San Mateo County Harbor District
Board of Harbor Commissioners
Meeting Agenda

October 7, 2015
6:30 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 Channel 26 and residents from Montara through Pescadero can tune into Comcast Channel 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.

A.) Roll Call

Commissioners	Staff
Tom Mattusch, President	Glenn Lazof, Interim General Manager
Nicole David, Vice President	Marcia Schnapp, Interim Administrative Services Manager
Robert Bernardo, Secretary	Scott A. Grindy, Harbor Master
Pietro Parravano, Treasurer	Melanie Hadden, Interim Deputy Secretary
Sabrina Brennan, Commissioner	Steven Miller, District Counsel

B.) 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 of public interest within the subject matter jurisdiction of the San Mateo County Harbor District, Board of Harbor Commissioners that is not on the regular Agenda. 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, 504 Avenue Alhambra, 2nd Floor, El Granada, CA 94018 or online at www.smharbor.com.

C.) Staff Recognition-

D.) 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calendar are approved by one motion unless a Commissioner requests at the beginning of the meeting that an item be withdrawn or transferred to the regular agenda.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:	**Performance-based Compensation Agreement with Brad Damitz, the planning and implementation of a Pilot Beach Nourishment Project (Project) to address ongoing coastal erosion issues at Surfer's Beach, for an amount not to exceed $50,000, to be exclusively funded by grants or other non district sources. (Commissioner David)**
	REPORT:	**Lazof/Memo ; David/Memo**
	PROPOSED ACTION:	1) Approve finding that approval of proposed agreement with Brad Damitz is in the best interest of the District. Approve Resolution 48-15 approving agreement with Brad Damitz not to Exceed $50,000.
2	TITLE:	**Approve Contract with Robert Half Account Temps Professional Services, not to exceed $64,000**
	REPORT:	Schnapp, Memo
	PROPOSED ACTION:	Approve resolution 47-15 to authorize Interim General Manger to enter into contract with Robert Half/Account Temps for temporary staffing services in an amount not to exceed $64,000.
3	TITLE:	**Amend Resolution 19-13, to Clarify Deadlines for Reports and Materials for Commissioner Submitted Agenda Items.**
	REPORT:	Lazof, Memo
	PROPOSED ACTION:	Approve Resolution 50-15 amending resolution 19-13 to add that reports and additional information submitted for Agenda be supplied by the same (8 day prior to meeting) deadline as Agenda Items.

E.) Old Business

4	TITLE:	**Fish Buyer Leases. Discussion and Possible Action reflecting the September 15 Workshop with Fish Buyers and Other Stakeholders**
	REPORT:	Grindy/Lazof, Memo
	PROPOSED ACTION:	The Commission may take action to authorize amending leases to revise the fee structure.
5	TITLE:	**Appointment of General Manager**
	REPORT:	Miller, Memo
	PROPOSED ACTION:	Re-affirm Resolution 45-15, appointing a new General Manager and Authorizing President Mattusch to execute

employment agreement

6 TITLE: **Discussion and possible action regarding the City of South San Francisco Oyster Point Marina JPA Study Session held on Sept. 16, 2015 at 6:30pm. (Commissioner Brennan)**
REPORT: Brennan, Memo; Lazof, Memo
PROPOSED ACTION:
1) Schedule a Commission Special Meeting Study Session
2) Schedule a Special Meeting Site Visit of Oyster Point Marina

F.) New Business

7 TITLE: **Bills and Claims in the Amount of $304,111.03**
REPORT: Bills and Claims Detailed Summary
PROPOSED ACTION: Approval of Bills and Claims for payment and a transfer in the amount of $304,111.03 to cover payment of Bills and Claims

8 TITLE: **Pillar Point Seafood Retroactive Electrical Bill**
REPORT: Lazof/Grindy Memo
PROPOSED ACTION: Direct Staff regarding pursuing collection of $2,558 for estimated cost past electrical useage based on past oral agreement.

9 TITLE: **Special Use Permit for City of South San Francisco Department of Parks and Recreation for Thanksgiving Fun Run Saturday November 14, 2015**
REPORT: Grindy, Memo, Application
PROPOSED ACTION: Approve a Special Use Permit for City of South San Francisco Department of Parks and Recreation for Thanksgiving Fun Run to be held on Saturday November 14, 2015

G.) Closed Session

10 TITLE: **Conference with Labor Negotiator Pursuant to Government Code Section 54957.6**
REPORT: Scott Grindy, Deborah Glasser, Glenn Lazof
PROPOSED ACTION: Operating Engineers Local Union 3 and Teamsters Local Union 856

H.) Staff Reports: a) Administration and Finance

11 **Interim General Manager – Lazof**

12 Interim Administrative Services Manager – Schnapp

b) Operations

13 Oyster Point Marina/Park and Pillar Point Harbor – Grindy

I.) Board of Harbor Commissioners

14 A. Committee Reports

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 one item on a future agenda may do so at this time. Any Commissioner wishing to place more than one item on any future agenda may make a motion to place such item(s) on the agenda and must have a majority vote of the Board to do so.

J.) Adjournment

The next scheduled meeting will be held on October 21, 2015 at Municipal Services Building, 33 Arroyo Drive, South San Francisco, CA 94080 at 6:30 p.m.

Agenda Posted As Required:
October 2, 2015 at 6:00 PM

Melanie Hadden, Interim Deputy Secretary

Staff Report

Performance-based Compensation Agreement with Brad Damitz, the planning and implementation of a Pilot Beach Nourishment Project (Project) to address ongoing coastal erosion issues at Surfer's Beach, for an amount not to exceed $50,000, to be exclusively funded by grants or other non-district sources.

Glenn Lazof: Interim General Manager (IGM);

Background: The Commission approved this in concept at the September 16, 2015 meeting.

The proposed agreement is attached Mr. Dimitz's rate is $100 per hour.

Recommendation:

1) Approve Resolution 48-15 which
    a. Finds that a 1) The commission finds that competition for this contract is not in the best interest of the District because Brad Dimitz has the demonstrated expertise; Mr. Damitz has agreed to perform this work without requiring the expenditure of existing district funds, acquiring and utilizing new grants or other funding; and that District staff resources are too limited at this time to conduct a timely RFP.
    b. Authorized the General Manager to execute the attached agreement with Brad Dimitz not to exceed $50,000.

Fiscal Impact: None as the expense of this contract is to be 100% funded by grants or other sources not currently within the District's budget.

Resolution 48 -15

of the

San Mateo County Harbor District

to

AUTHORIZE AGREEMENT WITH BRAD DAMITZ FOR THE PLANNING AND IMPLEMENTATION OF THE SURFER'S BEACH NOURISHMENT PILOT PROJECT PER EXHIBIT A (ATTACHED)

Whereas, the San Mateo County Harbor District (District) desires to plan and implement the Surfer's Beach Nourishment Pilot Project (Project) and is in need of consultant services to assist with both Project planning and implementation; and

Whereas, Brad Damitz has submitted a proposal to provide the needed support services, with all compensation to be funded through grant funds secured through Mr. Damitz' efforts without up-front participation by the District; and

Whereas, the combination of (i) limited District staff resources, (ii) Mr. Damitz' qualifications for the work, and (iii) his willingness to be paid only if grant funding is secured that is sufficient both to pay for the Project and for his services, indicates that it would not be in the District's best interest to conduct a competitive solicitation for these services.

Now, Therefore, Be It resolved, the District's Board of Harbor Commissioners finds that a competitive solicitation would not be in the District's best interest and approves an agreement with Brad Damitz for consultant support services to assist with planning and implementation of the Project, to be funded exclusively by grants or other non District sources, as evidenced by Exhibit A and

Be It Further Resolved, that the District's Interim General Manager is authorized to enter into an agreement with Brad Damitz consistent with this Resolution and in a form substantially the same as Exhibit A included with this Resolution.

Approved this 7th day of October 2015 at a regular meeting of the Board of Harbor Commissioners by a recorded vote as follows:

For:
Against:
Absent:
Abstaining:

Attested

BOARD OF HARBOR COMMISSIONERS

Melanie Hadden
Interim Deputy Secretary

Tom Mattusch
President

Exhibit A

PROFESSIONAL SERVICES AGREEMENT RELATIVE TO BEACH NOURISHMENT AT SURFER'S BEACH PILOT PROJECT

THIS AGREEMENT is made as of the _______ day of __________________, 2015, by and between the SAN MATEO COUNTY HARBOR DISTRICT (hereinafter referred to as "District") and Bradley Scott Damitz (hereinafter referred to as "Consultant").

WHEREAS, the District desires to obtain professional services, described in Exhibit A, in connection with the Beach Nourishment at Surfer's Beach Pilot Project (Project), and

WHEREAS, the Consultant desires to provide such services and has represented that he is experienced and qualified to perform such services, and

WHEREAS, at its meeting on October 7, 2015, the District's Board of Harbor Commissioners authorized award of the Agreement to the Consultant.

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1. RENDITION OF SERVICES

The Consultant agrees to provide professional services to the District in accordance with the terms and conditions of this Agreement. In the performance of its work, the Consultant represents that he (1) has and will exercise the degree of professional care, skill, efficiency, and judgment of consultants with special expertise in providing such services; (2) carries all applicable licenses, certificates, and registrations in current and good standing that may be required to perform the work; and (3) will retain all such licenses, certificates, and registrations in active status throughout the duration of this engagement.

2. SCOPE OF SERVICES

The scope of the Consultant's services shall consist of the services set forth in Exhibit A.

3. TERM

The Consultant shall commence work upon the District's issuance of a written notice to proceed and will provide all services in accordance with the schedule of deliverables to be agreed upon by the parties as per Exhibit A. Unless the Agreement is terminated sooner pursuant to Section 19, the term of this Agreement shall continue until the Consultant completes the scope of services set forth in Exhibit A.

Should a grant award, as described in Exhibit A, Task 1, not be obtained within 180 days of the notice to proceed, consultant will return to district to request an extension of this agreement.

4. KEY PERSONNEL

It is understood and agreed by the parties that at all times during the term of this Agreement that Brad Damitz shall serve as the primary staff person of the Consultant to undertake, render and oversee all of the services under this Agreement.

5. COMPENSATION

Consultant has no guarantee of any compensation under this Agreement. The Consultant will only be compensated for his services if he secures funding for the Project sufficient to fund both the Project and compensate the Consultant, as determined by the District in its sole discretion. If the Consultant satisfies these conditions, the District will pay Consultant for performing all of the services described in Exhibit A at an hourly rate of $100 capped at a not-to-exceed sum of $50,000. Hourly rates will remain fixed for the entire Project and the entire term of this Agreement. The not-to-exceed amount includes labor, materials, taxes, insurance, subcontractor costs, travel expenses, telephone costs, copying costs, profit, administrative and overhead fees, and all other costs and expenses incurred by the Consultant.

In the event the District requests Consultant to perform any additional services, the parties will agree on the cost of such services, which may be subject to approval by the District's Board of Harbor Commissioners. The District will pay the Consultant in accordance with Section 13.

6. NOTICES

All communications relating to the day-to-day activities of the Project shall be exchanged between the District's General Manager, or designee, and the Consultant.

All other notices and communications regarding interpretation of the terms of this Agreement and changes thereto shall be given to the other party in writing and may be given by personal delivery to a representative of the parties or by mailing the same postage prepaid, addressed as follows:

District:
San Mateo County Harbor District
504 Ave Alhambra, 2nd Floor
P.O. Box 1449
El Granada, CA 94018
Attention: Contracts Officer

Consultant:
Bradley Scott Damitz
869 Estancia Way
San Rafael, CA 94903
415-259-5766
brad.damitz@me.com
Attention: Brad Damitz

The address to which mailings may be made may be changed from time to time by notice mailed as described above. Any notice given by mail shall be deemed given on the day after that on which it is deposited in the United States Mail as provided above.

7. OWNERSHIP OF WORK

All grant applications, reports, designs, drawings, plans, photographic images, video and sound recording, specifications, analyses, charts, tables, schedules and all other materials prepared, or in the process of being prepared, for the services to be performed by the Consultant shall be and are the property of the District. The District shall be entitled access to and copies of these materials during the progress of the work. Any such materials remaining in the hands of the Consultant or in the hands of any subcontractor upon completion or termination of the work shall be immediately delivered to the District. If any materials are lost, damaged or destroyed before final delivery to the District, the Consultant shall replace them at its own expense, and the Consultant assumes all risks of loss, damage or destruction of or to such materials. The Consultant may retain a copy of all material produced under this Agreement for its use in its general business activities.

Any and all rights, title, and interest (including without limitation. patent rights, copyright and any other intellectual-property or proprietary right) to materials prepared under this Agreement are hereby assigned to the District. The Consultant agrees to execute any additional documents which may be necessary to evidence such assignment.

The Consultant represents and warrants that all materials prepared under this Agreement are original or developed from materials in the public domain (or both) and that all materials prepared under and services provided under this Agreement do not infringe or violate any copyright, trademark, patent, trade secret, or other intellectual-property or proprietary right of any third party.

8. CONFIDENTIALITY

Any District materials to which the Consultant has access or materials prepared by the Consultant during the course of this Agreement ("confidential information") shall be held in confidence by the Consultant, who shall exercise all reasonable precautions to prevent the disclosure of confidential information to anyone except the officers, employees and agents of the Consultant as necessary to accomplish the rendition of services set forth in Section 2 of this Agreement.

The Consultant, its employees, subcontractors, and agents shall not release any reports, information or other materials prepared in connection with this Agreement, whether deemed confidential or not, to any third party without the approval of the District.

9. USE OF SUBCONTRACTORS

The Consultant shall not subcontract any services to be performed by it under this Agreement without the prior written approval of the District, except for service firms engaged in drawing, reproduction, typing, and printing. Any subcontractors must be engaged under written contract with the Consultant with provisions allowing the Consultant to comply with all requirements of this Agreement, including without limitation the "Ownership of Work" provisions in Section 7. The

Consultant shall be solely responsible for reimbursing any subcontractors, and the District shall have no obligation to them.

10. CHANGES

The District may, at any time, by written order, make changes within the scope of services described in this Agreement. If such changes cause an increase in the budgeted cost of or the time required for performance of the agreed upon work, an equitable adjustment as mutually agreed shall be made in the limit on compensation as set forth in Section 5 or in the time of required performance as set forth in Section 3, or both. In the event that the Consultant encounters any unanticipated conditions or contingencies that may affect the scope of services, schedule, or the amount of compensation specified herein, the Consultant shall so advise the District immediately upon notice of such condition or contingency. The written notice shall explain the circumstances giving rise to the unforeseen condition or contingency and shall set forth the proposed adjustment in schedule or compensation. This notice shall be given to the District prior to the time that the Consultant performs work or services related to any proposed adjustment. The pertinent changes shall be expressed in a written supplement to this Agreement prior to implementation of such changes.

11. RESPONSIBILITY; INDEMNIFICATION

The Consultant shall indemnify, keep and save harmless the District and its Commissioners, officers, agents and employees against any and all suits, claims or actions arising out of any of the following:

> Any injury to persons or property that may occur, or that may be alleged to have occurred, arising from the performance of this Agreement by the Consultant caused by a negligent act or omission or willful misconduct of the Consultant or its employees, subcontractors or agents; or
>
> Any allegation that materials or services provided by the Consultant under this Agreement infringe or violate any copyright, trademark, patent, trade secret, or any other intellectual-property or proprietary right of any third party.

The Consultant further agrees to defend any and all such actions, suits or claims, with counsel acceptable to the District in its sole discretion, and pay all charges of attorneys and all other costs and expenses of defenses as they are incurred. If any judgment is rendered, or settlement reached, against the District, or any of the other individuals enumerated above in any such action, the Consultant shall, at its expense, satisfy and discharge the same. This indemnification shall survive termination or expiration of the Agreement.

12. INSURANCE

A. Types of Insurance

The Consultant shall not commence work until proper evidence of insurance coverage of the types and amounts specified in this section has been provided to the District. The Consultant shall not violate or permit to be violated any conditions or provisions of said policies of insurance, and at all times shall satisfy the requirements of the insurer for the purpose of maintaining said insurance in effect.

If any claim is made by any third person against the Consultant on account of any incident connected to the Agreement, the Consultant shall promptly report the fact in writing to the District, giving full details of the claim.

Any person, firm, or corporation that the Consultant authorizes to work upon the District's property, including any subcontractor, shall be deemed to be the Consultant's agent and shall be subject to all applicable terms of this Agreement. Prior to the Consultant's start of the work or entry onto the District's property, the Consultant agrees to require its subconsultants to procure and maintain, at the Consultant's (or its subconsultant(s)') sole cost and expense (and to prove to the District's reasonable satisfaction that it remains in effect throughout the performance of the work under this Agreement), the kinds of insurance described below. Such insurance must remain in effect throughout the term of this Agreement and will be at the sole cost and expense of the Consultant (or its subconsultant(s)).

i. Commercial General Liability Insurance

The Consultant shall, at its own expense, procure and maintain Commercial General Liability insurance providing bodily injury and property damage coverage with a combined limit of at least One Million Dollars ($1,000,000) each occurrence and a general aggregate limit of at least Two Million Dollars ($2,000,000). This insurance shall include, but not be limited to, premises and operations, contractual liability covering the indemnity provisions contained in this Agreement, personal injury, products and completed operations, and broad form property damage, and include a Cross Liability endorsement.

Said Policy shall protect the Consultant and the District in the same manner as though a separate policy had been issued to each, but nothing in said policy shall operate to increase the insurance company's liability as set forth in its policy beyond the amount or amounts shown or to which the insurance company would have been liable if only one interest had been named as an insured.

ii. Business Automobile Liability

The Consultant shall, at its own cost and expense, procure and maintain Business Automobile Liability insurance providing bodily injury and property damage with a combined single limit of at least One Million Dollars ($1,000,000) per occurrence for all owned, non-owned and hired automobiles. This insurance shall provide contractual liability covering all motor vehicles and mobile equipment to the extent coverage may be excluded from general liability insurance.

iii. Workers' Compensation and Employers' Liability Insurance

If the Consultant employs any person to perform work in connection with this Agreement, the Consultant shall procure and maintain at all times during the performance of such work Workers' Compensation Insurance in conformance with the laws of the State of California, and federal laws where applicable. Employers' Liability Insurance shall not be less than One Million Dollars ($1,000,000) for each accident and One Million Dollars ($1,000,000) for each disease, with a policy limit of One Million Dollars ($1,000,000).

The policy shall contain a waiver of subrogation in favor of the District and its officers, directors, employees, volunteers, and agents, while acting in such capacity, and their successors and assignees, as they now or as they may hereafter be constituted, singly, jointly, or severally.

B. <u>General Insurance Requirements</u>

i. Acceptable Insurance

All policies will be issued by insurers acceptable to the District. This insurance shall be issued by an insurance company or companies authorized to do business in the State of California with minimum "Best's" rating of B+ and with minimum policyholder surplus of Twenty- Five Million Dollars ($25,000,000) or a company acceptable to the District in its sole discretion. All policies shall be issued in a form satisfactory to the General Manager of the District and shall be issued specifically as primary insurance. Workers' Compensation coverage requirements may be met with the California State Compensation Fund.

ii. Procure and Maintain Insurance

The Consultant must, at its own cost and expense, procure and maintain at all times during the performance of this Agreement, all of the required policies specified above. The failure to procure or maintain the required insurance policies and/or an adequately funded self-insurance program acceptable to the District will constitute a material breach of the Agreement.

iii. Terms of Policies

All insurance specified above shall remain in force until all work to be performed is satisfactorily completed. If the insurance is provided on a claims-made basis, it must remain in force for the entire term of the Agreement and a minimum of three (3) years thereafter.

iv. Self-Insurance

Upon evidence of financial capacity satisfactory to the District and Consultant's agreement to waive subrogation against the District respecting any and all claims that may arise, the Consultant's obligations hereunder may be satisfied in whole or in part by adequately funded self-insurance.

v. Deductibles and Retentions

The Consultant shall be responsible for payment of any deductible or retention on the Consultant's policies without right of contribution from the District. Deductible and retention provisions shall not contain any restrictions as to how or by whom the deductible or retention is paid. Any deductible or retention provision limiting payment to the Named Insured is unacceptable.

In the event that the policy of the Consultant or any subcontractor contains a deductible or self-insured retention, and in the event that the District seeks coverage under such policy as an additional insured, the Consultant shall satisfy such deductible or self-insured retention to the extent of loss covered by such policy for a lawsuit arising from or connected with any alleged act or omission of the Consultant, subcontractor, or any of their officers, directors, employees, agents, or suppliers, even if the Consultant or subcontractor is not a named defendant in the lawsuit.

C. <u>Evidence of Insurance and Endorsements</u>

Prior to commencing work or entering onto the District's property, the Consultant shall file a Certificate of Insurance with the District evidencing the foregoing coverages, including the following endorsements:

The insurance company(ies) issuing such policy(ies) will provide at least thirty (30) days' notice to the District of cancellation or non-renewal.

That the policy(ies) is primary insurance and the insurance company(ies) providing such policy(ies) shall be liable thereunder for the full amount of any loss or claim that the Consultant is liable for under this section, up to and including the total limit of liability, without right of contribution from any other insurance maintained or which may be maintained by the District.

Such insurance shall include as additional insureds the District, and its respective directors, officers, employees, and agents while acting in such capacity, and their successors or assignees, as they now or as they may hereafter be constituted, singly, jointly, or severally.

The policy must also contain either a Cross Liability endorsement or Severability of Interests Clause and stipulate that inclusion of the District as an additional insured will not in any way affect the District's rights as respects to any claim, demand, suit or judgment made, brought, or recovered against the Consultant. Said policy shall protect the Consultant and the District in the same manner as though a separate policy had been issued to each, but nothing in said policy shall operate to increase the insurance company's liability as set forth in its policy beyond the amount or amounts shown or to which the insurance company would have been liable if only one interest had been named as an insured.

D. Consequence of Lapse

Should any required insurance not be procured or lapse during the term of this Agreement, requests for payment originating after such lapse will not be processed until the District receives satisfactory evidence of reinstated coverage as required by the Agreement. If insurance is not reinstated, the District, may, at its sole option, terminate this Agreement effective on the date of such lapse of insurance.

13. MANNER OF PAYMENT

In accordance with Section 5 of this Agreement, the District will only pay the Consultant for his services if he secures funding sources for the Project sufficient both to fund the Project and compensate the Consultant, as determined by the District in its sole discretion. This Agreement does not guarantee that the Consultant will receive any compensation. Upon receipt of grant funding that satisfies the conditions set forth above, the Consultant may submit a billing statement and the District will reimburse the Consultant for services performed to secure the Project funding. . After Consultant is reimbursed for services performed in securing funding, Consultant shall submit a billing statement at the end of each month for the services performed in accordance Exhibit A. The District shall endeavor to pay approved invoices within thirty (30) days of their receipt. Consultant's invoices must provide the number of hours worked, and a description of the tasks for which work was performed. Consultant may also submit receipts for materials and other expenses necessary for the performance of the services. All travel expenses must be pre-approved by the District to be eligible for reimbursement. In no event will Consultant's total compensation exceed $50,000.

14. CONSULTANT'S STATUS

Neither the Consultant nor any party contracting with the Consultant shall be deemed to be an agent or employee of the District. The Consultant is and shall be an independent Contractor, and the legal relationship of any person performing services for the Consultant shall be one solely between that person and the Consultant.

15. ASSIGNMENT

The Consultant shall not assign any of its rights nor transfer any of its obligations under this Agreement without the prior written consent of the District.

16. DISTRICT WARRANTIES

The District makes no warranties, representations or agreements, either express or implied, beyond such as are explicitly stated in this Agreement.

17. DISTRICT REPRESENTATIVE

Except when approval or other action is required to be given or taken by the Board of Harbor Commissioners of the District, the General Manager of the District, or such person or persons as she shall designate in writing from time to time, shall represent and act for the District.

18. DISPUTE RESOLUTION

The District and Consultant agree to attempt in good faith to resolve all disputes informally. If agreed to by both parties, alternate methods of dispute resolution, such as mediation, may be utilized. Unless otherwise directed by the District, the Consultant shall continue performance under this Agreement while matters in dispute are being resolved.

19. MAINTENANCE, AUDIT AND INSPECTION OF RECORDS

All Consultant and subconsultant costs incurred in the performance of this Agreement will be subject to audit. The Consultant and its subconsultants shall permit the District or its authorized representatives to inspect, examine, make excerpts from, transcribe, and copy the Consultant's books, work, documents, papers, materials, payrolls records, accounts, and any and all data relevant to the Agreement at any reasonable time, and to audit and verify statements, invoices or bills submitted by the Consultant pursuant to this Agreement. The Consultant shall also provide such assistance as may be required in the course of such audit. The Consultant shall retain these records and make them available for inspection hereunder for a period of four (4) years after expiration or termination of the Agreement.

If, as a result of the audit, it is determined by the District's auditor or staff that reimbursement of any costs including profit or fee under this Agreement was in excess of that represented and relied upon during price negotiations or represented as a basis for payment, the Consultant agrees to reimburse the District for those costs within sixty (60) days of written notification by the District.

20. TERMINATION

The District shall have the right to terminate this Agreement at any time for cause or for convenience by giving written notice to the Consultant. Upon receipt of such notice, the Consultant shall not commit itself to any further expenditure of time or resources.

If the Agreement is terminated for any reason, and the District does not receive a grant directly as a result of Consultant's efforts, Consultant will not receive payment for any services performed. If the

Agreement is terminated for any reason before any grant funding has been received, any payment following termination is conditioned upon the District's receipt of a grant directly as a result of Consultant's efforts. In such a case, upon receipt of grant funding that expressly includes the cost of Consultant's services performed prior to termination, the District will pay Consultant for all services performed up to the day written notice of termination is given. If the Agreement is terminated for any reason after grant funding has been received as a result of Consultant's efforts, the District shall pay to the Consultant in accordance with the provisions of Sections 5 and 13 all sums actually due and owing from the District for all services performed and all expenses incurred up to the day written notice of termination is given, provided that such sums are expressly included in any grant funding. In the event the Agreement is terminated, the Consultant will have no expectation of further compensation, or further involvement in the Project. The Consultant will cooperate with the District as necessary in ensuring the continuation of the District's participation in the Project, and its continued participation in any grant or funding program, after termination of this Agreement. The District shall not in any manner be liable for the Consultant's actual or projected lost profits had the Consultant completed the services required by this Agreement.

21. EQUAL EMPLOYMENT OPPORTUNITY

In connection with the performance of this Agreement, the Consultant shall not discriminate against any employee or applicant for employment because of race, religion, color, sex, disability or national origin. The Consultant shall take affirmative actions to ensure that applicants are employed, and that employees are treated during their employment, without regard to their race, religion, color, sex, disability or national origin. Such actions shall include, but not be limited to, the following: employment, upgrading, demotion or transfer recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Consultant further agrees to insert a similar provision in all subcontracts, except subcontracts for standard commercial supplies or raw materials.

22. NON-DISCRIMINATION ASSURANCE

The Consultant shall not discriminate on the basis of race, color, national origin, or sex in the performance of this Agreement. During the performance of this Agreement, Consultant and its subconsultant shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, physical disability (including HIV and AIDS), mental disability, medical condition (e.g., cancer), age (over 40*),* marital status, and denial of family care leave. Consultant and subconsultant*s* shall ensure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. Consultant and its subconsultant*s* shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other Agreement.

Consultant shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under the Agreement.

23. CONFLICT OF INTEREST

The Consultant warrants and represents that it presently has no interest and agrees that it will not acquire any interest that would present a conflict of interest under California Government Code §§ 1090 et seq. or §§ 87100 et seq. during the performance of services under this Agreement. The Consultant further covenants that it will not knowingly employ any person having such an interest in the performance of this Agreement. Violation of this provision may result in this Agreement being deemed void and unenforceable.

24. PUBLICITY

The Consultant, its employees, subcontractors, and agents shall not refer to the District, or use any logos, images, or photographs of the District for any commercial purpose, including, but not limited to, advertising, promotion, or public relations, without the District's prior written consent. Such written consent shall not be required for the inclusion of the District's name on a customer list.

25. ATTORNEYS' FEES

If any legal proceeding should be instituted by either of the parties to enforce the terms of this Agreement or to determine the rights of the parties under this Agreement, the prevailing party in said proceeding shall recover, in addition to all court costs, reasonable legal fees.

26. WAIVER

Any waiver of any breach or covenant of this Agreement must be in a writing executed by a duly authorized representative of the party waiving the breach. A waiver by any of the parties of a breach or covenant of this Agreement shall not be construed to be a waiver of any succeeding breach or any other covenant unless specifically and explicitly stated in such waiver.

27. SEVERABILITY

If any provision of this Agreement shall be deemed invalid or unenforceable, that provision shall be reformed and/or construed consistently with applicable law as nearly as possible to reflect the original intentions of this Agreement, and in any event, the remaining provisions of this Agreement shall remain in full force and effect.

28. NO THIRD PARTY BENEFICIARIES

This Agreement is not for the benefit of any person or entity other than the parties.

29. APPLICABLE LAW

This Agreement, its interpretation and all work performed under it shall be governed by the laws of the State of California.

30. BINDING ON SUCCESSORS

All of the terms, provisions and conditions of this Agreement shall be binding upon and inure to the benefit of the parties and their respective successors, assigns and legal representatives.

31. ENTIRE AGREEMENT; MODIFICATION

This Agreement, including any attachments, constitutes the entire Agreement between the parties with respect to the subject matter hereof and may not be amended except by a written amendment executed by authorized representatives of both parties. In the event of a conflict between the terms and conditions of this Agreement and the attachments, the terms of this Agreement will prevail.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement by their duly authorized officers as of the day and year first above written.

FOR THE SAN MATEO COUNTY HARBOR DISTRICT:

By:__________________________________
Title: General Manager

FOR THE CONSULTANT:*

By:__________________________________

Title: __________________________________

EXHIBIT B

SCOPE OF SERVICES

INTRODUCTION

The San Mateo County Harbor District is a government agency. It is an independent special district with boundaries coterminous with the County of San Mateo. The District manages two harbors within the County: Pillar Point Harbor in Princeton, CA, which is 4 miles north of Half Moon Bay, and Oyster Point Marina/Park in South San Francisco. The District's administrative offices are in El Granada, California, across the highway from Pillar Point Harbor.

The construction of the East Breakwater resulted in shoaling in Pillar Point Harbor and created an erosion hot spot at Surfer's Beach (Figure 1). Pillar Point Harbor traps sand supply to the HMB littoral subcell, causing sediment deficit and erosion at Surfer's Beach. The breakwater causes wave reflection, which causes further erosion and sand transport to the south.

Figure 1. Sand buildup in Pillar Point Harbor (red arrows) and erosion at Surfer's Beach (blue arrow).

While two harbors in the Santa Cruz Littoral Cell have optimized dredging operations with beneficial use of dredged sand on adjacent beaches, the third one, Pillar Point Harbor, remains one of the few harbors on the coast of California without a beach nourishment effort. Because of this, much-needed sand gets trapped behind the Harbor breakwater, and is not allowed to continue on its natural north-to-south path, resulting in sand-starved beaches down the coast.

Over the past 50 years, an estimated 250,000 cubic yards of sand has been deposited in the Harbor, the same sand that should have continued to replenish the coast to the south. At the same time, beach erosion accelerated from inches to several feet per year to the south of the Harbor. This significant, rapid erosion and beach loss have threatened sandy beach habitat, greatly diminished opportunities for public recreation, and continues to put beaches, roadways (predominantly Highway 1), bike paths, and structures at risk.

The need for a project to mitigate these issues has been identified for decades and now the Harbor District has strong support for such a project from the community, Monterey Bay National Marine

Sanctuary, Greater Farallones National Marine Sanctuary, and others. Surfer's Beach/ El Granada County Beach was included as a Beach Erosion Concern Area in the 2015 Draft Coastal Regional Sediment Management Plan for the Santa Cruz Littoral Cell (CRSMP) and the plan identified this area as a potentially promising site for beach replenishment. However, while there is widespread support for a pilot project, there is currently no funding available to plan for and implement this project. As a result, the Consultant shall obtain funding sources for the Project and, if funding is secured, will provide administration services for the Project as described in the Scope of Services below.

SCOPE OF SERVICES

The Project shall include either or both of these two options:

1. Option 1: Opportunistic beach nourishment at Surfer's Beach with placement of dredged sand outside of MBNMS boundaries in the section of beach between the Mean High Water Line and the toe of the bluffs. This option would not require an MBNMS permit, however would require permits and review from a number of other state and federal agencies. This option would also provide benefits to the Harbor by addressing navigational hazards and removing some of the sand that has accumulated since the construction of the East Breakwater.

2. Option 2: Opportunistic beach nourishment at Surfer's Beach with placement of upland material (sand, that has been sourced from inside the Harbor using land based equipment but no dredging). This option would require an MBNMS permit, as it involves placement of clean sand within sanctuary boundaries on the portion of the beach below Mean High Water or sub-tidally.

Task 1: The Consultant will apply for and receive grant(s) or other sources of funding to finance the Project. The Consultant must submit funding applications to the District for approval before the Consultant submits the applications. The District reserves the right in its sole discretion to reject funding applications for any reason, including but not limited to a determination that a resulting grant agreement contains terms to which the District does not agree. In order to receive funding, the District's Board of Directors must authorize the General Manager to enter into the funding agreement(s) on behalf of the District. The grant(s) will pay for all consulting efforts made by Consultant, including:

- coordinating the environmental review and permitting process (including permit fees),
- Project planning and engineering,
- implementation of a sand replenishment Project (including construction costs),
- and post-construction monitoring of the sand replenishment at Surfer's Beach.

Examples of potential tasks:

Project Management:

- Undergo a coordinated process to assess funding options for implementing the Project.
- Obtain Approval from the District General Manager for all Grant Applications
- Apply for and receive grant(s) or other sources of funding to finance the Project.

Following the grant award and prior to commencing task 2, the parties will hold a kick-off meeting that will (a) set a Project schedule and (b) specify the deliverables the Consultant must provide associated with each of the Tasks set forth in this Exhibit A, and to comply with grant requirements. The Consultant will complete the scope of work in accordance with the schedule of deliverables agreed upon by the parties.

Task 2: The Consultant will also address key partnering efforts that impact the collective ability to plan for, permit, and complete such a project successfully. This effort will require extensive communication and coordination with all involved local, state, and federal agencies, participation in San Mateo County Harbor District Beach Replenishment Committee meetings, coordination and facilitation of stakeholder and technical workshops, and brief quarterly progress updates with an anticipated timeline to the Board of Harbor Commissioners.

Additionally, as part of this Project, a technical working group will be formed and lead by the Consultant to provide input on the Project design and engineering decisions. This workgroup will communicate regularly during the permitting process and will inform the Board of Harbor Commissioners about any changes to the proposed Project design.

Two workshops will be held to inform the public. The first public workshop will be held during the beginning of the permitting process and a second workshop closer to the implementation phase of the beach replenishment when draft environmental documents and draft Project plans are available.

The agencies and jurisdictions that would need to be engaged in review and permitting of this Project include: NOAA's Monterey Bay National Marine Sanctuary and National Marine Fisheries Service, US Army Corps of Engineers, US Environmental Protection Agency, US Fish and Wildlife Service, Minerals Management Service, California Coastal Commission, California State Lands Commission, California Department of Fish and Wildlife, State Water Resources Control Board, Regional Water Quality Control Board, and Air Pollution Control District. Other organizations and stakeholders that would be engaged as part of this process include County of San Mateo, City of Half Moon Bay, and Caltrans.

Examples of potential tasks by category:

1. **Project Management:**
   - Coordinate with San Mateo County Board of Harbor Commissioners and Pillar Point Harbor staff on all aspects of the Project.

2. Project Design and Engineering:

- Develop a comprehensive list of potential partners and stakeholders and identify their possible roles in plan implementation.
- Conduct individual meetings/interviews with technical experts to obtain initial design input and Project guidance.
- Assemble a Technical Advisory Group and coordinate/facilitate meetings.
- Identify initial Project design alternatives by working with technical experts and stakeholders.
- Determine acceptable Project parameters by working with permitting agencies.
- Coordinate process to prioritize options and agree on a preferred Project design alternative.
- Pursue and oversee contracts for pre-construction engineering and design.

3. Environmental Review

- Oversee and complete all environmental documentation, likely including an Environmental Assessment (Federal, NEPA) and a Mitigated Negative Declaration (State of California, CEQA).
- Coordinate with agency representatives and technical experts to identify potential concerns, and mitigation measures to address potential impacts.
- Complete required analyses of sediment (contaminants, grain size analysis, etc.)

4. Permitting and Agency Review

- Meet individually with resource management and permitting agencies to discuss permitting considerations.
- Convene a permitting workshop(s) with USACE, the MBNMS, the CCC, local jurisdictions,and other regulatory agencies to address permitting requirements, establish aceptable Project parameters, and identify effective mitigation measures.
- Develop a detailed permitting roadmap that details all requirements, timelines, etc.
- Apply for and obtain necessary permits, and conduct necessary follow-up and reporting requirements.

5. Project Monitoring

- Work with permitting and natural resource agencies to determine requirements and protocols for monitoring and to develop criteria for success.
- Contact USGS, and other agencies and local research institutions to explore options for collaborating on monitoring efforts.
- Develop a draft and final post-construction monitoring plan.
- Ensure contracts/agreements are in place for conducting physical and biological monitoring prior to Project construction to develop a baseline for comparison of potential effects, and during and after construction to quantify changes and identify potential issues.

6. Project Implementation (Construction)

- Oversee Project implementation to ensure that Project protocols are being followed and that design objectives and permit conditions are being met.
- Ensure appropriate documentation and monitoring is being conducted.

Memo

Date: October 7, 2015

To: Board of Harbor Commissioners

From: Nicole David
Harbor Commissioner

Re: Discussion of Performance-based Compensation Agreement with Brad Damitz

Recommendation

Consider Performance-based Compensation Agreement with Brad Damitz

Project Background

The construction of the East Breakwater resulted in shoaling in Pillar Point Harbor and created an erosion hot spot at Surfer's Beach (Figure 1). Pillar Point Harbor traps sand supply to the HMB littoral subcell, causing sediment deficit and erosion at Surfer's Beach. The breakwater causes wave reflection, which causes further erosion and sand transport to the south.

Figure 1. Sand buildup in Pillar Point Harbor (red arrows) and erosion at Surfer's Beach (blue arrow).

While two harbors in the Santa Cruz Littoral Cell have optimized dredging operations with beneficial use of dredged sand on adjacent beaches, the third one, Pillar Point Harbor, remains one of the few harbors on the coast of California without a beach nourishment effort. Because of this, much-needed sand gets trapped behind the Harbor breakwater, and is not allowed to continue on its natural north-to-south path, resulting in sand-starved beaches down the coast.

Over the past 50 years, an estimated 250,000 cubic yards of sand has been deposited in the Harbor, the same sand that should have continued to replenish the coast to the south. At the same time, beach erosion accelerated from inches to several feet per year to the south of the Harbor. This significant, rapid erosion and beach loss have threatened sandy beach habitat, greatly diminished opportunities for public recreation, and continues to put beaches, roadways (predominantly Highway 1), bike paths, and structures at risk.

The need for a project to mitigate these issues has been identified for decades and now the Harbor District has strong support for such a project from the community, Monterey Bay National Marine Sanctuary, Greater Farallones National Marine Sanctuary, and others. Surfer's Beach/ El Granada County Beach was included as a *Beach Erosion Concern Area* in the 2015 Draft Coastal Regional Sediment Management Plan for the Santa Cruz Littoral Cell (CRSMP) and the plan identified this area as a potentially promising site for beach replenishment. However, while there is widespread support for a Pilot Project, there is currently no funding available to plan for and implement this project.

The following excerpts from the CRSMP provide a good background to the existing conditions and issues and highlight the severity of the erosion problem and the need for action at Surfer's Beach:

"At the northern end of the reach, just outside of the Pillar Point Harbor East Breakwater, are El Granada or Surfer's Beach and an area that includes Vallejo Beach and Miramar Beach, which are adjacent, small beaches. This area has experienced significant erosion of the beach and bluff since the construction of the breakwater. In a 2009 report, the USACE stated that the construction of the breakwater accelerated the beach and bluff erosion in this area beyond what would have occurred without the breakwater (U.S. Army Corps of Engineers, San Francisco District, 2009)".

“Because some areas are unprotected, the threat of erosion to Highway 1 is imminent, and preventing or delaying adverse impacts to the highway will require measures such as beach nourishment, armoring of the bluff, or relocation of the road.”

“The erosion of the beach and bluffs adjacent to Highway 1 at Surfer’s Beach has been a significant source of concern for the local community for decades. This erosion issue has been the focus of a number of studies, with recent work by USACE strongly suggesting that construction of the Pillar Point Harbor outer breakwaters, particularly the East Breakwater, has exacerbated the erosion problem.”

“Beach nourishment at Surfer’s Beach would likely involve the direct placement of 150,000 to 200,000 cy of sand on the beach (USACE, 2014b). This option presents several advantages, including a wider beach for recreation and access and potentially reducing wave attack on the toe of the eroding bluff. In addition, Surfer’s Beach presents a logical placement site for sand dredged from the harbor side of the East Breakwater with minimal transportation costs because of the proximity of this beach to the potential sand source. But, there is considerable uncertainty whether the sand placed on the beach will persist beyond several years, particularly if a large storm were to occur shortly after placement.”

Project Plan

The overall plan would be to move forward with the planning and implementation of a Pilot Beach Nourishment Project (Project) to address ongoing coastal erosion issues at Surfer’s Beach. Work on this Project would include a number of specific tasks falling into the following categories:

1. Project Design and Engineering
2. Environmental Review
3. Permitting and Agency Review
4. Project Monitoring
5. Project Implementation (Construction)

Although larger-scale beach nourishment alternatives (150,000 - 250,000 cubic yards) are being evaluated in a USACE Continuing Authorities Program 111 study, this Project would involve placement of much smaller volumes of sand (possibly 50,000 – 75,000 cubic yards). The objective would be to study and monitor the project to determine whether or not it is effective and also to determine if there are any unacceptable environmental impacts. If post construction monitoring and review indicates that the Project is effective in mitigating erosion and does not cause unacceptable impacts, then it is envisioned that a larger beach nourishment project would be pursued in the future. Currently, a larger scale project involving placement of dredged material below Mean High Water could not be permitted under existing Monterey Bay

National Marine Sanctuary (MBNMS) regulations, however it is likely that these regulations will be modified to allow for such a project within 3-5 years.

Greater Farallones National Marine Sanctuary (GFNMS) manages the portion of the coastline of the MBNMS that includes Surfer's Beach and is responsible for issuing permits in this area. It should be noted that while the Sanctuary cannot issue a permit for a larger project, GFNMS Management has recently gone on record encouraging a smaller scale pilot beach nourishment project for Surfer's Beach. The following excerpts from a recent letter the Harbor District Board received from the Greater Farallones National Marine Sanctuary's superintendant Maria Brown provide an overview of the permitting requirements and recommendations for potential projects :

"MBNMS regulations prohibit, among other things, the alteration of the seabed, the discharging or depositing any material into the sanctuary, or constructing or placing any material or other matter on the submerged lands (CFR 922.132(a)(2) and (4)). Activities that would otherwise violate these regulations may in some cases be allowed by a permit under CFR sections 922.49, 922.132(e), and 922.133 if they meet the specified permit criteria. MBNMS can consider permitting certain activities to address shoreline erosion. However, both the regulations and the terms of designation for MBNMS contain specific language that precludes issuing a permit for any project that involves dredged material being disposed of or placed within the sanctuary (i.e. below mean high water) other than at designated disposal sites authorized by the U.S. Environmental Protection Agency prior to the effective date of designation, in 1992.

Nonetheless, we believe there are some feasible options, both short-term and long-term to address the myriad issues at Surfer's Beach and in the harbor. The first, and our preferred, short-term option involves sourcing sand from the shoal that has formed nearby, inside the outer breakwater of Pillar Point Harbor and placing it above mean high water along the most heavily eroding areas of Surfer's Beach so that sand can naturally work into the littoral system and help attenuate erosion; we believe there is an available deposition zone between 80 – 140 feet wide in that area between the bluff and the mean high water line. This alternative would not require a sanctuary permit since sand would be placed outside the boundaries of the sanctuary. If the Harbor Commission were to pursue this option, GFNMS/MBNMS would work with the commission and other agencies to provide historic shoreline data for the Surfer's Beach area to determine a baseline for the sanctuary's boundary. A second short-term option that also could be considered would be to source sand other than from harbor dredge sources, perhaps from upland areas beyond MBNMS, and truck it to and place it below mean high water along Surfer's Beach. This option could possibly be permitted within MBNMS regulations provided that the pilot project design meets strict resource protection standards and MBNMS permit issuance criteria.

Given the significant rates of erosion at Surfer's Beach, GFNMS/MBNMS also recognize that a long-term solution may be needed. Long-term options that might be considered include additional beach nourishment above mean high water including source sand from within the harbor, provided that pilot studies and placement episodes prove effective and protective of sanctuary resources; evaluating the feasibility of a planned managed retreat of Highway 1 to eliminate the need for further coastal armoring (like rock slope protection) and to allow for the beach to be restored; and/or modifying the outer breakwater, which has contributed significantly to the erosion occurring in this area by interfering with the natural sediment transport along this stretch of coast.

It is also our understanding that the California Department of Transportation (Caltrans) is currently in the processing of implementing a shoreline protection project to protect Highway 1 that will involve short-term emergency armoring along the most severely eroded portion of the bluff at Surfer's Beach, while a long-term plan can be developed that achieves shoreline protection without continued and increased coastal armoring. We believe that the first short term alternative discussed above can be carried out promptly to reduce and perhaps eliminate the need for armoring at Surfer's Beach while also providing new sand to nourish the beach, thereby allowing improvement of the area for various coastal recreation activities."

End of excerpt

Therefore, consistent with the requirements detailed in this letter from GFNMS, this Project could include either or both of the following options:

1. **Option 1**: Opportunistic beach nourishment at Surfer's Beach with placement of dredged sand outside of MBNMS boundaries in the section of beach between the Mean High Water Line and the toe of the bluffs. This option would not require an MBNMS permit, however would require permits and review from a number of other state and federal agencies. This option would also provide benefits to the Harbor by addressing navigational hazards and removing some of the sand that has accumulated since the construction of the East Breakwater.

2. **Option 2**: Opportunistic beach nourishment at Surfer's Beach with placement of upland material (sand, that has been sourced from inside the Harbor using land based equipment but no dredging). This option would require an MBNMS permit, as it involves placement of clean sand within sanctuary boundaries on the portion of the beach below Mean High Water or sub-tidally.

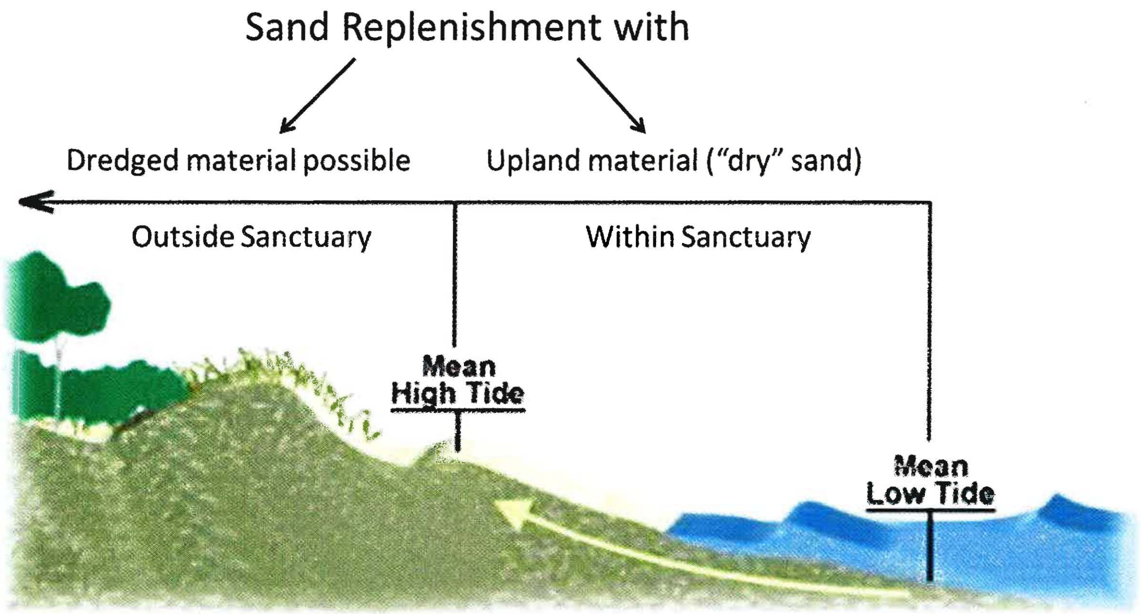
Definitions:

Mean High Water (MHW) (from NOAA shoreline glossary)

A tidal datum. The average of all the high water heights observed over the National Tidal Datum Epoch. For stations with shorter series, simultaneous observational comparisons are made with a control tide station in order to derive the equivalent datum of the National Tidal Datum Epoch. (NOS CO-OPS 1 2000)

Mean High Water Line (MHWL)

The line on a chart or map which represents the intersection of the land with the water surface at the elevation of mean high water. (NOS CO-OPS 1 2000)



Upland material ("dry" sand) options:

- Perched Beach could roughly provide 20,000 cubic yards of "dry" sand (red oval)

- Triangle across from RV Park could provide 50,000-80,000 cubic yards of “dry” sand (red oval). Some mitigation effort could be offered for using the sand from this location and restoration of the remaining sand build-up to native coastal strand habitat could be part of this project.

These two options for upland ("dry") sand would provide enough material for a beach replenishment pilot project that at this point aims to use roughly 75,000 cubic yards of sand.

Performance-based Compensation Agreement

A Performance-based Compensation Agreement (PBCA) would establish a framework for the coordination and alignment of resources to support the San Mateo County Harbor District in conducting a sand replenishment pilot project at Surfer's Beach (Pilot). An agreement like this can be the basis for improving beach sand replenishment, maintenance, and access.

The Harbor District enters into an agreement with Brad Damitz (consultant) with the goal to secure grant money as a funding source for planning, permitting, and implementation of the San Mateo County Harbor District's Surfer's Beach Pilot. The consultant has no expectations of compensation unless grant money for beach replenishment is successfully secured. In addition, the grant(s) would be the only source of funds to be spent on the project - the project will be completed with grant funds and without the need for additional funds from the Harbor District.

Proposed Scope of Work

The consultant will apply for and receive grant(s) or other sources of funding to finance this Pilot Project. The grant(s) will pay for all consulting efforts made by consultant, including:

- coordinating the environmental review and permitting process (including permit fees),
- project planning and engineering,
- implementation of a sand replenishment project (including construction costs),
- and post-construction monitoring of the sand replenishment at Surfer's Beach.

The consultant will also address key partnering efforts that impact the collective ability to plan for, permit, and complete such a project successfully. This effort will require extensive communication and coordination with all involved local, state, and federal agencies, participation in San Mateo County Harbor District Beach Replenishment Committee meetings, coordination and facilitation of stakeholder and technical workshops, and brief quarterly progress updates with an anticipated timeline to the Board of Harbor Commissioners.

Additionally, as part of this project, a technical working group will be formed and lead by the consultant to provide input on the project design and engineering decisions. This workgroup will communicate regularly during the permitting process and will inform the Board of Harbor Commissioners about any changes to the proposed project design.

Two workshops will be held to inform the public. The first public workshop will be held during the beginning of the permitting process and a second workshop closer to the implementation phase of the beach replenishment when draft environmental documents and draft project plans are available.

The agencies and jurisdictions that would need to be engaged in review and permitting of this project include: NOAA's Monterey Bay National Marine Sanctuary and National Marine Fisheries Service, US Army Corps of Engineers, US Environmental Protection Agency, US Fish and Wildlife Service, Minerals Management Service, California Coastal Commission, California State Lands Commission, California Department of Fish and Wildlife, State Water Resources Control Board, Regional Water Quality Control Board, and Air Pollution Control District. Other organizations and stakeholders that would be engaged as part of this process include County of San Mateo, City of Half Moon Bay, and Caltrans.

Examples of potential tasks by category:

1. Project Management:
    - Undergo a coordinated process to assess funding options for implementing the Project.
    - Coordinate with San Mateo County Board of Harbor Commissioners and Pillar Point Harbor staff on all aspects of the Project.

2. Project Design and Engineering:
    - Develop a comprehensive list of potential partners and stakeholders and identify their possible roles in plan implementation.

- Conduct individual meetings/interviews with technical experts to obtain initial design input and project guidance.
- Assemble a Technical Advisory Group and coordinate/facilitate meetings.
- Identify initial project design alternatives by working with technical experts and stakeholders.
- Determine acceptable project parameters by working with permitting agencies.
- Coordinate process to prioritize options and agree on a preferred Project design alternative.
- Pursue and oversee contracts for pre-construction engineering and design.

3. Environmental Review
   - Oversee and complete all environmental documentation, likely including an Environmental Assessment (Federal, NEPA) and a Mitigated Negative Declaration (State of California, CEQA).
   - Coordinate with agency representatives and technical experts to identify potential concerns, and mitigation measures to address potential impacts.
   - Complete required analyses of sediment (contaminants, grain size analysis, etc.)

4. Permitting and Agency Review
   - Meet individually with resource management and permitting agencies to discuss permitting considerations.
   - Convene a permitting workshop(s) with USACE, the MBNMS, the CCC, local jurisdictions,and other regulatory agencies to address permitting requirements, establish aceptable project parameters, and identify effective mitigation measures.
   - Develop a detailed permitting roadmap that details all requirements, timelines, etc.
   - Apply for and obtain necessary permits, and conduct necessary follow-up and reporting requirements.

