

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

**September 6th, 2006
7:00 p.m.**

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

Roll Call

Commissioners

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

Staff

Peter Grenell, General Manager
Eileen M. Wilkerson, Human Resource Manager
Marcia Schnapp, Director of Finance
Robert Johnson, Harbormaster
Dan Temko, Harbormaster
Theresa Hayes, Deputy Secretary
Linda Noeske, District Counsel

Public Comments/Questions-Public and Staff Recognition

William Smith of Riptide Sportfishing submitted a written complaint to the Board that he had filed with Harbor Master Temko regarding loud and obnoxious behavior by a member of the public in front of his passengers. Smith addressed the Board to lend his support on the issue of suspending the hiring freeze at Pillar Point and support of the “Rock the Dock” event hosted by Half Moon Bay Coastside Chamber of Commerce. He commended the District on scheduling the Johnson Pier repair work.

Harbor Master Dan Temko commended the Pillar Point staff for the excellent job they did over the Labor Day weekend. Temko advised that the Harbor was filled above capacity and they had launched over 500 vessels, along with several rescues and no complaints. President Parravano agreed the recognition was well deserved.

Joanne Franklin and Albert Dunn of Ketch Joanne addressed the Board on their progress obtaining financially for their leasehold improvements.

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calendar are approved by one motion unless a Commissioner requests at the beginning of the meeting that an item be withdrawn or transferred to the regular agenda.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

- | | | |
|---|------------------|----------------------------------------------|
| 1 | TITLE: | Minutes of Meeting of August 16, 2006 |
| | REPORT: | Draft minutes |
| | PROPOSED ACTION: | Approval |

Campbell abstained from Item 1.

Action: Motion by Tucker, second by Lundie to approve the Consent Calendar. The motion passed.

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

Public Hearing — None

New Business

- | | | |
|---|------------------|--------------------------------------------------------------------------------------------------------------|
| 2 | TITLE: | Limited Commercial Activity Permit for Chamber of Commerce: Pillar Point Harbor “Rock the Dock” Event |
| | REPORT: | Memo, Application and Attachments |
| | PROPOSED ACTION: | Approve Limited Commercial Activity Permit With Fee Waiver |

Charise McHugh of Half Moon Bay Coastsides Chamber of Commerce addressed the Board on the Chambers’ plans for the proposed “Rock the Dock” event at Pillar Point and their request for a fee waiver. McHugh stated that all of their profits go to the Chamber for operations and that the Half Moon Bay Coastsides Chamber of Commerce is one of the highest profile and technologically advanced chambers in California.

Campbell said she would like the Harbor District to waive fees and costs. .

Grenell stated that the Harbor District has required all permit holders to have District costs be covered. Campbell thought that the Harbor could donate staff because this event is being put on to benefit the Harbor and its lessees. Grenell added that the Chamber must send a copy of insurance with the Harbor District named as Additional Insured.

Action: Motion by Campbell, second by Lundie to approve Limited Commercial Activity Permit with fee waiver. The motion passed.

Ayes: 5
Nays: 0

3 TITLE: **Commercial Activity Permit for Vessel
F/V Bubba**
REPORT: Temko, Application
PROPOSED ACTION: Approve Commercial Activity Permit

Dan Temko stated that the Harbor has six available spots for Uninspected Passenger Vessels and he recommended approving this application, which would fill one of those spots.

Action: Motion by Campbell, second by Tucker to approve Commercial Activity Permit. The motion passed.

Ayes: 5
Nays: 0

4 TITLE: **Commercial Activity Permit for Save San Francisco
Bay Association**
REPORT: Staff Report, Application
PROPOSED ACTION: Approve Commercial Activity Permit With Fee Waiver

Grenell explained that this permit would allow ongoing efforts to observe revival of oysters in the Bay. He noted that Save San Francisco Bay Association would need monthly access and will provide written reports for the Harbor. Grenell added that Save San Francisco Bay Association must send a copy of insurance naming the Harbor District as Additional insured.

Action: Motion by Lundie, second by Campbell to approve Commercial Activity Permit with fee waiver. The motion passed.

Ayes: 5
Nays: 0

5 TITLE: **Limited Commercial Activity Permit for Freddi Alagheband: Pillar Point Harbor Wedding Ceremony**
REPORT: Temko, Application
PROPOSED ACTION: Approve Limited Commercial Activity Permit

Action: Motion by Padreddii, second by Lundie to approve Limited Commercial Activity Permit. The motion passed.

