



Regular Meeting Minutes of the Board of Harbor Commissioners of the Crescent City Harbor District	
Harbor District Office, 101 Citizens Dock Road Crescent City, CA 95531	October 18, 2016 5:30 p.m.

Call to Order

President Ramsey called the meeting to order in open session at 5:30 p.m.

Roll Call

Present were Commissioner Bailey, Commissioner Phillips, Commissioner White, Secretary Feller, and President Ramsey. Staff present included Harbormaster Helms, Deputy Harbormaster Tavasci, and Finance Director Fansler.

Pledge of Allegiance

The Pledge of Allegiance was led by President Ramsey.

Public Comment

President Ramsey asked for public comment and received none.

Closed Session

The Commission adjourned to closed session at 5:35 p.m.

Convene in closed session to discuss pending litigation pursuant to Gov Code Section 54956.9

The Commission reconvened out of closed session at 5:54 p.m. Counsel Luna stated that an action was taken by the Commission to initiate litigation and once initiated the names of those involved will become public.

President Ramsey noted that the Commission would take Item #3 and move it past Item #7.

Business Items

1. Consent Agenda

- A) Approval of the warrant list since the October 6, 2016 Harbor Commission Regular Meeting
- B) Approval of the minutes of the October 6, 2016 Harbor Commission Regular Meeting

Commissioner Phillips motioned to approved and Secretary Feller seconded.

Commissioner Phillips questioned the way in which itemizing was done on the detail from US Bank and Finance Director Fansler noted that it must be done that way.

Secretary Feller questioned item #2076 on page 3 for C-Dock; Harbormaster Helms and Fansler clarified that this was for a permit for work on Citizen's Dock; Tavasci stated that Steelhead should have paid for the permit so it will be deducted from the payout to them and Fansler's name is on it due to some confusion, she had to write a personal check to cover it.

Commissioner Bailey asked about Items #2072 and #2074 to "Brittany & Brenda"; Fansler stated they are individuals who have items on consignment in the gift store.

Commissioner White noted several corrections to the minutes: on Item #3 the polled vote should read 4-1; on page 5 next to last paragraph should state "30 day supply"; and on page 6 second paragraph should note that Ken Brown relayed that Lionchase does not want to do an MOU just the PPA.

Action: On a motion by Commissioner Phillips, seconded by Secretary Feller, and carried on a 5-0 polled vote, the Board of Harbor Commissioners of the Crescent City Harbor District voted to approve the consent calendar items A through B with the corrections to the minutes as stated.

2. Update from Coast Redwood Arts

Hank Northrup presented on behalf of Coast Redwood Arts. He noted that the gallery has finally broken even, receiving about \$10 more in the previous month than what they needed to meet their obligations. He believes that the gallery wishes to remain on site but expressed concern over the lease going up. Commissioner Phillips noted that in its current form the lease states an increase to \$650/mo. The Board expressed interest in reviewing the lease agreement and considering a renegotiation.

President Ramsey asked if the school district was interested in collaboration with the art gallery. Mr. Northrup stated that yes, they were interested in doing several 10-week sessions each year with the students, with an art show to be held at the end of each session; however, several things did not allow for that to happen yet this year. Commissioner Phillips asked if those classes would be held at the Harbor location or Downtown to which Mr. Northrup replied that they would take place at the Harbor. Mr. Northrup additionally offered that CRAA may be interested in extending the lease past 2018.

Commissioner White questioned Mr. Northrup about the impact that the new Englund Marine Building has on the studio. Mr. Northrup did convey some negative impact to visibility and that it is difficult for people to find them unless they are looking for the studio specifically. He also noted that the additional signage had helped somewhat and they would like Hwy 101 signage. Commissioner White asked specifically if the building had impacted them fiscally to which Mr. Northrup stated yes, but the studio was looking to advertise in other ways. Additionally, the back room of the extension has been partitioned into 12 working areas which have been rented out and this has aided their income. Commissioner White asked about the impact of a particular artist who had left the studio and Mr. Northrup commented that it had not impacted them much.

