



San Mateo County Harbor District Board of Harbor Commissioners

“To assure the public is provided with clean, safe, well-managed, financially sound and environmentally pleasant marinas.”

SPECIAL MEETING AGENDA

**November 14, 2018
5:30 PM**

San Mateo County Harbor District
Conference Room
504 Avenue Alhambra, Ste. 200
El Granada, CA 94018

Persons requiring special accommodation with respect to disability are directed to make such requests per the Americans With Disabilities Act to the Deputy Secretary to the Board at 650-583-4400, 24 hours in advance.

A.) ROLL CALL

B.) CLOSED SESSION

1. TITLE: Public Employee Appointment Pursuant to Government Code Section 54957(b)(1), and Conference with Labor Negotiator Pursuant to Government Code Section 54957.6

DISTRICT REPRESENTATIVES: Steve McGrath

UNREPRESENTED EMPLOYEE: John Moren

2. TITLE: Conference with Real Property Negotiators Pursuant to Government Code 54956.8:

PROPERTIES: Parcel 047-252-240 (11840 Cabrillo Highway, El Granada);
371 Princeton Avenue. Princeton.

DISTRICT NEGOTIATORS: Steve McGrath, Randy Kinghorn

NEGOTIATING PARTIES: Prafulaben Patel, Maurice Rosenberg, Agent

UNDER NEGOTIATION: Price and terms of payment

C.) ADJOURN

The next Regular Meeting will be held on November 14, 2018 at the San Mateo County Harbor District, 504 Avenue Alhambra, Ste. 200, El Granada, CA 94018 at 6:30 PM.

Agenda posted as required:
November 9, 2018 at 4:00 PM



Debbie Gehret
Deputy Secretary

D) Consent

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on Consent are approved by one motion unless a Commissioner requests at the beginning of the meeting that an item be withdrawn or transferred to Discussion.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

ITEMS PULLED FROM CONSENT WILL BE HEARD AFTER DISCUSSION ITEMS.

1. **Bills and Claims (Chan)**
Recommendation: Review Pre-Approved Bills and Claims in the amount of \$3,449,984.07. Pre-Approve Bills and Claims not to exceed \$350,000.
2. **Minutes – Special Meeting October 4, 2018 (Gehret)**
Recommendation: Approve Minutes of the Special Meeting of October 4, 2018.
3. **Minutes – Special Meeting October 9, 2018 (Gehret)**
Recommendation: Approve Minutes of the Special Meeting of October 9, 2018.
4. **Minutes – Special Meeting October 17, 2018 (Gehret)**
Recommendation: Approve Minutes of the Special Meeting of October 17, 2018.
5. **Minutes – Regular Meeting October 17, 2018 (Gehret)**
Recommendation: Approve Minutes of the Regular Meeting of October 17, 2018.
6. **Minutes – Special Meeting November 5, 2018 (Gehret)**
Recommendation: Approve Minutes of the Special Meeting of November 5, 2018.
7. **First Quarter – Fiscal Year 2019 (Q119) Investment Report (Pyle)**
Information only.
8. **First Quarter – Fiscal Year 2019 (Q119) Rent Report (Pyle)**
Information only.
9. **First Quarter – Fiscal Year 2019 (Q119) Financial Report and Spending Authority (Pyle)**
Information only.
10. **Commercial Activity Permit for Northcal Sport Fishing, Khanh Tran to Charter his Privately-Owned Vessel at Pillar Point Harbor (Moren)**
Recommendation: Approve the Commercial Activity Permit for Northcal Sport Fishing, Khanh Tran.
11. **After-the-Fact Fee Waiver for \$2,300 for WaveChaser Paddle Event Held October 27, 2018 (Gehret)**
Recommendation: Approve after-the-fact fee waiver for WaveChaser Paddle Event held October 27, 2018 in the amount of \$2,300.

12. **Extend Contract with Robert Half/Accutemps for Temporary Staffing Services; not to Exceed \$450,000 (Pyle)**
Recommendation: Authorize the General Manager to execute an extension of service agreement with Robert Half Accountemps for an additional \$100,000, with a total not to exceed amount of \$450,000 through the end of Fiscal Year 2019.
13. **Revisions to Bank Account Signatures Policy No. 4.6 2; Adopt Resolution No.18-16 (Pyle)**
Recommendation: Adopt Resolution No.18-16 and approve revisions to Bank Account Signatures Policy 4.6.2 to include Director of Operations on bank accounts.
14. **Revised Wage and Salary Schedule for Fiscal Year (FY) 2018/19 (Pyle)**
Recommendation: Amend the District's Wage and Salary Schedule to reflect the following annual pay ranges for the current fiscal year.
15. **Authorize the General Manager to Purchase Two New Rescue Watercraft in the Amount of \$30,563.74 (Moren)**
Recommendation: Authorize the purchase of two new Rescue Watercraft with vendor "Grand Prix Motor Sports" for the sum of \$30,563.74.
16. **Report on Attendance at 2018 CSDA Annual Conference (Brennan)**
Receive and file.
17. **Monthly Capital Projects Update (Moren)**
Receive and file.

E) Discussion

18. **Interim General Manager**
Approve Interim General Manager and set salary and benefits.
19. **Water Emergency Transportation Authority (WETA) Ferry Services; Presentation (McGrath)**
Recommendation: Receive presentation.
20. **Oyster Point Marina and Park: Potential New Agreement with South San Francisco (McGrath)**
Recommendation: Receive report; provide direction to staff.
21. **Johnson Pier; End of Pier Improvements (Moren)**
Recommendation: Receive report; provide direction to staff.

F) Discussion/Action on Pulled Consent Items (if any)

G) Future Agenda Items

**H) October Activity Reports: [General Manager](#); [Administration](#);
[Operations](#)**
Information only.

I) Adjournment

The next Regular Meeting will be held on December 19, 2018 at the San Mateo County Harbor District Office, 504 Avenue Alhambra, Ste. 200, El Granada, CA 94018 at 6:30 PM.

Agenda posted as required:
November 9, 2018 at 4:00 PM


Debbie Gehret
Deputy Secretary



Staff Report

TO: Board of Harbor Commissioners

FROM: Kin Yip Chan, Accounting Technician

DATE: November 14, 2018

SUBJECT: Review Bills and Claims in the Amount of \$1,149,984.07

Total Disbursements being submitted for your review: **\$3,449,984.07**

Dept. Code	Description	Amount
103	Administration & Commissioners	\$ 331,308.66
201	Pillar Point Harbor	\$ 587,903.23
301	Oyster Point Marina	\$ 112,898.62
	Employee Deductions	\$ 25,772.70
	Payroll / Benefits	\$ 2,392,100.86
Total Bills & Claims for Review:		\$ 3,449,984.07

Pre-Approved Payroll Notes:

Payroll Paydate 10/19/18	\$ 116,586.72
Payroll Paydate 11/2/18	\$ 114,819.57
Total Payroll for Period:	\$ 231,406.29

Background: The Board Pre-Approved Bills and Claims up to \$350,000 for this month and all payroll related claims. Actual Bills and Claims paid for the period of \$2,901,279.54 are hereby submitted including the \$270,000 Three Captains' final arbitration award and the separately approved \$2,300,000 CalPERS unfunded accrued liability payment. There is \$548,704.53 awaiting approval.

Recommended Motion:

- 1) Accept Bills and Claims in the amount of \$3,449,984.07, which includes \$2,901,279.54 separately approved and pre-approved payments.
- 2) Approve \$548,704.53 on November 14, 2018.
- 3) Pre-Approve \$500,000 in Bills and Claims until next meeting date. This reflects an increase of previous pre-approvals to more accurately reflect monthly payables.

Attachments:

[Bills and Claims/Top 5 CalCard](#)
[Legal Fees](#)

BILLS AND CLAIMS

BILLS AND CLAIMS FOR 11/14/18 BOARD MEETING			PAYROLL	PAYROLL	ADMIN & COMM	PILLAR POINT	OYSTER POINT
VENDOR	DESCRIPTION	AMOUNT	EMPLOYEES DEDUCTION	BENEFITS RELATED	103	201	301
APPLIED TECHNOLOGY & MANAGEMENT, INC	CONSULTANT - THREE CAPTAINS	19,501.63				19,501.63	
BISHOP DIVING & SALVAGE	VESSEL DESTRUCTION	36,895.00					36,895.00
BRENNAN, SABRINA	REIMB CONFERENCE EXPENSES	1,431.56			1,431.56		
DIGITAL DEPLOYMENT, INC/ STREAMLINE	CONTRACTUAL SERVICES-IT	200.00			200.00		
GAETANI REAL ESTATE	ADMIN OFFICE RENT	7,900.00			7,900.00		
GOLDEN BAY CONSTRUCTION INC	CONTRACTUAL SERVICES	236,982.99				236,982.99	
HANSON BRIDGETT, LLP	LEGAL SERVICES	107,739.13			7,636.10	90,120.83	9,982.20
PACIFIC PUBLISHERS INC	TIDE BOOKS	3,385.08				1,692.54	1,692.54
RECOLOGY OF THE COAST	GARBAGE SERVICES	8,674.92				8,674.92	
REDISTRICTING PARTNERS LLC	CONTRACTUAL SERVICES	7,500.00			7,500.00		
THE DUTRA GROUP	ROMEO PIER DEMOLITION	115,665.52				115,665.52	
WEST MARINE PRO	REPAIRS & MAINTENANCE	2,828.70				2,828.70	
SUB-TOTAL OF PAYMENTS TO BE PROCESSED 11/14/2018		548,704.53	-	-	24,667.66	475,467.13	48,569.74
8X8, INC	TELEPHONE/COMMUNICATIONS	1,035.94			557.33	122.44	356.17
ADP, LLC	PAYROLL PROCESSING	941.91			235.48	367.93	338.50
AIRGAS USA, LLC	OPERATING SUPPLIES	121.31				121.31	
AMERICAN DEBRIS BOX SERVICE, INC	CONTRACTUAL SERVICES	1,619.43				1,619.43	
ARAMARK UNIFORM SERVICES	UNIFORM SERVICES	1,234.00					1,234.00
AT&T	TELEPHONE/COMMUNICATIONS	255.27				255.27	
BELLINGHAM MARINE INDUSTRIES	REPAIRS & MAINTENANCE	9,010.00				9,010.00	
CAKEBREAD, CONOR	REIMB TRAINING EXPENSES	58.19					58.19
CALIFORNIA SPECIAL DISTRICTS ASSOC	MEMBERSHIPS & SUBSCRIPTIONS	7,252.00			7,252.00		
CALIFORNIA WATER SERVICE CO	UTILITIES	4,268.93					4,268.93
CALPERS	UNFUNDED ACCRUAL LIABILITY PAYMENT	2,300,000.00		2,300,000.00			
CALPERS	PAYROLL DEDUCTION PAYABLE	32,836.51		32,836.51			
CALPERS SUPPLEMENTAL INCOME 457 PLAN	PAYROLL DEDUCTION PAYABLE	18,799.80	18,799.80				
CARPENTER RIGGING & SUPPLY CO, INC	REPAIRS & MAINTENANCE	5,520.00				5,520.00	
CINTAS CORPORATION	SAFETY EQUIPMENT	242.55				242.55	
CLARK PEST CONTROL	CONTRACTUAL SERVICES	82.00					82.00
COASTSIDE COUNTY WATER DISTRICT	UTILITIES	8,153.09				8,153.09	
COASTSIDE.NET	WIFI EXPENSES	359.10				359.10	
COLEMAN SECURITY INDUSTRIES, INC	CONTRACTUAL SERVICES	8,507.52					8,507.52
COMCAST	INTERNET EXPENSES	639.22			193.33	83.33	362.56
DEBORAH GLASSER LABOR	LABOR NEGOTIATION	3,762.50			3,762.50		
DRIFTWOOD LUMBER & HARDWARE	REPAIRS & MAINTENANCE	733.29				733.29	
FEDEX	OVERNIGHT DELIVERY	18.13			18.13		
GARNISHMENT	PAYROLL DEDUCTION PAYABLE	1,411.06	1,411.06				
GOYETTE, GRIFFITHS	LEGAL SERVICES	12,694.00			12,694.00		
GRAINGER	REPAIRS & MAINTENANCE	265.59					265.59
HALF MOON BAY REVIEW	MEMBERSHIPS & SUBSCRIPTIONS	46.80			46.80		
HASSETT HARDWARE/BLUETRAP CREDIT SERVICES	REPAIRS & MAINTENANCE	270.89				270.89	
HENDERSON MARINE SUPPLY, INC	REPAIRS & MAINTENANCE	348.60					348.60
INGRAHAM TROPHIES	PERSONNEL ADMINISTRATION	77.15			77.15		
IRON MOUNTAIN, INC	CONTRACTUAL SERVICES	1,218.67			1,218.67		
KDT ENTERPRISES, INC DBA THE SKI CLINIC	REPAIRS & MAINTENANCE	4,156.18				4,156.18	
KONICA MINOLTA	REPAIRS & MAINTENANCE	761.25			435.00	326.25	
LENACO CORPORATION/BLUE RIBBON SUPPLY COMPANY	JANITORIAL SUPPLIES	2,996.03				1,901.17	1,094.86
LIEBERT CASSIDY WHITMORE	LEGAL SERVICES	480.00			480.00		
MARINE LIEN SALE SERVICE	LIEN SALES	800.00				320.00	480.00
MISSION LINEN & UNIFORM SUPPLY	UNIFORM SERVICES	1,678.96				1,678.96	
MOREN, JOHN	REIMB CONFERENCE EXPENSES	203.00				101.50	101.50
NAVIA BENEFIT SOLUTIONS	PAYROLL DEDUCTION PAYABLE	1,145.50	1,095.50		50.00		
OPERATING ENGINEERS TRUST	HEALTH INSURANCE PREMIUMS	40,746.00		40,746.00			
ORKIN SERVICES OF CALIFORNIA, INC	CONTRACTUAL SERVICES	135.00					135.00
PACIFIC COLOR GRAPHICS	OFFICE SUPPLIES	157.33					157.33
PENINSULA HAULING & DEMOLITION	VESSEL DESTRUCTION & CONTRACTUAL SERVICES	48,700.00				23,800.00	24,900.00
PG&E	UTILITIES	12,209.33				12,209.33	
PINA, JOHN DBA GOPHER BUSTERS	CONTRACTUAL SERVICES	495.00				495.00	
PITNEY BOWES, INC/ PURCHASE POWER	POSTAGE REPLENISHMENT	323.61				102.31	221.30
PYLE, ANITA	REIMB MILEAGE	237.08			237.08		
READY REFRESH BY NESTLE	OFFICE SUPPLIES	115.64					115.64
RECOLOGY OF THE COAST	GARBAGE SERVICES	442.30				442.30	
REGIONAL GOVERNMENT SERVICES	CONTRACTUAL SERVICES	3,096.00			3,096.00		
ROBERT HALF INTERNATIONAL, INC	CONTRACTUAL SERVICES	13,025.00				3,272.50	9,752.50
SAFETY KLEEN SYSTEMS, INC	USED OIL PICK UP EXPENSES	155.00				155.00	
SAN MATEO COUNTY RESOURCE CONSERVATION DIST.	WATER QUALITY ASSISTANCE	24,970.44				24,970.44	
SAN MATEO DAILY JOURNAL	ADVERTISING EXPENSES	2,248.00			704.00	1,544.00	
SIMONDS MACHINERY CO	REPAIRS & MAINTENANCE	4,143.66					4,143.66
SOUTH SAN FRANCISCO SCAVENGER CO	GARBAGE SERVICES	2,517.20					2,517.20
SPECIAL DIST RISK MANAGEMENT AUTHORITY	HEALTH INSURANCE PREMIUMS	8,955.18		8,955.18			
SPRINT/NEXTEL COMMUNICATIONS	TELEPHONE/COMMUNICATIONS	156.49					156.49
STANDARD INSURANCE COMPANY	LIFE & LTD INSURANCE	4,661.82		4,661.82			

BILLS AND CLAIMS

BILLS AND CLAIMS FOR 11/14/18 BOARD MEETING			PAYROLL	PAYROLL	ADMIN & COMM	PILLAR POINT	OYSTER POINT
VENDOR	DESCRIPTION	AMOUNT	EMPLOYEES DEDUCTION	BENEFITS RELATED	103	201	301
STAPLES ADVANTAGE	OFFICE SUPPLIES	993.91			698.95		294.96
SUPERIOR EQUIPMENT COMPANY INC	REPAIRS & MAINTENANCE	1,112.39				1,112.39	
TEAMSTERS LOCAL 856-HEALTH & WELFARE FUND	HEALTH INSURANCE PREMIUMS	4,901.35		4,901.35			
TECHNOLOGY, ENGINEERING CONSTRUCTION, INC	REPAIRS & MAINTENANCE	160.00					160.00
TERMINIX COMMERCIAL	CONTRACTUAL SERVICES	79.00				79.00	
TERRACON CONSULTANTS INC	CONTRACTUAL SERVICES	2,083.00					2,083.00
THE HERTZ CORPORATION	RENTAL CAR SERVICES	1,434.53				614.86	819.67
THREE CAPTAINS SEA PRODUCTS & GEORGE WAILES	FINAL AWARD - SETTLEMENT	270,000.00			270,000.00		
TURBO DATA SYSTEMS, INC	CITATION PROCESSING	260.27				242.25	18.02
U.S. BANK-CAL CARD	CAL-CARD EMPLOYEE PURCHASES	10,676.81			4,403.74	5,005.34	1,267.73
VANTAGEPOINT TRANSFER AGENTS	PAYROLL DEDUCTION PAYABLE	4,466.34	4,466.34				
VERIZON WIRELESS	TELEPHONE/COMMUNICATIONS	638.23			480.84	132.10	25.29
ZERO WASTE USA	OPERATING SUPPLIES	429.56				429.56	
ARRUDA, DAVID	REFUND DEPOSIT	430.65				430.65	
BAKER, ADAM	REFUND DEPOSIT	34.27					34.27
BIVENS, BRETT	REFUND DEPOSIT	1,124.20				1,124.20	
DOOLEY, TROY	REFUND DEPOSIT	248.43				248.43	
HUDSON, JILL	REFUND DEPOSIT	393.75				393.75	
PEASE, STEVEN	REFUND DEPOSIT	290.00				290.00	
PORTER, ROSS	REFUND DEPOSIT	28.40					28.40
TOTAL HANDCHECKS		2,901,279.54	25,772.70	2,392,100.86	306,641.00	112,436.10	64,328.88
TOTAL BILLS & CLAIMS		3,449,984.07	25,772.70	2,392,100.86	331,308.66	587,903.23	112,898.62

5 LARGEST PAYMENTS ON THE CAL CARD			PAYROLL	PAYROLL	ADMIN & COMM	PILLAR POINT	OYSTER POINT
VENDOR	DESCRIPTION	AMOUNT	EMPLOYEES DEDUCTION	BENEFITS RELATED	103	201	301
MARINA DEL REY MARRIOTT HOTEL	CONFERENCES EXPENSES	747.33				373.67	373.66
CROWNE PLAZA LA HARBOR HOTEL	TRAINING EXPENSES	694.15				694.15	
CROWNE PLAZA LA HARBOR HOTEL	TRAINING EXPENSES	694.15				694.15	
RENAISSANCE INDIAN WELLS HOTEL	CONFERENCES EXPENSES	685.02			685.02		
ALHAMBRA FOUNDRY CO. LTD	REPAIRS & MAINTENANCE	644.03				644.03	
TOTAL		3,464.68	-	-	685.02	2,406.00	373.66

Legal Fees - Fiscal Years 2009 to 2019

Sum of Total Spent Column Labels

	AARONSON, DICKERSON, COHN &	BRAND/ NORMAN	COX, WOOTON, LERNER, GRIFFIN,	FRANK/LYNN S.	HANSON BRIDGETT LLP	JAY RESENDEZ, ATTORNEY AT LAW	KOTZEBUE/ MARGARET	KRAMER/ KAREN	LIEBERT, CASSIDY & WHITMORE///	MCGRATH INVESTIGATIONS	OPPENHEIMER/ AMY	RICHARDS, WATSON & GERSHON	TOPLIFF/MARY L.//	GOYETTE/ GRIFFITHS/ /	Grand Total
08-09	\$ 65,229.96	\$ 675.00							\$ 82,179.67			\$ 17,303.42			\$ 165,388.05
09-10	\$ 44,729.24								\$ 50,505.65			\$ 6,402.50			\$ 101,637.39
10-11	\$ 46,880.38								\$ 34,050.00			\$ 11,803.75			\$ 92,734.13
11-12	\$ 84,627.99								\$ 5,674.20			\$ 1,770.00			\$ 92,072.19
12-13	\$ 105,733.63					\$ 735.00			\$ 7,097.00						\$ 113,565.63
13-14	\$ 88,761.42		\$ 10,856.98					\$ 13,803.00	\$ 83,662.55		\$ 24,381.00				\$ 221,464.95
14-15	\$ 340.75		\$ 9,143.02		\$ 287,596.29		\$ 26,364.00		\$ 92,751.48						\$ 416,195.54
15-16			\$ 29,949.79	\$ 4,500.00	\$ 301,540.13	\$ 3,325.00			\$ 133,292.43	\$ 15,445.00					\$ 488,052.35
16-17			\$ 3,682.03		\$ 317,484.72				\$ 97,191.79						\$ 418,358.54
17-18					\$ 290,308.67				\$ 18,150.00				\$ 25,000.00		\$ 333,458.67
18-19 YTD*					\$ 271,369.13				\$ 8,222.50					\$50,429.75	\$ 330,021.38
Grand Total	\$ 436,303.37	\$ 675.00	\$ 53,631.82	\$ 4,500.00	\$ 1,468,298.94	\$ 4,060.00	\$ 26,364.00	\$ 13,803.00	\$ 612,777.27	\$ 15,445.00	\$ 24,381.00	\$ 37,279.67	\$ 25,000.00	\$50,429.75	\$ 2,772,948.82

*18-19 YTD is invoices received thru September 2018



San Mateo County Harbor District Board of Harbor Commissioners

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SPECIAL MEETING MINUTES

**October 4, 2018
7:00 PM – 9:00 PM**

Municipal Services Building
Betty Weber Room
33 Arroyo Drive
South San Francisco, CA 94080

A.) Roll Call – All Commissioners present.

B.) Oyster Point Marina and Park: Potential New Agreement with South San Francisco (McGrath)

Public Comment: Sepi Richardson. Comments directed to the Board to allow for presentation and hold questions to the end.

Presentation by staff; discussion. Request from Commission for relation of draft agreement to Dornbusch report. Discussion of construction schedule.

Motion: (Mattusch/Bernardo) Follow the process that is underway right now and keep the Board apprised of new developments.

Ayes: Bernardo, Chang Kiraly, Larenas, Mattusch

Nays: Brennan

Motion passed.

❖ Five Minute Break.

8:59 PM Motion: (Chang Kiraly/Mattusch) Extend meeting to 9:10 PM.

Ayes: Bernardo, Brennan, Chang Kiraly, Larenas

Nays: Mattusch

Motion passed.

Motion: (Bernardo/Mattusch) To not allow for the disclosure of any documents and/or communications that are incomplete or related to confidential matters, including property negotiations.

Discussion. No roll call; the consensus of the majority of the Board to approve. Commissioners Brennan and Larenas dissenting.

C.) Motion: (Bernardo/Mattusch) To Adjourn. All in favor.
Adjourn 9:10 PM

Debbie Gehret
Deputy Secretary

Virginia Chang Kiraly
President



San Mateo County Harbor District Board of Harbor Commissioners

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SPECIAL MEETING SITE VISIT MINUTES

**October 9, 2018
11:30 AM – 1:00 PM**

Site Visit Address: Empty Parcel West of Sam’s Chowder House,
11840 Cabrillo Highway, El Granada

- Commissioners Chang Kiraly, Larenas, Brennan present.
- Commissioners Bernardo, Mattusch absent.

Direction to staff to return to Commission with potential other sites for further discussion in closed session. No further action.

Adjourn at 12:20 PM

Debbie Gehret
Deputy Secretary

Virginia Chang Kiraly
President



San Mateo County Harbor District Board of Harbor Commissioners

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REGULAR MEETING MINUTES

**October 17, 2018
6:30 PM**

San Mateo County Harbor District
Conference Room
504 Avenue Alhambra, Ste. 200
El Granada, CA 94018

A) Roll Call 6:30 PM Commissioners Brennan, Chang Kiraly, Larenas, Mattusch present.
Commissioner Bernardo absent.

B) 1. Public Comments/Questions – President Chang Kiraly summarized a letter received from Lisa Damrosch of the HMB Seafood Marketing Association, thanking staff of the Harbor District for their efforts with the 2018 Fish and Fleet Festival.

2. Commissioner Comments –

- Commissioner Larenas spoke regarding recent committees which were cancelled with last minute notice, and he and staff did meet with member of the public who showed up to the cancelled meeting, but he stated that in retrospect, the meetings should have just been cancelled with no discussion; will be attending a meeting in November regarding wildlife disturbance in Monterey and will give a report on what is happening in our local area related to wildlife protection.
- Commissioner Brennan attended the recent Coastal Commission meeting on which their agenda included a request to approve a Coastal Development Permit (CDP) for the World Surf League’s (WSL) Mavericks surf contest. She delivered letters of support for the CDP from both Commissioner Brennan, and President Chang Kiraly and others; the CDP was approved unanimously; next step will be the State Lands Commission lease permit. Congratulated Commissioner Larenas on his election endorsement by the HMB Review.
- President Chang Kiraly commented regarding the letter of support provided to the Coastal Commission regarding the WSL’s CDP application; apologized for missing the recent committee meetings and thanked General Manager

McGrath for arranging the recent site visit to the potential building site north of Sam's Chowder House; good input was received.

Commented regarding the recent visit to Pillar Point Harbor with Assemblymembers Kevin Mullin and Marc Berman.

- Commissioner Mattusch directed comments to Commissioner Brennan asking for an explanation of charges for Facebook promotions that were billed on his credit card, which were promoted on Facebook Commissioner Brennan and Facebook pages she is affiliated with. He is asking for Commissioner Brennan to investigate how the charges were made to his credit card without his authorization.

Commissioner Brennan stated that these charges (allegations) are unsubstantiated.

C) Consent

ITEMS PULLED FROM CONSENT WILL BE HEARD AFTER DISCUSSION ITEMS.

Commissioner Brennan pulled Item 1.

2. Minutes – Regular Meeting September 19, 2018 (Gehret)

Recommendation: Approve Minutes of the Regular Meeting of September 19, 2018.

3. Minutes – Special Meeting September 24, 2018 (Gehret)

Recommendation: Approve Minutes of the Special Meeting of September 24, 2018.

4. Monthly Capital Projects Update (Moren)

Receive and file.

5. Wildlife Protection Committee Scope and Duties (Moren)

Recommendation: Approve Scope and Duties of the Wildlife Protection Committee.

Motion: (Mattusch/Larenas) Approve Consent Items 2-5.

All in favor.

Motion passed.

D) Discussion

1. Bills and Claims (Chan)

Motion: (Brennan/Mattusch) Approve Bills and Claims.

All in favor.

Motion passed.

8. CalPERS Unfunded Accrued Liability Paydown (Pyle)

Motion: (Brennan/Mattusch) Authorize District staff to make a one-time payment to CalPERS for \$2,300,000 to pay down the District's unfunded accrued liability (UAL), or in another amount as determined by this Commission.

All in favor.

Motion passed.

6. **San Mateo Resource Conservation District Partnership; Update (Moren)**
Presentation received.

9. **CLOSED SESSION: 7:16 PM**

CONFERENCE WITH LEGAL COUNSEL- EXISTING LITIGATION Pursuant to Government Code Section 54956.9 (d)(1)

Name of case: Three Captains' Sea Products Lease Dispute- Arbitration Proceedings.

7:37 PM Out of Closed Session. Nothing to report.

10. **Adopt Resolution No.18-15; Authorize Three Captains Seafood to Install and Use a Hoist on the South Side of Johnson Pier (McGrath)**

Public Comment:

- **Porter McHenry** – Distributed letter; concerns related to location of hoist placement.

Board discussion.

- **Larry Fortado** – Commented that McHenry and Morning Star were invited to speak during the arbitration but turned it down.

8:12 PM Motion: (Brennan/Larenas) Adjourn to Closed Session. Nothing to report out of Closed Session.

9:17 PM Resume Regular Meeting.

Motion: (Mattusch/Larenas) Adopt Resolution No.18-15, authorizing Three Captains Sea Products, Inc. (Three Captains) to install and use a second hoist at the location on the south side of Johnson Pier described on the map attached as Exhibit A.

Board discussion.

Public Comment:

- **Larry Fortado** – Addressed comments and concerns regarding safety.

9:29 PM Motion: (Mattusch/Brennan) Extend the meeting to 9:45 PM.

All in favor.

Commissioner Mattusch called for the question, President Chang Kiraly requested a roll call on the above motion (Adopt Resolution No.18-15, authorizing Three Captains Sea Products, Inc. (Three Captains) to install and use a second hoist at the location on the south side of Johnson Pier described on the map attached as Exhibit A)

Ayes: Chang Kiraly, Larenas, Mattusch

Nays: Brennan

Motion passed. 3/1

11. **Transition Planning for New General Manager**

Nothing to report out of Closed Session.

Items not heard:

7. Oyster Point Marina and Park: Potential New Agreement with South San Francisco (McGrath)

Recommendation: Receive report. No action is requested.

E) Discussion/Action on Pulled Consent Items (if any)

F) Future Agenda Items

G) September Activity Reports: General Manager; Administration; Operations

Information only.

H) Adjournment 9:36 PM Motion: (Brennan/Larenas) All in favor.

Debbie Gehret
Deputy Secretary

Virginia Chang Kiraly
President

DRAFT



San Mateo County Harbor District Board of Harbor Commissioners

“To assure the public is provided with clean, safe, well-managed, financially sound and environmentally pleasant marinas.”

SPECIAL MEETING MINUTES

**October 17, 2018
5:30 PM**

San Mateo County Harbor District
Conference Room
504 Avenue Alhambra, Ste. 200
El Granada, CA 94018

A) Roll Call 5:33 PM Commissioners Brennan, Chang Kiraly, Larenas, Mattusch present.
Commissioner Bernardo absent.

No public comment.

B) Closed Session

1) TITLE: PUBLIC EMPLOYMENT Pursuant to Government Code 54957
(General Manager)

No report out of Closed Session.

C) Adjournment 6:29 PM **Motion:** (Larenas/Mattusch) Adjourn Special Meeting.
All in favor. Motion passed.

Debbie Gehret
Deputy Secretary

Virginia Chang Kiraly
President



San Mateo County Harbor District Board of Harbor Commissioners

“To assure the public is provided with clean, safe, well-managed, financially sound and environmentally pleasant marinas.”

SPECIAL MEETING MINUTES

**November 5, 2018
7:00 PM**

San Mateo County Harbor District
Conference Room
504 Avenue Alhambra, Ste. 200
El Granada, CA 94018

A.) ROLL CALL 7:05 PM Commissioners Brennan, Chang Kiraly, Larenas, Mattusch present. Commissioner Bernardo absent.

Public comment-

Kathryn Slater-Carter and Ed Carter commented regarding General Manager search.

B.) CLOSED SESSION 7:06 PM

1) TITLE: PUBLIC EMPLOYMENT Pursuant to Government Code 54957
(General Manager)

1a) Action out of Closed Session: Appoint John Moren as Interim General Manager and authorize General Manager to negotiate contract with John Moren.

C.) OPEN SESSION

2) TITLE: Transition planning for new General Manager. Discussion and possible action on the process for conducting a search for a new General Manager.

2a) Provided direction to staff to gather information on Request for Proposals for General Manager search firms

D.) ADJOURNMENT 8:38 PM

Debbie Gehret
Deputy Secretary

Virginia Chang Kiraly
President

**SAN MATEO COUNTY HARBOR DISTRICT
QUARTERLY INVESTMENT BALANCES REPORT**

As required by Section 12 (Reporting) of the Investment Policy of the San Mateo County Harbor District, I am submitting to each member of the Board of Harbor Commissioners a Quarterly Investment Report.

The following cash and investments were held by the San Mateo County Harbor District as of September 30, 2018:

<u>CASH</u>	<u>BALANCE AS OF 9/30/2018</u>		<u>AVERAGE FY RATE</u>
Petty Cash - per GL balance	2,250.00	A	-
US Bank - Operations - per bank statement balance	825,726.25	B	-
US Bank - Payroll	-	C	-
Total Cash	<u>827,976.25</u>		-
<u>INVESTMENTS</u>			
Local Agency Investment Fund (LAIF)	7,087.91	D	1.69%
San Mateo County Investment Pool	17,207,173.97	E	1.66%
Total Investments	<u>17,214,261.88</u>		
Total Cash and Investments	<u>\$ 18,042,238.13</u>		

The District typically invests in: The Local Agency Investment Fund (LAIF), the San Mateo County Investment Pool, Collateralized CDs and FDIC Insured accounts, which require current statements to satisfy the reporting requirement.

Certifications:

I certify that all investment actions executed since the Investment Policy was adopted on September 15, 2004, have been made in full compliance with the Investment Policy and the San Mateo County Harbor District will meet its expenditure obligations for the next six months.

Anita Pyle
Director of Administrative Services

Reviewed By:

Tom Mattusch
Treasurer - San Mateo County Harbor District



Staff Report

TO: Board of Harbor Commissioners

FROM: Anita Pyle, Director of Administrative Services
Boomer Henthorne, Accounting Manager

DATE: November 14, 2018

SUBJECT: First Quarter – Fiscal Year 2019 (Q119) Investment Report

Recommendation/Motion:

Information only report.

Policy Implications:

None

Fiscal Implications/Budget Status:

None

Alternatives Considered:

None

Background/Discussion:

This report is required by San Mateo County Harbor District Policy 4.4.1 – Investment Policy. The report shows the cash and investment balances that are held by the San Mateo County Harbor District as of September 30, 2018.

The Average Rates are calculated by:

- Local Agency Investments Fund (LAIF) – this is an average of the prior year rate of returns stated on the reports provided to us by LAIF.
- San Mateo County Investment Pool – this is an average of the prior year rate of returns stated on the reports provided to us by San Mateo County Investment Pool.

Cash in the US Bank – Operations account decreased this quarter from the fourth quarter due to several disbursements needed to pay for capital improvement projects and to maintain District operations:

- PPH Romeo Pier Demolition
- PPH & OPM Transformer Replacement
- CalPERS UAL – recurring annual payment, not the one-time payment authorized in October 2018
- SDRMA Property Liability/Worker’s Compensation - recurring annual payment

Cash in the San Mateo County Investment Pool decreased because the District needed funds to pay for the above disbursements in the first quarter.

Summary/Recommendation:

This report is informational only.

Attachment:

[Q119 - Investment Report](#)



Staff Report

TO: Board of Harbor Commissioners

FROM: Anita C. Pyle, Director of Administrative Services
Boomer Henthorne, Accounting Manager

DATE: November 14, 2018

SUBJECT: First Quarter – Fiscal Year 2019 (Q119) Rent Report

Recommendation/Motion:

Information only report

Policy Implications:

None

Fiscal Implications/Budget Status:

None

Alternatives Considered:

None

Background/Discussion:

This is the quarterly comparative report of lessee and commercial activity permit revenue for the current fiscal year. All amounts shown are on an accrual basis, meaning these amounts are earned in the periods shown (Jul to Sept 2018), regardless of when the actual cash is collected. The first page of the report compares Q1 2019 (Jul to Sept 2018) to Q1 2018 (Jul to Sept 2017) so that similar time periods can be analyzed. The second page of the report shows the entire prior fiscal year activity (Jul 2017 to Jun 2018) to give a comprehensive perspective.

Highlights to note on this report:

Pillar Point Harbor – Overall decrease of rent revenue for Q119 compared to Q118 is due to not receiving “percentage rents” on a timely basis. Percentage Rent reports from lessees were due to the District on 10/31/18 and staff is following up with individual lessees to get their reports on a timelier basis.

Oyster Point Marina – Revenues decreased by about \$59,000 in Q119 compared to Q118 due to terminating the leases for OPM parcels B, C, D, and E. Commercial Activity Permit revenue increased due to increases in sales from Fathom Marine.

Summary/Recommendation:

No action is required. This is an Informational Item only.

Attachment:

[Q119 - Rent Report](#)

First Quarter - Fiscal Year 2018-19 Rent Report

			18-19 Q1		18-19 Q1 Total	17-18 Q1		17-18 Q1 Total	VARIANCE Increase (Decrease)
Harbor	Lessee, CAP	Lessee Name	Base Rent	Percentage Rents		Base Rent	Percentage Rents		vs. Q118
PPH	Lessee	Merva W. Inc.				\$ 8,441	\$ 1,440	\$ 9,881	\$ (9,881)
		McHenry Fisheries	\$ 8,610	\$ 1,936	\$ 10,546				\$ 10,546
		Morning Star	\$ 8,610	\$ 505	\$ 9,115	\$ 8,441	\$ 424	\$ 8,865	\$ 251
		Three Captains	\$ 8,610	\$ -	\$ 8,610	\$ 8,441	\$ 11,436	\$ 19,878	\$ (11,267)
		HMB Sport Fishing	\$ 1,418	\$ 7,866	\$ 9,284	\$ 1,351	\$ 6,994	\$ 8,345	\$ 940
		Ketch Café	\$ 1,812	\$ -	\$ 1,812	\$ 1,756		\$ 1,756	\$ 56
		Ketch Joanne	\$ 9,809	\$ -	\$ 9,809	\$ 9,505	\$ 25,622	\$ 35,126	\$ (25,318)
		Mavericks	\$ 6,985		\$ 6,985	\$ 6,782		\$ 6,782	\$ 203
		Order At The Corner	\$ 5,277	\$ -	\$ 5,277	\$ 5,114	\$ 12,850	\$ 17,964	\$ (12,686)
		KN Fuel & Ice	\$ 3,429	\$ -	\$ 3,429	\$ -	\$ 2,439	\$ 2,439	\$ 990
		KN RV Lot	\$ 7,500	\$ -	\$ 7,500	\$ 7,500		\$ 7,500	\$ -
	Lessee Total		\$ 62,061	\$ 10,308	\$ 72,369	\$ 57,330	\$ 61,205	\$ 118,536	\$ (46,167)
	CAP	Ankeny Street		\$ 1,457	\$ 1,457		\$ 1,303	\$ 1,303	\$ 154
		California Canoe & Kayak		\$ 0	\$ 0		\$ 5	\$ 5	\$ (4)
		HMB Kayak	\$ 1,800	\$ -	\$ 1,800	\$ 900	\$ 5,492	\$ 6,392	\$ (4,592)
		Mooch Better Fishing		\$ 585	\$ 585		\$ 389	\$ 389	\$ 195
		Huli Cat		\$ 1,313	\$ 1,313		\$ 1,793	\$ 1,793	\$ (480)
		Lucky Lindy Handicrafts		\$ -	\$ -		\$ 70	\$ 70	\$ (70)
		New Captain Pete		\$ -	\$ -		\$ 2,482	\$ 2,482	\$ (2,482)
		Sea Pure	\$ 1,500		\$ 1,500	\$ 1,500		\$ 1,500	\$ -
		Walters Coastal Charters		\$ 726	\$ 726		\$ 581	\$ 581	\$ 146
		A.C. Fishing Charters		\$ -	\$ -		\$ 164	\$ 164	\$ (164)
	CAP Total		\$ 3,300	\$ 4,081	\$ 7,381	\$ 2,400	\$ 12,277	\$ 14,677	\$ (7,297)
PPH Total			\$ 65,361	\$ 14,389	\$ 79,750	\$ 59,730	\$ 73,483	\$ 133,213	\$ (53,464)
OPM	Lessee	OPMV - Parcel B				\$ 6,284		\$ 6,284	\$ (6,284)
		OPMV - Parcel C				\$ 16,865		\$ 16,865	\$ (16,865)
		OPMV - Parcel D				\$ 11,384		\$ 11,384	\$ (11,384)
		OPMV - Parcel E				\$ 24,959		\$ 24,959	\$ (24,959)
		Oyster Point Yacht Club	\$ 858	\$ -	\$ 858	\$ 858	\$ (168)	\$ 690	\$ 168
		WETA Ferry Terminal	\$ 16,636		\$ 16,636	\$ 16,636		\$ 16,636	\$ -
	Lessee Total		\$ 17,494	\$ -	\$ 17,494	\$ 76,985	\$ (168)	\$ 76,818	\$ (59,324)
	CAP	Action Sports SF	\$ 750	\$ -	\$ 750	\$ 300		\$ 300	\$ 450
		Bay Area Air Quality	\$ 195		\$ 195	\$ 195		\$ 195	\$ -
		Fathom Marine LLC	\$ 6,600	\$ 494	\$ 7,094				\$ 7,094
		Prop SF	\$ 2,700		\$ 2,700	\$ 2,700		\$ 2,700	\$ -
		Tideline Marine Group					\$ 84	\$ 84	\$ (84)
		Wind Over Water Kiteboarding	\$ 600	\$ 371	\$ 971	\$ 300		\$ 300	\$ 671
	CAP Total		\$ 10,845	\$ 864	\$ 11,709	\$ 3,495	\$ 84	\$ 3,579	\$ 8,131
OPM Total			\$ 28,339	\$ 864	\$ 29,203	\$ 80,480	\$ (84)	\$ 80,396	\$ (51,193)
Grand Total			\$ 93,700	\$ 15,253	\$ 108,953	\$ 140,211	\$ 73,399	\$ 213,609	\$ (104,657)

Prior Fiscal Year 2017-18 Rent Report

Total Charged			Fiscal Year	Fiscal Quarter	Charge Type Summary			
			17-18					17-18 Total
			Q1	Q2	Q3	Q4		
Harbor	Lessee, CAP	Lessee Name						
PPH	Lessee	Merva W. Inc.	\$ 9,881	\$ 5,784				\$ 15,666
		McHenry Fisheries	\$ 8,865	\$ 4,367	\$ 8,539	\$ 8,684		\$ 21,590
		Morning Star	\$ 8,865	\$ 9,511	\$ 8,690	\$ 8,833		\$ 35,898
		Three Captains	\$ 19,878	\$ 10,413	\$ 8,813	\$ 8,915		\$ 48,018
		HMB Sport Fishing	\$ 8,345	\$ 4,953	\$ 3,094	\$ 5,847		\$ 22,239
		Ketch Café	\$ 1,756	\$ 1,756	\$ 1,812	\$ 1,812		\$ 7,135
		Ketch Joanne	\$ 35,126	\$ 32,689	\$ 29,118	\$ 32,749		\$ 129,683
		Mavericks	\$ 6,782	\$ 6,970	\$ 6,985	\$ 6,985		\$ 27,722
		Order At The Corner	\$ 17,964	\$ 16,755	\$ 12,120	\$ 13,140		\$ 59,978
		KN Fuel & Ice	\$ 2,439	\$ 2,439	\$ 3,429	\$ 3,429		\$ 11,737
		KN RV Lot	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500		\$ 30,000
	Lessee Total		\$ 118,536	\$ 103,136	\$ 90,100	\$ 97,895		\$ 409,666
	CAP	Ankeny Street	\$ 1,303	\$ 909	\$ 109	\$ 754		\$ 3,075
		Blue Water Ventures			\$ 67	\$ 0		\$ 67
		California Canoe & Kayak	\$ 5	\$ 25	\$ 23	\$ 5		\$ 57
		HMB Kayak	\$ 6,392	\$ 2,595	\$ 2,932	\$ 4,896		\$ 16,814
		Mooch Better Fishing	\$ 389	\$ 92	\$ 7	\$ 255		\$ 744
		Huli Cat	\$ 1,793	\$ 1,022	\$ 123	\$ 944		\$ 3,882
		Lucky Lindy Handicrafts	\$ 70	\$ 56	\$ 0	\$ 0		\$ 126
		New Captain Pete	\$ 2,482	\$ 167	\$ 0	\$ 42		\$ 2,690
		Sea Pure	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500		\$ 6,000
		Walters Coastal Charters	\$ 581	\$ 88	\$ 0	\$ 302		\$ 970
		A.C. Fishing Charters	\$ 164		\$ 0	\$ 0		\$ 164
	CAP Total		\$ 14,677	\$ 6,453	\$ 4,761	\$ 8,697		\$ 34,589
PPH Total			\$ 133,213	\$ 109,588	\$ 94,861	\$ 106,592		\$ 444,255
OPM	Lessee	OPMV - Parcel B	\$ 6,284					\$ 6,284
		OPMV - Parcel C	\$ 16,865					\$ 16,865
		OPMV - Parcel D	\$ 11,384					\$ 11,384
		OPMV - Parcel E	\$ 24,959					\$ 24,959
		Oyster Point Yacht Club	\$ 690	\$ 375	\$ 1,586	\$ 350		\$ 3,001
		WETA Ferry Terminal	\$ 16,636	\$ 16,636	\$ 16,636	\$ 16,636		\$ 66,546
	Lessee Total		\$ 76,818	\$ 17,011	\$ 18,223	\$ 16,986		\$ 129,038
	CAP	Action Sports SF	\$ 300	\$ 300	\$ 300	\$ 1,000		\$ 1,900
		Bay Area Air Quality	\$ 195	\$ 195	\$ 195	\$ 195		\$ 780
		Fathom Marine LLC		\$ 6,150	\$ 6,205	\$ 6,509		\$ 18,864
		Prop SF	\$ 2,700	\$ 2,700	\$ 2,700	\$ 2,700		\$ 10,800
		Tideline Marine Group	\$ 84					\$ 84
		Wind Over Water Kiteboarding	\$ 300	\$ 300	\$ 600	\$ 972		\$ 2,172
		Donald Smith			\$ 9	\$ 0		\$ 9
	CAP Total		\$ 3,579	\$ 9,645	\$ 10,010	\$ 11,375		\$ 34,609
OPM Total			\$ 80,396	\$ 26,656	\$ 28,232	\$ 28,362		\$ 163,647
Grand Total			\$ 213,609	\$ 136,245	\$ 123,094	\$ 134,954		\$ 607,901



Staff Report

TO: Board of Harbor Commissioners

FROM: Anita C. Pyle, Director of Administrative Services
Boomer Henthorne, Accounting Manager

DATE: November 14, 2018

SUBJECT: First Quarter – Fiscal Year 2019 (Q119) Financial Report and Spending Authority – Salaries and Benefits

Recommendation/Motion:

Motion: This Commission authorizes a change in the fiscal year 2018-19 budget appropriation level, increasing Salaries and Benefits Authority by \$2,300,000 to account for the previously approved and unbudgeted payment to CalPERS of 50% of the District's Unfunded Accrued Liability.

Policy Implications:

The Budget Appropriation Policy (4.9.2) requires that this Commission receive a quarterly financial report to review and ensure that all expenditures are within the approved appropriations. Quarterly reports are presented at the consolidated level (includes Pillar Point Harbor, Oyster Point Marina, and Administration).

Fiscal Implications/Budget Status:

Increase in Salaries and Wages appropriation budget of \$2,300,000 in order to allow for the CalPERS Unfunded Accrued Liability (UAL) payment this Commission approved at the October 17, 2018 board meeting. This report is a required status report.

Alternatives Considered:

None

Background/Discussion:

The table below reflects expenditures at the Commission approved level for Salaries and Benefits, Operating Expenses, and Capital Projects. When the District exceeds the spending authority of one of these approved levels, Staff is required to ask this Commission to modify their spending authority.

Items to Highlight:

- All spending authority is under approved appropriations.
- Salaries & Benefits – staff is recommending this board approve an increase in spending appropriation by \$2,300,000 since we will approach the limit near the end of Q219 (12/31/18) and since payment was already approved and disbursed in October 2018.
- Enterprise Revenue (Budgeted: \$4,815,000; Actual \$1,129,778) is on track to meet the annual budgeted revenues.
- Other Operating Revenue (Budgeted: \$8,336,300; Actual: \$112,553) is low because we typically receive tax revenues in Q2 (Oct to Dec) and Q4 (Apr to Jun) of the fiscal year.
- Total Capital Expenditures are \$94,510. Some of the projects the District worked on this quarter were: OPM Transformers Dock 1-6, PPH Dock H Replacement, PPH West Trail Shoreline Protection.

First Quarter 2019 Financial Report and Spending Authority Summary

Revenues

Spending Authority	Budget	YTD Actual	% of Budget
Enterprise Revenue	\$ 4,815,000	\$ 1,129,778	23%
Other Operating Revenue	\$ 8,336,245	\$ 112,553	1%
Total Revenues	\$ 13,151,245	\$ 1,242,331	9%

Expenditures

Spending Authority	Budget	YTD Actual	% of Budget
Salaries and Benefits	\$ 5,450,306	\$ 1,170,722	21%
Operating Expenses	\$ 3,860,200	\$ 603,366	16%
Capital Projects	\$ 10,407,500	\$ 94,510	1%
Total Expenditures	\$ 19,718,006	\$ 1,868,598	9%

Attachment:

[Q119 – Financial Statements and Spending Authority](#)

First Quarter 2019 Financial Report and Spending Authority Summary

Revenues

Spending Authority	Budget	YTD Actual	% of Budget
Enterprise Revenue	\$ 4,815,000	\$ 1,129,778	23%
Other Operating Revenue	\$ 8,336,245	\$ 112,553	1%
Total Revenues	\$ 13,151,245	\$ 1,242,331	9%

Expenditures

Spending Authority	Budget	YTD Actual	% of Budget
Salaries and Benefits	\$ 5,450,306	\$ 1,170,722	21%
Operating Expenses	\$ 3,860,200	\$ 603,366	16%
Capital Projects	\$ 10,407,500	\$ 94,510	1%
Total Expenditures	\$ 19,718,006	\$ 1,868,598	9%



Staff Report

TO: Board of Harbor Commissioners

FROM: John Moren, Director of Operations

DATE: November 14, 2018

SUBJECT: Commercial Activity Permit for Northcal Sport Fishing, Khanh Tran to Charter his Privately-Owned Vessel at Pillar Point Harbor.

Recommendation/Motion:

Motion: i) Approve the Commercial Activity Permit (CAP) for Northcal Sport Fishing, Khanh Tran (Permittee) to charter his privately-owned uninspected small passenger vessel for fishing and sightseeing tours at Pillar Point Harbor (PPH) until December 31, 2018 and ii) authorize the General Manager to execute the permit in a form approved by legal counsel.

Policy Implications:

Consistent with the San Mateo County Harbor District's (District) goal of promoting and providing waterborne services to the local community.

District Code of Ordinances 5.10.010 (E):

The District may not issue commercial activity permits for more than sixteen (16) inspected small passenger vessels and six (6) uninspected small passenger vessels at Pillar Point Harbor without first determining the impact of said additional permits on the District's facilities and the surrounding community.

Currently, the District has issued five of six CAPs for uninspected vessels at PPH.

Fiscal Implications/Budget Status:

Commercial Activity Permit application fee of \$258 has been paid. Permittee will provide a \$500 deposit and be responsible for passenger fees as required in the current rates and fees schedule, as approved by this Commission.

Background/Discussion:

The Permittee is a USCG Certified Captain and owner of a 25' trailered vessel and is requesting approval to conduct business at PPH. Pursuant to the terms and conditions of this CAP, Permittee will be allowed to charter the vessel owned and insured by him for fishing and sightseeing tours between the hours of 5am and 6pm, seven days per week. No overnight guests/use will be permitted. The CAP, attached to this report, describes the rights and obligations of the parties and adequately protects the District. The term of the CAP is for 2 months but is freely terminable by the District sooner if necessary. The CAP may be approved and renewed annually thereafter.

If the Board elects to approve this CAP, the Permittee may allow up to 6 persons chartering his vessel to board at the launch ramp. All launch ramp fees must be paid separately, and vehicles/trailers will park as space permits, in designated areas, on a first come, first served basis. Permittee will not be provided tenant dock or restroom keys. Permittee will be responsible for keeping the launch ramp area used clean and ensure no potential environmental hazards occur.

Summary/Recommendation:

Staff recommends the Board approve the Commercial Activity Permit for Northcal Sport Fishing, Khanh Tran, to charter his privately-owned uninspected small passenger vessel for fishing and sightseeing tours at Pillar Point Harbor until December 31, 2018 and authorize the General Manager to execute the permit in a form approved by legal counsel.

Attachments:

- [Draft Commercial Activity Permit](#)

San Mateo County Harbor District
504 Avenue Alhambra, 2nd Floor
El Granada, CA 94018
Phone: (650) 583-4400

Commercial Activity Permit

Permit Number: 2018-XX

1. Commercial Activity Permittee

- 1.1 Name of Permittee: Northcal Sport Fishing (Permittee)
- 1.2 Contact Person: Khanh Tran
- 1.3 Address of Permittee: 39617 Fremont Blvd, Fremont CA 94538
- 1.4 Phone Number: (510) 552-2250
- 1.5 Email Address: northcalsportfishing@yahoo.com

2. Commercial Activity Permit General Description

Northcal Sport Fishing, Khanh Tran (Permittee) requests authorization from the San Mateo County Harbor District (District) through this Commercial Activity Permit (CAP) to conduct business at PPH. Pursuant to the terms and conditions of this CAP, Permittee will be allowed to conduct fishing and tour charters on the vessel owned and insured by him, between the hours of 5am and 6pm, seven days per week. No overnight guests/use will be permitted.

