

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

**April 4, 2007
7:00 p.m.**

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

Roll Call

Commissioners

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

Staff

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

x- absent

Vice President Lundie conducted the meeting as Acting President

Public Comments/Questions- None

Staff Recognition- None

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calendar are approved by one motion unless a Commissioner requests at the beginning of the meeting that an item be withdrawn or transferred to the regular agenda.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

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|----------|-------------------------|--|
| 1 | TITLE: | Minutes of Special Meeting March 16, 2007 |
| | REPORT: | Draft minutes |
| | PROPOSED ACTION: | Approval |
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| 2 | TITLE: | Minutes of Meeting March 21, 2007 |

REPORT: Draft minutes
PROPOSED ACTION: Approval

- 3** TITLE: **Minutes of Special Meeting March 21, 2007**
REPORT: Draft minutes
PROPOSED ACTION: Approval

Action: Motion by Parravano, second by Padreddii to approve the consent calendar. The motion passed.

Ayes: 4
Nays: 0

Lundie stated Item 10 will be taken up next.

- 10** TITLE: **Commercial Activity Permit for Bud Mayfield to Operate an Uninspected Passenger Vessel, F/V Bubba, at Pillar Point Harbor**
REPORT: Application
PROPOSED ACTION: Approve Commercial Activity Permit for Bud Mayfield, F/V Bubba Conditioned on Prior Receipt of all Required Insurance and Other Documentation

Temko informed the Board that all documents have been received and staff recommends approval of the limited commercial activity permit for Bud Mayfield. Mike Velasquez, representing Mayfield, was present.

Action: Motion by Padreddii, second by Campbell to approve Item 10. The motion passed.

Ayes: 4
Nays: 0

Lundie stated that since there is so much interest in item 5 and several members of the public have shown up to speak on it that this will be taken up next. Lundie informed the audience that he and Parravano must recuse themselves from this item due to a conflict of interest.

At Campbells' request, Zafferano informed the audience that Lundie and Parravano must recuse themselves and Tucker is absent leaving only two commissioners, which is not enough for a quorum. (A quorum is at least 3). Zafferano concluded that anyone who wants to speak on item 5 can, but Campbell and Padreddii have been instructed that they can not make any comments or decisions tonight.

Grenell added that this item will be on every Agenda until the Commission finalizes the Budget in June. He added that minutes have been prepared for the Oyster Point tenants

meeting and Pillar Point Citizens Advisory Committee and tenants meeting. (Copies were passed out during the meeting).

Lundie and Parravano left the room at 7:10 p.m.

5 TITLE: **Revised Draft Preliminary Budget**
REPORT: Revised Draft Preliminary Budget
PROPOSED ACTION: To Be Determined

*The underlined sentences in the following discussion item are questions that were asked by the public speakers. An attachment to the minutes has been included to answer these questions.

Martin Kohlbry asked what the Commission has done with lack of occupancy at Oyster Point Marina/Park. (The Board was directed not to answer questions). Grenell stated that the Board has considered reducing berthing fees for the berth sizes that comprise the bulk of the vacancies; and the Board has also considered a marketing campaign which includes advertising on the website, newspapers and magazines along with coupons and promotional discounts. He added the possibility of giving existing Oyster Point tenants a promotional discount on berthing fees for every person they are able to bring into the Harbor.

Campbell informed Grenell that Tucker, at the last meeting, directed the marketing and promotion committee to meet at Oyster Point Marina/Park.

Kohlbry concluded that the lack of revenue at Oyster Point has a direct relationship to what the District charges at Pillar Point Harbor. He concluded that until the Board decides on what they will do at Oyster Point they should leave the rates alone at Pillar Point.

Robin King, who owns a boat at Pillar Point Harbor, stated that she is concerned with the drastic rate increases proposed in the draft preliminary budget. She said she has heard that if this proposal goes through that this would be the “final straw” and people in the Harbor will leave. King asked the Board to consider the lasting effects this will have on people’s lives, particularly the live aboards. King asked whether this proposed rate increase is to make up for the previous deficit of the District.

Campbell asked King what she perceives the proposed rate increases to be.

King said she understands that her slip will go up from \$237.00 to the high \$300’s and eventually surpass that. She asked what the reason is for such a drastic increase all at once. King added that this will change the whole character of the Harbor. She concluded that she appreciates the Harbormasters and feels they have done a great job.

Michele Marcy-Weber, Pillar Point Harbor tenant, stated that she is confused as to why the depreciation for both Harbors is exactly the same and would like to know why. Marcy-Weber also asked why the 71-berth project is being paid for by the tenants.

