

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

14 April 2005

PRESENT:

Commissioner Curless
Commissioner Hunter
Commissioner Ollivier

ABSENT:

Commissioner Pellegrini
Commissioner Fritzsche

The Closed Session was called to order at 6:00p.m. Closed Session adjourned at 6:34 p.m.

The regular meeting of the Board of Commissioners was called to order by Vice President Hunter at 7:00 p.m. Roll call was taken. Vice President Hunter led those present in the Pledge of Allegiance.

District Counsel reported that during Closed Session real property pertaining to the Dog Ranch property and the dredge pipeline easement, 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

Melvin McKinney stated he did not think there was adequate time for the public to comment on the Humboldt Bay Management Plan and he asked the Board of Commissioners to extend the public comment period. He also asked what would be done with the comments made by the public.

CEO responded that the public comment period started in early March prior to the filing of the Notice of Preparation and several comments had already been received. CEO stated the public comments would be presented to the Board of Commissioners with the draft Plan for consideration of receiving and filing at their next Board meeting. The comments then become part of the record and will be included in the draft Plan for the CEQA process; and during the entire CEQA process, comments will be welcomed.

Mike Buettner said he would appreciate it if the Board extended the comment period. He asked if the Board of Commissioners would see the Plan for the first time at their next Board meeting. Commissioner Hunter stated that they have seen the Plan, but are unable to comment until the Plan is presented at their next meeting.

Vice President Hunter then directed staff to extend the public comment period to April 28th and move any Board actions to the first meeting in May.

Maggie Herbelin, Humboldt Bay Stewards, addressed the Board stating the Stewards comments had been prepared. She gave a copy to the Board. She also stated the next Stewards forum would be held on April 27th and the subject is the siting of a science/research facility on Humboldt Bay.

Pete Oringer expressed his thanks to the Board for extending the Plan's comment period. He suggested the Task Force members' comments be included as a part of the complete Humboldt Bay Management Plan. He also suggested that free CD's of the Plan, which have been prepared by Mike Buettner, be made available to the public at the Harbor District office.

CONSENT CALENDAR

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

CEO REPORT

- √ CEO reported that Senator Boxer was successful in proposing a WRDA amendment that would eliminate minimum dredge fleet restrictions on the Corps of Engineers West Coast dredge fleet. WRDA has now passed through Committee and will go to the Floor of the Senate and then to conference.
- √ The dredge Essayons has completed its work and will be leaving port on April 15th. The dredge Yaquina will arrive on April 21st to begin its work.
- √ The SeaGrant office will hold an open house on April 28th in order to introduce the new Sea Grant Marina Advisor.
- √ The Redevelopment Advisory Committee met with Paula Mushrush on March 30th. In attendance were Commissioner Hunter, CEO, Administrative Assistant and District Treasurer. Commissioner Hunter reported that Ms. Mushrush did not make her slide presentation to the group, but good information came from the meeting. Commissioner Hunter stated that much discussion centered on the fact that the Harbor District will stand to lose revenue through this Redevelopment project and it will add to the hardship already created through the State's property tax shift of approximately \$230,000 per year for two years. He said more discussions need to occur and more research presented in order for a complete analysis to be done. CEO stated that the comment period to the County has been extended in order for more analysis to take place. District Treasurer was assigned the task of reviewing the County's Plan as presented by Ms. Mushrush.
- √ 4/28: The County's General Plan Workshop will be held.
- √ 4/12: Northern Area Maritime Security Committee meeting was held in Oakland.
- √ 4/13: CEO made a presentation to the Humboldt County Taxpayer's League.

DISTRICT COUNSEL'S REPORT

District Counsel stated that during the last meeting a member of the public expressed a concern that a Brown Act violation had occurred when the agenda for the meeting allegedly was not posted 72 hours in advance of the meeting. District Counsel reported that in fact the agenda was posted outside the Harbor District office, which is freely accessible to the public, more than 72 hours in advance of the meeting. The e-mailed agendas were sent less than 72 hours prior to the meeting, but the Brown Act does not require e-mail notices. District Counsel stated it was commendable of the Harbor District staff to send out e-mail agendas as purely a courtesy.

STAFF REPORT

Administrative Assistant reported that the first quarterly interest payment on the NCRA loan was received.

