

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

February 17, 2009

COMMISSIONERS PRESENT:

Scott Feller
Ron Phillips
James Ramsey
Jack Reese, President

COMMISSIONERS ABSENT:

Ray Martell, Secretary

OTHERS PRESENT:

Richard Young, C.E.O./Harbormaster
Kenneth Towe, Harbor RV Anchorage
Kurt Madar, Triplicate
Bob Ginoccio
Wayne Gavin, Alber Seafood

Karen Phillips, P.S. Secretarial
Barbara Burke, SBDC
Mary Young
Garry Young

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

President Reese called the meeting to order at 6:30 p.m.

Pledge of allegiance.

Commissioner Feller led the pledge.

Public comment.

The following public comments were made: No public comments were made.

1. Consent agenda.

Public comment: Requests to remove items from the Consent Agenda may be heard at this time.

A) Approval of the warrants issued since February 3, 2009.

B) Approval of the minutes of the Regular Meeting of February 3, 2009.

President Reese asked for public comments regarding the consent agenda or for requests to pull matters from the consent agenda for separate consideration. The minutes of the February 3, 2009 meeting were pulled for action at a subsequent meeting as there additional information needs to be included.

ON A MOTION BY COMMISSIONER PHILLIPS, SECONDED BY COMMISSIONER RAMSEY, AND UNANIMOUSLY CARRIED, WITH COMMISSIONER MARTELL ABSENT, THE CRESCENT CITY BOARD OF HARBOR COMMISSIONERS APPROVED AND ADOPTED THE CONSENT AGENDA, CONSISTING OF ITEM 1A, AS PRESENTED.

2. Consider modification of the invoice for layover days for the Cheryl M in the self help area.

Commissioner Phillips asked that this matter be pulled from the agenda as no meeting was held as of this date. The matter will be placed on the next agenda for discussion, which will allow time to hold a meeting with Mr. Evanow, the vessel owner.

3. Approve a lease extension for Alber Seafood to allow use of the Harbor Treatment Plant for Hake processing.

Discussion was held regarding the lease extension for Alber Seafood, which would extend/approve the use of the treatment plant for Hake processing. C.E.O. Young reported on the processing costs for the additional processing of approximately (3-5 days a week) \$3,670, which does not cover all the actual costs for the operation. Staff suggested a caveat be added to the lease extension that provides the Harbor with non-responsibility for loss of product and requires that the tenant share in any fines incurred for their use of the plant. The request for extension would allow Alber Seafood to operate the treatment plant until June 30, 2009 at the same rent structure. President Reese was hesitant to continue to subsidize the cost of running the plant. Commissioners discussed the lease and terms.

ON A MOTION BY COMMISSIONER FELLER, SECONDED BY COMMISSIONER PHILLIPS, AND UNANIMOUSLY CARRIED, WITH COMMISSIONER MARTELL ABSENT, THE BOARD OF HARBOR COMMISSIONERS APPROVED THE LEASE EXTENSION WITH ALBERS AT THE CURRENT RATE (\$2,500 PER MONTH FOR USE OF THE HTP) AND THE ADDITION OF THE TWO CLAUSES REGARDING THE HARBOR'S NON-RESPONSIBILITY FOR PRODUCT LOSS AND FOR ALBER TO SHARE IN THE PAYMENT OF ANY FINES FOR HAKE PROCESSING (ENDING JUNE 30, 2009).

The County's economic stimulus package includes \$800,000 for the pre-treatment plant and remodeling/upgrades to the fish processing plant, according to the C.E.O. Whiting poundage fees apply to this lease agreement.