3. Term

- 3.1 This CAP will commence upon execution and unless cancelled by the District as set forth below, the CAP will be in effect through December 31, 2018. The CAP will be approved and renewed annually thereafter.
- 3.2 This CAP becomes immediately null and void should any of the conditions specified in the permit not be met, or should any required certificates or permits expire or be revoked or suspended. This CAP may be suspended or terminated by the District at any time and without notice by the District for violation of any Terms or Conditions of the CAP, or for violation of the Ordinances of the District.
- 3.3 The District may terminate this CAP for any reason with thirty (30) day notice. If exigency requires, the District may shorten such notice period in the reasonable exercise of its discretion.

4. Facilities—Premises

- 4.1 Permittee may allow up to six (6) charter customers to board his trailered vessel at the launch ramp for fishing and sightseeing day trips, only when escorted by him to and from the vessel. Permittee will not be provided tenant dock/restroom

keys. Permittee will be responsible for keeping the launch ramp area used clean and ensure no potential environmental hazards occur.

- 4.2 Permittee agrees to comply with all practices required by the District, both as of the commencement of this CAP and at any time during the term of the CAP.
- 4.3 Permittee agrees that certain CAP terms may need to be revised, or the CAP terminated in its entirety, at the District's sole discretion as necessary to accommodate the District's planned projects.
- 4.4 Permittee is responsible for ensuring its operations are compliant with all City, State and Federal laws and permit requirements (together, "Applicable Laws"). The term "Applicable Laws" includes, without limitation, each of the laws which regulates or defines any hazardous material, environmental impact, or Hazardous Release under any local, state or federal laws, or common law. The term "Hazardous Release" as used in this permit shall have the same meaning as the terms "release" under CERCLA [42 U.S.C. 9601(22)] as it applies to a release of any hazardous materials by FM, its employees, contractors, invitees, and agents.

5. Commercial Activity Fee

- 5.1 Payment of the Annual Permit Fee of **two hundred and fifty eight dollars (\$258)** has been paid.
- 5.2 Permittee shall pay the following fees: **\$2.32 per passenger and additional \$500 security deposit. Permittee will notify the Marina office prior to any charter episode and provide the manifest with names and number of customers going out on the vessel.**
- 5.3 Permittee will pay per passenger fees quarterly, (July 1-September 30, October 1-December 31, January 1-March 31, and April 1-June 30). Permittee will provide a quarterly report listing all charter episodes, names of customers and totals owed. Late payments will be subject to \$25.00 late fee or interest charges of 10% per annum, whichever is greater on balances more than 30 days past due.

6. Additional Terms and Conditions

- 6.1 Permittee shall monitor the launch ramp area used for cleanliness. No trash, equipment or supplies shall be left on the launch ramp dock. Vessel shall be maintained in seaworthy condition and equipped at all times with USCG required navigational aids and safety devices.
- 6.2 Permittee shall provide the District with a copy of any/all permits and/or licenses required by the State of California or any of its agencies or subdivisions.
- 6.3 Permittee will provide the District a Certificate of Insurance evidencing satisfactory insurance coverage for the business activity described in Section 2. All policies shall be in favor of, and name Permittee and District, its directors, officers, agents and employees as additionally insured and shall be maintained in full force and effect during the term of this permit. The Certificate of Insurance

shall provide evidence that the insurance includes the following endorsements: Additional Insured, Primary and Non-Contributory wording; and Waiver of Subrogation in favor of the District. All policies shall state by their terms and by an endorsement that said policy shall not be canceled until District shall have had at least thirty (30) days written notice of such cancellation.

- 6.4** Permittee shall comply with all applicable District Ordinances and regulations. Further, Permittee must comply with all instructions given by District staff related to the conduct of Permittee's business activities, provided that District will exercise its reasonable discretion in providing such instructions and will do so only as necessary to protect District property, or to facilitate and coordinate Permittee's business activities with the District's other activities.
- 6.5** Permittee must use reasonable care and may not unreasonably increase the burden on the District's facilities. Permittee may not interfere with other bona fide users of the District facilities or the conduct of their business. Permittee agrees to cooperate with District in adjusting any terms of this Permit as may be necessary, including up to termination of this Permit, at the District's sole discretion.
- 6.6** Permittee may not discriminate against any customer, or against employee or applicant for employment because of race, color, religion, citizenship, political activity or affiliation, national origin, ancestry, physical or mental disability, marital status, age, medical condition (as defined under California law), veteran status, sexual orientation, gender identity, gender expression, sex or gender (which includes pregnancy, childbirth, breastfeeding, or related medical conditions), taking or requesting statutorily protected leave, or any other characteristics protected under federal, state, or local laws. The Permittee must take affirmative actions to ensure that applicants are employed, and that employees are treated during their employment, without regard to their race, religion, color, sex, disability, national origin, or any other characteristic protected under state, federal, or local laws. Such actions must include, but not be limited to, the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation; and selection for training, including apprenticeship.
- 6.7** Waiver, Responsibility, and Indemnity
- i. Permittee, as a material part of the consideration to be rendered to the District under this Permit, waives all claims against the District for damages to all personal property in, on or about the District's facilities, and for injuries to persons in or about the District's facilities from any cause arising at any time. Permittee hereby agrees to indemnify, and save harmless District, its governing board, officers, employees and agents, and to defend District (with counsel approved by District in its reasonable discretion), from and against any and all claims, suits, actions liability, loss, damage, expense, cost (including, without limitation, costs and fees of litigation) of every nature, kind or description, which may be brought against, or suffered or sustained by, District, its governing board, officers, employees or agents arising out of this Permit or of Permittee's operations. It is the express intent of the parties that Permittee will indemnify and hold harmless the District from any and all claims, suits or actions arising from any cause whatsoever, other than the sole

negligence, willful misconduct, or criminal acts of the District. Permittee waives any and all rights to any type of express or implied indemnity against the district's use of or activities on district property related to this CAP.

ii. In addition to, and without limitation on, the preceding paragraph, Permittee also agrees to be solely responsible, and at its sole cost to indemnify, and hold the District harmless and to defend District (with counsel approved by District in its reasonable discretion) from and against any and all liabilities, losses, damage, fines, penalties, charges, orders, judgments or liens to the extent any of them arise directly or indirectly, in whole or in part out of a Hazardous Release, or the handling, investigation, treatment, storage, decontamination, remediation, removal, transport or disposal of any hazardous materials. Permittee's liability and obligation hereunder does not depend upon whether it resulted from any act or omission of Permittee, arose before or during the term of this CAP, or if so caused, whether Permittee's acts or omissions were legal, negligent, or within its control.

iii. This indemnity shall survive expiration or termination of the CAP.

6.8 In the event of a dispute arising out of or relating to this permit, the parties agree to meet in good faith to attempt to reach a resolution of any dispute. By mutual agreement, the parties may seek the assistance of a mutually acceptable mediator or arbitrator if the parties are unable to resolve the dispute themselves. The costs of the mediator or arbitrator, if any, shall be paid equally by the parties. If a mediated settlement is reached neither party shall be deemed the prevailing party for purposes of settlement, and each party shall bear its own legal fees and costs. Permittee must comply with the provisions of the Government Claims Act (Govt. Code Section 900 et seq) prior to initiating any legal action against the District.

6.9 Any person, firm or corporation Permittee authorizes to work upon or enter upon the District's property, including any contractor(s) and subcontractor(s), shall be deemed to be Permittee's agent and shall be subject to all the applicable terms of this Permit.

6.10 The laws of the State of California shall govern this agreement and any suit or action initiated by either party shall be brought in the County of San Mateo, California. In the event of litigation between the parties hereto to enforce any provision of the agreement, the unsuccessful party will pay the reasonable attorney's fees, court costs, discovery costs and expenses of litigation of the successful party.

6.11 Permittee shall pay a fee pursuant to Section 1719 of the Civil Code for the State of California for each check that is returned to the District for lack of sufficient funds.

For: Northcal Sport Fishing

Khanh Tran

Date

For: SAN MATEO COUNTY HARBOR DISTRICT

Steve McGrath
General Manager

Date

DRAFT



Staff Report

TO: Board of Harbor Commissioners
FROM: Steve McGrath, General Manager
VIA: Debbie Gehret, Deputy Secretary
DATE: November 14, 2018
SUBJECT: After-the-Fact Fee Waiver for WaveChaser Paddle Event Held October 27, 2018

Recommendation/Motion:

Motion: Approve after-the-fact fee waiver in the amount of \$2,300 for the Northern California Outrigger Canoe Association's WaveChaser Paddle Series Kayak and Canoe event held October 27, 2018.

Policy Implications:

Per Event Policy 5.4.1, the event requested as per the submitted application, this event is considered an Athletic Event 2 requiring a \$250.00 application fee, \$85.00 per day non-profit fee and \$4,800.00 for an event that is water-related. The General Manager may waive fees up to \$2,500.00 for non-profit coastal dependent applicants. Applicant, as a non-profit, is asking for a full Permit Fee waiver.

Fiscal Implications/Budget Status:

Return payment of \$2,300 to WaveChasers paid above the \$2,500 waived by the General Manager.

Background/Discussion:

Northern California Outrigger Canoe Association (NCOCA) is a not-for-profit 501(c)(3), which has operated a variety of canoe and paddle sports and was formed primarily to promote the sport of outrigger canoeing. As per their website, they are "devoted to fostering national and international amateur canoe (kayak) and paddle sports competitions. There are several local outrigger canoe clubs in Northern California, including the Bay Area, Monterey and Santa Cruz.

The Harbor District was approached by an Officer of NCOCA requesting an Event Permit and fee waiver for the WaveChaser Paddle Series Event to be held on October 27, 2018 at Pillar Point Harbor. The required event paperwork was not submitted in time

to meet the deadline to go before the Harbor Commission prior to the day of the race to request a full fee waiver. Once all of the required paperwork was received before the race, the General Manager waived fees of \$2,500 per event for non-profit coastal dependent applicants. The applicant paid the additional \$2,300 so that an Athletic Event 2 permit could be issued to for the event to be held.

Alternatives:

Not waive additional paid fee of \$2,800.

Summary/Recommendation:

Approve the after-the-fact fee waiver for Northern California Outrigger Canoe Association's WaveChaser Paddle Series Event in the amount of \$2,300. This is a positive recreational sport event that promotes human-powered watercraft in Pillar Point Harbor and the bay. There is interest in holding another contest in 2019, with enough advance notice to bring before the Commission for a full fee waiver.

Attachments:

[Application package](#)

San Mateo County Harbor District
504 Avenue Alhambra, Ste. 200
El Granada, CA 94018
Phone: (650) 583-4400 Fax: (650) 583-4614

Athletic Event 2 Permit

Permit Number: 2018-61

1. Athletic Event 2 Permittee

- 1.1. Name of Permittee: WaveChaser Paddle Series
- 1.2. Contact Person: Mike Martinez
- 1.3. Address of Permittee: 5616 Wintergreen Drive, Newark, CA 94560
- 1.4. Phone Number: 650-670-7108 or Channel 68 VHF

2. Athletic Event 2 Permit Description

- 2.1. This Athletic Event 2 Activity Permit is issued only for the purpose of enabling the Northern California Outrigger Canoe Association/WaveChaser Paddle Series to hold three (3) canoe/kayak races at Pillar Point Harbor on October 27, 2018.
- 2.2. A novice course will begin at 9:00 a.m. which is about 2.75 miles; a short course, 5-miles and a long course, 8-9 miles, both the latter, which will go into the bay. The races will take place between the hours of 8:00 a.m. and 5:00 a.m. which includes set-up and clean-up. Approximately 80 people will participate. Parking lots will be used.
- 2.3. A safety plan has been submitted. The staging area will be on the beach side, just south of the boat launch, and include 1 – 10 x 15 tent, 2 tables, 4 chairs, a Honda generator, 1 small sound system, with the course map banner attached to the tent.

3. Athletic Event 2 Fee

Application Fee of two hundred fifty (\$250) dollars is hereby acknowledged. A permit fee of eighty-five (\$85) dollars non-profit fee and the \$4,800 water-related permit fee is waived/reduced \$2,500 by the General Manager as this organization is a coastal dependent, 501(c)3 non-profit organization, for a total of two-thousand three hundred eighty five dollars (\$2,385) paid to the district.

4. Athletic Event 2 Terms and Conditions

4.1. Hours and Standard of Operation

4.1.1. Event will be held between 8:00 a.m. and 5:00 p.m.

4.2. Conditions

Permittee shall be required to obtain and/or comply with the following:

4.2.1. The WaveChaser Paddle Series shall comply with all operational requirements as determined by the Pillar Point Harbormaster's Office, to avoid conflicts with other Harbor users.

4.2.2. A Certificate of Insurance for the business activity described in Section 2.1 attesting to liability coverage consisting of a Comprehensive General Liability policy with a Broad Form Endorsement that provides coverage for bodily injury and property damage in the amount of \$1,000,000.00 per occurrence and \$2,000,000.00 per aggregate and naming the San Mateo County Harbor District as an Additional Insured has been received. This certificate shall be maintained in full force and effect during the term of the permit.

4.3. Term of Permit

4.3.1. This Athletic Event 2 Permit is effective for Saturday, October 27, 2018 between the hours of 8:00 a.m. and 5:00 p.m. only.

San Mateo County Harbor District



Steve McGrath
General Manager

10/26/18
Date

WaveChaser Paddle Series



Mike Martinez

October 25, 2018

Date

CERTIFICATE OF INSURANCE

DATE (MM/DD/YY)
10/11/2018

PRODUCER AND THE NAMED INSURED
International Special Events and Recreation Association, Inc. Inc., A Risk Retention Purchasing Group qualified under the Risk Retention Act of 1986; Federal Law 97-45.
P.O. Box 469
Sandy, UT 84091-0469
800-321-1493

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE OF INSURANCE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND, OR ALTER THE COVERAGE AFFORDED BY THE INSURANCE POLICIES BELOW.

INSURERS AFFORDING COVERAGE

INSURED
Northern California Outrigger Canoe Association

355 Sheffield Ct
San Jose, CA 95125

INSURER A:
INSURER B:
INSURER C:
INSURER D:
INSURER E:

NOTICE: Coverage is being provided as part of a Master Group Policy issued to members of the International Special Events and Recreation Association, Inc., a Risk Retention 'Purchasing Group' authorized under the Risk Retention Act of 1986: Federal Law 97-45.

"LIMITS SHOWN ARE THOSE IN EFFECT AS OF POLICY INCEPTION"

Certain Underwriters at Lloyds, London

COVERAGES

The policies of insurance listed below have been issued to the insured named above for the policy indicated. Notwithstanding any requirement, term or condition of any contract or other document with respect to which this certificate may be issued or may pertain, the insurance afforded by the policies described herein is subject to all the terms, exclusions and conditions of such policies. Aggregate limits shown may have been reduced by paid claims.

TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
<input checked="" type="checkbox"/> Commercial Liability <input checked="" type="checkbox"/> Claims Made <input checked="" type="checkbox"/> Exclude Products <input checked="" type="checkbox"/> Exclude Completed Operations	LSE0224-18010004	1/31/2018	1/31/2019	\$250,000 Per Person \$1,000,000 Per Accident \$2,000,000 Policy Aggregate \$1,000,000 Personal & Advertising Injury
<input type="checkbox"/> Commercial Auto Liability Any Auto All Owned Autos Scheduled Autos Hired Autos Non-Owned Autos Drive Away				
<input type="checkbox"/> Commercial Garage Liability G.K.L.L. O.T.R.P.D. D.O.C. Cargo On Hook Employee Dishonesty Wrongful Repossession Claims Made Exclude Products Exclude Completed Operations				
<input type="checkbox"/> Excess Liability <input type="checkbox"/> Claims Made				

LIMITATION OF COVERAGE FOR ADDITIONAL INSURED

Liability Coverage is only provided to the Additional Insured with respect to Accidents otherwise covered under the Policy/Coverage Contract where the Insured is found directly liable and not where the Additional Insured is found independently negligent of the Insured.

DESCRIPTION OF OPERATION/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL PROVISIONS

10/27/18 - Winter Wavechaser Series, Race One Half moon Bay. Coverage is limited to only insured activities or operations on the Participant Member Declaration Certificate or as may be separately endorsed. Club Liability - Per Practice Sites, Club Liability - Per Members., Personal and Advertising Injury.

CERTIFICATE HOLDER
 ADDITIONAL INSURED
 LOSS PAYEE

San Matteo Harbor District

PO Box 1449
El Granada, CA 94018

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 0 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE OF THE 'PURCHASING GROUP'

Erin B. [Signature]

GENERAL CHANGE ENDORSEMENT

RAP-99-16

This Endorsement changes the terms and conditions of the Coverage Contract issued. Please read it carefully!

Subject to all of the terms and conditions of the Coverage Contract, unless expressly changed hereby, this Endorsement and any attached Endorsement(s) are to be deemed to be and form a part of the following Coverage Contract: LSE0224 18010004

Participating Member: Northern California Outrigger Canoe Association
D.B.A.

Insurer: Certain Underwriters at Lloyd's, London

At its agency located in Salt Lake City, Utah Endorsement Effective Date: 10/10/2018

Endorsement type date: 10/11/2018

Mountain Standard Time

The undersigned hereby represents, acknowledges, and agrees that the Coverage Contract is amended through the inclusion of this Endorsement, and any attached Endorsement(s), as follows:

- To add the following Event & AI: Winter Wavechaser Series, Race One Half moon Bay 10/27/18 with San Matteo Harbor District listed as Additional Insured.

Coverage and Service Provider Fee Coverage Charge:

\$162.00	Insurance Company Coverage Charge Net Coverage Charge
\$25.92	Underwriting and Coverage Contract Management Service Provider Fee
\$11.34	Inspections; Audit, Claims and Legal Service Provider Fee
\$2.27	Association Management Service Provider Fee
\$12.47	Countersignature and Representative Service Provider Fee
\$35.48	Program Administrator Service Provider Fee
\$249.48	Total Taxable Premium
\$7.48	State Tax
\$0.50	Stamping Fee
\$257.46	Total Member Coverage Charge

Any premium charged in connection with the issuance of this Endorsement is a flat-rate fully earned premium as of the date of issuance. If this Policy is cancelled by the Insured or the Insurer, no premium will be returned.

All other terms and conditions of the Coverage Contract remain unchanged.

Endorsement: 70



Authorized Signature



Evolution Insurance Brokers, LC

0H93938

ADDITIONAL INSURED ENDORSEMENT

RAP-99-12

This Endorsement changes the terms and conditions of the Coverage Contract issued. Please read it carefully!

The following requirements govern coverage under the Coverage Contract and must be adhered to for coverage to be provided to the Participating Member under the Coverage Contract. No activities conducted by the Participating Member are covered under the Coverage Contract unless they are conducted in full compliance with all of the requirements specified below and in the Coverage Contract. The Participating Member must advise its employees, agents, contractors, and/or subcontractors of these requirements and ensure that they also abide by them for coverage to be provided. The Participating Member agrees and understands that any noncompliance with the following specified requirements and/or the terms and conditions set forth in the Coverage Contract will result in the denial of coverage under the Coverage Contract meaning the Insurer will not be obligated to indemnify or defend you.

Master Coverage Contract Number: LSE0224

Certificate Number: 18010004

Participating Member: Northern California Outrigger Canoe Association

Effective Date: 10/11/2018

Additional Insured: San Matteo Harbor District

PO Box 1449
El Granada, CA 94018

The "Who is a Participating Member" provision of the Coverage Contract shall be amended to include the person or organization scheduled in this Endorsement as an Additional Insured for the limited purpose of liability arising from Your Work, as that term applies to the Participating Member only, and subject to all other terms and conditions of the Coverage Contract and this Endorsement.

The coverage provided by this Endorsement only extends to cover the Additional Insured for allegations of liability based upon alleged, actionable conduct of the Participating Member and only to the extent the Participating Member would have been liable and coverage would have been afforded to the Participating Member under the terms and conditions of this Coverage Contract had such Claim been made against the Participating Member.

The Coverage Contract expressly provides that coverage is to be construed and enforced in accordance with the laws of the State of Utah, and the Participating Member has consented to the jurisdiction of the courts of the State of Utah and has agreed that those courts shall be the exclusive forum to hear and decide disputes consisting of or relating to coverage issues.

The Additional Insured is subject to all of the terms, provisions, conditions, exclusions, definitions, limitations, representations, and Endorsements of the Master Group Policy issued to the Insured Association, the participating member Coverage Contract, and all related documents providing coverage to the Participating Member. The failure of the Participating Member to adhere to any such provisions will also defeat coverage under the Coverage Contract for all Additional Insureds.

A copy of the Participating Member Coverage Contract may be obtained from the Participating Member or by contacting the Industry Association Purchasing Group office in Salt Lake City, Utah, during normal business hours.

Endorsement No.: 0



Evolution Insurance Brokers, LC

0H93938

Safety Plan
WaveChaser Race #1- HMB- October 27th, 2018

We offer 3 races throughout the day.

The safety team on the water consists 3 boats.

Boat 1- 25' Boston Whaler Guardian. Boat name- WaveChaser 1. Mike Martinez is the skipper.

Boat 2- 25' Farallon. Boat name- Hunter. Jeff Sylva is the skipper. (He has a slip at the Harbor, as he runs a Commercial Crab/Salmon boat during the year.

Boat 3- 16' Rib. Various drivers and will be used as the lead boat to lead the different packs during the day.

We'll be using Channel 68 for the day.

WaveChaser 1- Mike Martinez cell- 650.670.7108

Hunter- Jeff Sylva cell- 408.426.0501

Land Contact- Helen Workman, she will be working the Registration Tent and be on shore for the entire day. She will be available on Channel 68 and I'll forward her phone number. (I have a new phone and trying to rebuild my contacts)

We have incorporated a new rule this year that all paddlers must wear a PFD while racing. The standard in the past has been that a PFD had to be fastened to the Canoe/Surfski. We're insisting all wear the PFD. Some racers also have leashes, but that is optional.

Racers are also required to carry some sort of signaling device along with recommendations to wear bright clothing.

Race #1- Novice Course. Inner harbor.

We'll have a safety boat monitoring the entries/exits to the inner/inner harbor where the harbor slips are at.

We have had great experiences with the Commercial guys, we just want to make sure our racers are aware of them at these key areas.

This course stays inside the inner harbor.

Race #2- Short Course. Triangle Course outside the breakwater.

Same monitoring at start of race for the inner harbor and particular attention at the Harbor mouth.

We'll monitor the Harbor entrance for the return back into the Inner Harbor.

We did note the comment about the Yellow Buoys missing this year. We'll set a5' Orange Race Marks close to where the Yellow buoys were. We set with a 13lb anchor and remove after the race.

Actual course may be modified on Race day, depending on conditions, but distance will stay roughly the same.

Race #3- Long Course.

Monitoring race start areas within Harbor. We use the Rib has a lead boat and the course will head out the Harbor to the first Channel Marker and head NW and adjust the course based on race day conditions. To simplify things, we run straight into the Swell and return along the same path.

We'll have a roving boat with a boat monitoring the last paddlers.

Race length is determined by time, rather than distance. We like to keep the long course at around 1 hour 30 minutes and will shorten the course for the slower racers, so that the finish is more closely bunched and the "gap" between racers is less.

Safety Concerns:

Reasons for cancellation-

High Winds or Swell Conditions- We may modify courses if there are adverse conditions on race day. If conditions are bad, we won't leave the inner harbor.

Fog is a major concern, if visibility is less than ½ Mile, we'll either modify the course, or cancel the event. Some racers have GPS, but not 100%, so we play it on the safe side and don't allow racing if we have fog issues.

If you have any concerns or questions, please feel free to contact me at mikem@wavechaser.com or call me at 650.670.7108.

Mike Martinez
Race Director

Set Up Area

Legend
2018 Short Course
Long Course- 2:00PM



Novice Course

2.75 Miles- 8:00AM



Course Maps

Red- Novice Course
Yellow- Short Course
Green- Long Course



**SAN MATEO COUNTY HARBOR
DISTRICT**

400 Oyster Point Blvd., Suite 300, So. San Francisco, CA 94080
(650) 583-4400

Pillar Point Harbor
(650) 726-4382

Oyster Point Marina/Park
(650) 952-0808

Date:

10/26/18

Name: MILE MONTANEZ

Address: 12000 CHASE

City, St, Zip: _____

Account #: _____

CF #, Operating #, Lic #: phone

Check # 1115 or Cash

Check appropriate box for which payment is being made and total due for each category:

- Launch Ramp 85.00
 - RVParking _____
 - Dockage for ___ Days 2,300.00
 - Day Use _____
 - Wait List _____
 - On Account _____
 - Other event permit
- TOTAL 2385.00

Issued By: K.L.

Receipt No. **137810**

SAN MATEO COUNTY HARBOR
504 AVENUE ALHAMBRA
EL GRANADA, CA. 94078
650-583-4400

SALE

REF#: 00000001

Batch #: 538

10/26/18

AVS: Y

APPR CODE 955943

Trace: 1

VISA

*****7822

402655
CVV2: M

Manual CNP
as per

AMOUNT \$2,385.00

APPROVED

THANK YOU

CUSTOMER COPY

SAN MATEO COUNTY HARBOR
504 AVENUE ALHAMBRA
EL GRANADA, CA. 94018
650-583-4400

SALE

REF#: 00000020
Batch #: 533
10/15/18 11:36:52
AVS: Y CVV2: M
APPR CODE: 132025
Trace: 20
MASTERCARD Manual CNP
*****4528 **/**

AMOUNT \$250.00

APPROVED

THANK YOU

CUSTOMER COPY

**SAN MATEO COUNTY HARBOR
DISTRICT**

400 Oyster Point Blvd., Suite 300, So. San Francisco, CA 94080
(650) 583-4400

Pillar Point Harbor
(650) 726-4382

Oyster Point Marina/Park
(650) 952-0808

Date: 11/15/18

Name: _____

Address: _____

City, St, Zip: _____

Account #: _____

CP #, Operating #, Lic #: _____

Check # _____ or Cash

Check appropriate box for which payment is being made
and total due for each category:

Launch Ramp

RVParking

Dockage for ___ Days

Day Use

Wait List

On Account

Other

P fee

TOTAL

Issued By: _____

Receipt No. **145849**

INTERNAL REVENUE SERVICE
P. O. BOX 2508
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date: **JUN 30 2014**

**NORTHERN CALIFORNIA OUTRIGGER CANOE
ASSOCIATION**
C/O LINDA DRESBACH
355 SHEFFIELD CT
SAN JOSE, CA 95125

Employer Identification Number:
77-0305252
DLN:
17053331383002
Contact Person:
CUSTOMER SERVICE ID# 31954
Contact Telephone Number:
(877) 829-5500

Accounting Period Ending:
December 31
Public Charity Status:
509(a)(2)
Form 990 Required:
Yes
Effective Date of Exemption:
November 18, 2012
Contribution Deductibility:
Yes
Addendum Applies:
Yes

Dear Applicant:

We are pleased to inform you that upon review of your application for tax exempt status we have determined that you are exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code. Contributions to you are deductible under section 170 of the Code. You are also qualified to receive tax deductible bequests, devises, transfers or gifts under section 2055, 2106 or 2522 of the Code. Because this letter could help resolve any questions regarding your exempt status, you should keep it in your permanent records.

Organizations exempt under section 501(c)(3) of the Code are further classified as either public charities or private foundations. We determined that you are a public charity under the Code section(s) listed in the heading of this letter.

Please see enclosed Publication 4221-PC, Compliance Guide for 501(c)(3) Public Charities, for some helpful information about your responsibilities as an exempt organization.

Letter 947

NORTHERN CALIFORNIA OUTRIGGER CANOE

Sincerely,

A handwritten signature in cursive script, reading "Tamara Ripponda". The signature is written in dark ink and is positioned below the word "Sincerely,".

Director, Exempt Organizations

Enclosure: Publication 4221-PC

NORTHERN CALIFORNIA OUTRIGGER CANOE

ADDENDUM

Based on the information submitted with your application, you meet the requirements for retroactive reinstatement under Notice 2011-43.

Your exemption under section 501(c)(4) of the Code is reinstated for the period May 15, 2010 to the effective date shown in the heading of this letter.



NORTHERN CALIFORNIA OUTRIGGER CANOE ASSOCIATION

- [Home](#)
- [About](#)
- [Officers](#)
- [Groups](#)
- [Events](#)
- [Results](#)
- [Gallery](#)
- [Members](#)
- [Links](#)

About Us

Founded in 1978, the Northern California Outrigger Canoe Association (NCOCA) is devoted to fostering national and international amateur canoe (kayak) and paddle sports competition.



Outrigger canoe clubs from all over Northern California, including the Bay Area, Monterey, Santa Cruz, Sacramento and Tahoe are part of this organization. To locate a club near you, [go to the google map of all the outrigger canoe clubs of Northern California](#), or

[check out our member clubs here.](#)

Every year both long distance and sprint races are held in rotating venues around Northern California. Exciting locations include Sausalito, Crissy Field (San Francisco), Santa Cruz, Redwood City, Lake Tahoe, Monterey, Lake Natoma (Sacramento), Benicia, San Leandro, Berkeley, Alameda, Lake Del Valle, Shadow Cliffs, and Fremont. [View all of our racing and regatta locations on the Google Map](#)

The Northern California Outrigger Canoe Association is a member of:

- International Va'a Federation (IVF) formerly International Polynesian Canoe Federation (IPCF)
- Pacific Outrigger Canoe Association
- Pacific Islanders' Cultural Association

For history of outrigger canoeing and racing, please [check out our links web page.](#)

- [Forms](#)
- [Tide/Weather](#)
- [WaveChaser](#)
- [Contact Us](#)





San Mateo County Harbor District

504 Avenue Alhambra, Ste. 200
 PO Box 1449
 E Granada, CA 94018
 (650) 583-4400 T
 www.smharbor.com

Please supply the information requested below. Please remit this application at least 21 days prior to your event. Attach additional sheets if necessary, to provide required information. A non-refundable application fee should accompany this application. You will be notified of the disposition of the application and the necessary steps to secure your final permit. A permit fee, signed permit agreeing to reimburse District for any costs incurred by damages and proof of liability insurance naming the San Mateo County Harbor District as also insured will be required. See Event Policy, Permit Fee Schedule and Category Definitions.

APPLICATION FORM – Athletic Event		
Applicant Name:	Mike Martinez	
Organization Name:	WaveChaser Paddle Series	
Address:	5616 Wintergreen Dr	
City, State, Zip Code	Newark, CA 94560	
Telephone	Day	Cell Fax
Alternate Contact Person (s) and Phone Number		
Email Address	mikem@wavechaser.com	
San Mateo County Resident:	Yes	No No
Non- Profit:	Yes Yes	No
Commercial:	Yes	No
Type of Event:	Canoe and Kayak Races	
Description of Proposed Activity:	3 on water events- Novice Course-3 miles, Short Course- 5 Mile Long Course- 8-9 miles	
Event Date (s)	October 27th, 2018	
Number of Events per year:	One at HMB, but a total of 8 around SF Bay Area	
Event Hour:	Start 9:00AM	End 3:00PM
Set up Time:	8:00AM	
Exit Time:	5:00PM	
Number of Participants/Guests:	80	
Maximum number of vehicles/parking requirements for the event: (provide parking plan)	50-60, Racers typically drive down to ramp and offload their canoes to the beach. Park in upper parking area. Safety Boat trailers park in trailer parking area. 3 boats.	

- Safety Plan



San Mateo County Harbor District

504 Avenue Alhambra, 2nd Floor
 PO Box 1449
 E Granada, CA 94018
 (650) 583-4400 T
 www.smharbor.com

Equipment to be used: (Chairs, tables, tents, microphones, speakers)	1-10x15 tent. 2 tables, 4 chairs, Honda generator, 1 small sound system. Course map banner attached to tent.
Individual in charge on event day (include name, address and contact number on the day of the event)	Mike Martinez 5616 Wintergreen Dr, Newark, CA 650.670.7108 or channel 68 VHF

Information will be used to determine whether a permit will be issued. Completed application must be accompanied by an application fee based on the Permit Fee Schedule. The District may require additional information.

Request for fee waiver:	Yes	No
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Reason for request of fee waiver:

Are you familiar with/have you visited the requested area?	Yes YES	No
Do you plan to advertise or issue a press release before the event?	Yes Only on our website	No
Is there any reason to believe there will be attempts to disrupt, protect or prevent your event? (If yes, please explain on a separate page.)	Yes	No No
Do you intend to solicit donations or offer items for sale?	Yes	No No



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Applicant is required to comply with all Federal, State, Local and District laws and ordinances, and represents as part of this permit application that he/she reviewed the Ordinance Code of the San Mateo County Harbor District and is fully familiar with the restrictions and laws stated therein.

Applicant is required to submit with this application any permit or license if required by the governing local jurisdiction (e.g. San Mateo County, City of South San Francisco, or City of Half Moon Bay wherein the event or activity will take place.) The Event Permit issued by the San Mateo County Harbor District will be null and void if applicant is required to have a San Mateo County, City of South San Francisco, or City of Half Moon Bay permit or license and does not obtain said permits or license.

Prior to commencing any activities hereunder, applicant shall furnish to District satisfactory evidence of insurance written upon a form and by a company acceptable to the District, insuring District, its directors, officers, agents and employees against any losses or liabilities which may arise out of applicant's use of the facilities, including all costs of defending any action. Said insurance shall consist of a Comprehensive General Liability policy with a Broad Form Endorsement that provides coverage for bodily injury and property damage in the amount of \$1,000,000 per occurrence and \$2,000,000 in aggregate. Said policy shall be in favor of, and name applicant and District, its directors, officers, agents and employees as additionally insured and shall be maintained in full force and effect during the term of the permit.

Absence of insurance makes the Event Permit null and void.

In signing this application, and accepting the permit issued thereby, the undersigned certifies under penalty of perjury that any and all events or activities will be attended by the applicant personally or by individuals known to the applicant, the names of whom must be provided in advance to the District on this application, or on any future amendment to this application, to enable the District to monitor the use of their facilities.

The applicant by his or her signature certifies that all the information given is complete and correct, and that no false or misleading information or false statements have been given.

Signature Mike Martinez DigBaily signed by Mike Martinez
DN: C=US, E=mike@mwavechaser.com,
CN=Mike Martinez
Date: 2018.08.21 11:38:31-07'00' Date 8/21/18

Note: This is an application only and does not serve as permit to conduct any use of the Harbor or Marina. If your request is approved, a permit containing applicable terms and conditions will be sent to the person designated on the application. The permit must be signed by the responsible person and returned to the San Mateo County Harbor District prior to the event for final approval by the General Manager or his/her designee.



Staff Report

TO: Board of Harbor Commissioners

FROM: Anita C. Pyle, Director of Administrative Services

DATE: November 14, 2018

SUBJECT: Extend Contract with Robert Half/Accountemps for Temporary Staffing Services, not to exceed \$450,000

Recommendation/Motion:

Motion: Authorize the General Manager to execute an extension of service agreement with Robert Half Accountemps for an additional \$100,000, with a total not to exceed amount of \$450,000

Policy Implications:

Per Policy 4.3.1 Purchasing Procedures this contract and subsequent amendments require approval of the Commission.

Fiscal Implications/Budget Status:

The additional cost is \$100,000. This amount will be absorbed in the FY 18/19 Final Budget and offset due to salary savings from vacancies.

Alternatives Considered:

Non-renewal: Funds to support the Administration and Operational Departments with temporary help would be exhausted by the end of this month. Necessary work would not be completed without temporary staff.

Background/Discussion:

The District initially contracted for services with Robert Half in September 2015. This is the fifth extension of this contract. The last extension was authorized in June 2018 for \$75,000.

At this time, an additional \$100,000 is being requested. Temporary services are required due to vacancies in the Department of Operations (Planner Analyst and Project Coordinator) and due to vacancies and extended leaves of absence in the Department of Administrative Services (Sr. Administrative Analyst, Accounting Specialist and Accounting Technician).

The funds from this extension should be sufficient through the end of Fiscal Year 2019 as recruitments are under way to fill these vacancies.

Summary/Recommendation:

Staff recommends this Commission authorize the General Manager to execute an extension of service agreement with Robert Half, Accountemps for an additional \$100,000, with a total not to exceed amount of \$450,000.



Staff Report

TO: Board of Harbor Commissioners

FROM: Anita C. Pyle, Director of Administrative Services

DATE: November 14, 2018

SUBJECT: Revisions to “Bank Account Signatures” Policy No. 4.6.2; Adopt Resolution No.18-16

Recommendation/Motion:

Motion: Adopt Resolution No. 18-16 approving revisions to Bank Account Signatures Policy No. 4.6.2.

Policy Implications:

Policy 4.6.2 establishes signature authorizations for the District’s bank accounts. Staff recommends amending Policy 4.6.2 to allow the Director of Operations to be included in the list of positions who are authorized to sign on the District’s Bank Accounts for the purpose of wire transfers.

Fiscal Implications/Budget Status:

None

Background/Discussion:

Policy 4.6.2 was established to allow for the safe distribution of funds from Harbor District bank accounts. It establishes a list of positions that are authorized to sign on the District’s Bank Accounts for the purpose of wire transfers. Revision to this policy is necessary to allow the “Director of Operations” to be included in this list of authorized positions.

Alternatives:

None

Summary/Recommendation:

Adopt Resolution No. 18-16 approving revisions to Policy 4.6.2, Bank Account Signatures

Attachments:

1. [Resolution No.18-16](#)
2. [Policy 4.6.2 with track changes](#)
3. [Policy 4.6.2 clean](#)

Resolution 18-16
to
Authorize Signatures on Financial Institution Accounts
of the
San Mateo County Harbor District

Whereas, signature authority for the Local Agency Investment Fund needs updating to enable the district to access its accounts with appropriate controls and reflect the recent re-organization of Administrative Staff

Whereas, said financial institution accounts are as follows:

LAIF

San Mateo County Treasurer
Unrestricted Account
Restricted Account

US Bank

Operating Account
Payroll Account

Therefore, be it resolved that the signatures (by signature stamp or live) of the persons serving the following positions:

Commissioner, and/or
General Manager, and/or
Director or Administrative Services, and/or
Director of Operations

are hereby authorized to sign under the conditions as stated in Policy 4.6.2.

Approved this 14th day of November 2018, at the regular meeting of the Board of Harbor Commissioners by a vote as follows:

For:

Against:

Abstaining:

Attested

**BOARD OF HARBOR
COMMISSIONERS**

Debbie Gehret
Deputy Secretary

Virginia Chang Kiraly
President

San Mateo County Harbor District

Policy	Number: 4.6.2	Date: 02/20/2002	Revision: 6/15/05 5/18/16 8/16/17
Title: Bank Account Signatures	Prepared By: Eileen Wilkerson Glenn Lazof	Approved By: Resolution 20-05 Motion 5/18/16	Page: Page 1 of 1
Purpose: To establish a policy for the safe distribution of funds from Harbor District bank accounts.			

STATEMENT OF POLICY

To ensure that those District funds held in bank accounts are not distributed without proper authorization and signatures.

The persons in the following positions are authorized to sign on the District's Bank Accounts for the purposes of wire transfers:

- President of Board of Harbor Commissioners
- District Treasurer
- General Manager
- Director of Administrative Services
- Director of Operations
- Accounting Manager

The following conditions apply:

1. Signatures of any two of the above persons, one of which shall be of the President or Treasurer, shall be required for transfers between bank accounts.
2. The Accounting Manager cannot sign checks.
3. Payroll checks require only one signature.
4. All checks over \$25,000 for operating expense, capital project and capital outlay expenditures require two signatures, one by a Commissioner and one by either the General Manager, ~~or~~ the Director of Administrative Services or the Director of Operations

San Mateo County Harbor District

Policy	Number: 4.6.2	Date: 02/20/2002	Revision: 6/15/05 5/18/16 8/16/17
Title: Bank Account Signatures	Prepared By: Eileen Wilkerson Glenn Lazof	Approved By: Resolution 20-05 Motion 5/18/16	Page: Page 1 of 1
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- Director of Operations
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4. All checks over \$25,000 for operating expense, capital project and capital outlay expenditures require two signatures, one by a Commissioner and one by either the General Manager, the Director of Administrative Services or the Director of Operations



Staff Report

TO: Board of Harbor Commissioners
FROM: Commissioner Sabrina Brennan
VIA: Steve McGrath, General Manager
DATE: November 14, 2018
SUBJECT: Report on Attendance at 2018 CSDA Annual Conference

Recommendation/Motion:

Receive and File

Policy Implications:

District Policy 4.2.4 states:

9. REPORTS TO THE COMMISSION

When a Commissioner attends a conference, training, seminar or other event for which he or she seeks reimbursement from the District, the Commissioner must submit a brief oral or written report at the next regular Commission meeting. If multiple members attended, a joint report may be made.

Fiscal Implications/Budget Status:

Travel and training funds are included in the 2018/19 Budget.

Background:

2018 CSDA Annual Conference & Exhibitor Showcase (see agenda)

Attachments:

[Email](#)

[2018 CSDA Annual Conference & Exhibitor Showcase agenda](#)

From: Sabrina Brennan <sabrina@dfm.com>
Sent: Friday, October 26, 2018 12:09 PM
To: Debbie Gehret
Cc: Sabrina Brennan; Steve McGrath; Anita Pyle
Subject: Re: Expedia travel confirmation - Sep 23 - (Itinerary #7378184838602)
Attachments: 2018_Conference_Brochure_2.pdf

Hello Debbie,

Please see the attached PDF file as my report. It provides a detailed description of the CSDA conference.

Thank you,
Sabrina

On Oct 26, 2018, at 10:50 AM, Debbie Gehret <dgehret@smharbor.com> wrote:

Hello Sabrina,

I will get to working on this soon, and let you know when it will be in queue with our AP run. As per our Policy, I will need to get a report out from the Conference to add to the Consent agenda. A cut and paste, or perhaps some more detailed information?

Thanks,
Debbie

From: Sabrina Brennan <sabrina@dfm.com>
Sent: Friday, October 26, 2018 8:34 AM
To: Debbie Gehret <dgehret@smharbor.com>
Cc: Sabrina Brennan <sbrennan@smharbor.com>; Steve McGrath <smcgrath@smharbor.com>; Anita Pyle <apyle@smharbor.com>
Subject: Fwd: Expedia travel confirmation - Sep 23 - (Itinerary # 7378184838602)



**California Special
Districts Association**

Districts Stronger Together

Sept. 24 - 27, 2018

2018 CSDA Annual Conference & Exhibitor Showcase

Renaissance Indian Wells
Resort & Spa



Explore



The one conference for you!

The CSDA Annual Conference & Exhibitor Showcase is the one conference special district leaders can't afford to miss! Cultivate new connections this September in Indian Wells.

Join 800-plus special district professionals and industry experts for a three day, must-attend education and networking event. Develop new partnerships. Participate in inspiring and motivating keynote sessions. Walk away with strategies, new connections, and innovative ideas to move your district forward.

- Explore new ideas and best practices
- Learn about the latest in special district technology, management practices, and legal trends
- Discover new products and services to make your district more efficient



What to Do?

With more than 300 days of sunshine each year, it's no wonder attendees love meeting in Greater Palm Springs. With nine cities in one beautiful oasis, Greater Palm Springs is rich in visitor experiences, from outdoor adventure, shopping and art to world-class events like Coachella Valley Music & Arts Festival and Modernism Week. Whether you spend a sun-soaked afternoon by the pool, play a round of golf or soak in healing mineral water, this Southern California destination knows how to chill.



Renaissance Indian Wells Resort & Spa

44400 Indian Wells Lane
Indian Wells, CA 92210

Room reservations for the CSDA Annual Conference and Exhibitor Showcase begin at \$169 plus tax and are based on availability. There is a \$5 resort fee (normally \$30) added to the CSDA rate. This fee includes self-parking and guestroom high speed internet access. In order to book a hotel room, you must first register for the conference to obtain a CSDA room reservation link.



Attendance at the CSDA Annual Conference Qualifies for CIPs

Special District Risk Management Authority (SDRMA) is committed to establishing a strategic partnership with our members to provide maximum protection, help control losses, and positively impact the overall cost of property/liability and workers' compensation coverage through the Credit Incentive Program. Credit incentive points (CIPs) can be earned based on an agency's attendance at the CSDA Annual Conference & Exhibitor Showcase, reducing SDRMA members' annual contribution amounts.

Conference Schedule

Monday, September 24, 2018

8:00 a.m. Shotgun Start

SDLF Scramble for Scholarships Golf Tournament:
Indian Wells Golf Resort*

9:00 a.m. - 3:30 p.m.

Pre-Conference Workshop: Special District Leadership
Academy: Governance Foundations*

9:00 a.m. - 3:30 p.m.

Pre-Conference Workshop: Policy and Procedure Writing*

9:00 a.m. - 3:30 p.m.

Pre-Conference Workshop: So, You Want to Be a General
Manager?*

10:15 a.m. - 3:00 p.m.

Pre-Conference Tour: Salton Sea Authority Tour*

12:30 - 3:30 p.m.

Pre-Conference Workshop: The Strategies of a Special District
Strategic Plan*

1:30 - 3:30 p.m.

Special District Leadership Foundation:
Special District Administrator (SDA) Exam

3:45 - 5:15 p.m.

Chapter Roundtable Discussion

5:30 - 7:30 p.m.

Conference Begins! President's Reception with the Exhibitors

Tuesday, September 25, 2018

7:30 - 8:45 a.m.

Continental Breakfast with the Exhibitors

9:00 - 10:45 a.m.

Opening General Session: Connie Podesta "Standout
Leadership...Lead Like You Mean It!"

11:00 a.m. - 12:15 p.m.

Breakout Sessions

12:15 - 1:45 p.m.

Lunch with the Exhibitors

Tuesday, September 25, 2018 (continued)

2:00 - 3:15 p.m.

Breakout Sessions

3:30 - 4:30 p.m.

Breakout Sessions

4:30 - 6:00 p.m.

Mix & Mingle in the Exhibit Hall

Wednesday, September 26, 2018

8:15 - 9:00 a.m.

SDRMA Full Plated Breakfast

9:00 - 10:45 a.m.

SDRMA General Session/Safety Awards/Keynote:
Derreck Kayongo "Harnessing Your Power to Create Change"

11:00 a.m. - 12:15 p.m.

Breakout Sessions

12:30 - 1:45 p.m.

Awards Luncheon

2:00 - 3:30 p.m.

Breakout Sessions

3:45 - 5:00 p.m.

Breakout Sessions

5:30 - 7:30 p.m.

SDLF Taste of the City: Casino Night

Thursday, September 27, 2018

8:30 - 10:30 a.m.

CSDA Closing Breakfast: 2018 Legislative Impacts on Special
Districts

* = optional, advanced registration, additional fee

Monday, September 24, 2018



Pre-conference Workshops

(pre-registration/payment required)

9:00 a.m. – 3:30 p.m.

So, You Want to Be a General Manager?

A practical career development workshop for senior executives and emerging leaders in special districts. This action-oriented workshop includes group and panel discussions on the journey, roles and skill sets of a general manager; identifying general manager opportunities including positioning yourself for executive recruitment; developing positive relations with the board, staff and peer agency executives; and leadership practices.

\$100 includes continental breakfast and lunch. Limited class size, register early!



9:00 a.m. – 3:30 p.m.

Special District Leadership Academy Module 1: Governance Foundations

As the core curriculum of CSDA's Special District Leadership Academy, this workshop serves as the "foundation" for the series on effective governance of special districts. It is specifically designed for special district board members and meets the requirement for six hours of governance training for Special District Leadership Foundation programs.

\$225 Member, \$340 Non-member

EARN SDRMA CIPS

9:00 a.m. – 3:30 p.m.

Policy and Procedure Writing

This course for managers, supervisors, and analysts will prepare you to plan and organize highly effective work systems through policy, procedure, and task development. Participants will learn and practice policy and procedure writing skills, and how to apply them in their workplace. Attendees are asked to bring a policy/procedure they are working on, with, or that is currently under their review, for classroom discussion and analysis. Course materials include templates for development of policy, procedure, and task descriptions in the future, and a textbook as a continuing framework for their development.

\$225 Member, \$340 Non-member

12:30 – 3:30 p.m.

The Strategies of a Special District Strategic Plan

All public agencies should have a strategy that moves them in a certain direction into the future. While there are many ways to develop a strategic plan, there is also a strategy in the actual planning process as well. This important pre-conference workshop will examine the how and why for a properly conducted strategy planning effort. Each part of the process should be strategic in its own; come discover this and how to do it right.

\$150 Member, \$225 Non-member

1:30 – 3:30 p.m.

Special District Administrator (SDA) Certification Exam, Special District Leadership Foundation

(Optional – must be scheduled prior to conference).

Golf Tournament

(pre-registration/payment required)



SDLF Scramble for Scholarships Golf Tournament

8:00 a.m. Shotgun Start

Indian Wells Golf Resort

(pre-registration / payment required)

Join special district elected officials, staff, and business affiliates at this optional fun event. Great golf skills are not necessary! Proceeds benefit the Special District Leadership Foundation scholarship fund.

\$115 includes golf with cart, lunch, and prizes!





Pre-conference tour & more!

(pre-registration/payment required)

10:15 a.m. – 3:00 p.m.

Salton Sea Authority Tour

Tour of the northern part of the Salton Sea: North Shore Yacht Club, State Recreation Area

On this tour you will learn how special districts, counties, and a Native American tribe are working together in partnership with the state and federal agencies to reverse the tragic decline of the Salton Sea, transforming the watershed to establish a healthy and prosperous future.

\$48 per person includes transportation to/from the hotel, lunch, and tour

Early registration is encouraged. Limited to 48 attendees!

3:45 p.m. – 5:15 p.m.

Chapter Roundtable Discussion

Join CSDA board members and local chapter leaders from across the state to share best practices and discuss issues and opportunities. All attendees welcome.

“The informational and educational level of the materials and presentations are very appropriate for seasoned veterans, as well as new and emerging leaders.”

KARA RALSTON

CAMARILLO HEALTH CARE DISTRICT

Conference Begins!

5:30 – 7:30 p.m.

President's Reception with the Exhibitors

Join us in the exhibit hall as we network with business professionals who provide all types of goods and services to special districts. Appetizers, refreshments, and entertainment provided.

(all registered attendees welcome)



Tuesday, September 25, 2018



7:30 a.m. – 6:00 p.m.
Exhibitor Showcase Open



7:30 – 8:45 a.m.
Continental Breakfast with the Exhibitors (Raffle)

“ The staff from CSDA did an outstanding job, during the conference they were highly visible, friendly, knowledgeable and professional. I attend conferences sponsored by other groups and CSDA continues to “set the bar” by consistently delivering a high-quality conference! ”

TIM SHACKELFORD

FIRE CHIEF, CHINO VALLEY
INDEPENDENT FIRE DISTRICT

Keynote Speaker



8:00 a.m. – 10:05 a.m.

OPENING KEYNOTE PRESENTATION

Connie Podesta

Stand Out Leadership...Lead Like You Mean it!

In a perfect world all employees would be: high achieving, self-motivated, engaging, team players who see the big picture and always strive to do their best to get the job done on time without complaining. Does that sound like the Twilight Zone? Bottom Line: In the real world many employees: simply “meet expectations,” lack initiative, bring their personal life to work, stress over every change and whine about having to WORK...on the job! “Enough!” says Human Behavior and Leadership Development expert Connie Podesta, who has empowered thousands of leaders worldwide with the attitudes, mindsets and strategies necessary to create a team that’s willing, able and excited to get the job done THE RIGHT WAY! With her signature blend of comedy and “tell-it-like-it-is” delivery, Connie takes you inside the minds of even your most difficult employees so you can turn negative attitudes into positive, entitlement into accountability, complacency into productivity, complaining into solutions and “that’s not my job” into ownership.



11:00 a.m. – 12:15 p.m.

CSDA Finance Corporation Board and Annual Meeting

BREAKOUT SESSIONS 11:00 A.M. – 12:45 P.M.

5 Things You Can Do to Build an Awesome Personal Brand

CPS HR Consulting

Branding on a business-level is common, but today branding is becoming just as important on a personal level. Not many of us have consciously cultivated these brands, but they exist nonetheless. Developing your personal brand is the proactive way of controlling your career development and how you are perceived in the marketplace. The question is no longer IF you have a personal brand, but if you choose to guide and cultivate the brand or to let it be defined on your behalf. This session will focus on five things you can do to start building an awesome personal brand.

Devices, Data, and Privacy: Legal Concerns, Risks, and Best Practices

Nossaman, LLP

Now is the time for agencies to learn their rights under California and federal law when it comes to electronic devices, monitoring, and privacy concerning work-related data.

You're Out of Order! Meeting Protocols that Best Serve the Public

BHI Management Consulting

As we serve the public, little is more important and focused than the meetings we hold with our public. As such, it is important that we keep the public in mind as we construct and conduct our meetings and that we establish the how and why of each meeting element. This session will discuss meeting protocols and policy, the construct of our meeting agendas as well as our conduct in meetings with the public.

Public Agency Advocacy: The Rules Regarding Lobbying and Ballot Measures

Richards Watson & Gershon

Increasingly, public agencies need to influence legislative policy decisions to effectively carry out their missions. Lobbying and educating voters about critical issues are important tasks, but the laws and regulations that govern public agency activity in those areas are complex. This session will provide an overview of the most important areas of the law and help public agency employees know when to ask for legal advice.

