

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

February 25, 2010

PRESENT:

Commissioner Curless
Commissioner Wilson
Commissioner Higgins
Commissioner Marks

ABSENT:

Commissioner Pellegrini

President Curless called the Executive Closed Session to order at 6:06 p.m. Executive Closed Session adjourned at 6:29 p.m.

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

President Curless led those present in the Pledge of Allegiance.

District Counsel reported on the Executive Closed Session as follows: Status of negotiations with the District's employee bargaining unit per Section 54957.6. The employees approached the Board of Commissioners to begin negotiations on their next contract. Commissioners Curless and Marks have been appointed as the Human Resources Committee for negotiations. No other action was taken.

PUBLIC COMMENT

Paul Roller, representing PG&E, stated PG&E has been receiving negative press from the conflict between one of their contractors on the decommissioning of the power plant and the local labor unions. He said PG&E values its relationship with the Harbor District and the local labor community; and PG&E has partnered effectively with the local labor.

Roy Willis, fossil plant manager at PG&E's power plant, said the decisions on the decommissioning project were based on the least impact to the power plant's neighbors. PG&E supports the local community wherever and whenever they can.

Allison Talbot, government relations for PG&E, acknowledged the issues presented in the "My Word" article by Commissioners Higgins and Pellegrini in the Times-Standard. She said PG&E will not present half-baked, unsupported agreement to the fishermen on the wave energy project and PG&E's project manager has been in contact with the attorney representing the local fishermen. Ms. Talbot said she would be happy to give the Board updates as the project moves along.

CONSENT CALENDAR

Commissioner Wilson asked for Items A-G of the Consent Calendar to be pulled for further discussion.

Item A: CEO reported California Association of Port Authorities (CAPA) consists of the 11 California deep-water public port directors and they meet three times per year. The District's excess liability insurance of \$150 million is obtained through CAPA.

COMMISSIONER HIGGINS MOVED FOR THE APPROVAL OF TRAVEL TO ATTEND THE CALIFORNIA ASSOCIATION OF PORT AUTHORITIES WINTER MEETING – MARCH 4-5, 2010, SACRAMENTO, CALIFORNIA. COMMISSIONER WILSON SECONDED. MOTION CARRIED WITHOUT DISSENT.

Item B: CEO reported the District's attendance at the CMANC meeting in Washington DC has been ongoing for several years. The meeting provides the opportunity to lobby for the continuance of O&M funding for the channel and bar maintenance. CMANC holds their Washington DC meeting the same time as AAPA to cut down on costs. Director of Maritime Commerce's role will be to interact with other US ports and ship line vendors at the AAPA meetings.

COMMISSIONER HIGGINS MOVED FOR THE APPROVAL TRAVEL TO ATTEND AMERICAN ASSOCIATION OF PORT AUTHORITIES SPRING CONFERENCE AND CALIFORNIA MARINE AFFAIRS AND NAVIGATION CONFERENCE – MARCH 22-25, 2010, WASHINGTON DC. COMMISSIONER WILSON SECONDED. MOTION CARRIED WITHOUT DISSENT.

Item C: Failed for lack of motion.

Item D: CEO reported this meeting provides the District with the opportunity for leverage on the marine highway project through the West Coast Corridor Coalition (WCCC). WCCC penned the application to MARAD to designate a West Coast Marine Highway Corridor.

Commissioner Wilson asked for a report from Director of Maritime Commerce at the next Board meeting.

COMMISSIONER WILSON MOVED FOR THE APPROVAL OF TRAVEL TO ATTEND WEST COAST CORRIDOR COALITION MEETING – MARCH 3, 2010, LOS ANGELES, CALIFORNIA. COMMISSIONER MARKS SECONDED. MOTION CARRIED WITHOUT DISSENT.

Item E: CEO reported the District's Dockmaster is currently on the Board of Pacific Coast Congress, an organization of West Coast marina operators. He said this meeting has agenda items valuable for marina operations and maintenance.

COMMISSIONER WILSON MOVED FOR THE APPROVAL TRAVEL TO ATTEND PACIFIC COAST CONGRESS OF HARBORMASTERS AND PORT MANAGERS – APRIL 6-9, 2010, BELLINGHAM, WASHINGTON. COMMISSIONER MARKS SECONDED. MOTION CARRIED WITHOUT DISSENT.

