

San Mateo County Harbor District
Board of Harbor Commissioners
Special Meeting Agenda

February 4, 2015
5:00 p.m.

Sea Crest School, Think Tank, Room #19
901 Arnold Way
Half Moon Bay, Ca. 94019

All Harbor District Commission meetings are recorded and posted at www.PacificCoast.tv within 24-48 hours of the meeting. Pacifica residents can tune into Comcast Chanel 26 and residents from Montara through Pescadero can tune into Comcast Chanel 27. Copies of the meetings can also be purchased from PCT and mailed for \$18.

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

Roll Call

Commissioners

Sabrina Brennan, President
Tom Mattusch, Vice President
Nicole David, Secretary
Robert Bernardo, Commissioner
Pietro Parravano, Commissioner

Staff

Scott A. Grindy, Acting General Manager & Treasurer
Debra Galarza, Director of Finance
Marietta Harris, Human Resource Manager
Charles White, Acting Harbor Master - OPM
John Draper, Acting Harbor Master - PPH
Debbie Nixon, Deputy Secretary
Steven Miller, District Counsel

Public Comments/Questions -

The Public may directly address the Board of Harbor Commissioners for a limit of three minutes, unless a request is granted for more time, on any item that is on the Agenda for this Special Meeting. If a member of the public wishes to address the Board on an Agenda Item, that person must complete a Public Speaker Form and wait until that Item comes up for discussion. Agenda material may be reviewed at the administration offices of the District, 400 Oyster Point Blvd., Suite 300, South San Francisco, CA 94080 or online at www.smharbor.com.

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Closed Session

- 1 **TITLE:** **Public Employee Appointment. Government Code Section 54957(b)(1): General Manager**
- 2 **TITLE:** **Conference with Real Property Negotiators. California Government Code Section 54956.8.**
- PROPERTY:** **504 Avenue Alhambra, El Granada, CA 94018**
- DISTRICT**
 NEGOTIATOR: **Scott Grindy and Randy Kinghorn**
- NEGOTIATING**
 PARTY: **Working Dirt LLC, Billy Daniels**
- UNDER**
 NEGOTIATION: **Price and terms of payment**

Adjournment

The next regular scheduled meeting will be held on February 4, 2015 at Sea Crest School, Think Tank, Room #19, 901 Arnold Way, Half Moon Bay at 6:30 p.m.

Agenda Posted As Required:
January 29th at 12:30 p.m.

Debbie Nixon
Deputy Secretary

San Mateo County Harbor District Board of Harbor Commissioners Meeting Agenda

February 4, 2015
6:30 p.m.

Sea Crest School, Think Tank, Room #19
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Half Moon Bay, Ca. 94019

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Roll Call

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Steve Miller, District Counsel

Public Comments/Questions -

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

Staff Recognition-

Consent Calendar

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

- 1 **TITLE:** **Minutes of Meeting December 3, 2014**
 REPORT: Draft minutes
 PROPOSED ACTION: Approval

- 2 **TITLE:** **Minutes of Meeting January 7, 2015**
 REPORT: Draft minutes
 PROPOSED ACTION: Approval

New Business

- 3 **TITLE:** **Presentation on Analysis of Fees for Fish Off-Loading, Wholesale Purchase, & Retail Sales**
 REPORT: Grindy, Memo, Attachments
 PROPOSED ACTION: Information Only

- 4 **TITLE:** **Presentation on Fish Buyer Lease Revenue Verification**
 REPORT: Grindy, Memo, Attachments
 PROPOSED ACTION: Information Only

- 5 **TITLE:** **Commercial Activity Permit for Bay Area Water Trucks**
 REPORT: Draper, Memo, Application
 PROPOSED ACTION: Approve Commercial Activity Permit for Bay Area Water Trucks

- 6 **TITLE:** **Additional Task: Cox Wooten Lerner Griffin Hansen & Poulos LLP**
 REPORT: Grindy, Memo, Attachment
 PROPOSED ACTION: Approve increasing the legal expense with Cox Wooton Lerner Griffin Hansen & Poulos LLP in an amount not to exceed \$10,000

- 7 **TITLE:** **Cancel July 1, 2015 Meeting**
REPORT: Grindy, Memo
PROPOSED ACTION: Cancel July 1, 2015 meeting
- 8 **TITLE:** **Maintenance to Pillar Point Harbor Moorings and Replacement of Missing/Lost Moorings**
REPORT: Draper, Memo
PROPOSED ACTION: Approve proposal from U.S. Mooring System to do maintenance on Pillar Point Harbor moorings and replace missing moorings
- 9 **TITLE:** **Purchase Marina Trash Skimmer for Pillar Point Harbor**
REPORT: Draper, Memo
PROPOSED ACTION: Approve the purchase of a marina trash skimmer from Marina Accessories
- 10 **TITLE:** **Bills and Claims in the Amount of \$172,287.69**
REPORT: Bills and Claims Detailed Summary
PROPOSED ACTION: Approval of Bills and Claims for payment and a transfer in the amount of \$172,287.69 to cover payment of Bills and Claims

Staff Reports: a) Administration and Finance

- 11 **Acting General Manager – Grindy**
- Support Letter for Assembly Bill “Pacific to Plate”
- 12 **Director of Finance – Galarza**
- 13 **Human Resources Manager – Harris**

b) Operations

- 14 **Oyster Point Marina/Park – White**
- 15 **Pillar Point Harbor – Draper**

Board of Harbor Commissioners

16 A. Committee Reports

Administration Office Committee – Brennan, Mattusch

Executive Search Committee – David, Mattusch

B. Commissioner Statements and Requests

1. The Board of Harbor Commissioners may make public statements limited to five (5) minutes.
2. Any Commissioner wishing to place an item on a future agenda may make a motion to place such an item on a future agenda

Adjournment

The next scheduled meeting will be held on February 18, 2015 at the Municipal Services Building, 333 Arroyo Drive, South San Francisco at 6:30 p.m.

Agenda Posted As Required:
January 29th at 12:30 p.m.

Debbie Nixon
Deputy Secretary

**San Mateo County Harbor District
Board of Harbor Commissioners
Meeting Minutes****December 3, 2014****Sea Crest School, Think Tank, Room #19
901 Arnold Way
Half Moon Bay, Ca. 94019
6:00 p.m.**

All Harbor District Commission meetings are recorded and televised on PCT and replayed the following Friday at 6:00 a.m. and the following Saturday at 7:00 a.m. Copies can also be purchased from PCT and mailed for \$18.

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

Roll Call**Commissioners**

Pietro Parravano, President
James Tucker, Vice President
William Holsinger, Treasurer &
Secretary
Sabrina Brennan, Commissioner
Robert Bernardo, Commissioner

Staff

Peter Grenell, General Manager
x Debra Galarza, Director of Finance
Marietta Harris, Human Resource Manager
Scott A. Grindy, Acting General Manager
Charles White, Acting Harbor Master - OPM
John Draper, Acting Harbor Master - PPH
Debbie Nixon, Deputy Secretary
Steven Miller, District Counsel

x-absent

Brennan arrived at 6:09 p.m.

Public Comments/Questions — Tim West congratulated the new Commissioners, spoke about jetty erosion and wanted to see the PO Lot be used to better the community. **(0:50)**

Staff Recognition - Grenell stated this was his last Board meeting before his retirement and recognized the entire staff of the Harbor District. **(3:20)**

Consent Calendar

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

(5:00)

- 1 **TITLE:** **Minutes of Meeting November 19, 2014**
 REPORT: Draft minutes
 PROPOSED ACTION: Approval

- 2 **TITLE:** **Amendment to Existing Special Use Permit for Mavericks Invitational, Inc.**
 REPORT: Harris, Memo
 PROPOSED ACTION: Approve amendment to existing Special Use Permit for Mavericks Invitational, LLC and Cartel Management

- 4 **TITLE:** **Terminate Harbor Worker B Certified Employment List and Authorize General Manager to Prepare New Harbor Worker B Certified Employment List**
 REPORT: Harris, Memo
 PROPOSED ACTION: Terminate Harbor Worker B Certified Employment List and authorize general manager to prepare new Harbor Worker B Certified Employment List

Item 3 was removed from the Consent Calendar.

Action: Motion by Tucker, second by Holsinger to approve the consent calendar. The motion passed.

Ayes: Bernardo, Holsinger, Parravano, Tucker
Absent: Brennan

New Business

(5:35)

- 3 **TITLE:** **Reinstate January 7, 2015 Board of Harbor Commissioners Regular Meeting**
 REPORT: Grenell, Memo
 PROPOSED ACTION: Reinstate January 7, 2015 Regular Meeting of the Board of Harbor Commissioners

Action: Motion by Tucker, second by Holsinger to not reinstate the regular meeting of January 7, 2015. The motion passed.

Ayes: Bernardo, Holsinger, Parravano, Tucker
Absent: Brennan

(7:00)

5 TITLE: **Proclamation for Peter Grenell**
REPORT: Parravano, Proclamation
PROPOSED ACTION: Approve proclamation

Action: Motion by Tucker, second by Holsinger to approve the Proclamation. The motion passed.

Ayes: Bernardo, Holsinger, Parravano, Tucker
Nays: Brennan

(11:50)

6 TITLE: **District Annual Financial Statement and Independent Auditor's Report**
REPORT: Doyle, Report
PROPOSED ACTION: Accept the Financial Statement and Independent Auditor's Report

Action: Motion by Tucker, second by Holsinger to accept the Financial Statement and Independent Auditor's report. The motion passed.

Ayes: Bernardo, Brennan, Holsinger, Parravano, Tucker

(38:50)

7 TITLE: **Bills and Claims in the Amount of \$212,936.19**
REPORT: Bills and Claims Detailed Summary
PROPOSED ACTION: Approval of Bills and Claims for payment and a transfer in the amount of \$212,936.19 to cover payment of Bills and Claims

Action: Motion by Holsinger, second by Tucker to approve the bills and claims. The motion passed.

Ayes: Bernardo, Holsinger, Parravano, Tucker
Nays: Brennan

(40:54)

8 TITLE: **Authorization to Pay Bills and Claims Occurring Between December 4, 2014 and the first Regular Meeting in January 2015 in an Amount Not to Exceed \$650,000.00**
REPORT: Grenell, Memo
PROPOSED ACTION: Authorize Payment of Bills and Claims Occurring Between December 4, 2014 and the date of the first Regular meeting in January 2015 in an Amount Not to Exceed \$650,000.00

Action: Motion by Tucker, second by Holsinger to authorize payment of Bills and Claims occurring between December 4, 2014 and the date of the first Regular meeting in January 2015 in an amount not to exceed \$650,000.00. The motion passed.

Ayes: Bernardo, Holsinger, Parravano, Tucker
Nays: Brennan

(41:30)

9 TITLE: **Policy on Confidential Communications**
REPORT: Miller, Memo, Draft Policy
PROPOSED ACTION: To be determined

Action: Motion by Tucker, second by Holsinger to continue the item to the next regular scheduled meeting. The motion passed.

Ayes: Bernardo, Holsinger, Parravano, Tucker
Nays: Brennan

(51:43)

URGENCY ITEM

Action: Motion by Bernardo, second by Tucker to place the urgency item on the agenda

TITLE: **Addition of Contractors Pollution Liability Insurance coverage for the District as required by the State Abandoned Vessel Abatement Fund Grant Program and Adoption of Resolution 36-14 to amend FY 2014-2015 Budget to add \$5, 660.00**
REPORT: Memo, Attachments
PROPOSED ACTION: Adopt Resolution 36-14 to amend FY 2014-2015 Budget to add \$5, 660.00 to cover addition of contractors pollution liability insurance coverage for the district as required by the State Abandoned Vessel Abatement Fund

Action: Motion by Tucker, second by Holsinger to adopt Resolution 36-14 to amend FY 2014-2015 Budget to add \$5, 660.00 to cover addition of contractor's pollution liability insurance coverage for the district as required by the State Abandoned Vessel Abatement Fund. The motion passed.

Ayes: Bernardo, Brennan, Holsinger Parravano, Tucker

Staff Reports: a) Administration and Finance

10 General Manager – Grenell (57:03)

Grenell presented his report.

11 Acting General Manager – Grindy (1:02:40)

Grindy presented his report.

12 Director of Finance – Galarza (1:03:46)

Grenell presented Galarza's report.

13 Human Resources Manager – Harris (1:03:53)

Harris presented her report.

b) Operations

14 Oyster Point Marina/Park – White (1:05:57)

White presented his report.

15 Pillar Point Harbor – Draper (1:06:26)

Draper presented his report.

Board of Harbor Commissioners

(1:07:45)

16

A. Committee Reports

B. Commissioner Statements and Requests

1. The Board of Harbor Commissioners may make public statements limited to five (5) minutes.

(1:07:55) Bernardo thanked Grenell for his years of dedicated service to the District. He also extended his thanks to Grindy for keeping a steady pace during the transition. Bernardo stated that he was looking forward to working with Commissioner-Elect David and Mattusch. He gave thanks to Commissioners Tucker and Holsinger for their years of service.

(1:09:40) Tucker stated that he applied in 1998 to the Board of Harbor Commissioner to fill a vacancy and didn't think he would serve for sixteen years. He stated that he enjoyed serving on the Board and all the accomplishments they achieved, one being paying down the debt to the Division of Boating and Waterways. He thanked Grenell for his dedicated service and wished him well. Tucker stated that Grindy was doing a great job.

(1:12:50) Holsinger stated he was grateful for the opportunity to serve on the Board and wished the new Commissioners all the best. He stated he appreciated all the staff he worked with over the three years and wish them the very best in continuing to serve the public. He wished Grenell all the best.

(1:13:40) Parravano thanks Grenell for his dedication to the Harbor District. He gave thanks to Tucker and Holsinger for their dedication and years of public service. He thanked David and Mattusch for their willingness to serve on the Board.

(1:20:00) Parravano presented Tucker with a gavel and plaque.

2. Any Commissioner wishing to place an item on a future agenda may make a motion to place such an item on a future agenda

(1:21:00)

17 TITLE: **Identification of District Real Property Negotiator**
REPORT: Parravano
PROPOSED: Designate District Real Property Negotiators Peter Grenell,
ACTION: Jan Gray, and Barbara LaVey

Parravano identified Grenell, Grindy, Gray and LaVey as the real property negotiators.

Public Comment

Jane Pray Silver spoke regarding the PO Lot and would like to see a community center on the lot.

Michael Ferreira from the Sierra Club Loma Prieta Chapter stated that their great preference was that public use be given to the property.

Anthony Basso stated he hoped the Commission would choose a more public use for the property that would give benefit to the community.

Dan Haggerty turned in a petition of 414 signatures from the community supporting turning the PO Lot into a public recreation area.

Michael Cadigan supported the Granada Community Service District acquiring the PO Lot.

Fran Pollard asked the Commissioners to consider the communities' needs above everything else. She asked the item be postponed until the new Commissioners are sworn in.

Tom Mattusch asked the Commission to defer the decision of the sale of the property until their due diligence can be performed.

Action: Motion by Tucker, second by Holsinger to adjourn to closed session. The motion passed unanimously at 7:38 p.m.

Closed Session

18 TITLE: **Conference with Real Property Negotiators Peter Grenell, Jan Gray, and Barbara LaVey: Pursuant to Government Code Section 54956.8**

PROPERTY: **"Post Office Lot", El Granada, San Mateo County, APN # 047-261-030**

NEGOTIATING PARTIES: San Mateo County Harbor District, Coastside Fire Protection District, Granada Community Services District, Global Quality Foods, Inc.

UNDER NEGOTIATION: Price, Terms of Payment for Sale of Property

Action: In closed session held pursuant to Government Code Section 54956.8, the Board of Harbor Commissioners voted to approve and execute an agreement to sell the real property identified on the agenda as “the Post Office Lot” to the Coastside Fire Protection District. The terms of the agreement call for a sale price of \$845,000 with the closing date set for no later than 90 days. The Board voted as follows:

Brennan No
Bernardo No
Parravano Yes
Tucker Yes
Holsinger Yes

The final approval also included authorization to the President of the Board to finalize execution of the sales agreement and also authorization to the General Manager to sign additional forms and documents necessary to finalize escrow and effectuate the closing consistent with the Board’s action.

Adjournment

Action: Motion by Holsinger, second by Tucker to adjourn the meeting. The motion passed unanimously at 8:33 p.m.

***The meetings for December 17, 2014 and January 7, 2015 have been cancelled.**

The next scheduled meeting will be held on January 21, 2014 at the Municipal Services Building, 33 Arroyo Drive, South San Francisco at 6:00 p.m.

Debbie Nixon
Deputy Secretary

Sabrina Brennan
President

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

**January 7, 2015
6:00 p.m.**

**Sea Crest School, Think Tank, Room #19
901 Arnold Way
Half Moon Bay, Ca. 94019**

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Roll Call

Commissioners

- x Pietro Parravano, President
- Robert Bernardo, Commissioner
- Sabrina Brennan, Commissioner
- Nicole David, Commissioner
- Tom Mattusch, Commissioner

Staff

- Scott A. Grindy, Acting General Manager
- x Debra Galarza, Director of Finance
- Marietta Harris, Human Resource Manager
- Charles White, Acting Harbor Master - OPM
- John Draper, Acting Harbor Master - PPH
- Steven Miller, District Counsel
- Debbie Nixon, Deputy Secretary

x-absent

Public Comments/Questions — Neil Merrilees spoke regarding beach nourishment at Surfer’s Beach. (:40)

New Business

(1:45)

- 1 TITLE: **Reorganization of Harbor Commission: Selection of Officers**
- REPORT: Parravano, Memo, Attachments
- PROPOSED ACTION: To be determined

Action: Motion by Mattusch, second by David to nominate Brennan as President. The motion passed.

Ayes: Bernardo, Brennan, David, Mattusch
Absent: Parravano

Action: Motion by David, second by Brennan to nominate Mattusch as Vice President. The motion passed.

Ayes: Bernardo, Brennan, David, Mattusch
Absent: Parravano

Action: Motion by Brennan, second by Mattusch to nominate Scott Grindy as Treasurer. The motion failed.

(8:10) Public Comment – Leonard Woren suggested the Commission look at the most current enabling act for guidance in selecting a Treasurer and supported Grindy being the Treasurer.

Action: Motion by David to continue the selection of Treasurer to the January 21, 2015 Board meeting. The motion failed for lack of a second.

Action: Motion by Brennan to nominate Bernardo for Treasurer. Bernardo graciously declined.

Action: Motion by Mattusch, second by Brennan to nominate David as Secretary. The motion passed.

Ayes: Bernardo, Brennan, David, Mattusch
Absent: Parravano

Consent Calendar

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

This item was removed from the consent calendar.

New Business, Continued

(16:20)

2 TITLE: **Updated List of Signatures for the San Mateo County Harbor District's Accounts at the San Mateo County Treasurer's Office**

REPORT: Memo, List of signatures, Resolution 02-15

PROPOSED ACTION: Adopt Resolution 02-15 to authorize the updated list of signatures for the San Mateo County Harbor District's accounts at the San Mateo County Treasurer's office

(17:50) Public Comment –Leonard Woren did not support that the District has all their monies invested with the San Mateo County Treasurer's Office.

Action: Motion by David, second by Mattusch to adopt resolution 02-15 to authorize the updated list of signatures for the San Mateo County Harbor District's accounts at the San Mateo County Treasurer's office. The motion passed.

Ayes: Bernardo, Brennan, David, Mattusch
Absent: Parravano

(23:03)

3 TITLE: **Terminate Membership in the California Maritime Infrastructure Authority**

REPORT: Brennan, Resolution, Attachment

PROPOSED ACTION: Terminate the District's membership in the Joint Powers Authority called the California Maritime Infrastructure Authority (CMIA) and authorize the General Manager to provide notice to the members of the CMIA and take any other action necessary to effect the withdrawal

Public Commission – Woren supported terminating the membership.

Action: Motion by Mattusch, second by David to terminate the District's membership in the Joint Powers Authority called the California Maritime Infrastructure Authority (CMIA) and authorize the General Manager to provide notice to the members of the CMIA and take any other action necessary to effect the withdrawal. The motion passed.