Up in the Air: Drones for Special Districts

Aleshire & Wynder LLP

A presentation and follow up Q&A on drone technology, the current state of drone regulations, and steps special districts should consider before allocating funding.

Welcome to the Fishbowl: Government Ethics Overview

Hanson Bridgett, LLP

Come take a turn in the hot seat, try to stump your friends or just watch the show as we take a trip through Ethicsland and the unpredictability of local government. Join us as we practice applying rules concerning conflicts of interest, government transparency and more! This is not your grandma's ethics training. Does not meet the requirement for AB1234.

Who Ya Gonna Call? Preparedness During an Emergency and in the Aftermath

Panel Discussion: Sonoma County Water Agency, Casitas Water District, Montecito Fire Protection District

Moderated by: Rincon Consultants

A panel discussion with three special district representatives who have the responsibility of reaching out to constituents during an emergency, organize clean up in the aftermath, and who have to prepare to avoid future disasters.

Lunch



12:15 – 1:45 p.m.

Lunch with the Exhibitors

All conference attendees are welcome to attend lunch in the exhibit hall. Enjoy your lunch while taking time to learn more about our exhibitors and the valuable services they provide. From risk management, accounting, HR, legal, banking services, and more – our exhibitors have some of the best of what you're looking for!

Lunch is included in conference registration.



BREAKOUT SESSIONS 2:00 – 3:15 P.M.

Converting from At-Large to By-District Elections Under the California Voting Rights Act: Understanding the “Safe Harbor” Process from Start to Finish

Cota Cole & Huber, LLP

This session is intended to help attendees understand their district’s options and be prepared in the event that their district receives a demand letter relating to their district’s voting system. It describes the key features and standards of the CVRA as well as the (very tight) timelines that apply for considering whether to convert to a by-district election system and the process for doing so. This session offers practical guidance regarding the safe-harbor process from start to finish.

“Dear Ratepayer:” Messaging for Rate Increase and Other Bummer News

Communication Advantage

This interactive session is designed to refresh and elevate your talent for crafting great messages for tough issues -- especially focused on financial bad news for customers, such as: rate increases, new fees or assessments, and/or reduced services. The presenter has helped dozens of special districts, counties, cities and other local agencies develop messaging and communications strategies to cope with these and many related issues. Following a brief presentation, attendees will participate in developing messages for a sampling of their real such issues ahead, such as rate hikes, budget deficits, service reductions, and some of the organizational changes that might require such unpopular actions.

More Bytes for Your Buck – Getting the Most Value from Your District’s Technology Investment

Panel Discussion

Information Technology (IT) is traditionally seen as a necessary evil in municipal government. IT often gets a bad rap with seemingly insatiable user expectations, ever-increasing budget and staff requests, exorbitant maintenance agreements, project backlogs, and questionable results. Learn about technology strategy, citizen engagement, the power of mobile, smart communities, Internet of Things, Geographic Information Systems, records and email retention and more. Experienced General Managers and CIOs share advice and experiences on how to make the most of technology investments.

Required Ethics AB1234 Compliance Training (Part 1)

Meyers Nave

AB1234 mandates that local agency officials receive two hours of ethics training every two years. This two part training covers all the required topics, including laws relating to: (1) personal financial gain by public servants (conflict-of-interest, bribery), (2) claiming perquisites of office (gift, travel and mass mailing restrictions, use of public resources for personal or political purposes, free or discounted transportation), (3) government transparency (financial interest disclosure requirements, open meeting laws), and (4) fair process (incompatible offices, competitive bidding, nepotism).

The Brown Act in Action: Navigating Pitfalls

Renne Public Law Group, LLP

Brown Act issues frequently arise without warning during public meetings. Join this lively discussion of important Brown Act updates, and sharpen your skills in spotting and navigating Brown Act pitfalls as they arise during special district board meetings.

Up in Smoke – Proposition 64 in the Workplace

Lozano Smith

This presentation will cover the important aspects of Proposition 64 and the current state of legalization of marijuana in California. It will cover the impact of this legislation on the workplace as well as policy and safety considerations for public agencies.

Setting the Stage for Success: How to Prepare for Capital Improvement Financing

CSDA Finance Corporation

You may be ready to expand that facility, purchase that property, install those solar panels, or replace those pipes. But are you ready to access financing? If your district is planning to use debt to fund all or part of a mission-critical capital project, it is important to know what investors and lenders are looking for and what your options are. Join the expert consultants from the CSDA Finance Corporation in a discussion of funding structures, sources of repayment, credit analysis, and more.

“ Good presentations of current problem areas by a special district. ”

ROBERT SILANO

DIRECTOR, MENLO PARK FIRE PROTECTION DISTRICT



BREAKOUT SESSIONS 3:30 – 4:30 p.m.

Beyond Post and Pray – How to Recruit the Right Pool of Candidates

CPS HR Consulting

Recruiting the best talent is getting more and more challenging. Postings are producing pools of candidates that don't have the right skills or those that do have the right skills comprise a group that can hardly be called a pool, meaning we don't have enough good choices. This session will explore ways to tap into passive candidates and do more active outreach to broaden the pool of qualified and attractive candidates.

Beyond the Basics: Advanced Harassment Prevention Training

Burke, Williams & Sorensen, LLP

California law requires basic workplace harassment prevention training for managers and supervisors. This is not that training. In this session, we will take a deep dive into the more complicated and advanced questions employers face when dealing with workplace harassment issues, including: promoting a culture that focuses on the prevention of harassment; conducting or overseeing an investigation; proper interim measures and implementing effective remedial action; and privacy and confidentiality concerns.

Gifts and Gifts for Travel: Navigating Through the Jungle of FPPC Rules and Regulations

Churchwell White, LLP

The FPPC gift rules are designed to let 3rd parties help pay for your services and travel. But FPPC fines in this area are increasing. Join presenter Steven G. Churchwell, Former FPPC General Counsel to find out how to be a "gift guru" at your agency.

Is Your District Engaged Effectively with Social Media? It is a Must These Days for Every District!

Rauch Communication Consultants, Inc. and Hess Connect

Every District needs to be engaged where its public is – and in 2018 that is often on social media. Are you uncertain about how to use Facebook, Twitter or Instagram? This seminar will help. It will also provide tips and insights to districts on everything from: how to get started in social media to advanced techniques for gaining information and feedback from constituents; transforming public perception; driving citizen engagement with limited resources and budget. It will also discuss the importance of establishing a social media policy to guide implementation and keep your district out of trouble. We will share real-life examples and case studies, and there will be time for questions and answers.

It CAN Be Easy Being Green – Sustainability Best Practices

Institute for Local Government

Achieving financial stability and delivering excellent services starts with being a sustainable district. In this session we will discuss local roles, innovative collaborations and new funding opportunities specifically for special districts. Learn how your district can save money, resources, and green your operations.

Prevailing Wage Updates: New Penalties Imposed on Public Agencies

Contractor Compliance and Monitoring, Inc.

Prevailing wage continues to change each year. However, this year, the DIR has imposed fines on Public Agencies who are untimely in filing their PWC-100 forms or who hire unregistered contractors. Learn about this and other new laws impacting your agency.

Required Ethics AB1234 Compliance Training (Part 2)

Meyers Nave

See previous session description.

Networking Reception



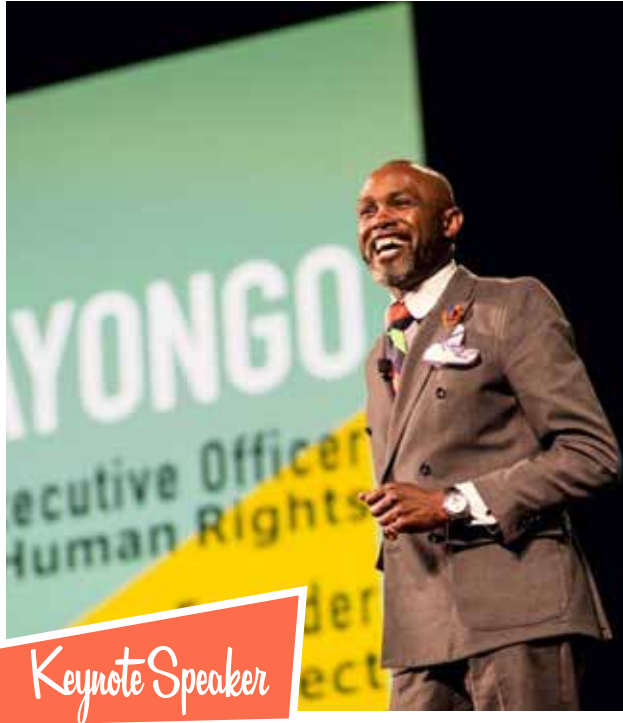
4:30 – 6:00 p.m.

Mix & Mingle in the Exhibit Hall: Grand Prize Drawings

Connect with exhibitors in the exhibit hall for a cocktail and appetizer before you go out on the town for dinner. Be sure to enter for one last chance to win one of our fabulous prizes!

Exhibit hall closes on Tuesday, September 25 at 6:00 p.m.

Wednesday, September 26, 2018



Keynote Speaker

“ It was a great conference overall. Great information and great energy, good people dedicated to making a difference. I feel much more prepared to function well as a board member and have a greater understanding of districts functioning throughout California. I really enjoyed it and look forward to more. Thank you! ”

SARAH COOLIDGE
 DIRECTOR, NORTH TAHOE PUBLIC UTILITY DISTRICT



8:15 – 9:00 a.m.
SDRMA Sponsored Full Plated Breakfast
All registered attendees and exhibitors welcome.

9:00 – 10:45 a.m.
 SDRMA GENERAL SESSION, SAFETY AWARDS, KEYNOTE

Derreck Kayongo
Harnessing Your Power to Create Change



As Founder of the Global Soap Project, Kayongo has built a multi-million-dollar venture which takes recycled soap and distributes it through global health programs to people who lack access to it around the world. He breaks down the key factors that have led to his personal success: (S.E.L.F.) Service, Education, Leadership and Faith and shares his account of life as a Ugandan refugee and the turning point which lead him to a brilliant transformation as a social entrepreneur. He calls upon audiences to stop complaining and to start taking responsibility, to consistently seek opportunities to improve, and most importantly, to maintain faith in yourself and your team to create an environment where everyone is empowered to thrive. He brings you on an emotional journey –there will be tears of joy; most of the time, laughter. But every time, the story is real.

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 BREAKOUT SESSIONS 11:00 a.m. – 12:15 p.m.

Back to Basics: Public Contracting

Kronick, Moskovitz, Tiedemann & Girard

Review the legal requirements for the four standard procurement areas including goods, non-professional services, professional services and public projects. Learn how to avoid common purchasing pitfalls, and learn tips to protect your district from liability.

Best Practices for Recruiting, Hiring, Negotiating, and Evaluating the Board’s General Manager

Richard Pio Roda, Meyers Nave

The General Manager’s performance is critical to the success of every special district. The selection, development and retention of the right GM charged with leading the organization toward its strategic goals is of primary importance to the Board. Every governing body has among its primary responsibilities a thorough and professional evaluation of its GM through the use of effective tools that enable honest feedback and incorporate performance objectives and measures. The performance review process can be most effective when it goes beyond measuring performance and incorporates goal setting, sets expectations, provides for open dialogue, and has in place defined accountability standards. This session will give participants the tools to recruit, hire, negotiate with, and evaluate their General Manager that will help ensure that both the Board and the GM are aligned on the direction and goals of their organization.

BREAKOUT SESSIONS 11:00 a.m. – 12:15 p.m.

Cannabis Use and Local Governments

Schlossberg & Umholtz and SDRMA

Can a public entity employer allow employees to use or be under the influence of marijuana in the workplace? Isn't the possession and use of marijuana legal in California? Should your agency review/revise its Cannabis policy?

Effective Strategies to Reduce and Address OPEB and Pension Costs

PARS

This session will discuss the latest funding strategies and trends to reduce OPEB liabilities and address rising pension costs.

How to Write for the Web (or for the Newspaper, or for an Email Blast, or Even a Billboard!)

Streamline

If you care about speaking to your "audience" in a form they will pay attention to, attend this talk! We'll go over various mediums and why different styles work for each, and talk about some of the best practices for writing in a way your readers will be willing to ... well ... read! Website content, email announcements, bill stuffers, press releases for the newspaper, advertising and billboards all have different "rules" that you can follow to help ensure your readers pay attention to what you have to say.

Nightmare on Board Night

Atkinson, Andelson, Loya, Ruud & Romo

You are at the board meeting and things are not going right. A quorum of board members is present, but one of the board members wants to conference call into the meeting. Also, the general manager is asking to add a new item to the agenda. To top all of this off, there is a member of the public who has exceeded his allotted time during public comment and won't yield the podium. When public meetings become challenging, you need to know how to respond. Come to this presentation and learn how the Brown Act, Robert's Rules of Order, and meeting decorum standards apply to these issues and others.

Town Hall – Legal Eagles

Liebert Cassidy Whitmore

Do you have questions? Well, we've got answers. Come get your questions answered while learning how to deal with legal issues important to your district in the ever-changing areas of labor, employment and governance. Special districts deal with a number of issues on a daily basis and it's best to be prepared. Share your questions with others who probably have the same problems, concerns and issues. This is a great opportunity to get some great legal answers - without those pesky billable hours!

12:30 – 1:45 p.m.

CSDA Annual Awards Luncheon

Recognize and celebrate your peers! Join us as we celebrate the best of special districts with awards including: Board Member of the Year, General Manager of the Year, Staff Member of the Year, Special District Leadership Foundation (SDLF) awards, and more!

CSDA Recognizes the Best Among Special Districts

Do you have a board member, staff member, local chapter, or district program that you feel deserves recognition?

Each year, CSDA presents various awards during the CSDA Annual Conference and Exhibitor Showcase. There are several different categories. Please consider outstanding individuals within your districts for individual awards. Chapter awards and district awards are also open for nominations.

Visit the awards section of our conference website at conference.csdanet.net for more information.

CSDA Awards Luncheon (Guest Only, without a conference registration): \$45

If you have any questions regarding the awards or the awards process, please contact Vanessa Gonzales at 877.924.2732 or by email at vanessag@csdanet.net.

Deadline for submissions is Friday, July 20, 2018. All applicants will be notified prior to the Annual Conference as to the winner.



Awards Luncheon

Wednesday, September 26, 2018

BREAKOUT SESSIONS 2:00 – 3:30 p.m.

Be a Cyber-Sleuth: Current Fraud Trends and Preventing Cybercrime in Special Districts

CliftonLarsonAllen, LLP

Cybercrime is a threat to every organization and fraud remains a prevalent issue as well. This presentation discusses current trends in online crime and how to protect your special district.

Can't We All Just Get Along? Improving Board/Manager and Staff Roles and Relationships

Rauch Communication Consultants, Inc.

No area is more fraught with downsides or full of potential for mutual success than board and manager roles and relationships. This session provides a structured opportunity for expert presentation and review of case studies, questions and answers, and sharing of experiences on this important topic. You will take home ideas for change and improvement, including: how to evaluate whether to have committee meetings and if so, how to structure them; tips on how to ensure your board is focusing on the right information and issues, and how to provide clear policy direction to the manager; and a pain free and productive method for evaluating the manager's performance. This is an interactive session full of examples and real-world ideas.

CEQA for Board Members and Staff: Basics and Hot Topics

Best Best & Krieger, LLP and Albert A. Webb Associates

Special District actions must comply with fast-changing CEQA law. This panel will provide an overview of the CEQA process, provide an update related to the new CEQA Guidelines updates as well as break down the implications of recent legislation and court opinions for your agency.

Required Harassment Prevention Training (Part 1)

Burke, Williams & Sorensen, LLP

Presented by two dynamic employment attorneys, this fun, informational, and interactive workplace harassment prevention training will teach Special District officials and supervisors how to identify, prevent, and properly respond to workplace harassment, discrimination, retaliation and abusive conduct in order to avoid personal and agency liability in compliance with AB 1825/2053/1661.

How to Survive in a Unionized World

Atkinson, Andelson, Loya, Ruud & Romo

The grievances are piling up, the unfair labor practice charges keep coming in, and the union shop steward is back on the phone. With a unionized workforce, public agencies are faced with a litany of obligations, including: meet and confer requirements, union access rights, requests for information, and employee representation issues. Join us for a lively discussion on the labor relations issues your agency needs to understand to survive in a unionized world.

Trial and Error: FEHA Litigation Pitfalls

SDRMA and Devaney, Pate, Morris & Cameron

What are the protected classes under the Fair Employment & Housing Act (FEHA)? What is the critical exposure, general damages or attorney fees? We will discuss several cases in which the award of attorney fees exceeded the damages awarded to the plaintiff.

Virtual Leadership Academy: Providing a Training Alternative for Leadership Development

Placer County Water Agency

This presentation will showcase Placer County Water Agency's recently launched Virtual Leadership Academy, a self-paced, self-managed training curriculum for leaders and aspiring leaders.

SPECIAL DISTRICT LEADERSHIP FOUNDATION (SDLF)

◆◆◆♥
TASTE

**CASINO
- NIGHT -**
OF THE CITY

5:30 – 7:30 p.m.
Casino Night

Sample local food and beverages while enjoying casino games, music from our DJ, and a silent auction.

This party has a purpose. Attendees at this reception will have the opportunity to participate in the Special District Leadership Foundation (SDLF) silent auction to raise funds for scholarships. A special wine raffle will also be held at 6:30 p.m. Be sure to purchase tickets throughout the conference for the chance to win a deluxe 35-bottle wine cellar fully stocked. You must be present to win!

SDLF is an independent, non-profit organization formed to promote good governance and best practices among California's special districts through certification, accreditation, and other recognition programs. The SDLF and its activities are supported through the California Special Districts Association and Special District Risk Management Authority.

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BREAKOUT SESSIONS 3:45 – 5:00 p.m.

Best Practices for a Successful Proposition 218 Rate Hearing

Best Best & Krieger, LLP, Fallbrook Public Utility District, and Raftelis Financial Consultants

Proposition 218 gives the minimum legal requirements for adopting new or increased property related fees and charges. This session will provide tips and best practices for a successful rate hearing.

Dangerous Condition of Public Property

SDRMA

How to protect your agency from the most common claim being filed against public entities today.

Don't Break the ICE (Internal Control Environment)

Maze and Associates

Beware of thin ICE (Internal Control Environment)! This session will discuss the structure of a well-designed internal control structure. This includes not only operations, but also reporting and compliance. We will touch on COSO's five integrated components. The session will conclude with some real examples and some common areas of "thin ICE" and how you can navigate around it.

From Managing Risk to Managing Reputation

Hermocillo-Azevedo Strategic Communications

Effective communication during times of crisis is vital for special districts to protect public safety, build trust and protect reputation. How can special districts – especially districts without full-time spokespersons – best prepare themselves to manage communications in a crisis? In this session, consultants will discuss how a risk management approach to crisis communications planning can create the right team, process and tool for effectively managing threats to the operations and reputations of special districts.

7:30 – 9:00 p.m.
VIP After Party

New this year, conference attendees can earn their way into our VIP After Party – immediately following the "Taste of the City." Don't let the party stop – enjoy dessert and more entertainment while mingling with your fellow VIPs. Check your pre-conference information for more details!



Governments Engaging Youth

Institute for Local Government

Engaging today's youth in local government offers a variety of benefits for both the youth and local government staff involved. Youth-civic engagement programs offer youth real life civic learning opportunities, teach 21st century skills and expose them to public sector careers. This workshop will highlight successful youth-civic engagement programs and offer insight on how local governments can partner with their local school districts to replicate similar programs that actively engage youth.

Required Harassment Prevention Training (Part 2)

Burke, Williams & Sorensen, LLP

See previous session description.

The Top Missteps Special Districts Should Avoid to Comply with Wage & Hour Laws

Liebert Cassidy Whitmore

Understanding some of the most common issues agencies are facing with wage and hour law is critical to minimizing your risk. We will discuss common missteps that we see and the means by which you can identify and work to alleviate your liability. Special areas of focus include overtime calculations, work periods, off-the-clock work, and exemption analysis.

Program Events

Thursday, September 27, 2018

8:30 – 10:30 a.m.

Closing Breakfast: 2018 Legislative Impacts on Special Districts

CSDA's lobbying team will present attendees with the most up-to-date information on the outcome of the biggest state budget and legislative issues impacting special districts in 2018, as well as a sneak peak of what to expect in 2019. Get all the latest legislative results and learn what they mean for special districts going forward.

10:30 a.m.

Conference ends



TASTE

CASINO
- NIGHT -

OF THE CITY

WEDNESDAY, SEPTEMBER 26, 2018
5:30 - 7:30 p.m.

Sample local food and beverages while enjoying casino games, music from our DJ, and a silent auction.



2018 CSDA ANNUAL CONFERENCE & EXHIBITOR SHOWCASE • INDIAN WELLS, CA

Attendee Registration Form

Three Ways to Register:

1. ONLINE by visiting the CSDA Annual Conference website at conference.csda.net.
2. FAX your registration form to 916-520-2465. All faxed forms must include payment.
3. MAIL to CSDA, 1112 I Street, Suite 200, Sacramento, CA 95814, please include registration form along with payment. Check should be made payable to: California Special Districts Association.

Not sure if you are a member?

Contact the CSDA office at 877-924-2732 to find out if your agency or company is already a member. To learn more about the benefits of membership, contact Member Services Director Cathrine Lemaire at cathrinel@csda.net or call toll-free 877-924-2732.

Full conference registration fee includes:

- President's Reception with the Exhibitors Monday Evening
- Keynote Sessions and Breakout Sessions
- Continental Breakfast with the Exhibitors on Tuesday
- Lunch with the Exhibitors on Tuesday
- Mix and Mingle in the Exhibit Hall on Tuesday
- SDRMA Full Plated Breakfast on Wednesday
- Awards Luncheon on Wednesday
- SDLF "Taste of the City" Reception on Wednesday
- Closing Breakfast on Thursday

Name:		Title:		
District:				
Address:				
City:		State:	Zip:	
Phone:		Fax:		
Email:		Website:		
Member status: <input type="checkbox"/> Member <input type="checkbox"/> Non-member				
Special Needs (include dietary):				
Emergency Contact:				
Conference Registration Fees		Early Bird (on /before Aug. 24, 2018)	Regular (after Aug. 24, 2018)	SUBTOTAL
<input type="checkbox"/> CSDA Member - Full Conference		\$600.00	\$650.00	
<input type="checkbox"/> Non-member - Full Conference		\$900.00	\$975.00	
<input type="checkbox"/> Guest - Full Conference (Cannot be from a district/company) <input type="checkbox"/> Vegetarian		\$300.00	\$325.00	
<input type="checkbox"/> CSDA Member - One-day registration <input type="checkbox"/> Tuesday <input type="checkbox"/> Wednesday <input type="checkbox"/> Thursday		\$325.00 each day	\$350.00 each day	
<input type="checkbox"/> Non-member - One-day registration <input type="checkbox"/> Tuesday <input type="checkbox"/> Wednesday <input type="checkbox"/> Thursday		\$485.00 each day	\$525.00 each day	
Separate Registration Fees		Member	Non-member	SUBTOTAL
<input type="checkbox"/> Pre-Conference Workshop: SDLA Module 1: Governance Foundations - Sept. 24		\$225.00	\$340.00	
<input type="checkbox"/> Pre-Conference Workshop: Policy and Procedure - Sept. 24		\$225.00	\$340.00	
<input type="checkbox"/> Pre-Conference Workshop: So, You Want to Be a General Manager - Sept. 24		\$100.00	\$100.00	
<input type="checkbox"/> Pre-Conference Workshop: The Strategies of a Special District Strategic Plan - Sept. 24		\$150.00	\$225.00	
<input type="checkbox"/> Pre-Conference Tour: Salton Sea Authority Tour - Sept. 24		\$ 48.00 (includes transportation and lunch) (limited to 45 attendees)		
<input type="checkbox"/> SDLF Scramble for Scholarships Golf Tournament - Sept. 24		\$ 115.00 (includes lunch)		
<input type="checkbox"/> CSDA Awards Luncheon (Guests only) - Sept. 26		\$ 45.00		
<input type="checkbox"/> SDLF "Taste of the City" Reception (Guests only) - Sept. 26		\$ 65.00 CSDA Member Guest	\$ 98.00 Non-member Guest	
TOTAL				
Payment type: <input type="checkbox"/> Check <input type="checkbox"/> Visa <input type="checkbox"/> MasterCard <input type="checkbox"/> AMEX <input type="checkbox"/> Discover				
Account name:		Account Number:		
Expiration date:		Authorized Signature:		

Cancellations/Substitution Policy: Cancellations must be in writing and received by CSDA no later than Friday, August 31, 2018. All cancellations received by this date will be refunded less a \$75 processing fee. There will be no refunds for cancellations made after August 31, 2018. Substitutions are acceptable and must be done in writing no later than September 14, 2018 at 5:00 p.m. Please submit any cancellation notice or substitution request to emilyc@csda.net or fax to 916-520-2465.

Consent to Use Photographic Images: Registration and attendance at, or participation in, CSDA meeting and other activities constitutes an agreement by the registrant to CSDA's use and distribution (both now and in the future) of the registrant or attendee's image or voice in photographs, videotapes, electronic reproductions, and audiotapes of such events and activities.

Anti-Discrimination and Harassment Policy: CSDA is dedicated to a harassment-free event experience for everyone. Our Anti-Discrimination and Harassment Policy can be found under "CSDA Transparency" at www.csda.net/about-csda/who-we-are.

Sept. 24 - 27, 2018

2018 CSDA Annual Conference
& Exhibitor Showcase

Renaissance Indian Wells
Resort & Spa

In order to reduce waste and control costs - you may be the only person at your organization receiving this printed brochure. To request additional copies call 877-924-2732 or visit conference.csdanet.com to download a PDF of the brochure."



Staff Report

TO: Board of Harbor Commissioners
FROM: Anita C. Pyle, Director of Administrative Services
DATE: November 14, 2018
SUBJECT: Revised Wage and Salary Schedule for Fiscal Year (FY) 2018/19

Recommendation/Motion:

Motion: Amend the District's Wage and Salary Schedule to reflect the following annual pay ranges for the current fiscal year:

Harbormaster	\$97,850	to	\$125,660
DHMB/Training Officer	\$78,999	to	\$ 90,396
Director of Operations	\$115,375	to	\$140,181
Director of Administrative Services	\$115,375	to	\$140,181

Policy Implications:

Section 6061 of the Harbors and Navigation Code requires that the Board of Commissioners shall fix the compensation or salary of all subordinate officers or employees of the district.

District Policy 6.3 states that the salary schedule shall be adopted by the Board of Harbor Commissioners.

Fiscal Implications/Budget Status:

Funds for these positions are available in the FY2018-19 Final Budget. There is no negative budget impact.

Alternatives Considered:

The Board of Commissioners could approve a different salary range. The Board of Commissioners may choose to not approve any salary range, which would delay the recruitment for these positions.

Background/Discussion:

As previously discussed during the process of negotiating the Memorandum of Understanding with Operating Engineers Local Union No. 3, staff is bringing the proposed salary ranges for the DHMB/Training Officer and Harbormaster positions. Discussions with OE3 have been ongoing in relation to these two positions and revised job descriptions for the positions are attached. Upon approval of the salary ranges, the District will commence recruitment for these positions.

For the Director positions, only the figure at the bottom of the salary range is being adjusted to avoid wage compaction with other positions. The figure at the top of the range remains unchanged.

Summary/Recommendation:

Staff recommends this Commission amend the District Wage and Salary Schedule to reflect the following annual pay ranges for the current fiscal year:

Harbormaster	\$97,850	to	\$125,660
DHMB/Training Officer	\$78,099	to	\$ 90,396
Director of Operations	\$115,375	to	\$140,181
Director of Administrative Services	\$115,375	to	\$140,181

Attachments:

[Harbormaster Job Description](#)

[Training Officer Job Description](#)

[Revised Salary Schedule FY 2018/19](#)



HARBORMASTER

FLSA Status: Exempt

Bargaining Unit: Unrepresented

Class specifications are intended to present a descriptive list of the range of duties performed by employees in the class. Specifications are not intended to reflect all duties performed within the job.

GENERAL DEFINITION

The Harbormaster is a highly skilled, independent, and organized individual who serves the public by providing berthing and support for pleasure and commercial craft at two harbor/marina facilities, Pillar Point Harbor in El Granada and Oyster Point Marina/Park in South San Francisco. The District Harbormaster leads staff in day to day operations, maintenance, security, and search and rescue operations.

This class is distinguished from the Assistant Harbormaster, as the Harbormaster functions at a higher level of independence, is assigned more complex assignments, exercises direct and general supervision over assigned staff. The Harbormaster reports directly to the Director of Operations or designee.

ESSENTIAL FUNCTIONS

May include but are not limited to the following:

1. Plan, organize, coordinate, delegate and supervise the work of harbor/marina staff as well as maintain excellent records and good working relationships with staff, public organizations and other agencies.
2. Interview, evaluate and make recommendations regarding hiring new subordinate staff.
3. Prepare staff work schedules, emergency scheduling when needed and approve all assigned staff time cards. Prepare thorough periodic performance evaluations for assigned staff.
4. Assists the District in providing staff with all necessary professional instruction, training and policy guidance.
5. Ensure all assigned staff are providing excellent customer service to all tenants, lessees and the public.
6. Act as the liaison with outside agencies, including, but not limited to; California Division of Boating and Waterways, U.S. Coast Guard, local law enforcement, yacht clubs and other groups who may use District facilities.

7. Direct public information, relations, and marketing programs by promoting the harbor/marina to various user groups and by promoting public education on boating safety, unusual weather events, local marine conditions and harbor/marina operations.
8. Build and maintain positive working relationships with co-workers, other District employees, elected officials, contractors, and the public, using principles of excellent customer service.
9. As a part of the District management team, assist in preparation and administration of the harbor/marina budgets. Supervise expenditure of authorized budgeted funds and review performance on a monthly basis.
10. Ensure programs are in place to manage environmental and regulatory compliance. Ensure the District maintains the DBW Clean Marine designation. Conduct environmental awareness training and inspections on a regular basis.
11. Plan, evaluate and direct the maintenance of docks, piers, vehicles, vessels and equipment in a safe, clean, secure and orderly condition.
12. Direct search and rescue operations. Respond to emergency and/or severe weather situations as required. Direct actions to protect the public, staff, vessels, District assets and other property as necessary.
13. Coordinate the daily activity within the harbor/marina with large events, capital projects and other District activities.
14. Oversee the assignment of permanent and temporary berth spaces, slips and parking designations, checking on small craft documentation and registration procedures, including oversight and management of rental agreements for compliance.
15. Enforcement of District ordinances, policies, procedures and state boating laws. Provide information and other customer service to tenants, lessees and harbor/marina visitors, and ensure that District policies and procedures are explained and understood.
16. Performs other duties as assigned.

QUALIFICATIONS

Knowledge of:

- Professional supervision and management techniques.
- Boating safety and enforcement techniques.
- Small boat handling and rescue techniques.
- Applicable laws pertaining to boating, harbor and marine environmental regulations, state/federal and regulatory organizations having jurisdiction over these laws and regulations.
- Basic principles of public agency budgeting and contract administration.
- Customer service standards and protocols.

Ability to:

- Establish, maintain and foster cooperative working relations with others internally and externally.
- Effectively motivate, train and/or educate other employees.
- Express self clearly and concisely in written and verbal communication.
- Work independently and as a team member; recognize and set priorities to meet deadlines.
- Analyze, interpret, and communicate effectively.
- Compile, correlate, and analyze a large volume of written and electronic data, and prepare accurate and timely technical or analytical reports.
- Utilize computer equipment and software as needed.
- Design, implement, and maintain sound work procedures that ensure accurate records.
- Propose and implement solutions to problems effectively.
- Apply federal, state and local laws and regulations pertaining to accounting and auditing activities.
- Read, comprehend and interpret rules and regulations regarding governmental operations.

MINIMUM QUALIFICATIONS:

- Any combination of education and experience that would likely provide the required knowledge and abilities is qualifying. A typical way to obtain the knowledge and abilities would be:

Education and Experience:

- At least four years of experience in the capacity of Harbor Worker (C) or Deputy Harbor Master or equivalent experience in harbor/marina management. An Associates (two-year) degree is preferred but not required. High School diploma or G.E.D. equivalent is required.

LICENSES AND/OR CERTIFICATES

- Possession of a valid driver's license is required at the time of employment.
- Within first year of employment, as scheduling permits, completion of Penal Code 832 Law Enforcement Training, Boating Safety and Enforcement, Rescue Boat Operations, Marine Firefighting, Cardio-Pulmonary Resuscitation (CPR), CA DBW Boater Card, HAZWOPER-40 Certificate, and one of the following: Vessel Accident Investigation/Reconstruction, Boating Intoxication Enforcement, Advanced Boating Safety and Enforcement.
- Within the first 24 months of employment, as scheduling permits, obtain a USCG Near Coastal Operator of Uninspected Passenger Vessel (OUPV) License.

PHYSICAL DEMANDS:

These functions may be performed with or without reasonable accommodation:

- This position requires the ability to perform duties involving occasional lifting and/or carrying objects weighing up to fifty (50) pounds, stand, walk, operate tools and/or controls.
- Occasionally be required to jump, climb, balance, stoop, kneel, crouch, crawl, taste, smell and work extended shifts of up to twelve (12) hours.
- Ability to swim and be comfortable working around water while wearing a personal floatation device.
- Dexterity and vision necessary to operate computer equipment with a high degree of productivity and accuracy.
- Sit at a desk and in meetings on a continuous basis for long periods of time.
- Intermittently twist and bend to reach equipment in work area.
- Perform simple gripping, grasping and fine manipulation; in addition, perform repetitive keystrokes on a computer keyboard.
- Use a telephone and communicate through written and electronic means.
- See in the normal vision range, with or without corrective lenses.
- Hear in the normal range, with or without corrective hearing aid.

WORKING ENVIRONMENT:

Work is performed indoors and outdoors, in all weather conditions and all times of the day and night in vehicles, boats, and in District buildings. Employees may occasionally work in challenging weather conditions such as, but not limited to, operating a boat in an emergency assisting passengers of a distressed boat in bad weather, exposure to noise, dirt, fumes, load noise levels, vibration, heat, cold, water, and wet conditions. Work indoors in an office environment with natural and fluorescent lighting and moderate noise level. Work is frequently disrupted by the need to respond to in-person and telephone inquiries. Attend evening and weekend meetings and events. The performance of outdoor work requires exposure to a variety of weather conditions (heat, cold, rain, intense sun); exposure to potentially hazardous substances and chemicals and work on wet and slippery surfaces. Must be comfortable working around water while wearing a personal floatation device.



DEPUTY HARBORMASTER B/TRAINING OFFICER

FLSA Status: Non-Exempt

Bargaining Unit: Operational Engineers No. 3

Class specifications are intended to present a descriptive list of the range of duties performed by employees in the class. Specifications are not intended to reflect all duties performed within the job.

GENERAL DEFINITION

Under general direction, performs a variety of operational, maintenance, repair, safety, security, public information activities in support of the facility and identify, implement, schedule, document, and facilitate training. As first point of contact with the public, the Deputy Harbormaster is responsible for ensuring the public's safe and enjoyable facility use.

Deputy Harbormaster B: This is the full journey-level class in the series. Incumbents at this level are capable of performing the full range of advanced duties. Incumbents at this level receive only occasional instruction or assistance as new or unusual situations arise and are fully aware of operational procedures. May provide technical and functional supervision of lower-level staff. This class is distinguished from the Assistant Harbormaster in that the latter is responsible for the supervision of staff and is capable of performing the most complex duties and assignments.

ESSENTIAL FUNCTIONS

Essential functions may include, but are not limited to, the following:

Deputy Harbormaster B

- Enforces the Harbor District Ordinance Code, and other rules, regulations and laws governing facility activities; issues citations; refers more serious violations to local law personnel.
- Patrols facility, docks, piers, vessels, buildings and shops to assure proper security and safety.
- Inspects vessels for seaworthiness and proper mooring or docking; operates pumps to remove water from vessels in danger of sinking, re-ties and re-moors vessel to insure proper tie-down and safety; notifies owners of unsafe conditions on or relating to their vessels.

- Monitors weather and sea conditions and advises the public concerning safe use of the facilities; posts weather reports and marine advisories.
- Maintains daily log of weather conditions, work performed and significant incidents; maintains file of charts and maps of marina and facilities showing location of all utilities; prepares and updates marina maintenance, operation and security manuals.
- Inspects and performs minor repairs on all District facilities and property, including but not limited to electrical, plumbing, carpentry and structural activities; performs preventative maintenance work on roads, docks, restrooms, buildings, vehicles, vessels, firefighting and emergency equipment; identifies and purchases small quantities of supplies and equipment.
- Performs preventative maintenance and minor repair work on navigational buoys, lights and horns; monitors all equipment for proper operation.
- Operates rubber and solid hull craft in inspection, vessel transfer and enforcement activities.
- Assigns mooring and berthing spaces; supervises the upkeep and security of berthing area; checks craft moored in berths to ensure that they are properly secured and to ensure that only authorized lessees are utilizing the facilities.
- Determines appropriate rental rates in accordance with established schedule; prepares berthing lease documents; collects dock, mooring, launch and other fees; writes receipts; completes logs and related records; balances fees received.
- Directs launch ramp traffic to assure maximum use under safe conditions; assists in vehicle backing and vessel launch.
- Cleans restroom and shower facilities; hoses off docks and piers; cleans up litter, empties trashcans and dumpsters; operates trash compactor.
- Plants, trims, waters, fertilizes and removes plants, trees and shrubs; mows and trims grass area; rakes and cleans landscaped areas.
- May direct and participate in search, rescue, Cardiopulmonary Resuscitation (CPR) and first aid activities on the waters adjacent to the Harbor and on the Harbor property; summon assistance when necessary.
- Establishes and carries out program of fire prevention and protection of Harbor facilities and boats berthed at the Harbor; inspects floats and adjoining installations for damage and fire hazards; fights vessel fires.
- As part of a team, makes harbor and open water searches and rescues, monitors emergency call radio channels; operates a variety of electronic equipment for locating vessels; locates and guides vessels back to the harbor; rescues personnel from foundering or sunk vessels; notifies other appropriate rescue and emergency personnel.
- Provides information to facility users; answers questions concerning operations, facility availability, safe boating practices, tides, currents, weather conditions, rates and fees, rules and regulations and other items of needed information.
- As assigned, orders necessary supplies, materials, equipment and fuel for the operation and maintenance of the harbor; notifies the Assistant Harbormaster of needed facility repairs and improvements.

- May assist in coordination or staff the activities of special events held at the Harbor.
- Build and maintain positive working relationships with co-workers, other District employees, elected officials, contractors, and the public, using principles of good customer service.
- Maintains attendance and punctuality that is observant of scheduled hours on a regular basis.
- Performs other duties as assigned.

Training Officer

- Responsible for all District Operations staff training, certifications and recertifications. Coordinate training assignments with the Harbormasters and the District.
- Research, identify and schedule advantageous training opportunities for District Operations staff and seek grant opportunities to assist in funding training costs. Actively seek interagency training opportunities.
- Establish and enhance training guidelines and continuing educational opportunities.
- Document and maintain past and present training records for all District Operations staff. Responsible for creating a training schedule and calendar, both internally and externally, for all District Operations staff.
- Organize and lead “in-house” search and rescue training and participate in actual emergency operations as directed by the Harbormasters.
- Responsible for monthly “Round Table” OSHA safety compliancy training.
- Establish cross training for each facility so that all District Operations staff could be called upon for additional support, multiply shift operations in support of a catastrophic event at either facility. Ensure all District Operations staff are provided training opportunities and are equally trained.
- Responsible for providing District Operations staff with all necessary professional development instruction, training and policy guidance.
- Coordinate the boating and work safety training programs for the harbor/marina.
- Compile and document statistics for Search and Rescue, Law Enforcement, Medical and Environmental responses.
- Act as the safety/emergency response liaison with outside agencies, including, but not limited to, OES for Mavericks Surfing Event, California Division of Boating and Waterways, U.S. Coast Guard, local law enforcement, yacht clubs and other groups who may use District facilities for events.
- Ensure programs are in place to manage environmental and regulatory compliance. Ensure the District maintains the DBW Clean Marine designation. Conduct environmental awareness training and inspections on a regular basis.
- Prepare and train staff for emergency response to severe weather situations. Ensure District Tsunami ERP’s are updated and training for all staff is documented bi-annually.
- Direct, coordinate and carry out fire prevention, safety, security and protection programs for harbor/marina facilities and vessels berthed within.

- Pursue Instructor Trainer Certification opportunities that would benefit the District.

QUALIFICATIONS

Knowledge of:

- Harbor operations and maintenance.
- Federal, state and local laws, ordinances regulations and codes pertaining to the marina, boating and inland waterways.
- Marine safety practices and techniques; safe boating operations and search and rescue techniques.
- The operation and maintenance of a variety of hand tools, work aides, power tools and light machines used in carpentry, plumbing, electrical and related work.
- Tides and weather conditions.
- Monetary and statistical record keeping.
- Business computer use applications related to operations and administration.
- Safety principles and practices, including basic first aid and CPR techniques and practices.
- Applicable safety precautions and procedures related to the program area(s) and facilities to which assigned.
- Principles and practices of basic public relations techniques.
- Safe driving rules and practices.

Training Officer

- Search and Rescue training standards throughout the State of California and national training documentation requirements. Maintenance of training records in accordance with professional standards and best practices.
- Safety standards and personal protective equipment requirements.
- Training techniques for small boat handling and rescue.
- Applicable laws pertaining to boating, harbor and marine environmental regulations, state/federal and regulatory organizations having jurisdiction over these laws and regulations.
- Adult training techniques.
- Customer service standards and protocols.

Ability to:

- Communicate fluently in written and spoken English.
- Perform basic mathematical calculations.
- Use computer equipment to create written documents, perform research and send/receive email.
- Perform basic construction and repair projects, including electrical, plumbing, carpentry and automotive techniques.
- Perform general building and unskilled maintenance and repair tasks with hand tools, work aides and light machines.

- Perform duties in a manner to maximize public safety in the area of dock maintenance and repair.
- Operate a variety of vehicular and stationary mechanical equipment in a safe and effective manner.
- Maintain accurate logs, records and basic written records of work performed.
- Understand and follow oral and written instructions.
- Organize own work, set priorities and meet critical time deadlines.
- Use tact, initiative, prudence and independent judgment within general policy, procedural and legal guidelines.
- Perform basic firefighting techniques and practices.
- Tactfully enforce marina rules, regulations, laws and ordinances and issue written citations for violations.
- Operate small boating craft.
- Swim.
- Comply with and enforce common safety practices and procedures.
- Detect safety hazards within a marina area and take correction action.
- Establish and/or maintain recordkeeping and filing systems.

Training Officer

- Establish, maintain and foster cooperative working relations with others internally and externally.
- Effectively motivate, train and/or educate other employees.
- Evaluate Search and Rescue skills in accordance with accepted professional standards, operate a variety of patrol vessels, rescue watercraft, and navigational electronics.
- Clearly communicate with large groups, express self clearly and concisely in written and verbal communication.
- Work independently and as a team member; recognize and set priorities to meet deadlines.
- Compile, correlate, and analyze a large volume of written and electronic data and prepare accurate and timely technical or analytical reports.
- Design, implement, and maintain sound work procedures that ensure accurate records.
- Propose and implement solutions to problems effectively.

MINIMUM QUALIFICATIONS

Any combination of education and experience that would likely provide the required knowledge and abilities is qualifying. A typical way to obtain the knowledge and abilities would be:

Education:

High School diploma or G.E.D. equivalent is required. An Associates (two-year) Degree is desirable. Courses from non-accredited institutions will not be evaluated for this requirement.

Experience:

At least three (3) years in the position of Deputy Harbormaster B or equivalent experience and training in harbor safety.

LICENSES AND/OR CERTIFICATES

- All license/certificate requirements for Deputy Harbormaster A
- Completion of the following Department of Boating and Waterways training, within the first year of employment, as scheduling permits:
 - Boating Skills Operations
 - Boating Safety and Enforcement – Basic
 - Rescue Boat Operations
 - Coastal Piloting and Navigation

PHYSICAL DEMANDS

These functions may be performed with or without reasonable accommodation:

Requires sitting, standing, walking on level, uneven and slippery surfaces. Must possess mobility to work in the field; strength, stamina, and mobility to perform medium to heavy physical work, to work in confined spaces and around machines, to climb and descend ladders, and to operate varied hand and power tools and equipment; vision to read printed materials and a computer screen; and hearing and speech to communicate in person and over the telephone or radio. The job involves fieldwork requiring frequent walking in operational areas to identify problems or hazards. Finger dexterity is needed to access enter, and retrieve data using a computer keyboard or calculator and to operate above-mentioned tools and equipment. Positions in this classification bend, stoop, kneel, reach, and climb to perform work and inspect work sites. Employees must possess the ability to lift, carry, push and pull materials and objects weighing up to 100 pounds, or heavier weights with assistance or the use of proper equipment.

ENVIRONMENTAL ELEMENTS

Employees work in the field and are exposed to loud noise levels, cold and hot temperatures, inclement weather conditions, hazards, vibration, confined workspace, chemicals, mechanical and/or electrical hazards, and hazardous physical substances and fumes. Employees may be exposed to blood and bodily fluids when rendering basic First Aid and performing CPR. Employees are required to wear appropriate attire for the work assigned. Employees may interact with upset staff and/or public in interpreting and enforcing Harbor District Ordinances, or Federal and State laws and regulations.

WORKING CONDITIONS

May be required to work various shifts including early mornings, evenings, weekends, and holidays.

San Mateo County Harbor District

Wage and Salary Schedule Fiscal Year 2018/2019 Title	Hourly Range Bottom	Annual	Hourly Range Top	Annual	Salary Range Bottom	Salary Range Top
Management						
General Manager					Per Contract	Per Contract
Director of Administrative Services					\$ 115,375.00	\$ 140,181.00
Director of Operations					\$ 115,375.00	\$ 140,181.00
Harbormaster					\$ 97,850.00	\$ 125,660.00
Accounting Manager					\$ 97,850.00	\$ 125,660.00
Sr. Administrative Analyst					\$ 78,476.11	\$ 105,234.69
Administrative Services						
Accountant	\$ 37.73	\$ 78,478.40	\$ 50.56	\$ 105,164.80		
Accounting Specialist	\$ 33.11	\$ 68,868.80	\$ 44.38	\$ 92,310.40		
Deputy Secretary	\$ 33.11	\$ 68,868.80	\$ 44.38	\$ 92,310.40		
Accounting Technician II	\$ 31.04	\$ 64,563.20	\$ 41.60	\$ 86,528.00		
Accounting Tech I/Administrative Assistant II	\$ 28.97	\$ 60,257.60	\$ 38.83	\$ 80,766.40		
Administrative Assistant I	\$ 24.03	\$ 49,982.40	\$ 32.20	\$ 66,976.00		
Office Assistant	\$ 15.38	\$ 31,990.40	\$ 20.61	\$ 42,868.80		
Project Coordinator	\$ 39.19	\$ 81,515.20	\$ 52.52	\$ 109,241.60		
Planner Analyst	\$ 33.11	\$ 68,868.80	\$ 44.38	\$ 92,310.40		
Operations						
Assistant Harbormaster	\$ 45.63	\$ 94,910.40	\$ 52.82	\$ 109,865.60		
Harbor Worker C	\$ 41.39	\$ 86,091.20	\$ 47.92	\$ 99,673.60		
Deputy Harbormaster B/Training Officer (at 5% over DHMB)	\$ 37.55	\$ 78,099.84	\$ 43.46	\$ 90,395.76		
Deputy Harbormaster B	\$ 35.76	\$ 74,380.80	\$ 41.39	\$ 86,091.20		
Deputy Harbormaster A	\$ 30.89	\$ 64,251.20	\$ 35.76	\$ 74,380.80		
Harbor Worker B	\$ 21.50	\$ 44,720.00	\$ 24.89	\$ 51,771.20		



Staff Report

TO: Board of Harbor Commissioners

FROM: John Moren, Director of Operations

DATE: November 14, 2018

SUBJECT: Authorize the General Manager to Purchase Two New Rescue Watercraft in the Amount of \$30,563.74

Recommendation/Motion:

Motion: i) Authorize the General Manager to purchase two new Rescue Watercraft with vendor "Grand Prix Motor Sports" for the sum of \$30,563.74; ii) authorize a 10% contingency, subject to the written approval of the General Manager.

Policy Implications:

Per Policy 4.3.1 Purchasing Procedures, this contract requires approval of the Commission.

Fiscal Implications/Budget Status:

Funding for this purchase is available within the maintenance and repairs appropriation. Staff will submit an appropriations transfer to Capital Assets as part of the budget review.

Background/Discussion:

The District's Rescue Water Craft (RWC), commonly known as jet skis or personal watercraft, program was implemented in 2000 and has been an integral part of the Pillar Point Harbor Patrol's lifesaving capabilities, as they allow the rescue teams to reach the beach and work inside the reefs where Patrol Boats cannot access. The highly trained District RWC rescue teams have been, and continue to be, a leader in the emergency use of RWC's, as is evidenced by the frequent special requests we receive for support from the USCG, Sherriff's Office, Police Marine Units and coastal/Bay airports. District RWC rescue teams are frequently requested to assist in search and rescue operations, large events like Fleet Week and other mass casualty preparedness drills.

As we move into the winter season and the Mavericks Surf Contest window opens, the District needs to have the RWC response capability mission ready. The District currently has 2007 Honda RWC's. These were purchased from a law enforcement loan program over 10 years ago. Like with all machinery, reliability suffers as parts age, despite

professional maintenance efforts. In addition, Honda no longer manufactures these machines, which further complicates maintenance efforts.

Staff had submitted an application for a DBW Law Enforcement Equipment Grant to purchase two new RWC's, but unfortunately were unsuccessful for two consecutive years. Staff had been hoping for the grant to cover the RWC purchase cost and have been delaying the procurement as a result.

Staff have done extensive research into RWC replacement options and found that Kawasaki is the industry leader, has been the selection of allied agencies and is the RWC model used in professional K38 Training.

Staff have received three quotes from dealerships, all within a few hundred dollars of each other. Grand Prix Motor Sports is the best option for purchase of the Kawasaki RWC units. They have a certified service department for watercraft and are the most accessible to Pillar Point Harbor for service and warranty needs.

The cost for two RWC's is \$30,563.74, which includes protective covers, a double trailer and coded keys for each unit. All of the quoted equipment is mission critical. The trailer is critical, as the current trailer we have is not set up for the heavier Kawasaki RWC's and has been exposed to the marine environment for over 15 years.

We must also consider the importance of timing. The personal watercraft industry, as a whole, has been down the past several years and as a result production and available stock has been limited. The negotiated quote is for new 2018 RWC's that are available now. This dealership has secured the 2018 units through their network, as only a few dealers State-wide have 2018 units in stock. There will be no substantial design or beneficial performance upgrades on the 2019 models, which would not be available until at least March 2019 and will be more costly.

Summary/Recommendation:

Staff recommends the Board authorize this purchase in accordance with aforementioned motion.

Attachments:

1. [Grand Prix Buyer's Order Agreement](#)
2. [Vendor Quotes](#)

GRAND PRIX
 2360 El Camino Real
 Santa Clara CA 95050
 408-246-7323

SMITH, CARY

Buyer's Order

10/17/2018
 Order No.
 Salesman **TREVOR ADAMS**

+
 831-247-7869

I hereby agree to purchase the following unit(s) from you under the terms and conditions specified. Delivery is to be made as soon as possible. It is agreed, however, that neither you nor the manufacturer will be liable for failure to make delivery.

Unit Information

New/U	Year	Make	Model	Serial No.	Stock No.	Dealer Retail Price
New	2018	KAWASAKI	JT1500KJF	KAW51133D818	1133D8	\$11,699.00
New	2018	KAWASAKI	JT1500KJF		JTK-2	\$11,699.00
New	2019	KARAVAN	WC-2450-84-L	5KTWS1710KF502770	502770	\$2,999.00

Options:

COVER ULTRA250 SILVER
 FPO MODE KEY

\$489.52 D
 \$461.12 D

Manufacturer Base Price	\$26,397.00
Manufacturer Options (M)	\$0.00
Manufacturer Sugg Ret Price	\$26,397.00
Dealer Retail Price	\$26,397.00
MSRP Customer Discount Savings	\$1,700.00
Customer Price	\$24,697.00
Freight	\$1,075.00
Dealer Added Options (D)	\$0.00
Customer Added Options	\$950.64
Dealer Prep / Rigging Fee	\$1,000.00
Unit Subtotal	\$27,722.64
GAP	\$0.00
Theft	\$0.00
Tire & Wheel	\$0.00
	\$0.00
	\$0.00
	\$0.00
Service Contract	\$0.00
California Tire Fee	\$3.50
Title/License/Registration Fees	\$130.00
Document or Administration Fees	\$195.00
Sales Tax	\$2,512.60
Cash Price	\$30,563.74
Trade Allowance	\$0.00
Payoff	\$0.00
Net Trade	\$0.00
Net Sale (Cash Price - Net Trade)	\$30,563.74
Credit Life Insurance	\$0.00
Accident & Disability	\$0.00
Sub Total (Net Sale + Other Charges)	\$30,563.74
Cash Down Payment	\$0.00
Amount to Pay/Finance	\$30,563.74

Notes:

Trade Information

Monthly Payment of \$0.00 For 0 Months at 0.00% Interest

NOTICE TO BUYER: (1) Do not sign this agreement before you read it or if it contains any blank spaces to be filled in. (2) You are entitled to a completely filled in copy of this agreement. (3) If you default in the performance of your obligations under this agreement, the vehicle may be repossessed and you may be subject to suit and liability for the unpaid indebtedness evidenced by this agreement.

