

San Mateo County Harbor District Board of Harbor Commissioners Meeting Agenda

July 15, 2015
6:30 p.m.

**Municipal Services Building
33 Arroyo Drive
South San Francisco, Ca. 94080**

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

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

A.) Roll Call

Commissioners

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

Staff

Glenn Lazof, Interim General Manager
Debra Galarza, Director of Finance
Marcia Schnapp, Interim Administrative
Services Manager
Scott A. Grindy, Harbor Master
Debbie Nixon, Deputy Secretary
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calendar are approved by one motion unless a Commissioner requests at the beginning of the meeting that an item be withdrawn or transferred to the regular agenda.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:** **Minutes of Meeting May 26, 2015**
 REPORT: Draft minutes
 PROPOSED ACTION: Approval

- 2 **TITLE:** **Minutes of Meeting June 17, 2015 – Special Meeting**
 REPORT: Draft minutes
 PROPOSED ACTION: Approval

- 3 **TITLE:** **Revise Committee By-Laws to Permit Day-time Meetings**
 REPORT: Lazof, Memo, Resolution
 PROPOSED ACTION: Adopt Resolution 31-15 revising Committee by-laws to permit day time meetings

- 4 **TITLE:** **Amendment to Employment MOU, Scott Grindy, Harbor Master**
 REPORT: Lazof, Memo, Resolution
 PROPOSED ACTION: Adopt Resolution 30-15 to revise contract removing annual cost of living increase and add one time lump sum payment of \$2,937.56

- 5 **TITLE:** **Amendment to Employment Contract, Debra Galarza, Director of Finance**
 REPORT: Lazof, Memo, Resolution
 PROPOSED ACTION: Adopt Resolution 29-15 to revise contract removing annual cost of living increase and add one time lump sum payment of \$2,525.41

E.) Old Business

- 6 **TITLE:** **Response to Grand Jury**
 REPORT: Lazof, Memo, Resolution
 PROPOSED ACTION: Adopt Resolution 32-15 to revise and approve letter of response to the March 27, 2015 Letter from County Grand Jury

- 7 TITLE: **Policy Regarding Elected Officials' Conduct and Communication with District Staff**
REPORT: Lazof, Memo; Supporting Materials Brennan
PROPOSED ACTION: Discussion and possible action
- 8 TITLE: **Discussion of Lisa Wise Consulting Contract for Harbor District Strategic Plan and Approval of \$42,206.35 Progress Payment.**
REPORT: Lazof, Memo
PROPOSED ACTION: Accept staff recommendation regarding payment of invoice. The commission may consider additional direction to staff regarding performance of the Contract.
- 8.a TITLE: **Closed Session:** Conference with Legal Counsel— Anticipated Litigation. Significant exposure to litigation pursuant to Section 54956.9(d)(2) and (e)(2). The facts and circumstances that might result in litigation against the District include the disputed progress payment that is the subject of Item 8 on this Agenda.

F.) New Business

- 9 TITLE: **Update on Refinancing Department of Boating and Waterways Loan To District**
REPORT: Lazof, Memo
PROPOSED ACTION: No Commission Action is Proposed, unless the Commission is no longer interested in pursuing refinancing.
- 10 TITLE: **Commissioner Discussion of Review of Treasurer's and Deputy Treasurer Procedures**
REPORT: Lazof, Memo
PROPOSED ACTION: Public discussion of review conducted by JJACPA
- 11 TITLE: **Bills and Claims in the Amount of \$163,974.39**
REPORT: Bills and Claims Detailed Summary
PROPOSED ACTION: Approval of Bills and Claims for payment and a transfer in the amount of \$163,974.39 to cover payment of Bills and Claims

G.) Staff Reports: a) Administration and Finance

- 12 **Interim General Manager – Lazof**
- 13 **Director of Finance – Galarza**
- 14 **Interim Administrative Services Manager – Schnapp**

b) Operations

- 15 **Oyster Point Marina/Park and Pillar Point Harbor – Grindy**

H.) Board of Harbor Commissioners

- 16 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 an item on a future agenda may make a motion to place such an item on a future agenda

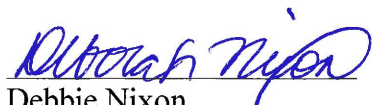
I.) Closed Session

- 17 TITLE: Conference with Labor Negotiator Pursuant to Government Code Section 54957.6
- DISTRICT: Scott Grindy, Deborah Glasser, Glenn Lazof
- REPRESENTATIVES:
- EMPLOYEE: Operating Engineers Local Union 3 and Teamsters Local
- ORGANIZATIONS: Union 856

J.) Adjournment

The next scheduled meeting will be held on August 5, 2015 at the Municipal Services Building, 333 Arroyo Drive, South San Francisco at 6:30 p.m.

Agenda Posted As Required:
July 10th at 9:30 a.m.



Debbie Nixon
Deputy Secretary

San Mateo County Harbor District Board of Harbor Commissioners Meeting Minutes

May 26, 2015

5:30 p.m.

Oyster Point Yacht Club
911 Marina Blvd
South San Francisco, Ca. 94080

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A.) Roll Call

Commissioners

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

Staff

Glenn Lazof, Interim General Manager
Steven Miller, District Counsel
Debbie Nixon, Deputy Secretary

Public Comment: James Lee thanked Brennan for helping to save the boating resources on the Peninsula. **(0:58)**

Shaunn Cartwright thanked the Commission and Brennan for moving the District's Office to El Granada. She also thanked the Commission for working on issues such as beach replenishment, water quality and public safety. **(2:15)**

Tom Linebarger thanked the Commissioners and Brennan for making sure the District videotapes and broadcasts the meetings. **(3:08)**

B.) New Business

- 1 **TITLE:** **Reorganization of Harbor Commission: Selection of Officers**
 REPORT: Bernardo
 PROPOSED ACTION: To be determined

Public Comment:

For Reorganization of the Harbor Commission:

John Dooley

Brian Rogers

April Vargas

Jeff Clark

Cassandra Clark

Kelsey Kaulukukui

Brian Waters

Mike Alifano

Against Reorganization of the Harbor Commission:

Mark DePaula

Kathryn Slater-Carter

Bill Kehoe

Tom Linebarger

Leonard Woren

Porter McHenry

Pamela Fisher

Mike Ferreira

Mary Larenas

Budd Ratts

John Lynch

Dan Haggerty

John Ullom

Michael Stogner

Shaunn Cartwright

James Lee

Brennan resigned as Board President effective immediately. **(1:16:33)**

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

Ayes: Bernardo, Brennan, David, Mattusch, Parravano

Action: Motion by Mattusch, second by Bernardo to nominate Commissioner David as the Vice President to the Board. The motion passed unanimously.

Ayes: Bernardo, Brennan, David, Mattusch, Parravano

Action: Motion by David, second by Parravano to nominate Commissioner Bernardo as the Secretary to the Board. The motion passed unanimously.

Ayes: Bernardo, Brennan, David, Mattusch, Parravano

Action: Motion by David, second by Bernardo to nominate Commissioner Parravano as the Treasurer to the Board. The motion passed unanimously.

Ayes: Bernardo, Brennan, David, Mattusch, Parravano

C.) Adjournment

Action: Motion by Parravano, second by Brennan to adjourn the meeting. The meeting ended at 7:30 p.m. The motion passed unanimously.

Ayes: Bernardo, Brennan, David, Mattusch, Parravano

Debbie Nixon
Deputy Secretary

Tom Mattusch
President

Debbie Nixon

From: angelica.ramos@gmail.com on behalf of Angelica Ramos
<angelica@nwpcsiliconvalley.org>
Sent: Tuesday, May 26, 2015 12:10 PM
To: Robert Bernardo; Sabrina Brennan; Nicole David; Tom Mattusch; Pietro Parravano
Cc: Debbie Nixon
Subject: Letter of Opposition to Commission's Special Meeting for Removal
Attachments: NWPC-SV Letter of Support - Sabrina Brennan.pdf

Commissioners Bernardo, Brennan, David, Mattush, Parravano and Deputy Secretary Nixon,

Attached is a letter of opposition to today's special meeting called for the removal of Commissioner Brennan's presidency. We object to the meeting's lack of notice and lack of equal application in terms of process. Further, we support Commissioner Brennan as she has a record of success and achievement benefiting the residents of the San Mateo County Harbor District. Our letter is attached. Per state and local ordinances, we are aware of and expect this to make it into the public record for today's meeting.

Respectfully,

Angelica Ramos, J.D.
President, National Women's Political Caucus of Silicon Valley
(main) 408.597.4946
(email) angelica@nwpcsiliconvalley.org

I love to see a young girl go out and grab the world by the lapels. Life's a bitch. You've got to go out and kick ass. - Maya Angelou

**For media inquiries please contact Shaunn Cartwright, Communications Chair by emailing her [here](#).



San Mateo Harbor County District Commissioners Bernardo, Brennan, David, Mattusch, and Parravano,

It has come to the National Women's Political Caucus of Silicon Valley's attention that a special meeting is called today for the removal of Commissioner Sabrina Brennan from her position as President of the San Mateo County Harbor District Board. This is a letter of opposition of any motion or action to remove Commissioner Brennan from presidency.

Notice

We are especially concerned with the lack of notice to not only the public, but to Commissioner Brennan. We believe that advance notice of three business days for today's special meeting, scheduled late last Wednesday night, is insufficient notice for the Commission to hear public comment, especially after a nationally recognized and celebrated holiday weekend. While the minimum require notice to call a special meeting is one day, the subject matter of removal is a cause for concern as this tactic so grossly affects the District's responsibility to the residents of the San Mateo County Harbor District.

Inconsistent Application of Action

In 2013, Commissioners Holsinger and Tucker attempted to strip President Bernardo of his position at a regularly scheduled and noticed meeting. As such, no extra taxpayer funds or staff time was devoted to a special meeting then. If Commissioner Brennan's presidency is to be challenged, she is entitled to the same opportunities afforded to her colleague – whom she defended at that particular meeting – Commissioner Bernardo. To obfuscate the process by calling for special meetings would be an inconsistent application of action and we would support any equal protection claims Commissioner Brennan should make if a removal action should occur.

Support of Commission President Sabrina Brennan

Harassment allegations must always be taken seriously. We agree that review must happen in order to determine how to move forward during a conflict. This is why we are in complete support of President Brennan. President Brennan has a long standing, successful history of advocating for government transparency and fiscal responsibility. She moved to have board meetings televised for better access to the public as well as the districts new location to save the district money.

We support President Brennan because she has been a steadfast advocate for the residents of the San Mateo Harbor District. She is thoughtful and meticulous – qualities that the residents deserve in an elected official. We are exceptionally proud of her gravitas to vote with the thought of how it would affect the residents, and not with her ego. We have been monitoring Commissioner Brennan's achievements and want to remind the Commission of all that she has done to be a deserving and

The National Women's Political Caucus (NWPC) is a multicultural, intergenerational, and multi-issue grassroots organization dedicated to increasing women's participation in the political process and creating a true women's political power base to achieve equality for all women. The mission of NWPC is to increase women's participation in the political process and to identify, recruit, train, and support feminist women for election and appointment to public office. While in pursuit of this goal, NWPC Silicon Valley will strive to win equality for all women; to ensure reproductive freedom, to achieve quality dependent care; and to eradicate sexism, racism, anti-Semitism, ageism, ableism, violence, poverty, and discrimination on the basis of religion or sexual orientation.



effective leader. Since 2012, Commissioner Brennan has been the lone dissenting vote when efforts were being made to turn back or stall progress on the issues of board transparency, reform, and modernization. She was the lone dissenting vote in 2013 when the board voted to abolish the videotaping of meetings which she spearheaded. We especially find this to be an amazing feat considering the well documented and reported constant verbal aggressive criticisms coded in sexist language by former commissioners against Commissioner Brennan.

It is our position that any action to remove President Brennan would be inappropriate and baseless. We are especially concerned of the historic lack of representation by women on this Board and will openly oppose any insidious sexist actions taken against the Commissioner. We urge all Commissioners to think about the residents they purport to represent and let any motion fail due to lack of support.

Respectfully,

A handwritten signature in black ink that reads "Angelica Y. Ramos". The signature is written in a cursive, flowing style.

Angelica Ramos
President, National Women's Political Caucus of Silicon Valley
angelica@nwpcsiliconvalley.org
408.597.4946

The National Women's Political Caucus (NWPC) is a multicultural, intergenerational, and multi-issue grassroots organization dedicated to increasing women's participation in the political process and creating a true women's political power base to achieve equality for all women. The mission of NWPC is to increase women's participation in the political process and to identify, recruit, train, and support feminist women for election and appointment to public office. While in pursuit of this goal, NWPC Silicon Valley will strive to win equality for all women; to ensure reproductive freedom, to achieve quality dependent care; and to eradicate sexism, racism, anti-Semitism, ageism, ableism, violence, poverty, and discrimination on the basis of religion or sexual orientation.

Debbie Nixon

From: Harvey Rarback <harveyhmb@gmail.com>
Sent: Tuesday, May 26, 2015 4:15 PM
To: Robert Bernardo; Sabrina Brennan; Nicole David; Tom Mattusch; Pietro Parravano
Cc: Debbie Nixon
Subject: Coastside Democrats support for President Brennan
Attachments: Support for President Brennan.pdf

Commissioners,

The Coastside Democrats are proud to support President Brennan. Attached is a letter of support from the Board.

Respectfully,

Harvey Rarback
President

Coastside Democrats

P.O.Box 1046 Half Moon Bay, CA 94019-1046

WWW.CoastsideDemocrats.org

San Mateo Harbor County District President Brennan and Commissioners Bernardo, David, Mattusch, and Parravano,

This is a letter of opposition of any motion or action to remove Commissioner Brennan from presidency.

The Coastside Democrats are especially troubled with the special meeting today calling for the removal of Commissioner Sabrina Brennan from her position as President of the San Mateo County Harbor District Board. The lack of notice to not only the public, but to Commissioner Brennan on the heels of a national holiday only adds to the public's mistrust of the Harbor Commissions transparency and fairness in doing the public's business. We believe that the serious but unsubstantiated accusations made against Ms Brennan need to be investigated by an impartial committee before any drastic actions are taken.

We also feel that the Commissioners should be consistent in their actions with Ms Brennan as they were with Mr. Bernardo in 2013. As you will recall, Commissioners Holsinger and Tucker attempted to strip President Bernardo of his position at a regularly scheduled and noticed meeting at with no extra taxpayer funds or staff time needed for a special meeting. If Commissioner Brennan's presidency is to be challenged, she is entitled to the same opportunities afforded to her colleague, whom she defended at that particular meeting.

The Coastside Democrat's Board supports Commission President Sabrina Brennan who has a long standing history of advocating for government transparency, public participation and fiscal responsibility. She fought to have board meetings televised for better access, she has investigated many irregularities in administrative operations and she has sought to reduce cost by moving the district's offices to a new location to save the district money.

We support President Brennan because she has been a steadfast advocate for the residents of the San Mateo Harbor District. She is thoughtful and hard working – qualities that the residents deserve in an elected official. We are exceptionally proud of all her accomplishments while serving on the Board and the support given her by the community. We take this opportunity to thank Commissioner Brennan for all that she has done to be a deserving and ask her to continue working for the people.

Sincerely,
s/ Rarback

Harvey Rarback, President Coastside Democrats

Debbie Nixon

From: doreen23@comcast.net
Sent: Tuesday, May 26, 2015 5:22 PM
To: Robert Bernardo; Sabrina Brennan; Nicole David; Tom Mattusch; Pietro Parravano
Cc: Debbie Nixon
Subject: Public Comment Letter for May 26th Special Meeting
Attachments: Sabrina Brennan letter.docx

Harbor District Commissioners,
Please see the attached letter that serves as our public comment for the May 26th Special Meeting and please ensure that it is entered into the record.

Thank you very much,
Frank and Doreen Gerrity
Half Moon Bay

May 26, 2015

Re: May 26th Special Meeting

Harbor Commissioners:

We strongly protest the special meeting that is scheduled for May 26th at 5:30pm at the Oyster Point Yacht Club and we feel that this meeting should be cancelled and the topic of Commissioner Sabrina Brennan's presidency should rescheduled to a regular meeting held at the regular time and at the regular location.

First of all, we strongly support the work that President Brennan has done and all that she has accomplished in the areas of open government (such as televising meetings) and financial responsibility (reducing the cost of District operations & IT/computer purchasing and inventory practices and moving the district's offices to save money).

Regardless of how we feel about whether a person should or should not be removed from office, we are very concerned about the process. We strongly object to the special meeting at a special time and a special location. The time is terrible. We, along with many members of the public, will not be able to make it to the meeting because we physically cannot leave work early and drive through one of the most congested areas of Highway 101 traffic at the height of rush hour in order to make it to a meeting at 5:30pm. Having a meeting at this time and location is NOT open government, in fact, it seems quite the contrary. It seems that the board is attempting to limit the public's participation.

If there are allegations of potential wrongdoing that are strong enough to warrant removal of a commissioner from office of presidency, then these allegations need to be fully investigated and verified, possibly by an independent third party. The removal of a person from office is serious and should not be rushed into by other board members who may just have a difference of opinion.

Again, to ensure true open government and full public participation, this meeting should be CANCELLED and rescheduled to a REGULAR MEETING TIME and REGULAR MEETING LOCATION and be given REGULAR MEETING PUBLIC NOTICE.

If you will not reschedule this meeting, then we urge you to NOT remove Ms. Brennan from the Board Presidency.

Frank and Doreen Gerrity
689 Silver Avenue
Half Moon Bay, CA 94019

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

**June 17, 2015
5:30 p.m.**

**Municipal Services Building
33 Arroyo Drive
South San Francisco, Ca. 94080**

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A.) Roll Call

Commissioners

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

Staff

Glenn Lazof, Interim General Manager
Debbie Nixon, Deputy Secretary
Steve Miller, District Counsel

Public Comment: Michael McHenry stated that the lawsuit filed by Three Captains is unnecessary and the situation should never have gone this far.

Fortado stated that he obtained approval prior to putting up the hoist. He stated he wished the situation wasn't what it was. He stated that the hoist is till up and would probably only be used a total of 375 per year.

The Board adjourned to closed session at 5:36 p.m.

Closed Session

- 1 TITLE: **Conference with Legal Counsel – Existing Litigation Pursuant to Government Code Section 54956.9(d)(1). Three Captains Sea Products, Inc. v. San Mateo County Harbor District Board of Harbor Commissioners and San Mateo County Harbor District. Case No CIV 534067**

There was no reportable action from closed session.

B.) Adjournment

The Board adjourned the meeting at 6:25 p.m.

The next scheduled meeting will be held on July 1, 2015 at Sea Crest School, Think Tank, Room #19, 901 Arnold Way, Half Moon Bay at 6:30 p.m.

Debbie Nixon
Deputy Secretary

Tom Mattusch
President

Staff Report

Revise Committee By-Laws to Permit Daytime meetings

Glenn Lazof: Interim General Manager (IGM)

Background: The Finance Committee discussed holding meetings during daytime hours to better accommodate staff attendance at the last committee meeting. Finance Committee members were polled and it was determined that currently appointed members were also able to attend daytime meetings.

Analysis: Committee by-laws would need to be revised/changed to accommodate daytime committee meetings as needed.

Recommendation: Adopt Resolution 31-15 to approve the revision to the Committee By-Laws.

Fiscal Impact: If operational staff is required there could be cost savings through saved overtime. If the result is staff attending more meetings, preparation and attendance inevitably becomes a priority over other tasks.

Resolution 31-15
of the
San Mateo County Harbor District
to

**REVISE COMMITTEE BY-LAWS TO PERMIT DAYTIME
MEETINGS**

Whereas, the Board of Harbor Commissioners (Board) approved the standing committee by-laws at their meeting on February 18, 2015 which states “Each Committee will decide its own meeting dates and times. The meeting times must be public friendly, i.e., no earlier than 6:30 pm; and

Whereas, the Board is amending those by-laws to reflect that “Meetings may occur during District work hours”.

Now, therefore, be it resolved, the Board of Harbor Commissioners approves the Committee By-Laws to permit daytime meetings.

Approved this 15th day of July 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

Debbie Nixon
Deputy Secretary

Tom Mattusch
President

Standing Committee By-Laws

San Mateo County Harbor District

These by-laws apply to all standing committees

Purpose

Committees will be created to facilitate in-depth examination of issues. Committees do not set policy – they only make recommendations to the Board.

Selection of Chair

Board members on the Committee will select a chair. If Commissioners assigned to a committee are unable to agree upon who will chair the committee the Harbor Commissioner Board President will decide.

Selection of Committee Members

Each commissioner serving on a committee can select up to two public members to serve on the committee. All members of the public appointed to a committee must be confirmed by a board vote. A member of the public can serve as chair if agreed to by both committee board members.

Decorum

If a commissioner assigned to a committee consistently works against the mission and goals of the committee the Board President will appoint a replacement commissioner to the committee.

Procedures

1. Each Committee will decide its own meeting dates and times. The meeting time must be public-friendly, ~~i.e., no earlier than 6:30 pm.~~ Meetings may occur during District working hours.
2. At least one Commissioner must be present at each meeting.
3. Each Committee will meet at least once every four months. The exact number of meetings will be determined by the needs.
4. The Committee will set each agenda for the committee. In the event of disagreement, the Committee Chair sets the agenda.
5. Meeting sessions will be limited to approximately two hours.
6. Committee discussions should always attempt to reach consensus. Recommendations sent to the Commissioner will be approved by a vote of the Committee.
7. A quorum will consist of a simple majority of committee members.
8. Board members on a Committee will determine if the General Manager and/or management staff members will attend a committee meeting. In the event of a disagreement, the Board President will decide staff attendance.
9. A written meeting report to the board will be produced after each committee meeting.
10. Agendas, Committee packets, presentations, and meeting reports will be published on the Harbor District website.
11. In accordance with the Brown Act, meetings of standing Committees will be publicly noticed and the agendas will be published 72 hours in advance of the meeting. ~~Agendas will be published on the Harbor District website 72 hours in advance of the meeting.~~
12. Every committee member is expected to attend meetings and to participate in committee activities.
13. Each member is expected to study the issues or problems that come before the committee in order to contribute to the resolution process.

(37:45)

2 TITLE: **Standing Committee By-Laws**
 REPORT: Brennan, Attachment
 PROPOSED ACTION: Adopt Standing Committee By-Laws

Brennan presented the item.

Action: Motion by David, second by Mattusch to adopt the Standing Committee By-Laws.
The motion passed.

