

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

July 7, 2009

COMMISSIONERS PRESENT:

Jack Reese, President
Scott Feller
Ray Martell, Secretary
Ron Phillips
James Ramsey

COMMISSIONERS ABSENT:

None

OTHERS PRESENT:

Richard Young, C.E.O./Harbormaster
Kenneth & Rachel Towe, Harbor RV Anchorage
Robert Black, Commission Counsel
Chris Van Hook, Tenant
LaVonne Sparks
Ward Stover
Mary Young

Karen Phillips, P.S. Secretarial
Kurt Madar, Triplicate
Donna Westfall
Gary Young
Patrick Bailey
Kelly Schellong, Mayor

6:30 P.M. The Board of Harbor Commissioners will meet in open session to discuss the following agenda items.

President Reese opened the meeting in regular session as 6:30 p.m.

Pledge of allegiance.

Commissioner Reese led the pledge.

Public comment.

The following public comments were made: None.

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 June 16, 2009.**
- B) Approval of the minutes of the Special Budget Workshop June 13, 2009.**
- C) Approval of the minutes of the Regular Meeting of June 16, 2009.**

Commissioner Phillips asked to have minutes of June 16, 2009, corrected indicating that President Reese was absent, item 5 amended to reflect that Commissioner Philips did not make the motion.

No public comments were made regarding the consent agenda, and no requests were made to pull items from the consent agenda.

ON A MOTION BY COMMISSIONER RAMSY, SECONDED BY COMMISSIONER PHILLIPS, AND UNANIMOUSLY CARRIED, THE CRESCENT CITY HARBOR DISTRICT BOARD OF COMMISSIONERS APPROVED AND ADOPTED THE CONSENT AGENDA, CONSISTING OF ITEMS 1.A-C, WITH THE CORRECTIONS AS NOTED TO THE MINUTES OF JUNE 16, 2009.

Staff announced that the Harbor Planner matter needs a brief closed session, no specific action is anticipated, however, this matter arose subsequent to the posting of the agenda.

On a motion by Commissioner Martell, seconded by Commissioner Ramsey, and unanimously carried, the Crescent City Harbor District Board of Commissioners, added the matter of the Harbor Planner to the agenda pursuant to Government Code § 5495____, public employment, temporary part-time planner.

2. Consideration of issues raised by Mr. Chris Van Hook of Abalone International for his lease area, including dredging, subleasing, and a proposed tolling agreement.

Discussion was held regarding issues raised by Chris Van Hook. Mr. Van Hook indicated that the lease committee met and he has not heard back from them yet. He noted that no significant dredging has been done in many years and suggested that arbitration could be reopened. He would like to have some settlement of the leased area for waiver of the dredging rights. He thinks that the leased area could be freed up for other uses such as a youth hostel, etc. Commissioner Feller asked if the area was dredged. Staff indicated that it was; more thoroughly than at any other time. Mr. Van Hook asked if anybody has gone diving in the area to see what the area looked like; indicating that digging a hole in the mud is not going to make the area an abalone farm again. Commissioner Feller indicated that he watched the dredge for several days and asked if the abalone farm would be re-established if it were dredged. Mr. Van Hook indicated "no" it would not because investors would not be interested due to the dredging issues, he could however grow tube worms or maybe oysters again. He does not have his kelp lease any longer and he would ask for that as damages if arbitration is re-opened. Commissioner Feller indicated that he has read the lease, amendments and the arbitration decision and asked questions regarding them. Counsel explained the process that the case went to through the appeal and arbitration process. Commissioners Ramsey and Feller are on the ad hoc committee to discuss the lease. Mr. Van Hook indicated that he would not be interested in paying for half of the appraisal, but he would be happy to sell the leased area; he knows what he wants to sell it for. When asked by counsel if Mr. Van Hook would be interested in alternative uses for the building if dredging was not able to be accomplished, he indicated he would like the lease language clarified as to remuneration for the Harbor so that he can rent it out and wants the time clock stopped while alternate uses were to be in place. The Harbor has a 40% reduction in water

flow that prohibits him from raising oysters as per the Water Quality Control Board. President Reese referred the matter back to the lease committee for resolution.