Item F: Director of Administrative Services reported the District obtains their Property/Liability/Workers Compensation insurance through SDRMA. SDRMA offers Claims/Safety Days two times per year and SDRMA gives premium discounts for attendance at these meetings.

COMMISSIONER MARKS MOVED FOR THE APPROVAL OF TRAVEL TO ATTEND THE SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY'S SAFETY CLAIMS EDUCATION DAY – MARCH 30, 2010, SACRAMENTO, CALIFORNIA. COMMISSIONER WILSON SECONDED. MOTION CARRIED WITHOUT DISSENT.

Item G: CEO reported this training for the Bar Pilots is mandatory for Harbor District licensing and bridge management training is a federal requirement.

COMMISSIONER WILSON MOVED FOR THE APPROVAL OF TRAVEL AND TRAINING FOR THE BAR PILOTS TO TAKE MANDATORY BRIDGE RESOURCE MANAGEMENT AND RADAR OBSERVER TRAINING AT THE PACIFIC MARITIME INSTITUTE – MARCH 30 – APRIL 1, 2010, SEATTLE, WASHINGTON. COMMISSIONER MARKS SECONDED. MOTION CARRIED WITHOUT DISSENT.

CEO REPORT

- ❖ Commissioners Pellegrini and Higgins and CEO attended a wave energy response meeting with local fishermen and ILWU representatives.
- ❖ CEO attended the City of Eureka Council meeting where the Council approved signing the North Coast Local Agency Coastal Coordination Committee Memorandum of Agreement. Ten of 17 agencies have

signed the MOA. Councilman Leonard and Lisa Shikany are the City of Eureka representatives on the committee.

- ❖ 2/18: A multi-agency port security training was held.
- ❖ 2/19: Assemblyman Chesbro introduced AB2637 requesting pilotage for Humboldt Bay be transferred to San Francisco Bay and existing Bar Pilots be transferred to San Francisco's Pilot apprentice program.
- ❖ 2/19: Wartsilla, contractor for PG&E power plant project, has finished moving the engines through the Fields Landing Boat Yard and has returned the property to its previous, and in some cases better, condition.
- ❖ 2/22: CEO and Director of Conservation attended the Headwaters Fund Board. The District had requested the remainder of its \$199,000 grant and the Headwaters Fund Board approved the request. The County Board of Supervisors will consider this item for approval at their March 23 meeting.
- ❖ 2/24: Humboldt Bay Symposium planning meeting was held.
- ❖ 2/24: The first Budget Committee meeting was held. Commissioners Curless and Wilson, District Treasurer, CEO and Director of Administrative Services attended.
- ❖ The marina work dock will be closed for the month of March for maintenance and repairs.

DISTRICT COUNSEL REPORT: None

STAFF REPORT: None

COMMISSIONERS REPORTS

Commissioner Wilson:

- ❖ Visited the Humboldt Bay Wildlife Refuge to watch the geese, swans and other birds fly in and out.
- ❖ Attended the Humboldt Bay Symposium planning meeting.
- ❖ Attended the first Budget Committee meeting. He said it was informative and staff is very helpful.
- ❖ Thanked staff for setting up the meeting with the air quality representatives and local businesses to discuss the impacts of the new regulations.

Commissioner Curless:

- ❖ Attended the Budget Committee meeting
- ❖ Was given a picture of Shelter Cove in the early 1900's.

ADVISORY COMMITTEE REPORTS

Commissioner Higgins:

- ❖ Stated CEO and Director of Conservation have done an outstanding job working with the Headwaters Fund Board to obtain the remainder of the grant for the Humboldt County pre-MLPA community-based socioeconomic characterization and risk assessment.
- ❖ The last Economic Development Committee meeting will be held on March 31st. There have been a total of seven meetings and all have been encouraging and informative.

OTHER

Presentation by City of Eureka on the Status of the Fishermen's Terminal Project

Eureka City Manager David Tyson, Assistant City Manager Mike Knight and Director of Redevelopment and Housing Cindy Trobitz-Thomas gave the Board of Commissioners an update on the progress of the Fishermen's Terminal and adjacent C Street Plaza. The work area consists of a dock, hoists and storage area. The adjacent property will eventually include a fish buying and distribution center where the public will be able to buy directly from fishermen. A pedestrian plaza will be built at the foot of the dock, with space for farmers' markets, live music, and other activities. The plaza will be the heart of a city redevelopment project, Seaport Village Square, with commercial space and residential units.

