

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

December 16, 2008

COMMISSIONERS PRESENT:

Garry Young
John Yingst
Ron Phillips
Patrick Bailey
Ray Martell

COMMISSIONERS ABSENT:

None

OTHERS PRESENT:

Richard Young, C.E.O/Harbormaster
Kenneth Towe, Harbor RV Anchorage
LaVonne Sparks
Paul McAndrews, Facilities Manager
Scott Feller, Commissioner Elect
Jack Reese, Commissioner Elect
Wayne Gavin

Karen Phillips, P.S. Secretarial
Kathy Yingst
Kurt Madar, Triplicate
Mary Young
Bob Ginoccio
Don Alber

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

President Bailey called the meeting to order in regular session at 6:30 p.m.

Pledge of allegiance.

The pledge of allegiance was led by Commissioner Martell.

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.

- A. Motion to approve the following consent Calendar items.**
 - i. Approval of the warrants issued since December 2, 2008.**
 - ii. Approval of the minutes of the Regular Meeting of December 2, 2008.**

There were no public comments with regard to the consent calendar or comments with regard to removing items from the consent calendar.

Corrections to the minutes included the deleting two persons who were not present at the meeting and changing \$2,000 to \$20,000 under the C.E.O.'s report. C.E.O Yong indicated that there were no checks or warrant list for adoption at this time.

ON A MOTION BY COMMISSIONER YINGST, SECONDED BY COMMISSIONER MARTELL, AND UNANIMOUSLY CARRIED, THE HARBOR DISTRICT BOARD OF COMMISSIONERS APPROVED AND ADOPTED THE CONSENT CALENDAR, CONSISTING OF ITEM Aii, AS PRESENTED.

Public comment.

The following public comments were made: None.

Discussion and consideration of amending the Memorandum of Understanding between Tri-Agency Economic Development Authority and Crescent City Harbor District. Possible Board action.

C.E.O. Young reported on the amendment to the Memorandum of Understanding between the Harbor and Tri-Agency EDA. This is a housekeeping item. Commissioner Yingst asked questions regarding HAF

ON A MOTION BY COMMISSIONER MARTELL, SECONDED BY COMMISSIONER PHILLIPS, AND UNANIMOUSLY CARRIED, THE HARBOR DISTRICT BOARD OF COMMISSIONERS APPROVED AND ADOPTED THE AMENDMENT AS PRESENTED.

Discussion and consideration of providing a letter of support for Steve Scheiblaue's appointment to the National Marine Protected Areas Advisory Committee. Possible Board action.

C.E.O. Young reported on the request to send a letter of support for Steve Scheiblaue's appointment to the National Marine Protected Areas Advisory Committee. This is a request from Mr. Scheiblaue, who is the Harbormaster in Monterey and is well respected by his peers. Staff recommend approval this matter.

ON A MOTION BY COMMISSIONER YINGST, SECONDED BY COMMISSIONER YOUNG, AND UNANIMOUSLY CARRIED, THE HARBOR DISTRICT BOARD OF COMMISSIONERS APPROVED SENDING A LETTER OF SUPPORT FOR THE APPOINTMENT OF STEVE SCHEIBLAUE TO THE NATIONAL MARINE PROTECTED AREAS ADVISORY COMMITTEE AND AUTHORIZED THE PRESIDENT TO SIGN THE LETTER AS PRESENTED.

Discussion was held regarding keeping Mr. Scheiblaue updated on the status of the Harbor and the number of representatives on this committee and his role. Mr. Young outlined Mr. Scheiblaue's background and the fact that he did indeed share the concerns of the Harbor.

Discussion and consideration of providing a letter of support for the formation of a trade corridor on the North coast. Possible Board action.

C.E.O. Young reported on the formation of a trade corridor on the North Coast as suggested by David Hull, the C.E.O. of Humboldt Bay Harbor and Recreation District. Staff suggested that the letter be sent and that more information would be necessary over the long haul. Discussion was held regarding redistricting the Harbor for larger vessels, such as cruise ships, any effect that it may have on the Army Corps of Engineers dredging and the marine highway.