Ayes: Bernardo, Brennan, David, Mattusch
Absent: Parravano

(27:15)

- 4 TITLE: **Authorize The Expenditure of up to \$21,500 for Removal of a Sunken Boat at Oyster Point Marina/Park**
REPORT: Grindy, Memo
PROPOSED ACTION: Approve the purchase of services and action to remove a sunken boat at Oyster Point Marina/Park in the amount of \$21,500

Action: Motion by Mattusch, second by Bernardo to approve the purchase of serviced and action to remove a sunken boat at Oyster Point Marina/Park in the amount of \$21,500. The motion passed.

Ayes: Bernardo, Brennan, David, Mattusch
Absent: Parravano

(29:10)

- 5 TITLE: **Schedule Date for Board Dynamics Workshop with Brent Ives**
REPORT: Grindy, Memo
PROPOSED ACTION: Select date to hold Board Dynamics Workshop

Public Comment: Leonard Woren felt the monies didn't need to be spent on a workshop since two Board members were now gone.

Action: Motion by David, second by Bernardo to schedule the Board Dynamics Workshop for February 11, 2015. The motion passed.

Ayes: Bernardo, Brennan, David, Mattusch
Absent: Parravano

(33:05)

- 6 TITLE: **Discussion and Possible Action: Forming Committees: Ad-Hoc and Standing Committees**
REPORT: Brennan, Memo, Attachments
PROPOSED ACTION: To be determined

Public Comment – Leonard Woren reminded the Board that all standing committee meetings need to meet the 72 hour notice requirement.

Ad-Hoc Committees

Executive Search Committee – David, Mattusch

Strategic Planning Committee – Bernardo, Mattusch

Administration Office Committee – Brennan, Mattusch

Standing Committees

Finance Committee – Brennan, Mattusch

Beach Replenishment Committee – David, Parravano

Water Quality and Public Safety Committee – David, Mattusch

Communications and Marketing Committee – Bernardo, Brennan

(41:40)

- 7 TITLE: **Discussion and Possible Action: Consideration, Approval and/or Direction to Staff on the Process of Hiring an Executive Search Firm/Consultant to Conduct a Formal Search for General Manger**
- REPORT: Brennan, HR Memo, Attachments
- PROPOSED ACTION: Board discussion and possible action to 1) approve search firm proposal, or 2) direct staff to negotiate a contract with a search firm/consultant, or 3) assemble set of search firms for Board consideration at future meeting

Action: Motion by David, second by Mattusch to amend the current contract with BHI Consulting to add the search for General Manager to the scope of work. The motion passed.

Ayes: Brennan, David, Mattusch
Nays: Bernardo
Absent: Parravano

(57:20)

- 8 TITLE: **Discussion and Possible Action: Strategic Business Plan Goals, Status and Viability of Contract with Lisa Wise Consulting**
- REPORT: Brennan, Memo, Attachments
- PROPOSED ACTION: To be determined

Public Comment

Leonard Woren urged the Commission to not proceed with the Strategic Business Plan at the present time.

Lisa Damrosh urged the Commission to allow the Community Sustainability Plan portion of the plan to be completed.

Action: Motion by David, second by Mattusch to stop/suspend work to the project for up to six months or until the search for a permanent General Manager position occurs, and while the new board familiarizes themselves with the project and allow the completion of the Community Sustainability Plan and authorize the General Manager to amend the contract. The motion passed.

Ayes: Brennan, David, Mattusch
Nays: Bernardo
Absent: Parravano

(1:22:30)

9 TITLE: **Discussion and Possible Action: District Administrative Offices Lease Agreement and Possible Future Location of District Administrative Offices**
REPORT: Grindy, Memo, Attachments
PROPOSED ACTION: To be determined

This item will be continued at the January 21, 2015 meeting.

(1:39:00)

10 TITLE: **Discussion and Possible Action: Adopt Policies for Staff's Handling of Requests from Commissioners and from the Public For Documents and Information**
REPORT: Brennan, Attachments
PROPOSED ACTION: To be determined

Public Comment – Leonard Woren stated that the size of the District's Board packet is too large and stated that the word document should be used.

Action: Motion by David, second by Mattusch to adopt the policies for staff's handling of requests from Commissioners and from the Public for documents and information which the change of 5 business days to read 5-10 business days. The motion passed.

Ayes: Bernardo, Brennan, David, Mattusch
Absent: Parravano

(1:49:50)

11 TITLE: **Discussion and Possible Action: Consider Revising General Manager's Spending Limit**
REPORT: Brennan, Attachments
PROPOSED ACTION: To be determined

Public Comment – Leonard Woren suggested adding the language “has an effect on ongoing day to day business” to the motion and that should cover what is trying to be accomplished.

Action: Motion by Brennan, second by David to approve a policy that the General Manager does not have the authority to hire consultants and/or contractors prior to Board approval unless related to a threat to public health and safety that has an effect on ongoing day to day business operations. The motion passed.

Ayes: Brennan, David, Mattusch
Nays: Bernardo
Absent: Parravano

(2:07:20)

- 12** TITLE: **Discussion and Possible Action: Consideration of Revising Policy and Contract Regarding Use of District’s Legal Counsel**
REPORT: Grindy, Memo, Attachments
PROPOSED ACTION: To be determined

Action: Motion by Brennan, second by David to accept the amended changes of item 5 in the contract. The motion passed.

Ayes: Brennan, David, Mattusch
Nays: Bernardo
Absent: Parravano

(2:15:22)

- 13** TITLE: **Request for Proposals: District Counsel Legal Services**
REPORT: Grindy, Memo, Attachments
PROPOSED ACTION: Direct General Manager to issue Request for Proposals (RFP)

Public Comment – Leonard Woren was in support of the District issuing the RFP for Legal Services.

Action: Motion by Brennan, second by David to have the General Manager bring back a draft RFP to the Board at the next meeting to include language to notify the District if the applicant has California Coastal Act experience. The motion passed.

Ayes: Bernardo, Brennan, David, Mattusch
Absent: Parravano

(2:29:45)

- 14 TITLE: **Discussion and Possible Action: Consider Acquiring Equipment Required to Facilitate Power Point and Video Presentations by Staff, Consultants, and Public**
REPORT: Harris, Memo
PROPOSED ACTION: To be determined

Action: Motion by Mattusch, second by Bernardo to acquire equipment required to facilitate power point and video presentations in an amount not to exceed \$3,500. The motion passed.

Ayes: Bernardo, Brennan, David, Mattusch
Absent: Parravano

(2:33:15)

- 15 TITLE: **Discussion and Possible Action: Regular Meeting Start Time and End Time of Harbor District Meetings**
REPORT: Brennan, Resolution, Attachment
PROPOSED ACTION: Adopt Resolution 03-15 to amend regular start time and end time of regular Harbor District Board meetings

Public Comment – Leonard Woren was in favor of changing the meeting to a later start time.

Action: Motion by Brennan, second by Bernardo to adopt Resolution 03-15 to amend the start time of the regular Board meetings to 6:30 p.m. and the end time to 9:30 p.m. The motion passed.

Ayes: Bernardo, Brennan, David, Mattusch
Absent: Parravano

(2:45:25)

- 16 TITLE: **Discussion and Possible Action: Policy Regarding Content of Meeting Minutes**
REPORT: Grindy, Memo
PROPOSED ACTION: To be determined

Action: Motion by Brennan, second by David to include meeting links on the Harbor District website, create action minutes and to include Public support and opposition for items and to include the time for each agenda item in the Minutes.

Ayes: Bernardo, Brennan, David, Mattusch
Absent: Parravano

Board of Harbor Commissioners

(2:45:25)

17 A. Committee Reports

None.

B. Commissioner Statements and Requests

1. The Board of Harbor Commissioners may make public statements limited to five (5) minutes.

Bernardo welcomed Commissioners David and Mattusch. He also congratulated President Brennan. Bernardo stated that he appreciated the health discussion and civility during the meeting.

Mattusch stated that he has several members of the public address issues with him and stated there has been a request for more benches within the harbor. Draper stated there was no space for any additional benches within the harbor.

David stated that change is good but the changes coming from the Board is a huge demand on staff and stated that she would like to make an effort to balance the work load.

Brennan welcomed Commissioners David and Mattusch and congratulated Bernardo on winning his re-election. She thanked staff for all their effort producing the meeting packet and for attending the meeting. Brennan thanked Grindy, who worked around the clock and through the holidays to make it all possible.

2. Any Commissioner wishing to place an item on a future agenda may make a motion to place such an item on a future agenda.

Action: Motion by Mattusch, second by Brennan to agendize an item for health care benefits parody amongst all Board members before the next open enrollment period. The motion passed.

Ayes: Bernardo, Brennan, David, Mattusch
Absent: Parravano

Action: Motion by David, second by Mattusch to agendize an informational item on a future agenda regarding the status of Romeo Pier. The motion passed.

Ayes: Bernardo, Brennan, David, Mattusch
Absent: Parravano

Action: Motion by Brennan, second by Mattusch to agendize an item on a future agenda for a power point presentation on the fish buyer fee audit conducted by JJACPA Inc. and the Dornbusch consulting firm fish buying fee report. The motion

passed.

Ayes: Bernardo, Brennan, David, Mattusch

Absent: Parravano

Action: Motion by Brennan, second by Bernardo to agendize an item on a future agenda for a power point presentation on the Facilities Condition Survey for both Oyster Point Marina/Park and Pillar Point Harbor. The motion passed.

Ayes: Bernardo, Brennan, David, Mattusch

Absent: Parravano

Adjournment

Action: Motion by Mattusch, second by Bernardo to adjourn the meeting. The motion passed at 9:04 p.m.

The next scheduled meeting will be held on January 21, 2015 at the Municipal Services Building, 33 Arroyo Drive, South San Francisco at 6:00 p.m.

Debbie Nixon
Deputy Secretary

Sabrina Brennan
President

Staff Report**REVIEW AND POSSIBLE REDUCTION OF FISH BUYING FEE'S BY SMCHD TO FISH BUYING LEASE HOLDERS**

Recommendation

Continue Discussions at Fiance Committee meetings to gain input from the fish buyers and commercial fishermen. Bring committee findings back to the board for consideration and possible action.

Background *(comments from Dornbusch Report with Acting GM commentary)*

San Mateo County Harbor District has limited options for generating fee revenue as compared to larger ports, such as Monterey Harbor and the Port of San Francisco that derive large portions of their revenue from numerous restaurants and retail operations in addition to boat slips.

The total rents and fees generated by the three Fish Buyer lease agreements represents around 8% of Pillar Point Harbor's overall operating revenue of \$2.1 million for 2013-2014, according to SMCHD's final budget. The majority of operating revenue at Pillar Point (around 70%) comes from slip fees and another 10% comes from other rents and leases at the harbor.

The Pillar Point Harbor area is a relatively higher cost location for construction as compared to other similar marina locations. For example, the weighted average construction cost index is 115.2 for Half Moon Bay-San Mateo and 108.9 for Monterey-Salinas in 2014. This suggests that it is approximately 6% more costly to complete construction and capital improvement projects at Pillar Point Harbor than it would be at Monterey Harbor

Fish buying fee collection at Pillar Point Harbor is currently based on the "honor system." The fish buyers are not currently providing the verification documents required in the lease agreements and the information included in the fee worksheets may not be correct. The "honor system" may have resulted in underpayment of fees to the District. To improve the fee verification process multiple employees or contractors would be required to observe/monitor the three fish buying businesses during busy seasonal fishing events. The labor costs to provide oversight might be higher than the fees the District collects. Verification clearly requires more contact with the tenant(s), commercial fisherman and financial auditors than is currently in place.

Analysis (*comments from Dornbusch Report with Acting GM commentary*)

Fees are in addition to Base Rent under the new leases. Under the previous leases, fees only applied after the percentage fee exceeded Base Rent. As an example, if there were a 5% fee on retail revenue of \$50,000, the total rent and fees paid under the previous contracts would be \$2,500 (because the \$2,500 percentage fee exceeded base rent). Under the new contracts, the total fee would be the fee on retail revenue (\$2,500) PLUS the base rent of \$2,500, for a total of \$5,000. So in this example, total rent + fees would be doubled under the new contracts as compared to the previous contracts.

Analysis Continued (*comments from Dornbusch Report with Acting GM comments*)

With further negotiation and review, a possible flat rate or rate that is charged with a less cumbersome approach to District labor is needed. Further, a review of District capital funding to maintain the area used by the fish buyers needs to be part of the conversation so that both safety and operational conditions are maintained at proper levels without requiring constant additional maintenance to areas in this service area zone.

Continued costs for audits of fee's, collection actions and general enforcement should be brought to the simplest mode to reduce overhead costs while working to possibly reduce the fee structure so that there is a win-win condition between the district and the fish buyers.

Lastly, as part of the fee approval and or change of fee process, the Department of Boating and Waterways also is presently required to approve changes to lease agreements.

Fiscal Impact (*Recommendations from Dornbusch Report*)

Alternative Scenario 1: Reduce Off-Loading Fee on Wetfish to \$3/ton

Reducing the Off-Loading Fee on wetfish to \$3/ton would set that fee to approximately 10% of the revenue generated by the service (the average price for off-loading wetfish is \$30/ton), which would be less burdensome than the current fee of \$10/ton (33% of the average price for off-loading).

If the Off-Loading Fee on wetfish \$3/ton but Base Rent and all other fees remained the same, Pillar Point Seafood's fees to-date would have been reduced by around \$17,400 and Three Captains' fees would have been reduced by around \$13,900. SMCHD would have collect \$31,300 less in total fees between April 2013 and March 2014, which represents around 18% of total Rent and Fees collected between those dates.

Under the previous lease agreements, SMCHD collected total annual Base Rent of around \$77,000 (\$2,140/month x 12 months x 3 lessees). Even with the \$31,000 reduction in fees under this scenario, SMCHD would collect around \$140,000 in annual rent and fees (\$171,000-\$31,000). However it should be noted that the District did not verify fees paid in the past and the District was likely underpaid or not paid the fees required in the past lease agreements.

Alternative Scenario 2: Reduce Fees by 50%

Reducing the Off-Loading Fee for wetfish from \$10 to \$5/ton would put Pillar Point in line with the recommendation made in the 2013 *Fishing Community Sustainability Plan* for Monterey. Reducing the fee on retail sales from 5% to 2.5% would put Pillar Point more in line with the percentage charged to fish markets on Monterey's Municipal Wharf II.

If Base Rent remained the same but fees were reduced by 50% across the board (to \$5/ton for off-loading and purchasing wetfish, one-half cent per pound for off-loading and purchasing finfish, and 2.5% on retail fish sales, Morning Star's annual fees would be reduced by over \$3,200, Pillar Point Seafood's fees would be reduced by around \$18,900, and Three Captains' fees would be reduced by around \$18,600. SMCHD would have collected \$40,700 less in total fees for the past year, which represents around 24% of total Rent and Fees collected between April 2013 and March 2014. SMCHD would still collect a total of \$130,000 in annual rent and fees.

Conclusion

A reduction in the fee rate for wetfish could have a positive impact to overall catch brought into the harbor with less impact to commercial fisherman and the fish buyers. Reducing fees may result in the District revenue remaining the same if reduced fees results in an increase of catch brought in.

Alternatives

Option 1

Review a possible flat rate or simplified fee structure. Review capital funds needed to maintain safety and operational conditions in the areas used by the fish buyers and commercial fishermen.

Option 2

Continue with present rate for an additional year(s) of study and review.

**ANALYSIS OF FEES FOR
FISH OFF-LOADING, WHOLESALE PURCHASE, & RETAIL SALES**

PILLAR POINT HARBOR

**PILLAR POINT SEAFOOD, MORNING STAR FISHERIES,
AND THREE CAPTAINS SEA PRODUCTS LEASES**

Presented to

San Mateo County Harbor District

By

Dornbusch Associates

Berkeley, California

DECEMBER 2014

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I. INTRODUCTION AND BACKGROUND INFORMATION

A. Study Purpose and Objective

The San Mateo County Harbor District (SMCHD) engaged Dornbusch Associates (Dornbusch) to analyze fees that SMCHD levies on lessees who engage in fish off-loading, wholesale purchase, and retail sales at Pillar Point Harbor. The three lessees are Pillar Point Seafood, Morning Star Fisheries, and Three Captains Sea Products. Dornbusch compared fees at Pillar Point to fees in place at other harbors in Northern California, including Monterey, Moss Landing, Santa Cruz, San Francisco, Spud Point (Bodega Bay), and Noyo (Fort Bragg).

Although the methodology of this report involves a comparability study and an analysis of fees as a percentage of lessees' revenues, another way to approach the problem would be to focus on SMCHD's needs for the fees generated by the lessees. SMCHD might require a certain minimum amount of fees to cover debt service or to fund projected capital improvements that would benefit the lessees (such as improvements to the pier, roadway, or building exterior, etc.)

Note that the San Mateo County Harbor District has fewer options for generating fee revenue as compared to larger ports, especially in Monterey and San Francisco, which earn fees not only from slip rentals but also from large numbers of restaurants and retail operations. Therefore, SMCHD relies to a relatively greater extent on fees from these lessees. Nevertheless, the total rents and fees generated by these three contracts represent only around 8% of Pillar Point Harbor's overall operating revenue of \$2.1 million for 2013-2014, according to SMCHD's final budget. The majority of operating revenue at Pillar Point (around 70%) comes from berth fees and another 10% comes from other rents and leases at the harbor.

Pillar Point is in a relatively high cost area for construction as compared to other marinas in the comparable set, which might justify slightly higher fees than comparables. For example, the weighted average construction cost index is 115.2 for Half Moon Bay-San Mateo and 108.9 for Monterey-Salinas in 2014. This suggests that it is approximately 6% more costly to complete construction and capital improvement projects at Pillar Point than it would be at Monterey Harbor.

These differences were taken into consideration when developing the recommendations at the end of this report.

B. Overview of Key Lease Parameters

The current leases for off-loading, wholesale purchase and retail sales went into effect in March 2013 and have an initial term of 5 years, with two 5-year renewal options. The approximate square footage of each lessee's space in the building on Johnson Pier, including upper and

lower levels, is 1,250 square feet. Lessees also have designated storage spaces on another area of the pier as well as apron space along the pier where their hoists are located. Lessees and off-loaded fish are accessed by buyers and their refrigerated trucks by the pier rather than onshore.

Minimum Base Rent was initially set at \$2,500 per month under the new leases. (Note: initial base rent under the previous 30-year leases had been set at \$2,000, but had increased to \$2,140 over time.) In addition to Minimum Base Rent, there are fees for Wholesale Fish Purchase, Fish Off-Loading, and Retail Fish Sales.

For Wholesale Fish Purchase, fees are \$10 per ton for wetfish and 1 cent per pound (\$20 per ton) for finfish and shellfish.

For Fish Off-Loading, fees are similarly \$10 per ton for wetfish and 1 cent per pound (\$20 per ton) for finfish and shellfish.

For Retail Fish Sales, the fee is 5% of gross receipts.

Note that fees are in addition to Base Rent under the new leases. Under the previous leases, fees only applied after the percentage fee exceeded Base Rent. As an example, if there were a 5% fee on retail revenue of \$50,000, the total rent and fees paid under the previous contracts would be \$2,500 (because the \$2,500 percentage fee exceeded base rent). Under the new contracts, the total fee would be the fee on retail revenue (\$2,500) PLUS the base rent of \$2,500, for a total of \$5,000. So in this example, total rent + fees would be doubled under the new contracts as compared to the previous contracts.

Payments of fees are due monthly under the new contracts, as compared to quarterly under the previous contracts. Lessees noted in interviews that they found this increased frequency burdensome.

II. FEES FOR FISH OFF-LOADING

A. Summary of Fees Paid Since April 2013

For Fish Off-Loading, fees are \$10 per ton for wetfish and \$0.01 per pound (\$20 per ton) for finfish and shellfish. The following table presents off-loading fees paid to SMCHD since April 2013. Note that these fees have not been audited, and their calculation relies on lessee's data.