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

Staff Report

Amendment to Employment Contract, Scott Grindy Harbor Master

Glenn Lazof: Interim General Manager (IGM)

Background: The District is reconsidering its policy of whether to provide an annual Cost of Living Adjustment (COLA's) to unrepresented employees this fiscal year and in future fiscal years without first considering other factors, financial or otherwise, on an annual basis. The revision replaces the ongoing cost of living increase with a one- time lump sum payment that is roughly equivalent to what otherwise would have been the COLA for FY 2016. Our unrepresented contracted management employees have consented to this revision.

Analysis: This serves the district in reconsidering automatic annual COLA increases.

Recommendation: Approve revisions per resolution 30-15 authorizing the Interim General Manager to execute this contract.

Fiscal Impact: Funds are within the FY2015/2016 Adopted budget.

Resolution 30-15
to
**Amend the Employment Contract of Harbor
Master Scott Grindy**
for the
San Mateo County Harbor District

Whereas, the District and the Harbor Master have entered into a July 17, 2014 Memorandum of Understanding (the Agreement): and

Whereas, under the Agreement, the Harbor Master is to receive an annual Cost of Living salary adjustment, and the District is reconsidering its policy of whether to provide an annual Cost of Living Adjustment to unrepresented employees this fiscal year and in future fiscal years without first considering other factors, financial or otherwise, on an annual basis; and

Whereas, the District is required to comply with the provisions of AB 1344 which was enacted to provide greater transparency in local government and institute certain limitations on compensation paid to local government executives. AB 1344 also requires that contracts between a local agency and its employees include provisions requiring reimbursement of certain compensation paid to an employee who is convicted of a crime involving an abuse of his/her office or position; and

Whereas, the Interim General Manager recommends that the Agreement be amended to comply with AB 1344 and to remove any Cost of Living Adjustments and replace any such adjustment for the July 1, 2015-June 30, 2016 fiscal year with a one-time lump sum payment of \$2,937.56.

Now, Therefore, be it resolved, that the Board of Harbor Commissioners of the San Mateo County Harbor District authorizes the General Manager to enter into an amendment to the Agreement with the Harbor Master to comply with AB 1344 and in particular to remove any Cost of Living Adjustments and replace any such adjustment for the July 1, 2015-June 30, 2016 fiscal year with a one-time lump sum payment of \$2,937.56

Approved this 15th day of July 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

Debbie Nixon
Deputy Secretary

Tom Mattusch
President

Draft

FIRST AMENDMENT TO MEMORANDUM OF UNDERSTANDING BETWEEN SAN MATEO COUNTY HARBOR DISTRICT AND SCOTT A. GRINDY

This First Amendment to the Memorandum of Understanding (“MOU”) between San Mateo County Harbor District (“District”) and Scott A. Grindy (“Employee”) is made and entered into this 15th day of July, 2015, both parties agreeing as follows:

RECITALS

- A. WHEREAS, the District and Employee have entered into a July 17, 2014 Memorandum of Understanding for the Position of Harbor Master (“the MOU”), whereby Employee serves as the Harbor Master of the District; and
- B. WHEREAS, Section 4, paragraph C of the July 17, 2014 MOU states: “Employee shall receive Cost of Living Adjustments, adjusted annually by the increase in the Consumer Price Index for Urban Wage Earners and Clerical Workers – San Francisco/Oakland, California All Items Index (1982-84=100). Such salary increases shall be computed on the basis of the change in the index for December through December, for year one of this Agreement and shall be effective the first day of the first pay period including or after July 1, of each year. The pay schedule shall be adjusted in a similar manner for future years and effective the first day of the first pay period including or after July 1 of the respective year.”
- C. WHEREAS, the District is reconsidering its policy of whether to provide an annual Cost of Living Adjustment to unrepresented employees this fiscal year and in future fiscal years without first considering other factors, financial or otherwise, on an annual basis;
- D. WHEREAS, the parties further acknowledge and agree that they are required to comply with the provisions of AB 1344 which was enacted to provide greater transparency in local government and institute certain limitations on compensation paid to local government executives. AB 1344 also requires that contracts between a local agency and its employees include provisions requiring an employee who is convicted of a crime involving an abuse of his office or position to provide reimbursement to the local agency. (Government Code §§ 53243-53243.4);

NOW, THEREFORE, it is the desire of the District and the Harbor Master to amend the MOU as set forth in this First Amendment:

1. Employee agrees to waive, and forego payment for, any Cost of Living Adjustment effective the first day of the first pay period including, or after, July 1, 2015.

2. The parties agree to rescind Section 4, paragraph C of the July 17, 2014 MOU and replace Section 4, paragraph C of the July 17, 2014 MOU to provide as follows:

Section 4. SALARY

...

- C. Cost of Living Adjustments. In lieu of the Cost of Living Adjustment for the July 1, 2015-June 30, 2016 fiscal year as initially provided for in Employee's July 17, 2014 MOU, Employee shall receive a one-time lump sum payment of \$2,937.56. This one-time lump sum payment shall be subject to payroll withholdings. This one-time lump sum payment will not be added to Employee's base salary and will be non-CalPERSable. This one-time lump sum shall be made payable to Employee in the first full pay period following the July 15, 2015 Board of Harbor Commissioners meeting. For any subsequent fiscal year, there will be no automatic Cost of Living adjustment but the parties agree, upon Employee's request, to re-open and discuss whether Employee shall receive a Cost of Living Adjustment. Employee is not entitled to receive a Cost of Living Adjustment for any fiscal year unless otherwise agreed upon by the parties in writing.

2. Consistent with AB 1344, the parties agree to amend Section 3 of the July 17, 2014 MOU, and comply with the following additional paragraph E:

Section 3. TERMINATION AND SEVERANCE PAY

...

- E. Pursuant to California Government Code Section 53243.2, any lump severance payment paid to Employee under this section shall be fully reimbursed by Employee to the District if Employee is convicted of a crime involving an abuse of his/her office or position, including as set forth in California Government Code Section 53243.4. The parties agree that they shall be subject to the provisions of Government Code sections 53243-53243.4 which require reimbursement to the District under circumstances stated therein.

All other provisions of the July 17, 2014 MOU for the Position of Harbor Master shall remain unchanged.

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//

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//

IN WITNESS WHEREOF, the parties hereto have made and executed this First Amendment to the July 17, 2014 MOU as of the date set forth above.

SAN MATEO COUNTY HARBOR DISTRICT

Glenn Lazof, Interim General Manager

DATE

EMPLOYEE

Scott A. Grindy,
Harbor Master
Pillar Point Harbor/Oyster Point Marina Park

DATE

Staff Report

Amendment to Employment Contract, Debra Galarza

Glenn Lazof: Interim General Manager (IGM)

Background: The District is reconsidering its policy of whether to provide an annual Cost of Living Adjustment (COLA's) to unrepresented employees this fiscal year and in future fiscal years without first considering other factors, financial or otherwise, on an annual basis. The revision replaces the ongoing cost of living increase with a one-time lump sum payment that is roughly equivalent to what otherwise would have been the COLA for FY 2016. Our unrepresented contracted management employees have consented to this revision.

Analysis: This serves the District in reconsidering automatic annual COLA increases.

Recommendation: Approve revisions per resolution 29-15 authorizing the Interim General Manager to execute this contract.

Fiscal Impact: Funds are within the FY2015/2016 Adopted budget.

Resolution 29-15
to
**Amend the Employment Contract of Director of
Finance Debra Galarza**
for the
San Mateo County Harbor District

Whereas, the District and the Director of Finance have entered into a December 15, 2014 Employment Agreement (the Agreement); and

Whereas, under the Agreement, the Director of Finance is to receive an annual Cost of Living salary adjustment, and the District is reconsidering its policy of whether to provide an annual Cost of Living Adjustment to unrepresented employees this fiscal year and in future fiscal years without first considering other factors, financial or otherwise, on an annual basis; and

Whereas, the District is required to comply with the provisions of AB 1344 which was enacted to provide greater transparency in local government and institute certain limitations on compensation paid to local government executives. AB 1344 also requires that contracts between a local agency and its employees include provisions requiring reimbursement of certain compensation paid to an employee who is convicted of a crime involving an abuse of his/her office or position; and

Whereas, the Interim General Manager recommends that the Agreement be amended to comply with AB 1344 and to remove any Cost of Living Adjustments and replace any such adjustment for the July 1, 2015-June 30, 2016 fiscal year with a one-time lump sum payment of \$2,525.41.

Now, Therefore, be it resolved, that the Board of Harbor Commissioners of the San Mateo County Harbor District authorizes the General Manager to enter into an amendment to the Agreement with the Director of Finance to comply with AB 1344 and in particular to remove any Cost of Living Adjustments and replace any such adjustment for the July 1, 2015-June 30, 2016 fiscal year with a one-time lump sum payment of \$2,525.41.

Approved this 15th day of July 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

Debbie Nixon
Deputy Secretary

Tom Mattusch
President

Draft

FIRST AMENDMENT TO EMPLOYMENT AGREEMENT BETWEEN SAN MATEO COUNTY HARBOR DISTRICT AND DEBRA GALARZA

This First Amendment to the Employment Agreement (“Agreement”) between San Mateo County Harbor District (“District”) and Debra Galarza (“Employee”) is made and entered into this 15th day of July, 2015, both parties agreeing as follows:

RECITALS

- A. WHEREAS, the District and Employee have entered into a December 15, 2014 Agreement for the position of Director of Finance, whereby Employee serves as the Director of Finance of the District; and
- B. WHEREAS, Section 4, paragraph D of the December 15, 2014 Agreement states: “Employee shall receive Cost of Living Adjustments, adjusted annually by the increase in the Consumer Price Index for Urban Wage Earners and Clerical Workers – San Francisco/Oakland, California All Items Index (1982-84=100). Such salary increases shall be computed on the basis of the change in the CPI index for December immediately preceding the July 1 fiscal year adjustment. The pay schedule shall be adjusted in a similar manner for future years and effective the first day of the first pay period including or after July 1 of the respective year.”
- C. WHEREAS, the District is reconsidering its policy of whether to provide an annual Cost of Living Adjustment to unrepresented employees this fiscal year and in future fiscal years without first considering other factors, financial or otherwise, on an annual basis;
- D. WHEREAS, the parties further acknowledge and agree that they are required to comply with the provisions of AB 1344 which was enacted to provide greater transparency in local government and institute certain limitations on compensation paid to local government executives. AB 1344 also requires that contracts between a local agency and its employees include provisions requiring an employee who is convicted of a crime involving an abuse of his office or position to provide reimbursement to the local agency. (Government Code §§ 53243-53243.4);

NOW, THEREFORE, it is the desire of the District and the Director of Finance to amend the Agreement as set forth in this First Amendment:

1. Employee agrees to waive, and forego payment for, any Cost of Living Adjustment effective the first day of the first pay period including or after July 1, 2015.
2. The parties agree to rescind Section 4, paragraph D of the December 15, 2014 Agreement and replace Section 4, paragraph D of the December 15, 2014 Agreement to provide as follows:

Section 4. SALARY

...

D. Cost of Living Adjustments. In lieu of the Cost of Living Adjustment for the July 1, 2015-June 30, 2016 fiscal year as initially provided for in Employee's December 15, 2014 Agreement, Employee shall receive a one-time lump sum payment of \$2,525.41. This one-time lump sum payment shall be subject to payroll withholdings. This one-time lump sum payment will not be added to Employee's base salary and will be non-CalPERSable. This one-time lump sum shall be made payable to Employee in the first full pay period following the July 15, 2015 Board of Harbor Commissioners meeting. For any subsequent fiscal year, there will be no automatic Cost of Living adjustment but the parties agree, upon Employee's request, to re-open and discuss whether Employee shall receive a Cost of Living Adjustment. Employee is not entitled to receive a Cost of Living Adjustment for any fiscal year unless otherwise agreed upon by the parties in writing.

2. Consistent with AB 1344, the parties agree to amend Section 3 of the December 15, 2014 Agreement, and comply with the following additional paragraph F:

Section 3. TERMINATION AND SEVERANCE PAY

...

F. Pursuant to California Government Code Section 53243.2, any lump severance payment paid to Employee under this section shall be fully reimbursed by Employee to the District if Employee is convicted of a crime involving an abuse of his/her office or position, including as set forth in California Government Code Section 53243.4. The parties agree that they shall be subject to the provisions of Government Code sections 53243-53243.4 which require reimbursement to the District under circumstances stated therein.

All other provisions of the December 15, 2014 Agreement for the Position of Director of Finance shall remain unchanged.

IN WITNESS WHEREOF, the parties hereto have made and executed this First Amendment to the December 15, 2014 Agreement as of the date set forth above.

SAN MATEO COUNTY HARBOR DISTRICT

Glenn Lazof, Interim General Manager

DATE

EMPLOYEE

Debra Galarza,
Director of Finance

DATE

Staff Report

District Response to March 27 Letter Regarding Follow-up to the 2014 Grand Jury Report contests

Glenn Lazof: Interim General Manager (IGM)

Background: The March 27 letter requested that we update our previous response. Staff endeavored to keep deadlines on items to be completed on the conservative side to be sure we can make our commitments. The District responded on April 30, 2015 that we would respond by the end of July.

Analysis: It is appropriate to limit our response to the status updates as requested.

Recommendation: Adopt Resolution 32-15. Staff recommends that this response be approved, per the attached resolution, in addition to revisions or corrections approved by the Commission. Additionally it is recommended that the President is to be authorized to sign the letter on behalf of the district.

Fiscal Impact: No new fiscal impact.

Resolution 32-15
of the
San Mateo County Harbor District
to

**APPROVE RESPONSE LETTER TO CIVIL GRAND JURY REPORTS
AND AUTHORIZE THE INTERIM GENERAL MANAGER TO SEND
THE RESPONSE LETTER**

Whereas, the 2013-2014 San Mateo County Civil Grand Jury issued reports titled “*Partly Cloudy with a Chance of Information: Investigating the Transparency of Independent Special Districts’ Website*”, and “*What is the Price of Dysfunction?*”; and

Whereas, on March 27, 2015 the Continuity Committee of the 2014-2015 San Mateo County Civil Grand Jury asked the District for a status update regarding our response letters to those reports; and

Whereas, on April 30, 2015 Acting General Manager Scott Grindy sent a letter requesting more time to respond to their status letter and stated we would respond by the end of July 2015.

Now, therefore, be it resolved, the Board of Harbor Commissioners approves the attached response letter and authorizes Interim General Manager Glenn Lazof to send the response letter to the Civil Grand Jury.

Approved this 15th day of July 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

Debbie Nixon
Deputy Secretary

Tom Mattusch
President

July 31, 2015

Charlene Kresevich
Grand Jury Assistant
San Mateo County Grand Jury
400 County Center, 2nd Floor
Redwood City, CA 94063

ckresevich@sanmateocourt.org

Re: Response to the 2013-2014 Civil Grand Jury Reports Titled:
(1) "Partly Cloudy with a Chance of Information: Investigating the Transparency of Independent Special Districts' Websites"
(2) "What is the Price of Dysfunction? The San Mateo County Harbor District"

Dear Ms. Kresevich:

In response to your March 27, 2015 letter, below please find current status of the San Mateo County Harbor District's responses two recent Grand Jury Reports.

2013-2014 ***"Partly Cloudy with a Chance of Information: Investigating the Transparency of Independent Special Districts' Websites"***

R1. Each independent special district's website will conform to the accepted criteria listed in the SDLF's transparency checklist on or before May 15, 2015.

RESPONSE: The District will implement this recommendation no later than May 15, 2015.

CURRENT STATUS: Per the California Special District Association all of the basic website requirements have been met. We have also met three of the four recommended "optional list" items. We will post the most recent LAFCO Municipal Service review after it is adopted this month and will be eligible for the certificate.

R4. Districts will complete the District of Distinction program offered by SDLF by June 30, 2015.

RESPONSE: The District will complete the District of Distinction program offered by SDLF by June 30, 2015.

CURRENT STATUS: The District has substantially met the requirement for completing this program. One outstanding item is completion of the District Transparency Certificate of Excellence, which will be applied for prior to September 30, 2015.

R5. Districts will apply for the SDLF Transparency Certificate of Excellence by September 30, 2015.

RESPONSE: The recommendation has not yet been implemented, but the District is already in the process of gathering the required materials to complete this certificate. The District has completed all of the initial website requirements and the following items:

- Last three years of audits
- Online/downloadable Public Records Act Form.
- Audio or video recordings of board meetings.
- Map of district boundaries/service area.

CURRENT STATUS: Per the California Special District Association all of the basic website requirements have been met. The District has also met three of the four recommended "optional list" items. The District will post the most recent LAFCO Municipal Service review after is adopted this month and will be eligible for the certificate.

R6. Districts currently lacking staff or board members who have achieved the SDLF's Recognition in Special District Governance will seek the training available under this program by June 30, 2015.

RESPONSE: The District's staff and Board members will complete the Recognition in Special District Governance training program offered by SDLF by June 30, 2015.

CURRENT STATUS: One Board member has completed the Recognition in Special District Governance training program offered by SDLF. All Board members and Management Staff will complete the training by June 30, 2016.

R7. District administrators will seek the SDLF Special District Administrator Certification.

RESPONSE: District administrators will complete the SDLF Special District Administrator Certification by June 30, 2015.

CURRENT STATUS: Only administrators who have worked for a California Special District three of the last five years are eligible for this Certificate. Currently only one Harbor District Administrator, Harbormaster, Scott Grindy meets this qualification. Mr. Grindy will take the exam by June 30, 2016, as long as he remains eligible. It is expected that a General Manager will be hired during the next few months. If that individual is eligible, they will take the exam within one year of coming to work at the District.

2013-2014 ***"What is the Price of Dysfunction? The San Mateo County Harbor District"***

R5. The Harbor District will standardize detailed quarterly financial reporting at commission meetings by March 30, 2015.

RESPONSE: The Recommendation has already been almost entirely implemented, and will be completed implemented in accordance with the timeline set in the Recommendation. At the Board's direction, District staff already provides this information, but will expand provision to include the first quarter of the fiscal year as well given adequate staff and organizational adjustments. However, income statements show revenue and expenses to date as do budget to actual reports: the Board already receives these budget to actual expense reports. These reports detail by line item how the District is reaching its budget goals while staying within the Board-approved budget.

CURRENT STATUS: The Commissioners receive financial data throughout the year and have the ability, as a Board, to request additional information as needed. The Board receives quarterly reports, reviewed by the treasurer, for cash balances and reserves. There is a mid-year budget review and the preliminary budget contains the third quarter results. In addition there were two budget workshops as well as a Finance Committee with two Board members in participation. The District will standardize quarterly budget to actual reports and begin to report 1st quarter results beginning with Fiscal year 2015-16. The information they received in 2014-2015 is as follows:

August 6, 2014-Quarterly Investment Report- FY 13-14, Quarter 4
November 5, 2014-Quarterly Investment Report-FY 14-15, Quarter 1
December 3, 2014-Financial Statements for FY 2013-14
December 31, 2014-FY 14-15 Mid-Year Budget Review thru 12/31/14 by line item
March 4, 2015-Quarterly Investment Report FY 14-15, Quarter 2
April 1, 2015-FY 2015-16 Preliminary Budget
April 15, 2015-FY 15-16 Budget Workshop#1, South San Francisco
April 30, 2015-FY 15-16 Budget Workshop #2, Half Moon Bay
May 6, 2015-Quarterly Invest Report, Quarter 3
May 6, 2015-Adopt Preliminary Budget, budget updated thru 3/31/15 by line item
June 17, 2015-Adopt Final Budget

R6. The Harbor District will identify a successor agency to assume control of the West Trail by December 31, 2014.

RESPONSE: The recommendation requires further analysis, which we will attempt to complete no later than June 30, 2016. The District will attempt to implement this recommendation, but identification of a possible successor agency is not entirely within the District's control.

The District has operated and maintained this popular public access facility for well over fifteen years, under agreement with the U. S. Air Force through whose Pillar Point Air Force Station the trail passes, and has done so consistent with the District's State tidelands grant and the County's Local Coastal Program. The District is presently in the process of obtaining permits to repair the trail. The District gets no revenue from this access facility and uses property tax revenue for maintenance.

The scope of the further analysis will include an analysis and study of (1) the various financial and other implications for the Harbor District of relinquishing control of the property, including the potential amendment of the District's tidelands grant by the State Legislature and potential amendment of the County's Midcoast Local Coastal Program Update; and (2) requesting that possible alternative agencies provide an analysis of the legal, financial, operational, and administrative capabilities to acquire and assume control of the West Trail property including making new arrangements with the U. S. Air Force, undertaking the immediate erosion control repairs to the trail including transfer of permit authority in order to keep the trail open for public use, implementing the balance of the project including trail improvements for the complete alignment, the vehicle parking lot, and provision of an ADA-compliant restroom, and reimbursement of the District for expenses incurred on the project to date.

CURRENT STATUS: The District will proceed with our analysis of this recommendation. Meanwhile we have the responsibility to maintain a safe enjoyable trail and we are moving forward to ensure this continues. The district is awaiting permit approval from the California Coastal Commission for the first phase of 3 phases of trail repair and improvement. A recent meeting with the California Coastal Commission for the first phase repair permit has been completed and the district is awaiting a written response at this time along with permit approval. As of July 2, the San Mateo County Planning and Building Department are working with the California Coastal Commission to do a "Consolidated Permit" for the repair project phase and the future phase permits. This will ease the overall processing of the project upon construction repair start.

R7. The Harbor District will explore transferring or cost-sharing with the City of Half Moon Bay, the co-sponsorship with the Army Corps of Engineers of the Surfer's Beach dredging operation by December 31, 2014.

RESPONSE: The recommendation will be implemented in accordance with the Recommendation's timeline. The District will inquire of the City of Half Moon Bay whether there is interest and capacity to take on the financial and operational role of local sponsor for the Corps of Engineers' project, including reimbursement of the District for project expenses incurred to date. The District will also inquire of the Corps of Engineers what legal, administrative, and financial implications may exist for a shifting of local sponsor responsibilities.

Caltrans and San Mateo County have recently agreed to share responsibilities and cost of a proposed project at Surfers Beach for construction of a shoreline protection device, a segment of the Coastal Trail, and a vertical public access staircase to the beach. An inquiry would also need to explore the implications of this Caltrans/County project for the Army Corps project: whether the City of Half Moon Bay will participate in the Caltrans/County project and if not, what financial implications such lack of participation might imply for the City's ability to take on the local sponsor role of the Army Corps project including financial participation in project design, construction, and maintenance.

CURRENT STATUS: The city of Half Moon Bay and San Mateo County have partnered to address the ongoing erosion concerns at Surfer's Beach, and the San Mateo County Harbor District aims to lead the beach replenishment effort.

