

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

**May 16, 2007
7:00 p.m.**

**Municipal Services Building
33 Arroyo Drive
South San Francisco, CA 94083**

Roll Call

Commissioners

James Tucker, President
Ken Lundie, Vice President
Leo Padreddii, Treasurer
x 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

Public Comments/Questions - None

Staff Recognition - Grenell recognized the Oyster Point crew in connection with the performance testing of applicants for a Deputy Harbormaster A certified list. He said they did an excellent job. Grenell recognized Hayes for preparing the written test materials and Wilkerson for overall supervision of the entire process.

Johnson expressed gratitude to Temko, Assistant Harbormaster John Draper, Deputy Harbormaster Randy Bankord and Zach Campbell for attending the Fishing Derby at Oyster Point Marina/Park. Campbell caught a fish for the Harbor patrol.

Temko added that the Oyster Point crew did a great job and it was an excellent event.

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calendar are approved by one motion unless a Commissioner requests at the beginning of the meeting that an item be withdrawn or transferred to the regular agenda.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 May 2, 2007**
REPORT: Draft minutes
PROPOSED ACTION: Approval

- 2 TITLE: **Cancellation of July 4, 2007 Board Meeting**
REPORT: 2007 Calendar
PROPOSED ACTION: Approve Cancellation of July 4, 2007 Board Meeting

Action: Motion by Parravano, second by Lundie to approve Item 1 and 2. The motion passed.

Ayes: 4

Nays: 0

Public Hearing –

- 3 TITLE: **West Basin Dredging: Negative Declaration and Notice of Determination**
 - A. Declare Meeting Open: President James Tucker
 - B. Report of Notice Given: Grenell
 - C. Staff Report and Recommendation: Adopt Resolution 13-07 and to Make Finding of No Significant Impact, Certify Negative Declaration and Authorize Filing of A Notice of Determination
 - D. Public Testimony:
 - E. Harbor Commission Questions:
 - F. Close Public Testimony: President James Tucker
 - G. Commission Deliberation:
 - H. Recommended Commission Action: Adopt Resolution 13-07 and Make Finding of No Significant Impact, Certify Negative Declaration and Authorize Filing of a Notice of Determination

Grenell informed the Board that this item is back on the Agenda after having been previously approved by the Board because staff anticipated a 20-day shortened CEQA review period which had been denied, therefore this item needs new action.

Lundie asked why the 20-day shortened review period was denied. Grenell said he was not sure why, but that the State Clearinghouse said that it was an oversight on their part not to inform the District.

Action: Motion by Lundie, second by Padreddii to approve Item 3. The motion passed.

Ayes: 4

Nays: 0

Continued Business

- | | |
|------------------|--|
| 4 TITLE: | Preliminary Budget Including Multi-Year Rates and Fees Schedule |
| REPORT: | Memo, Preliminary Budget |
| PROPOSED ACTION: | To Be Determined |

Lundie and Parravano recused themselves and left the room at 7:06 p.m.

Grenell informed the Board that staff has searched through the budget line item by line item and found a potential for \$97,000 in reductions. This includes a \$59,000 reduction at Pillar Point Harbor, a \$19,700 reduction at Oyster Point, a \$15,900 reduction in Administration and a \$2,200 reduction in Harbor Commission. Items for potential reductions include travel, seminars, memberships, office supplies, vessel destruction, facility fixtures, small tools, advertising, and contractual services, and there may also be possible projected overtime expense reductions.

Grenell said staff has also looked into new revenue. Upon DBAW approval, a new restaurant lease at Pillar Point Harbor could potentially bring over \$50,000 per year. Additionally a previously approved license and commercial activity permit to sell abalone at Pillar Point Harbor and a possible lease with Half Moon Bay Kayak Company will help generate new revenue.

Francis Young, a Pillar Point berther said he supports the 4.5% increase in rates that was put forward by the Association of Berthers at the last meeting. He said he has heard that if there is anything other than a 4.5% increase, there will be a potential petition for a recall of Commissioners.

Mike Girauda, Secretary of Coastside Fishing Club and Pillar Point berther, said he has been meeting with Pillar Point residents in between Harbor Commission meetings on this issue and says he supports a 4.5% increase. Girauda encouraged the Board to look into “top heavy” management. He added that he likes what has been proposed at Oyster Point and the new

restaurant at Pillar Point. He concluded by asking the Board to take a real good look at how they can keep the increases at 4.5%.

