

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

22 March 2005

PRESENT:

Commissioner Pellegrini
Commissioner Curless
Commissioner Fritzsche
Commissioner Hunter
Commissioner Ollivier

The Closed Session was called to order at 6:03p.m. Closed Session adjourned at 6:38 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. Commissioner Fritzsche led those present in the Pledge of Allegiance.

District Counsel reported that during Closed Session real property pertaining to the Dog Ranch property, potential litigation regarding the Louisiana-Pacific tideland lease and the Corps of Engineers audit of the Harbor Deepening Project were discussed, but no action was taken.

PUBLIC COMMENT

Penny Elsebusch suggested the Board of Commissioners apply to the Headwaters Fund for a low interest loan to upgrade harbor facilities, infrastructure and port advertising

Mike Buettner made some suggestions as to how he thought the Harbor District could improve its access to the public. He gave the Board of Commissioners a list of his suggestions.

David Elsebusch suggested the Harbor District staff violated the Brown Act requirements for posting meeting agendas.

CONSENT CALENDAR

Commissioner Curless asked for item A of the Consent Calendar be pulled for further discussion.

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

Commissioner Curless noted a typographical error on the second page of the minutes.

COMMISSIONER CURLESS MOVED FOR THE APPROVAL OF ITEM A OF THE CONSENT CALENDAR WITH THE NOTED CORRECTION. COMMISSIONER FRITZSCHE SECONDED. MOTION CARRIED WITHOUT DISSENT.

CEO REPORT

- ∨ 3/14: The Redwood Dock Advisory Committee met to discuss short-term maintenance, existing and future tenants and Ordinance 18 which establishes the rules and regulations for the Redwood Dock facility.
- ∨ 3/16: CEO met with representatives from the Corps of Engineers regarding dredging of the interior channel. The dredge Essayons arrived last week to dredge the bar and entrance of Humboldt Bay.
- ∨ 3/16: CEO met with Larry Margler of Winzler & Kelly to discuss the initial study for the Shelter Cove Breakwater and the environmental documentation for the project.
- ∨ CEO met with Steve Watanabe of California Department of Boating and Waterways to discuss the grant application for the Shelter Cove Breakwater, which has an April deadline. This grant, which is 90% complete, would be included in the State's FY 06/07 budget.
- ∨ CEO reported the Humboldt Bay Management Plan has been distributed for comment. Chad Roberts, environmental consultant for the Plan, made a presentation at the Humboldt Bay Symposium on March

- 15th. Several consultants and scientists attending the symposium remarked that Humboldt Bay should be a model for the rest of the State since there seems to be an abundance of experts and authorities locally and the Harbor District has the authority and interest to provide leadership.
- ✓ 3/17: The Humboldt Bay Management Plan public workshop was held. April 15th is the deadline to receive written comments. The Board of Commissioners will consider receiving and filing the document at their April 28th meeting. This will complete the preparation stage and begin the environmental documentation phase, which will take approximately 8 months to complete. Public comments are invited during this process also.
 - ✓ 3/21: CEO presented the Humboldt Bay Management Plan at the Eureka Rotary club.

DISTRICT COUNSEL'S REPORT

District Counsel reported that he worked with staff on revising the permit form for charter services out of Woodley Island Marina. District Counsel reported that he was in attendance during CEO's presentation to Eureka Rotary.

STAFF REPORT: None

COMMISSIONER REPORTS

Commissioner Fritzsche reported that the Salmon Restoration Federation conference would be held March 30th – April 2 at the River Lodge in Fortuna. He said the Harbor District is a co-sponsor of the event.

Commissioner Fritzsche reported the Marine Life Protected Area Blue Ribbon Task Force document is ready for public comment. He said the document was released on March 18th and the deadline for comments is March 29th for the 116-page document.

President Pellegrini reported the Pacific Fisheries Management Council released their fisheries recommendations for 2005. She said she would provide the Harbor District office with a copy to post.

ADVISORY COMMITTEE REPORTS

Port of Oakland Advisory Committee Update

CEO reported that the Port of Oakland Advisory Committee has not officially met since the last report, but that he and Ken Davlin have been working on marketing information suggested by the Port of Oakland. CEO reported that Mr. Davlin delivered a draft document on March 17th, which was delivered to Commissioner Hunter to put together the marketing product for Governor Schwarzenegger to take with him to China. CEO also stated that the MARAD grant for a container barging study is still in process.

Commissioner Hunter stated he has put together a preliminary document about the "Humboldt Solution" and is working on a 4-page summary of the longer document.

