

MINUTES
REGULAR MEETING OF THE BOARD OF COMMISSIONERS
HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT
Held in the City of Eureka Wharfinger Building

August 14, 2008

PRESENT:

Commissioner Pellegrini
Commissioner Curless
Commissioner Wilson
Commissioner Hunter
Commissioner Higgins

President Hunter announced there was no Closed Session.

President Hunter called the regular meeting of the Board of Commissioners to order at 7:00 p.m.

President Hunter led those present in the Pledge of Allegiance.

PUBLIC COMMENT

Melvin McKinney asked Commissioners Pellegrini and Curless to report on their inspection of derelict docks at Woodley Island Marina.

David Elsebusch said the Harbor District was in violation of tax laws in hiring individuals, such as District Treasurer, District Counsel and District Planner, but paying monthly invoices to a corporation and he has filed a complaint with the IRS. He gave a copy of his complaint to the Board.

Dave Spreen said he attended the NCRA meeting and was amazed there was no agenda item addressing the Goldman Sachs agreement.

Kathryn Corbett asked why the Harbor District would have a CEO when it has an elected Board of Commissioners. Commissioner Higgins said the Board receives a small stipend for their service, but needs capable staff, including a CEO, to deliver requirements under the Harbor District charter.

Susan Penn thanked staff for the installation of the recycling bins next to the satellite restrooms on Woodley Island.

Maggie Herbelin thanked CEO for speaking at the Bay Stewards Forum earlier in the month and thanked Commissioners Hunter and Wilson for attending as well. Ms. Herbelin reported Dept. of Boating and Waterways is hosting a workshop on October 31st entitled "Stop Aquatic Species" and invited the Harbor District to be a sponsor. She also suggested CEO review some information she had regarding California Clean Marinas to see how it could benefit the marina. Ms. Herbelin said she talked to the City of Eureka's Harbormaster, who said he would be interested in reviewing the information too.

Dillon Bryant said he is an irate citizen over the talks of port development. He said 9/11 is nothing compared to what will happen if LNG tankers enter Humboldt Bay. He said people should be more concerned with food, shelter and clothing for the needy. Conservative is just another word for greedy capitalists and the Board of Commissioners should be ashamed of themselves.

Ken Bates, representing Humboldt Fishermen's Marketing Association, said they would still like to see tenancy increased at Woodley Island Marina to increase slip rents and is looking forward to meeting with the Ordinance 9/17 Committee on August 18th.

Tom Brundage said he spoke before on the feasibility of the rail. As a geologist he sees too many stability and rehabilitation problems in the way of a working railroad.

CONSENT CALENDAR

Commissioner Pellegrini asked for Items A & B of the Consent Calendar be pulled for discussion.

COMMISSIONER HIGGINS MOVED FOR THE APPROVAL OF ITEM C OF THE CONSENT CALENDAR. COMMISSIONER PELLEGRINI SECONDED. MOTION CARRIED WITHOUT DISSENT.

Commissioner Pellegrini said in her Commissioner's Report of July 9th, she reported Aldaron Laird spoke at a Harbor District meeting in the County Board of Supervisors Chambers on June 26th and she asked that the minutes from the June 26th meeting be changed to reflect this fact.

COMMISSIONER PELLEGRINI MOVED FOR THE APPROVAL OF ITEM A OF THE CONSENT CALENDAR INCLUDING THE REQUESTED CHANGE. COMMISSIONER CURLESS SECONDED. MOTION CARRIED WITHOUT DISSENT.

Commissioner Higgins commended the minutes, stating they were an accurate accounting of the recent meetings.

Commissioner Pellegrini asked if Item B of the Consent Calendar included taxes and freight charges. CEO stated the total amount should be \$2,668.00 for the items plus taxes and freight charges.

COMMISSIONER PELLEGRINI MOVED FOR THE APPROVAL OF ITEM B OF THE CONSENT CALENDAR INCLUDING TAXES AND FREIGHT CHARGES. COMMISSIONER WILSON SECONDED. MOTION CARRIED WITHOUT DISSENT.