Commissioner Higgins commended the City for their accomplishments and said direct marketing from the fishermen to the consumer will benefit all.

Michelle Collins asked if the fishermen will be able to self-market. Mr. Knight said the details have not yet been confirmed, but the City is working with fishing associations and businesses to make sure the terminal works everyone's best advantage.

NON-AGENDA: none

UNFINISHED BUSINESS

A. CONSIDERATION OF APPROVAL OF THE ENVIRONMENTAL CHECKLIST FOR THE APPLICATION BY CHEVRON PRODUCTS COMPANY FOR MAINTENANCE DREDGING AT THE CHEVRON EUREKA TERMINAL.

CEO reported Chevron did their last maintenance dredging in 2005. They are hoping to use the District's dredge disposal site if the permitting can be obtained. This is a 20-day project that will take place between July 15 and October 31 of this year.

COMMISSIONER HIGGINS MOVED FOR THE APPROVAL OF THE ENVIRONMENTAL CHECKLIST FOR THE APPLICATION BY CHEVRON PRODUCTS COMPANY FOR MAINTENANCE DREDGING AT THE CHEVRON EUREKA TERMINAL. COMMISSIONER WILSON SECONDED. MOTION CARRIED WITHOUT DISSENT.

B. CONSIDERATION OF FINDING ADEQUATE THE MITIGATED NEGATIVE DECLARATION FOR THE APPLICATION BY CHEVRON PRODUCTS COMPANY FOR MAINTENANCE DREDGING AT THE CHEVRON EUREKA TERMINAL.

COMMISSIONER WILSON MOVED FOR APPROVAL OF FINDING ADEQUATE THE MITIGATED NEGATIVE DECLARATION FOR THE APPLICATION BY CHEVRON PRODUCTS COMPANY FOR MAINTENANCE DREDGING AT THE CHEVRON EUREKA TERMINAL. COMMISSIONER HIGGINS SECONDED. MOTION CARRIED WITHOUT DISSENT.

C. CONSIDERATION OF ADOPTION OF RESOLUTION 2010-04 WHICH ESTABLISHES FINDINGS RELATIVE TO THE APPLICATION BY CHEVRON PRODUCTS COMPANY FOR MAINTENANCE DREDGING AT THE CHEVRON EUREKA TERMINAL.

COMMISSIONER WILSON MOVED FOR ADOPTION OF RESOLUTION 2010-04 WHICH ESTABLISHES FINDINGS RELATIVE TO THE APPLICATION BY CHEVRON PRODUCTS COMPANY FOR MAINTENANCE DREDGING AT THE CHEVRON EUREKA TERMINAL. COMMISSIONER MARKS SECONDED. ROLL CALL VOTE WAS TAKEN:

COMMISSIONER CURLESS – AYE
COMMISSIONER PELLEGRINI – ABSENT
COMMISSIONER WILSON – AYE
COMMISSIONER HIGGINS – AYE
COMMISSIONER MARKS – AYE

MOTION CARRIED WITHOUT DISSENT.

D. CONSIDERATION OF GRANTING PERMIT NO. 09-08 TO CHEVRON PRODUCTS COMPANY FOR MAINTENANCE DREDGING AT THE CHEVRON EUREKA TERMINAL.

COMMISSIONER WILSON MOVED FOR THE APPROVAL OF GRANTING PERMIT NO. 09-08 TO CHEVRON PRODUCTS COMPANY FOR MAINTENANCE DREDGING AT THE CHEVRON EUREKA TERMINAL. COMMISSIONER MARKS SECONDED. MOTION CARRIED WITHOUT DISSENT.

NEW BUSINESS

A. CONSIDER AND DETERMINE WHETHER TO DIRECT DISTRICT STAFF TO PREPARE AND SUBMIT A TIDELAND LEASE APPLICATION TO STATE LANDS COMMISSION FOR THE HUMBOLDT OFFSHORE REEF PROJECT.

CEO reported since the mid-1980s the salmon season has been limited due to the Klamath Management Zone. In the mid-1980s, the charter salmon fishermen felt if there was a reef close by there would be an alternative for sports fishing.

