

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

**March 1, 2006
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
X Sally Campbell, Commissioner

Staff

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

X Campbell 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.

New Business

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

Action: Motion by Tucker, second by Lundie to approve the Minutes of February 15, 2006. However, Commissioner Padreddii said he believed Lundie had been absent at that meeting. A discussion ensued. The Motion was approved by 3 Ayes, 1 Abstention. The Minutes will be placed on the March 15, 2006 Agenda for action.

Public Hearing —

Action: Jim Anderson asked that the Board consider putting up a plaque for Don Koblick in the new construction area of the 40-Berth and Haul-Out Project. The Board took it under consideration.

Harbor Master Temko acknowledged the Pillar Point Harbor Patrol staff for their handling of recent weather related issues and situations. He said they are short-staffed and had to save the *F/V Bella*, a cement boat, while it was quickly sinking in the middle of a storm. Commissioner Lundie also praised the Pillar Point staff for this endeavor.

Harbor Master Johnson recognized and thanked Karen Gleeson for her six years of outstanding service to the District. He said her Proclamation was very well received and thanked the Board. Padreddii asked about the status of her replacement. Johnson advised there is presently a temporary employee. Schnapp advised there is a temporary employee at both Harbors.

Continued Business

- | | | |
|---|------------------|--|
| 2 | TITLE: | Contract for Professional Consultant Services for Engineering for Oyster Point Marina/Park West Basin Maintenance Dredging with Moffatt & Nichol Engineers |
| | REPORT: | Staff Report |
| | PROPOSED ACTION: | Approve Proposal of Moffatt & Nichol Engineers and authorize General Manager or Designee to execute contract with Moffatt & Nichol Engineers in an amount not to exceed \$145,000.00 |

Action: Harbor Master Johnson led a discussion regarding his plan for dredging of the West Basin. He said competitive bids were not sought because of the potential for cost savings through a cooperative effort with the Water Transit Authority's (WTA) dredging for the proposed Oyster Point Marina/Park East Basin Ferry Terminal Project. He feels that Moffatt & Nichol's proposal is fair and appropriate, and that it would optimize the cooperative project with the WTA to use the same engineering firm. He stated the bid is competitive and that he had completed due diligence.

Tucker questioned whether the dredging should be completed at this time. Lundie wondered whether the dredging is necessary for operations whether or not the WTA project comes through. Johnson advised that the West Basin was last dredged in 1987 and that there are only two feet of water in certain areas during minus tides. He added that, for

the proposed Ferry Terminal development to meet its schedule of beginning operations in late 2008, the West Basin Dredging must commence prior to October 2006. He reported that the WTA is starting their dredging engineering and that packaging the dredging and construction is economical. The East Basin would take five to six months of actual dredging, and the West Basin would take approximately five months. The dredged material will be disposed of at Alcatraz. Moffatt & Nichol would be obtaining permits from Bay Conservation and Development Commission, the Regional Water Quality Control Board, Army Corps of Engineers, and Fish and Game.

Tucker asked where Johnson would get the money above and beyond the \$90,000 allocation in this year's budget. Johnson replied it would come from an interdepartmental transfer.

Motion by Padreddii, second by Tucker to approve the proposal of Moffatt & Nichol Engineers and authorize General Manager or Designee to execute a contract with Moffatt & Nichol Engineers in an amount not to exceed \$145,000.00. Motion carried by 4 Ayes, 0 Nays.

- | | | |
|---|------------------|---|
| 3 | TITLE: | Agreement for Professional Services for Construction Management for Oyster Point Marina/Park Gatehouse Project with Biggs Cardosa Associates, Inc. |
| | REPORT: | Staff Report |
| | PROPOSED ACTION: | Approve and authorize General Manager or Designee to execute Agreement for Professional Services for construction management with Biggs Cardosa Associates, Inc. in an amount not to exceed \$11,000.00 |

Action: Johnson reported that he had reached a tentative agreement to contract directly with Biggs Cardosa Associates (BCA) for a limited number of special inspections and engineering services on the Gatehouse Project. Johnson advised that his staff would work directly with both BCA and North Coast Divers to coordinate the work schedule and inspections to keep within the parameters of the proposal. The Harbor will maintain tenant services during the construction, as the gates on multiple docks will be removed.