Bruce MacKimmie, a Pillar Point berther, stated that he was not happy to be at the meeting standing in front of “well paid” Commissioners to fight a rate increase. He said he has his boat in the water, but will pull it out of the water and make it a “rolling billboard” against the Harbor Commission if they go above 4.5%. He asked that the Board “take care of business, cut some fat” and keep the increases at 4.5% and if they don’t there will be a “giant uproar.”

Steve Dillion, Pillar Point berther stated that he supports a 4.5% increase in rates and fees.

Bernie Eleria, a sport fisherman, stated that there are no winners whether there is a 4.5% increase or a 10% increase. He suggested that the Board postpone the increases until the construction and dredging at the Harbors are completed. Eleria said there is no point to increase fees if the Harbors aren’t fixed. He asked that the Board fill up the vacancies at Oyster Point and once revenue generates then a rate increase would be fine.

Jim Welsh, a Pillar Point resident, stated that he supports the 4.5% increase. He recommended that the Board look at not only administration but also outside of it.

Carmie Newcomb stated that she really dislikes being at the meetings year after year saying the same thing over again. She said that although they have to fight the same battle, when this is the “Board’s job,” it has brought the community together. Newcomb stated that although the Board did come down from 29% to 12% she feels that no real cuts have been made. Newcomb requested an extension for time before the June 20th final vote on the budget because every time she attends a Board meeting there is a new draft budget. She questioned when the Board receives their copy of the draft budget. (The Board receives their complete Board packet the Friday prior to the meeting.)

Tucker informed Newcomb that the previous proposed rate increase was more like 20% and that was just a staff recommendation. He explained that the budget process is for the Commissioners to receive input from the community and evaluate it against what staff is recommending. Tucker added that a budget is not set in concrete, and it is an on going process.

Michele Marcy-Weber, a Pillar Point berther said she supports the 4.5% increase and would like the Board to stick with the \$30 live aboard increase approved last year. She added that the Harbor District has higher live aboard rates then any other facility in the Bay area. Marcy-Weber asked the Board when there will be a firm budget.

Tucker said the budget is a draft until June 20th when it will actually be voted on. He said by that time the budget has been set, staff has made their recommendations and comments will have been heard at the public hearing on June 20th.

Marcy-Weber asked how she and other members of the public can see these numbers before June 6th. (The Budget is available on the District website).

Grenell said there will be a tenants meeting on May 29th at the Half Moon Bay Yacht Club. Copies of the updated budget will be available including the cuts mentioned tonight and any others reductions staff finds before then.

Marcy-Weber asked the Board why they deviated from the 2002 business plan. Tucker stated that the District deviated only by enhancing it. Marcy-Weber suggested contracting with outside consulting services for human resources and an accountant.

Grenell stated his concerns that people may be lacking adequate information of the extent of work the Administration unit does and the impact it has on the District. He added that he would speak at length with anyone about the job duties and descriptions of the administration unit.

Claudia Schroeder, a Pillar Point resident, stated she supports the 4.5% and it is reasonable. She said she and her husband Al Linhares love the Harbor and the community. Schroeder added that the proposed fees are outrageous in comparison to surrounding Harbors. She added that it's not reasonable and not acceptable. Schroeder said the live aboards are an important part of the community and feels they are being undervalued. She suggested that the Board work together with the Harbor District residents to work on the debt problem. Schroeder requested that the budget be put on the District website.

Guy Gilchrest stated that he has gone over the budget, line item by line item. He handed out a list of questions to staff for response.

Mary Sue Kelly, a Pillar Point resident stated that she has heard that the California Water Commission (Department of Boating and Waterways) suggested a 4% raise, (it was 4% plus Consumer Price Index) which is what the Harbor District residents are agreeing to and doesn't understand why the Board isn't. She added that she would hate to see cuts made within the patrol and suggested making cuts in administration.

Temko said that the Pillar Point Harbor patrol has received a lot of compliments and they appreciate that. Temko added that the Harbor District is an organization and they can not do their jobs without the administration unit and its Board members. Temko stated that he supports a 6% rate increase. He concluded that the District can achieve their goals with a 6% increase on top of cuts. Temko passed out a proposal.