David Elsebusch asked what Mr. Davlin has done for the Harbor District since the Board of Commissioners approved \$30,000 for his consulting services. Commissioner Hunter gave Mr. Elsebusch the "Humboldt Solution" document as evidence of Mr. Davlin's efforts. Mr. Elsebusch returned the document to Commissioner Hunter, requesting that Commissioner Hunter e-mail the document to him. Kaye Strickland also asked for an e-mail of the document.

Commissioner Ollivier reported on a recent trip to Sacramento he saw many container trucks on the roads and said that the container barging project with the Port of Oakland would serve to reduce the congestion on the State's roadways.

OTHER: None

NON-AGENDA: None

UNFINISHED BUSINESS

A. CONSIDERATION OF SECOND READING AND ADOPTION OF ORDINANCE 18, THE REDWOOD DOCK AND FACILITY RULES AND REGULATIONS ORDINANCE.

COMMISSIONER HUNTER MOVED FOR THE APPROVAL OF SECOND READING AND ADOPTION OF ORDINANCE 18, THE REDWOOD DOCK AND FACILITY RULES AND REGULATIONS ORDINANCE. COMMISSIONER FRITZSCHE 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.

NEW BUSINESS

A. CONSIDERATION OF WITHDRAWAL OF LETTER OF INTENT WITH SIMPSON SAMOA COMPANY REGARDING THE ACQUISITION OF THE DOG RANCH PROPERTY.

CEO reported that previously the Board of Commissioners had signed a Letter of Intent to purchase from Simpson Timber Company approx. 200 acres of dunes at Samoa known as the Dog Ranch. CEO stated this was a unique opportunity for the Harbor District to satisfy all 3 of its statutory missions: harbor (the pipeline easement for dredging), recreation (development of a trails plan) and conservation (easement for conservation of endangered species and wildlife area). A condition of the agreement was that funding was to be obtained by June 30, 2005 in order for Simpson to take advantage of a tax exchange. CEO stated that the advisory committee had several meetings with representatives of Friends of the Dunes to facilitate project funding and property maintenance. CEO contacted California Coastal Conservancy and the Wildlife Conservation Board to see if either agency had grant funding available. Both agencies reported that while they were interested in the project and appreciated the Harbor District working with Friends of the Dunes, they were out of grant funds for this fiscal year.

CEO stated he relayed the information to Joe Breed, Simpson legal counsel. Mr. Breed expressed his thanks to the Harbor District for attempting to acquire the funding and meet Simpson's timeframe, but noted that since funds would not be available by June 30th, Simpson would need to go in another direction.

Lisa Hoover, Friends of the Dunes, stated she was disappointed the Harbor District was not able to obtain grant funding, but would like to work with the Harbor District in the future on other projects.

COMMISSIONER CURLESS MOVED FOR THE APPROVAL OF WITHDRAWAL OF LETTER OF INTENT WITH SIMPSON SAMOA COMPANY REGARDING THE ACQUISITION OF THE DOG RANCH PROPERTY AND TO NEGOTIATE AN EASEMENT FOR THE DREDGE SPOILS PIPELINE. COMMISSIONER FRITZSCHE SECONDED.

Commissioner Fritzsche stated he was concerned for the future of the property under private ownership and said he would prefer the property go to a public agency.

Commissioner Curless stated he was concerned about obtaining the easement over the property for the dredge spoils pipeline.

Kaye Strickland stated that at first she wondered why the Harbor District was so interested in the property; but after reading the agenda report, she now wonders what Simpson is planning to do with the property.

Brett Roslosnik told the Board of Commissioners that he thought Simpson had another buyer for the property, a private party.

MOTION CARRIED WITHOUT DISSENT.

B. CONSIDERATION OF RESOLUTION 2005-03 ESTABLISHING RATES AND FEES FOR THE REDWOOD DOCK FACILITY.

COMMISSIONER HUNTER MOVED FOR THE APPROVAL OF RESOLUTION 2005-03 ESTABLISHING RATES AND FEES FOR THE REDWOOD DOCK FACILITY. COMMISSIONER OLLIVIER SECONDED.

Commissioner Fritzsche asked what was the rationale for the \$0.20/sq.ft. CEO responded that both the storage on Woodley Island and at the Fields Landing Boat Yard is \$0.20/sq.ft.

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 ACCEPTING FOR FILING PERMIT APPLICATION NO. 05-05 TO CHEVRON PRODUCTS COMPANY FOR THE REPLACEMENT OF THREE MONITORING WELLS.

COMMISSIONER CURLESS MOVED FOR THE APPROVAL OF ACCEPTING FOR FILING PERMIT APPLICATION NO. 05-05 TO CHEVRON PRODUCTS COMPANY FOR THE REPLACEMENT OF THREE MONITORING WELLS. COMMISSIONER OLLIVIER SECONDED. MOTION CARRIED WITHOUT DISSENT.