The Harbor District Beach Replenishment Committee has met twice so far and working towards a collaborative effort from the pilot study design that was already developed. There is no funding presently, however the district will be working as lead agency to collaborate with state, federal and other local agencies for the review, permitting and implementation process." In addition to what has been discussed at committee meetings, the Harbor Commission has also taken into consideration the work already accomplished by the Coastal Sediment Management Workgroup, memorialized in the Coastal Regional Sediment Management Plan for the Santa Cruz Littoral Cell. The harbor district has the sediment resources to supply such a pilot project and could also develop a long-term sediment management plan that includes dredging and the beneficial use of dredged material. The beach work is part of a multipronged approach to the stretch of coastline that also requires repairs and reinforcements to the seawall and to the bluffs adjacent to Highway 1.

The Coastal Regional Sediment Management Plan (RSMP) for the Santa Cruz Littoral Cell is a collaborative effort including the Monterey Bay National Marine Sanctuary, the US Army Corps of Engineers, local jurisdictions, and stakeholders. The Santa Cruz Littoral Cell encompasses the 75-mile coastline from Moss Landing to Pillar Point (including Pillar Point Harbor). In April, the RSMP released a draft report presenting ways to restore and maintain coastal beaches and other critical areas of sediment deficit, reduce the proliferation of protective shoreline structures, and sustain recreation and access to coastal sandy beaches.

Following this effort, the San Mateo County Harbor District Beach Replenishment Committee (Committee) invited involved agencies and stakeholders to a meeting during which a pilot project plan was drafted. The total cost for review, permitting, and implementation of a pilot project is at this point unknown. The Harbor District is awaiting a report from the US Army Corps of Engineers that will provide substantial information regarding the Environmental Assessment and other elements that will reduce the costs for the review process.

R9. The Harbor District will explore the outsourcing of management of all commercial real properties to a real estate management firm by June 30,2016.

RESPONSE: The District will explore the outsourcing of commercial property management within its Strategic Business Plan process according to the timeframe required by law: within six months from the date of publication of the Grand Jury Report.

CURRENT STATUS:

The District is now building a summary overview of all commercial leases. The objective is to create a document that will provide a simple comparison of lease terms, start and termination date, actual revenues, and identify both common and outsized issues. We expect to have this complete by July 31, 2015 with information current to June 30, 2015.

This will also allow better management of these agreements including identifying potential new revenues. It also the District's intention to post all non-proprietary information on the web site to increase transparency to the public and also to potential future lessees. We expect to have this in place by December 31, 2015.

An analysis of potential new revenues and the proportion to be devoted to commercial lease management will be completed by June 30, 2016. The analysis will provide to determine the efficacy of both in house and outsourced options for lease management by September 1, 2016.

R 11. Harbor District commissioners and general manager will earn Special District Leadership Foundation certifications by July 1, 2015.

RESPONSE: This Recommendation has not yet been implemented but will be implemented by the recommended July 1, 2015 timeline. The Board already approved this recommendation at its meeting on August 6, 2014.

CURRENT STATUS: If by this is meant the Special District Leadership Academy for Board members and Special District Administrators Certification Program, than we can report that all Board Members will complete by June 30, 2016. When a General Manager is hired, if that individual has not already completed the program, they will be enrolled in the Special District Administrators Certification Program. One Commissioner has taken one of the required classes recently and also the annual conference which qualifies for the certificate. Additionally there is one other course for which the certificate of completion is pending. Two other members have also attended the Annual Conference.

Sincerely,

Tom Mattusch
President
San Mateo County Harbor District



2014-2015 Grand Jury

COUNTY OF SAN MATEO
400 County Center
Redwood City, CA 94063-1655
(650) 261-5066; Fax (650) 261-5147

March 27, 2015

Sabrina Brennan, President
Board of Harbor Commissioners
San Mateo County Harbor District
400 Oyster Point Blvd., Suite 300
South San Francisco, CA 94080

Dear Ms. Brennan,

The 2014-2015 San Mateo County Civil Grand Jury is following up on the "Will Implement" and "Will Study" type responses to the 2013-2014 Grand Jury reports to determine the current status of those responses.

If the current status is that the action has not yet been completed, please give an estimated time for completion. If a study has been completed, please indicate whether the action will be implemented and if it is to be implemented, please give an estimated time for completion.

2013-2014 *Partly Cloudy with a Chance of Information: Investigating the Transparency of Independent Special Districts' Websites*

Responses 1, 4, 5, 6, and 7

2013-2014 *What is the Price of Dysfunction? The San Mateo County Harbor District.*

Responses 5, 6, 7, 9, and 11

We would appreciate if you could send us an update to your response no later than April 30, 2015 to:

Charlene Kresevich, Grand Jury Assistant
400 County Center, 2nd Floor
Redwood City, CA 94063
Email: ckresevich@sanmateocourt.org
Phone: (650) 261-5066
Fax: (650) 261-5147

Respectfully,

Continuity Committee
2014-2015 San Mateo County Civil Grand Jury



San Mateo County Harbor District

Board of Harbor Commissioners

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

Scott Grindy, Acting General Manager

April 30, 2015

Charlene Kresevich
Grand Jury Assistant
San Mateo County Grand Jury
400 County Center, 2nd Floor
Redwood City, CA 94063

ckresevich@sanmateocourt.org

Re: Response to the 2013-2014 Civil Grand Jury Reports Titled:

- (1) *"Partly Cloudy with a Chance of Information: Investigating the Transparency of Independent Special Districts' Websites"*
- (2) *"What is the Price of Dysfunction? The San Mateo County Harbor District"*

Dear Ms. Kresevich:

This letter responds to your request for a status update regarding the above two referenced Grand Jury Reports. The San Mateo County Harbor District (District) responded to the two reports as required, first on August 11, 2014, and second on August 22, 2014. Shortly thereafter, the District's long-time General Manager announced his retirement, effective December 31, 2014. The District is presently looking to engage an interim General Manager while it simultaneously engages in a search for a permanent General Manager. In addition, two new Harbor Commissioners were elected by the voters in November 2014, bringing new priorities to the District. Finally, the District is in the midst of moving its administrative offices.

In sum, the District is in a time of transition. While it takes its obligations to the public seriously and appreciates the work of the Grand Jury, the District is unable to provide the requested status update at this time. We anticipate being able to provide a more detailed response by the end of July 2015 after the new fiscal year's budget is adopted and after the move to our new administrative offices is completed.

As indicated in our August responses, the San Mateo County Harbor District acknowledges the Grand Jury's recommendations and will continue to strive to meet the needs of our constituents and community in the most transparent and user-friendly way possible.



San Mateo County Harbor District

Board of Harbor Commissioners

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

Scott Grindy, Acting General Manager

At the public meeting held on April 30, 2015, the San Mateo County Harbor District approved this response on behalf of the San Mateo County Harbor District Commissioners. Thank you for your time and consideration. Should you require any additional information please do not hesitate to contact us.

Sincerely,

A handwritten signature in blue ink, appearing to read "Scott Grindy", is written over the typed name.

Scott Grindy, Acting General Manager for Sabrina Brennan

Sabrina Brennan, President,
Board of Harbor Commissioners
San Mateo County Harbor District

cc: Board of Harbor Commissioners

Staff Report

Policy Regarding Elected Officials' Conduct and Communication with District Staff

Glenn Lazof: Interim General Manager (IGM)

Background: Commissioner Brennan requested this item be placed on the Agenda.

Analysis: This Commission recently approved this motion by a 4-1 vote, Commissioner Brennan opposed. The attached e-mail chain includes concerns that she feels were not raised, or inadequately raised during that discussion.

Enforcement is inconsistent with California State Law

IGM: The District's code uses a process which exists in the Government Code by which the County Grand Jury can initiate an investigation that could ultimately lead to removal of an elected official from office. The process for such removal is lengthy and affords an accused elected official considerable due process. Under the Government Code, only a jury, after a grand jury accusation and a jury trial in Superior Court, can find that an elected official has violated a policy like the one the District adopted such that the elected official is guilty of willful misconduct and subject to removal from office. It was taken, verbatim, from the City of Sunnyvale Charter. The additional article submitted, which refers to egregious and allegedly corrupt behavior, not relevant to this district, is included because it describes the process which must take place to remove a public official under the section of the code cited in the District's current code.

Before sending correspondence on District business, Commissioners should check with the General Manager to see if an official District response has already been sent or is in progress, or if the correspondence contradicts District Policy, or requires Commission approval of new policy. I understand that this policy is important to several Board Members, and I am not advocating here for anything other than a proper revisiting of the language and content of the policy that more accurately and correctly reflects how other Boards and communities in our area have approached this issue.

IGM: The Harbor District Board of Commissions may set lawful policies that it deems to most appropriate for this district, based on either general or unique circumstances.

The Harbor District does not provide new commissioners with a handbook that includes information similar to the info below provided to Mountain View and Santa Clara City Council Members.

IGM: Agree. This is a standard practice; SMCHD would be the first agency I have worked for that did not do this as a matter of routine. While I am confident that your new General Manager will do this without prompting, staff will make a note to remind them of such as part of the transition. Additionally, I will continue to recommend that a thorough Commission review, amendment, and update of all policies take place, with the participation of the new

GM, so that all current commissioners will not only be familiar with policies but will have had a hand in crafting them. No action needs to be taken.

Recommendation: Policy. If no action is taken the current policy remains in effect.

Fiscal Impact: None anticipated.

Side note: The agenda request was submitted only a couple of hours late for this agenda. We are all getting used to the new policy and staff felt it appropriate to include the item and requested attachments, as well as an additional article on the topic.

From: Sabrina [<mailto:sabrina@dfm.com>]
Sent: Wednesday, July 08, 2015 4:04 PM
To: Debbie Nixon
Cc: Tom Mattusch; Sabrina Brennan
Subject: Fwd: Code of Conduct: REQUEST FOR AGENDA ITEM July 15, 2015

Hello Debbie,

Please confirm that you received the agenda item I emailed yesterday.

Thank you,
Sabrina

Begin forwarded message:

Resent-From: <sbrennan@smharbor.com>
From: Sabrina Brennan <sabrina@dfm.com>
Date: July 7, 2015 at 3:21:46 PM PDT
To: Tom Mattusch <TMattusch@smharbor.com>
Cc: Sabrina Brennan <SBrennan@smharbor.com>, Debbie Nixon <dnixon@smharbor.com>
Subject: Fwd: Code of Conduct: REQUEST FOR AGENDA ITEM July 15, 2015
Reply-To: Sabrina Brennan <SBrennan@smharbor.com>

Hello President Mattusch,

I'm following up on my June 20, 2015 email below.

Please email the new "Policy Regarding Elected Officials' Conduct and Communication with District Staff", Item 11 approved at the June 17, 2015 board meeting. Please be sure to provide the current version that includes the edits made during the meeting.

I'm concerned that section "G. Enforcement" is inconsistent with California State Law. Please include discussion and possible action of the current policy on the July 15, 2015 agenda.

Please include the following in the July 15, 2015 board packet: this email, the 6-20-15 email below, the attached Behavioral Standards PDF, Santa Clara's Code of Ethics & Values (included in the body of the email below) and the Harbor District's current "Policy Regarding Elected Officials' Conduct and Communication with District Staff." Please include live links in the online board packet.

If you have time please read Boards That Make a Difference by John Carver (third edition), Getting Serious About Policy, page 56, Board Policy Versus Staff Policy, page 63, and Policy Development, page 72.

Thank you,

Sabrina

Begin forwarded message:

From: Sabrina Brennan <sabrina@dfm.com>
Subject: Code of Conduct
Date: June 20, 2015 at 11:17:38 AM PDT
To: Tom Mattusch <TMattusch@smharbor.com>
Cc: Sabrina Brennan <SBrennan@smharbor.com>
Reply-To: Sabrina Brennan <SBrennan@smharbor.com>

Hello President Mattusch,

I apologize for not being well prepared or concise during the board discussion of Item 11 at our last meeting. With two closed session meetings book-ending 29 regular agenda items this past Wednesday, and with only a few days to review the board packet I found it challenging to prepare for the June 17, 2015 special and regular meetings.

Despite the length of time spent on Item 11 several key points were missed during our discussion and for this reason I'm follow up regarding concerns about the new policy titled, "Elected Officials' Conduct and Communication with District Staff." The language of the new policy is extremely vague and leaves the Harbor District open to many potential conflicts within this "gray area" and may lead to costly legal questions.

The following sections deeply concern me and I request that the policy be revised and agendized for discussion and possible action during the July 1st Harbor District meeting in Half Moon Bay.

G. Enforcement

*Any member of the Board of Harbor Commissioners violating the provisions of this policy shall be **guilty** of willful misconduct in office and is subject to censure and/or removal from public office...*

F. Board Correspondence

Before sending correspondence on District business, Commissioners should check with the General Manager to see if an official District response has already been sent or is in progress, or if the correspondence contradicts District Policy, or requires Commission approval of new policy.

I understand that this policy is important to several Board Members, and I am not advocating here for anything other than a proper revisiting of the language and content of the policy that more accurately and correctly reflects how other Boards and

communities in our area have approached this issue. To that end I'm providing you with links below that I am hopeful you will read.

As part of the policy discussion I would like to consider the fact that the Harbor District does not provide new commissioners with a handbook. I believe that it is critical that every Commissioner should receive a handbook that includes information similar to the info below provided to Mountain View and Santa Clara City Council Members.

Positive examples from the Cities of Mountain View and Santa Clara are highlighted on the Institute for Local Government website. Please read the City of Mountain View Code of Conduct policy and City of Santa Clara Code of Ethics and Values.

The City of Santa Clara Code of Ethics & Values included in the body of this email below.

City of Mountain View City Council Code of Conduct <http://laserfiche.mountainview.gov/WebLink/0/doc/68802/Page1.aspx>

City of Santa Clara Behavioral Standards for City Council Members (see attached PDF) <http://santaclaraca.gov/Modules/ShowDocument.aspx?documentid=278>

City of Santa Clara Ethics Model: <http://santaclaraca.gov/index.aspx?page=407>

Thank you in advance for your time on this, I'm hopeful that our Board will implement sound policy decisions. If I can be of further assistance to you in crafting a revised draft policy I will be more than happy to do so.

Sabrina

San Mateo County Harbor District Policy on Elected Officials' Conduct and Communication with District Staff

Governance of the District relies on the cooperative efforts of the elected Board of Harbor Commissioners (Board) who set policy, and District staff who implements and administers the Board's policies. Therefore, every effort should be made to be cooperative and show mutual respect for the contributions made by each individual for the good of the community.

This Policy is intended to advance the goals of providing high quality services to those the District serves and providing a safe and productive work environment for its employees. This Policy does not supplant other laws and rules that prescribe the legal responsibilities of District officials and staff. These include, among other laws, the California Constitution, the Brown Act, the Public Records Act, and the Political Reform Act, as well as other provisions of the California Government Code and California Labor Code.

It is not possible for a Policy of this kind to anticipate and provide rules of conduct for all situations. It is expected that Commissioners will manage their behavior in a manner consistent with the rules that follow, respect the chain of command, and behave within the bounds of their authority. It is also expected that Commissioners will treat each other, District employees, and the public the District serves with courtesy and respect in a manner that reflects well on the District.

A. Treat all staff as professionals

Clear, honest communication that respects the abilities, experience, and dignity of each individual is expected. ~~Poor behavior towards staff is not acceptable.~~ The District and the Board expect that all Commissioners will comply with the District's policy against harassment, discrimination and retaliation.

B. Board Member communications with District staff

1. General. Under the District's ordinance 2.10.010, the General Manager is the executive officer of the District and has exclusive management and control of the operations and works of the District, subject to approval by the Board of Harbor Commissioners, acting by majority vote at noticed public board meetings.
2. The General Manager provides day-to-day leadership for the District. Under District ordinance 2.10.020, the General Manager employs and oversees 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 the District's personnel policies. The General Manager has authority over all employees, including terminating for cause in accordance with the District's personnel policies and applicable State and Federal labor law. The following sections of this Section B are in acknowledgment of the General Manager's role and responsibilities.
3. Unless impractical, and subject to Brown Act limitations on serial meetings, Commissioners should utilize e-mail to communicate with the General Manager. If requests are made in private conversations, these should, unless impractical, be memorialized via e-mail or other written documentation as soon as reasonably practicable thereafter. This provides documentation, improves clarity, and aids in transparency.
4. Questions and requests to the General Manager for information by individual Commissioners will be answered as promptly as is reasonably practicable, but may ~~often~~ be secondary to the District's operational needs, and to any tasks or activities required or proposed to be taken by a majority of Commissioners.
5. Commissioner communications with the General Manager should be limited to normal District business hours (and noticed Board meetings) unless the circumstances warrant otherwise. Responses to Commissioner questions posed outside of normal business hours should be expected no earlier than the next business day.
6. Unless acting on a recommendation from the General Manager and consistent with any procedures under an applicable Memorandum of Understanding

between the District and an employee's labor association, neither the Board of Harbor Commissioners nor any of its members may order or request, directly or indirectly, that the General Manager appoint, remove, discipline, or promote any person to an employment position with the District.

7. Neither the Board of Harbor Commissioners nor any of its members may give orders to any subordinates of the General Manager, either publicly or privately. Except for questions commonly asked of staff presenting items at Board meetings, and except for arrangements that have been made with the General Manager's approval, the Board of Harbor Commissioners and any of its members will deal with District employees under the jurisdiction of the General Manager solely through the General Manager except:

~~—(a) Routine Requests for Information. Commissioners may contact staff directly for information made readily available to the general public on a regular basis (e.g., “What are the District office’s hours of operation?” or “How many boat slips are there in Oyster Point Marina?” Under these circumstances staff shall treat the Commissioner no differently than they would the general public, and Commissioners will not use their elected status to secure preferential treatment. The General Manager should be advised of such routine contacts.~~

~~8. Non-Routine Requests Requiring Special Effort. Any Commissioner request or inquiry that requires staff to compile information that is not readily available or easily retrievable and/or that requests staff to express an opinion (legal or otherwise) should ordinarily be directed to the General Manager. Nothing in the foregoing is intended to limit rights granted by the California Public Records Act. The General Manager shall be responsible for distributing such requests to his/her staff, or to the General Counsel, for follow-up. Responses to such requests shall similarly be transmitted by the General Manager and will be copied to all Commissioners and the General Counsel as appropriate.~~

- 9.8. Meeting Requests. Any Commissioner request for a meeting with staff must be directed to the General Manager. The General Manager may grant

such requests on a case-by-case basis, or may give more general permission as the circumstances dictate.

C. Disruption of District Staff From Their Jobs

Commissioners should not disrupt District staff while they are in meetings, on the phone, or engrossed in performing their job functions in order to have their individual needs met. Commissioners should not ordinarily attend District staff meetings unless requested by the General Manager – even if the Commissioner does not say anything, his or her presence implies support, shows partiality, intimidates staff, and hampers staff's ability to do their job objectively.

D. Public Criticism of an Individual Employee

Commissioners should never express concerns about the performance of a District employee in public, to the employee directly, or to the employee's manager. Comments about staff performance should only be made to the General Manager through private correspondence or conversation. Comments about staff in the office of the General Counsel should be made directly to the General Counsel.

E. Board Involvement in Administrative Functions

Prior to voting to approve (or reject) a staff recommendation, Commissioners must not attempt to influence District staff on the making of appointments, awarding of contracts, selecting of consultants, processing of permit applications, or granting of District licenses and permits. The General Manager may choose to seek the counsel of individual commissioners when considering administrative action, but never a quorum of the Commission, either as a group, or serially, except as in accordance with the Brown Act.

F. Board correspondence

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G. Enforcement

DRAFT

Any member of the Board of Harbor Commissioners violating the provisions of this policy shall be guilty of willful misconduct in office and is subject to censure and/or removal from office pursuant to California Government Code Title 1, Division 4 Chapter 7, Article 3 (Section 3060 et seq.)

Adopted: [date]

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Adopted: [date]

would qualify as legitimate board policies under the definition described here.

In Chapter Two, I divided board policies into four categories that are based on the nature of governance, not borrowed from management. These categories were derived from governance theory and as such are not mere conveniences or preferences. They must be kept cleanly separate. That is, a board policy is in one category or the other, never in two or more at the same time.



Before investigating each category separately, beginning in Chapter Four, I will explore principles that apply to all categories. This chapter begins by describing what is often wrong with board policy and the general characteristics of effective policy. I next consider how a board can use the different “sizes” of policies to govern more efficiently and how those sizes must be reflected concretely in the format of policies. Then I argue that proactive policymaking can replace approvals as the dominant style of board leadership—and why it should.

Getting Serious About Policy

Traditional definitions and formats of policy impede a board's ability to govern by policy. Moreover, in some cases, whatever the board decides is called *policy*, the word being used to denote authorship rather than a characteristic of the decision. The fuzziness of the definition is a loud signal that the whole area of policy has not been taken seriously. Consequently, the claim of being a policymaking board is ordinarily contradicted by having policy that is really staff material with a large component of implementation specifics. Such policies are usually created by staff and only “blessed” by the board. In practice, I have found that a board's professing to be a policy board offers few clues as to what the board actually does.

Board policy can be dead but unburied. I once supervised the collection of all existing (still official) board policies of a large pub-

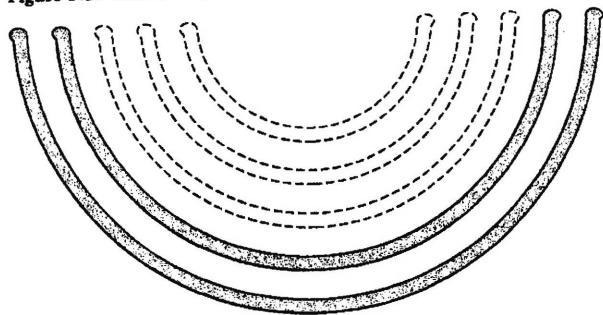
lic organization in Indiana. They had been painstakingly assembled at considerable cost, for they were sprinkled through a wide range of documents. The paperwork was inches thick. Many of the policies had been long forgotten but were still on the books. How could these policies really be useful in running the organization? For all the rhetorical glamour afforded the board's policies, they turned out to be an impotent, self-contradictory collection too unimportant to be kept up to date.

Board policy can be alive but invisible. Although it is hard to find true board policy in written form, it is always possible to find it in unwritten form. Actually, it may not be found so much as suspected. Ironically, unwritten policy is sometimes thought to be so clear that no one feels the need to write it down and, at the same time, so variously interpreted as to border on being capricious. In reality, there is never a lack of policy; it always exists in the actions taken. Implicit policy not only fills in for the missing explicit policy but is used to excuse the absence of the latter.

Unfortunately, both unwritten policy and written policy left untended are of questionable utility. We have difficulty both in agreeing on what the unwritten policy actually is (what it would say if it were explicit) and in knowing which old written policies are still in effect. Curiously, the criterion used to judge which written statements should be taken seriously and which should be ignored is itself always an unwritten policy! Why? Because boards are loath to admit that their policies do not make a difference. Making a major investment in board policymaking means first establishing principles and formats to guide policy content. Board policymaking, within the categories set out in Chapter Two, must be correctly classified, explicit, current, literal, centrally available, brief, and encompassing.

