

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

12 July 2006

PRESENT:

Commissioner Pellegrini
Commissioner Wilson
Commissioner Hunter
Commissioner Ollivier

ABSENT:

Commissioner Curless

The Closed Session was called to order at 6:10 p.m. Closed Session adjourned at 6:28 p.m.

The regular meeting of the Board of Commissioners was called to order by President Pellegrini at 7:02p.m.

Commissioner Wilson led those present in the Pledge of Allegiance.

District Counsel reported on the items discussed during Closed Session: real property negotiations on Samoa Shops Property; potential litigation regarding the Newby spud barge in Fields Landing and the enforcement of the Harbor District anchoring ordinance; and personnel matter regarding operational policies. No action was taken on these items during Closed Session.

PUBLIC COMMENT: None

CONSENT CALENDAR

President Pellegrini stated Item D was pulled from the Consent Calendar.

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

CEO REPORT

- √ 7/5: CEO spoke about current Harbor District projects at the Citizens for Port Development meeting.
- √ 7/10: CEO and Dockmaster met with the new Coast Guard Marine Services Officer, Matt Ricks. The previous MSO, John LaFlamme, is being reassigned to Rotterdam, Netherlands. One of the functions of the Marine Services Officer is to respond to oil spills.
- √ 7/18: At 10:30 a.m. the Coast Guard Change of Command will be held. Captain Jeff Pettitt, the current Sector Commander at the Air Station, will be replaced by Captain Mark Butt.
- √ 7/27: The Humboldt Bay Management Plan will be considered for adoption by the Board of Commissioners.
- √ 7/10: David Anderson, NCRA's Project Manager for the restoration of the rail service, was in King Salmon near the power plant area inspecting the shoreline protection and developing a repair plan.

DISTRICT COUNSEL'S REPORT: None

STAFF REPORT: None

COMMISSIONER REPORTS

President Pellegrini reported Commissioner Curless was the subject of a feature article in the Eureka Reporter titled "Straight Shooter" about his participation in the Fortuna Rodeo for close to 50 years. Commissioner Hunter recounted a story about Commissioner Curless' 6-gun tie tack he wore to meet with one of the senators in Washington DC and he was questioned by the guard about carrying weapons into the Capitol.

Commissioner Wilson reported he attended the Arcata Levee District meeting where discussion centered on \$5.6 million FEMA has pledged for levee restoration. He said Mark Andre at the City of Arcata has more complete information on the FEMA pledge.

Commissioner Wilson said he attended a multi-jurisdictional meeting pertaining to a proposed bayside trail from Eureka to Arcata.

Commissioner Wilson said he had heard of a few reports of Orcas in Humboldt Bay and the Fish & Wildlife Service has records of Green Sturgeon in the bay, migrating from other northern waters.

Commissioner Hunter reported Rick Littlefield would like to make a presentation to the Board of Commissioners at one of their August meetings regarding trail access.

Commissioner Hunter referred to an article in the Times-Standard newspaper about Humboldt County's static population. He said the Harbor District is trying to bring new revenue into the area through various port projects and therefore providing an incentive to attract people to the area.

Commissioner Ollivier introduced the NCRA "All Star" team: David Anderson, Angel Lucero, and Mitch Stogner. Commissioner Ollivier said the way to revive the port and the railroad is through container shipping, providing necessary jobs and local revenue.

President Pellegrini reported Dr. Hogarth, Director of National Marine Fisheries Service in Washington DC, will meet with local fishermen on July 15th in the Woodley Island Marina Meeting Room to discuss their concerns about the West Coast Salmon Disaster.

ADVISORY COMMITTEE REPORTS

President Pellegrini introduced Wilson Lacy, Port of Oakland Director of Maritime, to give an update on the partnership between the Port of Oakland and the Port of Humboldt Bay. Mr. Lacy said the Port of Oakland is exclusively a container port, the 4th largest in the nation. The port is currently undergoing a \$1 billion infrastructure expansion.

Mr. Lacy stated the majority of manufacturing is done in China and China has told their ports to expand 80% by 2009. During the China Conference sponsored by the Port of Oakland, one of the speakers spoke about the "Silk Road". The Silk Road refers to China repositioning itself back to the supply center for the rest of the world.