5. Project Monitoring
   - Work with permitting and natural resource agencies to determine requirements and protocols for monitoring and to develop criteria for success.
   - Contact USGS, and other agencies and local research institutions to explore options for collaborating on monitoring efforts.
   - Develop a draft and final post-construction monitoring plan.
   - Ensure contracts/agreements are in place for conducting physical and biological monitoring prior to project construction to develop a baseline for comparison of

potential effects, and during and after construction to quantify changes and identify potential issues.

6. Project Implementation (Construction)
   - Oversee project implementation to ensure that Project protocols are being followed and that design objectives and permit conditions are being met.
   - Ensure appropriate documentation and monitoring is being conducted.

Fiscal Impact

Staff time to complete agreement/contract.

Minimal staff time to assist with project oversight, grant administration and coordination with other county agencies.

ITEM 2

STAFF REPORT

TO: San Mateo County Harbor District Commissioners

VIA: Glenn Lazof, Interim General Manager

FROM: Marcia Schnapp, Interim Administrative Services Manager

DATE: October 7, 2015

SUBJECT: ADOPT RESOLUTION 47-15 AUTHORIZING INTERIM GENERAL MANAGER TO ENTER INTO A CONTRACT WITH ROBERT HALF INTERNATIONAL/ACCOUNTEMPS FOR TEMPORARY STAFFING SERVICES FOR AN AMOUNT NOT TO EXCEED $64,000 (SIXTY FOUR THOUSAND DOLLARS)

ADOPT RESOLUTION 47-15 AUTHORIZING INTERIM GENERAL MANAGER TO ENTER INTO A CONTRACT WITH ROBERT HALF INTERNATIONAL/ACCOUNTEMPS FOR TEMPORARY STAFFING SERVICES FOR AN AMOUNT NOT TO EXCEED $64,000 (SIXTY FOUR THOUSAND DOLLARS)

Background: Recent staff resignations and long term staff leave due to illness have created a need for additional staffing resources for the District to properly administer the day-to-day finance and accounting functions of the District. Specifically, the District currently has no permanent payroll, accounts payable, accounts receivable, banking or finance director.

The General Manager has engaged Robert Half. Due to continuing vacancies, Staff now realizes that, going forward, utilizing temporary services support will exceed his procurement authority.

Analysis: The recent vacancies in the administration department of the District provide the incoming General Manager the opportunity to be involved in both a possible re-organization of the department and the hiring process for the permanent staff for the open positions. However, the District cannot wait to have the current day-to-day tasks dealt with and completed that were the responsibilities of each of the staff members who either are on long-term leave or no longer with the District. Payroll, accounts payable, banking, financial accounting are all critical day-to-day duties that cannot wait for the new hire process to be completed and permanent staff to begin work. The amount requested should provide accounting and administration support from September through November. At the end of that time, the new General Manager can return to the Board to request an extension of this contract, or utilize other alternatives.

Robert Half International and its subsidiary, Accountemps, provide temporary and interim staff support at the entry, mid and senior level administrative and accounting positions.

Fiscal Impact: Due to the vacancies created, the District has payroll savings and thus available resources within the existing budget to utilize interim staffing services for this purpose.

Recommendation: Authorize the Interim General Manager to enter into a contract with Robert Half International, and/or its subsidiary, Accountemps for temporary staffing support services in an amount not to exceed $64,000.

Resolution 47-15

of the

San Mateo County Harbor District

to

AUTHORIZE INTERIM GENERAL MANAGER TO ENTER INTO CONTRACT WITH ROBERT HALF/ACCOUNTEMPS FOR TEMPORARY STAFFING SERVICES IN AN AMOUNT NOT TO EXCEED $64,000 (SIXTY FOUR THOUSAND DOLLARS)

Whereas, recent resignations and leaves of administrative staff have created a need for both daily accounting and administrative support, which staffing needs cannot be filled internally; and

Whereas, the District will not be recruiting for the vacant positions prior to a new General Manager beginning employment with the District; and

Whereas, due to the recent vacancies, the District has budget resources for these staff positions; and

Whereas, Robert Half International, along with its subsidiary, Accountemps, supplies temporary staffing support for short term staffing needs.

Therefore, be it resolved, that the Board of Harbor Commissioners of the San Mateo County Harbor District authorizes the Interim General Manager to enter into a contract with Robert Half International, and/or its subsidiary, Accountemps, for temporary staffing services in an amount not-to-exceed $64,000 (Sixty Four Thousand Dollars).

Approved this 7th day of October 2015 at a regular meeting of the Board of Harbor Commissioners by a recorded vote as follows:

For:

Against:

Absent:

Abstaining:

Attested	**BOARD OF HARBOR COMMISSIONERS**
Melanie Hadden Interim Deputy Secretary	Tom Mattusch President

Staff Report

Amend Resolution 19-13, to Clarify Deadlines for Reports and Materials for Commissioner Submitted Agenda Items.

Glenn Lazof: Interim General Manager (IGM);

Background: The policy was last amended on May 20, 2014 to allow individual directors the ability to place an item on the agenda, previously this required three votes. The deadline for items, noon 8 days prior to the meeting, section D, had been established in a different era.

A tracked change version of this policy showing previous amendments is attached.

Analysis: As with any other procedure, a lack of clarity may cause some to feel that rules are not applied to all equally. As was pointed out at a prior meeting, the IGM has in fact allowed late items from commissioners in the past, although I'm confident that the pattern shows leniency not favoritism. (Good intentions, bad policy)

Staff needs time to review and comment on materials and reports from commissioners for commissioner supplied items, just as it does from staff. Per section 1 General of Rules for Preparation of Agenda: "The following rules for the preparation of the agenda for Harbor Commission Meetings are based on the premises that it is in the interest of good government that the San Mateo County Harbor District be fully informed on all matters upon which it is called upon to act; that the Harbor Commission relies upon the members of the Harbor District staff to prepare proper reports and thorough research and investigation require adequate time to carry out their duties and responsibilities. (Emphasis is IGM's).

Staff reports are also due to finance for Fiscal Analysis Tuesday at noon (8 days before meeting).

Recommendations:

Approve Resolution 50-15

Fiscal Impact: None.

Resolution 50-15
of the
San Mateo County Harbor District
to
Amend Resolution 19-13
Rules for the Preparation and Distribution of Meeting Agendas

Whereas, Ordinance No. 46, codified as Section 2.105 of the San Mateo County District Code, provides in part "The Board shall adopt rules and regulations governing the preparation and distribution of the agenda for each meeting; and

Whereas, the Board has adopted Resolution 5-94, amended through Resolution 19-13, governing the preparation and distribution of the agenda for meetings of the Harbor Commission; and

Whereas, further revisions to the procedures for placing items on the agenda for Harbor Commission meetings is desired.

Now, Therefore, Be It Resolved by the Board of Harbor Commissioners of the San Mateo County Harbor District that the following rules shall govern the preparation and distribution of the agenda for meetings of the Harbor Commission.

Rules for Preparation of Agenda

I. General:

The following rules for the preparation of the agenda for Harbor Commission Meetings are based on the premises that it is in the interest of good government that the San Mateo County Harbor District be fully informed on all matters upon which it is called upon to act; that the Harbor Commission relies upon the members of the Harbor District staff to prepare proper reports and thorough research and investigation require adequate time to carry out their duties and responsibilities.

II. Preparation of Agenda:

A. Authority to place matters on the Agenda:

The following persons shall have the authority to place matters on the agenda:

1. All members of the Board of Harbor Commissioners.
2. The General Manager of the District.
3. The legal counsel of the District.

B. All matters placed of the agenda shall be identified on the basis of the individual proponent or proponent group.

C. All matters to be placed on the agenda shall be presented in writing (detailing exact wording) to the General Manager. The General Manager shall provide such stenographic services as are available to allow a Commissioner to dictate the agenda item over the phone or in person to be typed for submittal to the General Manager.

D. The deadline for submitting agenda items shall be 12:00 o'clock noon on the eighth day preceding the Commission meeting. This includes all reports and materials to be included in the Agenda packet.

E. Once the agenda has been printed, an item may not be removed therefrom expect by the majority vote of the Commission at the time the item is called at the meeting.

F. Any Commissioner is allowed one item per Commissioner per meeting by submitting the item to the General Manager according to the above procedures.

G. If a Commissioner wishes to place an item on a future agenda in addition to the one item allowed by Section F, he or she shall first suggest the item under the Commissioner Statements and Requests portion of the Harbor District meeting agenda; and shall make a motion to that effect. If the motion is successful by majority vote, the item will be placed on a future agenda.

III. Posting of Agenda:

A. The agenda shall be posted in compliance with the provisions of the "Brown Act", Government Code §54950 et sequitur.

B. The agenda shall also be posted on the District website.

IV. Distribution of the Agenda:

A. Copies of the agenda shall be distributed to:

1. All members of the Board of Harbor Commissioners.
2. Each of the Harbor Masters.
3. Legal Counsel of the Harbor District.
4. Members of the public who have requested the agenda in writing, providing that they have paid the fee to cover the cost of distribution.

C. At the Commission Meetings, copies of the agenda shall be made available for the public attending the meeting.

Regularly passed and adopted at a regular meeting of the Board of Harbor Commissioners of the San Mateo County Harbor District held this 7th day of October, 2015, by the vote of the members recorded as follows:

For:
Against:
Absent:
Abstention:

Attested **BOARD OF HARBOR COMMISSIONERS**

Melanie Hadden
Interim Deputy Secretary

Tom Mattusch
President

Resolution 19-13
of the
San Mateo County Harbor District
to
Amend Resolution 5-94
Rules for the Preparation and Distribution of Meeting Agendas

Whereas, Ordinance No. 46, codified as Section 2.105 of the San Mateo County District Code, provides in part "The Board shall adopt rules and regulations governing the preparation and distribution of the agenda for each meeting.

Now, Therefore, Be It Resolved by the Board of Harbor Commissioners of the San Mateo County Harbor District that the following rules shall govern the preparation and distribution of the agenda for meetings of the Harbor Commission.

Rules for Preparation of Agenda

I. General:

The following rules for the preparation of the agenda for Harbor Commission Meetings are based on the premises that it is in the interest of good government that the San Mateo County Harbor District be fully informed on all matters upon which it is called upon to act; that the Harbor Commission relies upon the members of the Harbor District staff to prepare proper reports and thorough research and investigation require adequate time to carry out their duties and responsibilities.

II. Preparation of Agenda:

A. Authority to place matters on the Agenda:

The following persons shall have the authority to place matters on the agenda:

1. All members of the Board of Harbor Commissioners.
2. The General Manager of the District.
3. The legal counsel of the District.

B. All matters placed of the agenda shall be identified on the basis of the individual proponent or proponent group.

C. All matters to be placed on the agenda shall be presented in writing (detailing exact wording) to the General Manager. The General Manager shall provide such stenographic services as are available to allow a Commissioner to dictate the agenda item over the phone or in person to be typed for submittal to the General Manager.

D. The deadline for submitting agenda items shall be 12:00 o'clock noon on the eighth day preceding the Commission meeting.

E. Once the agenda has been printed, an item may not be removed therefrom expect by the majority vote of the Commission at the time the item is called at the meeting.

F. If a Commissioner wishes to place an item on a future agenda, he or she shall first suggest the item under the "Commissioner Statements and Requests" portion of the

Harbor District meeting agenda; and shall make a motion to that effect. If the motion is successful by majority vote, the item will be placed on a future agenda.

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4. Members of the public who have requested the agenda in writing, providing that they have paid the fee to cover the cost of distribution.

C. At the Commission Meetings, copies of the agenda shall be made available for the public attending the meeting.

Regularly passed and adopted at a regular meeting of the Board of Harbor Commissioners of the San Mateo County Harbor District held this 7th day of August, 2013, by the vote of the members recorded as follows:

For: Bernardo, Holsinger, Tucker

Against: Brennan, Parravano

Absent: None

Abstention: None

Attested

Debbie Nixon
Deputy Secretary

BOARD OF HARBOR COMMISSIONERS

Robert Bernardo
President

Staff Report

Fish Buyer Leases and Unloading Fees Discussion and Action reflecting the September 15 Workshop with Fish Buyers and Other Stakeholders

Glenn Lazof: Interim General Manager (IGM); Scott Grindy: Harbor Master

Background: The Commission had previously taken action directing that the Wet Fish Unloading Fee be reduced to $3 per ton. Staff was also asked to conduct a workshop with stakeholders and to report back with that input.

A stakeholder's workshop was held on September 15 regarding the Fish Buyer Leases and the District's unloading fees. Three Fish Buyers attended. Staff hopes this report does a good job reflecting the sense of the meeting; we have circulated this in advance to the fish buyers and other attendees. However staff takes full responsibility for the failures in this report and we look forward to additional comments and corrections at your meeting that will improve accuracy.

The process to implement changes would be for staff to develop three proposed leases reflecting the Commissioners actions today. The proposed leases would be sent to Department of Boating and Waterways to await either their approval or the refinance of the loan, whatever comes first.

There was a spirit of co-operation and collective problem solving at the meeting, but agreement on all points may not be 100%.

Principles: Simple, Enforceable, Equitable

Suggestions:

Off the Boat Sales: Allowing only small amounts (cart sized Vs. Truck sized) amounts on site. Truck sized would be offsite (not on Harbor District property)

No non-permitted buyers allowed on dock or District property. New ordinance and signage will be needed as well as enforcement.

Reduce fees by 50% for retail sales of fish from the 3 buyers.

Parking Lot Items, issues that were raised but solutions unknown, undeveloped or a lack of consensus:

The Ice Plant is down too much of the time. There may be grants available to replace, however many agreed that operation and maintenance of an Ice Machine is problematic. Also there was a discussion on the benefits of colder vs not as cold ice.

How to respond to new or struggling fisheries as well as actual fish prices

Continued trust needs to built so that Fish Buyers know that Fees will be stable, if these are no longer specifically described in their leases.

To Do list: No Board action required:
Investigate and report back regarding costs and administration for videotaping of loading and unloading (Livestream and recording).

Hold another workshop with all impacted stakeholders to discuss rescinding the policy regarding other fish buyers. (This will be scheduled with new General Manager.)

Johnson Pier needs: New electrical service, deck surface, wood deck replacement, new roof fish buyer building, replace fender piles. Estimate is over $600,000 to complete

Analysis:

Commissioner Brennan presented to the group that Department of Boating and Waterways does not have an interest in the unloading fees, just base rent. Her suggestion that the fees not be described in the leases, but approved as part of the district's fee schedule was met with approval by stakeholders.

$3 a ton for squid is half what Monterey charges so could increase business. However, if fee is not covering wear and tear on the pier, this is not a good thing for the district.

Larry Furtado, (Three Captains) suggested that instead of reducing wet fish only by 70% to $3 a ton, that all fish be reduced 50% (varied impact). This was generally well received, although Mike McHenry (Princeton Seafood) while initially favorable to the idea, wanted to mull this over before committing. Subsequently he commented that he still supports a reduction to $3 a ton, which would also be ok with Mallory (Morning Star) which also does not object to $5.

Proposed by each Fish Buyer	**Mike McHenry**	**Larry Furtado**	**David Mallory**
WET FISH	$3. Ton wet fish	$5. Ton wet fish	Ok with $5. And/or $3. A ton
FIN & SHELL FISH	$0.005	$0.005	$0.005
RETAIL SALES	50% reduction in retail fee	50% reduction in retail fee	50% reduction in retail fee

The District will need to address the reduced revenue, either with expenditure reductions, or alternative sources. Consider also that Local Agency Formation Commissioners and the Grand Jury are expecting the district to increase our enterprise revenue.

Recommendation: Direct staff and counsel regarding terms of the new leases after consideration of input at workshop and tonight's meeting. Payment of (reduced) fees will still be required as part of the lease, although the fee itself will not be in the lease.

Items for your Consideration include:

Reconsideration of the $3 dollar a ton squid reduction and instead implementing a 50% reduction for all unloading fees as an amendment to the Fee Schedule after new leases approved.

Will the Commission reduce unloading fees retroactively, and if so be specific as how far back you will go.

Retroactive reductions should not be paid in any event until after DBW approves the proposed leases and they are signed. It is recommended that current fees be paid timely even if retroactivity is approved, awaiting DBW action.

Fiscal Impact: Reducing wet fish to $3/ ton will reduce district revenue $46,500 annually. Reducing wet fish $5/ton would reduce revenue $33,241 annually. Reducing fin fish, shell fish fees by half will reduce revenue another $12,800. Calculations are based on average collections for last two full years (2013 and 2014), annualized, except retail sales based on last full year 2014.

Reducing retail sales fees 50% would have reduced revenues $881 in 2013, $337 in 2014, and $341 so far this year.

(650) 583-4400
Fax (650) 583-4611
www.smharbor.com

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

September 15, 2015
6:30 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 Channel 26 and residents from Montara through Pescadero can tune into Comcast Channel 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

A.) Roll Call

Commissioners	Staff
Tom Mattusch, President	Glenn Lazof, Interim General Manager
Nicole David, Vice President	Scott Grindy, Harbor Master
Robert Bernardo, Secretary	
Pietro Parravano, Treasurer	
Sabrina Brennan, Commissioner	

B.) New Business

1 TITLE: **Workshop with Fish Buyer Tenants and Other Stakeholders**

Adjournment

The next scheduled meeting will be held on September 16, 2015 at the Municipal Services Building, 33 Arroyo Drive, South San Francisco, CA at 6:30 p.m.

Special Agenda Posted As Required:
September 14th at 10:00 a.m.

Deborah Nixon
Debbie Nixon, Deputy Secretary

Work Shop with Fish Buyers and Other Stakeholders

September 15, 2015

AGENDA

6:30pm Welcome

Discuss Goals and Outcomes

- Reduce Wetfish Fee's to $3.00 a ton for fish buyers
- Find an exchange to the loss of fish fee revenue so not to be considered a gift of public funds.
- Options for commercial fish sales not via the 3 fish buyers.
- Non-Lessee Fish Buyers

Overall meeting outcomes and recommendations to return to the Harbor Commission Board and New General Manager

Handouts (assorted)

*Various revenues and rate sheets
*CAM defined/explained
*Fish Buyer Leases (fees)
*Commercial Activity Permits for Non-Lessee Fish Buyers at PPH April 12, 2012 $250. Permit fee
*$10.00 per ton gross weight for wetfish**
*$0.01 per pound gross weight for finfish and shellfish**
*Commercial Vessel Slip Discount 15% (see guidelines)

** ***(Board Approved 2012 but not implemented)***

Additional Points of Discussion

- DBW-Department of Boating and Waterways Lease Oversight
- How to handle cost of pier repairs at Fish Buyer areas?
- CAM (Common Area Maintenance) fee
- Weighmaster Sheets
- Building Maintenance-Fish Buyer Building
- New Electrical Service to Fish Buyer Pier End
- Fender and Pile Repairs/replacements
- Wood Pier Level Deck Replacement
- Deck repairs
- Hard Tire Forklifts vs Pneumatic Tire
- Deferred Maintenance
- Safety and Public Access to unloading areas
- Truck Traffic at Peak Periods

SAN MATEO COUNTY HARBOR DISTRICT
CALIFORNIA

Suggestion Form

We'd like to Hear from You!

Name::

Date:

Email address:

Phone number:

Suggestions/Comments:

Please drop this form off at the Harbor Master's office or email it to Katie Mickelson at kmickelson@smharbor.com.

Revenue Received for Off Load Fees

Three Captains

2013	Finfish/ShellFish	wetfish - $10/ lbs	Totals:
Totals	6,671.61	29,713.15	36,384.76

2014	Finfish/ShellFish	wetfish - $10/ lbs	Totals:
Totals	5,472.87	40,902.39	46,375.26

2015	Finfish/ShellFish	wetfish - $10/ lbs	Totals:
Totals	1,463.43	-	1,463.43

** had no wetfish off load in 2015 as of 9/10/15

Pillar Point Fisheries

2013	Finfish/ShellFish	wetfish - $10/ lbs	Totals:
Totals	13,854.09	23,560.28	37,414.37

2014	Finfish/ShellFish	wetfish - $10/ lbs	Totals:
Totals	14,004.00	38,787.12	52,791.12

2015	Finfish/ShellFish	wetfish - $10/ lbs	Totals:
Totals	2,286.42	5,651.00	7,937.42

Morning Star

2013	Finfish/ShellFish	wetfish - $10/ lbs	Totals:
Totals	5,528.51	-	5,528.51

2014	Finfish/ShellFish	wetfish - $10/ lbs	Totals:
Totals	5,577.24	-	5,577.24

** had no wetfish off load in 2014

2015	Finfish/ShellFish	wetfish - $10/ lbs	Totals:
Totals	1,552.23	-	1,552.23

** had no wetfish off load in 2015 as of 9/10/15

2013 Rev	79,327.64
2014 Rev	104,743.62
2015 Rev	10,953.08
Total Rev	**195,024.34**

Revenue Loss when changing $ 10 wetfish fee to $6

Three Captains

2013	Finfish/ShellFish	wetfish - $10/ lbs	wetfish-$6/ lbs
Totals	6,671.61	29,713.15	17,827.89

Totals (wetfish @ $10/lbs)	29,713.15
Totals (wetfish @ $6/lbs)	17,827.89
Difference:	**11,885.26**

2014	Finfish/ShellFish	wetfish - $10/ lbs	wetfish-$6/ lbs
Totals	5,472.87	40,902.39	24,541.43

Totals (wetfish @ $10/lbs)	40,902.39
Totals (wetfish @ $6/lbs)	24,541.43
Difference:	**16,360.96**

2015	Finfish/ShellFish	wetfish - $10/ lbs	wetfish-$6/ lbs
Totals	1,463.43	-	-

** had no wetfish off load in 2015 as of 9/10/15

Pillar Point Fisheries

2013	Finfish/ShellFish	wetfish - $10/ lbs	wetfish-$6/ lbs
Totals	13,854.09	23,560.28	14,136.17

478.74+375.92+7962.7+1589.69

Totals (wetfish @ $10/lbs)	23,560.28
Totals (wetfish @ $6/lbs)	14,136.17
Difference:	**9,424.11**

2014	Finfish/ShellFish	wetfish - $10/ lbs	wetfish-$6/ lbs
Totals	14,004.00	38,787.12	23,272.28

Totals (wetfish @ $10/lbs)	38,787.12
Totals (wetfish @ $6/lbs)	23,272.28
Difference:	**15,514.84**

2015	Finfish/ShellFish	wetfish - $10/ lbs	wetfish-$6/ lbs
Totals	2,286.42	5,651.00	3,390.60

Totals (wetfish @ $10/lbs)	5,651.00
Totals (wetfish @ $6/lbs)	3,390.60
Difference:	**2,260.40**

Morning Star

2013	Finfish/ShellFish	wetfish - $10/ lbs	wetfish-$6/ lbs
Totals	5,528.51	-	

** had no wetfish off load in 2013

2014	Finfish/ShellFish	wetfish - $10/ lbs	wetfish-$6/ lbs
Totals	5,577.24	-	

** had no wetfish off load in 2014

2015	Finfish/ShellFish	wetfish - $10/ lbs	wetfish-$6/ lbs
Totals	1,552.23	-	

** had no wetfish off load in 2015 as of 9/10/15

2013 loss rev	21,309.37	
2014 loss rev	31,875.80	
2015 loss rev	2,260.40	(only includes Pillar Point Fisheries)
Total rev loss	**53,185.17**	

*** only includes Three Captains and Pillar Point Fisheries

Revenue Loss when changing $10 wetfish fee to $3

Three Captains

2013	Finfish/ShellFish	wetfish - $10/ lbs	wetfish-$3/ lbs
Totals	6,671.61	29,713.15	8,913.95

Totals (wetfish @ $10/lbs)	29,713.15
Totals (wetfish @ $3/lbs)	8,913.95
Difference:	20,799.20

2014	Finfish/ShellFish	wetfish - $10/ lbs	wetfish-$3/ lbs
Totals	5,472.87	40,902.39	12,270.72

Totals (wetfish @ $10/lbs)	40,902.39
Totals (wetfish @ $3/lbs)	12,270.72
Difference:	28,631.67

2015	Finfish/ShellFish	wetfish - $10/ lbs	wetfish-$3/ lbs
Totals	1,463.43	-	-

** had no wetfish off load in 2015 as of 9/10/15

Pillar Point Fisheries

2013	Finfish/ShellFish	wetfish - $10/ lbs	wetfish-$3/ lbs
Totals	13,854.09	23,560.28	7,068.09

478.74+375.92+7962.7+1589.69

Totals (wetfish @ $10/lbs)	23,560.28
Totals (wetfish @ $3/lbs)	7,068.09
Difference:	16,492.19

2014	Finfish/ShellFish	wetfish - $10/ lbs	wetfish-$3/ lbs
Totals	14,004.00	38,787.12	11,636.13

Totals (wetfish @ $10/lbs)	38,787.12
Totals (wetfish @ $3/lbs)	11,636.13
Difference:	27,150.99

2015	Finfish/ShellFish	wetfish - $10/ lbs	wetfish-$3/ lbs
Totals	2,286.42	5,651.00	1,695.30

Totals (wetfish @ $10/lbs)	5,651.00
Totals (wetfish @ $3/lbs)	1,695.30
Difference:	3,955.70

Morning Star

2013	Finfish/ShellFish	wetfish - $10/ lbs	wetfish-$3/ lbs
Totals	5,528.51	-	

** had no wetfish off load in 2013

2014	Finfish/ShellFish	wetfish - $10/ lbs	wetfish-$3/ lbs
Totals	5,577.24	-	

** had no wetfish off load in 2014

2015	Finfish/ShellFish	wetfish - $10/ lbs	wetfish-$3/ lbs
Totals	1,552.23	-	

** had no wetfish off load in 2015 as of 9/10/15

2013 loss rev	37,291.39	
2014 loss rev	55,782.66	
2015 loss rev	3,955.70	(only includes Pillar Point Fisheries)
Total rev loss	97,029.75	

*** only includes Three Captains and Pillar Point Fisheries

Three Captains Off Load Fees

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

2013	**Wet Fish**	**Finfish/ShellFish**	**TOTALS**
04/30/13		39.96	39.96
05/31/13		809.70	809.70
06/30/13		394.07	394.07
07/31/13		262.90	262.90
08/31/13	19,630.00	195.03	19,825.03
09/30/13	10,083.15	24.84	10,107.99
10/31/13		41.62	41.62
11/30/13		3,261.99	3,261.99
12/31/13		1,641.50	1,641.50
Totals	29,713.15	6,671.61	**36,384.76**

2014

	Wet Fish	**Finfish/ShellFish**	TOTALS
01/31/14		348.44	348.44
02/28/14		236.35	236.35
03/31/14		212.10	212.10
04/30/14			0.00
05/31/14		316.28	316.28
6/31/14		184.63	184.63
07/31/14		100.73	100.73
08/30/14		102.58	102.58
09/30/14	40,902.39	224.42	41,126.81
10/31/14		18.00	18.00
11/30/14		2,779.22	2,779.22
12/31/14		950.12	950.12
Totals	40,902.39	5,472.87	**46,375.26**

2015

	Wet Fish	**Finfish/ShellFish**	**TOTALS**
01/31/15		655.97	655.97
02/28/15		166.48	166.48
03/30/15		123.22	123.22
04/30/15		77.26	77.26
05/31/15		268.87	268.87
06/30/15		106.51	106.51
07/31/15		65.12	65.12
08/31/15			
Totals		1,463.43	**1,463.43**

Morning Star Off Load Fees

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

2013	Wet Fish	Finfish/ShellFish	TOTALS
04/30/13		57.14	57.14
05/31/13		719.93	719.93
06/30/13		432.49	432.49
07/31/13		312.28	312.28
08/31/13		188.42	188.42
09/30/13		75.47	75.47
10/31/13		43.96	43.96
11/30/13		2,489.77	2,489.77
12/31/13		1,209.05	1,209.05
Totals	-	5,528.51	**5,528.51**

2014	Wet Fish	Finfish/ShellFish	TOTALS
01/31/14		405.38	405.38
02/28/14		270.97	270.97
03/31/14		260.07	260.07
04/30/14		217.71	217.71
05/31/14		232.51	232.51
06/31/14		197.34	197.34
07/31/14		110.37	110.37
08/30/14		266.98	266.98
09/30/14		174.90	174.90
10/31/14		162.93	162.93
11/30/14		2,124.04	2,124.04
12/31/14		1,154.04	1,154.04
Totals	-	5,577.24	**5,577.24**

2015	Wet Fish	Finfish/ShellFish	TOTALS
01/31/15		541.35	541.35
02/28/15		247.23	247.23
03/30/15		164.31	164.31
04/30/15		86.82	86.82
05/31/15		202.87	202.87
06/30/15			0.00
07/31/15		309.65	309.65
08/31/15			
Totals	-	1,552.23	**1,552.23**

Pillar Point Fisheries Off Load Fees

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

2013	Wet Fish	Finfish/ShellFish	TOTALS
04/30/13		187.13	187.13
05/31/13		1,529.30	1,529.30
06/30/13		968.95	968.95
07/31/13	6,796.76	294.14	7,090.90
08/31/13	8,512.29	467.52	8,979.81
09/30/13	8,251.23	478.74	8,729.97
10/31/13		375.92	375.92
11/30/13		7,962.70	7,962.70
12/31/13		1,589.69	1,589.69
Totals	23,560.28	13,854.09	**37,414.37**

2014

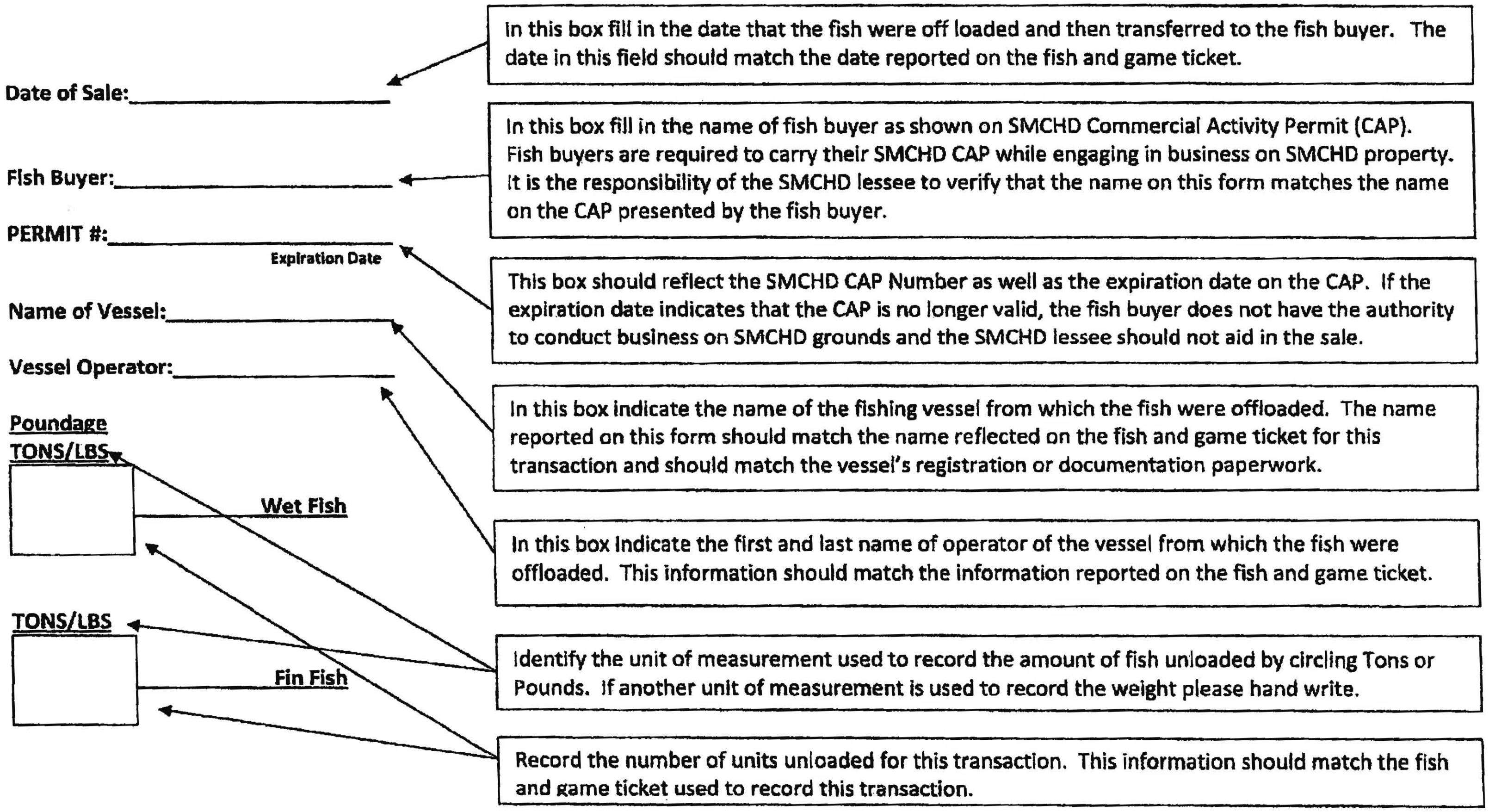
	Wet Fish	Finfish/ShellFish	TOTALS
01/31/14		185.00	185.00
02/28/14		7.79	7.79
03/31/14		213.56	213.56
04/30/14		98.26	98.26
05/31/14		484.59	484.59
6/31/14	2,879.42	478.41	3,357.83
07/31/14	26,230.00	411.44	26,641.44
08/30/14	8,890.78	317.58	9,208.36
09/30/14	786.91	276.60	1,063.51
10/31/14		168.56	168.56
11/30/14		9,220.15	9,220.15
12/31/14		2,142.06	2,142.06
Totals	38,787.11	14,004.00	**52,791.11**

2015

	Wet Fish	Finfish/ShellFish	TOTALS
01/31/15		1,083.48	1,083.48
02/28/15		78.94	78.94
03/30/15		86.29	86.29
04/30/15		243.31	243.31
05/31/15		367.65	367.65
06/30/15		381.19	381.19
07/31/15	45.56	5,651.00	5,696.56
08/31/15			
Totals	45.56	7,891.86	**7,937.42**

San Mateo County Harbor District

Fish Unloader: Pillar Point Seafood



Date of Sale:______________________

Fish Buyer:______________________

PERMIT #:______________________
Expiration Date

Name of Vessel:__________________

Vessel Operator:__________________

Poundage
TONS/LBS
☐ Wet Fish

TONS/LBS
☐ Fin Fish

In this box fill in the date that the fish were off loaded and then transferred to the fish buyer. The date in this field should match the date reported on the fish and game ticket.

In this box fill in the name of fish buyer as shown on SMCHD Commercial Activity Permit (CAP). Fish buyers are required to carry their SMCHD CAP while engaging in business on SMCHD property. It is the responsibility of the SMCHD lessee to verify that the name on this form matches the name on the CAP presented by the fish buyer.

This box should reflect the SMCHD CAP Number as well as the expiration date on the CAP. If the expiration date indicates that the CAP is no longer valid, the fish buyer does not have the authority to conduct business on SMCHD grounds and the SMCHD lessee should not aid in the sale.

In this box indicate the name of the fishing vessel from which the fish were offloaded. The name reported on this form should match the name reflected on the fish and game ticket for this transaction and should match the vessel's registration or documentation paperwork.

In this box indicate the first and last name of operator of the vessel from which the fish were offloaded. This information should match the information reported on the fish and game ticket.

Identify the unit of measurement used to record the amount of fish unloaded by circling Tons or Pounds. If another unit of measurement is used to record the weight please hand write.

Record the number of units unloaded for this transaction. This information should match the fish and game ticket used to record this transaction.

San Mateo County Harbor District

Fish Unloader: Pillar Point Seafood

Date of Sale:____________________ ← In this box fill in the date

Fish Buyer:____________________ ← Name as shown on SMCHD permit

PERMIT #:____________________ ← SMCHD issued permit for fish buyers

Date of landing:____________________ ← Date Vessel enters PPH Harbor

Name of Vessel:____________________ ← Vessel name on registration

Vessel Operator:____________________ ← First and Last name of Operator

TONS/LBS—Should we have them circle one ? Or if it is both require they put in the /

☐ __________ **Wet Fish (Should we put types of fish in parenthesis)?**

TONS/LBS

☐ __________ **Fin Fish (Should we put types of fish in parenthesis)?**

SAN MATEO COUNTY HARBOR DISTRICT

MONTHLY FISH PURCHASE AND OFF-LOADING FEES WORKSHEET

LESSEE:

Fees for the Month of : ____________________

WETFISH

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

FINFISH and SHELLFISH

Number of Pounds Off-Loaded:	____________	X $0.01	=	____________
Number of Pounds of Fish Purchased by Lessee:	____________	X $0.01	=	____________
Gross Receipts for Lessee's On-Site Retail Fish Sales:	____________	X 5%	=	____________
		TOTAL:		____________

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:

Overview -- Rent Charges

Three Captains

2013	Rent
Totals	$28,874.38

2014	Rent
Totals	$30,675.00

2015	Rent
Totals	$23,561.25

Rent Received in 201	$86,623.14	
Rent Received in 201	$92,025.00	
Rent Received in 201	$70,683.75	(Jan - Sept 2015)
Total:	**$249,331.89**	

PILLAR POINT FISHERIES

2013	Rent
Totals	$28,874.38

2014	Rent
Totals	$30,675.00

2015	Rent
Totals	$23,561.25

Morning Star

2013	Rent
Totals	$28,874.38

2014	Rent
Totals	$30,675.00

2015	Rent
Totals	$23,561.25

Rent Charges

Three Captains

2013	Rent
1/31/2013	2,094.08
2/28/2013	2,140.15
3/31/2013	2,140.15
04/30/13	2,500.00
05/31/13	2,500.00
06/30/13	2,500.00
07/31/13	2,500.00
08/31/13	2,500.00
09/30/13	2,500.00
10/31/13	2,500.00
11/30/13	2,500.00
12/31/13	2,500.00
Totals	$28,874.38

2014	Rent
01/31/14	2,500.00
02/28/14	2,500.00
03/31/14	2,500.00
04/30/14	2,575.00
05/31/14	2,575.00
6/31/14	2,575.00
07/31/14	2,575.00
08/30/14	2,575.00
09/30/14	2,575.00
10/31/14	2,575.00
11/30/14	2,575.00
12/31/14	2,575.00
Totals	$30,675.00

2015	Rent
01/31/15	2,575.00
02/28/15	2,575.00
03/30/15	2,575.00
04/30/15	2,575.00
05/31/15	2,652.25
06/30/15	2,652.25
07/31/15	2,652.25
08/31/15	2,652.25
09/30/15	2,652.25
Totals	$23,561.25

PILLAR POINT FISHERIES

2013	Rent
1/31/2013	2,094.08
2/28/2013	2,140.15
3/31/2013	2,140.15
04/30/13	2,500.00
05/31/13	2,500.00
06/30/13	2,500.00
07/31/13	2,500.00
08/31/13	2,500.00
09/30/13	2,500.00
10/31/13	2,500.00
11/30/13	2,500.00
12/31/13	2,500.00
Totals	$28,874.38

2014	Rent
01/31/14	2,500.00
02/28/14	2,500.00
03/31/14	2,500.00
04/30/14	2,575.00
05/31/14	2,575.00
6/31/14	2,575.00
07/31/14	2,575.00
08/30/14	2,575.00
09/30/14	2,575.00
10/31/14	2,575.00
11/30/14	2,575.00
12/31/14	2,575.00
Totals	$30,675.00

2015	Rent
01/31/15	2,575.00
02/28/15	2,575.00
03/30/15	2,575.00
04/30/15	2,575.00
05/31/15	2,652.25
06/30/15	2,652.25
07/31/15	2,652.25
08/31/15	2,652.25
09/30/15	2,652.25
Totals	$23,561.25

Morning Star

2013	Rent
1/31/2013	2,094.08
2/28/2013	2,140.15
3/31/2013	2,140.15
04/30/13	2,500.00
05/31/13	2,500.00
06/30/13	2,500.00
07/31/13	2,500.00
08/31/13	2,500.00
09/30/13	2,500.00
10/31/13	2,500.00
11/30/13	2,500.00
12/31/13	2,500.00
Totals	$28,874.38

2014	Rent
01/31/14	2,500.00
02/28/14	2,500.00
03/31/14	2,500.00
04/30/14	2,575.00
05/31/14	2,575.00
6/31/14	2,575.00
07/31/14	2,575.00
08/30/14	2,575.00
09/30/14	2,575.00
10/31/14	2,575.00
11/30/14	2,575.00
12/31/14	2,575.00
Totals	$30,675.00

2015	Rent
01/31/15	2,575.00
02/28/15	2,575.00
03/30/15	2,575.00
04/30/15	2,575.00
05/31/15	2,652.25
06/30/15	2,652.25
07/31/15	2,652.25
08/31/15	2,652.25
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Totals	$23,561.25

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Rent Received in 201	$70,683.75	(Jan - Sept 2015)
Total:	**$249,331.89**	

Common area maintenance charges

From Wikipedia, the free encyclopedia

Common Area Maintenance (CAM) charges are one of the net charges billed to tenants in a commercial triple net (NNN) lease, and are paid by tenants to the landlord of a commercial property. A CAM charge is an additional rent, charged on top of base rent, and is mainly composed of maintenance fees for work performed on the common area of a property.

Each tenant pays their pro rata share of a property's total CAM charges, which prorated share is the percentage of the tenant's rented square footage of the total, rentable square footage of the property.[1][2]

Contents

Breakdown of charges

Landlord and Tenant negotiate CAM charges before signing the lease, so the charges vary from lease to lease, and operating costs that can be billed as CAM charges by the landlord vary from tenant to tenant. Generally, landlords want CAM charges defined so broadly that they can pass through a majority of their operating expenses to tenants. The tenant generally wants CAM charges defined narrowly in hopes that the landlord pays a majority of the operating costs.

Examples of services often billed to tenants as CAM charges include portering, parking lot striping, parking lot lighting, and landscaping.[3] CAM charges can be broken into two subcategories—*controllable* and *uncontrollable*. Uncontrollable CAM charges are security costs, utilities, and snow removal expenses. All other expenses charged as a CAM charge are considered controllable.

In certain leases, CAM charges also consists of administrative and management fees. Administrative fees are a negotiated percentage of all costs of operating and maintaining a property. Management fees are a percentage of gross rents collected, which percentage is defined in the management agreement between the management company and ownership of the property.[4]

Cap

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A cap on CAM charges limits the amount by which CAM charges can rise each year, and are presented as a percentage. Again, as with the CAM charges themselves, caps are also negotiated between the tenant and landlord, and thus vary from lease to lease. Caps can be cumulative or compounded, and calculated year-over-base or year-over-year.[5]

Year-over-base caps allow the cap to raise each year by a certain, predetermined percentage of a predetermined, initial (base) CAM charge. Year-over-year caps mean the percentage increase applies not to a base amount, but to the actual CAM charge of the previous year. Cumulative caps allow the yearly percentage increase of the CAM Cap to accumulate. Thus, a yearly 5% cap would grow the cap each year by 5%, so that the first year it was a 5% cap, the 2nd year a 10% cap, the third year 15, and so on. Compounded caps allow the yearly percentage increase of the CAM Cap to grow at a compounded rate each year.

If actual CAM charges are lower than the cap, the cap does not apply.[4]

Recoveries

Also known as reconciliations, true-ups, and billbacks, CAM Recoveries are the annual reconciliation of the actual Common Area Maintenance Charges for a fiscal year versus the monthly charges billed to the tenant.

The monthly CAM charges a tenant pays as a part of the rent are actually estimates of that tenant's monthly, pro-rated CAM charge for the current fiscal year. The estimate is created from a property's budget by the property manager. After the fiscal year ends, an audit is done of the paid CAM charges versus the actual CAM charges, and the difference is either paid to the landlord, or the tenant.[3]

References

1. Kovacs, Michael. "Splitting Costs- CAM Charges » Ostrow Reisin Berk & Abrams, Ltd" (http://www.orbablog.com/industries/real-estate/splitting-costs-cam-charges/). Retrieved 2014-01-20.
2. "What Are Common Area Maintenance Charges (CAM) In A Commercial Lease? | Spadea, Lanard, & Lignana" (http://www.spadealaw.com/blog/2011/07/12/what-are-common-area-maintenance-charges-commercial-lease). Spadealaw.com. 2011-07-12. Retrieved 2014-01-20.
3. "CAM COSTS, CAPS, AUDITS AND NEW IDEAS: THE VIEW FROM BOTH SIDES OF THE TABLE" (http://stevewatten.files.wordpress.com/2011/05/sp-3389981-v1-cam_costs__caps__audits_and_new_ideas12.pdf) (PDF). Retrieved 2014-01-20.
4. Betesh, Marc E. and Nancy M. Davis (May–June 2009), *Negotiating Common Area Maintenance Costs* (http://www.goulstonstorrs.com/portalresource/Article_ABAProbateProperty_N.Davids_5/09), Probate & Property, pp. 40–45, retrieved 2014-01-20
5. Misonzhnik, Elaine (1999-09-01). "The Battle over CAM Charges | mag content from National Real Estate Investor" (http://nreionline.com/mag/battle-over-cam-charges). Nreionline.com. Retrieved 2014-01-20.

Retrieved from "https://en.wikipedia.org/w/index.php?title=Common_area_maintenance_charges&oldid=637980268"

Categories: Real estate | Real property law | Real estate terminology

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CAM and Capital Expenses

Ira Meislik

This is long one. Brew that coffee before you delve in.

There is no "law" as to whether Common Area Maintenance Costs (CAM) should include capital costs. It depends on the business deal, and that, in turn depends on the relative bargaining power of the parties and the custom in the locality. Essentially, are capital costs already "in the rent," or are they to be added, if and when incurred, as additional rent, usually as part of CAM?

Let's back up. What broad cost categories are tossed into CAM? Put another way, does CAM only cover Common Area items? Most would agree that the Common Areas are those parts of a project (e.g., a shopping center) used in common by each of the tenants and their respective customers, delivery people, etc. Clearly, that includes the parking areas, sidewalks that run from premises to premises, driveways, and even landscaping. It is also generally accepted that liability and property insurance costs, though not strictly for "Common Areas," are "common costs," and are reasonably included within CAM. It is less commonly accepted that costs to maintain the roof are common costs, even though the cost of shared HVAC is usually lumped in as a "common cost," and for convenience, made a component of CAM. [Now, perhaps shopping center people should move over to the "dark side" where the office people hide and replace the term "CAM" with "Operating Expenses" given that very few CAM clauses limit themselves to Common Area expenses.]

There are other building components that, like the roof, are "shared" by building occupants because they are parts of the buildings that are shared in common among the various tenants at the project. But, unlike the roof, they rarely are treated as parts of the Common Areas.
A lot more could be said about what categories are in and which are not. I'm assuming the reader knows enough about this part of the topic that not much more needs to be said.

Even if a building component (think – roof, by way of example) or an element of the Common Areas (think – parking surfaces, by way of example) are agreed to be included within the concept of CAM, do you toss every expense connected with those items into the CAM bucket? We're going to leave that unexplored when it comes to the costs of maintenance and the cost of most repairs. We're going to explore what are commonly called "Capital Repairs" and its "mother category": "Capital Improvements." And, we're only going to talk about those items that would be in CAM. For example, if a property owner adds a leasable building to the project, no one would expect the cost to do so would show up in CAM. There are other examples of all stripes and colors, but that's not where we are going today.

What are "Capital Repairs"? A repair is considered to be a capital repair when it is undertaken to improve or extend the normal economic life of an existing structure. No deductions are available for a capital repair; it will instead be added to the cost of the property. A Capital Repair is really a subset of "Capital Improvements," which are part of the larger category of "Capital Expenses."

What is a "Capital Improvement"? Capital Improvements include Capital Repairs, but also the addition of a permanent structural improvement or the restoration of some aspect of a property that will either enhance

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the property's overall value. Again, the cost of a Capital Improvement cannot be deducted from income. It must be added to the cost of the property.

Now, just to get all of us on the same page, if accounting rules or tax rules don't allow a property owner to treat the cost of a Capital Improvement as a deduction from income (think – as an expense), but make the property owner add it to such costs as the one to acquire the property in the first place, why should a tenant reimburse its landlord for landlord's the cost of acquiring an asset? Yes, "assets" and "liabilities" are not on the same page as "income" and "expense." You don't instantly mix the two.

The way an asset becomes an expense is through "depreciation" (or "amortization," but that's not a good term to use when it comes to dealing with physical things). Although accountants and tax people don't allow you to "write off (expense)" a Capital Improvement immediately upon writing the check, they do let you reduce you asset account and increase your expense account as the physical item "wears out." So, by way of example, according to the Internal Revenue Code, generally (and there may be some exceptions, but for our purposes they are only a distraction), a building is treated as having a "life" of 39 years and its owner can reduce the "cost" of a building on its books by 1/39 every year and claim an equivalent business expense on its tax return and in its accounting records. Look at Section 179 of the Internal Revenue Code. The topic is complicated, but, in general, you look for an item's "useful life."

At this point, please hold the accountants back. I know this treatment is a gross simplification and therefore is useless if you are going to "cook" the books or do a tax return, but we're only talking principles.

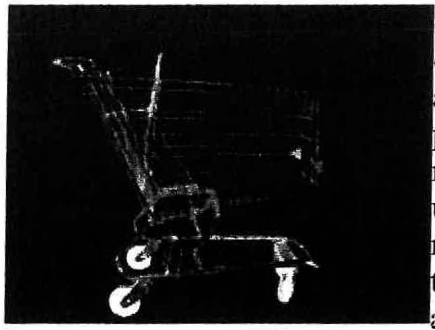
Let's talk about a roof. If a tenant insists the agreed-upon rent was intended to cover the roof, and prevails, the discussion is over. But, what if that isn't the case. Do you ever add any roof replacement costs (yes, those are Capital Repair costs) to CAM? If you do, and you've followed the discussion to this point, you know that the issue is that you don't throw the whole replacement cost into the first year's CAM bill. So, if you are going to put any part into CAM, you need to agree on the useful life of a roof. Do you use the "warranty" period – e.g., use 20 years for a roof with a "20 year" warranty? Don't roofs last longer than their warranties? Isn't a roof warranty merely a promise that the roofer will come back for 20 years and fix defects in the roof?

If you think that's a tough one, let me share a secret with you. Bushes and trees are closely associated with a building, so they have a determinable useful life. Therefore, you depreciate them, not expense them. So, should a tenant pay for the entire cost of a new or replacement tree in the year it is planted? If the tree has a 20 year useful life and the tenant only has 5 years to go in the lease term, should it pay for the whole "20 year" cost?

Ok, here's another conundrum. Suppose a tenant and its landlord agree which Capital Improvements will be "in CAM" and how those costs are to be spread out over the useful life of the item. Should the tenant be charged with "interest" on the not-yet expensed part of the cost?

How about this one – A 10 year parking lot is 5 years old when a tenant moves in. The tenant believes its agreed-upon rent gets it the parking lot it "sees." The landlord, however, is adding 1/10 of its original parking lot replacement cost into CAM and intends to do so for the next 5 years. Should this tenant pay its share of that component?

Last one (for now). What if the Capital Expense was to acquire a mechanical sweeper and the machine will replace 35 workers and eliminate the cost to replace 100 brooms each year? Shouldn't a tenant pay the "depreciation" for the mechanical sweeper at least to the limit of what is saved?



expenses incurred by the landlord in the operation and maintenance of the building or shopping center. CAM is commonly expressed as a cost per square foot, and is calculated on a pro rata basis. The provision should only pass through to the tenant legitimate expenses relating to the operation and maintenance of the common areas. This usually covers non-capital items such as parking lot repairs, exterior repairs and cleaning, shared interior repairs and cleaning, increases to landlord's insurance cost that exceed the Base Years' insurance and property management fees.

- Before signing a lease, it is recommended tenants estimate their costs associated with CAM and ask for the history of the building's CAM charges for at least the two prior years. This will enable tenants to compare the amount of operating expenses and their annual increases to other comparable buildings to determine whether they are reasonable, and to estimate what the charges might be in future years.
- Attention must be given to the definition of the base year in any CAM clause which requires the tenant to pay its prorata share of expenses incurred over a base year. Some tenants can negotiate to ensure they do not pay for expenses during the base year and that the base year variable expenses are subject to a "gross up" to reflect the full amount of operating expenses that would have been incurred by the building had it been 100% occupied.
- There should never never be any provision making the landlord's determination of CAM charges final unless the tenant can reserve the right to audit the landlord's expenses and to review the landlord's calculations.
- A tenant friendly lease commonly reserved for well established tenants may include a cap on the CAM amount, or on specific items included in the CAM amount (i.e. Management expenses shall not exceed 5% of total Common Area Maintenance cost.)

An example of a CAM Lease clause follows

COMMON AREA MAINTENANCE EXPENSES (CAM):

Common Area Maintenance (CAM) shall include but not be limited to maintenance, repair, replacement and care of all lighting, plumbing, roofs, parking surfaces, landscaped areas, signs, snow removal, non-structural repair and maintenance of the exterior of the Building, costs of equipment purchased and used for such purposes, cleaning and cleaning supplies for the common areas, insurance premiums for insurance required by this Lease, management fee up to five percent (5%) of gross collected rents, and wages and fringe benefits of personnel up to the level of property manager or equivalent employed for such work. Additionally, during the Term of this Lease, any extension and/or renewal of this Lease, CAM expenses shall include the annual cost or portion allocable to the Building of any capital improvements made to the Building by Landlord which result in a reduction of expenses or required under any governmental law or regulation that was not applicable at the time it was constructed. Landlord shall amortize such costs over the useful life and at a reasonable rate of interest.