Appropriate classification. The importance of keeping policies both conceptually and physically in categories designed for governance has already been stressed. Any given policy must fit within one and only one of the four categories described in Chapter Two.

Figure 3.2. Hands-On, Hands-Off Control



Note: Direct control of the outer bowls in a nested set allows indirect control of the smaller bowls. A board will decide to have hands-on control over the largest issues (depicted here by bowls drawn with a solid line) but indirect, hands-off control of smaller issues (depicted by bowls drawn with a broken line).

range is vague, only whether it is acceptable. In Ends, for example, how much the board trusts its CEO doesn't matter, only whether the range is acceptable. Trusting the CEO to make a certain choice means the board is harboring an unspoken expectation that should be detailed through further policy specificity. When Ends and Executive Limitations policies are created with this integrity, management can safely be authorized to make all further choices.

Phyllis Field of the Rhode Island Board of Regents referred to this phenomenon as "controlling the inside by staying on the outside." As the board writes its policy, there should be no ambiguity about the size of "bowl" at which the board stopped or what the board has explicitly pronounced. Without such a scheme for creating policy, boards tend to make a policy about this, that, and the other. A patchwork of policies can leave dangerous gaps. Boards are reasonably fearful of having overlooked some important policy feature, so they fall easily into the trap of becoming supermanagers,

reviewing and approving everything. Powerful delegation is impossible in these circumstances, as is the freedom of the board to attend unceasingly and vigorously to the big issues. Making use of the logical containment principle in its decision making enables a board to have its hands firmly on, though not in, an organization.

Board Policy Versus Staff Policy

Starting with the big questions first is simply a good problem-solving technique, even for individuals. But when delegation is involved, the utility of this approach goes beyond merely good problem solving. It enables the board to define the boundary between itself and its executive.

Let me emphasize that a clear distinction between "policy and administration" (as it used to be expressed) does not exist, at least not in a universal way. There must be a line between board and staff for role clarity, to be sure, but that line is established by each board and can change over time. Such flexibility, however, does not mean there are no principles for a board to use when establishing or changing that line.

The boundary always lies just below the point that board policy last addressed. There is no set boundary for all boards or even for the same board at different times. As long as the board approaches all policymaking from the largest to the smallest issue, this method will redefine the boundary as circumstances and board values shift.

The board's job differs from staff jobs, then, not by topic but by *when* within topics. Exceptions to this rule are the unique elements of the board's job that are discussed in Chapter Seven. This approach recognizes and validates that everybody, not just the board, makes policy. Every clerk and janitor, by her or his actions, is creating implicit policy at all times. It is inescapable that everybody makes policy, so, though the policies made are of vastly differing sizes, it is important that all policies that live in the organization be consistent with the broader policies enunciated by the government. Thus, the board can control without meddling.

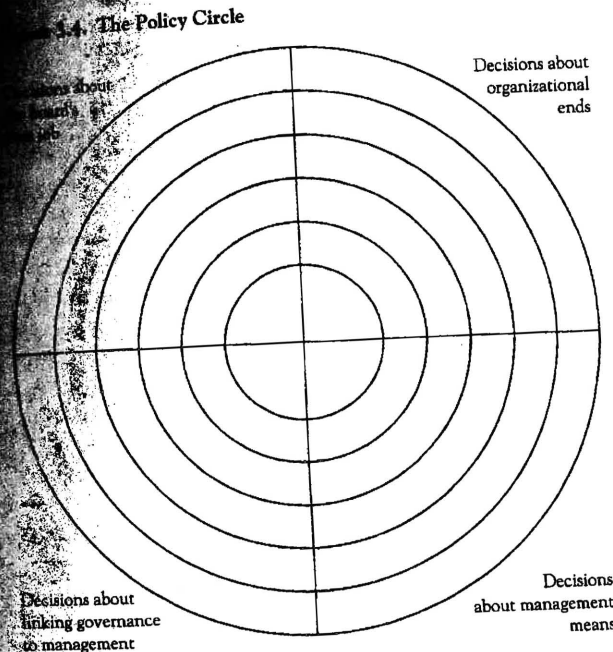
CEO on this." As long as the board and CEO understand that the decision is truly the CEO's, this approval not only seems harmless but appears to be a healthy show of solidarity. However, such a gesture of board support is called for only if the board has been sending weak signals about the nature of delegation. This kind of support is rarely warranted if the board has made it clear to all that *all* CEO decisions that are within board-stated bounds are always supported by the board. Official support of a specific action implies that such sporadic backup is necessary or, conversely, that the general philosophy of delegation is weak.

Board approvals are an unnecessary and dysfunctional method of board control, then, regardless of the ubiquity of the practice. Chapters Four, Five, and Six will build a case for a more proactive, fair, and detriivializing approach to fulfilling the board's moral and legal obligation to control the organization.

Policy Development

Good policymaking, then, is proactive on the broadest issues rather than reactive on issues of all sizes. Policies of the board, brief though they may be, become parents to all executive action. Because these policies are central, their currency is critical. Brevity will make it far easier to keep them up to date. Such brief, current policies developed by a state board in Ohio were said to "reduce the Board's Policy Manual to 34 pages from 422 pages and make it a constantly used reference rather than a collector of dust," according to Ohio educator Robert Bowers. Governing by policy means governing out of policy in the sense that no board activity takes place without reference to policies. Most resolutions in board meetings will be motions to amend the policy structure in some way. Consequently, *policy development is not an occasional board chore but its chief occupation.*

Board policies categorized as in Chapter Two and nested as in the mixing bowl example now wrap around every possible result, action, behavior, process, and other characteristic of the organization. Using the policy circle shown in Figure 3.4, Figure 3.5 illus-



Note: The four categories of organizational decisions are shown as four sets of bowls, brought together to form four quadrants of a circle. Larger and smaller issues within those categories are shown as larger and smaller bowls.

trates the all-embracing nature of the resulting board policies. The board's arms are around the organization without its fingers being in it; control without meddling has been achieved.

From time to time, a board discovers that its values have changed. Perhaps a previous statement was not fully cognizant of the range of options, or the risks and opportunities in the external world have shifted. Even large shifts in board values can usually be accommodated by altering existing language rather than by adding to it, thus changing the volume of policies very little. The body of

**City of Santa Clara
PROGRAM IN ETHICS & VALUES**

BEHAVIORAL STANDARDS FOR CITY COUNCIL MEMBERS¹

INTRODUCTION

Ten years ago, the City of Santa Clara began its ethics and values program to foster public trust by promoting and maintaining the highest standards of personal and professional conduct. Since the adoption of the Code of Ethics & Values in 2000, the City Council has promised the people of Santa Clara that Council Members, all elected and appointed officials, candidates for public office, and City Staff will meet the most demanding ethical standards and demonstrate the highest levels of achievement in practicing eight core values identified in the Code.

Those values, which are fundamental to public trust, were adopted to guide the decisions and actions of individual Council Members and the Council as a whole. City Council and City Staff have worked hard to integrate these values into the everyday operating culture of City Hall. The City has conducted extensive outreach to residents encouraging them to hold public officials accountable at the ballot box for being credible role models for these values, in word and in deed, in public or in private.

To help the Council make these values real in their regular work with the City, the Code describes for each value a basic set of character traits and actions residents can expect to see Council Members meet and exceed.

This document translates these traits and actions into concrete behavioral standards for the City Council. These standards describe what impeccable leadership ethics looks like in the everyday work of the Council. They reflect commonly accepted “best practices,” rather than specific issues or problems the Council has faced. The list seeks to include enough positive behaviors to practice (and negative behaviors to avoid) that a reasonable person can assess how credible he or she is as a role model and ethical leader.

This information is presented in four columns. Columns 1 and 2 reproduce the approved Code of Ethics. Columns 3 and 4 list the behavioral standards.

¹ This document is based on the *Behavioral Standards for Commissioners, Boards, and Other Appointed Officials*, developed during 2000-2002, and approved by the City Council in February 2003. A representative committee of Board Members and Commissioners, working with the City’s initial Ethics Ordinance Committee, drafted that document. It was then revised based on extensive feedback from all Board Members, Commissioners, and Staff Liaisons. In a working session in April, 2008, the Council used that document to develop the first draft of its own standards. The City’s Ethics Consultant, Dr. Tom Shanks, and City Staff drafted the final version for City Council review on May 6, 2008. Approved by City Council on May 20, 2008.

**City of Santa Clara
PROGRAM IN ETHICS & VALUES**

BEHAVIORAL STANDARDS FOR CITY COUNCIL MEMBERS

<i>The Code of Ethics & Values</i>		<i>Behavioral Standards</i>	
1 City Core Value	2 Basic Actions and Character Traits	3 Council Members Engage in Positive Behaviors Like	4 Council Members Avoid Negative Behaviors Like
As a Santa Clara representative, I will be:			
Ethical	<i>I am trustworthy, acting with the utmost integrity and moral courage</i>	<ul style="list-style-type: none"> • Making careful decisions, advancing the best long-term interests of the City, after considering all available facts, City Staff recommendations, and public comment 	<ul style="list-style-type: none"> • Making hasty, ill-informed decisions based on politics, bias, faulty assumptions, prejudice, self-interest, gossip, and half-truths
		<ul style="list-style-type: none"> • Voting my honest conviction, explaining my ethical reasoning, respecting the minority, and upholding the majority as the decision of the Council 	<ul style="list-style-type: none"> • Promising my vote before facts are known in order to gain favor with a crony, endorser, lobbyist, or special interest
		<ul style="list-style-type: none"> • Vigorously debating an issue, listening carefully to all sides, making my best judgment call, even if it's not popular, and taking responsibility for my actions 	<ul style="list-style-type: none"> • Saying whatever the vocal public wants to hear, dodging criticism of an unpopular vote, shifting the blame to the majority, other members, or City Staff
		<ul style="list-style-type: none"> • Preparing to vote by assessing how various options advance or harm the best interests of the City as well as the City's Mission and Core Values, working to minimize any harm 	<ul style="list-style-type: none"> • Always taking the short-term view, representing few stakeholders, believing ethics and City values have no bearing on decisions
		<ul style="list-style-type: none"> • Finding an imaginative solution that is in the best interests of the City, is fair, respects individual rights and the Council's duties, and advances City values 	<ul style="list-style-type: none"> • Saying and doing whatever it takes, no holds barred, to advance one's personal position, power, influence or political career

The Code of Ethics & Values		Behavioral Standards	
1 City Core Value	2 Basic Actions and Character Traits	3 Council Members Engage in Positive Behaviors Like	4 Council Members Avoid Negative Behaviors Like
<i>Ethical (continued)</i>	<i>I am truthful, do what I say I will do, and am dependable</i>	<ul style="list-style-type: none"> • Giving complete, factual, unbiased information to colleagues, public, and the press 	<ul style="list-style-type: none"> • Concealing, fabricating, overstating, understating, or denying the truth; spinning the truth; leaving out context
		<ul style="list-style-type: none"> • Making promises to the public, City Staff, and Council members which can be kept and do not exceed the authority of any individual Council Member 	<ul style="list-style-type: none"> • Promising more than can be delivered, overextending oneself, or taking sole credit for the work of the Council and others
	<i>I make impartial decisions, free of bribes, unlawful gifts, narrow political interests, and financial and other personal interests that impair my independence of judgment or action</i>	<ul style="list-style-type: none"> • Seeking advice from the City Attorney and City Manager when confronting a real or potential conflict of interest, and making a full public disclosure when the Council considers the agenda item 	<ul style="list-style-type: none"> • Helping a friend get a project through the Council in return for a donation to a campaign fund, school or charity, or the gift of tickets or another perk
		<ul style="list-style-type: none"> • Having declared a conflict, leaving the dais and Council Chambers, so other Council members are free of any undue influence 	<ul style="list-style-type: none"> • Talking to fellow Council Members prior to declaring a conflict, and asking them to take care of the item in a way that advances personal interests
	<i>I am fair, distributing benefits and burdens according to consistent and equitable criteria</i>	<ul style="list-style-type: none"> • Listening attentively to all sides, keeping an open mind and avoiding even the appearance of bias, following precedents consistently, treating equals equally 	<ul style="list-style-type: none"> • Paying more attention to friends' and supporters' projects • Making "back room" deals and decisions • Giving preferential treatment to special interests, consultants, and former Council Members

The Code of Ethics & Values		Behavioral Standards	
1 City Core Value	2 Basic Actions and Character Traits	3 Council Members Engage in Positive Behaviors Like	4 Council Members Avoid Negative Behaviors Like
Ethical (continued)	<i>I extend equal opportunities and due process to all parties in matters under consideration. If I engage in unilateral meetings and discussions, I do so without making voting decisions</i>	<ul style="list-style-type: none"> • Being available to anyone who wants to discuss an issue, keeping an open mind and not committing to vote for or against an item until after hearing the full public discussion 	<ul style="list-style-type: none"> • Promoting the interests of the business community without first considering the interests of all stakeholders • Giving special treatment to the companies that pay the most in taxes and to my largest campaign donors
	<i>I show respect for persons, confidences, and information designated as "confidential"</i>	<ul style="list-style-type: none"> • Referring media questions on Closed Session or other confidential matters to the City Manager's Office, rather than saying "No Comment" 	<ul style="list-style-type: none"> • Telling others about Closed Session proceedings, especially when it is an important issue and I want input on how to decide • Confirming a rumor, remaining silent, communicating non-verbally, or in other ways providing information that is confidential or that the Council Member has promised not to reveal
		<ul style="list-style-type: none"> • Treating the public and City Staff, at all times, the way I treat highly regarded colleagues in businesses or professions 	<ul style="list-style-type: none"> • Acting based on stereotypes, rumors, "ancient history," and prior negative experiences with an individual or groups
		<ul style="list-style-type: none"> • Bringing to the attention of the City Manager any concern about the actions or work of City Staff, or any complaint from the public 	<ul style="list-style-type: none"> • Criticizing or embarrassing the City Manager or other City Staff in public • Failing to publicly recognize extraordinary City Staff work

The Code of Ethics & Values		Behavioral Standards	
1 City Core Value	2 Basic Actions and Character Traits	3 Council Members Engage in Positive Behaviors Like	4 Council Members Avoid Negative Behaviors Like
Ethical (continued)		<ul style="list-style-type: none"> • Showing courtesy and interest in word and action to City Staff, public, and elected and appointed officials 	<ul style="list-style-type: none"> • Complimenting the work of a single City Staff member when a staff team actually did the work
		<ul style="list-style-type: none"> • Speaking and acting out of the belief that City Staff and all members of the Council are on the same team and committed to doing their best to serve residents 	<ul style="list-style-type: none"> • Engaging publicly or privately in personal verbal attacks against Council colleagues or City Staff; interrupting while they are speaking, rolling eyes, demeaning them, or in other ways treating them inappropriately
Professional	<i>I use my title(s) only when conducting official City business, for information purposes, or as an indication of background and expertise, carefully considering whether I am exceeding or appearing to exceed my authority</i>	<ul style="list-style-type: none"> • Using City titles for identification at League meetings or when on other official City business, or when seeking information directly related to a Council matter from appropriate sources 	<ul style="list-style-type: none"> • Using a City title when making dinner reservations or making purchases • Referring friends to City businesses and suggesting they mention the name of a Council Member to get the best prices
	<i>I apply my knowledge and expertise to my assigned activities and to the interpersonal relationships that are part of my job in a consistent, confident, competent, and productive manner</i>	<ul style="list-style-type: none"> • Preparing by reading the agenda packet before meetings • Asking the City Manager informational questions ahead of time to assist in being prepared • Arriving on-time to meetings, paying attention and listening actively 	<ul style="list-style-type: none"> • Rushing into meetings late and being obvious about opening the agenda packet for the first time or speed-reading the packet while City Staff or the public are presenting information

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<i>Professional (continued)</i>		<ul style="list-style-type: none"> • Asking questions that will advance the discussion, contribute to decision-making, and have not been covered in the agenda packet 	<ul style="list-style-type: none"> • Taking no notes, remembering little, if any, of the information in the agenda packet, asking to have information repeated constantly
		<ul style="list-style-type: none"> • Listening attentively to the public, City Staff, and other Council members who may speak at meetings 	<ul style="list-style-type: none"> • Making little or no eye contact with any speaker during the meeting • Leaving during public comment and returning only after it is over • Making comments to someone else while the public is speaking
	<i>I approach my job and work-related relationships with a positive attitude</i>	<ul style="list-style-type: none"> • Approaching Council work informed of issues, enthusiastic, energized, interested, ready to participate, and focused 	<ul style="list-style-type: none"> • Approaching Council work half-heartedly, coming to meetings eager to leave • Short-circuiting a discussion; being perceived as rude by other Council Members, City Staff, or the public
		<ul style="list-style-type: none"> • Making guests feel welcomed at meetings • Treating new Council Members as colleagues, encouraging them to express their opinions, and offering them positive feedback 	<ul style="list-style-type: none"> • Acting in a superior manner with newly elected Council members • Never making time to be responsive to residents who want to discuss issues
	<i>I keep professional knowledge and skills current and growing</i>	<ul style="list-style-type: none"> • Making it a priority to attend League meetings, Electric Joint Powers Agency meetings, and committees 	<ul style="list-style-type: none"> • Assuming there is nothing new to learn • Going to League meetings and conferences to be seen, but never attending any training

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Professional (continued)		<ul style="list-style-type: none"> • Reading background materials for general preparation including professional journals, books, and articles 	<ul style="list-style-type: none"> • Skipping meetings with the City Manager, assuming you know as much, if not more, than she does on this issue
Service-Oriented	<i>I provide friendly, receptive, courteous service to everyone</i>	<ul style="list-style-type: none"> • Not just answering questions, but sharing helpful knowledge of Council or government functions, even if the person asking isn't sure what they need to know 	<ul style="list-style-type: none"> • Acting like it's a bother anytime a resident asks a question or when they make inquiries about Council/government business
		<ul style="list-style-type: none"> • Seeking the opinions of those who are hesitant or unwilling to come forward with their ideas, but trying not to force anyone to speak in a public forum if they are uncomfortable or unprepared 	<ul style="list-style-type: none"> • Making guests or others feel stupid, intimidated, dismissed, manipulated, or demeaned by reading the newspaper, falling asleep, laughing at a private joke with another Council Member, or repeatedly leaving the room during discussions
	<i>I am attuned to, and care about, the needs and issues of residents, public officials, and city workers</i>	<ul style="list-style-type: none"> • Talking with residents and actively listening at City gatherings to be aware of what is going on in this community and other communities 	<ul style="list-style-type: none"> • Being arrogant or uninterested when responding to residents outside of City Hall about their concerns and debating with them to prove them wrong or misinformed
		<ul style="list-style-type: none"> • Attending City events and interacting effectively with the public, aware that others expect Council Members to be role-models 	<ul style="list-style-type: none"> • Showing up late to City events, leaving early, and spending most of the time talking only to one or two friends

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Service-Oriented (continued)		<ul style="list-style-type: none"> Relaying things heard or provided to the Council or the City Manager or other appropriate parties for follow-up 	<ul style="list-style-type: none"> Withholding important information to use it for narrow personal purposes at a later time
	<i>In my interactions with constituents, I am interested, engaged, and responsive</i>	<ul style="list-style-type: none"> Acting in a pleasant and friendly manner and encouraging people to speak their mind; welcoming constructive criticism as well as compliments 	<ul style="list-style-type: none"> Through word and action, discouraging people from proposing what they believe are solutions or expressing their concerns
		<ul style="list-style-type: none"> Focusing on the speaker and trying to see the world as they do in order to understand their needs 	<ul style="list-style-type: none"> While seeming to be engaged in one conversation, scanning the environment for someone more interesting or important to speak with; abruptly stopping the previous conversation to speak with the more important person
FiscallyResponsible	<i>I make decisions after prudent consideration of their financial impact, taking into account the long-term financial needs of the City, especially its financial stability</i>	<ul style="list-style-type: none"> Before deciding how to vote, reviewing cost/benefit analysis and all related studies, along with City Staff recommendations 	<ul style="list-style-type: none"> Allowing other Council members who have more expertise in budgeting to take the lead in budget discussions, trusting that they know better, and never improving personal expertise
		<ul style="list-style-type: none"> Consider the City's short and long term financial condition prior to proposing new or expanded City projects 	<ul style="list-style-type: none"> Ignoring the constraints of the City budget when making decisions Citing "budget constraints" as the reason for not supporting a motion, when the real reason is how it will look in the next election

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<i>Fiscally Responsible (continued)</i>	<i>I demonstrate concern for the proper use of City assets (e.g., personnel, time, property, equipment, funds) and follow established procedures</i>	<ul style="list-style-type: none"> Allocating resources according to the City's plan and in compliance with the law and the City's goals to provide residents with a better environment in which to live 	<ul style="list-style-type: none"> Taking advantage of any opportunity to get something "free" from the City Seeking discounts from the City's vendors solely because of my position
		<ul style="list-style-type: none"> Using City equipment only for Council work, not for personal use or for my business 	<ul style="list-style-type: none"> Coming to City Hall regularly and asking City Staff to make just a few copies for personal use
		<ul style="list-style-type: none"> Respecting City Staff time and being especially careful to ask the City Manager to take on special research or other projects only if convinced that this work is critical and necessary for the Council to better serve the needs of residents 	<ul style="list-style-type: none"> Asking a lot of questions that focus on non substantive details, being unable to separate what's important from what's not
		<ul style="list-style-type: none"> Representing the public's interests to the best of my ability Balancing long-term impacts and short-term goals 	<ul style="list-style-type: none"> Acting as if I "own" the City or my seat on the Council
	<i>I make good financial decisions that seek to preserve programs and services for City residents</i>	<ul style="list-style-type: none"> Being fully aware of and understanding the approved City budget, having solicited explanations from the City Manager, if necessary 	<ul style="list-style-type: none"> Taking as many trips as possible at the City's expense because of a personal feeling that the compensation is not sufficient and some reward for City work is deserved