Around 2011, the Port of Oakland will be completed impacted; therefore alliances are being created with Port of Sacramento for short sea shipping services for container operations.

One of the ideas that would work effectively for Humboldt Bay is an ocean barge system. He added that barging is much more fuel efficient and more environmentally friendly than trucking large numbers of containers. Mr. Lacy stated the real key to this project is jobs and economic growth for Humboldt County. Approximately one-hundred containers equals one job. Port of Oakland has approximately 2.5 million containers, equaling 24,000+ jobs.

CIRIS (California IntraRegional Intermodal Service) is a study funded by Congress through the efforts of Senator Feinstein, and will be important to the Port of Humboldt Bay. A large amount of American capital is being invested in Mexico and the purpose of the study is to determine how to bring the focus back to the deepwater ports on the west coast of the United States.

Commissioner Hunter asked how the Port of Humboldt and the rail fit into this project. Mr. Lacy responded Port of Humboldt Bay is strategically located and the workforce has a good historical record.

Commissioner Ollivier asked if container maintenance and repair would fit well with the Harbor District's newly acquired public dock. Mr. Lacy stated containers now are mainly made from Core 10 steel and there is little maintenance required. In fact, manufacturing of a container replacement is less costly than repair, in most cases.

Commissioner Wilson asked Mr. Lacy to describe how the Port of Humboldt Bay fits into the short sea shipping concept with Port of Oakland. Mr. Lacy said that he envisions a weekly shipping service, mostly overflow, and possibly 1-2 container vessels per week may be routed to Humboldt Bay.

Commissioner Wilson then asked about air quality mitigation for the impacts of the short sea shipping. Mr. Lacy responded taking trucks off the roads mitigates the air quality. Also many technological advances can be implemented; such as scrubbers for the exhaust stacks on the ships and water-borne injection systems that do not allow sulphur to enter the air.

President Pellegrini asked for Mr. Lacy's best guess on envisioning the partnership. Mr. Lacy responded 2011-2012 would be the earliest to be able to put the partnership together. He said it would take approximately 5 years to get all players together and another 5 years to have all agreements, permits, etc. approved. He said building the docks is the most time consuming and the most expensive part of the process.

Commissioner Hunter asked what next the Board of Commissioners can do. Mr. Lacy said to continue on with dialog between the two ports. He also said when he was in Europe recently he left the Port of Humboldt Bay's information with the Maersk shipping line representatives.

President Pellegrini asked if the recent Dubai port incident would have any negative impact on what the two ports are trying to build. Mr. Lacy said all but one of the Port of Oakland's operators are foreign so he didn't see much of an impact.

John Driscoll, Times-Standard, asked what it will take to get the short sea shipping, as well as the railroad, operative. Mr. Lacy said the railroad is essential to the port because there is no other way to efficiently move goods across the continent.

Marcus Brown stated the CIRIS map is a map of existing rail lines. He then asked if it was the intent to increase the capacity on the existing lines. Mr. Lacy responded there is a two-prong approach to the plan using conventional rail routes and revitalizing the historic central corridor rail line. Mr. Brown stated the return on investment in rail improvements is small. Mr. Lacy said the cost is not a huge issue if there is cargo and infrastructure.

Bill Bertain asked if access to other ports is disrupted for some reason, what are the consequences for the Port of Humboldt Bay as an alternative. Mr. Lacy said he hadn't considered how the Port of Humboldt Bay would participate in a national security scenario, but one of the purposes of the marine highway barge system would be to move people and goods in times of need.

Kaye Strickland asked how the Port of Humboldt Bay fits into the Central Corridor proposal. Mr. Lacy stated the tie-in is in the Vallejo area into the main line, which is why the railroad is essential to the port.

OTHER: None

NON-AGENDA: None

UNFINISHED BUSINESS

A. CONSIDERATION OF APPROVAL OF THE ENVIRONMENTAL CHECKLIST FOR THE APPLICATION BY EUREKA FOREST PRODUCTS FOR THE SIERRA PACIFIC DOCK MAINTENANCE DREDGING PROJECT.

CEO reported Yoash Tilles from Pacific Affiliates prepared the Negative Declaration for the project and two comments were received: one from County of Humboldt and one from the CA Department of Fish & Game. The County of Humboldt stipulated the contractor must notify the County of the location of the upland disposal site and Fish & Game's comments pertained to those items already proposed or included as mitigation measures.