D. CONSIDERATION OF ACCEPTING FOR FILING PERMIT APPLICATION NO. 05-06 TO TED KUIPER FOR THE SAMOA MARICULTURE INDUSTRIAL PARK PROJECT.

CEO reported that Ted Kuiper is applying for a permit to construct an Aquaculture Terminal on approximately 3.5 acres tidelands south of the Red Tank at Samoa. CEO stated 1.9 acres will be upland and 1.8 acres will be submerged. The terminal will be used for rearing, landing, sorting and shipping shellfish products. He said this type of facility is consistent with the recommendations of the Harbor Revitalization Plan.

COMMISSIONER CURLESS MOVED FOR THE APPROVAL OF ACCEPTING FOR FILING PERMIT APPLICATION NO. 05-06 TO TED KUIPER FOR THE SAMOA AQUACULTURE TERMINAL PROJECT. COMMISSIONER OLLIVIER SECONDED.

Mr. Kuiper stated that local small mariculturists need a facility to land their product in order to meet State and federal regulations in order to ship out of state. He said this type of facility is perfect for oysters, clams and mussels and in the future could accommodate other types of state-approved mariculture products.

MOTION CARRIED WITHOUT DISSENT.

E. CONSIDERATION OF ONE-YEAR EXTENSION TO PERMIT 03-02 TO PACIFIC GAS AND ELECTRIC COMPANY FOR MAINTENANCE DREDGING OF THE HUMBOLDT BAY POWER PLANT INTAKE.

COMMISSIONER CURLESS MOVED FOR THE APPROVAL OF ONE-YEAR EXTENSION TO PERMIT 03-02 TO PACIFIC GAS AND ELECTRIC COMPANY FOR MAINTENANCE DREDGING OF THE HUMBOLDT BAY POWER PLANT INTAKE. COMMISSIONER FRITZSCHE SECONDED.

Commissioner Fritzsche asked if this permit would be an opportunity for the King Salmon residents to dredge the canals. CEO replied that PG&E has an immediate need to maintenance dredge at the headwall.

Yoash Tilles from Pacific Affiliates stated that the PG&E power plant at King Salmon will shut down from August 4– 8, 2005 for maintenance purposes and the dredging will take place at that time.

MOTION CARRIED WITHOUT DISSENT.

F. FY 2005/06 BUDGET WORKSHOP.

Mark Wetzel, CPA, District Treasurer, presented the summary of the proposed FY 05/06 Budget as follows: Revenue \$1,445,926; Operating Expenses \$1,583,427; Non-Operating Expenses \$2,266,933; Excess Revenues Under Expenses \$(2,404,434). The annual property tax the District will receive is approx. \$230,000 less than prior years due to the State's two-year tax shift, tideland lease revenue is low due to the termination of the Simpson tideland lease and tariff revenue is down due to the level of shipping in Humboldt Bay. District Treasurer stated that the Harbor District has funds set aside to cover the deficit. Also every year the Harbor District has put aside funds in expectation of maintenance dredging of the marina and once the dredging is done, funds will be set aside in subsequent years for the next maintenance dredging project.

CEO presented a PowerPoint program of the proposed FY 05/06 Budget. The presentation included pie charts showing income and expenses split by function of the Harbor District, additional information on tideland lease revenue, Harbor Improvement Surcharge revenue, the current fee schedule of services and expected grant activity for the fiscal year.

CEO stated that the budget as presented is very aggressive. The marina dredging is still in process and could happen as soon as fall. Two consultant positions have been added this year: District Engineer and District Planner and the Redwood Dock facility will have expenses associated with maintenance and upgrade.

CEO acknowledged the budget is a financial planning tool intended to provide financial guidance, not absolutes. The Harbor District proposes to spend more money in FY 05/06 than it brings in, but has sufficient funds reserved to cover all of the proposed spending. Finally, the proposed budget allows the Harbor District to make significant progress on a variety of strategies to fulfill its objectives.

Commissioner Fritzsche stated this budget is "refreshingly honest." He said he would rather see a true, unbalanced budget than a budget that was balanced by plugging in unrealistic revenue.

David Elsebusch asked what the difference is between restricted and unrestricted funds. District Treasurer stated that restricted funds are those that the Board of Commissioners has set aside for future projects and unrestricted funds are those funds that have not been reserved for future capital projects.

The Board thanked CEO for a presentation well done.

ADMINISTRATIVE AND EMERGENCY PERMITS: None

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

APPROVED BY:

RECORDED BY:

____Signature on File____
Roy Curless, Secretary

____Signature on File____
Patricia L. Tyson, Admin. Assistant