

**San Mateo County Harbor District
Board of Harbor Commissioners
Meeting Minutes**

7:00 p.m.

**Coastside County Water District Office
766 Main Street
Half Moon Bay, CA 94019**

Parravano called the meeting to order at 7:00 p.m.

Roll Call

Commissioners

Pietro Parravano, President
James Tucker, Vice President
Ken Lundie, Treasurer
Leo Padreddii, Secretary
Sally Campbell, Commissioner

Staff

Eileen Wilkerson, Acting General Manager
Marcia Schnapp, Director of Finance
X Robert Johnson, Harbormaster
Charles White, Assistant Harbormaster
Dan Temko, Harbormaster
Michele Shahrok, Deputy Secretary
Marc L. Zafferano, District Counsel

X Johnson was absent.

**Public Comments/Questions — Public and Staff
Recognition**

The public may address the Board of Harbor Commissioners for a limit of three minutes regarding any items not on the agenda, unless a request is granted for more time.

Wilkerson recognized Schnapp, Johnson and Temko for assisting her while General Manager Grenell has been out. She said they used their diverse ideas to come up with resolutions to situations. She also thanked Grenell.

Temko thanked the Pillar Point Harbor crew and local community for coming together during a particularly rainy and harsh winter. He said they have risen to the occasion and have bailed out boats and kept dock lines chafe-free in order to minimize damage to vessels.

Consent Calendar

All items on the consent calendar are approved by one motion unless a Commissioner requests at the beginning of the meeting that an item be withdrawn or transferred to the regular agenda. Any item on the regular agenda may be transferred to the consent calendar.

- 2 **TITLE: Minutes of March 22, 2006 Special Meeting**
 REPORT: Draft Minutes
 PROPOSED ACTION: Approval
- 3 **TITLE: Certified Employment List for Accounting Technician/
 Administrative Assistant**
 REPORT: Certified List
 **PROPOSED ACTION: Approve Certified Employment List for Accounting
 Technician/Administrative Assistant**
- 4 **TITLE: Certified Employment List for Accountant**
 REPORT: Certified List
 PROPOSED ACTION: Approve Certified Employment List for Accountant

Action: Motion by Tucker, second by Lundie to approve Items 2 through 4.

Ayes: 5
Nays: 0
Abstentions: 0

- 1 **TITLE: Minutes of March 15, 2006 Meeting**
 REPORT: Draft Minutes
 PROPOSED ACTION: Approval

Action: Campbell pulled this Item from the Agenda. She addressed Item 14 of the Minutes, Bills and Claims, where there had been a discussion as to who would review them in the event the Treasurer was unavailable. She rewrote two sentences as follows:

“Motion by Campbell, second by Tucker that the past President review the Bills and Claims. Should the past President be unavailable to do so, then the past Treasurer would review the Bills and Claims.”

Motion by Campbell, second by Tucker to approve the Minutes of March 15, 2006, with the recommended changes.

Ayes: 4
Nays: 0
Abstentions: 1 (Padreddii)

President Parravano presented the Proclamation honoring former Harbor Commissioner Larry Pollard, to Mrs. Pollard. Mrs. Pollard thanked the Board for the Proclamation recognizing her husband.

Public Hearing — None

Continued Business

5	TITLE:	To Consider the Commission’s Position Regarding the Proposed Severe Restrictions to the Upcoming 2006 Salmon Season
	REPORT:	Staff Report to Follow
	PROPOSED ACTION:	To be determined

Action: The following members of the fishing community were in attendance and signed Public Comment forms to be able to address this Item:

Peggy Beckett, Huck Finn Sportfishing

Mrs. Beckett addressed the Board. She reported that she had attended the Pacific Fisheries Management Council (PFMC) meeting. She advised the Department of Fish and Game (DFG) was also meeting Thursday and Friday. Campbell requested that Beckett notify the Board as soon as a decision is made. Beckett advised that Roger Thomas would call her with any decision and she would then notify the Board.