Notwithstanding the foregoing, CAM shall exclude the following:

(i) interest, amortization or other costs, including legal fees, associated with any mortgage, loan or refinancing of all or any part of the Building or sale of all or any part of the Building;

(ii)

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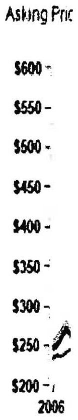
CAPITAL
•
RETAIL
•
GROUP

- HOME
- EXPERTISE
- SERVICES
- PROPERTIES
- CLIENTS
- NEWS
- CONTACT



1
2
3
4
5
PrevNext

What is CAM and is it negotiable?

In Common Area Maintenance, by Bob

4428 1 0 4

Common Area Maintenance ("CAM") Expenses (also known as "Operating Expenses"):An Operating Expense or CAM provision requires the tenant to pay its pro rata share of the operating

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CDFA

42-002(Rev 7/04)

DEPARTMENT OF FOOD AND AGRICULTURE
DIVISION OF MEASUREMENT STANDARDS
Remit fees to: PO Box 942872, Sacramento, CA 94271-2872
6790 Florin-Perkins Rd., Ste. 100, Sacramento, CA 95828-1812
Email: dms@cdfa.ca.gov Web Address: www.cdfa.ca.gov/dms/programs/wm/wm.html
Phone # : (916) 229-3040 Fax # : (916) 229-3055

WEIGHMASTER LICENSE

LICENSE NO. 012096

Weighmaster
JOHN A. DOOLEY
(DBA) J. R. DOOLEY
48 FAIRWAY PL.
HALF MOON BAY, CA 94019

Total Fees Remitted: $225.00

Effective Date: 9/17/2013

License Year: 11/01/2013 - 11/01/2014

The Weighmaster is responsible to renew this license. (Division 5, Chapter 7, Section 12707, Business and Professions Code)

THIS LICENSE SHALL BE AVAILABLE TO WEIGHTS AND MEASURES OFFICIALS AT EACH WEIGHING LOCATION.
This license is not transferable. Any change in ownership requires a new license.

Principal Location

Pier 54
San Francisco, CA 94107
County: San Francisco
(650) 678-2453

Additional Location(s) - 1		**County Code**
165 Columbia St. (650) 678-2483	Princeton By Sea	41

Only persons listed below may perform the functions of a Deputy Weighmaster for the licensed Weighmaster.
(Division 5, Chapter 7, Section 12703, Business and Professions Code)

For instructions on adding/deleting Deputies to your license, refer to the instruction sheet on our website.
http://www.cdfa.ca.gov/dms/programs/wm/wm.html

Deputy Weighmaster(s) - 6

BOLA, JIM
RYDMAN, MARK
DIERKS, AARON
TILLEY, JERRY
NOTHSTEIN, GARY
VANISI, ANDREW

Number of vacant deputy positions: 0

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R DOOLEY/SHELL FISH DATE: 12-23 2014 START: CALIF

MARE ISLAND, VALLEJO, CA FINISH: F/G #

F/V DYNAMIK **TALLY** 38742

1	Buckett TARE	29	GROSS Weight	Net crab		
2	216	30	502	286	TOTAL	
3	① 216	31	500	284	742	
4	216	32	388	172		
5	216	33	508	292	772	
6	② 216	34	526	310		
7	216	35	386	170		
8	216	36	506	290	734	
9	216	37	494	278		
10	216	38	382	166		
11	216	39	508	292	826	
12	216	40	528	312		
13	216	41	438	222		
14	216	42	384	168	432	
15	216	43	480	264		
16	216	44				
17		45		Total Net crab	3508 LBS	
18		46				
19		47				
20		48				
21		49		FG TAG#		
22		50			D603207	
23		51				
24		52				
25		53				
26		54				
27		55				
28		56				

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LANDING RECEIPT – SALMON/HERRING
DFW 625-D (REV. 01/14)

PERMIT # CT0480TI

MONTH 12 **DAY** 23 **YEAR** 14

D603207

SEE 2ND PAGE ☐

FISHERMAN LAST NAME NOLTE	**F.I.** B	**ID NUMBER** L21759	**PORT OF FIRST LANDING** 453	**LOCATION WHERE FISH WERE CAUGHT** 253
VESSEL NAME DYNAMIK	**VESSEL ID** 38742	**FISH BUSINESS NAME** NOR CAL		**FISH BUSINESS ID** 40708

FISH NAME	POUNDS	PRICE	TOTAL AMOUNT	CONDITION	GEAR
1) CHINOOK 302 SALMON LG.	, .	$.			
2) CHINOOK 302 SALMON MED.	, .	$.			
3) CHINOOK 302 SALMON SM.	, .	$.			
4) CALIFORNIA HALIBUT 222	, .	$.			
5) OCEAN 812 SHRIMP	, .	$.			
6) BRINE 819 SHRIMP	, .	$.			
7) CHINOOK 306 ROE	, .	$.			
8) ROE HERRING 122	, .	$.			
9) HERRING EGGS ON KELP 995	, .	$.			
10) DUNGENESS CRAB 800	,3508	$ 4.00	14,032.00		
11) ROCK CRAB 801	, .	$.			
12) BAY SHRIMP 810	, .	$.			
13) BARRED 551 SURFPERCH	, .	$.			
14) REDTAIL 553 SURFPERCH	, .	$.			
15) NIGHT SMELT 187	, .	$.			
16) SURF SMELT 182	, .	$.			
17)	, .	$.			
18)	, .	$.			
19)	, .	$.			

PRIMARY GEAR USED 27

GEAR LEGEND

01	HOOK & LINE (NON-SALMON)
04	MOOCHING (SALMON)
09	TROLL (SALMON)
27	TRAP (CRAB)
40	BRAIL
55	BEAM TRAWL
58	SINGLE RIGGED TRAWL
59	DOUBLE RIGGED TRAWL
66	SET GILL NET
71	PURSE SEINE
	OTHER

 # OF SALMON

(BIOLOGIST USE)
FISH CODE

TOTALS # 3508 **$** 14032.00

NOTE PAD MAIL CK
P.O. Box 7409
Brookings, OR
97415

CORRECTIONS – FOR FIELD BIOLOGIST USE ONLY

LINE #	FISH CODE	POUNDS	PRICE	CONDITION	GEAR
		, .	$.		
		, .	$.		
		, .	$.		

CHANGES ON BACK

FISHERMAN/PERMITTEE ____________________

RECEIVED BY ____________________
CERTIFIED UNDER PENALTY OF PERJURY AS TRUE AND CORRECT

GREEN: DEPARTMENT OF FISH & WILDLIFE YELLOW: FISHERMAN PINK / GOLDENROD: FISH BUSINESS

20

Statement of Qualifications for the Commercial Fisherman's Discount

I undersigned do hereby certify and swear under penalty of perjury that the following is true:

1.) I have earned at least $30,000 gross income from commercial fishing during the last calendar year;

2.) I was a paid berth holder at Pillar Point Harbor for the past twelve months:

3.) I make at least 60% of my entire income from commercial fishing (I am prepared to produce my last year's tax records upon request to verify this.)

4.) I understand this is not an automatic reoccurring discount and must be resubmitted annually.

You must also submit a copy of your commercial fishing license and driver's license.

Signed: ______________________________ Date:_____________________

Print Name:___________________________ Account Number:____________

Boat Name:___________________________

2015 Commercial Fisherman Discount Form

of Commercial Fishermen

2014	
# of Comm Fishermen	107
# of Receiving Discount	59

2015	
# of Comm Fishermen	108
# of Receiving Discount	67

Commercial Fishermen Discount

2014	
Amt of loss rev/mo	3,596.90
# of months	12
Total amt loss revenue	$43,162.80

2015	
Amt of loss rev/mo	4,109.94
# of months	12
Total amt loss revenue	$49,319.28

Commercial Fishermen Discount Overview

15% Discount

Amt of loss rev/mo	4,109.94
# of months	12
Total amt loss revenue / yr	**49,319.28**

10% Discount

Amt of loss rev/mo	2,739.96
# of months	12
Total amt loss revenue / yr	**32,879.52**

5% Discount

Amt of loss rev/mo	1,369.94
# of months	12
Total amt loss revenue / yr	**16,439.28**

Amt of rev loss-- 15% Disc:	**49,319.28**
Amt of rev loss-- 10% Disc:	**32,879.52**
Amt of rev loss-- 5% Disc:	**16,439.28**

Fish Sales Permits Over View

Total # of permits sold in 2014	38
Cost of permit	$250.00
2014 Rev from Fish Sales permits	**$9,500.00**

Total # of permits sold in 2015	28
Cost of permit	$250.00
2015 Rev from Fish Sales permits	**$7,000.00**

** looking at the 2014 fish sales permits, we did have about 7-8 tenants buy fish sales permits towar
could sell crab from their vessels. The total number of fish sales permts sold as of 8/6/15 is 28, so I a
when crab season begins

2015

Total # of permits sold	28
Cost of permit	$250.00
2015 Rev from Fish Sales permits	**$7,000.00**

Total # of permits sold	28
Cost of permit	$300.00
2015 Rev from Fish Sales permits	**$8,400.00**

Total # of permits sold	28
Cost of permit	$350.00
2015 Rev from Fish Sales permits	**$9,800.00**

Total # of permits sold	28
Cost of permit	$400.00
2015 Rev from Fish Sales permits	**$11,200.00**

2014 inc rev w/ $300 fee	**$1,900.00**
2014 inc rev w/ $350 fee	**$3,800.00**
2014 inc rev w/ $400 fee	**$5,700.00**

2015 inc rev w/ $300 fee	**$1,400.00**
2015 inc rev w/ $350 fee	**$2,800.00**
2015 inc rev w/ $400 fee	**$4,200.00**

***** this is the amount revenue would have increased if the fee had been changed from $**

2014

Total # of permits sold	38
Cost of permit	$250.00
2014 Rev from Fish Sales permits	**$9,500.00**

Total # of permits sold	38
Cost of permit	$300.00
2014 Rev from Fish Sales permits	**$11,400.00**

Total # of permits sold	38
Cost of permit	$350.00
2014 Rev from Fish Sales permits	**$13,300.00**

Total # of permits sold	38
Cost of permit	$400.00
2014 Rev from Fish Sales permits	**$15,200.00**

250

ITEM 6

San Mateo
County Harbor
District

Memo

Date: 11/14/2013

To: Board of Harbor Commissioners

From: Peter Grenell, General Manager

Re: INFORMATIONAL ITEM: Commercial Activity Permits for Non-Lessee Commercial Fish Buyers

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BACKGROUND

On April 18, 2012, the Board of Harbor Commissioners took action "to authorize the General Manager to inform the prospective non-lessee fish buyers of the requirements to obtain a Commercial Activity Permit and approve draft Commercial Activity Permit provisions" (see attachment). These non-lessee buyers of concern were those who occupy no premises in PPH nor pay any rents or fees to the District but who buy fish from fishermen docking and unloading at PPH.

The General Manager was authorized by the Board to devise a procedure for administering them and to issue them. In order to expedite the procedure for applying and obtaining permits and to reduce administrative effort, the Commission introduced District Ordinance Code amendments to reduce processing time and authorize the General Manager to approve and issue permits directly. These amendments were adopted in January 2013 as part of a package of Code amendments (see attachments).

While the implementation procedure was being devised, the new leases for PPH Johnson Pier wholesale fish buying and unloading had not yet been approved by Boating and Waterways, nor executed by the lessees and the District. It was considered premature and potentially problematic (if the leases were not approved by DBW) to issue these CAPs. The leases were eventually approved by DBW and executed and became active in April 2013.

Meanwhile, the sudden and unexpected departure of the District's then Finance Director in the middle of the budget process and auditor review of financial statements, along with the need for staffing adjustments, necessitated a further postponement of action on the non-lessee CAP procedure, noticing, and issuance.

Since then, issues have arisen regarding certain provisions of the wholesale fish buying/unloading leases that have led to further Board consideration (see other Agenda item). Implications for possible lease changes would have impacts on implementation of the Board action regarding the non-lessee CAPs, resulting in a further hold on CAP issuance pending resolution of the whole issue.

The above update reiterates information provided to Commissioner Brennan at her request on or about September 2, 2013; this Agenda item was placed on this meeting Agenda by the Board at Commissioner Brennan's request at the previous Commission meeting.

SAN MATEO COUNTY HARBOR DISTRICT · CALIFORNIA

MEMORANDUM

January 3, 2013

TO: Board of Harbor Commissioners

FROM: Peter Grenell, General Manager

CC: Scott Grindy, Harbor Master
Genevieve Frederick, Director of Finance
Jean Savaree, District Counsel

SUBJECT: Adopt Resolution 02-13: Amendments to Harbor District Ordinance Code Section Regarding General Provisions, Harbor Rules and Regulations, and Commercial Activities

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RECOMMENDATION:

Adopt Resolution 02-13 to Amend Harbor District Ordinance Code Regarding General Provisions, Harbor Rules and Regulations, and Commercial Activities as Set Forth in the Attachment to This Staff Memorandum and Incorporated by Reference Therein

BACKGROUND:

At its December 5, 2012 regular meeting, the Board of Harbor Commissioners introduced several amendments to the District Ordinance Code Section 5.2.1.6 concerning the process for approving and issuing Commercial Activity Permits for non-lessee commercial fish buyers (see attached staff memorandum for details of the proposed amendment, reasons, and benefits). The District published a notice in compliance with the provisions of Harbors and Navigation Code Section 6070.2 to provide for public review and comment on the proposed ordinance amendment. No comments were received by the close of the twenty-day public comment period.

RECOMMENDED ORDINANCE CODE AMENDMENTS AND RESOLUTION

Staff recommends that Resolution 02-13 be adopted to (a) amend District Ordinance Code sections as set forth in the Attachment to this memorandum and incorporated by reference therein, and (b) to approve the terms and conditions of all Commercial Activity Permits for Non-Lessee Commercial Fish Buyers at Pillar Point Harbor as set forth in the attached Permit Template and incorporated by reference therein.

3.6.14.5 Sanitary facilities (marine toilet, or head, sinks, etc.) shall not be used while the vessel is in waters of the District unless the vessel is equipped with an approved holding tank, incinerator, re-circulation device or their equivalent, approved by the Harbormaster and the United States Coast Guard and in compliance with Section 3.1.17 of this code. It shall be unlawful for any person to discharge sewage or other pollutants into the waters of the District.

3.6.14.7 Failure of any person to comply with the above requirements may cause revocation of the berth agreement or cancellation of permit in addition to any other available remedies under this code.

3.11 Skiffs, Dinghies, Row Boats And Other Small Vessels

3.11.1 Authorization Required.

The owner of any boat or vessel, including a skiff, dinghy or rowboat entering the Harbor, must provide proof of ownership and registration to the Harbormaster, obtain written authorization from the Harbormaster to remain and pay all applicable fees established by the District. In the event that the owner has just arrived at the Harbor and must use a skiff or other small boat to get to shore, the owner must immediately inform the Harbormaster of his presence and use of the vessel, among other requirements listed within this code.

5.2.1 Commercial Activity Permits – General

1. Replace "5.2.1.6" with "5.2.1.6A"

2. Add a new section 5.2.1.6B as follows:

   "5.2.1.6B. Commercial Activity Permits shall be heard by the Commission and acted upon within sixty (60) days, except that the Commission by Resolution authorizes the General Manager to approve and issue Commercial Activity permits whose terms and conditions are attached to this Code section and incorporated by reference herein, to non-lessee wholesale commercial fish buyers."

3. Add a new section 5.2.1.6C as follows:

   "5.2.1.6C. Commercial Activity Permits for non-lessee commercial fish buyers shall be obtained by submitting completed applications at either the Pillar Point Harbor office or District Administration office for review by the General Manager. Permits will be approved or denied by the General Manager within thirty (30) days of the date a complete application is submitted. If permits are granted they may be obtained at either the Pillar Point Harbor office or the District Administration office. If a permit is denied, the applicant may appeal to the Board of Harbor Commissioners by submitting a written appeal request to the General Manager within ten (10) days of notification of denial. In such instance, the General Manager shall cause the appeal to be placed on the agenda of the next regularly scheduled Commission meeting."

All other terms and conditions of Code Section 5.2.1.6 shall remain operative.

Notification of these Amendments shall be posted at all District offices and on the District's website. Notice sheets will also be given directly to each lessee on the Johnson Pier at Pillar Point Harbor for distribution to non-lessee fish buyers whose fish they unload.

SUMMARY OF AMENDED PROCESS FOR ISSUING COMMERCIAL ACTIVITY PERMITS FOR NON-LESSEE WHOLESALE COMMERCIAL FISH BUYERS

Adoption of Resolution 02-13 will authorize the General Manager to issue Commercial Activity Permits, good for one year, directly to wholesale commercial fish buyers who are not lessees or licensees of the District and who want to buy fish at Johnson Pier in Pillar Point Harbor. These buyers will have to submit a permit application to the District. Permit terms and conditions will be as set forth in the Permit Template approved by the Commission by Resolution 02-13 (see attachment), and the General Manager will need to issue such approved permits within thirty days of receipt of an application (although less review time is anticipated). All other terms and conditions of Code Section 5.2.1 *et seq* governing Commercial Activity Permits – General will remain in effect. Once received, permits must be retained by the buyer recipient and permit holders must be prepared to display their permits to District staff and fish unloaders on demand.

This Ordinance Code amendment, if and when approved, will become effective immediately upon adoption by the Commission, unless the Commission sets another effective date.

SAN MATEO COUNTY HARBOR DISTRICT
CALIFORNIA

MEMORANDUM

August 22, 2012

TO: Board of Harbor Commissioners

FROM: Peter Grenell, General Manager

CC: Scott Grindy, Harbor Master
Genevieve Frederick, Director of Finance
Jean Savaree, District Counsel

SUBJECT: Introduce Amendments to District Ordinance Code Section 5.2.1.6 Concerning Process for Approving and Issuing Commercial Activity Permits for Non-Lessee Commercial Fish Buyers at Pillar Point Harbor

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RECOMMENDATION:

Introduce amendments to District Ordinance Code Section 5.2.1.6 concerning the process for approving and issuing Commercial Activity Permits to non-lessee commercial fish buyers, and direct the General Manager to publish a notice in compliance with the provisions of Harbors and Navigation Code Section 6070.2 to provide for public review and comment on the proposed ordinance amendment.

BACKGROUND:

On April 16, 2012, the Board of Harbor Commissioners decided to require non-lessee commercial fish buyers to obtain a Commercial Activity Permit in order to do business at Pillar Point Harbor, so as to comply with District Ordinance Code Sections 5.2.1.1 and 5.2.1.2. At that time, the Board also approved Commercial Activity Permit language for non-lessee commercial fish buyers that provides for payment of a $250 permit fee plus payment for wholesale fish purchases of $10.00 per ton gross scale weight for wetfish and $0.01 per pound gross scale weight for finfish and shellfish unloaded at Johnson Pier in Pillar Point Harbor (see attachment).

ISSUE OF CONCERN

Ordinance Code Section 5.2.1.6 requires that "Commercial Activity Permits shall be heard by the Commission and acted upon within sixty (60) days." (See attachment.) This requirement means that all non-lessee commercial fish buyers will have to apply for and obtain Commission approval for a Commercial Activity Permit. The Commission regularly meets on the first and third Wednesdays of each month. This institutional and time-based requirement will create (a) a major practical impediment to buyers' ability to obtain permits in a timely manner, (b) a delay in the District's ability to augment the revenue from this source, and (c) additional administrative work and cost to the District. A more streamlined and efficient process is needed to make this new District requirement work effectively.

PROPOSED ORDINANCE CODE AMENDMENT

A model solution exists and is in use by the District: filming permits. Typically, the District receives requests from parties who desire to do film work at a District harbor, whether commercial or otherwise, on just a few days' notice. The District previously authorized the General Manager to issue film permits directly, without further Board action, based on certain terms and conditions. A variation of this method is now recommended, but it will require amending the Ordinance Code to make an exception to the present provision of Code Section 5.2.1.6.

Staff recommends that Section 5.2.1.6 be amended as set forth in the attached Amendment. In summary, the amendment would enable the Commission by Resolution to authorize the General Manager to issue Commercial Activity Permits directly to wholesale commercial fish buyers who are not lessees or licensees of the District and who want to buy fish at Johnson Pier. These buyers would have to submit a permit application to the District, the terms and conditions of these permits would have been previously approved by the Commission by Resolution (see attachment), and the General Manager would need to issue such approved permits within thirty days of receipt of an application. All other terms and conditions of Section 5.2.1 *et seq* governing Commercial Activity Permits – General would remain in effect.

BENEFITS

This amendment would create two benefits: First, the process for obtaining a Permit would be reduced to thirty days maximum, from the present sixty days. Second, the Permit would be issued directly by the General Manager, thereby eliminating the additional step of Commission action and attendant time and administrative work.

SUMMARY: PERMIT NOTIFICATION AND APPLICATION PROCESS

<u>Notification process</u>: Non-lessee wholesale commercial fish buyers must be notified that they must apply for and obtain a Commercial Activity Permit to buy fish at Pillar Point Harbor. This will be done following adoption by the Commission of the ordinance code amendment, following the close of the public review and comment period. Notification of this requirement will be posted at all Pillar Point and other District offices and on the District's website. Additionally, notices will be given to lessees on Johnson Pier to hand to non-lessee buyers whose fish they unload.

Application process: These non-lessee buyers will then (1) obtain a Commercial Activity Permit application form from the District at the Pillar Point Harbor office or from the Harbor District Administration office by email, post, or in person. (2a) Completed forms will be submitted to either the Pillar Point Harbor office or the District Administration office for review by the General Manager. (2b) The Pillar Point Harbor office will scan and send applications received to Administration, and forward the hard copy to Administration as well. (3) Applicants will be notified of permit approval (or denial) within thirty days of receipt of completed applications and will receive their permits either directly from Administration or from the Pillar Point Harbor office, as most convenient. Every effort will be made to expedite application processing and permit issuance.

Once received, permits must be retained by the buyer recipient; these permit holders must be prepared to display their permits to District staff and fish unloaders on demand.

PUBLIC NOTICE REGARDING INTRODUCTION OF ORDINANCE CODE AMENDMENT

Following the recommended Commission action to introduce the code amendment, a public notice would be published pursuant to Harbors and Navigation Code Section 6070.2 (see attachment). This notice would state generally the nature of the proposed ordinance amendment, where and when it may be inspected, and would specify the date, not less than twenty days from the date of the notice's publication, on which the Commission would meet to adopt the ordinance amendment; and, that the ordinance amendment would become effective immediately upon adoption by the Commission, unless the Commission sets another effective date.

AMENDMENTS TO DISTRICT ORDINANCE CODE SECTION 5.2.1.6

Harbor District Ordinance Code Section 5.2.1.6 is hereby amended as follows:

1. Replace "5.2.1.6" with "5.2.1.6A".

2. Add a new section 5.2.1.6B as follows:

   "5.2.1.6B. Commercial Activity Permits shall be heard by the Commission and acted upon within sixty (60) days, except that the Commission by Resolution authorize the General Manager to approve and issue Commercial Activity permits whose terms and conditions are attached to this Code section and incorporated by reference herein, to non-lessee wholesale commercial fish buyers."

3. Add a new section 5.2.1.6C as follows:

   "5.2.1.6C. Commercial Activity Permits for non-lessee commercial fish buyers shall be obtained by submitting completed applications at either the Pillar Point Harbor office or District Administration office for review by the General Manager. Permits will be approved or denied by the General Manager within thirty (30) days of the date a complete application is submitted. If permits are granted they may be obtained at either the Pillar Point harbor office of District Administration office. If a permit is denied, the applicant may appeal to the Board of Commissioners by submitting a written appeal request to the General manager within ten (10) days of notification of denial. In such instance, the General Manager shall cause the appeal to be placed on the agenda of the next regularly-scheduled Commission meeting."

All other terms and conditions of Code Section 5.2.1.6 shall remain operative.

Notification of these Amendments shall be posted at all District offices and on the District's website. Notice sheets will also be given directly to each lessee on the Johnson Pier at Pillar Point Harbor for distribution to non-lessee fish buyers whose fish they unload.

ITEM 5

SAN MATEO COUNTY HARBOR DISTRICT
CALIFORNIA

MEMORANDUM

April 12, 2012

TO: Board of Harbor Commissioners

FROM: Peter Grenell, General Manager

SUBJECT: Commercial Activity Permits for Non-Lessee Fish Buyers at Pillar Point Harbor

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RECOMMENDATION:

Authorize the General Manager to inform non-lessee fish buyers of the requirement to obtain a Commercial Activity Permit in order to do business at Pillar Point Harbor, and approve Commercial Activity Permit terms in addition to the standard $250 permit fee to require payment to the District for wholesale fish purchases of at least $10.00 per ton gross weight for wetfish and at least $0.01 per pound gross weight for finfish and shellfish unloaded at the Pier at PPH.

BACKGROUND:

Wholesale commercial fish buyers who are not lessees of the Harbor District have been purchasing fish on the Johnson Pier at Pillar Point Harbor. The fish has been off-loaded from commercial fishing vessels at the Pier hoists by one or more lessees, who control the hoists, and taken by these non-lessee buyers. The District has received no revenue from these transactions. In contrast, the District's leases presently provide that the District receive a portion of the income from fish bought by the lessees.

The District's Ordinance Code, Section 5.2.1.2, states: "No person shall conduct or operate a business or service for hire or compensation within the boundaries of the District, or on or from lands owned by the District unless a permit is first obtained from the District in the manner prescribed by the established procedures of the District." If such transactions are to continue to be allowed, these buyers should be required to obtain a District Commercial Activity Permit or, alternatively, a License, that would provide for a reasonable share of revenue to accrue to the District.

Alternatively, Ordinance Code Section 5.1.3.1 Licensing Of District Property And Facilities – General, states: "The use of lands and facilities owned or operated by the District and under jurisdiction of the Board [of Harbor Commissioners] may be licensed for such purpose or purposes as the Board may deem advisable."

Use of a Commercial Activity Permit (CAP) appears preferable because it provides greater control by the District as all such Permits are valid for one year only and must be renewed annually. This mechanism also provides more flexibility to the buyers and the District as its limited duration does not tie either party into a longer term license agreement.

FISCAL IMPACT:

In addition to the standard $250 permit fee, these non-lessee fish buyer CAPs should require payment to the District for wholesale fish purchases of at least $10.00 per ton gross weight for wetfish and at least $0.01 per pound gross weight for finfish and shellfish unloaded at the Pier at PPH.

This new revenue will help defray the cost of replacing the aging utility lines under the Johnson Pier that serve the pier's users. This important project, for which cost estimates are in preparation now, will be budgeted for FY 2012-13.

CONCLUSION:

Commercial Activity Permits should be required of all non-lessee fish buyers active at Pillar Point, and the permits should provide for a wholesale fish buying fee to the District.

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
(Independent Non-Lessee Fish-Buyer)

Permit Number:

1. Commercial Activity Permittee

1.1. Name of Permittee: [independent non-lessee fish-buyer]
1.2. Contact Person:
1.3. Address of Permittee:
1.4. Phone Number:
1.5 Facsimile Number:
1.6 Email Address:

2. Commercial Activity Permit Description

2.1. This Commercial Activity Permit is issued only for the purpose of buying fish and shellfish unloaded from registered commercial fishing vessels at Johnson Pier at Pillar Point Harbor.

3. Commercial Activity Fee

3.1. Payment of the Permit Fee of two hundred fifty dollars ($250.00) to the District is required before Permit is issued.

3.2. Permittee shall pay to the District $10.00 per ton gross actual scale weight for each species of wetfish purchased and $0.01 per pound gross actual scale weight for each species of finfish and shellfish purchased by Permittee and unloaded at Pillar Point Harbor.

3.3. Permittee shall pay to the District the required amount(s) as prescribed in section 3.2 above based upon fish unloading/landing tickets recorded at time of fish unloading on or before the first day of each and every successive month following the month in which the fish was bought and unloaded. The ticket shall specify: date of landing, date of purchase, the name of the vessel making delivery, and name of vessel operator.

3.4. Payments not paid by the due date shall bear interest at 10.00% per annum until paid.

4. Commercial Activity Terms and Conditions

4.1. Hours and Standard of Operation

4.1.1. Permittee shall operate during daylight hours only, but not later than 8:00 p.m. on weekends and holidays, without the advance written approval from the General Manager or designate.

4.1.2. Permittee shall clean up any debris, litter or other items generated from their business.

4.1.3. Permittee shall not sell food or beverages or other products at any time.

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

4.2.1 Permittee shall provide the District with a copy of the Fictitious Business License 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 Permit issued from the California State Board of Equalization, which entitles Permittee to buy or 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. Permit requirement only applies if applicable.

4.2.2 A Certificate of Insurance for the business activity described in Section 2.1 attesting to liability coverage consisting of a Comprehensive General Liability policy with a Broad Form Endorsement that provides coverage for bodily injury and property damage in the amount of $1,000,000.00 per occurrence and $2,000,000.00 per aggregate. 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 this 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.

4.2.3 Permittee shall comply with all applicable District's Ordinances and regulations as adopted.

4.2.4 Permittee must use reasonable care and may not unreasonably increase the burden on the District's facilities. Permittee may not interfere with other bona fide users of the facilities or the conduct of their business. Permittee shall comply with the Harbor Master's directions regarding access and parking on the Johnson Pier and loading of fish and shellfish.

4.2.5 The parties acknowledge that the District is obligated to control the volume and use of its facilities, particularly with respect to vehicular traffic, parking, vessel traffic and the use of berthing and other facilities. In that regard, the District reserves the right to make a finding that the availability of berthing and/or parking, and/or the public safety, is threatened due to Permittee or third-party use of the District's facilities pursuant to this permit. In that event, the District may limit the use of the facilities by Permittee or third parties by providing a written thirty (30) day notice to the Permittee and to any known third-party users of said limitations.

4.2.6 Permittee, as a material part of the consideration to be rendered to the District under this Permit, waives all claims against the District for damages to all personal property in, on or about the District's facilities, and for injuries to persons in or about the District's facilities from any cause arising at any time. Permittee hereby agrees to defend, indemnify, and save harmless SMCHD, its governing board, commissions, officers, employees and agents, from and against any and all claims, suits, actions liability, loss, damage, expense, cost (including, without limitation, costs and fees of litigation) of every nature, kind or description, which may be brought against, or suffered or sustained by, SMCHD, its governing board, commissions, officers, employees or agents caused by, or alleged to have been caused by, the negligence, intentional tortuous act or omission, or willful misconduct of Permittee, its employees or agents in the performance of any services or work pursuant to this permit. The duty of the Permittee to indemnify and save harmless, as set forth herein, shall include the duty to defend as set forth in Section 2778 of the California Civil Code; provided, however, that nothing herein contained shall be construed to required Permittee to indemnify SMCHD, its governing board, commissions, officers, employees and agents against any responsibility or liability in contravention of Section 2782 of the California Civil Code.

4.2.7 Should either party to this agreement bring any legal action, dispute, or proceeding arising out of or relating to this permit, the parties shall meet in mediation and attempt to reach a resolution with the assistance of a mutually acceptable mediator. Neither party shall be permitted to file legal action without first meeting in mediation and making a good faith attempt to reach a mediated resolution. The costs of the mediator, if any, shall be paid equally by the parties. If a mediated settlement is reached neither party shall be deemed the prevailing party for purposes of settlement, and each party shall bear its own legal fees and costs.

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

4.2.9 Permittee shall pay a fee pursuant to Section 1719 of the Civil Code for the State of California for each check that is returned to the District for lack of sufficient funds. A fee of twenty five dollars ($25) shall be paid by Permittee for the first check passed to District on insufficient funds and thirty five dollars ($35) for each subsequent check passed to District on insufficient funds.

40

5.0 Term of Permit

This Commercial Activity Permit is effective from January 1, 2012, and shall terminate on December 31, 2012, unless renewed. This Commercial Activity Permit becomes immediately null and void should any of the conditions specified in Section 4 above not be met, or should any required certificates expire or be revoked or suspended.

This Commercial Activity Permit may be revoked or suspended by the San Mateo County Harbor District at any time and without notice by the District for violation of any Terms or Conditions of the Commercial Activity Permit, or for violation of the Ordinances of the District.

PERMITTEE:

____

Signature

____

Date

SAN MATEO COUNTY HARBOR DISTRICT

____

Peter Grenell
General Manager

____

Date

41

42


NOVOAS
TRUCKING
INC
69
SPEED
LIMIT
5
Stacy Jeanne
43

44

45

Overview- Revenue Loss when changing $0.01 Fin/Shellfish to $0.0075

Three Captains

2013	Fin/Shell Fish @ $0.01	Fin/Shell Fish @ $0.0075
Totals	5,901.87	3,686.58

Totals: (Fin/Shell Fish @ $0.01)	5,901.87
Totals: (Fin/Shell Fish @ $0.0075)	3,686.58
Difference:	2,215.29

2014	Fin/Shell Fish @ $0.01	Fin/Shell Fish @ $0.0075
Totals	5,472.87	4,104.65

Totals: (Fin/Shell Fish @ $0.01)	5,472.87
Totals: (Fin/Shell Fish @ $0.0075)	4,104.65
Difference:	1,368.22

2015	Fin/Shell Fish @ $0.01	Fin/Shell Fish @ $0.0075
Totals	1,463.43	1,097.57

Totals: (Fin/Shell Fish @ $0.01)	1,463.43
Totals: (Fin/Shell Fish @ $0.0075)	1,097.57
Difference:	365.86

Pillar Point Fisheries

2013	Fin/Shell Fish @ $0.01	Fin/Shell Fish @ $0.0075
Totals	13,854.09	10,390.37

Totals: (Fin/Shell Fish @ $0.01)	13,854.09
Totals: (Fin/Shell Fish @ $0.0075)	10,390.37
Difference:	3,463.73

2014	Fin/Shell Fish @ $0.01	Fin/Shell Fish @ $0.0075
Totals	14,004.01	10,503.01

Totals: (Fin/Shell Fish @ $0.01)	14,004.01
Totals: (Fin/Shell Fish @ $0.0075)	10,503.01
Difference:	3,501.00

2015	Fin/Shell Fish @ $0.01	Fin/Shell Fish @ $0.0075
Totals	2,286.42	1,714.82

Totals: (Fin/Shell Fish @ $0.01)	2,286.42
Totals: (Fin/Shell Fish @ $0.0075)	1,714.82
Difference:	571.60

Morning Star

2013	Fin/Shell Fish @ $0.01	Fin/Shell Fish @ $0.0075
Totals	4,535.12	3,401.34

Totals: (Fin/Shell Fish @ $0.01)	4,535.12
Totals: (Fin/Shell Fish @ $0.0075)	3,401.34
Difference:	1,133.78

2014	Fin/Shell Fish @ $0.01	Fin/Shell Fish @ $0.0075
Totals	4,902.29	3,676.72

Totals: (Fin/Shell Fish @ $0.01)	4,902.29
Totals: (Fin/Shell Fish @ $0.0075)	3,676.72
Difference:	1,225.57

2015	Fin/Shell Fish @ $0.01	Fin/Shell Fish @ $0.0075
Totals	879.79	659.84

Totals: (Fin/Shell Fish @ $0.01)	879.79
Totals: (Fin/Shell Fish @ $0.0075)	659.84
Difference:	219.95

2013 loss rev	6,812.80
2014 loss rev	6,094.79
2015 loss rev	1,157.41
Total Rev Loss	**14,065.00**

Overview- Revenue Loss when changing $0.01 Fin/Shellfish to $0.005

Three Captains

2013	Fin/Shell Fish @ $0.01	Fin/Shell Fish @ $0.005
Totals	5,901.87	2,950.95

Totals: (Fin/Shell Fish @ $0.01)	5,901.87
Totals: (Fin/Shell Fish @ $0.005)	2,950.95
Difference:	2,950.92

2014	Fin/Shell Fish @ $0.01	Fin/Shell Fish @ $0.005
Totals	5,472.88	2,736.45

Totals: (Fin/Shell Fish @ $0.01)	5,472.88
Totals: (Fin/Shell Fish @ $0.005)	2,736.45
Difference:	2,736.43

2015	Fin/Shell Fish @ $0.01	Fin/Shell Fish @ $0.005
Totals	1,463.43	731.73

Totals: (Fin/Shell Fish @ $0.01)	1,463.43
Totals: (Fin/Shell Fish @ $0.005)	731.73
Difference:	731.70

Pillar Point Fisheries

2013	Fin/Shell Fish @ $0.01	Fin/Shell Fish @ $0.005
Totals	13,854.09	6,926.91

Totals: (Fin/Shell Fish @ $0.01)	13,854.09
Totals: (Fin/Shell Fish @ $0.005)	6,926.91
Difference:	6,927.18

2014	Fin/Shell Fish @ $0.01	Fin/Shell Fish @ $0.005
Totals	14,004.01	7,002.00

Totals: (Fin/Shell Fish @ $0.01)	14,004.01
Totals: (Fin/Shell Fish @ $0.005)	7,002.00
Difference:	7,002.01

2015	Fin/Shell Fish @ $0.01	Fin/Shell Fish @ $0.005
Totals	2,286.42	1,143.21

Totals: (Fin/Shell Fish @ $0.01)	2,286.42
Totals: (Fin/Shell Fish @ $0.005)	1,143.21
Difference:	1,143.21

Morning Star

2013	Fin/Shell Fish @ $0.01	Fin/Shell Fish @ $0.005
Totals	4,535.12	2,267.58

Totals: (Fin/Shell Fish @ $0.01)	4,535.12
Totals: (Fin/Shell Fish @ $0.005)	2,267.58
Difference:	2,267.54

2014	Fin/Shell Fish @ $0.01	Fin/Shell Fish @ $0.005
Totals	4,902.29	2,451.15

Totals: (Fin/Shell Fish @ $0.01)	4,902.29
Totals: (Fin/Shell Fish @ $0.005)	2,451.15
Difference:	2,451.14

2015	Fin/Shell Fish @ $0.01	Fin/Shell Fish @ $0.005
Totals	879.79	439.90

Totals: (Fin/Shell Fish @ $0.01)	879.79
Totals: (Fin/Shell Fish @ $0.005)	439.90
Difference:	439.89

2013 loss rev	12,145.64
2014 loss rev	12,189.58
2015 loss rev	2,314.80
Total Rev Loss	**26,650.02**

Overview- Revenue Loss when changing $0.01 Fin/Shellfish to $0.0025

Three Captains

2013	Fin/Shell Fish @ $0.01	Fin/Shell Fish @ $0.0025
Totals	5,901.87	1,475.47

Totals: (Fin/Shell Fish @ $0.01)	5,901.87
Totals: (Fin/Shell Fish @ $0.0025)	1,475.47
Difference:	4,426.40

2014	Fin/Shell Fish @ $0.01	Fin/Shell Fish @ $0.0025
Totals	5,472.87	1,368.22

Totals: (Fin/Shell Fish @ $0.01)	5,472.87
Totals: (Fin/Shell Fish @ $0.0025)	1,368.22
Difference:	4,104.65

2015	Fin/Shell Fish @ $0.01	Fin/Shell Fish @ $0.0025
Totals	1,463.43	296.55

Totals: (Fin/Shell Fish @ $0.01)	1,463.43
Totals: (Fin/Shell Fish @ $0.0025)	296.55
Difference:	1,166.88

Pillar Point Fisheries

2013	Fin/Shell Fish @ $0.01	Fin/Shell Fish @ $0.0025
Totals	13,854.09	3,463.46

Totals: (Fin/Shell Fish @ $0.01)	13,854.09
Totals: (Fin/Shell Fish @ $0.0025)	3,463.46
Difference:	10,390.64

2014	Fin/Shell Fish @ $0.01	Fin/Shell Fish @ $0.0025
Totals	14,004.01	3,501.00

Totals: (Fin/Shell Fish @ $0.01)	14,004.01
Totals: (Fin/Shell Fish @ $0.0025)	3,501.00
Difference:	10,503.01

2015	Fin/Shell Fish @ $0.01	Fin/Shell Fish @ $0.0025
Totals	2,286.42	571.61

Totals: (Fin/Shell Fish @ $0.01)	2,286.42
Totals: (Fin/Shell Fish @ $0.0025)	571.61
Difference:	1,714.81

Morning Star

2013	Fin/Shell Fish @ $0.01	Fin/Shell Fish @ $0.0025
Totals	4,535.12	2,267.58

Totals: (Fin/Shell Fish @ $0.01)	4,535.12
Totals: (Fin/Shell Fish @ $0.0025)	2,267.58
Difference:	2,267.54

2014	Fin/Shell Fish @ $0.01	Fin/Shell Fish @ $0.0025
Totals	4,902.29	1,225.57

Totals: (Fin/Shell Fish @ $0.01)	4,902.29
Totals: (Fin/Shell Fish @ $0.0025)	1,225.57
Difference:	3,676.72

2015	Fin/Shell Fish @ $0.01	Fin/Shell Fish @ $0.0025
Totals	879.79	219.95

Totals: (Fin/Shell Fish @ $0.01)	879.79
Totals: (Fin/Shell Fish @ $0.0025)	219.95
Difference:	659.84

2013 loss rev	17,084.58
2014 loss rev	18,284.38
2015 loss rev	3,541.53
Total Rev Loss	**38,910.48**

ITEM 5

Staff Report

Re-Affirm Adoption of Resolution 45-15, appointing General Manager

Steven Miller, General Counsel

At its meeting on September 16, 2015, the Board of Harbor Commissioners voted unanimously to approve Resolution 45-15, appointing Stephen McGrath as General Manager of the San Mateo County Harbor District, and authorizing the President to execute an employment agreement with Mr. McGrath.

The Commissioners' vote was based (at least in part) on my public announcement of the terms of the compensation package contained in the employment agreement. I made a mistake in making that public announcement. I stated that Mr. McGrath's compensation included a housing allowance of $1,500 per month for three months. In fact, the proposed agreement includes a housing allowance of $1,500 per month for twelve months. I apologize for my mistake.

Attached to this memorandum is a correct summary of the business terms contained in the proposed Agreement with Mr. McGrath.

Proposed Action: It is necessary for the Board of Harbor Commissioners to re-affirm its appointment of Mr. McGrath. A vote to “Re-affirm Resolution 45-15, adopted on September 16, 2015, on the basis of the accurate compensation information disclosed to the public at this meeting” will finalize the action. Mr. McGrath's term of employment is anticipated to begin approximately 30 days after the Board of Harbor Commissioners takes this action.

Alternative: The Board may choose not to re-affirm Resolution 45-15, but rather to rescind it, in which case the appointment of the General Manager will not be in effect, and further discussions and negotiations will be necessary.

October 7, 2015
Summary of Principal Provisions in Employment Agreement between Steve McGrath and San Mateo County Harbor District.

1. Term of Contract: Three year term, with a two year optional extension-- commencing November 9, 2015.

2. Base Salary: Annual Base Salary of $150,000.

3. Paid Time Off: Paid time off is earned in accordance with the District's applicable policies, with the understanding the Mr. McGrath will begin employment with a bank of 160 hours of PTO.

4. Retirement Benefit through PERS. Mr. McGrath is a "classic" PERS member which includes a 2.5% at 55 benefit. Mr. McGrath will contribute 1% towards his PERS contribution, consistent with District procedures for other management employees.

5. Housing and Car Allowance. District will provide Mr. McGrath with an allowance of $1,500 per month for housing costs during the first twelve months of his employment, and an allowance of $500 per month for use of a car while on District business.

6. Other Benefits. Mr. McGrath is entitled to holidays, health insurance, and other leave and benefits consistent with those provided other District employees.

Resolution 45-15

of the
San Mateo County Harbor District
to
Appoint Stephen McGrath as General Manager of the San Mateo County Harbor District and Authorize President to Execute Employment Agreement

Whereas, pursuant to California Harbors and Navigation Code Section 6000 et seq, the Board of Harbor Commissioners may appoint the District's General Manager; and

Whereas, pursuant to District Ordinance 2.10.010, the General Manager provides day-to-day leadership for the District and is the executive officer of the District, with exclusive management and control of the operations and works of the District, all subject to approval of the Board of Harbor Commissioners; and

Whereas, the District's former General Manager retired, effective December 31, 2014; and

Whereas, the Board of Harbor Commissioners formed a General Manager Search Committee, assisted by the firm BHI Consulting, to recruit a new General Manager for the District; and

Whereas, the General Manager Search Committee, following an extensive search process including interviews with numerous qualified candidates by two panels (community stakeholders and industry experts), forwarded a number of finalist candidates for consideration by the full Board of Harbor Commissioners, which candidates were interviewed by the Board of Harbor Commissioners, with the result being that Stephen McGrath was selected for final consideration; and

Whereas, the District's Legal Counsel has successfully negotiated an Employment Agreement with Stephen McGrath for a three-year term, which agreement contains acceptable compensation arrangements.

Now Therefore Be It Resolved, that the Board of Harbor Commissioners of the San Mateo County Harbor District hereby appoints Stephen McGrath to serve as the District's General Manager; and

Be It Further Resolved that the President of the Board of Harbor Commissioners is authorized to execute an Employment Agreement with Mr. McGrath on behalf of the District, in a form approved by Legal Counsel, and to take such other actions as may be necessary to effectuate this resolution.

Approved this 7th day of October 2015 at the regular meeting of the Board of Harbor Commissioners by a recorded vote as follows:

For:

Against:

Absent:

Abstention:

Attested **BOARD OF HARBOR COMMISSIONERS**

Melanie Hadden
Interim Deputy Secretary

Tom Mattusch
President

EMPLOYMENT AGREEMENT FOR THE GENERAL MANAGER OF THE SAN MATEO COUNTY HARBOR DISTRICT

THIS AGREEMENT is made and entered into as of October 7, 2015, by and between the San Mateo County Harbor District (hereinafter referred to as "District") a public agency and Stephen McGrath (hereinafter referred to as "Mr. McGrath").

RECITALS

WHEREAS, District desires to employ Mr. McGrath as the General Manager of District; and

WHEREAS, Mr. McGrath desires to accept the position of General Manager pursuant to the terms and conditions set forth in this Employment Agreement.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, District hereby appoints Mr. McGrath to serve as General Manager, and Mr. McGrath agrees to serve in this capacity beginning on November 9, 2015, under the following terms as follows:

Section 1. Term

A. Nothing in this Agreement shall prevent, limit, or otherwise interfere with the right of the District to, at any time and in its sole discretion, terminate the services of Mr. McGrath subject to the conditions of this Agreement. There is no express or implied promise made to Mr. McGrath for any form of continued employment. This Agreement is the sole and exclusive basis for an employment relationship between Mr. McGrath and the District.

B. This Agreement shall commence as of November 9, 2015, and shall continue for a three year term (Term), unless this Agreement is terminated by either party as hereinafter provided. The District may extend the Agreement by an additional two years by giving Mr. McGrath written notice at least 60 days prior to the expiration of the three year base term.

Section 2. Duties

Mr. McGrath shall do and perform all services, acts, functions and duties necessary or advisable to manage and conduct the affairs of the District as provided in the District's enabling statute (codified at Harbor and Navigation Code Section 6000, et seq., as may be amended from time to time), and as directed or authorized by the District's Board of Harbor Commissioners.

Mr. McGrath will be responsible and have full authority for the management of the affairs of the District and the supervision and management of its employees, subject to the rules and policies of the District and the direction of the Board of Harbor Commissioners. Mr. McGrath's responsibilities are further described in Exhibit A.

Mr. McGrath will determine his own work schedule, provided that he shall devote such time, effort, ability and attention to the business of the District during the Term as may be required to perform faithfully and fully the duties of General Manager. Mr. McGrath will not be employed by any other person or any other entity while employed as General Manager that would result in a conflict of interest or prevent him from performing his duties. Specifically, Mr. McGrath shall not, either as an employee, employer, consultant, agent, principal, planner, stockholder, corporate officer, director, or any other individual or representative capacity, engage or participate in any business that is in competition with, or in conflict in any manner whatsoever with, the business, projects, or official positions of the District.

Section 3. <u>Compensation</u>

A. <u>Salary and Evaluation</u>. District agrees to pay Mr. McGrath an annual base salary of One Hundred, Fifty Thousand Dollars ($150,000), payable in installments at the same time and in the same manner as other management employees of the District are paid, for the faithful and diligent performance of the duties and obligations of General Manager.

B. <u>Performance Evaluation.</u> District will conduct a performance review and evaluate Mr. McGrath's performance at least once annually at or near the anniversary of his employment with District, and no later than at a November meeting of the District's Board of Harbor Commissioners. As part of such performance evaluation, the Board of Harbor Commissioners will establish annual goals and criteria for the purpose of assessing Mr. McGrath's performance at the next evaluation. In the first year of the Term, it is the expectation of the parties that the Board of Harbor Commissioners will schedule an additional performance review between three-six months of the commencement of Mr. McGrath's employment.

Mr. McGrath's annual salary may be subject to increase based upon such evaluation of Mr. McGrath's performance of his duties and obligations as the Board of Harbor Commissioners may, in its sole discretion, reasonably determine, predicated upon performance that achieves the goals and criteria that were established by the Board of Harbor Commissioners. It shall be Mr. McGrath's responsibility to work with staff to place his reviews and consideration of salary adjustments on a meeting agenda for Board consideration in a timely fashion.

C. <u>Merit Bonus</u>. At the discretion of the Board of Harbor Commissioners, Mr. McGrath may be considered for and eligible to receive increased benefits or merit bonuses for superior performance and accomplishments, in an amount not to exceed fifteen percent (15%) of his then current annual base salary. It is the express intent of the parties that any merit bonus received by Mr. McGrath will not be considered pensionable compensation for the purposes of calculating adjustment to Mr. McGrath's annual base salary as contemplated by Section 3.A. of this Agreement or PERS retirement benefits.

Section 4. <u>Holidays; Vacation; Leave</u>

A. <u>Holidays, Vacation and Leave.</u> Mr. McGrath will be entitled to paid holidays in accordance with the District's established holiday schedule. Mr. McGrath will be entitled to bereavement leave, jury duty leave and other leave required by law in accordance with leave policies established from time to time by the Board of Harbor Commissioners for all of its management employees, except as provided below.

B. Paid Time Off. Mr. McGrath will receive annual Paid Time Off (PTO) as governed by District Policy and Procedure 6.5.1 modified as follows:

1. Mr. McGrath does not need to request approval of use of PTO, however reasonable notice in accordance with professional protocols is required.

2. Mr. McGrath will receive a lump sum of 20 days (160 hours) of PTO upon his first date of employment. Thereafter, Mr, McGrath will accrue PTO at the rate of 40 hours of PTO per month up to a maximum of 320 hours of PTO per year.

3. Unused PTO will carry over from year to year up to a total maximum of 540 hours, in accordance with Policy and Procedure 6.5.1.

C. Extended Illness Bank (EIB). The EIB is an individual account containing accrued hours designed for severe or long term illness. The EIB may be used when Mr. McGrath experiences a severe or long term illness and one of these circumstances:

1. Is admitted to a hospital ; or

2. Otherwise qualifies for State Disability benefits; or

3. Is eligible for Workers Compensation Benefits; or

4. When PTO has been used consecutively for the equivalent for one week's work and a physician's verification of illness is provided; or

5. Any other time when Mr. McGrath requires time off for bona fide medical purposes of Mr. McGrath or his immediate family, and a physician's verification of illness is provided.

EIB accrual rates are equivalent to 3.077 hours biweekly. There is no maximum number of EIB hours that may be accumulated. In no event may Mr. McGrath cash out EIB hours at any time.

Section 5. Retirement, Health and Welfare, and Other Benefits

Except as otherwise modified by this Section 5, Mr. McGrath will be entitled to participate in all employee benefit plans applicable to other management employees of the District including, but not limited to, a deferred compensation plan; health, dental, vision, workers compensation, life/accidental death and dismemberment, and long-term disability insurance benefits; and retiree health insurance benefits, subject to the terms and conditions of any such employee benefit plan and any applicable District policies. To the extent future changes are made in the coverages provided or employee contributions required, Mr. McGrath will be subject to those changes.

A. Pension. In light of Mr. McGrath's employment pre- January 1, 2013 with an agency that participated in the California Public Employees' Retirement System pension program ("CalPERS"), he will be afforded pension benefits as a "legacy" or "classic" employee and under the District's CalPERS retirement formulas in existence as of December 31, 2012 (Effective Date). The District's CalPERS retirement plan participation was at the 2.5% at 55 rate on the Effective Date and may thereafter be amended or further defined by District's Board of Harbor Commissioners.

District will throughout the Term of this Agreement make contributions required under the terms of the contract between CalPERS and the District. Mr. McGrath's CalPERS contribution percentage is 1%, paid through payroll withholding. The District will pay, on behalf of Mr. McGrath, the balance of Mr. McGrath's contribution to CalPERS as well as the employer contribution to CalPERS.

B. Health and Welfare. The District will provide medical, dental, prescription, and vision coverage for Mr. McGrath and his immediate, eligible family, at a level of coverage substantially the same as the District provides other management employees. The District reserves the right to seek out and obtain comparable coverage in order to effect cost savings to the District. Mr. McGrath agrees to pay 15% of the benefit premium cost for health insurance through payroll deductions. However, as a result of future actions taken by the Board of Harbor Commissioners, the District may increase or decrease the percentage that Mr. McGrath may be required to contribute towards the payment of premiums to reflect parity with the payment of premiums by other employees of the District.

C. Group Life Insurance. The District will provide Mr. McGrath a group term life insurance policy whose value will be twice the annual salary up to a maximum of $200,000. The District will pay the premium for such coverage.

D. Deferred Compensation. Mr. McGrath is eligible to participate in the District's Deferred Compensation Plan through ICMA Retirement Corp, or such other plan as is presently provided by the District on behalf of its employees. District will not make any contributions to this plan on behalf of Mr. McGrath.

