



<b>Regular Meeting Minutes of the Board of Harbor Commissioners of the Crescent City Harbor District</b>	
Harbor District Office, 101 Citizens Dock Road Crescent City, CA 95531	September 6, 2016 5:30 p.m.

**Call to Order**

Commissioner Phillips called the meeting to order in open session at 5:35 p.m.

**Roll Call**

Present were Commissioner Bailey, Commissioner Phillips, Commissioner Feller, Commissioner White and Commission President Ramsey.

**Pledge of Allegiance**

The Pledge of Allegiance was led by Commissioner Bailey.

**Public Comment**

President Ramsey asked for public comment and received none.

**Closed Session**

President Ramsey initiated the Closed Session at 5:40 p.m.

**Open Session**

The Harbor Commission returned to Open Session at 5:55. Harbor Counsel Black said that there was nothing to report out of the Closed Session

**Business Items**

**1. Consent Agenda**

- A) Approval of the warrant list since the August 16, 2016 Harbor Commission Regular Meeting
- B) Approval of the minutes of the August 16, 2016 Harbor Commission Regular Meeting

Commissioner Feller moved to approve, Commissioner Bailey seconded.

Commissioner White asked for clarification about several warrant items including: Item 56248 CAHM&PC which is a \$350 charge for the CA Harbormasters and Port Captains Training Conference; Item 56252 which is a \$199 charge for Traci Fansler, Harbor Finance Director, to attend a Fred Pryor Human Resource Training Seminar in Eureka; Item 56271 a \$1,359 charge for membership in the Ca. Marine Affairs and Navigation Conference which is an organization that represents harbor interests and dredging issues with the Corps of Engineers and the U.S. Coast Guard; Item 56262 Stover Engineering for \$1,573.18 for various non-grant engineering services including fender pile bid and Citizens Dock support pile underwater survey; Item 56261 a \$3,750 charge for Don Reynolds for auditing service for the Harbor District.

**Action:** On a motion by Commissioner Feller, seconded by Commissioner Bailey, 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.

## **2. Update for the Harbor Commissioners on the status of the solar power project**

Deputy Harbormaster Lane Tavasci reported that Trinergy/Lionchase had not contacted him with additional information by the September 1, 2016, deadline that they had been given. He informed the Commission that Trinergy, represented by Mr. David Farrell, has sent him notification that they were no longer a part of the project and would not be involved in any future dealings.

He then shared that Kenneth Brown, Managing Partner, Lionchase Holdings had contacted him on Monday afternoon and said that they would like to address the Board of Harbor Commissioners at the Commission meeting.

They were not present at the meeting during Mr. Tavasci's presentation.

Commissioner Phillips expressed his displeasure with the amount of money the harbor had spent on legal fees to craft a Memorandum of Understanding and Power Purchase Agreement with Trinergy, especially considering that Trinergy was no longer involved with the solar power process. He stated that there should be a way that the harbor is indemnified for legal expenses in cases like this.

Harbor Counsel Black suggested that the Harbor District charge a fee for legal review and legal drafting to the entity proposing actions that entailed legal preparation.

Commissioner Feller directed that Harbor Counsel Black and Harbor Staff word an agenda item that would establish a legal action and review fee and, following approval by the Harbor Commission at a subsequent meeting, create a policy addressing the legal action and review fee for the Harbor District.

Because Mr. Brown from Lionchase was not present, Commissioner White moved to table the solar update until later.

### **3. Presentation of corporate documentation and Conflict of Interest Statement for the Friends of the Crescent City Harbor District**

Harbor Counsel Black presented an updated edit of the Bylaws of the Friends of the Crescent City Harbor District. Commissioner White questioned Harbor Counsel Black about Section 6: Committees on page 5 of the document. In conversation with Mr. Black and Commissioners White and Feller it was suggested the Section be revised to state that Standing Committees be established by Board Action and noted in minutes and that Working Committees be appointed by the Board Chair.

Commissioner Feller addressed Section 7: Annual Report on page 3 of the document and questioned the timeliness of the 120 day period following the end of the corporation's fiscal year for the Executive director to file the annual report.

President Ramsey questioned the necessity to have a paid Executive Director. Counsel Black responded that it is not a necessity to employ an Executive Director. When funding and activity levels increase for the corporation, hiring an Executive Director would be beneficial.

Commissioner White made a motion to adopt the documents with the suggested edits and clarifications. The Motion was seconded by Commissioner Phillips.

**Action:** On a motion by Commissioner White, seconded by Commissioner Phillips, and carried on a 5-0 polled vote the Board of Harbor Commissioners of the Crescent City Harbor District voted to approve the adoption of the Bylaws and the Conflict of Interest Statement for the Friends of the Crescent City Harbor.