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Organized	<i>I act in an efficient manner, making decisions and recommendations based upon research and facts, taking into consideration short and long-term goals</i>	<ul style="list-style-type: none"> • Being cognizant of the importance of scarce meeting time and preparing accordingly, with the result that the Council spends time on the important issues and deals efficiently with other issues 	<ul style="list-style-type: none"> • Relying solely on prior knowledge and spending a great deal of the Council's time proving to everyone how much I know on all issues, large and small
	<i>I follow through in a responsible way, keeping others informed, and responding in a timely fashion</i>	<ul style="list-style-type: none"> • Sharing my research and experience with others on the Council, making worthwhile contributions and welcoming alternative viewpoints 	<ul style="list-style-type: none"> • Using hear-say from a third party as the sole basis for making a decision
		<ul style="list-style-type: none"> • Returning phone calls and email promptly, if at all possible; if unable, letting the person know when to expect a response 	<ul style="list-style-type: none"> • Failing to acknowledge receipt of requests for information • Responding only to people who can help with personal political goals • Eventually getting around to sending information, but never in a timely manner
	<i>I am respectful of established City processes and guidelines</i>	<ul style="list-style-type: none"> • Participating fully in orientation sessions and other sessions in order to understand how the City's policies and procedures impact the effectiveness of the Council 	<ul style="list-style-type: none"> • Criticizing City policies in public without first expressing concerns to City Staff or gaining knowledge necessary in order to offer constructive criticism
		<ul style="list-style-type: none"> • Helping to establish reasonable timetables and then following them • Being flexible in setting meeting dates and times 	<ul style="list-style-type: none"> • Ignoring deadlines, not keeping people informed, and making excuses which damage public trust

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Organized (continued)		<ul style="list-style-type: none"> • Being able to explain to residents, businesses, and visitors how the City's policies and procedures are examples of the City's Core Values in practice 	<ul style="list-style-type: none"> • Being cynical about policies and cavalier about following procedures because of a failure to see how these are related to fairness and the common good
Communicative	<i>I convey the City's care for and commitment to its residents</i>	<ul style="list-style-type: none"> • Being able to explain the City's goals to anyone and describe personal commitment to them • Supporting superb, affordable City services and conveying that commitment effectively to residents 	<ul style="list-style-type: none"> • Plotting and scheming to accomplish personal agendas • Deciding how you will vote and writing out those reasons prior to any public comment • Becoming angry at a resident who is critical of the Council
	<i>I communicate in various ways that I am approachable, open-minded and willing to participate in dialog</i>	<ul style="list-style-type: none"> • Being available to the public in person, at events, and through telephone and written correspondence to provide both answers to questions and dissemination of important information 	<ul style="list-style-type: none"> • Confusing residents, spreading rumors and gossip, or slandering elected or appointed officials, City Staff, or anyone • Interrupting someone who has the floor
		<ul style="list-style-type: none"> • Listening attentively, being open to multiple perspectives, and allowing the possibility of changing opinions and points of view 	<ul style="list-style-type: none"> • Listening solely to find flaws, to spot differences, and to counter arguments • Going out of my way during meetings to show why I am always right and others are not
		<ul style="list-style-type: none"> • Making it a practice to communicate equally well to all stakeholders, regardless of their influence, power, or campaign donations 	<ul style="list-style-type: none"> • Dominating meetings and asking many more questions than time allows, effectively excluding the input of others

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Communicative (continued)	<i>I engage in effective two-way communication, by listening carefully, asking questions, and determining an appropriate response which adds value to conversations</i>	<ul style="list-style-type: none"> • During meetings, giving residents and others the benefit of the doubt and listening to identify needs and interests • Asking questions to clarify, to understand, and to augment, in order to hear the truth as the resident sees it • Making the best decision to advance the community's values and goals 	<ul style="list-style-type: none"> • Considering people on the other side of issues as enemies, rather than as colleagues or fellow residents • Weakening public debate by belittling or mocking someone's viewpoint • Demonizing anyone who disagrees with a personal conviction or viewpoint
Collaborative	<i>I act in a cooperative manner with groups and other individuals, working together in a spirit of tolerance and understanding</i>	<ul style="list-style-type: none"> • Submitting one's best thinking, respecting all other participants and inviting their thoughts in order to develop better solutions • Seeing value in working with other agencies to develop consistent policies, where appropriate 	<ul style="list-style-type: none"> • Describing people who hold different viewpoints as "them" • Failing to recognize personal biases, prejudices, stereotypes, and their influence on language and attitudes toward residents and others
	<i>I work towards consensus building and gain value from diverse opinions</i>	<ul style="list-style-type: none"> • Approaching meetings and discussions assuming that many people have pieces of answers and that cooperation will lead to workable solutions for the most difficult problems 	<ul style="list-style-type: none"> • Approaching discussions as if there's already a single right answer that needs to be defended against opposing viewpoints
	<i>I accomplish the goals and responsibilities of my individual position, while respecting my role as a member of a team</i>	<ul style="list-style-type: none"> • Understanding that what I do speaks more loudly than what I say • Showing respect for Council Members, Staff, and residents by giving priority to my City commitment, doing my homework 	<ul style="list-style-type: none"> • Focusing first on satisfying a personal or hidden agenda • Actively weakening the team that the Council and City Staff have devoted efforts to build

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<i>Collaborative (continued)</i>		<ul style="list-style-type: none"> • Understanding that each Council decision either builds public trust or detracts from it 	<ul style="list-style-type: none"> • Dismissing any idea proposed by a Council colleague who supported someone else in the last election
		<ul style="list-style-type: none"> • Working hard to develop among Council Members, other officials, City Staff, and the public a kindred spirit of cooperation when working toward implementing City values 	<ul style="list-style-type: none"> • Reaching conclusions based on satisfying personal or special interests and refusing to change one's position despite good reasons to reconsider • Holding grudges and considering some people as permanent enemies
	<i>I consider the broader regional and State-wide implications of the City's decisions and issues</i>	<ul style="list-style-type: none"> • While serving on County-wide committees, acting in a professional manner and approaching the tasks responsibly 	<ul style="list-style-type: none"> • Making derogatory remarks about other cities, feeling that Santa Clara is superior
		<ul style="list-style-type: none"> • Serving on County or State-wide panels, freely sharing information and resources so everyone may benefit from the City's experience 	<ul style="list-style-type: none"> • Having tunnel vision and ignoring anything beyond the City, depriving the City of the benefit of a broader, regional perspective

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Progressive	<i>I exhibit a proactive, innovative approach to setting goals and conducting the City's business</i>	<ul style="list-style-type: none"> • Contributing personal experiences and expertise to advance the goals of the Council and the City as a whole • Anticipating future problems or opportunities, raising the issues at the appropriate time for City Staff to investigate and for Council to consider 	<ul style="list-style-type: none"> • Being dogmatic in approaching decision-making and only doing things the way they've always been done • Never taking a forward looking, principled or values-centered stand, but preferring to solve issues in an ad hoc manner • Focusing on the short term, being concerned only about meeting minimum requirements of law, politics, or efficiency
	<i>I display a style that maintains consistent standards, but is also sensitive to the need for compromise, "thinking outside the box," and improving existing paradigms when necessary</i>	<ul style="list-style-type: none"> • Being able to explain how a decision is consistent with ethical standards and the City's Core Values • Committing to ongoing improvement, progressive government, and moral imagination in solving problems 	<ul style="list-style-type: none"> • Lying about personal mistakes and downplaying their importance • Manipulating discussions and decisions to advance personal, political aspirations • Speaking and listening only to one's friends on the Council
		<ul style="list-style-type: none"> • Taking responsibility for actions, making appropriate apologies or restitution when a mistake is made, and implementing a plan to develop practical skills to avoid such mistakes in the future • Actively listening, asking clarifying questions, and giving careful consideration to all 	<ul style="list-style-type: none"> • Holding on to opinions and viewpoints so stubbornly that mistakes are made, impacting public trust • Letting personal limitations impede progress or the work of the Council • Playing the role of pessimist whenever a new idea is presented, trying to bulldoze personal ideas

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<i>Progressive (continued)</i>		comments and viewpoints, even if they are expressed by people who think differently, have different beliefs, and have different groups of supporters	despite budget limitations, prior agreement, or consensus, and undermining new ideas by gossiping with others before the idea has a chance to be explored
	I promote intelligent and thoughtful innovation in order to forward the City's policy agenda and City services	<ul style="list-style-type: none"> • Encouraging talented and diverse individuals to become involved in City service, as well as recognizing and celebrating talent and new ideas that help the City reach its goals, improve City services, and implement City Core Values in best practice 	<ul style="list-style-type: none"> • Pushing change in the City without ample thought, and causing change only for the sake of change, or only to fulfill a campaign promise

Councilmanic Interference: When a Councilmember Crosses the Line

Kevin Duggan

Of all the things I thought I would encounter in my career, testifying in front of a grand jury and then a superior court jury on the history and purpose of the council-manager form of government and on how a councilmember had violated it, was not one of them. This is the story of a city manager dealing with one of the most challenging professional experiences imaginable—reporting a councilmember for misconduct.

Those of us who have chosen the profession of local government management recognize that establishing and maintaining effective working relationships with councilmembers can be among our most important and challenging responsibilities. However, I never anticipated that the issue of a councilmember's attempts to thwart the principles of the council-manager form would become one of the toughest episodes in my own professional life.

Any of us who have been in this business for any length of time have encountered a few councilmembers who choose to “push the envelope” in influencing the administrative/management side of local government. Always, I have tried to avoid the politicization of basic local government services while understanding that councilmembers must be informed about and relate to some of the nonpolicy aspects of governing.

In most cases, we can find a reasonable balance. Even when a councilmember clearly crosses over into the area of an inappropriate attempt to influence staff's administrative responsibilities, the issue can generally be resolved through the manager's diplomatic yet clear explanation of the problems being caused. Often, councilmembers do not fully understand the impact that they are having on staff and will commit themselves to taking a different approach once they do. I also believe that most of us in our profession pride ourselves on helping councilmembers succeed in their roles and “keeping them out of trouble” when necessary.

This story is about what happened when the above-noted techniques did not work and a manager was faced with a tough choice between undesirable options. In this particular case, the impasse resulted in a decision by the city attorney and myself to report a councilmember's (the then-mayor's) misconduct to the district attorney. And this move eventually resulted in the councilmember's removal from office.

A byproduct of the decision was an attempt by this councilmember and his attorney to put the management of the organization on trial, together with, effectively, the council-manager form of government.

The Problem

While issues concerning the councilmember's conduct came to a head early in his second four-year term, problems with his conduct manifested themselves earlier in his tenure.

Understanding that Mountain View is in the middle of Silicon Valley but that the community's heritage is farming, it's helpful to know that the difficult councilmember came from a longtime local farming family, had longstanding ties to the community, and ran on the platform that he would be a "neighborhood councilmember."

Though he had a rather direct interpersonal style, the first year or two of his first term were without major stumbling blocks. Then, a series of increasingly problematic behaviors brought the councilmanic interference issue to a peak during the latter part of his first term and the early part of his second term.

Among the behavior patterns and actions that were problematic were:

- Directly contacting staff at various levels of the organization suggesting, and sometimes demanding, that certain things be done or not done.
- Displays of anger and temper directed at staff members at various levels of the organization.
- Attempting to influence code enforcement activities on properties near his home, including some properties he wanted to buy for personal or family financial gain.
- Communicating the clear expectation that he was entitled to rights and privileges above and apart from other residents because he was "a member of the city family."

Among the incidents that got the most exposure in the press, once the grand jury had issued "accusations" in this case, were these:

- A demand that the police chief be fired for not giving him advance warning of a search warrant to be served on his home as part of a criminal investigation of a family member.
- An order to code enforcement staff to pursue action against a neighboring property owner whose property he wished to acquire.
- Refusal to pay for the replacement of a fire hydrant destroyed by a family member, and outrage displayed when he was billed for the damage.
- Numerous questionable city-charged expenses, including the purchase of a \$700 tuxedo.

- A confrontation with the building official, in which the councilmember demanded that a multimillion-dollar, private construction project be shut down immediately because he thought the construction crane being used was unsafe and that the developer was too influential in the community.

As if the actions described above were not enough, the incidents that brought the interference issue to a crisis were his demands that staff block the development of a property he wished to acquire, immediately adjacent to property already owned by his family. He made it clear that he would see to it that both the planning director and I would be fired if the project were not blocked.

The conclusion that the situation was hopeless came when he asked me into his office one afternoon (while serving his one-year term as mayor) and told me that conditions needed to be placed on the development of the property in question. His aims were to discourage the current owner from proceeding, to lower the value of the property, and to increase the likelihood that the property owner would be willing to sell to him! Interestingly enough, this meeting took place just four hours before my annual council performance evaluation. The implication was clear: how I responded to his demands would influence his approach to my performance evaluation.

Investigation and Trial

Throughout the period of this conduct, both the city attorney and I met individually with this councilmember many times in attempts to correct and modify his behavior. At first, we hoped that our efforts to inform him of the problems and likely consequences of his conduct were succeeding. In one case, when his belligerence had been directed at another council employee—the city clerk—the council was informed of his conduct and intervened to prevent a recurrence.

I even used my closed-session performance evaluation meetings as opportunities to express to the council the increasing need I felt to take action over the improper conduct of a councilmember because of the impact his behavior was having on my ability to carry out my responsibilities.

My goals were to modify the behavior and specifically to protect staff from his attempts to influence their work through confidential, one-on-one meetings. (I recognized the damage that would accrue to the city, the council, and the staff if the matters discussed in the private meetings had to be dealt with publicly.)

When it became apparent that his inappropriate behavior was escalating, that it had crossed legal lines, and that staff could not be shielded from his conduct, the city attorney and I concurred in a decision to report the conduct to an appropriate authority, regardless of the consequences. While we

understood that it was not our role to determine what should be the outcome of any investigation, we felt we were obligated to disclose that the conduct was occurring.

The city attorney and I anticipated that the day might come when we could not adequately mitigate this conduct. We believed our recourse would likely be to report the conduct to the rest of the council. Because the conduct had become so severe and the legal implications so serious, however, we decided that referring the matter to the district attorney was an option that needed to be considered.

One of the drawbacks of referring the matter to the council was that this move would require that accusations be made public prior to an independent investigation. Because of the “sunshine” laws in California, the council would have to consider the allegations in open session.

Additionally, any such investigation begun by the council would likely have been seen as politically motivated by this councilmember and his supporters. After consulting with two other councilmembers and the vice mayor (because the councilmember in question was mayor), we decided that the city attorney would consult with the district attorney of Santa Clara County. Each councilmember, including the mayor, was notified of this referral.

Based on his independent review of the facts, the district attorney chose to investigate the matter. Surprisingly, during the five-month investigation, this activity did not leak to the press. Needless to say, we found it extremely awkward working with the mayor during this period; also, many city employees had to be interviewed by a district-attorney investigator as part of the probe.

While the district attorney considered filing criminal charges on a number of counts, he finally determined to charge the mayor under a little-known and rarely used provision of California state law that provides for the removal from office of an elected official for misconduct. This procedure requires that a grand jury find sufficient basis for “accusations” to be filed against the elected official, then for a superior court jury to find the elected official guilty on the same standard of proof as required for a criminal conviction (unanimous agreement “beyond a reasonable doubt”).

What followed were the closed grand jury proceedings, which involved the testimony of several city employees. In my case, testimony included an extensive explanation of the council-manager form of government and its adoption in the city charter.

One month later, the grand jury issued its “accusations” against the mayor for corruption and willful misconduct. The grand jury transcript also was released, detailing all the instances of misconduct. Next came a media frenzy that

covered the entire San Francisco Bay area. Living through this media blitz and being personally featured in the coverage were unpleasant experiences for me and for other staff members.

Anticipating the action of the grand jury, the mayor already had hired one of the most high-powered defense attorneys in Santa Clara County, who immediately began his media campaign to question the motivation of the mayor's chief accusers, namely, the city attorney and myself. The mayor also had used the period of the investigation to prepare his key supporters to take the offensive. The "spin" was that the city manager and city attorney were out to "get" the mayor for a variety of reasons, ranging from our desire to control city government to our fear for our jobs, as he claimed that he had been critical of our performance. However, no such criticism was ever evident to us, either within or outside the context of our annual performance evaluations.

Of particular note was the premise of the defense attorney that, since council-manager government did not allow this councilmember to directly intervene in the organization on behalf of his constituents, he could simply ignore the city charter and its council-manager provisions in order to address citizen concerns.

This attorney also suggested that, since some communication and contact with city staff are permitted, primarily to respond to routine inquiries, there had been no clear demarcation line to determine "councilmanic interference."

Meanwhile, the mayor was able to pack one council meeting with supporters who made it clear that they felt he was being unjustly prosecuted. For the first time in my career, I had members of the public saying the city attorney and I should resign for overreacting to the mayor's behavior. Not only was it evident that the mayor was not going to resign, but also that he was going to fight the charges vigorously and accuse his accusers in the process.

For a manager who prefers a low-profile approach to city management, this was quite a turn of events. What ensued was four months of media coverage leading up to the public trial. Having my own integrity and job security challenged in the media by the mayor's attorney and supporters was to me particularly frustrating. The councillor's (through the normal rotation process, he was again a councilmember at the time of the trial) legal defense strategy was to put his accusers on trial.

During the lead-up to the trial, it was important to me that the matter not become too great a distraction from the organization, or a significant impediment to the work of the city. I needed to avoid appearing distracted and preoccupied if city staff were to continue to function effectively. Also, the city attorney and I had to deal with the anxiety of staff members who were subpoenaed to testify at the trial.

The trial started off on a less-than-positive note, with the district attorney needing to drop three of the four accusations (counts) brought against the councilmember relating to the property conflict of interest. Bizarrely, it was determined that the defendant did not “technically” have a conflict of interest relating to his family’s property (even though he and his family lived there) because it was held in trust by his father.

The lone remaining count was violating the city charter by interfering with the responsibilities of the city manager. Therefore, in actuality, the council-manager form of government, and how it functioned in Mountain View, were put on trial. Testimony stretched out for more than two weeks and was covered daily in the media. To say that this was a stressful period is an understatement.

Testifying on the history and purpose of C-M government was certainly one of my most interesting professional experiences. The case clearly became a testing ground for the principles and values inherent in the form. Specifically, it was a testing ground for our professional obligation to shield city staff from political interference and demands for special treatment by an elected official.

The defense attorney attempted to make the case that any councilmember contact with city staff that was condoned by the city manager “opened the gates” for his client’s conduct.

More personally, I had the unique experience of being cross-examined about confidential memos I had submitted to the council during my own annual performance evaluation. Also, to counter misinformation from the defense, I took the unusual step of giving the district attorney my most recent performance evaluation to present to the jury!

At the conclusion of the testimony, the wait for the verdict began. After almost four days of deliberations, the jury returned a verdict of “guilty of misconduct in office.”

Newspaper editorials called the verdict a “victory for honest government” and suggested that this councilmember was lucky not to have been criminally prosecuted. Ironically, the main reason he was not being prosecuted in this way was his lack of success in getting city staff to do what he wanted. So, in effect, we had saved him from being more legally liable than he would otherwise have been.

Some of his political supporters continued to defend the councilmember, claiming he had been convicted only on a “technicality.” In a further attempt to make public relations points, the councilmember resigned one day before the superior court judge was scheduled to sign the removal-from-office order. The

judge, however, refused to acknowledge the resignation as sufficient and issued the removal order anyway.

Lessons Learned

For both the city attorney and myself, opting to publicly accuse a mayor/councilmember of misconduct was one of the hardest decisions of our professional lives. In advance, we knew that this course of action would be difficult and professionally risky. On the one hand, we felt we had no other choice consistent with our professional ethics, but, on the other hand, we realized that the consequences of our action were likely to be significant for the community and for ourselves. While this move was difficult to make, we concluded that we had to act.

Although we as individuals were willing to put up with this councilmember's threats and attempts at intimidation as long as we could block his efforts, when it ultimately became evident that we could no longer fulfill our obligations to the council, staff, city charter, and community without disclosing his behavior, the appropriate course of action became inescapable (regardless of any personal consequences). We saw clearly that the staff could no longer be shielded from his conduct and that we must inform the council that one of its members was acting in a manner not consistent with their stated values, with the city charter, and, most likely, with state law.

The most difficult aspect of these types of situations is determining when the problematic conduct has gotten to the point where there is no alternative besides public disclosure.

Looking back on this experience, we would offer the following observations:

- Recognize that it can be extremely difficult to determine when your personal intervention with a councilmember has not been sufficient to fulfill your professional and ethical obligations to your organization and community.
- Don't underestimate the ability of a core group of supporters to rationalize the behavior of "their guy" and to take the offensive on his behalf.
- Clearly understand at what point you must disclose illegal/unethical conduct, even though you may not play a role in determining the appropriate remedy for the conduct.
- Appreciate that our ultimate responsibility as managers is not to individual councilmembers, but to the council as a whole and to the employees of the organization, the community, the ethics of our profession, and the laws governing the form of government in which we serve.

- Understand that attempts to establish reasonable flexibility in setting administrative/policy boundaries can later be attacked as removing all such distinctions.
- Appreciate that the value of having a strong working relationship with your city attorney cannot be minimized.
- Develop a mature understanding that doing what is right will often not be easy, may subject you to personal attack, and may have negative personal and/or professional consequences.
- Recognize that, although they probably won't be as vocal as your critics, many members of your community will have increased confidence in you and in the organization for your willingness to confront unethical behavior.
- Realize that acting ethically will result in a confirmation to your organization's employees of your willingness to "walk the talk" in regard to principled conduct.

Conclusion

Fundamental to our service to our communities and our professional values is the need to consider thoughtfully when we as managers are morally, ethically, and/or legally required to confront misconduct. While our primary goal should be to educate those we work with to prevent misconduct, this priority does not absolve us of an obligation to take more drastic action if we are unsuccessful in preventing it.

Our greatest risk is the potential to rationalize that we don't really need to take action when confronted with the negative consequences of doing so. We need to reflect seriously and carefully on this point if we are to be prepared to act.

As we have heard over and over recently in relation to corporate and organizational scandals, the leaders of organizations should be held accountable to answering three questions when illegality or corruption is exposed:

1. What did you know?
2. When did you know it?
3. What did you do about it?

If we are to strive to be leaders of ethical organizations, we must be prepared to respond to these questions. As difficult as my experience was, it meant a chance for our organization to prove its commitment to the values we espouse. And, to say the least, it furnished some unusual and unexpected forums in which to explain the structure and value of the council-manager form of government.

Kevin Duggan is city manager, Mountain View, California.

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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

ITEM 8

IT IS LIKELY THERE WILL BE AN UPDATED
MEMO OR AN ORAL REPORT AT THE MEETING

Staff Report

Approval of 60% Progress Payment to Lisa Wise Consulting (LWC) for Strategic Plan

Glenn Lazof: Interim General Manager (IGM)

Background: The outstanding bill for LWC was included on the bills & claims list at the July 1, 2015 meeting. Commissioner support for approval of the bills & claims was not available until this bill was removed from the list.

This strategic planning effort was placed on hold by the commission January 7, 2015. LWC was sent a stop work letter on January 12, 2015. The only additional work since that time was on the Financial Conditions section; however the outstanding invoice was not increased to reflect that additional work. The Director of Finance was satisfied with changes to the Financial Conditions report.