COMMISSIONER REPORTS

Commissioner Curlless reported that he, Commissioner Hunter, CEO and District Counsel met with representatives of Evergreen Pulp. He stated that Evergreen Pulp expressed a concern with warehousing their pulp because container trucks are not able to get here on a timely basis in order to ship out the pulp. Commissioner Curlless stated it was a positive meeting with both sides anxious to work together.

Commissioner Hunter reported he has completed the marketing project for the partnership with the Port of Oakland. Twenty marketing packets were sent back to Washington DC for distribution by Port of Oakland representatives to legislators. Commissioner Hunter stated he received comments from Penny Elsebusch and Kaye Strickland and thanked the public for their involvement. He also thanked Cox, Rasmussen and Cross for their donated services. The only costs to the Harbor District was the postage necessary to send the marketing packets to Washington DC.

Commissioner Ollivier thanked Commissioner Hunter for his work on developing the marketing packets. He also congratulated and thanked CEO for his work on the partnership with the Port of Oakland. Commissioner Ollivier stated it is unfortunate the Evergreen Pulp is having to ship their pulp by truck, but that their record days of productivity is reflective of management's good relationship with their employees.

ADVISORY COMMITTEE REPORTS

Port of Oakland Advisory Committee Update

Commissioner Ollivier reported the advisory committee has not met since the last meeting. He stated he attended a RAPIT meeting where Ken Davlin reported that progress is being made with the partnership with Port of Oakland. Wilson Lacy and Jerry Bridges from the Port of Oakland were in Washington DC working with legislators to obtain a \$269,000 grant for short line shipping analysis.

CEO stated that on April 5th, 20 marketing packets were sent to Washington DC for distribution to MARAD representatives, Congressional and Senate representatives in support of the \$269,000 grant. He stated the Government Relations representative for the Port of Oakland thought the packets were "fabulous".

On April 7th, CEO and Ken Davlin met to discuss strategy for the next series of assignments under Mr. Davlin's contract. Governor Schwarzenegger's trip to China has been postponed to November. Phase 1 of the report from Business, Transportation and Housing and CalEPA lacks the addressing of issues for Humboldt County and Northern California. CEO and Mr. Davlin are working to craft a response to this report to include Humboldt County and Northern California.

OTHER

Don Leonard, Conventions and Visitors Bureau, spoke to the Board of Commissioners about Cruise the West, a consortium of 11 West Coast ports, from San Diego to Wrangell, Alaska. Cruise the West is a marketing organization set up to promote the West Coast ports to the international cruise lines. Mr. Leonard stated that for approximately 12 years the City of Eureka has paid the membership fees of \$7,000. In 2005, the Cruise the West membership fees have gone to a tiered system and the smaller ports, such as Humboldt Bay, will pay \$3,500.

Mr. Leonard stressed to the Board that without the efforts of Cruise the West, the Port of Humboldt Bay and the City of Eureka would not be successful in getting cruise ships to visit Humboldt Bay; and since Humboldt County is such a unique destination, it should be marketed as such. He also suggested the Harbor District should charge the cruise ships a per passenger fee to help pay for the costs of a cruise ship visit, such as security costs. In larger ports, a \$6-\$8 per passenger fee is assessed.

In the cruise ship itineraries already established for this year, there are no pending visits to Humboldt Bay; however unplanned visits can be accommodated and are highly suggested. Mr. Leonard stated that in order to accept an unscheduled cruise ship, the tides and the size of ship are taken into consideration.

CEO stated that there is already a "go" team in place, made up of staff from the Harbor District, City of Eureka, Eureka Main Street, Pride Enterprises, Conventions and Visitors Bureau and Westfall Stevedore, that is ready to mobilize when the word that a cruise ship will be visiting. This "go" team is a result of the hiring last year of Kevin D'Costa who provided the expertise for this team to be put into place. CEO also said that there is pilot simulator training in Seattle that has the parameters from Humboldt Bay and the pilots are trained on particular vessels that could come into Humboldt Bay.

David Elsebusch asked what benefits the cruise ship visit provided. Mr. Leonard responded that public relations and marketing are the main benefits, but the visits also impact suppliers of the stevedoring, tugs, pilots and fresh supplies to name a few.

Mr. Leonard suggested everyone attend the Redwood Coast Tourism and Hospitality Symposium at College of the Redwoods on April 29th.