Table 1. Off-Loading Fees Paid from April 2013 to March 2014

Month	Morning Star	Pillar Point Seafood	Three Captains	Total Off-Loading Fees
April 2013		\$187.13		\$187.13
May	\$165.37	\$1,529.30		\$1,694.67
June	\$35.21	\$968.95		\$1,004.16
July		\$7,091.81		\$7,091.81
August	\$134.86	\$8,979.81	\$19,825.03	\$28,939.70
September	\$60.87	\$8,729.97	\$24.84	\$8,815.68
October	\$40.04	\$375.92	\$41.62	\$457.58
November		\$7,962.70	\$302.71	\$8,265.41
December		\$1,589.69		\$1,589.69
January 2014		\$185.00		\$185.00
February		\$7.79	\$236.35	\$244.14
March	\$40.62	\$213.56	\$212.10	\$466.28
12 Month Total	\$476.97	\$37,821.63	\$20,642.65	\$58,941.25
Monthly Average	\$39.75	\$3,151.80	\$1,587.90	\$4,533.94

As the table shows, the three lessees paid a total of almost \$59,000 in off-loading fees over the 12-month period, or an average of approximately \$4,500 per month. Pillar Point Seafood had the most off-loading business, accounting for around 64% of the total fees paid by the three lessees. Three Captains accounted for 35% and Morning Star fisheries the remaining 1%. Monthly fees for off-loading were over \$3,100 for Pillar Point Seafood, almost \$1,600 for Three Captains, and \$40 for Morning Star.

Most of the individual monthly figures in the table reflect fees paid on finfish and shellfish, with the exception of the large August 2013 figure for Three Captains, which primarily represents a large landing of squid/wetfish (1,963 tons at \$10/ton = \$19,630 of that month's fee) and the July, August, and September 2013 figures for Pillar Point Seafood (around \$21,500 of the \$23,000 in fees paid by Pillar Point Seafood during those three months were for squid/wetfish, representing around 2,150 tons). Total wetfish off-loading by the lessees was therefore approximately 4,000 tons over the period.

NOTE: according to Dave Mallory (owner of Morning Star), Morning Star and Three Captains had an agreement to share off-loading responsibilities for the large amount of squid that shows up as part of the \$19,825.03 fee for Three Captains in August 2013. Although Three Captains

booked the revenue and the entire fee to SMCHD, it passed through a portion to Morning Star according to their agreement. All appropriate fees were paid to SMCHD, but we report this in order to note that Morning Star is also more affected by the off-loading fees than the figures in the table would suggest.

So, of the \$59,000 in total fees paid, approximately \$40,000 was for wetfish and the remaining \$19,000 for finfish and shellfish. On average, Morning Star off-loaded two tons (4,000 pounds) of finfish and shellfish per month, Pillar Point Seafood off-loaded 54.3 tons (108,500 pounds) of finfish and shellfish per month, and Three Captains off-loaded 3.4 tons (6,800 pounds) of finfish and shellfish per month. Total finfish and shellfish off-loading was around 60 tons per month or 720 tons (1,440,000 pounds) over the 12-month period.

Table 2. Breakdown of Monthly Fees by Type of Fish

Type	Morning Star	Pillar Point Seafood	Three Captains
Wetfish	\$0	\$2,066.80	\$1,652.08
Finfish and Shellfish	\$39.75	\$1,085.00	\$68.14
Total Monthly Average	\$39.75	\$3,151.80	\$1,720.22
12 Month Total	\$476.97	\$37,821.63	\$20,642.65

The table shows that fees on wetfish accounted for approximately two-thirds of Pillar Point Seafood’s total off-loading fees and 96% of Three Captains’ total off-loading fees.

B. Average Prices that Lessees Charge to Fishermen for Off-Loading

Mike McHenry of Pillar Point Seafood reported that he typically charges fishermen 25 cents per pound to offload salmon and 17 cents per pound to offload crab. The 1 cent fee levied by SMCHD for off-loading these finfish/shellfish species represents 4% of revenue received for salmon (\$0.01 fee/\$0.25 revenue per pound) and approximately 6% of revenue received for crab (\$0.01/\$0.17). For groundfish such as sole, cod, sand dabs, halibut, and rockfish, fishermen are typically charged 5 cents per pound, so the 1 cent per pound fee represents 20% of revenue received (\$0.01/\$0.05). However, these groundfish species represent a very small amount of overall landings.

For wetfish (primarily squid), McHenry reported that he charges fishermen \$30 per ton to off-load. The \$10 per ton fee levied by SMCHD represents 33.3% of the revenue received for off-loading squid. For off-loading 100 tons, the lessee would receive \$3,000 and would then pay \$1,000 in fees to SMCHD. This fee for wetfish offloading represents a very high share of revenue and has a direct impact on lessee profits.

Dave Mallory reported that Morning Star and Three Captains charged \$35 per ton to off-load squid. The \$10 per ton fee represents 28.6% of the of the revenue received.

The following table summarizes fees as a percentage of revenue for SMCHD lessees.

Table 3. Off-Loading Fees as a Percentage of Off-Loading Revenue

Species	Revenue	Fee	Fee as % of Revenue
Salmon	25 cents/lb	1 cent/lb	4%
Crab	17 cents/lb	1 cent/lb	6%
Groundfish	5 cents/lb	1 cent/lb	20%
Wetfish (squid)	\$30-\$35/ton	\$10/ton	28-33%

The table illustrates the relatively high fee levied for off-loading wetfish. Again, although the fee on groundfish also appears high, groundfish represents a very small share of overall off-loading revenue.

In our experience analyzing leases and concessions contracts for local, state, and national agencies, a 10% fee would be high for businesses associated with food processing, handling or retailing. Something in the 5% range or slightly lower would be more in line with industry comparables.

C. Comparable Off-Loading Prices and Fees

The City of Monterey currently charges \$1.78 per ton (less than 1/10th of 1 cent per pound) wharfage, regardless of species (same fee for wetfish and finfish/shellfish) to lessees who off-load fish on Municipal Wharf II. The fee increases slightly each year based on an inflation factor but has not had a major adjustment based on comparables since current leases went into effect several years ago.

The City of Monterey’s 2013 *Fishing Community Sustainability Plan*, which considered harbors throughout Northern and Southern California, included a recommendation to increase wharfage to \$5 per ton for wetfish and higher fees for finfish and shellfish depending on species.

According to Steve Scheiblaue (Harbormaster) and Rick Marvin (Property Manager), Monterey is also currently conducting other analyses in preparation for lease renewals that will be occurring in coming years. Recommendations that emerge from these analyses may be incorporated into future lease terms.

At Spud Point (Bodega Bay), the Harbor has its own hoist and charges fishermen directly. According to Noah Wagner, Marina Supervisor, resident fishing boats (permanent berth holders) are charged 8 cents/lb for crab, 10 cents/lb for salmon and 5 cents/lb for all other species. For residents, the first 125 pounds of fish or 300 pounds of crab are free. For non-resident boats, the Harbor charges 15 cents/lb for crab, 20 cents/lb for salmon and 10 cents/lb for all other species. There is a \$15 minimum fee for non-residents. Outside buyers that come in and off-load fish with their own equipment pay the same fees to the Harbor for poundage. They must also pay \$250 for a six-month permit to buy fish.

Spud Point also has one lessee that provides off-loading services that pays a base rent of \$2,500 per month for warehouse space and 4 cents per pound wharfage (only if the fee exceeds minimum base rent, so the fee would only kick in after 62,500 pounds are off-loaded in one month).

Santa Cruz Harbor does not charge wharfage and resident boats can use a public hoist for free to off-load their own catch. However, they have a designated off-loader/buyer (H&H Fresh Fish Company) that is permitted to charge fishermen between 10 and 15 cents per pound for off-loading finfish (according to Hans Haveman at H&H, most of the wetfish business at Santa Cruz is handled by a couple of boats that off-load their own catch). Outside boats may use the public hoist to off-load but must pay the resident off-loader/buyer the same fee (10-15 cents per pound for finfish).

San Francisco, Noyo (Fort Bragg) and Moss Landing do not charge wharfage. At Moss Landing, most of the off-loading is handled by Bay Fresh Seafoods, which charges 25 cents per pound to fishermen for off-loading different species of finfish and shellfish. Bay Fresh also has a squid pump and typically charges \$25 per ton for off-loading squid, according to owner Roger Whitney.

The following table summarizes off-loading fees at harbors in Northern California.

Table 4. Off-Loading Fees

Location	Fees
Pillar Point	\$10/ton wetfish, 1 cent/pound finfish, shellfish
Monterey (current)	\$1.78/ton (< 0.1 cent/pound) all species
Monterey (recommended in 2013 report)	\$5/ton wetfish, higher for finfish, shellfish
Spud Point	4 cents/pound finfish, shellfish (only if exceeds base)

Off-loading fees are currently higher at Pillar Point than they are at Monterey. However, a recent report for Monterey recommended an increase in wharfage to \$5/ton for wetfish and higher fees for finfish and shellfish at that harbor (up to 1% of ex-vessel value in some cases, which would roughly correspond to 5 cents/pound or \$100/ton for many species). Other analyses underway at Monterey may also impact the terms of future leases there.

The following table summarizes what fishermen pay to have their catch off-loaded at Northern California harbors (what fishermen are charged for off-loading, as opposed to fees that harbor authorities collect).

Table 5. Off-Loading Costs for Fishermen

Location	Off-Loading Costs, Finfish and Shellfish	Off-Loading Costs, Wetfish
Pillar Point	25 cents/lb salmon, 17 cents/lb crab	\$30-35/ton
Monterey	15-30 cents/lb	\$25-\$30/ton
Moss Landing	25 cents/lb salmon, 25 cents/lb crab	\$25/ton
Santa Cruz	10-15 cents/lb	Fishermen use public hoist
San Francisco	20-30 cents/lb	
Spud Point (Bodega Bay)	5-10 cents/lb resident, 10-20 cents/lb non-resident	

The table shows that off-loading prices that Pillar Point lessees charge to fishermen are generally in line or slightly higher with prices at other harbors in Northern California. This suggests that some of the costs are being passed through to fishermen. However, off-loaders at Pillar Point face higher fees than off-loaders in other locations.

III. FEES FOR WHOLESALE FISH PURCHASE AND RETAIL FISH SALES

A. Summary of Fees Paid Since April 2013

The current leases specify that lessees pay fees of \$10 per ton of wetfish purchased and 1 cent per pound per ton of finfish or shellfish purchased wholesale. Additionally, SMCHD requires lessees to pay 5% of gross receipts on retail fish sales to the general public.

The following table presents total wholesale purchase fees and average monthly fees paid by Morning Star and Three Captains from April 2013 to March 2014. Pillar Point Seafood does not purchase fish or engage in retail sales.

Table 6. Fees Paid for Wholesale Fish Purchase

Lessee	Morning Star	Three Captains	TOTAL
Total Fees Apr. 13-Mar. 14	\$4,761.77	\$5,686.11	\$10,447.88
Average Monthly Fees	\$396.81	\$473.84	\$870.66

Morning Star paid an average of around \$400 per month in fees and Three Captains paid an average of less than \$500 per month in fees on wholesale fish purchases.

The following table presents total Retail Fish Sales fees and average monthly fees paid by Morning Star and Three Captains from April 2013 to March 2014. Pillar Point Seafood does not purchase fish or engage in retail sales.

Table 7. Fees Paid for Retail Fish Sales

Lessee	Morning Star	Three Captains	TOTAL
Total Fees Apr. 13-Mar. 14	\$1,226.19	\$10,852.89	\$12,079.08
Average Monthly Fees	\$102.18	\$904.41	\$1,006.59

Morning Star paid an average of around \$100 per month in fees and Three Captains paid an average of \$900 per month in fees on retail fish sales. Based on these figures, which equal 5% of gross revenue, retail fish sales totaled \$24,524 for Morning Star and \$217,058 for Three Captains over the period.

B. Average Wholesale and Retail Prices and Comparable Fees

Average wholesale prices for salmon are typically in the \$4 to \$6 range, but due to scarcity and fishing area closures they have approached \$8 this year. Wholesale prices for halibut and other finfish are currently in the \$4 to \$6 range. Wholesale prices for most fish species typically represent around one half of the retail price (in other words, the retail mark-up represents 50% of the retail sales price). This is another way of saying that the gross margin on fish sales is around 50%. A 5% fee on retail sales revenue represents a 10% fee on this gross margin, which in our experience is reasonable but slightly high. For example, one pound of halibut purchased

wholesale for \$4 might sell retail for \$8. The 5% fee on the \$8 retail sale would be 40 cents. This represents 10% of the \$4 gross profit that the seller earned on the sale.

Monterey currently imposes a fee of 2% on retail sales for fish markets. This fee will likely be reconsidered with other lease terms when leases are renewed at Monterey over the next few years. There are no fees imposed by harbor authorities on retail fish sales at Santa Cruz, Moss Landing, or Fort Bragg. At Bodega Bay, there are sales to the public directly off boats and sellers are charged a flat \$15 per day fee to sell.

Although we do not judge the current 5% fee on retail sales to be overly burdensome for lessees, a slight reduction (to 2.5% or 3%) would put the fee more in line with fees charged at Monterey.

IV. SUMMARY OF TOTAL RENT AND FEES PAID

The previous sections discussed Base Rent, Off-Loading Fees, and Wholesale Purchase and Retail Sales Fees separately. In this section, we present a monthly and annual summary of total fees paid. The following table presents average monthly rent and fees paid by category for each of the three lessees over the April 2013-March 2014 period.

Table 8. Average Monthly Rent and Fees Paid from April 2013 to March 2014

Fee Type	Morning Star	Pillar Point Seafood	Three Captains	Total
Monthly Fees				
Off-Loading Wetfish	\$0	\$2,066.80	\$1,652.08	\$3,718.88
Off-Loading Finfish	\$39.75	\$1,085.00	\$68.14	\$1,192.89
Wholesale Purchase	\$396.81	\$0	\$473.84	\$870.65
Retail Sales	\$102.18	\$0	\$904.41	\$1,006.59
Total Monthly Fees	\$538.74	\$3,151.80	\$3,098.47	\$6,789.01
Monthly Base Rent	\$2,500.00	\$2,500.00	\$2,500.00	\$7,500.00
Monthly Rent + Fees	\$3,038.74	\$5,651.80	\$5,598.47	\$14,289.01

Under the previous leases, the lessees were paying \$2,140 in Minimum Base Rent, and percentage fees on sales rarely exceeded minimum base rent. **Total average monthly Rent + Fees paid over the 2013-2014 period represented a 42% increase (above the \$2,140 base rent) for Morning Star, 164% increase for Pillar Point Seafood and 162% for Three Captains. In other words, Pillar Point Seafood and Three Captains are now paying over 2.5 times the rent and fees they were previously paying.** (And, since Morning Star actually incurred more fees due to its squid off-loading agreement with Three Captains, Morning Star's actual monthly fees are effectively higher than the table shows—while Three Captains are effectively slightly lower). The following table presents annual totals for each of these categories.

Table 9. Annual Rent and Fees Paid from April 2013 to March 2014

Fee Type	Morning Star	Pillar Point Seafood	Three Captains	Total
Annual Fees				
Off-Loading Wetfish	\$0	\$24,802	\$19,825	\$44,627
Off-Loading Finfish	\$477	\$13,020	\$818	\$14,315
Wholesale Purchase	\$4,762	\$0	\$5,686	\$10,448
Retail Sales	\$1,226	\$0	\$10,853	\$12,079
Total Annual Fees	\$6,465	\$37,822	\$37,182	\$81,468
Annual Base Rent	\$30,000	\$30,000	\$30,000	\$90,000
Annual Rent + Fees	\$36,465	\$67,822	\$67,182	\$171,468

As shown in the table, SMCHD collected \$90,000 in base rent and \$81,468 in fees over the period, for a total of \$171,468.

V. KEY FINDINGS AND RECOMMENDATIONS

The following bullet points list the key findings of this report:

- Lessees were paying minimum base rents of \$2,140 per month under the previous leases prior to March 2013. The \$2,500 monthly rent specified in the first year under the current leases represented a 16.8% increase, and base rent has increased by another 3% to \$2,575 in the second year of the contracts. While significant, the 16.8% increase represented a bit of a “catch-up” as rents had not been increased by inflation indexes on a regular basis during the previous lease term.
- Fees levied on off-loading finfish and shellfish (1 cent/pound) represent approximately 4% of off-loading revenue for salmon and 6% for crab. In our experience analyzing leases and contracts for public agencies, these fees on finfish and shellfish off-loading are reasonable.
- Fees levied on off-loading wetfish (\$10/ton) represent approximately 28-33% of off-loading revenue for squid (\$30-35/ton). This 28-33% range is very high and has a significant impact on lessees’ profit margins.
- Pillar Point Seafood paid \$38,000 in off-loading fees and Three Captains paid \$21,000 in off-loading fees over the 12-month period April 2013-March 2014.
- The 5% fee on retail fish sales is within a reasonable range, although slightly higher than the fee on retail fish sales at Monterey.
- Total average monthly Rent + Fees paid over the 2013-2014 period represented a 42% increase (above \$2,140) for Morning Star, 164% increase for Pillar Point Seafood and 162% for Three Captains. In other words, Pillar Point Seafood and Three Captains are now paying over 2.5 times the rent and fees they were previously paying.

Based on these findings, we recommend a significant reduction in the fee charged for off-loading wetfish, and a possible reduction in fees on retail fish sales. We present two possible alternative scenarios for reducing fees below and discuss the impacts to fees paid by lessess and fee revenue received by SMCHD.

Alternative Scenario 1: Reduce Off-Loading Fee on Wetfish to \$3/ton

Reducing the Off-Loading Fee on wetfish to \$3/ton would set that fee to approximately 10% of the revenue generated by the service (the average price for off-loading wetfish is \$30/ton), which would be less burdensome than the current fee of \$10/ton (33% of the average price for off-loading).

If the Off-Loading Fee on wetfish were reduced to \$3/ton but Base Rent and all other fees remained the same, Pillar Point Seafood's fees would be reduced by around \$17,400 and Three Captains' fees would be reduced by around \$13,900. SMCHD would collect \$31,300 less in total fees for the year, which represents around 18% of total Rent and Fees collected between April 2013 and March 2014.

Under the previous contracts, SMCHD collected total annual Base Rent of around \$77,000 (\$2,140/month x 12 months x 3 lessees). Even with the \$31,000 reduction in fees under this scenario, SMCHD would collect around \$140,000 in annual rent and fees (\$171,000-\$31,000).

Alternative Scenario 2: Reduce Fees by 50%

Reducing the Off-Loading Fee for wetfish from \$10 to \$5/ton would put Pillar Point in line with the recommendation made in the 2013 *Fishing Community Sustainability Plan for Monterey*. Reducing the fee on retail sales from 5% to 2.5% would put Pillar Point more in line with the percentage charged to fish markets on Monterey's Municipal Wharf II.

If Base Rent remained the same but fees were reduced by 50% across the board (to \$5/ton for off-loading and purchasing wetfish, one-half cent per pound for off-loading and purchasing finfish, and 2.5% on retail fish sales, Morning Star's annual fees would be reduced by over \$3,200, Pillar Point Seafood's fees would be reduced by around \$18,900, and Three Captains' fees would be reduced by around \$18,600. SMCHD would have collected \$40,700 less in total fees for the past year, which represents around 24% of total Rent and Fees collected between April 2013 and March 2014. SMCHD would still collect a total of \$130,000 in annual rent and fees.