Ayes: 5
Nayes: 0

6 TITLE: **Position Letter on SB 1127 (Chesbro): Salmon Fishing: Economic Aid**
REPORT: Letter, Legislation
PROPOSED ACTION: Authorize Commission President to Sign and Send Letter to Bill Author and Legislatures

Grenell requested this item be pulled from the agenda because the bill hadn't made its way to the Governor's desk. Item 6 was pulled from the agenda.

7 TITLE: **Bills and Claims in the Amount of \$248,556.70**
REPORT: Bills and Claims Detailed Summary
PROPOSED ACTION: Approval of Bills and Claims for Payment and a Transfer in the Amount of \$248,556.70 to Cover Payment of Bills and Claims

Action: Lundie advise that he had reviewed the Bills and Claims. Motion by Lundie, second by Tucker to approve the Bills and Claims for payment and a transfer in the amount of \$248,556.70 to cover payment of Bills and Claims. The motion passed.

Ayes: 5
Nayes: 0

Continued Business

8 TITLE: **License Agreement Amendment and Commercial Activity Permit for California Abalone Co.: Doug Hayes**
REPORT: Memo, Attachments
PROPOSED ACTION: To Be Determined

Grenell stated that Mr. Hayes was in the audience and available for questions and comments. Grenell has reviewed the license agreement and, if the Board chooses to approve Hayes's request, no revision of the Ordinance Code is needed, however, an amended license agreement is necessary and a Commercial Activity Permit (CAP). There are several implications and issues that impact policies along with a concern that the

Harbor does not become a floating market. Grenell advised he had discussed alternatives with Mr. Hayes such as land based retail sales.

Padreddii stated he thought granting the CAP permit would be beneficial because it would bring more people into the Harbor, which creates additional income.

Campbell asked if the Harbor would get paid retail and wholesale fees if approved. Grenell stated the CAP agreement would require Mr. Hayes to pay a retail rate and Mr. Hayes' license currently requires a base rent and a percentage of wholesale sales. Campbell asked what the fair market value is for abalone and Grenell advised that no determination has been made yet.

Mr. Hayes stated that the size difference and variations of abalone force him to sell by weight instead of per animal. Mr. Hayes said he wants to sell from his boat, but does not want it to be a "commercial" fishing boat. He is requesting to sell off an aquaculture boat. Parravano advised that the Fish and Game Department would require a "permitted" boat to sell off the docks. Parravano led a brief discussion of the origin of "off the boat fish sales" concluding that Hayes will need a Fishermen's Retail License to sell retail off the dock.

Tucker stated that "catch and sell" is the same to him as "harvest and sell". Tucker stated that selling abalone at the harbor would be a great asset. If Mr. Hayes complies with all other agencies regulations then Tucker supports the CAP.

Campbell stated she is sympathetic to the fishermen that initially began fish sales at the harbor. She sees this as an opportunity to expand the process in a limited way and at the same time help attract the buying public to benefit all the retail fishermen, the lessees, and bring new dollars to the harbor. Providing Mr. Hayes gets all the necessary permits, Campbell recommended approving the CAP for the first year and monitoring the impact. .

Cary Smith and Mike Bushnell supported approving the CAP citing constant inquiries about the availability of fish and the benefit of offering abalone as an additional product.

Padreddii supported the idea of trying it for a year.

Lundie expressed concerns that Hayes originally was going to exclusively sell wholesale to overseas markets, has not tried to market his harvest wholesale, and that help is available through the Small Business Administration to learn to sell wholesale. Lundie noted that calling a vessel an "aquaculture" boat is not one of the recognized types of boats, which are commercial, party and recreational. Hayes will need a recognized, permitted boat to sell off the dock. Lundie stressed that the Harbor Commissioners have always required "wild" retail product sales in the past (i.e. Wild versus Farmed). Lundie expressed his concern that approval of the CAP will lead to requests to sell farmed salmon or farmed oysters. Lundie does not support selling farmed abalone off a boat to the public.

Action: Motion by Campbell, second by Padreddii to conditionally approve a license agreement amendment and Commercial Activity Permit. The motion passed.

Ayes: 3
Nays: 1
Abstentions: 1 (Lundie)

Campbell acknowledged that the money issues need to be clarified and Mr. Hayes needs to sell from a boat.

9 TITLE: LAFCo Draft Municipal Service. Review: Review and Comment and Consideration of Special Commission Meeting
REPORT: LAFCo Draft Report and Staff Response
PROPOSED ACTION: To Be Determined

Grenell affirmed LAFCo's request for a special meeting of the Harbor Commission to be held on September 13, 2006 for review and comment on the final draft report, which is due that day. Tucker questioned the reasoning for a special meeting instead of the next regularly scheduled meeting held on September 20, 2006. Grenell stated LAFCo would reconvene the afternoon of September 20th, to make a determination on service review and sphere of influence.