ON A MOTION BY COMMISSIONER PHILLIPS, SECONDED BY COMMISSIONER YOUNG, AND UNANIMOUSLY CARRIED, THE HARBOR DISTRICT BOARD OF COMMISSIONERS APPROVED PROVIDING A LETTER OF SUPPORT FOR THE FORMATION OF A TRADE CORRIDOR ON THE NORTH COAST.

Discussion and consideration of recommending the DRAFT Real Estate Policy to the incoming Board of Harbor Commissioners. Possible Board action.

C.E.O. Young reported on the draft Real Estate Policy and its presentation of the revised policy to the incoming commissioners. This also would include administrative practices to implement the policy in the future. Commissioners discussed the policy and the length of time that it has taken to get this far and the possibility of adopting it tonight. Commissioner Phillips would like to have the flow chart added to the policy prior to adoption.

A recess was held from 6:55 p.m. to 7:02 p.m. in order for staff to get the lease extension flow chart and provide copies to the commissioners.

Commissioner Martell asked if the tenants understood the process and how the policy worked. Staff explained the process and how it came about. Times have changed and the district an enterprise district and revenues are necessary to pay for services. Lease practices have been different in the past; however, this process was discussed with the tenants last year at a meeting with the C.E.O. and tenants. The policy was modeled after another agencies lease process. The intent is so that the tenants can support their lease extension and so that all tenants are treated fairly and in a timely manner. Mr. Ginoccio asked what constituted a tenant. Mr. Young indicated that it would be a tenant with a lease agreement for real estate. Don Alber asked if the terms were written somewhere. Staff indicated that the terms would be defined and that is the administrative portion of the policy.

ON A MOTION BY COMMISSIONER YOUNG, SECONDED BY COMMISSIONER YINGST, AND UNANIMOUSLY CARRIED, THE HARBOR DISTRICT BOARD OF COMMISSIONERS VOTED TO APPROVE AND ADOPT THE REAL ESTATE POLICY THE ADDITION OF THE LEASE EXTENSION PROCESS FLOWCHART, AS PRESENTED.

Committee reports from other standing and ad hoc committees.

The following commissioners reported: Commissioner Bailey reported on the meeting with Diane Church of the Economic Development Administration, in Sacramento, to discuss the Harbor Reconstruction Project. Ms. Church indicated that the Harbor

reformat a document for her committee, emphasize jobs that will be created in the Master Plan build out, be prepared to come to Seattle in January to make a presentation regarding the project to the EDA Review Board, prepare for the possibility of an economic stimulus package in January 2009. Stover Engineering and Larry Keller will be working on this process. Ms. Church was excited about the project and indicated that not all projects get a chance to go before the EDA Review Board. Mr. Keller indicated that the items would be on her desk by the first of January 2009. Commissioner Phillips is looking for pictures or video clips of the damage caused by the tsunami so that they can be used in the presentation. Commissioner Bailey indicated that the IGRC meeting was held while all members were absent. There was also a guidelines committee meeting with Commissioners Yingst and Bailey present. No action was taken at that meeting. Commissioner Yingst indicated that signs could be placed around the district announcing that "This space could be the future home of ___" (whatever business would be appropriate per the Master Plan). Commissioner Yingst would like to see some landscaping done to dress up the harbor. Commissioner Martell stated that he would like to see the top of the pilings painted white so that they all looked the same and give visual enhancement.