Tucker thanked the audience for taking the time out to attend the meeting. He said their thoughts and comments will be taken into consideration.

No action was taken.

Lundie and Parravano re-entered the room.

- 5 TITLE: Restaurant Lease for Francesco Carrubba dba Caffè Riace Inc. for Parcel 5, Lessees' Building, Pillar Point Harbor**
- REPORT: Memo, Lease, Resolution 14-07
- PROPOSED ACTION: Adopt Resolution 14-07 to Approve Lease with Francesco Carrubba dba Caffè Riace Inc. for Parcel 5, Lessees' Building, Pillar Point Harbor and Authorize General Manager to Execute Lease Agreement Conditioned Upon Prior Approval of DBAW

Tucker stated that this item would be put over until the June 6th meeting.

- 6 TITLE: Project Cooperation Agreement (PCA) Between the Department of the Army and the San Mateo County Harbor District for Design and Construction of the Oyster Point Harbor Project**
- REPORT: Memo, Agreement, Resolution 15-07
- PROPOSED ACTION: Adopt Resolution 15-07 to approve PCA Between the Department of the Army and the San Mateo County Harbor District for Design and Construction of the Oyster Point Harbor Project and Authorize General Manager to Execute the Agreement

Grenell informed the Board that this agreement is to cover the District's participation with USACE in the Oyster Point Breakwater project. It covers the construction phase of the project which is estimated to start in September.

Action: Motion by Padreddii, second by Lundie to approve Item 6. The motion passed.

Ayes: 4
Nays: 0

- 7 TITLE: Amendment No. 3 to Federal Cost Share Agreement (FCSA) with USACE for Oyster Point Marina/Park Breakwater Reconfiguration Project**
- REPORT: Memo, Amendment, Resolution 16-07
- PROPOSED ACTION: Adopt Resolution 16-07 to Approve Amendment to FCSA with USACE and Authorize General Manager to Execute Amendment in an Amount Not to Exceed \$145,604.50

Grenell informed the Board that this agreement refers to the last part of design and engineering work that precedes the construction of the Oyster Point breakwater project. Grenell said it was determined that additional work needed to be done which has been itemized in his staff report. He added that this needs to be approved in order to close out the initial phase and move to construction. Grenell concluded that 100% of this project will be reimbursed by the Water Transit Authority (WTA).

Parravano asked what assurance the District has that the WTA will reimburse the District.

Grenell said that a draft contract in the form of a lease has been given to the WTA, but expects negotiating will be concluded after ferry terminal design is completed to 35%. He added that he, Campbell and Padreddii attended an Oyster Point Liaison Committee meeting with representatives from the City and WTA where an understanding was reached that the entire breakwater project will be reimbursed by WTA.

Parravano asked that the City of South San Francisco be notified of this amendment and if the agreement and resolution can be amended to say that the WTA is responsible for reimbursement in its entirety.

Tucker said he doesn't think the District can do that because the WTA is a third party and there is not a final agreement yet. He added that this needs to be taken on faith and that he is confident that the District will get reimbursed.

Padreddii said that the WTA gave assurance at the Oyster Point Liaison Committee meeting that they will reimburse the District. Padreddii added that if they don't, the District can cancel the project.

Action: Motion by Lundie, second by Padreddii to approve item 7. The motion passed.

Ayes: 4

Nays: 0

- 8 TITLE: Oyster Point Marina West Basin Dredging Project: Plans and Specifications and Bid Notification**
REPORT: Staff Report, Attachments
PROPOSED ACTION: Approve Plans and Specifications and Authorize General Manager to Issue Sealed Construction Bid Solicitation Notice

Johnson informed the Board that Moffatt and Nichol Engineers have completed technical specifications and plans for the West Basin Dredging project and staff is recommending approval of the documents. He added that there is no fiscal commitment except for advertising expenses.

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

Ayes: 4

Nays: 0

URGENCY ITEM: 1

- 1 TITLE:** Limited Commercial Activity Permit for Post 474 July Fourth 2007 Fireworks Display
REPORT: Memo, Attachments
PROPOSED ACTION: Approve Limited Commercial Activity Permit for Post 474 July Fourth 2007 Fireworks Display

Action: Motion by Parravano, second by Lundie to add urgency item 1 to the Agenda. The motion passed unanimously.