Commissioner Bailey offered that he had always thought it would be helpful for CRAA to have a marketing person to help generate income; additionally, that offering a few small programs would help them remain visible within the community. Mr. Northrup agreed and stated they the Association was looking for additional options for revenue besides the salad luncheons including silent auctions and such. They will have one of these just before Christmas. A short conversation ensued about the benefits and drawbacks to having individuals on the CRAA board who are not artists, and some reflection on board members of the past.

Pauline Holmes then approached the podium and President Ramsey congratulated her on her talents. Ms. Holmes described a new option that the gallery offers to rent space on their walls to bring in income. This has taken some burden off of doing endless fundraisers which takes time away from doing the activities they wish to do more of, such as workshops. She noted that the local artists are an aging population and that they desire to get more youth involved. She reiterated that keeping their lease at its current rate would allow the Association to do more for the community.

Action: Commissioner Phillips thanked them and directed staff, with Board consent, to place Coast Redwood Art Association on an upcoming agenda to review the terms of their lease.

3. Update on the Solar Power Project *(moved to follow Item #7)*

President Ramsey moved up Item #6 and Item #7 such that Counsel Luna could be dismissed.

Item #6 taken out of order: Presentation of revised By-laws and Conflict of Interest Policy for Friends of Crescent City Harbor

Commissioner White moved to approve and Secretary Feller seconded.

Counsel Luna stated that after reviewing the minutes she noted that Secretary Feller had put into the record the addition of the word "volunteer". She stated that had she known that the amendment would not have been needed. Commissioner Phillips asked if she would remove the writing of the amendment from her bill and she agreed. Additionally, Luna stated that because this amendment was made before signing no vote was necessary and this item could be removed from the agenda.

Action: President Ramsey removed the item from the agenda.

Item #7 taken out of order: Review contract for Bud Surles, RV Park consultant

Counsel Luna stated that she had reviewed Mr. Surles' contract that he had provided and she added and changed a few important items including the choice of law and forum clauses which had stated locations of Idaho and Louisiana. Otherwise the contract was reasonable and on a personal note she noted that Mr. Surles was pleasant to work with. Finance Director Fansler stated that Mr. Surles would be sending the signed contract later tonight. Luna noted that the Board could sign the signed version one once

received, or that they could sign the current one and attach Surles' signature when he sends the final. Commissioner Bailey expressed that he felt comfortable as long as there were no other changes that the Board can sign Surles' version once it is sent.

Commissioner White asked for clarification that Surles would address additional options such as hotels and restaurants in his review of the proposed location and not just park models and RVs. Harbormaster Helms confirmed that the consultant would perform an economic survey which would address all options as that was his normal course of business. Once the Board approves of his suggestion then Surles will move forward with providing a drawing. Bailey expressed his pleasure that the Board would be involved in the process.

Action: On a motion by President Ramsey, seconded by Commissioner Bailey, and carried unanimously the Board of Harbor Commissioners of the Crescent City Harbor District approved the agreement with Bud Surles, RV Park consultant, and agreed to allow Bud Surles' signature page as an attachment.

Commissioner Phillips questioned when the current agenda was ready. Finance Director Fansler stated that the backup material had not come in until today; Counsel Luna took credit and offered her apologies and will strive to get the material to the Commissioners for review earlier in the future.

4. Update on RECARGO California Electric Highway Project

Deputy Harbormaster introduced Michael Boysen with RECARGO and noted that since the Commissioners had many questions on this possible project, and since Mr. Boysen would be in the area, he invited him to attend the meeting. Tavasci stated that RECARGO was willing to remove the exclusivity clause to allow the Harbor to construct their own charging pedestals in the future if they wished. Additionally, RECARGO was planning to put in one charging station about every 130 miles, with the closest one planned for Eureka.

Mr. Boysen approached the podium and explained that RECARGO builds charging stations similar to TESLA's but that they serve everyone else. Additionally, RECARGO's chargers can charge in 30-40 minutes as opposed to the Level 2 stations offered by their competitors. The goal is to build enough stations that someone can drive from one end of the state to the other and find charging stations along the way. The organization believes that the location behind Fisherman's restaurant is ideal due to its proximity to the highway.