Zafferano stated that the purpose of a public comments session is not so much a question and answer session. He added that if staff is able to provide answers tonight they will, but if not they can provide them at a later time. Grenell added that answers to the questions will be provided in the minutes. (These answers are attached).

Marcy-Weber added that she would also like to know how the \$9,000,000 in reserves is being broken down. She concluded that she is opposed to a large rate increase.

Mary Sue Kelly, Pillar Point Harbor tenant, passed out a letter to the Board which she read for the record (a copy of this letter can be obtained at the Administration office). In her letter she asked what the plan for the cash reserve is and if there is a plan for both Harbors and how the debt problem fits into those goals. Kelly said she fears that the fishing fleet will soon lose any advantage of being based at Pillar Point and if they leave this will push out the fish buyers, processors and recreational fishermen. Kelly added that there is a need for a “slick campaign” to entice boaters to Pillar Point Harbor. She concluded that staff should take into consideration people’s lives who are involved with the budgetary problems of the District.

Al Linhares sells boats in the Harbor. He stated he understands there is a waiting list at Pillar Point Harbor but thinks the waiting list is predicated on the fishermen who come seasonally. He said he has been fortunate to work with Temko and Draper, Assistant Harbormaster. Linhares stated that it is tough to sell a boat when rates are so high and that the District needs to keep the people in the Harbor happy. He added that he understands the budget needs to be met, but the people in the Harbor have a budget too. Linhares concluded that he is against any rate increases.

Mike Giraudo, Secretary of Coastside Fishing Club, stated that a majority of his members fish out of Half Moon Bay. He stated that the club is shocked at the proposed rate increases. Giraudo added that the rate structure is “crafty.” He said that although he loves Pillar Point Harbor it is not Newport Beach. Giraudo did some research in surrounding Marinas on the bayside and informed the Board that the Marinas close to Oyster Point are all about the same price with similar amenities and doesn’t understand why the District would want to increase rates any higher. He added that citizens are upset about the proposed rate increase for overnight parking at Pillar Point Harbor. Giraudo suggested that the District take a look at what else they can do rather than “jack” the prices up because in the end the District may end up with less.

Bill Webb, Pillar Point Harbor tenant, stated he loves the Harbor and thinks it is managed well, but doesn’t know how much people can take as far as rate increases. He added that the commercial boats are bringing business into the Harbor. Webb stated that he doesn’t know how the salmon fishermen are making it now as it is and if the rates increase it will be bad. He concluded that if the rates go any higher he will be looking elsewhere.

Thomas Trayer, longtime fan of Pillar Point Harbor, “tipped” his hat to Temko and his crew for the way they manage the Harbor. Trayer stated that he has been on the waiting list for

Pillar Point Harbor for several years and pays \$25.00 a year to be on that waiting list and if the proposed increase becomes a reality then it doesn't make economic sense for him to have a slip at the Harbor. Trayer concluded that he would like to see the Harbor run better from a financial aspect and to better control how the money is spent.

Francis Young, Pillar Point tenant, said he has put a lot of money into the Harbor as far as rent fees and doesn't feel he has received much back for what he has paid for other than the new dock structure. He added that he has lost the ability to haul out his vessel and has had to pull out a propeller from his boat in the water. Young concluded that to "have to endure another rate increase would be intolerable," and he would like to see more incremental and reasonable increases in berthing fees.

Kevin Jensen, boat owner at Pillar Point Harbor and Coastside Fishing Club member, stated that he has no problems with the Harbor and it is a great place, but he can barely afford to keep his boat there now. He feels that he will be forced to only be able to keep his boat at the Harbor for 3 months out of the year if that is even acceptable. Jensen concluded that he is willing to do anything to help and hopes we can come to some type of an agreement.

Padreddii stated that an agreement is possible. Campbell added that it is not only possible, but probable.

Doug Laughlin, owns a boat at Pillar Point Harbor, stated that he agrees with everyone and that it would be cheaper for him to keep his boat in his driveway on a trailer than at the Harbor. He concluded that he hopes the Board reconsiders the proposed rate increases.

Padreddii thanked everyone for coming. He said the Board will take everyone's comments into consideration. He concluded that the questions asked by some members of the public will be answered in the minutes.

Temko thanked everyone for coming and for the positive feedback about his crew which he intends to share with them.

Zafferano thanked everyone for tolerating the legal requirements.

A recess was taken at 7:50 p.m.

Lundie resumed the meeting with item 6 at 7:56 p.m.

