

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

13 January 2005

PRESENT:

Commissioner Pellegrini
Commissioner Curless
Commissioner Fritzsche
Commissioner Hunter
Commissioner Ollivier

The Closed Session was called to order at 6:00 p.m. Closed Session adjourned at 6:40 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 led those present in the Pledge of Allegiance.

District Counsel reported that during Closed Session potential litigation regarding the Louisiana-Pacific tideland lease was discussed, but no action was taken.

PUBLIC COMMENT

President Pellegrini stated that a handout was given to the Board of Commissioners regarding the Humboldt Bay Stewards' forum on February 7th at the Wharfinger Building starting at 6:30 p.m.

Bob Rasmussen, representing the Humboldt Bay Stewards, reported on the public forum they are sponsoring at the Wharfinger Building on February 7th beginning at 6:30 p.m. Mr. Rasmussen stated that shipping and transportation are key to the economic development of Humboldt Bay and will be discussed at the forum. He urged the full Board of Commissioners to attend.

Pete Oringer, referring to a news article in the LA Times today, stated that due to the recent weather conditions in Southern California, shippers are considering alternate routes which indicates it is timely for the partnership between the Port of Humboldt Bay and the Port of Oakland.

Leroy Marsh reported that a Navy ship will dock in Humboldt Bay during the Jazz Festival and that there is a possibility that up to 4 ships per year will be visiting Humboldt Bay. He stated the Navy is impressed with Humboldt Bay as a liberty stop and would like to include it as part of their regular routes.

President Pellegrini welcomed Peter LaVallee, Mayor, City of Eureka and John Woolley, Humboldt County Supervisor.

CONSENT CALENDAR

Commissioner Hunter requested that Item (a) of the Consent Calendar be pulled for further discussion.

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

Commissioner Hunter noted a typographical error in the Minutes of December requiring correction.

COMMISSIONER HUNTER MOVED FOR THE APPROVAL OF THE MINUTES OF THE DECEMBER 16, 2004 BOARD OF COMMISSIONERS MEETING. COMMISSIONER CURLESS SECONDED. MOTION CARRIED WITHOUT DISSENT.

CEO REPORT

- ∨ During the week of January 3-7, the California Conservation Corps worked to clean up the property and roads around the buildings known as the Redwood Dock area. They also removed exotic, non-indigenous plants on Woodley Island.
- ∨ Work to obtain the permits for the maintenance dredging of Woodley Island Marina and several Eureka waterfront sites continued. CEO met today with Liz Murguia of Congressman Thompson's office to request the Congressman's assistance with the Corps of Engineers.
- ∨ Several months ago, CEO requested the City of Eureka's fireworks ordinance extend to Woodley Island. Rick Bennett, Fire Marshal, notified CEO that the ordinance amendment would be addressed by the City Council this month or next.

DISTRICT COUNSEL'S REPORT

District Counsel reported he was researching clarification of Section 37 of Appendix II of the Harbors & Navigation Code, which addresses contracting with agencies for services without going through the complete bid process. District Counsel stated that currently this is possible through Federal agencies, but is not clear if the same is true for State agencies. If it is not, a request for the Legislation to amend Section 37 will begin.

District Counsel is continuing review of Harbor District Ordinance 17, which sets forth the anchoring laws for Humboldt Bay. A meeting will be set up to talk with representatives of the Humboldt County Sheriff's Department Marine Division to discuss implementing the provisions of Ordinance 17.

District Counsel, CEO, and Commissioners Curless and Hunter met with representatives of Louisiana-Pacific concerning potential litigation on past-due tideland lease revenue.

STAFF REPORT: None

COMMISSIONER REPORTS

Commissioner Fritzsche stated he was glad to see the Sea Scout flag displayed in the meeting room and he reported the Sea Scout Ship now has 50 young men and women enrolled and is the largest group in the District. He also stated that since there are young women participating, the Sea Scouts would be recruiting for a woman to be on the oversight committee.

Commissioner Fritzsche reported that under the Marine Life Protected Area program, a scientific advisory committee and statewide interest group provide information to the Blue Ribbon Panel on which he participates and a video conference was held on January 10th and 11th at HSU, among other venues, in order to disseminate the information from these advisory groups.