The approved project budget is \$274,515, by contractor and subcontractor the amounts are LWC: \$192,620 Moffatt & Nichol: \$33,330 Nelson/Nygaard: \$29,534 and Tenera Environmental: \$19,031. The unpaid invoice under your consideration is for \$42,206.35.

Analysis: Invoice procedures were part of the Project Management Plan which was part of Task 1, which was previously completed. Per that plan, payments on this contract are to be made (and have been prior to January 2015), based on the portion of work done on each task. Staff would not recommend 100% payment for any task that is not complete, nor if it appeared that the task could not be done with funds remaining for that task. Only public outreach Tasks 1-3, and Task 6 are identified as complete by LWC. All others are listed as only partially complete and partially invoiced. Task 1-3 were previously paid for by the district.

Regarding the invoice under discussion the only Task 6 is billed as 100% complete. This task was a public outreach event which per LWC informs us was held December 1, 2014. The remaining amounts included on this invoice range from 80-84% complete, billed to date is 77%- 84%:

	Budget	Billed	This Invoice	Balance	% Billed	% Remaining
Task 4	\$ 42,430.00	\$ 25,249.50	\$ 10,300.00	\$ 6,880.50	84%	16%
Task 5	\$ 35,350.00	\$ 17,722.75	\$ 11,595.00	\$ 6,032.25	83%	17%
Task 6	\$ 5,674.00	\$ 3,937.50	\$ 1,736.50	-	100%	0%
Task 7	\$ 50,420.00	\$ 20,010.00	\$ 18,574.85	\$ 11,835.15	77%	23%

The commission should reject the staff recommendation if in your view these tasks (4, 5, 7) are not complete to the point these progress payments are justified. (The current document is included in the packet, along with the updated Financial Conditions report). For example if the Existing Infrastructure and Facilities Assessment (Task 4) is in your view less than 84% complete.

Recommendation: Approve payment of invoice for \$42, 206.35 to Lisa Wise Consulting as per invoice 1967.

If the commission does not approve the recommendation, please describe specifically the work which is still required to represent that progress to completion. Using the example above, please describe what is required to be done to meet the 84% requirement on Task 4. It would be best if that were reflected in a resolution to provide maximum clarity for staff.

Fiscal Impact: None, this is an approved and encumbered contract and was fully included in the appropriations.



MEMORANDUM

June 15, 2015

TO: Board of Harbor Commissioners

FROM: Debra Galarza

CC: Glenn Lazof, Interim General Manager

SUBJECT: Update of Financial Conditions Assessment

The Lisa Wise Consulting (LWC) contract awarded in the amount of \$274,515 for the Strategic Plan has been managed by the position of the General Manager. The following timeline and comments are related to only one task, Task 5: Financial Conditions Assessment report. To date \$112,902.75 has been paid to the vendor. There is an outstanding invoice in the amount of \$42,206.35

September 29, 2014 December 12, 2014 District Finance Staff works with LCW Staff to provide necessary documentation

December 22, 2014 LWC submits a Financial Conditions Assessment Draft to the District

December 22, 2014 LWC responds that edits would be made and that "additional edits" they would be willing to make at their own cost up to four to five hours.

December 23, 2014 outgoing General Manager reviews Financial Conditions Assessment Draft and notates questions and edits to draft and submits to LWC stating Finance department review of draft pending

January 7, 2015 Board votes to a "stop/suspend" work order.

January 14, 2015 LWC responds that edits would be made and that "additional edits" they would be willing to make at their own cost up to four to five hours. The edits were due by January 31, 2015

January 21, 2015 District finance staff submits edits to LWC

March 18, 2015 LWC and Finance discuss that all work was ordered to be "stopped" on January 7th which is why no edits were completed. LWC is willing to work with Harbor District staff to complete edits

Please note: The invoice in the amount of \$42,206.35 represent approximately 80% for each tasks completed for Existing Infrastructure & Facilities Assessment; Financial Conditions Assessment; and Sustainable Fisheries Business Plan.

April 1, 2015 LCW and Finance discuss in detail changes that need to be addressed.

April 2-May 10th LCW and Finance worked on edits. (See attachment "A")

May 11, 2015 LCW emails Finance for final approval. Requests payment of December 2014 invoice. Their contract stated we would pay them in no more than 90 days. Board did not approve invoice at March 18th submission, Agenda Item 8. (See attachment "B")

May 29, 2015 Finance submits final edits.

June 1, 2015 Finance accepts and approves Financial Conditions Assessment.

SUMMARY

1. The Financial Condition is in its Final Draft.
2. The outstanding invoice is due and payable.
 - a. Requesting immediate payment as a hand check.

Glenn Lazof

From: Henry Pontarelli <henry@lisawiseconsulting.com>
Sent: Thursday, July 09, 2015 3:02 PM
To: Glenn Lazof
Cc: Sabrina Brennan; Pietro Parravano; Nicole David; Robert Bernardo; Tom Mattusch; Lisa Damrosch; Porter, Brad; Patrick Siegman; John Steinbeck; Lisa Wise; David Pierucci; Paul Parker
Subject: Strategic Business Plan, Past Due Invoice for Work Performed in December, 2014
Attachments: LWC_Proposal For Proceed_030915.pdf

Glenn,

Thank you for your efforts to address LWC invoice #1967 for work performed by the Consultant Team in December 2014 on the San Mateo County Harbor District Strategic Business Plan. We would like to reiterate the following key points regarding this situation. We look forward to resolution on July 15.

***Commissioner Brennan called our office on November 15 and asked us to stop work on the project and indicated/threatened that once the new Board members were in place, she would stop the project. Tom Mattusch and Nicole David also called and asked that we stop the project (November 19 and 20).**

***With approval of General Manager Grenell and Grindy, the Consultant Team halted primary research in November and began to compile our research and findings to present to the Board on the January 7 meeting. DRAFTS of Tasks 4 (Facility Conditions Assessment), 5 (Financial Conditions Assessment) and 7 (Community Sustainability Plan) were included in the 01/07/15 Board packet.**

***The documents that our team submitted are internal DRAFTS, there is \$22,750 remaining on these 3 task to refine and edit, and \$116,000 remaining on the entire project.**

***We submitted invoice #1967 on December 26 for the work conducted in December 2014 by the Consultant Team per the (monthly invoicing) tenets of the contract between the District and LWC.**

***The Board issued a oral Stop/Suspend Work Order at the January 7 meeting and in writing on January 12, 2015.**

***The project was on track for the Consultant Team to deliver a Public Review Draft of these documents (Task 4, 5 and 7) in March as indicated in our contract. We had no control as the Board stopped the project on January 7 and threatened to stop the project in November. The documents were not intended to be released to the public, they were meant to inform the Board of our progress. We understand that Commissioner Brennan insisted they be included in the Board packet and acting GM Grindy complied.**

***Additionally, in order to satisfy the District, LWC made edits to the Financial Conditions Assessment in June 2015) at our own expense to the Finance Department's satisfaction.**

We look forward to the Board's approval and payment of our December 2014 invoice #1967 for services performed on the Strategic Business Plan. Attached is a memo we provided to the Harbor District in March with more detail.

**Henry
lisa wise consulting, inc.
805.801.9646**

lisa wise consulting, inc.

983 Osos Street
San Luis Obispo, CA 93401
T: 805-595-1345
F: 805-595-1978
lisa@lisawiseconsulting.com

Invoice

Peter Grenell, General Manager
San Mateo Harbor District
400 Oyster Point Blvd., Suite 300
South San Francisco, CA 94080
email: pgrenell@smharbor.com

DATE
12/26/2014

INVOICE
1967

PROJECT

PROFESSIONAL SERVICES THROUGH

San Mateo County Harbor District Strategic Business Plan

December 24, 2014

Description	% of Task Complete	Budget	Billed to Date	Current Billing
Task 1 – Project Initiation	100%	\$ 23,993	\$ 23,993.00	\$ -
Task 2 – Public Outreach Strategy and Initial Outreach	100%	\$ 13,000	\$ 13,000.00	\$ -
Task 3 – Public Outreach Events 1 and 2	100%	\$ 6,230	\$ 6,230.00	\$ -
Task 4 – Existing Infrastructure and Facilities Assessment	84%	\$ 42,430	\$ 25,249.50	\$ 10,300.00
Task 5 – Financial Conditions Assessment	83%	\$ 35,350	\$ 17,722.75	\$ 11,595.00
Task 6 – Public Outreach Event 3	100%	\$ 5,674	\$ 3,937.50	\$ 1,736.50
Task 7 – Sustainable Fisheries Business Plan for Pillar Point H	80%	\$ 50,420	\$ 22,010.00	\$ 18,574.85
Task 8 – Capital Facilities Plan	0%	\$ 32,100	\$ -	\$ -
Task 9 – Draft Strategic Business Plan	2%	\$ 45,952	\$ 760.00	\$ -
Task 10 – Prepare Summary Strategic Business Plan	0%	\$ 2,660	\$ -	\$ -
Task 11–Public Outreach Event 4 - Public Review Draft	0%	\$ 3,570	\$ -	\$ -
Task 12 - Final Strategic Plan and Adoption	0%	\$ 13,136	\$ -	\$ -
Total	57%	\$ 274,515	\$ 112,902.75	\$ 42,206.35

INVOICES

TIMING

Invoices from each subconsultant, including all supporting documentation, are due to LWC **by the first of each month**. Any invoices received after the first will be included in the billing for the following month. LWC will consolidate all subconsultant invoices and prepare a single monthly invoice to the San Mateo Harbor District by the 10th of each month.

INVOICE REQUIREMENTS

Invoices submitted to LWC must include the following, per State Coastal Conservancy Guidelines:

1. Summary of Tasks in progress or completed during the billing period
2. Billing breakdown by task
3. Staff hours by task (see Sample Invoice Materials B.)
4. Applicable Reimbursements need to be allocated by Task, and receipts sent to Prime (refer to Sample Invoice Materials D for reimbursement guidelines).

SAMPLE INVOICE MATERIALS

- A. Invoice template
- B. Invoice template, breakdown
- C. Disbursement Form (Prime only)
- D. State Coastal Conservancy Reimbursement Guidelines

A. SAMPLE INVOICE

lisa wise consulting, inc.
088 Deane Street
San Luis Obispo, CA 93401
T: 806-606-1345
F: 806-606-1078
lisaw@lisawiseconsulting.com

Invoice

Tim Duff, Project Manager
State Coastal Conservancy
1330 Broadway, 13th Floor
Oakland, CA 94612-2530

DATE
11/13/2013

INVOICE
177

PROJECT **PROFESSIONAL SERVICES THROUGH**

Port San Luis Harbor Terrace Campground (Contract No. 13-026) October 14, 2013

Description	% of Task Complete	Billed	Billed to Date	Current Billing
Task 1 – Project Initiation	0%	\$ 56,777	\$ -	\$ 4,653.75
Task 2 – Conceptual Design Level Site Plan	0%	\$ 56,363	\$ -	\$ -
Task 3 – Pre-Application Meeting	0%	\$ 6,011	\$ -	\$ -
Task 4 – Technical Investigations	0%	\$ 62,812	\$ -	\$ -
Task 5 – Preferred Concept Development	0%	\$ 67,228	\$ -	\$ -
Task 6 – CEQA Compliance - Initial Study	0%	\$ 5,161	\$ -	\$ -
Task 7 – Coastal Development Permit Application	0%	\$ 12,345	\$ -	\$ -
Task 8 – CEQA Compliance - Focused EIR	0%	\$ 90,943	\$ -	\$ -
Task 9 – Community Outreach	0%	\$ 14,180	\$ -	\$ -
Task 10 – Site Layout Plan Refinement	0%	\$ 29,517	\$ -	\$ -
Task 11 – Regulatory Permitting	0%	\$ 32,922	\$ -	\$ -
Total	0%	\$ 506,209	\$ -	\$ 4,653.75

B. SAMPLE INVOICE BREAKDOWN

lisa wise consulting, inc.

988 Deas Street
 SAN LUIS OBISPO, CA 93401
 T: 800-690-1240
 F: 800-690-1978
 lisa@lisawiseconsulting.com

Invoice Breakdown

DATE		INVOICE	
11/13/2013		1759	
PROJECT		PROFESSIONAL SERVICES THROUGH	
Port San Luis Harbor Terrace Campground (Contract No. 13-026)		October 31, 2013	
	<u>LWC</u>		
<u>Individual</u>	<u>Task</u>	<u>Hrs</u>	<u>Dollar Amount</u>
Wise, President	Task 1	8.00	\$ 1,200.00
Sethi, Sr. Assoc.	Task 1	16.25	\$ 1,763.75
Harrington, Assoc.	Task 1	20.00	\$ 1,700.00
TOTAL			<u>\$ 4,663.75</u>



LWC



**PROJECT
MANAGEMENT
PLAN**

**SAN MATEO HARBOR DISTRICT
STRATEGIC BUSINESS PLAN**

APRIL 29, 2014



CONTENTS

Project Overview	1
Background	1
Team Organization & Responsibilities	5
Team Organization	X
Team Responsibilities	X
Work Plan	X
Scope of Work	X
Project Schedule	XX
Communication Plan & Style Guide	XX
Team Communication	XX
File Sharing	XX
File Naming	XX
Style Guide	XX
Team Contact Information	XX
Data Request List	XX
Invoices	XX
Timing	XX
Invoice Requirements	XX
Invoice Materials	XX
A. Sample Invoice	XX
B. Sample Invoice Breakdown	XX

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PROJECT OVERVIEW

BACKGROUND

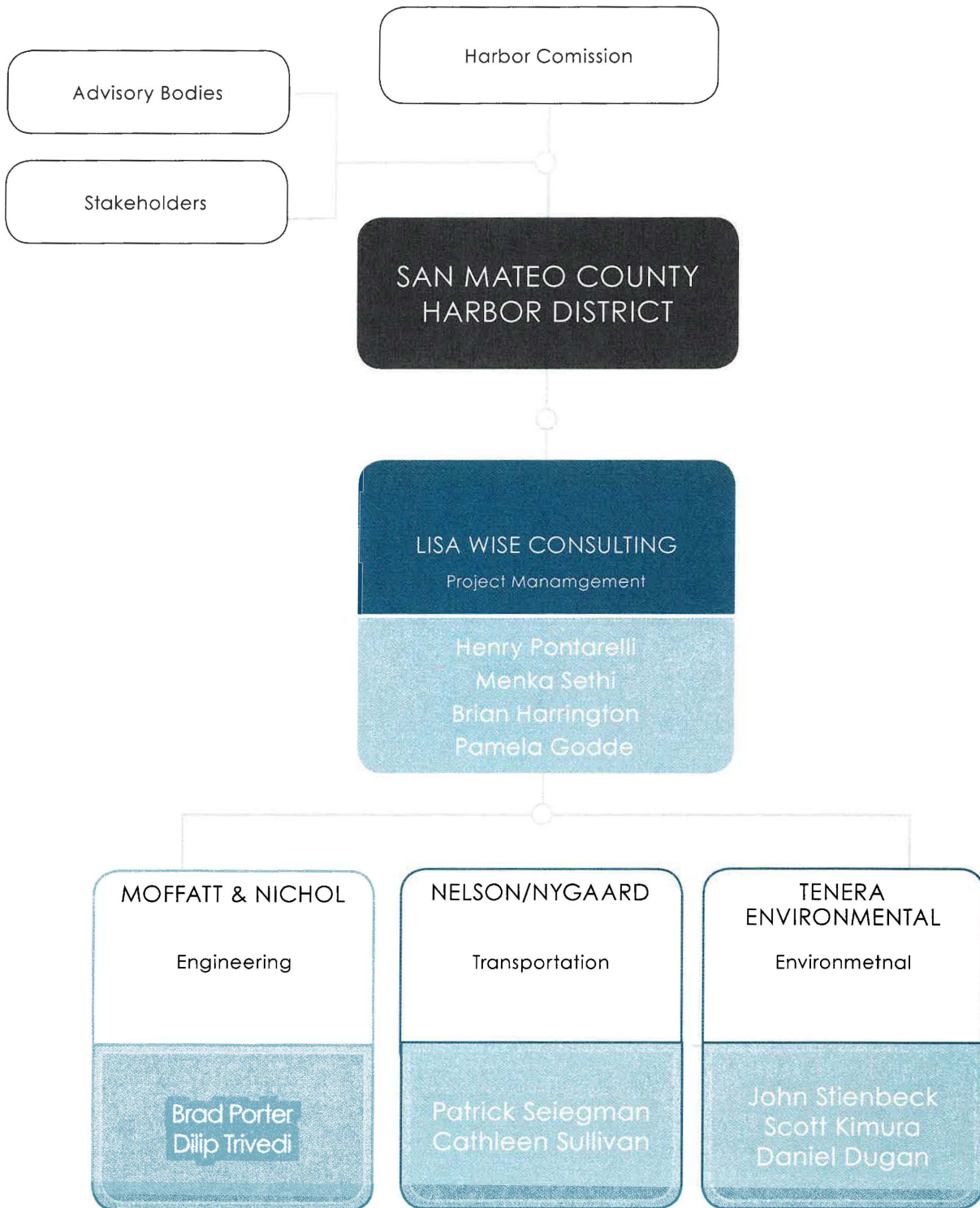
The San Mateo Harbor District (SMHD/HD) was established in 1933 and reactivated in 1948. The HD operates two facilities, the 369-berth harbor on Half Moon Bay that supports recreational boating and commercial and recreational fishing, and the Oyster Point Marina, the 455-berth recreational facility in the City of South San Francisco that includes a WETA Ferry Terminal, HD office, launch ramp, pedestrian and bike trail, picnic areas, hotel, restaurant, fuel dock, bait shop, yacht club, marine services, and dry storage lease holders.

The SMHD has operational control of the Oyster Point facility through a joint powers agreement that expires in 2026. Development plans are in place for a mixed-use office park (Shorenstein) in Oyster Point, which has gone through a successful EIR process. While the project was stalled during the recent economic downturn, the outcome will have commanding affects on the HD and any future plans for the facility.

Pillar Point Harbor is home to Johnson Pier and one of California's top performing commercial fishing fleets that generates an average of approximately \$6.5 million at the dock each year, over \$150 million since 1990. The Harbor boasts an inner and outer breakwater making it extremely well protected. The Pillar Point facility also encompasses a Harbor Office, restrooms, parking, a kayak rental business, and an 18,000 square foot pier (Green Pier) that has been decommissioned. Pillar Point facilities were primarily funded by Department of Boating and Waterways debt financing. In October of 2013, the outstanding principal balance was approximately \$8.1 million, which the HD is in a position to retire earlier than originally scheduled.

The 2014 Strategic Business Plan is intended to enable the HD to take stock of past work, recent planning efforts, and potential economic and capital facility opportunities. The Plan will also provide a better understanding of the potential impacts of HD activities on indigenous marine life and the risks of changes in sea level.

The project is aimed at making SMHD more competitive, more resilient, more profitable and better prepared for the future. The project is also, through a robust community engagement process, aimed at finding consensus among the HD, Harbor Commission, and stakeholders and at identifying the highest priority issues on which the HD and the community can focus its resources most effectively and efficiently.



TEAM ORGANIZATION & RESPONSIBILITIES

The LWC team includes Vice President and Owner, Henry Pontarelli; Senior Associate, Menka Sethi; Senior Research Associate Pamela Godde and Associate Brian Harrington. Henry will direct research, oversee the creation of the memos and reports, conduct personal interviews and site visits, and prepare for and present at public outreach events. Menka will be the day to day project manager and will perform the economic analyses and conduct interviews and outreach. Pamela will assist in the creation of survey instruments, conduct interviews and outreach, and participate in the Sustainable Fisheries Business Plan. Brian will assist with project management and the coordination of subconsultants, conduct general data gathering and interviews, and manage the development of project related reports.

TEAM RESPONSIBILITIES

SAN MATEO HARBOR DISTRICT STRATEGIC BUSINESS PLAN				
TASK	LWC	M&N	N\N	Tenera
1. Project Kickoff Meeting & Initiation				
1.1 Project Kickoff Meeting	●	●	●	●
1.2 Consultant Team Site Visits	●	●	●	●
1.3 Identify Stakeholders for SBP Advisory Committee (SBPAC)	●	○	○	○
1.4 Data Gathering & Archival Review	●	○	○	○
1.5 Project Management Plan	●			
2. Public Outreach Strategy & Initial Outreach				
2.1 Public Outreach Plan	●			
2.2 BoHC Mtg 1 – Project and Team Introduction	●			
2.3 Contact Potential SBPAC Reps, Confirm Participation	●			
2.4 SBPAC Meeting 1 – Project Introduction & Goals	●	○	○	○
2.5 SBPAC & Stakeholder Interviews	●			
3. Public Outreach Events 1 & 2 – Community Priorities for OP & PP				
4. Existing Infrastructure & Facilities Assessment (Appendix A)				
4.1 Sea Level Rise Best Practices	○	●		
4.2 Circulation & Parking Assessment	○		●	
4.3 WETA & Emergency Preparedness	○	○	●	
4.4 Marine Infrastructure & Harbor Facilities Assessment	○	●		
4.5 Indigenous Marine Life Restoration Report	○			●
4.6 SBPAC Meeting 2 - Review Assessment	●	○	○	○
4.7 Prepare Final Assessment Document	●	○	○	○
5. Financial Conditions Assessment (Appendix B)				
5.1 Economic & Market Trends Analysis	●			
5.2 Harbor & Marina Business Demand Analysis & Forecast	●			
5.3 Revenue Enhancement Plan	●			
5.4 Harbor District Fiscal Analysis & Debt Retirement Plan	●			
5.5 Employment Impact Analysis	●			
5.6 SBPAC Meeting 3 - Review Financial Conditions Assessment	●	○	○	○
5.7 Prepare Final Financial Conditions Assessment Document	●	○	○	○
5.8 Board of Harbor Commissioners Presentation 2 – Project Update	●			
6. Public Outreach Event 3 – Existing Conditions Presentation				
	●	○	○	○

- Lead Role
- Supporting Role

SAN MATEO HARBOR DISTRICT STRATEGIC BUSINESS PLAN				
TASK	LWC	M&N	N\N	Tenera
7. Sustainable Fisheries Business Plan for Pillar Point Harbor				
7.1 Fishing Industry Stakeholder Interviews	●			
7.2 Sustainable Fisheries Analysis	●	○		
7.3 Sustainable Working Waterfront Analysis	●	○	○	○
7.4 Marketing & Outreach Strategies	●			
7.5 Management & Operational Strategies	●			
7.6 Recommendations	●			
7.7 SBPAC Meeting 4 - Review Sustainable Fisheries Business Plan	●	○	○	○
7.8 Prepare Final Sustainable Fisheries Business Plan Document	●			
8. Capital Facilities Plan (CPF)				
8.1 CPF Draft Section 1 - District Wide	●	●	○	○
8.2 CPF Draft Section 2 - Pillar Point	●	●	○	○
8.3 CPF Draft Section 3 - Oyster Point Marina / Park	●	●	○	○
8.4 SBPAC Meeting 5 - Review Capital Facilities Plan	●	●	○	○
8.5 Prepare Final Capital Facilities Plan Document	●	○	○	○
9. Draft Strategic Business Plan (SBP)				
9.1 Develop Preliminary Strategic Business Plan Outline & Style Guide	●			
9.2 SBP Admin Draft Section 1 - District Wide Strategic Planning	●	○	○	○
9.3 SBP Admin Draft Section 2 – Pillar Point Strategic Planning	●	○	○	○
9.4 SBP Admin Draft Section 3 –Oyster Point Strategic Planning	●	○	○	○
9.5 SBP Admin Draft Section 4 - Consistency with Regulations	●	○	○	○
9.6 SBPAC Meeting 6 - Review Draft Strategic Business Plan	●	○	○	○
9.7 Prepare Strategic Business Plan Public Review Draft	●	○	○	○
10. Prepare Summary Strategic Business Plan Document	●	○	○	○
11. Public Outreach Event 4 - Public Review Draft	●	○	○	○
12. Final Strategic Plan & Adoption				
12.1 Board of Harbor Commissioners Presentation	●			
12.2 Prepare Final Strategic Business Plan	●			
12.3 Board of Harbor Commissioners Adoption	●			

- Lead Role
- Supporting Role

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WORK PLAN

TASK 1. PROJECT KICKOFF MEETING AND INITIATION

1.1 Project Kickoff Meeting

The Consultant Team will meet with San Mateo Harbor District Project Management Staff (SMHD) to initiate the project, review and refine the Scope of Work and Timeline, and discuss the project's overall goals and objectives.

