

AGENDA
REGULAR MEETING OF THE BOARD OF COMMISSIONERS
HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT

DATE: April 13, 2023

TIME: Closed Session – 5:00 P.M.
Regular Session – 6:00 P.M.

PLACE: Woodley Island Marina Meeting Room, 601 Startare Drive, Eureka, CA 95501
Public Advisory: The Woodley Island Meeting Room is now open to the public.

How to Observe and Participate in the Meeting:

Observe: Members of the public can attend the meeting in person or observe the meeting on Zoom at the following link: <https://us02web.zoom.us/j/6917934402>

Meeting ID: 691 793 4402
One tap mobile
(669) 900-9128, 6917934402#

Public members observing on Zoom will not be able to participate or provide comment. Members of the public who may wish to provide public comment during the meeting must attend in person.

The Meeting Room is wheelchair accessible. Accommodations and access to Harbor District meetings for people with other handicaps must be requested of the Director of Administrative Services at (707) 443-0801 at least 24 hours in advance of the meeting.

1. Call to Order Closed Session at 5:00 P.M.

2. Public Comment

Note: This portion of the Agenda allows the public to speak to the Board on the closed session items. Each speaker is limited to speak for a period of three (3) minutes regarding each item on the Closed Session Agenda. The three (3) minute time limit may not be transferred to other speakers. The three (3) minute time limit for each speaker may be extended by the President of the Board of Commissioners or the Presiding Member of the Board of Commissioners.

3. Move to Closed Session

a) CONFERENCE WITH REAL PROPERTY NEGOTIATORS. Terms of potential acquisition and/or lease of real property on the Samoa Peninsula, Humboldt County, with Assessor's Parcel Numbers, 401-112-021 and 401-112-024 California pursuant to

Agenda for April 13, 2023 Regular Board Meeting

California Government Code § 54956.8. District negotiators: Larry Oetker, Executive Director and Ryan Plotz, District Counsel. Negotiating party: California Marine Investments LLC. Under negotiation: price and payment terms.

- b) CONFERENCE WITH REAL PROPERTY NEGOTIATORS. Property: Humboldt County APN: 401-031-083-000. Agency negotiator: Larry Oetker, Executive Director; Ryan Plotz, District Counsel. Negotiating parties: Samoa Pacific Group, LLC. Under negotiation: price and terms of payment.

4. Call to Order Regular Session at 6:00 P.M. and Roll Call

5. Pledge of Allegiance

6. Report on Closed Session

7. Public Comment

*Note: This portion of the Agenda allows the public to speak to the Board on the **various issues NOT itemized on this Agenda**. A member of the public may also request that a matter appearing on the Consent Calendar be pulled and discussed separately. Pursuant to the Brown Act, the Board may not take action on any item that does not appear on the Agenda. Each speaker is limited to speak for a period of three (3) minutes regarding each item on the Agenda. Each speaker is limited to speak for a period of three (3) minutes during the PUBLIC COMMENT portion of the Agenda regarding items of special interest to the public NOT appearing on the Agenda that are within the subject matter jurisdiction of the Board of Commissioners. The three (3) minute time limit may not be transferred to other speakers. The three (3) minute time limit for each speaker may be extended by the President of the Board of Commissioners or the Presiding Member of the Board of Commissioners at the regular meeting of the District.*

8. Consent Calendar

- a) Adopt Minutes for March 9, 2023 Regular Board Meeting
- b) Adopt Minutes for March 30, 2023 Special Board Meeting
- c) Receive District Financial Reports for February 2023
- d) Charter Agreement Renewal for Eric Justeson dba 707 Sportfishing to operate a Charter Service at Woodley Island Marina
- e) Charter Agreement Renewal for Michael Stratman dba Redwood Coast Fishing to operate a Charter Service at Woodley Island Marina
- f) Charter Agreement Renewal for Reef Twibell dba Humboldt Sportfishing to operate a Charter Service at Woodley Island Marina

9. Communications, Reports and Correspondence Received

- a) Correspondence Received
- b) Executive Director's Report
- c) Staff Reports

Agenda for April 13, 2023 Regular Board Meeting

- d) District Counsel and District Treasurer Reports
- e) Commissioner and Committee Reports

10. Unfinished Business - None

11. New Business

a) Consider Authorizing Executive Director to Execute a Contract Amendment with Tenera Environmental Consulting

Recommendation: Authorize Executive Director to Execute a Contract Amendment with Tenera Environmental Consulting.

Summary: The consulting firm Tenera Environmental is under contract with the Harbor District to conduct aquatic larval sampling and report writing. This item is for an amendment to the contract for additional budget.

b) Consideration of Resolution 2023-07, A Resolution to Authorize the Execution of a Grant Agreement and Accept Funds from the Maritime Administration of the US Department of Transportation for a 2022 Port Infrastructure Development Program Grant for the Humboldt Offshore Wind Terminal Project

Recommendation: Staff recommends the Board: Adopt Resolution 2023-07 and then direct staff to work with the Ad Hoc Offshore Wind Committee to review/revise the application. Alternatively, the Board can evaluate the concept during this Board meeting, provide direction regarding modification of the application, and then direct staff to bring this item back to the Board at a special meeting during the week of April 24.

Summary: This item is regarding an application for an approximately \$10M grant from the Federal Port Infrastructure Development Program due on April 28, 2023. Attachment A to this staff report is a Resolution authorizing submittal of that grant application.

c) Review of Preliminary Budget and Goals for Woodley Island Marina, Shelter Cove and Fields Landing Boat Yard

Recommendation: Staff recommends the Board: Review and provide direction regarding the Preliminary budget and goals for Woodley Island Marina, Shelter Cove, and Fields Landing Boat Yard.

Summary: The budget is prepared annually under the direction of the Executive Director. In accordance with CA Harbors and Navigation Code Section 6093, on or before June 15, the District Board shall estimate and determine the amount of money required by the Harbor District and shall adopt a preliminary budget. Per Section 6093.3, the final budget shall be reported to the Board of Supervisors no later than August 1st.

Agenda for April 13, 2023 Regular Board Meeting

d) Accept the Audit Report for the 2021-2022 Fiscal Year and Put out and RFQ for Audit Services for Fiscal Year 2022-2023

Recommendation: Staff recommends the Board: Accept the Audit Report for the 2021-2022 Fiscal Year and put out RFQ for FY 2022-2023 audit contract.

Summary: Independent auditors report prepared by Harshwal & Company LLP for the fiscal year ending June 30th, 2022. See page 27 of the Audit for detailed information on restricted cash balances for the Dredge Surcharge and the Float Replacement Surcharge.

12. Adjournment

DRAFT MINUTES
REGULAR MEETING OF THE BOARD OF COMMISSIONERS
HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT

March 9, 2023

The Humboldt Bay Harbor, Recreation and Conservation District met in regular session on the above date, Closed Session met at 5:00 P.M., Regular Session met at 6:00 P.M. at the Woodley Island Marina meeting room, 601 Startare Drive, Eureka, CA 95501. Commissioner Higgins participated remotely with access to the public at the Eel River Recover Project office located at 44960 US-101 Unit 6, Laytonville, CA 95454.

CLOSED SESSION – 5:03 P.M.

PUBLIC COMMENT: The following individuals addressed the Commission regarding subject matters on the closed session meeting agenda: No one.

BUSINESS

- a) CONFERENCE WITH REAL PROPERTY NEGOTIATORS. Terms of potential acquisition and/or lease of real property on the Samoa Peninsula, Humboldt County, with Assessor's Parcel Numbers, 401-112-021 and 401-112-024 California pursuant to California Government Code § 54956.8. District negotiators: Larry Oetker, Executive Director and Ryan Plotz, District Counsel. Negotiating party: California Marine Investments LLC. Under negotiation: price and payment terms.
- b) CONFERENCE WITH REAL PROPERTY NEGOTIATORS. Property: All or Portions of Humboldt County Assessor Parcel Nos.: 401-112-024-000, 401-031-040-000, 401-031-078-000, and 401-031-083-000, and portions of the tidelands along the Samoa Peninsula adjacent to Redwood Marine Terminal I. Agency negotiator: Larry Oetker, Executive Director; Ryan Plotz, District Counsel. Negotiating parties: Crowley Wind Services, Inc. Under negotiation: price and terms of payment.
- c) CONFERENCE WITH REAL PROPERTY NEGOTIATORS. Property: Humboldt County APN: 401-031-083-000. Agency negotiator: Larry Oetker, Executive Director; Ryan Plotz, District Counsel. Negotiating parties: Samoa Pacific Group, LLC. Under negotiation: price and terms of payment.
- d) CONFERENCE WITH REAL PROPERTY NEGOTIATORS. Property: Humboldt County APNs: 401-031-054-000, 401-031-061-000, 401-112-013-000. Agency negotiator: Larry Oetker, Executive Director; Ryan Plotz, District Counsel. Negotiating parties: California Redwood Company. Under negotiation: price and terms of payment.
- e) CONFERENCE WITH REAL PROPERTY NEGOTIATORS. Property: Humboldt County APNs: 401-031-071-000 and 401-112-029-000. Agency negotiator: Larry Oetker, Executive Director; Ryan Plotz, District Counsel. Negotiating parties: Sniper Enterprises, LLC. Under negotiation: price and terms of payment.

REGULAR SESSION – 6:04 P.M.

ROLL CALL

PRESENT: BENSON
DALE
KULLMANN
HIGGINS
NEWMAN

ABSENT: NONE

QUORUM: YES

PLEDGE OF ALLEGIENCE

REPORT ON SPECIAL CLOSED SESSION: No reportable action.

PUBLIC COMMENT: The following individuals addressed the Commission regarding subject matters not on the regular session meeting agenda: Kathy Rodriguez and Pat Hooven.

CONSENT CALENDAR

- a) Adopt Minutes for February 9, 2023 Regular Board Meeting
 - b) Receive District Financial Reports for December 2022
 - c) Receive District Financial Reports for January 2023
- COMMISSIONER HIGGINS MOVED TO ACCEPT CONSENT CALENDAR ITEMS A-C.
COMMISSIONER NEWMAN SECONDED.
ROLL CALL VOTE WAS CALLED, MOTION CARRIED WITHOUT DISSENT.
Ayes: BENSON, DALE, HIGGINS, KULLMANN, NEWMAN
Noes: NONE
Absent: NONE
Abstain: NONE

COMMUNICATIONS, REPORTS AND CORRESPONDENCE RECEIVED

- a) Correspondence Received – None.
- b) Executive Director’s Report
 - I. Executive Director presented Executive Director’s report and stated there would a special meeting on March 29th or 30th.
- c) Staff Reports
 - I. Staff presented on recent District activities.
- d) District Counsel and District Treasurer Reports
 - I. No Report.
- e) Commissioner and Committee Reports
 - I. Commissioners reported on recent activities and subcommittees.

UNFINISHED BUSINESS

a) Consider Authorizing Executive Director to Enter into an Agreement with the City of Eureka Regarding Marketing For Cruise Ships

- I. Executive Director presented the item.
- II. The Commission discussed the item.
- III. Chair Dale opened the item to public comment. Scott Adair and Lonyx Landry commented.
- IV. Chair Dale moved the discussion back to the Commission.

COMMISSIONER HIGGINS MOVED TO AUTHORIZE THE EXECUTIVE DIRECTOR TO ENTER INTO AN AGREEMENT WITH THE CITY OF EUREKA REGARDING MARKETING FOR CRUISE SHIPS.

COMMISSIONER NEWMAN SECONDED.

ROLL CALL VOTE WAS CALLED, MOTION CARRIED.

Ayes: BENSON, DALE, KULLMANN, NEWMAN

Noes: NONE

Absent: HIGGINS (LOST POWER ON HIS REMOTE CONNECTION)

Abstain: NONE

NEW BUSINESS

a) Consider Adopting Resolution 2023-05, A Resolution Concerning Offshore Wind Development Off the West Coast of the United States and Around Humboldt Bay

- I. District staff presented the item.
- II. The Commission discussed the item.
- III. Chair Dale opened the item to public comment. Alicia Bixler, Nancy O'Hara, Carla Osborn, Lonyx Landry, Amy Jester, Robin Grey-Stewart, Scott Adair and Jake McMaster commented.
- IV. Chair Dale moved the discussion back to the Commission.

COMMISSIONER HIGGINS MOVED TO ADOPT RESOLUTION 2023-05, A RESOLUTION CONCERNING OFFSHORE WIND DEVELOPMENT OFF THE WEST COAST OF THE UNITED STATES AND AROUND HUMBOLDT BAY AFTER SOME MINOR LANGUAGE EDITS.

COMMISSIONER BENSON SECONDED.

ROLL CALL VOTE WAS CALLED, MOTION CARRIED WITHOUT DISSENT.

Ayes: BENSON, DALE, HIGGINS, KULLMANN, NEWMAN

Noes: NONE

Absent: NONE

Abstain: NONE

b) Consideration of Initial 2023-2024 District Budget Preparation Schedule

- I. Executive Director presented the item.
- II. The Commission discussed the item.
- III. Chair Dale opened the item to public comment. No one commented.
- IV. Chair Dale moved the discussion back to the Commission.
- V. Discussion only, no formal action was taken.

c) Consider Adopting Resolution 2023-04, A Resolution Accepting Funds from the California Department of Fish and Wildlife, Office of Spill Prevention and Response for Oil Spill Prevention and Response Equipment, and to Authorize the Executive Director to execute the Grant Agreement

- I. District Staff presented the item.
- II. The Commission discussed the item.
- III. Chair Dale opened the item to public comment. No one commented.
- IV. Chair Dale moved the discussion back to the Commission.

COMMISSIONER NEWMAN MOVED TO ADOPT RESOLUTION 2023-04, A RESOLUTION ACCEPTING FUNDS FROM THE CALIFORNIA DEPARTMENT OF FISH AND WILDLIFE, OFFICE OF SPILL PREVENTION AND RESPONSE FOR OIL SPILL PREVENTION AND RESPONSE EQUIPMENT, AND TO AUTHORIZE THE EXECUTIVE DIRECTOR TO EXECUTE THE GRANT AGREEMENT.

COMMISSIONER KULLMANN SECONDED.

ROLL CALL VOTE WAS CALLED, MOTION CARRIED.

Ayes: BENSON, DALE, KULLMANN, NEWMAN

Noes: NONE

Absent: HIGGINS

Abstain: NONE

d) Authorize the Executive Director and/or Board President to Review and Execute Closing Documents as a part of the Chase Community Capital New Market Tax Credit Loan related to the Harbor District and the Humboldt Bay Development Association

- I. Executive Director and District staff presented the item.
- II. The Commission discussed the item.
- III. Chair Dale opened the item to public comment. Leroy Zerlang commented.
- IV. Chair Dale moved the discussion back to the Commission.

COMMISSIONER KULLMANN MOVED TO AUTHORIZE THE EXECUTIVE DIRECTOR AND/OR THE BOARD PRESIDENT TO REVIEW AND EXECUTE CLOSING DOCUMENTS AS A PART OF THE CHASE COMMUNITY CAPITAL NEW MARKET TAX CREDIT LOAN RELATED TO THE HARBOR DISTRICT AND THE HUMBOLDT BAY DEVELOPMENT ASSOCIATION.

COMMISSIONER NEWMAN SECONDED.

ROLL CALL VOTE WAS CALLED, MOTION CARRIED.

Ayes: BENSON, DALE, KULLMANN, NEWMAN

Noes: NONE

Absent: HIGGINS

Abstain: NONE

ADJOURNMENT – 8:30 P.M.

APPROVED BY:

RECORDED BY:

Aaron Newman
Secretary of the Board of Commissioners

Mindy Hiley
Director of Administrative Services

**DRAFT MINUTES
SPECIAL MEETING OF THE BOARD OF COMMISSIONERS
HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT**

March 30, 2023

The Humboldt Bay Harbor, Recreation and Conservation District met in special session on the above date, Closed Session met at 5:00 P.M., Special Session met at 6:00 P.M. at the Woodley Island Marina meeting room, 601 Startare Drive, Eureka, CA 95501.

SPECIAL CLOSED SESSION – 5:03 P.M.

PUBLIC COMMENT: The following individuals addressed the Commission regarding subject matters on the closed session meeting agenda: No one.

BUSINESS

- a) CONFERENCE WITH REAL PROPERTY NEGOTIATORS. Terms of potential acquisition and/or lease of real property on the Samoa Peninsula, Humboldt County, with Assessor’s Parcel Numbers, 401-112-021 and 401-112-024 California pursuant to California Government Code § 54956.8. District negotiators: Larry Oetker, Executive Director and Ryan Plotz, District Counsel. Negotiating party: California Marine Investments LLC. Under negotiation: price and payment terms.

- b) CONFERENCE WITH REAL PROPERTY NEGOTIATORS. Property: All or Portions of Humboldt County Assessor Parcel Nos.: 401-112-024-000, 401-031-040-000, 401-031-078-000, and 401-031-083-000, and portions of the tidelands along the Samoa Peninsula adjacent to Redwood Marine Terminal I. Agency negotiator: Larry Oetker, Executive Director; Ryan Plotz, District Counsel. Negotiating parties: Crowley Wind Services, Inc. Under negotiation: price and terms of payment.

- c) CONFERENCE WITH REAL PROPERTY NEGOTIATORS. Property: Humboldt County APN: 401-031-083-000. Agency negotiator: Larry Oetker, Executive Director; Ryan Plotz, District Counsel. Negotiating parties: Samoa Pacific Group, LLC. Under negotiation: price and terms of payment.

SPECIAL SESSION – 6:04 P.M.

ROLL CALL

PRESENT: BENSON
 DALE
 KULLMANN
 NEWMAN

ABSENT: HIGGINS

QUORUM: YES

PLEDGE OF ALLEGIENCE

REPORT ON SPECIAL CLOSED SESSION: No reportable action.

PUBLIC COMMENT: The following individuals addressed the Commission regarding subject matters not on the regular session meeting agenda: no one.

BUSINESS

a) Consider Approval of a Contract and Expenditure of Funds Associated with Woodley Island Marina Sediment Analyses in Preparation for Dredging

- I. District Staff presented the item.
- II. The Commission discussed the item.
- III. Chair Dale opened the item to public comment. Rick Souza and Cody Freitas commented.
- IV. Chair Dale moved the discussion back to the Commission.

COMMISSIONER BENSON MOVED TO APPROVE A CONTRACT AND EXPENDITURE OF FUNDS ASSOCIATED WITH WOODLEY ISLAND MARINA SEDIMENT ANALYSES IN PREPARATION FOR DREDGING.

COMMISSIONER NEWMAN SECONDED.

ROLL CALL VOTE WAS CALLED, MOTION CARRIED.

Ayes: BENSON, DALE, KULLMANN, NEWMAN

Noes: NONE

Absent: HIGGINS

Abstain: NONE

b) Consider Adopting Resolution 2023-06, A Resolution Designating the Executive Director and Deputy Executive Director as Authorized Agents for the Purpose of Applying for and Receiving Funds from the Federal Emergency Management Agency (FEMA) and the California Office of Emergency Services (CALOES).

- I. District staff presented the item.
- II. The Commission discussed the item.
- III. Chair Dale opened the item to public comment. No one commented.
- IV. Chair Dale moved the discussion back to the Commission.

COMMISSIONER KULLMANN MOVED TO ADOPT RESOLUTION 2023-06, A RESOLUTION DESIGNATING THE EXECUTIVE DIRECTOR AND DEPUTY EXECUTIVE DIRECTOR AS AUTHORIZED AGENTS FOR THE PURPOSE OF APPLYING FOR AND RECEIVING FUNDS FROM THE FEDERAL EMERGENCY MANAGEMENT AGENCY AND THE CALIFORNIA OFFICE OF EMERGENCY SERVICES.

ROLL CALL VOTE WAS CALLED, MOTION CARRIED.

Ayes: BENSON, DALE, KULLMANN, NEWMAN

Noes: NONE

Absent: HIGGINS

Abstain: NONE

ADJOURNMENT – 8:00 P.M.