**Mr. Brown from Lionchase entered the meeting room during the discussion of Agenda Item 3, and President Ramsey directed that the discussion of Agenda Item #2 resume.**

### **2. Update for the Harbor Commissioners on the status of the solar project – resumed**

Mr. Kenneth Brown, Managing Partner, Lionchase Holdings, introduced himself to the Harbor Commissioners. He also introduced Mr. Tobias Vargas, GoSolar, who is associated with Renewable Energy Engineered systems, who accompanied him to the meeting.

President Ramsey asked Mr. Brown to update the Commission on the current status of the solar energy project. President Ramsey expressed his concerns over the viability of the project due to the changes in the corporate affiliations of the partners and the lack of communication from the principals.

Mr. Brown expressed his interest on behalf of Lionchase Holdings to continue with the project. He shared details of the split between Trinergy and Lionchase and told the Commission and Harbor Counsel that Lionchase, as the principal investor and managing partner, has the legal authority to continue with the solar project.

Harbor Counsel Black requested that Lionchase indemnify the Harbor from any potential legal proceedings resulting from the dissolution of the Trinergy and Lionchase partnership. Mr. Brown stated that Lionchase would send a document verifying the indemnification he offered on behalf of Lionchase to protect the Harbor District.

Mr. Brown went on to share some history of Lionchase investments in alternative energy projects. He said the solar project here has generated strong interest among investor groups. He wants Lionchase and the Harbor District to renew their efforts to move the project along.

Commissioners Phillips, Feller, Bailey, White and President Ramsey all took turns asking questions about:

- the financial strength of Lionchase
- prior energy projects funded by Lionchase and their partners
- how construction of the project would be handled here at the harbor and by what contractors
- the status of studies done by structural engineers concerning the roofs of Harbor District buildings that would be supporting the solar panels
- sending the Harbor District engineering drawings for the proposed project
- references from prior projects and partners
- type of panels and the projected service life of solar-associated equipment to be installed
- Lionchase honoring the promises made by Trinergy about power storage and lighting
- ongoing maintenance of solar project throughout life of program as promised by Trinergy on their account
- time projections for completing proper legal documentation
- time needed for Lionchase to arrange net metering agreement with Pacific Power
- battery storage
- ultimate design approval by Harbor Commission before project commencement

Mr. Brown introduced Mr. Tobias Vargas, the Lionchase contractor from GoSolar and RES. Mr. Vargas is based in Los Angeles and stated he has over twenty years of experience operating as a licensed electrical contractor. He gave the Commissioners background on some of his solar projects which include a solar project for the Los Angeles School District. He made assurances that all installation work performed in the Harbor District would be done by experienced laborers under the supervision of his foreman. President Ramsey re-stated his reservations about proceeding with the project and requested additional references and engineering drawings for the project from Lionchase. The Board gave Counsel and staff directions to bring a revised Power Purchase Agreement for discussion to the Harbor Commission meeting scheduled for September 20, 2016.

**Because of Harbor Counsel's time constraints, President Ramsey moved Agenda Item #6 up in the meeting order for discussion**

**6. Discussion about a Resolution authorizing the Harbor District to enter into an MOU with Del Norte County authorizing participation in the County's Administrative Law hearings**

Mr. Black described the Citation process. It is a civil proceeding not a criminal proceeding. Therefore it does not require all that is required by the state for a criminal proceeding. If the Board of Harbor Commissioners chooses to institute a citation and hearing office administrative process, the Harbor District needs to follow a number of preliminary steps to achieve the desired outcome.

First, staff and Harbor Counsel would have to write an Administrative Citation Ordinance. The Ordinance would be reviewed and approved by the Commission.

After that, a Memorandum of Understanding would be entered into with Del Norte County to participate in the Administrative Court. Mr. Black suggests beginning with a short term MOU, perhaps no longer than an annual agreement, to see how the system works for the Harbor District.

Next, the relationship between the Administrative Citation Ordinance and the citation process has to be formalized. The fine structure and the fines for subsequent violations have to be determined and approved by the Harbor Commission.

Following that, the verbiage for the citation books has to be written and approved. Citation books will have to be printed with the individual, numbered citations in triplicate form. The original would be retained by the Harbor District, the first copy would go to the individual being cited and the third copy would go to the administrative hearing officer.

The Harbor Commission would then have to adopt a resolution empowering Harbor staff to write citations. The authorization would be by class of employee and job title rather than naming individuals currently employed by the Harbor.

Mr. Black was asked how long the process may take and he responded that it would probably take six months to complete all the steps.