Commissioner Fritzsche presented a newspaper article from the Daily Oregonian regarding the Port of Portland's hopes for overflow shipments, but that they are in competition with niche ports.

Commissioner Ollivier reported that there had been a ship in port for approximately seven days and the ship took on the largest load of pulp ever in Humboldt Bay, approx. 22,000 metric tons.

President Pellegrini thanked Commissioner Ollivier for attending the Mad River Fish Hatchery re-opening and thanked the California Conservation Corps for their clean-up work around the Redwood Dock in Samoa.

ADVISORY COMMITTEE REPORTS: None

OTHER

Moss Bittner gave a Powerpoint presentation on his journey from Dos Rios to Alderpoint along the NWPRR line. He traveled this part of the Northern California railroad in order to take pictures of various parts of the track, both those in good repair and those in disrepair. His purpose was to show that for the most part the railroad tracks were in good condition and that in those places where more extensive work was necessary, it would not be difficult to make the improvements.

Bill Bertain thanked the Harbor District for the many times they loaned money to the North Coast Railroad Authority in order for the agency to continue their business.

NON-AGENDA: None

UNFINISHED BUSINESS: None

NEW BUSINESS

A. CONSIDERATION OF EXTENSION OF PERMIT 03-06 TO CHEVRON PRODUCTS COMPANY FOR MARINE TERMINAL MAINTENANCE DREDGING.

COMMISSIONER OLLIVIER MOVED FOR THE APPROVAL OF EXTENSION OF PERMIT 03-06 TO CHEVRON PRODUCTS COMPANY FOR MARINE TERMINAL MAINTENANCE DREDGING. COMMISSIONER CURLESS SECONDED. MOTION CARRIED WITHOUT DISSENT.

B. CONSIDERATION OF APPROVAL OF RESOLUTION 2005-01 ESTABLISHING FEDERAL AND STATE LEGISLATIVE PRIORITIES FOR THE HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT DURING THE 2005 LEGISLATIVE SESSION.

COMMISSIONER CURLESS MOVED FOR THE APPROVAL OF RESOLUTION 2005-01 ESTABLISHING FEDERAL AND STATE LEGISLATIVE PRIORITIES FOR THE HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT DURING THE 2005 LEGISLATIVE SESSION. COMMISSIONER OLLIVIER SECONDED. ROLL CALL VOTE WAS TAKEN:

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

MOTION CARRIED WITHOUT DISSENT.

C. CONSIDERATION OF EXCLUSIVE RIGHT TO NEGOTIATE AGREEMENT WITH TED KUIPER.

COMMISSIONER CURLESS MOVED FOR THE APPROVAL OF EXCLUSIVE RIGHT TO NEGOTIATE AGREEMENT WITH TED KUIPER. COMMISSIONER OLLIVIER SECONDED.

Ted Kuiper stated that 3.62 acres in Samoa are to be used to establish a shore side aquaculture facility for culture of oyster and clam seedlings. He stated that in order to ship the seedlings out of state, there are specific sanitation requirements and this property would fit the requirements.

MOTION CARRIED WITHOUT DISSENT.

D. CONSIDERATION OF ADOPTION OF FY 2004/05 MID-YEAR BUDGET.

Commissioner Hunter reported that this Mid-Year Budget is the result of the recent State property tax shift. District Treasurer stated that several significant changes have been incorporated into this mid-year budget due to the tax shift, the maintenance dredging deferral, and reduction of the debt service for the Harbor Deepening Project due to the recent refinancing.

Commissioner Fritzsche stated that even though several suggestions have been made to reduce the budget expenses, \$15,000 has been added to paint the lighthouse since it is in dire need of painting in order to protect the structure. He wondered if there was a citizen's group interested in taking over the painting and/or upkeep of the lighthouse.

COMMISSIONER HUNTER MOVED FOR THE ADOPTION OF FY 2004/05 MID-YEAR BUDGET. COMMISSIONER FRITZSCHE SECONDED.