4. Approve the design of the RV Park Model project on Anchor Way.

Discussion was held regarding the RV Park Model. Commissioner Feller and Phillips reported on the diagram prepared by Engineer Charles Slert. The application for the park is at the Coastal Commission, which included layout "A", with a maximum density of 30 units. The agenda included two layouts (A and B) showing both density alternatives. Staff acknowledged that the park application as Coastal could be amended to include alternative B, which would minimize the number of units to around 22-23, and maximize amenities in the park. Native plants, energy efficiency appliances, a group fire pit, a pathway to the beach and through the park for the visitors staying at the park, staggering/positioning of the RV's for maximum views and traffic flow were all taken into consideration with alternative B. Bathrooms, trash and a propane tank would all be located on one end of the property to centralize the maintenance and utilities. Coastal Commission has expressed concerns regarding tie downs for the units so that they would not be moving or floating should there be a tsunami.

ON A MOTION BY COMMISSIONER FELLER, SECONDED BY COMMISSIONER PHILLIPS, AND UNANIMOUSLY CARRIED, THE BOARD OF HARBOR COMMISSIONERS APPROVED DESIGN ALTERNATIVE "B" AS PRESENTED.

5. Consider priorities for economic stimulus funding.

Discussion was held regarding a list of priorities for the economic stimulus funding, which would need to be "shovel ready" within the 60-180 days according to the definition used under the stimulus package and who you talk to. Staff presented a list of priorities for funding, which included dredging of the federal channel, dredging outside the federal channel, cost share of rebuilding inner basin and inner basin electrical, paving various areas of the Harbor, repair and upgrade of the fish plants, fund RV Park project, piling replacement on various docks, upgrades to boatyard and other projects. Cost estimates are being refined for the treatment plant, which was listed at \$800,000 and would allow discharge into the City's treatment plant. The Harbor has made a commitment to FEMA regarding the dredge spoils being dumped in the Harbor's ponds. The stimulus package will most likely be geared to job retention and creation, so the priorities need to reflect those criteria. C.E.O. Young argued that the dredging may not retain direct jobs, but there will be no jobs if the dredging is not done and the Harbor is force to close. The priorities were decided by consensus as follows:

- i. Dredging of the federal channel and outside the federal channel.
- ii. Cost share of rebuilding inner basin, inner basin electrical.
- iii. Harbor Treatment Plant upgrades.
- iv. Repair and upgrade fish plants.
- v. Piling replacement at various docks.
- vi. Funding RV Park project.
- vii. Paving various areas in the Harbor.
- viii. Removal of old docks and vessels.

6. Waive the full second reading, read by title only, and adopt Ordinance Number 34, An Ordinance Fixing the Time and Place of Regular Meetings of the Crescent City Harbor District.

Discussion was held regarding Ordinance No. 34, fixing the time and place of the regular meetings of the Crescent City Harbor District Board of Commissioners.

ON A MOTION BY COMMISSIONER PHILLIPS, SECONDED BY COMMISSIONER RAMSEY, AND UNANIMOUSLY CARRIED ON A POLLED VOTE, WITH COMMISSIONER MARTELL ABSENT, THE BOARD OF HARBOR COMMISSIONERS WAIVED THE SECOND FULL READING AND ADOPTED ORDINANCE NO. 34, AS PRESENTED.

7. Approve a contract amendment for District Counsel Robert Black to include legal services of Martha Rice.

C.E.O. Young reported on the legal services contract amendment which would add attorney Martha Rice as a service provider and an increase in the per hour fee to \$165.00 for Robert Black's services and \$145 for Martha Rice, for the period of February 1, 2009 through December 31, 2009. The matter was continued to the next meeting for staff to clarify the hourly rate for the deputy counsel.