1.2 Consultant Team Site Visits

The Consultant Team will attend site visits to Pillar Point and Oyster Point with the SMHD Project Management Team to review and document field conditions.

1.3 Identify Stakeholders for Strategic Business Plan Advisory Committee (SBPAC)

As part of the overall Public Outreach Strategy (outlined in Task 2), LWC proposes the formation of a Strategic Business Plan Advisory Committee to represent the position of key stakeholders, provide a central point of contact for the Consultant Team and to build consensus and community ownership of the project. LWC will coordinate with SMHD Project Managers to identify key stakeholders and/or stakeholder groups for participation on the Strategic Business Plan Harbor Advisory Committee (SBPAC). The Committee should be limited approximately 10 members and include a representative or representatives from the SMHD, stakeholders on Johnson Pier (commercial fishermen, commercial fish buyers, and related business owners), harbor and marina tenants as well as community groups, elected officials, civic leaders, and/or business owners. The SBPAC should also include representatives from the City of South San Francisco, business owners and marina users in Oyster Point and if possible, a representative from the WETA.

1.4 Data Gathering & Archival Review

LWC has obtained an extensive collection of background documents and will continue to gather such information throughout project. The Consultant Team will review archival information as it will play a foundational role in the background and existing conditions research and reporting, guide the development of priorities and final recommendations, and inform development of the Strategic Business Plan. These documents include but are not limited to:

- San Francisco Bay Plan
- Local Coastal Programs for San Mateo County and the cities of South San Francisco and Half Moon Bay
- General Plans for San Mateo County and the cities of South San Francisco and Half Moon Bay
- 2011 Oyster Point Specific Plan and EIR
- Pillar Point Harbor Vessel Haul-Out Facility Demand Assessment and

- Financial Feasibility Analysis
- SMHD Business Plan – Repayment of Department of Boating and Waterways Debt
- Dredging Reports, Maps, and Historical Information
- Pillar Point Master Plan and Urban Waterfront Restoration Plan
- The San Francisco Bay Plan and other relevant Coastal Commission planning documents
- Commercial Fishing Economic Impacts, 2013, LWC
- San Mateo County Comprehensive Bicycle and Pedestrian Plan
- 2012 San Bruno / South San Francisco Community-Based Transportation Plan
- Half Moon Bay Roadway Level of Service Analysis
- Highway 1 Safety and Mobility Improvement Study
- Draft documents from the Princeton Planning Update, as they apply
- Various parcel maps

LWC and the Consultant Team will work closely with SMHD Project Managers, the SBPAC and stakeholders to assure that relevant research is included in this list. Efforts on this task will be concentrated at the beginning of the project, but continue throughout.

1.5 Project Management Plan

The Consultant team will work with Project Managers to confirm and document the timing of draft deliverables, document review and final deliverables, invoicing requirements, and communication protocol. The Project Management Plan will serve as a working document and keep all parties informed of the progress of the project. The Consultant Team will work with the SMHD and the SBPAC to revise components of the Plan throughout the project, when necessary.

Deliverables: *Draft Project Management Plan with Final Scope of Work, Timeline and Budget, and Data Request List. List of potential participants and contact information for SBPAC.*

TASK 2. PUBLIC OUTREACH STRATEGY & INITIAL OUTREACH

An effective Public Outreach Plan will encompass multiple and substantive opportunities for stakeholders to participate and contribute to the project. LWC anticipates four (4) Public Outreach Events and six (6) SBPAC meetings at key points throughout the project. An effective public outreach campaign will include one on one interviews, public meetings, site visits, the use of social media such as a project Facebook page or project website and/or a page on the SMHD website that informs the public of project progress, promotes opportunities for participation, and provides the opportunity to comment.

The Consultant Team anticipates up to three (3) presentations to the Board of Harbor Commissioners: 1) Introduction of the project, Consultant Team, definition of deliverables and approach, 2) Mid project progress update, and 3) Presentation of the Public Review Draft Strategic Business Plan. Two (2) presentations to the County Board of Supervisors and the attendance of one (1) BoS adoption hearing are presented as optional tasks.

Informal data gathering and updating stakeholders of progress will take place throughout the project. Structure and timing of the outreach tasks will be finalized with input of the SMHD and in the Public Outreach Plan (Task 2.1).

2.1 Public Outreach Plan

The Public Outreach Plan will document the approach and methods of the community engagement process, survey instrument, timing and location of meetings and interviews, and guide the Consultant Team and inform the SMHD and SBPAC on the public outreach effort.

2.2 Board of Harbor Commissioners Meeting 1 – Project & Team Introduction

LWC will prepare for and attend one (1) Board of Harbor Commissioners meeting to introduce the project, Consultant Team, definition of deliverables and approach.

2.3 Contact Potential SBPAC Representatives, Confirm Participation

LWC will contact Key Stakeholders and Stakeholder Groups, by phone and email and where warranted in person, as identified in Task 1.3, to confirm their participation on the SBPAC. LWC will also confirm contact information, availability and schedule one-on-one interviews with SBPAC members (Task 2.4). Throughout the project, the Consultant Team will aim to capitalize on travel to meetings, site visits and interviews so they coincide with each other where possible.

2.4 SBPAC Meeting 1 – Project Introduction & Goals

LWC will prepare for and facilitate the initial SBPAC meeting. Objectives of the meeting will be to introduce the Consultant Team and project scope, timeline and budget, and review the Project Management Plan and draft survey instrument for the outreach effort.

2.5 SBPAC & Stakeholder Interviews

The Consultant Team proposes one-on-one interviews using a survey instrument designed to gain respondents' perspective on the highest priority issues and possible solutions. LWC proposes the interviews with each member of the SBPAC and a day and a half of formal stakeholder interviews at each facility. In addition, throughout the project, the Consultant Team will spend several days at each facility conducting site visits and meeting with facility users at which time they will gather stakeholder input.

Deliverables: *SBPAC Meeting 1 Summary Memo and Draft Community Priorities for Pillar Point and Oyster Point. Public Outreach Plan memo that includes description outreach methods timing and location of meetings, project website, social media page (Facebook) and/or collaborative strategy that engages the SMHD website.*

TASK 3. PUBLIC OUTREACH EVENTS 1 & 2 – COMMUNITY PRIORITIES FOR OYSTER POINT & PILLAR POINT

LWC will prepare for and facilitate Public Outreach Events 1 and 2, one (1) meeting in each community, to inform the public on project goals and objectives, identify opportunities for participation, and obtain feedback on community priorities. LWC will work with SMHD Project Managers and the SBPAC to develop a meeting announcement (flyer) and concise PowerPoint presentation. The Consultant team will rely on the SMHD to procure the venue and broadcast the meeting details (through leaseholder email database, on SMHD website, physical posting on message boards at the harbor facilities). LWC will post the announcement/flyer and “message” on the meeting on the Facebook page (if one is chosen). LWC will develop a one-page memo on the highest priority findings from the meeting.

Deliverables: *Public Outreach Event 1 & 2 presentation materials, Summary Memo and Draft Community Priorities for Pillar Point and Oyster Point.*

TASK 4. EXISTING INFRASTRUCTURE & FACILITIES ASSESSMENT (APPENDIX A)

The Existing Infrastructure & Facilities Assessment will review and augment past facilities and infrastructure reports, and will become a baseline document in guiding the Capital Facilities Plan and Strategic Business Plan. The Assessment will include components described in the sub tasks below.

4.1 Sea Level Rise Best Practices

Moffatt & Nichol (M&N) will identify the range of sea level rise that are currently predicted by various entities for planning the impact to the facility on the open coast (Pillar Point) and within San Francisco Bay (Oyster Pt.) and under the jurisdiction of the California Coastal Commission and Bay Area Conservation and Development Commission, respectively. M&N will identify a strategy to best address the range of impacts to the two harbors based upon risk assessment.

4.2 Circulation & Parking Assessment

Nelson\Nygaard (N\N) will conduct an access, circulation and connectivity analysis of the Harbor District’s facilities. This will include analyzing and making recommendations regarding all modes of transportation, particularly vehicle access to Johnson Pier and compatibility issues between commercial and recreational activities.

The recommendations will be designed to help achieve overall community goals for economic development, environmental protection, support of commercial activity and quality of life, such as:

- parking that is efficiently located and shared, in order to minimize parking construction costs
- ensuring the feasibility of desired types of development in the project area;
- providing effective and efficient connectivity and integration among all modes of transportation;
- maximizing ridership on public transit facilities and services, such as the Oyster Point ferry.

Throughout this task, N\N will work closely with the project team to achieve two imperatives: making a great place, and enabling efficient movement by a variety of transportation modes. Finding creative solutions to resolve the tension and trade-offs between these sometimes conflicting objectives will be an essential part of this task.

OPTIONAL TASK: TRANSPORTATION & PARKING DATA COLLECTION

Since the need for new data collection may vary widely depending on: (a) the extent of development and change which may be desired at the Harbor District's facilities, (b) the extent of any existing problems (such as parking problems at peak hours), and (c) the amount of existing data available from existing Harbor District records and/or previous traffic studies for nearby developments, this optional task provides up to \$20,000 for parking and transportation data backspace collection. Depending on the particular needs identified during the course of study, this may include intersection turning movement and bicycle/pedestrian volume counts at relevant nearby intersections, 24-hour traffic volume counts on nearby street segments, parking supply and occupancy counts, and/or visitor surveys.

4.3 WETA & Emergency Preparedness

Drawing upon its expertise as ferry planners, including its work for WETA, Nelson\Nygaard will advise LWC on the ability of the Harbor District's facilities (particularly the Oyster Point ferry terminal) to provide support for disaster response activities in the event of natural disasters and other emergencies, such as a major earthquake.

4.4 Marine Infrastructure & Harbor Facilities Assessment

Moffatt & Nichol will perform a rapid visual assessment of the exposed structural elements of the District owned buildings and Facilities at Pillar Point Harbor and Oyster Point Marina. This will be a refinement of the current Facility Condition Survey effort currently being performed under separate contract to the District. The Assessment will include relevant background information, including purpose and approach, inspection results and conclusions, and will identify the items and priorities for repairs, upgrades and replacements to be performed in the next five years, including budgetary 5 year construction cost estimates for this work.

4.5 Indigenous Marine Life Restoration Report

Tenera Environmental will conduct interviews with marine scientists at local research and educational institutions and a literature review (scientific peer reviewed journals, grey literature) to compile information on studies of the biological and natural resources at Pillar Point Harbor and Oyster Point Marina. The information gathered from the effort will include graduate and undergraduate research papers, surveys that have been done for regulatory permitting, and unpublished observations. All of the information collected from the effort will be synthesized and compiled into a database, with the goal to provide sufficient information to determine what is largely known and unknown about the principal species inhabiting the harbor and marina, and to help identify substantive data gaps that can be addressed through additional research or studies. It is likely that there is no information on indigenous and invasive species in both water bodies.

Tenera will contact a number of agencies and institutions to inquire about biological studies and assessments that have been completed in Pillar Point Harbor and Oyster Point Marina. Agencies and institutions to be contacted include but are not limited to:

- Gulf of the Farallones National Marine Sanctuary
- San Francisco Bay Area National Parks and Learning Center
- Monterey Bay National Marine Sanctuary
- US Geological Society (USGS)
- California Department of Fish and Wildlife (CDFW)
- National Marine Fisheries Service (NMFS)
- US Fish and Wildlife Service (USFWS)
- US Army Corp of Engineers
- California Coastal Commission
- Research Universities, including Stanford University, University of California, Berkeley, University of California, San Francisco, University of California, Davis (Bodega Marine Laboratory), University of California, Santa Cruz San Francisco State University, San Jose State University, Sonoma State University, California State University, East Bay
- Moss Landing Marine Laboratory
- Hopkins Marine Station
- The Bay Institute
- San Francisco Estuary Institute
- San Francisco Estuary Invasive Spartina Project
- Smithsonian Environmental Research Center (Tiburon) and their Marine Invasions Research Lab (Maryland)

Optional Task: Marine-Environmental In-Field Data Collection

Substantive gaps in determining the presence and habitat conditions for indigenous species may exist and warrant in-field data collection. As such, a scope and budget for additional field data collection can be determined upon completion of Task 4.6. This work could include site reconnaissance surveys for key opportunity species for native restoration such as eelgrass (*Zostera marina*), and/or detrimental invasive species such as asian kelp, wakame (*Undaria pinnatifida*). An estimated budget for this optional task is not to exceed \$32,000.

4.6 SBPAC Meeting 2 - Review Existing Infrastructure & Facilities Assessment

LWC and the Consultant Team will prepare for and facilitate the second SBPAC meeting, provide a project update and present and discuss the findings of the Existing Infrastructure and Facilities Assessment. As identified in the Public Outreach Strategy (Task 2), the Consultant Team will distribute and review the draft Assessment with the SBPAC.

4.7 Prepare Final Existing Infrastructure & Facilities Assessment Document

LWC and the Consultant Team will review and address SBPAC and SMHD comments and prepare the Final Existing Infrastructure and Facilities Assessment Document. The document will be prepared as a stand-alone, technical appendix to the Final Strategic Business Plan.

Deliverables: *Draft Existing Infrastructure & Facilities Assessment components and the Final Assessment (Appendix A to the Strategic Business Plan). SBPAC Meeting 2 Summary Memo.*

TASK 5. FINANCIAL CONDITIONS ASSESSMENT (APPENDIX B)

LWC and the Team will draw from existing SMHD reports and findings from the Existing Infrastructure and Facilities Assessment, discussions with SMHD and the SBPAC, site visits, public meetings and interviews to develop a comprehensive Financial Conditions Assessment. The Assessment will cover the current financial conditions of the Harbor District; the economic context in which the District operates and the fiscal implications on revenue, expenditures and debt retirement; and the economic impacts generated on the local and regional economy, with a particular focus on Pillar Point.

5.1 Economic & Market Trends Analysis

LWC will identify current economic conditions and market trends impacting District activities and finances to inform projections for District operations into the future. The Analysis will cover trends impacting costs and revenues, including historic rents and lease rates, labor, and financing costs.

5.2 Harbor & Marina Business Demand Analysis & Forecast

LWC will analyze and forecast future market demands specific to Harbor and Marina businesses and prepare the Harbor and Marina Business Demand Analysis & Forecast. The Analysis will include an assessment of regional harbors and their services, and where the District may capitalize on unmet market demands. The analysis will cover the needs of local vessels, visiting boaters (slip sizes and types, dry storage, and other infrastructure), marine and coastal recreation opportunities (marine eco tourism, sailing, stand-up paddle boarding), visitor serving retail, the sale of fresh fish and opportunities with marine related education.

5.3 Revenue Enhancement Plan

LWC will build on the Analyses above and develop strategies, methods, and opportunities for increasing and diversifying District revenues through compatible coastal-dependent or marine-related development and prepare a Revenue Enhancement Plan. The plan will also present strategies to reduce operational expenditures and improve the Districts bottom line. The Plan will account for environmental and climate change-related limitations on spatial development and constraints on traditional rates and fees related to revenue generation. The Plan will also identify potential grant and cost-share funding sources available to cover costs, or partial costs of work items proposed in the Capital Facilities and Strategic Business Plan.

5.4 Harbor District Fiscal Analysis & Debt Retirement Plan

LWC will analyze District revenues and expenditures and update the 2001 District business plan for retirement of outstanding loan balance and debt service to the California Department of Boating and Waterways (DBW), including debt service and current status; determination of adequate reserves for remaining debt service; schedule for payoff of outstanding balance; historic and projected revenue; possibilities for new DBW facilities loans, for example, for docks and sea level rise adaptations.

5.5 Employment Impact Analysis

LWC will prepare an Employment Analysis. Through interviews with the SBPAC, key stakeholders, SMHD staff, and site visits, LWC will estimate the number and types of jobs generated by the SMHD. Analysis of employment will focus on HD staff, employment generated by visitor serving businesses, as well as an analysis of jobs created by the commercial fishing industry (to be coordinated with the Sustainable Fisheries Business Plan, Task 7). Additional work on SMHD employment-generated impacts to the regional economy, and tax implications can be conducted as an optional task at the SMHD discretion.

5.6 SBPAC Meeting 3 - Review Harbor District Financial Conditions Assessment

LWC and the Consultant Team will prepare for and facilitate the third SBPAC meeting, provide a project update and present and discuss the findings of the Harbor District Financial Conditions Assessment. As identified in the Public Outreach Strategy (Task 2), the Consultant Team will distribute and review the draft Assessment with the SBPAC.

5.7 Prepare Final Financial Conditions Assessment Document

LWC and the Consultant Team will review and address SBPAC and SMHD comments and prepare the Final Harbor District Financial Conditions Assessment Document. The document will be prepared as a stand-alone, technical appendix to the Final Strategic Business Plan.

5.8: Board of Harbor Commissioners Presentation 2 – Project Update

LWC will prepare for and attend one (1) Board of Harbor Commissioners meeting to update the BoHC on project progress to date.

Optional Task: County Board of Supervisors Presentation

If desired by SMHD, LWC will prepare for and attend one (1) County Board of Supervisors (BoS) Meeting to update the BoS on project progress to date.

Deliverables: *Draft Existing Financial Conditions Assessment components and Final Assessment (Appendix B to the Strategic Business Plan). SBPAC Meeting 3 Summary Memo.*

TASK 6. PUBLIC OUTREACH EVENT 3 – EXISTING CONDITIONS PRESENTATION

LWC and the Consultant Team will prepare for and facilitate a public meeting at which Consultant Team members will present, via a concise PowerPoint presentation, the findings of the Harbor District Existing Infrastructure & Facilities Assessment and Financial Conditions Assessment and gather community input on next steps. LWC will work with SMHD Project Managers and the SBPAC to develop a meeting announcement (flyer) and PowerPoint presentation. The Consultant team will rely on the SMHD to procure the venue and broadcast the meeting details (through leaseholder email database, on SMHD website, physical posting on message boards at the harbor facilities). LWC will post the announcement/flyer and “message” on the meeting on the Facebook page (if one is chosen). LWC will develop a one-page memo on the highest priority findings from the meeting.

Deliverables: *Public Outreach Event 3 presentation materials and Summary Memo.*

TASK 7. SUSTAINABLE FISHERIES BUSINESS PLAN FOR PILLAR POINT HARBOR

Pillar Point Harbor is one of the top 10 performing ports in California’s \$205 million commercial fishing industry, a generator of employment and fresh, sustainable seafood. Commercial fishing is also part of a rich cultural heritage and a foundation of the community’s identity. As such, a Sustainable Fisheries Business Plan aimed at assessing the performance of the commercial fishing industry at Pillar Point Harbor is included. The intent of the Plan is to develop a baseline of economic, social and environmental performance indicators against which industry participants and SMHD Project Managers can measure the efficacy of changes to physical facilities, number and types of businesses on Johnson Pier, changes in the market (consumer demand and promotional strategies), and shifts in regulation. The Plan will enable the fishing industry to better anticipate change and adapt to develop the most effective strategies for long-term performance and growth. The Plan will strive to improve efficiencies on Johnson Pier, support the working

waterfront and its fishermen and local fishing industry businesses, and take advantage of increasing consumer interest and demand for local seafood.

This plan will focus on the diverse range of commercial fisheries targeted in Pillar Point, industry-related infrastructure needs, constraints on operations, marketing strategies, sustainable fishery management approaches, and assessment of harbor management, facilities maintenance and financial needs versus industry costs and operational concerns for fishermen, Harbor District lessees and other industry participants.

7.1 Fishing Industry Stakeholder Interviews

LWC will conduct (25-30) interviews with as many commercial fishermen (of all gear types and fisheries) as possible, as well as vessel owners, offloading/fish buyer business owners, fuel and ice facility operator and other stakeholders in the commercial fishing industry to obtain an insider's view on what is working well in Pillar Point Harbor, what is not, and what might be done. LWC will conduct interviews with commercial fishing industry stakeholders as an extension of the formal stakeholder interview process as identified in the Public Outreach Strategy (Task 2), during site visits and where necessary via phone.

7.2 Sustainable Fisheries Analysis

LWC will conduct a triple-bottom line analysis that includes economic indicators such as overall landings and earnings, performance by species, price per pound, number of commercial fishing trips, as well as assess the performance of commercial fishing businesses on Johnson Pier, social indicators such as the Pillar Point Harbor fishermen's ability to self organize, leadership structure, relationships among participants of the industry and with the greater community and identify opportunities and constraints, and finally, the environmental setting and performance of the commercial fishing industry, by the amount and type of regulation it faces and include case study assessments (of the health of California fish stocks) by leading fishery scientists and finally, a brief assessment of species that are showing signs of recovery as a result of regulation.

7.3 Sustainable Working Waterfront Analysis

LWC will briefly summarize other sources of revenue and tourism generation from businesses other than commercial fishing in the Harbor District purview. These may include eco tourism (kayak rentals), recreational fishing, and commercial passenger fishing vessel (CPFV) operations.