Continued Business

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| 6 | TITLE: | Status of Johnson Pier Rehabilitation Project |
| | REPORT: | Temko |
| | PROPOSED ACTION: | To Be Determined |

Johnson stated that a revised notice of intent has been handed out tonight. He added that staff is asking for a short review period of 20 days and a public hearing will be held at the next meeting on April 18th.

Action: Motion by Padreddii, second by Parravano to approve item 8. The motion passed.

Ayes: 4

Nays: 0

New Business

- 9** TITLE: **Limited Commercial Activity Permit for Flyathlon LLC at Pillar Point Harbor**
REPORT: Application
PROPOSED ACTION: Approve Limited Commercial Activity Permit for Flyathlon LLC

Temko stated that this is a flying club which flies to different locations and partakes in different events. They will have a catered lunch at the beach area in front of the Half Moon Bay Kayak Company and operations will be self-sufficient. Temko concluded that services from the District are not needed and the \$250.00 permit fee will be paid.

Action: Motion by Parravano, second by Campbell to approve item 9. The motion passed.

Ayes: 4

Nays: 0

- 11** TITLE: **Bills and Claims in the Amount of \$55,728.53**
REPORT: Bills and Claims Detailed Summary
PROPOSED ACTION: Approval of Bills and Claims for payment and a transfer in the amount of \$55,728.53 to cover payment of Bills and Claims

Padreddii informed the Board he has reviewed the bills and claims and found them in order. He recommended approval.

Action: Motion by Padreddii, second by Campbell to approve item 11. The motion passed.

Ayes: 4

Nays: 0

Reports for Possible Discussion/Action

Administration and Finance

12 General Manager - Grenell

Grenell informed the Board that pursuant to Board desires he has included his study session priority items in his regular staff report. He added that Parravano asked Grenell to bring more details to the Board about District staffing. He added that he has not yet been able to do that because of staff absences, but will do it for the next meeting.

Grenell informed the Board that Jim Anderson, Pillar Point fisherman, has passed out a letter that he and the fisherman are sending to Governor Schwarzenegger regarding their concern with the conduct of the Marine Life Protection Act and recommends the Board sign and mail it too. Parravano said he highly recommends sending the letter.

Grenell informed the Board of the meeting held on March 30th at the District Administration office with Admiral Conrad Lautenbacher, Under Secretary of Commerce and NOAA Administrator, which was put together by CMANC. He added that the Board has received a copy of a letter from CMANC to Lautenbacher which identifies concerns relating to the Sanctuary program. Grenell said he was told that if the District wants to do anything with amending the Sanctuary Act that the District go through its Congressional representatives. Grenell concluded the two main concerns of the meeting were fisheries management and Harbor dredging.

Lundie asked that since the Monterey Bay National Marine Sanctuary (MBNMS) has no jurisdiction on dredging inside the Breakwater except where it is disposed of, if the District disposes it on the beach are they out of the picture.

Grenell said they are out of the picture if it is disposed of on perched beach, but they do have jurisdiction over Surfer's Beach and also under law, the Sanctuary has the ability to act if anything flows from streams into Sanctuary waters that might have adverse affects on Sanctuary resources.

13 Director of Finance - Schnapp

Schnapp stated that she attended both tenant meetings at Oyster Point Marina/Park and Pillar Point Harbor and got a lot of positive feedback. She recommended having another meeting at Pillar Point Harbor as she spent a lot of time answering questions from the tenants there.

Campbell said she received a lot of phone calls and people were outraged with the presentation of the proposed rate increases.

14 Human Resources Manager – Wilkerson

Nothing further to add to written report.

Operations

15 Oyster Point Marina/Park - Johnson

Johnson informed the Board that occupancy is up.

He added that comments were made at the tenant meeting about the restrooms. Staff had already implemented repairs and maintenance prior to the meeting. One of the restrooms will need a new roof. Staff looked into the roof put on the Gatehouses but since it is high end material staff is recommending going with a less expensive roof with a 30 year life at a 1/3 of the price.

Campbell said that since the City of South San Francisco is taking over Oyster Point Marina/Park in less than 20 years that this was an appropriate decision.

Lundie asked what the advantages would be of federalizing the navigation aides. Johnson said it would save the District \$100,000.

16 Pillar Point Harbor – Temko

Temko informed the Board that the Radon patrol boat is done with its repairs and thanked Johnson and staff for helping launch it to get it back to Pillar Point Harbor.

Board of Harbor Commissioners

17 A. Committee Reports

Parravano stated that the lease negotiations committee (Campbell, Parravano) met and will give a report in closed session.