Section 6. Other Obligations of the District

A. Office, Supplies, Business Expenses. District agrees to provide Mr. McGrath with an office, suitable office and computer equipment, supplies and such other facilities and services (including a cellular telephone or other communication devices and services) commensurate with the General Manager's position in order to facilitate the performance of his duties. Mr. McGrath may receive reimbursement for expenses he incurs in the direct performance of the District's business, as the District's Board of Harbor Commissioners may approve. Such expenses may be reimbursed regularly as they are incurred, and submitted to the Board in compliance with any policies or procedures the District's Board of Harbor Commissioners has adopted, which are applicable to the General Manager. In all cases, final approval of all such expenses rests with the District's Board of Harbor Commissioners, in its sole and absolute discretion.

B. Professional Memberships. District agrees to budget for and pay for memberships in and service to professional organizations and associations which are reasonably related to Mr. McGrath's duties as General Manager of District. Such organizations include, but are not necessarily limited to: local chamber(s) of commerce, local rotary club, Harbormasters and Port Captains Association. Memberships will be in the name of the District unless it is necessary or practical for memberships to be in Mr. McGrath's name.

C. Professional Development Activities. District agrees to budget for and pay for the travel, meals, accommodations, registration and other expenses of Mr. McGrath for conferences, seminars, and such other occasions as are reasonably necessary for Mr. McGrath to fulfill his duties as General Manager of District, and to further Mr. McGrath's professional growth and advancement. Such service and conferences include, but may not be limited to, those sponsored by the California Marine Affairs and Navigation Conference (CMANC), the California Association of Harbor Masters and Port Captains, and the California Special District Association (CSDA). Such expenses must be appropriately documented and approved in accordance with District policies.

D. Automobile. Mr. McGrath will be entitled to an automobile allowance in the amount of Five Hundred Dollars ($500) per month for use of his own automobile, for such meetings and other events as District reasonably requires Mr. McGrath to attend. Mr. McGrath shall maintain collision and liability insurance on any automobile he uses for any District business, at Mr. McGrath's own expense, with coverage no less than $100,000 per occurrence, $300,000 aggregate. Mr. McGrath shall be responsible for any income tax or other taxes resulting from such allowance. The automobile allowance is in addition to, and not instead of, the District's obligations to reimburse Mr. McGrath's travel expenses pursuant to Section 6.C.

E. Moving Expenses. The District will reimburse Mr. McGrath his actual and reasonable expenses incurred as a result of moving to San Mateo County, provided that he moves within one year of commencing employment.

F. Housing Allowance. The District will provide Mr. McGrath with a housing allowance of $1,500 per month for the first twelve months of his employment, commencing with the first day of the calendar month following commencement of employment. Mr. McGrath is responsible for any income tax or other taxes resulting from such allowance.

Section 7. Termination and Severance Pay

A. Termination Without Cause. In the event Mr. McGrath is terminated without cause by the District during the term of this Agreement and during such time as Mr. McGrath is willing and able to perform his duties under this Agreement, District shall provide Mr. McGrath written notice of said termination, which effective date shall be at least sixty (60) days from the date of said notice. In the event of such termination, and provided that Mr. McGrath executes a full and complete waiver and release of any and all claim(s) which were known or reasonably should have been known by Mr. McGrath and arising out of his employment and termination thereof, the District will continue to provide Mr. McGrath health insurance coverage for a period of six months, and will pay Mr. McGrath a cash payment of six (6) months of compensation based on Mr. McGrath's then-current annual base salary subject to the limitations imposed by

Government Code 53260, which provides as follows: "regardless of the term of the contract, if the contract is terminated, the maximum cash settlement that an employee may receive shall be an amount equal to the monthly salary of the employee multiplied by the number of months left on the unexpired term of the contract. However, if the unexpired term of the contract is greater than 18 months, the maximum cash settlement shall be an amount equal to the monthly salary of the employee multiplied by 18." In addition, and regardless of any entitlement to severance benefits, Mr. McGrath will receive a cash payment of the unused balance of any PTO and any other payments required by law.

B. <u>Termination With Cause.</u> District may terminate Mr. McGrath at any time during the term of this Agreement for Cause (as defined below). For purposes of this Agreement, "Cause" shall include the following: (a) malfeasance demonstrated by a pattern of failure to perform job duties diligently and professionally; (b) the refusal to implement or follow District's reasonable policies or directives; (c) the breach of a material provision of this Agreement; (d) committing an act of fraud, dishonesty, misrepresentation, moral turpitude, or the misappropriation of property belonging to the District; (e) conviction of any criminal act; or (f) the commission of an act that has a direct, substantial, and adverse effect on District's business interests or reputation. District will have no obligation to pay the severance payment set forth in paragraph 7.A, above, nor provide the prior sixty (60) day written notice of termination. Mr. McGrath will only be entitled to any unpaid compensation due to him as a matter of law, including the unused balance of any PTO Leave.

C. Nothing in this Agreement prevents, limits, or otherwise interferes with Mr. McGrath's right to resign at any time from his position with the District. Mr. McGrath will give 90 days' written notice to District prior to the effective date of resignation unless a lesser period has been mutually agreed upon by the parties.

D. If this Agreement is terminated, any cash settlement related to the termination that Mr. McGrath may receive from District will be fully reimbursed to District if Mr. McGrath is convicted of a crime involving an abuse of his office or position with District.

Section 8. <u>Other Terms and Conditions of Employment</u>

The Board of Directors of District will fix any other terms and conditions of employment, as it may determine from time to time, relating to the performance of the General Manager, provided such terms and conditions are not inconsistent with provisions of this Agreement or law.

Section 9. <u>Mediation</u>

Prior to District and/or Mr. McGrath seeking to arbitrate a dispute pursuant to Section 10, the parties may seek to resolve such a dispute through non-binding means, such as mediation. A party seeking to mediate a dispute must serve a written demand for mediation upon the opposing party. The demand for mediation must provide that it is given pursuant to this Section of the Agreement, should briefly describe the nature of the claim(s) sought to be mediated, and request that the opposing party respond in writing within a reasonable time with the opposing party's willingness to participate in mediation. Such demand for mediation need not include the names of potential mediators, nor the proposed time and place of mediation. If the opposing party declines to participate in mediation, the aggrieved party may immediately seek to arbitrate the dispute pursuant to Section 10 of this Agreement. If the opposing party agrees to participate in mediation, the dispute will not be arbitrated until completion of the mediation, or reasonable and good faith efforts to schedule a mediation have proven unsuccessful. Any arbitration initiated without complying with this Section shall be subject to dismissal.

Section 10. Arbitration and Equitable Relief

A. Arbitration. The parties agree that any and all controversies, claims, or disputes with anyone arising out of, relating to, or resulting from Mr. McGrath's employment relationship with District or the termination of such relationship with District, including any breach of this Agreement, shall be subject to binding arbitration under the arbitration provisions set forth in California Code of Civil Procedure sections 1280 through 1294.2 (the "act") and pursuant to California law. The federal arbitration act shall continue to apply with full force and effect notwithstanding the application of procedural rules set forth in the act. Disputes which the parties agree to arbitrate, and thereby agree to waive any right to a trial by jury, include any statutory claims under local, state, or federal law. Mr. McGrath further understands that this agreement to arbitrate also applies to any disputes that District may have with Mr. McGrath.

B. Procedure. The parties agree that any arbitration will be administered by judicial arbitration & mediation services, Inc. ("jams") pursuant to its commercial arbitration rules & procedures (the "jams rules"), which are available at http://www.jamsadr.com/rules-employment-arbitration/ and from human resources. The parties agree that the arbitrator shall have the power to decide any motions brought by any party to the arbitration, including motions for summary judgment and/or adjudication and motions to dismiss and demurrers, applying the standards set forth under the California Code of Civil Procedure. The parties agrees that the arbitrator shall issue a written decision on the merits. The parties also agree that the arbitrator shall have the power to award any remedies available under applicable law, and that the arbitrator shall award attorneys' fees and costs to the prevailing party. The parties agree that the decree or award rendered by the arbitrator may be entered as a final and binding judgment in any court having jurisdiction thereof. The parties agree that the arbitrator shall administer and conduct any arbitration in accordance with California law, including the California Code of Civil Procedure and the California Evidence Code, and that the arbitrator shall apply substantive and procedural California law to any dispute or claim, without reference to rules of conflict of law. To the extent that the jams rules conflict with California law, California law shall take precedence. The parties further agree that any arbitration under this agreement shall be conducted in San Mateo County, California.

C. Remedy. Arbitration shall be the sole, exclusive, and final remedy for any dispute between Mr. McGrath and District. Accordingly, except as provided for by the act and this Agreement, neither party will be permitted to pursue court action regarding claims that are subject to arbitration.

D. Availability of Injunctive Relief. In accordance with rule 1281.8 of the California Code of Civil Procedure, the parties agree that any party may also petition the court for injunctive relief where either party alleges or claims a violation of any agreement regarding intellectual property, confidential information or noninterference. In the event either party seeks injunctive relief, the prevailing party shall be entitled to recover reasonable costs and attorneys' fees.

E. Administrative Relief. The parties understand that this agreement does not prohibit Mr. McGrath from pursuing an administrative claim with a local, state or federal administrative body or government agency such as the Department of Fair Employment and Housing, the Equal Employment Opportunity Commission, or the workers' compensation board. This Agreement does, however, preclude Mr. McGrath from pursuing court action regarding any such claim, except as permitted by law.

F. Voluntary Nature of Agreement. Mr. McGrath acknowledges and agrees that he is executing this Agreement voluntarily and without any duress or undue influence by the District or anyone else. Mr. McGrath further acknowledges and agrees that he has carefully read this Agreement and that he has asked any questions needed for him to understand the terms, consequences and binding effect of this Agreement and fully understand it, including that he is waiving his right to a jury trial. Finally, he agrees that he has been provided an opportunity to seek the advice of an attorney of his choice before signing this Agreement.

Section 11. General Provisions

A. Notices. Any notices to be given hereunder by either party to the other may be effected either by personal delivery in writing or by certified mail, postage prepaid with return receipt requested. Mailed notices shall be addressed to the parties at the addresses indicated below or as changed by written notice delivered in accordance with this Section. Notices delivered personally shall be deemed communicated as of actual receipt; mailed notices shall be deemed communicated as of three (3) days after mailing.

To the District:
504 Avenue Alhambra, 2nd Floor
PO Box 1449
El Granada, CA 94018

To Mr. McGrath:
665 Buchon St.
San Luis Obispo, CA 93401

B. Entire Agreement. This Agreement contains all of the covenants and agreements between the parties with respect to the employment of Mr. McGrath as General Manager of the District in any manner whatsoever. Each party to this Agreement acknowledges that no representations, inducements, promises or agreements, oral or otherwise, have been made which are not embodied herein and that no other agreement, statement or promise not contained in this Agreement shall be valid or binding. Any modification of this Agreement will be effective only if in writing signed by both parties.

C. Provisions Severable. If any provision or any portion hereof is held invalid, void or unenforceable, the remaining provisions shall nevertheless continue in full force without being impaired or invalidated in any way.

D. Headings. The headings used in connection with this Agreement are for reference purposes only and shall not be construed as part of this Agreement.

E. Construction. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

F. Waiver of Breach. The waiver by District of a breach of any provision of this Agreement by Mr. McGrath shall not operate or be construed as a waiver of a subsequent breach by Mr. McGrath.

G. Assignment. This Agreement is not assignable by either District or Mr. McGrath.

IN WITNESS WHEREOF, the parties have executed this Agreement the day and year first above written.

San Mateo County Harbor District

By:______________________________
Steve McGrath

By:______________________________
Tom Mattusch
President, Board of Harbor
Commissioners

Approved as to form:

By:______________________________
Steven Miller
Legal Counsel

EXHIBIT "A"

San Mateo County Harbor District

General Manager

RESPONSIBILITIES

The General Manager is the Executive Officer of the District and for the Board of Directors. The General Manager administers the District and has exclusive management and control of the operations and works of the District, subject to approval by the Board of Directors. The General Manager provides day-to-day leadership for the District.

The General Manager attends all meeting of the District's Board, unless otherwise requested, and such other meetings as the Board specifies.

The General Manager employs such employees as the General Manager deems necessary for the proper administration of the District and the proper operation of the works of the District in accordance with District Personnel Policy. Compensation of the General Manager and compensation ranges of such employees are subject to approval by the Board of Directors. The General Manager shall delegate authority at his discretion and has authority over all employees, including terminating for cause or lack of worthwhile work in accordance with District Personnel Regulations. The General Manager will provide a motivating work climate for District employees.

The General Manager shall maintain cordial relations with all persons entitled to the services of the District and attempt to resolve all public and employee complaints. The General Manager shall encourage citizen participation in the affairs of the District.

The General Manager shall carry into effect the expressed policies of the Board of Directors. The General Manager should plan the short, medium and long term work program for the District.

The General Manager shall prepare the District Budget. The General Manager shall manage the District budget.

EMPLOYMENT AGREEMENT FOR THE GENERAL MANAGER OF THE SAN MATEO COUNTY HARBOR DISTRICT

THIS AGREEMENT is made and entered into as of ~~September 16~~October 7, 2015, by and between the San Mateo County Harbor District (hereinafter referred to as "District") a public agency and Stephen McGrath (hereinafter referred to as "Mr. McGrath").

RECITALS

WHEREAS, District desires to employ Mr. McGrath as the General Manager of District; and

WHEREAS, Mr. McGrath desires to accept the position of General Manager pursuant to the terms and conditions set forth in this Employment Agreement.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, District hereby appoints Mr. McGrath to serve as General Manager, and Mr. McGrath agrees to serve in this capacity beginning on ~~October 19~~November 9, 2015, under the following terms as follows:

Section 1. Term

A. Nothing in this Agreement shall prevent, limit, or otherwise interfere with the right of the District to, at any time and in its sole discretion, terminate the services of Mr. McGrath subject to the conditions of this Agreement. There is no express or implied promise made to Mr. McGrath for any form of continued employment. This Agreement is the sole and exclusive basis for an employment relationship between Mr. McGrath and the District.

B. This Agreement shall commence as of ~~October 19~~November 9, 2015, and shall continue for a three year term (Term), unless this Agreement is terminated by either party as hereinafter provided. The District may extend the Agreement by an additional two years by giving Mr. McGrath written notice at least 60 days prior to the expiration of the three year base term.

Section 2. Duties

Mr. McGrath shall do and perform all services, acts, functions and duties necessary or advisable to manage and conduct the affairs of the District as provided in the District's enabling statute (codified at Harbor and Navigation Code Section 6000, et seq., as may be amended from time to time), and as directed or authorized by the District's Board of Harbor Commissioners.

Mr. McGrath will be responsible and have full authority for the management of the affairs of the District and the supervision and management of its employees, subject to the rules and policies of the District and the direction of the Board of Harbor Commissioners. Mr. McGrath's responsibilities are further described in Exhibit A.

Mr. McGrath will determine his own work schedule, provided that he shall devote such time, effort, ability and attention to the business of the District during the Term as may be required to perform faithfully and fully the duties of General Manager. Mr. McGrath will not be employed by any other person or any other entity while employed as General Manager that would result in a conflict of interest or prevent him from performing his duties. Specifically, Mr. McGrath shall not, either as an employee, employer, consultant, agent, principal, planner, stockholder, corporate officer, director, or any other individual or representative capacity, engage or participate in any business that is in competition with, or in conflict in any manner whatsoever with, the business, projects, or official positions of the District.

Section 3. Compensation

A. Salary and Evaluation. District agrees to pay Mr. McGrath an annual base salary of One Hundred, Fifty Thousand Dollars ($150,000), payable in installments at the same time and in the same manner as other management employees of the District are paid, for the faithful and diligent performance of the duties and obligations of General Manager.

B. Performance Evaluation. District will conduct a performance review and evaluate Mr. McGrath's performance at least once annually at or near the anniversary of his employment with District, and no later than at a November meeting of the District's Board of Harbor Commissioners. As part of such performance evaluation, the Board of Harbor Commissioners will establish annual goals and criteria for the purpose of assessing Mr. McGrath's performance at the next evaluation. In the first year of the Term, it is the expectation of the parties that the Board of Harbor Commissioners will schedule an additional performance review between three-six months of the commencement of Mr. McGrath's employment.

Mr. McGrath's annual salary may be subject to increase based upon such evaluation of Mr. McGrath's performance of his duties and obligations as the Board of Harbor Commissioners may, in its sole discretion, reasonably determine, predicated upon performance that achieves the goals and criteria that were established by the Board of Harbor Commissioners. It shall be Mr. McGrath's responsibility to work with staff to place his reviews and consideration of salary adjustments on a meeting agenda for Board consideration in a timely fashion.

C. Merit Bonus. At the discretion of the Board of Harbor Commissioners, Mr. McGrath may be considered for and eligible to receive increased benefits or merit bonuses for superior performance and accomplishments, in an amount not to exceed fifteen percent (15%) of his then current annual base salary. It is the express intent of the parties that any merit bonus received by Mr. McGrath will not be considered pensionable compensation for the purposes of calculating adjustment to Mr. McGrath's annual base salary as contemplated by Section 3.A. of this Agreement or PERS retirement benefits.

Section 4. Holidays; Vacation; Leave

A. Holidays, Vacation and Leave. Mr. McGrath will be entitled to paid holidays in accordance with the District's established holiday schedule. Mr. McGrath will be entitled to bereavement leave, jury duty leave and other leave required by law in accordance with leave policies established from time to time by the Board of Harbor Commissioners for all of its management employees, except as provided below.

B. Paid Time Off. Mr. McGrath will receive annual Paid Time Off (PTO) as governed by District Policy and Procedure 6.5.1 modified as follows:

1. Mr. McGrath does not need to request approval of use of PTO, however reasonable notice in accordance with professional protocols is required.

2. Mr. McGrath will receive a lump sum of 20 days (160 hours) of PTO upon his first date of employment. Thereafter, Mr, McGrath will accrue PTO at the rate of 40 hours of PTO per month up to a maximum of 320 hours of PTO per year.

3. Unused PTO will carry over from year to year up to a total maximum of 540 hours, in accordance with Policy and Procedure 6.5.1.

C. Extended Illness Bank (EIB). The EIB is an individual account containing accrued hours designed for severe or long term illness. The EIB may be used when Mr. McGrath experiences a severe or long term illness and -one of these circumstances:

1. Is admitted to a hospital ; or

2. Otherwise qualifies for State Disability benefits; or

3. Is eligible for Workers Compensation Benefits; or

4. When PTO has been used consecutively for the equivalent for one week's work and a physician's verification of illness is provided; or

5. Any other time when Mr. McGrath requires time off for bona fide medical purposes of Mr. McGrath or his immediate family, and a physician's verification of illness is provided.

EIB accrual rates are equivalent to 3.077 hours biweekly. There is no maximum number of EIB hours that may be accumulated. -In no event may Mr. McGrath cash out EIB hours at any time.

Section 5. Retirement, Health and Welfare, and Other Benefits

Except as otherwise modified by this Section 5, Mr. McGrath will be entitled to participate in all employee benefit plans applicable to other management employees of the District including, but not limited to, a deferred compensation plan; health, dental, vision, workers compensation, life/accidental death and dismemberment, and long-term disability insurance benefits; and retiree health insurance benefits, subject to the terms and conditions of any such employee benefit plan and any applicable District policies. To the extent future changes are made in the coverages provided or employee contributions required, Mr. McGrath will be subject to those changes.

A. Pension. In light of Mr. McGrath's employment pre- January 1, 2013 with an agency that participated in the California Public Employees' Retirement System pension program ("CalPERS"), he will be afforded pension benefits as a "legacy" or "classic" employee and under the District's CalPERS retirement formulas in existence as of December 31, 2012 (Effective Date). The District's CalPERS retirement plan participation was at the 2.5% at 55 rate on the Effective Date and may thereafter be amended or further defined by District's Board of Harbor Commissioners.

District will throughout the Term of this Agreement make contributions required under the terms of the contract between CalPERS and the District. Mr. McGrath's CalPERS contribution percentage is 1%, paid through payroll withholding. The District will pay, on behalf of Mr. McGrath, the balance of Mr. McGrath's contribution to CalPERS as well as the employer contribution to CalPERS.

B. Health and Welfare. The District will provide medical, dental, prescription, and vision coverage for Mr. McGrath and his immediate, eligible family, at a level of coverage substantially the same as the District provides other management employees. The District reserves the right to seek out and obtain comparable coverage in order to effect cost savings to the District. Mr. McGrath agrees to pay 15% of the benefit premium cost for health insurance~~,~~ through payroll deductions. However, as a result of future actions taken by the Board of Harbor Commissioners, the District may increase or decrease the percentage that Mr. McGrath may be required to contribute towards the payment of premiums to reflect parity with the payment of premiums by other employees of the District.

C. Group Life Insurance. The District will provide Mr. McGrath a group term life insurance policy whose value will be twice the annual salary up to a maximum of $200,000. The District will pay the premium for such coverage.

D. Deferred Compensation. Mr. McGrath is eligible to participate in the District's Deferred Compensation Plan through ICMA Retirement Corp, or such other plan as is presently provided by the District on behalf of its employees. District will not make any contributions to this plan on behalf of Mr. McGrath.

Section 6. Other Obligations of the District

A. Office, Supplies, Business Expenses. District agrees to provide Mr. McGrath with an office, suitable office and computer equipment, supplies and such other facilities and services (including a cellular telephone or other communication devices and services) commensurate with the General Manager's position in order to facilitate the performance of his duties. Mr. McGrath may receive reimbursement for expenses he incurs in the direct performance of the District's business, as the District's Board of Harbor Commissioners may approve. Such expenses may be reimbursed regularly as they are incurred, and submitted to the Board in compliance with any policies or procedures the District's Board of Harbor Commissioners has adopted, which are applicable to the General Manager. In all cases, final approval of all such expenses rests with the District's Board of Harbor Commissioners, in its sole and absolute discretion.

B. Professional Memberships. District agrees to budget for and ~~to~~ pay for memberships in and service to professional organizations and associations which are reasonably related to Mr. McGrath's duties as General Manager of District. Such organizations include, but are not necessarily limited to: local chamber(s) of commerce, local rotary club,~~;~~ Harbormasters and Port Captains Association. Memberships will be in the name of the District unless it is necessary or practical for memberships to be in Mr. McGrath's name.

C. Professional Development Activities. District agrees to budget for and ~~to~~ pay for ~~service to and~~ the travel, meals, accommodations, registration and other expenses of Mr. McGrath for conferences, seminars, and such other occasions as are reasonably necessary for Mr. McGrath to fulfill his duties as General Manager of District, and to further Mr. McGrath's professional growth and advancement. Such service and conferences include, but may not be limited to, those sponsored by the California Marine Affairs and Navigation Conference (CMANC), the California Association of Harbor Masters and Port Captains, and the California Special District Association (CSDA). Such expenses must be appropriately documented and approved in accordance with District policies.

D. Automobile. Mr. McGrath will be entitled to an automobile allowance in the amount of Five Hundred Dollars ($500) per month for use of his own automobile, for such meetings and other events as District reasonably requires Mr. McGrath to attend. Mr. McGrath shall maintain collision and liability insurance on any automobile he uses for any District business, at Mr. McGrath's own expense, with coverage no less than $100,000 per occurrence, $300,000 aggregate. Mr. McGrath shall be responsible for any income tax or other taxes resulting from such allowance. The automobile allowance is in addition to, and not instead of, the District's obligations to reimburse Mr. McGrath's travel expenses pursuant to Section 6.C.

E. Moving Expenses. The District will reimburse Mr. McGrath his actual and reasonable expenses incurred as a result of moving to San Mateo County, provided that he moves within one year of commencing employment.

F. Housing Allowance. The District will provide Mr. McGrath with a housing allowance of $1,500 per month for the first twelve months of his employment, commencing with the first day of the calendar month following commencement of employment. Mr. McGrath is responsible for any income tax or other taxes resulting from such allowance.

Section 7. Termination and Severance Pay

A. Termination Without Cause. In the event Mr. McGrath is terminated without cause by the District during the term of this Agreement and during such time as Mr. McGrath is willing and able to perform his duties under this Agreement, District shall provide Mr. McGrath written notice of said termination, which effective date shall be at least sixty (60) days from the date of said notice. In the event of such termination, and provided that Mr. McGrath executes a full and complete waiver and release of any and all claim(s) which were known or reasonably should have been known by Mr. McGrath and arising out of his employment and termination thereof, the District will continue to provide Mr. McGrath health insurance coverage for a period of six months, and will pay Mr. McGrath a cash payment of six (6) months of compensation based on Mr. McGrath's then-current annual base salary subject to the limitations imposed by Government Code 53260, which provides as follows: "regardless of the term of the contract, if the contract is terminated, the maximum cash settlement that an employee may receive shall be an amount equal to the monthly salary of the employee multiplied by the number of months left on the unexpired term of the contract. However, if the unexpired term of the contract is greater than 18 months, the maximum cash settlement shall be an amount equal to the monthly salary of the employee multiplied by 18." In addition, and regardless of any entitlement~~d~~ to severance benefits, Mr. McGrath will receive a cash payment of the unused balance of any PTO and any other payments required by law.

B. Termination With Cause. District may terminate Mr. McGrath at any time during the term of this Agreement for Cause (as defined below). For purposes of this Agreement, "Cause" shall include the following: (a) malfeasance demonstrated by a pattern of failure to perform job duties diligently and professionally; (b) the refusal to implement or follow District's reasonable policies or directives; (c) the breach of a material provision of this Agreement; (d) committing an act of fraud, dishonesty, misrepresentation, moral turpitude,~~,~~ or the misappropriation of property belonging to the District; (e) conviction of any criminal act; or (f) the commission of an act that has a direct, substantial, and adverse effect on District's business interests or reputation. District will have no obligation to pay the severance payment set forth in paragraph 7.A, above, nor provide the prior sixty (60) day written notice of termination. Mr. McGrath will only be entitled to any unpaid compensation due to him as a matter of law, including the unused balance of any PTO Leave.

C. Nothing in this Agreement prevents, limits, or otherwise interferes with Mr. McGrath's right to resign at any time from his position with the District. Mr. McGrath will give 90 days' written notice to District prior to the effective date of resignation unless a lesser period has been mutually agreed upon by the parties.

D. If this Agreement is terminated, any cash settlement related to the termination that Mr. McGrath may receive from District will be fully reimbursed to District if Mr. McGrath is convicted of a crime involving an abuse of his office or position with District.

Section 8. Other Terms and Conditions of Employment

The Board of Directors of District will fix any other terms and conditions of employment, as it may determine from time to time, relating to the performance of the General Manager, provided such terms and conditions are not inconsistent with provisions of this Agreement or law.

Section 9. Mediation

Prior to District and/or Mr. McGrath seeking to arbitrate a dispute pursuant to Section 10, the parties may seek to resolve such a dispute through non-binding means, such as mediation. A party seeking to mediate a dispute must serve a written demand for mediation upon the opposing party. The demand for mediation must provide that it is given pursuant to this Section of the Agreement, should briefly describe the nature of the claim(s) sought to be mediated, and request that the opposing party respond in writing within a reasonable time with the opposing party's willingness to participate in mediation. Such demand for mediation need not include the names of potential mediators, nor the proposed time and place of mediation. If the opposing party declines to participate in mediation, the aggrieved party may immediately seek to arbitrate the dispute pursuant to Section 10 of this Agreement. If the opposing party agrees to participate in mediation, the dispute will not be arbitrated until completion of the mediation, or reasonable and good faith efforts to schedule a mediation have proven unsuccessful. Any arbitration initiated without complying with this Section shall be subject to dismissal.

Section 10. Arbitration and Equitable Relief

A. Arbitration. The parties agree that any and all controversies, claims, or disputes with anyone arising out of, relating to, or resulting from Mr. McGrath's employment relationship with District or the termination of such relationship with District, including any breach of this ~~a~~Agreement, shall be subject to binding arbitration under the arbitration provisions set forth in California Code of Civil Procedure sections 1280 through 1294.2 (the "act") and pursuant to California law. The federal arbitration act shall continue to apply with full force and effect notwithstanding the application of procedural rules set forth in the act. Disputes which the parties agree to arbitrate, and thereby agree to waive any right to a trial by jury, include any statutory claims under local, state, or federal law. ~~Consultant~~ Mr. McGrath further understands that this agreement to arbitrate also applies to any disputes that District may have with Mr. McGrath.

B. Procedure. The parties agree that any arbitration will be administered by judicial arbitration & mediation services, Inc. ("jams") pursuant to its commercial arbitration rules & procedures (the "jams rules"), which are available at http://www.jamsadr.com/rules-employment-arbitration/ and from human resources. The parties agree that the arbitrator shall have the power to decide any motions brought by any party to the arbitration, including motions for summary judgment and/or adjudication and motions to dismiss and demurrers, applying the standards set forth under the California Code of Civil Procedure. The parties agrees that the arbitrator shall issue a written decision on the merits. The parties also agree that the arbitrator shall have the power to award any remedies available under applicable law, and that the arbitrator shall award attorneys' fees and costs to the prevailing party. The parties agree that the decree or award rendered by the arbitrator may be entered as a final and binding judgment in any court having jurisdiction thereof. The parties agree that the arbitrator shall administer and conduct any arbitration in accordance with California law, including the California Code of Civil Procedure and the California Evidence Code, and that the arbitrator shall apply substantive and procedural California law to any dispute or claim, without reference to rules of conflict of law. To the extent that the jams rules conflict with California law, California law shall take precedence. The parties further agree that any arbitration under this agreement shall be conducted in San Mateo County, California.

C. Remedy. Arbitration shall be the sole, exclusive, and final remedy for any dispute between Mr. McGrath and District. Accordingly, except as provided for by the act and this ~~a~~Agreement, neither party will be permitted to pursue court action regarding claims that are subject to arbitration.

D. Availability of Injunctive Relief. In accordance with rule 1281.8 of the California Code of Civil Procedure, the parties agree that any party may also petition the court for injunctive relief where either party alleges or claims a violation of any agreement regarding intellectual property, confidential information or noninterference. In the event either party seeks injunctive relief, the prevailing party shall be entitled to recover reasonable costs and attorneys' fees.

E. Administrative Relief. The parties understand that this agreement does not prohibit Mr. McGrath from pursuing an administrative claim with a local, state or federal administrative body or government agency such as the Department of Fair Employment and Housing, the Equal Employment Opportunity Commission, or the workers' compensation board. This Agreement does, however, preclude Mr. McGrath from pursuing court action regarding any such claim, except as permitted by law.

F. Voluntary Nature of Agreement. Mr. McGrath acknowledges and agrees that he is executing this Agreement voluntarily and without any duress or undue influence by the District or anyone else. Mr. McGrath further acknowledges and agrees that he has carefully read this Agreement and that he has asked any questions needed for him to understand the terms, consequences and binding effect of this Agreement and fully understand it, including that he is waiving his right to a jury trial. Finally, he agrees that he has been provided an opportunity to seek the advice of an attorney of his choice before signing this Agreement.

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To the District:
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B. Entire Agreement. This Agreement contains all of the covenants and agreements between the parties with respect to the employment of Mr. McGrath as General Manager of the District in any manner whatsoever. Each party to this Agreement acknowledges that no representations, inducements, promises or agreements, oral or otherwise, have been made which are not embodied herein and that no other agreement, statement or promise not contained in this Agreement shall be valid or binding. Any modification of this Agreement will be effective only if in writing signed by both parties.

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D. Headings. The headings used in connection with this Agreement are for reference purposes only and shall not be construed as part of this Agreement.

E. Construction. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

F. Waiver of Breach. The waiver by District of a breach of any provision of this Agreement by Mr. McGrath shall not operate or be construed as a waiver of a subsequent breach by Mr. McGrath.

G. Assignment. This Agreement is not assignable by either District or Mr. McGrath.

IN WITNESS WHEREOF, the parties have executed this Agreement the day and year first above written.

San Mateo County Harbor District

By:______________________________
Steve McGrath

By:______________________________
Tom Mattusch
President, Board of Harbor Commissioners

Approved as to form:

By:______________________________
Steven Miller
Legal Counsel

EXHIBIT "A"

San Mateo County Harbor District

General Manager

RESPONSIBILITIES

The General Manager is the Executive Officer of the District and for the Board of Directors. The General Manager administers the District and has exclusive management and control of the operations and works of the District, subject to approval by the Board of Directors. The General Manager provides day-to-day leadership for the District.

The General Manager attends all meeting of the District's Board, unless otherwise requested, and such other meetings as the Board specifies.

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The General Manager shall maintain cordial relations with all persons entitled to the services of the District and attempt to resolve all public and employee complaints. The General Manager shall encourage citizen participation in the affairs of the District.

The General Manager shall carry into effect the expressed policies of the Board of Directors. The General Manager should plan the short, medium and long term work program for the District.

The General Manager shall prepare the District Budget. The General Manager shall manage the District budget.

Staff Report

Discussion and possible action regarding the City of South San Francisco Oyster Point Marina JPA Study Session held on Sept. 16, 2015 at 6:30pm.

Glenn Lazof: Interim General Manager (IGM);

Background: Commissioner Brennan has submitted the attached report.

Following the receipt of letter from the City (attached) and SSF City Manager Mike Futrell's participation in the Public Comment at the August 5 regular meeting the Commission has not given staff additional direction regarding intentions to alter the District's commitment to the JPA. Staff has been directed to respond to the letter, and has been awaiting initial Liaison Group meetings to do so.

The District has been working with the City of SSF to schedule the first Liaison Group meeting in quite a while. The Liaison Group consists of a standing committee of the District and also City Council Representatives. The District's representatives are President Mattusch and Commissioner Brennan.

Analysis:

Staff's chief concern is whether we have the bandwidth and capability to prepare these items and (others that you may direct be available for the study session) with the quality that commissioners and public should expect. While some of these items are ready now, others may be out of date, in a poor format, or incomplete. Some of the Financial information, rate studies, etc. which commissioners may have been informed in the past were easy to create, might not be so today, especially with our current staff situation. Staff is preparing to be able to address this point more fully at the meeting.

There has been much information prepared since we received the letter from SSF, for agenda packets, and for the canceled liaison committee of last month. The Commission may wish to consider including all or some of this information in study session materials as well.

Needless to say, OPM is roughly half of our operation. If the commission finds that a lack of information is hampering their decision making regarding continuing participation in the JPA or proper oversight thereof, directing staff to issue an RFP/RFQ for a thorough objective report is worth your consideration. The scope can include that the consultants make the most of all existing information to reduce costs. The District should consider approaching our partners at SSF, to learn if they would like to join us in addressing the scope of the report and the cost.

If, (when?) the commission has enough information, the Commission could consider stating your position as to whether the Liaison Committee's objective is to obtain mutual agreement with SSF to continue our operations at OPM, or to negotiate termination of the Joint Powers Agreement. This would also inform our response to the SSF letter of concern.

Finally, regarding the timing of the study sessions and site visit, consider the utility of waiting the short time until the new GM joins the district.

Staff Recommendations:

Re: Actions recommended in Commissioner Brennan's report: Policy

Please put any direction to staff in a clear motion, to help us succeed at meeting Commissioners expectations for the Study Session materials and other actions.

Other Policy Considerations:

If the lack of good information is the issue, staff recommends that direction to issue an RFP for an outside consultant to undertake a more comprehensive report, and that we approach the SSF to partner with us in this effort.

Fiscal Impact: This depends on the breadth, scope, and objectives the commission decides upon.

Commissioner Report

Wednesday, September 30, 2015
by Commissioner Brennan

City of South San Francisco Oyster Point Marina JPA Study Session

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BACKGROUND

The City of South San Francisco held a study session on Sept. 16, 2015 at 6:30pm regarding the Oyster Point Marina JPA. Please read Assistant City Manager Jim Steele's attached staff report, "Consideration for Operations of the Oyster Point Marina/Park."

It is in the best interest of the Harbor District that management, the board, and the public have a solid understanding of the Oyster Point Marina JPA, future marina/park development plans, infrastructure improvement plans, income vs. expenses associated with operations, and environmental considerations such as landfill subsidence and sea level rise.

RECOMMENDATION

1.) Schedule a Special Meeting Study Session that includes the following:

- Review consolidated version of the Oyster Point Marina JPA (requested at the Sept. 2, 2015 board meeting)
- Review Oyster Point Marina income vs. expense analysis
- Review updated list of surrounding marina slip rates
- Review spreadsheet of all Oyster Point Marina capitol improvements projects over the past 10 years
- Review information on Oyster Point Marina infrastructure impacted by landfill subsidence and sea level rise
- Review occupancy report for past 10 years that includes comparable occupancy data from other Bay Area marinas
- Review Oyster Point Landfill Annual Report required by the San Francisco Bay Regional Water Quality Control Board

2.) Schedule a Special Meeting Site Visit of Oyster Point Marina

FISCAL IMPACT

Routine costs associated with calling a special meeting, which are already reflected in the budget.

CITY COUNCIL 2015

RICHARD A. GARBARINO, MAYOR
MARK ADDIEGO, VICE MAYOR
PRADEEP GUPTA, PH.D., COUNCILMEMBER
KARYL MATSUMOTO, COUNCILMEMBER
LIZA NORMANDY, COUNCILMEMBER

MIKE FUTRELL, CITY MANAGER

OFFICE OF THE CITY COUNCIL

July 30, 2015

VIA EMAIL AND U.S. MAIL

Glenn Lazof
Interim General Manager
San Mateo County Harbor District
504 Avenue Alhambra, 2nd Floor,
P.O. Box 1449
El Granada, CA 94018

Dear Mr. Lazof:

The Joint Powers Agreement (JPA) between the City of South San Francisco (City) and the San Mateo County Harbor District (District) sets forth that the District is "responsible for management, maintenance and operation of the existing and future Oyster Point Marina/Park." The District has had this responsibility since 1977 and per the JPA will continue in this role until expiration of the JPA on November 11, 2026.

The City of South San Francisco has deep concerns regarding the management, maintenance and operation of Oyster Point Marina and Park. I write to memorialize some of the most pressing concerns and ask that the Commission take affirmative and prompt action to address these concerns.

Priorities for the City can be separated into three categories: revenues/economic development, capital improvements/facilities, and public recreational access.

<u>Revenue Opportunities/Economic Development:</u>

The economic viability of the marina is of vital concern to the City, and we believe to the District. Steps which should be taken immediately to improve viability include:

1. Follow the guidelines of the "San Mateo County Harbor District Oyster Point Marina and Park Business and Management Plan" dated May 30, 2013, submitted to the State as a requirement to receive former City Redevelopment Agency funds. The Plan is attached to this letter for reference, and calls for, among other things:

    a. Improve marina facilities to increase boater capacity;

   b. Accelerate efforts to remove vessels delinquent in rents, unseaworthy, or otherwise derelict;
   c. Enhance docks for potential charter vessel use;
   d. Vigorous Oyster Point promotional and marketing campaign;
   e. Increase the use of the marina and park by cyclists, joggers, walkers, and families looking for recreational activities.

2. In order to test the economic viability of the marina operations and to further the goals stated above, the City believes a comprehensive marina market analysis should be undertaken by a consultant with experience in private and public/private marina operations. This analysis should be undertaken jointly by the District and the City, reporting to the Policy Board established in accordance with the JPA. Many marinas have undergone similar market studies by firms familiar with the marina development community. Such an analysis should identify, among other items:

   a. The Bay Area marina market opportunities;
   b. What is unique about Oyster Point;
   c. What can be done to capitalize on the market and Oyster Point's uniqueness in the near, medium and long term;
   d. What could be expected in response to request for quotations (RFQ) from private marina concessionaires, and
   e. Key terms for inclusion in a draft RFQ, if that appears feasible, based on the results of the economic and market analysis.

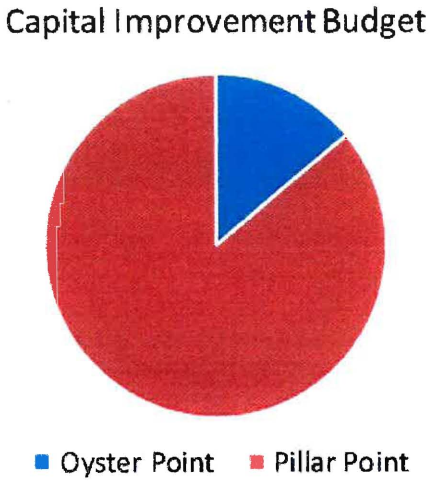
This analysis could also provide direction to address other areas of concern; namely vacant leaseholds (i.e. the bait and tackle shop) and high berth vacancies (35% - 40% vacancy according to the recent MSR).

Capital Improvements/Facilities:

The capital improvement and maintenance requirements at Oyster Point were documented by a District sponsored condition assessment performed by the engineering firm Moffatt and Nichols in November 2014, which showed five Priority One needs costing $87,705, and other priority needs costing $5,700,170. Despite these documented needs, however, the FY15-16 District budget does very little to address the needs identified. Indeed, the current year budget allocates only $115,000 to Oyster Point for:

• Garbage Compactor	$40,000
• Study of flooding issues	$25,000
• Design/Permit only Dock 12	$50,000

Conversely Pillar Point Harbor is allocated $710,000 for ten capital improvement projects – almost seven times more funding than allocated to Oyster Point, as shown below:



In addition to the priority needs identified in the District's 2014 condition assessment, high importance must be given to:

1. Replacing the wooden pier structures with concrete piers, which have lower maintenance requirements and will enhance the marketability of berths. Priority should be given to docks 12-14 which are beyond repair according to the condition assessment; and
2. Dredging the marina, particularly those areas nearest the Ferry Dock. The permitting process will take approximately 24 months and the District is urged to begin this process as soon as possible.

Maintenance of the existing marina is a core function required of the District under the JPA. The already identified priorities must be addressed more aggressively.

Public Access and Recreation:

The JPA requires not just maintenance and operation of the marina, but also of the adjacent park. The open spaces and beachfront on San Francisco Bay offer limitless opportunities for public enjoyment, enhancement of Oyster Point's reputation and generation of revenue. The recommended marketing analysis noted above must also consider opportunities presented by the ample waterfront park and beach space, and a plan developed in partnership with the City to enhance this aspect of Oyster Point Marina and Park.

The City of South San Francisco expects the San Mateo County Harbor District will devote serious, focused attention to the issues highlighted above, providing the leadership and management necessary to effectively operate Oyster Point Marina and Park. The City has additional concerns, including, for example, the long term governance structure for Oyster Point, best business practices, etc., but highlights the above concerns at this time to allow the District to take immediate action on these pressing issues.

Sincerely,

Mike Futrell

Attachments:
Summary of Maintenance and Capital Needs from District 2014 Condition Assessment
San Mateo County Harbor District Oyster Point Marina Business and Management Plan

cc: South San Francisco City Council
San Mateo County Harbor District Commissioners
San Mateo County Board of Supervisors
Martha Poyatos, Executive Director, San Mateo LAFCo

	Priority				
Repair Project type	**1**	**2**	**3**	**4**	**Grand Total**
Maintenance	**$ 57,705**	**$ 95,700**	**$ 95,460**		**$ 166,705**
Dock 1		$ 17,000			$ 17,000
Dock 2		$ 18,300			$ 18,300
Dock 3			$ 27,500		$ 27,500
Dock 4			$ 33,300		$ 33,300
Dock 5		$ 15,200			$ 15,200
Dock 6		$ 16,700			$ 16,700
Harbor Master	$ 22,705				$ 22,705
Maintenance		$ 16,000			$ 16,000
Dock 1	$ 12,000				$ 12,000
Dock 2		$ 3,000			$ 3,000
Dock 3		$ 3,000			$ 3,000
Gate			$ 27,000		$ 27,000
Harbor Master	$ 19,000	$ 2,500	$ 2,660		$ 24,160
Maintenance	$ 4,000		$ 5,000		$ 9,000
Restroom 4 & 5		$ 4,000			$ 4,000
Capital	**$ 30,000**	**$ 605,000**	**$ 654,000**	**$ 4,250,000**	**$ 5,539,000**
Dock 12				$ 1,230,000	$ 1,230,000
Dock 13				$ 1,560,000	$ 1,560,000
Dock 14			$ 35,000	$ 1,070,000	$ 1,105,000
East Lower			$ 70,000		$ 70,000
Harbor Master		$ 20,000			$ 20,000
Maintenance		$ 15,000		$ 390,000	$ 405,000
Marina Bl			$ 174,000		$ 174,000
Restroom 4		$ 240,000			$ 240,000
Restroom 4 & 5	$ 30,000	$ 50,000			$ 80,000
Restroom 5		$ 240,000			$ 240,000
West Breakwater		$ 40,000	$ 300,000		$ 340,000
East Breakwater			$ 75,000		$ 75,000
Grand Total	**$ 87,705**	**$ 700,700**	**$ 749,460**	**$ 4,250,000**	**$ 5,787,865**

Table 2: Repair Project Prioritized Costs

San Mateo County Harbor District
Oyster Point Marina
Business and Management Plan

May 30, 2013

San Mateo County Harbor District

1. Business Description

San Mateo County Harbor District

In 1933 by Resolution the Board of Supervisors of the County of San Mateo established the San Mateo County Harbor District. The County of San Mateo established the entire area of the County of San Mateo as the District's boundaries.

The Harbor District operates two facilities, Pillar Point Harbor at Half Moon Bay in Princeton, and Oyster Point Marina and Park in City of South San Francisco. The City of South San Francisco owns Oyster Point and the District operates it for the City under a Joint Powers Agreement. Oyster Point is a 455 berth recreational boating marina.

Oyster Point Marina and Park

Oyster Point Marina and Park is a 455 berth public marina and 33-acre (13.4 HA) county park in the City of South San Francisco on the western shoreline of San Francisco Bay.

The marina is located close to nearby job centers in various office high rise complexes and near the City's downtown. It includes a fuel dock, a boat launching ramp, and a fishing pier. In addition to boating and parkland, there are hiking and jogging trails, picnic areas, and 2.3 miles (3.7 km) of sandy beaches.

The increasing traffic on Highway 101 and growing job centers located adjacent to this marina have led to the San Francisco Bay Water Transit Authority to develop a ferry terminal in the Oyster Point Marina.

The San Francisco Bay Ferry began operating a commute hour ferry service between the South San Francisco Ferry Terminal at the Oyster Point Marina and the Oakland Ferry Terminal at Jack London Square in Oakland and the Main Street Ferry Terminal in Alameda in June 2012.

Harbor District Service Goals and Priorities

Provide Safe Ocean and Bay Use, Access and Environmental enhancement

- Provide marine rescue services to aid boaters who are in distress.
- Provide a certified Clean Marina program including a recycling program to reduce costs and comply with Federal and State Environmental Laws.

Provide Ocean and Bay Access

- Provide and increased public access for active and passive enjoyment.

Provide High Quality Commercial-Recreation and Marine-Related Services

- Seek quality private sector businesses to serve the boating public, general public and commercial fishing fleet.
- Actively promote tourism to generate business and revenue for the District.
- Provide a balanced level of services for all users of District facilities.

Maintain Positive Public Image

- Serve all District customers, clients, staff, lessees, and agencies in a friendly and courteous manner at all times.
- Communicate with the public, media, other agencies and employees on a regular basis through the use of all available media.
- Provide maximum responsiveness to District clients in meeting daily responsibilities.

Maintain Ability to Accommodate Growth

- Develop and maintain infrastructure. Insure that roads, parking, and other support services are ready to meet future public needs.
- Foster economic development and commercial and recreation oriented business by promoting marina and its potential for quality business development in an environmentally acceptable manner.

Market

Oyster Point Marina is one of 39 marinas in the San Francisco Bay region. Of these, 17 are public marinas. According to a 2009 Grand Marina occupancy survey, there were approximately 14,700 berths in San Francisco Bay. The number of vessels in the Bay peaked in 2002/2003 at approximately 13,600 resulting in a 7.5% vacancy rate. The 2009 Grand Marina study also reported finding a steady decline in the number of vessels in the Bay since the peak years of 2002/2003. The number of vessels in 2009 was 11,800, resulting in a vacancy rate of approximately 20%.

Oyster Point Marina has three immediate neighbors: Oyster Cove, a private marina; and two public marinas, Sierra Point in Brisbane and Coyote Point in San Mateo, operated by San Mateo County. At present, Oyster Cove is 17% vacant, Sierra Point 7% vacant, and Coyote point 30% vacant. Oyster Point Marina is currently 23% vacant. Sierra Point's lower vacancy is attributed to the fact that the City of Brisbane has subsidized rates there for years. Annual surveys show that Sierra Point has consistently been among the lowest berth rates of SF Bay marinas.

In view of the depressed economy as indicated by the number of berth vacancies in Bay Area marinas, Oyster Point faces a challenge in its efforts to increase occupancy and grow revenue. The Oyster Point Marina is competing in a regional market with other marinas for a reduced number of boaters.

San Mateo County Harbor District

2. Financial Plan

The potential for attracting new boater occupancy at Oyster Point Marina and associated increased revenues is largely dependent upon:

a) The San Francisco Bay regional market demand for berthing facilities

b) The quality of marina facilities and tenancy

c) The level and quality of on-site amenities and/or convenient access to such amenities off-site

d) A vigorous marketing effort to raise boater, visitor, and general public awareness of Oyster Point's positive attributes.

The Oyster Point Marina's financial plan relies on taking actions to develop long term solvency and plans to maximize existing revenue. Special events and circumstances, such as the upcoming Americas Cup centered in San Francisco, may also create opportunities to increase occupancy and revenue.

Develop Long-Term Financial Solvency

- Reduce costs by finding different ways to provide current services for less cost by improving operations and automating wherever economically feasible.
- Aggressively pursue grants, private sector funding, and other financing sources to decrease dependence on taxpayer dollars.
- Expand use of user fees and charges to increase District's income.
- Develop and implement long-term fiscal plans to keep the District financially solvent.

Plan Ahead to Maximize Existing Resources

- Develop a long-term strategic plan to guide the direction of the Harbor District in a purposeful manner.
- Develop and implement an operations plan that will identify the specifics of our strategic plan.
- Insure public input and participation in decision-making for future facility and service needs.

The strategy to improve the Harbor District's finances relies on small incremental steps to build up capacity and revenues. This will result in moderate revenue increases the first few years and improved performance in later years as the economy improves and the District efforts take full effect.

Income Statement (Year 2012-01-2005)

Fiscal Year	2012/13	2013/14	2014/15	2015/16	2016/7
Operating Revenue	$1,792,247	$1,828,092	$1,882.935	$1,977,081	$2,075,936
Non-Operating Revenue	0	0	0	0	0
Total Revenue	1,792,247	1,828,092	1,882,935	1,977,081	2,075,936
Operating Expenses	515,599	525,911	541,688	557,939	574,677
Non-Operating Expenses	952,300	971,346	1,000,486	1,030,501	1,061.416
Total Expenses	1,467,899	1,497,257	1,542,175	1,588,440	1,636,093
Net Income	324,348	330,835	340,760	388,642	439,842

San Mateo County Harbor District

3. Management Plan

Management Team

The management team includes Peter Grenell, the Harbor District's General Manager, Scott A. Grindy, Oyster Point Marina Harbormaster, and the Harbor District's Board of Commissioners.

Peter Grenell, General Manager

Peter Grenell has been General Manager of the Harbor District for fifteen years. He has overall administrative responsibilities for Pillar Point Harbor and Oyster Point Marina/Park and directs the Harbormaster and other District staff. Mr. Grenell oversees routine administrative matters and heads the District's management team of Harbormaster, Finance Director and Human Resources Manager. His responsibilities include overseeing preparation of materials for twice-monthly action by the Board of Harbor Commissioners, grant writing, representing the agency before various boards, councils and commissions, directing project development in concert with the Harbormaster and strategic planning.

Before his work with the Harbor District, his 35 years of professional experience included serving over eight years as Executive Officer of the California State Coastal Conservancy. He also has five years experience as program developer, director and project manager for numerous Conservancy waterfront and access and land conservation projects. He has worked in the public, nonprofit and private sectors both domestically and overseas in urban development and planning and harbor redevelopment.

Scott A. Grindy, Harbormaster

Harbor Master Scott A. Grindy oversees operations for the San Mateo County Harbor District at Pillar Point and Oyster Point Marina/Park. This charge includes day-to-day operations including facilities maintenance, occupancy and berthing management, ocean search and rescue operations, facilities improvement project development and constructions, supervising 19 harbor patrol staff and special events management.

Previously, Mr. Grindy served over 25 years in the management of capital projects, facility, building and engineering administration, buildings operations, emergency operations, road and highway construction/design and security operations. For seven years he managed the Port of Everett's 2,400-berth marina, overseeing slip rentals, budgeting, grants procurement, marketing, customer services and facilities maintenance and security. He was an executive member of the Department of Homeland Security's Area Maritime Committee. He has also managed a university campus including construction of its first two phases, as well as a technical college with offsite campus buildings.

Board of Commissioners

Five members sit on the Harbor District's Board of Commissioners. Commissioners are elected by the general public and serve staggered terms of four years. Their experience includes managing ports, setting ocean and fisheries policies, practicing law and establishing public interest organizations. Their educational experience includes graduates from the University of California, Davis, Eastern Michigan University, San Francisco State University and UC Hasting College of Law.

Organizational Structure
The Harbor District is an independent special District whose jurisdiction is San Mateo County. It is governed by a board of commissioners with legal and ethical responsibilities. The board of commissioners is responsible for ensuring that the Harbor District meets its legal requirements and that it operates in accordance with its mission. Commissioners are also responsible for safeguarding the Harbor District's assets, ensuring the District has sufficient funds to operate, and hiring the General Manager.

The General Manager serves as the chief executive officer overseeing all day-to-day administration and work of the District. The General Manager reports to the board of commissioners and is responsible for developing and managing the District's $10,211,126 budget. Other responsibilities include ensuring that the District's program objectives are clearly stated, ensuring that program activities are focused on achieving stated goals, and providing strategic leadership for serving the boating and recreational needs of San Mateo County.

San Mateo County Harbor District

4. Operating Plan

As stated in the Financing Plan, attracting new boater occupancy at Oyster Point Marina and increasing revenue are dependent on facility improvements, taking advantage of operational opportunities and marketing efforts. This section describes the Harbor District's facility improvement plans and efforts to take advantage of operational opportunities.