FISH BUYERS OFF-LOADING FEES - From April 2013 thru Present

	<u>MORNING STAR</u>				<u>PILLAR POINT SEAFOOD</u>				<u>THREE CAPTAINS SEA PRODUCTS</u>				<u>GRAND</u>
	Off-loaded	Purchased	Retail Sales	TOTALS	Off-loaded	Purchased	Retail Sales	TOTALS	Off-loaded	Purchased	Retail Sales	TOTALS	TOTALS
04/30/13		41.19	15.95	57.14	187.13			187.13		39.96		39.96	284.23
05/31/13	165.37	467.36	87.20	719.93	1,529.30			1,529.30		39.96	769.74	809.70	3,058.93
06/30/13	35.21	286.34	110.94	432.49	968.95			968.95		394.07		394.07	1,795.51
07/31/13		42.63	269.65	312.28	7,091.81			7,091.81		262.90		262.90	7,666.99
08/31/13	134.86	25.46	28.10	188.42	8,979.81			8,979.81	19,825.03			19,825.03	28,993.26
09/30/13	60.87	9.60	5.00	75.47	8,729.97			8,729.97	24.84	10,083.15		10,107.99	18,913.43
10/31/13	40.04	3.92		43.96	375.92			375.92	41.62			41.62	461.50
11/30/13		2,198.47	291.30	2,489.77	7,962.70			7,962.70	302.71	2,959.28		3,261.99	13,714.46
12/31/13		1,023.80	185.25	1,209.05	1,589.69			1,589.69		1,641.50		1,641.50	4,440.24
01/31/14		317.38	88.00	405.38	185.00			185.00		348.44		348.44	938.82
02/28/14		188.37	82.60	270.97	7.79			7.79	236.35			236.35	515.11
03/31/14	40.62	157.25	62.20	260.07	213.56			213.56	212.10			212.10	685.73
04/30/14	27.30	180.36	10.05	217.71	98.26			98.26				-	315.97
05/31/14	53.86	95.35	83.30	232.51	484.59			484.59	56.39	259.89		316.28	1,033.38
6/31/14	47.19	105.40	44.75	197.34	3,357.84			3,357.84	184.63			184.63	3,739.81
07/31/14		64.04	46.33	110.37	26,641.44			26,641.44	100.73			100.73	26,852.54
08/30/14	109.36	116.17	41.45	266.98	9,208.36			9,208.36				-	9,475.34
09/30/14	23.23	127.52	24.15	174.90	1,063.51			1,063.51	40,958.57	168.24		41,126.81	42,365.22
10/31/14	9.65	112.33	40.95	162.93	168.56			168.56	18.00			-	331.49
11/30/14		2,064.49	59.55	2,124.04	9,220.15			9,220.15	2,779.22			-	11,344.19
12/31/14		1,062.44	91.60	1,154.04	2,142.06			2,142.06				-	3,296.10
				-				-					-
TOTALS	747.56	8,689.87	1,668.32	11,105.75	90,206.40	-	-	90,206.40	64,740.19	16,197.39	769.74	81,707.32	183,019.47

Note: Numbers are for finfish/shellfish unless noted

SAN MATEO COUNTY HARBOR DISTRICT

MONTHLY FISH PURCHASE AND OFF LOADING FEES WORKSHEET

LESSEE: Three Captains Sea Products

MONTH: May 2014

WETFISH

Number of Tons Off-Loaded: _____ X \$ 10.00 = _____

Number of Tons of Fish Purchased by Lessee: _____ X \$ 10.00 = _____

Gross Receipts for Lessee's On-site Retail Fish Sales: _____ X 5% = _____

FINFISH and SHELLFISH

Number of Pounds Off-Loaded: 5,639 X \$ 0.01 = 56.39

Number of Pounds of Fish Purchased by Lessee: 25,989 X \$ 0.01 = 259.89

Gross Receipts for Lessee's On-site Retail Fish Sales: _____ X 5% = _____

TOTAL 316.28

Statement of Lessee: By Signing below, I affirm, under penalty of law, that all information reported on this worksheet is true and correct and contains applicable information required by the current lease agreement and any amendments thereto.

Signature: Jan Jan

Date: 2/4/14

MONTHLY FISH PURCHASE AND OFF-LOADING FEES WORKSHEET

LESSEE:

Fees for the Month of: April, 2014

WET FISH

Number of Tons Off-Loaded:	<u>X</u>	X \$10	=	<u>X</u>
Number of Tons of Fish Purchased by Lessee:	<u>X</u>	X \$10	=	<u>X</u>
Gross Receipts for Lessee's On-Site Retail Fish Sales:	<u>X</u>	X 5%	=	<u>X</u>

FINFISH and SHELLFISH

Number of Pounds Off-Loaded:	<u>2730</u>	X \$0.01	=	<u>27.30</u>
Number of Pounds of Fish Purchased by Lessee:	<u>18,036</u>	X \$0.01	=	<u>180.36</u>
Gross Receipts for Lessee's On-Site Retail Fish Sales:	<u>791</u>	X 5%	=	<u>39.55</u>

TOTAL: 247.21

Statement of Lessee: By signing below, I affirm, under penalty of law, that all information reported on this worksheet is true and correct and contains all applicable information required by the current lease agreement and any amendments thereto.

Signature: David Malloy

SAN MATEO COUNTY HARBOR DISTRICT

MONTHLY FISH PURCHASE AND OFF-LOADING FEES WORKSHEET

LESSEE: *McHorney*

Fees for the Month of: *April 2014*

WETFISH

Number of Tons Off-Loaded:	_____	X \$10	=	_____
Number of Tons of Fish Purchased by Lessee:	_____	X \$10	=	_____
Gross Receipts for Fish Sold On-Site By Lessee:	_____	X 5%	=	_____

FINFISH and SHELLFISH

Number of Pounds Off-Loaded:	<i>9826</i>	X \$0.01	=	<i>9.826</i>
Number of Pounds of Fish Purchased by Lessee:	_____	X \$0.01	=	_____
Gross Receipts for Fish Sold On-Site By Lessee:	_____	X 5%	=	_____

TOTAL: *9.826*

Statement of Lessee: By signing below, I affirm, under penalty of law, that all information reported on this worksheet is true and correct and contains all applicable information required by the current lease agreement and any amendments thereto.

Signature: *KRM*

Paid under protest ! ! ! !

What a joke this whole Harbor has become under Peter Donnell! You'll be broke before Sam ! ! !

California Department of Fish and Wildlife
Landing Summary Report

For Landing Dates Between 01/01/2013 And 04/15/2014

<u>Market Code</u>	<u>Common Name</u>	<u>Pounds</u>	<u>Value</u>
711	Squid, market	15,238,707	\$4,953,847.88
		<hr/> 15,238,707	<hr/> \$4,953,847.88

End of Report

California Department of Fish and Wildlife
Landing Summary Report

Criteria

landing dates between 01/01/2013 And 04/15/2014
market code(s) 710 , 711
port code(s) 452

- (i) All sums collected and paid out for sales taxes, luxury taxes, excise taxes, and similar taxes required by law to be added to the total purchase price, whether now or hereinafter in force, to be collected from customers and paid by Tenant or a subtenant;
- (ii) All refunds made on any sale or charge for service or use of space previously included as Gross Receipts;
- (iii) Any income or receipts, under generally accepted accounting principles, which are derived from the sale or disposal of any capital assets (excluding any assets normally sold in the course of business conducted on the Premises) or from the retirement of any indebtedness, or from Tenant's or subtenant's investments of any funds not invested in the Premises or the operation of the Tenant's or subtenant's business on the Premises.

None of the above exclusions or deductions from Gross Receipts shall be excluded or deducted if in substance it is a typical sale, charge for service, or other source of Gross Receipts which is ordinarily the subject of Purchase and Off-Loading Fees, but arranged only to avoid such rent, or if actually contracted for elsewhere on other premises such as typical sale, charge for service, or other source of Gross Receipts which is ordinarily the subject of Purchase and Off-Loading Fees, but such sale, charge or service, or other Gross Receipts, is for the Lessee's or a subtenant's business benefit.

6.2 Payment of Purchase and Off-Loading Fees. Purchase and Off-Loading Fees at the rates set forth in Section 6.1 shall be paid monthly and shall be due and payable on the 15th day following the end of each month.

6.3 Documentation/Audit.

- (a) Tenant shall monthly provide the Landlord with a copy of its Department of Fish and Game transportation receipts, landing receipts, and unloading receipts or other documentation of receipts satisfactory to the General Manager. Such documentation shall include but not be limited to the name of the vessel making delivery for off-loading, name of vessel operating, Tenant name, actual scale weight of species loaded, and signature of vessel operator, tenant, and buyer if other than Tenant, and number of Commercial Activity Permit of buyer if other than Tenant.
- (b) Tenant shall keep records related to its business operations, including but not limited to its calculations of its Gross Receipts in a commercially reasonable form and detail, and in accordance with generally accepted accounting principles.
- (c) All documents, books and accounting records kept by Tenant relating to this Lease shall be open to inspection by Landlord or its authorized representative at any reasonable time during the Lease Term and for three (3) years thereafter.

7.0 IMPOSITIONS

7.1 Possessory Interest. Pursuant to California Revenue and Taxation Code Section 107.6 Tenant is hereby advised that this Lease creates a possessory interest subject to property

Mr. Peter Grenell
General Manager
San Mateo County Harbor District
400 Oyster Point Blvd., Suite 300
South San Francisco, California 94080

05-10-14 P 1:53 OUT

782 JS

Invoice for: Analysis of Rent and Fees for Wholesale Fish Purchase, Off-Loading and Retail Fish Sales

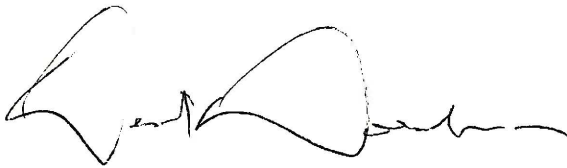
Date: June 4, 2014

Period: April - May, 2014

Payee: Dornbusch Associates
2907 Claremont Avenue, Suite 120
Berkeley, California 94705

Total Fee: \$14,750

Total This Invoice: 80% of \$14,750 = \$11,800



P.O. #: 260

Acct. #: _____

201-760-030

Pay Amt: 11,800

Approved:

Dir. Fin: 

Dept. PPH: _____

Dept. OPM: _____

Gen. Mgr. _____

Notes: _____

07-24-14P12:23 RCVD

Mr. Peter Grenell
General Manager
San Mateo County Harbor District
400 Oyster Point Blvd., Suite 300
South San Francisco, California 94080

Invoice for: Analysis of Rent and Fees for Wholesale Fish Purchase, Off-Loading and Retail Fish Sales

Date: July 22, 2014

Period: June-July, 2014

Payee: Dornbusch Associates
2907 Claremont Avenue, Suite 120
Berkeley, California 94705

78466

Total Fee: \$14,750

Total This Invoice: 20% of \$14,750 = **\$2,950**

PO # 260

Acct # 201.740.030

Pay Amt 2,950.00

Allocated: _____

Dir. Fin: _____

Dept. PPH: _____

Dept. OPM: _____

Gen. Mgr. [Signature]

Notes: _____

Staff Report

PRESENTATION ON FISH BUYER LEASE REVENUE VERIFICATION

Recommendation

Hold further discussions at Finance Committee meetings to gain input from the fish buyers and commercial fishermen. Bring committee findings back to the board for consideration and possible action.

Background

An audit of the three fish buyer leases was performed by JJACPA, Inc., the professional accounting service firm that also preforms the Districts required annual financial audits. An audit that included offloading fees (also described as fish buying fees) was performed for the period of April 2013 through March 2014.

Analysis

The audit was based on information provided by the fish buyers that included log books and fee worksheets. The auditor compared fee worksheets for wetfish, finfish and shellfish offloaded with fee payments made to the Harbor District.

The audit indicates that verification of fee payments is challenging and recommends the District outsource non-core activities. The information provided to the auditor was limited in scope and for this reason the audit may not provide a complete picture.

Current lease agreements require that offloading fees be paid monthly.

Fiscal Impact

The audit found that some tenants underpaid and/or overpaid. Reporting inconsistencies, verification difficulties and the erratic and seasonal nature of commercial fishing creates uncertain revenue projections for the Harbor District.

SAN MATEO COUNTY HARBOR DISTRICT
FISH BUYER LEASE REVENUE VERIFICATION
FOR THE PERIOD OF APRIL 2013
THROUGH MARCH 2014

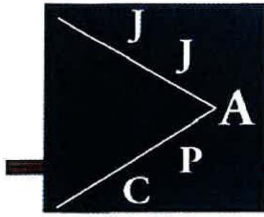
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**San Mateo County Harbor District
Fish Buyer Lease Revenue Verification
For the period April 2013 through March 2014**

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JJACPA, Inc.

A Professional Accounting Services Corp.

INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

To Management of the
San Mateo County Harbor District
South San Francisco, California

We have performed the procedures enumerated below, which were agreed to by the management of San Mateo County Harbor District (District), solely to assist you in evaluating the monthly fish purchase and off-loading fees for the period April 2013 through March 2014. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

- 1) Perform a desk audit of three fish buyer leases, which include off loading and buying fees in addition to their base rent. Verification procedures included tracing fish off-loaded and purchased by Tenant to supporting invoices and recalculating fees due to the District.
- 2) Provide the above desk audit in a report format.

Findings: See page 16 for Summary of Findings

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on the monthly fish purchase and off-loading fees for the period identified. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of management and the Harbor Commission and is not intended to be and should not be used by anyone other than these specified parties.

December 17, 2014

JJACPA, Inc.
JJACPA, Inc.

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EXHIBIT A

Pillar Point Seafood

San Mateo County Harbor District
Fish Buyer Lease Revenue Verification
For the period April 2013 through March 2014
Pillar Point Seafood

Amounts Reported on Monthly Fish Purchase and Off-Loading
Fees Worksheet

Month	Total Paid for Wetfish Off- Loaded	Total Paid for Finfish and Shellfish Off- Loaded	Total Paid to District
April 2013	\$ -	\$ 187.13	\$ 187.13
May 2013	-	1,529.30	1,529.30
June 2013	-	968.95	968.95
July 2013	6,797.67	294.14	7,091.81
August 2013	8,512.29	467.52	8,979.81
September 2013	8,251.23	478.74	8,729.97
October 2013	-	375.92	375.92
November 2013	-	7,962.70	7,962.70
December 2013	-	1,589.69	1,589.69
January 2014	-	185.00	185.00
February 2014	-	7.79	7.79
March 2014	-	213.56	213.56
Total	\$ 23,561.19	\$ 14,260.44	\$ 37,821.63

Notes:

N/A: Indicates we could not draw a conclusion on fees due to the lack of information provided by the Tenant.

1) Variance represents the overpayment of wetfish off-loaded due to potential error in calculation. See the Summary of Findings and Recommendations for further discussion.

Exhibit A

Audited Off-Loading Fees

Total Fee for Wetfish Off- Loaded	Total Fee for Finfish and Shellfish Off- Loaded	Total Fee Due	Additional Fees Due to (from) District
\$ -	N/A	\$ -	N/A
-	N/A	-	N/A
-	N/A	-	N/A
6,797.67	N/A	6,797.67	-
5,151.81	N/A	5,151.81	(3,360.48) ¹
4,506.70	N/A	4,506.70	(3,744.53) ¹
-	375.92	375.92	-
-	7,965.78	7,965.78	3.08
-	1,589.64	1,589.64	(0.05)
-	185.01	185.01	0.01
-	77.99	77.99	70.20
-	213.56	213.56	-
<u>\$ 16,456.18</u>	<u>\$ 10,407.90</u>	<u>\$ 26,864.08</u>	<u>\$ (7,031.77)</u>

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EXHIBIT B

Three Captains Sea Products

San Mateo County Harbor District
Fish Buyer Lease Revenue Verification
For the period April 2013 through March 2014
Three Captains Sea Products

Amounts Reported on Monthly Fish Purchase and Off-Loading Fees Worksheet

Month	Total Paid for Wetfish Off- Loaded	Total Paid for Finfish and Shellfish Off-Loaded	Total Paid for Finfish Purchased by Lessee	Total Paid to District
April 2013	\$ -	\$ -	\$ 39.96	\$ 39.96
May 2013	-	39.96	769.74	809.70
June 2013	-	-	394.07	394.07
July 2013	-	-	262.90	262.90
August 2013	19,630.00	-	195.03	19,825.03
September 2013	10,083.00	-	24.84	10,107.84
October 2013	-	-	41.62	41.62
November 2013	-	302.71	2,959.28	3,261.99
December 2013	-	-	1,641.50	1,641.50
January 2014	-	-	348.44	348.44
February 2014	-	-	236.35	236.35
March 2014	-	-	212.10	212.10
Total	\$ 29,713.00	\$ 342.67	\$ 7,125.83	\$ 37,181.50

Notes:

N/A: Indicates we could not draw a conclusion on fees due to the lack of information provided by the Tenant.

Exhibit B

Audited Off-Loading Fees

<u>Total Fee for Wetfish Off- Loaded</u>	<u>Total Fee for Finfish and Shellfish Off- Loaded</u>	<u>Total Paid for Finfish/Shellfish Purchased by Lessee</u>	<u>Total Fees Due</u>	<u>Additional Fees Due to (from) District</u>
\$ -	\$ -	\$ 39.96	\$ 39.96	\$ -
-	N/A	813.29	N/A	N/A
-	-	394.07	394.07	-
-	-	262.90	262.90	-
19,630.00	-	195.03	19,825.03	-
11,200.00	-	24.84	11,224.84	1,117.00
-	-	41.62	41.62	-
-	302.71	2,959.88	3,262.59	0.60
-	-	1,641.50	1,641.50	-
-	-	348.44	348.44	-
-	-	236.35	236.35	-
-	-	212.10	212.10	-
<u>\$ 30,830.00</u>	<u>\$ 302.71</u>	<u>\$ 7,169.98</u>	<u>\$ 37,489.40</u>	<u>\$ 1,117.60</u>

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EXHIBIT C

Morning Star Fisheries

San Mateo County Harbor District
Fish Buyer Lease Revenue Verification
For the period April 2013 through March 2014
Morning Star Fisheries

Amounts Reported on Monthly Fish Purchase and Off-Loading Fees
Worksheet

Month	Total Paid for Finfish and Shellfish Off- Loaded	Total Paid for Finfish and Shellfish Purchased by Lessee	Total Paid for Gross Receipts for Lessee's On-Site Retail Fish Sales	Total Paid to District
April 2013	\$ -	\$ 41.19	\$ 15.95	\$ 57.14
May 2013	165.37	467.36	87.20	719.93
June 2013	35.21	286.34	110.94	432.49
July 2013	-	42.63	269.65	312.28
August 2013	134.86	25.46	28.10	188.42
September 2013	60.87	9.60	5.00	75.47
October 2013	40.04	3.92	-	43.96
November 2013	-	2,198.47	291.30	2,489.77
December 2013	-	1,023.80	185.25	1,209.05
January 2014	-	317.38	88.00	405.38
February 2014	-	188.37	82.60	270.97
March 2014	40.62	157.25	62.20	260.07
Total	\$ 476.97	\$ 4,761.77	\$ 1,226.19	\$ 6,464.93

Exhibit C

Audited Off-Loading Fees

Total Fee for Finfish and Shellfish Off- Loaded	Total Fee for Finfish and Shellfish Purchased by Lessee	Total Fee for Gross Receipts for Lessee's On-Site Retail Fish Sales	Total Fees Due	Additional Fees Due to (from) District
\$ -	\$ 48.96	\$ 15.95	\$ 64.91	\$ 7.77
111.34	452.84	87.20	651.38	(68.55)
35.21	275.75	110.94	421.90	(10.60)
-	48.64	263.70	312.34	0.06
167.17	11.73	28.10	207.00	18.58
80.87	9.60	5.00	95.47	20.00
32.65	3.93	-	36.58	(7.38)
-	2,054.06	405.10	2,459.16	(30.61)
-	1,010.32	185.25	1,195.57	(13.48)
-	330.09	88.00	418.09	12.71
-	188.17	82.60	270.77	(0.20)
90.62	157.25	62.20	310.07	50.00
\$ 517.86	\$ 4,591.33	\$ 1,334.04	\$ 6,443.23	\$ (21.70)

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San Mateo County Harbor District
Notes to Statements of Monthly Fish Purchase and Off Loading Fees
For the period April 2013 through March 2014

NOTES TO STATEMENTS

1. Overview of the Fish Buyer Fees

In accordance with the provisions contained in the Lease Agreements between the San Mateo County Harbor District (District) and Pillar Point Seafood, Morning Star Fisheries and Three Captains Sea Products (Tenants), a fee is imposed on each tenant for the privilege to operate at Pillar Point Harbor. In addition to minimum base rent, each tenant agrees to pay to the District the following amounts:

1. Wholesale Fish Purchase: \$10.00 per ton actual scale gross weight for wet fish and \$.01 per pound gross weight for finfish and shellfish purchased by Tenant for fish at the premises on or before the first day of each and every successive calendar month during the term of the lease on or before the first day of each and every successive calendar month during the term of the lease.
2. Fish Off-Loading: \$10.00 per ton actual scale gross weight for wet fish and \$.01 per pound gross weight for finfish and shellfish off-loaded by Tenant at premises on or before the first day of each and every successive calendar month during the term of the lease on or before the first day of each and every successive calendar month during the term of the lease.
3. Retail Fish Sales: Tenant will pay Landlord five percent (5%) of its gross receipts for all fish sold to the general public on or before the first day of each and every successive calendar month during the term of the lease on or before the first day of each and every successive calendar month during the term of the lease.