Grenell informed the Board that approval of the limited commercial activity permit needs to be done now because the Monterey Bay National Marine Sanctuary will not issue a permit to the Post until the Harbor District does. He added that reason for the urgency is that the permit process through the MBNMS takes 45 days.

Action: Motion by Lundie, second by Padreddii to approve Urgency Item 1. The motion passed.

Ayes: 4

Nays: 0

URGENCY ITEM: 2

- 2** TITLE: Provisional Indemnification Agreement Between San Mateo County Harbor District and City of South San Francisco regarding U.S. Army Corps of Engineers’ Oyster Point Marina/Park Breakwater Reconfiguration Project
- REPORT: Memo
- PROPOSED ACTION: Conceptual Approval of Provisional Indemnification Agreement Between San Mateo County Harbor District and City of South San Francisco regarding U.S. Army Corps of Engineers’ Oyster Point Marina/Park Breakwater Reconfiguration Project

Action: Motion by Parravano, second by Lundie to add urgency item 2 to the Agenda. The motion passed unanimously.

Grenell informed the Board that this item gives USACE greater assurance to be indemnified because the possible termination of the Joint Powers Agreement in 2026 could leave the Corps hanging.

Grenell stated that the Corps did not feel the JPA language was adequate and suggested that the City of South San Francisco become a co-signatory in the PCA. Grenell informed the Corps that the process would take too long and the construction phase would be missed.

He recommended that the Board approve this agreement for the purpose of showing the City that the District is prepared to stand behind this project.

Action: Motion by Padreddii, second by Lundie to approve Urgency Item 2. The motion passed.

Ayes: 4

Nays: 0

New Business

- 9** TITLE: **Purchase of Hydro Hoist for Oyster Point**
- REPORT: Memo
- PROPOSED ACTION: Approve Purchase of Hydro Hoist from Fat Cat Sales in an Amount Not to Exceed \$12,500

Johnson stated that during a recent tour of Oyster Point Marina with the Promotions and Marketing Committee (Campbell, Parravano) there was discussion of possibly purchasing a hydro hoist. He added that shortly after, there was a request from a tenant to rent a hydro hoist.

Gilchrest stated that he thinks it's a great idea for possibly luring in new tenants.

Johnson said that staff is strictly focusing on smaller boats as that is the majority of vacancies at Oyster Point Marina. He added that this is a new idea for the San Francisco Bay proper. Currently, hydro hoists are used in the Delta.

Johnson said that there is a potential gamble that possibly in two years he will have equipment occupying a berth that he will not be able to fill. Johnson concluded that he has spoken at length with management and has their support.

Tucker asked Johnson if approved, where he will get the \$12,500 from. Johnson said Oyster Point has a harbor and marina equipment budget.

Parravano asked Johnson to elaborate of the idea of the hydro hoist.

Johnson said the hydro hoist is specifically to have on the water dry storage where a vessel can be lifted completely out of the water. This will reduce maintenance costs.

Parravano stated that this would add \$150 to a renter's monthly bill. He questioned whether a tenant would actually support this, since it is an unknown commodity in the Bay.

Johnson said that he currently has five tenants who own hydro hoists. Johnson said this is strictly a marketing incentive to offer new tenants who may have just spent a large amount of money on a boat and don't have the funds for a hydro hoist. The program would be a month to month rent with a recommended one year lease. Johnson added that there is opportunity for the District to act as a representative for Fat Cat Sales and make a percentage of sales to its tenants.

Tucker said that at \$150 per month it would take seven years to capitalize.

Schnapp stated that this is for a new tenant. The incentive for the hydro hoist might help entice new tenants which would fill up vacancies at Oyster Point and generate berth revenue. Schnapp added that a new tenant would take three years to capitalize.

Tucker said an existing tenant would take seven years to capitalize.

Lundie stated that he is not opposed to the idea of a hydro hoist, but he feels that if a tenant wants a hydro hoist it should be solely their responsibility.

Johnson added that this is a promotional opportunity with a long pay back period. Johnson concluded that there is potential for economic loss to the District due to the possibility that in two years he may be faced with equipment he can not off load, but staff does support the idea.

Action: Motion by Tucker. This item failed due to lack of a second. The motion failed.