NON-AGENDA: None

UNFINISHED BUSINESS

A. CONSIDERATION OF ADOPTION OF PRELIMINARY FY 2005/2006 BUDGET.

District Treasurer stated the Budget is produced from prior experience and available funds. He stated that the Preliminary Budget states the Excess Expenses over Revenue for FY 2005/2006 is (\$2,454,434) and is partly due to the cost of the maintenance dredging (\$1,600,000) and the State's property tax shift (~\$237,000). District Treasurer also reported that the budget is an aggressive budget, but there are sufficient funds in the restricted and unrestricted funds invested at the County Treasury.

David Elsebusch asked what the difference is between restricted and unrestricted funds, what are the Planning Services, why the increase in Professional Services and why there is a \$40,000 allocation to the Humboldt Bay Management Plan if the Plan is almost done.

CEO responded that 1) the Management Plan is entering the CEQA process and it is necessary to hire someone to manage that process for the next eight months and there is no money left in the grant; 2) Professional Services are described in the Budget Narrative; and 3) Planning Services is an officer position allowed in the enabling legislation. CEO stated that due to the complexity of bid specifications and environmental documentation, it is now necessary to hire these positions. There are no job descriptions proposed at this time, but the positions would be similar to the District Counsel and District Treasurer positions.

District Treasurer stated that restricted funds are those funds legally restricted by the Board of Commissioners for future projects and purchases. He stated that due to the new accounting procedures, restricted and unrestricted funds are reported differently than in prior years.

Pete Nichols asked if there would be future opportunities to comment on the budget line items. Vice President Hunter responded that the final budget would not be adopted until June and there are several scheduled meetings prior to that time that allow for public comment.

COMMISSIONER CURLESS MOVED FOR THE ADOPTION OF PRELIMINARY FY 2005/2006 BUDGET. COMMISSIONER OLLIVIER SECONDED. MOTION CARRIED WITHOUT DISSENT.

Vice President Hunter directed Staff to put the Preliminary FY 2005/2006 Budget and the Budget Schedule on the Harbor District Website.

NEW BUSINESS

A. CONSIDERATION OF ONE-YEAR EXTENSION OF PERMIT 04-01 TO HUMBOLDT COUNTY DEPARTMENT OF PUBLIC WORKS FOR REPAIRS AND PROTECTION OF NEW NAVY BASE ROAD.

COMMISSIONER CURLESS MOVED FOR THE APPROVAL OF ONE-YEAR EXTENSION OF PERMIT 04-01 TO HUMBOLDT COUNTY DEPARTMENT OF PUBLIC WORKS FOR REPAIRS AND PROTECTION OF NEW NAVY BASE ROAD. COMMISSIONER OLLIVIER SECONDED. MOTION CARRIED WITHOUT DISSENT.

B. CONSIDERATION OF RESOLUTION 2005-04 WHICH ESTABLISHES FINDINGS RELATIVE TO THE APPLICATION BY THE US BUREAU OF LAND MANAGEMENT FOR REVETMENT WORK ON A PORTION OF SOUTH JETTY ROAD.

COMMISSIONER OLLIVIER MOVED FOR THE APPROVAL OF RESOLUTION 2005-04 WHICH ESTABLISHES FINDINGS RELATIVE TO THE APPLICATION BY THE US BUREAU OF LAND

MANAGEMENT FOR REVETMENT WORK ON A PORTION OF SOUTH JETTY ROAD.
COMMISSIONER CURLESS SECONDED. ROLL CALL VOTE WAS TAKEN:

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

MOTION CARRIED WITHOUT DISSENT.

C. CONSIDERATION OF PERMIT 05-01 TO US BUREAU OF LAND MANAGEMENT FOR REVETMENT WORK ON A PORTION OF SOUTH JETTY ROAD.

COMMISSIONER CURLESS MOVED FOR THE APPROVAL OF PERMIT 05-01 TO US BUREAU OF LAND MANAGEMENT FOR REVETMENT WORK ON A PORTION OF SOUTH JETTY ROAD.
COMMISSIONER OLLIVIER SECONDED. MOTION CARRIED WITHOUT DISSENT.