Commissioner Hunter said the temporary disposal site is on Sierra Pacific property; but then where is the permanent site. CEO responded the permanent site would be one specified by the contractor who will also notify the County.

COMMISSIONER HUNTER MOVED FOR THE APPROVAL OF THE ENVIRONMENTAL CHECKLIST FOR THE APPLICATION BY EUREKA FOREST PRODUCTS FOR THE SIERRA PACIFIC DOCK MAINTENANCE DREDGING PROJECT. COMMISSIONER OLLIVIER SECONDED. MOTION CARRIED WITHOUT DISSENT.

B. CONSIDERATION OF FINDING ADEQUATE THE MITIGATED NEGATIVE DECLARATION FOR THE APPLICATION BY EUREKA FOREST PRODUCTS FOR THE SIERRA PACIFIC DOCK MAINTENANCE DREDGING PROJECT.

COMMISSIONER HUNTER MOVED FOR FINDING ADEQUATE THE MITIGATED NEGATIVE DECLARATION FOR THE APPLICATION BY EUREKA FOREST PRODUCTS FOR THE SIERRA PACIFIC DOCK MAINTENANCE DREDGING PROJECT. COMMISSIONER OLLIVIER SECONDED. MOTION CARRIED WITHOUT DISSENT.

C. CONSIDERATION OF ADOPTION OF RESOLUTION 2006-07 WHICH ESTABLISHES FINDINGS RELATIVE TO THE APPLICATION BY EUREKA FOREST PRODUCTS FOR THE SIERRA PACIFIC DOCK MAINTENANCE DREDGING PROJECT.

COMMISSIONER HUNTER MOVED FOR THE ADOPTION OF RESOLUTION 2006-07 WHICH ESTABLISHES FINDINGS RELATIVE TO THE APPLICATION BY EUREKA FOREST PRODUCTS FOR THE SIERRA PACIFIC DOCK MAINTENANCE DREDGING PROJECT. COMMISSIONER OLLIVIER SECONDED. ROLL CALL VOTE WAS TAKEN:

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

MOTION CARRIED WITHOUT DISSENT.

D. CONSIDERATION OF APPROVAL TO GRANT PERMIT NO. 05-03 TO EUREKA FOREST PRODUCTS FOR THE SIERRA PACIFIC DOCK MAINTENANCE DREDGING PROJECT.

COMMISSIONER HUNTER MOVED TO GRANT PERMIT NO. 05-03 TO EUREKA FOREST PRODUCTS FOR THE SIERRA PACIFIC DOCK MAINTENANCE DREDGING PROJECT. COMMISSIONER OLLIVIER SECONDED. MOTION CARRIED WITHOUT DISSENT.

E. CONSIDERATION OF APPROVAL OF THE ENVIRONMENTAL CHECKLIST FOR THE APPLICATION BY COAST SEAFOODS COMPANY FOR THE COAST SEAFOODS DOCK MAINTENANCE DREDGING PROJECT.

CEO reported the same comments and conditions received for the Eureka Forest Products Maintenance Dredging Project from County of Humboldt and Fish & Game were received for this project. However, this project contains no on-site de-watering of the dredge product.

COMMISSIONER HUNTER MOVED FOR THE APPROVAL OF THE ENVIRONMENTAL CHECKLIST FOR THE APPLICATION BY COAST SEAFOODS COMPANY FOR THE COAST SEAFOODS DOCK MAINTENANCE DREDGING PROJECT. COMMISSIONER OLLIVIER SECONDED.

Pete Nichols asked if a dredge disposal site had been specified. CEO responded the contractor has the responsibility of identifying the site and holding to the conditions of the permit.

MOTION CARRIED WITHOUT DISSENT.

F. CONSIDERATION OF FINDING ADEQUATE THE MITIGATED NEGATIVE DECLARATION FOR THE APPLICATION BY COAST SEAFOODS COMPANY FOR THE COAST SEAFOODS DOCK MAINTENANCE DREDGING PROJECT.

