

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	April 16, 2024 2:00 p.m.



Board of Harbor Commissioners of the Crescent City Harbor District

MINUTES

Regular Session, Tuesday, April 16, 2024, at 2:00 P.M.

CALL TO ORDER: **2:00 PM**

ROLL CALL:

<i>PRESENT:</i>	<i>President</i>	HARRY ADAMS
	<i>Secretary</i>	RICK SHEPHERD
	<i>Commissioner</i>	WES WHITE
	<i>Commissioner</i>	GERHARD WEBER

<i>ABSENT:</i>	<i>Commissioner</i>	<i>BRIAN STONE</i>
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1) Public Comment

Linda Sutter commented that in her view the First Amendment rights of citizens addressing the Board had been infringed upon during previous meetings. A resident of Bayside RV Park expressed concern that a park rule requiring that RVs maintain current registration was burdensome and not evenly enforced. A harbor patron complained that he had been intimidated by harbor maintenance staff. He contrasted that experience with a much more positive encounter with Harbor Patrol Lieutenant Justin Hanks. The speaker praised Lt. Hanks for his professionalism and dedication.

2) Consent Calendar:

Approve Meeting Minutes: March 19, 2024 Regular Meeting and March 26, 2024 Special Meeting.

Commissioner White **moved** to approve the consent calendar. Commissioner Shepherd **seconded** the motion.

POLLED VOTE was called, **MOTION CARRIED**

AYES: SHEPHERD, WEBER, WHITE, ADAMS // **NAYS:** NONE

ABSENT: STONE // **ABSTAIN:** NONE

3) New Business

3A) Approve Outer Boat Basin Bathymetric Survey to be Conducted by Cinquini and Passarino Surveying, Inc.

CEO/Harbormaster Petrick provided an overview, explaining that there were many reasons to conduct the bathymetric survey of the harbor. One was to gain an accurate understanding of the submerged area around the seawall for permitting of new construction. The survey would include an analysis of the sub-bottom terrain to identify rocks and debris underneath the silt layer. The survey would evaluate the entire outer boat basin, which would provide valuable data for CEQA/NEPA compliance. Mr. Petrick emphasized that by maintaining a regular schedule of surveys, it would be possible to establish a silting rate, which would be important for planning and many other purposes.

Sandy Moreno asked if sediment would be tested. CEO/Harbormaster Petrick clarified that testing sediment would not be included, and sediment testing would typically be much more expensive than the \$12,710 quoted for the bathymetric survey.

Commissioner Shepherd made a **motion** to approve the bathymetric survey, which Commissioner White **seconded**.

POLLED VOTE was called, **MOTION CARRIED:**

AYES: WHITE, WEBER, SHEPHERD, ADAMS // **NAYS:** NONE

ABSENT: STONE // **ABSTAIN:** NONE

4) Unfinished Business

4A) Approve Fee Schedule Adjustment for RHV and Bayside RV Parks (Final Approval).

CEO/Harbormaster Petrick provided background by reviewing comparable rates for other RV parks in the area. It was clear that the market rate was much higher than the existing Bayside and RHV rates. Commissioner Weber provided an analysis of the inflation rate since the last rent increase in 2019. Essentially the new rate for 2024 was very close to the inflation adjusted 2019 rate. However, Commissioner Weber noted that the residents still ended up ahead, because the 2019 rate had stayed flat while inflation crept up during the intervening 5 years. This essentially gave residents a discount for five years. Commissioner Weber also discussed some other concerns, such as inequities from one resident to another, because some residents had been grandfathered at a lower rental rate. The new rate would apply equally to all residents. Commissioner Weber underscored everything by mentioning that the RV parks could not break even financially under the existing rate structure. CEO/Harbormaster Petrick added that even after the proposed 2024 rent increase, the parks were still expected to lose money, but at least at a more manageable level. It was not the harbor's goal to push anyone out, but simply to cover

rising costs as much as possible. In the absence of a rent increase, the harbor would end up having to close down the parks permanently.

Discussion then turned to whether the effective date of the rent increase could be delayed. Sandy Moreno suggested that the rent increase should occur in stages. The Board expressed its consensus that the effective date could be delayed until July 1st, but implementation would occur at the full proposed rate, without being phased in. Commissioner Weber **moved** to approve the revised fee schedule, effective July 1st, and the motion was **seconded** by Commissioner White.

POLLED VOTE was called, **MOTION CARRIED:**

AYES: SHEPHERD, WHITE, WEBER, ADAMS // **NAYS:** NONE

ABSENT: STONE // **ABSTAIN:** NONE

4B) Approve Resolution 2024-01, which Concludes the Final Public Hearing on the CCHD Hazard Mitigation Plan, and Adopts the Final Version of the Plan.

Aislene Delane, Grant Writer and Manager for Community System Solutions (CSS), provided background. Ms. Delane explained that the mitigation plan was a requirement for certain federal grants, and the plan needed to be updated every five years. She encouraged the Board to adopt the proposed plan. No members of the public commented.

Commissioner White **moved** to approve Resolution 2024-01 and adopt the proposed plan. Commissioner Shepherd **seconded** the motion.

POLLED VOTE was called, **MOTION CARRIED:**

AYES: WHITE, WEBER, SHEPHERD, ADAMS // **NAYS:** NONE

ABSENT: STONE // **ABSTAIN:** NONE

4C) Approve 50% Rent Abatement for 201 Citizens Dock Rd (Port O’Pints) Due to Unforeseen Permitting Delays.