Purchase and off-loading fees at the rates set forth above shall be paid monthly and shall be due and payable on the 15th day following the end of each month.

As provided in Section 6.3 of the lease agreement all documents, books and accounting records kept by Tenant relating to the lease shall be open to inspection by the District or its authorized representative at any reasonable time during the lease term and for three (3) years thereafter.

2. Summary of Significant Accounting Policies

Basis of Presentation

The statements of monthly fish purchase and off loading fees have been prepared on the cash basis of accounting, in which amounts reported reflect cash received or paid in the same period, and include all wet fish and finfish off-loaded by the tenants and payments made to the District.

**San Mateo County Harbor District
 Summary of Findings and Recommendations
 For the period April 2013 through March 2014**

FINDINGS

Pillar Point Seafood

- April 2013: No supporting documentation provided.
- May 2013: No supporting documentation provided.
- June 2013: No supporting documentation provided.
- July 2013: Invoices reconciling finfish and shellfish off-loaded not provided.
- August 2013: The Tenant improperly calculated the wet fish fees paid to the District. Based on the information that was provided to us, it appears that the Tenant reported wetfish unloaded in pounds and incorrectly used the \$.01 per pound finfish and shellfish rate, instead of the \$10 per ton wet fish rate. Also, the unloaded wetfish on the fee worksheet is different than the supporting documentation provided to us during our engagement. From the information provided it appears that the Tenant overpaid fees in the amount of \$3,360.48, calculated as follows:

<u>Per Fee Worksheet</u>	
Total Wetfish Off-Loaded	851,229 lbs
Incorrect Rate Used by Tenant	<u>\$0.01 per lbs</u>
Total Paid to District for Wetfish	<u>\$ 8,512.29</u>
 <u>Per Audit</u>	
Total Wetfish Off-Loaded	1,030,361 lbs
Converted to Tons	515.18 tons
Correct Rate for Wetfish	<u>\$10 per ton</u>
Total Fees Due for Wetfish	<u>\$ 5,151.81</u>
Difference (overpayment) by Tenant:	<u>\$ (3,360.48)</u>

See recommendation 2 on page 20 for further discussion on this finding. Additionally invoices reconciling finfish and shellfish off-loaded were not provided.

- September 2013: 1) The Tenant improperly calculated the wet fish fees paid to the District. Based on the information that was provided to us, it appears that the Tenant reported wetfish unloaded in pounds and incorrectly used the \$.01 per pound finfish and shellfish rate, instead of the \$10 per ton wet fish rate. Also, the unloaded wetfish on the fee worksheet is different than the supporting documentation provided to us during our engagement. From the information provided it appears that the Tenant overpaid fees in the amount of \$3,744.53, calculated as follows:

**San Mateo County Harbor District
 Summary of Findings and Recommendations, Continued
 For the period April 2013 through March 2014**

FINDINGS, Continued

Pillar Point Seafood, continued

<u>Per Fee Worksheet</u>	
Total Wetfish Off-Loaded	825,123 lbs
Incorrect Rate Used by Tenant	<u>\$0.01</u> per lbs
Total Paid to District for Wetfish	<u>\$ 8,251.23</u>
<u>Per Audit</u>	
Total Wetfish Off-Loaded	901,340 lbs
Converted to Tons	450.67 tons
Correct Rate for Wetfish	<u>\$10</u> per ton
Total Fees Due for Wetfish	<u>\$ 4,506.70</u>
Difference (overpayment) by Tenant:	<u><u>\$ (3,744.53)</u></u>

See recommendation 2 on page 20 for further discussion on this finding. Additionally invoices reconciling finfish and shellfish off-loaded were not provided.

October 2013: No findings.

November 2013: There is a difference in what was reported to the District on the fee worksheet, and what was provided to us during our engagement. The Tenant off-loaded 796,579 lbs of finfish and shellfish. A total of 796,270 was reported and \$7,962.70 was paid to the District. There is a variance of 308 lbs, resulting in an underpayment of \$3.08.

December 2013: There is a difference in what was reported to the District on the fee worksheet and what was provided to us during our engagement. There is 5 lbs variance between what was off-loaded and reported, resulting in an overpayment of \$.05.

January 2014: No findings

February 2014: There is a difference in what was reported to the District on the fee worksheet and what was provided to us during our engagement. The tenant off-loaded 7,799 lbs of finfish. A total of 779 lbs was reported to the District, resulting in an underpayment of fees of \$70.20.

March 2014: No findings.

**San Mateo County Harbor District
Summary of Findings and Recommendations, Continued
For the year ended March 31, 2014**

FINDINGS, Continued

Three Captains Sea Products

April 2013: No findings.

May 2013: The May fees worksheet provided to us by the District is different from the worksheet provided to us by the Tenant. Fees due on the District's version are \$809.70, while the fees due on the Tenant's worksheet are \$1,386.74. The Tenant worksheet has April crossed out and May inserted, therefore we could not tell if the two worksheets are for the same period and a variance actually exists. We suggest management review the May worksheet with the Tenant to determine if all fees have been received.

On the fees worksheet provided to us by the Tenant, fish purchased by Tenant ties out to supporting invoices. But invoices reconciling the fish off-loaded were not provided.

June 2013: No findings.

July 2013: No findings.

August 2013: No findings.

September 2013: We noticed a variance in the supporting invoice listing provided to us by the Tenant, which could not have been detected by the District. It appears that the Tenant deducted 10% of the weight off-loaded for water, resulting in an underpayment of \$1,117. There does not appear to be provisions in the lease agreement that allow this deduction. We suggest management discuss this deduction with the Tenant to determine if it should have been made.

October 2013: No findings.

November 2013: We noticed a variance in the supporting invoice listing provided to us by the Tenant, which could not have been detected by the District. It appears that there was an error in completing the fees worksheet which caused the Tenant to underpay the District by \$.60.

December 2013: No findings.

January 2014: No findings

February 2014: No findings.

March 2014: No findings.

**San Mateo County Harbor District
Summary of Findings and Recommendations, Continued
For the year ended March 31, 2014**

FINDINGS, Continued

Morning Star Fisheries

For each month tested, there was a difference in what was reported to the District on the fee worksheet and what was provided to us during our engagement. The additional fees due to (from) the District for each month were as follows, as provided in Exhibit C:

April 2013:	\$7.77
May 2013:	\$(68.55)
June 2013	\$(10.60)
July 2013	\$0.06
August 2013	\$18.58
September 2013	\$20.00
October 2013	\$(7.38)
November 2013	\$(30.36)
December 2013	\$(13.36)
January 2014	\$12.71
February 2014	\$(0.20)
March 2014	\$50.00
Total:	\$(21.70)

**San Mateo County Harbor District
Summary of Findings and Recommendations, Continued
For the year ended March 31, 2014**

RECOMMENDATIONS

1) Additional Supporting Documentation

For several of the months tested the wetfish, finfish and shellfish off-loaded did not tie to the fee worksheets and for the months tested without exception, the possibility still exists that supporting documents could be manipulated. We suggest management implement procedures to have Tenants provide additional supporting documentation to verify the fee worksheets are complete and accurate. Given the complexity of the off-loading and documentation process, the District may have to consider several alternatives.

- The most reliable source of validation would be the Department of Fish and Wildlife landing receipts. Given that both Tenants and Department of Fish and Wildlife are reluctant to supply the receipts, management may have to work with both parties to set up a special arrangement to view the receipts. Management could work with the Department to set up confirmation procedures to verify off-loads, or work with Tenants to set up verification checks of landing receipts where the District would not need to take copies.
- Tenants could provide the supporting documentation they use to complete the fee worksheet. This documentation could be copies of invoices or receipts sent to fishing boats or vendors. The District could use these invoices to reconcile what was off-loaded to the fee worksheets. The issue with this method is with reliability of the information provided. The opportunity exists for Tenants to falsify documents, or not provide all of the complete information.
- The District could provide standardized forms to be used by all Tenants. Fee worksheets could include a sample calculation to avoid confusion. The District could issue its own sequential, triplicate receipt forms to be used by the Tenants to ensure the off-loads are complete.

2) Fee Worksheet Calculations

For the months of August and September, Pillar Point Seafood improperly calculated the amount due to the District for wetfish. There are two different conclusions that one could draw based on how the worksheets were completed:

1. the Tenant reported tons, rounded to three decimal places multiplied by the \$10 wetfish rate;
or
2. the Tenant incorrectly reported pounds, and incorrectly used the \$.01 finfish rate.

From the limited information provided to Management, they assumed the first conclusion. The supporting invoices provided to us by the Tenant are recorded in pounds. Given this information, we support the second conclusion. We suggest management discuss the August and September worksheets with the Tenant to determine how they completed the worksheets and determine if they were completed correctly.

**San Mateo County Harbor District
Summary of Findings and Recommendations, Continued
For the year ended March 31, 2014**

RECOMMENDATIONS, Continued

3) Outsourcing Property Management

We encountered significant difficulties in performing our engagement. Requests for information went ignored, leaving us with the only alternative of notifying District management of the lack of cooperation. Only after the District's involvement did we receive information from Morning Star Fisheries. Pillar Point Seafood made the decision to withhold three months of information from us. If business relations continue to deteriorate in this manner, litigation is a very likely outcome.

We recommend the District consider outsourcing the services of commercial and real estate management to a local property management company. As an intermediary between the District and its Tenants, a professional property management company can provide management skills and support that the District is unable to provide. An independent property manager would be responsible for collecting, reviewing and submitting the correct fees to the District. This suggestion is also provided in the Grand Jury report. We agree with the Grand Jury's conclusion that outsourcing of these non-core activities will result in greater focus on harbor management.

San Mateo County Harbor District Fish Buyer Audit
 April 2013 - March 2014

<u>Description</u>	<u>Date</u>	<u>Hours</u>	<u>Mileage</u>		
Conversation with Debra Galarza, Finance Director regarding fish buyer off-loading procedures	3/4/2014	0.25			
Conversation with Scott Grindy, Harbor Master, over fish buyer off-loading procedures.	3/4/2014	0.25			
Conversation with Joann Eres, of the Department of Fish and Wildlife regarding scale maintenance and landing receipts	3/6/2014	0.25			
Drafting of Confirmation letters to be sent to Department of Fish and Wildlife to confirm fish off-loaded.	3/12/2014	0.5			
Drafting of information request letters to be sent to leaseholders.	4/16/2014	0.5			
Conversation with Sabrina Brennan regarding the Fish Buyer audit.	4/23/2014	0.25			
Conversations with leaseholders to obtain supporting documents to conduct our audit.	6/9/2014	0.5			
Additional attempts of contacting Morningstar Fisheries and notification of District Finance Director of non-response.	6/27/2014	0.25			
Travel from Pacifica to Pillar Point Harbor to pick up invoices Kim and Mike McHenry at Pillar Point Seafood.	7/1/2014	2	34		
Conversation with Kim McHenry to request April, May and June 2013 invoices that were not provided.	7/8/2014	0.25			
Reconciliation of Three Captains invoices to monthly fish purchase and off-loading fees worksheet.	8/4/2014	4			
Reconciliation of Pillar Point Seafood 9 months of invoices to monthly fish purchase and off-loading fees worksheet.	8/5/2014 - 8/6/2014	6			
Follow up conversation with Mike McHenry requesting the April, May and June 2013 invoices.	8/8/2014	0.5			
Work paper completion	8/8/2014	6			
Draft report of findings	8/9/2014- 8/11/2014	8			
Report and Work paper Review	8/11/2014	6			
Meeting to go over report findings	9/4/2014	2			
Report Revisions	8/11/2014 9/4/2014	3.5 2			
Additional mileage - To pick up documentation from Dave Mallory from Pillar Point Harbor	10/29/2014	2	45		
Additional work - Review invoices and update draft of report	12/16/2014	5			
Report Review	12/16/2014	1			
Report issuance	12/18/2014	0.5			
				53.5	79
					0.55
Rate:					
Brett	\$125	44.50		\$5,562.50	\$43.45
Joe	150	9		1350	1350
					\$6,955.95
Contract Amount			\$	5,650.00	
Paid				(3,750.00)	
Remaining				1,900.00	

JJACPA, Inc.

7080 Donlon Way
Suite 204
Dublin, CA 94568-2787

Invoice

Date	Invoice #
9/4/2014	407

Bill To
San Mateo County Harbor District Attn: Debra Galarza 400 Oyster Pt Blvd Suite 300 South San Francisco, CA 94080

Description	Amount
Agreed Upon Procedures for Fish Buyers Lease Agreement Revenue Verification Preparation of report and supporting schedules Joe Arch 7 hours Brett Jones 36 hours Not to exceed \$3,750 Total time and expense \$5,568.70	3,750.00
It's been a pleasure working with you!	Total 3,750.00

JJACPA, Inc.

7080 Donlon Way
Suite 204
Dublin, CA 94568-2787

Invoice

Date	invoice #
12/23/2014	444

Bill To
San Mateo County Harbor District Attn: Debra Galarza 400 Oyster Pt Blvd Suite 300 South San Francisco, CA 94080

76404

Description	Amount
Agreed Upon Procedures for Fish Buyers Lease Agreement Revenue Verification Preparation of report and supporting schedules additional work per amended engagement letter Joe Arch 1 hour Brett Jones 5.5 hours Not to exceed \$5,650 Previous billing (3,750) Amount remaining \$1,900 Total time and expense \$6,955.95	1,900.00
It's been a pleasure working with you!	Total \$1,900.00

San Mateo County Harbor District

Memo

Date: January 29, 2015

To: Board of Harbor Commissioners

From: John Draper
Acting Harbormaster

Re: Commercial Activity Permit (CAP) for Bay Area Water Trucks

RECOMMENDATION

Approve Commercial Activity Permit (CAP) for Bay Area Water Trucks at Pillar Point Harbor.

BACKGROUND

Jim Acker of Bay Area Trucks would like to operate out of Pillar Point Harbor to obtain seawater for research by the Palo Alto Research Center. Bay Area Water Trucks would take approximately 5,000 to 7,500 gallons of seawater per week for 8-10 weeks, but may be extended depending on the outcome of the research.

Staff recommends approval of a CAP for Bay Area Water Trucks. Bay Area Water Trucks will pay the \$250 Commercial Activity Permit.

SAN MATEO COUNTY HARBOR DISTRICT

400 Oyster Point Blvd., Suite 300
South San Francisco, CA 94080
Phone: (650) 583-4400
Fax: (650) 583-4611

COMMERCIAL ACTIVITY PERMIT APPLICATION

The undersigned (hereinafter referred to as "Applicant") hereby applies for a permit to conduct a commercial activity, described below, at facilities owned or operated by the San Mateo County Harbor District, hereinafter referred to as "District," a political subdivision of the State of California.

PROPOSED COMMERCIAL ACTIVITY

1. **PURPOSE:** The purpose of the application is to describe the proposed commercial activity offering of sales or services to the general public:

Please describe in detail the proposed commercial activity. Include information regarding the nature of the activity, the purpose, hours of operation, any fees charged, estimated number of participants/customers, areas of Harbor to be used, Harbor facilities to be used. (use additional sheets of paper if needed.)

2. **RULES AND REGULATIONS:**

- a) Applicant is required to comply with all Federal, State, Local and District laws and ordinances, and represents as part of this permit application process that he/she has reviewed the Ordinance Code of the San Mateo County Harbor District and is fully familiar with the restrictions and laws stated herein.
- b) Applicant is required to submit with this application a valid copy of the Fictitious Business Name Statement from the County of San Mateo Treasurer's Office (required in all unincorporated areas of the County of San Mateo) or a City of South San Francisco Business License (if business is located in South San Francisco) and Seller's Permit issued from the California State Board of Equalization, which entitles Permittee to sell products. License shall be maintained in accordance with law and Permittee must be able to produce license when requested to do so by a representative of the District. Seller's Permit requirement only applies if applicable. The permits 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 Half Moon Bay, or a City of South San Francisco Permit or business license and does not obtain said permits or business licenses.
- c) Sales and services under the permit applied for herein shall be permitted during prescribed hours only, within the operating hours of the specific facility involved, without advance written approval from the Harbormaster's office.
- d) All sales, work or other services shall be performed only in the areas designated by District staff as the space within the facility for said service, work or sale.
- e) Any permit authorized pursuant to this application shall be revoked immediately, and shall be null and void, if applicant is found in violation of any of the Terms and Conditions of this permit, or any provisions of law, including the San Mateo County Harbor District Ordinance Code.

- f) The permit issued pursuant to this application shall be valid from January 1 through December 31 of the permit calendar year.
- g) Commercial Activities are covered under Section 5 of the existing Ordinance Code.

3. PERMIT FEE, PAYMENT AND ACCOUNTING:

- a) **FEES:** The non-refundable administrative fee for the term of this permit shall be **Two hundred fifty dollars (\$250.00)** per year plus \$100 per year to add an additional harbor/marina and shall be payable on approval of this application, before issuance of the Commercial Activity Permit. Additional fees may be required such as a percent-of-sales fee. (Contact the Harbor Master and General Manager for additional requirements.)
- b) Permittee may be required to post a security deposit of \$500.00, which may be used by the District for payment of any moneys, rents, fees or other charges due and payable to the District, but in arrears for over ninety (90) days. Permittee shall be required to reinstate security deposit within 30 days, and to the satisfaction of the District if District is required to use said security deposit to satisfy Permittee's obligations under this lease.
- c) **PLACE OF FILING AND PAYMENT:** Fees required herein shall be paid to:

San Mateo County Harbor District
400 Oyster Point Blvd., Suite 300
South San Francisco, CA 94080

- d) The fees may be paid with cash, check, or electronic payment made payable to the San Mateo County Harbor District. A thirty dollar (\$30.00) charge shall be assessed to proposed applicant for any and all returned checks. The permit is then null and void.

4. LIABILITY OF PARTIES: INDEMNIFICATION: INSURANCE:

Applicant shall indemnify, hold harmless and defend District for and against any and all injury to and deaths of persons, and injuries to property, and all claims, demands, losses, damages and liability, arising out of the applicant's activities under this permit and the use by applicant of District facilities.

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 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 \$1,000,000.00 per occurrence and \$2,000,000.00 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. Said policy shall state by its 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.

To operate a vessel under a Commercial Activity Permit, additional insurance is required in the form of Hull, Machinery, and P&I, including towing coverage.

Absence of insurance makes the Commercial Activity Permit null and void.

5. SIGNING OF APPLICATION

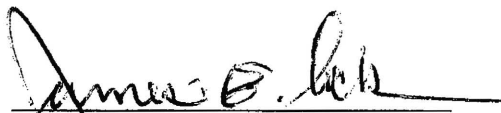
In signing this application, and accepting the permit issued thereby, the undersigned certifies under penalty of perjury that any and all work, services or sales will be made by the applicant personally, or by individuals in the applicant's employment, the names of whom must be provided in advance to the District on this application, or on any future amendment to the application, to enable the District to monitor the use of their facilities by outside business entities.