3. Discussion and consideration of new Self Help Area contract.

Discussion was held with regard to the Self Help Area as discussed by Counsel. The documents were clarified. A space for initials will be added for renter's initials.

ON A MOTION BY COMMISSIONER PHILLIPS, SECONDED BY COMMISSIONER FELLER, AND UNANIMOUSLY CARRIED, THE CRESCENT CITY HARBOR DISTRICT BOARD OF COMMISSIONERS APPROVED THE TRAVELIFT AND SELF-HELP AGREEMENT.

4. Discussion and consideration of adopting a Harbor Planner job description.

Discussion was held regarding adopting a Harbor Planner position job description. C.E.O. Young asked that the average of 16 hours per week be stricken due to the fact that the position will have varying hours per week. Commissioner Phillips stated that he was afraid to vote on the matter without knowing what the closed session is about. Counsel indicated that the closed session is about an opportunity to select someone.

ON A MOTION BY COMMISSIONER MARTELL, SECONDED BY COMMISSIONER RAMSEY, AND UNANIMOUSLY CARRIED, THE CRESCENT CITY HARBOR DISTRICT BOARD OF COMMISSIONERS APPROVED AND ADOPTED THE JOB DESCRIPTION OF PART-TIME TEMPORARY HARBOR PLANNER, STRICKING THE 16 HOURS PER WEEK.

5. Report regarding the status of the Inner Basin Rebuilding project and discussion of next steps, including possibly scheduling workshops.

C.E.O. Young reported on the status of the Inner Basin Rebuilding and indicated that the Harbor was successful in getting \$5 million in CDBG funding for the inner basin rebuilding project. The letter is in the mail, according to CDBG staff. Staff indicated that now is an appropriate time to plan the next steps. Commissioner Phillips publicly thanked Patrick Bailey, Garry Young, John Yingst and Ray Martell for their initial work to get this funding. President Reese would like to see a timeline so that the Commission can see where they are in the project process. Ward Stover outlined the project process and timeline. The need to get the target use identified is one of the first priorities. A standing agenda item will be added to the future agenda to deal with this project.

6. Discussion and consideration of the preliminary budget.

C.E.O. Young reported on the preliminary budget, including changes and the final budget adoption at the next meeting. There is a budget deficit of \$317,393.00 as of the last meeting. The budget needs to go to the County by August 1, 2009. Commissioner Phillips wants to take \$100,000 out of line item 6560 - Payroll expenses. 6593 - Planning and Zoning may be eligible for payment through a grant so that it can be reduced. Bad debt can be reduced - 6030, 6579- Removal of abandoned boats will be checked to see if it could be part of the reconstruction project. President Reese asked that staff bring the budget back at the next meeting as a balanced budget or alternatives that can be discussed rather than go through the budget line by line. Commissioners Ramsey and Phillips agreed to meet with the C.E.O. and come up with balanced budget alternatives for the next meeting.

7. Discussion and consideration of Resolution 2009-3, A RESOLUTION OF THE GOVERNING BODY OF THE CRESCENT CITY HARBOR DISTRICT FOR THE ELECTION

OF DIRECTORS TO THE SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY BOARD OF DIRECTORS.

C.E.O. Young reported briefly on the proposed Resolution No. 2009-3,

ON A MOTION BY COMMISSIONER FELLER, SECONDED BY COMMISSIONER PHILLIPS, AND UNANIMOUSLY CARRIED ON A POLLED VOTE, THE CRESCENT CITY HARBOR DISTRICT BOARD OF COMMISSIONERS APPROVED THE RECOMMENDATIONS OF THE C.E.O. AND INCLUDING, THE NOMINATIONS OF GENE BRACY, MURIL CLIFT, JOHN YEAKLEY AND VINCENT FERRANTE.

