

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

22 April 2004

PRESENT:

Commissioner Pellegrini
Commissioner Curless
Commissioner Fritzsche
Commissioner Hunter
Commissioner Ollivier

The Closed Session was called to order at 6:00 p.m. District Counsel reported the items of discussion: the Simpson Samoa lease, the August 2003 claim for damages by Ray and Barbara Vasconcellos, Café Marina Lease, the Fields Landing Boat Yard building wall damage and the Humboldt Bay Forest Products lease.

Closed Session adjourned at 6:49p.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 the following items were discussed during Closed Session: the Simpson Samoa lease, the August 2003 claim for damages by Ray and Barbara Vasconcellos, Café Marina Lease, the Fields Landing Boat Yard building wall damage and the Humboldt Bay Forest Products Lease. No action was taken on these items.

PUBLIC COMMENT

Mike Buettner thanked the Board for setting a date for the visioning forum for the Harbor Revitalization Plan.

David Elsebusch asked that Consent Calendar item (b) be pulled for discussion. Also, referring to the written response by President Pellegrini to his Public Records Act request of April 8, 2004 for information, he asked if he was indeed going to be provided the information requested. He also stated that, in his opinion, 1099 forms did not contain personnel information and are public records.

Maggie Herbelin distributed a letter of request for a donation for the Humboldt Bay Stewards to help cover the expenses of the Humboldt Bay Symposium held in March. She also thanked the Board for organizing the visioning forum, but stated that it was called to quickly. She also stated the Humboldt Bay Stewards would have a public meeting on June 14th to consider uses in the whole bay and the results of the Harbor Revitalization Plan Advisory Committee visioning forum would be incorporated into their June meeting as points of discussion.

Penny Elsebusch reported that in this month's edition of "Via" magazine there was an article on the important of naval ships docked in public ports open for tours, such as idea for the USS Sterett. She stated that there would be a guarantee of \$250,000 in annual revenue to the Harbor District due to the ability of these tours to bring in additional revenue. Mrs. Elsebusch also asked if commercial/industrial properties that are for sale around Humboldt Bay would be identified at the visioning forum.

CONSENT CALENDAR

Commissioner Hunter asked for Item 6(a) to be pulled for discussion. He stated that the television station that aired the Easter Seals Telethon was KAEF-TV not KEET-TV.

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

David Elsebusch asked for an explanation of the request for approval of the purchase of the used truck from the County of Humboldt for \$3,001.

COMMISSIONER HUNTER MOVED TO APPROVE CONSENT CALENDAR ITEM (B).
COMMISSIONER CURLESS SECONDED. MOTION CARRIED WITHOUT DISSENT.

CEO REPORT

- 4/28: The Harbor Revitalization Plan Advisory Committee will reconvene from 7-9 p.m. at the Adorni Center. The Board at this meeting will consider hiring a facilitator for the visioning forum. CEO stated that hiring a professional facilitator will help ensure objectivity.
- SB1272: CEO stated that at the Board's last meeting they took action to write a letter to the local legislators stating their opposition to this bill. CEO reported that CSDA, CAPA and CMANC are also opposed to SB1272 as written.

Commissioner Hunter complimented staff for organizing the Harbor Revitalization Plan Advisory Committee visioning forum.

DISTRICT COUNSEL'S REPORT

At the last Board meeting, the President was authorized to send a letter of opposition for SB 1272 to the Local Governments Committee requesting the exemption of harbor districts under this bill. Harbor districts are governed by the California Harbors and Navigation Code and several issues in SB1272 are in direct contrast to the Code.

STAFF REPORT

District Treasurer and Administrative Assistant presented the Treasurer's Report and Monthly Management Report for March 2004.

COMMISSIONER REPORTS

Commissioner Fritzsche stated that the ongoing monthly financial reports are an important planning tool for the Board. He stated that recently Humboldt State University realized that they are looking at being \$1 million over budget and are now looking for ways to cut costs before the end of their fiscal year. Commissioner Fritzsche also reported that he recently returned from a vacation in Hawaii and was saddened by the news that former mayor of Arcata, Victor Schaub, died in Hawaii while saving his grandchildren from being swept out to sea. He also stated that the island of Kauai is facing the dilemma of what to do with their solid waste since Kauai has seen incredible growth in the last several years.

Commissioner Ollivier wished his fellow Commissioners Hunter and Fritzsche well at the Humboldt Bay Harbor Revitalization Plan Advisory Committee meeting. Commissioner Ollivier also reported on the shipping industry for the past 40 years and stated that modernization of harbor facilities will help return shipping to Humboldt Bay as this has been shown to be true in other ports.

President Pellegrini reported that May 1st marks the opening of salmon season and many local boats will be leaving port, possibly for many months, many to San Francisco and south due to the federal and state fishing restrictions imposed on local waters.

ADVISORY COMMITTEE REPORTS

President Pellegrini reported the Marina Concessions committee met to discuss the Café Marina lease.

OTHER

Don Leonard of the Convention and Visitors Bureau reported to the Board on the annual SeaTrade Convention in Florida as the representative for the Cruise the West Coalition. One of the goals of the Coalition is to increase the use of west coast ports on the cruise ship itineraries. He also reported that the Port of Astoria is thriving due to modernization of facilities that have been built to accommodate large ships. Mr. Leonard said the SeaTrade Convention provides those associated with cruise ships access to major suppliers and destination coordinators and allows an opportunity for networking.