Improving the Quality of Marina Facilities and Tenancy

Facilities: In recent years the Harbor District has completed several substantial facilities improvements and upgrades at Oyster Point. These include:

- Rebuilding the small craft launch ramp
- Repairing segments of the Bay Trail within Oyster Point
- Replacing dock gates and structural repairs to the gates' foundations and a new code access system
- Maintenance dredging of the east and west basins
- Reconfiguring the marina breakwater entrance to facilitate safe, quick, and convenient access by the new ferry
- Renovating a public restroom
- Rebuilding the guest dock and one permanent berthing dock

The Water Emergency Transportation Authority has also removed two old docks to make room for the newly constructed ferry terminal.

Facilities improvements will continue consistent with the draft Capital Improvements Program (CIP) prepared by the District pursuant to its Agreement with the City of South San Francisco. In accordance with the Agreement, and as set forth in the CIP, the District will henceforth focus its attention and resources on the water area of the marina proper. The CIP outlines a series of dock replacements and upgrades over a five-year period as requested by the City.

The dock replacement will enable the Oyster Point Marina to provide new, larger, high quality berths that will be able to cater to current market trends. The new docks will enable the Oyster Point Marina to increase occupancy and generate increased revenues. The District has completed rebuilding the first of the new docks, which replaces the dock adjacent to the ferry terminal. Improvements to the guest dock, also recently completed, are expected to result in augmented revenue from guests berthing and use by charter cruise vessels.

Tenancy: In a continuing effort to improve the ambiance and attractiveness of Oyster Point Marina, the Harbor District has been acting to remove vessels that are delinquent in rents, unseaworthy, or otherwise derelict, abandoned, and unsightly. Between 2004 and 2010, the District removed approximately 34 vessels from Oyster Point Marina (at least

29 with state grant funds). In some instances, this action may result in a temporary small decline in revenue and occupancy, but this is expected to reverse with the entry of new boater tenants who are able to pay their rents and maintain their vessel in satisfactory condition.

Lessee Concerns and Opportunity: The District may make minor modifications and repairs to the marine center sales dock which is included in the Marine Collections LLC lease. These minor modifications and repairs will make the facility suitable for use as a charter vessel boarding dock. The District is exploring with the lessee, Oyster Point MV LLC, the possibility of pursuing an opportunity for a joint revenue sharing venture to enhance the use of the marina. The District is now exploring the feasibility of a plan and proposal for this opportunity at the request of the lessee.

Level and Quality of On-Site Amenities and Off-Site Access: Links to City Redevelopment Plans

Increased boater occupancy – and revenue – depends to a great extent on the amenities available to boaters at the marina, or nearby access to these amenities. Required amenities range from clean and functioning restrooms and bathing facilities to laundry facilities, restaurant establishments, and easy and frequent public transit to downtown. Boat servicing and detailing, chandlery and other marine supply, secure storage, and decent vehicle parking are also important attractions.

A challenge to the City and the District in enhancing on-site amenities stems from the City's Oyster Point redevelopment planning process. Eventually, the City's efforts will transform Oyster Point into a thriving business, visitor and recreational destination. However, the City's recently released programmatic environmental impact report for Oyster Point and other City information indicate that major infrastructure improvements, including streets and utilities, that are projected for the marina area are several years off. Structure demolition and site preparation for planned commercial redevelopment likewise are not imminent.

The District's capital improvement program is targeted to the docks and water area of the marina proper, as per the Agreement with the City. While new dock facilities and an upgraded tenant mix are timed to anticipate the Americas Cup events and the arrival of new tenants, caution should be exercised in projecting greatly enhanced occupancy and revenue in the short term. In the absence of improvements and additions to on-site amenities, the continuation of the sluggish economy and high unemployment, as well as rising oil prices will continue to be a drag on improved occupancy and revenue growth.

Potential Impact of New Ferry Service on Marina Occupancy

The Water Emergency Transportation Authority (WETA) began Oyster Point ferry terminal service in June 2012. The actual impact of the ferry service on the marina, with its traffic of incoming and outgoing riders, is as yet unknown. While it is likely to attract many people who are curious about the new vessel and service in addition to the ridership of journey-to-work commuters, the affects of this activity on possible increase in berth occupancy and revenue remain to be seen.

Americas Cup-Simulated Opportunities

The forthcoming Americas Cup events on San Francisco Bay offer an exciting opportunity for the City and the District to augment revenues. Opportunities include the promotion of the Oyster Point Marina for docking to visiting boaters and to charter cruise vessels transporting Peninsula passengers to view the events. The Marina can also be promoted to new boaters created by the enthusiasm the America's Cup will generate.

Replacement of Dock 11 (refer to above) will enable the Marina to provide a number of new berths. Improvements to the marina's guest dock and/or modification of the sale dock will serve the charter cruise vessels as mentioned above.

Accelerated efforts to remove vessels that are delinquent in rents, unseaworthy, or otherwise derelict or abandoned will enhance the marina's attractiveness and increase desirability by new boaters. Making on-shore improvements to the City's streets and parking areas will also enhance the attractiveness of the Marina and reduce safety hazards.

San Mateo County Harbor District
5. Marketing Plan

The Marketing Plan for the Oyster Point Marina is made up of the following five sections:

A. Problem Statement – a clear declaration of the marketing challenge
B. Objectives – the Marina's marketing and financial goals
C. Current Market Situation – an analysis of the market, competition, and macroeconomic environment
D. Opportunity Analysis – a look at the Marina's market opportunities
E. Marketing Strategy – the positioning and marketing of the Marina

A. Challenge Statement

The Harbor District's challenge is to increase revenue by enticing more boaters to berth their vessels at Oyster Point Marina on a permanent or transient basis.

B. Objectives

Financial Objectives

Improve Oyster Point Marina finances by

- Increasing total revenue by 16% between FY 2013/14 and 2016/17
- Increasing net revenue by 36% FY 2013/14 and 2016/17
- Reducing operating costs

The Harbor District will achieve this in part by improving the process for collecting delinquent rents, increasing docking rates periodically and by rebuilding the docks removed from the marina. The new docks will accommodate larger boats that pay higher docking rates and reduce the cost of maintaining the docks. The Harbor District will also increase net revenue by reducing staff operating costs which will increase net revenue.

Marketing Objectives

- Increase berth occupancy by 3-5% each year until achieving 95% occupancy
- Increase launch ramp fees by 2% each year
- Increase rent and concessions by 2% each year

C. Current Market Situation

In view of the depressed economy as indicated by the number of berth vacancies in Bay Area marinas, Oyster Point Marina faces competition not only from neighboring marinas but also from other non-aquatic leisure and entertainment activities. With a 20% berth vacancy in San Francisco Bay, Oyster Point Marina will have to improve its facilities and amenities to in order to compete for new boaters and those looking to relocate. To meet its goals, Oyster Point Marina will have to aggressively pursue boaters and other opportunities as described in Section D below.

D. Opportunity and Issue Analysis

Oyster Point Marina has identified and will pursue the following opportunities to meet its financial and operational goals:

- Improve Marina facilities as per CIP to increase boater capacity and improve the Marina's appeal to boaters. The quality of Marina facilities for tenants and the level and quality of on-site amenities and/or convenient access to such off0stie amenities are vital factors influencing the Marina's ability to attract new permanent and transient boaters.

- Accelerate effort to remove vessels delinquent in rents, unseaworthy, or otherwise derelict, abandoned, and unsightly. This action will increase capacity for boaters and improve the appeal of the Marina.

- Enhance docks for charter vessel use. which includes the Marine Collections LLC lease and a possible joint venture with Oyster Point MV.

- Vigorous Oyster Point promotional and marketing campaign

- Pursuing Americas Cup events opportunities.

- Increase the use of the Marina and park by cyclists, joggers, walkers and families looking for recreational activities.

E. Marketing Strategy

Initial promotional and marketing activities will focus on America's Cup events and related opportunities. Specific marketing efforts will need to identify the messages to convey, the audiences to be reached, interactions desired and communication channels. District staff has begun exploring these elements.

The District's primary objective with the America's Cup will be to attract more boaters to berth their vessels at Oyster Point, permanently or on a transient basis. A secondary objective will be to attract charter cruise operations to the marina and promote their activities in connection with Cup events where possible. The Harbor District will also explore the potential to entice ferry riders to consider basing their boating activities at Oyster Point.

Beyond initial promotions around the America's Cup, marketing campaigns will focus on publicizing the Marina. Marketing effort might best be done through a cooperative effort by the Harbor District, the City, and the Chamber of Commerce. Such an effort might include more special events to attract potential boater tenants to Oyster Point and increase the use of the Marina facilities and trails by non-boaters.

Staff Report

DATE: September 16, 2015

TO: Mayor, Vice Mayor, and Councilmembers

FROM: Jim Steele, Assistant City Manager RDL for JS

SUBJECT: CONSIDERATIONS FOR OPERATIONS OF THE OYSTER POINT MARINA/PARK

RECOMMENDATION

It is recommended that the City Council review the information in this staff report and provide staff direction on actions to take, if any, following the Local Agency Formation Commission (LAFCo) recommendation to dissolve the San Mateo County Harbor District (the District)

REPORT SUMMARY/OUTLINE

This report is structured as follows:

I. Background/Discussion
    A. History/Joint Powers Agreement
    B. San Mateo County Grand Jury and LAFCo Recommendation and Action

II. Current Oyster Point Marina and Park Financial Picture
    A. Operating Budget
    B. Capital Improvements
    C. Current Debt

III. Potential Organization Structure for City Management and Financial Implications of Oyster Point Marina and Park
    A. Reorganization of Oyster Point Marina and Park under the City of South San Francisco Parks and Recreation Department
    B. Potential Cost of the Oyster Point Marina and Park Under the City of South San Francisco Parks and Recreation Department
    C. Potential Capital Improvements Under the City of South San Francisco Parks and Recreation Department
    D. Fire, Police and Public Works Impact
    E. Anticipated Revenues Should the City of South San Francisco Assume Responsibility for Oyster Point Marina and Park

IV. Discussion

I. BACKGROUND/DISCUSSION

A. History/Joint Powers Agreement

The City of South San Francisco entered into a Joint Powers Agreement (JPA) with the San Mateo County Harbor District (District) in 1977. Under that JPA, the District has responsibility for operation of the Oyster Point Marina and Park (OPM). Further, the District obtained State loan funding to make improvements to the marina which included: *building additional berths, dredging, leachate control and a clay clap at the closed landfill*(1)*, constructing a breakwater, a promenade, landscaping, the Harbormaster's Office, a dry storage area, restrooms, a fishing pier, restrooms, lighting, sewer and utilities.*

Under the JPA, the District operates and manages OPM (including the park areas) in return for keeping the revenues from the marina, including boat/berth rentals and any lease revenue from renting land to concessionaires. A copy of the JPA and the three subsequent amendments are attached as Attachment A.

The term of the JPA expires in November 2026. Under the terms of the JPA, if the District is dissolved prior to the expiration, the rights and responsibilities of operating the Marina would be the responsibility of the successor agency of the District. The JPA also specifies that if the JPA is terminated by mutual consent of the parties, the Harbor District employees will be retained by the City for a year, and their current salaries and benefits maintained for that one year.

B. San Mateo County Grand Jury and LAFCo Recommendation and Action

On July 9, 2014, the San Mateo County Grand Jury issued a report titled *What is the Price of Disfunction? The San Mateo County Harbor District Report.* The report recommended dissolution of the San Mateo County Harbor District. On July 8, 2015 LAFCo issued a final report that was subsequently approved by the LAFCo Commission on July 15, 2015. That report concluded:

> "...(Harbor District) services could be provided cost effectively by a successor agency, eliminating costs associated with a separate administration and governing board. It is therefore recommended that upon considering the accompanying municipal service review and adopting service review determinations, the Commission reaffirm the dissolution sphere of influence of the San Mateo County Harbor District..." (page 43).

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(1) Under the terms of the JPA, after the leachate control system and clay cap were installed, any future improvements to those systems would be the responsibility of the City (JPA, page 16).

The report further recommended the following:

> "The City of South San Francisco (SSF) and the County of San Mateo should continue to confer and research issues and options affecting the feasibility of dissolving the …(Harbor District), transferring responsibilities to the County as successor agency, and transitioning to SSF operation of OPM via a (Joint Powers Authority) JPA" (page 41).

II. Current Oyster Point Marina and Park Financial Picture

A. Operating Budget

The Oyster Point Marina and Park in South San Francisco and the Pillar Point Harbor outside of Half Moon Bay each operate at a loss. This was one of the Grand Jury's findings of the current Harbor District operations. As indicated in Table I below, the District's operating costs are not covered by the District's operating revenues, and rely on countywide property taxes to fill in the gap. The adopted budget indicates that $3.6 million in countywide property taxes are needed to cover the gap between operating revenues and expenses.

Table I
SAN MATEO COUNTY HARBOR DISTRICT
FINANCIAL OVERVIEW

	2012-13 Actual	2013-14 Actual	2014-15 Projected	2015-16 Adopted
Revenues				
Harbor Commissioners	$ -	$ -	$ -	$ -
Administration	-	-	-	-
Pillar Point Harbor	2,067,555	2,380,828	3,117,080	2,558,500
Oyster Point Marina	1,361,209	1,616,240	1,420,742	1,370,333
Total Revenues	**$ 3,428,764**	**$ 3,997,068**	**$ 4,537,822**	**$ 3,928,833**
Expenses				
Harbor Commissioners	$ 529,589	$ 493,225	$ 804,979	$ 441,658
Administration	1,160,628	1,190,853	1,397,954	1,567,590
Pillar Point Harbor	2,291,655	2,471,208	3,117,080	3,382,650
Oyster Point Marina	1,689,314	1,724,398	2,020,788	2,144,068
Total Expenses	**$ 5,671,186**	**$ 5,879,684**	**$ 7,340,801**	**$ 7,535,966**
Net Surplus / (Deficit)				
Harbor Commissioners	$ (529,589)	$ (493,225)	$ (804,979)	$ (441,658)
Administration	(1,160,628)	(1,190,853)	(1,397,954)	(1,567,590)
Pillar Point Harbor	(224,100)	(90,380)	-	(824,150)
Oyster Point Marina	(328,105)	(108,158)	(600,046)	(773,735)
Total Operating Net Surplus / (Deficit)	**$ (2,242,422)**	**$ (1,882,616)**	**$ (2,802,979)**	**$ (3,607,133)**

The budget for Oyster Point Marina includes both marina business operations and park/open space operations. Currently, Oyster Point Marina costs $3.1 million to operate.(2) Below are the staff costs broken out for the Oyster Point Marina and Park.(3)

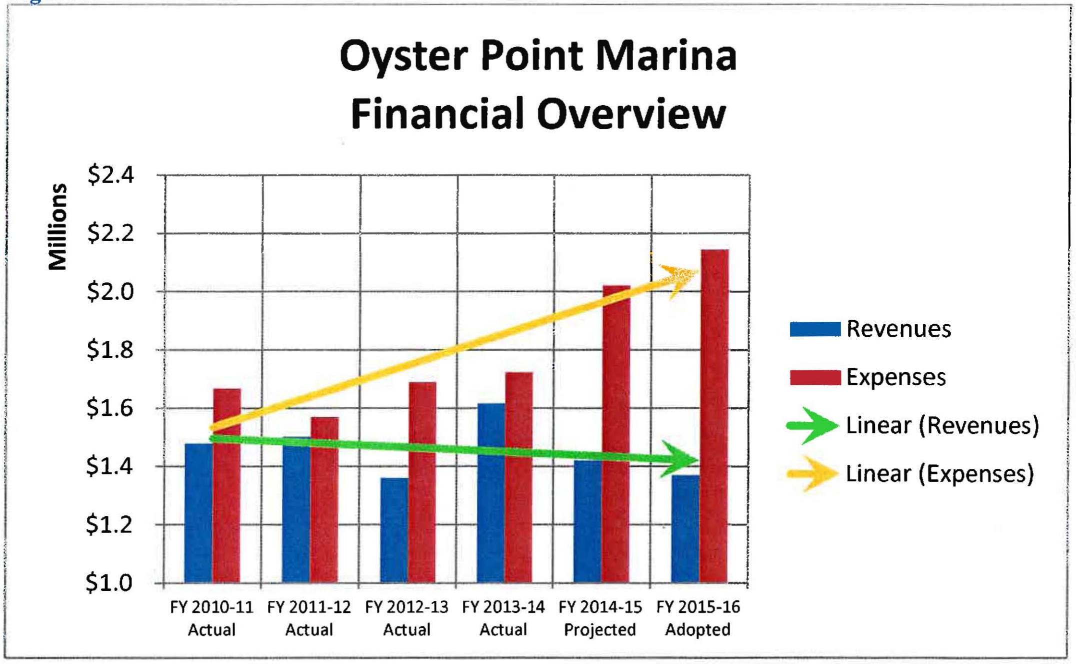
Table II

OYSTER POINT MARINA AND PARK STAFFING COSTS

Position	Hrly Rate	Annual Cost	Qty	Total	Parks	Marina
Harbormaster	$67.57	$207,632	1	$207,632	$ 41,526	$ 166,106
Assistant Harbormaster	$46.80	$151,056	1	$151,056	$ 75,528	$ 75,528
Lead Maintenance Worker	$42.45	$139,207	1	$139,207	$ 69,604	$ 69,604
Business Manager (12-24 months) *	$50.00	$159,773	1	$159,773	$ -	$ 159,773
Deputy Harbormaster	$36.67	$123,462	5	$617,310	$ 246,924	$ 370,386
Admin Assistant I	$29.62	$104,259	1	$104,259	$ 52,130	$ 52,130
Hourly Harbor Workers	$15.22	$65,034	2	$130,068	$ -	$ 130,068
Total Staffing Estimate:				$ 1,509,305	$ 485,711	$ 1,023,593

Current Oyster Point Marina revenues are $1.4 million, leaving an operating deficit of $1.7 million. Considering Oyster Point Marina operational trends discretely over the past 5 years, expenses are increasing, while revenues are decreasing.

Figure I



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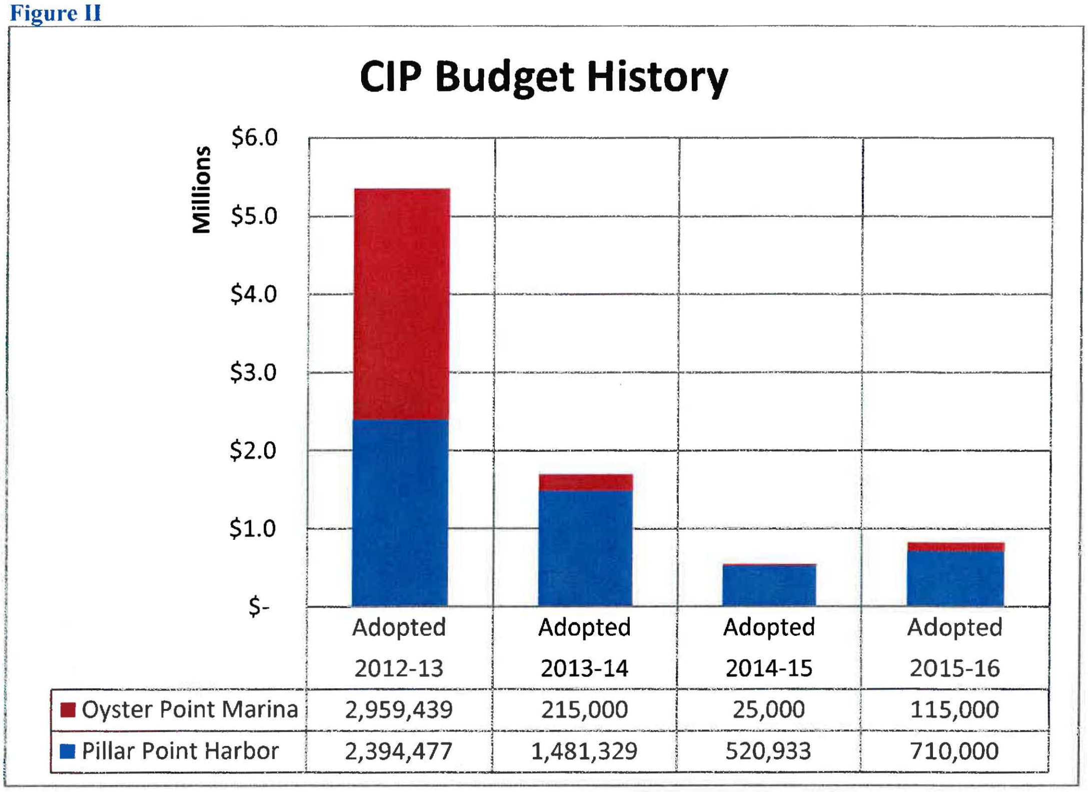
(2) The operating cost for Oyster Point includes an assumption that 50% of the cost for Harbor Commissioners and Administration is attributable to Oyster Point Marina.

(3) Based on City of South San Francisco staff estimate for allocation of staffing costs between Oyster Point Park and Oyster Point Marina.

B. Capital Improvements

The San Mateo County Harbor District has historically appropriated limited funds toward Oyster Point Marina and Park capital improvements in comparison to Pillar Point Harbor.(3)

Figure II



	Adopted 2012-13	Adopted 2013-14	Adopted 2014-15	Adopted 2015-16
🟥 Oyster Point Marina	2,959,439	215,000	25,000	115,000
🟦 Pillar Point Harbor	2,394,477	1,481,329	520,933	710,000

C. Current Debt

The Harbor District has a consolidated loan agreement with the State Department of Boating and Waterways (SDBW) that will be paid off as of December 31, 2018, with the payment schedule shown in Table III. The loan payments are factored into the budget figures cited above.

The Harbor District is actively working to refinance outstanding loan balances at a lower interest rate. From this, they hope to save approximately $500,000 in interest expense. In addition, the Harbor District Board is considering additional debt in the amount of $3.6 million to secure funding to begin addressing some of the capital improvements listed in Table IV.

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(3) Of the $3.0 million budgeted in FY 2012-13 for Oyster Point CIP, $2.0 million was appropriated for dock replacement. The South San Francisco Redevelopment Agency contributed $2.0 million, while the District contributed the remainder.

Table III

Harbor District Loan Payments By Year (Rounded):

Fiscal Year:	Oyster Point:	Pillar Point:	Total by year:
15-16	$ 679,300	$ 713,800	$ 1,393,100
16-17	$ 679,300	$ 713,800	$ 1,393,100
17-18	$ 679,300	$ 713,800	$ 1,393,100
18-19 (Final Payments)	$ 1,310,300	$ 1,376,900	$ 2,687,200
Total	**$ 3,348,200**	**$ 3,518,300**	**$ 6,866,500**

III. Potential Organization Structure for City Management and Financial Implications of the Oyster Point Marina and Park

The following are options that the City Council could consider, given the LAFCo recommendation that the District be dissolved:

Option One: Keep the JPA in place for the term of the agreement, with the City continuing to work with the Harbor District to ensure the OPM continues to be operated and maintained consistent with the terms of the JPA (see letter from City Manager Futrell to Harbor District dated July 30, 2015, included as Attachment B).

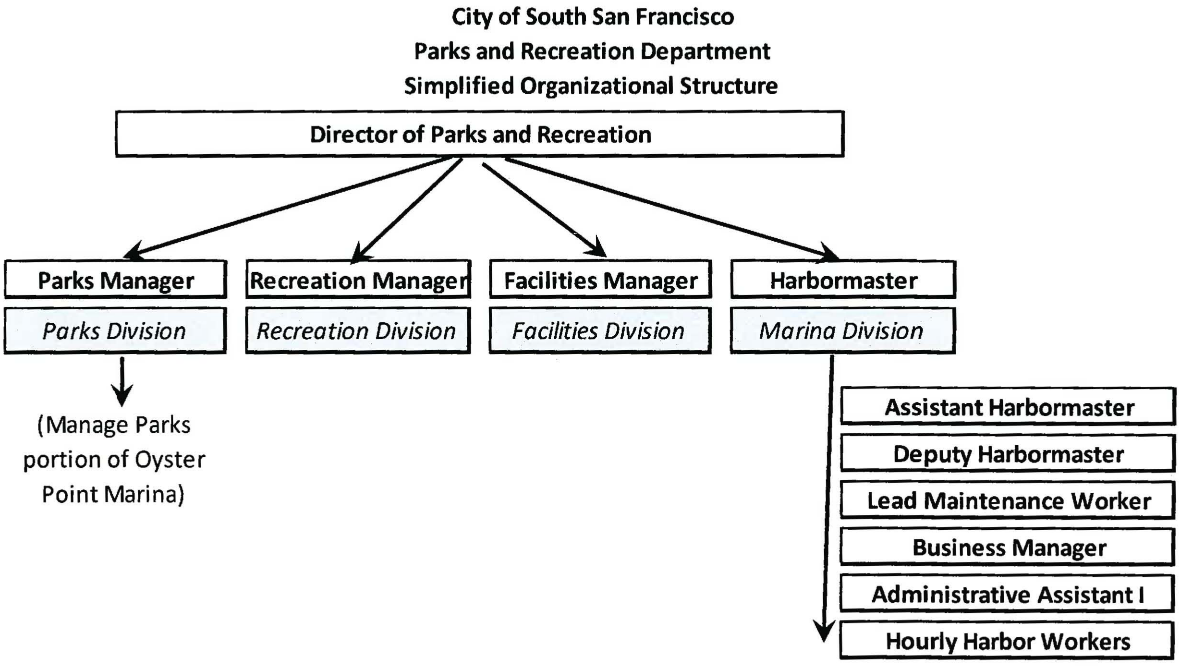
Option Two: Pursue early termination of the JPA. This is possible with mutual consent from the Harbor District Board and the City Council. The financial implications of discussed below.

Option Three: Pursue LAFCo's recommendation and coordinate with the County on potential District dissolution following a reasonable time for the District to address identified improvements and operations. At the LAFCo meeting on July 15, 2015, the two LAFCo Commissioners who are also on the Board of Supervisors (Horsley and Tissier) indicated that they would like to give the District 12-18 months to make improvements to its operations and organization before considering dissolution.

A. Reorganization of Oyster Point Marina and Park under the City of South San Francisco Parks and Recreation Department

If the City were to take over management of the Oyster Point Marina and Park, one option is to create a new operating division within the Parks and Recreation Department, similar to how the County operates its Coyote Point facilities. The County operates the Marina portion of Coyote Point as a self-sustaining enterprise fund, while the parks/open space/public areas are operated as a regional park. A simplified organization structure for Parks and Recreation with the inclusion of the Oyster Point Marina is shown in Figure III, below.

Figure III



B. Potential Cost of the Oyster Point Marina and Park Under the City of South San Francisco Parks and Recreation Department

The City of South San Francisco Parks and Recreation Department estimates they could operate and maintain Oyster Point Marina for approximately $3,327,305 as shown below.

Personnel Cost (4)	$ 1,509,305
Supplies and Services: Assume 15-16 Budget:	$ 1,618,000
Annual Minor Maintenance Needs (5)	$ 200,000
Total Budget, Operating and Ongoing Minor Maintenance	**$ 3,327,305**

Of the $3.3 million in operating and ongoing minor maintenance budget shown above for the Oyster Point Marina and Park, City of South San Francisco staff estimate that $862,000 is attributable to park operations, and $2.5 million is attributable to marina operations.

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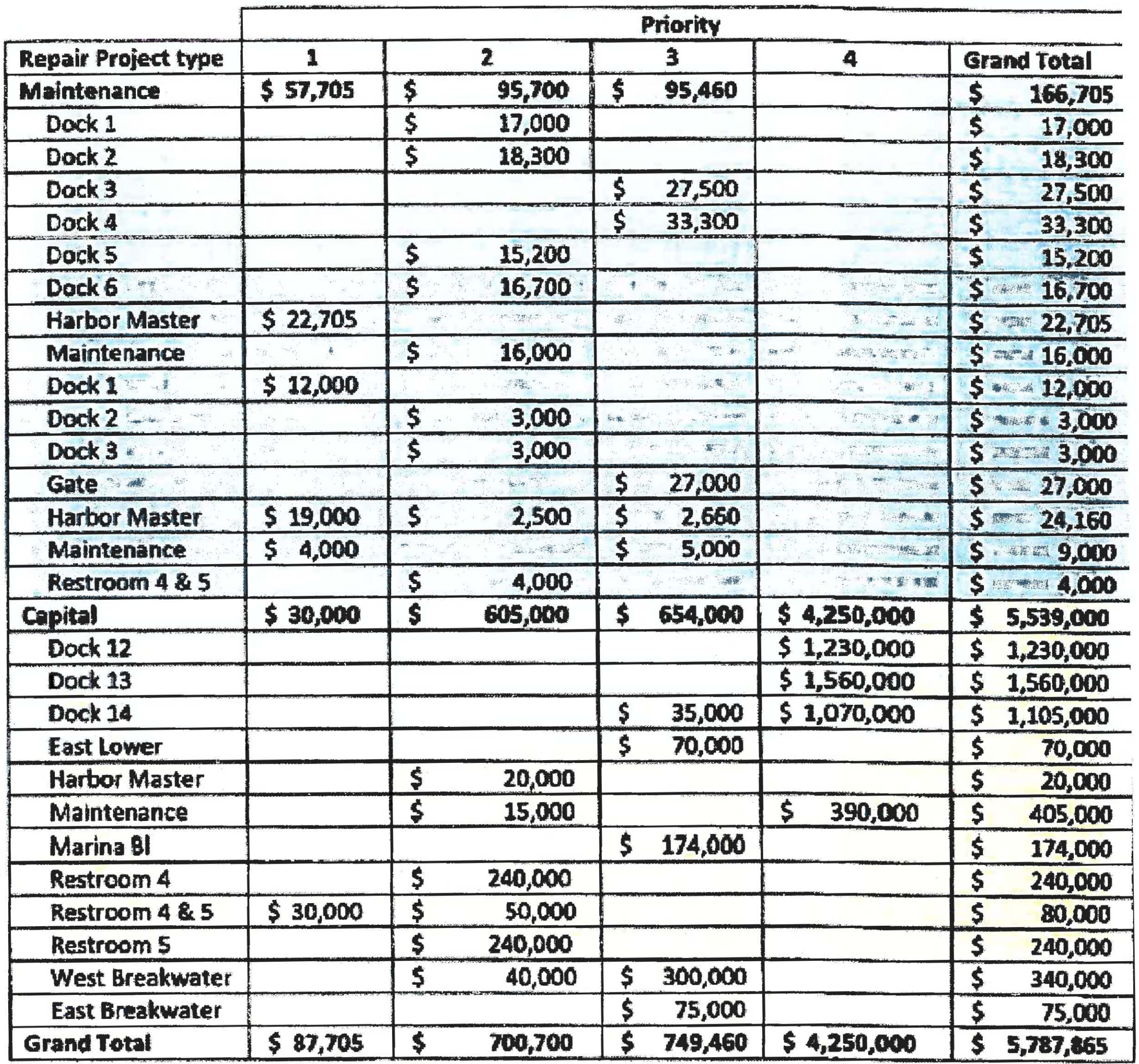
(4) Assumes current marina staffing, plus a Business Manager to better market and operate the marina.
(5) $167,000 listed in the November 2014 Oyster Point Marina Condition survey; rounded up for conservative measure.

C. Potential Capital Improvements Under the City of South San Francisco Parks and Recreation Department

The San Mateo County Harbor District commissioned a study of capital and maintenance needs at Oyster Point Marina in November 2014, which concluded that $5.8 million in capital improvements and maintenance are needed. A summary of the study is below:

Table IV



	Priority				
Repair Project type	**1**	**2**	**3**	**4**	**Grand Total**
Maintenance	$ 57,705	$ 95,700	$ 95,460		$ 166,705
Dock 1		$ 17,000			$ 17,000
Dock 2		$ 18,300			$ 18,300
Dock 3			$ 27,500		$ 27,500
Dock 4			$ 33,300		$ 33,300
Dock 5		$ 15,200			$ 15,200
Dock 6		$ 16,700			$ 16,700
Harbor Master	$ 22,705				$ 22,705
Maintenance		$ 16,000			$ 16,000
Dock 1	$ 12,000				$ 12,000
Dock 2		$ 3,000			$ 3,000
Dock 3		$ 3,000			$ 3,000
Gate			$ 27,000		$ 27,000
Harbor Master	$ 19,000	$ 2,500	$ 2,660		$ 24,160
Maintenance	$ 4,000		$ 5,000		$ 9,000
Restroom 4 & 5		$ 4,000			$ 4,000
Capital	$ 30,000	$ 605,000	$ 654,000	$ 4,250,000	$ 5,539,000
Dock 12				$ 1,230,000	$ 1,230,000
Dock 13				$ 1,560,000	$ 1,560,000
Dock 14			$ 35,000	$ 1,070,000	$ 1,105,000
East Lower			$ 70,000		$ 70,000
Harbor Master		$ 20,000			$ 20,000
Maintenance		$ 15,000		$ 390,000	$ 405,000
Marina Bl			$ 174,000		$ 174,000
Restroom 4		$ 240,000			$ 240,000
Restroom 4 & 5	$ 30,000	$ 50,000			$ 80,000
Restroom 5		$ 240,000			$ 240,000
West Breakwater		$ 40,000	$ 300,000		$ 340,000
East Breakwater			$ 75,000		$ 75,000
Grand Total	$ 87,705	$ 700,700	$ 749,460	$ 4,250,000	$ 5,787,865

Table 2: Repair Project Prioritized Costs

D. Fire, Police and Public Works Impact

Assuming the City of South San Francisco takes over operations of Oyster Point Marina and Park, the South San Francisco Fire Chief reports there would not be a significant impact on the Fire Department. The Coast Guard has primary responsibility for patrol and search and rescue operations, thus there would be no change from the status quo. The South San Francisco Fire Department already provides search and rescue operations when initiated locally, or requested by the Coast Guard or Harbor District staff, and that would not change. The current Harbor Master has a boat to respond to emergencies during the work-day. There were a total of seven calls for service at Oyster Point Marina in 2014.

Fire Department personnel already respond to fires on land, and medical calls in the harbor and on the bay, and that would not change if the City of South San Francisco assumed responsibility.

The South San Francisco Police Chief believes his current staffing is adequate to handle any additional demand for police services. The South San Francisco Police Department already responds to calls for service at Oyster Point Marina and Park, and that would not change if the City took over responsibility. Parking enforcement issues would increase as the City of South San Francisco becomes responsible for parking on the site.

The Director of Public Works does not anticipate any change in Public Works duties if the City assumed responsibility for Oyster Point Marina and Park. Public Works currently maintains striping, lighting, the pump station and sweeping at Oyster Point Marina and Park.

E. Anticipated Revenues should the City of South San Francisco Assume Responsibility for Oyster Point Marina and Park

Absent new revenue, the City of South San Francisco staff estimates a net deficit of $1.1 million for Oyster Point Marina operations alone. There may be opportunity to increase revenues at Oyster Point Marina. The City is consulting with Keyster Marston Associates, an expert in real estate economics and marina operations, to determine and understand what additional revenues could be gained from Oyster Point Marina operations to offset the deficit.

For purposes of this study session, as an initial point of reference, staff from the City of South San Francisco has taken the current Oyster Point Marina budget and substituted the City's estimate of operating budget needs. The result is below, and shows an ongoing revenue gap of almost $1.1 million for marina operations and $862,000 for park operations, not including any capital improvement needs:

Table IV

Oyster Point Marina and Park Funding Gap under City Operations:

Budgeted Revenues for 2015-16: (From Table I)	$	1,370,333
City Est. for Marina Operating Budget (excludes Parks)	$	2,465,216
Projected Net Deficit:	$	(1,094,883)
Parks Funding Gap will be 100%	$	(862,000)
Total Funding Gap by taking over Marina and Park	$	(1,956,883)

IV. Discussion

Key points to consider should the City of South San Francisco assume responsibility for Oyster Point Marina and Park include:

(1) The Harbor District is burdened with debt, is actively working to refinance outstanding loan balances, and is pursuing additional debt financing in the amount of $3.6 million.
(2) The marina requires $5.5 million in capital improvements as noted in Table IV.
(3) Absent the property tax subsidy, Oyster Point Marina and Park currently operates at a loss of $1.7 million.

Early termination of the JPA is possible by joint consent of the South San Francisco City Council and the San Mateo County Harbor District; however, termination is not recommended unless these key points are satisfactorily addressed.

By:____________________________	Approved:________________________________
Jim Steele Assistant City Manager	Mike Futrell City Manager

Attachments:

Attachment A:	Joint Powers Authority (JPA) Agreement between the San Mateo County Harbor District and the City of South San Francisco, Dated July 6, 1977; First Agreement Amending JPA, Dated October 3, 1979 Second Agreement Amending JPA, Dated November 27, 1985 Third Agreement Amending JPA, Dated February 23, 2005
Attachment B:	Letter from City Manager Futrell to Harbor District, Dated July 30, 2015

By: R FOR JS
Jim Steele
Assistant City Manager

Approved:
Mike Futrell
City Manager

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Attachment B: Letter from City Manager Futrell to Harbor District,
Dated July 30, 2015

ATTACHMENT A

Expires
2026

JOINT POWERS AGREEMENT
SAN MATEO COUNTY HARBOR DISTRICT
AND
CITY OF SOUTH SAN FRANCISCO

****

The SAN MATEO COUNTY HARBOR DISTRICT, a political subdivision of the State of California, hereinafter usually called "DISTRICT", and the CITY OF SOUTH SAN FRANCISCO, a municipal corporation, hereinafter called "CITY", entered into a Joint Powers Agreement on July 6, 1977, which has been rescinded and the parties enter into this Joint Powers Agreement in lieu thereof.

RECITALS

1. Each of the parties hereto is a public agency and authorized to enter into a Joint Powers Agreement pursuant to Title 1, Division 7, Chapter 5 of the Government Code of the State of California (Section 6500 et seq.).

2. DISTRICT is a political subdivision of the State of California formed and existing pursuant to Division 8, Part 3 of the State of California Harbors and Navigation Code, Section 6000 et seq. Said DISTRICT was created in 1933 pursuant to the Harbors and Navigation Code and has the powers and duties prescribed by statute, including the power to acquire, own, operate and develop harbor and related facilities within

CENTRAL RECORDS
FILE NO.: 5116

10/12/77

its territorial boundaries.

3. The CITY OF SOUTH SAN FRANCISCO is a public corporation created for municipal purposes pursuant to the terms and provisions of the General Law of the State of California, and has the power to do any work or make any improvements within or without the territorial limits of the CITY which are determined to be of general public benefit including construction and maintenance of parks and recreational marinas. CITY presently owns and operates a small boat marina at OYSTER POINT within the said CITY.

4. The territory of the CITY is included within the territory of the DISTRICT.

5. Each of the parties hereto has determined that it is in the best interests of the people of said AGENCIES to repair and/or replace the existing marina facilities at OYSTER POINT and expand said facilities as described in the agreement between CITY and the State of California Department of Navigation and Ocean Development (referred to herein as "DNOD") dated September 8, 1975, the Proposed Master Plan and the Preliminary Engineer's estimate prepared by Daniel, Mann, Johnson & Mendenhall, a corporation, and including leachate control measures, preparation of the project site for the Marina-Park landscaping, and other auxiliary shoreside support facilities.

6. Each of the parties has determined further that it is in the best interests of the people of said AGENCIES to

permit the DISTRICT to rehabilitate, manage, maintain and operate the existing marina at OYSTER POINT and construct, manage, maintain and operate the future marina to be developed at OYSTER POINT subject to the terms and provisions hereof.

NOW, THEREFORE, IT IS HEREBY MUTUALLY AGREED AS FOLLOWS:

1. This Joint Powers Agreement shall be effective as of 12:01 A. M., November 11, 1977.

2. PURPOSE OF AGREEMENT

The purpose of this Agreement is to authorize and empower the DISTRICT and CITY to jointly develop and construct facilities at OYSTER POINT MARINA/PARK as outlined and in accord with the Master Development Plan (Exhibit 1) which is made a part of this Agreement and to authorize and empower the DISTRICT to manage, operate and maintain the existing and future OYSTER POINT MARINA/PARK.

3. PROJECT DESCRIPTION

Said project shall consist of the construction of the OYSTER POINT MARINA/PARK as outlined in Exhibit "2" of this Agreement and the operation, management and maintenance of the existing and future MARINA/PARK.

4. POLICY BOARD

Changed to liaison committee

To facilitate the accomplishment of the purposes of this Agreement, there shall be formed the OYSTER POINT MARINA/PARK POLICY BOARD, consisting of two (2) members who shall be Council Members from the City of South San Francisco, appointed by said Council and two (2) members who shall be HARBOR COMMISSIONERS, appointed by the BOARD OF HARBOR COMMISSIONERS each to serve a term of four years or until a successor is appointed. Said four members shall select a fifth member who shall serve a term of four years or until a successor is appointed, who shall represent the public and who shall be a resident of San Mateo County but not an elected or appointed member of the governing board of any governmental agency or employee of any governmental agency. In selecting the public member, in addition to other matters deemed relevant, the said four members shall evaluate each applicant's business experience, interest in taxpayers' concern regarding management and use of public funds, interest in the Marina and other water-related development of the San Mateo County area, reputation in the community, and ability to represent the public. If an evaluation of an applicant, who is a resident of South San Francisco, equals or exceeds evaluation for applicants from other areas of San Mateo County, the applicant from South San Francisco shall have first priority for selection.

Members of the said POLICY BOARD shall serve without compensation, but shall be reimbursed actual and necessary expenses from the revenues from said MARINA/PARK project. Said BOARD shall have responsibility for making recommendations to the CITY COUNCIL and HARBOR COMMISSION on all matters of policy relating to the construction, operation, management and maintenance of the OYSTER POINT MARINA/PARK, and such other powers as are specfically delegated to the Board. The chief administrative officer, the attorney and engineer of the DISTRICT shall serve as staff to the POLICY BOARD on all matters involving the DISTRICT'S responsibility and the chief administrative officer, the attorney and engineer of the CITY shall serve as staff to the BOARD on all matters involving the CITY'S responsibility. Compensation for each staff person shall be the responsibility of the primary employer of said person but such salary shall be considered as part of the expenses of the AGENCY incurred for maintenance and operation to be reimbursed from operating revenues pursuant to Paragraph 12 hereof.

5. RESPONSIBILITIES AND AUTHORITY OF DISTRICT

The DISTRICT and the CITY desire to cooperate in all matters involving the said project for the purpose of developing the most feasible project and providing the greatest possible benefit for the users thereof at reasonable charges. However, pursuant to this Agreement, ultimate financial responsibility rests with the HARBOR DISTRICT and for this reason, if there is disagreement between the CITY, the BOARD and the DISTRICT as to the manner in which the project will be constructed, managed, maintained or operated, the final decision as to said matters shall be made by the BOARD OF HARBOR COMMISSIONERS of the SAN MATEO COUNTY HARBOR DISTRICT.

6. METHOD BY WHICH CONSTRUCTION PHASES OF THE PROJECT WILL BE ACCOMPLISHED

(a) Plans and Specifications:

The project may be constructed in three initial phases as set forth in Exhibits 3, 4 and 5 attached hereto. The DISTRICT shall promptly contract with Daniel, Mann, Johnson & Mendenhall, a corporation, (referred to as "DMJM") for preparation of proposed project plans and specifications, said contract to be substantially similar to the Agreement dated June 15, 1977, between CITY and DMJM entitled "An Agreement With Daniel, Mann, Johnson & Mendenhall, a corporation, For Consulting Services Related to OYSTER POINT MARINA/PARK" and task Order Proposed Design - OPM Park Phases 1 and 2 DMJM B #6213-1-4. Plans and specifications for the proposed project shall be prepared under the supervision and direction of the DISTRICT and paid for by DISTRICT from DISTRICT funds or loan funds received from DNOD. Upon completion of said plans and specifications, the same shall be reviewed by the POLICY BOARD which shall make recommendations relating thereto and shall thereafter be reviewed and approved by the BOARD OF HARBOR COMMISSIONERS OF THE HARBOR DISTRICT and the CITY COUNCIL OF THE CITY OF SOUTH SAN FRANCISCO.

(b) Award of Contract:

Upon review and approval of said plans and specifications by the POLICY BOARD and the governing bodies of each of said agencies, subject to Paragraph 6(a) above, the DISTRICT shall call for competitive bids. Said bids shall be reviewed by the POLICY BOARD which shall make recommendations concerning the bid award. The contract shall be awarded by the District to the lowest responsible bidder giving due consideration to the recommendations of the POLICY BOARD.

(c) Construction:

Construction of said work of improvement shall be under the supervision and direction of the District. The engineers of the DISTRICT shall consult with engineers for the CITY during the construction process. The engineers of the CITY shall have access to the construction site, the power to inspect the same during the course of construction, and upon request shall be furnished all plans and specifications prepared by the DISTRICT for their review and comment.

(d) Project Site:

The said project shall be constructed partially on lands owned in fee by the CITY and partially on tidelands and submerged lands and nothing set forth herein shall be construed as vesting any ownership in any of said lands in the HARBOR DISTRICT.

7. METHOD BY WHICH MAINTENANCE AND OPERATION PHASES OF THE PROJECT WILL BE ACCOMPLISHED

(a) DISTRICT shall assume control over the existing operations at OYSTER POINT MARINA on the effective date of this Agreement and shall thereafter and during the term of this Agreement be responsible for management, maintenance and operation of the existing and future OYSTER POINT MARINA/PARK subject to and in accord with the terms and provisions of this Agreement.

(b) City Employees:

All employees of the CITY presently employed in the maintenance and operation of existing facilities at OYSTER POINT shall retain their existing positions for a period of twelve (12) months at their present salary levels and with existing benefits as employees of the CITY and the DISTRICT agrees to reimburse the CITY for costs of salaries and fringe benefits for said employees. After said period the said employees may become employees of the DISTRICT upon mutual consent of the said employees and the DISTRICT. While said employees are working at said MARINA under the supervision and direction of the DISTRICT but as employees of the CITY, the DISTRICT shall have full control over their activities, including the assignment of functions and responsibilities. In the event that said employees fail to perform their services and duties adequately and in accord with personnel requirements of the CITY, said employees may be discharged in accordance with the personnel rules and procedures of the CITY at the request of the DISTRICT and upon approval of the POLICY BOARD. See amendment

(c) Municipal Services:

CITY shall provide municipal services for the OYSTER POINT MARINA/PARK facility as hereinafter set forth. Unless payment for said services to the CITY are made by lessees or specified as being at CITY'S expense, the CITY shall enter into a written agreement establishing the level of services to be provided by the CITY and the cost thereof so that proper budgetary provisions can be made. Services to be provided by the CITY shall be as follows:

(i) Sewer and water - all sewer and water services as defined in Exhibit 2, including sewer lines, interceptor lines, lift stations and water mains of a size sufficient to meet fire flow and service demands necessary to service the project shall be the responsibility of the DISTRICT as part of the construction cost. CITY shall rod out the main sewer lines as required, maintain the pump station and rod out the laterals from the main to the District's or lessee's cleanouts and be reimbursed by District for cost thereof, except that DISTRICT may elect to otherwise provide for said service without incurring costs to City. All lessees of facilities on the project site shall be required to pay the sewer and other public utility fees including connection charges as provided from time to time by City Ordinances for property owners within the CITY or by the Public Utilities Commission.

District [illegible]

(ii) Police Patrol - CITY will provide police patrol, traffic, detective and specialized juvenile police services at the level of services rendered within the CITY at CITY'S expense and without reimbursement, and CITY and DISTRICT shall negotiate regarding the cost of any additional services which shall be reimbursed to the CITY.

(iii) Fire Protection - CITY shall at its sole cost and expense provide fire protection at the project site on the same basis as said protection is furnished to other property owners within the CITY at CITY'S expense and without reimbursement and CITY and DISTRICT shall negotiate regarding the cost for any additional services which shall be reimbursed to the CITY.

(iv) Street Sweeping - Street sweeping shall be provided on a regular basis for all streets and public parking areas within the project, excluding parking areas held by private leasehold interests.

(v) Refuse Containers - South San Francisco Scavenger Company refuse containers shall be located and serviced to control litter and public refuse needs at all improved public parking areas, parks, and other public owned use areas at DISTRICT'S cost and expense. Said refuse collection services will be provided to the lessees at the project site in accordance with CITY ordinances.

(d) Maintenance of Park, Pathways, and Appurtenant Improvements - DISTRICT shall maintain at its cost and expense the project's park, pathways and appurtenant improvements as shown on Exhibit 1 attached hereto and DISTRICT may contract with the CITY for said services reimbursing CITY therefor or otherwise provide for said maintenance service. The DISTRICT may and to the greatest extent possible shall require maintenance of parks, pathways and appurtenant improvements by parcel lessees.

8. CITY'S ZONING AND PERMIT POWERS

Nothing herein shall be construed as affecting the CITY'S power to zone the area occupied by the project or as relieving any lessee of the obligation to obtain necessary building permits provided, however, the CITY agrees to adopt/or maintain zoning ordinances authorizing development in accordance with the plans for the proposed project.

9. LEASES

DISTRICT may lease all or any portion of the existing marina, the lands within the project site or the project as completed, to private developers subject to the approval by the POLICY BOARD and DNOD and may execute said leases on behalf of the parties hereto. The revenues from any such lease or leases shall be considered as operating revenues.

10. ACCOUNTING RECORDS

(a) DISTRICT shall maintain account books and financial records to show the revenues and expenses of the MARINA/PARK. Said records shall prorate expenses of the DISTRICT where said expenses are attributable in part to other DISTRICT functions. Said prorations shall be subject to review by the POLICY BOARD.

(b) CITY shall maintain account books and records to show the expenses to the CITY for providing municipal services to said project. Said records shall prorate expenses where said expenses are attributable in part to other CITY functions. Said prorations shall be subject to review by the POLICY BOARD.

(c) DISTRICT shall render a semi-annual report concerning financial affairs of the MARINA/PARK.

11. INSURANCE

DISTRICT shall maintain minimum insurance required by DNOD in accord with the agreement with said Agency and such other insurance as may be considered necessary in amounts determined after review by the POLICY BOARD. Said policies shall name the parties hereto as insured parties. Proceeds from any fire insurance policy shall be disbursed in accord with the agreement with DNOD or used for reconstruction of the destroyed facility.

12. DIVISION OF REVENUE

(a) Operating revenues received from the OYSTER POINT MARINA/PARK shall be used to repay loans from DNOD including the existing loans to the CITY and the expenses and costs of management, operation and maintenance of the project.

(b) Operating revenues in excess of those required for debt service and operating costs and expenses as provided above shall be held in a reserve account subject to the terms and provisions of the loan agreement with DNOD. After satisfaction of the loan agreement with DNOD, and during the term of said agreement,with DNOD'S consent, said excess funds shall be held or disbursed as follows:

(1) The POLICY BOARD shall establish a reasonable depreciation schedule for the various elements of the project and a portion of such excess funds shall be deposited in an account with a financial institution or invested in approved and authorized investments to be used as needed to meet the cost of replacement in accordance with the said depreciation schedule. Any income or profits from said fund or investments shall be added thereto. The maximum reserve to be so maintained shall be determined by the parties hereto subject to the recommendations of the POLICY BOARD.

(2) The CITY shall be paid the sum of $215,000.00 (the amount of the CITY'S investment in the existing marina from the CITY'S general fund) less the amount to be paid CITY for personal property pursuant to paragraph 15. The DISTRICT shall be paid (a) the amount of the DISTRICT'S capital investment in the completed project, (b) $25,000.00 which was advanced to the CITY for planning purposes, (c) the amount paid to CITY for personal property pursuant to paragraph 15, and (d) sums advanced by the DISTRICT during the term of this Agreement from its general fund for loan service fees or maintenance and operation. A schedule for repayment of said items shall be developed by the POLICY BOARD subject to modification from time to time.

(3) Any excess funds remaining shall be divided equally between the parties hereto.

13. RESPONSIBILITY FOR LOAN REPAYMENT - HOLD HARMLESS CLAUSE

Except as expressly provided herein, the CITY shall not be responsible for any of the expenses relating to the OYSTER POINT MARINA/PARK and specifically CITY shall not be responsible for the following: (1) costs of construction, including plans, specifications, engineering; (2) economic studies incurred hereafter; (3) repayment of the existing loans incurred by CITY for construction of the existing marina at OYSTER POINT; (4) any loans incurred for future developments at said site in accord with the Exhibits attached hereto, or (5) for any costs of operation and maintenance except as expressly provided herein. In the event operating revenues are not sufficient to service said loans or pay costs of operation and maintenance, the DISTRICT shall assume responsibility for and make all payments due thereon and shall hold CITY harmless from any liability for said loans or costs of maintenance and operation.

14. FINANCING

If CITY requests, and the Department of Navigation and Ocean Development so consents, the loan for construction of the existing marina and the loan granted by DNOD pursuant to the Agreement of September 8, 1975, shall be assumed by the DISTRICT and the CITY shall be released as obligor on said loan. The HARBOR DISTRICT shall assume responsibility for obtaining additional loans or grants for marina expansion and rehabilitation of the existing marina and CITY shall be responsible for obtaining additional loans and grants from Land and Water Conservation funds for park area development and the Department of Fish and Game for the fishing pier and appurtenant works, or assist DISTRICT in obtaining said loans or grants. Each of the parties hereto shall use diligent efforts to develop additional sources of loans or grants.

15. TRANSFER OF ASSETS

On the effective date of this Agreement, CITY shall provide to the DISTRICT an inventory of personal property owned by the CITY and used in conjunction with the operation of the existing marina with the CITY'S estimate of the present value of said property. DISTRICT shall purchase said items of property from the CITY for said price and shall pay to the CITY said purchase price within thirty (30) days after the effective date of this Agreement.