TRADE-IN NOTICE: Customer represents that all trade in units described above are free of all liens and encumbrances except as noted.
 *With Approved Credit. Interest rates and monthly payment are approximate and may vary from those determined by the lender.

Customer Signature _____ Dealer Signature _____

Thank You for You Business!

Tracy Motorsports, Inc.
 3255 Auto Plaza Way
 Tracy CA 95304
 Phone: 209 832 3400 Fax:

BILL OF SALE

Name(s): San Mateo County Harbor District

Deal No.: 9173

Date: 04/19/2018

Address: 504 Ave Alhambra
 El Granada, CA 94018

Salesman: MIKE BENSON

Lienholder: NONE

Phone:

Stock #	N/U	Year	Make	Model	VIN #	Odom	Color	Amount
K50088	N	2018	KAWASAKI	JT1500KJF	US-KAW50088H718	0	BLACK	\$10,999.00
K50248	N	2018	KAWASAKI	JT1500KJF	US-KAW50248I718	0	BLACK/SILV	\$10,999.00

Trade Information

Year	Make	Model	VIN #	Odom	Color	Allowance
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Accessories

2 covers and 24 Lanyards \$900.36

Purchase Agreement

Total Unit Price	\$21,998.00
Freight	\$780.00
Added Dealer Mark-Up	\$740.00
Accessories/Labor	\$900.36
Documentation Fee	\$160.00
License/Reg Fees	\$74.00
Finance Discount	\$0.00
DMV Electronic Fees	\$0.00
Tire Recycle Fee	\$0.00
GAP/ETCH/TIRE&WHEEL	\$0.00
Lojack/GPS	\$0.00
Prepaid Maintenance	\$0.00
Service Contract	\$0.00
Property / Liability	\$0.00
Sales Tax	\$2,150.62
Total	\$26,802.98
Less Trade Allowance	\$0.00
Plus Trade Payoff	\$0.00
Down Payment	\$0.00
Rebate	\$0.00
Final Balance	\$26,802.98

AGREEMENT TO ARBITRATE:

By signing below, you agree that, pursuant to the Arbitration Provision that you received and signed on a separate page (X_____), you or we may elect to resolve any dispute by neutral, binding arbitration and not by a court action. See the Arbitration Provision for additional information concerning the agreement to arbitrate.

X _____

BUYER(S) ACKNOWLEDGEMENTS:

-I understand that unless I am charged for insurance, NONE is provided by the seller. Seller recommends that the BUYER/OPERATOR review the manufacturer's recommendations of the owner's manual prior to vehicle operation.

-I understand that pre-operation checks as recommended are my responsibility, as is the use of safety equipment.

-I understand that the manufacturer's warranty does NOT cover regular service costs including the first service unless otherwise stated in writing.

X _____

X _____

X _____

THERE IS NO COOLING OFF PERIOD

California does not provide for a "cooling-off" or other cancellation period for vehicle sales. Therefore, you cannot later cancel the contract simply because you change your mind, decide the vehicle cost too much, or wish you had acquired a different vehicle. After you sign below, you may only cancel this contract with the agreement of the seller or for legal cause, such as fraud.

X _____

MIKE BENSON

X _____



Powersports of Vallejo, Inc

111 Tennessee Street
Vallejo, CA 94590
707-644-3756 fax 707-644-3424

Invoice No. 158388

QUOTATION

Customer

Name San Mateo Pillar Point Harbor Patrol
Address One Johnson Pier
City Half Moon Bay State CA ZIP 94019
Phone

Date 4/29/2018
Order No. VENDOR #
Rep
FOB

Qty	Description	Unit Price	TOTAL
1	2017 JT1500KHF ULTRA LX BLU/BLK	\$11,199.00	\$11,199.00
1	FREIGHT	\$498.00	\$498.00
1	SETUP	\$376.00	\$376.00
1	ACCESSORIES COVER	\$271.95	\$271.95
6	TETHER BANDS	\$49.63	\$297.78
1	2017 JT1500KHF ULTRA LX BLU/BLK	\$11,199.00	\$11,199.00
1	FREIGHT	\$498.00	\$498.00
1	SETUP	\$376.00	\$376.00
1	ACCESSORIES COVER	\$271.95	\$271.95
6	TETHER BANDS	\$49.63	\$297.78
1	DOUBLE GALVANIZED TRAILER	\$2,800.00	\$2,800.00
1	FREIGHT	\$195.00	\$195.00
1	SETUP	\$95.00	\$95.00
-1	DISCOUNT	\$1,800.00	(\$1,800.00)
Sub Total			\$26,575.46
Tire Tax			\$3.50
Sales Tax			\$2,391.79
Doc Fees			\$195.00
TOTAL			\$29,165.75

Payment Details

- Cash
- Check
- Credit Card

Name DOES NOT INCLUDE DMV
CC # HANDLE BY CITY OR COUNTY
Expires

Office Use Only

BALANCE DUE NET 30

THANK YOU!



Staff Report

TO: Board of Harbor Commissioners
FROM: John Moren, Director of Operations
DATE: November 14, 2018
SUBJECT: Monthly Capital Projects Update

Recommendation/Motion:

Receive Monthly Capital Projects Update

Fiscal Implications/Budget Status:

All Capital Projects are budgeted appropriately

Capital Projects Update:

- **PPH H-Dock Replacement Project: Initiated 1/17**
 - Public meeting to gain input from public/tenants/stakeholders was held January 23rd.
 - Public input was addressed in a new drawing and sent with an additional questionnaire to all H-Dock tenants on March 21st.
 - Addressed input gathered at first meeting. Second public meeting held May 15th.
 - Draft 75% design/engineering technical specifications being completed, will bring to Board for final plan input/approval and direction to publicize ITB.

- **PPH Fishing Pier Repair and Access Walkway Rehabilitation: Initiated 3/17**
 - Consultant M&N working on Design/Engineering/Permitting.
 - Initial drawings and technical memos submitted for review 2/22/18, consultant finalizing Tech Specs accordingly.
 - 65% submittals reviewed May 2nd, consultant working on revisions.
 - CDP, NWP, and NOI applications submitted on June 22, 2018. CCC CDP waiver approved in October.

- **PPH Retail/Restaurant Sidewalk Expansion Project: Initiated 5/16**
 - Regulatory compliance/permitting taking place. CEQA NOE filed with County Clerk's Office.
 - Final revised Project plans, after CCC Notice of Incomplete Filing Status, were submitted to CCC for review and CDP Waiver issued.
 - SMC Bldg. Permit approved, Invitation to Bid initiated, bids opened July 11, 2018. Bid approved by Board July 18th. Proposed construction start date of September 17th, immediately after the Fish and Fleet event.
 - Contract agreement fully executed. Notice to Proceed to be issued 9/15/18.
 - Project progressing ahead of schedule, sidewalk in front of retail strip poured in one week, little disruption. Working on punch list items.

- **PPH West Trail Shoreline Protection Project: Initiated 5/15**
 - Geotech testing, core sampling, took place 11/6/17. CCC issued an Incomplete Filing Status on 1/17/18. Consultant currently revising Project plans and addressing CCC concerns.
 - Met with GHD and their sub-consultant at West Trail on 2/15/18 to discuss soil nail wall construction methods for further submittals to CCC.
 - GHD provided update presentation to Public/Board at April 18th BoC Meeting.
 - Consultant GHD directed to re-look at beach nourishment alternatives with emphasis on Living Shoreline options per CCC. Working with Program Manager to apply for Coastal Conservancy Grant for funds assist.

- **PPH Launch Ramp Dredge Project: Initiated 5/16**
 - Bid Docs 80% complete, awaiting final tech specs CDP submittal. Additional sediment testing was required for use of airport property.
 - Project approved for Disaster Relief Funding by FEMA/CalOES
 - FAA approved staging site within airport boundary.
 - Sediment removed will be beneficially re-used either at Surfers Beach or West Trail.
 - Airport ground lease for sediment staging under review.

- **PPH Johnson Pier Terminus Improvement Project: Initiated 6/16**
 - Preliminary stakeholder/public meetings held on May 29th and July 17th to gather input/ideas on needed alterations.
 - Staff seeking direction from Board to move forward with an RFP for design/engineering alternatives based on information gathered thus far.

- **PPH Launch Ramp and Restroom Replacement Project: Initiated 3/17**
 - Applied for \$3.7M DBW Launch Ramp Facilities Grant for funding, Board approval application Jan 17, 2018.
 - Met with DBW reps at launch ramp site on April 3rd for a site needs evaluation, appears favorable for restroom, boat wash, rip/rap erosion repair, drainage trench and fish cleaning station replacement, awaiting grant results.

- Discussed DBW LRF Grant with DBW on October 24, anticipate award results soon.
- **PPH RV Park Restroom Project: Initiated 11/17**
 - Consultant working on survey and initial drawings. Met with City of Half Moon Bay and CCC on June 1st.
 - Discussed project with CCC on October 3, 2018.
- **PPH Harbormaster's Office Alterations Project: Initiated 10/17**
 - Project approved by Board at Dec '17 meeting. Tech Specs, Bid Docs and permitting in progress.
 - Preliminary construction drawings currently at 90% completion, CCC/CDP Waiver in progress.
- **PPH Harbormaster's Office Roof Replacement Project: Initiated 11/17**
 - Bids opened on 8/17/18. Lowest responsible and responsive bid approved at 9/19/18 Board meeting. Contract awarded and executed.
 - Work started, stalled awaiting permitting.
- **PPH Renovation of West Restroom/Shower/Laundry and New West Trail Restroom: Initiated 9/17**
 - RFP for design/engineering in progress, finalizing details for scope of work.
- **PPH Parking Lot B, C2, C3 Repair Project: Initiated 5/18**
 - Slurry/stripe project schedule pushed out due to conflict with Sidewalk Expansion priority project, will take place after.
- **Surfers Beach Sand Replenishment Pilot Project: Initiated 10/15**
 - Consultant working closely with Sanctuary staff to move forward, clarification request letters sent 11/7/17. Staff attended MBNMS Advisory Council meeting in Monterey December 15, 2017.
 - Staff and consultant hosted combined agency, meeting on site 2/26/18. USACE, Sanctuary, CCC, EPA reps in attendance.
 - Consultant Damitz met with USACE, NOAA and GFNMS on 5/3/18 to discuss monitoring strategy.
 - Consultant Damitz presented Project update at May 23, 2018 Board meeting.
 - DBW Grant approved, Board approved Grant Agreement at May 23, 2018 meeting.
 - Engineering and Sediment Sampling/Analysis RFP submissions opened on 8/14/18. Highest ranked respondents awarded contracts.
 - Technical Advisory Group to meet November 8th.

- **PPH/OPM Transformer Repair Project: Initiated 10/16**
 - Contract executed.
 - Transformers installed on OPM Docks 1-5 in March, transformer for Dock 6 arrived damaged, had to be replaced, will be installed June-July.
 - PPH transformers for Docks A, B,C have been installed. Transformer on Dock B was damaged during installation, ordered new access door, adjusted dock floatation May 15th.
 - Final OPM Dock 6 transformer successfully installed July 3rd.
 - Scope of work 95% complete, troubleshooting ground fault controllers. System final punch list inspection to be performed late October.

- **OPM Fuel Dock Replacement Project: Initiated 4/18**
 - Project design/engineering RFP in progress.

- **OPM Dock 12 (13,14) / East Dock Replacement: Initiated 3/18**
 - Design/engineering RFP proposals received 9/5/18 and were evaluated.
 - Highest ranked firm's proposal will be brought to Board for consideration.

- **Admin Office Alterations Project: Initiated 10/16**
 - Design consultant made recommendations for scope of work that will help to secure approval of application for building permit. Per plan checker, specific requirements are necessary to meet space ventilation in order to gain approval of the building permit, plan revision underway.

- **OPM Gravel Parking Lot Project: Initiated 7/18**
 - RFP in progress for design/engineering services. Parking lot to be paved and striped in accordance with ADA standards.

- **PPH Exterior Lighting Restoration Project: Initiated 4/18**
 - Scope includes removal/replacement of all exterior lamp and lighting fixtures throughout Pillar Point Harbor. RFP for design/engineering in progress.

- **Signage/Wayfinding Program Project: Initiated 6/18**
 - Project will include a programmatic plan for new aesthetically pleasing interpretive signage/wayfinding consistent with ADA guidelines. RFP for design/engineering in progress.



Item 18

No Staff Report



Staff Report

TO: Board of Harbor Commissioners

FROM: Steve McGrath, General Manager

DATE: November 14, 2018

SUBJECT: Water Emergency Transportation Authority (WETA) Ferry Services;
Presentation

Recommendation/Motion:

Receive presentation; no action necessary.

Policy Implications:

WETA operates a ferry terminal at Oyster Point Marina, under a lease agreement with the District.

The agreement was executed in 2009 with a term of 55 years.

Fiscal Implications/Budget Status:

None. On execution of the lease, rent was paid in advance for the entire term of the lease, totaling \$3,660,000. This sum was paid directly to the division of Boating and Waterways to reduce District debt.

Background:

Representatives of WETA will be present to give a presentation and answer questions about their operations.

San Francisco Bay Area

Water Emergency Transportation Authority

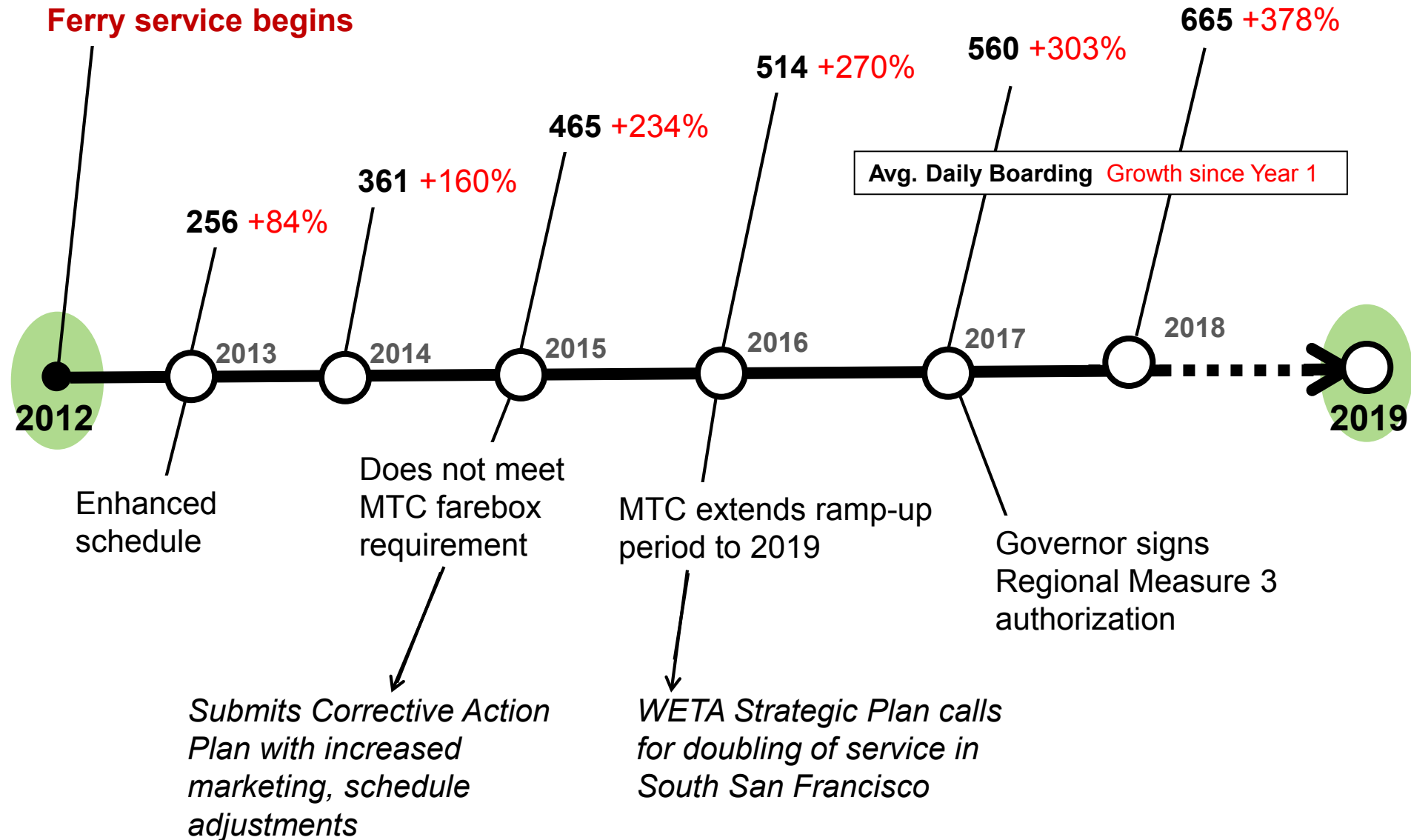
South San Francisco Ferry Service

November 2018

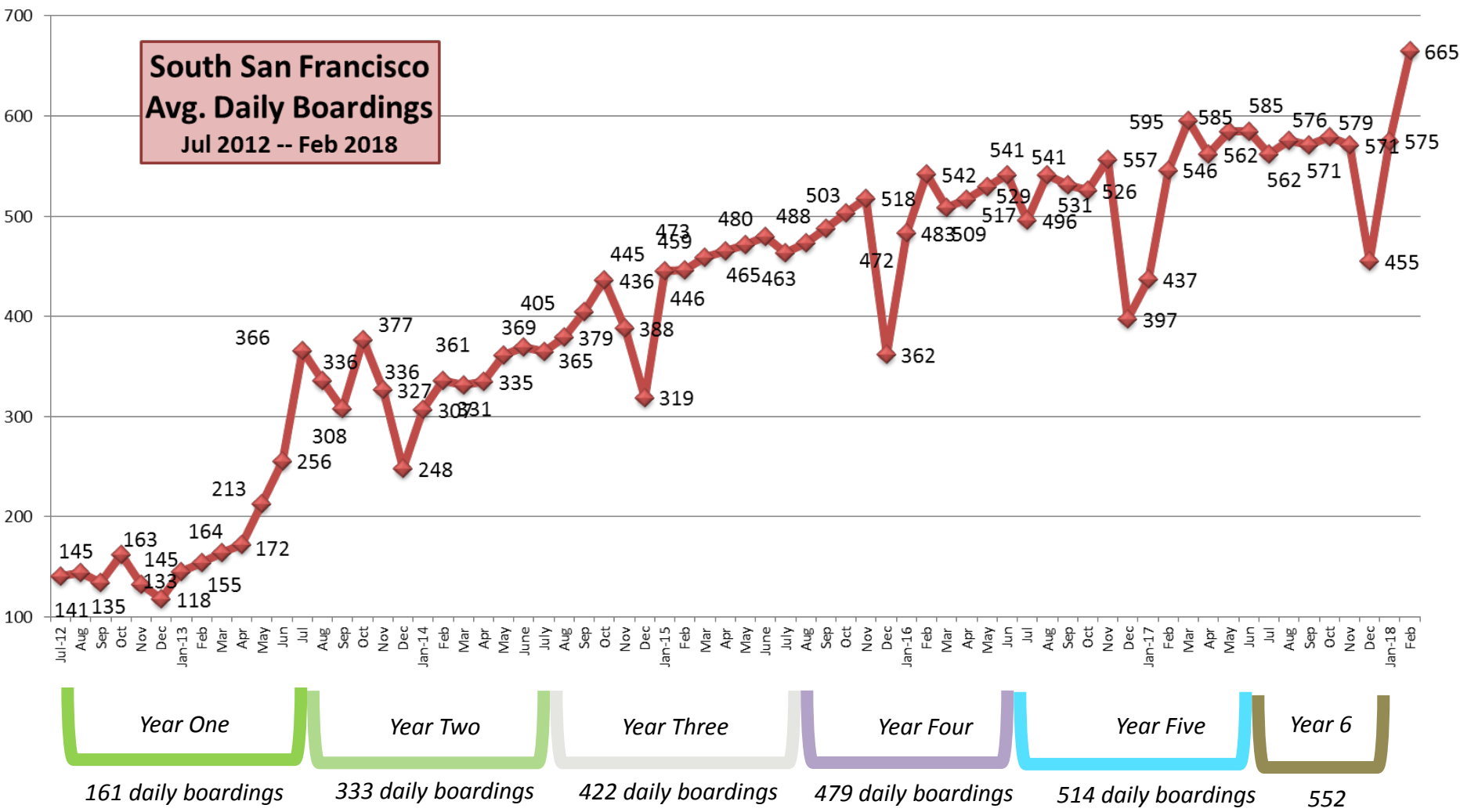


South San Francisco Ferry Service Timeline

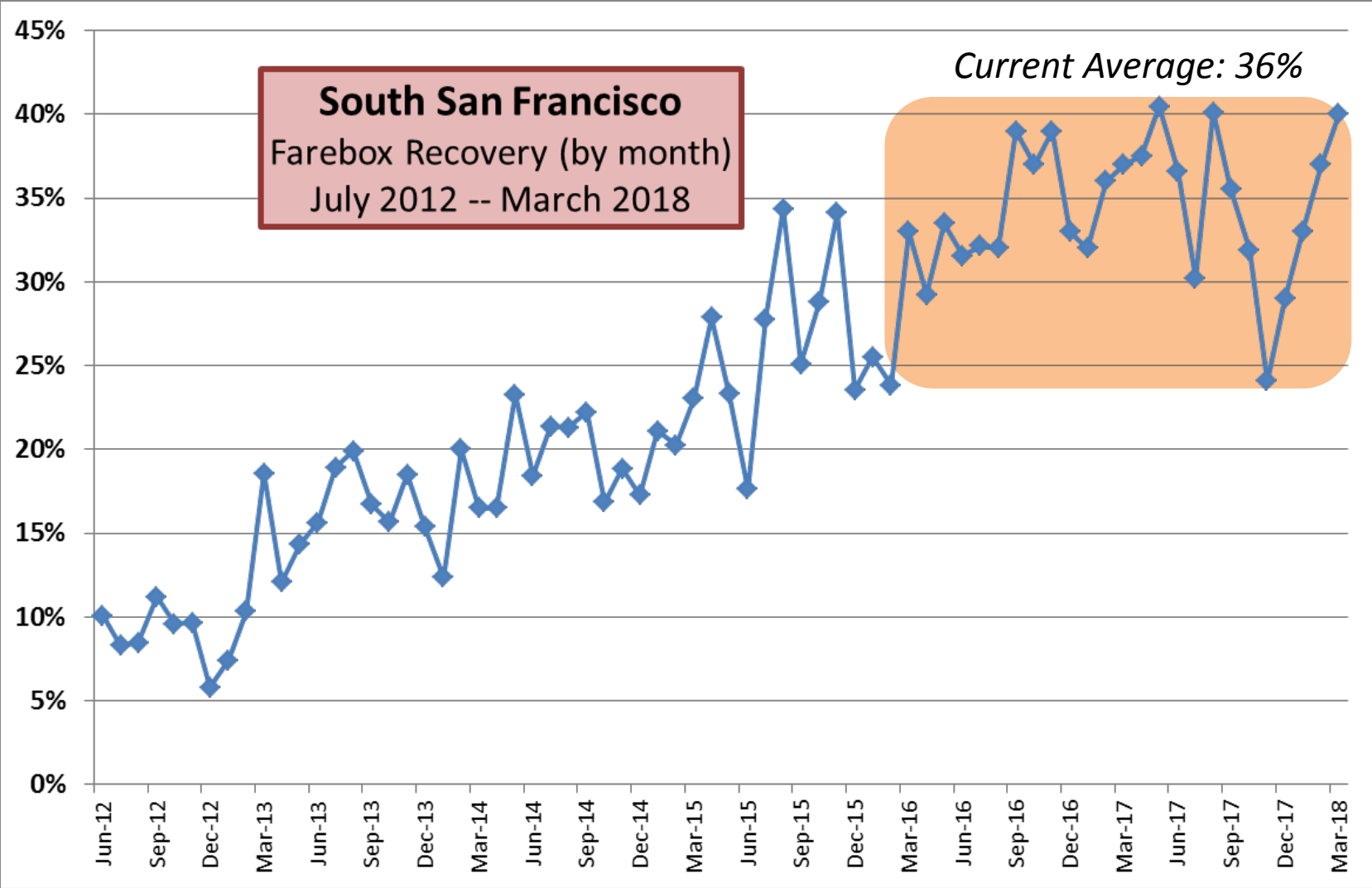
Ferry service begins



Average Daily Ridership, South San Francisco Ferry Service



Average Monthly Farebox Recovery



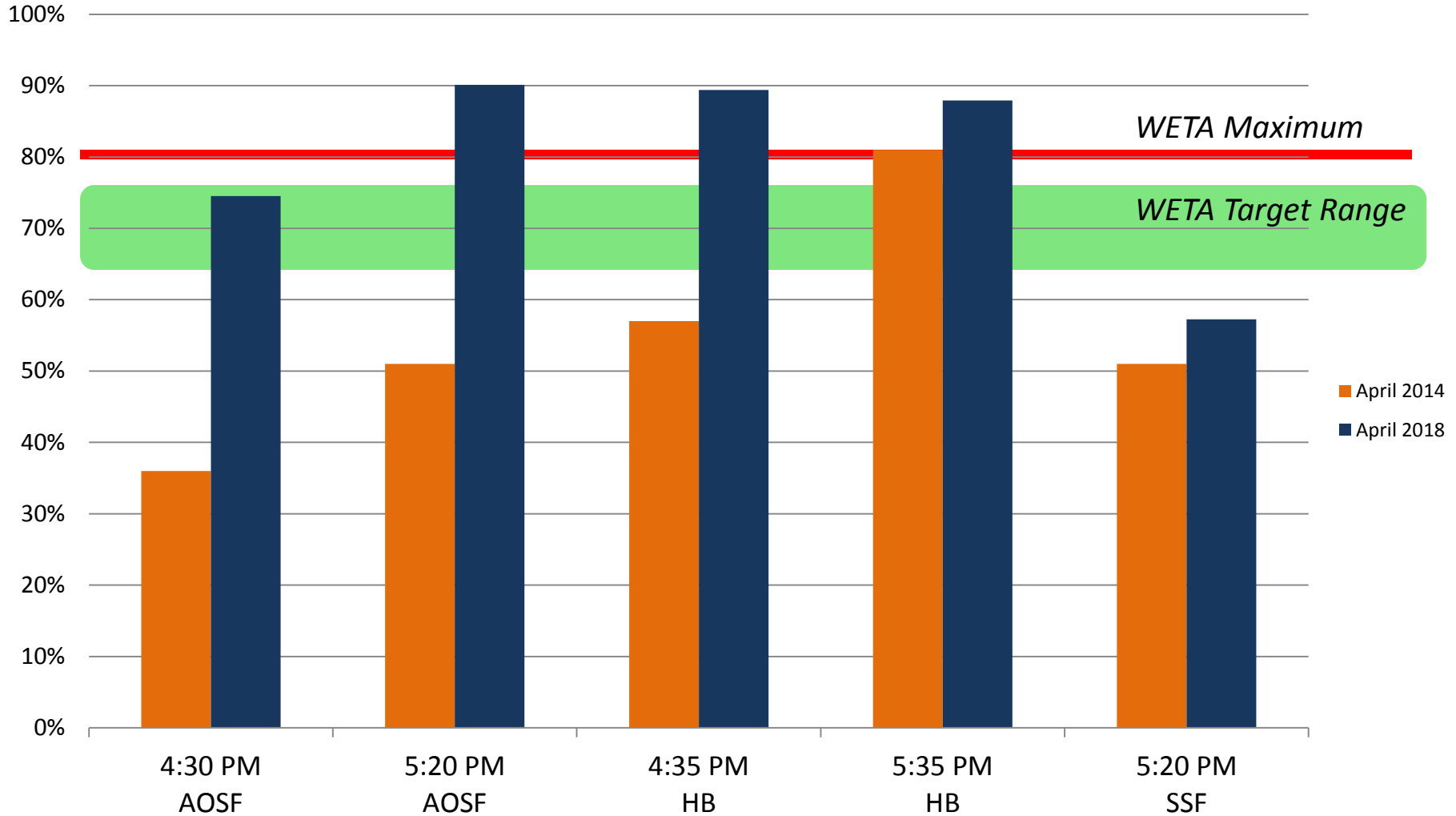
New Riders and Loyal Riders

Nearly 50% of passengers are new riders.



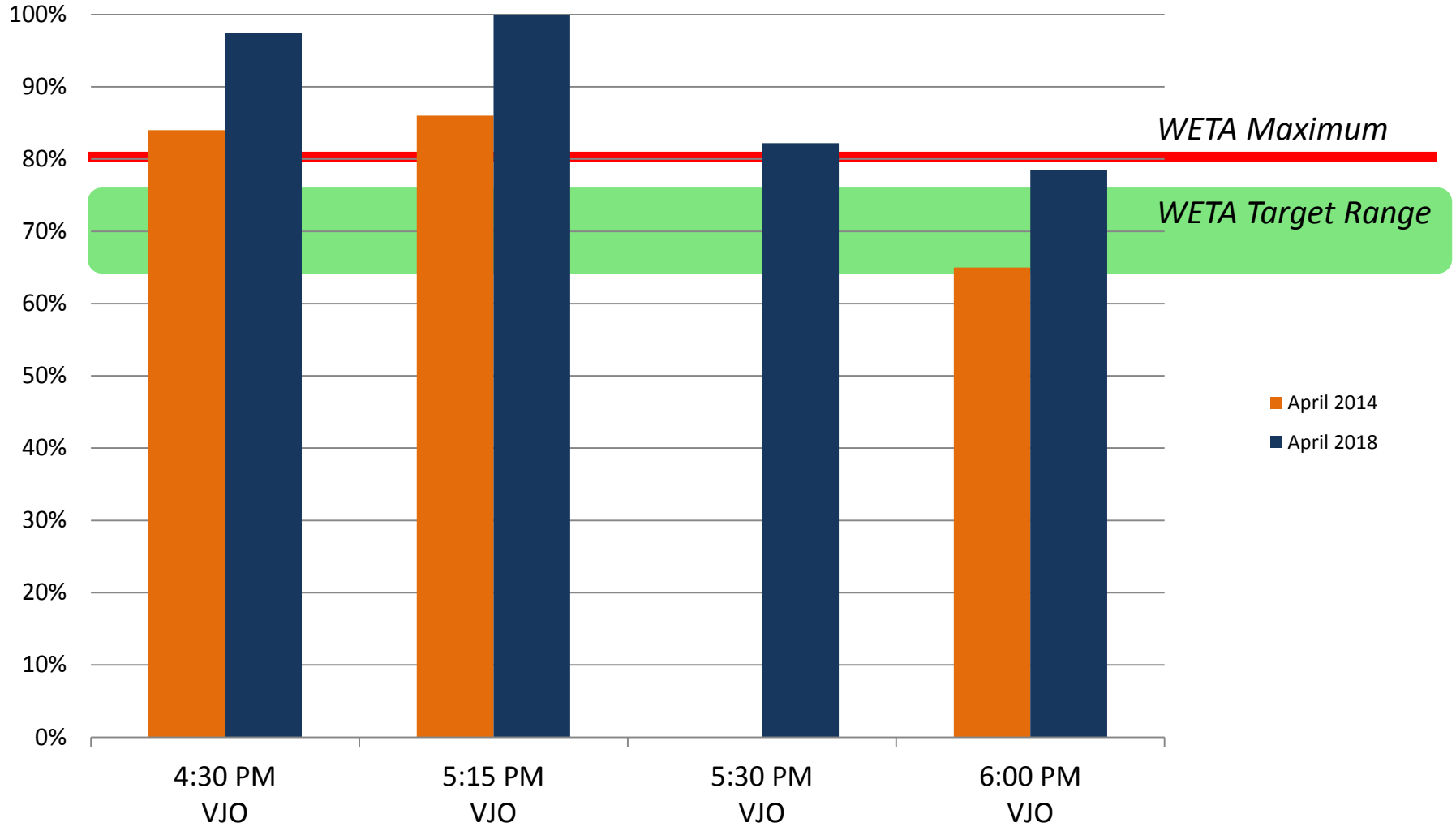
More Riders, Same Capacity

Vessels becoming more congested on Central Bay services.



More Riders, Same Capacity

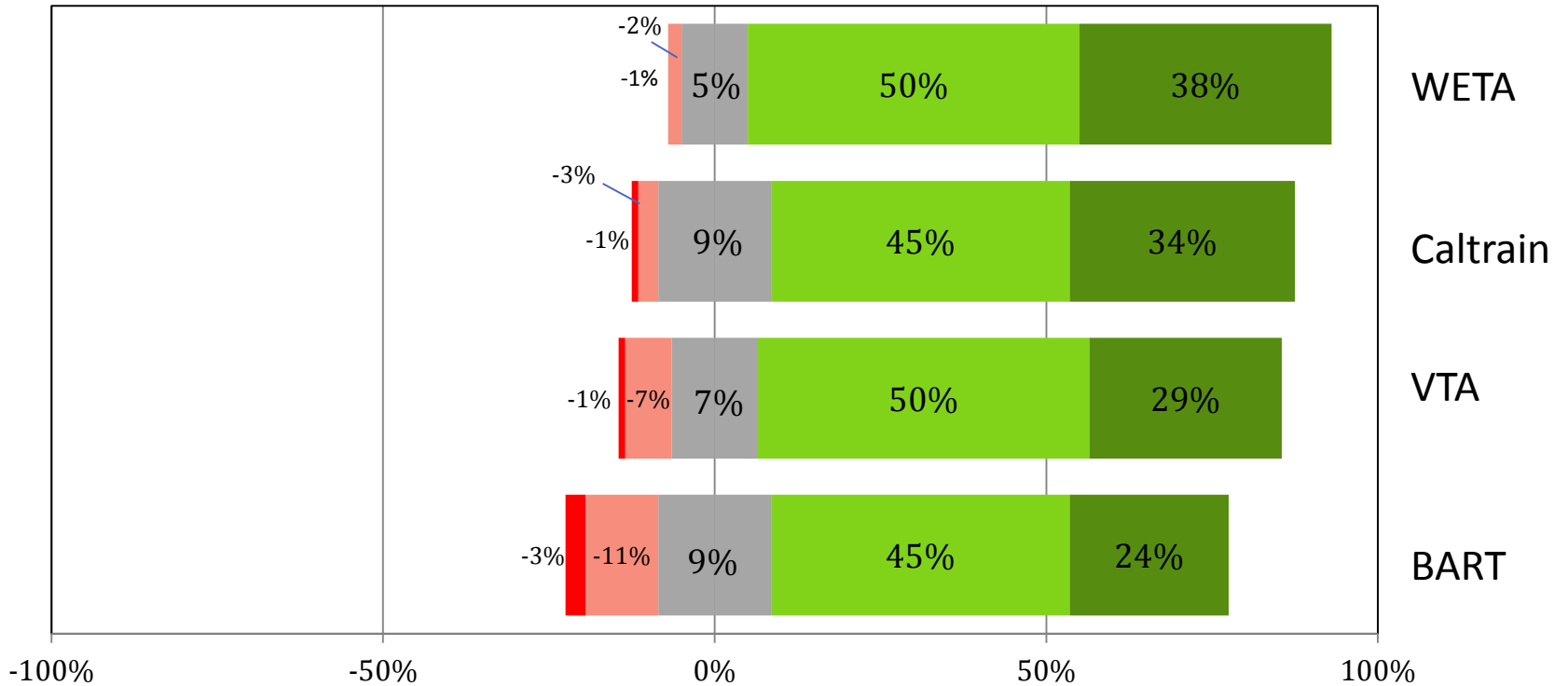
Vessels becoming more congested on North Bay services.



Satisfaction Remains High

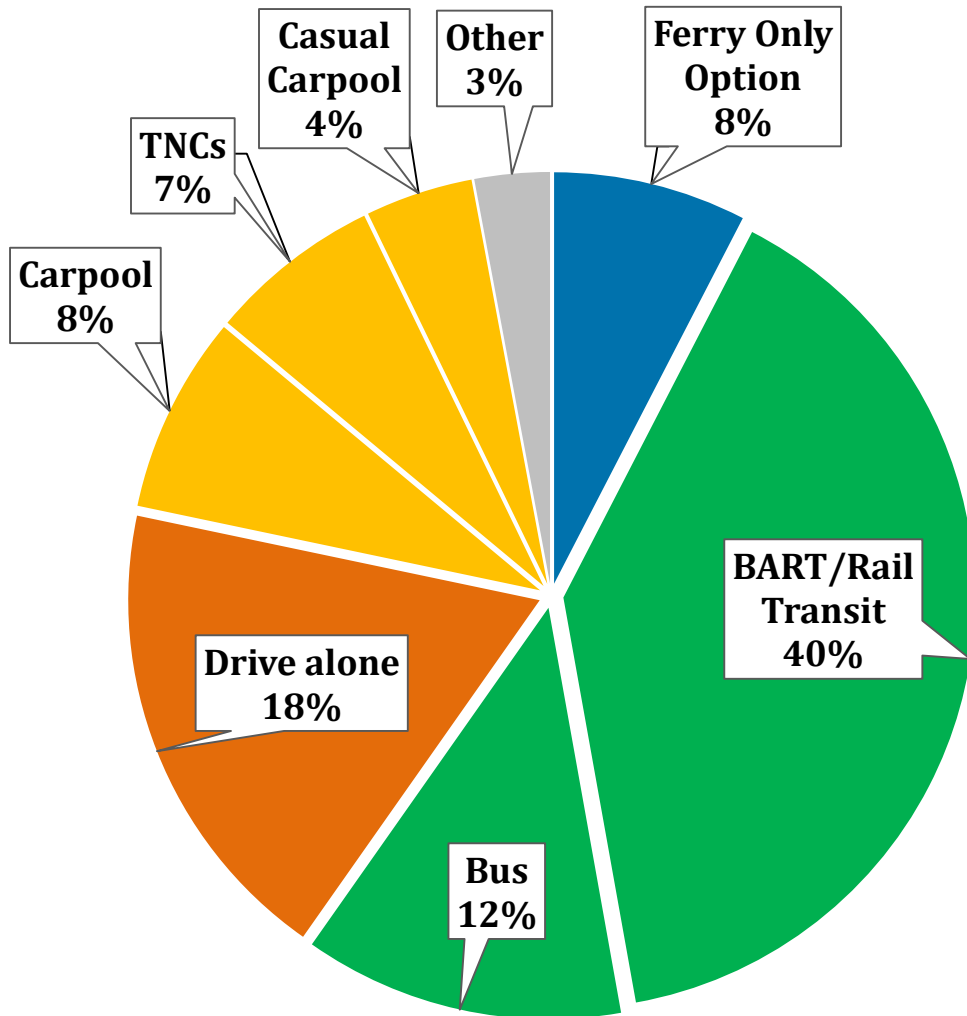
Despite crowding, most riders satisfied with WETA service.

■ Very Dissatisfied ■ Somewhat Dissatisfied ■ Neutral ■ Somewhat Satisfied ■ Very Satisfied



Choice Riders

Most riders have options but choose the ferry.



Vallejo

- Ferry only (13%)
- Casual carpool (10%)

AOSF/Harbor Bay

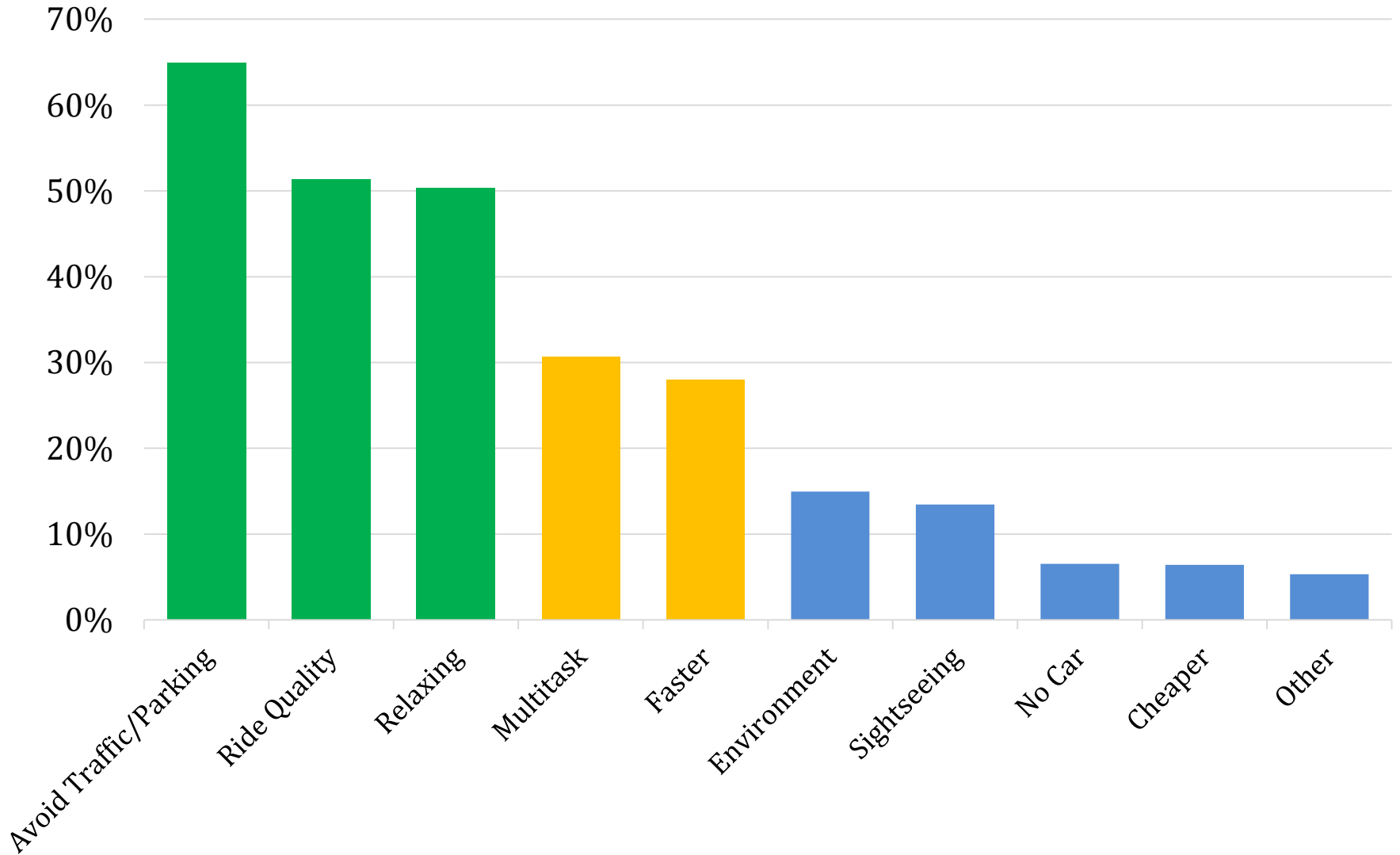
- Drive alone (10-12%)
- Bus or BART (69-76%)

South San Francisco

- Drive alone (48%)

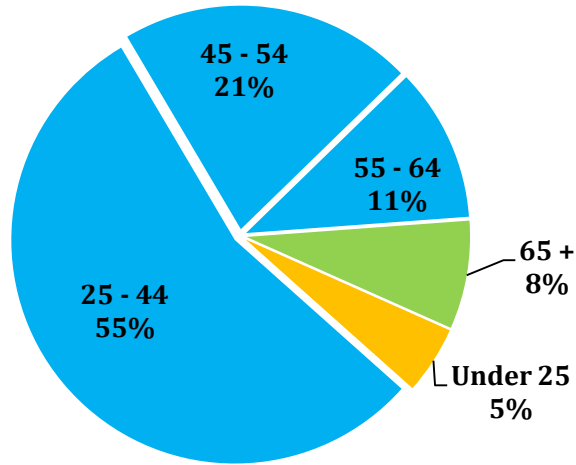
Why Riders Choose the Ferry

Common reasons are consistent over time.

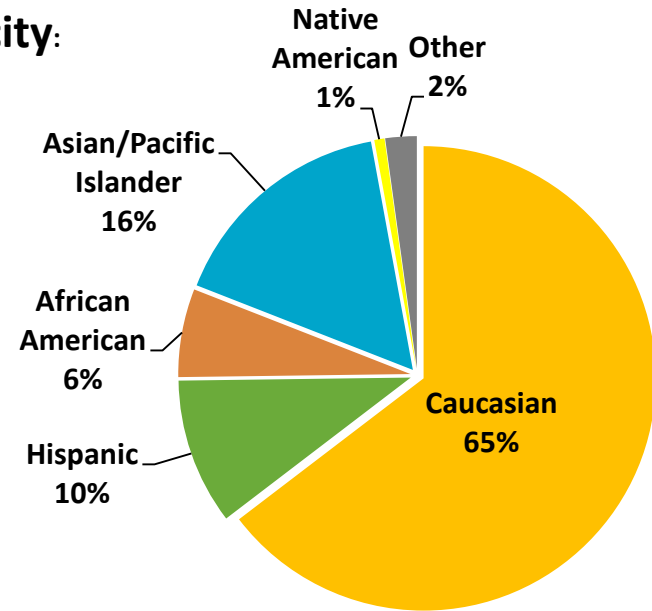


Rider Profile

Age:



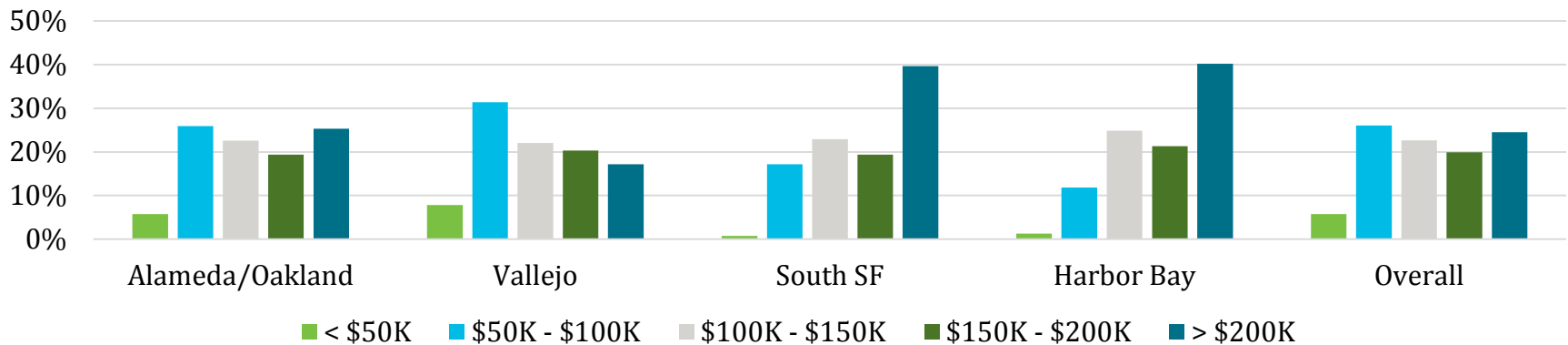
Race/Ethnicity:



Language: 98% speak English at least “well”

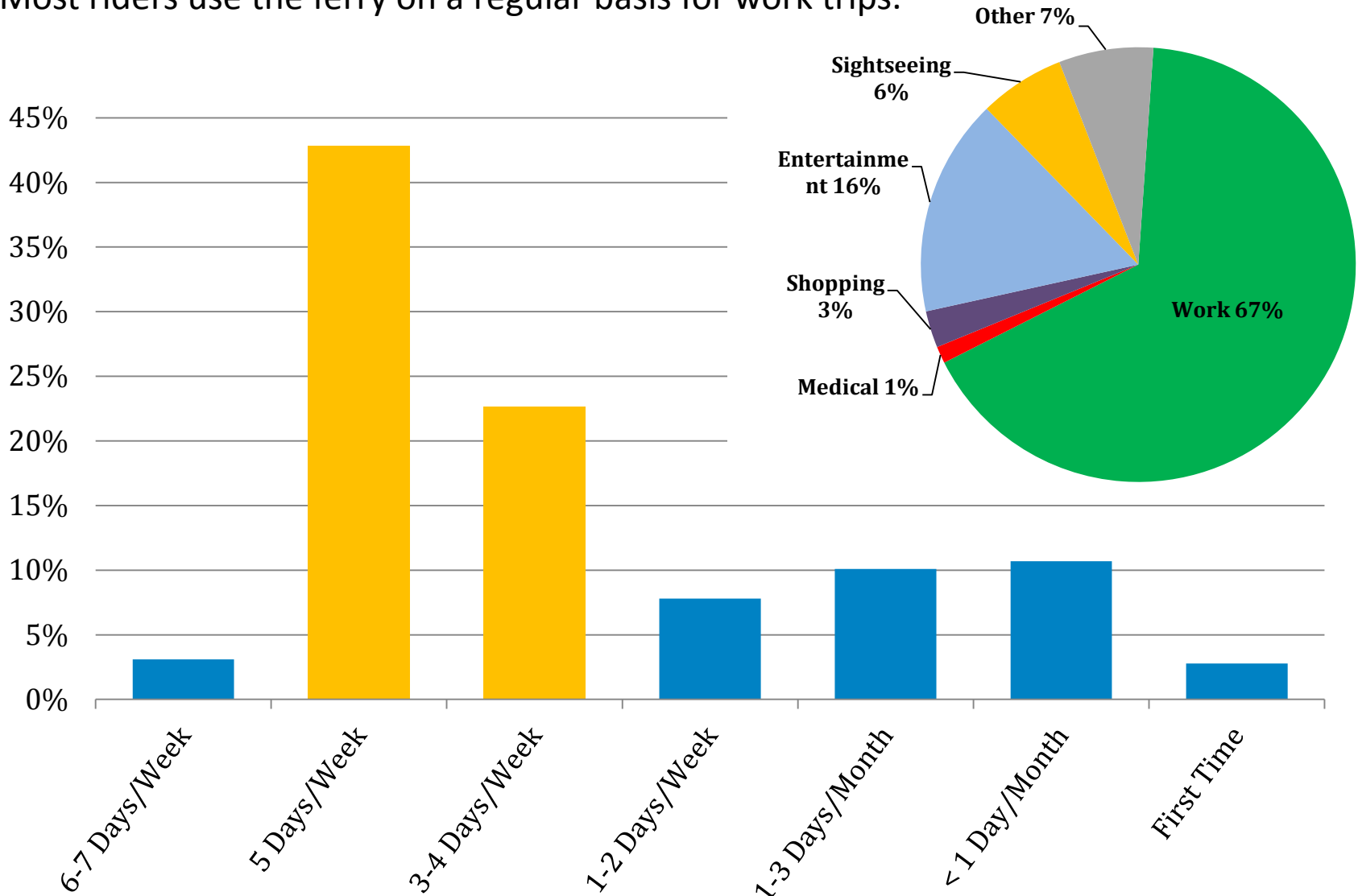
Smartphone: 97% own one

Income: 67% of riders have household incomes above Bay Area median



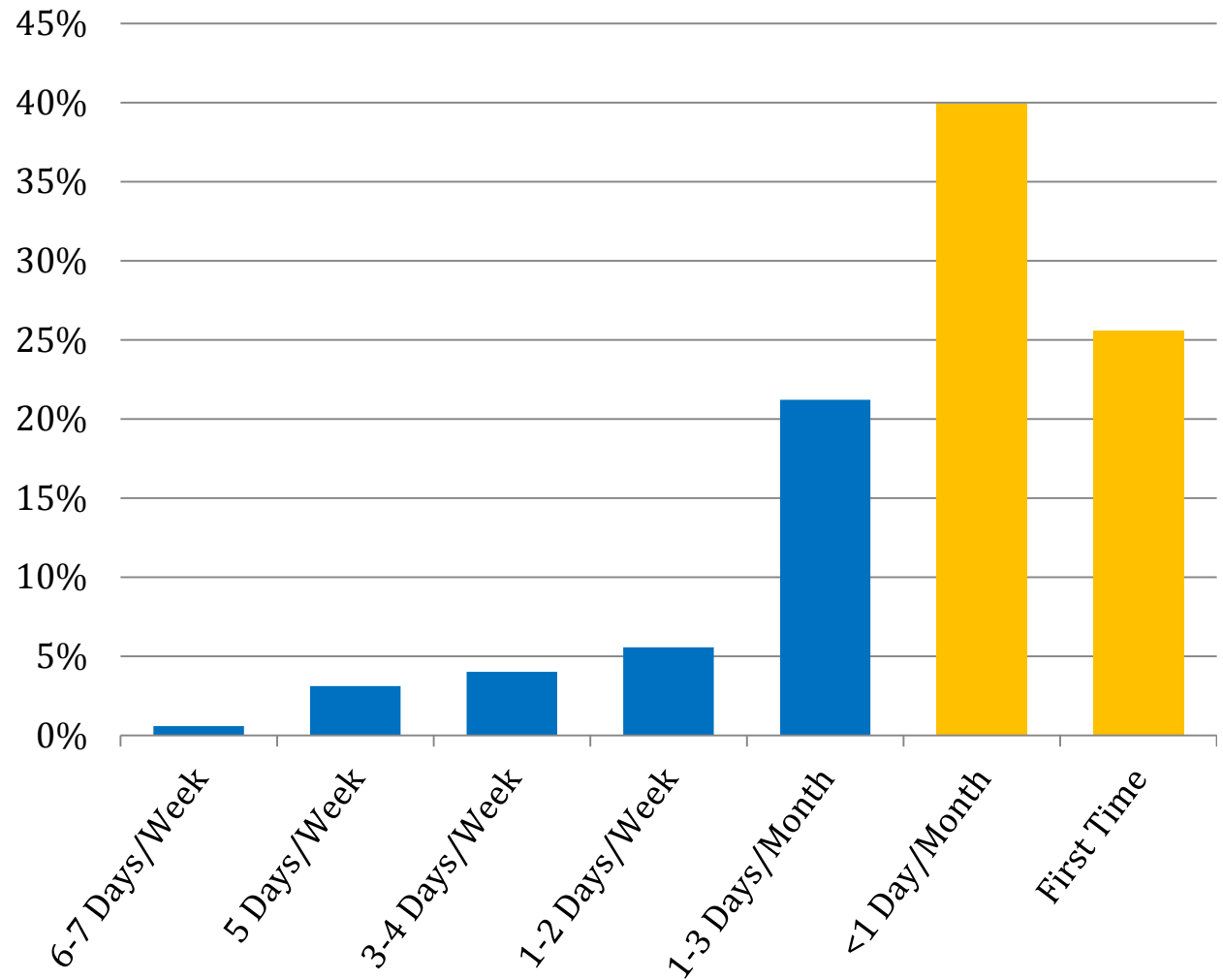
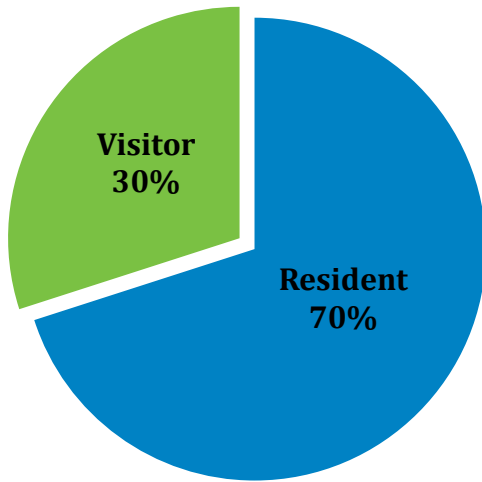
Commuters

Most riders use the ferry on a regular basis for work trips.