Furthermore, RECARGO would be looking to obtain five parking spots. This would allow for four stations, one of which would be ADA accessible. Mr. Boysen noted that RECARGO is still identifying which equipment they wish to use and expect to have chosen by the second quarter of next year. This allows time to address zoning and permitting requirements. He also offered that California has 65% of the market share for battery-operated automobiles and that the region holds 85%. Commissioner Bailey questioned if the station would charge his plug-in hybrid and Mr. Boysen replied that it would. Commissioner White asked about the VW that Deputy Harbormaster Tavasci had seen charging at the

TESLA station and Mr. Boysen stated that it had to have been a modified vehicle because that is atypical; he also noted that Nissan has an exclusive plug for their vehicles but that it would also be offered at the RECARGO stations.

Commissioner White is concerned about how long the land would be tied up for the \$1,000 deposit. Mr. Boysen offered that there could be an option added, such as a one year timeline with an ability to ask for an extension. Mr. Boysen affirmed that grant money is backing the endeavor and that the funding was there, they organization just needs time to ensure that zoning and permitting will allow the project to move forward. Commissioner Phillips remarked that it can take up to 18 months for Coastal permitting.

Commissioner Bailey asked if RECARGO wished to place all four pedestals in the same location to which Mr. Boysen replied that they would due to construction and power efficiencies. Deputy Harbormaster Tavasci stated that he contacted Pacific Power for a building site inspection at the proposed location and discovered that additional accommodations would need to be made; the transformer would have to be upgraded and power could be brought in from across the road or from further away on the same side of the street. Commissioner Phillips expressed concerns with going across the road because the repair would never look the same as it was originally; Tavasci offered that the installation could be bored and Mr. Boysen agreed. Secretary Feller stated that the County now requires boring under all roads. Commissioner Phillips did not believe that would be the less expensive option. Commissioner White asked who would pay for everything and Tavasci and Boysen both stated that RECARGO would cover all expenses.

Commissioner White brought up previous plans to put storage units at the proposed location, and reminded the Board that the Harbormaster stated previously that this option would shorten that proposal by 50 feet. Harbormaster Helms noted that he had planned to remove the vacuums because they were labor intensive and that the end would need to be shortened anyhow for access. Commissioner White calculated the expected profit per foot and agreed that it would make sense to put the charging stations in.

Commissioner White moved to approve and Secretary Feller seconded.

Commissioner Bailey asked for clarification on where the pedestals would be placed; Harbormaster Helms stated it would be behind Fisherman's restaurant up against the road. Commissioner Bailey noted that the Board was more interested in having pedestals in the Harbor but that he understands RECARGO's stance. Mr. Boysen expressed that they were flexible but that Pacific Power seemed to feel that the proposed location was ideal for power access and reminded the Commissioners that they would be taking up several parking spaces. Some discussion ensued and the Commission agreed.

Action: On a motion by Commissioner White, seconded by Secretary Feller, and carried on a 5-0 polled vote, the Board of Harbor Commissioners of the Crescent City Harbor District directed staff to move forward on the RECARGO vehicle charging station project.

5. Inform Commissioners on overnight parking by big rigs in the Harbor lot

President Ramsey noted that this topic had been discussed previously. Harbormaster Helms replied that it had and that staff had been tracking the usage and desired to report back to the Commissioners. Deputy Harbormaster Tavasci noted that on average there were about two big rigs staying overnight in the Harbor Inner Boat Basin (IBB) lot. Helms expressed some concern that the lot was not sealed and that there was no money to repair any damage done; he agrees that it is a nice courtesy but is concerned about the long term effects. Commissioner White expressed his mutual concern.