Penny Elsebusch suggested the Board consider taking care of any asbestos abatement that might be needed on the newly acquired Simpson property.

MOTION CARRIED WITHOUT DISSENT.

E. CONSIDERATION OF AMENDMENT NO. 3 OF AGREEMENT 2000-A FOR HUMBOLDT BAY GIS PHYSICAL CHARACTERISTICS MAPPING SERVICES.

COMMISSIONER HUNTER MOVED FOR THE APPROVAL OF AMENDMENT NO. 3 OF AGREEMENT 2000-A FOR HUMBOLDT BAY GIS PHYSICAL CHARACTERISTICS MAPPING SERVICES. COMMISSIONER CURLESS SECONDED.

CEO reported that the original GIS-only services have grown to a frequently used website and that if Copia hosts the website, more product and service in a timely fashion will be gained. HSU would continue to be the contractor, assigning to Copia the web-hosting services.

MOTION CARRIED WITHOUT DISSENT.

F. CONSIDERATION OF APPROVAL OF AGREEMENT WITH OSCAR LARSON AND ASSOCIATES TO DEVELOP A WORK PLAN FOR THE INTEGRATION OF HUMBOLDT BAY HARBOR AND RAILROAD REVITALIZATION EFFORTS WITH THE PORT OF OAKLAND.

CEO reported that the Board of Commissioners at their last meeting had instructed him to work with Ken Davlin to develop a contract and scope of work for the implementation of railroad and harbor revitalization activities with the Port of Oakland. CEO stated he has talked with the Port of Oakland's Port Director who commends the Board of Commissioners for pursuing partnering with them.

President Pellegrini stated that she and Commissioner Ollivier had met to discuss hiring Mr. Davlin and recommend adoption of the agreement with Oscar Larson and Associates.

COMMISSIONER OLLIVIER MOVED FOR THE APPROVAL OF AGREEMENT WITH OSCAR LARSON AND ASSOCIATES TO DEVELOP A WORK PLAN FOR THE INTEGRATION OF HUMBOLDT BAY HARBOR AND RAILROAD REVITALIZATION EFFORTS WITH THE PORT OF OAKLAND AND IF THE MOTION IS SECONDED, AN AMENDED MOTION WILL BE MADE. COMMISSIONER HUNTER SECONDED.

COMMISSIONER OLLIVIER THEN AMENDED HIS MOTION TO MOVE TO ENTER INTO THE PROPOSED CONTRACT WITH OSCAR LARSON AND ASSOCIATES AUTHORIZED AND COMMENCE IMMEDIATELY TO PERFORM THE OUTLINED WORK THEREON AND TO AGGRESSIVELY AND SIMULTANEOUSLY SEEK REIMBURSEMENT FUNDING FROM VARIOUS SOURCES FOR THE COST OF THE CONTRACT.

Commissioner Ollivier explained his motion saying that the Harbor District would pay for Oscar Larson and Associates' services and at the same time research sources of funding for reimbursement, such as grants.

Commissioner Hunter asked if the intent of the motion is that if sources of funding are not found, the Harbor District would not be reimbursed the \$30,000 cost of the contract.

Commissioner Curless asked the CEO if grant funding had already been approved for this endeavor. CEO replied that many months ago, an application had been submitted to MARAD for a \$50,000 grant to be shared between the Harbor District and the Port of Oakland to promote container barging, which if awarded, a portion of this grant may be available for the study being considered at this time. At this time, there are nine finalists for the grant, which include the Harbor District, for the MARAD grant.

Commissioner Fritzsche stated that the Board of Commissioners had just passed a mid-year budget and asked if the \$30,000 was included in the budget. CEO responded that this item is not included in the budget, but could be paid from \$3.5 million restricted funds and the use would be appropriate for this project.

Commissioner Fritzsche asked if this contract would trigger CEQA action as a part of the Harbor Revitalization Plan. District Counsel responded that since this is a "road map" of possible projects and is not a specific project, it would not fall under CEQA review.

COMMISSIONER HUNTER SECONDED THE AMENDED MOTION.