APPROVED BY:

RECORDED BY:

Aaron Newman
Secretary of the Board of Commissioners

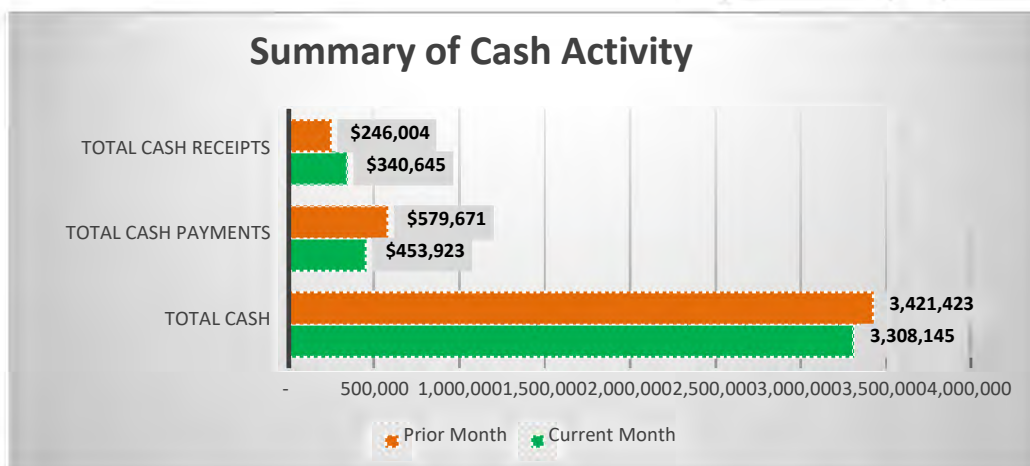
Mindy Hiley
Director of Administrative Services

HUMBOLDT BAY HARBOR, RECREATION, AND CONSERVATION DISTRICT

Monthly Cash Flow Analysis

For The Months Ended February 28, 2023 and January 31, 2023

	<u>2/28/23</u>	<u>1/31/23</u>
<u>Account Balances</u>		
Checking	\$ 257,308	\$ 92,831
Savings	1,963,527	1,901,258
County Treasury	1,085,016	1,425,016
Cash on hand	2,294	2,318
Total Cash	3,308,145	3,421,423
Less: Restricted cash for Marina surcharges	(1,803,931)	(1,782,266)
Unrestricted Cash	1,504,214	1,639,157
Less: Unexpended grant proceeds and Nordic & Crowley deposits included in cash above	(1,595,663)	(1,596,998)
Cash Available (Deficit), excluding Marina surcharges and unexpended grant proceeds and deposits	(91,449)	42,159
 <u>Change in Cash Balance</u>		
Balance, Beginning of Month	\$ 3,421,423	\$ 3,755,090
Monthly Deposits	340,645	246,004
Monthly Payments	(453,923)	(579,671)
Balance, End of Month	<u>\$ 3,308,145</u>	<u>\$ 3,421,423</u>
 <u>Monthly Expenses Summary</u>		
Significant Individual Expenses:		
Humboldt Bay Development Assoc lease payment	\$ 115,890	
BBVA bond and loan payment		\$ 234,107
Purchase option payment		50,000
Tenera Environmental Inc.	66,853	42,502
Semi-annual property tax expense		21,815
Sub-total, Significance/Unusual Expenses	182,743	348,424
General operating expenses and other misc. expense	271,180	231,247
Total Cash Payments	<u>\$ 453,923</u>	<u>\$ 579,671</u>
 <u>Monthly Deposits Summary</u>		
Significant Individual Revenues:		
CalTrans grant	\$ 51,094	
Sub-total, Significant/Unusual Revenues	51,094	-
General revenues	289,551	\$ 246,004
Total Cash Receipts	<u>\$ 340,645</u>	<u>\$ 246,004</u>



3:01 PM

Humboldt Bay Harbor, Recreation & Conservation District

Profit & Loss

04/07/23

February 2023

Accrual Basis

	Feb 23	Jul '22 - Feb 23
Ordinary Income/Expense		
Income		
Donations		
46519 · Donations - Lighthouse	0.00	14.00
Total Donations	0.00	14.00
Dredging Revenue		
41318 · Dredging Surcharge - T	15,975.80	144,993.15
Total Dredging Revenue	15,975.80	144,993.15
Fees		
40108 · PERMITS-T	0.00	2,950.00
40808 · Pilotage Services - T	0.00	1,997.87
41308 · Moorage - T	0.00	10.64
41308.1 · Poundage - T	2,387.96	7,512.10
41818 · Late Charges/Interest - T	725.00	5,540.00
41819 · Late Charges/Interest - NT	85.00	-3,613.84
45608 · Chevron - Ports O&M - T	0.00	16,175.00
Total Fees	3,197.96	30,571.77
Float Replacement Account		
41418 · Float Replacement	6,630.65	58,812.72
Total Float Replacement Account	6,630.65	58,812.72
Grant Revenue		
Harbor Grants		
45208.1 · Harbor Grants, Gov't - T	0.00	10,901.50
Total Harbor Grants	0.00	10,901.50
Total Grant Revenue	0.00	10,901.50
Harbor Surcharge		
40908 · Harbor Improvement Surcharge-T	0.00	108,819.21
Total Harbor Surcharge	0.00	108,819.21
Interest Revenue		
43108 · Interest Income - T	3,295.72	27,838.82
43109 · Interest Income - NT	14,317.00	219,287.00
Total Interest Revenue	17,612.72	247,125.82
Other Revenue		
45908 · Other Revenue - T	4.00	43.00
45909 · Other Revenue - NT	3,504.93	26,228.52
46008 · Recovery of Bad Debt - T	0.00	1,386.00
Total Other Revenue	3,508.93	27,657.52
Rent Income		
40218 · Slip Rents - T	42,744.03	385,844.03
40318.1 · Transient Rentals - T	1,458.22	23,129.29
40518 · Equipment Rent - T	0.00	4,852.06
40519 · Equipment Rent - NT	1,130.00	3,120.00
40809 · Yard Rent - NT	1,159.20	8,445.60
41108 · Rents, Tidelands Leases - T	22,321.02	251,519.41
41309 · Storage - NT	4,232.54	38,972.34
41409 · Upland Rent - NT		
41409.2 · Redwood Terminal 2 - NMTC	5,007.69	40,061.52
41409 · Upland Rent - NT - Other	205,527.86	595,755.03
Total 41409 · Upland Rent - NT	210,535.55	635,816.55
Total Rent Income	283,580.56	1,351,699.28
Sales		

Humboldt Bay Harbor, Recreation & Conservation District

Profit & Loss

04/07/23

February 2023

Accrual Basis

	Feb 23	Jul '22 - Feb 23
40119 · Concession Sales - NT	725.75	5,134.00
Total Sales	725.75	5,134.00
Tax Revenue		
43509 · Property Tax Revenues	100,000.00	800,000.00
Total Tax Revenue	100,000.00	800,000.00
Utility Surcharge		
40409 · Utility Surcharge - NT	5,932.77	41,256.96
40418 · Utility Surcharge, Marina Dock	8,258.19	40,254.47
Total Utility Surcharge	14,190.96	81,511.43
47019 · Returned Check Charges	0.00	35.00
52708.1 · Discount	44.06	288.66
Total Income	445,467.39	2,867,564.06
Gross Profit	445,467.39	2,867,564.06
Expense		
Accounting/Auditing Services		
52500 · Accounting Fees - T	13,074.00	29,976.00
52508 · Accounting Fees - NT	4,358.00	10,824.50
Total Accounting/Auditing Services	17,432.00	40,800.50
Advertising & Promotion		
51000 · Advertising & Promotion - NT	0.00	461.73
51008 · Advertising & Promotion - T	0.00	958.54
Total Advertising & Promotion	0.00	1,420.27
Bad Debts		
51308 · Bad Debts - T	0.00	20,290.73
51309 · Bad Debts - NT	0.00	0.00
Total Bad Debts	0.00	20,290.73
Communications		
51400 · Communications - NT	1,865.55	17,474.55
51408 · Communications - T	319.26	4,619.51
Total Communications	2,184.81	22,094.06
Conference & Meetings		
51500 · Conferences & Meetings - NT	378.13	8,616.90
51508 · Conferences & Meetings - T	27.41	4,483.85
Total Conference & Meetings	405.54	13,100.75
Dredging Expense		
56708 · Dredging - GT	942.50	5,142.50
56718 · Dredging - MT	0.00	4,995.00
Total Dredging Expense	942.50	10,137.50
Dues, Subscriptions & Licences		
51600 · Dues & Subscriptions - NT	443.64	34,656.87
51608 · Dues & Subscriptions - T	0.00	602.75
Total Dues, Subscriptions & Licences	443.64	35,259.62
Elections & Government Fees		
51700 · Elections & Prop Tax Assess-NT	0.00	64,720.63
Total Elections & Government Fees	0.00	64,720.63
Engineering Services		
52400 · Engineering Fees - NT	687.50	4,609.94

Humboldt Bay Harbor, Recreation & Conservation District

Profit & Loss

04/07/23

February 2023

Accrual Basis

	Feb 23	Jul '22 - Feb 23
52408 · Engineering Fees - T	135.00	-25,570.00
Total Engineering Services	822.50	-20,960.06
Fuel		
50400 · IMPUTED AUTO VALUE G/A	120.00	1,005.00
51200 · Automotive, Fuel- NT	503.12	5,973.26
51208 · Vessel Fuel	345.84	2,975.53
51218 · Automotive, Fuel - T	623.11	6,859.06
Total Fuel	1,592.07	16,812.85
Grant Expenses		
Conservation Grant Expenses		
54408.3 · Conservation Grant Exp	-5,000.00	0.00
Total Conservation Grant Expenses	-5,000.00	0.00
Harbor Grant Expenses		
54408.1 · Harbor Grant Exp	30.00	276,783.54
Total Harbor Grant Expenses	30.00	276,783.54
Recreation Grant Expenses		
54408.2 · Recreation Grant Exp	-23,962.03	20,126.34
Total Recreation Grant Expenses	-23,962.03	20,126.34
Total Grant Expenses	-28,932.03	296,909.88
Insurance		
51800 · Insurance - NT	8,908.25	70,732.54
51808 · Insurance - T	1,286.18	11,408.31
Total Insurance	10,194.43	82,140.85
Interest Expense		
55108 · Interest Expense - T	4,156.00	33,255.46
55109 · Interest Expense - NT	7,624.00	62,775.40
Total Interest Expense	11,780.00	96,030.86
Legal Services		
52300 · Legal Fees - NT	12,851.13	75,575.41
52308 · Legal Fees - T	992.87	15,268.37
Total Legal Services	13,844.00	90,843.78
Maintenance - Equipment		
51209 · Automotive, Repairs - NT	593.24	7,653.75
52710 · Repairs & Maint, Equip - NT	20.90	1,610.23
52718 · Repairs & Maint, Equip - T	933.18	10,928.05
Total Maintenance - Equipment	1,547.32	20,192.03
Maintenance - Facilities		
52708 · Repairs & Maint, Facilities - T	3,065.78	47,072.23
52709 · REPAIRS & MAINTENANCE G/NT	46.97	915.08
52719 · Repairs & Maint, Facilities - N	9,622.04	54,509.98
Total Maintenance - Facilities	12,734.79	102,497.29
Maintenance - IT		
57008 · Maintenance, IT Equip - T	304.99	3,623.28
57009 · Maintenance, IT Equip - NT	305.00	4,166.11
Total Maintenance - IT	609.99	7,789.39
Maintenance Supplies		
52008 · Maintenance Supplies - T	0.00	1,417.20
52010 · Maintenance Supplies - NT	2,100.59	11,341.94

Humboldt Bay Harbor, Recreation & Conservation District

Profit & Loss

04/07/23

February 2023

Accrual Basis

	Feb 23	Jul '22 - Feb 23
Total Maintenance Supplies	2,100.59	12,759.14
Office Supplies		
51900 · Office Supplies - NT	3,196.45	29,227.27
51908 · Office Supplies - T	467.42	5,991.73
Total Office Supplies	3,663.87	35,219.00
Other Expenses		
54109 · Sea Scouts Expense - NT	0.00	1,558.33
55419 · Other Expenses - NT	0.00	7,500.00
Total Other Expenses	0.00	9,058.33
Other Professional/Outside Serv		
52109 · Outside Services, Other - NT	0.00	1,135.26
52110 · OUTSIDE SERVICES M/A	0.00	1,661.00
52118 · Outside Services, Other - T	1,744.00	-30,400.00
Total Other Professional/Outside Serv	1,744.00	-27,603.74
Permits		
51610 · Permits - NT	370.30	702.68
51618 · Permits - T	0.00	18,901.00
Total Permits	370.30	19,603.68
Personnel Expenses		
Commissioners Fees		
50200 · Commissioner's Salaries - NT	2,100.00	13,230.00
50208 · Commissioner's Salaries - T	900.00	5,670.00
Total Commissioners Fees	3,000.00	18,900.00
Contract Temporary Services		
50318 · Contract Temporary Services - T	0.00	39,309.87
Total Contract Temporary Services	0.00	39,309.87
Payroll Burden		
50500 · Payroll Benefits, Other - NT	40,188.63	294,076.56
50508 · Payroll Benefits, Other - T	14,941.73	91,542.39
6560 · Workers' Comp	3,362.32	27,563.38
Total Payroll Burden	58,492.68	413,182.33
Salaries/Wages		
50100 · Salaries & Wages - NT	81,350.43	638,368.47
50108 · Salaries & Wages - T	0.00	1,329.59
Total Salaries/Wages	81,350.43	639,698.06
Total Personnel Expenses	142,843.11	1,111,090.26
Planning Services		
52200 · Planning Fees - NT	0.00	12,974.00
52208 · Planning Fees - T	0.00	5,901.38
Total Planning Services	0.00	18,875.38
Rent Expense		
52600 · Rent Expense - NT	0.00	756.00
54308 · Redwood Terminal 2 Lease Expens	100,038.71	222,249.25
Total Rent Expense	100,038.71	223,005.25
Small Tools		
52800 · Small Tools - NT	0.00	1,807.34
Total Small Tools	0.00	1,807.34

Humboldt Bay Harbor, Recreation & Conservation District

Profit & Loss

04/07/23

February 2023

Accrual Basis

	Feb 23	Jul '22 - Feb 23
Utilities		
52909 · Utilities - NT	3,179.84	118,110.88
52918 · Utilities - T	2,378.69	37,271.00
53000 · Water, Sewer, & Refuse - NT	12,043.62	83,613.13
53008 · Water, Sewer, & Refuse - T	6,120.35	36,708.75
Total Utilities	23,722.50	275,703.76
55700 · Float Replacement Expense - MT	0.00	46.74
57018 · Bank Service Charges	401.49	401.49
Total Expense	320,486.13	2,580,047.56
Net Ordinary Income	124,981.26	287,516.50
Net Income	124,981.26	287,516.50

2:58 PM

Humboldt Bay Harbor, Recreation & Conservation District

Balance Sheet

As of February 28, 2023

04/07/23

Accrual Basis

	Feb 28, 23
ASSETS	
Current Assets	
Checking/Savings	
10000 · PETTY CASH ON HAND	45.93
10100 · CHANGE FUND ON HAND	400.00
10111 · COIN MACHINE FUND	730.00
10200 · CASH IN BANK, CHECKING	13,346.51
10200.1 · Cash in PNC, Checking	243,960.65
10400 · CASH IN COUNTY - FUND 2720	1,049,497.13
10500 · CASH IN COUNTY - FUND 3872	35,518.88
10600.1 · Cash in bank, Tariff PNC	1,805,332.27
10700.1 · Cash in bank, Water PNC	158,195.04
10901 · UNEXPENDED MARINA SURCHARGES	1,803,930.51
10903 · RESTRICTED CASH	-1,803,930.51
Total Checking/Savings	3,307,026.41
Accounts Receivable	
12000 · ACCTS RECEIVABLE	1,625,551.87
Total Accounts Receivable	1,625,551.87
Other Current Assets	
12100 · ALLOW FOR BAD DEBTS	-355,037.61
12200 · TAXES RECEIVBLE	125,744.87
12300 · INTEREST RECEIVBLE	86,993.32
12600 · Note Receivable - NMTC	5,849,375.00
12700 · PREPAID EXPENSES	50,952.13
12900 · Accounts Receivable FSM	-1,025.38
1499 · Undeposited Funds	1,118.31
Total Other Current Assets	5,758,120.64
Total Current Assets	10,690,698.92
Fixed Assets	
CAPITAL ASSETS, NET	
14910 · BEACH PROPERTY	258,149.00
15000 · AUTOMOTIVE EQUIPMENT	95,639.08
15100 · OFFICE EQUIPMENT	193,303.88
15200 · OPERATING EQUIPMENT	314,098.74
15500 · MARINA, RESTAURANT COMPLEX	34,100.00
15600 · MARINA	10,529,004.29
15700 · FL BOAT BLDG & REPAIR FACILITY	4,302,259.53
15800 · SHELTER COVE	2,386,247.10
15900 · DREDGING COSTS	215,226.78
16000 · KING SALMON	15,143.99
16100 · MARINA DREDGE, CONSTR IN PROGRES	1,319,433.62
16400 · REDWOOD DOCK PROPERTY	3,010,194.30
16500 · HOMELAND SECURITY EQUIPMENT	2,254,007.60
16600 · TABLE BLUFF LIGHTHOUSE	361.44
16700 · AQUAPONICS PILOT FACILITY	96,036.61
16800 · REDWOOD TERMINAL 2	2,613,169.43
16900 · Dredge	1,215,423.27
17000 · ACCUMULATED DEPRECIATION	-18,513,994.17
Total CAPITAL ASSETS, NET	10,337,804.49
14800 · SHIPWRECK PROPERTY	50,088.05
14900 · DOG RANCH PROPERTY	7,507.70
Total Fixed Assets	10,395,400.24
Other Assets	
18700 · Deferred Lease Asset	3,228,386.00
19000 · Deferred Outflows of PERS	293,553.00
Total Other Assets	3,521,939.00

Humboldt Bay Harbor, Recreation & Conservation District

Balance Sheet

04/07/23

As of February 28, 2023

Accrual Basis

	Feb 28, 23
TOTAL ASSETS	24,608,038.16
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
20000 · ACCOUNTS PAYABLE	671,117.13
Total Accounts Payable	671,117.13
Credit Cards	
20112 · US Bank Visa	2,991.19
Total Credit Cards	2,991.19
Other Current Liabilities	
Payroll tax & Withholding Liab	
21100 · FEDERAL WITHHOLDING TAX	-3,939.00
21200 · STATE WITHHOLDING TAX	-3,100.78
21300 · STATE UNEMPLOYMENT TAX	2,057.04
21400 · SOCIAL SECURITY/MEDICARE TAX	-1,119.48
21600 · PERS CARE/MEDICAL INSURANCE	8,914.56
21700 · PERS RETIREMENT	5.60
21800 · STATE DISABILITY INSURANCE	-1,433.79
21900 · UNION DUES DEDUCTIBLE	74.76
Total Payroll tax & Withholding Liab	1,458.91
20200 · NOTES PAYABLE	343,465.72
20400 · ACCRUED WAGES PAYABLE	33,725.81
20500 · ACCRUED INTEREST	24,981.18
20600 · ACCRUED VACATION PAYABLE	43,583.71
20800 · DEPOSITS ON HAND	
20801 · KEY DEPOSITS ON HAND	16,900.00
20802 · PLUG DEPOSITS ON HAND	1,270.00
20803 · SLIP DEPOSITS ON HAND	54,692.66
20804 · STORAGE DEPOSITS	3,890.15
20806 · LEASE SECURITY DEPOSIT	445,954.42
20807 · STORAGE DEPOSIT - REDWOOD DOCK	2,750.26
20808 · WAIT LIST DEPOSIT	4,125.00
Total 20800 · DEPOSITS ON HAND	529,582.49
24000 · Ground Lease Deferred Income	3,906,000.00
24002 · Groundlease Current Def Income	60,092.31
27201 · Deferred Inflows - OPEB	29,113.00
28000 · DEFERRED INCOME	159,055.45
28400 · DEFERREDINCOMECalTrans Spartina	1,239,663.00
28500 · OTHER DEFERRED CREDITS	723,523.92
Total Other Current Liabilities	7,094,245.50
Total Current Liabilities	7,768,353.82
Long Term Liabilities	
24001 · Gound Lease Amortization	-419,383.76
24003 · Groundlease Current Offset	-60,092.31
25500 · OPEB Liability	186,792.00
25700 · BOND PAYABLE 2014 REFINANCING	1,739,475.24
25800 · BBVA Loan Payable	959,622.41
25900 · LESS CURRENT PORTION	-343,465.72
27000 · Net Pension Liability	577,703.00
27200 · Deferred Inflows of PERS	590,149.00
27202 · Deferred Inflows - Leases	3,216,623.00
Total Long Term Liabilities	6,447,422.86
Total Liabilities	14,215,776.68
Equity	

Humboldt Bay Harbor, Recreation & Conservation District

Balance Sheet

As of February 28, 2023

	<u>Feb 28, 23</u>
30500 · INVESTMENT IN FIXED ASSETS	9,404,911.59
30900 · RESTRICTED FUND BALANCE	
30901 · Restricted Fd Bal-Curr Yr Chang	124,369.43
30900 · RESTRICTED FUND BALANCE - Other	<u>1,610,308.40</u>
Total 30900 · RESTRICTED FUND BALANCE	1,734,677.83
31200 · GENERAL FUND BALANCE	
31000 · FUND BALANCE - TIDELANDS TRUST	-1,683,627.00
31201 · General Fund-Change is Restrict	-124,369.43
31200 · GENERAL FUND BALANCE - Other	<u>773,151.99</u>
Total 31200 · GENERAL FUND BALANCE	-1,034,844.44
Net Income	<u>287,516.50</u>
Total Equity	<u>10,392,261.48</u>
TOTAL LIABILITIES & EQUITY	<u>24,608,038.16</u>

2:59 PM

Humboldt Bay Harbor, Recreation & Conservation District

Account QuickReport

As of February 28, 2023

04/07/23

Accrual Basis

Type	Date	Num	Name	Memo	Amount
10200.1 - Cash in PNC, Checking					
Liability Check	02/01/2023	E-pay	Employment Developme...	499-0307-3 QB T...	-1,940.11
Liability Check	02/01/2023	E-pay	Internal Revenue Service	94-2262845 QB ...	-5,280.22
Liability Check	02/02/2023		QuickBooks Payroll Serv...	Created by Payro...	-28,617.20
Bill Pmt -Check	02/02/2023		Campton Electric Supply	QuickBooks gen...	0.00
Liability Check	02/03/2023	ACH	California State Disburse...	200000002142499	-372.46
Liability Check	02/03/2023	ACH	State Disbursement Unit	0230000067964	-233.53
Liability Check	02/03/2023	ACH	PERS Unfunded Accrue...	2233447024	-5,778.85
Liability Check	02/03/2023	ACH	CalPERS 457 Program	450348	-1,710.75
Bill Pmt -Check	02/03/2023	ACH	CalPERS 457 Program	457Match 02/03/...	-350.00
Bill Pmt -Check	02/03/2023	1834	314intermedia		-60.00
Bill Pmt -Check	02/03/2023	1835	AT&T Internet	831-000-8571 571	-886.57
Bill Pmt -Check	02/03/2023	1836	CA Dept of Tax and Fee ...	47-084568	-381.00
Bill Pmt -Check	02/03/2023	1837	California Redwood Co.	Red Tank 11/17-...	-769.28
Bill Pmt -Check	02/03/2023	1838	CAPA	Membership Due...	-2,728.13
Bill Pmt -Check	02/03/2023	1839	City of Eureka (Sewer)	2001-901804-02	-2,307.54
Bill Pmt -Check	02/03/2023	1840	City of Eureka (Water)	2001-901802-01	-5,813.24
Bill Pmt -Check	02/03/2023	1841	Coastal Business Syste...	WIM Copier Lease	-485.21
Bill Pmt -Check	02/03/2023	1842	Cox, Castle & Nicholson ...	Port Developmen...	-1,710.00
Bill Pmt -Check	02/03/2023	1843	Design Air Heating & Sh...		-53.88
Bill Pmt -Check	02/03/2023	1844	Eureka-Humboldt Fire Ex...	Bill received 01-1...	-40.00
Bill Pmt -Check	02/03/2023	1845	Hiley, Mindy	Notary Services	-15.00
Bill Pmt -Check	02/03/2023	1846	Humboldt Bay Municipal ...	9002.001 RMT2	-1,332.93
Bill Pmt -Check	02/03/2023	1847	Humboldt Community Se...	3165	-18.00
Bill Pmt -Check	02/03/2023	1848	Humboldt County Tax Co...	VOID:	0.00
Bill Pmt -Check	02/03/2023	1849	Industrial Electric Arcata,...		-2,597.66
Bill Pmt -Check	02/03/2023	1850	Lawson Products, Inc.	10347668	-105.80
Bill Pmt -Check	02/03/2023	1851	Mission Uniform & Linen	299313	-867.27
Bill Pmt -Check	02/03/2023	1852	Moffatt & Nichol	Project 212991/0...	-10,230.17
Bill Pmt -Check	02/03/2023	1853	Napa Auto Parts	24290	-327.57
Bill Pmt -Check	02/03/2023	1854	Network Help To Go	January 2023 IT ...	-575.00
Bill Pmt -Check	02/03/2023	1855	Pacific Gas & Electric (8...	0074698259-4	-9,278.65
Bill Pmt -Check	02/03/2023	1856	Pape Material Handling	340686, 490169,...	-492.38
Bill Pmt -Check	02/03/2023	1857	Planwest Partners, Inc.		-1,350.00
Bill Pmt -Check	02/03/2023	1858	Redwood Community Ac...	RSC 5055131	-10,495.74
Bill Pmt -Check	02/03/2023	1859	Security Lock & Alarm		-149.25
Bill Pmt -Check	02/03/2023	1860	Shelter Cove Fishing Pre...	Storm cleanup P...	-812.50
Bill Pmt -Check	02/03/2023	1861	Standard Insurance Com...	ST 908447 0001	-267.40
Bill Pmt -Check	02/03/2023	1862	State Farm	Surety Bond for ...	-100.00
Bill Pmt -Check	02/03/2023	1863	State Water Resource C...	07/01/2022-06/3...	-2,734.00
Bill Pmt -Check	02/03/2023	1864	Thrifty Supply		-119.73
Bill Pmt -Check	02/03/2023	1865	Valley Pacific Petroleum ...	114137	-1,631.79
Bill Pmt -Check	02/03/2023	1866	West Coast Hydraulics	PO # 1898 RMT ...	-2,946.16
Bill Pmt -Check	02/03/2023	1867	State Water Resource C...	07/01/2022-06/3...	-2,734.00
Bill Pmt -Check	02/03/2023		Shafer's Ace Hardware	QuickBooks gen...	0.00
Bill Pmt -Check	02/03/2023	1868	Humboldt County Tax Co...	Bay Street 2022-...	-54.68
Bill Pmt -Check	02/03/2023	1869	Tenera Environmental Inc.	20236001	-31,587.30
Bill Pmt -Check	02/03/2023	1870	Cummins Pacific Arcata	PO# 1899 Fire B...	-1,214.66
Bill Pmt -Check	02/03/2023	1871	Nilsen Company	1623	-147.43
Bill Pmt -Check	02/03/2023		Thrifty Supply	QuickBooks gen...	0.00
Bill Pmt -Check	02/10/2023	1872	AT&T Phone	707 443-0800 07...	-312.17
Bill Pmt -Check	02/10/2023	1873	Pacific Gas & Electric (1...	Acct #06704919...	-2,773.07
Bill Pmt -Check	02/10/2023	1874	Pacific Gas & Electric (3...	6598073494-4	-198.04
Bill Pmt -Check	02/10/2023	1875	Pierson Building Center	1297	-914.11
Liability Check	02/14/2023	E-pay	Employment Developme...	499-0307-3 QB T...	-2,181.42
Liability Check	02/14/2023	E-pay	Internal Revenue Service	94-2262845 QB ...	-5,969.32
Liability Check	02/14/2023	1876	Operating Engineers Loc...	94-2262845	-249.20
Liability Check	02/16/2023		QuickBooks Payroll Serv...	Created by Payro...	-30,219.02
Liability Check	02/17/2023	ACH	PERS Unfunded Accrue...	2233447024	-5,778.85
Bill Pmt -Check	02/17/2023	ACH	PERS Unfunded Accrue...	2233447024	-8,327.67
Liability Check	02/17/2023	ACH	CalPERS 457 Program	450348	-1,710.75
Bill Pmt -Check	02/17/2023	ACH	CalPERS 457 Program	457Match 02/17/...	-350.00
Liability Check	02/17/2023	1877	Franchise Tax Board		-100.00
Liability Check	02/17/2023	ACH	California State Disburse...	200000002142499	-372.46
Liability Check	02/17/2023	ACH	State Disbursement Unit	0230000067964	-233.53
Liability Check	02/17/2023	ACH	California State Disburse...	200000002073316	-500.76
Check	02/17/2023	1878	US Bank Corporate Pay...		-6,306.16
Bill Pmt -Check	02/17/2023	1879	101Netlink	WIM	-230.00
Bill Pmt -Check	02/17/2023	1880	ACWA JPIA	215	-29,117.86