President Parravano reported on a meeting that took place the previous week that was well attended by 400 to 500 people, and was covered by the media. He said there was a meeting between four local representatives and A.G. Kawamura, the Secretary of Agriculture, because the California Salmon Council is directly under the control of that Department. The Secretary put them in touch with two of the Governor’s top aides who are well versed on the Klamath issues. April 18 is the deadline for the Secretary of Commerce to decide whether to abbreviate the salmon season.

Parravano was interviewed on National Public Radio.

Campbell asked whether to continue letters and emails to state representatives rather than local representatives. Parravano said yes but the recipients will change after Friday, April 7. Campbell asked Wilkerson to notify the Board of whom to write after that date. She also asked whether petitions were still viable and Parravano said yes.

Parravano advised that Duncan MacLean reported that a season one week short of last year’s seems to meet all the criteria and is the best hope.

Beckett said that the NMFS is providing guidance but that they need to give a specific number of fish in order to craft a workable plan.

- 6 TITLE: **Approval of Construction Documents and Specifications and Authorization to Issue a Sealed Bid Notice for Construction of the Pillar Point Marina Harbor Restroom**
REPORT: Staff Report and Attachments
PROPOSED ACTION: Approve Construction Documents and Specifications and Authorize General Manager to Publish Construction Bid Notice

Action: Temko requested that this Item be pulled from the Agenda.

New Business

- 8 TITLE: **Request for Memorial Bench for Larry Pollard at Pillar Point Harbor**
REPORT: Staff Report
PROPOSED ACTION: To Be Determined

Action: Tucker asked how the bench would be installed and whether it would be anchored. Temko said the staff would unload the concrete bench onto ground which will have been compacted. Since the bench is so heavy, there is no need to anchor it. Lundie said local fishermen volunteered to keep the bench area free of weeds.

Motion by Tucker, second by Lundie to approve the request of Fran Pollard to install a memorial bench at Pillar Point Harbor and waive all fees associated with the installation of the bench except for the actual cost of the bench and memorial plaque, which will be paid for by Fran Pollard.

Ayes: 5
Nays: 0
Abstentions: 0

- 9 TITLE: **Moffatt & Nichol Change Order Number 1 for an Increase in the Authorized Design Budget for the Johnson Pier Rehabilitation Project**
REPORT: Staff Report, Moffatt & Nichol Letter
PROPOSED ACTION: Approve Change Order No. 1 with Moffatt & Nichol for an increase in the authorized Design Budget an amount not to exceed \$14,050

- 10 TITLE: Moffatt & Nichol Change Order Number 2 for an Increase in the Authorized Engineering Budget for the Johnson Pier Rehabilitation Project**
- REPORT: Staff Report, Moffatt & Nichol Letter
- PROPOSED ACTION: Approve Change Order No. 2 with Moffatt & Nichol for an increase in the authorized Engineering Budget an amount not to exceed \$29,200

Action: Items 9 and 10 were discussed together. Temko introduced Jim Brady, representing the Firm of Moffatt & Nichol, lead Engineers on the project. Temko referred to their March 17, 2006 letter requesting a contract modification to cover work not included in the original scope and for additional effort required to determine the condition of the pier. Temko said he was continuing to work with Moffatt & Nichol to revise the \$29,200 increase in the Engineering Budget.

Commissioners requested that Brady provide documentation of a breakdown of the expenses on an hourly basis to Harbormaster Temko and that Temko present that to the Board at the April 19 Board Meeting. Motion by Tucker, second by Campbell to continue the Items to the April 19th Meeting.

Ayes: 5
Nays: 0
Abstentions: 0

- 13 TITLE: Selection of Lowest Responsible Bidder for Pillar Point Harbor Johnson Pier Rehabilitation Project Bid and Authorize Contract Execution**
- REPORT: Staff Report
- PROPOSED ACTION: Approve Dutra Construction Co., Inc. as lowest responsible bidder and authorize execution of contract with Dutra Construction Co., in an amount not to exceed \$1,497,950

Action: Temko reported that he received two qualified bids on this project. Several issues had been raised after the bids were accepted. There were significant differences in the bid specifications in Items 12 and 15. Jim Brady of Moffatt & Nichol confirmed the bid items as per the specifications and suppliers. They verified that the bids were consistent with the manufacturer's recommendations for product application under the pier, e.g., to be rolled on, not sprayed.