By consensus, the Commission agreed a Special Meeting would not be held. The Commission had no further comment on the draft service review.

10 TITLE: Pillar Point Harbor Paving Contract: Acceptance, Recording of the Project, and Approval of Final Payment to Union City Construction
REPORT: Staff Report, Attachments
PROPOSED ACTION: Approve the Improvement Completed by Union City Construction as Part of the Pillar Point Maintenance and Rehabilitation Project, Phase II, and Authorize Staff to File a Notice of Completion With the County Recorders Office, and Approve a Total Final Payment of \$8,848.59 to Close the Contract.

Temko requested this item be moved to the September 20th agenda. Item 10 was moved to the September 20, 2006 agenda.

11 TITLE: **North Coast Divers Waiver of Liquidated Damages**
REPORT: Staff Report
PROPOSED ACTION: Waive Liquidated Damages in the Amount of \$2,600.00

Action: Motion by Tucker, second by Campbell to waive liquidated damages in the amount of \$2,600.00. The motion passed.

Ayes: 5
Nays: 0

12 TITLE: **Change Order Number 1 for Dutra Construction**
REPORT: Staff Report
PROPOSED ACTION: Approve Change Order No. 1 with Dutra Construction.

Temko stated that the contractors worked out a repair method for two pilings with unforeseen internal damage that enabled the wholesale fish buyers to remain open. Temko went over costs with Parravano and Tucker and they approved the immediate necessary repairs to the pilings.

Action: Motion by Tucker, second by Campbell to approve change order No. 1 with Dutra Construction in an amount not to exceed \$17,040.00. The motion passed.

Ayes: 5
Nays: 0

13 TITLE: **Suspend Hiring Freeze for One Deputy Harbormaster (A) Position at Pillar Point Harbor**
REPORT: Memo
PROPOSED ACTION: Approve Suspension of Hiring Freeze for One Deputy Harbor Master (A) Position at Pillar Point Harbor

John Draper spoke from the audience on his support for suspending the hiring freeze for one Deputy Harbor Master (A). Draper stated that boating activity has grown; people are coming from all over for fish, tours, and questions, and the Harbor Patrol is providing a high level of service. Losing a second Harbor Patrolman results in all the Harbor Patrol being overworked and crew morale being affected.

Randy Bankord spoke in support of suspending the hiring freeze for one Deputy Harbor Master A position agreeing with Draper's comments.

Cary Smith related his recent workday to the Board and the high level of customer services provided by the Harbor Patrol. He stated that morale is dropping because of the high stress level caused by increased responsibilities due to vacancies and he supported lifting the hiring freeze to boost morale.

William Smith of Riptide Sportfishing and Joanne Franklin of Ketch Joanne's added that the Harbor Patrol represents the Harbor to the rest of the world, they do a great job, and Pillar Point Harbor has never looked better.

Temko stated that being down 20% of Harbor Patrol staff has had an adverse affect on services provided.

Tucker explained that the hiring freeze was put in place because of the uncertainty in the District's financial future and stated he still supports the freeze, but that one Deputy Harbor Master from Oyster Point Marina may need to be shifted to Pillar Point.

Campbell added she concurs with Tucker, still supports the freeze, and wants to look into how we can change the way we work at the harbors. Campbell stated she appreciates the work the Harbor Patrol does and would support lifting the freeze to hire one Deputy Harbor Master A only. She advised that she would strongly consider supporting transferring an employee from Oyster Point Marina/Park if another vacancy occurs at Pillar Point Harbor.

Padreddii added that since Devil's Slide has opened and the public has returned, he supports suspending the freeze to fill one position.

Lundie agreed and added that the Board supported being down one person at Pillar Point Harbor, but not two positions.

Parravano added he understands the impact the second vacancy is having on staff and would like the Commission to take a look at how the District can address the challenges we are faced with.

Action: Motion by Lundie, second by Tucker to approve suspension of the hiring freeze for one Deputy Harbor Master (A) position at Pillar Point Harbor.

Ayes: 5
Nays: 0

14	TITLE:	CSDA Proposition 1B
	REPORT:	Proposition 1B information
	PROPOSED ACTION:	To Be Determined

Grenell recommended the District send a letter to CSDA since the proposition includes funding for harbors.

Action: Motion by Tucker, second by Campbell to authorize staff to prepare and send a letter in support of Proposition 1B. The motion passed.