Recreational Riders

More likely to use ferry for sightseeing, less likely multitask.



Bikes

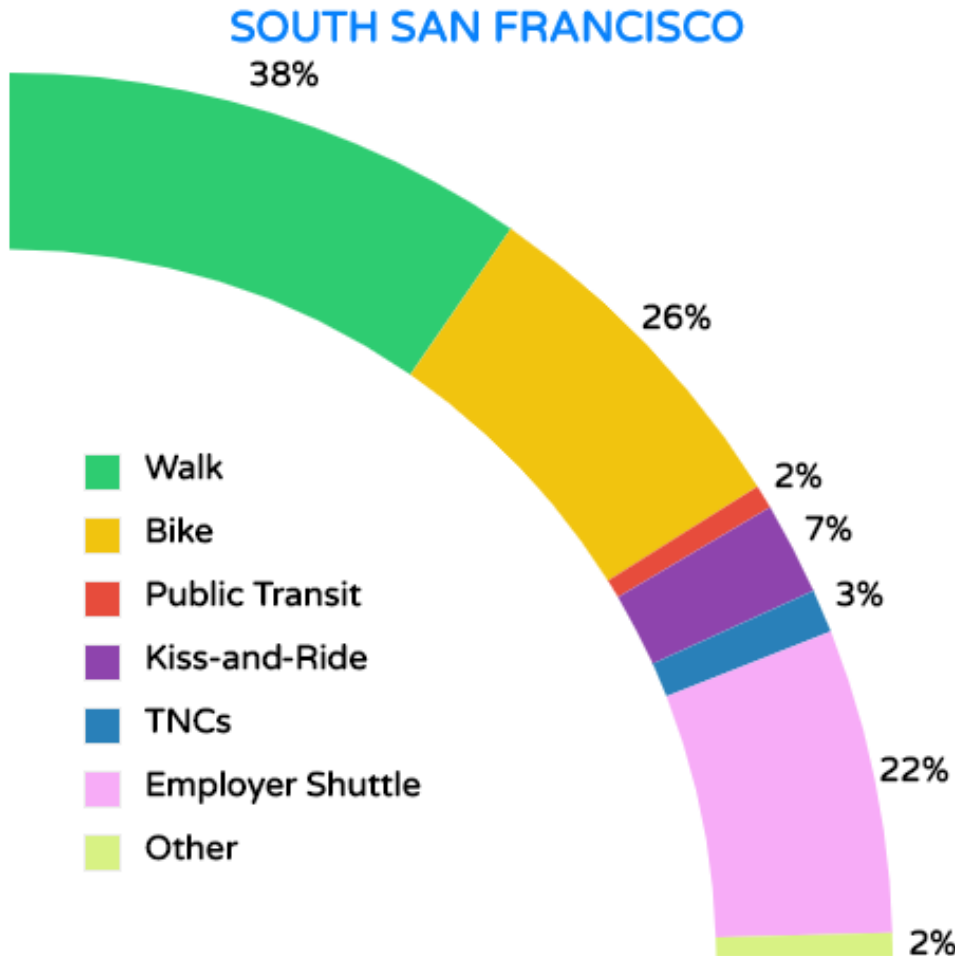
Happy Bike to Work Day!

Date	Day	Departure	Route	Passengers	Bikes	% with Bikes
4/19/2018	Thurs	7:40	Alameda/Oakland > SSF	133	73	55%
4/20/2018	Fri	7:40	Alameda/Oakland > SSF	90	70	78%
4/4/2018	Wed	19:25	Ferry Building > Alameda/Oakland	127	58	46%
4/14/2018	Sat	9:45	Alameda/Oakland > Ferry Building	315	53	17%
4/20/2018	Fri	17:55	Alameda/Oakland > Ferry Building	130	53	41%
4/23/2018	Mon	17:20	Ferry Building > Alameda/Oakland	400	48	12%
4/30/2018	Mon	8:30	Harbor Bay > Ferry Building	197	29	15%
4/3/2018	Tues	7:30	Harbor Bay > Ferry Building	221	25	11%
4/3/2018	Tues	17:15	Ferry Building > Vallejo	349	20	6%
4/17/2018	Tues	5:30	Vallejo > Ferry Building	206	16	8%

950 bike riders per day **780** bikes onboard WETA vessels per day

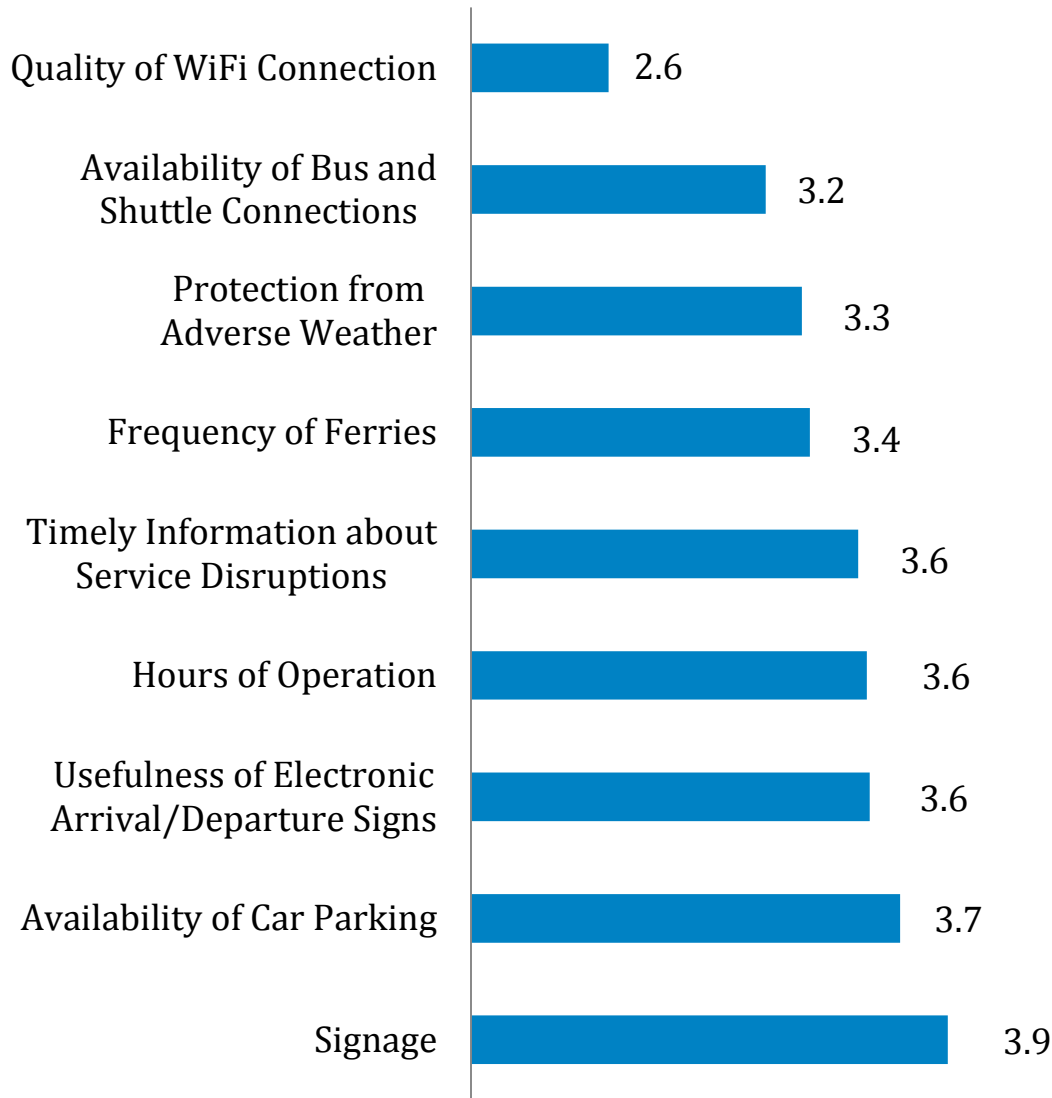
“Last Mile”

Future Peninsula or South Bay terminal could have similar access patterns.



- 1 in 4 passengers ride bicycle
- 1 in 5 passengers use employee shuttle

What We Can Improve



“Would love a strong and speedy Wi-Fi connection.”

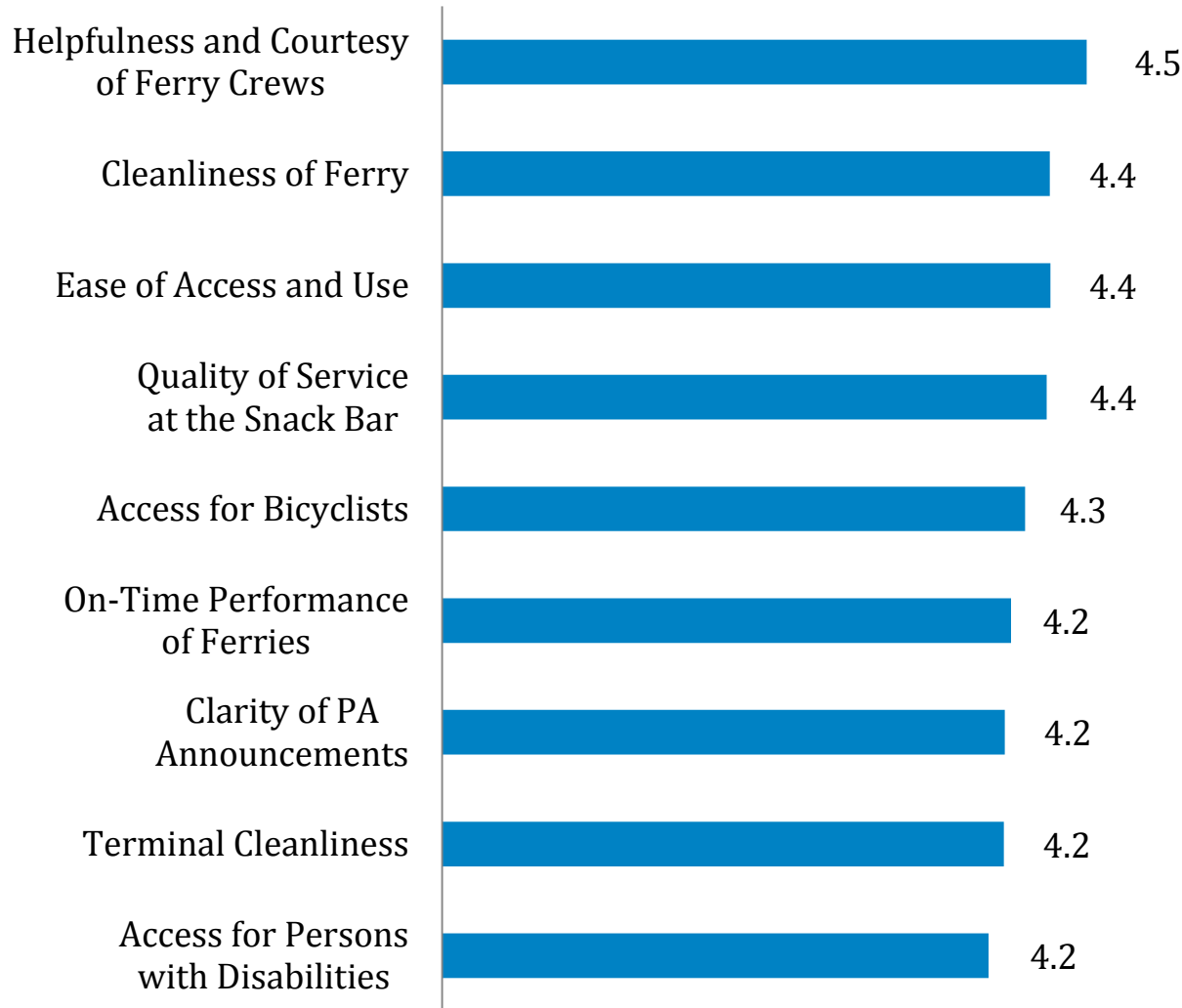
“Why is there no public transport to/from Alameda Main St.?”

“More Ferries. Done, thanks.”

“I’d really like to see more overhead coverage for waiting in inclement weather.”

“Please add champagne to the bar.”

What We're Doing Well



“Love all the ferry crew, I can always count on them to make my day brighter.”

“Takes 15 minutes longer than my other options but it’s much more humane.”

“Thank you for a great commute option. New vessels are amazing.”

“My best time of the day is riding the ferry.”



Staff Report

TO: Board of Harbor Commissioners

FROM: Steve McGrath, General Manager

DATE: November 14, 2018

SUBJECT: Oyster Point Marina and Park: Potential New Agreement with South San Francisco

Recommendation/Motion:

This Commission has two options this evening:

- 1) Approve the Agreement:

Motion: Approve the draft agreement and exhibits with South San Francisco for operation of the Oyster Point Marina; authorize General Manager to execute and incorporate any non-material changes as may be requested by South San Francisco City Council.

- 2) Take no action and provide direction to staff.

Policy Implications:

None at this time, although the Joint Powers Agreement (JPA) with the City of South San Francisco (SSF) under which the District operates Oyster Point Marina and Park (OPM) will terminate in 2026, and, at this Commission's direction, discussions have continued regarding a new agreement.

Fiscal Implications/Budget Status:

In January 2018, this Commission received a final report from Dornbusch Associates. (Attachment 1) The firm was charged with performing a financial analysis to determine the implications of undertaking Capital Improvement Plan (CIP) investments, and the implications for both the JPA and any potential new agreement.

The report examined several scenarios, with various of levels of occupancy, berth rental rates and capital improvements. The report also reviewed a reduced occupancy

scenario, for example in a recession, and the potential for a management contract with the city. The report concluded with two basic recommendations:

Term of any new agreement:

Since the Harbor District would want to be able to benefit from the additional revenue and operating cash flows generated by the investment in new docks and other CIP projects, while fully amortizing its investments over their useful lives, under this scenario we would recommend that the JPA be extended approximately 30 years from the midpoint of the CIP. Since roughly half of the CIP investment occurs prior to FY2021 and half occurs after, we recommend that the CIP be extended to around the year 2050.

This recommendation is based on the assumption that the JPA termination clause is written the same way as the current JPA. (Page 39)

The draft agreement anticipates a 15-year term with two 10-year options, which, if executed in 2018, would extend the term to 2053.

Compensation for the District on termination:

We recommend that the JPA be amended so that, going forward, SMCHD is compensated for the residual value of any investment it makes in real property and personal property assets that would revert to South San Francisco upon termination of the agreement. The simplest way to determine residual value would be by straight-line depreciation based on installation dates, investment values and the useful lives for different assets described in this report.

With such an amendment, the exact term length of the JPA would not be as critical because SMCHD would be able to receive fair compensation for any investments it makes. For example, a dock replaced five years before the expiration of the JPA would still have 25/30 (83.3%) of its value at JPA expiration, and SSF would compensate SMCHD at that level. (Page 39).

This provision is included in the draft agreement.

Alternatives:

Management contract: The District asked Dornbusch to also review the potential of a management contract. In their analysis, it should be noted that, while only counting enterprise revenue, all expenses (enterprise and public) were included. This addresses the reality for SSF, which would be to not allocate public funds to the operation of the facility, which it has not done previously, but the District has been doing, presumably since 1977.

Since OPM enterprise revenue is projected to fall short of total OPM expenses (enterprise and public), SSF would need to plug the difference with an annual allocation or subsidy. In effect, the annual funds that SSF would need to provide would be roughly equivalent to the public revenue that is currently allocated to OPM by the District, plus whatever management fee might be negotiated between SMCHD and SSF (as noted previously, 3% is typical).

In addition, SSF would be responsible for all capital improvements, so SMCHD would not need to undertake the CIP. From the perspective of SMCHD, a management contract would have no risk as expenses would be covered, the management fee would be guaranteed, and there would be no capital investment. However, from the perspective of SSF, the management contract structure would mean an annual subsidy and significant capital investment. In the absence of the public revenue currently allocated to SMCHD by San Mateo County, SSF would not find this to be an attractive proposition.

In addition, as has previously been discussed, SSF would not entertain the possibility of a management contract.

No new agreement: If the District and the City do not enter into a new agreement, the current JPA will end in November 2026. If there is no new agreement, it will be difficult for the District to justify capital expenditures, as there is no provision for payment for assets at termination (which is included in the proposed draft Agreement). This will result in deteriorating conditions, poor service to the public and potentially decreasing occupancy. Additionally, the 1977 agreement has no clear statements of responsibility for protection against sea level rise, landside inundation or landfill subsidence, and includes no procedure for terminating the agreement. These matters are addressed in the current agreement.

Staff believes that the proposed agreement is a good agreement, serves the public well, protects the District, and provides opportunities for termination of the agreement in fifteen years (i.e. seven years after the termination of the existing agreement), and then again in an additional ten years, prior to the eventual termination of the agreement in 35 years. Staff believes that the District, the City and the public are best served by execution of this agreement, does not believe a better agreement can be reached by waiting, and does not recommend the 'no new agreement' alternative.

Discussion:

In February 2017, this Commission directed staff to work with the City and the Liaison Committee on drafting a new agreement for operation of OPM by the District.

That effort was expanded to incorporate discussion, drafting and agreement on an Implementation Agreement which was completed in September 2017.

The Liaison Committee met most recently on April 17, 2018, received a report from City Manager Mike Futrell and District staff. The Committee reviewed the basic elements of a potential new agreement and directed staff to continue to develop these for inclusion in an agreement for review by this Commission and the City Council.

This Commission received an update on October 4, 2018, specifically on the progress made on development of a new agreement with the City. Additionally, staff brought forward the full agreement at the October 17, 2018 meeting. This Commission did not discuss the matter. There have been some changes to the Agreement and Exhibits

since the October 17 meeting; these are highlighted in the draft agreement (Attachment 2).

The Agreement is the result of a hard work on both sides, and incorporates several important goals of the District:

- 1) States that the City is solely responsible for protection against sea level rise, water quality and landfill subsidence;
- 2) Incorporates the Dornbusch recommendation regarding the term of a new agreement;
 - a) The Agreement divides the term into three components: a 15-year initial term, with two ten-year options, which renew automatically unless action is taken by either party not to renew.
- 3) Incorporates the Dornbusch recommendation regarding payment to the District for the depreciated value of our capital assets on termination; and
- 4) Clarifies roles and responsibilities across the entire area and establishes a cooperative framework for the City and District to collaborate on providing cost effective and efficient services to the public.

Although still in draft form, the General Manager will walk through the fundamental deal points in a presentation and answer any questions the Commission may have about the draft agreement.

Recommendation:

Staff recommends that this Commission review the draft and approve execution of the agreement and authorize the General Manager to sign for the District. Additionally, while this Agreement has not been approved the City Council, staff recommends that this Commission authorize the General Manager and District Counsel to incorporate any non-material changes that may be requested.

Attachments:

Att. 1: [January 2018 Dornbusch Report](#)

Att. 2: [DRAFT Agreement between South San Francisco and Harbor District](#)



Oyster Point Marina Financial Analysis

San Mateo County Harbor District

January 2018

Dornbusch Associates
Economic & Financial Consultants

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I. INTRODUCTION

A. STUDY SCOPE AND OBJECTIVES

The San Mateo County Harbor District (SMCHD) engaged Dornbusch Associates (Dornbusch) to perform a financial analysis of Oyster Point Marina (OPM), with the primary objective of analyzing the financial implications of undertaking Capital Improvement Plan (CIP) investments, consisting primarily of dock replacement. The analysis considers issues related to SMCHD’s Joint Powers Agreement (JPA) with the City of South San Francisco (SSF), which is set to expire in 2026. The analysis seeks to characterize the financial trade-offs of the following scenarios:

Scenario 1: This scenario assumes SMCHD would not replace docks at OPM prior to the expiration of the JPA in 2026 as specified in the \$10 million CIP. Under this scenario, SMCHD would continue to operate OPM and maintain the docks over the next nine years, but would not make investments in marina facilities or seek to extend the JPA beyond 2026. This scenario also assumes that control of the marina would be transferred to SSF at expiration of the JPA in 2026.

Scenario 2: This scenario assumes SMCHD would undertake the CIP, investing approximately \$10 million to replace existing docks and slips and make other investments. SMCHD would seek to negotiate a new JPA for a period sufficient for SMCHD to amortize its investments and generate the appropriate level of reserves to undertake future dock replacements.

Scenario 2½: This scenario is the same as Scenario 2 with a more conservative slip rental rate projection.

Although we believe that the occupancy rates assumed in Scenarios 1 and 2 are the most likely, we also compare the financial results of each scenario assuming an economic downturn and a “worst case” occupancy rate trend.

Intermediate Scenario: This scenario assumes SMCHD undertakes some capital investment at OPM in order to fulfill the spirit of the JPA agreement with South San Francisco. The idea behind this scenario is that it may not be reasonable to cease all investment in OPM over the final nine years of the agreement. We present recommendations for amendments to JPA language that would protect SMCHD’s investments under this scenario.

Management Contract Alternative: We also discuss considerations related to a hypothetical management contract between SMCHD and SSF and consider the implications of this alternative from the perspective of both parties.

The analysis presented in this report consists of the following sections:

Section I. Introduction: Discusses the study’s scope and objectives, assumptions, and limiting conditions.

Section II. Summary of Historical Oyster Point Marina Data: Describes historical OPM slip rental rates, slip supply and demand (occupancy rates), and financial data.

Section III. Summary of Changes at Oyster Point Marina: Summarizes changes associated with Oyster Point Development's (OPD) plans to develop a new technology office park adjacent to OPM, and the associated conveyance of SMCHD-controlled land to OPD. Also discusses potential additional capital investments required at OPM in addition to those specified in the CIP.

Section IV. Scenario 1: Status Quo Operations with No CIP Investments. Presents projected operating and financial statistics assuming status quo operations, without making any of the investments specified in the CIP. This scenario assumes termination of the JPA in 2026.

Section V. Scenario 2: Undertake CIP and Determine Appropriate Length of JPA: Presents projected operating and financial statistics assuming SMCHD undertakes the CIP. This scenario models changes to rates and slip occupancy associated with slip replacement, and models impacts to OPM financial performance. Compares projected Scenario 2 operating cash flows to Scenario 1 projections, and discusses how this relates to the amortization of CIP investments. **Presents the relative impacts to each scenario of reduced occupancy rates due to an economic downturn or other factors.** Recommends the length of the next JPA and estimates reserve levels achieved for subsequent capital investments over the long term. **Discusses the alternative of a management contract between SMCHD and SSF.**

Section VI. Intermediate Scenario: Discusses the level of investment that may be appropriate if the JPA terminates in 2026 and some improvements are required at the marina.

Section VII. Key Findings and Recommendations: Summarizes the key findings of the report, and our recommendations based on the analysis.

B. GENERAL ASSUMPTIONS AND LIMITING CONDITIONS

To the best of Dornbusch's knowledge and belief, the statements of fact contained in this report, upon which Dornbusch bases its analysis and conclusions, are true and correct. Dornbusch obtained information, estimates, and opinions that underlie this analysis from sources considered reliable and believed to be true and correct. However, Dornbusch assumes no representation, liability or warranty for the accuracy of such items nor is such accuracy imposed on Dornbusch, and such items are subject to corrections, errors, omissions and withdrawals without notice.

Dornbusch utilized estimates and assumptions developed in connection with this engagement throughout the analysis presented in this report. Some assumptions, however, inevitably will not materialize, and unanticipated events and circumstances will occur; therefore, actual results achieved may vary from the estimates contained in the accompanying financial analysis.

II. SUMMARY OF OPM HISTORICAL DATA

This section presents an overview of OPM historical data, including slip rental rates, occupancy rates, slip rental revenues and all other revenues.

A. SLIP RENTAL RATES

The following table summarizes OPM slip rental rates over the past six years.

Exhibit 1. Oyster Point Marina Monthly Slip Rental Rates, FY2013 to FY2018

Slip Length	2013		2014 to 2017		2018		Average Annual Increase 2013-2018	
	Single Finger	Double Finger	Single Finger	Double Finger	Single Finger	Double Finger	Single	Double
16 Foot & Under	n/a	n/a	\$52.50	\$78.75	\$54.00	\$81.00	n/a	n/a
26 Foot	n/a	\$200.00	n/a	\$210.00	n/a	\$216.00	n/a	1.6%
30 Foot	\$220.00	\$230.00	\$231.00	\$241.50	\$238.00	\$249.00	1.6%	1.6%
36 Foot	\$265.00	\$275.00	\$278.50	\$288.75	\$287.00	\$297.00	1.6%	1.6%
40 Foot	\$305.00	\$315.00	\$320.25	\$330.75	\$330.00	\$341.00	1.6%	1.6%
45 Foot	\$340.00	\$355.00	\$357.00	\$372.75	\$368.00	\$384.00	1.6%	1.6%
50 Foot	\$380.00	\$395.00	\$399.00	\$414.75	\$411.00	\$427.00	1.6%	1.6%
55 Foot	n/a	\$435.00	n/a	\$456.75	n/a	\$470.00	1.6%	1.6%
60 Foot	\$455.00	\$475.00	\$477.75	\$498.75	\$492.00	\$514.00	1.6%	1.6%
Over 60 Foot	\$7.58/ft.	\$7.92/ft.	\$7.96/ft.	\$8.31/ft.	\$8.20/ft.	\$8.57/ft.	1.6%	1.6%

The table indicates that slip rental rates at OPM increased in only two of the past six years, in FY2014 and FY2018. In FY2014, single slip rates increased by 5% while double slips increased by roughly 3%. In FY2018, single and double slips both increased by approximately 3%. The increase in slip rates over the last six years has averaged just 1.6% annually for all slip sizes, falling below the average annual rate of inflation of 2.8% during the period (based on CPI for the SF-Oakland-San Jose region).

Historically, OPM required approval for slip rate increases from the SMCHD Board of Commissioners. However, in 2017 OPM received approval from the Board to increase slip rates annually by CPI beginning in FY2018. The GM indicated that he anticipates raising rates annually by CPI going forward.

B. SLIP SUPPLY AND OCCUPANCY RATES

Oyster Point Marina currently has a total of 408 rental slips that are distributed along 10 individual docks located in two basins: West and East. The following exhibit presents a map of the marina layout.

Exhibit 2. Oyster Point Marina Map



The following table provides a breakdown of the number of slips by size and dock within OPM.

Exhibit 3. Oyster Point Marina Existing Slip Supply & Distribution, July 2017

	Dock Number:										TOTAL	% TOTAL
	1	2	3	4	5	6	11	12	13	14		
< 26 Ft*	1	1	1	1	1			2	2		9	2%
26 Ft	21		1								22	5%
30 Ft	2	52	51	55	1	3					164	40%
36 Ft	1				48	27		20			96	24%
40 Ft	4						3		1	2	10	2%
45 Ft						17	19	19			55	13%
50 Ft							2		16		18	4%
55 Ft									1		1	0.2%
60 Ft									17	16	33	8%
TOTAL	29	53	53	56	50	47	24	41	37	18	408	100%

This table excludes Dock 7, which was historically controlled by Drake Marine under its lease. Dock 8 is a transient “guest” dock, which is also used by private ferries accommodated through Commercial Activity Permits, and Docks 9 and 10, which were removed for the construction of the WETA ferry terminal.

The exhibit indicates that 64% of all the slips in the marina are within the 30 to 36-foot size range. 30-foot slips are the most prevalent, representing 40% of all slips in the marina. Smaller slips (26’ and below) represent only about 8% of the total. Slips longer than 36’ represent 27%, with 45’ slips being the

most prevalent slip size in this range (at 13% of the total). Smaller slips are primarily concentrated in the West Basin (Docks 1-6) while larger slips are concentrated in the East Basin (Docks 11-14).

The following table presents the number of occupied slips at OPM as of July 2017.

Exhibit 4. Oyster Point Marina Existing Slips Occupied, July 2017

	Dock Number										TOTAL	% OCC
	1	2	3	4	5	6	11	12	13	14		
< 26 Ft	1	1	1	1	1			2	2		9	78%
26 Ft	17		1								18	82%
30 Ft	1	34	41	37	1	2					116	71%
36 Ft	1				39	21		18			79	82%
40 Ft	4						3		0	2	9	90%
45 Ft						16	18	17			51	93%
50 Ft							2		9		11	61%
55 Ft									0		0	0%
60 Ft									13	9	22	67%
TOTAL	24	35	43	38	41	39	23	37	22	11	313	77%
% OCC	83%	66%	81%	68%	82%	83%	96%	90%	59%	61%	-	-

The exhibit indicates that of the 408 slips available at the marina, 313 slips are currently occupied, representing an overall occupancy rate of 77%. There are 116 occupied 30' slips, followed by 79 occupied 36' slips. The slip sizes with the highest occupancy rates are 45' slips with 93% occupancy, 40' slips with 90% occupancy, and 36' and 26' slips, both with 80% occupancy. The 30' slips, which are the most common size, have an occupancy rate of 71%. Given the higher occupancy rates for slips in the 36' to 45' range, the marina could potentially benefit from adding larger slips and reducing the number of 30' slips, which would generate higher overall occupancy for OPM.

The table indicates that Dock 11 has the highest occupancy at the marina at 96%. The high occupancy at Dock 11 is partly explained by the fact that it has a large share of desirable larger 40' and 45' slips and because Dock 11 was recently rebuilt and upgraded in 2013 with concrete slips that are in excellent condition relative to the other docks at the marina. Dornbusch anticipates that future dock rebuilds would have a similar positive impact on occupancy rates, as new docks would be more desirable to marina tenants, all else equal, compared to older docks.

C. UNDERSTANDING REVENUE AND EXPENSE DATA AND PROJECTIONS IN THIS REPORT

In FY2018, SMCHD modified how it accounts for certain expenses within each of its operating locations and departments (Oyster Point Marina, Pillar Point Harbor, District Administration, and Board of Commissioners). Operating expenses are now separated into “Enterprise” (related to revenue-generating activities) and “Public” categories (related to activities that do not generate operating revenue, such as maintenance of parks and trails).

Previously (in the historic data), OPM financial statements showed operating revenue, total operating expenses, and a net operating loss, which was then plugged by **non-operating revenue**, consisting primarily of the tax revenue received from San Mateo County. Going forward, financials are separated

into 1) Enterprise (operating) revenue and Enterprise expenses, and 2) Public revenue (county taxes) and Public expenses. Since Enterprise expenses are only a subset of total operating expenses, the Enterprise account shows an operating profit (surplus). And, since county tax revenue has been moved to the top line of the Public account, this account also shows a surplus.

For forecasting purposes in this analysis, we focus on OPM’s operating revenue only (which does not include an allocation of county tax revenue) and its Enterprise expenses.

D. HISTORICAL OPM REVENUES

This section summarizes historical operating (Enterprise) revenues generated by OPM.

Exhibit 5. OPM Operating Revenue, FY2011-FY2017

Fiscal Year	Slip Rental	Rents & Concessions	Transient Dockage	Launching Fees	Dock Box Fees	Other Revenue	Total Revenue
2011	\$1,010,482	\$289,235	\$107,991	\$24,049	\$5,674	\$41,415	\$1,478,846
2012	\$1,102,874	\$286,288	\$57,188	\$24,903	\$8,953	\$21,999	\$1,502,205
2013	\$1,071,339	\$224,714	\$21,661	\$16,994	\$7,354	\$19,147	\$1,361,209
2014	\$1,147,867	\$371,029	\$41,879	\$21,748	\$6,380	\$27,337	\$1,616,240
2015	\$1,070,604	\$311,308	\$79,855	\$22,607	\$6,450	\$16,806	\$1,507,630
2016	\$1,104,969	\$308,636	\$190,824	\$18,957	\$8,050	\$19,117	\$1,650,553
2017	\$1,155,239	\$313,521	\$194,382	\$21,836	\$8,550	\$30,783	\$1,724,311
<i>Average</i>	\$1,094,768	\$300,676	\$99,111	\$21,585	\$7,344	\$25,229	\$1,548,713
<i>% Share</i>	70.7%	19.4%	6.4%	1.4%	0.5%	1.6%	100.0%
<i>CAGR*</i>	2.3%	1.4%	10.3%	-1.6%	7.1%	-4.8%	2.6%

*CAGR = Compound Annual Growth Rate

Slip Rental. Slip rental revenues averaged nearly \$1.1 million annually over the period and increased at an average annual rate of 2.3%. This tracks closely with average annual rental rate increases over the period, suggesting stable occupancy.

Rents & Concessions. This includes lease and rental revenue for OPM’s landside leases, including the Inn at Oyster Point, Drake Marine (vessel service and dry storage), OPM Yacht Club, and a bait shop. Over the period shown, rents and concessions revenue averaged roughly \$300,000 annually. However, most of these leases and the associated land assignments were conveyed to Oyster Point Development in 2017 and are no longer under control of SMCHD. With the conveyance of these leases, OPM Rents & Concessions revenues will decline significantly below historical levels. We discuss this in further detail in Section III of this report.

Starting in FY2018, Fathom Marine pays a base rent of \$2,000 per month (\$24,000 per year) plus 3% of fuel sales for operating the fuel dock and adjoining dock.

Historical Rents & Concessions data for OPM includes amortized annual revenue reflecting rent prepaid by WETA for the ferry terminal. WETA paid \$3.66 million in 2009 for a 55-year lease, so amortized annual revenue is \$65,546 (through 2064).

Transient Dockage. The transient “guest” dock (Dock 8) was replaced in 2013, which explains the decline in transient dockage revenues in FY2013. Revenues have since rebounded, with revenues reaching nearly \$80,000 in FY2015. The over \$100,000 increase in FY2016 reflects revenue from private ferries that utilize Dock 8. The FY2018 approved rate for transient berthing is \$0.62 per foot of vessel per day.

Launching Fees. This department includes revenue generated by the use of the public boat launch ramp located in the East Basin, between Docks 13 and 14. Launching fee revenues have remained relatively stable, averaging over \$20,000 annually. OPM currently charges \$12.00 per launch.

Dock Box Fees. Dock box rental revenue averaged over \$7,000 annually over the period. OPM currently charges \$10.30 per month for dock box rental.

All Other Revenues. This department includes parking fees, boat wash fees, fees for various permits, and other items. All other revenues have averaged \$25,000 annually over the last seven years.

In summary, total operating revenues at OPM averaged over \$1.5 million annually over the seven-year period, and increased at an annual rate of 2.6%, driven primarily by limited increases in slip rates as well as transient dockage revenue. Slip rental revenues represented by far the largest share of total revenues (70.7%), followed by rent and concessions revenues (19.4%). Together, the remaining revenues from transient dockage, launching fees, dock box fees, and other revenue represented only 9.9% of total operating revenues.

E. HISTORICAL OPM OPERATING EXPENSES AND NET INCOME

This section summarizes historical OPM operating expenses. The following table summarizes average operating expenses at OPM over the two-year period **2016-2017**.

Exhibit 6. Oyster Point Marina Annual Operating Costs (Excludes Depreciation), Average **FY2016-2017**

	Average 2016-2017	Share of Operating Revenue
Advertising and promotion	\$3,826	0.2%
Auto expenses	\$634	0.0%
Bad debts	\$48,423	2.9%
Bank charges	\$18,036	1.1%
Contractual services	\$204,889	12.1%
Dues and subscriptions	\$100	0.0%
Insurance	\$75,182	4.5%
Office expense	\$7,371	0.4%
Personnel expenses	\$1,442	0.1%
Postage	\$2,159	0.1%
Equipment rental	\$2,702	0.2%
Operating expenses	\$29,612	1.8%
Repairs and maintenance	\$48,988	2.9%
Salaries and benefits	\$1,166,052	69.1%
Telephone and communications	\$16,230	1.0%
Training & professional development	\$4,378	0.3%
Travel, conferences and meetings	\$4,361	0.3%
Uniforms	\$8,209	0.5%
Utilities	\$126,180	7.5%
Vessel destruction	\$56,545	3.4%
Total Operating Expenses (excluding depreciation)	\$1,825,314	108.2%

The exhibit indicates that by far the largest expense is Salaries and Benefits, which averaged approximately \$1.2 million, or nearly 70% of total operating revenue, over the two-year period. The next largest expense was Contractual Services, which averaged roughly \$200,000 during this period (12.1% of total operating revenue). Contractual Services include the following:

- Boat waste pump-out
- IT services
- Security & security alarm
- Postage machine lease
- Trash compactor services
- Cash deposit services
- Pest control
- Legal
- Payroll processing
- Boat lien/auction services
- Parking citation/enforcement
- Miscellaneous services

The next largest expense line items include Utilities, which averaged \$126,000 (7.5% of operating revenue) and Insurance at \$75,000 (4.5%). Combined, Salaries and Benefits, Contractual Services, Insurance and Utilities averaged \$1.5 million. The Salaries and Benefits line item appears relatively high compared to marina industry standards, exceeding average slip rental revenue.

The following table presents historical OPM operating revenues, operating expenses (excluding depreciation), and net operating income.

Exhibit 7. OPM Operating Revenue, Operating Expenses, and Net Operating Income, FY2013 - FY2017

Fiscal Year	2013	2014	2015	2016	2017	Average
Total Operating Revenue	\$1,361,209	\$1,616,240	\$1,507,630	\$1,650,553	\$1,724,311	\$1,571,989
Total Operating Expenses	\$1,689,314	\$1,724,398	\$1,776,724	\$1,708,077	\$1,942,550	\$1,768,213
Net Operating Income	-\$328,105	-\$108,158	-\$269,094	-\$57,524	-\$218,239	-\$196,224

OPM experienced an operating loss in each of these years, averaging approximately \$196,000 annually.

Based on a preliminary analysis conducted by SMCHD in late 2017, 60.2% of OPM operating expenses are allocated to Public functions, while the remaining 39.8% of OPM operating expenses are allocated to Enterprise functions. We round these shares to 60% and 40%, respectively. Since the operating revenues listed above are all Enterprise revenue (not Public revenue), it is appropriate to compare this Enterprise revenue to allocated Enterprise expenses (40% of the operating expenses listed above).

The following table presents the historic data trend and estimates Enterprise expenses assuming that they account for 40% of total operating expenses. Note that operating revenue is equivalent to Enterprise revenue in this table.

Exhibit 8. OPM Operating Revenue, Estimated Enterprise Expenses, and Net Operating Income, FY2013 - FY2017

Fiscal Year	2013	2014	2015	2016	2017	Average
Total Enterprise Revenue	\$1,361,209	\$1,616,240	\$1,507,630	\$1,650,553	\$1,724,311	\$1,571,989
Estimated Enterprise Expenses	\$675,726	\$689,759	\$710,690	\$683,231	\$777,020	\$707,285
Net Operating Income (Enterprise)	\$685,483	\$926,481	\$796,940	\$967,322	\$947,291	\$864,704

The table shows positive net operating income in each year for Enterprise functions. In Section III of this report, we discuss changes to operating revenues and expenses that will impact OPM's net operating income.

F. CONTEXT: OYSTER POINT AND PILLAR POINT HISTORICAL DATA

Although an analysis of Pillar Point Harbor financial data is outside the scope of this report, it is important to put the results for OPM into appropriate context, especially since the report is intended to provide information relevant to a decision about SMCHD's role in the future management of OPM.

The following table presents comparative historical financial data for OPM and Pillar Point Marina for FY2014 and FY2015.

Exhibit 9. Comparison of Oyster Point and Pillar Point Net Income, FY2014-FY2015

Line Item	Oyster Point Marina (Average 2014-2015)	Pillar Point Marina (Average 2014-2015)
Operating Revenue	\$1,562,000	\$2,427,000
Operating Expenses	\$1,751,000	\$2,666,000
Net Operating Income	(\$189,000)	(\$239,000)
Depreciation	\$1,256,000	\$712,000
Net Income	(\$1,445,000)	(\$951,000)

This data excludes the allocation of Public revenue for both marinas, and it includes all operating expenses (not just Enterprise expenses). While OPM’s net operating loss over the two-year period averaged \$189,000, Pillar Point’s average operating loss was \$239,000. The key point here is that projections of annual Pillar Point operating income would be in a similar range as projections of OPM’s operating income.

The district’s projections for Pillar Point in the FY2018 budget show a net operating income of approximately \$2.8 million after a \$3.6 million allocation of tax revenues to its Public account. If those tax revenues were excluded from the top line, Pillar Point would show an \$800,000 operating loss.

If projected operating losses (excluding Public revenue allocations) were used as one reason to consider terminating the OPM JPA, similar financial logic could be applied to Pillar Point. Of course, financial considerations (including operating income) would only be one aspect of any decision about the future of the JPA. We discuss other JPA considerations later in this report.

III. SUMMARY OF CHANGES TO OYSTER POINT MARINA

The Oyster Point Development (OPD) project will impact OPM in a number of ways, in both the short and long term. Some of the impacts will be direct and easily quantifiable, such as the loss of lease revenue from the hotel, bait shop, and boat yard/dry storage on former SMCHD-managed parcels that have been conveyed to OPD. This will directly impact OPM's operating (Enterprise) revenue.

Other impacts of the OPD project are not readily quantifiable, and include the potential short-term negative effects of site work, construction, and related noise and disruption, and the potential long-term benefits of bayside improvements and larger populations of nearby office workers and residents. There is uncertainty about the timing of OPD construction and related impacts.

A. SUMMARY OF OYSTER POINT DEVELOPMENT

In 2011, the SSF City Council approved the Oyster Point Specific Plan (OPSP), which focuses on improving approximately 81 acres of waterfront property at Oyster Point into a mixed-use development. Approval of OPSP allows the developer, Oyster Point Development, LLC (OPD), to develop roughly 2.25 million square feet of office and research & development space within approximately 40 acres over four development phases - Phase ID, IID, IIID, and IVD. Also included in the OPSP are two additional phases (Phases IC and IIC) that include infrastructure, recreational/open space and hotel improvements on an additional 40 acres of land.

Key improvements include:

- A new corporate campus, which will include office/research and development (R&D) buildings, parking and accessory uses at the western portions of the site.
- A site to accommodate a future hotel, restaurant and/or retail adjacent to OPM
- Public open space and Bay Trail improvements.
- Marina and Ferry Terminal-serving amenities including parking, shuttle drop off areas, and waterside improvements.

OPD and the City of South San Francisco are currently in the process of implementing Phase ID and IC as a coordinated construction project. At present, these phases are scheduled to begin in fall 2017 and last for roughly two years. SMCHD staff have indicated that construction may be delayed due to permitting issues, possibly triggering a delay in implementation until after fall 2017.

Phase ID will include the development of approximately 508,000 square feet of office and research & development facilities on approximately 10 acres. Phase IC will include a number of public improvements, including new roads, sidewalks, an enhanced Bay Trail, and additional open space on roughly 25 acres.

OPD reports that the timing of Phases IID, IIID and IVD is still to be determined. Planning for Phase IIC began in 2017, while the timing for Phase IIC construction remains to be determined.

Later in this section, we discuss potential short-term and long-term impacts of this development on OPM.

B. REDUCTION IN LEASE REVENUE DUE TO LAND CONVEYANCE

The leases for the enterprises on land that was recently conveyed to OPD historically provided OPM with monthly revenue of \$19,800, or approximately \$238,000 per year. This will reduce OPM's operating revenue going forward (in both Scenario 1 and Scenario 2), and all else equal, will reduce net operating income. There will be some reductions to expenses associated with these leases, and SMCHD is working to provide Dornbusch with specific estimates of these expense reductions.

We assume that the Yacht Club lease will continue to contribute to the marina's enterprise revenue going forward. In addition, a 40,000 square foot parcel on land that is still controlled by SMCHD has been designated as a site for future marina-related commercial activity. Given the poor performance and closure of the former bait shop, and the fact that the parcel is not large enough for dry storage or a boatyard, we do not anticipate that the parcel will generate lease revenue that would have a significant impact on the marina's overall net income.

Therefore, our baseline assumption in both scenarios is zero enterprise revenue from this leased parcel, although the model has the flexibility to accommodate a different assumption.

C. POSSIBLE ADDITIONAL INVESTMENTS NOT INCLUDED IN CIP

In order to accurately model future OPM investments, depreciation, and cash flows, it is necessary to have as complete a picture as possible of the investments that the Harbor District will need to make during the forecast period. This includes the investments identified in the CIP as well as other investments in the marina site and infrastructure. Additional investments that could possibly require Harbor District funding include the OPM fuel dock, increasing the elevation of the peninsula to the east of the Harbormaster Building, and the parking area.

1. Fuel Dock

According to a recently executed implementation agreement, the Harbor District has assumed responsibility for the fuel dock subsequent to the creation of the Oyster Point community facilities district (OPCFD). SSF agreed to reimburse SMCHD for all necessary immediate repairs, as well as dockside and landside improvements to the fueling infrastructure (totaling roughly \$2.5 million). **Therefore, the model does not assume any investment in the fuel dock (since investment will be reimbursed by SSF).**

2. Site Work and Elevation Improvement (Subsidence and Sea Level Rise)

The implementation agreement between SMCHD and SSF indicates that SSF and OPD will have access to Harbor District parcels during site work and construction related to Phases IC and IIC of the redevelopment. The implementation agreement also specifies that SSF must require any contractors "to maintain at all times vehicular and pedestrian access routes to District-related operations (including but not limited to docks, fueling facilities, boat ramps, parking lots, bathrooms, ferry terminal, harbor master's office and the yacht club)."

Phase IC of the project primarily involves land conveyed to OPD to the west of the existing Harbormaster Building, and includes the following improvements:

- Streets and utilities
- Clay cap repair
- Reconfigured parking at marina
- Recreation area
- Clearing future hotel site
- Beach/park
- Bay trail and palm promenade

Phase IIC involves land primarily at the east end of the marina peninsula and includes repaving of parking, as well as landscaping of the parking area and the southern side of the peninsula.

Some of the details of the parking area improvements are to be determined, but it is currently SMCHD's understanding that improvements to counteract flooding during king tides (flooding which is expected to become more frequent in years to come due to climate change and sea level rise) will be undertaken by OPD in Phases IC and IIC. These improvements may involve re-grading the parking areas and improving the elevation profile of the west part of the peninsula. **We do not have a cost estimate for this portion of the work specifically, and the baseline assumption is that SMCHD will not need to invest in improvements to counteract flooding. There is an input in the model that allows us to change this assumption.**

It will be important for SMCHD to fully understand the costs associated with any investments it may need to make for any other site work that is not included in the CIP.

The following items were listed in the August 10, 2017 agenda of the SMCHD Commissioners' finance committee meeting, and any future costs associated with these items should also be included in the overall financial projections for OPM:

- OPD construction phasing update
- OPM sea level rise projection assessment and plan
- OPM landfill subsidence geotechnical assessment
- Hazardous waste under remaining JPA property
- Sufficient parking? (number of spaces taken away)

D. SHORT-TERM IMPACTS DUE TO CONSTRUCTION

The conveyed land parcels are directly adjacent to the west basin of Oyster Point Marina, and Phase IC of the development will include site work and the removal of parking in this area. The implementation agreement allows the developer to fence off areas during construction, while preserving access to all Harbor District services.

Construction will create temporary and localized visual, noise, and air quality impacts. Depending on the severity of these impacts, some boaters, especially those who rent slips on west basin docks, may seek alternative berthing arrangements. This could involve moving to vacant slips in the East Basin of OPM, or seeking out slips in other local marinas.

The loss of the Drake Marine boatyard represents a reduction in marina amenities that may impact some slip renters' preferences about where to berth their boats.

E. LONG-TERM IMPACTS OF DEVELOPMENT

The long-term impacts of the OPD project on OPM will likely be positive in terms of the physical environment, including improved landscaping, roads, and parking lots, as well as a new public beach area and promenade. Some workers in the new commercial buildings will likely take advantage of this new public infrastructure and spend time near the bay during lunch breaks and after work, raising awareness of the marina, which could contribute marginally to higher slip occupancy rates over time. Commercial operators offering services (food & beverage, recreational equipment, etc.) catering to this population may be interested in leasing the designated OPM commercial parcel, which could contribute marginally to OPM's operating revenues over time.

SSF intends to eventually issue an RFP for a hotel on the parcel of land it now controls adjacent to the OPM west basin, and if the hotel featured a restaurant facing the marina, the restaurant could become an amenity not only for hotel guests, but also for current marina tenants, transient vessels and the general public. Although SMCHD will not benefit directly from the hotel in terms of lease revenue, there could be indirect benefits in terms of adjacent amenities, which could flow to occupancy rates and benefits for any commercial services operating on OPM-controlled property.

F. SUMMARY

The changes and impacts discussed in this section would apply to both Scenario 1 and Scenario 2. There may be marginal OPM slip occupancy reductions in the short-term and occupancy increases in the long term due to the OPD project, but the comparative cash flow analysis of Scenarios 1 and 2 we present later in this report effectively "nets out" these impacts because the impacts apply equally to both scenarios.

Nevertheless, it is important to fully understand the investment cost implications mentioned in this section in order to have an accurate picture of all future cash flows, especially in Scenario 2 in which SMCHD would undertake CIP investments and possibly other investments listed here.

IV. SCENARIO 1: STATUS QUO OPERATION WITH JPA TERMINATION IN 2026 AND NO CIP INVESTMENTS

Scenario 1 assumes that SMCHD continues to operate OPM until the JPA with SSF expires in 2026, after which time OPM would revert to SSF control. This scenario also assumes that SMCHD would not make *any* capital investments at OPM specified in the CIP (CIP investments are presented in detail in the discussion of Scenario 2). Instead, SMCHD would maintain the existing facilities, without making large capital investments, until expiration of the JPA in 2026. The maintenance will sustain the operation of the facilities and allow continued operation of OPM, but would not include capital improvements that would result in new or upgraded facilities. Considering the aging condition of many of the docks (with the exception of Docks 8 and 11, which were replaced in 2013), Dornbusch assumes escalating dock repair and maintenance expenses in this scenario relative to Scenario 2.

This scenario, along with Scenario 2, assumes that after the conveyance of SMCHD land parcels to OPD, OPM would no longer earn revenues from associated leases going forward.

In summary, Scenario 1 primarily reflects status quo operations at OPM, including existing slip occupancy rates, slip rates and charges for other services, but with a reduction in lease revenue. Projected operating expenses are largely the same (with the exception of higher dock maintenance costs). The scenario assumes no CIP capital investments.