16. FUTURE DEVELOPMENT - CONTINGENCIES

(a) Adequate Funds:

The parties hereto have determined that Phases I and II of the project (Exhibits 3 and 4 attached) will be financed by DNOD loans, grants from Land and Water Conservation funds for park area development and the Department of Fish and Game for the fishing pier and appurtenant works and the advance of sums up to $700,00.00 by the DISTRICT. If the cost of construction of Phases I and II as shown by construction bids exceeds said loans and grants and advance from the DISTRICT, the parties hereto shall pursue one or more of the following alternatives: (1) obtain additional funds from DNOD, private developers or sources other than the general fund of the CITY OF SOUTH SAN FRANCISCO; (2) additional contributions of HARBOR DISTRICT funds; or (3) modify the project, said modifications to be subject to agreement of the parties.

In addition, DISTRICT shall immediately proceed with Phase I plus the parking lot improvements and commence construction thereof on or before June 1, 1978; schedule the construction of Phase II in a timely manner when the cost thereof is within the funds to be provided and assume responsibility for maintenance and operation of the existing marina and proceed with rehabilitation thereof in accordance with Phase III.

(b) Available Lands:

The parties contemplate that the project shall be constructed partially on tidelands and submerged lands granted to the City in trust by the State of California. If it should be determined for any reason that the project or any portion thereof cannot be constructed on said tidelands and submerged lands, DISTRICT shall have no responsibility for proceeding with said portions of the project. Each of the parties hereto will use diligent efforts to resolve any problem which might interfere with full use of the tidelands and submerged lands included within the project site.

(c) Leachate Problem:

CITY has been ordered by the Superior Court of the City and County of San Francisco (Action No. 633084) to comply with provisions for protection of water quality resulting from leachate discharge at the project site. The project includes improvements to resolve the said problem which shall be a project construction cost, and the repair and maintenance thereof shall be charged against project revenues. However, if the proposed leachate improvement work does not meet the standards imposed by appropriate governmental agencies, and said standards require improvement work beyond the scope of the proposed project leachate work, CITY shall undertake required additional work at the earliest possible time. If any or all said additional required work by nature thereof qualifies for additional DNOD funds or grants from other agencies, DISTRICT and CITY shall use diligent efforts to obtain said funds.

17. LIABILITY

The HARBOR DISTRICT, its officers, agents and employees shall not be deemed to assume any liability for the negligence of the CITY or its agents, officers, or employees, and the CITY shall not be deemed to assume any responsibility for the negligence of the DISTRICT or its agents, officers and employees, and CITY shall hold the HARBOR DISTRICT, its officers, agents and employees harmless from any and all liabil resulting from any of the actions of the CITY or its officers and employees, and the DISTRICT shall hold its officers, agents and employees harmless from any liability resulting from any of the actions of the D its agents, officers and employees. Each of the par shall defend the other against any claim for damages from its actions.

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11-11-26

18. SEPARATE AGENCY

No separate agency is considered necessary or desirable to administer this Agreement except as herein provided.

19. TERM OF AGREEMENT

This Agreement shall remain in full force and effect for a period of forty-nine (49) years from the effective date as

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specified above or until modified or terminated by an agreement in writing by the parties.

20. PROCEDURES UPON TERMINATION OF AGREEMENT

Upon termination of this Agreement,unless otherwise agreed by the parties, responsibilities for management, operation and maintenance of the project shall revert to said CITY and DISTRICT shall be relieved of any and all responsibilities relating thereto. All assets at the project site paid for from operating revenue shall become the property of the CITY. CITY shall succeed to the depreciation reserve fund which shall be held in trust and used only for capital replacements. Any excess funds shall be divided in accordance with the terms and provisions of Paragraph 12. Employees of the DISTRICT working at said project shall retain their positions as they exist at said time for a period of twelve (12) months at their then existing salary levels and with existing benefits as employees of the DISTRICT and the CITY will reimburse the DISTRICT for costs of salaries and fringe benefits for said employees. After said period the said employees may become employees of the CITY upon mutual consent of the said employees and the CITY. While said employees are working at said marina under the supervision and direction of the CITY but as employees of the DISTRICT, the CITY shall have full control over their activities including the assignment of functions and responsibilities. In the event that said employees fail to perform their services and duties adequately and in accord with personnel requirements of the DISTRICT, said employees may be discharged in accordance with personnel rules and procedures of the DISTRICT at the request of the CITY.

21. SUCCESSION IN INTEREST

In the event the HARBOR DISTRICT is dissolved or ceases to exist, the DISTRICT agrees to place in trust for the OYSTER POINT MARINA/PARK construction project, prior to dissolution, the amount of funds necessary to complete Phases I and II of the NA project above the available loans and grants not to exceed the sum of $700,000.00. CITY agrees that any such funds placed in trust shall be expended only for the development of the project as specified herein or portions thereof.

22. BINDING ON SUCCESSORS

The parties hereto intend that this Agreement shall be binding upon the successors in interest of either of the parties hereto.

EXECUTED IN TRIPLICATE:

SIGNED: October 21st, 1977 CITY OF SOUTH SAN FRANCISCO

By: C. Walter Birkelo

ATTEST:

SIGNED: October 24th, 1977 SAN MATEO COUNTY HARBOR DISTRIC

By: Charles J. Bonino

6213-I-1
4/12/77

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city

OYSTER POINT MARINA
PRELIMINARY ENGINEER'S ESTIMATE

PHASE I

1. Dredging

	Item	Quantity	Unit price		Amount	Total
1.	New Basin	44,124 CY	@ $ 5.00	=	$220,620	
2.	Existing Basin	-- CY±	@ 5.00	=	--	
					$220,600	
			10% Contingencies		22,000	
			Total			$ 242,600

2. Leachate Control

a. Mole Area

	Item	Quantity	Unit price		Amount
1.	Remove exist. riprap	2,100 CY	@ $ 2.25	=	$ 4,725
2.	Remove sand	500 CY	@ 2.25	=	1,125
3.	Excavate slopes 3 ft., dispose off-site	9,800 CY	@ 3.75	=	36,750
4.	Excavate top 1 ft.	2,400 CY	@ 2.00	=	4,800
5.	Place '45 mil hypalon'	152,100 SF	@ 0.75	=	114,075
6.	Backfill slopes with dredge spoil	9,800 CY	@ 1.25	=	12,250
7.	Backfill top with clayey import (3')	7,200 CY	@ 4.00	=	28,800
			Sub-total		$202,525

b. South Shore

	Item	Quantity	Unit price		Amount
1.	Clear slope	0.9 Ac	@ $2,500	=	$ 2,250
2.	Remove, stockpile existing riprap	1,250 CY	@ 2.25	=	2,810
3.	Excavate 4 ft. trench, dispose of off-site	440 CY	@ 3.75	=	1,650
4.	Place '45 mil hypalon'	40,000 SF	@ 0.75	=	30,000
5.	Cover with 2 ft. of dredge spoil	2,960 CY	@ 1.25	=	3,700
			Sub-total		$ 40,410

c. Pile Area

	Item	Quantity	Unit price		Amount
1.	Excavate 3 ft. trench and dispose off-site	60 CY	@ $ 3.75	=	$ 225
2.	Cut off wood piles	40 ea	@ 75.00	=	3,000
3.	6" bentonite slurry	14 CY	@ 40.00	=	560
4.	Backfill = dredge spoil	60 CY	@ 1.25	=	75
			Sub-total		$ 3,860

d. Channel Area					
1. Excavate 6 ft. trench, dispose off-site	670 CY	@ $ 3.75	=	$ 2,513	
2. Backfill with dredge spoil	670 CY	@ 1.25	=	840	
3. Channel (500 ft.) block off, exc. 4 ft. trench, dispose off-site	220 CY	@ 7.75	=	1,700	
4. Backfill with import clay fill	220 CY	@ 4.00	=	880	
5. 10 mil visqueen	7,000 SF	@ 0.20	=	1,400	
		Sub-total		$ 7,333	
		Sub-total Leachate Control		$254,128	
		10% Contingencies		25,413	
		Total			$ 279,500

3. Clay Cap Seal

a. Site Seal					
1. Clearing	34 Ac	@ $ 250	=	$ 8,500	
2. Dredge spoil - spread, condition and compact	44,000 CY	@ 2.50	=	110,000	
3. Imported clayey fill cap (108,800 less dredge spoil)	78,000 CY	@ 4.00	=	312,000	
4. Filter cloth (streets, parking, storage)	743,700 SF	@ 0.20	=	148,740	
		Sub-total		$579,240	
b. Slope Stabilization - South Shore					
1. Excavate exist. fill	12,400 CY	@ $ 1.80	=	$ 22,320	
2. Dispose 70% off-site	8,400 CY	@ 1.50	=	12,600	
3. Replace, compact 30%	4,000 CY	@ 1.20	=	4,800	
4. Place conditioned dredge spoil	9,300 CY	@ 2.25	=	20,925	
		Sub-total		$ 60,645	
c. Methane Gas Control					
1. Flare pipes	60 ea	@ $ 325	=	$ 19,500	
		Sub-total Clay Cap Seal		$671,985	
		10% Contingencies		67,199	
		Total			$ 739,200

4. Earthwork

a. Store Area					
1. Excavate 1 ft., dispose off-site	2,180 CY	@ $ 3.25	=	$ 7,085	
2. Extra depth, 3 ft., clay cap over store area	6,500 CY	@ 3.00	=	19,500	
3. Surcharge store area with topsoil - 3 months - double handling cost only	21,200 CY	@ 1.25	=	26,500	
		Sub-total		$ 53,085	
b. Parking Areas and Street Areas					
1. Extra fill - streets	1,400 CY				
" " - parking	6,200				
	7,600 CY	@ $ 3.00	=	$ 22,800	
		Sub-total Earthwork		$ 75,885	
		Contingencies		7,589	
		Total			$ 83,500

5. Revetment

a. Mole Area				
1. Filter cloth	55,000 SF	@ $ 0.20	=	$ 11,000
2. 18" coarse gravel	3,100 CY	@ 7.50	=	23,250
3. 25-300 lb. stone - from stockpile	2,000 CY	@ 2.25	=	4,500
		Sub-total		$ 38,750
b. East End				
1. Filter cloth	37,800 SF	@ $ 0.20	=	$ 7,560
2. 12" coarse gravel	1,400 CY	@ 7.50	=	10,500
3. Place heavy stockpiled riprap	2,800 CY	@ 2.25	=	6,300
		Sub-total		$ 24,360
c. South Shore				
1. Filter cloth	38,000 SF	@ $ 0.20	=	$ 7,600
2. 12" coarse gravel	1,400 CY	@ 7.50	=	10,500
3. Import 25-100 lb. riprap	2,100 CY	@ 25.00	=	52,500
		Sub-total		$ 70,600
d. North Shore - New Basin				
1. Remove and stockpile existing riprap	830 CY	@ $ 2.25	=	$ 1,870
2. 8" coarse gravel	2,010 CY	@ 7.50	=	15,075
		Sub-total		$ 16,945
		Sub-total Revetment		$150,655
		10% Contingencies		15,050
				165,705

6. Breakwater Phase I New Basin

New

1. East end, 12" precast x 74' x 600 LF sheet piling and bond beam	44,400 SF @ $ 6.00 =	$266,400	
2. 12" batter piles	1,900 LF @ 7.50 =	14,100	
3. North line (12" x 74" x 1400 LF)	103,600 SF @ 6.00 =	621,600	
	Sub-total	$902,100	
	10% Contingencies	90,210	
	Total		$ 992,300

7. Existing Breakwater Contingency Item

8. Berthing - New Basin

1. Walkways	24,640 SF			
Slips	42,550			
Knee braces	6,048			
		73,238 SF @ $18.00 =	$1,318,284	
		Total		$1,318,300

(Includes utilities, dock boxes, wood berths)

9. Piers and Gates

1. Piers	5 ea @ $12,000 =	$ 60,000	
2. Gates	5 ea @ 3,000 =	15,000	
	Sub-total	$ 75,000	
	10% Contingencies	7,500	
	Total		$ 82,500

10. Paving

a. Streets

1.	8" A.B.	4800 LF x 36' = 172,800 SF @ $ 0.30 =	$ 51,840	
2.	4" A.B.	4800 LF x 24' = 115,200 SF @ 0.20 =	23,040	
3.	2" A.C.	4800 LF x 24' = 115,200 SF @ 0.40 =	46,080	
4.	Harbormaster	9,200 SF @ 0.90 =	8,280	
			$129,240	

10. Paving (continued)

b. Parking

1.	8" A.B. @ 0.30 SF					
	Armor coat @ 0.20					
	0.50	113,400 SF	@ $ 0.50	=	$ 56,700	
		Sub-total Parking			$185,940	
		10% Contingencies			18,560	
		Total				$ 204,500

11. Utilities

a. Power and Telephone (underground)

1.	PG&E primary	2,400 LF	@ $14.00	=	$ 33,600
2.	Secondary feeders with conductor	3,200 LF	@ 9.50	=	30,400
3.	Trenching and backfill	2,400 LF	@ 3.00	=	7,200
4.	Substation (service disconnect)	1 ea	@ 60,000	=	60,000
5.	Concrete pad	1 ea	@ 1,000	=	1,000
6.	Main and meter panel	1 ea	@ 15,000	=	15,000
7.	Distribution Panel 1	1 ea	@ 8,000	=	8,000
8.	Temporary Service PG&E		@ 2,000	=	2,000
9.	PT&T cabling	2,400 LF	@ 7.50	=	18,000
10.	Substructures (boxes, etc)	20 ea	@ 200	=	4,000
11,	Miscellaneous		Lump Sum		18,000
12.	75 KVA transformers with pad	5 ea	@ 2,500	=	12,500
13.	150 KVA transformer	1 ea	@ 7,000	=	7,000
			Sub-total		$216,700
14	Less (1) (3) (4)				100,800
					$115,900

b. Sanitary Sewers

1.	4" Force Main (pe)	1,900 LF	@ $12.00	=	$ 22,800
2.	6" Gravity Main (pe)	180 LF	@ 15.00	=	2,700
3.	Manhole	1 ea	@ 700	=	700
4.	4" lateral	40 LF	@ 12.00	=	480
5.	Lift Station #3 (2 - 1/4hp)	1 ea	@ 9,000	=	9,000
6.	Lift Station #4 (2 - 1½hp)	1 ea	@ 12,000	=	12,000
7.	Lift Station #5 (2 - 1½hp)	1 ea	@ 12,000	=	12,000
8.	Boat pump out	1 ea	@ 3,000	=	3,000
			Sub-total		$ 62,680

c. Gas / None

d. Water System

I. Cal-Water (3,000 gpm)

1.	12" main (ACP pipe)	3,100 LF	@	$26.00	=	$ 80,600	
2.	8" main (" ")	2,430 LF	@	16.00	=	38,880	
3.	12" gate valves	4 ea	@	1,500	=	6,000	
4.	Hydrants	9 ea	@	1,200	=	10,800	
5.	4" meter and assembly	1 ea	@	2,000	=	2,000	
6.	8" gate valve	4 ea	@	400	=	1,600	
7.	Replace existing paving	720 SF	@	2.00	=	1,440	
8.	4" fire main to pier	60 LF	@	9.00	=	540	
9.	3" " " " "	310 LF	@	8.00	=	2,480	
10.	4" gate valve	1 ea	@	200	=	200	
11.	3" gate valve	4 ea	@	150	=	600	
12.	Special cover over 12" and 8"	5,530 LF	@	2.00	=	11,060	
				Sub-total		$156,200	

II. Marina System

13.	3" service	50 LF	@	$ 8.00	=	$ 400	
14.	2" service	510 LF	@	6.00	=	3,060	
15.	3" valves and box	1 ea	@	150	=	150	
16.	2" valves and box	5 ea	@	100	=	500	
17.	3/4" service	2 ea	@	200	=	400	
18.	4" main (ACP)	1,200 LF	@	9.00	=	10,800	
19.	4" gate valves	3 ea	@	200	=	600	
				Sub-total		$ 15,910	
				Total Water		$172,100	
				Utilities Sub-total		$350,700	
				10% Contingencies		35,100	
				Total			$ 385,800

12. Drainage

1.	Paved swales (3" AC x 6' width)	2,000 LF	@	$ 6.00	=	$ 12,000	
2.	Misc. structures	5 ea	@	600	=	3,000	
				Sub-total		$ 15,000	
				10% Contingencies		1,500	
				Total			$ 16,500

13. Promenade

1. Surfacing	26,900 SF @ $ 1.00	=	$ 26,900	
2. Redwood header	2,640 LF @ 2.50	=	6,600	
	Sub-total		$ 33,500	
	10% Contingencies		3,300	
	Total			$ 36,800

14. Lighting

a. Streets				
1. Electroliers	19 ea @ $1,000	=	$ 19,000	
2. 2" conduit and conductor	2,090 LF @ 6.00	=	12,540	
			$ 31,540	
b. Parking				
1. Electroliers	8 ea @ $1,000	=	$ 8,000	
2. 2" conduit	880 LF @ 6.00	=	5,280	
			$ 13,280	
c. Promenade - post-top electroliers at 100'				
1. Electroliers	14 ea @ $ 500	=	$ 7,000	
2. 2" conduit and wire	1,340 LF @ 6.00	=	8,040	
			15,040	
	Sub-total Lighting		$ 59,860	
	10% Contingencies		5,940	
	Total			$ 65,800

15. Landscaping

1. Topsoil over dredge spoil area (9.5 ac x 1' x 1613)	15,300 CY @ $ 6.00	=	$ 91,800	
2. Hydromulch (clay cap area including top-soil area)	24 Ac @ 1,000	=	24,000	
3. Promenade area (full treatment)	1.5 Ac @ 30,000	=	45,000	
4. Restaurant/Shops area	4.1 Ac @ 30,000	=	123,000	
	Sub-total		$283,800	
	10% Contingencies		28,380	
	Total			$ 312,200

PRELIMINARY ENGINEER'S ESTIMATE - PHASE I continued

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16. Restrooms

1. Two required	2 ea @ $30,000	=	$ 60,000	
	10% Contingencies		6,000	
	Total			$ 66,000

(Note: One may be funded by fishing pier, or launch ramp grants, etc.)

17. Harbormaster

1. 2-story structure	Lump Sum @ $60K	=	$ 60,000	
	10% Contingencies		6,000	
	Total			$ 66,000

18. Dry Storage

a. 1.18 Acres

1. 8" A.B. over clay cap 1.18 x 43,560 =	51,400 SF @ $ 0.50	=	$ 25,700	
2. Perimeter fence	2,600 LF @ 6.00	=	15,600	
			$ 41,300	

b. 1.82 Acres

1. 8" A.B.	79,280 SF @ $ 0.30	=	$ 23,800	
2. Perimeter fence	3,000 LF @ 6.00	=	18,000	
			$ 41,800	
	Sub-total		$ 83,100	
	10% Contingencies		8,310	
	Total			$ 91,400
	TOTAL PHASE I			$5,149,000

(1977 Prices)

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OYSTER POINT MARINA
PRELIMINARY ENGINEER'S ESTIMATE

PHASE II

1. Dredging / none			
2. Leachate / none			
3. Demolition and removals			
1. Misc. structures and roadway	Lump Sum =	$ 10,000	
	10% Contingencies	1,000	
	Total		$ 11,000
4. Earthwork			
1. Import fill - parking area	9,600 CY @ $ 4.00 =	$ 38,400	
	10% Contingencies	3,840	
	Total		$ 42,250
5. Revetment			
1. North shore - exist. basin - 8" coarse gravel	2,600 CY @ $ 7.50 =	$ 19,500	
	10% Contingencies	1,900	
	Total		$ 21,400
6. Breakwater Remedial work as required contingency item		0	
7. Berthing (Phase III) Repairs a contingency item		0	
8. Piers and gates (Phase III)		0	
9. Paving			
a. Streets			
1. 8" A.B. 920 LF x 36 =	33,120 SF @ $ 0.30 =	$ 9,900	
2. 4" A.B. 920 LF x 24 =	22,080 SF @ 0.20 =	4,400	
3. 2" A.C. 920 LF x 24 =	22,080 SF @ 0.375 =	8,280	
4. Demolish exist. road at beach 600 LF x 30 =	18,000 SF @ 0.50 =	9,000	
		$ 31,580	
b. Parking	90,000 SF @ 0.675 =	60,750	
	Sub-total	$ 92,330	
	10% Contingencies	9,233	
	Total		$101,550

10. Utilities

a. Power and Telephone (underground)

1.	PG&E secondary feeders	6,000 LF @	$ 9.50	=	$ 57,000
2.	PT&T cabling	660 LF @	7.50	=	5,000
3.	Trenching and backfill	2,400 LF @	3.00	=	7,200
4.	Substructures	18 @	200	=	3,600
5.	Miscellaneous				7,200
6.	75 KVA Transformers	6 ea @	2,500	=	15,000
7.	150 KVA Transformers	1 ea @	7,000	=	7,000
		Sub-total Power			$102,000

b. Sanitary Sewers

1.	4" laterals	140 LF @	$12.00	=	$ 1,700
2.	City pump station (add on concrete sump 8' dia. x 15' deep)	1 ea @	16,000	=	16,000
3.	Lift Station #1 (reconstruct with pkg. wet well surface mounted pumps, new sump)	1 ea @	20,000	=	20,000
4.	Lift Station #2 (reconstruct with pkg. surface mounted pumps)	1 ea @	10,000	=	10,000
		Sub-total Sewers			$ 48,000

c. Gas Main

2" p.e. main	800 LF @ $10.00	=	$ 8,000
	Cost of Ownership x 1.3	=	10,400
	Meters, miscellaneous	=	2,600
	Sub-total Gas	=	$ 21,000

d. Water

Marina System

1.	Relocate 4" meter				$ 2,000
2.	Pier services	4 ea @	$ 400	=	1,600
3.	2" service	2 ea @	400	=	800
4.	3/4" service	2 ea @	200	=	400
5.	Raise valves to grade			=	600
					$ 5,400

Cal Water System

6.	8" ACP	460 LF @	$ 16	=	$ 7,360
7.	8" G.V.	2 ea @	400	=	800
8.	Hydrant	2 ea @	1,200	=	2,400
	Misc. Adj.			=	5,000
					$15,560

Sub-total Water	=	$ 21,000
Sub-total Utilities	=	$192,000
10% Contingencies		19,200

211,200

PRELIMINARY ENGINEER'S ESTIMATE - PHASE II continued

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1.	Drainage				
	1. Paved swale	2,000 LF @ $ 6.00	=	$ 12,000	
	2. Misc. structures	6 ea @ 500	=	3,000	
		Sub-total		$ 15,000	
		10% Contingencies		1,500	
		Total			$ 16,500
12.	Promenade				
	1. Paving	28,400 SF @ $ 1.00	=	$ 28,400	
	2. Redwood header	2,000 LF @ 2.50	=	5,000	
		Sub-total		$ 33,400	
		10% Contingencies		3,300	
		Total			$ 36,700
13.	Lighting				
	a. Streets				
	1. Electroliers @ 110 ft.	6 ea @ $1,000	=	$ 6,000	
	2. 2" conduit and conductor	660 LF @ 6.00	=	3,960	
				$ 9,960	
	b. Parking				
	1. Electroliers	5 ea @ $1,000	=	$ 5,000	
	2. 2" conduit	550 LF @ 6.00	=	3,300	
				$ 8,300	
	c. Promenade and Beach				
	1. Electroliers 1500/80'	19 ea @ $ 500	=	$ 9,500	
	2. Conduit	1,500 ea @ 6.00	=	9,000	
				$ 18,500	
		Sub-total Lighting		$ 36,800	
		10% Contingencies		3,700	
		Total			$ 40,500
14.	Landscaping				
	1. Promenade area	0.5 Ac. @ $30,000	=	$ 15,000	
	2. Beach sand	5,000 CY @ 9.00	=	45,000	
		Sub-total		$ 60,000	
		10% Contingencies		6,000	
		Total			$ 66,000
15.	Restrooms				
	Utilize existing				
	Relocate one and refurbish	Lump Sum		$ 10,000	
		10% Contingencies		1,000	
		Total			$ 11,000
				TOTAL PHASE II	$558,100

6213-1-1
4/12/77

OYSTER POINT MARINA
PRELIMINARY ENGINEER'S ESTIMATE

PHASE III (1981-1982)

(1977 Prices)

1.	Demolition and Removals				
	a. Berthing				
	1. Remove exist. floats	87.0 BF @ $ 160	=	$ 13,920	
	2. Pull 50' piles (250x50)	12,500 LF @ 2.25	=	28,125	
	3. Cut off 50 piles	50 ea @ 75.00	=	3,750	
				$ 45,795	
	b. Misc. structures (piers, etc.)			$ 10,000	
		Sub-total		$ 55,795	
		10% Contingencies		5,580	
					$ 61,400
2.	Dredging	49,700 CY @ $ 6.00	=	$298,200	
		10% Contingencies		29,820	
					$ 328,000
3.	Berthing (wood)				
	1. Berthing	55,952 SF @ $18.00	=	1,007,100	
		5% Contingencies		50,400	
		Sub-Total			$1,057,500
4.	Piers and Gates				
	1. Piers	4 ea @ $12,500	=	$ 50,000	
	2. Gates	4 ea @ 3,500	=	14,000	
		Sub-total		$ 64,000	
		10% Contingencies		6,400	
		Total			$ 70,400
5.	Utility adjustments	4 ea @ $2,000	=	$ 8,000	
		10% Contingencies		800	
		Total			$ 8,800
6.	Restrooms	2 ea @ $30,000	=	$ 60,000	
		10% Contingencies		6,000	
		Total			$ 66,000
7.	Breakwater	60,900 SF @ $ 6.00	=	$365,400	
		10% Contingencies		36,600	
		Total			$ 402,000
				TOTAL	$1,994,100

EXHIBIT REFERENCE

EXHIBIT 1	Master Plan for Development of Oyster Point/Marina Park prepared by Daniel, Mann, Johnson & Mendenhall.
EXHIBIT 2	Construction details and estimated costs of construction.
EXHIBIT 3	Phase I of the Development Project.
EXHIBIT 4	Phase II of the Development Project.
EXHIBIT 5	Phase III of the Development Project

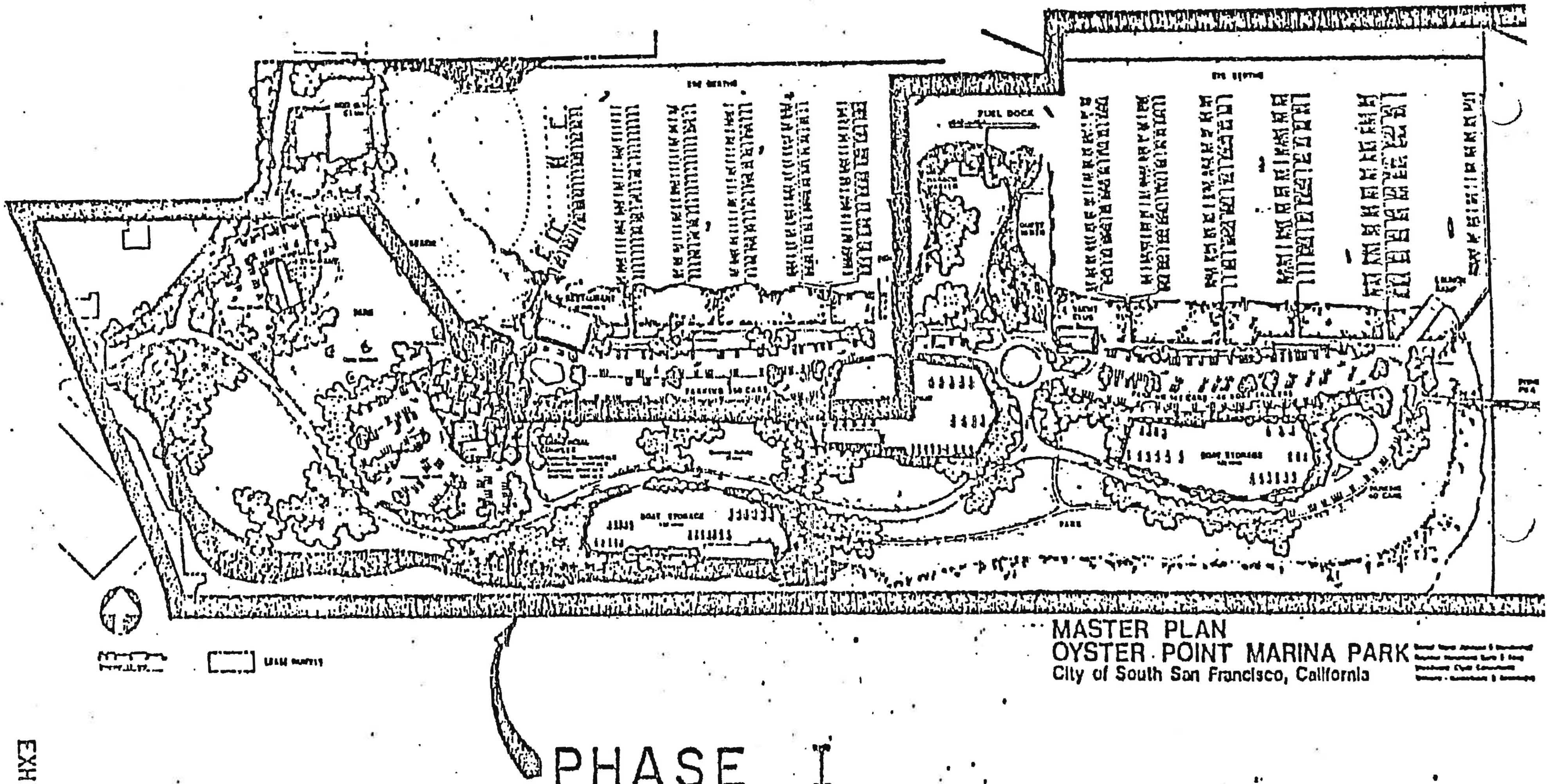
SUMMARY

Costs	1977/78 PHASE I New Basin	1978/79 PHASE II Upgrade Existing Shoreside	TOTAL Phase I and II	PHASE II Existing Basin
1. Demolition	$ –	$ 11	$ 11	$ 61
*Dredging	243	–	243	328
*Leachate	280	–	280	–
*Clay Cap Seal	739	–	739	–
*Earthwork	84	42	126	–
*Revetment	166	21	187	–
New Breakwater	992	–	992	–
Replace Existing Breakwater	402	–	402	–
Berthing	1,318	–	1,318	1,058
Piers and Gates	83	–	83	70
Paving	205	102	307	–
Utilities	386	211	597	9
Drainage	17	17	34	–
Promenade	37	37	74	–
Lighting	66	41	107	–
Landscaping	312	66	378	–
Restrooms	66	33	99	–
Harbormaster	66	–	66	–
Dry Storage	91	–	91	–
Sub total 1977 costs including contingencies	$5,553	$ 581	$6,134	$1,526
2. Incidental Expenses				
Escalation	459	101	560	
Engineering and Administration			500	
Sub total			$7,194	
3.**Launching Ramp			100	
4.**Fishing Pier			154	
			$7,448	

nclude portions of Leachate Control Measures)
arking, amenities, included in other line items)

res in thousands

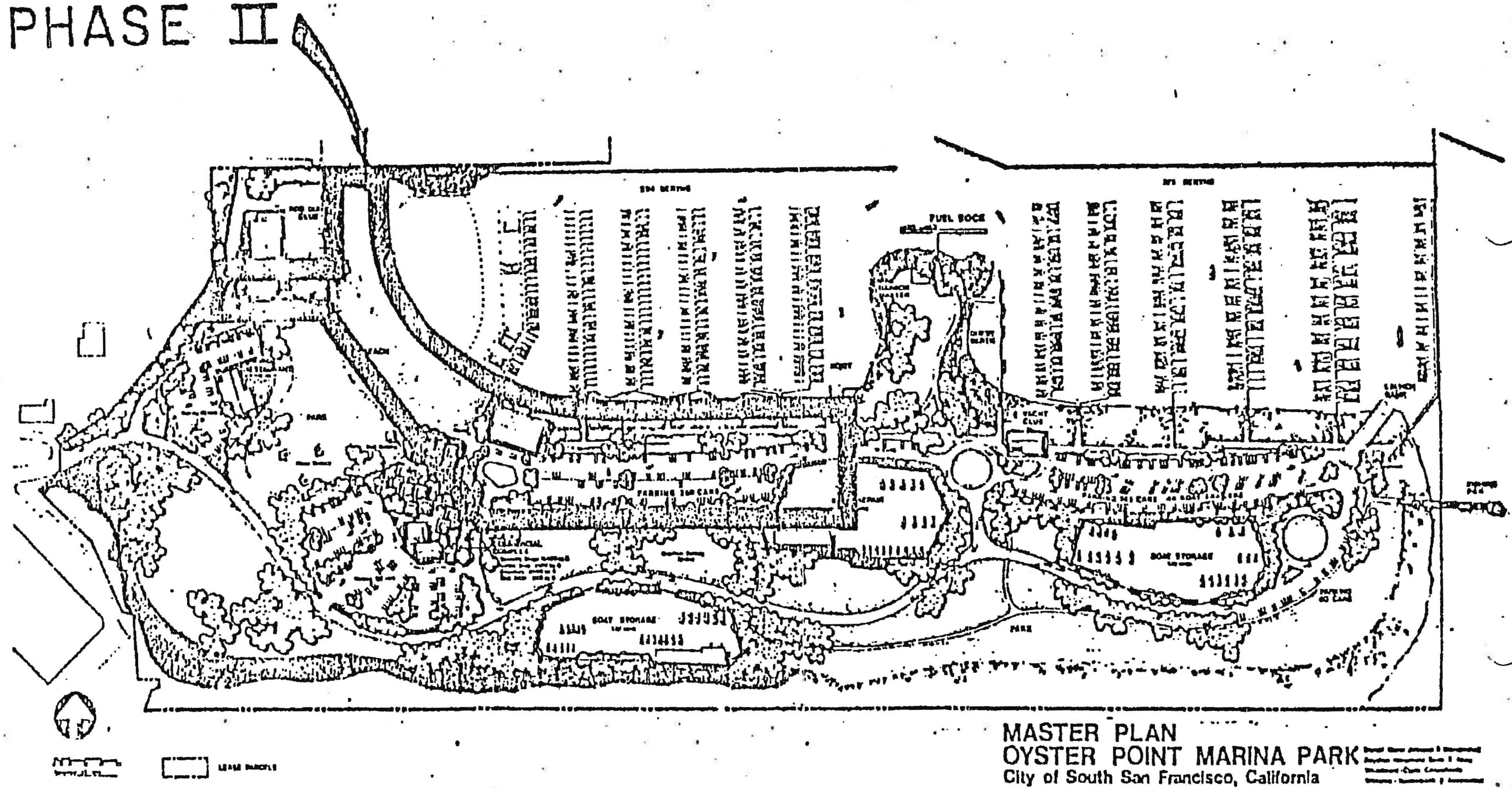
EXHIBIT 2



PHASE I

Reference is hereby made to the agreement dated September 8, 1975, between DNOD and the City of South San Francisco and an agreement with Daniel, Mann, Johnson & Mendenhall, a corporation, for consulting services related to Oyster Point Marina and Task Order Proposal, Design Oyster Point Marina/Park, Phases I and II, DMJM #6213-2-1, for further definition of the proposed project.

EXHIBIT 3

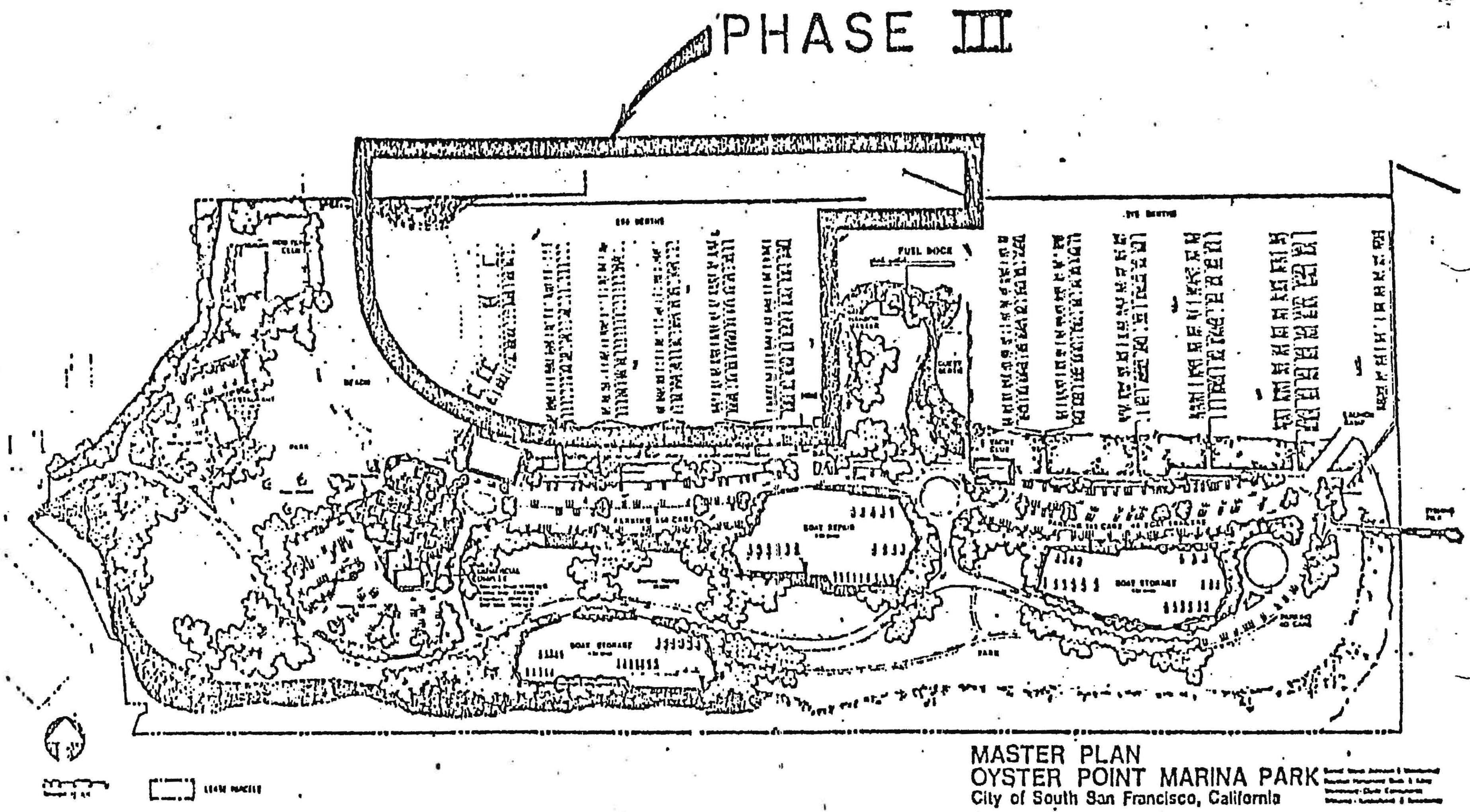


MASTER PLAN
OYSTER POINT MARINA PARK
City of South San Francisco, California

EXHIBIT 4

Reference is hereby made to the agreement dated September 8, 1975, between DNOD and the City of South San Francisco and an agreement with Daniel, Mann, Johnson & Mendenhall, a corporation, for consulting services related to Oyster Point Marina and Task Order Proposal, Design Oyster Point Marina/Park, Phases I and II, DMJM #6213-2-1, for further definition of the proposed project.

EXHIBIT 5



MASTER PLAN
OYSTER POINT MARINA PARK
City of South San Francisco, California

Reference is hereby made to the agreement dated September 8, 1975, between DNOD and the City of South San Francisco and an agreement with Daniel, Mann, Johnson & Mendenhall, a corporation, for consulting services related to Oyster Point Marina and Task Order Proposal, Design Oyster Point Marina/Park, Phases I and II, DMJM #6213-2-1, for further definition of the proposed project.

AGREEMENT AMENDING

JOINT POWERS AGREEMENT

THIS AGREEMENT by and between the SAN MATEO COUNTY HARBOR DISTRICT, a Political Subdivision of the State of California, hereinafter referred to herein as "District," and the CITY OF SOUTH SAN FRANCISCO, a Municipal Corporation, hereinafter called "City"

WITNESSETH:

RECITALS:

1. The parties hereto entered into a Joint Powers Agreement effective as of 12:01 a.m., November 11, 1977, and executed on October 21, 1977, by the City of South San Francisco and on October 24, 1977, by the San Mateo County Harbor District, wherein District was to maintain and operate the Oyster Point Marina Park and perform other acts as said Joint Powers Agreement provided.

2. Said Agreement required the District to advance sums in the amount of $700,000.00, to be repaid from revenues from the project, as described in said Agreement, and further required repayment to the City of $215,000.00 (with adjustments) which had been advanced by the City; said repayment to be pursuant to a schedule to be developed by the Policy Board.

3. The project cost far exceeded the estimates of engineers and the District has advanced sums in excess of $700,000.00, and may be required to advance additional sums in order to complete said project.

4. The parties hereto desire to amend said Agreement.

NOW, THEREFORE, said Joint Powers Agreement is hereby amended to provide as follows:

1. District shall be repaid all monies advanced by it including those sums in excess of $700,000.00 without interest. If revenues in any year hereafter exceed the amount for servicing loans from the State of California, Department of Boating and Waterways (formerly Department of Navigation and Ocean Development), the amounts necessary for reasonable depreciation, as determined in accordance with the terms and provisions of the Joint Powers Agreement, and operating expenses, said excess revenues shall be paid to the District for deposit in the Harbor District's Capital Outlay Fund until the amount advanced by the District has been paid, at which time any such excess funds remaining shall be divided equally among the parties hereto as provided in the Joint Powers Agreement.

2. Provisions for repayment of monies to the City of South San Francisco and the sum of $700,000.00 to the District as provided in the Joint Powers Agreement, are hereby reaffirmed.

3. Sums to be repaid to the City pursuant to the terms of said Joint Powers Agreement shall be paid from operating revenues from lands, improvements, leaseholds and other revenue generating sources for which the State Lands Commission of the State of California does not require or regulate apportionment or distribution thereof. If there are no such lands, improvements, leaseholds or other revenue generating sources, then said sum shall be repaid to the City pursuant to the Joint Powers Agreement in a manner determined by the Oyster Point Marina/Park Policy Board. It is the intent of the parties hereto that said funds shall be repaid to the General Fund of the City.

4. Paragraph 9 of the Joint Powers Agreement, authorizing the District to lease lands to private developers, is hereby amended to provide that the District may lease lands within the project site to private developers and/or public agencies.

5. Except as amended hereby, the terms and provisions of said Joint Powers Agreement is hereby reaffirmed.

6. This amendment to the said Joint Powers Agreement shall be retroactive and considered effective from the date said Joint Powers Agreement was executed, except as herein expressly provided.

SIGNED: October 11, 1979

CITY OF SOUTH SAN FRANCISCO
By: C. Walter Birkelo
City Manager

ATTEST:

Barbara A. Battaya

SIGNED: October 11, 1979

SAN MATEO COUNTH HARBOR DISTRICT
By:
FRANK [illegible], PRESIDENT

RESOLUTION NO. 119-79

CITY COUNCIL, CITY OF SOUTH SAN FRANCISCO, STATE OF CALIFORNIA

A RESOLUTION AUTHORIZING EXECUTION OF AN AGREEMENT AMENDING THE JOINT POWERS AGREEMENT BETWEEN THE SAN MATEO COUNTY HARBOR DISTRICT AND THE CITY OF SOUTH SAN FRANCISCO - OYSTER POINT MARINA

WHEREAS, the San Mateo County Harbor District, a political subdivision of the State of California, and the City of South San Francisco, a municipal corporation, entered into an agreement effective as of 12:01 a.m. on November 11, 1977, and executed on October 21, 1977 by the City of South San Francisco and on October 24, 1977 by the San Mateo County Harbor District, providing as therein set forth for the development, operation and maintenance of the Oyster Point Marina; and

WHEREAS, the parties desire to amend said Joint Powers Agreement as set forth in the document entitled "Agreement Amending Joint Powers Agreement", a copy of which is attached hereto as Exhibit "A".

NOW THEREFORE BE IT RESOLVED by the City Council of the City of South San Francisco that:

1. Execution.

The City Council authorizes execution of the agreement amending the Joint Powers Agreement, a copy of which attached hereto as Exhibit "A".

2. Signatures.

The City Manager of the City of South San Francisco is authorized to execute said agreement on behalf of the City, and the City Clerk attest his signature thereto.

* * * *

I hereby certify that the foregoing Resolution was regularly introduced and adopted by the City Council of the City of South San Francisco at a regular meeting held on the 3rd day of October, 1979, by the following vote:

AYES: Councilmembers Ronald G. Acosta, Emanuele N. Damonte, Terry J. Mirri, and Roberta Cerri Teglia

NOES: Councilman William A. Borba

ABSENT: None

ATTEST: /s/ Barbara A. Battaya
City Clerk

STATE OF CALIFORNIA }
COUNTY OF SAN MATEO } ss.

I, Barbara A. Battaya, City Clerk of the City of South San Francisco, County of San Mateo, State of California [illegible] the above and foregoing [illegible]

Resolution No. 119-79

the original of which is on file in my office, and that I have carefully compared the same with the original.

IN WITNESS WHEREOF I have hereunto set my hand and the seal of the City of South San Francisco this 11th day of Oct. 1979

BARBARA A. BATTAYA

City Clerk and Ex-officio Clerk of the City Council of the City of South San Francisco

By Barbara A. Battaya
City Clerk

By ....
Deputy City Clerk

EXHIBIT "A" TO RESOLUTION NOS. 247-85 & RPD-7

ADOPTED November 27, 1985.

SECOND AGREEMENT AMENDING JOINT POWERS AGREEMENT

THIS SECOND AGREEMENT amending the Joint Powers Agreement by and between the SAN MATEO COUNTY HARBOR DISTRICT (hereinafter referred to as "DISTRICT") and the CITY OF SOUTH SAN FRANCISCO, a municipal corporation (hereinafter referred to as "CITY") is made and entered into as of this 27th day of November, 19 85.

WITNESSETH:

WHEREAS, on October 24, 1977, the parties hereto entered into a Joint Powers Agreement (hereinafter "Agreement) for the purpose of repairing and/or replacing the existing Marina facilities at Oyster Point and expanding said facilities as described therein, and for the purpose of permitting the DISTRICT to rehabilitate, manage, maintain and operate said existing Marina and construct, manage, maintain and operate the future Marina Development at Oyster Point; and

WHEREAS, said Agreement was amended on October 11, 1979; and

WHEREAS, said Agreement and amendment thereto required the establishment of a POLICY BOARD consisting of five (5) members and charged said Board with the responsibility for making recommendations to the CITY and DISTRICT on all matters of policy relating to the construction, operation, management and maintenance of OYSTER POINT MARINA/PARK and required said Board to exercise certain other powers specifically delegated to it; and

WHEREAS, the parties hereto desire to again amend said Agreement to restructure the POLICY BOARD and exorcise its delegated powers;

NOW, THEREFORE, it is agreed:

1. Paragraph 4 amended.

Paragraph 4 of the Agreement is hereby amended to read as follows:

"4. LIAISON GROUP

To facilitate the accomplishment of the purposes of this Agreement, discussions shall be regularly held between the DISTRICT and the CITY by appointment by each body of representatives to a LIAISON GROUP, consisting of two (2) members who shall be Council Members from the City of South San Francisco, appointed by said Council and two (2) members who shall be HARBOR COMMISSIONERS, appointed by the BOARD OF HARBOR COMMISSIONERS, each to serve at the pleasure of his or her respective agency.

Each member of said LIAISON GROUP shall serve without compensation, but shall be reimbursed actual and necessary expenses from the revenues from said OYSTER POINT MARINA/PARK. Said GROUP shall have responsibility for reporting to the CITY COUNCIL and HARBOR COMMISSION on all matters of policy relating to the construction, operation, management, and maintenance of the OYSTER POINT MARINA/PARK, and such other powers, if any, as are specifically delegated to the GROUP by the DISTRICT and the CITY. The primary purpose of said GROUP is not to be an advisory body, nor is it to present recommendations to either party. It is constituted solely as a means for direct communications, exchange of ideas and reports of plans between the DISTRICT and the CITY. The chief administrative officer, the attorney and engineer of the DISTRICT shall serve as staff to the LIAISON GROUP on all matters involving the

DISTRICT'S responsibility and the chief administrative officer, the attorney and engineer of the CITY shall serve as staff to the GROUP on all matters involving the CITY'S responsibility. Compensation for each staff person shall be the responsibility of the primary employer of said person, but said salary shall be considered as part of the expenses of the OYSTER PARK MARINA/PARK incurred for the maintenance and operation to be reimbursed from operating revenues, pursuant to Paragraph 12 hereof."

2. Paragraph 5 amended.

The last sentence of Paragraph 5 of the Agreement is hereby amended to read as follows:

"However, pursuant to this Agreement, ultimate financial responsibility rests with the HARBOR DISTRICT and for this reason, if there is disagreement between the CITY and the DISTRICT as to the manner in which the project will be constructed, managed, maintained or operated, the final decision as to said matters shall be made by the BOARD OF HARBOR COMMISSIONERS of the SAN MATEO COUNTY HARBOR DISTRICT."

3. Paragraph 6 amended.

Paragraph 6 of the Agreement is hereby amended to read as follows:

"6. METHOD BY WHICH CONSTRUCTION PHASES OF THE PROJECT WILL BE ACCOMPLISHED

(a) Plans and Specifications: The project may be constructed in three initial phases as set forth in the Agreement between CITY and the former State of California Department of Navigation and Ocean Development ("DNOD") dated September 8, 1975, the proposed Master Plan (as amended), and the OYSTER POINT MARINA/PARK Specific Plan adopted by the CITY on September 21, 1983, and as said Specific Plan may be amended from time to time. The DISTRICT has already contracted with engineers for the preparation of proposed project plans and specifications. Plans and specifications for the proposed project have been prepared under the supervision and direction of the DISTRICT and paid for by the DISTRICT from DISTRICT funds or loan funds received from DNOD'S successor, the State of California Department of Boating and Waterways ("CAL-BOATING"). Upon completion of said plans and specifications, and for any future plans and specifications, the same shall be reviewed and approved by the BOARD OF HARBOR COMMISSIONERS of the HARBOR DISTRICT and the CITY COUNCIL of the City of South San Francisco.

(b) Award of Contract: Upon review and approval of said plans and specifications by the DISTRICT and CITY staffs and the governing bodies of each of said agencies, subject to Paragraph 6 (a) above, the DISTRICT shall call for competitive bids. The contract shall be awarded by the DISTRICT to the lowest responsive and responsible bidder.

(c) Construction. Construction of said work of improvement shall be under the supervision and direction of the DISTRICT. The engineers of the DISTRICT shall consult with engineers for the CITY during the construction process. The engineers of the CITY shall have access to the construction site, the power to inspect the same during the course of construction, and upon request shall be furnished all plans and specifications prepared by the DISTRICT for their review and comment.

(d) Project Site: The said project shall be constructed partially on lands owned in fee by the CITY and partially on tidelands and submerged lands and nothing set forth herein shall be construed as vesting any ownership in any of said lands in the HARBOR DISTRICT."

4. Paragraph 7 (b) amended.

The last sentence of Paragraph 7 (b) of the Agreement is hereby amended to read as follows:

"In the event that said employees fail to perform their services and duties adequately and in accord with personnel requirements of the CITY, said employees may be discharged in accordance with the personnel rules and procedures of the CITY at the request of the DISTRICT."

5. Paragraph 9 amended.

Paragraph 9 of the Agreement is hereby amended to read as follows:

"9. LEASES

DISTRICT may lease all or any portion of the existing marina, the lands within the project site or the project as completed, to private developers and/or public agencies subject to the approval of CAL-BOATING and the CITY. The revenues from any such lease or leases shall be considered as operating revenues."

6. Paragraph 10 amended.

Paragraph 10 of the Agreement is hereby amended to read as follows:

"10. ACCOUNTING RECORDS

(a) DISTRICT shall maintain account books and financial records to show the revenues and expenses of the OYSTER POINT MARINA/PARK. Said records shall prorate expenses of the DISTRICT where said expenses are attributable in part to other DISTRICT functions. Said prorations shall be subject to review by the CITY.

(b) CITY shall maintain account books and records to show the expenses to the CITY for providing municipal services to said project. Said records shall prorate expenses where said expenses are attributable in part to other CITY functions. Said prorations shall be subject to review by the DISTRICT.

(c) DISTRICT shall render a semi-annual report concerning the financial affairs of the OYSTER POINT MARINA/PARK."

7. Paragraph 11 amended.

The first sentence of Paragraph 11 of said Agreement is hereby amended to read as follows:

"DISTRICT shall maintain minimum insurance required by CAL-BOATING in accord with the Agreement with said Agency and such other insurance and in such amount as may be considered necessary by the DISTRICT and the CITY."

8. Paragraph 12 amended.

Paragraph 12 of said Agreement is hereby amended to read as follows:

"12. DIVISION OF REVENUE

(a) Operating revenues received from the OYSTER POINT MARINA/PARK shall be used to repay loans from CAL-BOATING (formerly DNOD) including the existing loans, if any, to the CITY and the expenses and costs of management, operation and maintenance of the project.

(b) Operating revenues in excess of those required for debt service and operating costs and expenses as provided above shall be held in a reserve account subject to the terms and provisions of the loan agreement with CAL-BOATING. After satisfaction of the yearly requirements under the loan agreement with CAL-BOATING, and during the term of said agreement, with CAL-BOATING'S consent, said excess funds shall be held or disbursed as follows:

(1) The CITY and the DISTRICT shall establish a reasonable depreciation schedule for the various elements of the project and a portion of such excess funds shall be deposited in an account with a financial institution or invested in approved and authorized investments to be used as needed to meet the cost and replacement in accordance with the said depreciation schedule. Any income or profits from said fund or investments shall be added thereto. The maximum reserve to be so maintained shall be determined by the parties hereto.