Commissioner Phillips disagreed and noted that it was unknown if the rigs were full or empty. He also offered that during crabbing season rigs often stage in the Harbor lot. Harbormaster Helms agreed but noted that the Harbor does see some financial benefit from those rigs. President Ramsey asked what other options were available to the drivers if they were disallowed the Harbor lot. Helms noted that many park along the street. Deputy Harbormaster Tavasci agreed but noted that the hotels are not fond of the refrigerated trucks because of their noise. Phillips noted that the McDonald's truck often parks behind RHS. Tavasci noted that he had spoken with a McDonald's driver and that they use the Harbor lot every Thursday night. Secretary Feller recalled that trucks used to park in the Fairgrounds lot and wondered if the Fairgrounds charged a fee; Commissioner Bailey stated he did not believe so. Tavasci stated that he would call Randy Hatfield to find out. President Ramsey reiterated his concern about where the drivers would park and offered that they might park at the Fairgrounds.

Deputy Tavasci offered that the Commissioners could view the damage to the lot if they wished, and that it seemed that use had picked up over the summer. Commissioner Phillips confirmed the use at about 60 per month. Some discussion ensued by the Commissioners and staff on the definition of sealed pavement and the quality of different locations in the Harbor.

Commissioner Phillips asked what staff was recommending. Harbormaster Helms offered that staff could put up signs, cite and fine drivers who ignored the posts. Phillips noted that his grandson would feel bad about waking up drivers at night and asking them to move along. He noted that obviously the Harbor does not want camping or trash, but that he felt there was somewhat of an obligation to provide for a safe place to park. Phillips stated that he would vote no unless he was absolutely convinced that damage was being done.

Secretary Feller opined that the Harbor could charge a nominal fee to place into an accrual account to fix the lot. Commissioner White agreed and stated that HAMBRO does this and charges \$10/night. Secretary Feller and Commissioner Bailey both stated that they did not believe that the Fairgrounds charged a fee. Commissioner Phillips stated that big rigs have been parking at the Harbor for 5-10 years and that he had not seen any sign of damage, and reiterated that it was unknown if the trucks were full or empty.

Deputy Harbormaster Tavasci stated they are not trying to punish anyone; they are just trying to make the Commission aware. Tavasci noted that he used to instruct drivers to park along Anchor Way because

it is more supported. Commissioner White asked Harbormaster Helms if he felt comfortable directing people to utilize this location and Helms stated no, he did not believe that location to be supported enough either and that there would still be wear and tear, and that location was in some ways in worse shape than the other. Commissioner Phillips expressed his belief that the area in question was torn up from the tsunami.

Action: On a motion by Secretary Feller, seconded by Commissioner White, and carried unanimously, the Board of Harbor Commissioners of the Crescent City Harbor District directed staff to develop a plan to present to the Board and return at a later meeting.

Item #3, taken out of order: Update on the Solar Project

Commissioner White recused himself due to a conflict of interest.

Deputy Harbormaster Tavasci reviewed that the Board had requested to have Lionchase respond to questions in regards to maintenance and power generation. Some of these questions remain. Tavasci noted that he had made several attempts to get in touch with Pacific Power directly to discuss the situation with them but had not yet connected with them. However, he had connected with an employee who is knowledgeable about net metering, demand, battery backup, etc. This individual stated that in order to have battery storage the Harbor would likely be required to disconnect from the grid, buy out two existing contracts, and pay PP&L to remove their equipment. Secretary Feller stated that option would not be suitable. Additionally, Tavasci and Harbormaster Helms stated that neither of them were aware of the existing two contracts and would investigate this further.

The individual also relayed to Deputy Harbormaster Tavasci that in regards to net metering it is generally a 1-1 conversion, and that ideally the Harbor would generate enough solar power during sunlight hours to cancel out usage in the evening and at night. However, there is still a baseline charge plus taxes for each meter which includes distribution and demand charge, and generation and transmission. Tavasci noted that these charges add up to around \$200/mo per meter of which there are about 15 on site.