A. SLIP OCCUPANCY AND RATE PROJECTIONS

Occupancy projections under Scenario 1 are based on historical slip occupancy rates. Any disruption to occupancy associated with construction arising from OPD planned development is anticipated to be temporary (and, as noted previously, applicable to both primary scenarios under consideration in this report). Marina tenants that would be most affected by ongoing construction would be those in live-aboards, who would experience the inconveniences associated with construction on a more frequent basis. However, live-aboards might be unlikely to abandon the marina given the limited availability of live-aboard slips at other marinas in the region and long waiting lists for live-aboard slips at OPM.

The following table summarizes projected slip supply, occupancy rates, and the number of slips occupied annually for each slip size and for the entire marina.

Exhibit 10. Projected Slip Supply & Annual Occupancy by Slip Size, FY2018 – FY2026

Slip Size Range	Slip Supply	Projected Occupancy Rate	Number of Slips Occupied
30' and below	195	72%	141
31' to 40'	106	83%	88
41' to 50'	73	85%	62
51' to 60'+	34	65%	22
Totals	408	77%	313

Slip rental rates are projected based on the current approved rates for FY2018 plus annual adjustments for inflation, using a projected annual inflation rate of 2.8%, based on recent increases in the U.S. BLS Consumer Price Index (CPI) for the San Francisco-Oakland-San Jose area.

The following table summarizes projected slip rates for each size slip over the next ten years.

Exhibit 11. Projected Slip Rates by Slip Size, FY2018 – FY2027

Slip Size	2018: Year 1		2022: Year 5		2027: Year 10	
	<i>Single</i>	<i>Double</i>	<i>Single</i>	<i>Double</i>	<i>Single</i>	<i>Double</i>
16' and Under	\$54.00	\$81.00	\$60.31	\$90.46	\$69.24	\$103.85
26'	n/a	\$216.00	n/a	\$241.23	n/a	\$276.94
30'	\$238.00	\$249.00	\$265.80	\$278.08	\$305.15	\$319.25
36'	\$287.00	\$297.00	\$320.52	\$331.69	\$367.98	\$380.80
40'	\$330.00	\$341.00	\$368.54	\$380.83	\$423.11	\$437.21
45'	\$368.00	\$384.00	\$410.98	\$428.85	\$471.83	\$492.34
50'	\$411.00	\$427.00	\$459.00	\$476.87	\$526.96	\$547.48
55'	n/a	\$470.00	n/a	\$524.89	n/a	\$602.61
60'	\$492.00	\$514.00	\$549.46	\$574.03	\$630.82	\$659.02

B. REVENUE PROJECTION

1. Projected Slip Revenue

We project slip revenue by multiplying the number of occupied slips in each size category by the respective projected slip rate for that size slip in each year. Under Scenario 1, occupancy is projected to remain constant at current levels of 77%, or approximately 313 slips occupied, until expiration of the JPA in 2026. The current rental rates are projected to increase with inflation. Therefore, projected slip revenues increase based on increases in slip rental rates, not due to increases in occupancy (demand).

The following table summarizes projected slip revenues for Scenario 1.

Exhibit 12. Scenario 1: Projected Slip Revenues, FY2018 to FY2027

Fiscal Year	2018	2019	2020	2021	2022
Total Slips Occupied	313	313	313	313	313
Ave. Monthly Revenue/Occ. Slip	\$304.50	\$313.02	\$321.81	\$330.80	\$340.07
Total Slip Revenue	\$1,143,700	\$1,175,700	\$1,208,700	\$1,242,500	\$1,277,300
Fiscal Year	2023	2024	2025	2026	2027
Total Slips Occupied	313	313	313	313	313
Ave. Monthly Revenue/Occ. Slip	\$349.57	\$359.37	\$369.44	\$379.79	\$390.42
Total Slip Revenue	\$1,313,000	\$1,349,800	\$1,387,600	\$1,426,500	\$1,466,400

2. Projected Other Revenues

All other revenues include revenues from landside leases, transient dockage, launching fees, dock box fees, and miscellaneous other revenues, which were presented in Section II of this report.

Lease Revenue. SMCHD staff report that revenues generated by the four leases conveyed to OPD totaled \$238,000 per year. Therefore, these historic lease revenues are not included in our projections. We assume that the Yacht Club lease will remain in place over the ten year projection. After making the adjustment for loss of revenues from the conveyed parcels, Dornbusch estimates that OPM will generate approximately \$73,000 annually in lease revenues. We do not include revenue from the 40,000 square foot commercial parcel in our projections.

Transient Dockage Revenue. Dornbusch projects transient dockage revenues based on the most recent year revenues (FY2017) of \$194,000, plus annual inflationary increases of 2.8% per year.

Launching Fee Revenue. Dornbusch projects launching fee revenues based on the most recent year revenues (FY2017) of \$22,000, plus annual inflationary increases of 2.8% per year.

Dock Box Fee Revenue. Dornbusch projects dock box fee revenues based on the most recent year revenues (FY2017) of approximately \$8,500, plus annual inflationary increases of 2.8% per year.

All Other Revenues. Dornbusch projects all other miscellaneous revenues based on the most recent year revenues (FY2017) of approximately \$31,000, plus annual inflationary increases of 2.8% per year.

Exhibit 13. Projected OPM Operating Revenues, FY2018 to FY2027

Fiscal Year	2018	2019	2020	2021	2022
Slip Rental	\$1,143,707	\$1,175,730	\$1,208,651	\$1,242,493	\$1,277,283
Transient Dockage	\$199,825	\$205,420	\$211,172	\$217,084	\$223,163
Leases	\$73,343	\$75,397	\$77,508	\$79,678	\$81,909
Launching Fees	\$22,447	\$23,076	\$23,722	\$24,386	\$25,069
Dock Box Fees	\$8,789	\$9,036	\$9,288	\$9,549	\$9,816
Other Revenues	\$31,645	\$32,531	\$33,442	\$34,378	\$35,341
Operating Revenue	\$1,479,756	\$1,521,189	\$1,563,783	\$1,607,569	\$1,652,580
Fiscal Year	2023	2024	2025	2026	2027
Slip Rental	\$1,313,047	\$1,349,812	\$1,387,607	\$1,426,460	\$1,466,401
Transient Dockage	\$229,411	\$235,835	\$242,438	\$249,226	\$256,205
Leases	\$84,203	\$86,560	\$88,984	\$91,475	\$94,037
Launching Fees	\$25,771	\$26,493	\$27,234	\$27,997	\$28,781
Dock Box Fees	\$10,091	\$10,373	\$10,664	\$10,962	\$11,269
Other Revenues	\$36,330	\$37,348	\$38,393	\$39,468	\$40,573
Operating Revenue	\$1,698,853	\$1,746,421	\$1,795,320	\$1,845,589	\$1,897,266

C. EXPENSE PROJECTION

This section presents projected operating expenses at OPM, based primarily on average expenses over FY2016 and FY2017, plus adjustments for inflation. This section also presents projected annual depreciation expenses, based on input provided by SMCHD staff.

1. Projected Operating Expenses

The following exhibit summarizes projected OPM operating expenses in FY2018 compared to average marina operating expenses in FY2016 and FY2017.

Exhibit 14. Oyster Point Marina – Annual Operating Expenses, Projected vs Actual Expenses

	Average FY2016-FY2017	Projected FY2018	% Change
Advertising and promotion	\$3,826	\$3,933	2.8%
Auto expenses	\$634	\$652	2.8%
Bad debts	\$48,423	\$49,779	2.8%
Bank charges	\$18,036	\$18,541	2.8%
Contractual services	\$204,889	\$210,626	2.8%
Dues and subscriptions	\$100	\$103	3.0%
Insurance	\$75,182	\$134,238	78.6%
Office expense	\$7,371	\$10,000	35.7%
Personnel expenses	\$1,442	\$1,482	2.8%
Postage	\$2,159	\$2,219	2.8%
Equipment rental	\$2,702	\$2,778	2.8%
Operating expenses	\$29,612	\$41,486	40.1%
Repairs and maintenance	\$48,988	\$74,282	51.6%
Salaries and benefits	\$1,166,052	\$1,450,000	24.4%
Telephone and communications	\$16,230	\$16,684	2.8%
Training & professional development	\$4,378	\$4,501	2.8%
Travel, conferences and meetings	\$4,361	\$4,483	2.8%
Uniforms	\$8,209	\$8,439	2.8%
Utilities	\$126,180	\$129,713	2.8%
Vessel destruction	\$56,545	\$58,128	2.8%
Total Operating Expenses	\$1,825,314	\$2,222,067	21.7%

Dornbusch projected expenses based primarily on expense levels during the most recent two years for which data was available plus annual increases for inflation. Where there were significant annual fluctuations in historical expense line items between years, Dornbusch used averages to reflect a more stabilized expense level. **Dornbusch projected annual Repair & Maintenance expenses (including the “operating expenses” line item) to be higher over the next 10 years compared to recent historical levels due to the anticipated greater expenditures necessary to maintain aging docks in a functional condition until the expiration of the JPA in 2026.**

The increase in the office expense line item is due to the fact that recent reported expense was lower than it was in previous years. Note that SMCHD does not undertake vessel destruction unless DBW funds are in place.

As discussed previously, the largest projected expense line items include labor, projected at \$1.45 million in FY2018, contract services (\$211,000), insurance (\$134,000) and utilities (\$130,000). **Dornbusch projects total FY2018 expenses to be 21.7% higher compared to FY2016-17 expenses, primarily due to increased labor expense.** All expenses are projected to increase annually by inflation.

Based on a preliminary analysis conducted by SMCHD in late 2017, 60.2% of OPM operating expenses are allocated to Public functions, while the remaining 39.8% of OPM operating expenses are allocated to Enterprise functions. We round these shares to 60% and 40%, respectively. Since the operating revenues listed above are all Enterprise revenue (not Public revenue), it is appropriate to compare this Enterprise revenue to allocated Enterprise expenses (40% of the operating expenses listed above). Therefore, projected Enterprise expenses are approximately \$889,000 in 2018 (40% of \$2,222,000).

The following exhibit summarizes projected OPM operating (Enterprise) revenues, Enterprise expenses and net operating income (Enterprise) over the next ten years under Scenario 1.

Exhibit 15. Oyster Point Marina Projected Net Operating Income (Enterprise), Scenario 1

	2018	2019	2020	2021	2022
Total Enterprise Revenues	\$1,479,756	\$1,521,189	\$1,563,783	\$1,607,569	\$1,652,580
Est. Enterprise Expenses	\$888,827	\$913,714	\$939,298	\$965,598	\$992,635
Net Operating Income	\$590,929	\$607,475	\$624,485	\$641,970	\$659,945
	2023	2024	2025	2026	2027
Total Enterprise Revenues	\$1,698,853	\$1,746,421	\$1,795,320	\$1,845,589	\$1,897,266
Est. Enterprise Expenses	\$1,020,429	\$1,049,001	\$1,078,373	\$1,108,567	\$1,139,607
Net Operating Income	\$678,424	\$697,420	\$716,947	\$737,022	\$757,659

For Scenario 1, Dornbusch projects average annual net operating income (Enterprise) of approximately \$671,000 for OPM. **This projected net operating income is slightly lower than FY2016-FY2017 actuals because of the reduction in projected lease revenue and the increase in operating expenses, primarily labor.**

2. Projected Depreciation Expense

SMCHD provided details about projected depreciation expense for OPM given the assets in place as of August 2017. The following table provides a breakdown of depreciation expense by asset type.

Exhibit 16. Annual Depreciation by Asset Type, OPM (Depreciation of Existing Assets)

Asset Type	Annual Depreciation Expense
Docks	\$208,000
Breakwater	\$191,000
Launch Ramps	\$110,000
Buildings and Improvements	\$60,000
Parking Lots	\$21,000
Walkways and Paths	\$13,000
Piers	\$12,000
Machinery and Equipment	\$9,000
Autos and Trucks	\$3,000
Total	\$627,000

Annual depreciation of existing assets is forecast to be roughly this amount (\$627,000) annually through at least the next five years (through FY2022), according to depreciation schedules provided to Dornbusch. We do not have depreciation schedules beyond that point, but to be conservative, Dornbusch projects annual depreciation at this amount through the end of the ten-year forecast period.

D. PROJECTED NET INCOME

The following exhibit summarizes projected OPM net income (net operating income less depreciation) for Scenario 1. Again, these projections assume no Public expenses or CIP investments and no funding contributions from other sources (such as county property tax revenues, DBAW grants or SMCHD reserve funds).

Exhibit 17. Oyster Point Marina Projected Net Income, Scenario 1

	2018	2019	2020	2021	2022
Total Enterprise Revenues	\$1,479,756	\$1,521,189	\$1,563,783	\$1,607,569	\$1,652,580
Total Enterprise Expenses	\$888,827	\$913,714	\$939,298	\$965,598	\$992,635
Net Operating Income	\$590,929	\$607,475	\$624,485	\$641,970	\$659,945
Depreciation	\$627,000	\$627,000	\$627,000	\$627,000	\$627,000
Net Income	-\$36,071	-\$19,525	-\$2,515	\$14,970	\$32,945
	2023	2024	2025	2026	2027
Total Enterprise Revenue	\$1,698,853	\$1,746,421	\$1,795,320	\$1,845,589	\$1,897,266
Total Enterprise Expenses	\$1,020,429	\$1,049,001	\$1,078,373	\$1,108,567	\$1,139,607
Net Operating Income	\$678,424	\$697,420	\$716,947	\$737,022	\$757,659
Depreciation	\$627,000	\$627,000	\$627,000	\$627,000	\$627,000
Net Income	\$51,424	\$70,420	\$89,947	\$110,022	\$130,659

The table indicates that under Scenario 1, OPM averages annual net income of approximately \$44,000.

Unlike operating expenses, depreciation is not a cash expense, and therefore annual operating cash flows are equivalent to projected net *operating* income (not net income after depreciation). This is important to note when we discuss the additional depreciation expense related to projected CIP investments in Scenario 2, which must be offset by additional operating income if the investments are to be sustainable over the long term.

In other words, cash flows from operations under Scenario 2 must be sufficient to build up a reserve that would allow OPM to re-invest in all assets when they reach the end of their useful lives.

V. SCENARIO 2: UNDERTAKE CAPITAL IMPROVEMENT PROGRAM

Scenario 2 assumes that OPM undertakes the CIP, including all investments detailed below in Part A of this section. We present assumptions and financial results for this scenario, and then analyze whether the change in operating cash flows as compared to Scenario 1 justifies the investment in new assets from a financial standpoint. Also taken into consideration in this analysis is the current JPA language, and specifically the terms of the agreement related to its termination and transfer of assets between parties. Based on the analysis, we make recommendations about a possible extension of the JPA term, as well as changes to terms of the existing JPA.

A. SUMMARY OF CIP

Proposed CIP investments for OPM, as well as the projected timing of those investments, are summarized in the following table.

Exhibit 18. Oyster Point Marina CIP Investments and Timing

Fiscal Year/Project	Amount
2018	
Replace Dock 12	\$1,355,000
Dredging	\$501,500
Remove Bait Shop	\$60,000
40,000 s.f. Commercial Parcel Planning	\$25,000
Culvert Catch Basin Filtration/Separators	\$20,000
Feasibility Consult for Harbormaster Building	\$15,000
Total 2018	\$1,976,500
2019	
Replace Dock 13	\$1,330,000
40,000 s.f. Commercial Parcel Site Work	\$1,000,000
Electric Vehicle	\$15,000
Total 2019	\$2,345,000
2020	
Replace Dock 14	\$1,330,000
Replace Dock 7	\$1,330,000
Total 2020	\$2,660,000
2021	
Replace Dock 1	\$1,200,000
Replace Harbormaster Building	\$400,000
Total 2021	\$1,600,000
2022	
Replace Dock 2	\$1,200,000
Guide Piles Throughout-Maint. And Extension	\$150,000
Total 2022	\$1,350,000
2023 and Beyond	
Replace Docks 3, 4, 5, and 6	\$4,800,000
Breakwater Elevation Increase (USACE?)	\$2,000,000
Total 2023 and Beyond	\$6,800,000

The total estimated cost of the CIP for Oyster Point Marina is \$16,731,500 including all of the projects listed in the table. Dock replacement accounts for \$12,545,000, or 75% of the total.

Over the first five years of the CIP (through 2022), the total cost of the CIP is \$9,931,500. Of this amount, \$7,745,000 is for dock replacement, or about 78% of the total over that period. Note that there is ambiguity regarding the timing of replacing Dock 7, which has historically been operated by Drakes Marine, not OPM. SMCHD developed the CIP assuming Dock 7 would be replaced in FY2020 ahead of Docks 1-6. For consistency we model replacement of Dock 7, which consists of approximately 18 45-foot slips and 22 36-foot (total of 40 slips), according to the timing identified in the CIP. Since Dock 7 has not contributed to OPM's slip rental revenue in recent years, adding Dock 7 to the rentable slip inventory would create an expanded source of OPM slip rental revenue.

SMCHD staff indicated that the cost estimates for future dock replacement are based on actual costs of the replacement of Dock 11 in 2013. Dock 8 (guest dock) was also replaced in 2013. SMCHD contracted with Bellingham Marine for the construction of Docks 11 and 8. Bellingham Marine's scope of work included demolition of the existing docks and the design, manufacture and installation of the marina's new floating dock system. The existing timber dock systems were replaced with Bellingham Marine's concrete floating docks, including upgraded utility connections and accessories.

Demolition of Docks 11 and 8 began in January 2013. Dock 11 was replaced with a 332-foot long main walk with 24 single berth slips for boats up to 45 feet. A match-cast 21 x 79-foot floating platform was built at the bottom of the new 80-foot gangway to support traffic moving on and off the dock. The landing platform also provides additional moorage space. The cost for replacing Dock 11 was \$1.47 million.

The new guest dock (Dock 8) provides 156 feet of side-tie moorage and is made accessible with a new 90-foot ADA gangway. Power and potable water are available on the dock for visiting boaters. The cost for replacing Dock 8 was approximately \$503,000. The docks to be replaced in the CIP are all larger than Dock 8.

Given these actual costs, the projected CIP costs for the replacement of the remaining docks appear to be in a reasonable range.

New docks have an estimated useful life of 30 years, so in the financial model they are depreciated on a 30-year, straight-line basis, beginning in the year following their installation. A projected depreciation schedule is presented in the Excel financial model. We assume a 30-year useful life for all of the docks that would be replaced under the CIP.

B. FUNDING SOURCES FOR CIP INVESTMENTS

SMCHD projects that most of the CIP investments at OPM will be funded through existing reserves and SMCHD operating income. According to the District's FY2018 Final Budget, estimated cash reserves are \$13,407,363 after CIP expenditures in that year.

SMCHD projects total District operating cash flow of approximately \$3,578,000 annually through FY2022, reduced by \$750,000 in FY2019 and FY2021 due to commissioner election expenses in those years. This projection of operating cash flow for the District as a whole includes annual county tax revenues and is based on actual 2015 data.

Cash reserves have historically been calculated for the District as a whole (not separately for OPM and Pillar Point Harbor), and given SMCHD projections of operating cash flows and CIP expenditures for both marinas, cash reserves would decline to a low of approximately \$9.6 million in FY2021. This reserve calculation takes into account both projected CIP expenditures at OPM (\$9.9 million through FY2022) and Pillar Point Marina (\$26 million through FY2022), as well as projected grant funding of \$12,950,000 through FY2022. Most of the projected grant funding is assumed to cover the cost of projects at Pillar Point.

It is important to note that SMCHD is not proposing debt funding for these projects. The District has paid off its previous debts and plans to fund the CIP projects through existing reserves and operating cash flows. Our analysis is based on the assumption that, going forward, OPM (and SMCHD as a whole) should be able to build up sufficient reserves to re-invest in dock replacement when the new CIP docks reach the end of their useful lives in 30 years, without the need for debt financing at that time.

C. OCCUPANCY PROJECTIONS WITH DOCK REPLACEMENT

This section presents projected Scenario 2 slip occupancy rates, before and after dock replacements. Dornbusch estimates that slip occupancy rates will increase slightly following dock replacement, primarily due to the fact that new, higher quality docks will be more desirable compared to existing docks, which are approaching the end of their useful lives.

The newly-replaced Dock 11 is currently at effectively 100% occupancy, and has the highest occupancy rate in the entire marina. This demonstrates that there is relatively higher demand for new, upgraded slips. OPM staff have also indicated that most new prospective tenants first inquire about slip availability at Dock 11 before moving on to available slips on other docks. Prospective tenants are reportedly attracted to the fact that these docks are the newest in the marina and are of high quality construction.

Other marinas nearby (Brisbane, Oyster Cove, and Coyote Point Marinas) have reportedly not had recent extensive capital improvements and dock upgrades, so Oyster Point's new slips would be relatively attractive to boaters considering options in the area.

The following table summarizes 2016 occupancy rates at other marinas in San Mateo and San Francisco counties.

Exhibit 19. Slip Occupancy Rates at Area Marinas

Marina	2016 Occupancy Rate
Oyster Cove Marina	84%
Brisbane Marina	80%
Coyote Point Marina	78%
South Beach Harbor	100%
Bair Island Marina	99%
Pier 39 Marina	88%
Port of Redwood City Marina	93%
Redwood Landing Marina	50%
San Francisco Marina - West Harbor	89%
San Francisco Marina - East Harbor	78%
Treasure Isle Yacht Harbor	80%
Westpoint Harbor	62%
Average Occupancy Rate – All Marinas	82%
Oyster Point Marina Occupancy Rate	77%

OPM’s most direct competitors in terms of proximity, level of amenities and access to regional attractions include Oyster Cove Marina, Brisbane Marina and Coyote Point Marina. Occupancy rates for these marinas range between 78% and 84% and average 81%, compared to OPM’s current occupancy of 77%. Similar to OPM, these competing marinas are reportedly older with aging docks and associated support facilities.

Dornbusch judges that with new docks and upgraded landside amenities associated with the planned CIP improvements, OPM will be more desirable and experience moderate increases in occupancy rates, bringing the marina into line with occupancy rates that are closer those achieved in the regional market.

For these reasons, after dock replacements, the occupancy projections in Scenario 2 are higher than they are in Scenario 1.

The following table summarizes projected occupancy rates for given slip size ranges both before and after dock replacement under this scenario. Our financial model has the flexibility to change occupancy rates on a dock-by-dock basis, which enables these detailed assumptions about occupancy.

Exhibit 20. Projected OPM Slip Occupancy Rates Before and After Dock Replacement, Scenario 2

	Slip Occupancy Before Dock Replacement	Slip Occupancy After Dock Replacement	Percentage Point (PP) Change
Occupancy Rate, 30' and below	72%	77%	+ 5.0 PP
Occupancy Rate, 31' to 40'	83%	93%	+ 10.0 PP
Occupancy Rate, 41' to 50'	85%	95%	+ 10.0 PP
Occupancy Rate, 51' to 60' +	65%	70%	+ 5.0 PP
Overall Marina Occupancy	77%	83%	+ 6.0 PP

The table indicates projected occupancy rates for slips 30’ and below and slips 51’ and greater to be five percentage points higher after slips in these size ranges are replaced. Slips 31’ to 50’ in length, which are generally in higher demand, are projected to experience a ten-percentage point increase in

occupancy. The resulting increase in overall marina occupancy once all docks are replaced is six percentage points, from 77% (existing occupancy) to 83%. Note that the projected post-dock replacement occupancy rate of 83% is slightly lower than the current occupancy rate at Oyster Cove Marina (84%), one of OPM’s main competitors, but slightly higher than the current occupancy rates at Brisbane Marina and Coyote Point Marina, at 80% and 78%, respectively. In addition, the projected Scenario 2 post-dock replacement occupancy rate for OPM of 83% is nearly identical to the current average occupancy rate for regional marinas in San Francisco and San Mateo counties.

Dornbusch assumes that, on average, one dock is replaced every year over the next ten years according to the CIP and based on input provided by SMCHD staff. The financial analysis assumes that improvements in occupancy occur in the year following the year in which a dock is replaced, and also takes into account construction time when the dock is off-line and the potential lag time necessary to market the new docks.

Given the overall current occupancy rate at OPM of 77%, and the fact that an average of only one dock would be replaced each year under the CIP, the model assumes that OPM could accommodate most (if not all) of the slip holders who would be temporarily displaced during the replacement of their current dock. The total number of occupied slips would therefore not change significantly during dock replacement; slip renters would just be shifted to other docks in the marina.

The following exhibit summarizes the phasing of dock replacements at OPM per the CIP and input from SMCHD staff.

Exhibit 21. Assumed Phasing and Capital Cost of Dock Replacements at OPM

Fiscal Year	Docks Replaced	Slips Replaced	Dock Replacement Cost
2018	Dock 12	41 slips	\$1,355,000
2019	Dock 13	37 slips	\$1,330,000
2020	Dock 14 & Dock 7	58 slips	\$2,660,000
2021	Dock 1	29 slips	\$1,200,000
2022	Dock 2	53 slips	\$1,200,000
2023	Dock 3	53 slips	\$1,200,000
2024	Dock 4	56 slips	\$1,200,000
2025	Dock 5	50 slips	\$1,200,000
2026	Dock 6	47 slips	\$1,200,000
Totals	10 Docks	424 Slips*	\$12,545,000

*This includes replacement of approximately 40 slips on Dock 7 that historically have not been part of the OPM operation. Therefore, the total new slip count at the marina will be 448 slips when Dock 7 is included. Dock 11 and Dock 8 (24 slips total) were replaced recently in 2013.

D. RATE PROJECTIONS WITH DOCK REPLACEMENT

Scenario 2 assumes that OPM will be able to charge higher rates for newly replaced slips as compared to existing older slips.

SMCHD provided Dornbusch a 2017 rate survey of 43 Bay Area marinas that includes useful information about where OPM slip rental rates fall within the current range of slip rates in the regional marina market. The survey presents average monthly slip rental rates *per linear foot* for all marinas. The following table summarizes the high, low, and median slip rental rates for public marinas in the survey, private marinas, and the entire set of 43 marinas surveyed.

Exhibit 22. Range of Slip Rental Rates (per linear foot) for Surveyed Marinas

Rate Range	Public Marinas	Private Marinas	All 43 Marinas
Low Rate	\$6.28	\$5.14	\$5.14
Median Rate	\$8.08	\$9.61	\$8.97
High Rate	\$13.21	\$14.07	\$14.07

OPM’s average rate per linear foot was \$8.11, which is lower than the median rate for all marinas (\$8.97), but almost the same as the median for publicly operated marinas (\$8.08).

Dornbusch also considered data from a recent 2016 OPM Market Analysis conducted by Anchor QEA for the City of South San Francisco, which estimated potential rate increases associated with replacing docks and making various landside capital improvements, which are partially reflected in the CIP. The rate projections specified in the 2016 Market Analysis appear largely based on average slip rates at competing marinas in San Mateo and San Francisco counties. Dornbusch utilized the rates estimated in this Market Analysis to project slip revenues from newly replaced docks in Scenario 2.

The following table summarizes average projected slip rates for given slip sizes both before and after replacement under this scenario. The projections of slip rates after dock replacement come from the 2016 Anchor QEA Market Analysis.

Exhibit 23. Projected Monthly Slip Rates per Linear Foot Before and After Dock Replacement (\$2017)

Slip Size	Slip Rates Before Dock Replacement	Slip Rates After Dock Replacement	Percentage Change
26 Foot	\$8.31	\$8.83	6.3%
30 Foot	\$8.28	\$9.57	15.6%
36 Foot	\$8.19	\$10.40	27.0%
40 Foot	\$8.53	\$11.41	33.8%
45 Foot +	\$8.50	\$11.84	39.3%
Weighted Average	\$8.33	\$10.52	26.2%

The table indicates that on average slip rates per linear foot are projected to increase by approximately 26% after replacement to new slips, from an average rate of \$8.33 per foot to \$10.52 per foot, which is roughly 17% higher than the prevailing median rate of \$8.97 for *all* marinas in the Bay Area. **These projected rates are quite high and represent a “best case scenario” from a revenue perspective. We also consider more moderate rate increases in Scenario 2½.**

E. REVENUE PROJECTION

The following table presents projected OPM operating (Enterprise) revenue under Scenario 2, with slip rental revenue based on the higher occupancy rate and slip rental rate assumptions described above.

Exhibit 24. Scenario 2: Projected Total OPM Operating Revenues, FY2018-FY2027

	2018	2019	2020	2021	2022
Slip Rental	\$1,143,707	\$1,243,932	\$1,375,510	\$1,676,741	\$1,739,968
Transient Dockage	\$199,825	\$205,420	\$211,172	\$217,084	\$223,163
Leases	\$73,343	\$75,397	\$77,508	\$79,678	\$81,909
Launching Fees	\$22,447	\$23,076	\$23,722	\$24,386	\$25,069
Dock Box Fees	\$8,789	\$9,036	\$9,288	\$9,549	\$9,816
Other Revenues	\$31,645	\$32,531	\$33,442	\$34,378	\$35,341
Total OPM Revenue	\$1,479,756	\$1,589,391	\$1,730,642	\$2,041,817	\$2,115,265
	2023	2024	2025	2026	2027
Slip Rental	\$1,818,942	\$1,900,680	\$1,987,712	\$2,118,553	\$2,270,261
Transient Dockage	\$229,411	\$235,835	\$242,438	\$249,226	\$256,205
Leases	\$84,203	\$86,560	\$88,984	\$91,475	\$94,037
Launching Fees	\$25,771	\$26,493	\$27,234	\$27,997	\$28,781
Dock Box Fees	\$10,091	\$10,373	\$10,664	\$10,962	\$11,269
Other Revenues	\$36,330	\$37,348	\$38,393	\$39,468	\$40,573
Total OPM Revenue	\$2,204,748	\$2,297,289	\$2,395,426	\$2,537,683	\$2,701,127

The following table compares revenue projections for Scenario 2 to Scenario 1.

Exhibit 25. Comparison of Projected Revenues – Scenario 1 vs. Scenario 2

	SCENARIO 1: STATUS QUO			SCENARIO 2: REPLACE DOCKS			\$ CHANGE
	Slip Revenue	All Other Revenue	Total Revenue	Slip Revenue	All Other Revenue	Total Revenue	Total Revenue
2018	\$1,143,707	\$336,049	\$1,479,756	\$1,143,707	\$336,049	\$1,479,756	\$0
2019	\$1,175,730	\$345,459	\$1,521,189	\$1,243,932	\$345,459	\$1,589,391	+\$68,200
2020	\$1,208,651	\$355,132	\$1,563,783	\$1,375,510	\$355,132	\$1,730,642	+\$166,800
2021	\$1,242,493	\$365,076	\$1,607,569	\$1,676,741	\$365,076	\$2,041,817	+\$434,200
2022	\$1,277,283	\$375,297	\$1,652,580	\$1,739,968	\$375,297	\$2,115,265	+\$462,700
2023	\$1,313,047	\$385,806	\$1,698,853	\$1,818,942	\$385,806	\$2,204,748	+\$505,900
2024	\$1,349,812	\$396,609	\$1,746,421	\$1,900,680	\$396,609	\$2,297,289	+\$550,900
2025	\$1,387,607	\$407,713	\$1,795,320	\$1,987,712	\$407,713	\$2,395,426	+\$600,100
2026	\$1,426,460	\$419,129	\$1,845,589	\$2,118,553	\$419,129	\$2,537,683	+\$692,100
2027	\$1,466,401	\$430,865	\$1,897,266	\$2,270,261	\$430,865	\$2,701,127	+\$803,900
Totals	\$12,991,191	\$3,817,135	\$16,808,326	\$17,276,006	\$3,817,135	\$21,093,144	+\$4,284,800

The table shows that projected Scenario 2 revenue exceeds Scenario 1 revenue in each year of the projection, as a result of higher assumed occupancy and slip rental rates after dock replacement. The difference in projected revenue between the two scenarios grows incrementally over time, reflecting dock replacements in different years. The large increase in 2021 is due to the replacement of two docks

in the previous year, including Dock 7. Dock 7 provides a new source of slip rental revenue (estimated at \$214,000 in 2020) that is not reflected in OPM’s historical financials.

F. EXPENSE PROJECTION

The following table compares **the Enterprise allocation of** projected annual operating expenses at OPM under Scenarios 1 and 2. **Operating expenses are slightly lower under Scenario 2 as compared to Scenario 1, due to the newer docks and lower projected recurring maintenance expense.** Note that this table does not include capital expenditures or depreciation.

Exhibit 26. Comparison of Projected Enterprise Expenses – Scenario 1 vs. Scenario 2

FISCAL YEAR	SCENARIO 1 Enterprise Expenses	SCENARIO 2 Enterprise Expenses	Dollar Change (Scenario 2 less Scenario 1)
2018	\$888,827	\$870,304	-\$18,523
2019	\$913,714	\$894,672	-\$19,042
2020	\$939,298	\$919,723	-\$19,575
2021	\$965,598	\$945,476	-\$20,122
2022	\$992,635	\$971,949	-\$20,686
2023	\$1,020,429	\$999,163	-\$21,266
2024	\$1,049,001	\$1,027,140	-\$21,861
2025	\$1,078,373	\$1,055,900	-\$22,473
2026	\$1,108,567	\$1,085,465	-\$23,102
2027	\$1,139,607	\$1,115,858	-\$23,749

Expense savings are estimated at an average of \$21,000 per year, or slightly more than 2% of Scenario 1 operating expenses.

G. OPERATING INCOME PROJECTION

The following table compares projected OPM net operating income (Enterprise revenues less Enterprise expenses) at OPM under Scenarios 1 and 2.

FISCAL YEAR	SCENARIO 1 Net Operating Income	SCENARIO 2 Net Operating Income	Dollar Change (Scenario 2 less Scenario 1)
2018	\$590,929	\$609,452	+\$18,523
2019	\$607,475	\$694,718	+\$87,243
2020	\$624,485	\$810,918	+\$186,433
2021	\$641,970	\$1,096,341	+\$454,371
2022	\$659,945	\$1,143,317	+\$483,372
2023	\$678,424	\$1,205,585	+\$527,161
2024	\$697,420	\$1,270,149	+\$572,729
2025	\$716,947	\$1,339,526	+\$622,579
2026	\$737,022	\$1,452,218	+\$715,196
2027	\$757,659	\$1,585,268	+\$827,609

Under Scenario 2, the annual net operating income increases as compared to Scenario 1, by an average of \$450,000 per year over the first ten years of the projection. Again, the figures in this table are exclusive of annual capital investments and depreciation. Depreciation is discussed in the following subsection.

H. DEPRECIATION PROJECTION

As discussed in Scenario 1, annual depreciation of *existing* OPM assets is forecast to be roughly \$627,000 over the next five years, according to depreciation schedules provided by SMCHD. To be conservative, we carry this annual depreciation assumption through the end of the forecast period.

In addition to the depreciation of existing assets, in Scenario 2 we calculate the depreciation of new CIP investments based on projected expenditures and the useful lives of new docks and other assets. Based on useful lives of 30 years for new concrete docks, 20 years for buildings and improvements, and 15 years for dredging, the model calculates annual depreciation on a straight-line basis. The projected depreciation schedule for all assets (existing and CIP) is presented in the following table.

Exhibit 27. Projected Annual Depreciation of OPM Existing & CIP Assets

Year	Depreciation of Existing Assets	Depreciation of CIP Investments	Total Annual Depreciation
2018	\$627,000	\$84,600	\$711,600
2019	\$627,000	\$179,700	\$806,700
2020	\$627,000	\$268,400	\$895,400
2021	\$627,000	\$328,400	\$955,400
2022	\$627,000	\$375,900	\$1,002,900
2023	\$627,000	\$427,900	\$1,054,900
2024	\$627,000	\$479,900	\$1,106,900
2025	\$627,000	\$531,900	\$1,158,900
2026	\$627,000	\$583,900	\$1,210,900
2027	\$627,000	\$635,900	\$1,262,900

Note that depreciation of CIP investments increases rapidly over the first several years of the projection, as large additional investments are completed each year. Depreciation of CIP investments plateaus after 2027, as there are no additional CIP investments planned after that point.

I. NET INCOME AND OPERATING CASH FLOW

The following table presents OPM net income under Scenario 2.

Exhibit 28. Oyster Point Marina Projected Net Income (after all Depreciation), Scenario 2

	2018	2019	2020	2021	2022
Total Enterprise Revenues	\$1,479,756	\$1,589,391	\$1,730,642	\$2,041,817	\$2,115,265
Total Enterprise Expenses	\$870,304	\$894,672	\$919,723	\$945,476	\$971,949
Net Operating Income	\$609,452	\$694,718	\$810,918	\$1,096,341	\$1,143,317
Depreciation	\$711,600	\$806,700	\$895,400	\$955,400	\$1,002,900
Net Income	-\$102,148	-\$111,965	-\$84,432	\$140,991	\$140,467
	2023	2024	2025	2026	2027
Total Enterprise Revenues	\$2,204,748	\$2,297,289	\$2,395,426	\$2,537,683	\$2,701,127
Total Enterprise Expenses	\$999,163	\$1,027,140	\$1,055,900	\$1,085,465	\$1,115,858
Net Operating Income	\$1,205,585	\$1,270,149	\$1,339,526	\$1,452,218	\$1,585,268
Depreciation	\$1,054,900	\$1,106,900	\$1,158,900	\$1,210,900	\$1,262,900
Net Income	\$150,735	\$163,299	\$180,676	\$241,368	\$322,418

The table indicates that under Scenario 2, OPM averages annual net income of approximately \$104,000, which is \$60,000 higher than the average projected net income under Scenario 1.

Unlike operating expenses, depreciation is not a cash expense, and therefore annual operating cash flows are equivalent to projected net operating income (not net income after depreciation).

In Scenario 2, the additional depreciation expense related to projected CIP investments must be offset by additional operating income if the CIP investments are to be sustainable over the long term. In other words, cash flows from operations going forward, relative to Scenario 1 (the status quo scenario) must be sufficient to build up a reserve that would allow OPM to re-invest in all assets when they reach the end of their useful lives.

The following table presents a comparison of operating cash flows in Scenario 1 and Scenario 2.

Exhibit 29. Comparison of Projected Net Income and Operating Cash Flow – Scenario 1 vs. Scenario 2

	SCENARIO 1: STATUS QUO			SCENARIO 2: REPLACE DOCKS			\$ CHANGE
	Net Income	Add Back Depreciation	Operating Cash Flow	Net Income	Add Back Depreciation	Operating Cash Flow	Operating Cash Flow
2018	-\$36,071	\$627,000	\$590,929	-\$102,148	\$711,600	\$609,452	+\$18,523
2019	-\$19,525	\$627,000	\$607,475	-\$111,965	\$806,700	\$694,718	+\$87,243
2020	-\$2,515	\$627,000	\$624,485	-\$84,432	\$895,400	\$810,918	+\$186,433
2021	\$14,970	\$627,000	\$641,970	\$140,991	\$955,400	\$1,096,341	+\$454,371
2022	\$32,945	\$627,000	\$659,945	\$140,467	\$1,002,900	\$1,143,317	+\$483,372
2023	\$51,424	\$627,000	\$678,424	\$150,735	\$1,054,900	\$1,205,585	+\$527,161
2024	\$70,420	\$627,000	\$697,420	\$163,299	\$1,106,900	\$1,270,149	+\$572,729
2025	\$89,947	\$627,000	\$716,947	\$180,676	\$1,158,900	\$1,339,526	+\$622,579
2026	\$110,022	\$627,000	\$737,022	\$241,368	\$1,210,900	\$1,452,218	+\$715,196
2027	\$130,659	\$627,000	\$757,659	\$322,418	\$1,262,900	\$1,585,268	+\$827,609

Operating cash flows in Scenario 2 are on average \$450,000 higher than in Scenario 1 over the first ten years of the projection.

As noted above, the improvement in operating cash flows must offset the depreciation expense associated with the CIP investments in order for OPM to build up a reserve that would enable it to re-invest in docks in another 30 years when the new docks reach the end of their useful lives. The following table shows how the increased depreciation expense (associated with the CIP) in Scenario 2 compares to the improvement in operating cash flows as compared to Scenario 1.

Exhibit 30. Scenario 2: Depreciation of CIP Investments vs. Improvement in Operating Cash Flows

Fiscal Year	Depreciation of CIP Investments	Improvement in Operating Cash Flows vs. Scenario 1	Difference (Improvement in CF less Depreciation)
2018	\$84,600	+\$18,523	-\$66,077
2019	\$179,700	+\$87,243	-\$92,457
2020	\$268,400	+\$186,433	-\$81,967
2021	\$328,400	+\$454,371	\$125,971
2022	\$375,900	+\$483,372	\$107,472
2023	\$427,900	+\$527,161	\$99,261
2024	\$479,900	+\$572,729	\$92,829
2025	\$531,900	+\$622,579	\$90,679
2026	\$583,900	+\$715,196	\$131,296
2027	\$635,900	+\$827,609	\$191,709
Averages	\$389,700	\$449,522	\$59,822

The table shows that, over the first ten years of the forecast, the improvement in cash flows under Scenario 2 exceeds the additional depreciation expense associated with CIP investments, by an annual average of approximately \$60,000. This means that, relative to Scenario 1, OPM could set aside a reserve equivalent to the calculated annual depreciation of its CIP assets, and still have a \$60,000 surplus left over relative to its Scenario 1 operating cash flow.

This implies that the additional annual cash flows in Scenario 2 can contribute to a reserve that would allow SMCHD to re-invest in new docks when the CIP docks reach the end of their useful lives in 30 years. In other words, the investment in docks as part of the CIP results in additional annual cash flow that allows for self-sustaining re-investment over time, as compared to Scenario 1.

Of course, as mentioned previously, these results are contingent on certain assumptions that may or may not come to pass. While we believe, based on evidence from the newly-replaced Dock 11, that the occupancy rates projected in Scenario 2 are reasonable, we are less confident that the optimistic slip rental rates presented by Anchor QEA in their 2016 Market Study can be achieved.

Therefore, in the following subsection we present results for “Scenario 2½,” which assumes that OPM undertakes the CIP as in Scenario 2, but that the slip rental rate assumptions are halfway between the assumptions in Scenario 1 and Scenario 2.

J. SCENARIO 2½ : UNDERTAKE CIP; MODERATE RENTAL RATE INCREASE

Under this scenario, OPM would undertake the CIP and occupancy rates would increase as they do in Scenario 2, but we assume that slip rental rates do not increase as much as assumed in Scenario 2.

The following table presents projected slip rental rates under Scenario 2½. Rate increases in this scenario are only half of the increases presented in Scenario 2.

Exhibit 31. Projected Monthly Slip Rental Rates per Foot Before and After Dock Replacement (\$2017)

Slip Size	Slip Rates Before Dock Replacement	Slip Rates After Dock Replacement	Percentage Change
26 Foot	\$8.31	\$8.57	3.1%
30 Foot	\$8.28	\$8.92	7.8%
36 Foot	\$8.19	\$9.30	13.5%
40 Foot	\$8.53	\$9.97	16.9%
45 Foot +	\$8.50	\$10.17	19.7%
Weighted Average	\$8.33	\$9.42	13.1%

The weighted average rate per linear foot would only increase to \$9.42 in this scenario, which is only 5% higher than the \$8.97 median rate for all 43 marinas in the 2017 Bay Area rate survey.

The following table presents a comparison of projected revenues in Scenario 1 and Scenario 2½.

Exhibit 32. Comparison of Projected Revenue – Scenario 1 vs. Scenario 2½

Fiscal Year	SCENARIO 1 Revenue	SCENARIO 2½ Revenue	Difference
2018	\$1,479,756	\$1,479,756	\$0
2019	\$1,521,189	\$1,563,450	+\$42,261
2020	\$1,563,783	\$1,663,111	+\$99,328
2021	\$1,607,569	\$1,924,275	+\$316,706
2022	\$1,652,580	\$1,989,141	+\$336,561
2023	\$1,698,853	\$2,064,437	+\$365,584
2024	\$1,746,421	\$2,142,231	+\$395,810
2025	\$1,795,320	\$2,224,117	+\$428,797
2026	\$1,845,589	\$2,334,690	+\$489,101
2027	\$1,897,266	\$2,457,666	+\$560,400

On average, Scenario 2½ revenue is approximately \$303,000 higher annually than Scenario 1 revenue over the first 10 years of the projection.

The following table presents a comparison of net operating income (operating cash flows) between Scenario 1 and Scenario 2½.

Exhibit 33. Comparison of Projected Net Operating Income – Scenario 1 vs. Scenario 2½

Fiscal Year	SCENARIO 1 Net Operating Income	SCENARIO 2½ Net Operating Income	Difference
2018	\$590,929	\$609,452	+\$18,523
2019	\$607,475	\$668,777	+\$61,302
2020	\$624,485	\$743,387	+\$118,902
2021	\$641,970	\$978,799	+\$336,829
2022	\$659,945	\$1,017,192	+\$357,247
2023	\$678,424	\$1,065,273	+\$386,849
2024	\$697,420	\$1,115,091	+\$417,671
2025	\$716,947	\$1,168,217	+\$451,270
2026	\$737,022	\$1,249,225	+\$512,203
2027	\$757,659	\$1,341,808	+\$584,149

The annual *improvement* in net operating income averages approximately **\$324,000** per year under Scenario 2½ as compared to Scenario 1.

The following table compares the depreciation of CIP investments to the improvement in operating cash flows under Scenario 2½.

Exhibit 34. Scenario 2½: Depreciation of CIP Investments vs. Improvement in Operating Cash Flows

Fiscal Year	Depreciation of CIP Investments	Improvement in Operating Cash Flows vs. Scenario 1	Difference (Improvement in CF less Depreciation)
2018	\$84,600	+\$18,523	-\$66,077
2019	\$179,700	+\$61,302	-\$118,398
2020	\$268,400	+\$118,902	-\$149,498
2021	\$328,400	+\$336,829	\$8,429
2022	\$375,900	+\$357,247	-\$18,653
2023	\$427,900	+\$386,849	-\$41,051
2024	\$479,900	+\$417,671	-\$62,229
2025	\$531,900	+\$451,270	-\$80,630
2026	\$583,900	+\$512,203	-\$71,697
2027	\$635,900	+\$584,149	-\$51,751
Averages	\$389,700	+\$324,495	-\$65,205

The table shows that under Scenario 2½, the improvement in operating cash flows over Scenario 1 is not sufficient to offset the increased depreciation related to CIP investments, **although it does offset over 80% of this CIP depreciation**. This implies that OPM would only be able to build a reserve over time that would be **80% of the value required** to re-invest in docks in 30 years, wholly through cash flow from operations.

Note that the \$65,000 shortfall represents only around 3% of annual revenue. **If either rental rates or occupancy were to increase slightly above the assumptions of this scenario, the improvement in operating cash flow would be sufficient to fund the eventual replacement of docks in 30 years.**

K. COMPARISON OF SCENARIO 2 AND SCENARIO 2½ RESULTS

While the improved operating cash flows in Scenario 2 are sufficient to offset the additional depreciation expense from the CIP and build a reserve for future investments, the operating cash flows in Scenario 2½ **fall short by approximately 20%.** **This shows how sensitive the results are to assumptions, so it is important to understand the level of confidence for each assumption.**

The existence of data showing that the newly-replaced Dock 11 is fully occupied and has a waiting list provides support for assumptions about increasing occupancy rates after dock replacement. The Scenario 2 assumption of an 83% overall occupancy rate *after dock replacement* is only two percentage points higher than the current average occupancy rates at Brisbane, Oyster Cove and Coyote Point Marinas, and the dock replacement would make OPM relatively attractive to boaters. We are confident that our occupancy rate projections are sufficiently conservative.

In contrast, the slip rental rates projected in Scenario 2, based on the Anchor QEA market analysis for new docks, appear quite high relative to market averages, even with relatively high quality facilities. We estimate that OPD improvements will create a more pleasant environment in the long run, which should contribute to higher occupancy rates and justify rate increases above inflation (in combination with new docks). **Therefore, we believe a more likely rate trajectory is reflected in Scenario 2½ as compared to Scenario 2.**

It is also important to note that additional reserves that will be generated through overall SMCHD net income (including county tax revenue) going forward (after CIP expenditures have been made) would likely be sufficient to support significant future investment at OPM. However, analysis of these reserves is outside the scope of this report.

As mentioned previously, we are confident that the projected occupancy rates in all scenarios represent a conservative view of the future. However, in the next subsection we present results of a “worst case” scenario in which occupancy rates fall below current levels.

L. SCENARIO COMPARISON WITH REDUCED OCCUPANCY RATES

Slip occupancy rates could potentially fall for several reasons: adverse impacts related to construction disruption, traffic obstruction and noise at and around Oyster Point, an economic downturn, improvements made at competing marinas, and even sea level rise. Dornbusch investigated impacts to slip occupancy rates in both northern and southern California during the most recent severe economic downturn from 2008 through 2011. We found that occupancy rates for marinas in prime locations generally fell only slightly, typically by less than two percentage points, due to their relatively long waiting lists. Marinas in less prime locations with relatively shorter waiting lists typically experienced occupancy rate declines of 3 to 5 percentage points during this period. Oyster Point would fall into this latter category (with slightly greater declines), whereas marinas in prime San Francisco locations would experience less of an impact. Our review of data from this most recent downturn suggested that occupancy rates rebounded to pre-recession levels when the economy improved, so the lower occupancy rates persisted for only three to four years.

The following table presents projected slip occupancy rates under Scenario 1 and Scenario 2 assuming one of these worst case scenarios.

Exhibit 35. Projected Occupancy Rates by Slip Size, Economic Downturn (Worst Case)

Slip Size Range	Scenario 1 Occupancy Rate	<i>Scenario 1 Worst Case</i>	Scenario 2 Occupancy Rate	<i>Scenario 2 Worst Case</i>
30' and below	72%	67%	77%	72%
31' to 40'	83%	78%	93%	88%
41' to 50'	85%	80%	95%	90%
51' to 60'+	65%	60%	70%	65%
Totals	77%	72%	83%	78%

As noted in the table, we assume that the occupancy rate for each slip size category falls by 5 percentage points as compared to the original scenario, so the overall occupancy rate also falls by 5 percentage points. **The overall occupancy rate in Scenario 1 with an economic downturn would be 72%, while the overall occupancy rate in Scenario 2 (replaced slips) with an economic downturn would be 78%.**

We assume the same slip rental rate trajectories for Scenario 1 (inflation only) and Scenario 2½ (moderate rate increase) in this worst case scenario. The rate trajectory for Scenario 2 (based on the higher projected rates from the Anchor QEA study) would be even more unlikely during an economic downturn.

Projected slip rental revenue under Scenario 1 and Scenario 2½ with these lower occupancy rates is presented in the following table. Just for the purposes of modeling, we assume an economic downturn begins in 2020 and the effects persist for four years.

Exhibit 36. Comparison of Projected Slip Revenue, Reduced Occupancy, Scenario 1 vs. Scenario 2½

	SCENARIO 1 SLIP REVENUE			SCENARIO 2½ SLIP REVENUE			Relative Change
	Original Occupancy	Reduced Occupancy	Difference	Original Occupancy	Reduced Occupancy	Difference	
2020	\$1,208,700	\$1,130,000	-\$78,700	\$1,308,000	\$1,225,400	-\$82,600	-\$3,900
2021	\$1,242,500	\$1,161,600	-\$80,900	\$1,559,200	\$1,462,700	-\$96,500	-\$15,600
2022	\$1,277,300	\$1,194,200	-\$83,100	\$1,613,800	\$1,514,300	-\$99,500	-\$16,400
2023	\$1,313,000	\$1,227,600	-\$85,400	\$1,678,600	\$1,575,700	-\$103,000	-\$17,600

The table shows that under Scenario 1 with reduced occupancy rates, slip rental revenue falls by an average of over \$80,000 per year over this period (6.5% of original slip rental revenue). Under Scenario 2, slip rental revenue falls by slightly less than \$100,000 per year (6.2% of original slip rental revenue). **The relative change in slip rental revenue between the two scenarios averages around \$13,000 per year.**

It is this **relative change** that flows through to operating cash flows, so the downturn has a very minimal effect on the comparison of the two scenarios and the decision of whether to fund CIP improvements. However, the absolute reduction in revenue under each scenario translates directly to reductions in net income that would need to be plugged by additional Public revenue.

M. RECOMMENDATION FOR EXTENSION OF JPA

Since the Harbor District would want to be able to benefit from the additional revenue and operating cash flows generated by the investment in new docks and other CIP projects, while fully amortizing its investments over their useful lives, under this scenario we would recommend that the JPA be extended approximately 30 years from the midpoint of the CIP. Since roughly half of the CIP investment occurs prior to FY2021 and half occurs after, we recommend that the CIP be extended to around the year 2050. **This recommendation is based on the assumption that the JPA termination clause is written the same way as the current JPA.**

Paragraph 20 of the current JPA states that upon termination, “All assets at the project site paid for from operating revenue shall become the property of the CITY. CITY shall succeed to the depreciation reserve fund which shall be held in trust and used only for capital replacements.”

We recommend that the JPA be amended so that, going forward, SMCHD is compensated for the residual value of any investment it makes in real property and personal property assets that would revert to South San Francisco upon termination of the agreement. The simplest way to determine residual value would be by straight-line depreciation based on installation dates, investment values and the useful lives for different assets described in this report.

With such an amendment, the exact term length of the JPA would not be as critical because SMCHD would be able to receive fair compensation for any investments it makes. For example, a dock replaced five years before the expiration of the JPA would still have 25/30 (83.3%) of its value at JPA expiration, and SSF would compensate SMCHD at that level.