CEO REPORT

- ❖ 7/29, 7/30, 8/6 AND 8/12: CEO gave Redwood Marine Terminal presentations to various agencies and service clubs.
- ❖ 7/29: Conference call with Wilson Lacy and other ports regarding cruise ship marketing.
- ❖ CEO continues to work with Navy League and Humboldt Bay Aquatic Center on the poster combining the Coast Guard City Celebration, Paddlefest and Humboldt Bay Maritime Expo.
- ❖ The deadline for the Humboldt Bay Management Plan Advisory Committee applications has been extended to September 19th.
- ❖ The Harbor District has received a grant from the City of Eureka for \$1,300 for the recycling stations at Woodley Island.
- ❖ The deadline for public comments on the Redwood Marine Terminal Draft Business Plan is August 28th, the date of the next Board of Commissioners meeting. The meeting will be held in the City of Eureka Council Chambers. At that time, the public comment period will have spanned 64 days.

DISTRICT COUNSEL REPORT: None

STAFF REPORT: None

COMMISSIONER REPORTS

Commissioner Higgins:

- ❖ Said he is excited about the Marine Life Protected Act collaborative fisheries studies to identify and fill data gaps taking place in Humboldt Bay, Crescent City, Fort Bragg and Shelter Cove. He said the Marine Protected Areas will be implemented in 2012 and he is concerned about the commercial and sport fisheries closures. Also there are sizable grants available and will be pursued. Commissioner Higgins stated Director of Conservation is in charge of the outreach and is a diplomatic representative for the Harbor District.
- ❖ Stated last meeting Commissioner Pellegrini expressed dissatisfaction with an editorial comment he wrote about the Harbor District operating in the deficit for the last ten years. He said he should not have

said there was an annual deficit; however his point is still valid. The Harbor District's cash flow has been in the negative and the investment in the deepening project is reflected in that negative cash flow.

Commissioner Hunter:

- ❖ Remarkd about maintenance dredging. There are 11 different projects that are a part of the joint City of Eureka/Harbor District periodic maintenance dredging project around the bay; the Harbor District has one – Woodley Island Marina. Different options for dredge disposal should be considered; possibly landowners could use as fill.

Commissioner Wilson:

- ❖ Attended the Bay Stewards Forum. Commissioner Hunter also attended.
- ❖ Recently had tuna from a Woodley Island Marina boat and it was fabulous.
- ❖ Stated he feels a regional sediment management committee would be beneficial.

Commissioner Curless:

- ❖ Attended a RAPIT meeting.

Commissioner Pellegrini:

- ❖ Said she is not confused about the Harbor District's financial standing. She said when Louisiana-Pacific and Simpson Timber Company opted out of their tideland lease, the Harbor District accepted the upland property in exchange for the removal of the leasehold improvements; therefore the land is available for use to promote jobs and businesses. There has been a loss of tideland lease revenue and the State "stole" revenue annually for two years.
- ❖ The Ordinance 9/17 committee will meet on August 18th.
- ❖ Met with residents and landowners in King Salmon regarding the silting of the channel. She asked if the Harbor District can get involved with Dept. of Boating and Waterways to help with this problem. CEO stated King Salmon is not State tidelands; it is private property. Dept. of Boating and Waterways does not get involved with dredging, but suggested the Coastal Conservancy might be the appropriate agency.
- ❖ Suggested inviting Kathy Fosmark of the Alliance for Sustainable Fisheries, Central Coast, to get involved with the MLPA process. Ms. Fosmark was very involved in the MLPA process the Central Coast is living with now.
- ❖ Referred to an article in the San Luis Obispo Tribune about salmon fishing and what can be learned from Eureka. She said the article's information was a credit to Humboldt Bay's marinas, Boardwalk and Fishermen's Terminal.

ADVISORY COMMITTEE REPORTS: None

OTHER

Report by Dr. Ann Lindsay on HIA concept

Dr. Ann Lindsay gave a report on the Health Impact Assessment (HIA) program available through the Human Impact Partners. The County of Humboldt had an HIA performed on the General Plan. Commissioner Wilson was present when the report was presented to the County and thought a HIA might be beneficial for the Redwood Marine Terminal Project. Dr. Lindsay said the resultant health impacts would not change the project, but may change how the project is developed.