Tucker asked who would inspect the welds and Johnson advised that his staff would except that BCA would inspect the structural welds.

Motion by Tucker, second by Lundie to authorize the General Manager or his Designee to execute an Agreement for Professional Services for Construction Management with Biggs Cardosa Associates, Inc. in an amount not to exceed \$11,000.00. Motion carried by 4 Ayes, 0 Nays.

New Business

- 4** TITLE: **San Mateo County “As Fresh As it Gets” Event**
REPORT: Wilkerson
PROPOSED ACTION: Approve Exploring a Harbor District event as part of the “As Fresh As it Gets” Program

Action: Acting General Manager Wilkerson referred to documents attached to her Staff Report, and asked President Parravano to speak about the “As Fresh as it Gets” Program.

Parravano advised that the Promotion and Marketing Committee would like the Board to approve exploring an event located at Pillar Point Harbor, as part of the San Mateo County “As Fresh as it Gets” program. He said the program is of economic, cultural, and nutritional importance to the Coastside.

Parravano reported that the program focuses on produce, flowers and fish, all grown coastally, and that it targets restaurants in San Mateo County, in order to get them to use these products.

Tucker asked about the cost and Wilkerson replied there was none to date. Parravano replied that they would like to begin events at both Harbors in 2007. Lundie and Padreddii expressed their support for the idea.

District Counsel Zafferano said there was a consensus to give staff authorization to look into the program further.

- 5** TITLE: **Co-Sponsorship of More Livable San Mateo County**
REPORT: Wilkerson
PROPOSED ACTION: Approve Co-Sponsorship of More Livable San Mateo County

Action: Acting General Manager Wilkerson told of an upcoming luncheon event that will be held on March 13, 2006, hosted by the San Mateo County Board of Supervisors. The event, named “More Livable San Mateo County,” is part of the “As Fresh as it Gets” program.

She explained that this is a free marketing and promotion opportunity because the Harbor District’s name and logo will be inscribed on a canvas bag along with other co-sponsors, at no cost.

Motion by Tucker, second by Lundie to approve Co-Sponsorship of More Livable San Mateo County, without any financial commitment. Motion carried by 4 Ayes, 0 Nays.

- 6** TITLE: **San Mateo County Harbor District Insurance Broker Services**
REPORT: Staff Report
PROPOSED ACTION: Authorize Acting General Manager to advertise and solicit Cost Proposals for Harbor District Insurance Broker Services

Action: Wilkerson advised she was seeking permission to solicit cost proposals for District Insurance Services.

Motion by Tucker, second by Padreddii authorizing Acting General Manager to advertise and solicit cost proposals for Harbor District insurance broker services including medical and dental coverage, and Worker's Compensation, etc. Motion carried by 4 Ayes, 0 Nays.

- 7 TITLE: **Limited Commercial Activity Permit (CAP):
K38 Open Water Rescue Training**
REPORT: Application, Memo and Attachment, Commercial
Activity Permit
PROPOSED ACTION: Approve Commercial Activity Permit;
Waive permit fee

Action: Temko requested that this Item be postponed.

- 8 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:

Jim Anderson of the California Salmon Council
Peggy Beckett of Huck Finn
Bob Franko of the Coastside Fishing Club
Tom Mattusch, Owner/Operator, Charter Boat, F/V: *Huli Cat*
William Smith of Riptide Sportfishing
Craig D. Wood of the Coastside Fishing Club

President Parravano opened the discussion by providing background information. He said that salmon fishing, which begins in May and runs through September, could be banned or severely restricted during the summer of 2006, on the coastline from Northern Oregon through Central California. There would be no commercial fishing allowed north of Point Sur. This is as a result of a recommendation from the Pacific Fishery Management Council (PFMC), headquartered in Portland, Oregon, who reported that spawning salmon are expected to miss mandatory conservation minimums in the Klamath River.

Parravano stated that these restrictions or ban are the most drastic threat facing the Harbors and fishing industry. Parravano opened the floor to the members of the fishing community that were present and posed the question of what the Commission could do to assist.