8. Committee reports from other standing and ad hoc committees.

The following committee reports were made: Commissioners Reese and Feller attended the IGRC meeting where discussion was held regarding the City's pool opening; the Costa Norte development is moving forward; Will Caplinger moved; the City is having legislative issues in Sacramento; Veterans are exempt from local business licenses; City is moving forward with their audit; County - is working on law enforcement grants and mentioned that the state payments are slow in coming; there will be a lot less money for local government; Local parks - have been having national budget issues; they are happy about the rain for fire season and they anticipate 5% decrease in visitors this summer; they will market locally; Schools - reported on the Project Labor Agreement (PLA); College of the Redwoods has a new president and presented a balanced budget; Fair Board - reported on state budget issues. President Reese indicated that the School District Board did turn down the PLA and they are looking at being able to hire local labor force if they come within 5% of lowest bid. Commissioner Phillips reported on meeting with the State and National Parks, Guy Towers, Bill Renfro, Michelle Radison, Jim Strong and Jim Ramsey regarding the Pt. St. George Reef Lighthouse museum. They discussed the length of negotiations, space available for all the interested tenants, construction cost and funding sources. They will hold a meeting held each month of the first Monday of the month. Commissioner Phillips will not be able to attend the next Chamber and Harbor meeting. There was a lot of excitement about the museum and ancillary offices. The attendees at the meeting expressed interest in keeping the building

smaller in the beginning and making it expandable so that later tenants can be added. The project is not at the Coastal Commission at this time; however, it has been engineered. Commissioner Ramsey discussed hauling dredge spoils and indicated that he also talked to Jim Strong regarding the Chamber meetings and his ability to get to those meetings. Commissioner Feller discuss the meetings with the Art Gallery, meeting with boat skippers, RV park models and Mr. Slert, meeting with Port Safety Group, tenants and others. This year is the first year there has been no loss of life during crab season. 75% of the boats were inspected this year. HASWHOPPER training was discussed and some of the Harbor staff will need to be trained and will assist in the event of oil spills, etc. The Harbor was congratulated on their response to the last vessel that sunk. Staff acted quickly to minimize damages. The Office of Emergency Services suggested that the Harbor host a disaster drill for the community, similar to the airport disaster drill.

9. 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) California Association of Harbormasters meeting - C.E.O, travelled to Monterey for the meeting, the meeting was informative and many harbors are suffering budget cutbacks as uncertainty at the state level is affecting them, a great concern is the proposal to incorporate the Department of Boating and Waterways into the State Parks and Recreation Division; 2) Dredging – staff received updated cost figures from the Army Corps of Engineers on various dredging expenses, while they do not have specific cost estimates for the cost of dredging the Federal channel, their guidance suggests that the actual cost of completely dredging the channel will be in the range of \$3.5-6 million based on the revised volume estimate of about 150,000 cubic yards; 3) Flag – new flag was ordered and should be here soon, the flag will be painted with special paint to help it last longer; 4) Tall Ships – will not be coming to Crescent City this year, significantly lower revenues have affected they schedule, the ships will be taken to Grays Harbor for the summer where they will be on display; and 5) Ocean Atlas Workshop – produced a map of the various uses of the local ocean, the meeting was well attended, seems that this is being done in anticipation of the Marine Protected Areas (MPA).

10. Board comments.

The following board members made comments: Commissioner Feller asked if the NOAA updates were ever received after the visit they paid several weeks ago. He also wanted to know if Pacific Power has informed staff when the transformer will be here. Staff has not received notification of the transformer arrival. Commissioner Feller reported that "C" dock was toured and progress is being made.

11. Closed Session.

The Board of Harbor Commissioners will meet in closed session to discuss the following items:

- 1) Pursuant to Government Code Section 54956.8 Conference with real property negotiators. Harbor District negotiators Scott Feller, James Ramsey, Richard Young. Property: 140 Marine Way.

President Reese recessed the regular session at 8: 16 p.m. and immediately convened in closed session to discuss the matters listed in item 11 above.

Report of actions taken during closed session.

President Reese adjourned the closed session at 8:55 p.m. President Reese announced that the following action was taken during the closed session: action taken was to concur with the Landlord/Tenant subcommittee recommendations and direct staff to prepare a lease for the Crescent Harbor Art Gallery. The lease will appear on the next regular agenda.

12. Adjournment.

There being no further business to come before the Commission, President Reese adjourned the meeting at 8:55 p.m., until the next regularly scheduled meeting of March 3, 2009.

Jack Reese, President

Ray Martell, Secretary

Approved this ____ day
of _____, 2009.

Adjournment to the Regular Meeting scheduled on March 3, 2009 at 6:30 P.M. at the Crescent City Harbor District conference room.