Ayes: 5
Nays: 0

Reports for Possible Discussion/Action

Administration and Finance

15 General Manager - Grenell

Action:

Dock Gate Replacements & Repairs Project: Grenell stated that through the perseverance of Harbor Master Johnson, Oyster Point Marina Staff, and contractors in completing the dock gate replacements and repairs to fishing pier entrance that we are now ready for a ribbon cutting ceremony. Grenell suggested for Wednesday, October 11, 2006 in hopes for media coverage.

DBAW: Department staff said that roughly 1/3 of expenditures on a loan are for construction of non-revenue producing facilities such as breakwaters and restroom facilities. These portions of loans can be extended to 50 years. In working with Finance Director Schnapp, Grenell concluded that the implication for the District could potentially be roughly \$5.5 million to \$6 million, determined as an annual deduction of no more than \$300,000 to \$400,000 off the total.

Proposition 84: Grenell said this ballot proposition contains funding that may be available for water quality projects related to Capistrano Beach.

16 Director of Finance - Schnapp

Action:

LAFCo: LAFCo asked for a 5 year projection showing how we could repay the District's DBW debt. Schnapp did a 15 year cash flow projection that will be discussed with the Commission in future workshops.

17 Human Resources Manager – Wilkerson

Action:

Hiring Freeze: Wilkerson stated that she appreciated the Board suspending the hiring freeze. Indications of the District's staffing health relate to absenteeism, safety and worker's compensation claims, and grievances. Wilkerson has been tracking these topics and the District is stable.

Operations

18 Oyster Point Marina/Park - Johnson

Action:

Dredging: Johnson stated that we received approval of our sediment testing plan and credited Moffat and Nichol for obtaining approval in only a 5 minute meeting with Dredged Material Management Office (DMMO). Johnson added he hopes to start the dredging in April 2007.

Environmental Assessment for Breakwater: Johnson reported he has received a draft report from the Corps of Engineers that he will review with Grenell for response by September 15, 2006. Johnson concluded they are on schedule for Stage 1 (design and engineering) by the end of September.

19 Pillar Point Harbor – Temko

Temko had nothing to add to his written report.

Board of Harbor Commissioners

20 A. Committee Reports - None

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.

Lundie clarified that in the August 16, 2006 minutes, bottom of page 1, the Jones Claim against the District has now been rescheduled to September 20th in Closed Session to provide time for an insurance investigation. Lundie requested that Grenell clarify with Jones that the Commissioners' willingness to discuss the Jones Claim again is not specifically to reverse the Commission's decision to deny the claim as Jones mentioned in his recent letter. Lundie requested a chronological accounting of the events related to the Jones Claim to be reviewed in Closed Session on September 20th. Lundie requested that Legal Counsel provide guidance on the District's legal obligation to prevent a boat from sinking for Closed Session.

21	TITLE	Identify Real Property Negotiator Pursuant to Government Code §54956.8
	REPORT	Noeske
	PROPOSED ACTION	Identify Real Property Negotiator Peter Grenell

Linda Noeske, District Counsel, identified Grenell as the Real Property Negotiator.

Action: Motion by Tucker, second by Campbell to adjourn to Closed Session. The motion passed.

The Board recessed for break at 9:01 p.m.

Closed Session

22B TITLE: **Conference with Real Property Negotiator: Ketch Joanne Restaurant and Harbor Bar, Parcel 3, One Johnson Pier, Lessees Building, APN 047-083-060, Pillar Point Harbor, El Granada, San Mateo County Regarding Lease, Price, and Terms and Conditions Pursuant to Government Code Section §54956.8**
REPORT: Grenell
PROPOSED ACTION: To Be Determined

Parravano recused himself at 9:38 p.m. and left the room before the Commission took up Item 22A.

22A TITLE: **Conference with Legal Counsel- Existing Litigation: Raymond and Susan Flinn Pursuant to Government Code §54956.9(a)**
REPORT: Noeske
PROPOSED ACTION: To Be Determined

Noeske stated there was no reportable action from closed session.

Adjournment

Action: Motion by Lundie, second by Padreddii, to adjourn the meeting. Motion passed unanimously at 9:45 p.m.

The next regularly scheduled meeting will be held on September 20, 2006 at the Municipal Services Building, 33 Arroyo Drive, South San Francisco, CA 94083 at 7:00 p.m.

APPROVED BY:

ATTESTED BY:

P. Parravano

Theresa N. Hayes

Pietro Parravano
President

Theresa N. Hayes
Deputy Secretary