COMMISSIONER OLLIVIER MOVED FOR FINDING ADEQUATE THE MITIGATED NEGATIVE DECLARATION FOR THE APPLICATION BY COAST SEAFOODS COMPANY FOR THE COAST SEAFOODS DOCK MAINTENANCE DREDGING PROJECT. COMMISSIONER WILSON SECONDED. MOTION CARRIED WITHOUT DISSENT.

G. CONSIDERATION OF ADOPTION OF RESOLUTION 2006-08 WHICH ESTABLISHES FINDINGS RELATIVE TO THE APPLICATION BY COAST SEAFOODS COMPANY FOR THE COAST SEAFOODS DOCK MAINTENANCE DREDGING PROJECT.

COMMISSIONER OLLIVIER MOVED FOR THE ADOPTION OF RESOLUTION 2006-08 WHICH ESTABLISHES FINDINGS RELATIVE TO THE APPLICATION BY COAST SEAFOODS COMPANY FOR THE COAST SEAFOODS DOCK MAINTENANCE DREDGING PROJECT. COMMISSIONER WILSON SECONDED. ROLL CALL VOTE WAS TAKEN:

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

MOTION CARRIED WITHOUT DISSENT.

H. CONSIDERATION OF GRANTING PERMIT NO. 06-01 TO COAST SEAFOODS FOR THE COAST SEAFOODS DOCK MAINTENANCE DREDGING PROJECT.

COMMISSIONER OLLIVIER MOVED TO GRANT PERMIT NO. 06-01 TO COAST SEAFOODS FOR THE COAST SEAFOODS DOCK MAINTENANCE DREDGING PROJECT. COMMISSIONER HUNTER SECONDED. MOTION CARRIED WITHOUT DISSENT.

NEW BUSINESS

A. CONSIDERATION OF RESOLUTION 2006-09 MAKING FINDINGS CONSISTENT WITH THE REVISED SPHERE OF INFLUENCE PROCEDURES OF THE HUMBOLDT COUNTY LOCAL AGENCY FORMATION COMMISSION.

CEO reported periodically LAFCO reviews their Sphere of Influence (SOI) documents for changes or modifications. Commissioner Curless, the Board's LAFCO representative, previously told CEO the current SOI is correct and the Harbor District is not considering expanding its SOI beyond Humboldt County.

COMMISSIONER WILSON MOVED FOR THE APPROVAL OF RESOLUTION 2006-09 MAKING FINDINGS CONSISTENT WITH THE REVISED SPHERE OF INFLUENCE PROCEDURES OF THE HUMBOLDT COUNTY LOCAL AGENCY FORMATION COMMISSION. COMMISSIONER OLLIVIER SECONDED.

Commissioner Wilson asked for clarification of the statement the Harbor District has jurisdiction in all tidal areas along the coast. President Pellegrini stated the Harbor District has permitting authority throughout Humboldt Bay.

MOTION CARRIED WITHOUT DISSENT.

B. CONSIDERATION OF ACCEPTING FOR FILING PERMIT 06-03 FOR PACIFIC GAS AND ELECTRIC COMPANY FOR THE NATURAL GAS LINE 137B GANNON SLOUGH EROSION CONTROL PROJECT.

COMMISSIONER OLLIVIER MOVED TO ACCEPT FOR FILING PERMIT 06-03 FOR PACIFIC GAS AND ELECTRIC COMPANY FOR THE NATURAL GAS LINE 137B GANNON SLOUGH EROSION CONTROL PROJECT. COMMISSIONER HUNTER SECONDED. MOTION CARRIED WITHOUT DISSENT.

C. CONSIDERATION OF AGREEMENT WITH GEOMATRIX CONSULTANTS, INC. FOR REDWOOD MARINE TERMINAL FILE REVIEW.

CEO reported during the lease termination negotiations with Simpson Timber Company, a number of documents were acquired by the Harbor District from Simpson that originated with Louisiana-Pacific. GeoMatrix specializes in compiling this type of information. CEO explained that this information can then be used to further characterize the site and be useful in marketing the property to prospective tenants. The contract with GeoMatrix is for time and materials.

Commissioner Hunter asked why Simpson Timber Company will receive a copy of the completed package. CEO explained it is because Simpson and the Harbor District are enjoined on the environmental liability insurance.