Bob Franco spoke of the Ticehurst Plan, developed by Darrell Ticehurst, in conjunction with Roger Thomas. The plan proposes to suspend the 35,000 “natural spawner” requirement in the Klamath River for 18 months and to establish a season similar to that of 2005 for both recreational and commercial fishing. The Legislature can enact an “economic disaster” clause and suspend any action regarding salmon for 18 months. This would provide the PFMC with the opportunity to revisit their management strategy for the Klamath Chinook Salmon fishery.

Mr. Franco advised that the PFMC would be discussing the proposed severe restrictions to the upcoming 2006 Salmon Season at their meeting in Seattle, Washington from March 5 through March 10, 2006, and at their meeting in Sacramento, California between April 2 through 7, 2006.

Mr. Franco thanked Pillar Point Harbor staff for holding several events geared towards children and thanked the Commission for all they do for the fishing community.

Commissioner Tucker proposed and discussed the problem from an economic standpoint.

Craig Wood of the Coastside Fishing Club stated these restrictions pose serious quality of life issues and endanger the family tradition behind the fishing industry.

Tom Mattusch, Charter Boat Owner/Operator, projects that if the salmon season is shut down, the entire industry could be curtailed. He emphasized the serious impact curtailment of the salmon season would have upon coastal businesses from Point Sur to the State of Washington, including restaurants, retail shops, motels, etc.

Mattusch asked for a letter of economic interest from the Board to support a long salmon season. He requested the Board support suspension of the “natural spawner” requirement on the Klamath for 18 months.

William Smith of Riptide Sportfishing reported this is the third year the Klamath River is not meeting the required 35,000 “floor” but that these have been the biggest years for salmon fishing. He advised that, if the 35,000 continued to not be met, the Endangered Species Act could be enacted, which would result in a crisis and devastate small businesses and the coast in general. He suggested lowering the cap from 35,000.

Peggy Beckett of Huck Finn echoed the sentiments of the other speakers. She added that there is a very real sense of urgency. She said such restrictions occurred in Westport, Virginia, and the fishing industry and shops were forced out of business and the town shut down. She said it would likewise be devastating to local businesses here. She requested that this subject be Agendized again before April since the PFMC was meeting in March and again in April. She suggested that the definition of “over fishing” needs to be rewritten because, as it now stands, when the public hears the term, they think only of the commercial fishing industry. She thanked the Commissioners for allowing them to be a part of the 40-Berth and Haul-Out Committee meeting earlier in the day.

Jim Anderson of the California Salmon Council addressed the Board in support of all statements made. He advised that he was trying to obtain funding for a haul-out feasibility study.

Jim Anderson also mentioned that Sara at the Institute for Fisheries Resources (IFR) is putting together documents to fight the restrictions, as are Keet Nerhan and the gear stores, fuel docks, etc., to bring to light the environmental/socioeconomic impact. He said there is a timeline because of when the PFMC is meeting.

Lundie pointed out that going south of Point Sur is risky because the coastline is dangerous and the area is notorious for bad weather.

Commissioner Tucker said that, between now and the April 4 meeting, the Board can get the first letter to the PFMC stressing the economic issues.

The Board was in agreement to take immediate action in the form of writing letters. Tucker and Lundie advised to write the letters from an economic standpoint.

Commissioner Tucker suggested the Board write two letters, drafted by General Manager Grenell, one to the President/Chair of the PFMC with a copy to the 13 other members taking the economic stance. The second he suggested was an early warning to Senator Feinstein, with copies to Eshoo, Lantos, Boxer, Speier, regarding the general economic fall-out.

Motion by Tucker, second by Lundie to authorize General Manager or his Designee to write letter on behalf of Board expressing opposition to the proposed severe restrictions to the upcoming 2006 salmon season. The Commissioners advised Acting General Manager Wilkerson to contact General Manager Grenell the next day. Motion carried by 4 Ayes, 0 Nays.