Humboldt Bay Harbor, Recreation & Conservation District

Account QuickReport

04/07/23

As of February 28, 2023

Accrual Basis

Type	Date	Num	Name	Memo	Amount
Bill Pmt -Check	02/17/2023	1881	California State Lands C...	Sublease of an E...	-232.71
Bill Pmt -Check	02/17/2023	1882	Campton Electric Supply	VOID:	0.00
Bill Pmt -Check	02/17/2023	1883	Combined Benefits Admi...	Prefund Dental &...	-8,000.00
Bill Pmt -Check	02/17/2023	1884	David L. Moonie & Co., L...	Bill received 02-1...	-3,918.00
Bill Pmt -Check	02/17/2023	1885	Englund Marine Supply		-1,144.97
Bill Pmt -Check	02/17/2023	1886	Eureka Oxygen Company		-95.35
Bill Pmt -Check	02/17/2023	1887	Hensell Materials, Inc.	RMT2	-207.15
Bill Pmt -Check	02/17/2023	1888	HSU Sponsored Progra...	Q4 2022 Ports, A...	-3,995.80
Bill Pmt -Check	02/17/2023	1889	Humboldt Area Chapter ...	Dues for 2023	-50.00
Bill Pmt -Check	02/17/2023	1890	Humboldt Bay Solar Fun...	HB0520	-5,885.72
Bill Pmt -Check	02/17/2023	1891	Humboldt County Tax Co...	Bay Street 2022-...	-54.76
Bill Pmt -Check	02/17/2023	1892	Industrial Electric Arcata,...	1-Ton Hoist Repair	-245.08
Bill Pmt -Check	02/17/2023	1893	Keenan Supply	PO 1903	-3,181.95
Bill Pmt -Check	02/17/2023	1894	Lawson Products, Inc.	10347668	-70.47
Bill Pmt -Check	02/17/2023	1895	Matthew Bender & Co., I...	Harbor & Nav Co...	-393.64
Bill Pmt -Check	02/17/2023	1896	Mitchell Law Firm, LLP		-3,109.50
Bill Pmt -Check	02/17/2023	1897	Mr. Rooter Plumbing	PO 1909 Comme...	-3,500.00
Bill Pmt -Check	02/17/2023	1898	Northern California Glove	3474	-572.38
Bill Pmt -Check	02/17/2023	1899	Pacific Gas & Electric (N...	2072047	-535.37
Bill Pmt -Check	02/17/2023	1900	Palmero, Mario	PO # 1905: 4 Ba...	-600.00
Bill Pmt -Check	02/17/2023	1901	Recology Eel River	061097997	-446.02
Bill Pmt -Check	02/17/2023	1902	Recology Humboldt Cou...	060339473	-910.78
Bill Pmt -Check	02/17/2023	1903	Recology Humboldt Cou...	061218064	-729.18
Bill Pmt -Check	02/17/2023	1904	Recology Humboldt Cou...	A0060000265	-3,062.47
Bill Pmt -Check	02/17/2023	1905	Security Lock & Alarm		-13.66
Bill Pmt -Check	02/17/2023	1906	Shelter Cove Fishing Pre...	SC Janitorial Feb...	-2,083.33
Bill Pmt -Check	02/17/2023	1907	Shelter Cove Resort Imp...	SC 12/27/2022-0...	-104.86
Bill Pmt -Check	02/17/2023	1908	SHN Consulting Enginee...		-1,327.50
Bill Pmt -Check	02/17/2023	1909	Source Inc.	PO 1900	-2,291.22
Bill Pmt -Check	02/17/2023	1910	Southwest Answering Se...	12/29-1/25/2023 ...	-215.00
Bill Pmt -Check	02/17/2023	1911	Staples Credit Plan	6035 5178 1247 ...	-174.65
Bill Pmt -Check	02/17/2023	1912	State Water Resource C...	Simpson Timber ...	-370.30
Bill Pmt -Check	02/17/2023	1913	StewTel, Inc.		-458.73
Bill Pmt -Check	02/17/2023	1914	Tenera Environmental Inc.	20236001	-35,266.08
Bill Pmt -Check	02/17/2023	1915	Valley Pacific Petroleum ...	114137	-1,503.10
Bill Pmt -Check	02/17/2023	1916	Verizon Wireless	Bill Received 02-...	-108.41
Bill Pmt -Check	02/17/2023	1917	Western Chainsaw		-168.21
Bill Pmt -Check	02/17/2023	1918	World Oil Enviromental S...	15055	-190.00
Bill Pmt -Check	02/17/2023	1919	Verizon Wireless	Bill Received 02-...	-321.30
Bill Pmt -Check	02/17/2023		Campton Electric Supply	QuickBooks gen...	0.00
Bill Pmt -Check	02/23/2023	XFER	Humboldt Bay Develop...	RMT2 Lease Py...	-115,890.00
Bill Pmt -Check	02/27/2023		Pacific Gas & Electric (8...	QuickBooks gen...	0.00
Bill Pmt -Check	02/28/2023	1920	Samoa Pacific Group, LLC		-10,000.00
Liability Check	02/28/2023	E-pay	Employment Developme...	499-0307-3 QB T...	-1,938.81
Liability Check	02/28/2023	E-pay	Internal Revenue Service	VOID: 94-22628...	0.00
Check	02/28/2023			Service Charge	-377.07
Total 10200.1 · Cash in PNC, Checking					-451,290.96
TOTAL					-451,290.96

HUMBOLDT BAY HARBOR, RECREATION
AND CONSERVATION DISTRICT

PERMIT AND AGREEMENT TO
OPERATE A CHARTER SERVICE

Startare Drive
Woodley Island Marina
P.O. Box 1030
Eureka, CA 95501

PERMITTEE:
Eric Justesen
dba 707 Sportfishing
289 Kenmar Road.
Fortuna, CA 95540

This Permit and Agreement is executed in triplicate at Woodley Island Marina, Eureka, California, between HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT, hereinafter referred to as "District", and **ERIC JUSTESEN** an individual, dba **707 Sportfishing** hereinafter referred to as "**Eric Justesen.**"

WHEREAS, Eric Justesen will be the Lessee of Slip Number **8**, Float **C**, at the Woodley Island Marina for a vessel, pursuant to a Berthing Permit and Rental Agreement for the Woodley Island Marina, a copy of which is attached hereto and incorporated by reference as Exhibit "A" hereto; and

WHEREAS, on or about March 8, 2023 Eric Justesen made written request to renew the Permit to operate the business **707 Sportfishing** on a vessel moored at Slip Number **8**, Float **C** at the Woodley Island Marina; and

WHEREAS, Ordinance Number 9, Section 6.7, subparagraph (a) of the District prohibits any commercial endeavor or charter service for hire without a special permit from the District.

AFTER REVIEW AND CONSIDERATION thereof by the Board of Commissioners of the District of the application of **Eric Justesen:**

THE PARTIES, THEREFORE, AGREE AS FOLLOWS:

1. District shall permit **Eric Justesen**, an individual, to operate the business **707**

2023 707 SPORTFISHING
Page 1 of 6

Sportfishing for the purpose of charter service at the Woodley Island Marina. The charter services shall consist primarily of sport fishing. Diving or diving instruction from or on said vessel shall not be allowed and shall be prohibited at all times at any locations within or without the boundaries of Woodley Island Marina while **Eric Justesen** operates the business of charter services from the Woodley Island Marina.

2. The term of this Permit and Agreement shall be for one (1) year commencing May 01, 2023 and terminating on April 30, 2026. District or **Eric Justesen** may terminate this Permit and Agreement by giving sixty (60) days written notice of termination to the other party. District may terminate this Permit and Agreement with **Eric Justesen** with or without cause or reason by giving **Eric Justesen** sixty (60) days written notice of termination and **Eric Justesen** shall terminate his business, as defined in Paragraph 1, (60) days from the date of personal service of said written notice of termination or sixty (60) days from the date of deposit or the written notice of termination deposited, enclosed in a sealed envelope with postage thereon fully prepaid, in the United States mail, and addressed to **Eric Justesen**, at 2849 Kenmar Road, Fortuna, CA 95540. In the event **Eric Justesen** is in default of any of the provisions of the Berthing Permit and Rental Agreement for the Woodley Island Marina, a copy of which is attached hereto as Exhibit "A", and **Eric Justesen** Berthing Permit is terminated pursuant to said Agreement, this Permit and Agreement to operate a Charter Service shall terminate forthwith on the date of termination of **Eric Justesen** Berthing Permit and Rental Agreement for the Woodley Island Marina without the requirement of the hereinabove set forth sixty (60) day notice of termination provisions.
3. In addition to the monthly rental payable by **Eric Justesen** to the District pursuant to the Berthing Permit and Rental Agreement for the Woodley Island Marina, a copy of which is attached hereto as Exhibit "A", **Eric Justesen** shall pay District the sum of two hundred fifty dollars and no cents (\$250.00) per year, however all rates may be changed pursuant to paragraph 3 of the Berthing

Permit and Rental Agreement for Woodley Island Marina which provides that the District may change or increase the rates by giving thirty (30) days notice.

4. On or prior to the date of the Agreement, to wit: May 01, 2022, **Eric Justesen** shall purchase and maintain throughout the term of the Permit and Agreement Commercial General Liability insurance covering **Eric Justesen** pursuant to the terms of this Permit and Agreement. Said insurance policy of "protection and indemnity insurance" insuring **Eric Justesen** from liability for bodily injury, death, or property damage as a result of his operation and shall name District as an additional insured and provide District, prior to May 01 each year, with a Certificate of Insurance stating the amount of the insurance and proof that the District is an additional named insured, and the agreement of said insurance company that District shall be notified forthwith of the event of non-payment of the premium or termination of said insurance policy. The amount of insurance shall be One Million Dollars and no cents (\$1,000,000.00) per occurrence. In the event said liability insurance policy referred to in Paragraph 4 is cancelled or terminated, **Eric Justesen** shall forthwith cease and stop his **707 Sportfishing** business at District's premises at the Woodley Island Marina and shall not resume operations until said liability insurance policy is fully reinstated and in full force and effect.
5. **Eric Justesen** shall, prior to commencing operation of **707 Sportfishing** obtain any and all necessary permits, if applicable, including but not limited to City of Eureka business license, and California Department of Fish and Wildlife licenses.
6. **Eric Justesen** agrees that neither the Humboldt Bay Harbor, Recreation and Conservation District, nor its Board of Commissioners, nor any Officer of the District shall be liable to any extent for the injury or damages to any person or property or for the death of any person arising out of or connected with **Eric Justesen** and **Eric Justesen** shall indemnify and hold harmless District, its Commissioners, and Officers free and harmless from any liability for any such injury, death or damages. In addition, **Eric Justesen** agrees to hold harmless,

indemnify, and hold District non-responsible for any of **Eric Justesen** operations according to the provisions of paragraphs 11, 13, and 19 of the Berthing Permit and Rental Agreement for Woodley Island Marina, a copy of which is attached hereto as Exhibit "A" and incorporated by reference as though set forth in full.

7. **Eric Justesen** at all times shall comply and shall obtain compliance of Lessee's family, agents, employees, business visitors, and invitees of all laws, ordinances, rules and regulations, including Ordinance No.9, the Woodley Island Marina Rules and Regulations, and those of local, state, and federal government.
8. **Eric Justesen** at all times shall ensure that walkways and finger piers are not obstructed in any manner. No tires, ropes, canvas, or other material shall be nailed or attached to finger piers, docks, and piles without the written approval of the District. No person shall throw, discharge, or deposit from any vessel or from the shore or float or in any other manner, any fish or shellfish parts into or upon the waters of the Woodley Island Marina or upon the banks, walls, sidewalks, or parking areas within the boundaries of the Woodley Island Marina. No person shall place or leave dead animals, fish, shellfish, bait, or other putrefying matter on or along seawalls, harbor structures, floats, piers, sidewalks, or parking areas within the boundaries of the Woodley Island Marina. Vessel must be kept free of trash and waste product so as not to attract seagulls, sea lions, harbor seals, and other animals. All trash and waste product shall be properly disposed of each day.
9. **Eric Justesen** may place a sign on the vessel the size of which must be approved by the District's Executive Director. **Eric Justesen** may place a directional sign for incoming traffic onto Woodley Island Marina in an area approved by the Executive Director. Type and size of all signs are to be approved by the Executive Director of the District and, shall reasonably conform in size, shape, and colors of the signs heretofore existing on Woodley Island and the Woodley Island Marina.

10. This Permit and Agreement is not transferable or assignable by **Eric Justesen** without approval in writing by the District. Any transfer of assignment or attempted transfer or assignment of this Permit by **Eric Justesen** shall be null and void.
11. This Permit and Agreement is non-exclusive, and District retains the right to enter into agreements with and grant permits to other persons or business for the same purposes as set forth in this Permit and Agreement.
12. The covenants and conditions herein contained shall apply to and bind the heirs, legal representatives, successors, and assigns of all of the parties hereto; and all of the parties hereto shall be jointly and severally liable hereunder.
13. Time is of the essence of this Permit and Agreement and of each and every covenant, term, and condition, and provision hereof.
14. **Eric Justesen** is hereby notified by the District that this Permit and Agreement to Operate **707 Sportfishing** in conjunction with the Berthing Permit and Rental Agreement for a vessel at the Woodley Island Marina or property interests created herein, if any, may be subject to a possessory interest tax or property taxation if created pursuant to Sections 107 to 108 of the California Revenue and Taxation Code and that **Eric Justesen** and/or the party in whom the possessory interest is vested may be subject to the payment of property taxes levied upon such interests. **Eric Justesen** agrees and acknowledges that he has actual notice pursuant to Section 107.6 of the California Revenue and Taxation Code and that **Eric Justesen** may be required to pay a possessory interest tax as a result of this Permit and Agreement to operate a charter service in conjunction with the Berthing Permit and Rental Agreement for the vessels for Woodley Island Marina **Eric Justesen** hereby acknowledges that he has actual knowledge of the existence of a possessory interest tax and has read the provision of Section 107 to 108 of the California Revenue and Taxation Code. **Eric Justesen** agrees to and shall pay all possessory interest taxes levied by any governmental agency by reason of this Permit and Agreement and his Berthing Permit and Rental Agreement for his vessel, for Woodley

Island Marina.

EXECUTED on, _____, 2023, by authority of the Board of Commissioners of the HUMBOLDT BAY HARBOR, RECREATION, AND CONSERVATION DISTRICT.

**GREG DALE, President
Board of Commissioners
HUMBOLDT BAY HARBOR, RECREATION,
AND CONSERVATION DISTRICT**

Eric Justesen, an individual, dba, 707 Sportfishing, as Permittee in this Permit and Agreement hereby accepts and agrees to all terms and conditions herein above set forth.

Dated: _____, 2023

By _____
**Eric Justesen, Owner
707 Sportfishing**

HUMBOLDT BAY HARBOR, RECREATION
AND CONSERVATION DISTRICT

PERMIT AND AGREEMENT TO
OPERATE A **CHARTER SERVICE**

601 Startare Drive
Woodley Island Marina
P.O. Box 1030
Eureka, CA 95501

PERMITTEE:

Michael Stratman
dba Redwood Coast Fishing
2330 18th Street
Eureka, CA 95501

This Permit and Agreement is executed in triplicate at Woodley Island Marina, Eureka, California, between HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT, hereinafter referred to as "District", and **MICHAEL STRATMAN**, dba **Redwood Coast Fishing** hereinafter referred to as "**Michael Stratman.**"

WHEREAS, **Michael Stratman** will be the Lessees of Slip Number 00, Float A, at the Woodley Island Marina for a vessel, pursuant to a Berthing Permit and Rental Agreement for the Woodley Island Marina, a copy of which is attached hereto and incorporated by reference as Exhibit "A" hereto; and

WHEREAS, on or about March 9, 2023, **Michael Stratman** made a written request to renew the Permit from the District to operate the business **Redwood Coast Fishing** from a vessel moored at Slip Number 00, Float A at the Woodley Island Marina; and

WHEREAS, Ordinance Number 9, Section 6.7, subparagraph (a) of the District prohibits any commercial endeavor or charter service for hire without a special permit from the District.

AFTER REVIEW AND CONSIDERATION thereof by the Board of Commissioners of the District of the application of **Michael Stratman**:

THE PARTIES, THEREFORE, AGREE AS FOLLOWS:

2023 Redwood Coast Fishing
Page 1 of 6

1. District shall permit **Michael Stratman, Redwood Coast Fishing**, to operate the business **Redwood Coast Fishing** for the purpose of charter service at the Woodley Island Marina. The charter services shall consist primarily of sport fishing. Diving or diving instruction from or on said vessel shall not be allowed and shall be prohibited at all times at any locations within or without the boundaries of Woodley Island Marina while **Michael Stratman** operates the business of charter services from the Woodley Island Marina.
2. The term of this Permit and Agreement shall be for **three (3) years commencing May 01, 2023** and terminating on **April 30, 2026**. District or **Michael Stratman** may terminate this Permit and Agreement by giving sixty (60) days written notice of termination to the other party. District may terminate this Permit and Agreement with **Michael Stratman** with or without cause or reason by giving **Michael Stratman** sixty (60) days written notice of termination and **Michael Stratman** shall terminate their business, as defined in Paragraph 1, (60) days from the date of personal service of said written notice of termination or sixty (60) days from the date of deposit or the written notice of termination deposited, enclosed in a sealed envelope with postage thereon fully prepaid, in the United States mail, and addressed to **Michael Stratman**, at **2330 18th Street, Eureka, CA 95501**.

In the event **Michael Stratman** are in default of any of the provisions of the Berthing Permit and Rental Agreement for the Woodley Island Marina, a copy of which is attached hereto as Exhibit "A", and **Michael Stratman's** Berthing Permit is terminated pursuant to said Agreement, this Permit and Agreement to operate a *Charter Service* shall terminate forthwith on the date of termination of **Michael Stratman's** Berthing Permit and Rental Agreement for the Woodley Island Marina without the requirement of the hereinabove set forth sixty (60) day notice of termination provisions.

3. In addition to the monthly rental payable by **Michael Stratman** to the District pursuant to the Berthing Permit and Rental Agreement for the Woodley Island Marina, a copy of which is attached hereto as Exhibit "A", **Michael Stratman** shall pay District the sum of Two hundred fifty dollars and no cents (\$250.00)

per year, however all rates may be changed pursuant to paragraph 3 of the Berthing Permit and Rental Agreement for Woodley Island Marina which provides that the District may change or increase the rates by giving thirty (30) days notice.

4. On or prior to the date of the Agreement, to wit: **May 01, 2023, Michael Stratman** shall purchase and maintain throughout the term of the Permit and Agreement **Commercial General Liability** insurance covering **Michael Stratman** pursuant to the terms of this Permit and Agreement. Said insurance policy of "protection and indemnity insurance" insuring **Michael Stratman** from liability for bodily injury, death, or property damage as a result of their operation and shall name District as an additional insured and provide District, prior to **May 01** each year, with a Certificate of Insurance stating the amount of the insurance and proof that the District is an additional named insured, and the agreement of said insurance company that District shall be notified forthwith of the event of non-payment of the premium or termination of said insurance policy. The amount of insurance shall be One Million Dollars and no cents (\$1,000,000.00) **per occurrence**. In the event said liability insurance policy referred to in the Paragraph 4 is cancelled or terminated, **Michael Stratman** shall forthwith cease and stop their **Redwood Coast Fishing** business at District's premises at the Woodley Island Marina and shall not resume operations until said liability insurance policy is fully reinstated and in full force and effect.
5. **Michael Stratman** shall, prior to commencing operation of **Redwood Coast Fishing**, obtain any and all necessary permits, if applicable, including but not limited to City of Eureka business license and **California Department of Fish and Wildlife** licenses.
6. **Michael Stratman** agrees that neither the Humboldt Bay Harbor, Recreation and Conservation District, nor its Board of Commissioners, nor any Officer of the District shall be liable to any extent for the injury or damages to any person or property or for the death of any person arising out of or connected with **Michael Stratman**, and **Michael Stratman** shall indemnify and hold harmless

District, its Commissioners, and Officers free and harmless from any liability for any such injury, death or damages. In addition, **Michael Stratman** agrees to hold harmless, indemnify, and hold District non-responsible for any of **Michael Stratman's** operations according to the provisions of paragraphs 11, 13, and 19 of the Berthing Permit and Rental Agreement for Woodley Island Marina, a copy of which is attached hereto as Exhibit "A" and incorporated by reference as though set forth in full.