(2) The CITY shall be paid the sum of TWO HUNDRED FIFTEEN THOUSAND DOLLARS ($215,000.00) (the amount of the CITY'S investment in the existing MARINA from the CITY'S General Fund) less the amount to be paid CITY for personal property pursuant to to Paragraph 15. The DISTRICT shall be paid:

(i) The amount of the DISTRICT'S capital investment in the completed project,

(ii) TWENTY FIVE THOUSAND DOLLARS ($25,000.00) which was advanced to the CITY for planning purposes,

(iii) The amount paid to CITY for personal property pursuant to Paragraph 15, and

(iv) Sums advanced by the DISTRICT during the term of this agreement from its General Fund for loan service fees or maintenance and operation.

A schedule for repayment of said items shall be developed by the parties hereto subject to modification from time to time.

(Any excess funds remaining shall be divided equally between the parties hereto.

9. Except as specifically provided for above, any reference in said Agreement or said Agreement amending the Joint Powers Agreement to POLICY BOARD or BOARD is hereby amended to read as follows:

"LIAISON GROUP"

10. Except as specifically provided for above, any reference in said Agreement or said Agreement amending Joint Powers Agreement to DNOD is hereby amended to read as follows:

"CAL-BOATING"

This change reflects the fact that the State of California Department of Navigation and Ocean Development has been replaced by the State of California Department of Boating and Waterways.

11. Except as specifically amended herein, the terms and conditions of the Agreement and the Agreement amending Joint Powers Agreement shall remain unchanged and are hereby ratified and reaffirmed by the parties hereto.

IN WITNESS WHEREOF, the parties hereto, first being duly authorized, have executed this Second Agreement amending Joint Powers Agreement as of the date and year first above written.

SAN MATEO COUNTY HARBOR DISTRICT

By: Jean J. [illegible]

CITY OF SOUTH SAN FRANCISCO

By: Roberta Cerri Teglia
Mayor

ATTEST:

Barbara A. Battaya
City Clerk

SOUTH SAN FRANCISCO PARK RECREATION AND PARKWAY DISTRICT

By: Roberta Cerri Teglia
Ex Officio Chairman

ATTEST:

Barbara A. Battaya
City Clerk

State of CALIFORNIA
unty of SAN MATEO } SS.

On this the 4th day of DECEMBER 1985, before me,
CHRISTINE A. DALE,
the undersigned Notary Public, personally appeared
JEAN J. FLOCKS,
☒ personally known to me
☐ proved to me on the basis of satisfactory evidence
to be the person(s) who executed the within instrument as President or on behalf of the corporation therein named, and acknowledged to me that the corporation executed it.

OFFICIAL SEAL
CHRISTINE A. DALE
My Comm. Expires March 15, 1988

WITNESS my hand and official seal.

Christine A Dale
Notary's Signature

0 122

NATIONAL NOTARY ASSOCIATION • 23012 Ventura Blvd. • P.O. Box 4625 • Woodland Hills, CA 9136

State of CALIFORNIA
County of SAN MATEO } SS.

On this the 12th day of DECEMBER, 1985, before m
JOSEPH N.FIGUEIREDO NOTARY PUBLIC
personally appeared ROBERTA CERRI TEGLIA
personally known to me (or proved to me on the basis of satisfactory evidence) to be the person who execute this instrument as MAYOR
of THE CITY OF SOUTH SAN FRANCISCO
and acknowledged to me that
THE CITY OF SOUTH SAN FRANCISCO executed it.

OFFICIAL SEAL
JOSEPH N FIGUEIREDO
My comm. expires OCT 25, 1985

WITNESS my hand and official seal

Notary's Signature

IVIL CODE SECTION 1191 - Public Corporation, Agency or Political Subdivision Acknowledgment

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State of CALIFORNIA
County of SAN MATEO } SS.

On this the 12th day of DECEMBER, 1985, before m
JOSEPH N. FIGUEIREDO NOTARY PUBLIC
personally appeared ROBERTA CERRI TEGLIA
personally known to me (or proved to me on the basis of satisfactory evidence) to be the person who execute this instrument as EX OFFICIO CHAIRMAN
OF SOUTH SAN FRANCISCO PARK RECREATION AND PARKWAY DISTRIC
and acknowledged to me that
THE CITY OF SOUTH SAN FRANCISCO executed it.

OFFICIAL SEAL
JOSEPH N FIGUEIREDO
My comm. expires OCT 25, 1985

WITNESS my hand and official seal

Notary's Signature

RESOLUTION NO. 20-2005

CITY COUNCIL, CITY OF SOUTH SAN FRANCISCO, STATE OF CALIFORNIA

A RESOLUTION APPROVING A THIRD AMENDMENT TO THE JOINT POWERS AGREEMENT BETWEEN THE SAN MATEO COUNTY HARBOR DISTRICT AND THE CITY OF SOUTH SAN FRANCISCO

WHEREAS, staff recommends approval of a Third Amendment to the Joint Powers Agreement between the San Mateo County Harbor District and the City of South San Francisco.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of South San Francisco that the City Council hereby approves a Third Amendment to the Joint Powers Agreement between the San Mateo County Harbor District and the City of South San Francisco. The Agreement is attached hereto as Exhibit A.

BE IT FURTHER RESOLVED that the City Manager is hereby authorized to execute the agreement on behalf of the City of South San Francisco.

* * * * *

I hereby certify that the foregoing Resolution was regularly introduced and adopted by the City Council of the City of South San Francisco at a regular meeting held on the 23rd day of February 2005 by the following vote:

AYES: Councilmembers Richard A. Garbarino, Pedro Gonzalez, and Karyl Matsumoto, and Mayor Pro Tem Joseph A. Fernekes

NOES: None.

ABSTAIN: None.

ABSENT: Mayor Raymond L. Green

ATTEST: Sylvia M. Payne
City Clerk

THIRD AMENDMENT AMENDING JOINT POWERS AGREEMENT

THIS THIRD AGREEMENT amending the Joint Powers Agreement by and between the SAN MATEO COUNTY HARBOR DISTRICT (the "DISTRICT") AND THE CITY OF SOUTH SAN FRANCISCO (the "CITY") is made and entered into as of this _____ day of ___________________, 2005.

WITNESSETH:

WHEREAS, on October 24, 1977, the parties hereto entered into a Joint Powers Agreement (the "Agreement") for the purpose of repairing and/or replacing the existing Marina facilities at Oyster Point and expanding said facilities as described therein, and for the purposes of permitting the DISTRICT to rehabilitate, manage, maintain and operate said existing Marina and construct, manage, maintain and operate the future Marina Development at Oyster Point; and

WHEREAS, said Agreement was amended on October 11,1979 and November 27, 1985; and

WHEREAS, the Agreement clearly states that the CITY retains fee ownership of the Property, and that any loans undertaken by the DISTRICT are the sole responsibility of the DISTRICT and that the DISTRICT shall hold CITY harmless for any costs to the CITY resulting therefrom; and

WHEREAS, the DISTRICT seeks to consolidate its loans with the California Department of Boating and Waterways (the "DBW") and the CITY seeks to ensure that its fee ownership of the Property is not encumbered as security for such a loan;

NOW, THEREFORE, it is agreed:

I. Section 13 is amended.

13. RESPONSIBILITY FOR LOAN REPAYMENT ~~– HOLD HARMLESS CLAUSE~~

(a) Hold Harmless Clause.

Except as expressly provided herein, *except as may be separately agreed to in writing by the District and the City,* the CITY shall not be responsible for any of the expenses related to the OYSTER POINT MARINA/PARK and specifically CITY shall not be responsible for the following: (1) costs of construction, including plans, specifications, and engineering; (2) economic studies incurred hereafter; (3) repayment of the existing loans incurred by CITY for construction of the existing marina at OYSTER POINT; (4) any loans incurred for future developments at said site in accord with the Exhibits attached hereto; and (5) for any costs of operation and maintenance except as expressly provided herein. In the event operating revenues are not sufficient to service said loans or pay costs of operation and maintenance, the DISTRICT shall assume responsibility for and make all payments due thereon and shall hold CITY harmless from any liability for said loans or costs of maintenance and operation.

(b) *Loan Security.*

The DISTRICT shall not provide ownership, entry, possession, maintenance, or other control of OYSTER PARK as security for any loan.

II. In all other respects, the Joint Powers Agreement and the First and second Amendments thereto are hereby affirmed.

IN WITNESS WHEREOF, the parties hereto, first being duly authorized, have executed this Third Agreement amending Joint Powers Agreement as of the date and year first above written.

SAN MATEO COUNTY HARBOR DISTRICT

____

CITY OF SOUTH SAN FRANCISCO

____
Mayor

SOUTH SAN FRANCISCO PARK RECREATION AND PARKWAY DISTRICT

____
Ex Officio Chairman

ATTEST:

____
City Clerk

APPROVED AS TO FORM:

____
City Attorney

CITY COUNCIL 2015

RICHARD A. GARBARINO, MAYOR
MARK ADDIEGO, VICE MAYOR
PRADEEP GUPTA, PH.D., COUNCILMEMBER
KARYL MATSUMOTO, COUNCILMEMBER
LIZA NORMANDY, COUNCILMEMBER

MIKE FUTRELL, CITY MANAGER

OFFICE OF THE CITY COUNCIL

July 30, 2015

VIA EMAIL AND U.S. MAIL

Glenn Lazof
Interim General Manager
San Mateo County Harbor District
504 Avenue Alhambra, 2nd Floor,
P.O. Box 1449
El Granada, CA 94018

Dear Mr. Lazof:

The Joint Powers Agreement (JPA) between the City of South San Francisco (City) and the San Mateo County Harbor District (District) sets forth that the District is "responsible for management, maintenance and operation of the existing and future Oyster Point Marina/Park." The District has had this responsibility since 1977 and per the JPA will continue in this role until expiration of the JPA on November 11, 2026.

The City of South San Francisco has deep concerns regarding the management, maintenance and operation of Oyster Point Marina and Park. I write to memorialize some of the most pressing concerns and ask that the Commission take affirmative and prompt action to address these concerns.

Priorities for the City can be separated into three categories: revenues/economic development, capital improvements/facilities, and public recreational access.

<u>Revenue Opportunities/Economic Development:</u>

The economic viability of the marina is of vital concern to the City, and we believe to the District. Steps which should be taken immediately to improve viability include:

1. Follow the guidelines of the "San Mateo County Harbor District Oyster Point Marina and Park Business and Management Plan" dated May 30, 2013, submitted to the State as a requirement to receive former City Redevelopment Agency funds. The Plan is attached to this letter for reference, and calls for, among other things:
    a. Improve marina facilities to increase boater capacity;

    b. Accelerate efforts to remove vessels delinquent in rents, unseaworthy, or otherwise derelict;
    c. Enhance docks for potential charter vessel use;
    d. Vigorous Oyster Point promotional and marketing campaign;
    e. Increase the use of the marina and park by cyclists, joggers, walkers, and families looking for recreational activities.

2. In order to test the economic viability of the marina operations and to further the goals stated above, the City believes a comprehensive marina market analysis should be undertaken by a consultant with experience in private and public/private marina operations. This analysis should be undertaken jointly by the District and the City, reporting to the Policy Board established in accordance with the JPA. Many marinas have undergone similar market studies by firms familiar with the marina development community. Such an analysis should identify, among other items:

    a. The Bay Area marina market opportunities;
    b. What is unique about Oyster Point;
    c. What can be done to capitalize on the market and Oyster Point's uniqueness in the near, medium and long term;
    d. What could be expected in response to request for quotations (RFQ) from private marina concessionaires, and
    e. Key terms for inclusion in a draft RFQ, if that appears feasible, based on the results of the economic and market analysis.

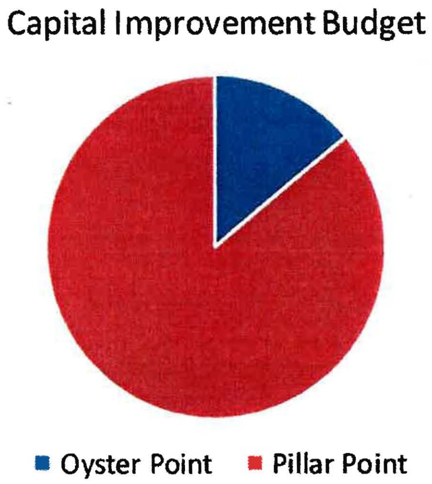
This analysis could also provide direction to address other areas of concern; namely vacant leaseholds (i.e. the bait and tackle shop) and high berth vacancies (35% - 40% vacancy according to the recent MSR).

<u>Capital Improvements/Facilities:</u>

The capital improvement and maintenance requirements at Oyster Point were documented by a District sponsored condition assessment performed by the engineering firm Moffatt and Nichols in November 2014, which showed five Priority One needs costing $87,705, and other priority needs costing $5,700,170. Despite these documented needs, however, the FY15-16 District budget does very little to address the needs identified. Indeed, the current year budget allocates only $115,000 to Oyster Point for:

• Garbage Compactor	$40,000
• Study of flooding issues	$25,000
• Design/Permit only Dock 12	$50,000

Conversely Pillar Point Harbor is allocated $710,000 for ten capital improvement projects – almost seven times more funding than allocated to Oyster Point, as shown below:



In addition to the priority needs identified in the District's 2014 condition assessment, high importance must be given to:

1. Replacing the wooden pier structures with concrete piers, which have lower maintenance requirements and will enhance the marketability of berths. Priority should be given to docks 12-14 which are beyond repair according to the condition assessment; and
2. Dredging the marina, particularly those areas nearest the Ferry Dock. The permitting process will take approximately 24 months and the District is urged to begin this process as soon as possible.

Maintenance of the existing marina is a core function required of the District under the JPA. The already identified priorities must be addressed more aggressively.

Public Access and Recreation:

The JPA requires not just maintenance and operation of the marina, but also of the adjacent park. The open spaces and beachfront on San Francisco Bay offer limitless opportunities for public enjoyment, enhancement of Oyster Point's reputation and generation of revenue. The recommended marketing analysis noted above must also consider opportunities presented by the ample waterfront park and beach space, and a plan developed in partnership with the City to enhance this aspect of Oyster Point Marina and Park.

The City of South San Francisco expects the San Mateo County Harbor District will devote serious, focused attention to the issues highlighted above, providing the leadership and management necessary to effectively operate Oyster Point Marina and Park. The City has additional concerns, including, for example, the long term governance structure for Oyster Point, best business practices, etc., but highlights the above concerns at this time to allow the District to take immediate action on these pressing issues.

Sincerely,

Mike Futrell

Mike Futrell

Attachments:
Summary of Maintenance and Capital Needs from District 2014 Condition Assessment
San Mateo County Harbor District Oyster Point Marina Business and Management Plan

cc: South San Francisco City Council
San Mateo County Harbor District Commissioners
San Mateo County Board of Supervisors
Martha Poyatos, Executive Director, San Mateo LAFCo

	Priority				
Repair Project type	**1**	**2**	**3**	**4**	**Grand Total**
Maintenance	**$ 57,705**	**$ 95,700**	**$ 95,460**		**$ 166,705**
Dock 1		$ 17,000			$ 17,000
Dock 2		$ 18,300			$ 18,300
Dock 3			$ 27,500		$ 27,500
Dock 4			$ 33,300		$ 33,300
Dock 5		$ 15,200			$ 15,200
Dock 6		$ 16,700			$ 16,700
Harbor Master	$ 22,705				$ 22,705
Maintenance		$ 16,000			$ 16,000
Dock 1	$ 12,000				$ 12,000
Dock 2		$ 3,000			$ 3,000
Dock 3		$ 3,000			$ 3,000
Gate			$ 27,000		$ 27,000
Harbor Master	$ 19,000	$ 2,500	$ 2,660		$ 24,160
Maintenance	$ 4,000		$ 5,000		$ 9,000
Restroom 4 & 5		$ 4,000			$ 4,000
Capital	**$ 30,000**	**$ 605,000**	**$ 654,000**	**$ 4,250,000**	**$ 5,539,000**
Dock 12				$ 1,230,000	$ 1,230,000
Dock 13				$ 1,560,000	$ 1,560,000
Dock 14			$ 35,000	$ 1,070,000	$ 1,105,000
East Lower			$ 70,000		$ 70,000
Harbor Master		$ 20,000			$ 20,000
Maintenance		$ 15,000		$ 390,000	$ 405,000
Marina Bl			$ 174,000		$ 174,000
Restroom 4		$ 240,000			$ 240,000
Restroom 4 & 5	$ 30,000	$ 50,000			$ 80,000
Restroom 5		$ 240,000			$ 240,000
West Breakwater		$ 40,000	$ 300,000		$ 340,000
East Breakwater			$ 75,000		$ 75,000
Grand Total	**$ 87,705**	**$ 700,700**	**$ 749,460**	**$ 4,250,000**	**$ 5,787,865**

Table 2: Repair Project Prioritized Costs

San Mateo County Harbor District
Oyster Point Marina
Business and Management Plan

May 30, 2013

San Mateo County Harbor District

1. Business Description

San Mateo County Harbor District

In 1933 by Resolution the Board of Supervisors of the County of San Mateo established the San Mateo County Harbor District. The County of San Mateo established the entire area of the County of San Mateo as the District's boundaries.

The Harbor District operates two facilities, Pillar Point Harbor at Half Moon Bay in Princeton, and Oyster Point Marina and Park in City of South San Francisco. The City of South San Francisco owns Oyster Point and the District operates it for the City under a Joint Powers Agreement. Oyster Point is a 455 berth recreational boating marina.

Oyster Point Marina and Park

Oyster Point Marina and Park is a 455 berth public marina and 33-acre (13.4 HA) county park in the City of South San Francisco on the western shoreline of San Francisco Bay.

The marina is located close to nearby job centers in various office high rise complexes and near the City's downtown. It includes a fuel dock, a boat launching ramp, and a fishing pier. In addition to boating and parkland, there are hiking and jogging trails, picnic areas, and 2.3 miles (3.7 km) of sandy beaches.

The increasing traffic on Highway 101 and growing job centers located adjacent to this marina have led to the San Francisco Bay Water Transit Authority to develop a ferry terminal in the Oyster Point Marina.

The San Francisco Bay Ferry began operating a commute hour ferry service between the South San Francisco Ferry Terminal at the Oyster Point Marina and the Oakland Ferry Terminal at Jack London Square in Oakland and the Main Street Ferry Terminal in Alameda in June 2012.

Harbor District Service Goals and Priorities

Provide Safe Ocean and Bay Use, Access and Environmental enhancement

- Provide marine rescue services to aid boaters who are in distress.
- Provide a certified Clean Marina program including a recycling program to reduce costs and comply with Federal and State Environmental Laws.

Provide Ocean and Bay Access

- Provide and increased public access for active and passive enjoyment.

Provide High Quality Commercial-Recreation and Marine-Related Services

- Seek quality private sector businesses to serve the boating public, general public and commercial fishing fleet.
- Actively promote tourism to generate business and revenue for the District.
- Provide a balanced level of services for all users of District facilities.

Maintain Positive Public Image

- Serve all District customers, clients, staff, lessees, and agencies in a friendly and courteous manner at all times.
- Communicate with the public, media, other agencies and employees on a regular basis through the use of all available media.
- Provide maximum responsiveness to District clients in meeting daily responsibilities.

Maintain Ability to Accommodate Growth

- Develop and maintain infrastructure. Insure that roads, parking, and other support services are ready to meet future public needs.
- Foster economic development and commercial and recreation oriented business by promoting marina and its potential for quality business development in an environmentally acceptable manner.

Market

Oyster Point Marina is one of 39 marinas in the San Francisco Bay region. Of these, 17 are public marinas. According to a 2009 Grand Marina occupancy survey, there were approximately 14,700 berths in San Francisco Bay. The number of vessels in the Bay peaked in 2002/2003 at approximately 13,600 resulting in a 7.5% vacancy rate. The 2009 Grand Marina study also reported finding a steady decline in the number of vessels in the Bay since the peak years of 2002/2003. The number of vessels in 2009 was 11,800, resulting in a vacancy rate of approximately 20%.

Oyster Point Marina has three immediate neighbors: Oyster Cove, a private marina; and two public marinas, Sierra Point in Brisbane and Coyote Point in San Mateo, operated by San Mateo County. At present, Oyster Cove is 17% vacant, Sierra Point 7% vacant, and Coyote point 30% vacant. Oyster Point Marina is currently 23% vacant. Sierra Point's lower vacancy is attributed to the fact that the City of Brisbane has subsidized rates there for years. Annual surveys show that Sierra Point has consistently been among the lowest berth rates of SF Bay marinas.

In view of the depressed economy as indicated by the number of berth vacancies in Bay Area marinas, Oyster Point faces a challenge in its efforts to increase occupancy and grow revenue. The Oyster Point Marina is competing in a regional market with other marinas for a reduced number of boaters.

San Mateo County Harbor District
2. Financial Plan

The potential for attracting new boater occupancy at Oyster Point Marina and associated increased revenues is largely dependent upon:

a) The San Francisco Bay regional market demand for berthing facilities

b) The quality of marina facilities and tenancy

c) The level and quality of on-site amenities and/or convenient access to such amenities off-site

d) A vigorous marketing effort to raise boater, visitor, and general public awareness of Oyster Point's positive attributes.

The Oyster Point Marina's financial plan relies on taking actions to develop long term solvency and plans to maximize existing revenue. Special events and circumstances, such as the upcoming Americas Cup centered in San Francisco, may also create opportunities to increase occupancy and revenue.

Develop Long-Term Financial Solvency

- Reduce costs by finding different ways to provide current services for less cost by improving operations and automating wherever economically feasible.
- Aggressively pursue grants, private sector funding, and other financing sources to decrease dependence on taxpayer dollars.
- Expand use of user fees and charges to increase District's income.
- Develop and implement long-term fiscal plans to keep the District financially solvent.

Plan Ahead to Maximize Existing Resources

- Develop a long-term strategic plan to guide the direction of the Harbor District in a purposeful manner.
- Develop and implement an operations plan that will identify the specifics of our strategic plan.
- Insure public input and participation in decision-making for future facility and service needs.

The strategy to improve the Harbor District's finances relies on small incremental steps to build up capacity and revenues. This will result in moderate revenue increases the first few years and improved performance in later years as the economy improves and the District efforts take full effect.

Income Statement (Year 2012-01-2005)

Fiscal Year	2012/13	2013/14	2014/15	2015/16	2016/7
Operating Revenue	$1,792,247	$1,828,092	$1,882.935	$1,977,081	$2,075,936
Non-Operating Revenue	0	0	0	0	0
Total Revenue	1,792,247	1,828,092	1,882,935	1,977,081	2.075,936
Operating Expenses	515,599	525,911	541,688	557,939	574,677
Non-Operating Expenses	952,300	971,346	1,000,486	1,030,501	1,061.416
Total Expenses	1,467,899	1,497,257	1,542,175	1,588,440	1,636,093
Net Income	324,348	330,835	340,760	388,642	439,842

San Mateo County Harbor District
3. Management Plan

Management Team
The management team includes Peter Grenell, the Harbor District's General Manager, Scott A. Grindy, Oyster Point Marina Harbormaster, and the Harbor District's Board of Commissioners.

Peter Grenell, General Manager
Peter Grenell has been General Manager of the Harbor District for fifteen years. He has overall administrative responsibilities for Pillar Point Harbor and Oyster Point Marina/Park and directs the Harbormaster and other District staff. Mr. Grenell oversees routine administrative matters and heads the District's management team of Harbormaster, Finance Director and Human Resources Manager. His responsibilities include overseeing preparation of materials for twice-monthly action by the Board of Harbor Commissioners, grant writing, representing the agency before various boards, councils and commissions, directing project development in concert with the Harbormaster and strategic planning.

Before his work with the Harbor District, his 35 years of professional experience included serving over eight years as Executive Officer of the California State Coastal Conservancy. He also has five years experience as program developer, director and project manager for numerous Conservancy waterfront and access and land conservation projects. He has worked in the public, nonprofit and private sectors both domestically and overseas in urban development and planning and harbor redevelopment.

Scott A. Grindy, Harbormaster
Harbor Master Scott A. Grindy oversees operations for the San Mateo County Harbor District at Pillar Point and Oyster Point Marina/Park. This charge includes day-to-day operations including facilities maintenance, occupancy and berthing management, ocean search and rescue operations, facilities improvement project development and constructions, supervising 19 harbor patrol staff and special events management.

Previously, Mr. Grindy served over 25 years in the management of capital projects, facility, building and engineering administration, buildings operations, emergency operations, road and highway construction/design and security operations. For seven years he managed the Port of Everett's 2,400-berth marina, overseeing slip rentals, budgeting, grants procurement, marketing, customer services and facilities maintenance and security. He was an executive member of the Department of Homeland Security's Area Maritime Committee. He has also managed a university campus including construction of its first two phases, as well as a technical college with offsite campus buildings.

Board of Commissioners
Five members sit on the Harbor District's Board of Commissioners. Commissioners are elected by the general public and serve staggered terms of four years. Their experience

includes managing ports, setting ocean and fisheries policies, practicing law and establishing public interest organizations. Their educational experience includes graduates from the University of California, Davis, Eastern Michigan University, San Francisco State University and UC Hasting College of Law.

Organizational Structure

The Harbor District is an independent special District whose jurisdiction is San Mateo County. It is governed by a board of commissioners with legal and ethical responsibilities. The board of commissioners is responsible for ensuring that the Harbor District meets its legal requirements and that it operates in accordance with its mission. Commissioners are also responsible for safeguarding the Harbor District's assets, ensuring the District has sufficient funds to operate, and hiring the General Manager.

The General Manager serves as the chief executive officer overseeing all day-to-day administration and work of the District. The General Manager reports to the board of commissioners and is responsible for developing and managing the District's $10,211,126 budget. Other responsibilities include ensuring that the District's program objectives are clearly stated, ensuring that program activities are focused on achieving stated goals, and providing strategic leadership for serving the boating and recreational needs of San Mateo County.

San Mateo County Harbor District
4. Operating Plan

As stated in the Financing Plan, attracting new boater occupancy at Oyster Point Marina and increasing revenue are dependent on facility improvements, taking advantage of operational opportunities and marketing efforts. This section describes the Harbor District's facility improvement plans and efforts to take advantage of operational opportunities.

Improving the Quality of Marina Facilities and Tenancy

Facilities: In recent years the Harbor District has completed several substantial facilities improvements and upgrades at Oyster Point. These include:

- Rebuilding the small craft launch ramp
- Repairing segments of the Bay Trail within Oyster Point
- Replacing dock gates and structural repairs to the gates' foundations and a new code access system
- Maintenance dredging of the east and west basins
- Reconfiguring the marina breakwater entrance to facilitate safe, quick, and convenient access by the new ferry
- Renovating a public restroom
- Rebuilding the guest dock and one permanent berthing dock

The Water Emergency Transportation Authority has also removed two old docks to make room for the newly constructed ferry terminal.

Facilities improvements will continue consistent with the draft Capital Improvements Program (CIP) prepared by the District pursuant to its Agreement with the City of South San Francisco. In accordance with the Agreement, and as set forth in the CIP, the District will henceforth focus its attention and resources on the water area of the marina proper. The CIP outlines a series of dock replacements and upgrades over a five-year period as requested by the City.

The dock replacement will enable the Oyster Point Marina to provide new, larger, high quality berths that will be able to cater to current market trends. The new docks will enable the Oyster Point Marina to increase occupancy and generate increased revenues. The District has completed rebuilding the first of the new docks, which replaces the dock adjacent to the ferry terminal. Improvements to the guest dock, also recently completed, are expected to result in augmented revenue from guests berthing and use by charter cruise vessels.

Tenancy: In a continuing effort to improve the ambiance and attractiveness of Oyster Point Marina, the Harbor District has been acting to remove vessels that are delinquent in rents, unseaworthy, or otherwise derelict, abandoned, and unsightly. Between 2004 and 2010, the District removed approximately 34 vessels from Oyster Point Marina (at least

29 with state grant funds). In some instances, this action may result in a temporary small decline in revenue and occupancy, but this is expected to reverse with the entry of new boater tenants who are able to pay their rents and maintain their vessel in satisfactory condition.

Lessee Concerns and Opportunity: The District may make minor modifications and repairs to the marine center sales dock which is included in the Marine Collections LLC lease. These minor modifications and repairs will make the facility suitable for use as a charter vessel boarding dock. The District is exploring with the lessee, Oyster Point MV LLC, the possibility of pursuing an opportunity for a joint revenue sharing venture to enhance the use of the marina. The District is now exploring the feasibility of a plan and proposal for this opportunity at the request of the lessee.

Level and Quality of On-Site Amenities and Off-Site Access: Links to City Redevelopment Plans

Increased boater occupancy – and revenue – depends to a great extent on the amenities available to boaters at the marina, or nearby access to these amenities. Required amenities range from clean and functioning restrooms and bathing facilities to laundry facilities, restaurant establishments, and easy and frequent public transit to downtown. Boat servicing and detailing, chandlery and other marine supply, secure storage, and decent vehicle parking are also important attractions.

A challenge to the City and the District in enhancing on-site amenities stems from the City's Oyster Point redevelopment planning process. Eventually, the City's efforts will transform Oyster Point into a thriving business, visitor and recreational destination. However, the City's recently released programmatic environmental impact report for Oyster Point and other City information indicate that major infrastructure improvements, including streets and utilities, that are projected for the marina area are several years off. Structure demolition and site preparation for planned commercial redevelopment likewise are not imminent.

The District's capital improvement program is targeted to the docks and water area of the marina proper, as per the Agreement with the City. While new dock facilities and an upgraded tenant mix are timed to anticipate the Americas Cup events and the arrival of new tenants, caution should be exercised in projecting greatly enhanced occupancy and revenue in the short term. In the absence of improvements and additions to on-site amenities, the continuation of the sluggish economy and high unemployment, as well as rising oil prices will continue to be a drag on improved occupancy and revenue growth.

Potential Impact of New Ferry Service on Marina Occupancy

The Water Emergency Transportation Authority (WETA) began Oyster Point ferry terminal service in June 2012. The actual impact of the ferry service on the marina, with its traffic of incoming and outgoing riders, is as yet unknown. While it is likely to attract many people who are curious about the new vessel and service in addition to the ridership of journey-to-work commuters, the affects of this activity on possible increase in berth occupancy and revenue remain to be seen.

Americas Cup-Simulated Opportunities

The forthcoming Americas Cup events on San Francisco Bay offer an exciting opportunity for the City and the District to augment revenues. Opportunities include the promotion of the Oyster Point Marina for docking to visiting boaters and to charter cruise vessels transporting Peninsula passengers to view the events. The Marina can also be promoted to new boaters created by the enthusiasm the America's Cup will generate.

Replacement of Dock 11 (refer to above) will enable the Marina to provide a number of new berths. Improvements to the marina's guest dock and/or modification of the sale dock will serve the charter cruise vessels as mentioned above.

Accelerated efforts to remove vessels that are delinquent in rents, unseaworthy, or otherwise derelict or abandoned will enhance the marina's attractiveness and increase desirability by new boaters. Making on-shore improvements to the City's streets and parking areas will also enhance the attractiveness of the Marina and reduce safety hazards.

San Mateo County Harbor District

5. Marketing Plan

The Marketing Plan for the Oyster Point Marina is made up of the following five sections:

A. Problem Statement – a clear declaration of the marketing challenge
B. Objectives – the Marina's marketing and financial goals
C. Current Market Situation – an analysis of the market, competition, and macroeconomic environment
D. Opportunity Analysis – a look at the Marina's market opportunities
E. Marketing Strategy – the positioning and marketing of the Marina

A. Challenge Statement

The Harbor District's challenge is to increase revenue by enticing more boaters to berth their vessels at Oyster Point Marina on a permanent or transient basis.

B. Objectives

Financial Objectives

Improve Oyster Point Marina finances by

- Increasing total revenue by 16% between FY 2013/14 and 2016/17
- Increasing net revenue by 36% FY 2013/14 and 2016/17
- Reducing operating costs

The Harbor District will achieve this in part by improving the process for collecting delinquent rents, increasing docking rates periodically and by rebuilding the docks removed from the marina. The new docks will accommodate larger boats that pay higher docking rates and reduce the cost of maintaining the docks. The Harbor District will also increase net revenue by reducing staff operating costs which will increase net revenue.

Marketing Objectives

- Increase berth occupancy by 3-5% each year until achieving 95% occupancy
- Increase launch ramp fees by 2% each year
- Increase rent and concessions by 2% each year

C. Current Market Situation

In view of the depressed economy as indicated by the number of berth vacancies in Bay Area marinas, Oyster Point Marina faces competition not only from neighboring marinas but also from other non-aquatic leisure and entertainment activities. With a 20% berth vacancy in San Francisco Bay, Oyster Point Marina will have to improve its facilities and amenities to in order to compete for new boaters and those looking to relocate. To meet its goals, Oyster Point Marina will have to aggressively pursue boaters and other opportunities as described in Section D below.

D. Opportunity and Issue Analysis

Oyster Point Marina has identified and will pursue the following opportunities to meet its financial and operational goals:

- Improve Marina facilities as per CIP to increase boater capacity and improve the Marina's appeal to boaters. The quality of Marina facilities for tenants and the level and quality of on-site amenities and/or convenient access to such off0stie amenities are vital factors influencing the Marina's ability to attract new permanent and transient boaters.
- Accelerate effort to remove vessels delinquent in rents, unseaworthy, or otherwise derelict, abandoned, and unsightly. This action will increase capacity for boaters and improve the appeal of the Marina.
- Enhance docks for charter vessel use, which includes the Marine Collections LLC lease and a possible joint venture with Oyster Point MV.
- Vigorous Oyster Point promotional and marketing campaign
- Pursuing Americas Cup events opportunities.
- Increase the use of the Marina and park by cyclists, joggers, walkers and families looking for recreational activities.

E. Marketing Strategy

Initial promotional and marketing activities will focus on America's Cup events and related opportunities. Specific marketing efforts will need to identify the messages to convey, the audiences to be reached, interactions desired and communication channels. District staff has begun exploring these elements.

The District's primary objective with the America's Cup will be to attract more boaters to berth their vessels at Oyster Point, permanently or on a transient basis. A secondary objective will be to attract charter cruise operations to the marina and promote their activities in connection with Cup events where possible. The Harbor District will also explore the potential to entice ferry riders to consider basing their boating activities at Oyster Point.

Beyond initial promotions around the America's Cup, marketing campaigns will focus on publicizing the Marina. Marketing effort might best be done through a cooperative effort by the Harbor District, the City, and the Chamber of Commerce. Such an effort might include more special events to attract potential boater tenants to Oyster Point and increase the use of the Marina facilities and trails by non-boaters.

ITEM 7

Memorandum

TO: Harbor Commissioners

FROM: Kin Yip Chan & Marcia Schnapp

RE: Bills & Claims for Period Ending 10/07/15

Total Disbursements being submitted for your review:	$	416,219.15
These include:		
Handchecks in the amount of:	$	304,111.03
Payables in the amount of:	$	112,108.12

Dept. Code	Description			Page Reference
101	Harbor Commission	$	33,405.91	2
103	Administration	$	63,169.62	2
201	Pillar Point Harbor	$	136,729.32	2
301	Oyster Point Marina	$	107,633.78	2
	Payroll Related	$	75,280.52	2
	Total for Review	$	416,219.15	2

Notes:

Handchecks Written for:		
Insurance Premiums	$	185,261.00
Contractual Services -Professional	$	34,328.00
Invoices with Due Dates on or Before Board Meeting	$	84,522.03
Total Handchecks Written	$	304,111.03

BILLS CLAIMS FOR 10/07/15 BOARD MEETING

VENDOR	DESCRIPTION	AMOUNT	PAYROLL RELATED	HARBOR COM 101	ADMIN 103	PILLAR POINT 201	OYSTER POINT 301
ACCOUNTEMPS	SALARIES & WAGES-TEMPORARY	3,720.00			3,720.00		
ARAMARK UNIFORM SERVICES	UNIFORM SERVICES	255.52					255.52
AT&T	TELEPHONE/COMMUNICATIONS	2,294.06			180.46	1,355.54	758.06
AT&T LONG DISTANCE	TELEPHONE/COMMUNICATIONS	93.92					93.92
BLUE RIBBON SUPPLY COMPANY	JANITORIAL SUPPLIES	2,318.24				2,047.30	270.94
CALIFORNIA SPECIAL DISTRICTS ASSOCIATION	CONFERENCES & MEETINGS	45.00		45.00			
CALPERS	PAYROLL DEDUCTION PAYABLE	12,661.55	12,661.55				
CALPERS SUPPLEMENTAL INCOME 457 PLAN	PAYROLL DEDUCTION PAYABLE	4,343.00	4,343.00				
CASPIANT IT GROUP	CONTRACTUAL SERVICES - IT	3,200.00		448.00	736.00	1,248.00	768.00
CINTAS CORPORATION	OPERATING SUPPLIES	95.41					95.41
CLARK PEST CONTROL, INC.	CONTRACTUAL SERVICES	73.87					73.87
COMCAST	TELEPHONE/COMMUNICATIONS	199.89			199.89		
DANFORTH, DANIEL	REFUND DEPOSIT	79.17				79.17	
FEDEX	CONTRACTUAL SERVICES	34.48			34.48		
GRAINGER	REPAIRS & MAINTENANCE	251.39					251.39
HANSONBRIDGETT	LEGAL SERVICES	26,910.50		15,585.00	7,501.00	3,617.50	207.00
LIEBERT CASSIDY WHITMORE	LEGAL SERVICES	21,452.50		16,154.70	5,297.80		
MATTUSCH, TOM	REIMBURSE SEMINARS & TRAINING EXP	510.14		510.14			
MISSION UNIFORM	UNIFORM SERVICES	366.42				366.42	
MOFFATT&NICHOL	ROMEO PIER STUDY/RENOVATION	7,032.50				7,032.50	
NIXON, DEBBIE	REIMBURSE TRAVEL EXPENSES	78.76			78.76		
OFFICETEAM	CONTRACTUAL SERVICES	60.50			60.50		
PACIFIC FIRE SAFE	REPAIRS & MAINTENANCE	484.25				484.25	
PG&E	UTILITIES	15,131.70				8,110.89	7,020.81
PITNEY BOWES	POSTAGE EXPENSES	5.00			5.00		
PRICHARD, SUE	REFUND DEPOSIT	356.92				356.92	
SAFETY-KLEEN SYSTEMS, INC.	REPAIRS & MAINTENANCE	130.00				130.00	
SAN MATEO COUNTY RES CONSERATION DIST	CONTRACTUAL SERVICES	5,000.00				5,000.00	
STAPLES	OFFICE SUPPLIES	488.91			58.38		430.53
TEAMSTERS UNION LOCAL 856	UNION DUES	453.00	453.00				
VANTAGEPOINT TRANSFER AGENTS	PAYROLL DEDUCTION PAYABLE	3,675.00	3,675.00				
VERIZON WIRELESS	TELEPHONE/COMMUNICATIONS	306.52			76.65	185.59	44.28
SUB-TOTAL OF PAYMENTS TO BE PROCESSED 10/07/15		112,108.12	21,132.55	32,742.84	17,948.92	30,014.08	10,269.73
ACCOUNTEMPS	SALARIES & WAGES-TEMPORARY	6,696.00	6,696.00				
ADP, LLC	PAYROLL PROCESS	1,004.99		156.77	187.94	376.87	283.41
ARAMARK UNIFORM SERVICES	UNIFORM SERVICES	264.74					264.74
ARAMARK UNIFORM SERVICES	UNIFORM SERVICES	108.17					108.17
AT&T	TELEPHONE/COMMUNICATIONS	75.00					75.00
AT&T LONG DISTANCE	TELEPHONE/COMMUNICATIONS	196.73				152.34	44.39
ATWELL, STEPHEN	REFUND DEPOSIT	78.31					78.31
BLUE RIBBON SUPPLY	OPERATING SUPPLIES	1,606.31				1,310.31	296.00
BLUE SHIELD OF CALIFORNIA	HEALTH INS PREMIUMS	122.00		122.00			
CALPERS	PAYROLL DEDUCTION PAYABLE	13,258.50	13,258.50				
CALPERS SUPPLEMENTAL INCOME	PAYROLL DEDUCTION PAYABLE	4,343.00	4,343.00				
CODE PUBLISHING INC.	IT SERVICES	250.00		250.00			
COMCAST	TELEPHONE/COMMUNICATIONS	728.94				265.29	463.65
COUNTY OF SAN MATEO	TELEPHONE/COMMUNICATIONS	61.65				61.65	
FEDEX	CONTRACTUAL SERVICES	134.30		134.30			
GRAINGER	REPAIRS & MAINTENANCE	560.95				309.56	251.39
HALF MOON BAY REVIEW	ADVERTISING EXPENSES	52.00				52.00	
HUE & CRY	CONTRACTUAL SERVICES	222.39					222.39
LUCKENBACH DONALD	REFUND DEPOSIT	234.81				234.81	
MACEWEN GEORGE	REFUND DEPOSIT	456.75					456.75
MARINE LIEN SERVICES	LIEN SALES	200.00				200.00	
MERRICK LOUISE	REFUND DEPOSIT	215.10					215.10
MISSION UNIFORM	UNIFORM SERVICES	365.82				365.82	
NATIONAL CHEMICAL SERVICE	CONTRACTUAL SERVICES	74.00				74.00	
NEXTEL COMMUNICATIONS	TELEPHONE/COMMUNICATIONS	143.56					143.56
OFFICETEAM	CONTRACTUAL SERVICES	312.00			312.00		
PG&E	UTILITIES	2,811.96				2,414.32	397.64
PURCHASE POWER	POSTAGE EXPENSES	2,076.78			2,076.78		
REGIONAL GOVERNMENT SERVICES	CONTRACTUAL SERVICES -PROFESSIONAL	34,328.00			34,328.00		
SHIELDS CONSULTING GROUP, INC.	CONTRACTUAL SERVICES	1,026.70			1,026.70		
SSF CHAMBER COMMERCE	SPECIAL EVENT EXPENSES	250.00				125.00	125.00
STANDARD INSURANCE COMPANY	LIFE & DISABILITY INSURANCE	15,632.13	15,632.13				
STAPLES ADVANTAGE	OFFICE SUPPLIES	289.28			289.28		
STEVE GOTELLI PLUMBING, INC.	REPAIRS & MAINTENANCE	1,066.55					1,066.55
SUMMERLOTT, LEE	REFUND DEPOSIT	241.50					241.50
TEAMSTERS 856 HEALTH & WELFARE FUND	HEALTH INSURANCE PREMIUMS	10,443.34	10,443.34				
TRAVELERS	INSURANCE PREMIUMS-PROPERTY	185,261.00				92,630.50	92,630.50
TURBO DATA SYSTEMS, INC.	CITATION PROCESSING	53.50				53.50	
UNITED SITE SERVICES, INC.	CONTRACTUAL SERVICES	1,287.27				1,287.27	
VANTAGEPOINT TRANSFER AGENTS	PAYROLL DEDUCTION PAYABLE	3,775.00	3,775.00				
WORKING DIRT MANAGEMENT, INC.	OFFICE RENTAL-ADMINISTRATION	7,000.00			7,000.00		
ZAPANTIS MARINE SERVICE	REPAIRS & MAINTENANCE	6,802.00				6,802.00	
TOTAL HANDCHECKS		304,111.03	54,147.97	663.07	45,220.70	106,715.24	97,364.05
TOTAL BILLS & CLAIMS		416,219.15	75,280.52	33,405.91	63,169.62	136,729.32	107,633.78
			PAYROLL	COMM	ADMIN	PPH	OPM

Staff Report

Pillar Point Seafood Retroactive Electrical Bill

Glenn Lazof: Interim General Manager (IGM)/ Scott Grindy Harbor Master

Background: In the fall of 2014 it was discovered that Pillar Point Seafood had an electrical disconnect(s) and receptacle connected to the power grid of the San Mateo County Harbor Districts Johnson Pier metered power supply (meter #4). This electrical connection had apparently been connected to the SMCHD power metered grid for many years. In the more recent period a new more updated disconnect switch and receptacle were installed for continued service to a mobile "Squid Pump" during squid season by the tenant. There is also no apparent electrical permit for the work performed in the tenant space for this newer electrical equipment.

Per the lease agreement between San Mateo County Harbor District and Pillar Point Seafood, section 8.0 UTILITIES, SERVICES AND ASSESSMENTS, section 9.2.2 Compliance with Laws and Legal Requirements, and section 9.2.3 OTHER PERMITS AND APPROVALS, the past electrical connections to district service via electrical meter #4, and recent electrical work including installation of a new electrical circuit breaker disconnect and power receptacle should have been installed with proper permits and inspections.

Mr. McHenry, the owner of Pillar Point Seafood, has stated that a "gentlemen's" agreement (to be precise an unwritten agreement) had been made years ago with a Harbor Master {Bob McMann} at that time for his business to tie into the districts metered power due to the lack of capacity of the fish buyer building circuitry.

Mike McHenry has stated that it is not about the money, but by not taking him at his word regarding the oral agreement it is like the District is accusing him of lying. Actually, staff's inclination is to believe Mr. McHenry; however without documentation the IGM lacks a foundation to waive these costs and the ability to validate the entirety of the oral agreement.

The district had been paying the electrical charges for this energy use of which varies year by year depending on demand for numerous years. In essence the SMCHD had been paying the electrical usage for the tenant of the squid pump system when used providing a possible unfair advantage to both overhead costs and equipment rentals vis a vis other Fish Buyers.

In the late fall of 2014 the equipment was disconnected from the districts electrical meter by the district to prevent further use by the tenant. Staff estimated the electric cost based on average use calculations of the equipment used, and service load of the equipment has been "approximated" to be $2,558. This is a 3 year use estimate working with the motor loads of a squid pump.

In a subsequent discussion with Mike McHenry about this and other issues, Mike left with the conclusion that he would not be charged. Staff left with a different conclusion, but the IGM takes full responsibility if I was unclear that our intention was to collect the funds, nor was my intention to be misleading.

Since the District owed Pillar Point Seafood for an unrelated overcharge, the IGM deducted the estimated electrical charge of $2,558 from the refund that was due.

Mr. McHenry would like this amount refunded.

Analysis: The IGM is not comfortable waiving the estimated electrical charges without a motion from the Board.

The Board is advised that we have no way of knowing how many other oral agreements may have been made with leaseholders or others in the past. Nor do we know how we might validate these agreements with individuals we have not come to know as we have Mike McHenry.

Recommendation: Policy

Should you wish the district to repay the funds withheld by staff, please authorize by motion and staff will utilize the motion to document the payment. A full refund is $2,558.

Another option is for the commission to continue to withhold funds unless the oral agreement can be validated in some manner.

Fiscal Impact: $2,558

San Mateo County Harbor District

Board of Harbor
Commissioners

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

Glenn Lazof, Interim General Manager

August 20, 2015

Mike McHenry
Pillar Point Seafood
PO Box 193
Maxwell, CA 95955

RE: Follow up to our Discussion July 15, 2015

Mike,

Payment for Use of District Electric Service
The attached letter dated June 16, 2015 requested payment from you of $2,558 for electricity. When we met last month you reported that our Electrical usage calculations for the three years covered by that calculation did not take into account that these years were not good years for squid, and therefore our estimates were too high.

The bottom line on adjusting our calculation for poor squid years is that we still lack the data to determine that. We have reviewed the wet fish fee data we have available for years 2013 and 2014. (The leases were not signed until 2013 so there was no fish fee payment prior to that). This still is not enough data for us determine whether summer of 2013 was a bad year and 2014 was average or 2013 was average and 2014 was an outstanding year. We would certainly look at any reliable information you have that would indicate the poor years for wet fish, if you are able to provide such. Below is the information we had available:

Pillar Point Fisheries (2013)

Jul-13	$6,797.67 Per Fees Paid
Aug-13	$5,151.81 Per Audit
Sep-13	$4,506.70 Per Audit

Pillar Point Fisheries (2014)

	Wet fish
Jul-14	$26,230.00 Per Fees Paid
Aug-14	$8,890.78 Per Fees Paid
Sep-14	$786.91 Per Fees Paid

504 Avenue Alhambra, 2nd Floor, PO Box 1449, El Granada, CA 94018
(650) 583-4400 T
(650) 583-4611 F

Audit Adjustments: Our Finance Director analyzed the JJACPA Fish Buyer Report and identified errors resulting in overpayments by you totaling $7,031.78.

These adjustments were:

August 2013 - An overpayment of $3,360.48. Pillar Point Fisheries paid $8,512.29 based on 851,229 lbs. of wet fish at 1 cent a pound, should have paid $10 a ton on 515.18 tons, per the Audit.

September 2013 - An overpayment of $3,744.53. Pillar Point Fisheries paid $8,251.53 based on 825,123 lbs. of wet fish at 1 cent a pound, should have paid $10 a ton on 450.67 tons, per the Audit.

November 2013 – An overpayment of $3.08 due to Pillar Point reporting an additional 308 lbs. of fin fish and shell fish being reported than was determined in the audit.

December 2013 – An overpayment of 5 cents was determined in the audit.

February 2014 – There was underpayment of $70.20 owing to 779 lbs. of finfish being reported when offload was actually $7,799

Bottom Line:

Pending Electrical Payment Due	$ (2,558.00)
Overpayment of fish fees	$ 7,031.78
Amount of Enclosed Check	$ 4,473.78

Final Note: I appreciated the time and consideration you offered the District when meeting with myself, Scott Grindy, and Debra Galarza on July 15, 2015. While the purpose of this letter is to give a status report on the Pillar Point Seafood Lease account, I do not want to ignore what I consider to be the more important underlying issues you raised. I heard loud and clear that you're reluctance to pay the back electrical debt was less about the $2,558 and more about the manner in which you feel that the Harbor District has conducted its business in the period since the tenure of the last permanent General Manager. I want to reiterate that I sincerely want to lay the groundwork for an improved relationship, based on open honest communications. I remain confident that the District will hire a permanent General Manager who will agree with that determination.

Sincerely,

Glenn Lazof
Interim General Manager
San Mateo County Harbor District
Cc August 19 Agenda

San Mateo County Harbor District

Board of Harbor Commissioners

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

Glenn Lazof, Interim General Manager

TO: Pillar Point Seafood
P.O. BOX 193
MAXWELL, CA 95955

Attn: Mike McHenry

FROM: Scott Grindy, Harbor Master

DATE: June 16, 2015

SUBJECT: Bill for Utility Charges Squid Pump Power Connection Meter #4

On October 10, 2014 it was discovered your business was connected to the SMCHD electric meter #4. Meter #4 is exclusively for district electrical use, and the cost of electricity has been paid by the district. At that time you were notified to disconnect from the district's metered power immediately. You were again contacted on October 29, 2014 as the power still had not been disconnected. Our electrical contractor ended up permanently disconnecting your connection to our district electrical meter #4, the week of November 10, 2015.

In late November 2014, we spoke and you were made aware that the charges to you would be for 3 years of use, and that the cost estimated from the loads of the equipment on the meter #4, totaled to an amount of $2,558. You initially noted you anticipated paying the bill with no problems, but later in the same week you informed me that there was a handshake deal with a past Harbor Master over 15 years ago, where you were allowed to connect to the district's power.

Staff has searched the lease files and has also checked the most recent lease documents and is not able to locate any documentation that this electrical connection was allowed. District staff cannot waive this back payment, unless you can provide the district some documentation of this agreement. Therefore we are requiring that you pay the amount of $2,558.by July 17, 2015. We look forward to your immediate steps to remedy this situation either by providing documentation of the approval of the electrical connection, and or full payment for the electrical charges noted.

Please find attached various letters, including energy estimates and photographs of the inappropriate electrical connection for your reference on this matter.

Sincerely,

Scott Grindy
Harbor Master
San Mateo County Harbor District

CC: Interim General Manager-Glenn Lazof
Steven Miller-District General Counsel
President Tom Mattusch
Vice President Nicole David
Lease File
Anthony L. Lombardo
Anthony Lombardo &Associates
450 Lincoln Avenue, Suite 101
Salinas, CA 93901

San Mateo County Harbor District

Board of Harbo
Commissioners

Tom Mattusch, Presiden
Nicole David, Vice Presiden
Robert Bernardo, Secretary
Pietro Parravano, Treasure
Sabrina Brennan, Commissione

Glenn Lazof, Interim General Manager

TO: Pillar Point Seafood
P.O. BOX 193
MAXWELL, CA 95955

Attn: Mike McHenry

FROM: Scott Grindy, Harbor Master

DATE: June 16, 2015

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Sincerely,

Scott Grindy
Harbor Master
San Mateo County Harbor District

CC: Interim General Manager-Glenn Lazof
Steven Miller-District General Counsel
President Tom Mattusch
Vice President Nicole David
Lease File
Anthony L. Lombardo
Anthony Lombardo &Associates
450 Lincoln Avenue, Suite 101
Salinas, CA 93901

Scott Grindy

From: Scott Grindy
Sent: Saturday, October 04, 2014 11:08 AM
To: Michael Williams
Subject: RE: PPH Pump Station

Mike.also.please see.if there is a electrical name plate on the squid.pump and take.a photo. If it is connected to.our electrical we will need to do some.calculatuons on load and use.

Thanks

-------- Original message --------
From: Michael Williams
Date:10/03/2014 5:30 PM (GMT-08:00)
To: Scott Grindy
Cc: Scott Grindy
Subject: RE: PPH Pump Station

I believe this is the meter that is tied into the squid pump at Pillar Point Seafood, Mike McHenry. Its labeled as #4 in the elect. closet in the fish buyers building. It also powers the sump on the pier. If there is a meter # attached to the bill we can probably confirm it that way also.   MW

From: Scott Grindy
Sent: Friday, October 03, 2014 4:31 PM
To: Michael Williams
Cc: Scott Grindy (sgrindy@smharbor.com)
Subject: PPH Pump Station
Importance: High

Mike,

I am reviewing bills and claims..