N. MANAGEMENT CONTRACT ALTERNATIVE

An alternative to extending the JPA would be for SMCHD to operate under a management contract with SSF. Under a typical management contract, the operator collects revenue that it uses to cover its operating expenses, and it typically retains 3% of revenue as a management fee. Any net income flows to the owner of the asset (in this case, SSF).

Since OPM enterprise revenue is projected to fall short of total OPM expenses (enterprise and public), SSF would need to plug the difference with an annual allocation or subsidy. In effect, the annual funds that SSF would need to provide would be roughly equivalent to the public revenue that is currently allocated to OPM by the District, plus whatever management fee might be negotiated between SMCHD and SSF (as noted previously, 3% is typical).

In addition, SSF would be responsible for all capital improvements, so SMCHD would not need to undertake the CIP. From the perspective of SMCHD, a management contract would have no risk as expenses would be covered, the management fee would be guaranteed, and there would be no capital investment. However, from the perspective of SSF, the management contract structure would mean an annual subsidy and significant capital investment. In the absence of the public revenue currently allocated to SMCHD by San Mateo County, SSF would not find this to be an attractive proposition.

The following table presents an estimate of the potential annual subsidy SSF would need to provide (based on Scenario 1 rate and occupancy assumptions). SMCHD would have all expenses covered and would earn a management fee of 3% of Enterprise revenue in this scenario.

Exhibit 37. Estimated SSF Subsidy Under Management Contract (Assumes no SMCHD Public Revenue)

Fiscal Year	OPM Enterprise Revenue	All OPM Operating Expenses	Management Fee (3% of Ent. Revenue)	Depreciation	Shortfall (Subsidy)
2018	\$1,479,756	\$2,222,067	\$44,393	\$627,000	-\$1,413,704
2019	\$1,521,189	\$2,284,285	\$45,636	\$627,000	-\$1,435,731
2020	\$1,563,783	\$2,348,245	\$46,913	\$627,000	-\$1,458,376
2021	\$1,607,569	\$2,413,996	\$48,227	\$627,000	-\$1,481,654
2022	\$1,652,580	\$2,481,588	\$49,577	\$627,000	-\$1,505,585
2023	\$1,698,853	\$2,551,072	\$50,966	\$627,000	-\$1,530,185
2024	\$1,746,421	\$2,622,502	\$52,393	\$627,000	-\$1,555,474
2025	\$1,795,320	\$2,695,932	\$53,860	\$627,000	-\$1,581,472
2026	\$1,845,589	\$2,771,418	\$55,368	\$627,000	-\$1,608,197
2027	\$1,897,266	\$2,849,018	\$56,918	\$627,000	-\$1,635,670
Averages	\$1,680,833	\$2,524,012	\$50,425	\$627,000	-\$1,520,605

As the table shows, the average annual subsidy SSF would need to provide would be approximately \$1.5 million given these assumptions.

VI. INTERMEDIATE SCENARIO: WHAT LEVEL OF INVESTMENT IS APPROPRIATE IF JPA ENDS IN 2026

It is unlikely that SSF would countenance SMCHD ceasing capital investment at OPM over the next nine years. Allowing docks to deteriorate past their estimated useful lives would violate the spirit (if not the letter) of the existing JPA. However, there is little incentive for SMCHD (outside the potential revenue gains due to possible occupancy and rate increases) to make investments in docks without an extension of the JPA or an amendment as discussed in the previous section.

A. RECOMMENDATION

We recommend that SMCHD push to amend the JPA so that, upon termination or expiration, it is compensated for any investment it makes, based on a depreciation formula that allows for transparent calculations.

VII. KEY FINDINGS AND RECOMMENDATIONS

The following bullet points summarize the key findings of this analysis:

- Some of the impacts of the OPD project on OPM are easily quantifiable (the loss of landside lease revenue due to the conveyance of parcels to OPD), while others are not (potential negative short-term impacts and positive long-term impacts to OPM occupancy and rates).
- Although there are uncertainties, they apply to both Scenario 1 and Scenario 2, and we can still compare operating cash flows between the scenarios while netting out common effects.
- In order to develop an accurate financial model, the CIP for OPM should ideally include all capital investments that will be required of SMCHD related to the fuel dock, sea level/subsidence issues, wave attenuation, and any other infrastructure issues. At present, SMCHD staff believes that investments associated with these issues will be covered primarily by OPD.
- Scenario 1 assumes constant occupancy rates (slightly below the market average), and slip rental rates increasing only by inflation.
- Given Scenario 2 assumptions (higher occupancy and higher rental rates after dock replacement), OPM could set aside a reserve equivalent to the calculated annual depreciation of its CIP assets, and still have a \$60,000 (annual average surplus) left over *relative to its Scenario 1 operating cash flow*. **In other words, the CIP investment in docks results in additional annual cash flow that allows for self-sustaining re-investment over time, as compared to Scenario 1.**
- Scenario 2 represents a very optimistic scenario in terms of revenue potential. While we believe an overall occupancy rate of 83% is achievable, we believe that the rate trajectory in Scenario 2½ is more reasonable than the rate trajectory in Scenario 2.
- Under Scenario 2½, the additional annual cash flow **is sufficient to cover 80%** of the additional depreciation associated with CIP projects, so it falls just short of the objective of self-sustaining re-investment. This demonstrates the sensitivity of the model to occupancy and rental rate assumptions.
- **In an economic downturn scenario, occupancy rates could fall by as much as 5 percentage points and remain depressed over a three or four-year period. Slip rental revenue and net income would potentially be reduced by approximately \$100,000 per year. However, the results of the *comparative* analysis between Scenario 1 and Scenario 2 remain essentially the same.**

Given reasonable and likely ranges for occupancy and rental rate paths, we project that investment in CIP improvements at OPM would be financially self-sustaining.

- If SMCHD decides to make significant capital investments at OPM, we recommend that the JPA be extended by approximately 30 years, the estimated useful life of new concrete docks.
- We also recommend that the JPA be amended to ensure that SMCHD is compensated for the residual value of its capital investments, preferably using a transparent depreciation formula.

This agreement, dated and made effective as of _____, 2018 (the "**Effective Date**") is entered into by and between the City of South San Francisco, a municipal corporation (the "**City**"), and the San Mateo County Harbor District, a special district and political subdivision of the State of California (the "**District**") and is hereinafter referred to as the "**Agreement**." The City and the District are hereinafter collectively referred to as the "**Parties**" and sometimes individually referred to as "**Party**."

RECITALS

1. The City is the owner real property located in the City, east of Highway 101 and east of the intersection of Oyster Point Boulevard and Marina Boulevard, comprising a portion of an area commonly known as the Oyster Point Marina (the "**Marina Property**"), and as shown on **Exhibit A** attached hereto and incorporated herein. For purposes of this Agreement, the Marina Property consists of the **Marina Area and Landside Area**.

2. Marina Area: The Marina Area is that area generally located between the northern mean high water mark and extending to the northerly edge of the breakwater, as shown on **Exhibit A**. The Marina Area comprises:

- A. An approximately 428-berth recreational boat marina spread over:
 - i. 6 public dock strings (Docks 1 through 6) and one reserved Dock 7 in the west basin;
 - ii. 4 dock strings (Docks 11, 12, 13 and 14) and a guest dock (Dock 8) in the east basin;
 - iii. A Ferry Terminal operated by the San Francisco Bay Area Water Emergency Transportation Authority (WETA) under a long term lease agreement with the District (WETA Lease);
 - iv. Ramps leading to the above referenced Docks.
- B. Fuel utility lines, fueling docks and fueling station;
- C. Boat launch ramp;
- D. Fishing pier.

3. Landside Area: The Landside Area includes those components of the Marina Property generally located east of Oyster Point Boulevard and inland of the high water mark of the perimeter of the peninsula, as shown on **Exhibit A** and comprises:

- A. East Landside: The East Landside Area includes:
 - i. Approximately 40 parking spaces, a publicly-accessible overlook, seating and bike lockers in support of the Ferry Terminal described above;
 - ii. The strip of land by which the harbormaster office, the guest dock and the fuel dock are accessed (the "spit");

iii. Harbormaster office, maintenance building, the Oyster Point Yacht Club, public and Marina comfort stations;

iv. Parking lots in support of the general public, the Marina and the boat launch ramp;

v. Open space and trails,

vi. Underground fuel lines and two underground fuel tanks

B. West Landside: The West Landside Area includes:

i. Parking lot, with 16 spaces reserved for Marina uses;

ii. Marina Serving Facilities, which currently include two public comfort stations and two marina comfort stations;

iii. Approximately 260 linear feet of underground fuel line from tank to dispensers

iv. Trails and beach area;

v. A future public sports/recreation area;

vi. A future hotel site.

4. Fueling Infrastructure: The Fueling Infrastructure is described in both Marina Area and East Landside Area above, and collectively consists of:

A. Marina Area:

i. Dock gate, gangway and fuel dock;

ii. Two fuel dispensers;

iii. Marine pump out;

iv. Approximately 300 linear feet of fuel lines from dispensers to shoreline.

B. East Landside Area:

i. Approximately 520 linear feet of underground fuel lines;

ii. Two (2) 10,000 gallon underground fuel storage tanks.

5. The Parties entered into a Joint Powers Agreement effective November 11, 1977 and recorded on October 15, 1984 as Document No. 84111706 in the Official Records of San Mateo County, as amended by Agreement Amending the Joint Power Agreement dated October 11, 1979 and adopted by resolution Dated October 3, 1979 and by Second Agreement

Amending Joint Powers Agreement dated November 27, 1985, (the "**JPA**"), pursuant to which the District is authorized to manage, maintain and operate the Marina Property, and to construct, manage, maintain and operate marina development.

6. The Parties and the former Redevelopment Agency entered into that certain agreement entitled Agreement Between and Among the City of South San Francisco, the Redevelopment Agency of the City of South San Francisco, and the San Mateo County Harbor District" effective March 25, 2011 (the "**2011 Agreement**"), which is attached hereto as **Exhibit B**.

7. The Parties entered into that certain agreement entitled "Implementation Agreement By and Between the City of South San Francisco and the San Mateo County Harbor District Related to the 2011 Agreement by and Among the City, District, and the City's Former Redevelopment Agency" effective September 6, 2017 (the "**2017 Implementation Agreement**") in order to further implement the 2011 Agreement, which is attached hereto as **Exhibit C**.

8. In an effort to clarify the Parties' respective rights and obligations with regard to the Marina Property to reflect changed circumstances and facilitate the mutual desired improvement, operation, and maintenance of the portions of the Marina Property that remain under the Parties' control, the Parties met and conferred on several occasions during 2018. The Parties desire by this Agreement to establish, among other things, the following:

- A. A clear demarcation of the geographical boundaries of the Marina Property that remain under the ownership or control of the Parties;
- B. The Parties' respective rights and obligations with respect to the following:
 - i. Construction of replacement Docks
 - ii. Operation and maintenance of the Marina Area.
 - iii. Operation and maintenance of the Landside Area.
 - iv. A framework for implementation, annual monitoring, making recommendations, and planning for future development.

9. The Parties wish to enter into a new agreement to supersede and replace the JPA, while retaining the 2011 Agreement and the 2017 Implementation Agreement.

NOW THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

AGREEMENT

- 1. Incorporation of Recitals. The foregoing recitals are true and correct and are incorporated into and form a material part of this Agreement.
- 2. Effect of Prior Agreements. The Parties acknowledge and agree that this Agreement supersedes the JPA which will automatically expire and be of no force as of the

effective date of this Agreement. The 2011 Agreement and the 2017 Implementation Agreement remain in effect as per their own terms.

3. Term. This Agreement will remain in full force and effect for a period of fifteen (15) years from the Effective Date (the “**Initial Term**”), unless terminated otherwise as provided for in this Agreement. The Agreement will automatically renew for two (2) additional periods of ten (10) years each (each, a “**Renewal Term**”) unless one party gives the other notice of its determination not to renew. The determination not to extend the Initial Term or Renewal Term must be made by the legislative body of either Party at least two (2) years prior to the expiration date of the Initial Term or any Renewal Term and is considered a termination subject to the provisions of Section 9. The Initial Term and any Renewal Term are collectively referred to as the “**Term.**”

4. Obligations of the District.

A. Replacement of Docks 12, 13, and 14. The Parties agree that Docks 12, 13, and 14 in the east basin, including the docks and ramps, are beyond their useful life and require substantial repair and replacement. The Parties further agree that the replacement of Docks 12, 13 and 14 is a material provision of this Agreement. The District, at its sole cost and expense, is responsible for such replacement and repair of Docks 12, 13, and 14 in the east basin, including the docks and ramps (collectively, the “**Marina Infrastructure Project**”).

i. Project Schedule. The District will take all reasonable steps within its control to complete the Marina Infrastructure Project by December 31, 2024. The City Manager and District General Manager, or their designees, will meet and confer at least once a year to provide status updates on the project schedule.

ii. Permits and Approvals. The District is responsible for obtaining all necessary permits and approvals for the Marina Infrastructure Project. The City will cooperate with the District in order to expeditiously obtain approvals by all governing agencies having jurisdiction over the Marina Infrastructure Project.

iii. Total Project Costs. The District estimates that the total anticipated cost for the Marina Infrastructure Project is less than \$5 Million Dollars (“**Total Project Costs**”). The District will be responsible for timely funding the Total Project Costs in order to complete the Marina Infrastructure Project prior to December 31, 2024.

B. Replacement of Docks 1-6. No later than December 31, 2023, and sooner if deemed necessary by the District General Manager, the District will commission and obtain a report on the condition of Docks 1-6. Prior to issuing a final report, the District will provide a draft report to the City for its review and comment. If the final report required by this paragraph recommends the replacement of any of Docks 1-6, the District General Manager must prepare and present for Commission approval a plan for the replacement of the docks identified in the report. A failure to approve any such plan will not be considered a Default under this Agreement unless at the time the plan is considered by the Commission, the occupancy rates at the Marina Area are below the threshold set forth in the applicable Operational Performance Indicators, attached hereto as **Exhibit D**, and incorporated herein. In the event the District does not commence replacement of Docks 1-6 by 2024, then prior to every term extension, the District will commission a new report and present the report to the Commission in the same manner as set forth in this subsection.

C. Operation and Maintenance. The District is responsible for the operation and maintenance of the Marina Area, the East Landside, the Marina Serving Facilities in the West Landside, and the Fueling Infrastructure, including any portion that may be in the West Landside (District O and M Area). The District will have control and possession of all property and improvements within the District O and M Area and the City may not, without written approval of the District, take any actions that, directly or indirectly, prevent or interfere with the District's exercise of control or possession of property and improvements within the District O and M Area. The District will operate and maintain the District O and M Area in accordance with best practices for marinas and public spaces and in accordance with the applicable Operational Performance Indicators, attached hereto as **Exhibit D**, and incorporated herein. The City Manager and District General Manager will meet and confer as necessary with regard to all specific maintenance and operation issues in order to ensure that the Marina Property is well managed. The District's failure to operate and maintain the District O and M Area may be a Default of this Agreement as set forth in Section 9 below. In particular, the District's failure to substantially meet the Operational Performance Indicators may constitute a Default under this Agreement. Without limitation to the general obligation to operate and maintain the District O and M Area, the District has the following specific obligations:

i. Harbor Master's Office. In addition to its obligations to operate the District O and M Area, the District will operate and maintain the East Landside in order to provide access to the District's existing harbormaster office (the 'spit') as well as in order to operate and maintain the harbormaster office). The District's obligations under this subsection are not a limitation on the City's responsibility as set forth in Section 5 and nothing in this section is intended to limit the City's obligations with regard to sea level rise, land subsidence, and water quality, as set forth in Section 5.D, 5.E, or 6.C. Should the City improve the spit and/or appropriately mitigate against tidal inundation, the City and the District agree to determine the best and highest use of the existing harbormaster's office that may include District office space and/or other public use. In furtherance of its obligations under Section 5, the City may require the District to vacate the harbormaster office, only if the City provides the District with continued access to the Docks and suitable harbormaster office space at a mutually agreed upon location, and at the City's sole expense.

ii. Dredging. The District is responsible for all required dredging and related maintenance activities necessary for the operation of the Marina.

iii. Replacement of Facilities. The District must operate and maintain facilities within its control such that the District O and M Area is kept in a state of good repair and meet the Operational Performance Indicators set forth in Exhibit D. Such operation and maintenance may require replacement of facilities or portions of facilities in order to meet the District's obligations under Exhibit D. The Parties agree to meet and confer if circumstances unforeseen at the time of the Effective Date compel the replacement of capital infrastructure such that it would be unreasonable for the District to bear the sole cost of replacement.

D. Development and Leases. District is responsible for all leases within the District O and M Area. All District development will be consistent with the City's adopted Oyster Point Specific Plan, and subject to normal City Planning and Building Department review and approval. In addition, the District agrees to consult with the City prior to the execution of any leases and must obtain written consent from the City prior to the execution of any leases that are either longer than ten years or have a term beyond any Initial or Renewal Term then in effect.

E. Revenues from District Operations. The District may charge fees in connection with its operation of the District O and M Area. The District will receive and retain one hundred percent (100%) of such operating revenue. The District will provide the City with reports, at least annually, detailing the operating revenue.

5. Obligations of the City.

A. Utilities at Marina Property. The City will maintain the existing pump station and the District will maintain the existing sewer vacuum and sewer ejection system. The City will provide a sanitary sewer collection system. Upon installation of the new sewer lines, the City will continue to be responsible for the maintenance of collection main lines; the District will continue to be responsible for maintenance of laterals to points of connection.

B. Police and Fire Protection at Marina Property. The City will provide police and fire protection services to the Marina Property.

C. Operations & Maintenance. The City is responsible for the operation and maintenance of the West Landside, except for the areas within the West Landside that are within the District O and M Area (the City O and M Area). The City will have control and possession of all property within the City O and M Area and the District may not, without written approval of the City, take any actions that, directly or indirectly, prevent or interfere with the City's exercise of control or possession of the City O and M Area. The City will operate and maintain the City O and M Area in accordance with best practices for public spaces. The City Manager and District General Manager will meet and confer as necessary with regard to all specific maintenance and operation issues in order to ensure that the Marina Property. The City's failure to operate and maintain the City O and M Area may be a default of this Agreement as set forth in Section 9 below. In particular, the City's failure to substantially meet the Operational Performance Indicators may constitute a Default under this Agreement.

D. Sea Level Rise. The City is solely responsible for monitoring and protecting against landside inundation caused by sea level rise.

E. Landfill Subsidence.

i. The City is solely responsible for monitoring and protecting against landside inundation caused by landfill subsidence.

ii. The City is solely responsible, including taking corrective actions, for damages caused by landfill subsidence.

iii. The City is not responsible for damages caused by landfill subsidence to new construction or new improvements affixed to the land by the District.

iv. The District is responsible, including taking corrective actions, for damages caused by landfill subsidence caused solely by its Default.

v. In the event of concurrent responsibility for damages caused by landfill subsidence under the standards set forth in subsections ii through iv above, the City and District will meet and confer to determine a course of action to address the damages.

vi. Regardless of the allocation of responsibility set forth in this Section 5.E, the City, and not the District, is responsible for meeting all standards regarding landfill subsidence imposed by any governmental agencies, and is solely responsible for compliance with any actions ordered by any court or governmental agency regarding landfill subsidence.

F. No Assignment. Prior to the sale or assignment of its interest in any portion of the District O and M Area, the City must obtain the prior written consent and approval of the District, which approval will not be unreasonably withheld.

G. Revenues from City Operations. The City may charge fees in connection with its operation of the City O and M Area. The City will receive and retain one hundred percent (100%) of such operating revenue. The City will provide the District with reports, at least annually, detailing the operating revenue.

6. Obligations of Both Parties.

A. Cooperation of the Parties. Notwithstanding the Parties' separate obligations set forth in this Agreement, the Parties desire to cooperate in all matters involving the implementation of this Agreement. Each Party will allow access by the other to the Marina Property to carry out the performance of this Agreement. Neither Party may, without written approval of the other, take any action that, directly or indirectly, prevents or interferes with the other Party's exercise of control or possession of the property identified in this Agreement as within that Party's control or possession.

B. Authority of City Manager and District General Manager. The City Manager and District General Manager will meet periodically as necessary to discuss and agree on the administration and implementation of this Agreement. At a minimum, the City Manager and District General Manager will prepare the Annual Report described in Section 8. In addition to their obligation to prepare an Annual Report, the City Manager and District Manager have the authority to modify Exhibit D, including the Operational Performance Indicators, and to take the following actions in furtherance of this Agreement.

i. Shared Maintenance. The City Manager and District General Manager may, without the need for separate authorization by the Parties' legislative bodies, enter into yearly agreements for the shared provision of maintenance services despite the separation of maintenance obligations discussed otherwise in this Agreement, if such shared provision of maintenance will avoid duplication of effort and maximize the efficient use of public funds and proper maintenance of common areas in the Marina Property. Shared maintenance obligations subject to this section may include, but are not limited to, the arrangement for solid waste collection, janitorial services, and the construction, operation, and maintenance of any future shared capital improvements. Notwithstanding the preceding sentence, if the cost of any such shared yearly agreement exceeds the delegated authority of the City Manager or District General Manager pursuant to District or City policies, approval by the Parties' legislative bodies will be a condition of any such yearly agreement.

ii. Maintenance Checklist. In support of such shared maintenance obligations, the City Manager and the District General Manager will approve a checklist for evaluation of joint maintenance objectives. The checklist will provide for the evaluation of the condition, cleanliness, and general upkeep of the public facilities. The checklist will also be a

way of measuring the Operational Performance Indicators and will be maintained as an attachment to Exhibit D.

C. Water Quality. Each party will be responsible for water quality as it relates to each Party's obligations and responsibilities as follows:

i. Marina Area. The District will take all appropriate, and if necessary immediate, remediation and/or protective actions for any material spill or discharge within the Marina Area or the East Landside, but is only responsible for the costs of such efforts to the extent the need for such efforts is caused by District (or its tenants', employees', or contractors') activities or inactivity. The City will reimburse the District for its costs related to remediation and protective actions taken related to material spill or discharges that are not caused by District (or its tenants', employees', or contractors') activities. The District will implement marina operation and maintenance activities and suitable best management practices consistent with industry standards (i.e. the California Clean Marinas Guidebook, produced by the California Coastal Commission and the Clean Marina Clean Facility Program) and the District's Health and Safety Regulations (Chapter 3.30). Unless caused by District's, (or its tenants', employees', or contractors') activities or inactivity, the District is not responsible for meeting any standards regarding water quality imposed by any governmental agency, and is not responsible for taking any actions ordered by any court or governmental agency regarding water quality.

ii. Landside. The City is responsible for monitoring groundwater, and for protection of water quality, including but not limited to water quality related to leachate discharge and storm water discharge at the Marina Property not caused solely by District (or its tenants', employees', or contractors') activities within the District O and M Area. The City will reimburse the District for its costs related to water quality remediation and protective actions taken that are not caused by District (or its tenants, employees, or contractors) activities. The District will implement marina operation and maintenance activities and suitable best management practices consistent with industry standards (i.e. the California Clean Marinas Guidebook, produced by the California Coastal Commission and the Clean Marina Clean Facility Program) and the District's Health and Safety Regulations (Chapter 3:30). Unless caused by District's, (or its tenants', employees', or contractors') activities or inactivity, the District is not responsible for meeting any standards regarding water quality imposed by any governmental agency, and is not responsible for taking any actions ordered by any court or governmental agency regarding water quality.

D. Governance. Each Party's legislative body will establish a standing committee made up of two members of the legislative body to receive reports from the City Manager or the District General Manager and to make recommendations to their legislative bodies regarding this Agreement. At least once each year, the two standing committees will convene a joint meeting to receive the Annual Report discussed in Section 8. The Parties' legislative bodies may, but are not required, to meet to consider the Annual Report.

E. Indemnities.

i. Except to the extent subject to subparagraph iii and iv, and to the fullest extent allowed by law, each Party must defend, indemnify and hold harmless the other Party and their officials, officers, employees, agents, and volunteers from and against any and all losses, liability, claims, suits, actions, damages, and causes of action arising out of any personal injury, bodily injury, loss of life, or damage to property, or any violation of any federal,

state, or municipal law or ordinance, to the extent caused by, or alleged to have been caused by, the negligence or willful misconduct of the indemnifying Party. The foregoing obligation will not apply when the injury, loss of life, damage to property, or violation of law arises solely from the negligence or willful misconduct of the Party or its officers, employees, or agents. It is understood that the duty to indemnify and hold harmless includes the duty to defend as set forth in Section 2778 of the California Civil Code.

ii. In the event that either party engages a third party to provide services that require entry onto the Marina Property, each Party will require that any third party contractor will, to the fullest extent allowed by law, defend, indemnify and hold harmless both Parties and their officials, officers, employees, agents, and volunteers from and against any and all losses, liability, claims, suits, actions, damages, and causes of action arising out of any personal injury, bodily injury, loss of life, or damage to property, or any violation of any federal, state, or municipal law or ordinance, arising out of the performance of any contract by a third party contractor or its employees, subcontractors, or agents. The foregoing obligation of the contractor will not apply when the injury, loss of life, damage to property, or violation of law arises solely from the gross negligence or willful misconduct of the Party or its officers, employees, or agents. It is understood that the duty of contractor to indemnify and hold harmless includes the duty to defend as set forth in Section 2778 of the California Civil Code. In addition to the foregoing indemnity, any contract with a third party contractor will require the contractor to name both parties as additional insured to any insurance policies required by the contract.

iii. Notwithstanding subparagraph (i), the City must indemnify the District, its officials, officers, employees, agents, and volunteers from and against any and all losses, liability, claims, suits, actions, damages, and causes of action arising out or related to incidents of sea level rise, land subsidence, and water quality, including issues related to any leachate discharge at the Marina Property. The City's indemnity obligation does not apply to losses, liabilities, claims, suits, actions, damages, and causes of action to the extent the District is responsible for the damages under Section 5.E or 6.C.

iv. Notwithstanding subparagraph (i), the District must indemnify the City, its officials, officers, employees, agents, and volunteers from and against any and all losses, liability, claims, suits, actions, damages, and causes of action arising out or related to incidents of land subsidence and water quality, including issues related to any leachate discharge at the Marina Property, but only to the extent that the District is responsible for damages under Section 5.E or 6.C.

v. The indemnities in this section will survive expiration or termination of this Agreement.

7. Detailed Survey. The Parties agree to meet and establish a timeline by which a detailed survey that will establish precise legal descriptions for all the property designations used in this Agreement will be prepared. The Parties agree that the description of defined geographic areas used in this Agreement may change over time as the use of the Marina Property is developed and the exhibits defining the areas within the Agreement may be amended from time to time. The City Manager and the District General Managers are authorized to amend the exhibits to reflect the results of the completed survey.

8. Annual Review and Report. The Parties will conduct an annual review of the Agreement beginning in the first quarter of 2020. To initiate the annual review, the City Manager

and the District General Manager will coordinate and review compliance by the City and the District with the obligations under this Agreement and jointly prepare a written report ("**Annual Report**") to be presented to the joint meeting of the Party's standing committee described in Section 6.D. The Annual Report must, at a minimum, identify compliance with existing Operational Performance Indicators as set forth in Exhibit D, provide an update on the progress made by each of the Parties toward implementing this Agreement, including budgetary information for the Fueling Infrastructure and Marina Infrastructure, address any future planning for the Marina Property, and identify recommendations to improve performance and additional performance indicators to be added as part of this Agreement. In the event the Parties are unable to agree on the status of the Operational Performance Indicators in the Annual Report, the Annual Report will include a report from an independent third party agreeable to both parties to conduct an inspection of the facilities in order to assess the status of the performance of the Operational Performance Indicators, as set forth in **Exhibit D**. No later than in the tenth year of the Agreement Term, and also in the seventh year of any Renewal Term, the Parties will also engage in a thorough review of the Agreement and identify any provisions that require negotiation and possible amendment. Any proposed amendment will be presented to a joint meeting of the Party's standing committees and then to the Parties' legislative bodies for action as necessary.

A. As part of the Annual Report, the District will provide the City with financial reports that detail the Operating Revenue and Expenses attributed to the District O and M Area.

B. In order to determine initial cost, useful life and current value, the District will include in the Annual Report the fixed asset schedule related to its capital assets at the Marina Property ("Asset Schedule"). The Asset Schedule will not include the following items:

- i. any Fueling Infrastructure that has been funded from CFD; proceeds.
- ii. any assets paid for with funds other than Harbor District funds, for which the District has no ongoing obligations for repayment.

9. Termination.

A. Termination by Either Party. Either Party may terminate this Agreement by determination of a Party's legislative body not to renew the Agreement as set forth in Section 3.

B. Termination by the City for Cause. If the District fails to perform any material provisions of this Agreement, the City may find the District to be in Default. If the District does not cure such Default within 60 days after receipt of written notification from the City that such failure has occurred, or provide a plan to cure such default which is acceptable to the City in the reasonable exercise of its judgment, then the City may, by written notice of Default, terminate this Agreement for cause, effective 365 days after notice of termination, or earlier if agreed by both parties. The parties agree that not every violation of a provision of this Agreement is grounds for Default. A reasonable materiality standard will apply. In addition, the term "Default" for purposes of this Section also includes the following:

- i. Failure of the District to substantially meet the Operational Performance Indicators, as set forth in **Exhibit D**. If the District disputes the City's finding of

such failure, the District may at its sole expense commission an independent third party agreeable to both parties to conduct an inspection of the facilities to assess its performance of its obligations as set forth in **Exhibit D**. Unless the parties agree to a different time, the report of the inspection must be completed within 30 days of the notice of Default and will be shared with both Parties. The City must withdraw its notice of Default if the inspection report finds that the District has substantially met the Operational Performance Indicators set forth in **Exhibit D**. Unless the parties agree to a different time, the District will have the longer of (i) 30 days from completion of the report of inspection or (ii) 60 days from the notice of Default to cure any deficiencies, or provide a plan to cure any deficiencies that is acceptable to the City in the reasonable exercise of its discretion.

ii. Failure of the District to operate the Marina Area for a period of more than 30 calendar days.

iii. Notwithstanding the above, the District will not be in Default if its failure to perform is caused by reasons reasonably outside its control. Such failures expressly include, but may not be limited to: failure caused by the default or delayed performance by a third party contractor of work to replace any of the Docks or other improvements that are not a result of District's actions; failures caused by labor unrest or work stoppages; failures resulting from a Casualty Event in which damage, destruction, or loss of property due to an event that is sudden, unexpected, or unusual makes it impossible or impractical for the District to perform its obligations under this Agreement; a change in law that prohibits the District's performance hereunder; interference in possession or performance of materials or services by a governmental entity in connection with a public emergency or any condemnation or other taking by eminent domain of any material portion of the Marina Property.

C. Termination by the District for Cause. If the City fails to perform any material provisions of this Agreement, the District may find the City to be in Default. If the City does not cure such Default within 60 days after receipt of written notification from the District that such failure has occurred, or provide a plan to cure such default which is acceptable to the District in the reasonable exercise of its judgment, then the District may, by written notice of default, terminate this Agreement for cause effective 365 days after notice of termination or earlier if agreed by both parties. The parties agree that not every violation of a provision of this Agreement is grounds for Default. A reasonable materiality standard will apply. In addition, the term "Default" for purposes of this Section also includes the following:

i. Failure of the City to substantially meet the Operational Performance Indicators, as set forth in **Exhibit D**. If the City disputes the District's finding of such failure, the City may at its sole expense commission an independent third party agreeable to both parties to conduct an inspection of the facilities to assess its performance of its obligations as set forth in **Exhibit D**. Unless the parties agree to a different time, the report of the inspection must be completed within 30 days of notice of Default and will be shared with both Parties. The District must withdraw its notice of Default if the inspection report finds that the City has substantially met the Operational Performance Indicators set forth in **Exhibit D**. Unless the parties agree to a different time, the City will have the longer of (i) 30 days from completion of the report of inspection or (ii) 60 days from the notice of Default to cure any deficiencies, or provide a plan to cure any deficiencies that is acceptable to the District in the reasonable exercise of its discretion.

ii. Notwithstanding the above, the City will not be in Default if its failure to perform is caused by reasons reasonably outside its control. Such failures expressly

include, but may not be limited to: failure caused by the default or delayed performance by a third party contractor that are not the result of the City's actions; failures caused by labor unrest or work stoppages; failures resulting from a Casualty Event in which damage, destruction, or loss of property due to an event that is sudden, unexpected, or unusual makes it impossible or impractical for the City to perform its obligations under this Agreement; a change in law that prohibits the City's performance hereunder; interference in possession or performance of materials or services by a governmental entity in connection with a public emergency or any condemnation or other taking by eminent domain of any material portion of the Marina Property.

D. Obligations Upon Termination; Procedures

The Parties agree, that upon termination, the following principles should apply to the termination procedures:

- 1 In the event of termination for convenience, neither party should receive an unreasonable benefit of property, assets, or funds disproportionate to the Party's investment.
- 2 On termination for cause, the non-defaulting party may incur damages caused by the defaulting party. It is difficult as of the Effective Date to determine with any precision what those damages will be. In addition to the provisions set forth below, the parties therefore agree to submit any claim for damages to binding arbitration. The arbitrator may not award damages that are punitive in nature, or result in a recovery that is disproportionate to the default that caused the termination.
- 3 Regardless of whether termination is for convenience or cause, the Parties agree that between notice of termination and the effective date of actual termination, the Parties will make best efforts to cooperate in achieving a smooth transition to City control of the Marina Property. The Parties will need to cooperate on issues including but not limited to: transitions as may be necessary related to any tenancies at the Marina Property, appropriate notice to District or City employees, transition/assignment of any existing third party contracts, notice to the public of a transition in responsibility.

i. **Upon termination of this Agreement by City for convenience** (non-renewal of Term: Section 3), the following principles are subject to agreement by the parties, and in that case, the termination process will follow these general steps:

a. The City will have possession of and take title to the entire Marina Property, including all Docks and other improvements affixed to the land.

b. The District will have possession of and take title to all of its personal property at the Marina Property (for instance vehicles).

c. The City may elect to be the successor in interest to all District permits, leases, and other agreements for operation and maintenance at the Marina Property.

d. Subject to DBW approval, the City will be the successor in interest to any DBW Grant Agreements still in effect as of the effective date of termination.

e. For any permits, leases, and other agreements that the City has elected to continue, the City will retain all operating revenue from the Marina Property as of the effective date of termination. For any permits, leases, and other agreements that the City does not wish to continue, the District will endeavor to terminate those permits, leases or agreements prior to the effective date of the termination.

f. The City will pay the District, on an agreed upon schedule, at an annual rate no less than the annual depreciation established in the District's fixed Asset Schedule (which schedule will be kept up to date and included in each year's Annual Report), an amount equal to the variable "D" in the following formula:

$$D = A \times (B/C)$$

A= Actual cost paid by District for replacement of Docks, or other improvements affixed to the land that the District has built or replaced during the Term.

B= Remaining useful life of existing Dock or improvement

C= Initial useful life of existing Dock or improvement

Useful Life is defined as the estimated lifespan of a depreciable fixed asset, during which it can be expected to contribute to District operations, as detailed in the most recent Annual Report.

g. The Parties agree to identify any other actual and reasonable costs necessary to effect the termination and will apportion those costs according to the objectives set forth in this subsection D. In the event that the parties do not agree on the amount of reimbursement, or in the event that either party has additional claims against the other for damages resulting from the termination of this agreement that are not resolved by the procedures in sections a-e above, the parties agree to submit to third party arbitration any additional termination claim either may have against the other. The arbitration will be administered by the Judicial Arbitration and Mediation Services ("JAMS") under its rules then in effect. It will be conducted by a single neutral arbitrator agreed to by the parties, or if the parties cannot agree upon an arbitrator, before one assigned by JAMS. In reaching a decision, the arbitrator must consider the termination procedure objectives set forth in this subsection D and prepare a written decision that includes findings of fact, the reasons underlying the decision, and conclusions. Each party will bear its own costs and fees in connection with the arbitration.

ii. **Upon termination of this Agreement by City for Default by District** the following principles are subject to agreement by the parties, and in that case, the termination process will follow these general steps:

a. The City will have possession of and take title to the entire Marina Property, including all Docks and other improvements affixed to the land.

b. The District will have possession of and take title to all of its personal property at the Marina Property (for instance vehicles).

c. The City may elect to be the successor in interest to all District permits, leases, and other agreements for operation and maintenance at the Marina Property.

d. Subject to DBW approval, the City will be the successor in interest to any DBW Grant Agreements still in effect as of the effective date of termination.

e. For any permits, leases, and other agreements that the City has elected to continue, the City will retain all operating revenue from the Marina Property as of the effective date of termination. For any permits, leases, and other agreements that the City does not wish to continue, the District will endeavor to terminate those permits, leases or agreements prior to the effective date of the termination.

f. The City will pay the District, on an agreed upon schedule, at an annual rate no less than the annual depreciation established in the District's fixed Asset Schedule (which schedule will be kept up to date and included in each year's Annual Report), an amount equal to the variable "D" in the following formula:

$$D = A \times (B/C)$$

A= Actual cost paid by District for replacement of Docks, or other improvements affixed to the land that the District has built or replaced during the Term.

B= Remaining useful life of existing Dock or improvement

C= Initial useful life of existing Dock or improvement

Useful Life is defined as the estimated lifespan of a depreciable fixed asset, during which it can be expected to contribute to District operations, as detailed in the most recent Annual Report.

g. The Parties agree to identify any other actual and reasonable costs necessary to effect the termination and will apportion those costs according to the objectives set forth in this subsection D. In the event that the parties do not agree on the amount of reimbursement, or in the event that either party has additional claims against the other for damages resulting from the termination of this agreement that are not resolved by the procedures in sections a-e above, the parties agree to submit to third party arbitration any additional termination claim either may have against the other. The arbitration will be administered by the Judicial Arbitration and Mediation Services ("JAMS") under its rules then in effect. It will be conducted by a single neutral arbitrator agreed to by the parties, or if the parties cannot agree upon an arbitrator, before one assigned by JAMS. In reaching a decision, the arbitrator must consider the termination procedure objectives set forth in this subsection D and prepare a written decision that includes findings of fact, the reasons underlying the decision, and conclusions. Each party will bear its own costs and fees in connection with the arbitration. :

iii. **Upon termination of this Agreement by District for convenience** the following principles are subject to agreement by the parties, and in that case, the termination process will follow these general steps:

a. The City will have possession of and take title to the entire Marina Property, including all Docks and other improvements affixed to the land.

b. The District will have possession of and take title to all of its personal property at the Marina Property (for instance vehicles).

c. The City may elect to be the successor in interest to all District permits, leases, and other agreements for operation and maintenance at the Marina Property.

d. Subject to DBW approval, the City will be the successor in interest to any DBW Grant Agreements still in effect as of the effective date of termination.

e. For any permits, leases, and other agreements that the City has elected to continue, the City will retain all operating revenue from the Marina Property as of the effective date of termination. For any permits, leases, and other agreements that the City does not wish to continue, the District will endeavor to terminate those permits, leases or agreements prior to the effective date of the termination.

f. The City will pay the District, on an agreed upon schedule, at an annual rate no less than the annual depreciation established in the District's fixed Asset Schedule (which schedule will be kept up to date and included in each year's Annual Report), an amount equal to the variable "D" in the following formula:

$$D = A \times (B/C)$$

A= Actual cost paid by District for replacement of Docks, or other improvements affixed to the land that the District has built or replaced during the Term.

B= Remaining useful life of existing Dock or improvement

C= Initial useful life of existing Dock or improvement

Useful Life is defined as the estimated lifespan of a depreciable fixed asset, during which it can be expected to contribute to District operations, as detailed in the most recent Annual Report.

g. The Parties agree to identify any other actual and reasonable costs necessary to effect the termination and will apportion those costs according to the objectives set forth in this subsection D. In the event that the parties do not agree on the amount of reimbursement, or in the event that either party has additional claims against the other for damages resulting from the termination of this agreement that are not resolved by the procedures in sections a-e above, the parties agree to submit to third party arbitration any additional termination claim either may have against the other. The arbitration will be administered by the Judicial Arbitration and Mediation Services ("JAMS") under its rules then in effect. It will be conducted by a single neutral arbitrator agreed to by the parties, or if the parties cannot agree upon an arbitrator, before one assigned by JAMS. In reaching a decision, the arbitrator must consider the termination procedure objectives set forth in this subsection D and prepare a written decision that includes findings of fact, the reasons underlying the decision, and conclusions. Each party will bear its own costs and fees in connection with the arbitration. .

iv. **Upon termination of this Agreement by District for Default by City** the following principles are subject to agreement by the parties, and in that case, the termination process will follow these general steps:

a. The City will have possession of and take title to the entire Marina Property, including all Docks and other improvements affixed to the land.

b. The District will have possession of and take title to all of its personal property at the Marina Property (for instance vehicles).

c. The City may elect to be the successor in interest to all District permits, leases, and other agreements for operation and maintenance at the Marina Property.

d. Subject to DBW approval, the City will be the successor in interest to any DBW Grant Agreements still in effect as of the effective date of termination.

e. For any permits, leases, and other agreements that the City has elected to continue, the City will retain all operating revenue from the Marina Property as of the effective date of termination. For any permits, leases, and other agreements that the City does not wish to continue, the District will endeavor to terminate those permits, leases or agreements prior to the effective date of the termination.

f. The City will pay the District, on an agreed upon schedule, at an annual rate no less than the annual depreciation established in the District's fixed Asset Schedule (which schedule will be kept up to date and included in each year's Annual Report), an amount equal to the variable "D" in the following formula:

$$D = A \times (B/C)$$

A= Actual cost paid by District for replacement of Docks, or other improvements affixed to the land that the District has built or replaced during the Term.

B= Remaining useful life of existing Dock or improvement

C= Initial useful life of existing Dock or improvement

Useful Life is defined as the estimated lifespan of a depreciable fixed asset, during which it can be expected to contribute to District operations, as detailed in the most recent Annual Report.

f. The Parties agree to identify any other actual and reasonable costs necessary to effect the termination and will apportion those costs according to the objectives set forth in this subsection D. In the event that the parties do not agree on the amount of reimbursement, or in the event that either party has additional claims against the other for damages resulting from the termination of this agreement that are not resolved by the procedures in sections a-e above, the parties agree to submit to third party arbitration any additional termination claim either may have against the other. The arbitration will be administered by the Judicial Arbitration and Mediation Services ("JAMS") under its rules then in effect. It will be conducted by a single neutral arbitrator agreed to by the parties, or if the parties

cannot agree upon an arbitrator, before one assigned by JAMS. In reaching a decision, the arbitrator must consider the termination procedure objectives set forth in this subsection D and prepare a written decision that includes findings of fact, the reasons underlying the decision, and conclusions. Each party will bear its own costs and fees in connection with the arbitration. .

10. Dispute Resolution. The Parties agree to try in good faith to resolve all disputes. In the event of a dispute that cannot be resolved through a meet and confer process between the City Manager and the District General Manager, the Parties may, if mutually agreed, engage in an alternate dispute resolution process such as mediation or arbitration. The parties will mutually agree upon all terms associated with such a dispute resolution process and will each bear their own costs associated with such a dispute resolution process.

As part of its commitment to try and resolve disputes, in addition to the independent third party process identified in Section 9, the Parties may agree at any time to commission an independent third party to conduct an inspection of the facilities to assess the Parties' performance of the obligations as set forth in **Exhibit D**. The report of the inspections will be shared with both Parties and any deficient Party will make a good faith effort to correct deficiencies within 30 days, with confirmation of the correction documented in a follow-up report. Any such inspection report will be included in the Annual Report provided for in Section 8.

11. Notices. All notices or communications to be sent pursuant to this Agreement must be made in writing, and sent to the Parties at their respective addresses specified below or to such other address as a Party may designate by written notice delivered to the other Party in accordance with this Section. All such notices must be sent by: (a) personal delivery, in which case notice is effective upon delivery; or (b) nationally recognized overnight courier, with charges prepaid or charged to the sender's account, in which case notice is effective on delivery if delivery is confirmed by the delivery service.

If to the City: City of South San Francisco
400 Grand Avenue
Attn: City Manager
Phone: (650) 829-6623
Facsimile: (650) 829-6623

If to the District: San Mateo County Harbor District
504 Avenue Alhambra, 2nd Floor
P.O. Box 1449
El Granada, CA 94108
Attn: General Manager
Phone: (650) 583-4400
Facsimile: (650) 583-4611

Either Party may change its address by providing written notice to the other Party in the manner set forth above.

12. Authority. By executing this Agreement, the signatory for each Party warrants and represents that he/she has the authority and/or has obtained all necessary approvals to enter into this Agreement on behalf of and bind the Party on whose behalf he/she has executed this Agreement.

13. Severability. If any term or provision of this Agreement or the application thereof is, to any extent, held to be invalid or unenforceable, such term or provision will be ineffective to the extent of such invalidity or unenforceability without invalidating or rendering unenforceable the remaining terms and provisions of this Agreement or the application of such terms and provisions to circumstances other than those as to which it is held invalid or unenforceable unless an essential purpose of this Agreement would be defeated by loss of the invalid or unenforceable provision.

14. Entire Agreement; Amendments in Writing; Counterparts. This Agreement contains the entire understanding of the Parties with respect to the subject matter hereof and supersedes all prior and contemporaneous agreements and understandings, oral and written, between the Parties with respect to such subject matter. This Agreement may be amended only by a written instrument executed by the Parties or their successors in interest after approval by the legislative bodies of both Parties. This Agreement may be executed in multiple counterparts, each of which will be an original and all of which together constitute one agreement.

15. Successors and Assigns; No Third-Party Beneficiaries. This Agreement is binding upon and inure to the benefit of the Parties and their respective successors and assigns; provided however, that except as authorized herein neither Party may transfer or assign any of such Party's rights hereunder by operation of law or otherwise without the prior written consent of the other Party, and any such transfer or assignment without such consent is void. Subject to the immediately preceding sentence, this Agreement is not intended to benefit, and does not run to the benefit of or be enforceable by, any other person or entity other than the Parties and their permitted successors and assigns.

16. Governing Law. This Agreement will be governed by and construed in accordance with the laws of the State of California. Venue will be in a court of competent jurisdiction in San Mateo County.

17. Captions. The captions used in this Agreement are for convenience only and are not intended to affect the interpretation or construction of the Agreement.

SIGNATURES ON THE NEXT PAGE

IN WITNESS WHEREOF, the Parties have executed this Agreement, effective as of the date first written above.

CITY

CITY OF SOUTH SAN FRANCISCO,
a municipal corporation

By: _____

Name: _____
City Manager

ATTEST:

By: _____
City Clerk

APPROVED AS TO FORM:

By: _____
City Attorney

DISTRICT

**SAN MATEO COUNTY HARBOR
DISTRICT,**
a political subdivision of the State of
California

By: _____

Name: _____
General Manager

ATTEST:

By: _____
District Secretary

APPROVED AS TO FORM:

By: _____
District Counsel

Exhibit List

- Exhibit A – Marina Property**
- Exhibit B – 2011 Agreement**
- Exhibit C – 2017 Implementation Agreement**
- Exhibit D – Operational Performance Indicators**

EXHIBIT A

Marina Property

DRAFT

DRAFT

EXHIBIT B

2011 AGREEMENT

EXHIBIT C

2017 IMPLEMENTATION AGREEMENT

DRAFT

EXHIBIT D

Operational Performance Indicators.

Both Parties will carry out their maintenance obligations in accordance with best practices for public spaces and marinas. Barring a Casualty Event, or other circumstances that reasonably prevent the Parties from carrying out their respective operational and maintenance obligations, the Parties agree that the following Operational Performance Indicators (OPIs) will be used to guide the Parties' performance under this agreement. These OPIs may not reflect all conditions or circumstances, and may be amended from time to time by mutual agreement of both the District General Manager and City Manager.

The OPIs are intended to govern the upkeep and maintenance of all facilities, address chronic conditions and not to address short term situation or matters outside of the Parties' control.

- 1) Marina Occupancy (District only)
 - a) The District will endeavor to maintain occupancy at greater than 80% of the mean of Bay Area marinas as measured over eight consecutive quarters

- 2) Streets and parking areas:
 - a) The Parties will keep the streets and parking areas in a state of good repair
 - b) The parties will endeavor to maintain a Pavement Condition Index (PCI) greater than 80 but in no event less than 45 as measured over four consecutive quarters.
 - c) Ponding water on impervious surface. Areas greater than 32 sq.ft. with water ponding greater than 1" in depth shall be remediated within 120 days of initial observance.

- 3) Landscaping Maintenance:
 - a) Edges shall be trimmed, and areas mowed as necessary
 - b) Weeds, dead plants shall be removed as part of regular maintenance schedule
 - c) Irrigation is in functional condition, with heads and drip systems maintained

- 4) Solid waste
 - a) Solid waste shall not be allowed to accumulate
 - b) Trashcans will be emptied on a schedule to prevent repeated overflowing
 - c) Recycling containers are adequately distributed

- 5) Restrooms
 - a) All fixtures are operational
 - b) Supplies are present in sufficient quantity
 - c) A maintenance log is maintained in each facility

- d) Each facility is checked at least daily
- 6) Building shells
 - a) Roofs shall be maintained without leaks
 - b) Windows shall be maintained without breaks
 - c) Exterior paint shall be maintained with no/minimal fading/peeling
- 7) Trails and Public Areas
 - a) Trails and Public Areas shall be maintained in a state of good repair
- 8) Stormwater (City only)
 - a) Maintain compliance with City's Stormwater Pollution Prevention Program (SWPPP)
- 9) Environmental Protection
 - a) The District shall maintain Clean Marina certification (www.cleanmarina.org - or equivalent.