These charter fishing boat operators contacted CA Department Fish & Game (DFG) in the late 1980s for assistance in developing an artificial reef and a potential reef location was located one mile northwest of the Humboldt Bay entrance was identified. The charter boat operators had no funding to build the reef to DFG's specifications for the reef – the idea fell apart.

However, in the last five years, the Harbor District has had some support to pursue an offshore reef. Ships to Reef presented to the District Board last year. They are currently pursuing a statewide effort designating five sink sites for cleaned ships, including Humboldt. The Humboldt Area Saltwater Anglers (HASA) also has interest and will grant \$1,500 towards the approximately \$3,000 fee for the District to submit a tideland lease application to State Lands.

COMMISSIONER HIGGINS MOVED TO DIRECT DISTRICT STAFF TO PREPARE AND SUBMIT A TIDELAND LEASE APPLICATION TO STATE LANDS COMMISSION FOR THE HUMBOLDT OFFSHORE REEF PROJECT. COMMISSIONER WILSON SECONDED.

Aaron Newman stated there is no opposition from the crab fishermen.

Commissioner Marks stated Commissioner Pellegrini wanted it on record she is in favor of the application.

Commissioner Wilson asked if HASA pays half the application fee, would that impact the independence of the project. CEO stated it would not. The tideland lease would be in the Harbor District's name; and most likely, non-Harbor District funds, in the way of grants, would be used for the project.

Casey Allen, HASA, suggested reef balls be used to construct the reef and HASA would solicit donations to manufacture and place them. He said HASA could be responsible for raising funds and getting the project done; Harbor District would be responsible for the bureaucratic obligations. Mr. Allen presented a \$1,500 check to the Harbor District Board to be used towards the application fee for the tideland lease.

MOTION CARRIED WITHOUT DISSENT.

B. CONSIDER AND DETERMINE WHETHER TO FILE A MOTION TO INTERVENE ON BEHALF OF THE DISTRICT IN FORTHCOMING FEDERAL ENERGY REGULATORY COMMISSION (FERC) PROCEEDINGS REGARDING THE PG&E WAVE ENERGY PROJECT LICENSING APPLICATION AFFECTING WATERS AT/NEAR THE PORT OF HUMBOLDT BAY AND SURROUNDING AREAS, AND INSTRUCTION TO DISTRICT COUNSEL TO PREPARE INTERVENTION MOTION.

COMMISSIONER HIGGINS MOVED TO DETERMINE WHETHER TO FILE A MOTION TO INTERVENE ON BEHALF OF THE DISTRICT IN FORTHCOMING FEDERAL ENERGY REGULATORY COMMISSION (FERC) PROCEEDINGS REGARDING THE PG&E WAVE ENERGY PROJECT LICENSING APPLICATION AFFECTING WATERS AT/NEAR THE PORT OF HUMBOLDT BAY AND SURROUNDING

AREAS, AND INSTRUCTION TO DISTRICT COUNSEL TO PREPARE INTERVENTION MOTION.
COMMISSIONER MARKS SECONDED.

Commissioner Higgins said he appreciates PG&E's process, but FERC is in charge and regulates everything within three miles. He said PG&E frames the project as one square mile, but he is concerned

this will change because the time period has changed from five to ten years. Commissioner Higgins also said he would like to ensure the use of local labor on the project.

Commissioner Wilson asked if the motion to intervene is premature since the Board is asking staff to research the intervention.

Commissioner Marks stated Commissioner Pellegrini asked for the record to show she is in favor of the intervention. Commissioner Marks asked District Counsel for his opinion on filing the motion.

District Counsel stated at this point there is nothing to intervene in to; it's a strange FERC process. He said the Board can always withdraw at a later date. District Counsel recommended to the Board if they want to participate in the process, research would be brief, and they would have the motion ready to file when the window opens. The City of Fort Bragg has filed a similar motion; their template can be used.

Director of Conservation stated the word intervention sounds stronger than the actual action that would be taken. He said the Board would be put on a list that keeps the opportunity open to be able to comment in the future.

Commissioner Wilson said he does not want to appear to be in a reactionary mode.

Allison Talbot, PG&E, stated PG&E is going to file a draft pilot license agreement on Monday, March 1. She said PG&E welcomes and appreciates the District Board to be in an intervener status. Ms. Talbot stated Director of Conservation is correct in his explanation.