Temko determined that the lowest responsible bidder is Dutra Construction Co., Inc. He recommended acceptance of their Construction Bid for an amount not to exceed \$1,497,950 and authorizing the General Manager to execute a contract with Dutra Construction Co., Inc. for construction of the Johnson Pier Rehabilitation Project as specified in the bid documents.

A lengthy discussion ensued regarding the corrosion and replacement of galvanic anodes, corrosion inhibitors, replacing the concrete in the closure pours with that of a more dense type, and bending down the reinforcing steel so it will not be too close to the surface. Also discussed were the coating that failed to work last time, and an epoxy overlay on high traffic areas.

Mr. Brady assured that both product vendors would be on site during the application process to ensure the products are applied correctly.

Parravano mentioned settling because of the trucks on the piers and truck size limits were discussed. Brady advised he would try to get a letter from CEQA to present to the Board. Lundie raised a previous issue regarding restricting fish buyers to non-iron wheeled dollies and pallet jacks. Temko said he had notified the fish buyers that they would need to install alternatives such as hard rubber wheels, which would be particularly difficult for the squid buyers. Tucker requested Temko provide written notification to the fish buyers, including the target date that the wheels must be changed with copies to the Board.

Motion by Campbell, second by Padreddii to accept the Construction Bid of the Firm Dutra Construction Co., Inc. as the lowest responsible bidder for an amount not to exceed \$1,497,950 and authorize the General Manager to execute a contract with Dutra Construction Co., Inc. for construction of the Johnson Pier Rehabilitation Project as specified in the bid documents.

Ayes: 5
Nays: 0
Abstentions: 0

Tucker made a point of observation that the District is \$200,000 over budget at this point with Moffatt & Nichol.

7 TITLE: FY 2006-07 Operating and Capital Budget
REPORT: Draft Preliminary Budget
PROPOSED ACTION: To be determined

Action: Schnapp advised the Board she would address questions brought up previously at the Board Budget Workshop on April 19. Campbell mentioned the \$70,000 added for a roof at Pillar Point Harbor. The Commissioners requested to see what the District did or did not do in the past and asked Wilkerson to handle it.

11 TITLE: Limited Commercial Activity Permit (CAP):
Liquid Militia: K38
REPORT: Application, Memo and Attachment, Commercial Activity Permit
PROPOSED ACTION: Approve Commercial Activity Permit; Waive permit fee

Action: Temko requested that this Item be continued because the District has not received the Certificate of Liability insurance. Wilkerson added that the applicant was unable to get the insurance in time for previously scheduled classes and had to cancel them, so the Limited Permit included general dates, i.e., "...tentatively scheduled for May, 2006, date to be confirmed and approved by the Pillar Point Harbor Master." Parravano requested that the dates be narrowed down. Campbell advised Temko that she was very concerned because the Permit Application mentions night operations and that it is her understanding that there is only one patrolman on duty at night.

The Item was continued to the April 19th Meeting to allow time for discussion and resolution of these issues.

12	TITLE:	Commercial Activity Permit Fee Exemption for Qualified Military Veterans
	REPORT:	Campbell, Lundie
	PROPOSED ACTION:	To be determined

Action: Campbell led a discussion regarding providing fee exemptions for Commercial Activity Permits to qualified military veterans. She said this is an appropriate manner in which to honor those who have put their lives and limbs on the line for this country. It says something positive about the District to honor veterans.

She defined "qualified" as those with honorable discharges and in possession of a DD 214 Certificate. She asked that Harbor staff copy the Certificates and keep them on file. She stated both Harbors would offer the exemption.

Lundie echoed Campbell's sentiment and mentioned the previous Proclamation the District gave to honor those who served in Iraq and Afghanistan, which shows the District's history of honoring veterans.