Commissioner Phillips stated that with the additional charges he is unsure if or how much the Harbor would actually save. Some discussion ensued regarding likely costs with net metering compared to current costs. Deputy Harbormaster Tavasci clarified that he had asked Lionchase, Trinergy, and RES about these costs but had not received much feedback, and that the PP&L employee had provided much more information. Secretary Feller stated that with nearly \$100,000 per year in electricity \$200/mo in base costs are negligible. Secretary Feller and Commissioner Bailey questioned about how much cost reduction was expected with solar and Tavasci replied around 20-25%. Commissioner Bailey noted that the Harbor still was unclear on how long this savings would last and Tavasci replied that was true, but that it was not until year ten that they would reach the amount they are currently paying. Harbormaster Helms added that during that period it was likely that PP&L rates would continue to rise. Bailey recalled that rates had not increased for some time.

Commissioner Phillips commented that in the previous week the Harbor would have been buying back power over 80% of the time and that he was unconvinced that how a savings of 20% could be calculated. Harbormaster Tavasci noted that it was calculated based on 100% efficiency. Commissioner Bailey clarified that efficiency was the wrong term, that what was meant is that it was based on building enough infrastructure to generate all of the solar power needed; Tavasci agreed. Tavasci also clarified that the accumulation went year round, and that if the Harbor generated more than it used they would receive a check; if the Harbor used more than generated they would still receive a bill from PP&L, it would just be less than what the Harbor is currently paying.

Secretary Feller questioned what direction staff was looking for. Deputy Harbormaster stated that staff was simply relaying information. Additionally, the exhibit to display power generation had been sent by Lionchase; they discussed maintenance and were looking at a company who does cleaning and have electricians on staff; and software has been added to the agreement.

Harbormaster Helms then relayed that there is additional new information that the Board should be aware of. Staff had contacted Renewable Energy Capital who is conducting the solar generation work in Humboldt. This company has a verifiable history and has structured their deal with a licensing fee for the Humboldt Bay Harbor District. Staff would like to request that the Board wait for staff to investigate working with this company as an alternative.

Action: The Board consented to allowing additional time for staff to discuss the solar project with Renewable Energy Capital.

Commissioner White rejoined the meeting.

6. Presentation of revised By-laws and Conflict of Interest Policy for Friends of Crescent City Harbor

This item was taken out of order.

7. Review contract for Bud Surles, RV Park consultant

This item was taken out of order.

8. Discussion about rescheduling or cancelling the November 1, 2016 Harbor Commission meeting

Harbormaster Helms stated that he would be on vacation. Commissioner Bailey questioned if there were any time sensitive items expected to which staff replied not that they were aware of but that could change. Some discussion ensued on when various Commissioners would be out of town in the coming month. Harbormaster Helms stated that Deputy Harbormaster Helms and Finance Director Fansler could manage a meeting if one was needed. Commissioner Phillips expressed that he would only like to see a meeting take place if there were emergency items

Action: The Board consented to leave the meeting scheduled and to cancel unless emergency items existed.

9. Commissioner Reports

Commissioner White noted that there is a mixer on Thursday night at Redwood Casino in Klamath from 5:30 – 7:00 p.m. President Ramsey offered that True North was also going to have a candidate forum the same evening at Mary Peacock Elementary.

There were no updates on the Visitor Bureau, Tri-Agency, IGRC, or Harbor Safety.

10. CEO Report

Harbormaster Helms stated that Colburn has a relationship with Eaton and thus Deputy Harbormaster Helms has been providing Colburn with pictures of the electrical boxes in the hope that Eaton works with them to fix the situation.

Helms met with the CA Marine Sanctuary Foundation who has agreed to include in their grant application a bilge pumper; this would pump out oily bilge and separate it which would allow the Harbor to dispose of the oil only – a more cost efficient alternative. The pumper costs around \$80-90k. Commissioner White added that it could be an opportunity for the Harbor to make additional revenue by providing this as an outside service. Helms stated that the Foundation will also include in the proposal a request for a drain filtration system. Secretary Feller asked if this could be tied into the car wash and Helms replied that they had not included the water recycler because it was not competitive last year.

Helms stated that he had also been in contact with MarineSync. The president of the company commented that back in 2012 Eaton had contacted them to develop a system that would work because they were having issues with their current system. This is noteworthy because if Eaton knew there was a problem prior to selling the Harbor their system the Board was misled and could be additional fodder for litigation.