President Ramsey directed staff to begin the process and report back to the full Board of Harbor Commissioners at the next Commission meeting on September 20, 2016

#### **4. Presentation of documentation from United States Coast Guard Notice of Option to Renew Lease**

After staff read the agenda background, the Commissioners acted upon Agenda Item #4

**Action:** On a motion by Commissioner Phillips, seconded by Commissioner White, and carried on a 4-0 polled vote (Commissioner Feller had been called out of the meeting room before the vote) the Board of Harbor Commissioners of the Crescent City Harbor District voted to approve sending a receipt of Notice to Option to Renew Lease to the U.S. Coast Guard Real Property Section in Oakland, CA

**5. Discussion concerning investigating, selecting and contracting an RV Park consultant to develop conceptual plans for the Harbor RV Anchorage site and adjoining proposed tourist serving accommodations**

CEO/Harbormaster Helms presented a copy of the conceptual design crafted by Rich Stockwell for the City of Crescent City's Shoreline RV Park. Helms also presented a financial analysis performed by Richard Young on RV park revenue generation for review by the Harbor Commissioners.

The CEO/Harbormaster was directed to supply additional information including pricing information from additional RV park consultants to be presented at the September 20, 2016, Harbor Commission meeting.

**7. Discussion of Harbor District refund procedure for individuals seeking to leave the marina before the term for which they have paid**

Traci Fansler, Harbor Finance Director, presented a chart illustrating the refund procedure for individuals desirous of leaving the harbor before the term for which they had paid. The maximum refund for annual moorage is 25% of the moorage fee paid. After six months, there is no refund of annual moorage fees.

The Finance Director presented a graphic example of the refund procedure. Commissioner White said that he believes what was agreed to was that the harbor would give a refund to a tenant up to a 25% maximum refund. For tenants that choose to leave the harbor prior to the completion of the full year term of their agreement and who then ask for a refund, the monthly moorage rate would be assessed. Commissioner White provided the following examples:

First, in a scenario where someone on Dock A wants to leave at the end of 2 months, the following would apply. They have already paid their full annual rate. Any refund calculation would be figured as follows:

Annual Rate - \$4410

- a. The maximum amount that can be refunded = 25% of annual rate or  $(0.25 \times \$4410 = \$1102.50$
- b. Monthly Rate - \$665
- c. 2 months times the Monthly rate =  $\$665 \times 2 = \$1330$ .
- d. Annual rate – monthly rate used or  $\$4410 - \$1330 = \$3080$  refund
- e. The \$3080 does not apply as the max refund would be more than 25% so in this case they would get the 25% refund of \$1102.50

Second, someone on Dock A wants to leave at the end of 7 months

Annual Rate - \$4410

The maximum amount that can be refunded = 25% of annual rate or  $(0.25 \times \$4410 = \$1102.50$

Monthly Rate - \$665

6 months times the Monthly rate =  $\$665 \times 6 = \$3990$ .

Annual rate – monthly rate used or  $\$4410 - \$3990 = \$420$  refund

In this case the refund would be \$420 as the maximum rate is more than the term based on the monthly rate.

There are no refunds for monthly moorage tenants.

**Action:** Commissioner Feller made the motion to enact the refund procedure as presented and Commissioner White seconded the motion which carried on a polled vote of 5 – 0.

## 7. Commissioner Reports

Commissioner White reported on Chamber activities: there is a mixer at CASA on September 8, 2016 from 5:30 p.m. – 7:30 p.m.

Commissioner White and Commissioner Phillips reported on activities at the Tri-Agency meeting. They reported on the Council of Economic Advisors presentation.

Commissioner Feller summarized the actions at the most recent Intergovernmental Relations Committee

### CEO Report

*Revenue Generation:* Staff is working on a configuration for the old Englund Marine facility for an Artisans Market until the building can be fully leased by one tenant

*Cost Reduction:* The Harbor Maintenance team continues to work with Colburn Electric to isolate the water system from the power pedestals.

*Inner Boat Basin:* Colburn Electric continues to work on correcting grounding and wiring issues

*USDA/Rural Development:* Quinn Donovan, USDA Rural Development, is working with Harbormaster Helms on a format for presenting repair charges for the Inner Boat Basin that have occurred since 2014. USDA had committed to help the Harbor District have a functioning harbor and is supporting the effort to correct deficiencies that have existed since the departure of the General Contractor.

*CA Association of Harbor Masters and Port Captains (CAHMPC):* Helms, a Board Member of the CAHMPC, is working with other Marine Trade Associations and the APEX Group the contracted

Attest:

Charlie Helms, Harbormaster

Lane Tavasci, Deputy Harbormaster

X  \_\_\_\_\_  
James Ramsey, President

X  \_\_\_\_\_  
Scott Feller, Secretary