7. **Michael Stratman** at all times shall comply and shall obtain compliance of Lessees' family, agents, employees, business visitors, and invitees of all laws, ordinances, rules and regulations, including Ordinance No.9, the Woodley Island Marina Rules and Regulations, and those of local, state, and federal government.
8. **Michael Stratman** at all times shall ensure that walkways and finger piers are not obstructed in any manner. No tires, ropes, canvas, or other material shall be nailed or attached to finger piers, docks, and piles without the written approval of the District. No person shall throw, discharge, or deposit from any vessel or from the shore or float or in any other manner, any waste, fish or shellfish parts into or upon the waters of the Woodley Island Marina or upon the banks, walls, sidewalks, or parking areas within the boundaries of the Woodley Island Marina. No person shall place or leave dead animals, fish, shellfish, bait, or other putrefying matter on or along seawalls, harbor structures, floats, piers, sidewalks, or parking areas within the boundaries of the Woodley Island Marina. Vessel must be kept free of trash and waste product so as not to attract seagulls, sea lions, harbor seals, and other animals. All trash and waste product shall be properly disposed of each day.
9. **Michael Stratman** may place a sign on the vessel the size of which must be approved by the District's Executive Director. **Michael Stratman** may place a directional sign for incoming traffic onto Woodley Island Marina in an area approved by the Executive Director. Type and size of all signs are to be approved by the Executive Director of the District and, shall reasonably

conform in size, shape, and colors of the signs heretofore existing on Woodley Island and the Woodley Island Marina.

10. This Permit and Agreement is not transferable or assignable by **Michael Stratman** without approval in writing by the District. Any transfer of assignment or attempted transfer or assignment of this Permit by **Michael Stratman** shall be null and void.
11. This Permit and Agreement is non-exclusive and District retains the right to enter into agreements with and grant permits to other persons or business for the same purposes as set forth in this Permit and Agreement.
12. The covenants and conditions herein contained shall apply to and bind the heirs, legal representatives, successors, and assigns of all of the parties hereto; and all of the parties hereto shall be jointly and severally liable hereunder.
13. Time is of the essence of this Permit and Agreement and of each and every covenant, term, and condition, and provision hereof.
14. **Michael Stratman** is hereby notified by the District that this Permit and Agreement to Operate ***Redwood Coast Fishing*** in conjunction with the Berthing Permit and Rental Agreement for a vessel at the Woodley Island Marina or property interests created herein, if any, may be subject to a possessory interest tax or property taxation if created pursuant to Sections 107 to 108 of the California Revenue and Taxation Code and that **Michael Stratman** and/or the party in whom the possessory interest is vested may be subject to the payment of property taxes levied upon such interests. **Michael Stratman** agrees and acknowledges that they have actual notice pursuant to Section 107.6 of the California Revenue and Taxation Code and that **Michael Stratman** may be required to pay a possessory interest tax as a result of this Permit and Agreement to operate a charter service in conjunction with the Berthing Permit and Rental Agreement for the vessel for Woodley Island Marina. **Michael Stratman** hereby acknowledge that they have actual knowledge of the existence of a possessory interest tax and have read the provision of Section 107 to 108 of the California Revenue and Taxation Code.

Michael Stratman agrees to and shall pay all possessory interest taxes levied by any governmental agency by reason of this Permit and Agreement and their Berthing Permit and Rental Agreement for their vessel, for Woodley Island Marina.

EXECUTED on, _____, 2023, by authority of the Board of Commissioners of the HUMBOLDT BAY HARBOR, RECREATION, AND CONSERVATION DISTRICT.

**GREG DALE, President
Board of Commissioners
HUMBOLDT AY HARBOR, RECREATION,
AND CONSERVATION DISTRICT**

Michael Stratman, dba, *Redwood Coast Fishing*, as Permittee in this Permit and Agreement hereby accepts and agrees to all terms and conditions herein above set forth.

Dated: _____, 2023

By _____
**MICHAEL STRATMAN, Owner
*Redwood Coast Fishing***

HUMBOLDT BAY HARBOR, RECREATION
AND CONSERVATION DISTRICT

PERMIT AND AGREEMENT TO
OPERATE A CHARTER SERVICE

Startare Drive
Woodley Island Marina
P.O. Box 1030
Eureka, CA 95501

PERMITTEE:
Reef Twibell
dba *Humboldt Sportfishing*
1627 Charles Avenue
Arcata, CA 95521

This Permit and Agreement is executed in triplicate at Woodley Island Marina, Eureka, California, between HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT, hereinafter referred to as "District", and **REEF TWIBELL** an individual, dba ***HUMBOLDT SPORTFISHING*** hereinafter referred to as "**Reef Twibell.**"

WHEREAS, Reef Twibell will be the Lessee of Slip Number 09, Float D, at the Woodley Island Marina for a vessel, pursuant to a Berthing Permit and Rental Agreement for the Woodley Island Marina, a copy of which is attached hereto and incorporated by reference as Exhibit "A" hereto; and

WHEREAS, on or about March January 6, 2023 Reef Twibell made written request to renew the permit to operate the business ***Humboldt Sportfishing*** on a vessel moored at Slip Number 09, Float E at the Woodley Island Marina; and

WHEREAS, Ordinance Number 9, Section 6.7, subparagraph (a) of the District prohibits any commercial endeavor or charter service for hire without a special permit from the District.

AFTER REVIEW AND CONSIDERATION thereof by the Board of Commissioners of the District of the application of **Reef Twibell:**

THE PARTIES, THEREFORE, AGREE AS FOLLOWS:

1. District shall permit **Reef Twibell**, an individual, to operate the business

2023 Humboldt Sportfishing
Page 1 of 6

Humboldt Sportfishing for the purpose of charter service at the Woodley Island Marina. The charter services shall consist primarily of sport fishing. Diving or diving instruction from or on said vessel shall not be allowed and shall be prohibited at all times at any locations within or without the boundaries of Woodley Island Marina while **Reef Twibell** operates the business of charter services from the Woodley Island Marina.

2. The term of this Permit and Agreement shall be for three (3) years commencing May 01, 2023 and terminating on April 30, 2026. District or **Reef Twibell** may terminate this Permit and Agreement by giving sixty (60) days written notice of termination to the other party. District may terminate this Permit and Agreement with **Reef Twibell** with or without cause or reason by giving **Reef Twibell** sixty (60) days written notice of termination and **Reef Twibell** shall terminate his business, as defined in Paragraph 1, (60) days from the date of personal service of said written notice of termination or sixty (60) days from the date of deposit or the written notice of termination deposited, enclosed in a sealed envelope with postage thereon fully prepaid, in the United States mail, and addressed to **Reef Twibell**, at 1627 Charles Avenue, Arcata, CA 95521. In the event **Reef Twibell** is in default of any of the provisions of the Berthing Permit and Rental Agreement for the Woodley Island Marina, a copy of which is attached hereto as Exhibit "A", and **Reef Twibell's** Berthing Permit is terminated pursuant to said Agreement, this Permit and Agreement to operate a Charter Service shall terminate forthwith on the date of termination of **Reef Twibell's** Berthing Permit and Rental Agreement for the Woodley Island Marina without the requirement of the hereinabove set forth sixty (60) day notice of termination provisions.
3. In addition to the monthly rental payable by **Reef Twibell** to the District pursuant to the Berthing Permit and Rental Agreement for the Woodley Island Marina, a copy of which is attached hereto as Exhibit "A", **Reef Twibell** shall pay District the sum of two hundred fifty dollars and no cents (\$250.00) per year, however all rates may be changed pursuant to paragraph 3 of the Berthing Permit and

Rental Agreement for Woodley Island Marina which provides that the District may change or increase the rates by giving thirty (30) days notice.

4. On or prior to the date of the Agreement, to wit: May 01, 2023, **Reef Twibell** shall purchase and maintain throughout the term of the Permit and Agreement Commercial General Liability insurance covering **Reef Twibell** pursuant to the terms of this Permit and Agreement. Said insurance policy of "protection and indemnity insurance" insuring **Reef Twibell** from liability for bodily injury, death, or property damage as a result of his operation and shall name District as an additional insured and provide District, prior to May 01 each year, with a Certificate of Insurance stating the amount of the insurance and proof that the District is an additional named insured, and the agreement of said insurance company that District shall be notified forthwith of the event of non-payment of the premium or termination of said insurance policy. The amount of insurance shall be One Million Dollars and no cents (\$1,000,000.00) per occurrence. In the event said liability insurance policy referred to in Paragraph 4 is cancelled or terminated, **Reef Twibell** shall forthwith cease and stop his ***Humboldt Sportfishing*** business at District's premises at the Woodley Island Marina and shall not resume operations until said liability insurance policy is fully reinstated and in full force and effect.
5. **Reef Twibell** shall, prior to commencing operation of ***Humboldt Sportfishing***, obtain any and all necessary permits, if applicable, including but not limited to City of Eureka business license, and California Department of Fish and Wildlife licenses.
6. **Reef Twibell** agrees that neither the Humboldt Bay Harbor, Recreation and Conservation District, nor its Board of Commissioners, nor any Officer of the District shall be liable to any extent for the injury or damages to any person or property or for the death of any person arising out of or connected with **Reef Twibell** and **Reef Twibell** shall indemnify and hold harmless District, its Commissioners, and Officers free and harmless from any liability for any such injury, death or damages. In addition, **Reef Twibell** agrees to hold harmless,

indemnify, and hold District non-responsible for any of **Reef Twibell's** operations according to the provisions of paragraphs 11, 13, and 19 of the Berthing Permit and Rental Agreement for Woodley Island Marina, a copy of which is attached hereto as Exhibit "A" and incorporated by reference as though set forth in full.

7. **Reef Twibell** at all times shall comply and shall obtain compliance of Lessee's family, agents, employees, business visitors, and invitees of all laws, ordinances, rules and regulations, including Ordinance No.9, the Woodley Island Marina Rules and Regulations, and those of local, state, and federal government.
8. **Reef Twibell** at all times shall ensure that walkways and finger piers are not obstructed in any manner. No tires, ropes, canvas, or other material shall be nailed or attached to finger piers, docks, and piles without the written approval of the District. No person shall throw, discharge, or deposit from any vessel or from the shore or float or in any other manner, any fish or shellfish parts into or upon the waters of the Woodley Island Marina or upon the banks, walls, sidewalks, or parking areas within the boundaries of the Woodley Island Marina. No person shall place or leave dead animals, fish, shellfish, bait, or other putrefying matter on or along seawalls, harbor structures, floats, piers, sidewalks, or parking areas within the boundaries of the Woodley Island Marina. Vessel must be kept free of trash and waste product so as not to attract seagulls, sea lions, harbor seals, and other animals. All trash and waste product shall be properly disposed of each day.
9. **Reef Twibell** may place a sign on the vessel the size of which must be approved by the District's Executive Director. **Reef Twibell** may place a directional sign for incoming traffic onto Woodley Island Marina in an area approved by the Executive Director. Type and size of all signs are to be approved by the Executive Director of the District and, shall reasonably conform in size, shape, and colors of the signs heretofore existing on Woodley Island and the Woodley Island Marina.

10. This Permit and Agreement is not transferable or assignable by **Reef Twibell** without approval in writing by the District. Any transfer of assignment or attempted transfer or assignment of this Permit by **Reef Twibell** shall be null and void.
11. This Permit and Agreement is non-exclusive and District retains the right to enter into agreements with and grant permits to other persons or business for the same purposes as set forth in this Permit and Agreement.
12. The covenants and conditions herein contained shall apply to and bind the heirs, legal representatives, successors, and assigns of all of the parties hereto; and all of the parties hereto shall be jointly and severally liable hereunder.
13. Time is of the essence of this Permit and Agreement and of each and every covenant, term, and condition, and provision hereof.
14. **Reef Twibell** is hereby notified by the District that this Permit and Agreement to Operate ***Humboldt Sportfishing*** in conjunction with the Berthing Permit and Rental Agreement for a vessel at the Woodley Island Marina or property interests created herein, if any, may be subject to a possessory interest tax or property taxation if created pursuant to Sections 107 to 108 of the California Revenue and Taxation Code and that **Reef Twibell** and/or the party in whom the possessory interest is vested may be subject to the payment of property taxes levied upon such interests. **Reef Twibell** agrees and acknowledges that he has actual notice pursuant to Section 107.6 of the California Revenue and Taxation Code and that **Reef Twibell** may be required to pay a possessory interest tax as a result of this Permit and Agreement to operate a charter service in conjunction with the Berthing Permit and Rental Agreement for the vessels for Woodley Island Marina. **Reef Twibell** hereby acknowledges that he has actual knowledge of the existence of a possessory interest tax and has read the provision of Section 107 to 108 of the California Revenue and Taxation Code. **Reef Twibell** agrees to and shall pay all possessory interest taxes levied by any governmental agency by reason of this Permit and Agreement and his Berthing Permit and Rental Agreement for his vessel, for Woodley Island

Marina.

EXECUTED on, _____, 2023, by authority of the Board of Commissioners of the HUMBOLDT BAY HARBOR, RECREATION, AND CONSERVATION DISTRICT.

**GREG DALE President
Board of Commissioners
HUMBOLDT BAY HARBOR, RECREATION,
AND CONSERVATION DISTRICT**

Reef Twibell, an individual, dba, *Humboldt Sportfishing*, as Permittee in this Permit and Agreement hereby accepts and agrees to all terms and conditions herein above set forth.

Dated: _____, 2023

By _____
**REEF TWIBELL, Owner
*Humboldt Sportfishing***

COMMISSIONERS
 1st Division
 Aaron Newman
 2nd Division
 Greg Dale
 3rd Division
 Stephen Kullmann
 4th Division
 Craig Benson
 5th Division
 Patrick Higgins

Humboldt Bay
Harbor, Recreation and Conservation District
 (707)443-0801
 P.O. Box 1030
 Eureka, California 95502-1030



STAFF REPORT – HARBOR DISTRICT MEETING
April 13, 2023

TO: Honorable Board President and Harbor District Board Members

FROM: Rob Holmlund, Development Director

DATE: April 6, 2023

TITLE: **Consider Authorizing Executive Director to Execute a Contract Amendment with Tenera Environmental Consulting**

STAFF RECOMMENDATION: Authorize Executive Director to Execute a Contract Amendment with Tenera Environmental Consulting.

SUMMARY: The consulting firm Tenera Environmental is under contract with the Harbor District to conduct aquatic larval sampling and report writing. This item is for an amendment to the contract for additional budget.

BACKGROUND: On 12/3/22, the Board approved a contract with Tenera Environmental in the Amount of \$414,044 for Larvae Sampling for Longfin Smelt and Other Fish Species Associated with the Harbor District’s Master Bay Water Intake Project at Redwood Marine Terminal II and Red Tank Dock. Tenera is scheduled to complete the project at the end of May of this year. Tenera is seeking a contract amendment for an additional \$30,000 to cover the final work on the project, report, and follow-up with regulatory agencies. The District has received reimbursement from Nordic Aquafarms for the invoices submitted to date.

DISCUSSION: The overruns on the original budget estimate were due to increased processing costs due to the addition of the DNA analysis, the costs of coordinating the sampling and reporting with CDFW, unexpected costs generated by regulatory agency comments requiring egg processing, and consulting work Tenera did at the request of the District that was not accounted for in the original budget estimate. All field work and lab work are complete. Final report editing is expected to be completed within the next two weeks and will be referred to agencies. Once we review agency comments the document will be available for public review as part of the District’s Permit application.

ATTACHMENTS:

A – Letter From Tenera Environmental outlining additional expenses

April 6, 2023

Mr. Rob Holmlund
Humboldt Bay Harbor, Recreation and Conservation District
P. O. Box 1030
Eureka, CA 95502

Subject: Contract Amendment Request for TENERA ETM Larval Study for the Redwood Marine Terminal II and Red Tank Dock Water Intake Project

Dear Mr. Holmlund:

Request

TENERA is requesting a contract amendment of \$30,000 to complete the project as contracted. Details are provided below

Details

This letter is a follow-up to the emails I sent in February and March notifying you that TENERA will need additional funding to complete the final report for ETM Larval Study for the Redwood Marine Terminal II and Red Tank Dock Water Intake Project (ETM Larval Study). The table below shows the original contract amount of \$414,000 and the budget status following each monthly invoice including the March 2023 invoice which has been prepared but not submitted.

As shown in the table, we will be \$29,356 over budget following the submittal of the March invoice. During our email correspondence, I had indicated that I expected to be ~\$30,000 over budget at the end of the project.

The reasons for the overrun on the original budget estimate included increased processing costs due to the addition of the DNA analysis, costs of coordinating the sampling and reporting with CDFW, and consulting work TENERA did at the request of the Harbor that was not accounted for in the original budget estimate. Another reason for the overrun that I became aware of based on comments on the draft report involved costs for processing fish eggs from the samples. These processing costs were not included in our original study plan and budget. The additional cost for processing fish eggs was fairly limited since they are removed from the samples by the sorters. For most of the samples this took very little time since the eggs are only categorized into two groups: anchovy and non-anchovy eggs.

Therefore, I am requesting additional funding over the original contract amount (\$414,044) to cover the February and March invoices (\$29,356.24). Due to our error in processing of the fish eggs from the samples, TENERA will cover the remaining additional work on the project which includes the editing required to address the comments we received from the Harbor, Nordic Aquafarms and their consultants, finalizing the report appendices, submitting a final draft of the report, and expenses for a meeting or presentation of the results to the resource agencies. The

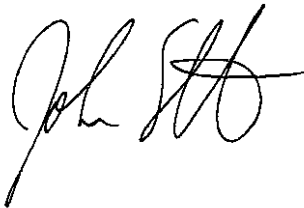
budget request would not cover any additional analysis or major changes to the report that may be requested by internal reviewers or the resource agencies and would be capped at a total of \$10,000.

Record of Tenera invoicing and budget status for Humboldt Bay ETM Larval Study

Humboldt Bay Intake Assessment Contract Value:						\$414,044.00
Month	Year	Invoice #	Date	Amount (\$)		Remaining (\$)
December	2021	E20475	1/4/2022	\$3,960.88	PAID	\$410,083.12
January	2022	E20507	2/3/2022	\$25,156.25	PAID	\$384,926.87
February	2022	E20524	3/7/2022	\$24,037.78	PAID	\$360,889.09
March	2022	E20539	4/6/2022	\$41,430.88	PAID	\$319,458.21
April	2022	E20567	5/4/2022	\$31,019.47	PAID	\$288,438.74
May	2022	E20584	6/3/2022	\$25,414.78	PAID	\$263,023.96
June	2022	E20623	6/30/2022	\$36,142.75	PAID	\$226,881.21
July	2022	E20647	8/8/2022	\$35,094.92	PAID	\$191,786.29
August	2022	E20655	9/1/2022	\$18,554.23	PAID	\$173,232.06
September	2022	E20669	10/4/2022	\$17,850.35	PAID	\$155,381.71
October	2022	E20694	11/2/2022	\$28,038.19	PAID	\$127,343.52
November	2022	E20715	12/5/2022	\$42,501.87	PAID	\$84,841.65
December	2022	E20732	1/10/2023	\$31,587.30	PAID	\$53,254.35
January	2023	E20755	2/3/2023	\$35,266.08	PAID	\$17,988.27
February	2023	E20771	3/6/2023	\$29,544.79	PAID	(\$11,556.52)
March	2023	E20781	4/5/2303	\$17,799.72		(\$29,356.24)
Totals				\$443,400.24		

Please contact me at your convenience if there are any questions on our budget request and our proposed resolution of the additional costs for the egg processing.

Sincerely,



Director
Tenera Environmental

cc: Mr. Gery Cox, Tenera
Ms. Susan King, Tenera

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3rd Division

Stephen Kullmann

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Humboldt Bay
Harbor, Recreation and Conservation District
 (707)443-0801
 P.O. Box 1030
 Eureka, California 95502-1030



STAFF REPORT
HARBOR DISTRICT MEETING
April 13, 2023

TO: Honorable Board President and Harbor District Board Members

FROM: Rob Holmlund, Development Director

DATE: April 6, 2023

TITLE: Consideration of Resolution 2023-07, A Resolution to Authorize the Execution of a Grant Agreement and Accept Funds from the Maritime Administration of the US Department of Transportation for a 2022 Port Infrastructure Development Program Grant for the Humboldt Offshore Wind Terminal Project

STAFF RECOMMENDATION: Staff recommends the Board: Adopt Resolution 2023-07 and then direct staff to work with the Ad Hoc Offshore Wind Committee to review/revise the application. Alternatively, the Board can evaluate the concept during this Board meeting, provide direction regarding modification of the application, and then direct staff to bring this item back to the Board at a special meeting during the week of April 24.

SUMMARY: This item is regarding an application for an approximately \$10M grant from the Federal Port Infrastructure Development Program due on April 28, 2023. Attachment A to this staff report is a Resolution authorizing submittal of that grant application.

DISCUSSION: Offshore California wind development represents an economic opportunity for the Port, the Pacific region and the entire U.S. Offshore wind developers require the assurance of available heavy lift marine terminal facilities and upland infrastructure/laydown areas in order to bid on offshore wind leases and to finance the onshore manufacturing and logistic facilities necessary to help meet national goals of installing and deploying 30 GW of offshore wind power by 2030, as well as the State goal of 25 GW of offshore wind power by 2045.

As presented to the Board at several past meetings, the Harbor District is redeveloping the existing Redwood Marine Terminal to support the offshore wind industry in the Pacific region (see Attachment B for a Conceptual Project Development Plan). These improvements will create a multipurpose terminal that can support existing industry as well as serve as a primary facility for the manufacturing, import, staging, preassembly, and loadout of large offshore wind components, including both wind turbine generation components and floating foundation components. Receiving grant funds for design, permitting, and construction is a critical step to accomplishing the envisioned project.

Attachment C presents a timeline of Board actions to date related to this project. The most consequential event from Attachment C is the March 2022 acceptance of a grant of \$10.45M from the California Energy Commission to support the project. The CEC encouraged the District to utilize that \$10.45M as matching funds for Federal grants. A likely source of additional grant funds is the Port Infrastructure Development Program (PIDP), which is administered by the Maritime Administration of the US Department of Transportation (MARAD).

In mid-2021, the District applied for a \$56M PIDP grant. The District was not awarded the grant. In mid-2022, the District re-applied to the same PIDP program for a substantially scaled-down version of the project. The District was also not awarded that grant. In early 2023, District staff and staff from Crowley Wind Services participated in a debrief with MARAD staff to review the District's previous PIDP grant applications. Based on feedback from MARAD, the District has been working in close collaboration with Crowley and Moffat & Nichol to reformulate a new strategy. Crowley and Moffat & Nichol are currently preparing an application for an approximately \$10M grant for the 2023 round of the PIDP. Attachment A to this staff report is a Resolution authorizing submittal of that grant application.