Mr. Leonard also noted that one of the Cruise the West's newest members, Wrangell, Alaska reported that their LNG facility has been a good neighbor in that port and actually built the cruise terminal as part of their facility development.

Commissioner Hunter complimented Mr. Leonard stating he has done a great job bringing the Humboldt Bay name to the forefront on the cruise ship itineraries.

NON-AGENDA: None

UNFINISHED BUSINESS: None

NEW BUSINESS

A. CONSIDERATION OF COOPERATIVE MAINTENANCE DREDGING AGREEMENT WITH THE CITY OF EUREKA.

COMMISSIONER OLLIVIER MOVED FOR THE APPROVAL OF THE COOPERATIVE MAINTENANCE DREDGING AGREEMENT WITH THE CITY OF EUREKA.
COMMISSIONER CURLESS SECONDED. MOTION CARRIED WITHOUT DISSENT.

B. CONSIDERATION OF AGREEMENT WITH HSU FOUNDATION FOR FACILITATION SERVICES RELATED TO THE HARBOR REVITALIZATION VISIONING FORUM.

COMMISSIONER OLLIVIER MOVED FOR THE APPROVAL OF AGREEMENT WITH HSU FOUNDATION FOR FACILITATION SERVICES RELATED TO THE HARBOR REVITALIZATION VISIONING FORUM. COMMISSIONER OLLIVIER SECONDED.
MOTION CARRIED WITHOUT DISSENT.

Commissioner Fritzsche reported that when considering reconvening the HRP Advisory Committee it was suggested that a facilitator be hired to lead the meeting and organize the information gathered. This information would then presented to the Advisory Committee and the public for further consideration. Betsy Watson, a professor at Humboldt State University, was suggested since her specialty is facilitation and mediation. Commissioner Fritzsche reported that he, Commissioner Hunter and CEO met with Ms. Watson to discuss her role as facilitator.

Commissioner Hunter stated that an article appeared in the Times-Standard that highlighted the name of Ms. Watson's mediation program, Institute for the Study of Dispute Resolution, inferring that the Advisory Committee members felt there was a need for dispute resolution and not for a meeting facilitator.

Melvin McKinney asked how there could be a Harbor Revitalization Plan since the Humboldt Bay Management Plan has not been completed.

President Pellegrini responded that the two plans are complimentary to each other.

Commissioner Hunter stated that the two plans are part of the Five-Year Strategic Plan and that they are being composed on a parallel course.

David Elsebusch asked if the City of Eureka and the County of Humboldt were going to pay a share of the facilitator's cost. Commissioner Fritzsche responded that the Harbor District will take a leadership role and pay the full amount, but would also accept any assistance the City and County could provide.

Penny Elsebusch stated she thought the Five-Year Strategic Plan was better at establishing goals than the Harbor Revitalization Plan. She also stated that she thought most people in the community would have liked for the LNG study to be done.

Commissioner Fritzsche stated that one of the resounding ideas resulting from the Harbor Revitalization Plan was the construction of a marine science center which has been supported in theory by Humboldt State University since HSU President Richmond would like HSU to have more of a presence in Eureka.

Commissioner Hunter stated the perception at this time is that there is tremendous interest in whether bay development will occur and the thought was to get the jurisdictional agencies involved to come up with a plan to prioritize the thoughts of the community so that implementation can begin.

MOTION CARRIED WITHOUT DISSENT.

C. CONSIDERATION OF RESOLUTION 2004-07 AUTHORIZING THE EXECUTION AND DELIVERY OF AGREEMENTS WITH ORRICK, HERRINGTON & SUTCLIFFE LLP AND SUTTER SECURITIES IN CONNECTION WITH THE REFUNDING OF CERTAIN INDEBTEDNESS OF THE DISTRICT AND AUTHORIZING ACTIONS RELATED THERETO.

COMMISSIONER HUNTER MOVED FOR THE APPROVAL OF RESOLUTION 2004-07 AUTHORIZING THE EXECUTION AND DELIVERY OF AGREEMENTS WITH ORRICK, HERRINGTON & SUTCLIFFE LLP AND SUTTER SECURITIES IN CONNECTION WITH THE REFUNDING OF CERTAIN INDEBTEDNESS OF THE DISTRICT AND AUTHORIZING ACTIONS RELATED THERETO. COMMISSIONER CURLESS SECONDED.

District Treasurer reported that five years have passed since the harbor deepening loans have been incurred and the Harbor District is now able to consider refinancing the loans. An approximate net savings of \$180,000 will be realized and approximately \$500,000 will be released that has been encumbered through the original financing.

Commissioner Fritzsche reported that he, Commissioner Hunter, District Treasurer, CEO and Administrative Assistant met with Dennis Ciocca of Sutter Securities regarding refinancing the loans. Mr. Ciocca explained that through an introduction to the bond market by refinancing there will be more financial flexibility for future Harbor District projects.

ROLL CALL VOTE WAS TAKEN:

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

MOTION CARRIED WITHOUT DISSENT.

ADMINISTRATIVE AND EMERGENCY PERMITS: None

The Regular Meeting of the Board of Commissioners adjourned at 8:16 p.m.

APPROVED BY:

RECORDED BY:

____Signature on File____
Ronald A. Fritzsche, Secretary

____Signature on File____
Patricia L. Tyson, Admin. Assistant