

**MINUTES OF THE REGULAR SESSION
OF THE BOARD OF HARBOR COMMISSIONERS OF THE
CRESCENT CITY HARBOR DISTRICT**

March 18, 2008

COMMISSIONERS PRESENT:

Patrick Bailey
John Yingst
Ron Phillips
Garry Young

COMMISSIONERS ABSENT:

Ray Martell

OTHERS PRESENT:

Richard Young, C.E.O./Harbormaster
Kenneth Towe, Harbor RV Anchorage
Kelly Schellong, City Council
Robert Black, Counsel
Tom Alber, Alber Seafood

Karen Phillips, P.S. Secretarial
Paul McAndrews, Facilities Mgr.
Michelle Ma, Triplicate
Jim Snow, Public Member
Kathy Yingst, Public Member

Call to order.

President Bailey called the meeting to order at 6:00 p.m.

Public Comment prior to Closed Session.

No public comments were received prior to the closed session or in regard to the closed session matters.

At 6:00 p.m., the Board of Harbor Commissioners will meet in closed session regarding the following items: Pursuant to Government Code Section 54956.9(a) Conference with legal counsel –existing litigation. Names of cases: Crescent City Harbor District vs. Denny Haddad; Crescent City Harbor District vs. Robin Conover; pursuant to Government Code Section 54956.9(b) significant exposure

to litigation, two potential cases: c) pursuant to Government Code Section 54956.8, Conference with real property negotiator. Harbor District negotiators: Bob Black, Richard Young. Property: Alber Seafoods lease area, The District authorizes negotiation with Alber Seafoods, Inc.

President Bailey convened the meeting in closed session at 6:00 p.m. and adjourned the closed session at 6:38 p.m. President Bailey announced that there were no reportable actions from the closed session.

Call to order for the regularly scheduled meeting. *Time certain 6:30 P.M.*****

President Bailey immediately convened the meeting in regular session at 6:40 p.m.

Pledge of allegiance.

C.E. O. Young led the pledge of allegiance.

Consent calendar. Possible Board action. (Estimated time: 5 minutes).

REMOVAL OF ITEMS FROM THE CONSENT CALENDAR:

Public comment: Requests to remove items from Consent Calendar.

Motion to approve the following consent Calendar items.

Approval of the warrants issued since March 4, 2008.

Approval of the minutes of the regular meeting of March 4, 2008.

No public comments were made with regard to the consent calendar items or removal of those items from the consent calendar.

ON A MOTION BY COMMISSIONER PHILLIPS, SECONDED BY COMMISSIONER YINGST, AND UNANIMOUSLY CARRIED, WITH COMMISSIONER MARTELL ABSENT, THE BOARD OF HARBOR COMMISSIONERS APPROVED AND ADOPTED THE CONSENT CALENDAR, CONSISTING OF ITEMS a-b, WITH A CORRECTION TO THE MINUTES PAGE THREE, SECOND PARAGRAPH, LINE TWO THE WORD "PLAN" WILL BE EXCHANGED FOR "PLANT".

Public comment.

The following persons made public comments: Jim Snow read a letter that he submitted to the Daily Triplicate regarding flying the flag at the Harbor flagpole. Mr. Snow was informed by staff and the board that the flagpole mechanism was damaged in one of the recent storms and that the flag has not been flown since that time. The C.E.O. stated that the pole has not been repaired yet due to a long list of repairs, which are a matter of public safety. Commissioner Yingst stated that it would be nice to have the commissioners personally put forth funds to support the flagpole. City Councilwoman Kelly Schellong stated that she attended the meeting to support the only fish processor (Alber Seafood) and she hopes that the Harbor keeps the processor here. She also wanted to know if anything has been done to mitigate the fines from the Regional Water Quality Control Board.

Discussion and consideration of extending Alber Seafood's lease through July 30, 2008 or other date certain. Possible Board action.

ON A MOTION BY COMMISSIONER PHILLIPS, SECONDED BY COMMISSIONER YINGST, AND UNANIMOUSLY CARRIED, WITH COMMISSIONER MARTELL ABSENT, THE BOARD OF HARBOR COMMISSIONERS VOTED TO RECONSIDER THEIR ACTION TAKEN AT THE FEBRUARY 4, 2008 MEETING.

C.E.O. Young reported on the extension of the Alber Seafood's lease and discussion was held with regard to the status of the approximately \$24,000 in fines incurred during Alber's tenancy. The Harbor C.E.O. has asked that Alber's pay half of that amount, which they have declined to pay more than \$9,000 to date. Tom Alber indicated that the lease extension is predicated on the fact that he would be taking ownership of the fines that happen as a part of his use of the treatment plant. There was discussion regarding the use of the pump and the requirements to run and discharge water or waste from the tanks. The definition of processing needs to be resolved, as there are days that are reported as non-processing days when staff believes that there was processing occurring. This definition needs to be resolved with the Water Resources Board. Mr. Alber agreed that the production/processing needs to be reviewed. Counsel asked if the definition of production was more than making food (days that there is a lot of water being used). C.E.O. Young asked to review the records of Alber's production. Mr. Alber said that he could not pay for the fines that he was not responsible for. Counsel asked if Mr. Alber thought that he could control the pump, etc., if he had control of the treatment plant. Mr. Alber indicated that he did not know. Counsel asked if the treatment plant were part of the lease if Alber's had control of the plant, the permit requires that the Harbor run the plant. Staff indicated that rainfall into the outflow is not the issue being discussed. The City handed over the control of the treatment plant to the Harbor when they were losing money and the issue of the processors were leaving the area. Counsel asked that the matter be tabled so he could speak with Mr. Alber privately. After speaking with Mr. Alber, Mr. Black asked to have the closed session reconvened to discuss real property negotiations.