The 2023 PIDP grant application requests up to approximately \$10 million in Port Infrastructure Development Program (PIDP) funding to finalize all of the required studies and permitting. Some of the major elements include:

- Marine Structural/Wharf Analysis/Wet Storage Engineering
- Shoreline Stabilization Design Engineering
- Geotechnical Engineering Design Engineering
- Electrical/Power/Utility Analysis & Engineering
- PG&E Upgrades Assessment Engineering
- Water/Sewer Provider Upgrade Assessment Engineering
- Cost Estimates/Constructability/Quantities Engineering
- Final Site Surveying - Land & Bathymetry
- ROW, Boundary Surveying/Title Reports
- Geotechnical Borings (Land, Marine, Sediment Sampling)
- Sediment Sampling Plan
- Sediment Testing & Analysis
- Dredged Material Management Planning, Coordination, Analysis
- Coastal/Navigation/Hydrology/SLR/Tsunami Analysis
- Terrestrial/Wetland/Habitat Assessments/Mitigation Plan & Reporting
- Living Shoreline/Bank/Dredge Slope Stabilization Assessment/Analysis
- Air Quality Analysis
- USACE Sect 408 Analysis - Hydrodynamics, Sed Transport, Local Wet Storage
- USCG Analysis - ATON, Vessel Maneuvering
- Baywide Master Plan
- Wet Storage Strategic Plan

The District intends to match the approximately \$10M request with a 20% match (approximately \$2M) of CEC-granted District funds to be drawn from the \$10.45M grant issued

to the District by the CEC. The grant application is due on April 28, 2023. At the time of the drafting of this staff report (4/6/23), staff is still evaluating the exact cost estimates and anticipates that some items may slightly change prior to application submittal.

Staff estimates that the results of the 2023 round of the PIDP grants will be announced in November of 2023, with project award allocations issued between March and September of 2024.

ATTACHMENTS:

- A** Resolution 2023-07
- B** Conceptual Project Development Plan
- C** Timeline of Board actions to date related to this project

**HUMBOLDT BAY HARBOR, RECREATION,
AND CONSERVATION DISTRICT**

RESOLUTION NO. 2023-07

**A RESOLUTION AUTHORIZING THE SUBMISSION OF A PORT INFRASTRUCTURE DEVELOPMENT
GRANT APPLICATION FOR THE CONSTRUCTION OF A PHASE OF A NEW HEAVY LIFT
MULTIPURPOSE TERMINAL TO SUPPORT THE OFFSHORE WIND INDUSTRY**

WHEREAS, on March 29th, 2021, the President Biden Administration announced a whole of government approach to catalyze offshore wind energy, strengthen the domestic supply chain, and create good-paying jobs, and

WHEREAS, as part of the Administration's announcement, the federal Department of Transportation's Maritime Administration announced funding under the Port Infrastructure Development Program (PIDP) to invest in port infrastructure to support offshore wind, and

WHEREAS, the PIDP grants are intended to support projects that strengthen and modernize port infrastructure and can support shore -side wind energy projects, such as storage areas, laydown areas, and docking of wind energy vessels to load and move items to offshore wind farms, and

WHEREAS, the Federal Government has established a goal of 30 gigawatts of offshore wind by the year 2030 and the State of California has established a goal of 25 gigawatts of offshore wind by the year 2045, and

WHEREAS, in December of 2022 the federal Bureau of Energy Management (BOEM) received bids totaling \$757,100,000 from five international energy companies for two offshore wind areas (five sub-areas) off the coast of Humboldt and off the coast of Morro Bay, and

WHEREAS, BOEM has identified future offshore wind lease areas of the coast of Oregon with up to 16 gigawatts that are to be leased at the end of 2024;

WHEREAS, studies by NREL and others have also identified future offshore wind lease areas off the Cape Mendocino and Del Norte Coast which are approximately 122 miles from Humboldt Bay and capable of producing a combined total of approximately 12.8 gigawatts of electricity;

WHEREAS, the California Energy Commission formally awarded \$10.45 million in funding to support the Port of Humboldt Bay's project, and

WHEREAS, the Port has identified and prepared a master plan on approximately 180+ acres of existing coastal dependent industrial lands to develop a new heavy lift terminal, upland tarmac, and manufacturing facilities which when fully developed will make Humboldt Bay the west coast hub for offshore wind, and

WHEREAS, the Port has prepared a 2023 PIDP grant application to cover the remaining soft costs of the project,

NOW, THEREFORE, THE BOARD OF COMMISSIONERS OF THE HUMBOLDT BAY HARBOR, RECREATION, AND CONSERVATION DISTRICT DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. Authorizes the submission of a grant application under the Port Infrastructure Development Program to permit and develop strengthened and modernized port facilities to accommodate the full spectrum of offshore wind activities.

SECTION 2. Authorizes the Executive Director to sign all documents associated with the grant application.

SECTION 3. Authorizes the Executive Director to commit up to \$2 million of the \$10.45 million grant from the California Energy Commission.

PASSED AND ADOPTED by the Humboldt Bay Harbor, Recreation and Conservation District Board of Commissioners at a duly called meeting held on the **13th day of April 2023** by the following polled vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

**Greg Dale, President
Board of Commissioners**

**Aaron Newman, Secretary
Board of Commissioners**

CERTIFICATE OF SECRETARY

The undersigned, duly qualified and acting Secretary of the HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT, does hereby certify that the attached Resolution is a true and correct copy of RESOLUTION NO. **2023-07** entitled,

A RESOLUTION AUTHORIZING THE SUBMISSION OF A PORT INFRASTRUCTURE DEVELOPMENT GRANT APPLICATION FOR THE CONSTRUCTION OF A NEW HEAVY LIFT MULTIPURPOSE TERMINAL TO SUPPORT THE OFFSHORE WIND INDUSTRY

as regularly adopted at a legally convened meeting of the Board of Commissioners of the HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT, duly held on the **13th day of April 2023**; and further, that such Resolution has been fully recorded in the Journal of Proceedings in my office, and is in full force and effect.

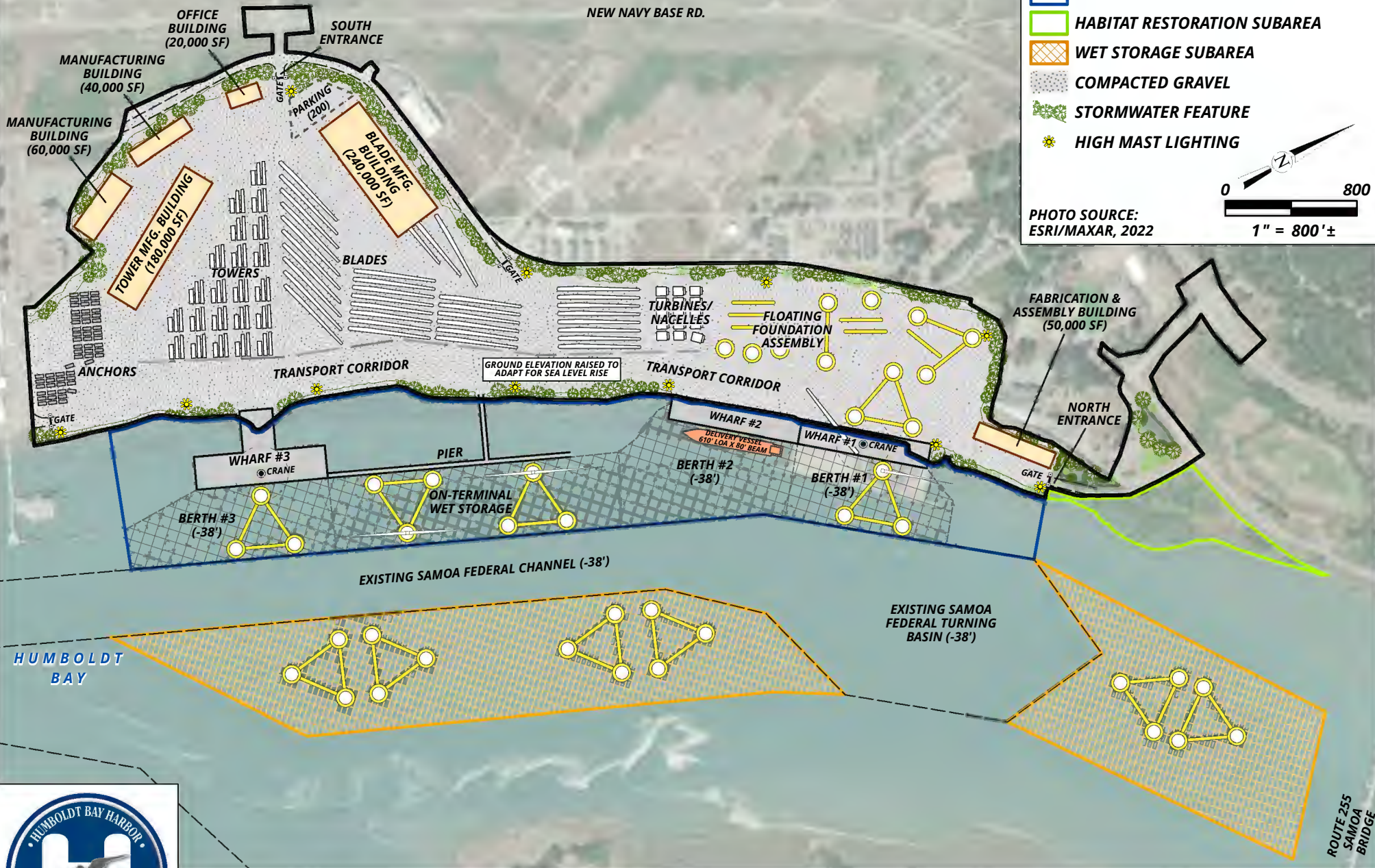
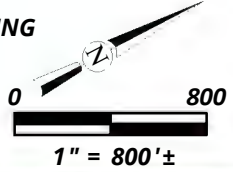
IN WITNESS WHEREOF, I have hereunto set my hand this **13th day of April 2023**.

Aaron Newman, Secretary
Board of Commissioners

PACIFIC OCEAN

EXPLANATION

- UPLAND DEVELOPMENT SUBAREA
- MARINE DEVELOPMENT SUBAREA
- HABITAT RESTORATION SUBAREA
- WET STORAGE SUBAREA
- COMPACTED GRAVEL
- STORMWATER FEATURE
- HIGH MAST LIGHTING



**Humboldt Bay Offshore Wind
Heavy Lift Marine Terminal**

Project Example #1
April 2023

Figure
3.1

Attachment C: Conceptual Project Development Plan

Below is a timeline of Board actions to date related to this project:

- **2/4/21:** Board of Commissioners Approved a Contract with LACO Associates to Develop a Conceptual Master Plan for a New Multipurpose Terminal and Associated Upland Facilities Between Redwood Marine Terminal I and II. See Attachment B for the product that resulted from that contract.
- **4/2/21:** Board of Commissioners Reviewed Potential Funding Opportunities to Support the Development of a New Multipurpose Terminal to Support the Emerging West Coast Offshore Wind Industry.
- **5/7/21:** Board of Commissioners Reviewed Conceptual Master Plan for Development of a New Multipurpose Terminal to Support the Emerging West Coast Offshore Wind Industry and Approved Contract with Moffatt & Nichol to Prepare Grant Application (see Attachment B).
- **6/10/21:** Board of Commissioners Reviewed Preliminary Cost Estimates for Conceptual Master Plan for Development of a New Multipurpose Terminal to Support the Emerging West Coast Offshore Wind Industry; Requested Financial Assistance from The Board of Supervisors; and Amended Contract with Moffatt & Nichol to Prepare Grant Application.
- **7/1/21:** Board of Commissioners Reviewed Preliminary Cost Estimates for Development of a New Multipurpose Terminal to Support the Emerging West Coast Offshore Wind Industry, Provided Direction Regarding Size of the Planned Terminal, and Committed Funds/Staffing.
- **8/6/21:** Board of Commissioners Amended the Contract with Moffat & Nichol to Prepare a \$56 Million Grant Application for a New Heavy Lift Terminal by Increasing the Contract by \$20,000.
- **10/14/21:** Board of Commissioners Authorized the Release of Request for Qualifications for Engineering Services and Preparation of CEQA/NEPA Environmental Documents for the 168-Acre New Multipurpose Heavy Lift Dock and Upland Facilities to Support the Emerging Offshore Wind Industry.
- **3/3/22:** Board of Commissioners Approved a Contract with the California Energy Commission to Receive a \$10,450,000 Grant to Repurpose the Redwood Marine Terminal to Support Offshore Wind Energy Development.
- **3/3/22:** Board of Commissioners Approved a Contract with Moffatt & Nichol in the Amount of \$3,567,500 for Design, Permitting, and Coordination Services for the District's Multipurpose Terminal Replacement Project at Redwood Marine Terminal I and Navigation Channels.
- **4/8/22:** Board of Commissioners Received a Report Regarding Upcoming Grant Application for Port Infrastructure Development Program.
- **5/6/22:** Board of Commissioners Adopted Resolution 2022-04, A Resolution to Authorize the Execution of a Grant Agreement and Accept Funds from the Maritime Administration of the US Department of Transportation for a 2022 Port Infrastructure Development Program Grant for the Humboldt Offshore Wind Terminal Project.

- **8/9/22:** Board of Commissioners Received a Report and Provide Direction Regarding the Potential to Enter into a Project Labor Agreement Regarding the Development of the New Heavy Lift Marine Terminal to Support the Offshore Wind Industry.
- **9/8/22:** Board of Commissioners Adopted Resolution No. 2022-08 thereby Adopting the “Property Acquisition and Disposition Plan for the Multipurpose Marine Terminal Master Plan”.
- **2/3/23:** Board of Commissioners Received a Report Providing Status Update of Contracts and Budgets Associated with the District’s Offshore Wind Heavy Lift Marine Terminal Project.
- **3/6/23:** Board of Commissioners Adopted Resolution 2023-05 Concerning Offshore Wind Development off the West Coast of the United States and around Humboldt Bay.

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Humboldt Bay
Harbor, Recreation and Conservation District
 (707) 443-0801
 P.O. Box 1030
 Eureka, California 95502-1030



STAFF REPORT - HARBOR DISTRICT MEETING

April 13, 2023

TO: Honorable Board President and Harbor District Board Members

FROM: Larry Oetker, Executive Director

DATE: April 7, 2023

TITLE: Review of Preliminary Budget and Goals for Woodley Island Marina, Shelter Cove and Fields Landing Boat Yard

STAFF RECOMMENDATION: Staff recommends the Board: Review and provide direction regarding the Preliminary budget and goals for Woodley Island Marina, Shelter Cove, and Fields Landing Boat Yard.

SUMMARY: The budget is prepared annually under direction of the Executive Director. In accordance with CA Harbors and Navigation Code Section 6093, on or before June 15, the District Board shall estimate and determine the amount of money required by the Harbor District and shall adopt a preliminary budget. Per Section 6093.3, the final budget shall be reported to the Board of Supervisors no later than August 1st.

DISCUSSION:

Date	Meeting Type	Purpose
April 13	Regular	A) Review Preliminary Budget with Preliminary Goals, Income, and Expenditures: 1. Woodley Island Marina / Dredging 2. Fields Landing Boat Yard 3. Shelter Cove
May 11	Regular	A) Preliminary Goals, Income, and Expenditures: 1. Redwood Marine Terminal I 2. Redwood Marine Terminal II 3. Dredging B) Review the Fee Schedule
June 8	Regular	A) Preliminary Goals, Income, and Expenditures: 1. Port Operations 2. Conservation and Recreation Programs 3. Administrative Services 4. General Operating and Staffing 5. Follow up discussion from previous budget meeting topics B) Adopt Preliminary Budget
July 13	Regular	Budget Adoption, Fee Schedule and Transmission to Board of Supervisors
July 27	Special	If Necessary

ATTACHMENTS:

- A. Preliminary goals for Woodley Island Marina, Shelter Cove and Fields Landing Boat Yard

Woodley Island Marina

Property	Task	Needs	Budget	Deferral	Project Period	Who
WIM						
	WIM Dredging	\$ 3,000,000	\$ 3,000,000	\$ -	June - Oct	Sub
	Weldment and roller replacement	\$ 15,000	\$ 15,000	\$ -	Recurring	Facilities
	Whalers / Rub Boards / Thru Bolts	\$ 12,500	\$ 12,500	\$ -	Recurring	Facilities
	Embarcadero Repairs	\$ 5,000	\$ 5,000	\$ -	June - Oct	Facilities
	Parking lot Repair - H Lot	\$ 10,000	\$ 10,000	\$ -	Recurring	Facilities
	Parking Lot Striping	\$ 13,500	\$ 13,500	\$ -	June - Oct	Sub
	Speed Humps Traffic Control	\$ 18,000	\$ 6,000	\$ 12,000	Summer 23	Sub
	Repainting - Interior	\$ 3,500	\$ 3,500	\$ -	Winter 24	Facilities
	Roof Repair (Restaurant)	\$ 50,000	\$ 50,000	\$ -	Need to Bid	Sub
	Security Cameras	\$ 10,000	\$ 10,000	\$ -	-	Sub
	Marina Lighting energy efficiency	\$ 20,000	\$ 20,000	\$ -	-	Sub
	Restroom Refresh	\$ 12,000	\$ 12,000	\$ -	Winter 24	Facilities
	Entrance Deck & canopy	\$ 25,000	\$ 7,500	\$ 17,500	ongoing	Facilities
	Tree Planting	\$ 2,500	\$ 1,250	\$ 1,250	Oct	Facilities
	Project Total	\$ 3,197,000	\$ 3,166,250	\$ 30,750		

Shelter Cove

Property	Task	Needs	Budget	Deferral	Project Period	Who
Shelter Cove						
	Fishing Cleaning Station / Grinder	\$ 2,500	\$ 2,500	\$ -	Fall 23	Facilities
	Boat Ramp / Road Maintenance	\$ 3,000	\$ 3,000	\$ -	Summer 23	Facilities
	Project Total	\$ 5,500	\$ 5,500	\$ -		
	CAL-OES / FEMA DR 4683 CA	\$ 1,500,000	\$ 1,500,000	\$ -	Fiscal 23 -24	Sub

Fields Landing Boat Yard

Property	Task	Needs	Budget	Deferral	Project Period	Who
FLBY						
	Wash Water Operations	\$ 2,500	\$ 2,500	\$ -	Recurring	Facilities
	Industrial / Stormwater Discharge pretreatment	\$ 50,000	\$ 50,000	\$ -	Urgent	SHN
	Sweeping Equipment / Control Equipment	\$ 15,000	\$ 15,000	\$ -	Recurring	Purchase
	Abandoned vessels - Title / Pre-demo	\$ 2,750	\$ 2,750	\$ -	Recurring	Admin
	Entry Door	\$ 1,000	\$ -	\$ 1,000	June - Oct	Facilities
	Overhead door repairs / Maintenance	\$ 10,000	\$ -	\$ 10,000	June - Oct	Sub
	Siding / Roof / Gutter	\$ 5,000	\$ 1,500	\$ 3,500	June - Oct	Facilities
	Grub and maintain south acreage	\$ 800	\$ 800	\$ -	June - July	Sub
	Travel Lift Tires	\$ 30,529	\$ -	\$ 30,529	-	Sub
	Project Total	\$ 117,579	\$ 72,550	\$ 45,029		



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STAFF REPORT – HARBOR DISTRICT MEETING
April 13, 2023

TO: Honorable Board President and Harbor District Board Members

FROM: Larry Oetker, Executive Director

DATE: March 13,2023

TITLE: Accept the Audit Report for the 2021-2022 Fiscal Year and Put out and RFQ for Audit Services for Fiscal Year 2022-2023

RECOMMENDATION: Staff recommends the Board: Accept the Audit Report for the 2021-2022 Fiscal Year and put out RFQ for FY 2022-2023 audit contract.

BACKGROUND: Independent auditors report prepared by Harshwal & Company LLP for the fiscal year ending June 30th, 2022. See page 27 of the Audit for detailed information on restricted cash balances for the Dredge Surcharge and the Float Replacement Surcharge.

DISCUSSION: The District is pleased to report that there were no findings or issues of concern found during the audit. Staff would like to encourage the Commissioners and members of the public to review the notes starting on page 20 of the Audited Financial Statements and Independent Auditor’s Report, as they are an integral part of the financial statement.

Harshwal & Company LLP has performed the Harbor District audit since 2017; while they have been a pleasure to work with, it is recommended that an RFQ be released for auditing services for the upcoming fiscal year.

ATTACHMENTS:

- A. 2021-2022 Audited Financial Statements

**HUMBOLDT BAY HARBOR, RECREATION AND
CONSERVATION DISTRICT
AUDITED FINANCIAL STATEMENT
AND
INDEPENDENT AUDITOR'S REPORT
JUNE 30, 2022**



HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT
TABLE OF CONTENTS
JUNE 30, 2022

	<u>Page(s)</u>
INDEPENDENT AUDITOR'S REPORT	01
MANAGEMENT'S DISCUSSION AND ANALYSIS	04
BASIC FINANCIAL STATEMENTS	
Statement of Net Position - Proprietary Fund.....	14
Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Fund.....	16
Statement of Cash Flows - Proprietary Fund.....	18
Notes to the Financial Statements.....	20
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Proportionate Share of the Net OPEB Liability.....	42
Schedule of the District's Proportionate Share of the Net Pension Liability.....	43
Schedule of Pension Contributions.....	44
SUPPLEMENTARY INFORMATION	
Statement of Revenues and Expenses - Unrestricted and Tidelands Trust.....	46
Statement of Revenues and Expenses - Marina and General.....	48
Statement of Revenues and Expenses - Budget to Actual - Marina.....	50
Statement of Revenues and Expenses - Budget to Actual - General.....	52
COMPLIANCE SECTION	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	55
Schedule of Findings and Responses.....	57
Status of Prior Year's Findings and Responses.....	58

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Humboldt Bay Harbor, Recreation and Conservation District
Eureka, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities of Humboldt Bay Harbor, Recreation and Conservation District (the "District") as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and each major fund of the District as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America as well as accounting systems prescribed by the State of California Controller's Office and state regulations governing special districts; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 12 and, the schedule of proportionate share of the net OPEB liability, schedule of the District's proportionate share of the net pension liability, and schedule of pension contributions on pages 42 through 44, to be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information, as listed in the table of contents, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 18, 2023, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Harshwal & Company LLP

San Diego, California
January 18, 2023

**HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2022**

This section of Humboldt Bay Harbor, Recreation and Conservation District's annual financial report represents our discussion and analysis of the District's financial activities for the year ended June 30, 2022. Please read it in conjunction with the Independent Auditor's Report and the District's basic financial statements.

FINANCIAL HIGHLIGHTS

- The District's operating revenues increased by \$1,469,740, or 62.3 percent.
- The District's operating expenses decreased by \$168,689, or 4.5 percent.
- General revenues from taxes, interest, and investments accounted for \$1,587,468 in revenues or 28.5 percent of all revenues.
- The District had total expenditures of \$3,761,130, and total revenue of \$5,575,686. The resulting increase in net position of \$1,814,556 includes net government grant income of \$61,076, and depreciation expense in the amount of \$658,136.
- Notes payable debt has decreased \$835,098 from the prior fiscal year due to scheduled debt service payments.

USING THIS ANNUAL REPORT

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise two components: the government-wide financial statements and the notes to the financial statements. This report also contains supplementary information in addition to the basic financial statements themselves.

The basic financial statements are government-wide financial statements that provide both long-term and short-term information about the District's overall financial status.

The financial statements also include notes that provide additional information that is essential to a full understanding of the data provided in the government-wide financial statements.

In addition to the basic financial statements and accompanying notes, this report also presents a section of required supplementary information that further explains and supports the information in the financial statements.

**HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2022**

REPORTING THE DISTRICT AS A WHOLE

The District as a whole is reported in the government-wide financial statements and uses accounting methods similar to those used by companies in the private sector. All of the District's assets and liabilities are included in the Statement of Net Position. The Statement of Revenues, Expenses, and Changes in Net Position reports all of the current year's revenues and expenses regardless of when cash is received or paid.

