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| 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 | August 2, 2016 5:30 p.m. |

Call to Order

President Ramsey called the meeting to order in open session at 5:31p.m.

Roll Call

Present were Commissioner Phillips, Commissioner White, Secretary Feller, and President Ramsey.

Public Comment on Closed Session Items

President Ramsey asked for public comment on closed session items and received none.

The Board of Harbor Commissioners adjourned to closed session at 5:32 p.m.

Closed Session Items

- (1) ANTICIPATED LITIGATION: Pursuant to Government Code Section 54956.9 (d)(4)
- (2) CONFERENCE WITH REAL PROPERTY NEGOTIATIONS: Pursuant to Government Code Section 54956.8 Property 191 Citizens Dock Road, Crescent City, Agency Negotiator: Charles Helms

The Board of Harbor Commissioners reconvened in open session at 6:34 p.m.

Report Out of Closed Session

President Ramsey stated there were no reportable actions taken in closed session.

Pledge of Allegiance

The Pledge of Allegiance was led by Secretary Feller.

Public Comment

President Ramsey asked for public comment and received none.

Business Items

1. Consent Agenda

- A) Approval of the warrant list since the July 19, 2016 Harbor Commission Special Meeting

- B) Approval of the minutes of the July 19, 2016 Harbor Commission Regular Meeting
- C) Approval of the minutes of the July 25, 2016 Harbor Commission Regular Meeting

Commissioner Phillips made a motion to approve the consent calendar items A-C as presented, it was seconded by Secretary Feller.

Commissioner Phillips questioned a refund to Dale Rosta on page 2 of the warrant list. Mrs. Fansler stated that he never utilized his slip so he was charged for one month and the rest was returned. There was some discussion about a policy to give a maximum 25% refund on annual stays; Commissioner White asked that seasonal stays be addressed on the next agenda.

Commissioner Phillips questioned the meter verification by the County noted on page 3. Harbormaster Helms clarified that it was from the Ag Department, specifically weights and measures. It was decided that the inspection likely related to the meters that allow the Harbor to charge for electrical usage, which Commissioner Phillips noted the Harbor was not currently charging. Commissioner White asked that staff call and verify the charge.

Commissioner Phillips asked for clarification of a charge on page 4 from Stover Engineering; Harbormaster Helms stated that it was for assisting with drawings of the fender piles.

Commissioner Phillips inquired about the line regarding Humboldt beer; staff confirmed it was from his deposit.

Commissioner White asked why Allegiant - Citizen Dock was listed on page 2; Harbormaster Helms said that the company is the Harbor's insurer and the line is for general liability insurance of the equipment.

Commissioner Phillips inquired about \$20,000 spent on fender piles; Harbormaster Helms confirmed the expenditure was for transportation for coating and for the coating itself of the fender piles; the permit was obtained in late July and had to be done by October 31; staff will be discussing putting out to bid for a crane to pull out existing pilings and placing the new ones with the Commission at an upcoming meeting.

Commissioner Phillips noted that he already gave minute corrections to staff on the July 25 minutes; Commissioner White stated that on page 3 of the regular minutes it should state Secretary Feller not President Feller.

Action: On a motion by Commissioner Phillips, seconded by Secretary Feller, and carried on a 4-0 polled vote with Commissioner Bailey absent, the Board of Harbor Commissioners of the Crescent City Harbor District voted to approve the consent calendar items A through C with the changes to minutes as given.

2. Presentation of the Final Draft of the Power Purchase Agreement with Trinergy

Harbormaster Helms affirmed that Attorney Black had been working with the attorney for Trinergy and had come to a basic agreement on the terms of the agreement with only a few points that needed

clarification. However, since that time new information has been brought forward by a purported investor in Trinergy who has also offered to cut Trinergy out and work directly with the Harbor; the waters are now muddied and staff would like counsel from Attorney Black.

Secretary Feller stated that due to this new information he would like additional clarification to be gathered by staff no later than September 1st to be on the September 6th agenda; will leave to Counsel what information needs to be clarified.

Attorney Black asserted that the two fundamental questions which need to be addressed are the financial capacity of the company to move forward, which can come from some sort of financial statement, and some indication of Trinergy's key players' past involvement in medium to large solar projects. Commissioner White concurred.