D. CONSIDERATION OF APPROVAL OF RESOLUTION 2005-05 DELEGATING AUTHORITY FOR EMERGENCY REPAIR OR REPLACEMENT CONTRACTING TO THE DISTRICT'S CHIEF EXECUTIVE OFFICER (PUBLIC CONTRACTING CODE SECTION 22050).

COMMISSIONER OLLIVIER MOVED FOR THE APPROVAL OF RESOLUTION 2005-05 DELEGATING AUTHORITY FOR EMERGENCY REPAIR OR REPLACEMENT CONTRACTING TO THE DISTRICT'S CHIEF EXECUTIVE OFFICER (PUBLIC CONTRACTING CODE SECTION 22050).
COMMISSIONER CURLESS SECONDED.

District Counsel reported that public agencies are required to go through public contracting requirements if a maintenance project is over \$1,000, even if an emergency. Larger entities have large maintenance staffs that are equipped to handle maintenance projects in emergency situations. The Harbor District has many diverse facilities and it is possible and common for situations to require emergency attention. In an emergency situation where the outside maintenance work will cost more than \$1,000, if there is no designated authority, an emergency meeting of the Board of Commissioners must be called and there must be a 4/5 vote to approve the emergency work to be done by an outside contractor. This is not always possible, such as in a case where a water main has broken and it will take time to gather the Board members for a special meeting. It is prudent to have a designated authority to be able to approve the emergency maintenance work to be done by an outside contractor.

Commissioner Hunter asked if emergency work were done, how would the Board of Commissioners vote against the approval. District Counsel responded that the CEO would authorize the initial work and if subsequent work is needed, the Board of Commissioners would approve the terms.

David Elsebusch said he found it alarming to give a blank check for something considered an emergency. He suggested a maximum amount be stated.

Commissioner Hunter stated he was concerned with the added pressure on the CEO and recommended that a dollar limit be set.

District Counsel stated that authorized discretion is not mandatory. The CEO doesn't have to make the decision. An emergency meeting could be called.

COMMISSIONER OLLIVIER WITHDREW HIS ORIGINAL MOTION AND MOVED TO TABLE THIS AGENDA ITEM. COMMISSIONER CURLESS SECONDED.

Commissioner Curless suggested a \$10,000 limit should be set.

District Counsel suggested a brief clause at the end of the last paragraph stating the authority would not exceed a certain dollar amount.

COMMISSIONER OLLIVIER WITHDREW HIS MOTION TO TABLE THIS AGENDA ITEM.

COMMISSIONER CURLESS MOVED FOR THE APPROVAL OF RESOLUTION 2005-5 DELEGATING AUTHORITY FOR EMERGENCY REPAIR OR REPLACEMENT CONTRACTING TO THE DISTRICT'S CHIEF EXECUTIVE OFFICER (PUBLIC CONTRACTING CODE SECTION 22050) WITH AN ADDENDUM THAT THE AUTHORITY OF THE CEO WOULD NOT EXCEED \$10,000.
COMMISSIONER OLLIVIER SECONDED. ROLL CALL VOTE WAS TAKEN:

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

MOTION CARRIED WITHOUT DISSENT.

E. CONSIDERATION OF ACCEPTING FOR FILING FINAL AUDIT FOR FY 2003/2004.

COMMISSIONER CURLESS MOVED FOR THE APPROVAL OF ACCEPTING FOR FILING FINAL AUDIT FOR FY 2003/2004. COMMISSIONER OLLIVIER SECONDED.

Stacey Edgmon presented the Audit for FY 2003/2004 to the Board of Commissioners. Ms. Edgmon stated this audit is a qualified report. She stated that due to the accounting changes of GASB 34 the assets this year are presented differently than the previous year.

Ms. Edgmon made some recommendations relative to the accounting of travel expenses and capitalization of assets.

David Elsebusch asked if there was a formal letter of recommendations. Ms. Edgmon responded the recommendations are verbal. Mr. Elsebusch asked if this was Ms. Edgmon's normal audit cycle and she responded the audit is a little late this year.

MOTION CARRIED WITHOUT DISSENT.

ADMINISTRATIVE AND EMERGENCY PERMITS: None

The Regular Meeting of the Board of Commissioners adjourned at 9:06 p.m.

APPROVED BY:

RECORDED BY:

____Signature on File_____
Roy Curless, Secretary

____Signature on File_____
Patricia L. Tyson, Admin. Assistant