President Bailey reconvened the closed session to discuss real property negotiations regarding as listed above at 7:36 p.m.

President Bailey adjourned the closed session at 7:50 p.m. and Counsel announced that the following action was taken during the closed session: the Harbor Commission directed the negotiator to work with Mr. Alber regarding the terms under which Alber Seafood would contribute \$9,000 towards the Regional Water Quality Control Board fines and staff will work with Alber's to adjust the rental rate to further assist the Harbor. A third lease agreement will come back to the Harbor for discussion and approval.

Discussion and consideration of purchasing a new winch for the Harbor's dredge "Texas". Possible Board action.

C.E.O. Young reported on the purchase of a new winch for the Harbor's dredge. Staff recommended that a Braden Model AHU7 be purchased for the estimated cost of \$5,819.86+/- and would pull 20,000 pounds.

ON A MOTION BY COMMISSIONER YOUNG, SECONDED BY COMMISSIONER PHILLIPS, AND UNANIMOUSLY CARRIED, WITH COMMISSIONER MARTELL ABSENT, THE BOARD OF HARBOR COMMISSIONERS APPROVED AND

AUTHORIZED STAFF TO ORDER THE BRADEN MODEL AHU7 WINCH AS RECOMMENDED.

Committee reports from other standing and ad hoc committees.

The following committee reports were made: Commissioner Bailey reported on the IRGC meeting that several were absent from due to the flu. He also reported on the funding fair along with the C.E.O., who indicated that they (Commissioner Phillips and Bailey and Kennedy Jencks representative Larry Keller) had discussions with regard to funding, etc., including the development of relationships with representatives of CDBG, State Infrastructure Bank and the EDA to help fund the match for the Harbor Reconstruction. Mr. Young reported that Commissioners were also able to meet with David Hartwell, USDA Rural Development, Bill O'Neill, EDA, Courtney Danehy, Chico State Community Development, and Patrick Talbott, regarding the Community Development Block Grants. Commissioner Phillips indicated that he feels that the Harbor needs to spend some time outlining proposed economic development for the next five years or so, including the implementation of the Master Plan.

C.E.O.'s report on current matters and issues planned or in progress.

The C.E.O.'s report included the following topics: 1) Harbor RV Park Models – the County Planning Department has received the letter of protect regarding the RV Park Model project fro Ken Towe. Staff will be responding to the concerns expressed in the letter; however, this may slow the installation of the park models; 2) Inner Basin Reconstruction Project – financing meetings are continuing, after the meetings in Anderson at the Funding Fair, there was a productive conference call with the grant writing consultant recommended by the CDBG folks. She will be coming on board with Stover Engineering to help with the CDBG process. A number of alternatives for the matching funding for the inner boat basin project are being explored; 3) 2008 Winter Storms – The State Office of Emergency Services will be here tomorrow to begin writing damage survey reports for the storms of January 4, 2008. This next step in the process of getting reimbursement fro the recent storm repairs; 4) 2008 Ocean Salmon Season – season looks grim with a maximum of nine fishing days under three options, one of which includes no fishing; 5) Klamath Management Zone Fisheries Coalition – meets at the Harbor offices tomorrow to discuss their recommendations for the coming Salmon season; and 6) City of Crescent City Acquisition of Brown Property - a second meeting will be sponsored by the City at their conference room March 20th.

Board comments.

Commissioner Yingst stated that it would be nice for his fellow commissioners to donate to the flag fund. Commissioner Phillips stated that he has sent out flyers in the Chamber newsletter and the Harbor/Brookings Chamber newsletter for the social mixer at the Harbor. The event is all set and a second tent has been ordered. There will be a beer tent at the event. Commissioner Yingst asked if Hambro Forest Products has been asked to move the "blue boat" at the corner of Anchor Way and Highway 101. C.E.O. Young reported that a new board will replace the current rotten "blue boat" and that the Sunrise Rotary will be painting it. The new boat will be placed on a temporary basis. President Bailey attended the Economic Summit and stated that the numbers are up in development, etc. and the future has a much more positive outlook.

Adjournment.

There being no further business to come before the Board of Harbor Commissioners, President Bailey adjourned the meeting at 7:57 p.m. until the next regularly scheduled meeting on April 1, 2008 at 6:30 p.m.

Patrick Bailey, President

Ray Martell, Secretary

Approved this _____ day
of _____, 2008.