COMMISSIONER HUNTER MOVED FOR THE APPROVAL OF THE AGREEMENT WITH GEOMATRIX CONSULTANTS, INC. FOR REDWOOD MARINE TERMINAL FILE REVIEW FOR A MAXIMUM OF \$5,000 AND TO BE COMPLETED WITHIN FOUR WEEKS. COMMISSIONER OLLIVIER SECONDED.

Commissioner Wilson said the compilation of the information is valid; however he said all the Harbor District's properties should be entered into the Brownfields program through the EPA. Commissioner Wilson said through the Brownfields grant program, Phase 1 will be paid for all eligible properties and a portion of Phase 2 will also be paid. He said he would prefer the \$5,000 be spent on the Brownfields application process for all District properties.

CEO stated the property was acquired approximately two years ago and thus far there has been general, safety and security assessment of the property. CEO also stated he has spoken with the County regarding the Brownfields grant program, but feels this is the first step to obtain the information needed to apply to the grant program.

Commissioner Wilson asked whom the third party is referred to in the contract. President Pellegrini replied GeoMatrix is the third party. SHN Engineering is the first party because they did the initial work on the above ground/below ground tank area.

Commissioner Wilson asked Jess Brown of GeoMatrix if their hourly rate is competitive with local firms and he replied he did not know his competitor's rates, but that Geomatrix's rates are competitive within the industry.

Commissioner Wilson stated he was in favor of cleaning up the site, but is not in favor of the method.

MOTION CARRIED WITH COMMISSIONER WILSON DISSENTING.

D. CONSIDERATION OF FUNDING AGREEMENT WITH THE US FISH AND WILDLIFE SERVICE FOR THE HUMBOLDT BAY WATER CONTROL STRUCTURE INVENTORY, ASSESSMENT AND MAPPING PROJECT.

Commissioner Wilson reported this project is a coordinated effort between the Harbor District, CA Department of Fish & Game and the US Fish & Wildlife Service to catalog and review all tidegates around Humboldt Bay and to put them in a usable database.

CEO reported prior to the Humboldt Bay Management Plan, an inter-agency coordination group met periodically and one of the items of importance resulting from those meetings is there is no good database for the Humboldt Bay tidegates, nor a good base map of Humboldt Bay.

President Pellegrini asked if the approval of this agreement would pre-empt the adoption of the Humboldt Bay Management Plan. CEO responded it is a little out of sync as these types of efforts were envisioned to be completed after the adoption of the Humboldt Bay Management Plan. CEO noted however that the information will be valuable and that approving this agreement does not jeopardize the Project or the Humboldt Bay Management Plan.

President Pellegrini asked if Fish & Wildlife was contributing funds. Greg Goldsmith of Fish & Wildlife responded they are providing an in-kind contribution of equipment and expertise. CEO stated working with Fish & Wildlife on this project is similar to the coordination on the prior fish community study and that they are a great partner.

COMMISSIONER OLLIVIER MOVED FOR THE APPROVAL OF FUNDING AGREEMENT WITH THE US FISH AND WILDLIFE SERVICE FOR THE HUMBOLDT BAY WATER CONTROL STRUCTURE INVENTORY, ASSESSMENT AND MAPPING PROJECT AND TO CHANGE THE DATE OF THE AGREEMENT TO REFLECT THIS MEETING'S DATE. COMMISSIONER WILSON SECONDED. MOTION CARRIED WITHOUT DISSENT.

E. CONSIDERATION OF RESOLUTION 2006-10 DECLARING VARIOUS ITEMS AS SURPLUS PROPERTY AND FOR THE SALE OF SURPLUS PERSONAL PROPERTY BELONGING TO THE HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT.

COMMISSIONER HUNTER MOVED FOR THE APPROVAL OF RESOLUTION 2006-10 DECLARING VARIOUS ITEMS AS SURPLUS PROPERTY AND FOR THE SALE OF SURPLUS PERSONAL PROPERTY BELONGING TO THE HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT. COMMISSIONER OLLIVIER SECONDED. ROLL CALL VOTE WAS TAKEN:

COMMISSIONER PELLEGRINI – AYE
COMMISSIONER CURLESS – ABSENT
COMMISSIONER WILSON – 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 8:22 p.m.

APPROVED BY:

RECORDED BY:

____Signature on File____
Roy Curless, Secretary

____Signature on File____
Patricia L. Tyson, Admin. Assistant