group meetings, service clubs, Citizens for Port Development, etc.

Jennifer Kalt, representing Humboldt Baykeeper, read a letter of opposition from Pete Nichols.

Rod Sandretto said he commended the Board of Commissioners and Mr. Lacy is an outstanding candidate who, through his efforts, can help improve the local economy.

Larry Henderson thanked and applauded the Board of Commissioners for doing the right thing.

Bill Bertain said he commended the action item to hire Wilson Lacy and it is a big step for the community. He said Mr. Lacy has an appreciation for the potential of the port and it is an excellent opportunity to make use of his talent. He said recreation and conservation will be enhanced and balanced by his work because more shipping will bring more revenue into the Harbor District allowing for more recreation- and conservation-related projects. He said increased shipping will be a positive move towards good employment results. Mr. Bertain said RAPIT supports and welcomes Mr. Lacy to the community.

David Elsebusch said it looked as though "the fix is in." He said he looked at Mr. Lacy's resume and it appears he is overqualified for Director of Maritime Commerce as well as overqualified for the CEO's position. He asked if the budget reflected an increase in travel expense attributed to Mr. Lacy. Mr. Elsebusch said he is ambivalent to Mr. Nichols' comments since he is an obstructionist; however he said it is difficult to disagree with Mr. Nichols' letter which states the Board is "putting the cart before the horse." There is no dock, no railroad.

Bill Bertain said there will be no port development without marketing to bring investors and show people there is a future here. It is the right step at the right time.

Melvin McKinney said Wilson Lacy was one of the first to say without a railroad there will be no port. He said he hopes and prays the gamble is as good as the Board is guessing. He wished the Board luck.

Penny Elsebusch said if two more ships per month are brought in, the revenue will outweigh the expense. She said she would've like to see the hiring done after the feasibility study, which will show the direction the Board should pursue.

MOTION CARRIED WITHOUT DISSENT.

D. CONSIDERATION OF APPROVAL OF AMENDMENT 1 TO EMPLOYMENT AGREEMENT WITH DAVID HULL.

COMMISSIONER HUNTER MOVED FOR THE APPROVAL FO AMENDMENT 1 TO EMPLOYMENT AGREEMENT WITH DAVID HULL. COMMISSIONER OLLIVIER SECONDED.

Commissioner Hunter said it is important to recognize the "Captain of the Ship."

David Elsebusch asked what Mr. Hull's current salary is. Commissioner Hunter stated approximately \$90,000. Mr. Elsebusch said Mr. Hull's salary is disproportionate to Mr. Lacy's.

MOTION CARRIED WITHOUT DISSENT.

E. CONSIDERATION OF AUTHORIZING LEGAL COUNSEL TO SEEK A COURT ORDER TO OBTAIN AN APPRAISAL OF THE SHELTER COVE FISH CLEANING STATION EASEMENT PRELIMINARY CONDEMNATION ACTION.

District Counsel reported in 1985 the Harbor District worked with the Coastal Commission, Shelter Cover Resort Improvement District and Mario's Marina to obtain a grant for the fish cleaning station because there was a huge demand by the community. The Harbor District was the point agency and had a 20-year agreement with Mario Machi, owner of the marina. The current property owners no longer want the fish cleaning station on their property even though the Harbor District has an easement in order to clean the station and the Harbor District has tried for a couple of years to find another location with no success. Consideration was given to dismantling the station, but the community has expressed their concern about that as well. District Counsel stated an appraisal is necessary to find out if the condemnation would be cost-effective. Consent for the appraisal was denied by the property owners, so the next step is to proceed forward to get a court order for the appraisal. He said at the May 17th Resort Improvement District Board meeting, a resolution was passed with audience approval to urge the Harbor District to do whatever is necessary to keep the fish cleaning station in its current setting.

David Elsebusch asked if this is the "notorious" eminent domain. District Counsel replied yes it is, but there is great public support in Shelter Cove.

MOTION CARRIED WITHOUT DISSENT.

F. CONSIDERATION OF AMENDMENT 1 TO AGREEMENT WITH SHN CONSULTING ENGINEERS AND GEOLOGISTS FOR STORM WATER MONITORING AND PLANNING AT WOODLEY ISLAND MARINA AND FIELDS LANDING BOAT YARD.

COMMISSIONER PELLEGRIN MOVED FOR APPROVAL OF AMENDMENT 1 TO AGREEMENT WITH SHN CONSULTING ENGINEERS AND GEOLOGISTS FOR STORM WATER MONITORING AND PLANNING AT WOODLEY ISLAND MARINA AND FIELDS LANDING BOAT YARD, NOT TO EXCEED \$8,300.00. COMMISSIONER HUNTER SECONDED. MOTION CARRIED WITHOUT DISSENT.

G. CONSIDERATION OF APPROVAL OF GRANT AGREEMENT WITH THE CALIFORNIA DEPARTMENT OF FISH & GAME FOR VESSEL SIMULATION PROJECT.

CEO reported vessel simulation information is needed by the Harbor District. He said CA Department of Fish and Game, Office of Spill Prevention and Response (OSPR) has need for the same information and will pay for the two bar pilots to travel to Seattle to participate in vessel simulation training, at no cost to the Harbor District.

COMMISSIONER HUNTER MOVED FOR THE APPROVAL OF GRANT AGREEMENT WITH THE CALIFORNIA DEPARTMENT OF FISH & GAME FOR VESSEL SIMULATION PROJECT. COMMISSIONER OLLIVIER SECONDED. MOTION CARRIED WITHOUT DISSENT.

ADMINISTRATIVE AND EMERGENCY PERMITS: None

Commissioner Pellegrini stated she was saddened by the passing of Bill the Chimp at Sequoia Park Zoo.

The Regular Meeting of the Board of Commissioners adjourned at 8:35 p.m.

APPROVED BY:

RECORDED BY:

____Signature on File_____
Ronnie Pellegrini, Secretary

____Signature on File_____
Patricia L. Tyson, Admin. Assistant