6. NON-TRANSFERABLE/ASSIGNABLE

Applicant understands that the permit so issued is non-transferable or assignable, and that any attempt to transfer, assign or otherwise encumber or hypothecate this permit shall result in the permit immediately becoming null and void, and all permit fees paid shall be forfeited.

I/we have read, understand and accept all of the terms and conditions of this permit application, and the information provided herein, and request that the San Mateo County Harbor District issue its permit to me/us to engage in the commercial activity described in Paragraph 1, and that said permit be issued in the name of: Bay Area Water Trucks covering work by the following person(s):

Company drivers as authorized by Bay Area Water trucks, including Darren Wingate, Jesse Mims, James Acker, and others as required.



Signature of Applicant

January 21, 2015

Date

PO Box 201 (13005 Fircrest Drive) San Martin, CA 95046

Address of Applicant

(408) 683-0500

Phone Number

Jim@Watertruk.Com

Email Address

(408) 683-4568

Fax Number

Are you Requesting a Waiver of Fees:

Yes

No

Non-Profit ID Number (if applicable)

TITLE [If a corporation, attach a corporate resolution authorizing the signatory to enter into this permit agreement]

1/21/2015 C:\Users\Jim\Desktop\BAWT\PARC Seawater Project\Commercial Activity Permit Application_BAWT.doc

Nature of Activity:

This request is being made to obtain authorization to use the Pillar Point Harbor parking lot and pier as a location to obtain seawater for research by the Palo Alto Research Center hereinafter referred to as "PARC. The proposed activity is scheduled to last 8 to 10 weeks, but may be extended by several weeks depending upon the outcome and success of the research. The project is tentatively scheduled to begin in late February to early March 2015, depending upon other regulatory requirements and the permit process.

Project Description:

PARC has contracted with a private client to conduct certain proprietary research, the process of said research requires approximately 5000 to 7500 gallons of fresh seawater per week. PARC has contracted with Bay Area Water Trucks, a private, for hire trucking company, to transport the needed seawater from the ocean to the PARC facilities in Palo Alto.

The water transportation will occur by electrically pumping the seawater from the ocean into a waiting tanker truck at Pillar Point Harbor, at a location just north of the Harbormasters office, where another party is currently performing a similar operation. It is anticipated that two to three loads per week will be transported. An electric pump will be used to transfer the water, using electricity available at the existing dock/crane lift position. Bay Area Water Trucks will reimburse the district for any electricity used by the pump using either a flat monthly rate, a per-load rate, or a metered rate, as determined by the Harbor District.

Harbormaster Coordination at Pillar Point:


A brief meeting was held on January 21st with Harbormaster John Draper and Deputy Harbormaster Michael Williams. Both John and Michael were apprised of our request and appeared to be comfortable with our plan to draw the water from the harbor.

Impact on existing conditions:

Bay Area Water Trucks is aware of the existing conditions and tenants at the Pillar Point Harbor and will adjust our needs and daily schedule to conduct this activity with a minimum impact to others in the area. The current plan is to fill one tank load two to three times per week. The tanker truck should be on site at Pillar Point less than an hour each visit.

Compliance with environmental requirements:

Bay Area Water Trucks has been in contact with the local marine sanctuary and NOAA and the U.S. Coast Guard and will obtain the seawater while complying with all applicable laws and regulations set forth by those governing bodies.



Jim Acker
Special Projects Director
Bay Area Water Trucks

Staff Report

ADDITIONAL TASK: COX WOOTTON LERNER GRIFFIN HANSEN AND POULOS LLP

Recommendation

Approve increasing the legal expense with Cox Wootton Lerner Griffin Hansen and Poulos LLP in an amount not to exceed \$10,000.00, with the knowledge that continued legal costs may occur in the future of which will again come before the board for approval.

Background

The Spirit of Sacramento is a 99 foot long vessel (paddlewheel) that is on dock 11 at Oyster Point Marina/Park (OPM). The vessel is a federally documented vessel. The vessel arrived at OPM late fall of 2013 with no issues or problems noted from Brisbane Marina. With our new guest dock, the vessel's goal was to begin services via OPM for the coming year.

Within weeks of arrival payment issues began to occur with bad checks and payments. The vessels owner representative has not been seen for a very long time and the vessel has not paid for its slip fees since that time. Initially the Maritime legal firm of Cox Wootton Lerner Griffin Hansen and Poulos LLP was used to begin actions to resolve the vessels bills and to have it removed by its owners from OPM.

Promises and documents were drawn and verbally agreed to, however the vessel never moved away and bills were not paid. The vessel remains for sale; however access is restricted except for safety inspections.

Analysis

Vessel is too large to relocate to another marina without the use of a tug. The vessel at this cannot be relocated to another location in the marina to lessen the impact of its stay.

It would appear our only option is to have the vessel arrested, via the federal courts and U.S. Marshall's office.

Fiscal Impact

We have lost \$25,488.72 in slip fees from having this vessel in the marina. A total of \$9,933.43 has been spent on legal fees to date.

Conclusion

The vessel must be arrested as noted in the attached legal memo, and for any future vessels of this size and nature, a Bond should be secured for the vessel prior any approval of stay.

Alternatives

Continue to have the vessel in the marina with no payment till vessel is sold by owners.



COX WOOTTON LERNER
GRIFFIN HANSEN & POULOS LLP

MEMORANDUM

To: Scott Grindy
From: Marc T. Cefalu
Date: 1/11/15
Re: Anticipated Expense for Vessel Arrest to Foreclose a Maritime Lien

In reviewing some recent vessel arrests that our firm has performed, we believe that we would be able to prepare the initial arrest paperwork to be submitted to the Court at a legal expense of approximately \$7,500. That would mean we can prepare the initial arrest paperwork, submit it to the Court, make the initial appearance before a judge, obtain an arrest warrant, and coordinate the U.S. Marshal's arrest of the vessel for an amount in that range. The Marshall charges a separate deposit which can vary from \$5,000 to \$10,000, or more, to arrest a vessel. The actual fees incurred by the U.S. Marshal are much less significant (maybe in the range of \$1,000 to \$2,000, and sometimes less), which means the remainder of the deposit would be returned following the completion of the litigation. We would certainly request that the U.S. Marshal require as small a deposit as possible given the fact that it would be an easy arrest (with the Marshal just driving to the Marina) combined with the fact that the work is being performed for a public agency.

Once the arrest is complete, we will have to provide notice of the arrest to the vessel owner and any lienholders (including any banks holding preferred ship mortgages). If no party appears to contest the enforcement of the Marina's lien, then the cost associated with transferring title could likely be accomplished for less than an additional \$5,000 in legal fees. If someone were to contest the enforcement of the Marina's lien (and its ability to take title to or sell the vessel), then the cost associated with the action could increase significantly, and could be in excess of an additional \$25,000, or more, in fees and costs.

*** 01/27/2015
 *** 3828 T Tenant
 STAHL, JOHN
 SPIRIT OF SACRAMENTO

W:
 O:
 SPACE: 11-17
 LIV/BRD: 0
 DATE IN: 11/01/13
 DATE OUT: 02/21/14
 Hist. Date Entrd : 11/07/13

**

Boat: SPIRIT OF SACRAMENTO Reg/Doc#: 510560
 Info: TANK: N
 Size: L: 99.0 B:27.2 D:3.0 H:0.0 W:.0
 Bt. Make/Class: PADDLEWHEEL 1967
 Hull: S TYPE: POWER PROPLS: D
 Insurance:
 Renewal:
 EMail:
 Tickler Date: 00/00/00

Reg. Exp: 05/31/14
 SO SEC:
 DR LISC:
 CODES:

Meters: Current 682.6 Previous 448.6

** LAST PAY DATE: 01/16/14 \$-806.92
 Wait/Transfer List: 00/00/00

LICENSE Information
 CARDKEY Information
 KEY/CARD Information
 PARKING Information

DEPOSITS:
 Security Deposit 0.00 Key Deposit 0.00
 LAB DEP 0.00

RECURRING CHARGES:
 03 TRANS. DOC M 1782.00

01/27/2015 Period 1 January 2015 STAHL, JOHN 3828
 CURRENT ACCOUNT

CHARGES	CREDITS	BAL FWD
		21,736.98

01/01/15	299-JAN TRANS. DOC 11-17				1,782.00	
01/12/15	868-LATE FEE				187.74	
To be charged:						
01/27/2015						
		CUR	-30	-60	-90+	BAL DUE
		3,924.62	1,940.01	1,925.15	17,698.94	25,488.72

***** PERIOD 12 December 2014

3828	STAHL, JOHN 11-17	Charges	Credits	Bal. Fwd.
				19,782.10
12/01/14	21489-DEC TRANS. DOC 11-17	1,782.00		
12/12/14	22022-LATE FEE	172.88		
		-----	-----	
	PADDLEWHEEL	1,954.88	0.00 Due:	21,736.98

***** PERIOD 11 November 2014

3828	STAHL, JOHN 11-17	Charges	Credits	Bal. Fwd.
				17,842.09
11/01/14	19757-NOV TRANS. DOC 11-17	1,782.00		
11/12/14	20278-LATE FEE	158.01		
		-----	-----	
	PADDLEWHEEL	1,940.01	0.00 Due:	19,782.10

***** PERIOD 10 October 2014

3828	STAHL, JOHN 11-17	Charges	Credits	Bal. Fwd.
				15,916.94
10/01/14	17972-OCT TRANS. DOC 11-17	1,782.00		
10/13/14	18508-LATE FEE	143.15		
		-----	-----	
	PADDLEWHEEL	1,925.15	0.00 Due:	17,842.09

***** PERIOD 9 September 2014

3828	STAHL, JOHN 11-17	Charges	Credits	Bal. Fwd.
				14,006.65
09/01/14	16184-SEP TRANS. DOC 11-17	1,782.00		
09/11/14	16723-LATE FEE	128.29		
		-----	-----	
	PADDLEWHEEL	1,910.29	0.00 Due:	15,916.94

* continued

***** PERIOD 8 August 2014

3828 STAHL, JOHN 11-17	Charges	Credits	Bal. Fwd.
			12,111.22
08/01/14 14429-AUG TRANS. DOC 11-17	1,782.00		
08/12/14 14916-LATE FEE	113.43		
	-----	-----	
PADDLEWHEEL	1,895.43	0.00 Due:	14,006.65

***** PERIOD 7 July 2014

3828 STAHL, JOHN 11-17	Charges	Credits	Bal. Fwd.
			10,230.65
07/01/14 12523-JUL TRANS. DOC 11-17	1,782.00		
07/11/14 13112-LATE FEE	98.57		
	-----	-----	
PADDLEWHEEL	1,880.57	0.00 Due:	12,111.22

***** PERIOD 6 June 2014

3828 STAHL, JOHN 11-17	Charges	Credits	Bal. Fwd.
			7,496.24
06/04/14 10603-TRANS DOCK 5/17 - 6/2	1,009.80		
06/11/14 11027-LATE FEE	61.41		
06/25/14 12061-TRANS DOCK 6/3 - 6/30	1,663.20		
	-----	-----	
PADDLEWHEEL	2,734.41	0.00 Due:	10,230.65

***** PERIOD 5 May 2014

3828 STAHL, JOHN 11-17	Charges	Credits	Bal. Fwd.
			6,625.87
05/06/14 8642-CR*TRANS D S/T RATE 2/22-4/8		3,643.20	
05/06/14 8643-TRANS DOCK L/T RTE 2/22-4/29	3,979.80		
05/12/14 9069-LATE FEE	23.97		
05/16/14 9163-TRANS DOCK 4/30 - 5/16	1,009.80		
05/19/14 9184-CR*AR CLEA TRNS FRM ACT 3829		500.00	
	-----	-----	
PADDLEWHEEL	5,013.57	4,143.20 Due:	7,496.24

***** PERIOD 4 April 2014

3828 STAHL, JOHN 11-17	Charges	Credits	Bal. Fwd.
			5,471.96
04/11/14 7057-LATE FEE	45.11		

04/15/14	7120-TRANS DOCK 3/26 - 4/08	1,108.80			
		-----	-----		
	PADDLEWHEEL	1,153.91	0.00	Due:	6,625.87
	***** PERIOD 3 March 2014				
3828	STAHL, JOHN 11-17	Charges	Credits		Bal. Fwd.
					3,227.75
03/11/14	4978-LATE FEE	26.61			
03/25/14	6011-TRANS DOCK 2/26 - 3/25	2,217.60			
		-----	-----		
	PADDLEWHEEL	2,244.21	0.00	Due:	5,471.96
	***** PERIOD 2 February 2014				
3828	STAHL, JOHN 11-17	Charges	Credits		Bal. Fwd.
					3,647.62
02/11/14	2976-LATE FEE	30.37			
02/19/14	3745-EL448.6-302.9=145.7KW 11-17	18.36			
02/27/14	4012-TRANS DOCK 2/22 - 2/25	316.80			
02/27/14	4013-SEC DEP APPLIED		785.40		
02/27/14	APP MEMO785.40				
	SEC DEP 785.40 to 0.00				
		-----	-----		
	PADDLEWHEEL	365.53	785.40	Due:	3,227.75
	***** PERIOD 1 January 2014				
3828	STAHL, JOHN 11-17	Charges	Credits		Bal. Fwd.
					-0.51
01/01/14	379-JAN BERTH RENT 11-17	785.40			
01/14/14	980-LATE FEE	6.55			
01/15/14	1665-EL302.9-183.2=119.7KW 11-17	15.08			
01/16/14	1754-NSF - CHG CHK #112	30.00			
01/16/14	1757-RETURNED NSF CHK #1129		-806.92		
01/17/14	1774-LIEN SALE 01/14/14	108.00			
01/17/14	1777-TRANS DOCK GDOCK 1/02 - 1/17	1,267.20			
01/22/14	1834-TRANS DOCK 1/18	79.20			
01/31/14	2003-%BERTH FEB PRO RATE	549.78			
		-----	-----		
	PADDLEWHEEL	2,841.21	-806.92	Due:	3,647.62
	***** PERIOD 12 December 2013				
3828	STAHL, JOHN 11-17	Charges	Credits		Bal. Fwd.
					0.00

continued

12/01/13	18010-DEC BERTH RENT	785.40		
12/10/13	18693-SEC DEP DEPOSIT APPLIED		428.40	
12/10/13	txtcommentAPP MEMO428.40 SEC DEP 785.40 to 357.00			
12/10/13	18739-SEC DEP CHARGED	428.40		
12/10/13	CHG MEMO428.40 SEC DEP 357.00 to 785.40			
12/12/13	18982-EL183.2-63.9=119.3KW 11-17	21.01		
12/30/13	19248-CHK #1129, 135350		806.92	
		-----	-----	
	PADDLEWHEEL	1,234.81	1,235.32	Due: -0.51
***** PERIOD 11 November 2013				

3828 STAHL, JOHN		Charges	Credits	Bal. Fwd.
				0.00
11/07/13	16577-CHK #1040, CAP FEE, 133109		41.66	
11/12/13	16820-CHK #1049 133131, SEC DEP		500.00	
11/12/13	16821-CHK #1050 133132, PSNGR FEE		200.25	
11/13/13	16879-CHK#1033 TRNS FRM ACCT 466		165.00	
11/13/13	16881-RETURNED NSF CHK #1033		-165.00	
11/13/13	16882-NSF - CHG CHK #1033	30.00		
11/14/13	16942-TRNS CHK#1049 TO CAP ACCT		-500.00	
11/14/13	16943-TRNS CHK#1050 TO CAP ACCT		-200.25	
11/14/13	16944-TRNS CHK#1040 TO CAP ACCT		-41.66	
11/14/13	16948-SEC DEP CHARGED	785.37		
11/14/13	CHG MEMO785.37 SEC DEP 0.00 to 785.37			
11/14/13	16952-TRANS DOCK 6 DAYS 99FT	475.20		
11/14/13	16995-%BERTH NOV RENT	785.40		
11/14/13	16996-SEC DEP CHARGED	0.03		
11/14/13	CHG MEMO0.03 SEC DEP 785.37 to 785.40			
11/14/13	17015-CASH 212415, NSF CHK + 30FEE		195.00	
11/15/13	17149-CHK #1127 133200		381.00	
11/15/13	17150-CHK #0032301725 133200		1,500.00	
11/25/13	17523-KEY SALES (2) 12645, 12638	20.00		
11/25/13	17553-CASH, 133301		20.00	
		-----	-----	
	PADDLEWHEEL	2,096.00	2,096.00	Due: 0.00
***END OF ACCOUNTING PERIODS *** FOR 3828 ** STAHL Tenant 11-17				

MEMOS

04/29/14 L/T TRANSIENT RATE IS NOW \$59.40 A DAY

AD

08:35

OYSTER POINT MARINA

1/27/2015

01/31/14	ISSUED A 30-DAY NOTICE TO TERM ON 01/21/14. LAST DAY IS 02/21/14. CONSIDERED TRANSIENT EVERYDAY AFTER SAID DATE \$79.20 PER DAY.	AD
01/17/14	AGREEMENT WITH HARBORMASTER TO REMOVE BOAT FROM GUEST DOCK BY 01/02/14. BOAT HAS NEVER LEFT GUEST DOCK SINCE. MUST CHARGE TRANSIENT.	AD
12/10/13	TENANT HAS 99 BOAT CHARGED AT 2.2 TIMES 45 RATE = 785.40/ MONTH	DD
11/13/13	CHECK #1033 FOR \$165 BOUNCED.	AD
11/07/13	CAME INTO OPM ON 10/25/13. SUBMITTED BERTH RENTAL WITH OTHER PAPERWORK ON 11/01/13. HAS ONLY PAID \$165 (TRANSIENT). STILL OWES \$310.20. DROPPED OFF CHK FOR \$41.66 CAP FEE.	AD

JOHN STAHL - BOUNCED CHECKS TIMELINE

- October 27, 2013* Paid \$165 with check #1033 for guest dock transient fees
- November 7, 2013* Paid \$41.66 with check #1040 for pro rated 2013 commercial activity permit (CAP)
- November 12, 2013* Paid \$500 with check #1049 for CAP security deposit
- November 13, 2013* Check #1033 bounced
 \$30 NSF fee charged and amount on check charged back to account
- November 14, 2013* Paid \$195 in cash for bounced check #1033 + \$30 NSF fee
- November 27, 2013* Check #1049 and Check #1040 bounced
 \$60 NSF fee charged and amounts on checks charged back to account
- November 27, 2013* Paid \$601.66 in cash for bounced checks #1040/1049 + \$60 NSF fee
- December 30, 2013* Paid \$806.92 with check #1129 for January rent dues
- January 16, 2014* Check #1129 bounced
 \$30 NSF fee charged and amount on check charged back to account

NO PAYMENTS HAVE BEEN RECEIVED SINCE 12/30/13

**San Mateo County
Harbor District**

Memo

Date: January 27, 2015
To: Board of Harbor Commissioners
From: Scott Grindy, Acting General Manager
Re: Cancellation of July 1, 2015 Harbor Commission meeting

RECOMMENDATION

Cancel the July 1, 2015 Harbor Commission meeting.

BACKGROUND

This year, the first Commission meeting of July falls on July 1, just before Independence Day. In past years, the Commission has often cancelled this meeting because of the holiday and possible quorum issues.

Staff Report

MAINTENANCE TO PILLAR POINT HARBOR MOORINGS AND REPLACEMENT OF MISSING/LOST MOORINGS

Recommendation

Approve the proposal from U.S. Mooring System to do maintenance on Pillar Point Harbor moorings and replace missing moorings in an amount not to exceed \$20,000.00.

Background

The District installed 40 moorings at Pillar Point Harbor through a grant from The Department of Boating and Waterway's with US Mooring System. US Mooring System is the only company at this time that provides this service. Yearly maintenance is done to the moorings to prevent failure of use. Over the year's, Pillar Point Harbor has lost 13 moorings due to storm related events. The amount of the proposal is \$15,000.00, but the proposal does not include the purchase of new mooring balls. The District will need to purchase the mooring balls and chains. We expect this cost will not exceed \$5,000.00.