- 10 TITLE: Bills and Claims in the Amount of \$150,328.52**
REPORT: Bills and Claims Detailed Summary
PROPOSED ACTION: Approval of Bills and Claims for payment and a transfer in the amount of \$150,328.52 to cover payment of Bills and Claims

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

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

Ayes: 4

Nays: 0

Reports for Possible Discussion/Action

Administration and Finance

11 General Manager - Grenell

Nothing further to add to written report.

12 Director of Finance - Schnapp

Nothing further to add to written report.

13 Human Resources Manager - Wilkerson

Nothing further to add to written report.

Operations

14 Oyster Point Marina/Park - Johnson

Johnson thanked Campbell and Padreddii for attending the Oyster Point fishing tournament over the weekend. He said there were 92 participants. The winner caught

a 116 pound seven gill shark. Johnson added that Campbell's grandson Zach caught a 10.1 pound leopard shark for the Harbor patrol. He concluded that it was a very successful day and very well received.

15 Pillar Point Harbor – Temko

Temko informed the Board that a tenants meeting will be held at the Half Moon Bay Yacht Club on Tuesday, May 29th at 7 p.m.

Lundie asked if Temko knew anything about the Dooley Brothers wanting to install a landing facility at the Harbor. Temko said they talked about creating one at their expense but there has been no official proposal.

Board of Harbor Commissioners

- 16** 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.

Padreddii stated that he read an article in the paper regarding the Redwood City Port receiving funds from the U.S. Department of Homeland Security to strengthen ports. He asked Grenell if the District could apply.

Grenell said the District is not eligible because the funds are for medium and large cargo ports. He added that he met with the State Department of Homeland Security and provided them with a list of needs for the Harbors and is awaiting a response.

17 TITLE: Identify Real Property Negotiator Pursuant to Government Code §54956.8

REPORT: Zafferano

PROPOSED ACTION: Identify Real Property Negotiator Peter Grenell

Tucker identified Grenell as Real Property Negotiator.

Tucker called a recess at 8:29 p.m.

Lundie left the meeting at 8:39 p.m.

18 TITLE: Identify Labor Negotiator Pursuant to Government Code § 54957.6

REPORT: Zafferano

PROPOSED ACTION: Identify Labor Negotiator

Tucker identified Grenell as Labor Negotiator.

Closed Session

- 19 TITLE: **Conference with Real Property Negotiator: Perched Beach, APN 047-083-060 Pillar Point Harbor, El Granada, San Mateo County. Negotiating Party Half Moon Bay Kayak Company: Regarding Lease, Price, and Terms and Conditions Pursuant to Government Code Section §54956.8**
REPORT: None
PROPOSED ACTION: To Be Determined
- 20 TITLE: **Conference with Real Property Negotiator: Median Strip, APN 047-262-010, El Granada, San Mateo County. Negotiating Party Granada Sanitary District: Regarding Sale or Lease, Price and Terms and Conditions Pursuant to Government Code Section §54956.8**
REPORT: None
PROPOSED ACTION: To Be Determined
- 21 TITLE: **Conference with Labor Negotiator Regarding Operating Engineers Local Union No. 3 Pursuant to Government Code Section §54957.6**
REPORT: None
PROPOSED ACTION: To Be Determined
- 22 TITLE: **Public Employee Performance Evaluation: General Manager, Pursuant to Government Code Section §54957**
REPORT: None
PROPOSED ACTION: To Be Determined

Open Session, Continued

There was no reportable action from Closed Session.

Continued Business, Continued

- 23 TITLE: **Technical Consulting Services for Coastal Development Permit Application: El Granada Median Strip**
REPORT: Memo
PROPOSED ACTION: Make Determination Pursuant to Ordinance Code Section 2.7.2.2 that it is in the District's Best Interest to Waive Request for Proposals and Authorize General Manager to

Execute an Agreement with Farhad Mortazavi Consulting in an Amount Not to Exceed \$15,000

Grenell presented the item. Tucker said the contract should require the consultant to submit the application package before the Coastal Commission artifies to Local Coastal Program Update.

Action: Motion by Parravano, second by Padreddii to approve the staff recommendation. The motion passed.

Ayes: 3

Nays: 0

Adjournment

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

APPROVED BY:

ATTESTED BY:

James Tucker

Theresa N. Hayes

James Tucker
President

Theresa N. Hayes
Deputy Secretary