COMMISSIONER WILSON OFFERED A FRIENDLY AMENDMENT TO MOVE TO DIRECT STAFF TO DRAFT THE MOTION TO INTERVENE FOR FURTHER DISCUSSION AT A LATER MEETING UNLESS STAFF FINDS THE TIME COMES TO FILE PRIOR TO THE NEXT MEETING.

COMMISSIONER MARKS SAID HE WOULD ACCEPT THE FRIENDLY AMENDMENT.

Aaron Newman, President of Humboldt Fishermen's Association, asked the Board of Commissioners to register as interveners in order to become a part of the process. He said it is a complicated process; HFA is working hard to protect fishing interests. He asked the Board to authorize District Counsel to work with HFA's attorney to develop a contract with PG&E to deal with liability issues and compensation issues for injuries and losses within crab grounds.

Commissioner Higgins said this would be a gesture of collaboration with the fishermen.

Andy Colonna said FERC did not play straight on the relicensing of the Klamath Dams. He cautioned regarding a provision in FERC regulations where the time frame extends automatically.

Michelle Collins said she is concerned with waiting the extra two weeks until the next meeting. She urged the Board to direct staff to go forward.

COMMISSIONER HIGGINS SAID HE WOULD NOT ACCEPT THE FRIENDLY AMENDMENT.

Commissioner Marks asked if filing the motion is truly innocuous, what would be the harm of doing it now.

Michelle Collins said it is important to put the chair at the table now so it will be there when you need it. The risk of missing the deadline would be too harmful.

Tom Peters said the Board is not being asked to advocate or approve an action. If the Board is willing to be an intervener, then do it.

Alison Talbot said the draft license application is for a five-year project only. She said it is a dynamic project and PG&E is committee to transparency.

Leroy Zerlang said the fishing community deserves the highest respect and we should all work to protect the industry. He said the Board would be fools not to look at this potential niche when it comes with a bucketful of money. Don't beat up PG&E, no need to draw swords.

Commissioner Wilson said he is not trying to stop the intervention process, but the Board can be reactionary. If there is no need to jump, don't. The motion gives staff direction to file if the time comes prior to the next meeting.

Commissioner Higgins said it is not his intent to chew on PG&E; but he feels they are not truly transparent with this project. PG&E is a good corporate citizen, but the community needs to be cautious.

Andy Colonna said PG&E is not the problem; FERC is.

Commissioner Marks said it was his understanding there was no problem with the timelines; District Counsel felt PG&E had the timelines under control.

District Counsel said he has not yet thoroughly researched the timelines of the project, but Board approval of the motion gives him the authorization to pursue. In order to protect the Harbor District's interests and in keeping within the timelines, the filing may have to be done before the next meeting.

Commissioner Wilson said he was satisfied with the original motion.

MOTION CARRIED WITHOUT DISSENT.

C. CONSIDERATION OF RESOLUTION 2010-05 ESTABLISHING UPDATED CHECK SIGNING AND FUNDS TRANSFER PROCEDURES.

COMMISSIONER HIGGINS MOVED FOR APPROVAL OF RESOLUTION 2010-05 ESTABLISHING UPDATED CHECK SIGNING AND FUNDS TRANSFER PROCEDURES. COMMISSIONER WILSON SECONDED.

Commissioner Wilson said he asked staff to put this resolution forward in order to make the procedures for check signing and funds transfers easier on staff. He said fiscal accountability is important, but the current procedures are inefficient. At the end of the month, the Board will receive a listing of checks written.

ROLL CALL VOTE WAS TAKEN:

COMMISSIONER CURLESS – AYE
COMMISSIONER PELLEGRINI – ABSENT
COMMISSIONER WILSON – AYE
COMMISSIONER HIGGINS – AYE
COMMISSIONER MARKS – AYE

MOTION CARRIED WITHOUT DISSENT.

ADMINISTRATIVE AND EMERGENCY PERMITS

CEO reported an Administrative Permit was issued to the US Coast Guard for fencing at Station Humboldt Bay.

The Regular Meeting of the Board of Commissioners adjourned at 8:55 p.m.

APPROVED BY:

____ Signature on File _____
Richard Marks
Secretary

RECORDED BY:

____ Signature on File _____
Patricia L. Tyson
Director of Administrative Services