Tucker said if the District needs a rational basis for the exemption, it is to offer a business opportunity as opposed to expense. He said that the Permit and Exemption should be in the name of the business owner, not an employee, and that if a corporation, the Permit should be in the name of the corporation, not an individual.

Zafferano will draft a short Ordinance Amendment and will bring it to the April 19th Meeting.

Motion by Lundie, second by Campbell, Padreddii, Tucker and Parravano to provide a Commercial Activity Permit Fee Exemption for Qualified Military Veterans.

The Commissioners requested that the District draft a Press Release to the Half Moon Bay Review and San Mateo County Times and also perhaps to a veteran's newsletter and Armed Forces Radio.

- 18 TITLE: **Amend Policy 6.4.5 Group Health and Medical Insurance Pay Out Program**
REPORT: Staff Report, Policy, Resolution No. 13-06
PROPOSED ACTION: Adopt Resolution No. 13-06 Approving Amendment to Policy
- 19 TITLE: **Approve New Policy 6.4.6 Retirement System**
REPORT: Staff Report, Policy, Resolution No. 14-06
PROPOSED ACTION: Adopt Resolution No. 14-06 Approving Policy
- 20 TITLE: **Approve New Policy 6.4.7 Longevity Health Insurance Program**
REPORT: Staff Report, Policy, Resolution No. 15-06
PROPOSED ACTION: Adopt Resolution No. 15-06 Approving Policy

Action: Items 18, 19 and 20 were pulled from the Agenda and Wilkerson will bring them to the April 19th Meeting. The Commissioners requested the Cite on Item 20. Wilkerson advised she would provide it.

- 14 TITLE: **Amend Policy 6.4.1 Group Health and Medical Insurance**
REPORT: Staff Report, Policy, Resolution No. 09-06
PROPOSED ACTION: Adopt Resolution No. 09-06 Approving Policy
- 15 TITLE: **Approve New Policy 6.4.2 Group Dental Plan**
REPORT: Staff Report, Policy, Resolution No. 10-06
PROPOSED ACTION: Adopt Resolution No. 10-06 Approving Policy
- 16 TITLE: **Approve New Policy 6.4.3 Employee Optical Benefit Program**
REPORT: Staff Report, Policy, Resolution No. 11-06
PROPOSED ACTION: Adopt Resolution No. 11-06 Approving Policy
- 17 TITLE: **Approve New Policy 6.4.4 Life Insurance**
REPORT: Staff Report, Policy, Resolution No.12-06
PROPOSED ACTION: Adopt Resolution No. 12-06 Approving Policy
- 21 TITLE: **Approve New Policy 6.4.8 Social Security (FICA)**
REPORT: Staff Report, Policy, Resolution No. 16-06
PROPOSED ACTION: Adopt Resolution No. 16-06 Approving Policy
- 22 TITLE: **Approve New Policy 6.4.9 Medicare**
REPORT: Staff Report, Policy, Resolution No. 17-06
PROPOSED ACTION: Adopt Resolution No. 17-06 Approving Amendment to Policy

- 23 TITLE: **Approve New Policy 6.4.10 Deferred Compensation**
REPORT: Staff Report, Policy, Resolution No. 18-06
PROPOSED ACTION: Adopt Resolution No. 18-06 Approving Amendment to Policy
- 24 TITLE: **Approve New Policy 6.4.11 Employee Assistance Program**
REPORT: Staff Report, Policy, Resolution No. 19-06
PROPOSED ACTION: Adopt Resolution No. 19-06 Approving Amendment to Policy
- 25 TITLE: **Approve New Policy 6.4.12 Credit Unions**
REPORT: Staff Report, Policy, Resolution No. 20-06
PROPOSED ACTION: Adopt Resolution No. 20-06 Approving Amendment to Policy
- 26 TITLE: **Approve New Policy 6.4.16 Continuance of Medical Coverage (COBRA)**
REPORT: Staff Report, Policy, Resolution No. 21-06
PROPOSED ACTION: Adopt Resolution No. 21-06 Approving Policy
- 27 TITLE: **Approve New Policy 6.4.17 State Disability Insurance**
REPORT: Staff Report, Policy, Resolution No. 22-06
PROPOSED ACTION: Adopt Resolution No. 22-06 Approving Policy
- 28 TITLE: **Approve New Policy 6.4.18 Unemployment Compensation**
REPORT: Staff Report, Policy, Resolution No. 23-06
PROPOSED ACTION: Adopt Resolution No. 23-06 Approving Amendment to Policy