Helms stated it should also be considered that the MarineSync system has replaced several other systems, are cloud based, appear to work well, and would not require a separate computer system. An additional benefit is that they can turn off any pedestals not being used from the office. This is not an item for immediate action but down the road MarineSync would be willing to provide demos as a trial run. Commissioner White queried how much the hand monitoring of the meters currently costs and Helms stated about \$56 per hour; White noted that is about \$1400/yr. Secretary Feller inquired about the current test being done on the meters and Helms replied that he had not had a chance to catch up with Rich Young since his return.

Harbormaster Helms went on to relay that at the CA Harbormaster and Port Captains meeting there was agreement to send letters to Parks and the Governor regarding Boatings and Waterways. While there he

met with Steve McPartland from Border Control and they discussed smuggling in the region. It was suggested that the Harbor reach out to 5 or 6 local ports and law enforcement to hold training on the subject. Commissioner White expressed his satisfaction that the letter would be drafted. Secretary Feller agreed and also expressed support in holding a local training on smuggling. Feller discussed a book about drug smuggling in Crescent City called Pirate's Cove. Some discussion on the topic ensued.

Commissioner Phillips asked about the status of moving to electronic agenda distribution and Harbormaster Helms replied that it is still his intention to do so but is short on time. Phillips asked about employees that are helping and Helms noted that they can begin working on some of these projects.

Harbormaster Helms said that the fender pile project was mostly complete and that staff had been waiting on whether to secure the bolts, it was not part of the agreed upon contractor duties. Also, they were negotiating the final price on transformers. Commissioner White asked if they had received a second quote and Helms said yes. White then asked about the Land Use Plan progress and Helms said that Young had not given him a date yet. White also questioned if Autumn Luna would be replacing Bob Black as Harbor Counsel and Helms said that she would for less complicated items. Commissioner Phillips reminded staff to place items that required legal input early on the agenda.

Commissioner White asked if the pedestals were bad enough to be included in the lawsuit and Helms noted that they think it is possible. Commissioner Phillips requested that Helms find out if Eaton sold the Harbor a bill of goods. Discussion ensued whether the goods were sold to the Harbor or to Dutra and Helms said he would discuss the subject with Richard Young.

11. Board Comments

Secretary Feller noted that October is domestic violence awareness month and that Harrington House would open its doors on Friday from 5 – 7 p.m. with hotdogs and \$2,000 in auction items to showcase the location and their work; he added that they provide about 2,500 bed nights per year to those in need.

Commissioner White commented that he is still disturbed by the signage around the Harbor and would like to see staff take some action. He added that at a forum earlier in the week an audience member brought to their attention an amphibious vehicle called a "duck". He believes it would be a nice addition to the Harbor and could provide tours to the lighthouse, redwoods, etc. Harbormaster Helms noted that they have these in Seattle and that they are extremely popular but cannot be run during heavy seas.

Secretary Feller stated that the candidate forum was interesting and only one question was asked.

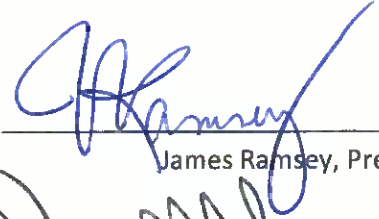
Commissioner Bailey asked what was happening with the whale and Harbormaster Helms stated to his knowledge they are waiting for grant funding to help move it.

Adjournment

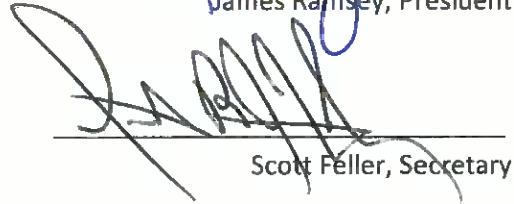
The Board of Harbor Commissioners adjourned at 7:57 p.m. to the next scheduled meeting on Tuesday, November 1, 2016 at 5:30 P.M. at the Harbor District Office, 101 Citizens Dock Road, Crescent City, California.

Attest:

/s/ Kymmie Scott, Secretary to the Board



James Ramsey, President



Scott Feller, Secretary