Commissioner Philips asked Mr. Tavasci about an issue Trinergy had on a project in the Fort Dick / Smith River area and if the customer was satisfied with the correction; Mr. Tavasci stated Trinergy said they were but he has not corroborated with the clients.

Secretary Feller motioned to table the item to the September 6th meeting with information on the financial background and vetting of key players of Trinergy to be completed by staff by September 6th, seconded by Commissioner White.

Commissioner Phillips verbalized his curiosity why representatives from the company were not present at the meeting to speak on their own behalf.

Action: On a motion by Secretary Feller, seconded by Commissioner White and carried on a 4-0 polled vote with Commissioner Bailey absent, the Board of Harbor Commissioners of the Crescent City Harbor District voted to table the approval of the Power Purchase Agreement with Trinergy until the September 6, 2016 meeting and for staff to gather information on the company's financial background and vet the key players by September 1, 2016.

3. Presentation of Englund Marine Lease and agreement for Crescent City Harbor District's acquisition of building at 201 Citizens Dock Road

Harbormaster Helms states that the Harbor counsel and counsel for Englund Marine have developed an agreement, which has been handed out at the meeting, for the Englund Marine building lease and termination of lease for the old Englund Marine building.

Attorney Black described the agreement as carrying forth most of the provisions of the previous lease including a base rent plus percentage of profit; the rent has been slightly altered.

Commissioner Phillips moved to approve the agreement and Secretary Feller seconded.

Counsel noted a map attachment and that a quit claim deed of the Englund building would be attached as an exhibit.

Secretary Feller asked if the sidewalks were a part of the lease; some discussion and review ensued including a review of the map and the site. Afterwards, Attorney Black stated that the parking is definitely a portion of the leasehold and the sidewalk cuts the corner, therefore he believes the sidewalk is included. Secretary Feller also read a passage of the agreement he believes covers the sidewalks. Secretary Feller and Commissioner White both acknowledged the importance of sidewalks as a maintenance consideration.

President Ramsey questioned how much the drawing of the map cost; Harbormaster Helms stated it was not over \$5,000 and President Ramsey requested Mrs. Fansler to research the cost.

Commissioner White stated that he could not vote to approve this item because he did not agree with the specific amounts of the buyback of the building clause of the agreement.

Action: On a motion by Commissioner Phillips, seconded by Secretary Feller, and carried on a 3-1 polled vote with Commissioner White voting against and Commissioner Bailey absent, the Board of Harbor Commissioners of the Crescent City Harbor District approved the Englund Marine Lease and agreement for Crescent City Harbor District's acquisition of building at 201 Citizens Dock Road.

4. Consideration of re-scheduling or cancelling the November 8 Harbor Commission meeting because the Harbor Office is traditionally used as a Community Polling Place

President Ramsey stated that September 8th is a 2nd Tuesday and therefore not a regular meeting date and pulled the item.

5. Commissioner Reports

Commissioner White stated that the Chamber Board was able to fill a vacancy but was unable to fill the Vice Presidency; there is a small business mixer at Enoteca on August 24, Grills Gone Wild is happening September 3rd; the Visitor Bureau will meet with the intention to step back and look at the big picture – what are they about and who should sit on the board, and how connected to the Chamber should they be, in late August; the Tri-Agency feels it is making progress on the USDA loan and partial forgiveness, is becoming more active, has been discussing internet services to make the community more competitive, had a discussion of the Visitor Bureau and their expenditure of funds, and will meet with the Council of Economic Advisors at the next meeting with the topic of leaders taking a stand instead of being non-political.

Commissioner Phillips asked why the Tri-Agency was concerning itself with the expenditure of funds by the Visitor Bureau; Commissioner White noted that Supervisor Finigan requests the Tri-Agency to do so every few years, this is why the Council of Economic Advisors is being brought in as a third party; some

discussion ensued about the history of the Visitor Bureau and the makeup and purpose of the Council of Economic Advisors. President Ramsey noted that neither the IGRC nor the Harbor Safety meetings have met.