Commissioner Wilson asked if an HIA would be limited to the Redwood Marine Terminal or would it take into consideration growth/expansion in general. Dr. Lindsay responded it would be up to the Board of Commissioners; a long-term perspective would be valuable.

Commissioner Wilson then asked about a presentation to the Board of Commissioners regarding the General Plan. CEO stated Kirk Girard is planning a presentation in September.

President Hunter asked how long is the HIA process. Dr. Lindsay said the proposal forwarded to Commissioner Wilson suggested a 3-6 month time frame.

Carlos Quillez asked how many trucks would service the Redwood Marine Terminal project. Dr. Lindsay responded it would depend on how the rail would interface with truck traffic.

Dave Spreen asked if HIA includes a legal review of mitigation. Dr. Lindsay stated the HIA is not a legal analysis, but is patterned after others' practical activities.

Presentation on wave energy by David Gurney

David Gurney gave a presentation to the Board of Commissioners on wave energy activity proposed by PG&E off the coast of Fort Bragg, similar to what is being considered off the coast of Humboldt Bay. He said the fishing industry must be protected and the wave energy buoys create a marine hazard.

Commissioner Pellegrini said she is told wave energy is benign and environmentally friendly; fishermen would say otherwise.

Commissioner Higgins said we all should be vigilant to protect the fisheries, whale migration, and other ocean life.

Commissioner Wilson suggested Ian Caliendo of PG&E give a presentation to the Board of Commissioners.

Jeremy Mills asked for an explanation of environmental regulations. Commissioner Higgins said there are two notorious bureaucracies involved: the Federal Energy Regulatory Commission (FERC) and the Mineral Management Service (MMS).

NON-AGENDA: None

UNFINISHED BUSINESS

A. DISCUSSION OF THE DRAFT REDWOOD MARINE TERMINAL BUSINESS PLAN AND GOLDMAN, SACHS CO. NEGOTIATIONS – NO ACTION.

President Hunter stated negotiations with Goldman Sachs are at an impasse at this point and a proposal will not be brought to the Board until the committee is satisfied.

Carlos Quillez said what is driving the Goldman Sachs bay development is jobs and the betterment of the community; but the reason why there is no development now is that three Commissioners are holding the process hostage waiting for a train that is not coming. This is costing the community jobs now and prohibiting other development.

Sandy Haux said the Business Plan is full of unsubstantiated assumptions and Cruise the West is just a marketing tool for phantom ships.

David Gurney said wave energy and port development are connected. Goldman Sachs is buying the harbor and is involved in hedge funds.

Larry Goldberg stated it is a serious waste of taxpayer money to pursue this project. He said he was concerned NCRA is not represented at these Harbor District meetings. There are unrealistic employment impacts, cleanup costs, cruise ship traffic, climate and ocean level changes, air pollution, foreign species introduced in the bay and no recreational and conservation considerations. Would you mortgage your house and pledge your personal assets for a deal like this? He said this is 19th century thinking in the 20th century – the railroad and shipping is over.

Kathleen Fox said she is a local self-employed hair stylist trying to make a living. She said it is a struggle for independent business owners; she is losing clients, people are leaving the area. With port development, there will be positive effects in the Eureka downtown area; public safety can be enhanced.

Robert said the Business Plan is a poorly written piece of propaganda showing little relevant data. He said the area has been in an economic decline since the 1970's. Within the next 10 years all of

Humboldt Bay will be a wildlife and marine sanctuary. To continue spending taxpayer's dollars is a cynical and immoral act.

David Elsebusch said it is a simple project, which has grown into monstrous proportions. He was a strong supporter of the \$200,000 Headwaters grant and is still in favor of building the Redwood Marine Terminal; but the project has gone a long beyond Option B. The project should be put on hold and pursue the initial intention to sell it to a private enterprise. Also, having one Commissioner on the negotiating committee is controlling.

Dave Spreen commented on President Hunter's article in the Times-Standard last week. He said there were unsubstantiated comments and that Prince Rupert has not experienced the growth it expected from its marine terminal.