These statements report the District's net position and how they have changed. The District's financial health or position (net position) can be measured by the difference between the District's assets and liabilities.

Increases or decreases in the net position of the District over time are indicators of whether its financial position is improving or deteriorating, respectively.

Additional non-financial factors such as the condition of buildings and other facilities, and changes in the property tax base of the District need to be considered in assessing the overall health of the District.

REPORTING THE DISTRICT'S MOST SIGNIFICANT FUNDS

The District's financial statements provide detailed information about the District's one proprietary fund.

Enterprise Fund:

Because a large portion of the District's revenues are obtained from various charges to customers, all of the District's activities are accounted for in an enterprise fund, which is a proprietary fund type. Enterprise funds provide both long and short-term financial information.

ANALYSIS OF THE DISTRICT AS A WHOLE

Our analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the District's activities:

HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2022

Table 1
Comparative Statement of Net Position

	<u>2022</u>	<u>2021</u>	<u>Change</u>
Assets			
Cash & cash equivalents	\$ 3,869,046	\$ 732,213	\$ 3,136,833
Receivables, net	956,395	773,319	183,076
Other assets	32,089	123,098	(91,009)
New Market loan receivable	5,849,375	5,849,375	-
Lease receivable	3,470,176	-	3,470,176
Capital assets, net	<u>10,345,400</u>	<u>10,898,335</u>	<u>(552,935)</u>
Total assets	<u>24,522,481</u>	<u>18,376,340</u>	<u>6,146,141</u>
Deferred outflows of resources			
Deferred outflows of resources - pension	281,188	304,271	(23,083)
Deferred outflows of resources - OPEB	842	1,897	(1,055)
Deferred outflows of resources - bond refunding	<u>11,523</u>	<u>14,736</u>	<u>(3,213)</u>
Total deferred outflows of resources	<u>293,553</u>	<u>320,904</u>	<u>(27,351)</u>
Total assets and deferred outflows of resources	<u>24,816,034</u>	<u>18,697,244</u>	<u>6,118,790</u>
Liabilities			
Payables and other liabilities	845,045	509,024	336,021
Unearned income	4,691,562	4,500,893	190,669
Environment remediation liability	-	10,163	(10,163)
Current portion of notes payable	327,959	496,947	(168,988)
Other long-term liabilities	764,495	1,371,545	(607,050)
Long-term portion of notes payable	<u>2,699,082</u>	<u>3,365,192</u>	<u>(666,110)</u>
Total liabilities	<u>9,328,143</u>	<u>10,253,764</u>	<u>(925,621)</u>
Deferred inflows of resources			
Deferred inflows of resources - pension	590,149	101,377	488,772
Deferred inflows of resources - OPEB	29,113	51,913	(22,800)
Deferred inflows of resources - Cal Trans Spartina	1,313,052	-	1,313,052
Deferred inflows of resources - lease	<u>3,450,831</u>	<u>-</u>	<u>3,450,831</u>
Total deferred inflows of resources	<u>5,383,145</u>	<u>153,290</u>	<u>5,229,855</u>
Net position			
Net investment in capital assets	9,404,912	9,229,636	175,276
Restricted	1,610,309	730,732	879,577
Unrestricted	<u>(910,475)</u>	<u>(1,670,178)</u>	<u>759,703</u>
Total net position	<u>10,104,746</u>	<u>8,290,190</u>	<u>1,814,556</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 24,816,034</u>	<u>\$ 18,697,244</u>	<u>\$ 6,118,790</u>

Total net position of the District increased by 21.9 percent, or \$1,814,556 as of June 30, 2022.

HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2022

Table 2
Comparative Statement of Revenues, Expenses, and Changes in Net Position

	2022	2021	Change
Operating Revenues			
Rents and leases	\$ 2,759,701	\$ 1,327,112	\$ 1,432,589
Slip rentals	819,353	734,388	84,965
Harbor improvement surcharge	140,939	189,916	(48,977)
Other revenue	109,106	107,943	1,163
Total operating revenues	<u>3,829,099</u>	<u>2,359,359</u>	<u>1,469,740</u>
Operating Expenses			
Salaries, wages and benefits	1,277,174	1,334,484	(57,310)
Depreciation	658,136	856,992	(198,856)
Repairs and maintenance	251,344	220,411	30,933
Professional and outside services	206,973	204,072	2,901
Redwood terminal 2 expenses	227,843	221,005	6,838
Utilities	451,435	384,308	67,127
Other operating expenses	516,668	536,990	(20,322)
Total operating expenses	<u>3,589,573</u>	<u>3,758,262</u>	<u>(168,689)</u>
Operating income (loss)	<u>239,526</u>	<u>(1,398,903)</u>	<u>1,638,429</u>
Nonoperating Revenues (Expenses)			
General property taxes	1,244,693	1,146,344	98,349
Investment income (loss)	342,775	163,664	179,111
Grants and other income	159,119	1,079,888	(920,769)
Grant expenses	(930)	(142,880)	141,950
Interest expenses	(162,388)	(206,592)	44,204
Other nonoperating expenses	(8,239)	(2,234)	(6,005)
Total nonoperating revenues (expenses)	<u>1,575,030</u>	<u>2,038,190</u>	<u>(463,160)</u>
Change in net position	<u>\$ 1,814,556</u>	<u>\$ 639,287</u>	<u>\$ 1,175,269</u>

Operating revenues increased \$1,469,740 over the prior year, and operating expenses decreased \$168,689. The significant increase in operating revenue was due to a 2021/22 trans-pacific fiber optic cable landing fee of \$1,383,333. The decrease in operating expenses was due to a decrease in depreciation expenses as well as a decrease in repairs and maintenance expenses.

**HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2022**

NET POSITION OF THE DISTRICT'S ENTERPRISE FUND

Table 3 presents the net position of the District's one fund, the Enterprise Fund, and an analysis of significant changes in the fund's net position.

**Table 3
Changes in Year-End Net Position**

	2022	2021	Change	% Change
Net Position, June 30,	\$10,104,746	\$ 8,290,190	\$ 1,814,556	21.89 %

The 21.89 percent increase is due to a trans-pacific fiber optic cable landing fee of 1,383,333 and increase in other upland lease.

Table 4 presents a summary of enterprise fund revenues for the year ended June 30, 2022 and the amounts and percentages of increases and decreases of revenues in relation to the prior year.

**Table 4
Summary of Revenues**

	2021-22 Amount	Percent of Total	2020-21 Amount	Change
Revenues:				
Rents and leases	\$ 2,759,701	49.50 %	\$ 1,327,112	\$ 1,432,589
Slip rentals	819,353	14.70 %	734,388	84,965
Harbor improvement surcharge	140,939	2.53 %	189,916	(48,977)
Other operating income	109,106	1.96 %	107,943	1,163
General property taxes	1,244,693	22.32 %	1,146,344	98,349
Interest Income	342,775	6.15 %	163,664	179,111
Grant and other nonoperating income	159,119	2.85 %	1,079,888	(920,769)
Total revenues	\$ 5,575,686	100.00 %	\$ 4,749,255	\$ 826,431

Rents and leases increased due to a 2021/22 trans-pacific fiber optic cable landing fee of \$1,383,333. Slip rentals increased due to continued recovery from impacts of the Covid-19 pandemic. Harbor Improvement Surcharge revenue decreased due to a decrease in shipping in 21/22. Interest income increased due to the implementation of GASB 87, *Leases*, and the resulting reclassification of a portion of lease payments from lease payments from lease revenue to interest revenue. Grant revenue varies from year to year based on available grant funding.

HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2022

Table 5 presents the variance between the District's budget and the actual results for the fiscal year. The District had no budget modifications during the year, so the final budget and the adopted budget were identical.

Table 5
Final Budget versus Actual Results

	Original & Final Budget	Actual	Variance
Operating Revenues			
Rents and leases	\$ 2,832,060	\$ 2,759,701	\$ (72,359)
Slip rentals	641,000	622,017	(18,983)
Dredging and float replacement surcharge	150,000	197,336	47,336
Harbor improvement surcharge	210,000	140,939	(69,061)
Other revenue	52,490	109,106	56,616
Total operating revenues	<u>3,885,550</u>	<u>3,829,099</u>	<u>(56,451)</u>
Operating Expenses			
Salaries, wages and benefits	1,420,506	1,277,174	143,332
Depreciation	-	658,136	(658,136)
Dredging	318,000	-	318,000
Professional and outside services	301,700	206,973	94,727
Redwood terminal 2 expenses	211,800	227,843	(16,043)
Repairs and maintenance	257,150	251,344	5,806
Utilities	279,030	451,435	(172,405)
Other operating expenses	611,780	516,668	95,112
Total operating expenses	<u>3,399,966</u>	<u>3,589,573</u>	<u>(189,607)</u>
Operating income (loss)	485,584	239,526	(246,058)
Nonoperating Revenue (Expense)			
General property taxes	1,278,178	1,244,693	(33,485)
Investment income (loss)	164,800	342,775	177,975
Grants and other income	401,272	159,119	(242,153)
Grant expenses	(194,000)	(930)	193,070
Interest expenses	(176,700)	(162,388)	14,312
Other nonoperating expenses	(675,367)	(8,239)	667,128
Total nonoperating revenues (expenses)	<u>798,183</u>	<u>1,575,030</u>	<u>776,847</u>
Change in net position	<u>\$ 1,283,767</u>	<u>\$ 1,814,556</u>	<u>\$ 530,789</u>

**HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2022**

Final Budget versus Actual Results

The favorable variance of \$143,332 in salaries, wages and benefits was due to changes in the District's portion of the State-wide PERS liability and a decrease in the District's liability for other post-employment benefits. The unfavorable variance of \$658,136 in depreciation was due to the District's policy of the budgeting for actual capital outlay for the year rather than depreciation expenses. The favorable variance of \$318,000 in dredging expense is due to the capitalization of dredging expenditures. The unfavorable variance of \$172,405 in utilities is due to higher than anticipated utility expenses. The favorable variance of \$177,975 in investment income is due to the implementation of GASB 87, *Leases*, and the resulting reporting of a portion of lease payments as interest income rather than lease income. The unfavorable variance of \$242,153 in grant revenue and the favorable balance of \$193,070 in grant expenses is due to changes in available and expended grants. The favorable variance of \$667,128 in other nonoperating expenses is due to the District's policy of including the principal portion of debt service payments in the budget, and the inclusion of reserve additions and withdrawals in the budget.

Capital Assets

The District's total capital assets, net of accumulated depreciation, as of June 30, 2022 was \$10,345,400. The total decrease in net capital assets from the prior year was 5.1 percent. This decrease was due to capital acquisitions being offset by the annual depreciation expense. Capital asset balances as of June 30, 2022 and 2021 were as follows:

**Table 6
Comparative Schedule of Capital Assets**

	2022	2021	Change
Land, building and improvement	\$ 23,217,801	\$ 23,217,801	\$ -
Automotive equipment	95,639	95,639	-
Office and operating equipment	3,977,194	3,977,194	-
Dredging costs	1,534,660	1,429,459	105,201
Marina restaurant work-in-progress	34,100	34,100	-
Subtotals	28,859,394	28,754,193	105,201
Less: accumulated depreciation	(18,513,994)	(17,855,858)	(658,136)
Capital assets, net	<u>\$ 10,345,400</u>	<u>\$ 10,898,335</u>	<u>\$ (552,935)</u>

**HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2022**

Debt Administration

The District incurred no new long-term debt in 2021-22. The decrease in net pension liability was a result of a decrease in the District's share of the State-wide CalPERS net pension liability. The District is required to report its proportionate share of that liability in its financial statements. The decrease in other post-employment benefits was due to changes in staff eligible for other post-employment benefits. The ending balances for debts and other long-term liabilities, as of June 30, 2022 and 2021 are presented below in Table 7.

**Table 7
Debt and Other Long-Term Liabilities**

	2022	2021	Change
Notes Payable:			
Refunding Bonds Series 2014	\$ 1,968,657	\$ 2,079,806	\$ (111,149)
Compass BBVA Bank Loan	1,058,384	1,105,633	(47,249)
Note Payable to Coast Seafoods	-	676,700	(676,700)
Total notes payable	<u>3,027,041</u>	<u>3,862,139</u>	<u>(835,098)</u>
Other Long-Term Liabilities:			
OPEB	186,792	220,710	(33,918)
Net pension liability	<u>577,703</u>	<u>1,150,835</u>	<u>(573,132)</u>
Total debt and other long-term liabilities	<u>\$ 3,791,536</u>	<u>\$ 5,233,684</u>	<u>\$ (1,442,148)</u>

ECONOMIC FACTORS

The District's efforts to improve economic conditions include the acquisition and environmental clean-up of the Freshwater Tissue/Redwood Terminal 2 property beginning in 2013/14 and continuing into 2020/21. Redwood Terminal 2 had significant deferred maintenance to buildings and utilities which needed to be addressed in order to attract new tenants to the facility. The District obtained funding through the New Market Tax Credit program which resulted in an estimated \$5 million in renovation and improvements to the site. Revenues from tenants at the Redwood Terminal 2 property has increased to over \$500,000 from new tenant leases.

The District is also actively marketing cruise lines and other shippers to make Humboldt Bay a port of call, and is helping the oyster industry expand through the District's pre-permitting project.

**HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2022**

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Humboldt Bay Harbor, Recreation and Conservation District
P.O. Box 1030
Eureka, California 95502

BASIC FINANCIAL STATEMENTS

HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT
STATEMENT OF NET POSITION - PROPRIETARY FUND
JUNE 30, 2022

ASSETS

CURRENT ASSETS:

Cash & cash equivalents	\$ 2,258,737
Restricted cash & cash equivalents	1,610,309
Accounts receivable, net	956,395
Interest receivable	11,980
Prepaid insurance	20,109
	4,857,530
Total current assets	4,857,530

NONCURRENT ASSETS:

Nondepreciable capital assets	6,008,177
Depreciable capital assets, net	4,337,223
Notes receivable	5,849,375
Lease receivable	3,470,176
	19,664,951
Total noncurrent assets	19,664,951
Total assets	24,522,481

DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows of resources - pension	281,188
Deferred outflows of resources - OPEB	842
Deferred outflows of resources - bond refunding	11,523
	293,553
Total deferred outflows of resources	293,553
Total assets and deferred outflows of resources	24,816,034

LIABILITIES

CURRENT LIABILITIES:

Accounts payable	470,309
Accrued wages, payroll taxes & benefit	36,380
Unearned income - current	1,224,977
Accrued vacation payable	43,584
Accrued interest payable	72,058
Customer deposits payable	222,714
Current portion of notes payable	327,959
	2,397,981
Total current liabilities	\$ 2,397,981

Continued..

The accompanying notes are an integral part of these financial statements.

HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT
STATEMENT OF NET POSITION - PROPRIETARY FUND
JUNE 30, 2022

LIABILITIES - CONT'D

NONCURRENT LIABILITIES:

Net OPEB liabilities	\$ 186,792
Unearned income	3,466,585
Net pension liabilities	577,703
Notes payable	<u>2,699,082</u>
Total noncurrent liabilities	<u>6,930,162</u>
Total liabilities	<u>9,328,143</u>

DEFERRED INFLOWS OF RESOURCES

Deferred inflows of resources - OPEB	29,113
Deferred inflows of resources - pension	590,149
Deferred inflows of resources - lease	3,450,831
Deferred inflows of resources - Cal Trans Spartina	<u>1,313,052</u>
Total deferred inflows of resources	<u>5,383,145</u>
Total liabilities and deferred inflows of resources	<u>14,711,288</u>

NET POSITION

Net investment in capital assets	9,404,912
Restricted	1,610,309
Unrestricted	<u>(910,475)</u>
Total net position	<u>10,104,746</u>
Total liabilities, deferred inflows of resources and net position	<u><u>\$ 24,816,034</u></u>

The accompanying notes are an integral part of these financial statements.

HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
- PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2022

OPERATING REVENUES

Sales & permits	\$ 12,626
Slip rentals	819,353
Rents and leases	2,759,701
Harbor improvement surcharge	140,939
Other revenue	<u>96,480</u>
Total operating revenues	<u>3,829,099</u>

OPERATING EXPENSES

Payroll & related cost	1,277,174
Commissioner's fees	24,800
Accounting & auditing	46,387
Advertising & promotion	3,564
Automobile expenses	25,873
Bad debt	44,434
Communications	32,028
Conference & meetings	17,527
Depreciation	658,136
Dues & subscriptions	55,395
Elections & property tax administration fee	86,144
Insurance	105,991
Rent and lease	3,334
Legal & other professional fees	181,784
Office expenses	42,031
Operating supplies	24,465
Outside service	25,189
Redwood terminal 2 expenses	227,843
Repairs, maintenance & small tools	251,344
Utilities	451,435
Other operating expenses	<u>4,695</u>
Total operating expenses	<u>3,589,573</u>

Operating income (loss)	\$ <u>239,526</u>
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Continued..

The accompanying notes are an integral part of these financial statements.

HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
- PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2022

NONOPERATING REVENUES (EXPENSES)	
General property taxes	\$ 1,244,693
Investment income (loss)	342,775
Other governmental grant	62,006
Other nonoperating incomes	97,113
Grant expenses	(930)
Interest expenses	(162,388)
Other nonoperating expenses	<u>(8,239)</u>
Total nonoperating revenues (expenses)	<u>1,575,030</u>
Change in net position	1,814,556
Net position, beginning	<u>8,290,190</u>
Net position, ending	<u><u>\$ 10,104,746</u></u>

The accompanying notes are an integral part of these financial statements.

HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT
STATEMENT OF CASH FLOWS - PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2022

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers	\$ 8,605,678
Payments to suppliers	(1,320,714)
Payments to employees	<u>(1,378,847)</u>
Net cash provided (used) by operating activities	<u>5,906,117</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Taxes for general operations	1,244,693
Receipt of grant & contract funds from other governments	62,006
Expenditures of grant funds	(930)
Payments for other nonoperating costs	(8,239)
Other nonoperating receipts	<u>97,113</u>
Net cash provided (used) by noncapital financing activities	<u>1,394,643</u>

CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES

Payments to acquire, construct & improve capital assets	(105,201)
Principal payments on notes payable & bonds	(835,098)
Interest paid	(90,330)
Bond refunding premium	3,213
Lease assets receivable	<u>(3,470,176)</u>
Net cash provided (used) by capital & related financing activities	<u>(4,497,592)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest received	<u>333,665</u>
Net cash provided (used) by investing activities	<u>333,665</u>
Increase (decrease) in cash & cash equivalents	3,136,833
Cash & cash equivalents, beginning	<u>732,213</u>
Cash & cash equivalents, ending	<u><u>\$ 3,869,046</u></u>

FINANCIAL STATEMENT PRESENTATION RECONCILIATION

Cash & cash equivalents	\$ 2,258,737
Restricted cash & cash equivalents	<u>1,610,309</u>
Cash & cash equivalents, ending	<u><u>\$ 3,869,046</u></u>

Continued..

The accompanying notes are an integral part of these financial statements.

HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT
STATEMENT OF CASH FLOWS - PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2022

**RECONCILIATION OF OPERATING INCOME (LOSS) TO
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES**

Operating income (loss)	\$	239,526
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Bad debts		44,434
Depreciation		658,136
Changes in assets & liabilities:		
Accounts receivable, excluding bad debts		(227,510)
Prepaid expenses		100,119
Accounts payable - related to operating activities		233,430
Customer deposits payable		5,103
Accrued liabilities		15,267
Pension and OPEB liability and deferred outflows and inflows of resources		4,646,943
Unearned income		190,669
		<u>190,669</u>
Net cash provided (used) by operating activities	\$	<u><u>5,906,117</u></u>

NONCASH CAPITAL & RELATED FINANCING ACTIVITIES

Amortization of ground lease	\$	379,322
Amortization of bond premium	\$	3,213

The accompanying notes are an integral part of these financial statements.

HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Humboldt Bay Harbor, Recreation and Conservation District (the "District") have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to the government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

This summary of significant accounting policies of the District is presented to assist in understanding the financial statements. The financial statements and notes are representations of management, who is responsible for their integrity and objectivity. These accounting policies have been consistently applied in the preparation of the financial statements.

A. Reporting Entity

The accompanying financial statements include all organizations, activities, and functions that comprise the District. The District has no oversight responsibility over any other governmental unit and is not included in any other governmental "reporting entity" as defined in GASB pronouncements. The District is governed by a five-member Board of Commissioners from the five supervisorial districts in Humboldt County.

B. Nature of Activities

The District is a special district created in 1970 by the State of California. The District was formed for the development of Humboldt County's harbors and ports, for the promotion of commerce, navigation, fisheries, and recreation thereon, as well as the protection of the County's natural resources.

C. Basis of Presentation

The financial statements required by *GASB Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, as amended by *GASB Statement No. 63*, include a statement of net position, a statement of revenues, expenses, and changes in net position, and a statement of cash flows.

The District utilizes an enterprise fund, which is a proprietary fund type. Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Enterprise funds account for goods or services that are provided to outside parties. The District has elected to use the reporting model for special-purpose governments engaged only in business-type activities. In accordance with the business-type activities reporting model, the District prepares its statement of cash flows using the direct method.

D. Measurement Focus/Basis of Accounting

Measurement focus refers to what is being measured. Basis of accounting refers to the timing of the recognition of revenues and expenditures in the accounts and their reporting in the financial statements. Proprietary fund types are accounted for on an economic resources measurement focus using the accrual basis of accounting in which revenues are recognized when earned and expenses are recognized when the related liabilities are incurred.

HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

D. Measurement Focus/Basis of Accounting - Cont'd

The District distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the principal ongoing operations. The principal operating revenues of the District are charges to customers for rents and tidelands leases and harbor improvement surcharges. Operating expenses include the cost of maintaining the marina and tidelands, general and administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. Other government grants represent non-operating revenues received from other agencies related to harbor projects, including Spartina eradication, homeland security, port access, aquaponics expansion and other initiatives. Other nonoperating income includes the portion of the PG&E funding (see Note 10) that has been recognized. Grant expenses primarily represent nonoperating expenses related to the other government grants nonoperating revenues.

When both restricted and unrestricted resources are available for use, the District uses restricted resources first, then unrestricted resources as they are needed.

E. Budget and Budgetary Accounting

The Board of Commissioners adopts a budget annually to be effective July 1st of the ensuing fiscal year. Budgets are adopted on a basis consistent with generally accepted accounting principles. Budgetary data for expenses, as revised, are presented in the accompanying supplementary information.

F. Allowance for Doubtful Accounts

The District evaluates the collectability of receivables in order to determine the allowance for doubtful accounts. As of June 30, 2022, the District recorded an allowance for doubtful accounts of \$336,133. Based on historical experience, the District does not expect additional amounts to become uncollectable, however if they are, they will be charged to operations as a bad debt expense. The impact of any bad debt expense recorded in the future is expected to be immaterial to the financial statements.

G. Cash, Cash Equivalents, and Investments

Cash and cash equivalents are considered to be all cash on hand, demand deposits, and pooled cash and investments. The pooled cash and investments consists of cash pooled with the Humboldt County Treasurer's Investment Pool and is used as a demand deposit account.