6. CEO Report

Harbormaster Helms stated that the Ad Hoc Lease Committee had been meeting to discuss the Harbor RV Anchorage and lots across the way; they met with Stover on the background of the lot. He also met with Lorie Adams with Adams Consulting for CDBG funding to see about replacing the sea wall and will hear back shortly; Helms also met with County CAO Sarina about coordinating that and the past challenges the County has faced with CDBG funds.

There was an interboat basin repair meeting with Colburn Electric and to ground the boxes they must install a grounding ring which will begin August 8; Harbor crews are working on isolating the water systems in pedestals and new isolators will be installed; at that point staff will talk to the providers of the equipment about the malfunction. Commissioner Phillips asked staff if they are positive these fixes will work; Helms stated that they feel good about it after comparing with other systems. Commissioner White asked about a date when billing could begin and staff replied that it should take about a month.

Helms stated that Anita Lopez from California Community Problems and Quinn Donovan from USDA will be at the Harbor on the 9th for a site visit and Commissioners are welcome to attend. Additionally, he has not heard back yet on the FEMA projects check.

Humboldt is having issues with silt in their harbor and will have to move vessels to south of marina; Arcata has no place to move their boats. A new idea is to put a series of vessels and barges in to work as barrier for silt and would be good for fish. If they are able to get the okay to implement that fix it would set a precedent that could be used at the Harbor. When the dams come down in Klamath it will significantly raise the amount of silt locally. Commissioner Phillips suggested saving the current derelict boats at the Harbor but Harbormaster Helms said it would probably not happen that quickly.

Harbormaster Helms discussed the financial comparison provided with Brookings Harbor – the big notes are around fuel sales (but described that although the sales are large the profit is small and there is hefty liability), the ice house profit, and the loss of revenue in Brookings' special events. Secretary Feller noted that Brookings had even hired a special event planner and Commissioner Phillips noted that the farmers market has moved. Commissioner White questioned how much land Brookings Harbor has because they draw less revenue than he anticipated and asked Helms if he could obtain a year to date; Helms stated he would work on it. It is also noted that the RV park numbers and laundry number were interesting.

Harbormaster Helms said in response to the Commissioner's previous request Attorney Rice had answered questions on the Electrical Maintenance Contract and those will be answered in the RFP, response, and contract. Also in response to Commissioners' direction at the previous meeting, agenda programs were looked at and staff recommends going with Google Docs, a free program.

Harbormaster Helms informed the Commission that there had been no response on dredge material samples taken because of a backlog caused by dredging at San Francisco Bay; Deborah O'Leary has been talking to National Marine Fisheries and they will be doing an informal consultation on the impact of dredging on endangered or threatened species as opposed to a formal study.

Mrs. Fansler has sent out notices to tenants for storing crab pots and fines will be implemented soon. The Marina office is almost ready to go live with an expected date of Friday. Also, the gift shop sales for July are \$2,215.75.

Commissioner White questioned why the Harbormaster has a new phone extension and Helms stated that the old extension was not available in the new system.

Harbormaster Helms met with Rene at Bicoastal media and unfortunately the annual package is nearly 40% of the advertising budget, he will see if tenants are interested in partnering.

7. Board Comments

Commissioner White: nothing.

Secretary Feller: spoke about the planned procession for the Cal-Ore wreck and that 50 or more vehicles would be staging at the Harbor on Wednesday at noon to proceed to Brookings for a 3pm memorial.

Commissioner Phillips: reminded everyone the Farmer's Market would be at the Harbor this weekend and discussed needed preparations.


President Ramsey: thanked Attorney Bob Black and Secretary to the Board Kymmie Scott

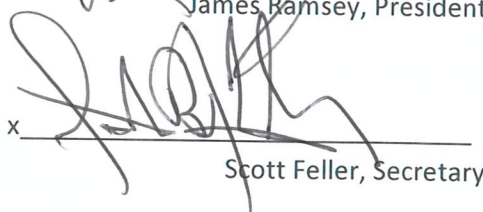
8. Adjournment

The Board of Harbor Commissioners adjourned at 7:20 p.m. to the next scheduled meeting on Tuesday, August 16, 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

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James Ramsey, President

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Scott Feller, Secretary