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.

Parravano thanked Grenell for hosting the meeting with CMANC and Admiral Lautenbacher. He added that it was good to share concerns with other Harbors that are in the jurisdiction of the MBNMS.

Padreddii asked Grenell if everything went well during the week he spent in Washington D.C. and did he talk to anyone about operations and benefits.

Grenell said he met with Congressman Lantos and Congresswoman Eshoo's staff. He added that the most important item on his trip was his meeting with USACE about the Oyster Point Breakwater project. The USACE has completed the design which would have been approved to move into construction at the level of the South Pacific Division; however, since January items like this have been elevated to Headquarters review which led to the approval being waived and the process to move ahead.

Grenell added that the District should be receiving a draft contract for review by Zafferano for the construction phase cost share, which is 80% federal and 20% Harbor District.

Lundie asked Temko if he has heard what is happening with the Mavericks event.

Temko said it looks as if it will not happen. Grenell said he has received an invitation from Mavericks to attend a thank you ceremony. Padreddii added that there was an article in the Half Moon Bay Review stating they have decided not to have the competition.

Lundie asked if anyone has heard anything about the 4th of July event.

Campbell said the coordinators of that event will possibly be asking the District to host an event at Pillar Point Harbor on June 16th to raise money for the 4th of July. Grenell said he will contact the coordinators for more information.

Temko said he has met with the agencies that coordinate the event and it looks like it is all in order.

Campbell asked if staff is going out for requests for proposals for a concept designer for the lessee building at Pillar Point Harbor.

Grenell said he will place an RFP item on the next Board meeting agenda for immediate action.

- 4 TITLE: Lease of Parcel 5, Lessees' Building, Pillar Point Harbor to Caffè Riace, Inc.**
- A. Declare Meeting Open: Acting President Lundie
 - B. Report of Notice Given: Grenell
 - C. Staff Report and Recommendation: Approve Lease Terms of Parcel 5, Lessees' Building, Pillar Point Harbor to Caffè Riace, Inc. Conditioned upon Approval of Final Lease Document by the Department of Boating and Waterways
 - D. Public Testimony:
 - E. Harbor Commission Questions:

- F. Close Public Testimony: Acting President Lundie
- G. Commission Deliberation:
- H. Recommended
 Commission Action: Approve Lease Terms of Parcel 5, Lessees' Building, Pillar Point Harbor to Caffè Riace, Inc. Conditioned upon Approval of Final Lease Document by the Department of Boating and Waterways

Campbell asked if the Board will have opportunity to discuss this further at another meeting. Grenell answered yes and stated that the process is that staff recommends the Board approve the lease terms tonight, with which Caffè Riace and Department of Boating and Waterways are ok. The next step will be to have a draft of the lease document go to Caffè Riace, Harbor Commission and DBAW.

Action: Motion by Parravano, second by Padreddii to approve item 4. The motion passed.

Ayes: 3
 Nays: 0
 Abstention: 1 (Campbell)

- 18** TITLE: **Identify Real Property Negotiator Pursuant to Government Code §54956.8**
- REPORT: Zafferano
- PROPOSED ACTION: Identify Real Property Negotiator Peter Grenell

Lundie identified Grenell as Real Property negotiator.

Action: Motion by Campbell, second by Lundie to move to closed session. The motion passed.

Ayes: 4
 Nays: 0

Closed Session

- 19** TITLE: **Conference with Real Property Negotiator: Median Strip, APN 047-262-010, El Granada, San Mateo County: Regarding Sale or Lease Price and Terms and Conditions Pursuant to Government Code Section §54956.8**
- REPORT: Grenell
- PROPOSED ACTION: To Be Determined

- 20 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
- 21 TITLE: **Conference with Real Property Negotiator: Parcel 5, 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

Open Session, Continued

There was no reportable action from closed session.

- 22 TITLE: **Amendments to Ketch Joanne Restaurant and Harbor Bar Lease**
REPORT: Amendments to Lease
PROPOSED ACTION: Approve Amendments to Ketch Joanne Restaurant and Harbor Bar Lease Conditioned Upon Approval of Amendments by the Department of Boating and Waterways

This item was put over to a future meeting to be determined.

Adjournment

Action: Motion by Parravano, second by Padreddii to adjourn the meeting. The motion passed unanimously at 9:20 p.m.

APPROVED BY:

Ken Lundie

Ken Lundie
Vice President

ATTESTED BY:

Theresa N. Hayes

Theresa N. Hayes
Deputy Secretary