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

The C.E.O.'s report consisted of the following topics: 1) Harbor Treatment Plant –has been operating on manual for the past two weeks, we have incurred some overtime, but our crew had been able to accommodate Alber Seafoods processing needs without disrupting their schedule, this had placed a strain on our work schedule and had reduced our ability to accomplish other projects; 2) HTP Permit Renewal – we have ongoing discussions with Kennedy/Jenks regarding renewal of the discharge permit with the State Water Quality Control Board, they are drafting a letter proposing modification of the definition of processing day so we can reduce the frequency of violations, the first draft of the letter will be available this week and we will continue discussions with the water board after the holiday; 3) Dump Truck – we have acquired two Army Surplus dump trucks, one is for parts and the other should be licensable and made street legal, Commissioner Bailey was instrumental in finding the trust and acquiring it for the district, this will give us the capacity of moving materials that we have not had in the past; 4) Bid on Roof Repairs –Alber Seafoods building roof bids came in, one bid was received from McMurray and Sons for the 100 feet of the roof on the north side of the building at \$27,341, this will repair about 70% of the roof on the north side of the building, we have already repaired about 50% of the roof on the south side, which was paid for by our insurance company and the California OES, the cost of the south side repairs was \$21,647. The estimated cost of repairing the entire roof is \$88,988. Staff believe that this could be an economic stimulus project should those funds become available; 5) Grant Applications – we are continuing to work with potential grant funders for the inner basin rebuilding project, we met with Greg Perry from the California OES regarding what portions of the inner basin project are allowable, C.E.O. Young is working on financial projections for the Harbor based on rebuilding the inner basin and are required by several agencies and need to be fairly detailed. Commissioner Young indicated that the riprap on the "A" Dock side is washing out badly of the last month. Tomorrow there is a meeting with the State Coastal Conservancy regarding funding; and 6) Maintenance Crew – have completed the following work: assembled half of the wave attenuator for "H" Dock, built an experimental camel using PVC pipe that will go in the water tomorrow, repaired defects on the mobile crane that were identified and required by the state inspector, repairs included the brake system and part of the hydraulic controls,

rebuilt brakes on the dump truck, replaced six sections of "B" Dock, including electrical and water lines, rebuilt two fingers of "B" Dock and removed outer basin ramps and docks. Discussion was held regarding the repairs, rebuilding of docks and the materials used for repairs. Commissioner Phillips thanked staff for the report and indicated that the commissioners need to know what is going on around the harbor since they cannot be here every day. The electrical cabinet will be here in February due to the time that it will take to build it. There are three more that will need to be replaced also. They are custom ordered from PacifiCorp.

Board comments.

The following commissioners made comments: Commissioner Yingst stated that he had written some notes about this day we wanted to share – this board, since he has been on it; he feels that they have done the heavy work, getting the Master Plan in place as a guideline, it is a good plan. He ran for the commission because there was one member of the board raising a lot of heck and he was not civil and then that person decided not to run again. He has enjoyed the people, staff and fellow commissioners. He would like to see the landscaping done as mentioned previously in this meeting. He learned about human behavior, he has enjoyed his time of the commissioner and wished all a Merry Christmas; Commissioner Young indicated that the signage and ramp for the Chartroom should be done and it is sitting in the back of the room ready to be installed. Commissioner Yingst interjected that the sign included installation by the company who made it. Commissioner Young wants to get the sign in the ground even though the crew is shorthanded, as this is a visual change that will be notices, he also wants the sea lion docks moved so that the tourists can watch them while they are eating, we need to hire a couple of new guys to get the work done, the south side of the main dock is busted down from boats tied to the dock, it needs to be attended to; and Commissioner Phillips commented on his appointment last year to the commission and his promise to approach each decision as a business decision. He thanked the board for appointing him and stated that he would miss the outgoing board members, as he has appreciated working with them. He is hoping that Kathy will get tired of John at least once or twice a month so he could attend meetings and give some laughter. He told Garry that he has looked up to him and has his number on speed dial. He hopes that the new board has the same type of discussions. Commissioner Young wished Scott Feller and Jack Reese the best of luck in working with the other commissioners and complimented them on their accomplishments. Commissioner Yingst thanked Ron Phillips for his kind words. This is the first board that there will not be a commercial fisherman on the board; however the C.E.O. was a former fisherman. President Bailey indicated that this has been four years of interesting work; the harbor is on the cusp of some very important work. Commissioners will have their work cut out for them, including the zoning change and the economy, building commercial operations, grants, live/work and others. Current commission is leaving a good structure for the new commission to work with and he wishes the new commission well. He will be visiting. Commissioner Martell indicated that each of the commissioners were a pleasure to work with and presented each of the commissioners with a plaque for their outstanding service over the years.

Adjournment.

There being no further business to come before the commission, President Bailey adjourned the meeting at 8:00 p.m., until the next regularly scheduled meeting on January 6, 2009 at 6:30 p.m. at the Crescent City Harbor District conference room.

Jack Reese, President

Ray Martell, Secretary

Approved this _____ day
of _____, 2009.