The bill listed as PPH Pump Station seems to have gone up a lot electrical energy wise.

Please before you leave Saturday, make a line sketch of everything tied to the power for that pump station electrical meter so I can review what else might be causing the major rise in this bill. This month alone it was $3,099. Yet in June / July it was 1/3 the cost. Something is either running full time or something new is connected to it.

thanks

San Mateo County Harbor District

October 10, 2014

TO: Pillar Point Seafood
P.O. BOX 193
MAXWELL, CA 95955

Attn: Mike McHenry

FROM: Scott Grindy, Harbor Master

DATE: October 10, 2014

SUBJECT: Squid Pump Power Connection

Thank you for meeting me this morning to discuss the electrical connection of power for your trailer-mounted squid pump. As I explained when we met, review of the District's electricity bills indicated a significant, and unexplained, surge in usage. Further research led us to consider the possibility that your squid pump was connected to the District's meter instead of to the separate meter installed by the District for your use.

On October 10, 2014, in your presence, we turned off the power at the District's meter and the power for your squid pump immediately shut off. We also opened up the junction boxes and observed visually that the plug which serves your squid pump was connected to the District's power supply. You did not in any way contradict our testing and visual confirmation, and so I assume that you agree that you have been using the District's power supply for your squid pump. It appears that your circuit breaker box is relatively new and so at some point in the recent past you must have had the opportunity to connect to your own power, but chose instead to connect (or continue to connect) to the District's meter. The District has no record of ever authorizing such a connection. Nor does the lease under which you occupy the premises allow for such free access to the District's power. To the extent that you understood such a connection to have been authorized (and we know of no basis for such an understanding), we trust that our meeting, and this letter, corrects any misunderstanding.

The District takes seriously its obligation to the public to spend its money prudently. We will be working with PG&E to conduct an audit in an effort to produce an objective measure of the amount of money the District has spent to date resulting from your unauthorized access to the District's power supply. We will let you know the results of that audit and reserve all our rights with regard to a possible demand for reimbursement. In the meantime, going forward, you are directed immediately to disconnect your squid pump, and any other of your business' electrical equipment, from the District's power supply and to refrain from any use of the District's electrical connections.

Thanks for your immediate attention to this issue and for your cooperation,

Scott Grindy
Harbor Master
San Mateo County Harbor District

CC: General Manager-Peter Grenell
Steven Miller-District General Counsel
Anthony L. Lombardo
Anthony Lombardo & Associates
450 Lincoln Avenue, Suite 101
Salinas, CA 93901

San Mateo County Harbor District

Board of Harbor
Commissioners

TO: Pillar Point Seafood
P.O. BOX 193
MAXWELL, CA 95955

Attn: Mike McHenry

FROM: Scott Grindy, Acting General Manager

DATE: October 31, 2014

SUBJECT: Squid Pump Power Connection

On October 10, 2014 we met to review and discuss the electrical connection for the power to Pillar Point Seafood's portable squid pump. As you are aware, the District then sent you a letter directing you to immediately disconnect from the San Mateo County Harbor District power source in your leased space. (Letter copy attached)

On October 29, 2014, I had the occasion to be meeting with our engineer for other project purposes on the pier and noticed that Pillar Point Seafood's roll up door was open. I was able to clearly view that the squid pump cord/plug was still plugged into the power supply owned by the Harbor District. (See photo attached)

To be clear, Pillar Point Seafood has no rights to use of utilities paid for by the Harbor District. Section 8 of the lease requires that Pillar Point Seafood make all arrangement for, and pay for, its own utilities. We are disappointed and frustrated that you appear to be disregarding the October 10, 2014 letter and are instead continuing unfairly and improperly to use electrical power you are not paying for. The Harbor District must now contemplate appropriate action to ensure that public funds are not expended for Pillar Point Seafood's private benefit.

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

Pillar Point Seafood must disconnect from the District's power supply no later than 5pm on November 4, 2014. If Pillar Point Seafood has not provided the Harbor District with evidence of compliance by the above time and date, this letter serves as notice that the District intends on entering the leased premises on November 5 to conduct an inspection and take such measures as may be necessary to prevent Pillar Point Seafood's continued access to the District's power supply. Notice of such entry is not required by the lease, but is provided here as a courtesy. In addition, the Harbor District reserves all its its rights under the lease to charge Pillar Point for electric charges, as well as any connection charges, incurred as a result of Pillar Point Seafood's unauthorized use of the Harbor District's power source.

We look forward to your immediate steps to remedy this situation.

Scott Grindy
Acting General Manager
San Mateo County Harbor District

CC: **General Manager-Peter Grenell**

Steven Miller-District General Counsel

Anthony L. Lombardo
Anthony Lombardo &Associates
450 Lincoln Avenue, Suite 101
Salinas, CA 93901

San Mateo County Harbor District

Board of Harbor
Commissioners

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

Peter Grenell, General Manager

TO: Peter Grenell, General Manager

FROM: Scott Grindy, Acting General Manager

DATE: November 7, 2014

SUBJECT: Pillar Point Seafood
Squid Pump Power Connection to District Meter #4
Report of Findings

In early October 2014 after the conclusion of an Energy Audit of Oyster Point Marina via San Mateo County, steps for review and preparation had begun for a similar audit activity at Pillar Point Harbor.

In review of the various bills we receive for electricity, there seemed to be a strange seasonal swing upward of electrical energy use via the combined meter billing for the Johnson Pier area, with specificity to the finance department labeled bill noting "J Pier Sump Pump". A check was immediately requested of the maintenance lead staff person to confirm that the sump pump was not stuck in the "on" position which would cause a continual run of a pump motor for the sewage tank on the pier serving the fish buyer building of which may be the cause of the electrical energy swing.

Via review, the maintenance lead reported back that it was not the sewer pump but the connection in the shop of Pillar Point Seafood, where an electrical connection was possibly made to our meter #4 power supply. Upon learning this information, I contacted Mr. McHenry and we met on October 10 at his shop, where electrical boxes were opened, inspected and it was determined the power was connected to our meter #4 service.

The power had been connected via a series of two disconnects, one being less than a couple years old and then flowing to a cord type pin and sleeve receptacle where the trailered squid pump system could be connected. The other disconnect appeared to be over an age greater than 15 years old.

Staff requested via PG&E the historical billing statements for the specific #4 meter and upon receipt began a tally of the overall usage for the most recent years. Additionally energy calculations were performed to identify the average electrical usage of the sewage sump pump on meter #4.

The estimated energy apparent usage as a sample of the historical information demonstrated a range of over $1,000.for the 2014 year and under $500.for the 2013 calendar year. PG&E historical data reaches back only to 2002, and in discussions with Mr. McHenry and staff it would appear that this connection was initiated possibly as far back as the 1980's.

The additional concern beyond the energy costs noted, is that newer electrical work was performed without a county electrical permit (see photo) of a new circuit breaker enclosure, and a pig tailed electrical pin and sleeve cord receptacle.

Because the electrical connect spanned over many years, not only has electrical rates changed but also there were years where squid pumping activity may not have occurred at Johnson Pier so it very difficult to make an average year calculation without many hours of research time.

Letters have been sent to Mr. McHenry and he has now complied with the removal of the squid pump, and staff have a contractor making changes to the electrical meter #4 so that it is no longer connected to and or available to Pillar Point Seafood for use in its present application.

Before moving further I would ask for direction on this matter. Additionally, I have attached the recent two letters sent to Mr. McHenry, and the most recent electrical billing statements, plus an excel calculation document.

CC: File

Scott Grindy

From:	Scott Grindy
Sent:	Monday, November 10, 2014 3:28 PM
To:	Peter Grenell
Cc:	Debbie Nixon; Marietta Harris (mharris@smharbor.com); Scott Grindy (sgrindy@smharbor.com)
Subject:	Electrical Finding Pillar Point Seafood
Attachments:	Scanned from a Xerox Multifunction Device.pdf

Peter,

Attached is the memo of the finding, Emily's estimated costs, additional meter and equipment information, and photos.

Scott

-----Original Message-----
From: OPM_Xerox@smharbor.com [mailto:OPM_Xerox@smharbor.com]
Sent: Monday, November 10, 2014 6:45 AM
To: Scott Grindy
Subject: Scanned from a Xerox Multifunction Device

Please open the attached document. It was scanned and sent to you using a Xerox Multifunction Device.

Attachment File Type: pdf, Multi-Page

Multifunction Device Location:
Device Name: XRX9C934E2FBC1C

For more information on Xerox products and solutions, please visit http://www.xerox.com

From: Emily Cooper
Sent: Monday, November 03, 2014 1:48 PM
To: Scott Grindy
Subject: Pattern for Electrical Charges
Attachments: Copy of Electrical Charges.xlsx

Hi Scott,

I have done the electrical charges from 2014- 2010 and I have noticed the significant increase occurs between June and October. I highlighted the larger numbers in red. I will continue to do the rest of the years.

Sincerely,

Emily Cooper

Electric Charges- Meter# 1009346041

Year: 2014

DATE	CUSTOMER CHARGE	ENERGY CHARGES	ENERGY COMMISSION TAX
12/18-1/16	$19.71	$0.30	
1/17-02/18	$21.68	$0.45	
02/19- 3/19	$19.05	$0.61	
03/20-04/21	$21.68	$1.06	
04/22-05/19	$18.39	$1.42- $.003(Climate Credit)	
05/20-06/18	$19.71	$1.59-$0.04(Climate Credit)	
6/19- 06/30	$7.88	$0.68-$.02(Climate Credit)	
07/01-07/30	$19.71	$773.50-$18.33(Climate Credit)	$0.99
07/31-8/29	$19.72	$299.16- $7.11(Climate Credit)	$0.38

YEAR: 2013

DATE	TOTAL ELECTRICAL CHARGES
12/18-1/16	$19.71
1/17-2/15	$19.71
2/16-3/19	$21.03
3/20-4/17	$19.06
4/18-5/16	$20.13
5/17-6/17	$21.84
6/18- 7/17	$164.32
7/18-7/31	$217.72
7/18-8/15	$292.41
9/29-10/16	$469.48
9/29-11/15	$31.54, Cancellation of 9/28-10/16 -$469.48
11/16-12/17	$21.03

YEAR 2012

DATE	TOTAL ELECTRICAL CHARGES
12/20-1/18	$17.30
1/19-2/16	$19.30
2/17-3/19	$22.90
3/20-4/17	$19.93
4/18-5/17	$20.07
5/18-6/18	$21.44
6/19-7/18	$76.39
7/19-8/16	$183.86
8/17-9/17	$144.17
9/18-10/16	$44.92
10/17-11/15	$45.72
11/16-12/17	$21.03

YEAR 2011

DATE	TOTAL ELECTRICAL CHARGES
12/17- 1/18	
1/19-2/12	$14.78

2/13-3/17	$11.09
3/18-4/20	$14.64
4/21-5/20	$15.08
5/21-6/20	$13.31
6/21-7/19	$14.34
7/20-8/18	$13.25
8/19-9/19	$59.31
9/20-10/19	$44.00
10/20-11/17	$91.28
11/18-12/19	$19.42
	$17.74

YEAR 2010 Meter# T12914

DATE	ENERGY COMMISSION TAX	TOTAL ELECTRICAL CHARGES
12/18- 1/19		$17.20
1/20-2/18		$13.89
2/19-3/22		$14.20
3/23-4/20		$12.86
4/21-5/19		$13.05
5/20-6/18		$13.91
6/19-7/10		$15.40
7/21-9/16	$0.22	$226.32
9/17-10/19	$0.08	$90.88
9/17-10/31	$0.04	$54.32
11/1-11/18	$0.02	$17.90
		*Bill correction: -$90.88 from previous month
11/19-12/16		$12.42

TOTAL ELECTRICAL CHARGES
$20.01
$22.13
$19.66
$22.74
$19.78
$21.26
$8.54
$775.87
$311.67

Debbie Nixon

From:	Scott Grindy
Sent:	Friday, December 05, 2014 12:01 PM
To:	Peter Grenell
Cc:	SMiller@hansonbridgett.com; Marietta Harris; Debbie Nixon; Debra Galarza
Subject:	McHenry (Squid Power Item)
Attachments:	McHenry Squid Power Issue Closure Memo 12 1 2014.pdf

Peter,

Attached for file is the memo to you noting the closing actions as part of the resolution on the squid power connection.

I will be sending out the bill early next week to Mike McHenry, and payment will occur shortly after.

Scott

San Mateo County Harbor District

TO: Peter Grenell, General Manager

FROM: Scott Grindy, Acting General Manager

DATE: December 1, 2014

SUBJECT: Pillar Point Seafood
Squid Pump Power Connection to District Meter #4
Follow Up-ITEM CLOSED

This morning (December 1, 2014) I again spoke with Mike McHenry via phone to discuss the power used by him for our meter #4, while he was connected on the district power grid.

I let him know we are finalizing the estimated bill for this activity for the past 3 years and will be forwarding to him for payment. I let him know the bill would be between $2,500 and about $3,000. He said he would be happy to pay the bill upon receipt of it this month.

We also discussed the need for additional power via a new meter so in the future he could again run the squid pump for the next season. In this discussion, we both agreed that I would meet with Electrical Contractor Mike DeMeo. Mr. DeMeo and I would determine the best electrical approach to tapping into the line side power of the 480 volt feeder, and work to have him install a new electrical meter that would be billed to Mr. McHenry to supply to his electrical outlet serving the squid pump.

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

Mr. DeMeo would also be paid by Mr. McHenry for his efforts for the new electrical work, and permits would be obtained and copies would be given to me for our records upon the work being completed from Mr. DeMeo regarding this new circuitry.

We also discussed working to find enough power to provide up to 2 additional meters and circuits for the other two fisheries on Johnson Pier if they wish to have power for their own squid pumps; this will also be reviewed at the same time as the above activity review is being performed. If there is capacity to perform this, I will notify the other two fisheries to work with Mr. DeMeo to have the electrical work completed in a similar fashion to Mr. McHenry's effort, and charged to the specific fishery requesting the additional power.

So inclosing it appears the electrical issue has been resolved, payment will be made shortly, and proper permitting will be performed, item closed.

CC: File

Timeline: PILLAR POINT SEAFOOD

ELECTRICAL CONNECTION AND RELATED CHARGES TO SMCHD Meter #4

Date	Topic
10/03-04/2014	Email to Lead Maintenance PPH re High Electrical Costs between Harbor Master Scott G. and Lead Maintenance Mike W.
10/10/2014	Letter to Tenant regarding discovery of electrical connection to the district power grid and meter, direction to disconnect to tenant.
10/31/2014	Letter to Tenant regarding not taking action to disconnect from districts power grid supply.
11/07/2014	Letter to General Manager regarding Pillar Point Seafood being connected to the electrical grid/and meter of the Harbor District.
11/10/2014	Email to General Manager regarding estimated costs, lack of permits for recent electrical work and actions taken with photos.
12/01/2014	Letter to General Manager regarding closing actions and expectations of payment from Pillar Point Seafood.
12/05/2014	Email to General Manager, with 12/01/14 letter.

PHOTOS

#1-View of newer electrical disconnect that is routed to a junction box, then to the old disconnect, then via internal wiring to meter #4.

#2-Side angle view of same electrical disconnects, power cord and plugs to squid pump

#3-View of meter #4, of which is billed only to the Harbor District

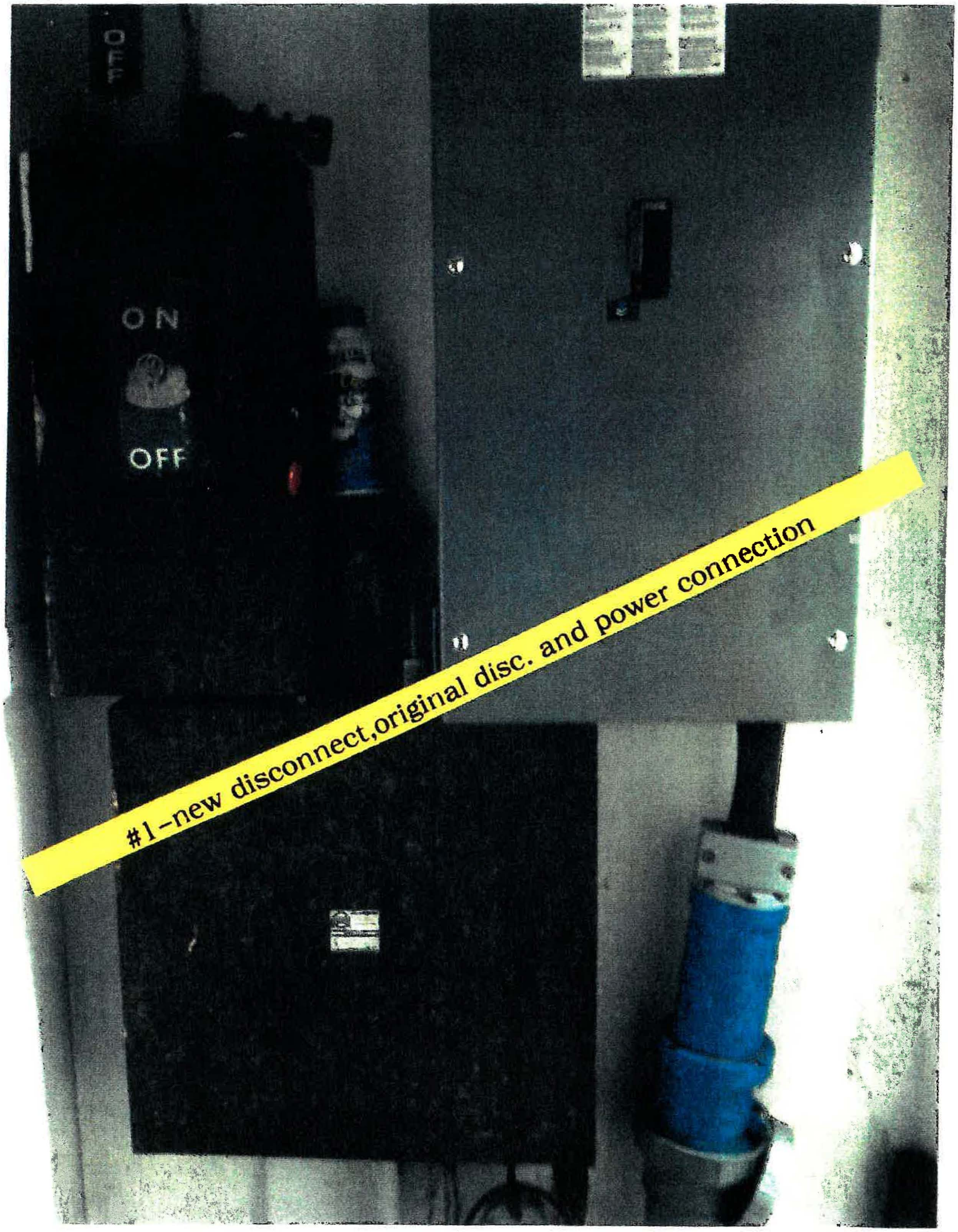
#4-View of power cord from disconnects and plug to the mobile squid pump

#5-View of mobile squid pump and cord to the pump

#6-View of squid pumps motor name plate demonstrating electrical load when in operation.

#7-View of electrical meter closet, of which is on the exterior wall of Pillar Point Seafood

#8-View of power cord from disconnect area under the roll up door and to pump



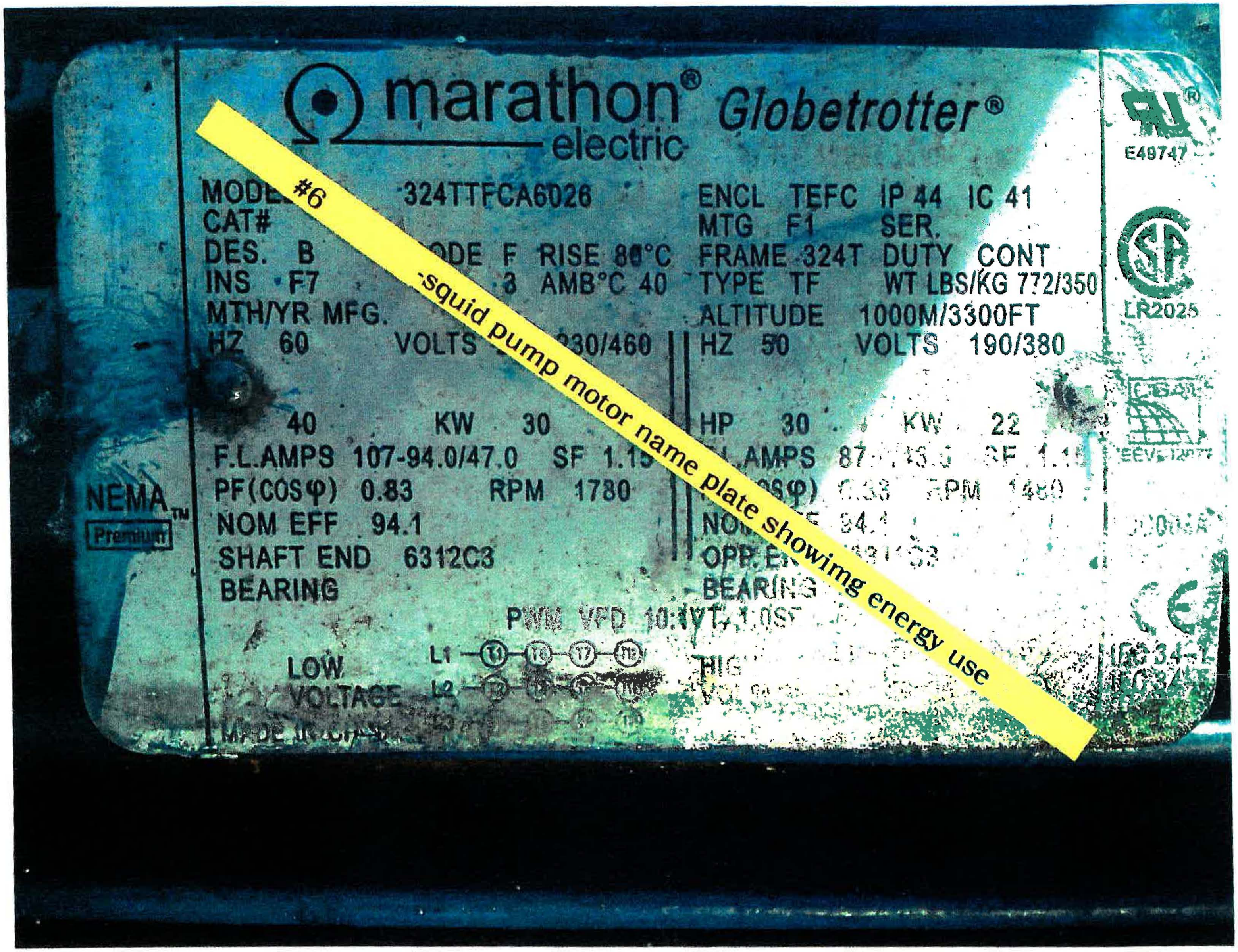
#1-new disconnect,original disc. and power connection

#2–side view of disconnects

#3-district meter number 4

#4–power going to squid pump trailer

#5–squid pump at dock portable



#6

-squid pump motor name plate showimg energy use

#7-harbor district electric meter closet at fishbuyer building

#8–view inside leased space of power cord from disconnect to under door

SAN MATEO COUNTY HARBOR DISTRICT

MONTHLY FISH PURCHASE AND OFF-LOADING FEES WORKSHEET

LESSEE: Pillar Point Fisheries

Fees for the Month of : aug 2015

WETFISH				
Number of Tons Off-Loaded:	125153	X 300 ~~$10~~	=	3754.59
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:	43872	X $0.01	=	438.72
Number of Pounds of Fish Purchased by Lessee:		X $0.01	=	
Gross Receipts for Fish Sold On-Site By Lessee:		X 5%	=	
		TOTAL:		4193.31

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: KAM

As per 7-15-15 meeting with GM Guindy & Galarza I'm deducting $2558.00 that was improperly withheld from our overpayment refund check. $2558.00 was also billed to our dock rent bill in aug..

San Mateo County Harbor District

Request for Account Adjustment

Requested By:

Date	Account #	Name	Site	Amount
2/4/15	1489	Pillar Point Fisheries	PPH	~~<[illegible]>~~ <7031.78>

EXPLANATION FOR ADJUSTMENT

credit wetfish % charge 3360.48 for Aug 2013
credit wetfish % charge 3744.53 for Sep 2013
charge 3.08 Nov 13 underpymt
credit .05 Dec 13 overpymt
charge 70.20 underpymt Feb 14

Charge	Credit			Charge	Credit		
☐	☐	Berth	$	☐	☐	Liveaboard	$
☐	☐	Electric	$	☐	☐	Wait List	$
☐	☐	Transient	$	☐	☐	% Rent	$
☐	☐	Late Fee	$	☐	☐	Sec Dep	$ 7031.78
☐	☐	Lien Fee	$	☐	☑	Offload	$ ~~<[illegible]>~~
☐	☐	CAP Fee	$	☐	☐		$

Approved

~~Harbor Master~~ Act General Mgr	Date
☐	

~~Director of Finance~~ General Manager	Date 8/17/15
☐	

Denied

Harbor Master	Date
☐	

Director of Finance	Date
☐	

Reason Given Below

San Mateo County Harbor District

Request for Account Adjustment

Requested By: ____________

Date	Account #	Name	Site	Amount
	1489	Pillar Point Seafood	PPH	4473.78

EXPLANATION FOR ADJUSTMENT

Refund ~~[illegible]~~ CK # 045348

8/19/15 for $4,473.78

Charge	Credit		
☐	☐	Berth	$
☐	☐	Electric	$
☐	☐	Transient	$
☐	☐	Late Fee	$
☐	☐	Lien Fee	$
☐	☐	CAP Fee	$

Charge	Credit		
☐	☐	Liveaboard	$
☐	☐	Wait List	$
☐	☐	% Rent	$
☐	☐	Sec Dep	$
☑	☐	Refund check	$ 4473.78
☐	☐		$

Approved

Harbor Master	Date
☐	

Director of Finance	Date
☐	8/26/15

Denied

Harbor Master	Date
☐	

Director of Finance	Date
☐	

Reason Given Below

San Mateo County
Harbor District

Memo

Date: September 14, 2015

To: Board of Harbor Commissioners

Thru: Glenn Lazof, General Manager

From: Scott Grindy, Harbor Master

Re: Special Use Permit for City of South San Francisco Department of Parks and Recreation for Thanksgiving Fun Run Saturday November 14, 2015

RECOMMENDATION

1. Approve a Special Use Permit for City of South San Francisco Department of Parks and Recreation for Thanksgiving Fun Run to be held on Saturday November 14, 2015;
2. Fee waiver

BACKGROUND

City of South San Francisco (SSF) Department of Parks and Recreation have held a Thanksgiving Fun Run through the Oyster Point Marina/Park for at least the last ten years. The Thanksgiving Fun Run has been held in the City of South San Francisco for approximately 25 years. In prior years they were not required to obtain a special event permit, as there was no Event Policy and impact to the Marina was minimal. In 2013 and 2014, they requested a permit as required by the Event Policy and their request for a fee waiver was granted.

SSF Department of Parks and Recreation will set up one card table for a water station that will only be up for one hour while runners are running through the Marina. SSF Department of Parks and Recreation will dispose of their own garbage. No staff time is required.

SSF Department of Parks and Recreation have requested a waiver as they are a department within the City of South San Francisco.

Recommendation: Policy

Please specify in your motion approval of the Special Use Permit and Fees and or amounts waived.

FISCAL IMPACT

Application and Permit fee waiver in the amount of $335.

San Mateo County Harbor District

400 Oyster Point Blvd., Suite 300,
South San Francisco, CA 94080
(650) 583-4400 T
(650) 583-4611 F
www.smharbor.com

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

APPLICATION FORM – Special Use Permit

Applicant Name:	Michael Mulkerrins	
Organization Name:	South San Francisco Department of Parks and Recreation	
Address:	33 Arroyo Drive	
City, State, Zip Code	South San Francisco, Ca 94080	
Telephone	Day 650-829-8679 Cell Fax 650-877-8678	
Alternate Contact Person (s) and Phone Number	Bill Stridbeck- Day 650-829-4683	
San Mateo County Resident:	**Yes**	
Non- Profit:	**Yes/Municipal Government**	
Commercial:		**No**
Type of Event:	Thanksgiving Fun Run	
Description of Proposed Activity:	The annual 5k Run/Walk begins and ends in Genentech, 1 DNA Way, South San Francisco. Route goes along pedestrian path at Oyster Point Marina approximately 9:00 am – 9:30 am.	
Event Date (s)	Saturday, November 14, 2015	
Number of Events per year:	One	
Event Hour:	Start: 9:00 am	End: Approximately 10:00 am
Set up Time:	8:30 am – 9:00 am	
Exit Time:	10:00 am	
Number of Participants/Guests:	350	
Maximum number of vehicles/parking requirements for the event: (provide parking plan)	2-3 cars for event staff who will be stationed within the marina.	

Equipment to be used: (Chairs, tables, tents, microphones, speakers)	Water Station for runners/walkers. We will have one card table to use for water station. We will bring our own garbage cans/trash bags for empty cups. We will pick up all litter.
Individual in charge on event day (include name, address and contact number on the day of the event)	Michael Mulkerrins Recreation and Community Services Supervisor 415-606-7559 Cell-**Day of event only**

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

Request for fee waiver:	**Yes**	

Reason for request of fee waiver:

Are you familiar with/have you visited the requested area?	**Yes**	
Do you plan to advertise or issue a press release before the event?	**Yes**	
Is there any reason to believe there will be attempts to disrupt, protect or prevent your event? (If yes, please explain on a separate page.)		**No**

Do you intent to solicit donations or offer items for sale?		**No**

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

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

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

Absence of insurance makes the Event Permit null and void.

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

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

Signature____________ Date 9/9/15
Mike Futrell, City Manager

Approved as to Form:

City Attorney

City Clerk

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

ABAG *PLAN* Corporation

CERTIFICATE OF COVERAGE

ISSUE DATE (MM/DD/YY)
8/26/2015

BROKER: Alliant Insurance Service, Inc.
100 Pine Street, 11th Floor
San Francisco, CA 94111
415/403-1400

PROVIDER: ABAG PLAN CORPORATION
P. O. BOX 2050
OAKLAND, CA 94604-2050
510/464-7969

Covered Party: South San Francisco
City of So. San Francisco, P.O. Box 711
South San Francisco, CA 94080

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

COMPANIES AFFORDING COVERAGE

COMPANY
A ABAG PLAN Corporation
COMPANY
B Ins. Co. of the State of Pennsylvania
COMPANY
C National Casualty Company (Civic Risk)
COMPANY
D Lexington Insurance Company
COMPANY

THIS IS TO CERTIFY THAT COVERAGE AGREEMENTS LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE COVERAGE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH AGREEMENTS.

CO LTR	TYPE OF COVERAGE	POLICY NUMBER	POLICY EFFECTIVE DATE	POLICY EXPIRATION DATE	LIABILITY LIMIT		
						EACH OCCURRENCE	AGGREGATE
A	GENERAL LIABILITY ☒ COMPREHENSIVE FORM ☒ PRODUCT / COMPLETED OPERATIONS ☒ PREMISES / OPERATIONS ☒ UNDERGROUND EXPLOSION & COLLAPSE HAZARD ☒ CONTRACTUAL ☒ BROAD FORM PROPERTY DAMAGE	GAL 2015-16	7/01/2015	7/01/2016	Combined Single Limit (CSL)	$5,000,000	
A	AUTOMOBILE LIABILITY ☒ ANY AUTO ☒ ALL OWNED AUTO ☒ RENTAL / LEASE AUTO ☒ NON- OWNED AUTOS ☐ GARAGE LIABILITY	GAL 2015-16	7/01/2015	7/01/2016	Combined Single Limit (CSL)	$5,000,000	
B	Excess General & Auto Liability	6907982	7/01/2015	7/01/2016	CSL	$10,000,000	$10,000,000
C	Public Official's E&O	XCO0000464	7/01/2015	7/01/2016	CSL	$15,000,000	$15,000,000
D	PROPERTY INSURANCE ☒ PROPERTY / SPECIAL FORM ☒ BOILER & MACHINERY	017471589	7/01/2015	7/01/2016	CSL PROPERTY BOILER & MACH	$ 25,000,000 *(per schedule)* $25,000,000	

DESCRIPTION: General liability includes Personal Injury and Public Officials' Errors and Omissions Liability. This Certificate is issued as proof the above-named Covered Party is an active member and in good standing with coverage as indicated above.

CERTIFICATE HOLDER

San Mateo County Harbor District

Attention:
504 Avenue Alhambra, 2nd Floor
El Granada CA 94018

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED AGREEMENTS BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE PROVIDER/PROVIDEE WILL ENDEAVOR TO MAIL 30-DAY WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT. HOWEVER, FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

James Hill, PLAN Risk Manager
ABAG PLAN Corporation

Administered by the Association of Bay Area Governments

Memo

To: Board of Harbor Commissioners
From: Glenn Lazof, Interim General Manager
Date: October 1, 2015; covering the period September 10– October 1, 2015
Re: October 1, 2015 Activity Report

Administration

- Prioritization continues as we are functioning with 100% interim and temporary employees in administration and finance.

Meetings: Doing our best to be prepared for meetings of Commissioners and assist with meeting legal requirements has to take precedence over much of our work. Below is a list of planned public meetings where preparation, support, and/or attendance occurred during this period (Note also that we have new staff tasked with meeting notices and packets since September 25):

Board of Harbor Commissioners:

- Regular Meeting of September 16, 2015
- Regular Meeting of October 7, 2015

Finance Committee

- Regular meeting time of September 24, had been rescheduled (CSDA conference) to September 28, then to again to the 29th due to a staff error on the Agenda notice. The next scheduled regular meeting will be Thursday, October 22.

Fish Buyer Tenants Workshop September 15, 2015

- Noticed as a Special Meeting to comply with Brown Act, so that we are in compliance should more than two commissioners choose to attend.

Oyster Point Marina Liaison Group/ District Liaison Committee:

- Meeting of September 30, 2015 – Agenda attached.
    - First meeting in a long time, new noticing and logistical issues posed challenges for District and SSF
        - Noticed by the District as our members constitute a standing committee of the District, including posting at SSF City Hall site
        - Notified City Clerk to also notice per their procedures
        - Agenda developed in Conjunction with City Staff
        - Responding to interest in videotaping for availability to new General Manager
        - Creation of Substantial Agenda Packet and Materials
    - And then after all that… the meeting was canceled by SSF, when they became concerned that their agenda for OPM JPA Standing Committee should have used different posting procedures. We await word on a rescheduled meeting.

- Providing information regarding the JPA to the Committee/Public, although our success has been limited as we are training interim administrative staff.
    - Creation of document that simulates a restated JPA agreement, showing items that have been altered by amendments 1-3. We still need to include Amendment 3
    - Posting JPA documents, in chronological order, on the Web site, per a specific recommendation from Commissioner Brennan is not yet complete.
    - Creating a working list of benefits of the JPA. This task is designed to fit within existing staff resources.

Other Board Mandated- Time Sensitive Activities
Legal Mandates/Issues:

- Public Records Act – 5 requests pending, 3 involved searches of a broad sweep of e-mail. The charges from our e-mail service will be $975.

Working environment, long term health of District: As an Interim General Manager one of my most important goals is to make as much progress as possible towards creating a work environment that will support the recruitment and retention of a successor of the highest quality and professionalism.

- HR Focus has been dealing with issues as they come up, essentially putting out fires, but structural issues such as conflicting policies or practices have not received adequate attention. When the new GM starts he will receive an assessment that will recommend specific HR tasks that will reduce future difficulties and exposures, as well as options for resourcing those tasks.

These are tasks that can be described as completed:

- Teamster Health Insurance Issue 2 – This is the issue where the Teamsters Health Welfare Trust billed us for "retroactive Health Insurance Payments" going back as far as 2012, totaling nearly $77,000, even though the district has always paid as billed. After review of the formal agreement with this Health Plan and MOU, the District has sent a letter of protest and noting that we find no authority for such charges and consider the issue resolved unless we hear otherwise.
- Creation of conformed integrated document consolidating JPA agreement and the three amendments has been loaded on the Web Site under Oyster Point Marina Index. I've asked to change the title on the link as of this report.
- Selected alarm and security services and equipment for the Administrative Offices. We are verifying that lowest cost provider meets prevailing wage requirements.
- Long term RFP for IT Services has been noticed.
- Proposed Contract for Stephen McGrath posted on district website per request of Commissioner Brennan, staff used redlined version showing revisions from that of September 16.

These are tasks where adequate progress was made during this period.

- Public Notice for provision of Laundry Room at Oyster Point Marina
- 2015 Mavericks Surf Contest Conditions and Permits
    - Requested that permittees update the District regarding the status of any additional permits that are (or may be) required by entities other than the district as a reminder that acquiring all required permits is a condition of the District permit.

    - Issued a reminder that the insurance certificate needs to be delivered by November 1, 2015
    - Interagency Event Planning meetings are underway.
- Reviews of routine financial and personnel documentation, prior to authorization
- Preparations to send Oyster Point Bait Shop RFP to Department of Boating and Waterways
- Developing Public Financing RFP's for Financial Advisor
- Cost Accounting Enterprise and Public Purpose Activities
    - We are back on track after several weeks of delay. The new plan is that the district completes our first cost allocation in time to issue a report for first 6 months of the year.
    - Kudo's to our temp in finance, Yvonne Quigtar, for steamrolling through the ADP barriers. Time recording to Public and Enterprise activities as part of the time sheets records is back on track as testing is restarting during the current payroll period.
    - We are catching up on identifying operating (non-payroll) expenditures.
- Labor Negotiations
    - Providing required information as requested/ required by District and Union Negotiators.

These are items in which some progress was made, but not as much as we would like.

- Staff has been working on Social Media Policy to bring to the Commission for review and approval, planning on bringing it forward next regular meeting.
- Five Year Capital Improvement Plan (CIP) continuing to consolidate the interim list as adopted August 19.

These are items in which some progress was made, but far less than is required to limit exposures and forestall future issues:

- Commissioner E-mails to the Interim General Manager- The intent of the following comments is to report a workload problem and not to discourage Directors from fulfilling their duties. Individual Directors should feel welcome to ask for and provide information, as well as to offer advice to the IGM (but as you all know should not as individuals direct the IGM to take specific action). The problem is that there has been a sharp uptick in both the volume and the nature of requests recently. We are at the point where staff's ability to conduct operations and implement initiatives approved by the commission as a body is impaired.
    - Here is a quick count and comparison to the same period last month.
        - September 7-29 there were 72 e-mails total from commissioners, 48 of which were either suggesting, requesting, directing that actions be taken or information provided.
        - The single Commissioner with the most e-mails in the period September 7-29 sent 38; 31 of which were either suggesting, requesting, or directing that actions be taken or information provided.
        - During the same period in August, 62 e-mails overall were received overall, of which only 23 were suggesting, requesting, or directing that actions be taken or asked that information be provided.
        - The single Commissioner with the most e-mails August 9 -29 sent 23 overall, of which only 12 requested information, requested or suggested action, or asked that information be provided.

If the commission is interested in proposals to acquire additional staff resources to enable staff to be more responsive to commissioner requests, we can place an action item on the next agenda. Otherwise the IGM has no choice but to prioritize and conduct triage with these requests as we do with most other activities.

- 2016-2021 Mavericks Permit
    - Continuing to work on clarifying identification of permit area as mutually and desired by District and Permittees and reflecting historical practice.
- Preparing for transition to regular GM including handoff of projects, commission directives, and personnel, and legal matters as best I can.
- Providing payment documents requested by Commissioner Brennan:
    - All Jan. and Feb. 2015 bills/invoices and all June 2012 bills/invoices as presented to the District Treasurer
        - Just under of 300 documents with attachments, checks, 17% complete

These are tasks in which no progress was made.

- Working with Open Gov. to set up web site - Staffing issue in Finance will delay; operational issues are primary at this time.
- Phondini agreement for development of social media plan cannot proceed until staff brings a social media plan to the Commission. The IGM has not completed his review of this plan. Will try to complete in time for October 21 meeting.
- Letter to City of South San Francisco requesting reasonable period to prepare a thorough response to their concerns (although preference is that Liaison Group meets first) will proceed following September 30 meeting of Liaison Group.
- Mavericks Store Lease- end date is June 30.
- Review of Pillar Point restaurant lease regarding any requirement to conduct business in leased area.
- Updating District's Reserve Policies.
- Review of Fees and Charges for increased revenue coverage of District costs including consideration of proposing:
    - Fees/ permits for Large Truck Impact on Johnson Pier
    - Greater clarity between market rates fees and those limited by law to cost of service
    - Consistency between fees for similar services
    - Environmental Fee
- Moving to a "Paperless" environment
    - Investigating issuance of IPADs for Board Meeting Use
- Reviews and updates of all Policies and Procedures
    - Including New Policies and Procedures for District Treasurer

These are tasks which have been paused, either due to other priorities, and other reasons as described herein:

- Developing Public Financing RFP's for Bond Counsel, and Underwriter/Placement Agent – Selection of Financial Advisor first may provide focus and efficiencies for these selections.
- Previously Reported:
    - Four responses received to the RFP legal services, prior to my appointment. Additional reasons for pause: complex pending and potential legal matters need to proceed with labor negotiations. It seems appropriate to wait to take this up after the successful recruitment of a new GM, permitting his or her

participation in these important selections. The RFP may need to be redone if too much time has elapsed since these were submitted.

  - Completion of Office Move - Looking for a third party opinion to resolve the disagreement between staff and committee recommendation regarding the placement of the wall to maximize meeting space and protect confidential documents is at impasse as we have been unable to find a reasonably priced space planner willing to work us. This decision will be left for the new General Manager, who is likely as good an unbiased third party as anyone.

Personnel

- We continue to address ongoing matters requiring confidentiality, includes 1 significant pending issue which has required a significant portion of key staff time. We also are responding to previously filed grievance.
- Testing for Deputy Harbormaster and Harbor Worker positions was held at OPM September 23rd. Testing requires also participation of Harbor and Administrative staff.
- Assigning working with and training for temporary positions is a priority
- Health Insurance 1– We are looking for alternative coverages. (The Teamster Health and Welfare Trust dropped 7 individuals from the regular plan. The Trust had offered to maintain these individuals and families as if they were on COBRA continuation health coverage, for 18 months, or until the Teamsters elect to rescind the coverage.) Staff has engaged and expedited attempt to bind comparable new coverage for impacted individual's. The maximum risk is that we have to pay for medical expenses out of packet if anyone we are obligated to provide insurance to has been terminated from coverage.
- Teamster Health Insurance 3 – (see 1&2 below). Teamster Health and Welfare Trust previously noticed that they will terminate a covered dependent, for reasons unrelated to unrepresented status. Staff is working to resolve in the most cost effective way permitted by district policy.

Transparencies

- The Harbormaster will not be attending this meeting. Mr. Grindy is attending the California Port Captains meeting.
- Several of our Office Computers which were functioning unreliably have been pronounced dead by our IT vendor. We are procuring 4 Dell computers via the State Contract (competitive recruitment conducted by the State) at reduced prices. Total purchase is under the GM's authorization limit.

Melanie Hadden

From:	Glenn Lazof
Sent:	Wednesday, September 30, 2015 6:47 PM
To:	Melanie Hadden
Subject:	FW: Potential Brown Act Violation
Attachments:	09 30 15 Harbor District Liaison Cancelled.pdf

Please print the e-mail below and place in packet behind the GM report

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From: Rosenberg, Jason [mailto:jrosenberg@meyersnave.com]
Sent: Tuesday, September 29, 2015 4:16 PM
To: John Ullom
Cc: liza.normandy@ssf.net; mark.addiego@ssf.net; Tom Mattusch; Sabrina Brennan; sdfs sdfs; Glenn Lazof; mike.futrell@ssf.net; patrick.okeeffe@ssf.net; Steve Wagstaffe; Karen Guidotti; Al Serrato; Martinelli, Krista (Krista.Martinelli@ssf.net); Tupper, Alexandra (Alexandra.Tupper@ssf.net); samantha@smdailyjournal.com; Carina Woudenberg
Subject: RE: Potential Brown Act Violation

Dear Mr. Ullom,

Thank you for your email. I am responding on behalf of the City of South San Francisco ("City"). The Oyster Point Liaison Committee was scheduled to be held September 30th at the South San Francisco City Hall Conference Room. Although the agenda was posted at City hall, the City's Municipal Services Building, the City Hall Annex building and the main Library on Friday, September 25, 2015, it was not posted on the City's website at least 24 hours prior to this special meeting. Accordingly, the meeting is cancelled. A notice of cancellation is attached. The City and the Harbor District will reschedule the meeting in the near future, and when it is rescheduled, notice of the meeting will be distributed through its regular methods, including posting on the City's website at this link.

Let me know if you have any further questions.

Regards,
Jason Rosenberg

From: John Ullom [mailto:redbonelogic@gmail.com]
Sent: Tuesday, September 29, 2015 2:39 PM
To: liza.normandy@ssf.net; mark.addiego@ssf.net; Tom Mattusch; Sabrina Brennan; sdfs sdfs; Glenn Lazof; mike.futrell@ssf.net; patrick.okeeffe@ssf.net; Steve Wagstaffe; Karen Guidotti; Al Serrato; Rosenberg, Jason
Cc: samantha@smdailyjournal.com; Carina Woudenberg
Subject: Potential Brown Act Violation

Hello Team Sunshine!

I have not been able to locate any public notice on the SSF website regarding the Standing OPM - SMCHD - SSFCC Committee meeting that seems to be scheduled in SSF on Wednesday, Sept 30th, 2015 at 3:00 PM.

This regarding Standing Committees and the Brown Act:

• Any standing committee of a covered board, regardless of number of members. (§ 54952(b)) • Governing

This regarding noticing requirements for public meetings:

- post notice and an agenda for any regular meeting, (§§ 54954(a), 54954.2(a)); mail notice at least three days before regular meetings to those who request it, (§ 54954.1); post notice of continued meetings, (§54955.1); deliver notice of special meetings at least one day in advance to those who request it, (§ 54956); and deliver notice of emergency meetings at least one hour in advance to those who request it. (§§54956, 54956.5)

Here is where I found the above info: -- http://www.thefirstamendment.org/Brown-Act-Brochure-DEC-03.pdf

Maybe I missed on the SSF website but not even the City Manager's office nor the Clerks Office were able to provide me a link, an agenda, or much of anything regarding this public meeting.

Is the meeting a public meeting?

If so, has it been properly noticed?

It would be so much better to fix this, assuming I have not made an ass of myself claiming it is broken, before jerks like me pile on after the event has transpired.

I will follow up with both of your hired guns unless one of them creates a few billable moments by explaining why I am wrong.

Thanks!

John Ullom

San Mateo County Harbor District
Oyster Point Liaison Committee of the San Mateo Harbor District and the Oyster Point Marina Liaison Committee of the City of South San Francisco Serving as Oyster Point Marina Joint Powers Agreement Liaison Group

Meeting Agenda

City Hall
400 Grand Avenue
Conference Room 2nd Floor
South San Francisco, CA 94083

Wednesday, September 30, 2015
3:00 p.m.

Roll Call

Harbor District	South San Francisco
Tom Mattusch, President	Mark Addiego, Vice Mayor
Sabrina Brennan, Commissioner	Liza Normandy, Councilmember

Public may directly address the Committee for a limit of three minutes, unless a request is granted for more time, on any item of public interest that is within the subject matter jurisdiction of the Committee.

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

Canceled

Possible Discussion/Action

Agenda:

I. Study Session Regarding Relationship between City Of South San Francisco and San Mateo County Harbor District regarding Oyster Point Marina Joint Powers Agreement
II. Discussion of July 30, 2015 Correspondence from the City of South San Francisco to the San Mateo County Harbor District – Informational Item Only
III. Next Steps- Direction for Future Discussion

Adjournment

Agenda Posted as September 25, 2015 at 10:00 AM

Deborah Nixon
Debbie Nixon, Deputy Secretary

NOTICE OF CANCELLATION

San Mateo County Harbor District
Oyster Point Liaison Committee of the San Mateo Harbor District and the Oyster Point
Marina Liaison Committee of the City of South San Francisco Serving as Oyster Point
Marina Joint Powers Agreement Liaison Group

Meeting Agenda Cancelled

City Hall
400 Grand Avenue Conference
Room 2nd Floor South San
Francisco, CA 94083

Wednesday, September 30, 2015
3:00p.m.

Posted as September 29, 2015 at 4:10 PM

San Mateo County Harbor District

Board of Harbor Commissioners

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

Glenn Lazof, Interim General Manager

September 22, 2015

Board of Trustees
Teamsters Local 856 Health and Welfare Trust Fund
453 San Mateo Avenue
San Bruno, CA 94066

Re: San Mateo County Harbor District; Duplicate Billing for Health Coverage in 2012, 2013, and 2014

Dear Board of Trustees:

The San Mateo County Harbor District ("District") disputes any liability for duplicate charges recently billed to the District for health coverage provided in 2012, 2013, and 2014 to District employees under the Teamsters Local 856 Health and Welfare Trust Fund ("Trust Fund"). The sufficiency of the District's required monthly contributions for coverage for each of these years was reviewed by the Trust Fund's payroll compliance auditor each year prior to this year. As provided in each annual audit report, the Trust Fund's auditor found that the District's required contributions for coverage of its employees had been fully and correctly paid.

Despite the District's full and timely payment of all required monthly contributions in compliance with the requirements of the Collective Bargaining Agreement between the District and Teamsters Local 856 ("CBA"), the Subscriber Agreement, the Trust Agreement, and the Trust Fund's own audits, the District received a notice from the Trust Fund, dated March 9, 2015 ("notice"), stating that the District's account reflected a "shortage" of $76,665, which was stated to be "due to rate increases for years 2012, 2013, and 2014." Prior to receipt of the notice, the District had not received any communication from the Trust Fund's Administration Office, or the Board of Trustees, related to any change in the monthly required contribution amount. Indeed, the Trust Fund, through its Administration Office, accepted the District's monthly contributions as payment in full for the health coverage provided to the District's employees who were enrolled in Trust Fund coverage, for all months prior to the notice.

504 Avenue Alhambra, 2nd Floor, PO Box 1449, El Granada, CA 94018
(650) 583-4400

While the notice refers to "rate increase in accordance with the provisions of your collective bargaining agreement", no specific provision of the CBA is cited as a basis for this duplicative billing. In fact, there is nothing in the Trust Agreement, Subscriber Agreement, or CBA that permits the Board of Trustees to retroactively increase required monthly contributions for Teamsters' plan health coverage, or to bill the District additional amounts for prior periods of coverage for which monthly contributions were timely paid and accepted by the Trust Fund. In acknowledgment that the District's required contributions were properly and timely made, the Trust Fund continued to provide coverage for District employees.

In sum, the District has no liability for the retroactive increases billed for coverage already paid for and provided to its employees for the following reasons:

1) The District has always paid amounts shown on monthly remittance forms provided by the Trust Fund, see attached. The Trust Fund accepted the District's timely contributions as payment in full and provided coverage for its employees during 2012, 2013 and 2014.
2) The amount of contributions required to be paid for these years has already been audited by the Trust Fund's auditor and no deficiency was found that was not timely corrected.
3) There is no provision in the Trust Agreement, Subscriber Agreement, or CBA that permits retroactive billing of additional amounts after coverage has been paid for and provided.

We will appreciate written confirmation from the Board of Trustees, or its counsel, that no further action on the District's part is required and that this matter is now resolved.

Sincerely,

Glenn Lazof
Interim General Manager

Cc: Marta Pacheco, Billing and Eligibility Dept., Teamsters Local 856 H&W Fund Kirsten
Brooks, Fund Manager, Teamsters Local 856 H&W Fund
Peter Finn, Secretary Treasurer, Teamsters Local 856
Bobbi Bennett, SMCHD Human Resources Consultant
Marcia Schnapp, SMCHD Interim Administrative Manager
Steven Miller, Hanson Bridgett
Liz Mason, Hanson Bridgett

San Mateo County Harbor District

Board of Harbor
Commissioners

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

Glenn Lazof, Interim General Manager

September 30, 2015

Zoe Lee Ahn
Cartel Management, Inc.
25 Johnson Pier
Half Moon Bay, CA 94019

Brian Overfelt
143 Avenue Balboa
El Granada, CA 94018

Jeff and Cassandra Clark
Maverick's Surf Shop
151 Harvard Avenue
Half Moon Bay, CA 94019

Re: Permit and Insurance Update for 2015 2016 event.

Dear Zoe, Jeff, & Cassandra:

The District has not taken ownership of any of the issues pertaining to permits your event may or may not be required to obtain, nor is that our intention. As the permittee, your organization is the responsible party for approvals from all other jurisdictions. The District's only concern is to assure compliance with the conditions of the permit we issued.

Notwithstanding the foregoing, one of the conditions of your Harbor District permit is that you are required to obtain all necessary permits. Therefore I am writing to request a quick update of the status of your efforts to obtain. My goal is be able validate that this permit condition is being met.

The information we seek is:

1. Which agency permits have been obtained, are pending (with expected finalization dates).

2. If there are agencies that have not yet responded to inquiries as to whether a permit is required we would appreciate knowing that as well.

Lastly, please consider this a friendly reminder that the District must receive a certificate of insurance as outlined in section 4.93 of the permit by November 1st.

It's hard for me to believe that we are already thirty days away from, the first day of the contest window, but for those of you in the thick of event planning it must be very hectic. The District, community, and I are all looking forward to the fruits of your efforts this year and over the years to come.

Thank you,

Glenn Lazof
Interim General Manager
San Mateo County Harbor District

cc: Agenda Packet 10 7