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

The following reports were made: Commissioner Ramsey attend the Chamber meeting where they discussed the TOT funds the County gives the chamber, funding from CTC, and the newly opened Visitor's Center. Commissioner Ramsey reported on the Pt. St. George Reef Lighthouse Preservation Society Museum meeting with Guy Towers and the need for a business plan, etc. That meeting was cancelled to allow Guy Towers and Bill Renfroe, Executive Director of Tri-Agency, to meet and get information. The Chamber will be meeting with the State/National Parks to continue to discussion regarding a joint location and other possible partners. Commissioner Feller discussed the CDBG grant meeting, the timeframe, schedule of events, etc., that will need to occur in order to stay within the grant perimeters. The Harbor is getting the CDBG grant through the County. Commissioner Feller met the next day, following the CDBG meeting, with several legislators in Sacramento. The lease committee met with the Towe's earlier today regarding their lease and will be coming back to the Commission with recommendations. Commissioner Philips indicated that Trees of Mystery has experienced the largest numbers yet, which shows that folks are traveling. Donna Westfall, city resident, discussed the TOT, which she has recently learned about. She mentioned that she moved out of the Los Angeles area after attending a garden event. Her point is that people do move places if there are events. Her quilt show is a city wide event, which will have bussing from the fairgrounds to the downtown area historical society, Harbor and the Elk Valley Casino. She asked that the Harbor make the businesses aware of what is going on by posting the event posters, spreading the work, donations are accepted. Donna Westfall handed out the posters to be placed around the community.

9. 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) CDBG Funding Application – discussion was held earlier in the meeting, final letter in the mail; 2) 2009 Salmon Disaster Funding – check was received earlier in the year for \$88,320.69 for the 2008 and 2009 disaster; 3) HTP – discharge permit public hearing is July 23rd, the Water Board has been cooperative in making changes and will minimize the fines in the future; 4) Dredging – waiting permission from Corps of Engineers to begin dredging the inner basin, staff is seeking the use of the testing the Corps did in the Federal Channel in lieu of testing grain size outside the channel; 5) ICS 300/600 – Incident Command System Training courses were held recently and staff felt that they were worth the time and expense; 6) Marine Life Protection Act – Commissioner Feller and the C.E.O., attended the first meeting in the process along with many other concerned local officials and residents, the timeline is to receive the final decision in the summer or fall of 2011, the next meeting is July 22 at the Cultural Center, Commissioners suggested an op-ed regarding the issue, staff will work on this; and 7) Oil Spill Response Equipment – our new spill response trailer arrived today, the trailer contains 1,000 feet of hard boom, absorbent materials, decontamination material, and we will receive one days worth of training in the use of the equipment. The trailer was paid for by the California Department of Fish and Game Oil Spill

Response Unit. Staff was able to get quite a bit of work done in preparation of the 4th and President Reese said that it looks great.

10. Board comments.

The following commissioners made comments: Commissioner Feller asked about the transformer. Pacific Power gave the Harbor. Staff will be placing it in the vault. Other projects are being worked on. RV Park Models will be on a future Coastal Commission meeting, possibly in August. The Albers lease extension in begin worked on. Counsel indicated that the next agenda will be when it is placed on the agenda for action. Commissioner Phillips complimented staff at the Harbor for all they have done. He wants the park model design on a 4x8 sheet of plywood at the Harbor and start taking reservations. Commissioner Feller would like to see a sign with the CDBG Inner Boat Basin project and listing partners. He also indicated that the clean up and sprucing up prior to the 4th was amazing. He thanked past commissioners for all their work.

Recessed to closed session at 8:40 p.m. The closed session was adjourned at 9:00 p.m. Counsel announced that no action was taken during the closed session.

11. Adjournment

There being no further business to come before the Commission, President Reese adjourned the meeting at 9:00 p.m., until the next regularly scheduled meeting on July 21, 2009 at 6:30 p.m.

Jack Reese, President

Ray Martell, Secretary

Approved this _____ day
of _____, 2009.