Commissioner Fritzsche asked for clarification if the motion directs Oscar Larson and Associates to seek funding. Mr. Davlin responded that he cannot act in the Harbor District's stead, but will work with the CEO to obtain reimbursement through grant funding.

Commissioner Ollivier withdrew his amended motion. Commissioner Hunter withdrew his amended second.

COMMISSIONER OLLIVIER MOVED FOR APPROVAL TO ENTER INTO THE PROPOSED CONTRACT WITH OSCAR LARSON AND ASSOCIATES, AUTHORIZED TO COMMENCE IMMEDIATELY TO PERFORM THE OUTLINED WORK PLANNED THEREON AND CEO, WITH ASSISTANCE FROM OSCAR LARSON AND ASSOCIATES, AGGRESSIVELY AND SIMULTANEOUSLY SEEK REIMBURSEMENT FUNDING FROM VARIOUS SOURCES FOR THE COST OF THE CONTRACT. COMMISSIONER HUNTER SECONDED.

David Elsebusch stated that he supports the efforts, but asked why the CEO could not perform these job duties, since they should be a priority and overwhelm any other duties CEO has currently.

Commissioner Hunter stated that in his opinion this project requires specialized knowledge that will compliment the CEO, who will be the lead person for the Harbor District.

Penny Elsebusch asked if the Headwaters Fund would be an appropriate funding source. President Pellegrini replied that the advisory committee would be working with CEO and Mr. Davlin to look at various sources of grant funding, which will include the Headwaters Fund.

Pete Oringer stated he thinks it is important for the Harbor District to have a representative, such as Mr. Davlin, who is knowledgeable about the Harbor District. Mr. Oringer said this is a great opportunity to move ahead.

Commissioner Fritzsche suggested to Mr. Davlin that his final report contain a summary of attempts made to obtain grant funding and the results. Mr. Davlin stated that he would include that information as well as provide a list of contacts at the Port of Oakland and NCRA to CEO and Commissioners Pellegrini and Ollivier.

Mark Matteoli stated that he reinforces the support of others who have spoken, that the time has come and the window of opportunity is open. Mr. Matteoli said that he feels the port can make the railroad return and that there will be positive impacts of this motion by the Board.

Kaye Strickland stated she is pleased with the Board's motion and is grateful as the Chairman of Citizens for Port Development and a member of the railroad committee because a result of this motion is a shot in the arm for these various committees.

Andy Westfall said that the Board is demonstrating their commitment to a relationship with the Port of Oakland. He said the fact that the Port of Oakland operates in large circles could be very advantageous for the Port of Humboldt Bay.

Bill Bertain thanked the Board for their commitment. He said the Board's motion would spur needed future development in the County.

MOTION CARRIED WITHOUT DISSENT.

G. CONSIDERATION OF ACCEPTANCE OF ASSIGNMENT OF TIDELAND LEASE 4728.1 FROM LOUISIANA-PACIFIC CORPORATION TO SIMPSON SAMOA COMPANY.

COMMISSIONER CURLESS MOVED FOR THE ACCEPTANCE OF ASSIGNMENT OF TIDELAND LEASE 4728.1 FROM LOUISIANA-PACIFIC CORPORATION TO SIMPSON SAMOA COMPANY. COMMISSIONER HUNTER SECONDED.

District Counsel reported PRC 4728.1 is the tideland lease for the chip export dock between Louisiana-Pacific and the Harbor District, expiring in February 2008. Simpson Samoa is negotiating with Louisiana-Pacific for the purchase of the dock, which is not currently being utilized. District Counsel stated that long-term prospects for a continued lease with Simpson after 2008 are favorable. He said the assignment is between Louisiana-Pacific and Simpson Samoa and is already signed by both parties.

MOTION CARRIED WITHOUT DISSENT.

ADMINISTRATIVE AND EMERGENCY PERMITS: None

The Regular Meeting of the Board of Commissioners adjourned at 8:30 p.m.

APPROVED BY:

____ Signature on File _____
Ronald A. Fritzsche, Secretary

RECORDED BY:

____ Signature on File _____
Patricia L. Tyson, Admin. Assistant