Action: Motion by Tucker, second by Lundie to approve Items 14, 15, 16, 17, 21, 22, 23, 24, 25, 26, 27, and 28, and to adopt Resolutions 09-06, 10-06, 11-06, 12-06, 16-06, 17-06, 18-06, 19-06, 20-06, 21-06, 22-06, and 23-06.

Ayes: 5
Nays: 0
Abstentions: 0

- 29 TITLE: **Declaration of Surplus Property**
REPORT: Staff Report, Resolution 24-06
PROPOSED ACTION: Adopt Resolution 24-06 Declaring the Oyster Point Patrol Vessel Fletcher surplus and authorizing the General Manger to sell or dispose of the vessel as stipulated in SMCHD Ordinance Code Section 2.7.5.

Action: Assistant Harbor Master White advised that Oyster Point staff wanted to sell the Fletcher and its trailer as one package. Motion by Campbell, second by Padreddii to Adopt Resolution 24-06 Declaring the Oyster Point Patrol Vessel Fletcher, including the trailer, as surplus and authorizing the General Manager to sell or dispose of the vessel as stipulated in SMCHD Ordinance Code Section 2.7.5.

Ayes: 5
Nays: 0
Abstentions: 0

Temko provided a bit of history on the vessel in that it was an America's Cup Escort Boat before it was donated. He said that it had provided good service.

30 TITLE: Bills and Claims in the Amount of \$189,897.62
REPORT: Bills and Claims Detailed Summary
PROPOSED ACTION: Approval of Bills and Claims for Payment and a Transfer in the Amount of \$189,897.62 to Cover Payment of Bills and Claims

Action: Lundie advised he had reviewed the Bills and Claims and they had been revised downward from \$189,897.62 to \$189,615.66. Motion by Lundie, second by Tucker to approve the Bills and Claims for payment and a transfer in the amount of \$189,615.66 to cover payment of Bills and Claims.

Ayes: 5
Nays: 0
Abstentions: 0

Reports for Possible Discussion/Action

Administration and Finance

31 General Manager – Grenell

Action: Acting General Manager Wilkerson stated she had nothing to add to the General Manager's written report.

32 Human Resources Manager – Wilkerson

Action: Wilkerson stated she had nothing to add to her written report.

33 Director of Finance – Schnapp

Action: Schnapp advised she had spoken with the CPA's regarding the 2004/2005 audited statements and they have sent last year's statements internally. She hopes to have the first draft by the next Board Meeting.

She said the Accounting Technician/Accountant Certified Lists were submitted for the Board's approval and she thanked them for approving them.

With regard to the 2006/2007 Budget Review Items, Commissioner Tucker requested Finance report on differences in staffing levels from five to ten years ago to current, as well as changes in tax revenues versus ERAF deductions. Schnapp presented a brief report on the Government Finance Officers' Association Intermediate Government Accounting Class she attended in Reno. This class is a pre-requisite to the Advanced Government Accounting class that will occur in September in Sacramento. She said the goal will be to make the District Finance's "Blue Book" compliant (the "Blue Book" is the industry standard for Governmental Financial Reporting).

Operations

34 Oyster Point Marina/Park — White

Action: Assistant Harbor Master White spoke regarding the Gatehouse Project. He said Gate 7 was being demolished that day. He said it was the test gate to get any bugs worked out. He said it did not impact the rest of the Marina because it was the gate to the fuel dock. The plan is to work on two West Basin gates at the same time.

White said that, on Friday, the ramp for the fishing pier is being delivered. They have an extension until June and have only a little grating and some hydro-seating to finish.

Lundie asked whether the gates are keyed. White said the tenants have the option of credit card or key-bob. The restroom is functional with a key-bob for internal use.