Analysis

If the Moorings are not maintained now, it will become a safety issue and they could become unusable, or a liability to the District.

Fiscal Impact

We have this item budgeted in the amount of \$20,000 for the current fiscal year.

Conclusion

By replacing and maintaining the moorings now we will avoid any possible safety concerns that may arise. It will provide better public service, make the Harbor District look better, and allow staff to concentrate on other maintenance projects.

Alternatives

- 1) Reject proposal from US Mooring system.
- 2) Direct staff to explore other alternatives.

QUOTE

Date: January 21, 2015

Michael Rawlings
5125 E Walton Ave.
Long Beach Ca. 90815
(714) 932-0704

TO John Draper
Pillar Point Harbor Dept.
One Johnson Pier
PO Box 39 El Granada,
Ca. 94018

SALESPERSON	JOB	PAYMENT TERMS	DUE DATE
Michael	Pillar Point Anchor Installation and Inspection	Deposit of ½ due up front.	

QTY	DESCRIPTION	UNIT PRICE	LINE TOTAL
1	Install 13 new Helix Anchors with 30 feet of ½ chain Inspect remaining moorings and replace dip section as needed with new ½' chain. *Harbor Dept. to provide the mooring balls. *Additional chain required to replace the dip section will be charged at \$7.50 per foot and will be an additional charge to the quote above.	\$ 15,000	\$15,000
		SUBTOTAL	
		SALES TAX	
		TOTAL	\$ 15,000

Staff Report

PURCHASE MARINA TRASH SKIMMER

Recommendation

Approve the purchase of a marina trash skimmer from Marina Accessories. There are no other sources for the machine.

Background

With the emphasis of the Clean Marina program and the ongoing efforts of the Harbor Patrol to make sure that the water quality continues to meet or exceed the San Mateo County water quality requirements, we would like to purchase a floating trash/oil skimmer for the harbor and place it on the recreational docks at Pillar Point Harbor.

Analysis

With the ongoing effort to keep the marina waters clean, this unit would be a cost savings in labor in doing so. It also works 24 hours a day collecting floating trash and oil from the waters becoming a labor saving device and a long term effort to improve the water quality at Pillar Point Harbor.

Fiscal Impact

This item is budgeted for this fiscal year in the Marina/Harbor Equipment expenditures.

Conclusion

This same system is used in several harbors, all with great results and positive reviews

Alternatives

- 1) Approve purchase of trash/oil skimmer.
- 2) Reject purchase of trash/oil skimmer.
- 3) Direct staff to explore other alternatives.



Floating Trash: A Marina Business Killer

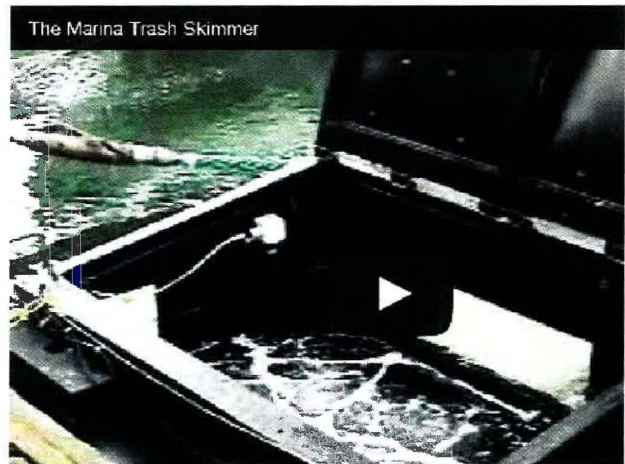
- *Over 300 billion pounds of plastics produced each year. Large amounts reach our marinas, where customers are turned off and likely to complain to others when they spot it.*
- *Drops of oil can spread over acres of water, having adverse effects on boats, wildlife, and the overall look and feel of a marina.*
- *Organic debris can overwhelm a marina and will eventually sink, resulting in expensive dredging operations. Organic debris includes seaweed, logs, plants, etc.*

A Marina Manager’s Best Friend

Marina Trash Skimmers work 24 hours a day, 7 days a week collecting trash, soaking up oil, and trapping floating debris. Over 300 gallons of water are cleaned a minute, meaning maintenance crews will clean fewer locations less often, all while the marina stays cleaner than ever.

Debris Collected by Marina Trash Skimmers

Over **353,777** gallons to date.
That's over **500,000 pounds!**
[SEE MORE STATISTICS](#)



Port of Edmonds, WA, USA Marina CostaBaja, Mexico Miamarina, Miami, FL, USA

Keeping Marinas Clean

Surrounding waters stay healthy and clean when a Marina Trash Skimmer is in operation. Commonly collected debris includes:

- Styrofoam
- Glass bottles
- Cans and containers
- Plastic bags and wrappers
- Cardboard
- Free-floating Organic Material (FOM)
- Fishing products
- Oil (if an oil pad is included)

Case Study: Port of San Diego – Final Report – 2011

“...this program is deemed a success because of the sheer volume of debris removed from the marina water, the increased observable clarity of the water and the satisfaction of the marinas and their tenants.”

		VIEW PHOTOS OF MARINA TRASH SKIMMER
		GET DETAILED PRODUCT INFORMATION ON THE MARINA TRASH SKIMMER
		REQUEST MORE INFORMATION ON THE MARINA TRASH SKIMMER

“The skimmer is working beautifully, and its performance has exceeded our expectations. Without a doubt it was a great investment. We have great reviews from our condo unit owners that live adjacent to the skimmer location, who have recognized the performance of this new equipment.”

Gabriel Ley
Marina Manager
Marina Costa Baja
La Paz, Mexico

“For Dana Point Harbor the benefits of the skimmer appear to be that it has become a reliable labor-saving

"Each marina manager has indicated how satisfied they are with their skimmer. Not only do they improve the aesthetics of their marina but the skimmers are easy to use, silent, and save the marina time and money by reducing the marina staff's workload."
DOWNLOAD THE FULL REPORT

device operating 24 hours per day gathering marine debris and utilizing minimal amounts of electricity, which we believe will be a valuable long-term contributor to our water quality program."

Paul Lawrence
Operations Manager
Dana Point Harbor
Orange Country, CA

 [LEARN MORE](#)  [CONTACT US](#)

Like 12 people like this. Be the first of your friends.

Tweet 10

Info@MarinaTrashSkimmer.com • [Log your Garbage Collection Statistics](#) • Copyright © 2011 Marina Accessories Inc



ITEM 10

Memorandum

TO: Harbor Commissioners

FROM: Debra Galarza & Belen Cruz

RE: Bills & Claims for Period Ending 2/04/15

Total Disbursements being submitted for your review: \$ 172,287.69

These include:

Handchecks in the amount of: \$ 27,016.86

Payables in the amount of: \$ 145,270.83

<u>Dept. Code</u>	<u>Description</u>		<u>Page Reference</u>
101	Harbor Commission	\$ 7,495.51	2
103	Administration	\$ 22,504.12	2
201	Pillar Point Harbor	\$ 49,964.61	2
301	Oyster Point Marina	\$ 9,349.60	2
	Payroll Related	\$ 82,973.85	2
	Total for Review	\$ 172,287.69	2

Notes:

Handchecks Written for:

Invoices with Due Dates on or Before Board Meeting \$ 27,016.86

Total Handchecks Written \$ 27,016.86

BILLS CLAIMS FOR 2/4/15 BOARD MEETING

VENDOR	DESCRIPTION	AMOUNT	PAYROLL RELATED	COMM 101	ADMIN 103	PILLAR POINT 201	OYSTER POINT 301
ADP, INC.	PAYROLL PROCESSING	760.58		115.24	161.33	311.15	172.86
ARAMARK UNIFORM SERVICES	UNIFORM SERVICES	208.42					208.42
AT & T LONG DISTANCE	TELEPHONE/COMMUNICATIONS	210.56				162.14	48.42
AT&T	TELEPHONE/COMMUNICATIONS	11.83				11.83	
BAYGREEN MARINE SANITATION	CONTRACTUAL SERVICES	1,600.00				800.00	800.00
PERRY BELL	REFUND DEPOSIT	44.10				44.10	
BLUE RIBBON SUPPLY	OPERATING SUPPLIES	711.33				711.33	
CALPERS SUPPLEMENTAL INCOME	PAYROLL DEDUCTION PAYABLE	6,518.00	6,518.00				
CALPERS	PAYROLL DEDUCTION PAYABLE	23,095.35	23,095.35				
CLEARLITE TROPHIES	OFFICE SUPPLIES	94.83		31.61		31.61	31.61
DON COATS	REIMBURSE UNIFORM EXPENSE	182.14				182.14	
CSMFO	MEMBERSHIP & DUES	110.00			110.00		
WILLIAM CURRIE	REFUND DEPOSIT	556.55				556.55	
DOODYCALLS, LLC	OPERATING SUPPLIES	1,317.15				1,317.15	
FASTENAL COMPANY	SMALL TOOLS & EQUIPMENT	126.45				126.45	
FEDEX	CONTRACTUAL SERVICES	22.10			22.10		
STEVE FOSMARK	REFUND DEPOSIT	50.80				50.80	
GREENLEAF	GARBAGE DISPOSAL	1,001.46				1,001.46	
HANSON BRIDGETT LLP	LEGAL SERVICES	11,960.50		4,657.50	2,667.00	3,773.50	862.50
HOLMAN PROFESSIONAL COUNSELING CENTERS	EMPLOYEE ASSISTANCE PROG SERVICES	289.00		45.16	54.18	103.86	85.80
KASHIWA FUDOSAN AMERICA, INC	OFFICE RENT	7,383.60			7,383.60		
MATTHEW LAGOE	REFUND DEPOSIT	249.90				249.90	
LIEBERT, CASSIDY & WHITMORE	LEGAL SERVICES	3,176.00		2,646.00	530.00		
MISSION UNIFORM SERVICE, INC.	UNIFORM SERVICES	192.66				192.66	
MOFFATT& NICHOL ENGINEERS INC.	ENGINEERING SVCS J PIER ELECTRICAL	1,686.00				1,686.00	
JOHN O'CONNOR	REFUND DEPOSIT	414.52					414.52
OPERATING ENGINEERS TRUST	HEALTH INSURANCE	29,291.00	29,291.00				
PACIFIC OCCUPATIONAL HEALTH CLINIC	RECRUITING EXPENSE	369.00			369.00		
SAFETY KLEEN SYSTEMS INC.	OIL CLEAN UP SUPPLIES	884.10				884.10	
SAN MATEO COUNTY RESOURCE CONSERV DISTR	WATER QUALITY ASSISTANCE	25,570.36				25,570.36	
CARY SMITH	REIMBURSE MILEAGE	144.64				144.64	
STANDARD INSURANCE	LIFE & LTD INSURANCE	3,544.50	3,544.50				
STAPLES ADVANTAGE	OFFICE SUPPLIES	347.79			124.96	80.07	142.76
TEAMSTERS HEALTH & WELFARE FUND	HEALTH INSURANCE	18,225.00	18,225.00				
RICHARD TERRA	REFUND DEPOSIT	574.62				574.62	
TURBO DATA SYSTEMS, INC	CITATION PROCESSING	248.97				247.62	1.35
VANTAGEPOINT TRANSFER AGENT	PAYROLL DEDUCTION PAYABLE	2,300.00	2,300.00				
VERIZON WIRELESS	TELEPHONE/COMMUNICATIONS	296.47			75.11	183.80	37.56
SUZANNE WALKER	REIMBURSE TRAINING EXPENSES	1,228.35				1,228.35	
EDWARD YANO	REFUND DEPOSIT	272.20				272.20	
SUB-TOTAL OF PAYMENTS TO BE PROCESSED 2/04/15		145,270.83	82,973.85	7,495.51	11,497.28	40,498.39	2,805.80
AIRGAS	REPAIRS & MAINTENANCE	109.70				109.70	
ALX TECHNOLOGY	OPERATING SUPPLIES	333.03				333.03	
ARROWHEAD MOUNTAIN WATER	CONTRACTUAL SERVICES	57.33					57.33
COMCAST	TELEPHONE/COMMUNICATIONS	397.53			397.53		
GARDA CL WEST INC.	CONTRACTUAL SERVICES	119.21				97.21	22.00
PITNEY BOWES GLOBAL FINANCIAL SERVICES	POSTAGE EXPENSE	5.00			5.00		
PURCHASE POWER	POSTAGE EXPENSE	1,249.63			999.63	250.00	
CINTAS	OPERATING SUPPLIES	106.14					106.14
FIRSTCHOICE	CONTRACTUAL SERVICES	46.35			46.35		
KASHIWA FUDOSAN AMERICA, INC	LEASE TERMINATION FEE	3,200.00			3,200.00		
PG&E	UTILITIES	2,317.94				2,317.94	
THE WELL CONNECTED OFFICE	CONTRACTUAL SERVICES-IT	9,375.00			3,125.00	3,125.00	3,125.00
THE WELL CONNECTED OFFICE	CONTRACTUAL SERVICES-IT	9,700.00			3,233.33	3,233.34	3,233.33
TOTAL HANDCHECKS		27,016.86	-	-	11,006.84	9,466.22	6,543.80
TOTAL BILLS & CLAIMS		172,287.69	82,973.85	7,495.51	22,504.12	49,964.61	9,349.60
			PAYROLL	COMM	ADMIN	PPH	OPM

Memo

To: Board of Harbor Commissioners
From: Scott Grindy, Acting General Manager
Date: January 27, 2015
Re: February 4, 2015 Meeting Report

Oyster Point Marina/Park

- Continuing with meeting and working with the City of South San Francisco in regards to the new grant funded restrooms and project planning efforts. Present design will be a pre-cast concrete 4 to 6 stall unit.
- Meeting with SSF staff regarding a possible event over July 4th 2015 at OPM location.

Pillar Point Harbor

- Electrical project punch lists on projects completed to date.
- Working with Acting Harbor Master on possible event planning.

Miscellaneous Items

- Many hours and days are being spent on agenda items for the board meetings, while attempting to catch up on items that are backlogged from 2014.
- Holiday Event Planning Activities both Harbors went very well and were well attended.
- Working with Acting Harbormasters on transitional activities.
- Meetings and activities with administrative staff for transitional needs.
- Updating new commissioners on events and activities.
- Staff evaluation activities.
- Property searching for potential purchase and/or rental on the coast for the district.
- Strategic Plan discussions and calls.
- Commissioner calls and responses.

EMS-Clean Marina Activities-District Wide

- RCD Presentation delayed until March 2015.

Speaker Atkins Announces “Pacific to Plate” Legislation to Boost Coastal Fish Markets

🕒 Created: Saturday, 17 January 2015 14:26



SAN DIEGO – Assembly Speaker Toni G. Atkins (D-San Diego) has announced that she will introduce legislation, “Pacific to Plate,” to clarify and streamline state laws to make it easier for San Diego’s Tuna Harbor Docks Market, and other fish markets like it, to grow and thrive.

“Since the market opened, thousands of San Diegans have enjoyed being able to walk down this pier and choose their next meal from the fresh catch brought ashore by our local fishermen,” Speaker Atkins said.

“Though the Market has been successful, there are still some barriers in state law that need to be overcome to ensure its ongoing operation. ‘Pacific to Plate,’ the legislation I am introducing in the Assembly, will help keep red tape from tangling up this boon to San Diego’s Blue Economy.”

Speaker Atkins hosted a Jan. 17 press conference during the weekly fish market to announce the proposed legislation. She was joined by San Diego County Supervisor Greg Cox, Port of San Diego Board Chairman Dan Malcolm and local fisherman Peter Halmay.

The proposed state legislation would:

- Allow Fishermen’s Markets to operate as food facilities
- Allow fresh fish to be cleaned for direct sale at Fishermen’s Markets, and
- Streamline the permitting process, so commercial fishermen can organize under a single permit—just like Certified Farmers’ Markets.

Currently, Fishermen’s Markets are not defined in state law as food facilities, complicating the permit process. In addition, a special exemption is needed to allow vendors to clean fresh fish for patrons.

“San Diego was once the tuna capital of the world,” said Supervisor Cox. “This bill can help us establish more fishermen’s markets, create more jobs for local fishermen and give San Diegans more fish caught fresh off our waters.”

The bill has attracted broad bipartisan support from San Diego’s state legislative delegation. Assemblymembers Rocky Chavez, Brian Jones, Brian Maienschein, Marie Waldron and Shirley Weber are co-sponsoring the “Pacific to Plate” bill, along with state Senators Joel Anderson, Patricia Bates, Marty Block and Ben Hueso.

San Diego’s Tuna Harbor market has been a success since its Aug. 2 opening, drawing 350 visitors a week, who spend about \$15,000 on fresh seafood brought directly to the pier by local fishermen.

The market was established following action by San Diego County and the Port District, which partnered to establish a place where local commercial fishermen could sell directly to consumers. The county and Port requested that the State become involved to ease regulations that could be obstacles to the growth of the Tuna Harbor market, and other coastal markets like it.



STAFF REPORT

TO: San Mateo County Harbor District Commissioners
FROM: Debra Galarza, Director of Finance
DATE: February 4, 2015
SUBJECT: Finance Department Report to the Commission

Accounting and operations

- Ongoing expense management through detailed review of invoices and review of bills and claims. Bi-weekly payroll processing and review.
- OpenGov presentation received for transparency of financial data and awaiting quote from vendor.
- Site visits to Pillar Point Harbor and Oyster Point Marina.
- Reviewed monthly accounts receivable aging list and confirmed collection procedures are being consistently applied. Followed up with tenants on payment plans.
- Began mid-year Budget Review for Fiscal Year 2014-2015.
- Set agenda for Finance Committee.
- Management meeting.
- Provided financial information to County of San Mateo Assessor Office for Possessory Interest Annual Usage Report-required annually.
- Attended SAMFOG (San Mateo County Finance Officer's Group) meeting. A member from the County of San Mateo Controller's Office was present to report on Excess ERAF (Educational Revenue Augmentation Fund). She stated that there has been a decision for the release of reserves for ERAF and this "one-time" estimated adjustment will increase ERAF payments by 8-9% for FY 2014-2015. The District received \$914,329 in ERAF for FY 2013-2014.

Memo

TO: San Mateo County Harbor District Commissioners
FROM: Marietta L. Harris, Human Resource Manager
DATE: January 29, 2015
SUBJECT: Report to the Commission

Activities:

January 21, 2015 – HRA Meeting

January 28, 2015 – Meeting with MacCorkle Insurance

Human Resource Services:

- Working with employees with personnel and HR questions.
- Meeting with management staff on personnel issues and HR concerns.
- Continued recruitment.
- Counseled District staff on a variety of issues.

Administrative Services:

- Completion of required Pollution Liability sent to DBAW for grants.
- PRA Requests.
- Staff meetings regarding board agendas.
- Completed paperwork for notification of termination of lease at OPM.
- Began creation of new policy regarding General Manager process in hiring contractors.

Information Technology:

- Working with staff on IT issues and problems.
- Working with IT transfer of email addresses to AppRiver.
- Completion of work at OPM for standalone operations.
- Updating of router system.

OPERATIONS**Memo**

To: Board of Harbor Commissioners
From: Charles White, Acting Harbor Master
CC: Scott Grindy, Acting General Manager
Date: January 28, 2015
Re: February 4, 2015 Meeting Report

Oyster Point Marina/Park***Construction Update & General Status Updates***

- *Misc. Maintenance Work in Progress Throughout the Marina.*

OPM Miscellaneous

- Working with the army corps of engineers with the removal of logs and other Navigational hazards from OPM waters.
- Working on the main sewer line from the Yacht Club to the Vacuum station to remove an obstruction.
 - Working on Kayak rack construction.

Occupancy Overview (January month of occupancy 2015)**OPM**

- Total occupancy: 62% (267 slips/End Ties out of 428 are occupied).
- Berth occupancy: 62% (258 slips only out of 414 are occupied).

Search and Rescue Activity Highlights & Urgent Need Activities

OPM: No items or issues to report at this time.

EMS-Clean Marina Activities-District Wide

- Vessel inspections are ongoing.