9	TITLE:	FY 2006-07 Operating and Capital Budget Workshop #1
	REPORT:	Draft Preliminary Budget
	PROPOSED ACTION:	To be determined

Action: Schnapp presented information. In addition, she advised that she would present the Preliminary Draft Budget at the March 15 Board Meeting.

She advised that projects slated for carryover from the prior year total approximately \$5 million. Tucker asked whether the \$5 million includes the money paid back to the Department of Boating and Waterways (DBAW). Schnapp said that it does not. He asked about the projected loss of \$550 thousand for this year's budget and whether that loss included the December 2006 payment to DBAW. Schnapp responded that it did include the additional \$1.5 million dollar payment to DBAW. She also stated that the one

caveat for the 2006/2007 budget was that it was an austere budget. There were no new capital projects budgeted for 2006/2007 as well as no room for any unplanned expenses in the Budget at all.

Tucker asked whether the conclusion was that, in two years, the District's unrestricted cash would be below \$3.0 million. Schnapp responded in the affirmative. She indicated that the District has the opportunity affect changes at this point. She said most of the carryover projects are for deferred maintenance. She advised that cash flow timing is a factor. Tucker stated that, from Schnapp's figures, the District would have no cash left by the end of 2008 unless action was taken.

The Board and Harbormasters began discussing the various projects in progress and their fiscal ramifications. Harbormaster Johnson mentioned the Launch Ramp Reconstruction Project. He said the upper portion concerns the bottom trailer parking lot including the turn-around around the Bait Shop and the launch ramp reconstruction itself. He said the East Basin Parking Lot is the area between the boats and that lot, of which \$828,000 is funded by grants.

Harbormaster Temko advised he went out to bid and would get hard figures for the entire Johnson Pier Rehabilitation Project. There were only two firms were present at the mandatory pre-bid conference: Dutra Group and Power Engineering Contractors, Inc., despite there being 15 plan holders. He advised that one of the pre-bid questions was that, if the project comes in over budget, would the Harbor consider proceeding with part of the project, and he answered yes; he could do the deck surface work but not the pile repair. He said he could restructure it to be completed it in two phases, or could rebid it, but that there are safety concerns, such as with the Romeo Pier. He said the construction period on the deck is to run from September 1st through October 31, 2006. Temko advised he would come before the Board with the lowest responsible bid. He requested that the Board consider the bids before deciding to rebid.

Regarding the riprap repair, Temko advised it is falling away from the bank, migrating into the bay, and exposing the edge of the Harbor and dirt filled bank. He advised the project was budgeted and that he wants to proceed at least with the engineering phase so the District would be aware of what the construction would cost.

Schnapp reported that there was a \$20,000 grant for the Pillar Point Interpretive Signs Project and suggested that the District complete the project only up to the amount of the grant, as opposed to \$60,000 proposed.

Johnson said the Breakwater Reconfiguration Project would not move forward until the WTA project was near its completion. He reported that the project would run \$777,000 but that \$400,000 was for design and engineering. He indicated that the East Basin Parking Lot Paving Project could be deferred until the end of the WTA project, because they were slated for 50 percent of the parking lot, or that perhaps there could be potential of alternative funding.

The subject of patrol vessels was addressed. Temko advised he wants to have two boats available at Pillar Point Harbor so that one would always be operational so as not to compromise Search and Rescue operations because of breakdowns. He advised that serious staff training time is necessary before the new boat is ready to be used as a primary rescue boat.

Johnson advised that Oyster Point presently has the Fletcher, Pump-Out Boat, and the Boston Whaler but that the Fletcher is no longer functional, and will not be put back into the water. He said the Pump-Out Boat is marginally functional. He said the Coast Guard opened its Super Fund and hired Parker Diving and Petrol Chemical for a federally documented boat.

Johnson advised that the WTA wanted to remove 135 berths from Oyster Point Marina/Park, and that this would reduce revenue from Oyster Point Marina that has not been projected in the 2006/2007 Budget.

Schnapp and Tucker discussed the 40-Berth and Haul-Out Project and that it was the only project to potentially produce revenue. Tucker thanked Schnapp for the hard work she had put into the budget. Schnapp advised that the Board should rank projects in terms of what the District needs to do immediately; e.g., Johnson Pier.