John Shaefer said he is puzzled by the lack of communication with the NCRA Board. He thinks the plan is not going to survive without the railroad and the railroad is not going to return. He is concerned about the loss of aquaculture and the loss of other opportunities for the bay. If oil drillers and LNG tankers are allowed to come into Humboldt Bay, all will be lost.

Melvin McKinney said there is a need for the commercial fishermen to dock. The Board of Commissioners should take care of what they have. He was concerned boat-building projects had been turned away.

Sid Berg said he hears the same negative comments at every meeting. Infrastructure is a tool for the future. We need leadership to make sure what is built is environmentally sensitive and will create a future.

Jessica Puccinelli asked about conservation and recreation projects. They are not spelled out in the Business Plan. Museums, shops, marine labs and aquariums create jobs. Also more education will create more jobs.

Commissioner Higgins said American manufacturing is resurging, but the cost of transportation will not allow importing. He said Goldman Sachs will have to negotiate with both NCRA and NWPRR.

Commissioner Wilson said he reviewed the economic models in the Feasibility Study and Business Plan and for the Harbor Deepening Project too. The Board of Commissioners has to consider the opportunities and costs of moving forward and of not looking at alternatives. He encourages healthy skepticism of the numbers and is concerned with removal of the creosoted pilings, the cost of shipping on double hulled ships. The Harbor District is not negotiating with Goldman Sachs for the NCRA portion of the project, only the District's part of the project; and there have been no formal discussions with NCRA yet.

President Hunter said during negotiations with Goldman Sachs, they made the suggestion to go to the table with NCRA, but the Committee and the Board have not yet discussed this issue. During the Harbor Deepening Project, a Benefit Assessment District was attempted because local community financial leaders said it would be a good way for the Harbor District to pay for the dredging; the community voted against it.

Commissioner Pellegrini said short sea shipping is an alternative to the railroad. She said it is important to decrease the number of trucks on the road.

Commissioner Wilson said the Board needs to review whether short sea shipping can be a less-costly option.

Commissioner Higgins said there are large costs for the Harbor District to bear with environmental review; all with taxpayer money.

President Hunter said public comments on the Draft Business Plan will be accepted through the end of the Board meeting on August 28th. The Board meeting on August 28th will be held in the City of Eureka Council Chambers.

B. CONSIDERATION OF RESOLUTION 2008-09 ESTABLISHING FINDINGS RELATIVE TO APPLICATION BY US COAST GUARD FOR MOTOR LIFEBOAT PIER DISMANTLING PROJECT.

COMMISSIONER HIGGINS MOVED FOR THE ADOPTION OF RESOLUTION 2008-09 ESTABLISHING FINDINGS RELATIVE TO APPLICATION BY US COAST GUARD FOR MOTOR LIFEBOAT PIER DISMANTLING PROJECT. COMMISSIONER WILSON SECONDED. ROLL CALL VOTE WAS TAKEN:

COMMISSIONER PELLEGRINI – AYE
COMMISSIONER CURLESS – AYE
COMMISSIONER WILSON – AYE
COMMISSIONER HUNTER – AYE
COMMISSIONER HIGGINS – AYE

MOTION CARRIED WITHOUT DISSENT.

C. CONSIDERATION OF PERMIT NO. 08-02 TO US COAST GUARD FOR MOTOR LIFEBOAT PIER DISMANTLING PROJECT.

COMMISSIONER PELLEGRINI MOVED FOR THE APPROVAL OF PERMIT NO. 08-02 TO US COAST GUARD FOR MOTOR LIFEBOAT PIER DISMANTLING PROJECT. COMMISSIONER WILSON SECONDED. MOTION CARRIED WITHOUT DISSENT.

ADMINISTRATIVE AND EMERGENCY PERMITS: None

The Regular Meeting of the Board of Commissioners adjourned at 9:25 p.m.

APPROVED BY:

RECORDED BY:

____Signature on File_____
Roy Curless
Secretary

____Signature on File_____
Patricia L. Tyson
Director of Administrative Services