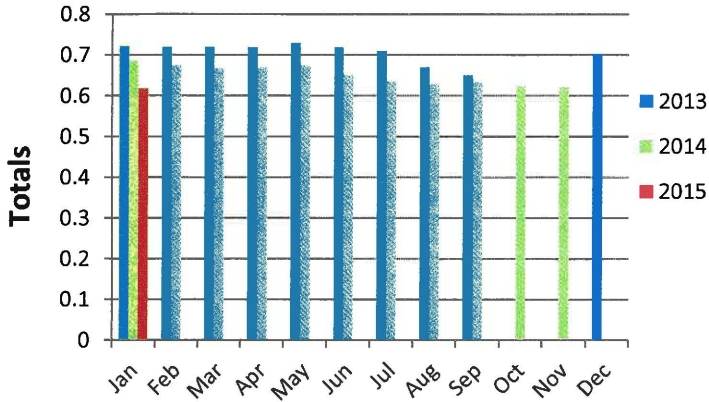
Calendar Reminder Items of Events and Activity

No scheduled activities for January.

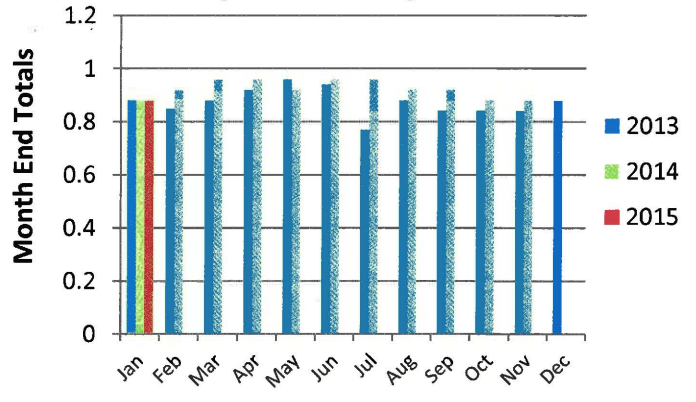
Oyster Point Marina

Monthly Marina Activity Report - January 2015

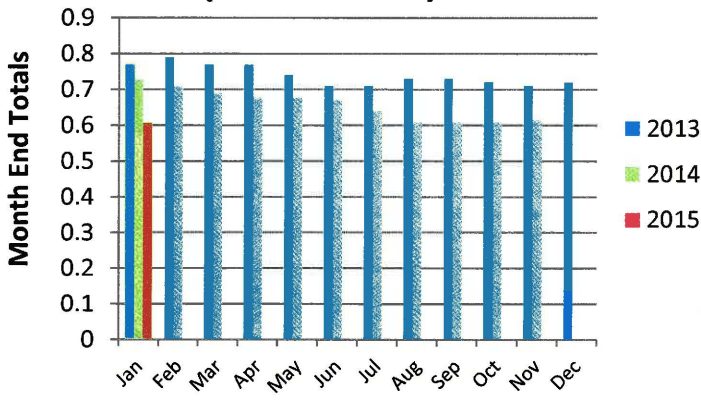
Overall Occupancy (428 Slips Available)



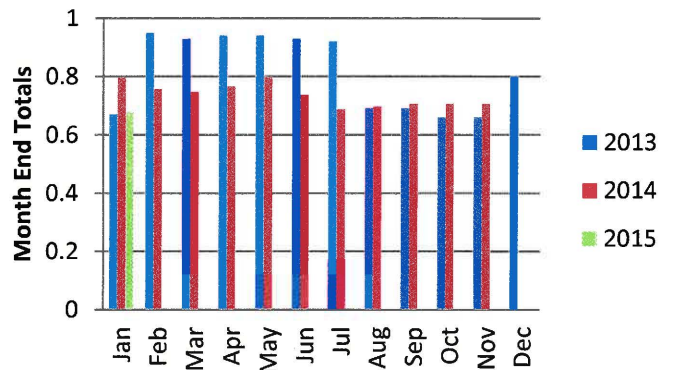
26 ft Slips (Total: 25)



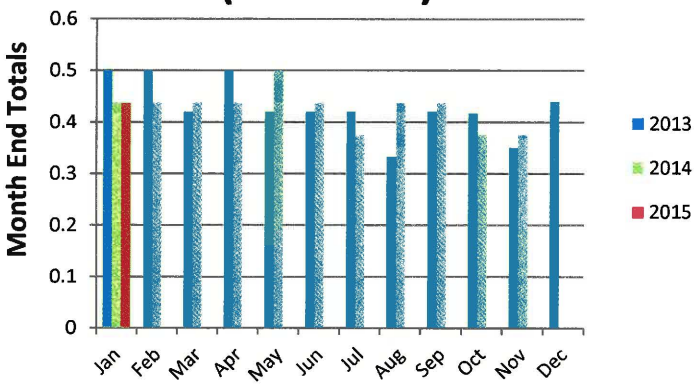
30 ft Slips (Total: 158)



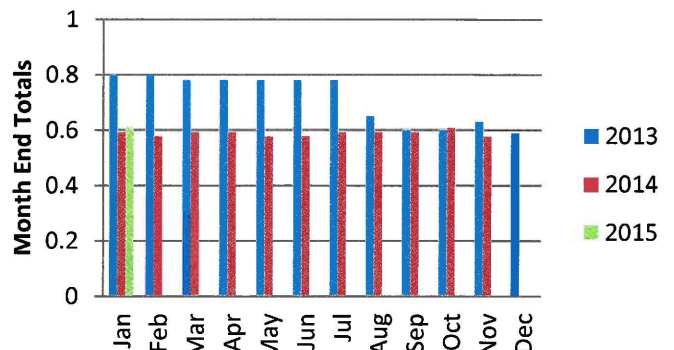
36 ft Slips (Total: 99)



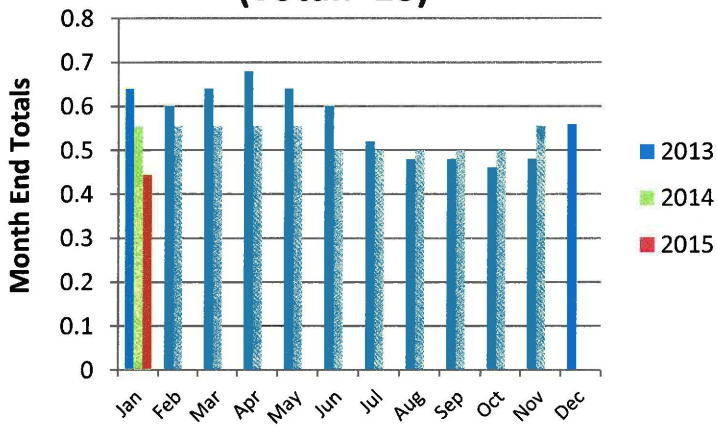
40 ft Slips (Total: 16)



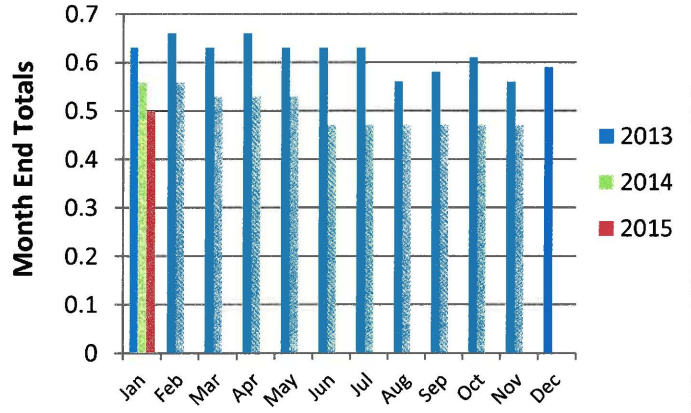
45 ft slips (Total: 64)



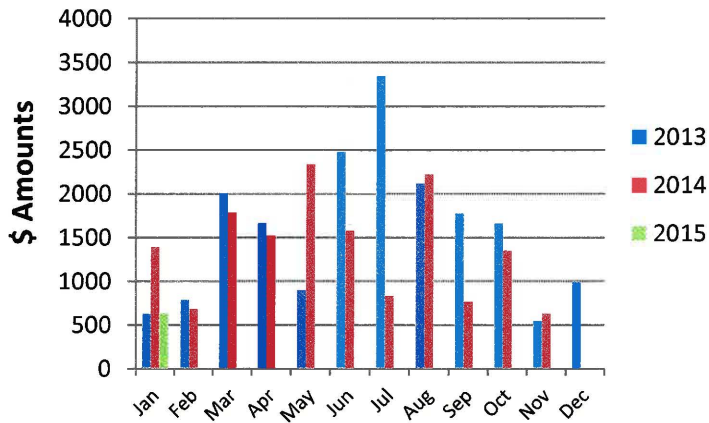
50 ft Slips (Total: 18)



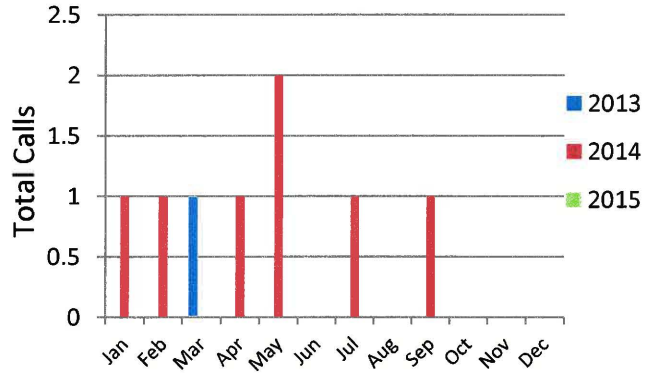
60 ft Slips (Total: 34)



Launch Ramp Totals



Call Outs (OPM Harbor Patrol - 2012-2014)



OPERATIONS

Memo

To: Board of Harbor Commissioners
 From: John Draper, Acting Harbor Master
 CC: Scott Grindy, Acting General Manger
 Date: January 27, 2015
 Re: February 4, 2015 Meeting Report

Pillar Point Harbor

Construction Update & General Status Updates

- Misc. Maintenance Work in Progress Through-out the Marina.
- Work continues on electrical panels in fish buyer spaces, and removal of abandoned electrical wire and pipe under the fish buyer areas. (Delays with access during busy fish unloading period and supply back orders for stainless materials) Replacement electrical work to ABC main feeder panel on going, power outages will be very limited and noticed prior shutdowns. Installation of new street lights scheduled for this week.
- Finished kiosk at launch ramp area. Joint effort with Department of Fish and Wildlife, and San Mateo County MPA Collaborative. Fish and Wildlife will be sending out a press release regarding this project once the last panel is received and installed.

PPH Miscellaneous

- Continuing to work with USCG, San Mateo County EOC on disaster and emergency planning for fuel availability at Johnson Pier. Once the draft is complete I will hold a meeting with the users of the facility for their input on the final report.
- Applied for a grant thru Fish and Wildlife for oil response equipment.
- Little damage from December storm. Four boats washed up on the beach, one totaled. One vessel sank in outer harbor.
- Boeing/NOAA project to start March 9th – 27th time frame

Occupancy Overview (January Month of Occupancy 2014)

PPH

Total occupancy (inner harbor) – 92% (this includes slips, end ties and walk way)

Berth occupancy (inner Harbor) - 93% (344 slips out of 369 are occupied)

Moorings (Outer Harbor) – 61% (14 out of 23 moorings occupied)

Search and Rescue Activity Highlights & Urgent Need Activities

PPH: 7 SAR cases 1 Vehicle fire, 1 trespassing/theft, 1 broken mooring

EMS-Clean Marina Activities-District Wide

Worked with San Mateo County Resource Conservation District with water sampling in harbor. We are doing weekly samples for six week. Starting on January 7, 2015

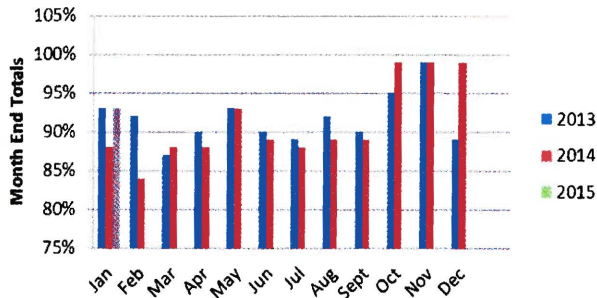
Calendar Reminder Items of Events and Activities

- Will be scheduling a tenant meeting mid to late February.

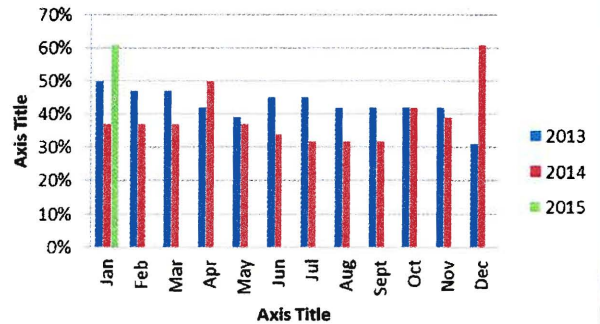
Pillar Point Harbor Dashboard

Monthly Marina Activity Report - January 2015

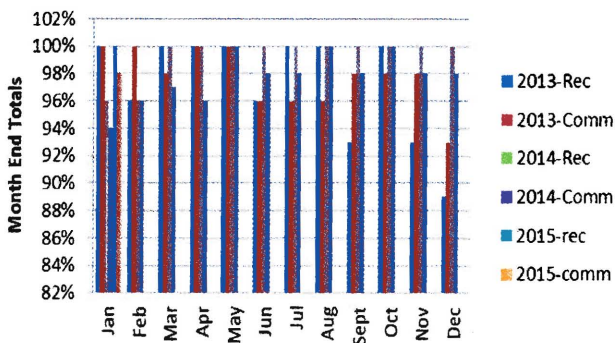
Overall Occupancy 369 Available (Jan 15 - 93% occupied)



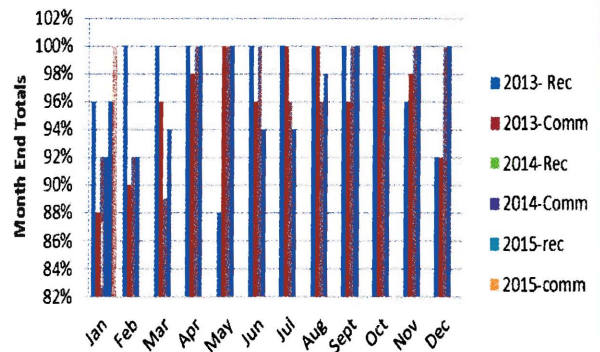
Mooring Occupancy 23 Moorings Available (Jan 15 - 61% occupied)



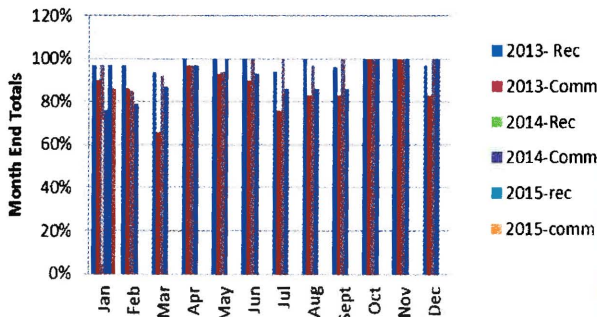
30 ft Slips (Total: 28 rec, 54 comm)



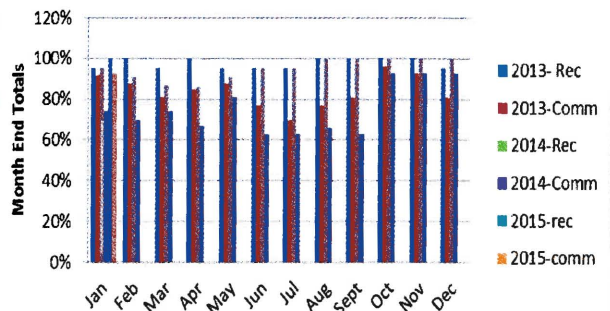
35 ft Slips (Total: 26 rec, 48 comm)



40 ft Slips (Total: 34 rec, 29 comm)



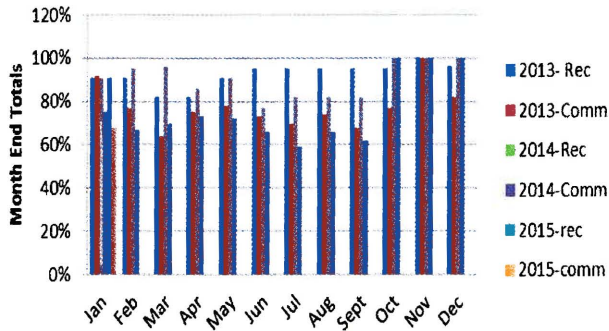
45 ft Slips (Total: 22 rec, 27 comm)



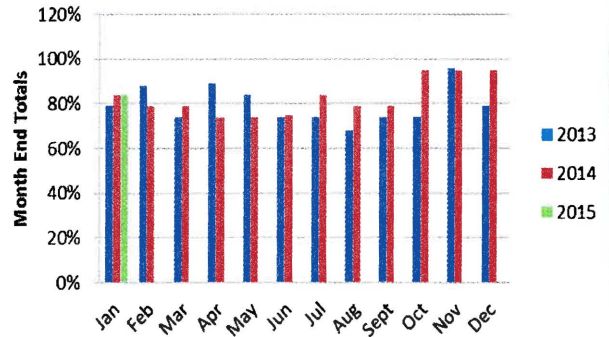
Pillar Point Harbor Dashboard

Monthly Marina Activity Report - January 2015

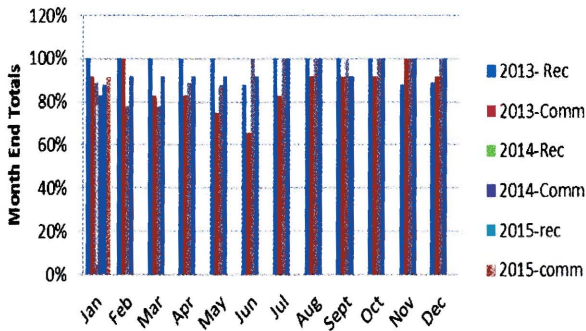
50 ft Slips (Total: 22 rec, 40 comm)



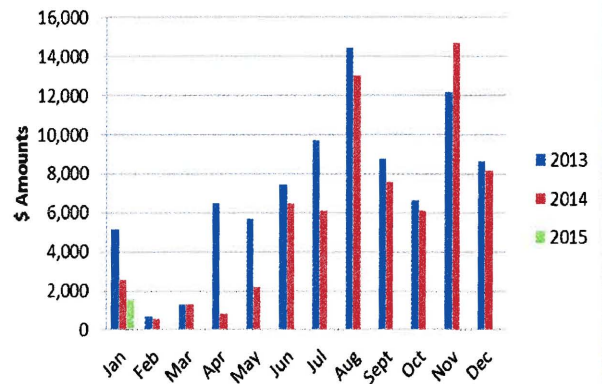
55 ft Slips (Total: 19 comm)



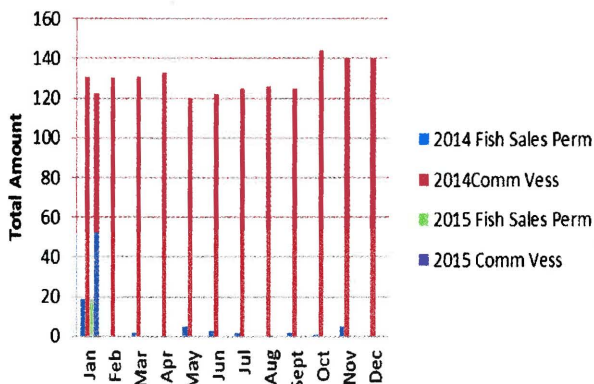
65 ft Slips (Total: 9 rec, 12 comm)



Launch Ramp Totals



PPH Comm Fish Activity



Call Outs (PPH Harbor Patrol - 2014)