The District follows the authority governing investments for municipal governments set forth in the California Government Code, Sections 53601 through 53659. The County Treasurer's Investment Pool is administered by the County of Humboldt Treasurer's Office and conforms to the California Government Code. The County's portfolio normally consists of U.S. Treasury issues, U.S. Agency agreements, banker's acceptances, and the State of California Local Agency Investment Fund. All cash invested by the County in demand deposit accounts is collateralized to 110 percent with approved U.S. Government securities, such as Treasury Bills and other U.S. Treasury issues.

The fair value of the District's investments in this pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by the County Treasury for the entire County Treasury portfolio.

HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

H. Capital Assets

The capitalization threshold for all capital assets is \$2,500. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Assets that individually may be below threshold amounts are capitalized if collectively they are above the threshold amount.

Depreciation of all exhaustible capital assets is charged as an expense against operations, with accumulated depreciation reflected in the statement of net position. Depreciation has been provided over the estimated useful lives using the straight-line method.

The estimated useful lives are as follows:

<u>Assets class</u>	<u>Useful life</u>
Equipment	3 - 10 Years
Dredging projects	7 Years
Buildings and improvements	20 - 40 Years

I. Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

J. Net Position

Net position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. The District reports three categories of net position, as follows:

- *Net investment in capital assets* consists of net capital assets reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets.
- *Restricted net position* is considered restricted, if its use is constrained to a particular purpose. Restrictions are imposed by creditors, grantors, contributors, laws, or regulations.
- *Unrestricted net position* consists of all other net position that does not meet the definition of “net investment in capital assets” or “restricted net position” and is available for general use by the District.

K. Property Taxes

The lien date for secured property taxes is March 1st of each year. Taxes are levied as of July 1st on all secured real property and are due and payable November 1st and February 1st of the following fiscal year. Humboldt County is responsible for assessing, collecting, and distributing property taxes in accordance with enabling legislation.

HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

K. Property Taxes - Cont'd

Since the passage of California Proposition 13, beginning with fiscal year 1978-79, taxes are based either on a 1% rate applied to the 1975-76 assessed value of the property, or on 1% of the sales price of the property on sales transactions and construction which occur after the 1975-76 assessment. Assessed values on properties (exclusive of increases related to sales transactions and improvements) can rise at a maximum of 2% per year. The amount collected by the County is distributed in accordance with State law to the various public agencies. Therefore, the District does not levy a specific tax rate but receives a share of the property tax revenue based on State formula.

During fiscal year 1993-94, an alternate method of property tax allocation (the "Teeter Plan") was adopted by the County. Under this Plan, the County's auditor/controller distributes 100 percent of current secured taxes billed to taxing entities during the current year, whether collected or not. The District recognizes property tax revenues on the accrual basis of accounting.

L. Postemployment Benefits other than Pensions

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District's Plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

M. Pensions

For purposes of measuring the net pension liability and deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the District's California Public Employees' Retirement System (CalPERS) Plan (the "Plan") and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

N. Leases

Lessee

At the commencement of a lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight line basis over its useful life.

Key estimates and judgments related to leases include how the District determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for leases.

HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

Lessee- Cont'd

- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the District is reasonably certain to exercise.

The District monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lessor

At the commencement of a lease, the District initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the District determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The District uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The District monitors changes in circumstances that would require a remeasurement of its leases, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

O. Compensated Absences

All vested vacation is recognized as an expense and as a liability at the anniversary date of hire during the year ended June 30, 2022. The liability for compensated absences is reported as accrued vacation payable. Additionally, 50% of accrued sick hours over 240 is vested and reported as accrued sick leave payable. The accrued vacation payable and accrued sick leave payable are payable from unrestricted current assets.

HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 2 - CASH AND CASH EQUIVALENTS

The cash and cash equivalents at June 30, 2022 were classified in the accompanying financial statements as follows:

Cash & cash equivalents	\$ 2,258,737
Restricted cash & cash equivalents	<u>1,610,309</u>
Total cash and cash equivalents	<u>\$ 3,869,046</u>

Restricted cash and cash equivalents activity for the year ended June 30, 2022 was as follows:

	Marina Dredging Surcharge	Float Replacement Surcharge	Total
Unexpended cash from marina dredging and float replacement surcharges, June 30, 2021	\$ 880,399	\$ 485,057	\$ 1,365,456
Collections during the year	197,336	66,414	263,750
Less: amount spent during the year	<u>(18,897)</u>	<u>-</u>	<u>(18,897)</u>
Unexpended cash from marina dredging and float replacement surcharges, June 30, 2022	<u>\$ 1,058,838</u>	<u>\$ 551,471</u>	<u>1,610,309</u>
Restricted cash, June 30, 2022			<u>\$ 1,610,309</u>

Total cash and cash equivalents at June 30, 2022, consisted of the following:

Cash on hand	\$ 1,280
Deposits held with financial institutions	2,864,268
Deposits held with the County Treasurer's Investment Pool	1,002,941
Undeposited fund	<u>557</u>
Total cash and cash equivalents	<u>\$ 3,869,046</u>

The District may invest in any obligations, bonds, or securities in accordance with Section 53601 of the California Government Code, provided that the investment is in compliance with any debt covenant.

Fair value of Deposits held with the County Treasurer's Investment Pool as of June 30, 2022 was \$1,000,032.

HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 2 - CASH AND CASH EQUIVALENTS - CONT'D

Custodial Credit Risk

Custodial credit risk for deposits is the risk that in the event of a failure by a financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code requires that financial institutions secure cash deposits made by state or local governments by pledging securities as collateral. The fair value of the pledged securities must equal at least 110% of the amount deposited by the public agencies. California law also allows financial institutions to secure the District's deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. The District may waive collateral requirements for cash deposits that are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation. The District has not waived the collateralization requirement. The District had deposits with bank balances totaling \$2,856,819 as of June 30, 2022. The District had an uninsured balance of \$2,594,765, held with bank as on June 30, 2022.

The custodial credit risk for the County Treasurer's Investment Pool is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of government investment pools.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. The District does not have a specific policy which relates to interest rate risk.

Credit risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization; however, the external investment pool with the County Treasury is not rated.

HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 3 - CAPITAL ASSETS

Changes in capital assets during the year ended June 30, 2022, were as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Nondepreciable capital assets:				
Land	\$ 5,758,850	\$ -	\$ -	\$ 5,758,850
Dredging costs (old harbor)	215,227	-	-	215,227
Capital work-in-progress (Marina)	34,100	-	-	34,100
Total nondepreciable capital assets	<u>6,008,177</u>	<u>-</u>	<u>-</u>	<u>6,008,177</u>
Depreciable capital assets :				
Building and improvement	17,458,951	-	-	17,458,951
Automotive equipment	95,639	-	-	95,639
Office and operating equipment	3,977,194	-	-	3,977,194
Dredging costs	<u>1,214,232</u>	<u>105,201</u>	<u>-</u>	<u>1,319,433</u>
Total depreciable capital assets	22,746,016	105,201	-	22,851,217
Less: accumulated depreciation	<u>(17,855,858)</u>	<u>(658,136)</u>	<u>-</u>	<u>(18,513,994)</u>
Depreciable capital assets, net	<u>4,890,158</u>	<u>(552,935)</u>	<u>-</u>	<u>4,337,223</u>
Total capital assets, net	<u>\$ 10,898,335</u>	<u>\$ (552,935)</u>	<u>\$ -</u>	<u>\$ 10,345,400</u>

Total depreciation expense charged to operations for the year ended June 30, 2022 was \$658,136.

HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 4 - NOTES PAYABLE

The following is a schedule of the changes in notes payable for the fiscal year ended June 30, 2022:

	Beginning Balance	Additions	Deletion	Ending Balance	Classification	
					Current Portion	Long-Term Portion
Refunding Bonds Series 2014	\$ 2,079,806	\$ -	\$ (111,149)	\$ 1,968,657	\$ 229,181	\$ 1,739,476
Coast Seafood's Line of Credit	676,700	-	(676,700)	-	-	-
Compass BBVA Bank Loan	1,105,633	-	(47,249)	1,058,384	98,778	959,606
Total	\$ 3,862,139	\$ -	\$ (835,098)	\$ 3,027,041	\$ 327,959	\$ 2,699,082

Refunding of Debt:

On December 22, 2014, the District issued \$3,333,674 in revenue bonds with an interest rate of 4.1 percent, to refund \$2,180,000 of outstanding 2004 revenue bonds with an average interest rate of 5.417 percent and \$1,241,382 of notes payable to the California Department of Boating and Waterways with an interest rate of 4.5 percent. The bonds are secured by net revenues of the District. The District used \$217,702 of proceeds from the debt service reserve fund on the 2004 revenue bonds to fund the refunding issuance costs and reduce the balance borrowed on the 2014 refunding bonds.

The District completed the refunding to reduce its total debt service. The refunding resulted in a total reduction in debt service payments over the next 17 years of \$340,503. The present value of this amount is \$171,421, using a discount rate of 3.1 percent.

The annual requirements to amortize the outstanding bonds payable, as of June 30, 2022 was as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 229,181	\$ 79,408	\$ 308,589
2024	238,674	68,897	307,571
2025	248,560	59,011	307,571
2026	258,855	48,716	307,571
2027	269,577	37,994	307,571
2028 - 2029	723,810	45,116	768,926
Total	\$ 1,968,657	\$ 339,142	\$ 2,307,799

HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 4 - NOTES PAYABLE - CONT'D

Coast Seafood's Line of Credit:

The District has a letter of credit agreement with Coast Seafood's Company for up to \$1.25 million. As of June 30, 2018, the District had an outstanding balance of \$1.16 million borrowed from Coast Seafood's Company, at 3.5% annual interest. The loan maturity date was June, 2018. The District has negotiated to extend the loan term for a period of 10 years beginning the first day of December, 2018. Interest rate on new loan is 4.5% annual interest rate. The primary purpose of original letter of credit was to procure funds for the removal of pulp processing liquors mill in the state of Washington, which began in April 2014 and completed in September 2014. The District pledged collateral of interest in all of the revenue assets of district set forth above as may be evidence by a Line of Credit Instrument, Security Agreement, Assignment of Leases and Rents, Fixture.

On December 10, 2020, the District entered into an amendment agreement. With the effect of amendment, the interest rate is 3.25%, and the loan tenure will end on April 30, 2023.

On November 1, 2021, the final payment was made to close the loan amount.

Compass BBVA Bank Loan:

On March 8, 2016, the District borrowed \$1,560,000 from Compass BBVA Bank, at a 5.99% annual interest rate. Payments of principal and interest are due semi-annually with the first payment due July 1, 2016. The loan matures on July 1, 2030. In conjunction with this loan, the District entered into an installment sale agreement and pledged all net revenues as collateral with Compass BBVA Bank for the payment of this obligation.

As of June 30, 2022, future debt service related to this loan was as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 98,778	\$ 61,947	\$ 160,725
2024	104,792	55,945	160,737
2025	111,163	49,574	160,737
2026	117,922	42,815	160,737
2027	125,091	35,646	160,737
2028 - 2030	500,638	61,767	562,405
Total	\$ 1,058,384	\$ 307,694	\$ 1,366,078

HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 5 - LEASES

For the year ended June 30, 2022, the financial statements include the adoption of Government Accounting Standards Board (GASB) Statement No. 87, Leases. The primary objective of this statement is to enhance the relevance and consistency of information about a government's leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

Lease Receivables

The District entered into various Lease Agreement with lease terms ranging from 1 to 29 years. At June 30, 2022, the receivable balance was \$3,470,176. The annual discount rate is 7 percent and monthly lease payments range from \$48 to \$9,429. Deferred inflow of resources was \$3,450,831 and revenue recognized was \$365,210.

Minimum lease payments receivable are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 470,170	\$ 231,891	\$ 702,061
2024	459,032	196,276	655,308
2025	469,004	165,441	634,445
2026	436,159	133,822	569,981
2027	397,285	104,704	501,989
2028-2032	856,526	264,357	1,120,883
2033-2037	214,851	81,952	296,803
2038-2042	47,727	52,273	100,000
2043-2047	66,940	33,060	100,000
2048-2050	52,482	7,515	59,997
Total	<u>\$ 3,470,176</u>	<u>\$ 1,271,291</u>	<u>\$ 4,741,467</u>

NOTE 6 - OTHER POSTEMPLOYMENT BENEFITS

A. Plan Description

The District has established the Humboldt Bay Harbor, Recreation, and Conservation District Retiree Healthcare Plan (HC Plan), a single-employer plan. The HC Plan provides healthcare insurance for eligible retirees and their spouses. The District pays 100% of the health insurance premiums for retired employees with a minimum of ten years of service and who have reached a minimum of fifty-five years of age up until age sixty-five. The District pays 50% of the health insurance premiums for the retiree spouse who must enroll in Medicare, if eligible. Any employee hired after December 1, 2011, will not be eligible for retiree health insurance. The HC Plan has not established or accumulated any assets in a trust. A separate financial report is not prepared for the HC Plan.

HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 6 - OTHER POSTEMPLOYMENT BENEFIT - CONT'D

Employees Covered

As of June 30, 2022 actuarial valuation, the following current and former employees were covered by the benefit terms under the HC Plan:

Active employees	1
Inactive employees or beneficiaries currently receiving benefits	2
Inactive employees entitled to, but not yet receiving benefits	0
	0
Total	3

B. Contributions

The HC Plan and its contribution requirements are established by agreements with the applicable employee bargaining units and may be amended by agreements between the District and the bargaining units. The annual contribution is based on the current insurance premiums due for the participating retirees. For the fiscal year ended June 30, 2022, the District's cash contributions were \$32,364, and there was no estimated implied subsidy, resulting in total payments of \$32,364. No trust has been created for the purpose of prefunding obligations for past services.

C. Funding Policy

The District funds post-employment health benefits on a pay-as-you-go basis. For the fiscal year ended June 30, 2022, the District's contributions for post-employment health benefit costs were \$33,459.

D. Annual OPEB Cost and Net OPEB Obligation

The District's Net OPEB liability was measured as of June 30, 2022 and the Total OPEB liability used to calculate the Net OPEB liability was determined by an actuarial valuation as of June 30, 2021.

HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 6 - OTHER POSTEMPLOYMENT BENEFIT - CONT'D

E. Actuarial Methods and Assumptions:

The Total OPEB liability was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry-age actuarial cost method
Discount Rate	3.54%
Inflation	2.5%
Salary Increases	2.75% per annum, in aggregate
Investment Rate of Return	3.54% net of expenses
Mortality Rate	Derived using 2017 CalPERS Active Mortality for Miscellaneous Employees tables
Pre-Retirement Turnover	Derived using 2017 CalPERS Turnover for Miscellaneous Employees tables
Healthcare Trend Rate	4.00%

There were no plan assets as of June 30, 2022.

F. Information Related to Assumptions and Other Inputs

Following is the table, the assumptions are based upon.

Mortality	2017 CalPERS Mortality for Miscellaneous and Schools Employees The mortality assumptions are based on the 2017 CalPERS Mortality for Miscellaneous and Schools Employees table created by CalPERS. CalPERS periodically studies mortality for participating agencies and establishes mortality tables that are modified versions of commonly used tables. 2017 CalPERS Retiree Mortality for All Employees The mortality assumptions are based on the 2017 CalPERS Retiree Mortality for All Employees table created by CalPERS. CalPERS periodically studies mortality for participating agencies and establishes mortality tables that are modified versions of commonly used tables.
Retirement	2017 CalPERS 2.0%@55 Rates for Miscellaneous Employees The retirement assumptions are based on the 2017 CalPERS 2.0%@55 Rates for Miscellaneous Employees table created by CalPERS. CalPERS periodically studies the experience for participating agencies and establishes tables that are appropriate for each pool.
Turnover	2017 CalPERS Turnover for Miscellaneous Employees The turnover assumptions are based on the 2017 CalPERS Turnover for Miscellaneous Employees table created by CalPERS. CalPERS periodically studies the experience for participating agencies and establishes tables that are appropriate for each pool.

For other assumptions, actual plan provisions and plan data were used.

The alternative measurement method was not used in this valuation.

HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 6 - OTHER POSTEMPLOYMENT BENEFIT - CONT'D

G. Discount Rate

The discount rate estimates investment earnings for assets earmarked to cover retiree health benefit liabilities. The discount rate depends on the nature of underlying assets for funded plans. The rate used for a funded plan is the real rate of return expected for plan assets plus the long term inflation assumption. For an unfunded plan, the discount rate is based on an index of 20 year General Obligation municipal bonds. For partially funded plans, the discount rate is a blend of the funded and unfunded rates. The discount rate used in the valuation was 3.54%.

H. Changes in Net OPEB Liability

Changes in Net OPEB liability as of June 30, 2022 was as follows:

Service cost	\$	3,392
Interest on total OPEB liability		4,454
Employer contribution as Benefit Payments		(32,364)
Changes in assumptions		<u>(9,400)</u>
Net changes during 2021-22		(33,918)
Net OPEB liability - beginning of year		<u>220,710</u>
Net OPEB liability - end of year	\$	<u><u>186,792</u></u>

I. Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

Sensitivity of the Net OPEB liability to changes in the discount rate. The following presents the Net OPEB liability, as well as what the Net OPEB liability would be, if it was calculated using a discount rate (3.54 percent) that is 1-percentage-point lower (2.54 percent) or 1-percentage-point higher (4.54 percent) than the current discount rate:

	<u>Discount Rate 1% Lower</u>	<u>Valuation Discount Rate</u>	<u>Discount Rate 1% Higher</u>
Net OPEB liability	\$ <u>194,283</u>	\$ <u>186,792</u>	\$ <u>184,452</u>

J. Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

Sensitivity of the Net OPEB liability to changes in the healthcare cost trend rates. The following presents the Net OPEB liability, as well as what the Net OPEB liability would be if it were calculated using healthcare cost trend rates (4.00 percent) that are 1-percentage-point lower (3.00 percent) or 1-percentage-point higher (5.00 percent) than the current healthcare cost trend rates:

	<u>Trend 1% Lower</u>	<u>Valuation Trend</u>	<u>Trend 1% Higher</u>
Net OPEB liability	\$ <u>177,918</u>	\$ <u>186,792</u>	\$ <u>195,914</u>

HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 6 - OTHER POSTEMPLOYMENT BENEFIT - CONT'D

K. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2022, the District recognized OPEB expense/(income) of \$(23,299).

At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 23,071
Changes of assumptions	842	6,042
Total	\$ 842	\$ 29,113

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30	Deferred Outflow/ (Inflows) of Resources
2023	\$ (25,587)
2024	(2,684)
2025	-
Thereafter	-
Total	\$ (28,271)

NOTE 7 - PENSION PLAN

A. Plan Description

The Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (the Plan) is administered by the California Public Employees' Retirement System (CalPERS). The plan consists of a miscellaneous risk pool and a risk safety pool, which are comprised of individual employer miscellaneous and safety rate plans, respectively. Individual employers may sponsor more than one miscellaneous and safety rate plan. The District does not have any rate plans in the safety risk pool.

HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 7 - PENSION PLAN - CONT'D

B. Benefits Provided

The Plan provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Classic members and PEPRA Safety members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. PEPRA Miscellaneous members with five years of total service are eligible to retire at age 52 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after five years of service. The death benefit is the Basic Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plan's provisions and benefits in effect at June 30, 2022 are summarized as follows:

<u>Employer rate plan</u>	<u>Miscellaneous Prior to January 01, 2013</u>	<u>PEPRA Misc. On or After January 1, 2013</u>
Benefit formula	2.0% @ 55	2.0% @ 62
Benefit vesting schedule	5 years' service	5 years' service
Benefit payments	Monthly for life	Monthly for life
Retirement age	50	52
Required employee contribution rates	7%	6.75%
Required employer contribution rates	10.484%	7.732%

C. Contribution

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions.

The District's contributions to Miscellaneous Risk Pool plan for the year ended June 30, 2022, was \$150,868.

D. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2022, the District reported net pension liability of \$577,703 for its proportionate share of net Pension liability of the Miscellaneous Risk Pool.

HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 7 - PENSION PLAN - CONT'D

D. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions - Cont'd

As of June 30, 2022, the District's reported net pension liabilities for its proportionate share of the CalPERS net pension liability was \$577,703.

The District's proportionate share of the net pension liability as of June 30, 2022 and June 30, 2021 for Miscellaneous Risk Pool was as follows:

Proportion - June 30, 2021	0.027280 %
Proportion - June 30, 2022	<u>0.030420 %</u>
Change - increase/(decrease)	<u><u>0.003140 %</u></u>

For the year ended June 30, 2022, the District recognized pension expense of \$89,590. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 64,783	\$ -
Change in assumptions	-	-
Differences between projected and actual investment earnings	-	504,304
Change in employer's proportion	65,537	-
Differences between employer's contributions and proportionate share of contributions	-	85,845
Contributions subsequent to measurement date	150,868	-
Total	<u><u>\$ 281,188</u></u>	<u><u>\$ 590,149</u></u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Fiscal Year Ending June 30	Deferred Outflows/ (Inflows) of Resources
2023	\$ (103,406)
2024	(102,974)
2025	(114,085)
2026	(139,364)
Thereafter	-
Total	<u><u>\$ (459,829)</u></u>

HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 7 - PENSION PLAN - CONT'D

E. Actuarial Methods and Assumptions Used to Determine Total Pension Liability

Total pension liability for the June 30, 2021 measurement period was determined by an actuarial valuation as of June 30, 2020, with update procedures used to roll forward the total pension liability to June 30, 2021. The total pension liability was based on the following assumptions:

Actuarial Cost Method	Entry Age Normal in accordance with the requirements of GASB Statement No. 68
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table*	Derived using CalPERS' Membership Data for all Funds
Post-retirement Benefit Increases	Contract COLA up to 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies,

* The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using Society of Actuaries 90% of scale MP 2016.

F. Discount Rate

The discount rate used to measure the total pension liability was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

G. Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 7 - PENSION PLAN - CONT'D

G. Long-term Expected Rate of Return - Cont'd

The expected real rates of return by asset class are as follows:

Asset Class*	Assumed Asset Allocation	Real Return Years 1 - 10**	Real Return Years 11+***
Public equity	50.0 %	4.80 %	5.98 %
Fixed income	28.0	1.00	2.62
Inflation assets	-	0.77	1.81
Private equity	8.0	6.30	7.23
Real assets	13.0	3.75	4.93
Liquidity	1.0	-	(0.92)

*In the System's Annual Comprehensive Financial Report (ACFR), Fixed Income is included in Global Debt Securities; Liquidity is included in Short-Term Investments; Inflation Assets are included in both Global Equity Securities and Global debt Securities.

**An expected inflation of 2.00% used for this period.

***An expected inflation of 2.92% used for this period.

H. Sensitivity of the Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the District's proportionate share of the net pension liability of the Miscellaneous Risk Pool as of the measurement date, calculated using the discount rate, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower or 1 percentage-point higher than the current rate:

	Discount Rate Less 1% (6.15%)	Current Discount (7.15%)	Discount Rate plus 1% (8.15%)
Net pension liability (asset)	\$ 1,299,424	\$ 577,703	\$ (18,934)

I. Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial report.

Additional financial and actuarial information required for GASB Statement No. 68 disclosures is located in CalPERS' ACFR for the fiscal year ended June 30, 2021, and the CalPERS' GASB 68 Accounting Valuation Report for the public agency cost-sharing multiple-employer defined benefit pension plan, which can be found on CalPERS' website at <https://www.calpers.ca.gov/docs/forms-publications/gasb-68>.