Schnapp concluded by indicating that the District's own cost index is increasing at an average of 6.6 percent per year versus the District revenue increasing at 4 percent (2% for CPI plus an additional 2 percent). Therefore the District's net revenues continue to lose ground.

Commissioner Tucker concluded that, if there only be \$800,000 in unrestricted cash remaining at the end of December 2007, he wanted the District to bring that balance up to \$2 million. He said going from \$2 million down to \$800,000 is unacceptable and that the District somehow had to postpone or cancel enough projects to come up with the additional \$1.2 million.

Schnapp will give the Board a summary version of the budget at the March 15 Meeting. There was discussion regarding the April 19 Budget Workshop.

10 TITLE:	Bills and Claims in the Amount of \$199,374.48
REPORT:	Bills and Claims Detailed Summary
PROPOSED ACTION:	Approval of Bills and Claims and a transfer in the amount of \$199,374.48 to cover payment of Bills and Claims

Action: Padreddii advised that he reviewed the Bills and Claims. He advised that there is an amount included for Election installment. Motion by Padreddii, second by Tucker to approve the Bills and Claims in the amount of \$199,374.48 and a transfer in the amount of \$199,374.48 to cover payment of Bills and Claims. Motion carried by 4 Ayes, 0 Nays.

Reports for Possible Discussion/Action

Administration and Finance

11 General Manager — Grenell

Action: Acting General Manager Wilkerson mentioned a meeting regarding the Burnham Strip on March 14 at 10:00 a.m. before the San Mateo County Supervisors. She advised that Local Agency Formation Commission (LAFCO) is still drafting reports.

12 Human Resource Director — Wilkerson

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

13 Director of Finance — Schnapp

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

Operations

14 Oyster Point Marina/Park — Johnson

Action: Johnson expressed concern regarding purchasing a new Patrol Vessel and said he was waiting until after this evening's meeting to order. Commissioner Tucker advised Harbor Master Johnson to order the vessel. President Parravano suggested perhaps purchasing a used boat. Johnson said he will research a used Radon boat versus the Boston Whaler Challenger from Brunswick.

Johnson brought up sail boat races that he had attended and that he is moving to the next stage of marketing to bring them to Oyster Point Harbor.

15 Pillar Point Harbor — Temko

Action: Temko stated he had nothing to add to his written report.

Board of Harbor Commissioners

16 A. Committee Reports

Promotion and Marketing Committee

Action: Commissioner Parravano advised that this was previously addressed.

40-Berth and Haul-Out Committee

Action: Commissioner Lundie advised that this Committee held its meeting earlier in the day at Pillar Point Harbor including Harbor Master Temko and three representatives from the firm of Winzler and Kelly. Lundie said it was a very productive meeting and that there was a good exchange of ideas.

Immediately following, there was another meeting, including party boat operators, community fishermen, Keen Nerhan, Jim Anderson, Peggy Beckett, and Duncan MacLean, and that they were all very pleased to have been included at the earliest stage.

Tucker advised that the Committee would meet within a month to six weeks.

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: There was a discussion led by Lundie who had been contacted by Mrs. Pollard regarding her husband, Larry Pollard, a former Commissioner. His wife requested that the Board issue a Proclamation in his memory and place a memorial bench with a plaque above the hoist, near the launch ramp by the ice plant.

Parravano asked permission for the Board to write a letter to the Admiral of NOAA thanking them for the good work that the National Weather Service did regarding the San Francisco Bar Forecast.

Parravano reported that he and Temko had worked with the Weather Service Marine Users Group (MUG) and the National Oceanic and Atmospheric Association (NOAA). MUG and NOAA had been instrumental in bringing the BAR forecast for the San Francisco entrance channel and changing the criteria used for establishing small craft advisories.

Tucker thanked everyone involved with the sale of the firehouse property in El Granada.

Closed Session — None

Adjournment

Action: Motion by Tucker, second by Padreddii to adjourn the meeting. Motion carried by unanimous vote at 9:45 p.m.

APPROVED BY:

ATTESTED BY:

Pietro Parravano
President

Michele Shahrok
Deputy Secretary