35 Pillar Point Harbor — Temko

Action: Temko reported that the trail to Mavericks is not usable and people must walk on the beach. Mud and rocks slid onto the trail, and two waterfalls have formed above it. Staff has barricaded the area adjacent to the steep cliffs because of the danger. Parravano asked whether Temko had taken photographs of the debris and Temko said he had.

Temko also advised that he needs to exert written pressure on Granada Sanitary District regarding the failing storm drain. The Air Force Base has acknowledged their drain on the point. Temko has spoken with their Engineering Department and advised he wants the shoreline "armored" and trail repaired as it was prior to the pipe's destruction. They advised him they will do so.

Temko advised that staff have installed permanent signs from the San Mateo County Department of Environmental Health under Barbara's Fish Trap, at Capistrano Beach, advising that the area is subject to pollution from birds, marine mammals, and storm drain run-off. The signs are blue and white and bear the Department of Health phone number.

Temko gave an update on the DeBella vessel situation.

Urgency Item

There was a discussion on the Urgency Item concerning SB 1317, Property Tax Reallocation. Motion by Tucker, second by Campbell that there is need to take immediate action regarding SB1317 (Torlakson) and to approve the letter of opposition and authorize the General Manager to send the letter as noted.

Ayes: 5
Nays: 0
Abstentions: 0

Board of Harbor Commissioners

36 A. Committee Reports

B. Commission Statements and Requests

The Board of Harbor Commissioners may make public statements and requests. Requests may be made to place items on future agendas.

Action: Campbell reported that she and Padreddii held an Oyster Point Committee meeting at the Administrative Offices with Grenell, Deputy Harbormaster White, and Johnson to discuss the Water Transit Authority (WTA) and Ferry Terminal. Campbell advised that they feel the Ferry Terminal Project should move ahead but that the District “needs to made whole” in every aspect.

Schnapp reported on the WTA meeting she attended the next day. She said the WTA does not intend to allocate any resources for detrimental impacts to the Harbor. They are considering putting the ferry in on their footprint in “the mole”. She said to go down Harbormaster Road would reduce the berth loss from 100 to 35 berths, which the Harbor could absorb because of occupancy.

Campbell added that all the WTA had allocated was \$4,000 per month. She said the City of South San Francisco (SSF) would ultimately benefit but the District would not. Deputy Harbormaster White asked about going down into “the slot”. Schnapp said SSF does not want the terminal there because they want to move the train station there. Wilkerson said Grenell had a meeting with the SSF City Manager but there was no commitment from the City. Schnapp said it is the City’s responsibility to deal with the landfill. Tucker suggested they could pull up to Genentech’s waterside.

Schnapp expressed concern over the loss of revenue of \$360,000 per year in annual cash flow, not including any other resources. She said the Terminal would not be a “destination location” and the District would need to look at Vallejo in order to assess how much business the ferry riders actually do in the immediate area.

Campbell asked whether there was a meeting date set with the General Manager about short and long-term strategies for the District's financial condition. Wilkerson said Grenell is working on a report and will present it as part of a strategy discussion he wants to be part of the April 19 meeting.

Parravano reminded the Commissioners about the As Fresh as It Gets luncheon at the IDES Hall in Half Moon Bay on Monday, April 10. He said the keynote speaker will be A.G. Kawamura, the Secretary of Agriculture. He said the Secretary is most sympathetic regarding the salmon restriction situation. He asked that the Commissioners try to attend and give him a note of thanks for his assistance.

Parravano also stated that, on April 29, Nat Johnson, one of the Pillar Point Harbor fishermen, would turn 90 years old. He said he would like to have a Harbor activity celebrating the birthday and commemorating Mr. Johnson. Temko offered his assistance. Wilkerson will write a Proclamation for the Board to sign on April 19.

Closed Session — None

Adjournment

Motion by Lundie, second by Campbell to adjourn the meeting. Motion carried by unanimous vote at 8:50 p.m.

APPROVED BY:

ATTESTED BY:

Pietro Parravano
President

Michele Shahrok
Deputy Secretary