The Board engaged in brief discussion, which was interrupted by Linda Sutter, who objected to the agenda item on procedural grounds. Ms. Sutter argued that a motion for reconsideration would be required because there had been a previous vote on the subject. There was some discussion amongst the Board as to whether it was truly the same subject because the amount of the rent abatement had been changed substantially. Kevin Hendrick highlighted a similar situation that had recently occurred with the Tri-Agency. Although Mr. Hendrick questioned whether a motion for reconsideration was truly required, in that instance, the Tri-Agency attorney recommended proceeding with a motion for reconsideration. Such a motion required a four-fifths majority to approve it, and it had to be placed on the agenda in advance of the meeting. Roger Gitlin agreed with the sentiments expressed by Mr. Hendrick. Out of an abundance of caution, the Board decided to table the matter.

5) Communications and Reports

5A) Grants Update

Aislene Delane, Grant Writer and Manager for Community System Solutions (CSS), provided an update. She discussed the Port Infrastructure Development Grant, which had been supplemented by a grant from the California Coastal Conservancy, to support planning for a new Citizens Dock. Design alternatives had been presented to the California Department of Fish and Wildlife, the California Coastal Commission, and the National Marine Fisheries Service on April 10th. The dock design process was incorporating feedback from public comments and the related environmental review by Moffatt and Nichols was continuing.

Mike Bahr, CEO and Grant Writer for Community System Solutions, reviewed the status of grant applications being prepared, and research being conducted for future grant applications. The discussion focused on a new grant opportunity under the Port Infrastructure Development Program administered by the U.S. Maritime Administration. The grant opportunity had the potential for approximately \$10 million to fund a second phase of the Harbor's Seawall and Citizens Dock project, which would include construction.

Discussion then turned to FEMA disaster funding to repair Anchor Way after a winter storm caused serious erosion. The damage had occurred over a year prior, and the damage threatened the structural integrity of the roadway and associated rock wall armoring. It appeared that FEMA was poised to award disaster relief funds, but several administrative issues needed to be resolved.

5B) Comptroller Report

Comptroller Thomas Zickgraf discussed the harbor's financial condition, and expressed concern that after the Fashion Blacksmith legal settlement, 113% of the harbor's tax proceeds were projected to be consumed by debt obligations. Given that tax proceeds provided only a minority of the harbor's funding (less than 20%), it didn't mean the harbor was insolvent, but it did represent a significant challenge because the debt service eroded money available for operations.

Sandy Moreno expressed concern about the harbor's debt obligations, which she identified as \$558,000 per year for a Fashion Blacksmith judgment and related legal settlement, and \$260,000 per year for a USDA tsunami repair loan.

5C) CEO/Harbormaster Report

CEO/Harbormaster Petrick reviewed his report to the Board, as contained in the Board's briefing packet. Discussion focused on a delegation that visited the harbor from Japan to discuss the 2011 tsunami. Mr. Petrick also discussed the adverse financial impacts from the salmon fishery being closed by regulators. The Board then discussed a bill in the California legislature (AB2220), which had intended to ban gill nets and also require commercial fishing vessels operating with a state permit to carry an independent third-party observer onboard. The bill would have imposed a significant financial burden on the commercial fishing industry, but the bill did not advance out of its legislative committee.

5D) Harbor Commissioner & Ad Hoc Committee Reports.

Commissioner White discussed a recent finance committee meeting. A decision had been made to have the Comptroller provide more “traditional” balance sheet and cashflow statements that were more directly exported from QuickBooks without adjustments.

Commissioner Shepherd discussed concerns about monitoring buoys placed to measure current flows as part of the Klamath River Renewal Corporation dam removal project. Some buoys had not been adequately anchored and were lost. Replacement buoys were scheduled for installation, but valuable data was being lost. Commissioner Shepherd also expressed frustration that the salmon fishery remained completely closed despite a strong run of salmon coming from the Klamath River. It was actually one of the largest salmon runs coming from the Klamath in many years.

Commissioner Weber discussed the harsh reality of the harbor’s financial condition, although he remained optimistic that with focused attention and swift action, the harbor could return to solid ground.

President Adams discussed his activities with the Japanese delegation that had been mentioned by CEO/Harbormaster Petrick earlier in the meeting. President Adams expressed optimism that regulators agreed to allow a rockfish and lingcod season, although he disagreed with depth restrictions that were imposed.

6) Adjourn to Closed Session

CONFERENCE REGARDING REAL PROPERTY NEGOTIATIONS

(Government Code section 54956.8)

Agency negotiator: Tim Petrick, CEO/Harbormaster

Real Properties: To be determined. Authorization for price and terms of payment.

Negotiating with: LRE Development

7) Report Out from Closed Session

Nothing to report.

ADJOURNMENT TO THE BOARD OF HARBOR COMMISSIONERS NEXT REGULAR MEETING SCHEDULED FOR TUESDAY MAY 7, 2024, AT 2 P.M., VIA ZOOM WEB CONFERENCE AND IN-PERSON AT THE MAIN HARBOR OFFICE, LOCATED AT 101 CITIZENS DOCK ROAD.

Approved this ____ day of _____, 2024.

Harry Adams, President

Rick Shepherd, Secretary