NOTE 8 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District maintains commercial coverage covering each of those risks of loss. There have been no significant reductions in insurance coverage from the prior year. Management believes such coverage is sufficient to preclude any significant uninsured losses to the District. Settled claims have not exceeded this coverage in any of the past three years.

HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 9 - NEW MARKET TAX CREDIT TRANSACTION

The District is a sponsor of New Markets Tax Credits (NMTC) to support redevelopment in distressed communities. The New Markets Tax Credit Program (NMTC Program) was established by Congress in 2000 to spur new or increased investments in operating businesses and real estate projects located in low-income communities.

The District, in collaboration with Chase Bank (Bank), entered into various agreements to provide for the completion of the Humboldt Bay Eco-Industrial Park project, consisting of renovations and improvements to property in Samoa, Humboldt County, California. As part of the NMTC Program transaction, a new independent entity, Humboldt Bay Development Association, Inc. (HBDA) a not-for-profit organization, was formed to participate under the Federal NMTC guidelines and to complete the project improvements. Also, pursuant to NMTC Program requirements, several financial intermediaries were established to finance the project. HBDA's construction costs are projected to be approximately \$5.20 million.

As required under the NMTC agreements with these entities, the District loaned the Chase NMTC Samoa Investment Fund, LLC \$5,849,375 and within the NMTC structure invested \$398,057 in cash to the transaction. Within the structure of the NMTC transaction, this \$398,057 cash investment was offset by a \$565,000 reimbursement from HBDA for project costs incurred by the District prior to the NMTC closing, and the funds to provide the loan to Chase NMTC Samoa Investment Fund, LLC were obtained through proceeds in the amount of \$3,906,000 for a long-term ground lease of the Samoa property to HBDA and from a \$1,560,000 loan obtained from Compass BBVA Bank.

The District's leveraged loan receivable from Chase NMTC Samoa Investment Fund, LLC bears interest of 2.7481% and is receivable in quarterly interest-only payments from June 10, 2016 through March 10, 2023; thereafter principal and interest payments are due until March 10, 2046. As of June 30, 2022, the balance of the loan receivable was \$5,849,375.

The District recorded the ground lease as unearned revenue in the liabilities section of its balance sheet, and will recognize operating income over the course of the lease. The District recognized \$60,092 of operating revenue during the year ended June 30, 2022, for a remaining balance of unearned income for an amount of as of \$3,466,585 as long-term deferred income as of June 30, 2022.

To fund HBDA's initial cost of the ground lease and the remaining project costs to be incurred by HBDA, within the NMTC structure New Markets Community Capital XVII, LLC and CNMC SUT-CDE 69, LLC loaned HBDA funds totaling \$8,680,000. In addition, the District and HBDA signed lease agreements under which the District is leasing-back the Samoa, California property from HBDA for the District's operations related to that asset.

As of June 30, 2022, unearned income consisted of:

Unearned HBDA ground lease income - current	\$ 60,092
Unearned PG&E dredge-related income (Note 10)	1,005,829
Unearned lease income (outfall pipe, tidelands, slip rentals and warehouse)	159,056
Total unearned income - current	1,224,977
Unearned HBDA ground lease income - long-term	3,466,585
Total unearned income	\$ 4,691,562

HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 9 - NEW MARKET TAX CREDIT TRANSACTION - CONT'D

There is a seven-year compliance period for the NMTC program. For the District, the seven-year period ends on March 30, 2023. At that point there is put call option where District has the option to purchase the outstanding debt from the various entities involved for \$1,000. At that point the various NMTC loans payable and receivable will be eliminated. It is estimated that the total cost to the District to terminate the agreements in March 2023 will be less than \$25,000, including professional and legal services.

NOTE 10 - COMMITMENTS AND CONTINGENCIES

PG&E Agreement

During 2014, Pacific Gas and Electric (PG&E) paid the District \$2.0 million for the specific purpose of procuring dredging equipment, financing initial start-up and training of the District personnel, and reuse or disposal of dredged material. As part of the agreement, the District has committed to perform a one-time dredging of certain real property owned by PG&E and located near King Salmon known as Fisherman's Channel. The District assumes responsibility for the dredging activities and repair work of Fisherman's Channel, and upon completion of these contract terms, the District will obtain ownership of the Fisherman's Channel. As of June 30, 2022, \$1,005,829 of the PG&E funding has not been used and is recorded as unearned income on the statement of net position. The District believes the PG&E grant will cover the costs associated with this commitment. This represents a significant management estimate and actual results could differ.

Environmental Protection Agency (EPA) Settlement Agreement

In June 2015, the District signed a settlement agreement with the EPA related to the approximately \$13.3 million of costs the EPA incurred to clean-up Parcel A on the Samoa Peninsula (the site). The agreement stipulates that the District will pay all or a portion of this liability from the salvage of fixtures and equipment at the site, or from the potential sale of the property. The obligation to reimburse the EPA from net proceeds of a sale of any real property within the site shall not apply to the property for any sale that occurs at least seven years after August 26, 2015, the date of the agreement. The term of this agreement expired on August 26, 2022. There were no sales of real property from the site during the agreement term. There are no further contingent liabilities associated with this agreement as of June 30, 2022.

NOTE 11 - SUBSEQUENT EVENTS

The District has reviewed the change in the net position and evaluated all subsequent events through January 18, 2023, the date on which the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT
SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
LAST TEN YEARS*

Measurement Period, June 30	2022	2021	2020	2019	2018
Service cost	\$ 3,392	\$ 4,715	\$ 3,771	\$ 20,986	\$ 19,877
Interest on total OPEB liability	4,454	6,905	7,841	19,794	21,313
Employer contribution as benefit payments	(32,364)	(55,906)	(75,367)	(83,586)	(80,371)
Experience gains/losses	-	(80,755)	(5,321)	(118,069)	-
Changes in assumptions	(9,400)	2,952	16,988	3,564	-
Net change in net OPEB liability	(33,918)	(122,089)	(52,088)	(157,311)	(39,181)
Net OPEB liability - beginning of year	220,710	342,799	394,887	552,198	591,379
Net OPEB liability - end of year	<u>\$ 186,792</u>	<u>\$ 220,710</u>	<u>\$ 342,799</u>	<u>\$ 394,887</u>	<u>\$ 552,198</u>
Covered employee payroll	\$ 41,913	\$ 47,351	\$ 60,367	\$ 276,928	\$ 376,937
Net OPEB liability as a percentage of covered employee payroll	445.67 %	466.11 %	567.86 %	142.60 %	146.50 %

NOTES TO SCHEDULE

1. The District's retiree healthcare plan had no assets accumulated in a trust that meets the criteria in Governmental Accounting Standards Board Statement no. 75, paragraph 4.
2. Changes in assumptions - Discount rate changed from 2.15% to 3.54%.
3. There are no statutorily or contractually established contribution requirements.

* Historical information is required only for measurement periods for which GASB 75 is applicable. Future years' information will be displayed up to 10 years as information becomes available.

HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TEN YEARS*

	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Plan's Proportion of the Net Pension Liability/(Asset)	0.030425 %	0.027280 %	0.010080 %	0.009570 %	0.009500 %	0.009023 %	0.007965 %	0.008534 %
Plan's Proportionate Share of the Net Pension Liability /(Asset)	\$ 577,703	\$ 1,150,835	\$ 1,033,203	\$ 921,868	\$ 941,780	\$ 780,795	\$ 546,685	\$ 531,034
Plan's Covered-Employee Payroll	\$ 788,024	\$ 764,169	\$ 764,169	\$ 889,228	\$ 794,364	\$ 863,258	\$ 871,775	\$ 730,490
Plan's Proportionate Share of the Net Pension Liability/(Asset) as Percentage of Covered-Employee Payroll	73.31 %	150.60 %	135.21 %	103.67 %	118.56 %	90.45 %	62.71 %	72.70 %
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Total Pension Liability	89.43 %	77.39 %	79.58 %	78.81 %	77.50 %	80.01 %	83.38 %	83.19 %

* Historical information is required only for measurement periods for which GASB 68 is applicable. Future years' information will be displayed up to 10 years as information becomes available.

HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT
SCHEDULE OF PENSION CONTRIBUTIONS
CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TEN YEARS*

	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Actuarially Determined Contributions	\$ 150,868	\$ 136,505	\$ 55,338	\$ 54,414	\$ 53,870	\$ 83,233	\$ 75,091	\$ 68,939
Actual Contributions During the Measurement Period	<u>(150,868)</u>	<u>(136,505)</u>	<u>(55,338)</u>	<u>(54,414)</u>	<u>(53,870)</u>	<u>(83,233)</u>	<u>(75,091)</u>	<u>(68,939)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$ 832,988	\$ 788,024	\$ 764,169	\$ 889,228	\$ 794,364	\$ 863,258	\$ 871,775	\$ 730,490
Contributions as a Percentage of Covered Employee Payroll	18.11 %	17.32 %	7.24 %	6.12 %	6.78 %	9.64 %	8.61 %	9.44 %

* Historical information is required only for measurement periods for which GASB 68 is applicable. Future years' information will be displayed up to 10 years as information becomes available.

SUPPLEMENTARY INFORMATION

HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT
STATEMENT OF REVENUES AND EXPENSES -
UNRESTRICTED AND TIDELANDS TRUST
FOR THE YEAR ENDED JUNE 30, 2022

	<u>Unrestricted</u>	<u>Tidelands Trust</u>	<u>Total</u>
OPERATING REVENUES			
Sales & permits	\$ 1,600	\$ 5,300	\$ 6,900
Slip rentals	-	811,422	811,422
Utility charges	56,891	48,908	105,799
Rents and concessions	2,342,322	38,091	2,380,413
Rents - tideland leases	-	365,210	365,210
Late fees and interest	4,854	9,942	14,796
Harbor improvement surcharge	-	140,939	140,939
Pilotage services	-	3,307	3,307
Other revenue	313	-	313
	<u>2,405,980</u>	<u>1,423,119</u>	<u>3,829,099</u>
Total operating revenues			
OPERATING EXPENSES			
Salaries and wages	522,502	384,600	907,102
Payroll benefits	227,764	171,444	399,208
Advertising & promotion	2,520	1,044	3,564
Bad debt	6,267	38,166	44,433
Communications	30,255	1,773	32,028
Conference & meetings	17,389	182	17,571
Dues & subscriptions	38,931	-	38,931
Elections	86,144	-	86,144
Insurance	49,125	56,867	105,992
Automotive expenses	15,010	470	15,480
Office expenses	42,457	813	43,270
Operating supplies	1,264	10,922	12,186
Outside services	15,590	2,472	18,062
Engineering fees	120,138	-	120,138
Legal fees	29,360	-	29,360
Accounting fees	46,387	-	46,387
Rents and leases	231,177	-	231,177
Repairs and maintenance	200,575	79,644	280,219
Planning services	33,598	(1,313)	32,285
Utilities	352,166	99,270	451,436
Permits	16,465	-	16,465
Depreciation	463,092	195,044	658,136
	<u>2,548,176</u>	<u>1,041,398</u>	<u>3,589,574</u>
Total operating expenses			
Operating income (loss)	<u>\$ (142,196)</u>	<u>\$ 381,721</u>	<u>\$ 239,525</u>

HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT
STATEMENT OF REVENUES AND EXPENSES -
UNRESTRICTED AND TIDELANDS TRUST
FOR THE YEAR ENDED JUNE 30, 2022

	<u>Unrestricted</u>	<u>Tidelands Trust</u>	<u>Total</u>
NONOPERATING REVENUES			
Investment income	\$ 292,429	\$ 50,347	\$ 342,776
General property taxes	1,244,693	-	1,244,693
Other government grants	62,006	-	62,006
Other nonoperating incomes	63,749	33,364	97,113
	<u>1,662,877</u>	<u>83,711</u>	<u>1,746,588</u>
Total nonoperating revenues			
NONOPERATING EXPENSES			
Interest expenses	74,884	87,504	162,388
Grant expenses	930	-	930
Other nonoperating expenses	8,239	-	8,239
	<u>84,053</u>	<u>87,504</u>	<u>171,557</u>
Total nonoperating expenses			
Net nonoperating revenues and expenses	<u>1,578,824</u>	<u>(3,793)</u>	<u>1,575,031</u>
Change in net position	1,436,628	377,928	1,814,556
Net position, beginning	<u>10,151,745</u>	<u>(1,861,555)</u>	<u>8,290,190</u>
Restatement of prior year cable landing fee	<u>200,000</u>	<u>(200,000)</u>	<u>-</u>
Net position, beginning, as restated	<u>10,351,745</u>	<u>(2,061,555)</u>	<u>8,290,190</u>
Net position, ending	<u>\$ 11,788,373</u>	<u>\$ (1,683,627)</u>	<u>\$ 10,104,746</u>

HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT
STATEMENT OF REVENUES AND EXPENSES -
MARINA AND GENERAL
FOR THE YEAR ENDED JUNE 30, 2022

	<u>Marina</u>	<u>General</u>	<u>Total</u>
OPERATING REVENUES			
Sales & permits	\$ 11,026	\$ 1,600	\$ 12,626
Rents and concessions	41,670	35,817	77,487
Slip rentals	570,787	11,830	582,617
Rents - tideland leases	-	365,210	365,210
Pilotage services	-	3,307	3,307
Late fees and interest	9,397	5,399	14,796
Fields landing fees and rents	4,955	11,404	16,359
Harbor improvement surcharge	-	140,939	140,939
Dredging surcharge	197,336	-	197,336
Upland rent	168,218	2,020,181	2,188,399
Transient rentals	31,469	-	31,469
Utility charges	54,555	51,244	105,799
Redwood Terminal 2	-	60,092	60,092
Other revenue	-	32,663	32,663
	<u>1,089,413</u>	<u>2,739,686</u>	<u>3,829,099</u>
Total operating revenues			
OPERATING EXPENSES			
Payroll and related cost	550,199	725,467	1,275,666
Commissioner's fees	-	24,800	24,800
Imputed auto value	552	956	1,508
Advertising & promotion	556	3,008	3,564
Automobile expenses	(259)	26,132	25,873
Bad debt	47	44,387	44,434
Communications	1,773	30,255	32,028
Conference & meetings	87	17,440	17,527
Dues & subscriptions	-	55,395	55,395
Elections	-	86,144	86,144
Insurance	42,839	63,152	105,991
Rents and leases	-	3,334	3,334
Legal & other professional fees	-	181,784	181,784
Office expenses	525	41,506	42,031
Operating supplies	18,386	6,079	24,465
Outside services	8,316	16,873	25,189
Accounting fees	-	46,387	46,387
Repairs and maintenance	48,224	203,120	251,344
Utilities	183,966	267,469	451,435
Redwood terminal 2 expenses	-	227,843	227,843
Small Tools	3,431	1,265	4,696
Depreciation	220,317	437,819	658,136
	<u>1,078,959</u>	<u>2,510,615</u>	<u>3,589,574</u>
Total operating expenses			
Operating income (loss)	<u>\$ 10,454</u>	<u>\$ 229,071</u>	<u>\$ 239,526</u>

HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT
STATEMENT OF REVENUES AND EXPENSES -
MARINA AND GENERAL
FOR THE YEAR ENDED JUNE 30, 2022

	<u>Marina</u>	<u>General</u>	<u>Total</u>
NONOPERATING REVENUES			
Investment income	\$ -	\$ 342,776	\$ 342,776
General property taxes	-	1,244,693	1,244,693
Federal revenues	-	98	98
Other government grants	-	61,908	61,908
Other nonoperating incomes	841	96,272	97,113
	<u>841</u>	<u>1,745,747</u>	<u>1,746,588</u>
Total nonoperating revenues			
NONOPERATING EXPENSES			
Interest expenses	32,556	129,832	162,388
Grant expenses	-	930	930
Other nonoperating expenses	7,500	739	8,239
	<u>40,056</u>	<u>131,501</u>	<u>171,557</u>
Total nonoperating expenses			
Net nonoperating revenues and expenses	<u>(39,215)</u>	<u>1,614,246</u>	<u>1,575,031</u>
Change in net position	<u>\$ (28,761)</u>	<u>\$ 1,843,317</u>	<u>\$ 1,814,556</u>

HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT
STATEMENT OF REVENUES AND EXPENSES -
BUDGET TO ACTUAL - MARINA
FOR THE YEAR ENDED JUNE 30, 2022

	Marina		
	Budget	Actual	Variance Favorable (Unfavorable)
OPERATING REVENUES			
Sales & permits	\$ 9,400	\$ 11,026	\$ 1,626
Rents and concessions	25,000	41,670	16,670
Slip rentals	771,000	570,787	(200,213)
Fields landing fees and rents	14,500	4,955	(9,545)
Rents - redwood terminal 2	140,000	-	(140,000)
Transient rentals	-	31,469	31,469
Marina dredging surcharge	-	197,336	197,336
Upland rent	-	168,218	168,218
Utility charges	51,800	54,555	2,755
Late fees and interest	10,700	9,397	(1,303)
	<u>1,022,400</u>	<u>1,089,413</u>	<u>67,013</u>
Total operating revenues			
OPERATING EXPENSES			
Payroll and related cost	599,707	550,751	48,956
Advertising & promotion	1,000	556	444
Bad debt	-	47	(47)
Communications	13,000	1,773	11,227
Conference & meetings	4,000	87	3,913
Dredging expense	318,000	-	318,000
Float replacement	42,500	-	42,500
Insurance	44,500	42,839	1,661
Automotive expenses	1,300	(259)	1,559
Office expenses	1,000	525	475
Operating supplies	9,200	18,386	(9,186)
Outside service	3,000	8,316	(5,316)
Repairs and maintenance	111,800	48,224	63,576
Utilities	-	183,966	(183,966)
Small tools	-	3,431	(3,431)
Depreciation	-	220,317	(220,317)
	<u>1,149,007</u>	<u>1,078,959</u>	<u>70,048</u>
Total Operating Expenses			
Operating income (loss)	<u>\$ (126,607)</u>	<u>\$ 10,454</u>	<u>\$ 137,061</u>

HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT
STATEMENT OF REVENUES AND EXPENSES -
BUDGET TO ACTUAL - MARINA
FOR THE YEAR ENDED JUNE 30, 2022

	Marina		
	Budget	Actual	Variance Favorable (Unfavorable)
NONOPERATING REVENUES:			
Reserve withdrawal dredge fund	\$ 148,000	\$ -	\$ (148,000)
Other nonoperating incomes	100	841	741
Total nonoperating revenues	<u>148,100</u>	<u>841</u>	<u>(147,259)</u>
NONOPERATING EXPENSES:			
Interest expenses	32,600	32,556	44
Capital Expenditure	52,000	-	52,000
Other nonoperating expenses	<u>258,300</u>	<u>7,500</u>	<u>250,800</u>
Total nonoperating expenses	<u>342,900</u>	<u>40,056</u>	<u>302,844</u>
Net nonoperating revenues and expenses	<u>(194,800)</u>	<u>(39,215)</u>	<u>155,585</u>
Change in net position	<u><u>\$ (321,407)</u></u>	<u><u>\$ (28,761)</u></u>	<u><u>\$ 292,646</u></u>

HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT
STATEMENT OF REVENUES AND EXPENSES -
BUDGET TO ACTUAL - GENERAL
FOR THE YEAR ENDED JUNE 30, 2022

	General		
	Budget	Actual	Variance Favorable (Unfavorable)
OPERATING REVENUES			
Sales & permits	\$ -	\$ 1,600	\$ 1,600
Slip rentals	20,000	11,830	(8,170)
Rents and concessions	15,902	35,817	19,915
Rents - tideland leases	430,000	365,210	(64,790)
Upland rent	-	2,020,181	2,020,181
Late fees and interest on past due accounts	40	5,399	5,359
Redwood Terminal 2	2,024,050	60,092	(1,963,958)
Fields landing fees and rents	52,358	11,404	(40,954)
Harbor improvement surcharge	210,000	140,939	(69,061)
Utility charges	78,450	51,244	(27,206)
Other revenues	32,350	32,663	313
Pilotage services	-	3,307	3,307
	<u>2,863,150</u>	<u>2,739,686</u>	<u>(123,464)</u>
Total operating revenues			
OPERATING EXPENSES:			
Payroll and related cost	820,799	726,423	94,376
Commissioner's fees	25,200	24,800	400
Advertising and promotion	3,550	3,008	542
Bad debt	-	44,387	(44,387)
Communications	20,400	30,255	(9,855)
Conference & meetings	8,500	17,440	(8,940)
Dues & subscriptions	61,100	55,395	5,705
Elections	149,800	86,144	63,656
Insurance	63,050	63,152	(102)
Automotive expenses	19,650	26,132	(6,482)
Office expenses	22,180	41,506	(19,326)
Operating supplies	4,150	6,079	(1,929)
Outside services	142,500	16,873	125,627
Accounting fees	61,500	46,387	15,113
Repairs and maintenance	145,350	203,120	(57,770)
Utilities	279,030	267,469	11,561
Rent expense	-	3,334	(3,334)
Redwood terminal 2 expenses	211,800	227,843	(16,043)
Small tools	3,200	1,265	1,935
Legal and other professional expenses	209,200	181,784	27,416
Depreciation	-	437,819	(437,819)
	<u>2,250,959</u>	<u>2,510,615</u>	<u>(259,656)</u>
Total operating expenses			
Operating income (loss)	<u>\$ 612,191</u>	<u>\$ 229,071</u>	<u>\$ (383,120)</u>

HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT
STATEMENT OF REVENUES AND EXPENSES -
BUDGET TO ACTUAL - GENERAL
FOR THE YEAR ENDED JUNE 30, 2022

	General		Variance Favorable (Unfavorable)
	Budget	Actual	
NONOPERATING REVENUES			
Investment income	\$ 164,800	\$ 342,775	\$ 177,975
General property taxes	1,278,178	1,244,693	(33,485)
Federal revenues	-	98	98
Other government grants	194,000	61,908	(132,092)
Other nonoperating incomes	59,172	96,272	37,100
Total nonoperating revenues	<u>1,696,150</u>	<u>1,745,746</u>	<u>49,596</u>
NONOPERATING EXPENSES			
Interest expenses	144,100	129,832	14,268
Grant expenses	194,000	930	193,070
Capital Expenditure	38,500	-	38,500
Other nonoperating expenses	326,567	739	325,828
Total nonoperating expenses	<u>703,167</u>	<u>131,501</u>	<u>571,666</u>
Net nonoperating revenues and expenses	<u>992,983</u>	<u>1,614,245</u>	<u>621,262</u>
Change in net position	<u>\$ 1,605,174</u>	<u>\$ 1,843,316</u>	<u>\$ 238,142</u>

COMPLIANCE SECTION

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
*GOVERNMENT AUDITING STANDARDS***

To the Board of Commissioners
Humboldt Bay Harbor, Recreation and Conservation District
Eureka, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of Humboldt Bay Harbor, Recreation and Conservation District (the "District"), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 18, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Harshmal & Company LLP

San Diego, California
January 18, 2023

**HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2022**

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified that are not considered to be material weakness?	None reported
• Noncompliance material to financial statements noted?	No

SECTION II - FINANCIAL STATEMENTS FINDINGS

There are no findings in the current year to report.

**HUMBOLDT BAY HARBOR, RECREATION AND CONSERVATION DISTRICT
STATUS OF PRIOR YEAR'S FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2022**

No matters were reported in prior years.