November 14, 2018

Oyster Point Marina

Agreement with City of
South San Francisco



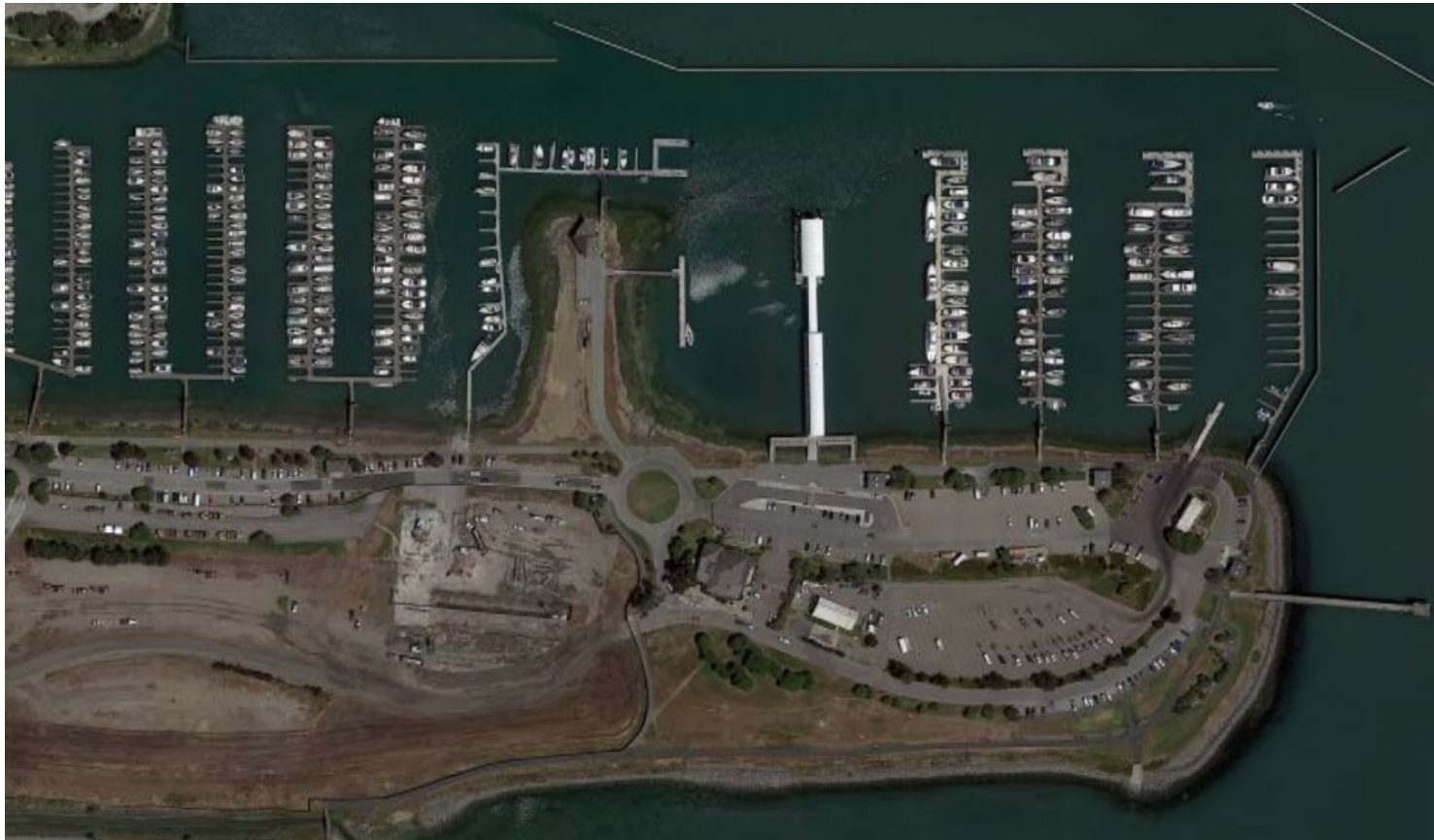
- Ongoing since last Committee meeting 4/17/18
- Update to this Commission 7/18/18
- Update to this Commission 10/4/18
- Agendized for 10/17/18; not heard
- Focus on protection for District and City
- Need flexibility to address changing conditions
- All subject to Commission/Council approval

Discussions



Outcomes

- Term:
 - Old agreement – 49 years
 - New agreement – 15 years, with options to extend
- Responsibilities, SLR:
 - Protection against SLR – old agreement – silent
 - New agreement – City
- Responsibilities, subsidence:
 - Old agreement – silent
 - New agreement – City
- Responsibilities, water quality:
 - Old agreement – silent
 - New agreement - City



- Responsibilities, general maintenance:
 - Old agreement – unclear
 - New agreement – clear, with OPIs and reciprocal default provisions; opportunities for CM and DGM to collaborate
- Responsibilities, Harbormaster Road inundation:
 - Old agreement – silent
 - New agreement – City
- Responsibilities, marina facilities:
 - District

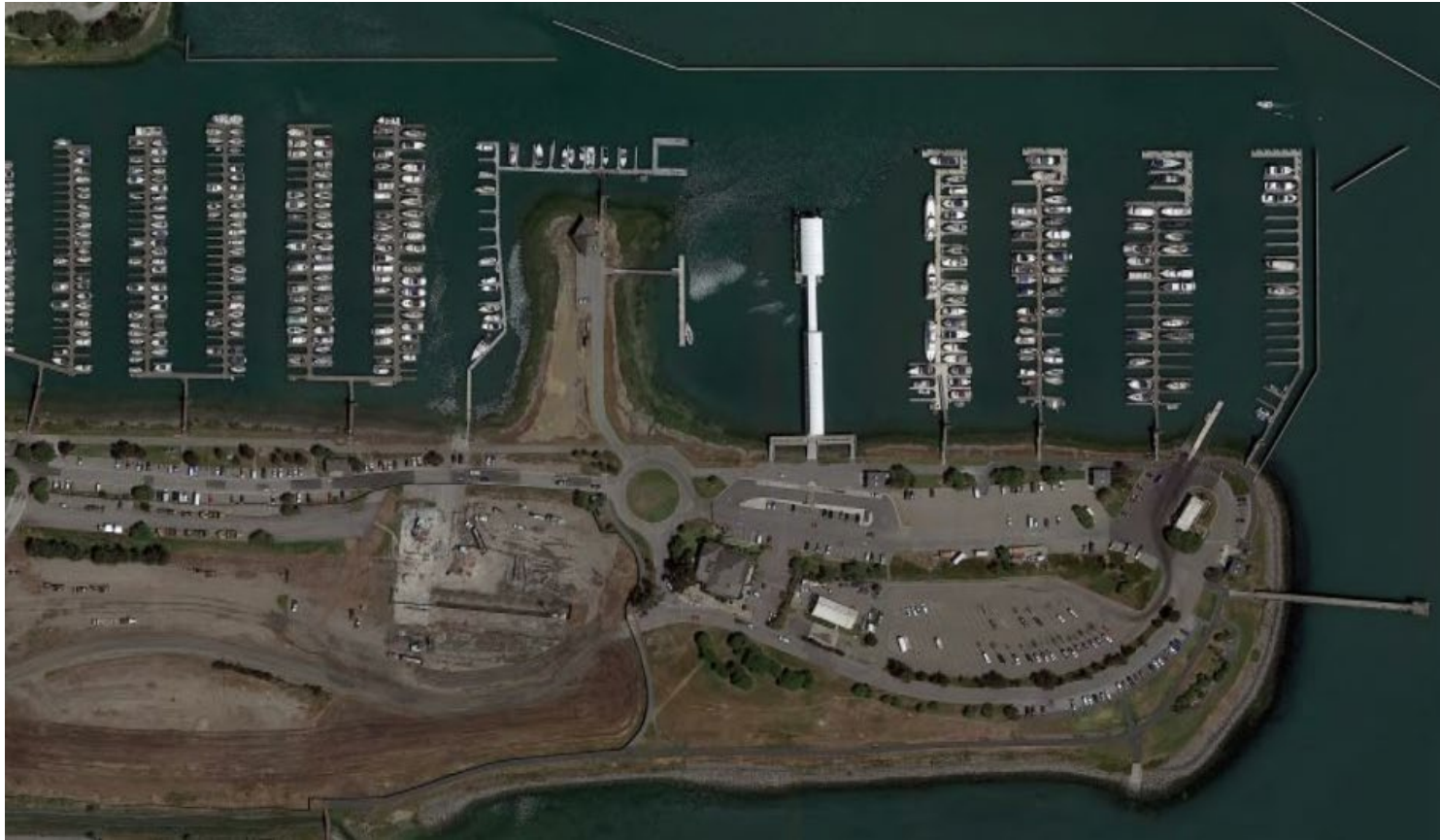
Outcomes



DRAFT Agreement

November 14, 2018

- Many thanks to:
 - Director of Operations John Moren
 - District Counsel Steven Miller
 - City Manager Mike Futrell
 - Asst. City Manager Marian Lee
 - City Attorney Jason Rosenberg



- Pages 1 - 3, Sec. 1 - 9
- Property description
- History:
 - 1977 JPA
 - 2011 MOU
 - 2017 IA
- Goals for this Agreement

Recitals

November 14, 2018



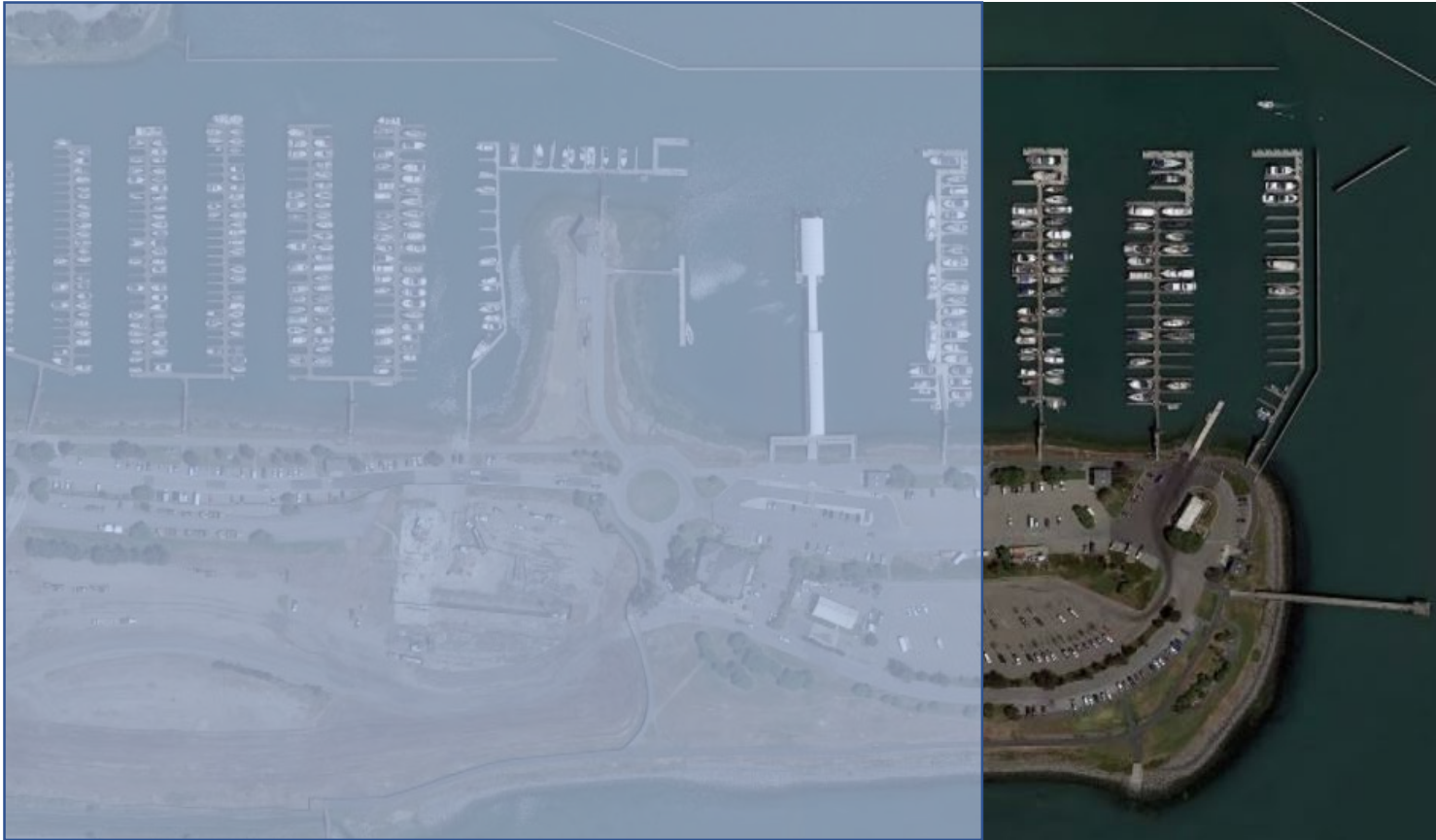
Other Agreements

- Page 3, Sec. 2
- 1977 JPA goes away
- 2011 MOU/Agreement stays
- 2017 Implementation Agreement stays



- Page 4, Sec. 3
- Initial term 15 years
- Automatic renewal for two additional 10 year terms, unless:
 - Default by either party
 - Choice of either party not to renew; requires two years notice

Term



Obligations of District

- Page 4, Sec. 4.A
- Replace Docks 12, 13, 14
 - Reasonable effort to do so by 12/31/24
 - Estimated cost of \$5 million



- Page 4, Sec 4.B
- Replace Docks 1 – 6
 - Commission a report by 12/31/23
 - Prepare a plan for Commission
 - If replacement not begun by 2024, commission a new study prior to each new term of agreement

Obligations of District



Obligations of District

- Page 5, Sec 4.C, D, E
- Operate and Maintain Marina Area and East Landside
 - Includes relevant parts of West Landside (restrooms)
 - District General Manager (DGM) and City Manager (CM) cooperate on efficient O&M
 - Maintain HM office and access
 - Meet Operational Performance Indicators (OPIs) (Exhibit D)
 - Dredging
 - Consult with City on leases; City approval required if > 10 years
 - District retains all operating revenue



Obligations of City

- Page 6, Sec 5, A - G
- Provide sewer, police, fire
- Operate and Maintain West Landside
- If District required to vacate HM office, City provides alternate, suitable space
- Solely responsible for protecting against SLR
- Solely responsible for protecting against inundation caused by landfill subsidence
- Solely responsible for corrective actions necessitated by subsidence, unless caused by District
- Solely responsible for meeting standards imposed by other agencies
- Meet and confer on concurrent responsibility



Obligations of Both Parties

- Page 7, Sec. 6, A - C
- DGM and CM meet regularly, prepare Annual Report
- DGM and CM manage compliance with OPIs
 - Shared maintenance when more efficient/cost effective (eg solid waste, janitorial services)
- Water quality
 - District responsible in Marina for its actions, those of tenants
 - City responsible for groundwater / leachate / stormwater



Obligations of Both Parties

- Page 8, Sec. 6 D, E
- Governance:
 - City and District each establish standing committees
 - Committees meet jointly annually to, at minimum, receive Annual Report
- Indemnification:
 - Mutual
 - City also indemnifies District for SLR, subsidence



Obligations of Both Parties

- Page 9, Sec. 7
- Survey:
 - Perform detailed survey to establish bounds of responsibility
 - As area is developed, bounds may change; CM and DGM authorized to approve



Obligations of Both Parties

- Page 9, Sec 8
- Annual Report
 - Compliance with OPIs
 - Budget re Fueling Infrastructure
 - Marina planning
 - District financial reports related to OPM
 - District capital asset schedule



Termination

- Page 10, Sec. 9 A, B
- By either party deciding not to renew
- By City:
 - District's breach of agreement
 - District's failure to substantially meet OPIs
 - Not maintain 80% of average Bay Area marina occupancy for 2 years
 - District's failure to operate the Marina for 30 days
 - District not in default if matters outside of its control
 - One year notice, less if mutually agreeable



Termination

November 14, 2018

- Page 11, Sec. 9 C
- By District:
 - City's breach of agreement
 - City's failure to substantially meet OPIs
 - City not in default if matters outside of its control
 - One year notice, less if mutually agreeable



Termination Procedures

- Page 12, Sec. 9 D
- On termination:
 - May be damages to either party, regardless of cause for termination. Claim submitted to arbitration.
 - Both parties agree to cooperate



Termination Procedures

- Page 12, 13 Sec. 9 D. i, ii
- On termination by City:
- City keeps everything, except:
- District keeps personal property (vehicles, vessels, equipment etc)
- City may assume leases; retains revenue
- City pays District depreciated value of assets
 - Payment schedule no less than depreciation
- Disputes resolved through arbitration



Termination Procedures

- Page 14, 15 Sec. 9 D. iii, iv
- On termination by District:
- City keeps everything, except:
- District keeps personal property (vehicles, vessels, equipment etc)
- City may assume leases; retains revenue
- City pays District depreciated value of assets
 - Payment schedule no less than depreciation
- Disputes resolved through arbitration

Exhibit A
Oyster Point Operations/Maintenance
Responsibility Map



- Exhibit A
Marina Map

Exhibit A: Marina Map



Exhibit B: 2011 Agreement

- **Exhibit B**

2011 Agreement

- City/RDA Development Agreement
- Dock Improvements
- Wave attenuators
- District office space
- Development potential



- **Exhibit C**

2017 Implementation Agreement

- Termination of Leases
- Removal of land subject to JPA
- Access to marina property during construction
- Formation of CFD to fund fueling infrastructure
- No CFD then, either District chooses to pay or returns all to City
- \$90,000 to District for short term repairs

Exhibit C: 2017 Implementation Agreement



Exhibit D: Operational Performance Indicators (OPIs)

- Exhibit D

Operational Performance Indicators

- 1) Marina Occupancy: Endeavor to maintain at $> 80\%$ of Bay Area mean for eight quarters (District only)
- 2) Streets and parking: in good repair; endeavor to maintain PCI > 80 , not < 45 ; Ponding water on impervious surface: remediate if area > 32 s.f. and 1" in depth
- 3) Landscaping: maintained, trimmed with functional irrigation



Exhibit D: Operational Performance Indicators (OPIs)

- Exhibit D

- 4) Solid waste: no accumulation; trashcans emptied; recycling available
- 5) Restrooms: Fixtures operational; adequate supplies; checked daily
- 6) Building shells: no leaks, broken windows; exterior paint in reasonable condition



Exhibit D: Operational Performance Indicators (OPIs)

- Exhibit D

- 7) Trails and public areas: In good repair
- 8) Stormwater: Compliance with City's SWPPP (City only)
- 9) Environmental protection: District to maintain 'Clean Marina' certification



Next Steps:

- Agreement to return to this Commission for discussion / action
- Agreement to City Council for discussion / action

Next steps

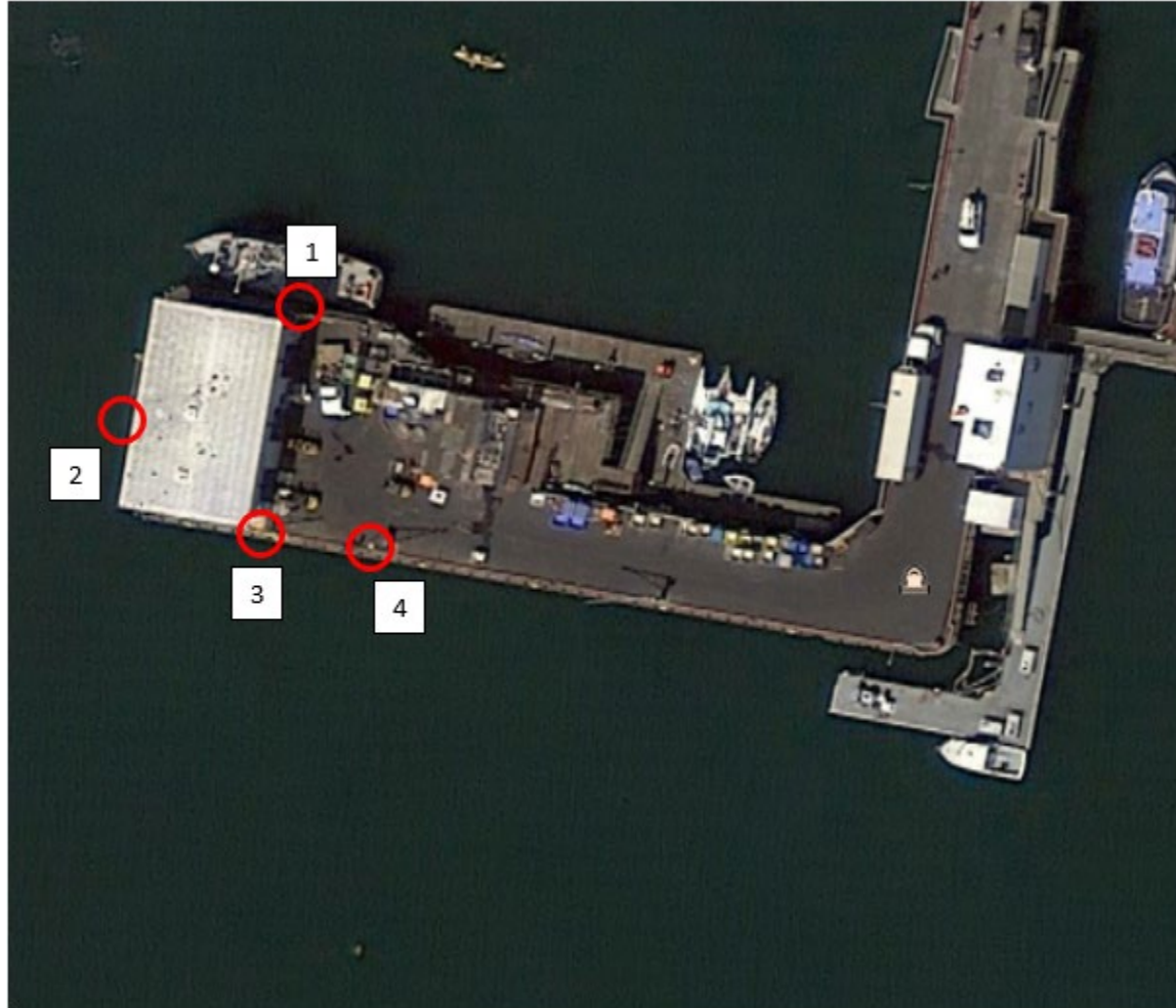
Johnson Pier Expansion Project Existing Conditions



Johnson Pier Expansion Project

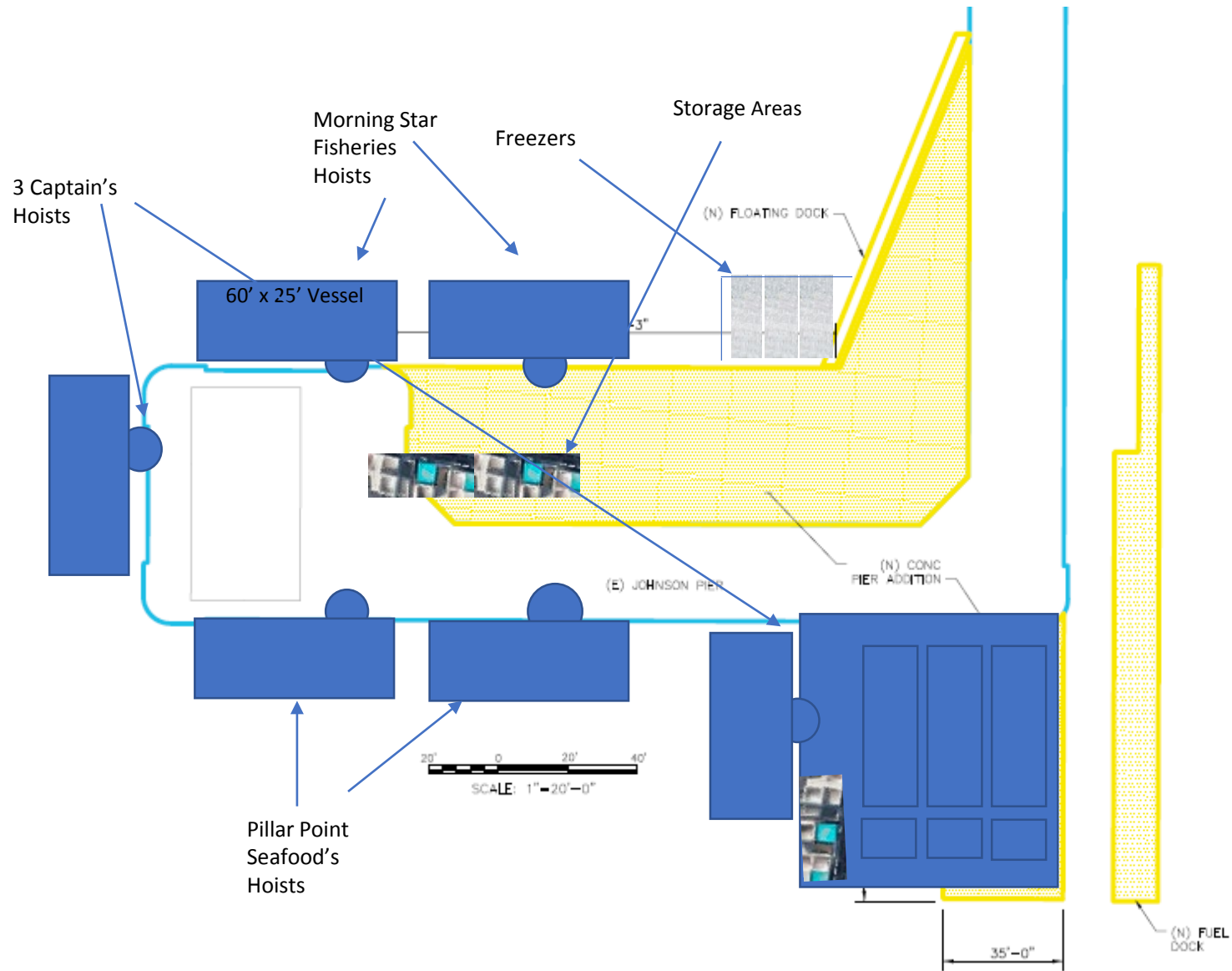


Current Hoist Locations



1: Morningstar; 2: Three Captains; 3: Pillar Point Fisheries; 4: Pillar Point Fisheries

Johnson Pier Expansion Project - Design Discussion Workshop May 29 and July 17, 2018 Proposed Design





Staff Report

TO: Board of Harbor Commissioners
FROM: John Moren, Director of Operations
DATE: November 14, 2018
SUBJECT: Johnson Pier: End of Pier Improvements

Recommendation/Motion:

Receive report; provide direction to staff

Policy Implications:

Consistent with the San Mateo County Harbor District's (District) goal to provide a safe, well managed Harbor

Fiscal Implications/Budget Status:

Fiscal impacts are dependent on the scope and phasing of the project, whether grant funding is received, or debt financing is sought. Costs estimates based on unsuccessful previous grant applications indicate the envisioned project at approximately \$7,000,000.

Background:

The Johnson Pier can be divided into four broad areas of function:

- 1: A stem, beginning at the point of connection with the shore, and out to the...
- 2: Terminus, which runs perpendicular to the stem, and is the operational hub
- 3: Docks D and E on the west side of the pier, and
- 4: Docks F, G and H, on the east side.



Johnson Pier was originally designed to accommodate loading of small trucks with product by wholesale commercial fish handlers operating on the pier.

Since the early 1960s, efficient use of large semitrailer trucks has been hampered by the pier's design and size constraints. This problem has been particularly acute during very busy fishing seasons for squid, crab, and salmon. These large vehicles need to back out onto the pier and load one at a time.

The Harbor District's pier study of 1994 examined the problem and proposed several pier deck expansion alternatives. Lack of funding precluded action to alleviate the problem.



To achieve the goals of safely and efficiently operating the pier terminus for the benefit of the commercial fishing industry and its customers, in a manner not possible given the current design and layout of the pier, several specific issues need to be addressed:

- 1) Truck loading: Additional pier deck area could be constructed to accommodate concurrent truck loading, more maneuvering room, and to enable the trucks to drive onto and off the pier front first. This will be more efficient and more safe than the existing arrangement.

The added deck area may be in two places: 1) where the existing freezers are now and 2) work dock area as an extension of the pier's long "stem."

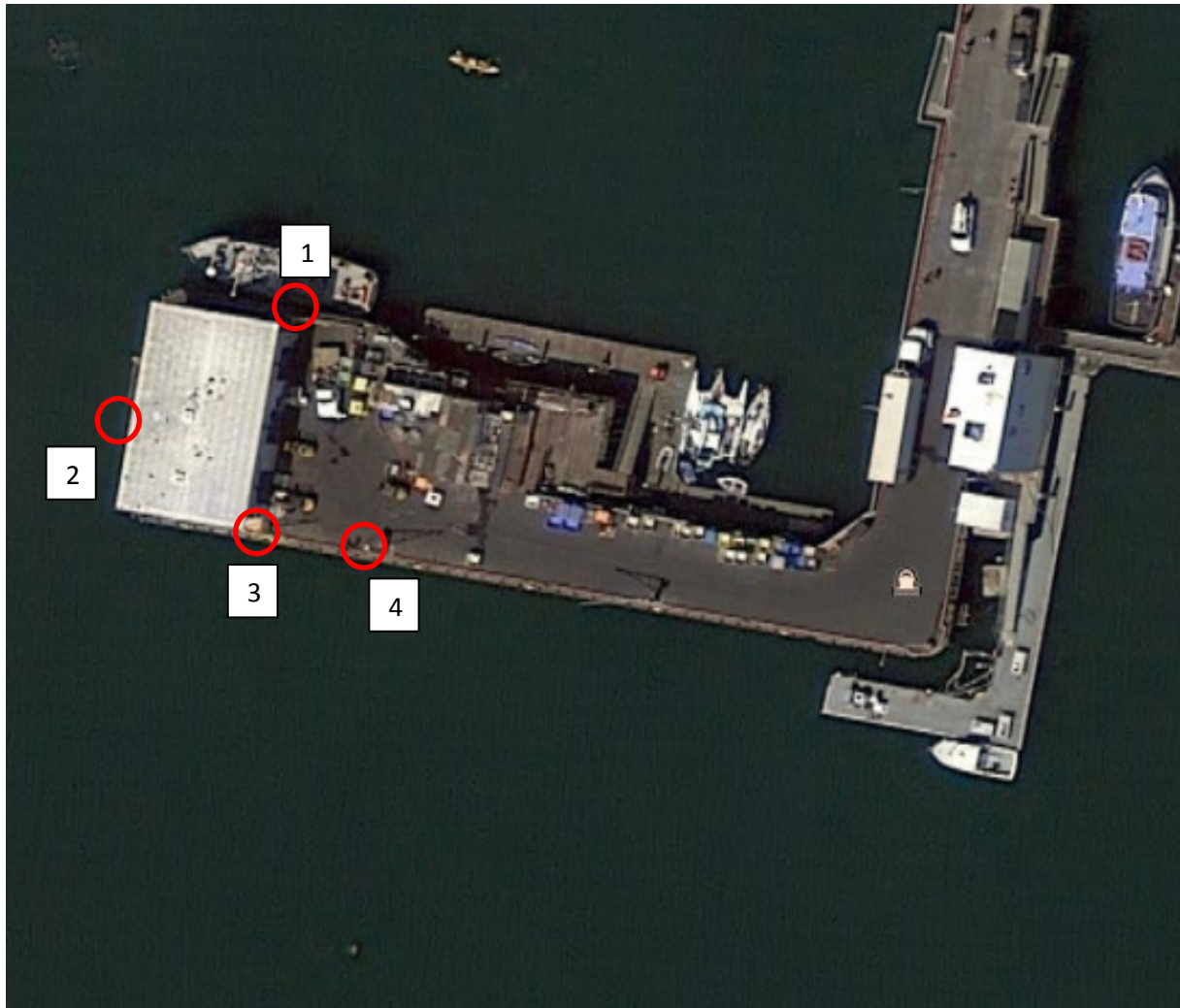


- 2) Freezer space: freezer space is currently located on the timber platform, which is beyond its useful life. For greatest efficiency, freezer space should be on the pier terminus.



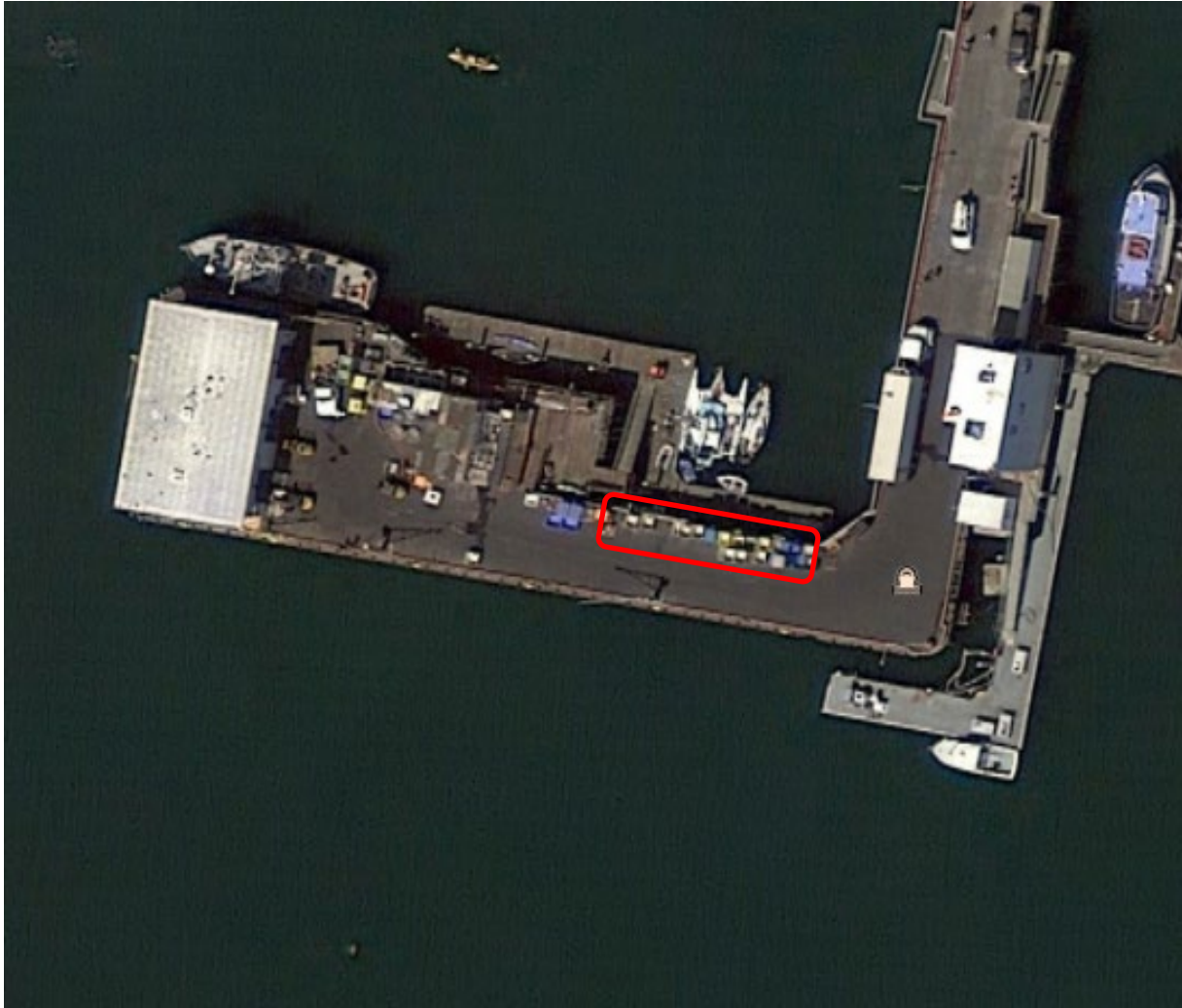


3) Hoists: each of the three fish buyers has a lease that allows for the placement of two hoists on the pier. The leases were executed in 2013, for five-year terms, with two five-year extensions. Currently McHenry Fisheries (formerly Pillar Point Fisheries) has two hoists. Three Captains has one hoist, has requested permission from the District for a second hoist and had an additional hoist on the west end of the pier, since removed. Morning Star Fisheries has one hoist and has requested permission from the District for a second.



1: Morning Star; 2: Three Captains, 3: McHenry Fisheries; 4: McHenry Fisheries

- 4) Tote storage: the three fish buyers' leases originally provided for an unspecified area on the pier for exterior storage. In 2016, the leases were amended to specify the location of each fish buyer's exterior storage; however, a dispute has arisen over whether the locations were correctly identified and whether the District has the authority to require a change.



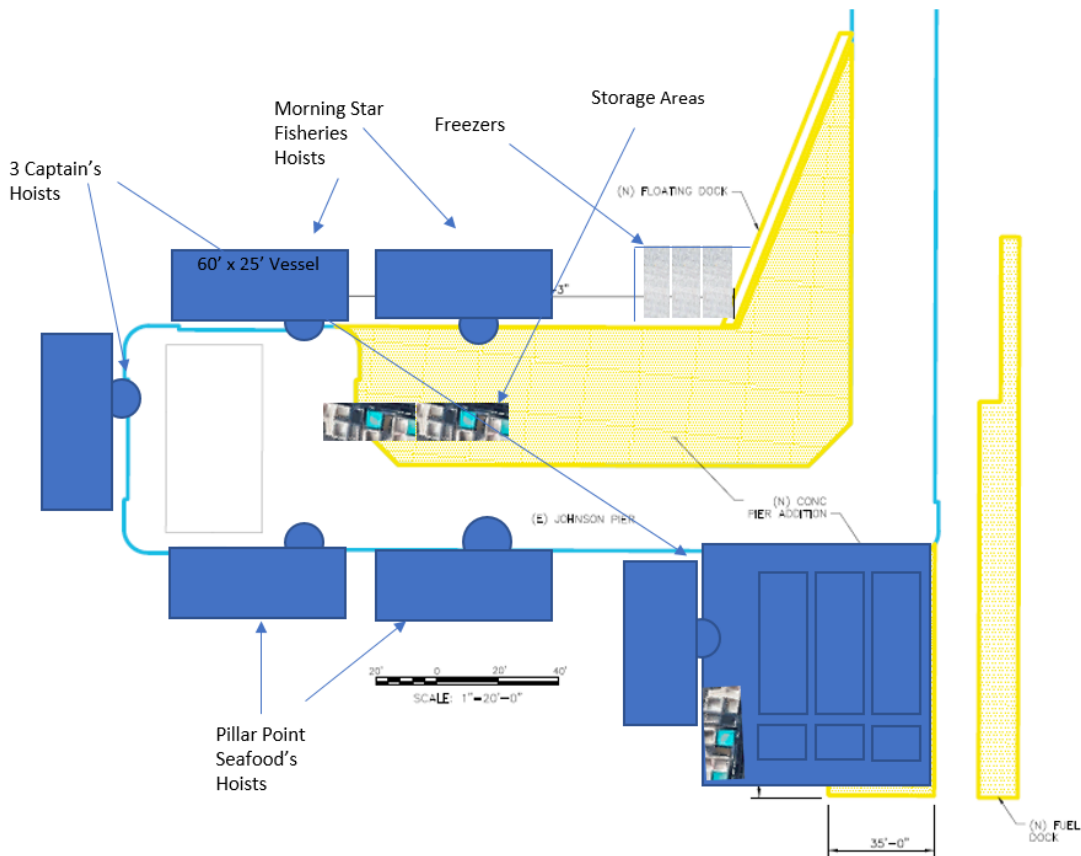
- 5) Power: Power supply is currently insufficient for the squid pump(s) that are periodically used, necessitating the use of large generators.

It is the District's goal to make improvements that would ensure Johnson Pier has the capability and space to provide for safe, efficient and functional operations. As a preliminary effort, staff organized two workshop meetings with the Fish Buyers and stakeholders in order to identify their needs and brainstorm ideas on the best design, alteration improvements. All Fish Buyers, Morning Star, Three Captains and McHenry Fisheries attended the two meetings, as well as representatives from the Half Moon Bay

Seafood Marketing Association. The workshop meetings were held on May 29th and July 17th and lasted over two hours each. Valuable information was gained at the first meeting and proposed improvements were further perfected at the second.

The participants all worked in good faith with staff to discuss challenges on the pier from an end user point of view. Discussion during the meetings were very positive and the below design changes were decided upon by all in attendance as the best compromise.

Johnson Pier Expansion Project - Design Discussion Workshop July 17, 2018 Proposed Design



Summary / Recommendation:

Staff requests direction from the Board. The Board may choose to:

- 1) Take no action
- 2) Direct staff to publicly advertise a Request for Proposal seeking qualified design/engineering firms to further gain community input, finalize design improvements, present proposals to the Board for approval, compile technical specifications, submit regulatory permitting, then prepare bid documents for public bid
- 3) Other



Activity Report

TO: Board of Harbor Commissioners
FROM: Anita Pyle, Director of Administrative Services
DATE: November 14, 2018
PERIOD: October 2018

Board of Harbor Commissioners

Regular Commission Meeting – October 17, 2018

Public Records Act Requests (PRAs)

Goal: To respond to all PRA's in a manner compliant with State Law.

New PRA's Received:

- On 10/9/18, another request was received from John H Cigavic III, Esq, as an addition to his PRA request of 9/13/18, asking for documentation dating back to January 2008. On 10/19/18, the District requested a 14-day extension to respond to this request.
- On 10/13/18, a PRA request was received from Lisa Damrosch requesting any and all documentation regarding the Morning Star space as it pertains to Three Captains - any and all reports, research or studies that SMCHD conducted when evaluating the feasibility of hoist locations, both North and South since 2012.

On-going PRAs:

- On 9/13/18, a PRA request was received from John H. Cigavic III, Esq. for Joshua Gift Re: "Unjustified Claims of Lien on ITSPHISHI (CF8810KW) & Safety Danger Issues at Pillar Point Harbor" requesting copies of all contracts upon which the Harbor bases its claim of lien, including any and all invoices for services actually rendered, and any and all accountings applicable to the Harbor's claim in support of the claimed lien. Also requested were copies of anything the Harbor believes constitutes consideration for attempting to lien a vessel that the Harbor knows is Mr. Cigavic's Client's main source of income as a fisherman.

- On 9/27/18, a PRA request was received from John Ullom, Re: PRA Pillar Point RV Lot CDP Situation, requesting a copy of the CDP issued for the RV Lot at Pillar Point Harbor and copies of all communications between HMB, the SMCHD, the CCC, and the operators of the RV Lot.

Accounting

- Operations – Recurring Operating activities
 - Accounts Payable (A/P), Employee Reimbursements – biweekly
 - 2 AP runs processed
 - Updating A/P vendor master lists, purchase orders, updating major contract reconciliations, update CA Use Tax spreadsheet
 - 5 Purchase Orders created
 - Positive Pay Upload to US BANK
 - Recurring journal entries
 - Accounts Receivable (Cash Batches)
 - Daily Cash Batch review, account adjustment review
 - Month-end – The Marine Program (TMP) to GL reconciliation and rollover to next period
 - State of CA FTB Intercept program – received and filed reports and payments
 - Assist with collections of major balances, filing liens, boat sales
 - Monthly AR Report
 - PPH Standing meeting to go over “problem” accounts
 - Send accounts to Collections (Rash Curtis)
 - Monthly AR report review
 - Banking
 - Reconciliation of all bank and investment accounts
 - Payroll processing – biweekly
 - 3 payroll cycles processed
 - CALPERS/ICMA reporting uploads for 457 plans
- Quarter-End
 - Closing procedures
- Board Meeting – 10/17/18
 - Bills & Claims
 - Legal Fees
- Grants
 - Ocean Protection Council Reimbursement – \$9,720 – in progress
 - Used Oil Reimbursement – \$3,300 – in progress
 - Marine Law Enforcement Reimbursement Program - \$4,500 – in progress
 - Multi DBW reimbursement request for \$37,807.00 - submitted and approved
 - SDRMA Loss Prevention Allowance Funds for \$1,000.00 - submitted and approved
- Special Projects
 - Team – Conference Room Cleanup
 - In progress – Set up vendors on account - Cal Card optimization
 - AP Process Manual
 - Admin Postage Machine Lease renewal
 - Contract Management Project – in progress

- Payroll Process Manual
- Payroll – 457/FSA Employer contribution – Meetings, Survey to Staff, Met with Staff at Harbors
- Train/handover payroll to Boomer
- Accounting Tech I Process Manual
- Train/handover to Chris Del Cid
- Train/handover PPH duties to Melanie
- UAL paydown – disbursement to CalPERS

Human Resources

- **Prepared Check Request for Medical & Life Insurance**
 - OE3 Trust Fund
 - Teamsters
 - SDRMA Medical
 - SDRMA Ancillary
 - Standard Life Insurance
- **Additional Check Request**
 - San Mateo Daily Journal for Harbor Worker B recruitment/advertisement
- **Human Resource Association (HRA) Meeting**
 - Attended the monthly HRA meeting hosted by the City of Half Moon Bay.
- **Personnel**
 - Prepared paperwork for five employee evaluations.
 - Prepared three Personnel Action Forms.
 - Tracked FMLA usage for employees who are currently eligible.
 - Prepared paperwork for Medical Leave and FMLA.
 - Assisted in setting up work station for new temporary employee.
 - Provided request information to the Finance department to fill out the 10% IN Kind list.
 - Provided receipts for DBW training reimbursement for two employees.
 - Worked with Concentra to obtain test results for pre-employment exam.
- **Employment Recruitment**
 - The Harbor Worker B recruitment - ongoing
 - First stage of recruitment for the Director of Administrative Services.
 - Set-up for interview panel for Sr. Administrative Analyst.
- **Northwest Administrators, Inc.**
 - Assisted the accounting clerk with the eligibility list for the employee health and welfare account.
- **Zenith American Solutions**
 - Worked with vendor to correct eligibility issue for an employee.
- **SDRMA**
 - Sent updates on 2019 Medical benefits to participants.
 - Proof of Insurance and indemnification for the SMCHD officials and members of the public, to access the vacant lot for the meeting of October 9, 2018.



Activity Report

TO: Board of Harbor Commissioners
FROM: Steve McGrath, General Manager
DATE: November 14, 2018
PERIOD: October 2018

Administration:

General administrative, personnel, IT, management etc.

Attention to implementation of OE3 and Teamsters MOUs; job descriptions and classifications; 457 and FSA implementation.

Board of Commissioners:

Meetings (person and phone) with individual Commissioners on various matters.

Prep for and attend October 4, 2018 Board of Commissioners special meeting.

Prep for and attend October 9, 2018 Board of Commissioners special meeting.

Prep for and attend October 17, 2018 Board of Commissioners regular meeting.

Prep for November 14, 2018 Board of Commissioners regular meeting.

Other:

Attention to Strategic Plan development. See below, 2018 Goals.

Continued due diligence on the empty parcel adjacent to Sam's; see below, 2018 Goals, and related Closed Session item.

Attention to possible new agreement with South San Francisco. See related staff report and recommendation.

Attention to implementation of Three Captains arbitration award.

Attended meeting with Dungeness Crab Task Force administrative team. See attached [agenda](#).

With President Virginia Chang Kiraly, hosted Assemblymembers Marc Berman and Kevin Mullin for PPH tour.

Met with representatives from League of Women Voters re 'Observer Corps' review of District transparency. Evaluation to be issued to Board by LOWV.

Attended Midcoast Community Council meeting; gave brief update on projects and districted elections.

Goals and Objectives for 2018

Status		
1	Complete Strategic Plan	Staff has been working with consultant Martin Rauch on re-starting this process now that the districted election process is complete. Since the process began in June 2016, there have been three Strategic Planning committee meetings, one finance Committee discussion of RFP language, and six Commission discussions. The most recent was held May 2, 2018. Public workshops scheduled for November 7 and 13. Special meeting Board workshops scheduled for November 28 and December 4.
2	Board Policies	Gathering/editing samples for review / comment by ad-hoc Committee (Chang Kiraly and Mattusch)
3	Contract for GM	Complete
4	Contracts, OE3 and Teamsters	Complete. Follow up on implementation of several components ongoing.
5	SDLF District of Distinction	First step (Transparency Certificate) completed; next steps under review. Key component includes Board review and approval of the District's Policy Manual. Staff intends to bring this to the Board for consideration within the next quarter, especially related to Personnel Rules and related policies.

6	Permanent home for Admin	Site visit held October 9. Due diligence continued. See related Closed Session item.
7	PPH Johnson Pier terminus	Two (productive) meetings held with fish buyers, HMB Seafood Marketing Association. See related staff report.
8	PPH F, G, H docks	Planning continues.
9	PPH Surfers Beach replenishment	Contracts issued for sediment sampling and design/engineering.
10	OPM Agreement w SSF	An overview of current status was provided at the July meeting. Special meeting held October 4. Draft Agreement presented to Board for October 17 meeting; not discussed. See related staff report.
11	OPM Dock 12	Responses to RFP received. To be brought to Board for discussion and direction at December meeting.



DCTF Admin Team Port Tour: Updates and Discussion of Dungeness Crab Fishery Topics of Interest in 2018

**Port San Luis, 10/7 | Moss Landing, 10/8 | Half Moon Bay, 10/8 | San Francisco, 10/9
Bodega Bay, 10/10 | Fort Bragg 10/10 | Eureka/Trinidad, 10/11 | Crescent City, 10/11**

The California Dungeness Crab Task Force (DCTF) Administrative Team, in partnership with the California Department of Fish and Wildlife (CDFW), is convening a series of informal discussions across various ports from Port San Luis to Crescent City. Members of the fleet are invited to convey their interests specific to the California Dungeness crab fishery to help inform the DCTF's 2018-19 work plan, as well as learn about the DCTF's recent work and progress on a number of priority issues.

Discussion Approach*

- **Welcome, Introductions, and Meeting Intentions**
 - Overview & purpose
 - Confirm goals and intentions
- **Update on the Status of Topics Related to the DCTF and Dungeness Crab Fishery**
 - Information sharing on topics including, but not limited to DCTF activities and elections, Senate Bills 1309 and 1310, domoic acid, preseason crab quality testing, California Crab Disaster Relief, whale entanglements, Tri-State Dungeness Crab Committee, etc.
- **Discussion and Q&A**
- **Next Steps and Adjourn**

**This outline is intended to provide an overview of topics that intend to be discussed and may be updated based on the needs of the port.*

Confirmed locations, dates, and times for each port discussion are available below. For questions or clarifications, please contact info@dungenesscrabtaskforce.com, call 805-845-9852, or visit <http://www.opc.ca.gov/2009/04/dungeness-crab-task-force/>.

Port San Luis: Sunday, October 7, 2018 at 5:00pm
Coastal Gateway Multipurpose Room, Port San Luis Harbor District
3900 Avila Beach Drive
Avila, CA 93424 ([map](#))
About 200 yards from the harbor office

Bodega Bay: Wednesday, October 10, 2018 at 10:00am
Spud Point Crab Company
1910 Westshore Road
Bodega Bay, CA 94923 ([map](#))
Picnic tables outside

Moss Landing: Monday, October 8, 2018 at 1:00pm
Moss Landing Harbor District
7881 Sandholdt Road
Moss Landing, CA 95039 ([map](#))

Fort Bragg: Wednesday, October 10, 2018 at 3:00pm
Silver's at the Wharf
32260 N Harbor Dr.
Fort Bragg, CA 95437 ([map](#))
Table inside

Half Moon Bay: Monday, October 8, 2018 at 6:00pm
San Mateo County Harbor District
504 Avenue Alhambra, Suite 200
El Granada, CA 94018 ([map](#))

Eureka: Thursday, October 11, 2018 at 10:00am
Humboldt Fishermen's Marketing Association Hall
3 Commercial St, Eureka, CA 95501 ([map](#))
Across from Englund Marine

San Francisco: Tuesday, October 9, 2018 at 9:00am
San Francisco Crab Boat Owner's Association Crab Hall
300 Jefferson St, San Francisco, CA 94133 ([map](#))
Next to Lou's Fish Shack

Crescent City: Thursday, October 11, 2018 at 3:00pm
Crescent City Harbor District Office
101 Citizens Dock Rd, Crescent City, CA 95531 ([map](#))



Activity Report

TO: Board of Harbor Commissioners
FROM: John Moren, Director of Operations
DATE: November 14, 2018
PERIOD: October 2018

Pillar Point Harbor:

Construction Update & General Status Updates:

- Misc. maintenance work in progress throughout the marina
- Landscaping in facility
- District moorings being inspected and upgraded

Miscellaneous:

- Ongoing training
- US Coast Guard Helo Training
- Cross training with OPM staff
- Beach clean-up
- 2 Safety meetings
- Mavericks WSL Surfing Comp Prep Meetings ongoing
- 526 launches at boat ramp 10/1/18 thru 10/31/18

Occupancy Overview:

- Total occupancy: 99%, 369 slips, 365 occupied.

Search and Rescue Activity Highlights & Urgent Need Activities:

- 10/1 thru 10/31
 - 2 Search & Rescue
 - 20 Patrol Vessel & DHM Calls
 - 1 Medical
 - 3 Law Enforcement

EMS-Clean Marina Activities:

- Vessel inspections are ongoing
- Registration and Insurance enforcement
- Nonpayment enforcement

Calendar Reminder Items of Events and Activities:

- Lady Washington arrived October 24, 2018

PPH / OPM Staff:

PPH and OPM Teams participated in security/safety efforts at the 2018 Fleet Week event October 4th thru 7th. The District Team effort was greatly appreciated by the USCG Sector SF and our allied agencies Bayside. DHM's on the water were; DHM James Smith, DHM Joe Robertson, DHM Conor Cakebread, DHM Cary Smith, DHM Greg Gubser, DHM Neal McGeehan and DHM Ben Andrews. District staff attended briefings at USCG Sector SF and with the SFPD Marine Unit. Staff had the opportunity to become familiar with overall operations and their presence demonstrated to all other agencies the District's assets and professional capabilities that are available for any Search and Rescue, Law Enforcement or Public Safety needs on the Coast or Bay. The RWC presence was critical to directing anchoring vessels, ensuring the traffic lanes remained open and for safety on the water. It was hard work and numerous contacts and assistance with LE, LE Security for Military Vessels, Vessel Safety inspections and a swift and agile response for numerous situations.



Oyster Point Marina/Park:

General Status & Construction Update

- Misc. maintenance work in progress throughout the marina
- OPD project underway
- OPM on Generator Power
- Bait shop demo completed

Miscellaneous:

- Crew Training, continued to cross train with PPH staff and USCG
- Registration, liveaboard and insurance enforcement ongoing

Occupancy Overview:

- On 10/31/18 occupancy: 79% 408 slips, 324 occupied

Search and Rescue Activity Highlights & Urgent Need Activities:

- 10/1 thru 10/31: 11 vessel activities, 4 Fire, 5 Police Business, 2 Coast Guard, 28 Call Outs, 3 SPCA

EMS-Clean Marina Activities:

- Vessel inspections are ongoing

Calendar Reminder Items of Events and Activities:

- WETA will be moving forward with a dredge episode, specific dates to follow

OPM Misc:

- The Oyster Point Dragons youth team received recognition for representing South San Francisco in the Dragon Boat World Cup Championship in Hungary.



Administration:

See related Staff Report for update on Capital Projects

Grants

- Continuous updates to SAM.gov, Grants.gov in efforts to stay current with registrations and passwords
- Working with FEMA and CalOES to finalize SMCHD project worksheets and applications for project funding assistance
- Continuing efforts to identify potential grant funding for all CIP's

ADA Coordinator

- Continued work on issues identified in the ADA Transition Plan/Self Evaluation. Incorporating CalOES "Strategies for Inclusive Planning Emergency Response" in our ERP. This addition to the ERP facilitates more comprehensive inclusion of planning for people with access and functional needs, including people with disabilities as well as other groups disproportionately impacted in emergencies.

District Safety

- Target Solutions - OSHA required courses, continuing to assign safety refresher courses for 2018.
- 2018 DBW Boater Safety Survey/Kits – Continuing to work with DBW Vivian Matuk at PPH and OPM to send out Dock Walker boater safety surveys with statements. Tenants will deliver completed surveys to the HM office for boater safety kits.
- Continuing increased training efforts to promote excellent Customer Service.

Director of Operations

Attended California Harbormasters and Port Captains Annual Training Conference in Marina Del Rey October 16th thru 18th. Topics discussed/training seminars; Waterside Economy, Boating Economics, Legislative Updates, DBW Boating Programs, Harbor Operations and Security, Harbor Navigation, Leasehold Management, Grants and Loans, White Sharks (increase in population, effects on Calif. Harbors) and Harbor Water Quality.