7.4 Marketing & Outreach Strategies

LWC will assess the strengths and weaknesses of the commercial fishing industry in Pillar Point and its connection with local and regional consumer and wholesale markets. LWC will provide a list of possible strategies to better promote commercial fishing. Recommendations (discussed in Task 7.6) may include the development of a port-wide marketing plan (for all species), development of a Pillar Point brand, better use of social media and on line tools such as FishLine, additional signage at the harbor, and/or the formation of a community supported fishery (CSF), among others.

7.5 Management & Operational Strategies

LWC will review the rent and wharfage structure on Johnson Pier and provide examples or case studies of rent and wharfage of five similar California ports for

guidance on what approach may be the most amenable to the HD and the fishing community.

7.6 Recommendations

LWC will provide a list of approximately 10 of the highest priority items in which the commercial fishing industry and the SMHD should engage in to bring greater performance and sustainability. Recommendations may draw from findings in the Capital Facility Plan (Task 8). For example, recommendations may include repair, replacement or expansion of physical infrastructure as they may contribute to increased capacity for landings, earnings or increases in activity of a particular species. Recommendations may also include adjustment of rent and wharfage agreements or performance –based approaches aimed at an acceptable return for the SMHD while maintaining affordability for commercial fishing businesses.

7.7 SBPAC Meeting 4 - Review Sustainable Fisheries Business Plan

LWC and the Consultant Team will prepare for and facilitate the fourth SBPAC meeting, provide a project update and present and discuss the findings of the Sustainable Fisheries Business Plan. As identified in the Public Outreach Strategy (Task 2), the Consultant Team will distribute and review the draft Plan with the SBPAC.

7.8 Prepare Final Sustainable Fisheries Business Plan Document

LWC and the Consultant Team will review and address SBPAC and SMHD comments and prepare the Final Sustainable Fisheries Business Plan. The Sustainable Fisheries Business Plan will be presented as a section in the Strategic Business Plan.

Deliverables: *Draft Sustainable Fisheries Business Plan sections and Final Sustainable Fisheries Business Plan (section within the Strategic Business Plan). SBPAC Meeting 4 Summary Memo.*

TASK 8. CAPITAL FACILITIES PLAN

The Consultant Team, led by Moffatt & Nichol (M&N), will prepare the Capital Facilities Plan (CFP) to act as a companion document to the Strategic Business Plan. Nelson\Nygaard will play an important role on the CFP and work closely with M&N in their assessment and recommendations on physical traffic and parking-related facilities.

The CFP will rely on findings from Task 4 - Existing Infrastructure & Facilities Assessment, as well as the market trends, demand forecasts, and fiscal analyses conducted in Task 5 - Harbor District Financial Conditions Assessment, and will include a survey of marine infrastructure and facility construction, expansion or renovation needed to accommodate increased occupancy or operational changes necessary to achieve the District's long term fiscal and environmental goals.

The CFP will draw on the experience of Moffatt & Nichol to address scientifically accepted sea level rise (SLR) projections with respect to types, location, design, planning and construction timelines and regulatory parameters for various

harbor and marina facilities. M&N will identify the range of sea level rise and implications of higher water levels (inundation, larger overturning moments and forces) which will include the local and eustatic sea levels added to extreme high water elevations due to tides, surges, tsunamis etc. These will be used to develop the sea level trends at Pillar Point and Oyster Point to evaluate coastal flooding potential.

These levels and the risk levels will be incorporated into the design criteria described in the tasks below. M&N will use risk-based, probabilistic methods for the two harbors to perform project life-cycle analysis and risk assessment to estimate appropriate sea level rise allowances and adaptation methods to mitigate the effects and associated risk to the facilities and operations.

The CFP will be will be organized into three major sections: 1) Approaches, standards and considerations applicable district-wide, 2) Infrastructure and facility improvements specific to Pillar Point, and 3) Infrastructure and facilities improvements specific to Oyster Point, and is reflected in the Tasks below.

8.1 CPF Draft Section 1 - District Wide

The Consultant Team will prepare the Draft District-Wide Capital Facilities Plan section. This section will provide design criteria and guidance on basic service levels (circulation, parking, public amenities etc.) to meet the needs of all District users; identify and prioritize infrastructure and facilities improvements projects; and provide cost estimates for each and make recommendations regarding the allocation of resources across the District.

8.2 CPF Draft Section 2 - Pillar Point

The Consultant Team will prepare the Draft Pillar Point Capital Facilities Plan section. This section will provide design criteria (including addressing SLR), provide guidance on basic service levels required to meet the needs of Pillar Point users, and identify infrastructure and facilities improvements projects to support long term viability of the Harbor, the restoration of indigenous marine life and improved water quality and circulation, as well as provide input on the potential establishment of a Coast Guard Station at Pillar Point. This section will also prioritize specific projects, provide cost estimates for each, and make recommendations regarding the allocation of resources for Pillar Point Harbor.

8.3 CPF Draft Section 3 - Oyster Point Marina / Park

The Consultant Team will prepare the Draft Oyster Point Marina / Park Capital Facilities Plan section. This section will provide design criteria (including addressing SLR), provide guidance on basic service levels required to meet the needs of Oyster Point Marina / Park users, and identify and prioritize infrastructure and facilities improvements projects to support long term viability of the Marina and the restoration of indigenous marine life and improved water quality and circulation. This section will also prioritize specific projects, provide cost estimates for each, and make recommendations regarding the allocation of resources for Oyster Point Marina / Park.

8.4 SBPAC Meeting 5 - Review Capital Facilities Plan

LWC and the Consultant Team will prepare for and facilitate the fifth SBPAC meeting, provide a project update and present and discuss the Capital Facilities Plan. As identified in the Public Outreach Strategy (Task 2), the Consultant Team

will distribute the draft Capital Facilities Plan to the SBPAC and the SMHD for review and comment.

8.5 Prepare Final Capital Facilities Plan Document

LWC and the Consultant Team will review and address SBPAC and SMHD comments and prepare the Final Capital Facilities Plan. The CFP will be prepared as a stand-alone document and its findings will be incorporated into the final Strategic Business Plan.

Deliverables: *Draft Capital Facilities Plan Sections and Final Capital Facilities Plan (findings to be incorporated into the Strategic Business Plan). SBPAC Meeting 5 Summary Memo.*

TASK 9. DRAFT STRATEGIC BUSINESS PLAN

LWC and the Consultant Team will prepare the draft Strategic Business Plan (SBP) that incorporates the Capital Facilities Plan, the Sustainable Fisheries Business Plan, and other technical appendices prepared as part of this project. The Plan will be of professional appearance and include graphs, charts and images to complement the narrative. Per the RFP, the SBP will be structured and drafted around three major sections: 1) Strategic planning considerations applicable to the District as a whole, 2) Considerations specific to Pillar Point, and 3) Considerations specific to Oyster Point, and is reflected in the tasks below. The SBP will also include a section on consistency with federal, state and local plans and regulations.

9.1 Develop Preliminary Strategic Business Plan Outline & Style Guide

LWC will work with the Consultant Team to prepare an outline of the Strategic Business Plan, including the overall structure and placement of technical appendices, font, margins, spacing, headers and footers, placement of photos, protocol for graphs, tables and charts and other images as well as a draft Table of Contents. The development of the Style Guide will facilitate final document production, assure clear, consistent and attractive reports and bring greater efficiency to the project.

9.2 SBP Admin Draft Section 1 - District Wide Strategic Planning

LWC and the Consultant Team will prepare the Administrative Draft District-Wide section of the SBC, which will include an overview of the planning process, and the overarching community values, vision & mission obtained through the public outreach process. This section will also cover a general discussion of District activities and expansion opportunities, including potential operational or managerial roles involving cooperation with other harbors and marinas within the County; district-wide emergency management and protocol; educational opportunities with joint marine-related educational activities for school children and adults with federal, state, County and other local agencies and educational institutions; District revenue enhancement opportunities and constraints, including expenditure reductions, business diversification and grant and cost-share funding sources; debt retirement strategies; and the prioritization of capital facilities improvements across the District.

9.3 SBP Admin Draft Section 2 – Pillar Point Harbor Strategic Planning

LWC and the Consultant Team will prepare the Administrative Draft Pillar Point section of the SBC, which will focus on plan objectives specific to Pillar Point Harbor, and includes: environmental restoration opportunities for indigenous species and water circulation and quality; the establishment of a US Coast Guard presence and how they may complement the District’s current search and rescue activities; recommendations from the Sustainable Fisheries Business Plan; and plans for capital facilities improvements at Pillar Point.

9.4 SBP Admin Draft Section 3 –Oyster Point Marina/Park Strategic Planning

LWC and the Consultant Team will prepare the Administrative Draft Oyster Point Marina/Park section of the SBC, focusing on strategic plan objectives specific to Oyster Point, and includes: Environmental restoration opportunities for indigenous species and water circulation and quality; WETA and waterborne emergency preparedness and response concerns in San Francisco Bay; District management and outlook for the current Joint Powers Agreement; and plans for capital facilities improvements at Oyster Point.

9.5 SBP Admin Draft Section 4 - Consistency with Federal, State & Local Plans & Regulations

LWC and the Consultant Team will prepare the Administrative Draft section of the SBP concerning consistency with federal, state & local plans & regulations, including the San Francisco Bay Plan, the County Local Coastal Program, and plans for the cities of South San Francisco and Half Moon Bay.

9.6 SBPAC Meeting 6 - Review Draft Strategic Business Plan

LWC and the Consultant Team will present and discuss the Administrative Draft Strategic Business Plan to the SBPAC. As identified in the Public Outreach Strategy (Task 2), the Consultant Team will distribute the Admin Draft SBP to the SBPAC and the SMHD for review and comment.

9.7 Prepare Strategic Business Plan Public Review Draft

LWC and the Consultant Team will review and address SBPAC and SMHD comments and prepare the Strategic Business Plan Public Review Draft.

Deliverables: *Draft Outline and Style Guide. Administrative Draft Strategic Plan Sections. Public Review Draft Strategic Business Plan. SBPAC Meeting 6 Summary Memo.*

TASK 10. PREPARE SUMMARY STRATEGIC BUSINESS PLAN DOCUMENT

LWC and the Consultant Team will summarize the Strategic Business Plan into a concise, visually appealing document for public distribution. The Summary SBP will present the community’s vision, project mission, SBP elements and goal priorities, key findings, and approach to implementation.

Deliverables: *Summary Strategic Plan*

TASK 11. PUBLIC OUTREACH EVENT 4 – PUBLIC REVIEW DRAFT

LWC and the Consultant Team will prepare for and facilitate Public Outreach Event 4 at which Consultant Team members will present, via a concise PowerPoint presentation, the Public Review Draft of the Strategic Business Plan. LWC will work with SMHD Project Managers and the SBPAC to develop a meeting announcement (flyer) and concise PowerPoint presentation. The Consultant team will rely on the SMHD to procure the venue and broadcast the meeting details (through leaseholder email database, on SMHD website, physical posting on message boards at the harbor facilities). LWC will post the announcement/flyer and “message” on the meeting on the Facebook page (if one is chosen). LWC will develop a one-page memo on the highest priority findings from the meeting.

Deliverables: *Public Outreach Event 4 presentation materials and Summary Memo.*

TASK 12. FINAL STRATEGIC PLAN & ADOPTION

12.1 Board of Harbor (BoHC) Commissioners Presentation

LWC will prepare for and attend one (1) Board of Harbor Commissioners meeting to present, via a concise PowerPoint presentation, the Public Review Draft Strategic Business Plan for review and feedback. LWC will document comments received and review with SMHD.

OPTIONAL TASK: COUNTY BOARD OF SUPERVISORS (BOS) PRESENTATION

If desired by SMHD, LWC will prepare for and attend one (1) Board of Supervisors Meeting to present, via a concise PowerPoint presentation, the Public Review Draft Strategic Business Plan for review and feedback. LWC will document comments received and review with SMHD.

12.2 Prepare Final Strategic Business Plan

LWC and the Consultant Team will review and address Public, Board of Harbor Commission, and Board of Supervisors (if applicable) comments with the SMHD and prepare the Final Strategic Business Plan for adoption by the Harbor District.

12.3 Board of Harbor Commissioners Adoption

LWC will prepare for and attend one (1) Board of Harbor Commissioners Meeting to answer questions prior to SBP adoption.

OPTIONAL TASK: BOARD OF SUPERVISORS ADOPTION

LWC will prepare for and attend one (1) Board of Supervisors Meeting to answer questions prior to SBP adoption.

Deliverables: *Attendance and presentation materials to one (1) BoHC meeting to present key findings and the Public Review Draft Strategic Business Plan. Final, Complete Strategic Business Plan Document, including technical appendices. Optional attendance at on (1) BoS meeting to present and one (1) BoS meeting for plan adoption.*

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PROJECT SCHEDULE

San Mateo Harbor District Strategic Business Plan		2014											2015								
Task	Description	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	
1	Project Kickoff Meeting & Initiation	█	█	█	●	Project Mgmt. Plan															
2	Public Outreach Strategy & Initial Outreach			█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	
3	Public Outreach Events 1 & 2				█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	
4	Existing Infrastructure & Facilities Assessment			█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	
5	Financial Conditions Assessment			█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	
6	Public Outreach Event 3																				
7	Sustainable Fisheries Business Plan			█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	
8	Capital Facilities Plan																				
9	Draft Strategic Business Plan																				
10	Prepare Summary Strategic Business Plan																				
11	Public Outreach Event 4																				
12	Final Strategic Plan & Adoption																				

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COMMUNICATION PLAN & STYLE GUIDE

TEAM COMMUNICATION

All communications to the client should go through Henry Pontarelli, Menka Sethi or Brian Harrington at LWC. LWC will contact the client and organize further communications between the sub consultants, as appropriate. All conversations involving outside parties (media, public stakeholders, etc.) is to go through LWC. Project information should be considered sensitive, and handled accordingly.

The project managers (Henry Pontarelli and Menka Sethi at LWC) should be included on all e-mails between sub consultants.

The short hand acronym for the San Mateo Harbor District Strategic Business Plan is SMHD. Please include 'SMHD' in the subject heading of all email correspondence to help LWC and the team differentiate from other projects.

FILE SHARING - DROPBOX

LWC has set up a shared file on Dropbox for use by the Consultant Team. Subconsultants may use an existing dropbox account or create a new account with Dropbox. LWC will then invite users to join a shared dropbox folder titled "San Mateo Harbor District SBP." Please post any relevant background information, photographs, and other files that may be useful to other team members over the course of the project. LWC will maintain the folder with current information, meeting agendas and notes, and draft deliverables.

FILE NAMING

Please name all files communicated externally to LWC and the project team based on the following outline:

SMHD_SUBCONSULTANT_FILE DESCRIPTION_DATE

For example, a preliminary traffic diagram produced by Nelson\Nygaard on May 21st should be named:

SMHD_NN_Prelim Traffic Diagram_052114

DELIVERABLES

All deliverables should be submitted to LWC in Microsoft Word format (or InDesign if agreed to beforehand), with supporting images and graphics attached as separate files, unless otherwise instructed.

STYLE GUIDE

NUMBERS

Numbers will be expressed as words from one to nine, and in numeric form for 10 or more. The convention of repeating numbers in both word and numeric form [i.e., “fifty (50)"] will not be used.

Numbers will be written out when they start a sentence.

Percentages will be expressed using the % character only in tables and graphics. The word “percent” will be used in text.

LISTS

Lists shall use semicolons (;) between listed items as shown below:

1. Text text;
2. Text text; and (and/or) (or)
3. End of text.

Lists within the text shall use a comma between every item (e.g., “setbacks, building types, and frontages” rather than “setbacks, building types and frontages”).

CAPITALIZATION

In addition to normal capitalization conventions (proper names, etc.), the following will be capitalized:

- Names of City bodies and officials (e.g., City Council, Planning Commission, etc.);
- Permit types (e.g., Use Permit, Variance, etc.);
- Specific zones, building types, frontage types, etc. (e.g. High Density Residential; Mixed-Use Building Type, etc.), but not when referring to a general group (e.g., residential zones, commercial frontage types, etc.); and
- “City” when specifically referring to the City of Merced.
- “Downtown” when followed by “Merced.”

REFERENCES, CITATIONS

A list of references formatted in APA style should be included with all submittals.

Provisions of State law will be referenced by the name of the applicable State code and section number(s). The “§” symbol will be used instead of “Section” (e.g. Subdivision Map Act § 66749).

Following proper legal protocol, legal cases shall be cited in italics, as follows: *City of Los Angeles v. Alameda Books, Inc.*, 535 U.S. 425 (2002).

TEAM CONTACT INFORMATION

CLIENT		
SAN MATEO HARBOR DISTRICT	400 Oyster Point Blvd., South San Francisco, CA 90480	650.583.4400
Peter Grenell	pgrenell@smharbor.com	650.583.4400
Scott Grindy	sgrindy@smharbor.com	650.583.4400
		650.583.4400
LEAD CONSULTANT PROJECT MANAGEMENT, QUALITY CONTROL		
LISA WISE CONSULTING	983 Osos Street, San Luis Obispo, CA 93401	805.595.1345
Henry Pontarelli, Vice President	henry@lisawiseconsulting.com	805.595.1345
Menka Sethi, Senior Associate, Project Mana	menka@lisawiseconsulting.com	805.595.1345
Brian Harrington, Associate	brian@lisawiseconsulting.com	805.595.1345
Becky Singh, Marketing, Administration	becky@lisawiseconsulting.com	805.595.1345
SUB CONSULTANT ENGINEERING		
MOFFATT & NICHOL ENGINEERING	1300 Clay Street, Suite 550, Oakland, CA 94612	510.645.1238
Brad Porter	bporter@moffattnichol.com	925.944.5411
Erica Peterson	epetersen@moffattnichol.com	510.645.1238
Dilip Trivedi	dtrivedi@moffattnichol.com	510.645.1238
SUB CONSULTANT CIRCULATION		
NELSON \ NYGAARD	116 New Montgomery St. Ste 500 San Francisco, CA 94105	415.281.6946
Patrick Siegman	psiegman@nelsonnygaard.com	415.281.6946
Cathleen Sullivan	csullivan@nelsonnygaard.com	415.281.6946
SUB CONSULTANT ENVIRONMENTAL		
TENERA ENVIRONMENTAL	141 Suburban Rd., Ste. A2 San Luis Obispo, CA 93401	805.541.0310
Scott Kimura	skimura@tenera.com	805.541.0310
John Stienbeck	jsteinbeck@tenera.com	805.541.0310
Daniel Dugan	ddugan@tenera.com	805.541.0310

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DATA REQUEST LIST

DOCUMENTS IN POSSESSION

- Local Coastal Programs for San Mateo County and the cities of South San Francisco and Half Moon Bay
- General Plans for San Mateo County and the cities of South San Francisco and Half Moon Bay
- 2011 Oyster Point Specific Plan and EIR
- Pillar Point Harbor Vessel Haul-Out Facility Demand Assessment and Financial Feasibility Analysis, Dornbusch 2007
- SMHD Business Plan - Repayment of Department of Boating and Waterways Debt
- Dredging Reports, Maps, and Historical Information
- Pillar Point Master Plan and Urban Waterfront Restoration Plan
- The San Francisco Bay Plan and other relevant Coastal Commission planning documents
- Commercial Fishing Economic Impacts, 2013, LWC
- San Mateo County Comprehensive Bicycle and Pedestrian Plan
- 2012 San Bruno / South San Francisco Community-Based Transportation Plan
- Half Moon Bay Roadway Level of Service Analysis
- Highway 1 Safety and Mobility Improvement Study
- Princeton Planning Update Community Visioning Report
- Various parcel maps
- Published SMHD Budgets

ADDITIONAL DOCUMENTS/INFORMATION REQUESTED

- Princeton Planning Existing Conditions Report and any other relevant documents available
- 1996 Army Corps of Engineers Channel Reconnaissance Study
- Dornbusch Romeo Pier Feasibility Study
- Any documents/information related to Mavericks (West) Trail maintenance and/or repairs
- Any contact information for potential Strategic Business Plan Advisory Committee members, including stakeholders on Johnson Pier (commercial fishermen, commercial fish buyers, and related business owners), harbor and marina tenants as well as community groups, elected officials, civic leaders, and/or business owners, representatives from the City of South San Francisco, business owners and marina users in Oyster Point, representatives from the WETA, as well as tenants, fishermen, live-aboards, and others
- Facilities Condition Survey (soon to be completed, and which you will be able to incorporate into your capital facilities plan)
- SMHD draft budget outlook for FY 2014-15 and any other relevant budget documents not published online
- TIGER grant application materials (PPH fishing/J-pier-related circulation improvements)
- Commercial fisheries-related projects related to lease fees (underway)
- EIR/EIS documents for any of the developments at Oyster Point and/or Pillar Point that include natural resource descriptions (e.g. the 'new' ferry service at Oyster Point Marina), including eelgrass surveys associated with dredge projects and any other natural resource descriptions/documents.

INVOICES

TIMING

Invoices from each subconsultant, including all supporting documentation, are due to LWC by the first of each month. Any invoices received after the first will be included in the billing for the following month. LWC will consolidate all subconsultant invoices and prepare a single monthly invoice to the San Mateo Harbor District by the 10th of each month.

INVOICE REQUIREMENTS

Invoices submitted to LWC must include the following, per State Coastal Conservancy Guidelines:

1. Summary of Tasks in progress or completed during the billing period
2. Billing breakdown by task
3. Staff hours by task (see Sample Invoice Materials B.)
4. Applicable Reimbursements need to be allocated by Task, and receipts sent to Prime (refer to Sample Invoice Materials D for reimbursement guidelines).

SAMPLE INVOICE MATERIALS

- A. Invoice template
- B. Invoice template, breakdown
- C. Disbursement Form (Prime only)
- D. State Coastal Conservancy Reimbursement Guidelines

A. SAMPLE INVOICE

lisa wise consulting, inc.

088 Dugg Street
 SAN LUIS OBISPO, CA 95401
 T: 805-606-1846
 F: 805-606-1878
lisa@lisawiseconsulting.com

Invoice

Tim Duff, Project Manager
 State Coastal Conservancy
 1330 Broadway, 13th Floor
 Oakland, CA 94612-2530

DATE
 11/13/2013

INVOICE
 1771

PROJECT

PROFESSIONAL SERVICES THROUGH

Port San Luis Harbor Terrace Campground (Contract No. 13-028)

October 14, 2013

Description	% of Task Complete	Balance	Billed to Date	Current Billing
Task 1 – Project Initiation	0%	\$ 56,777	\$ -	\$ 4,453.75
Task 2 – Conceptual Design Level Site Plan	0%	\$ 56,363	\$ -	\$ -
Task 3 – Pre-Application Meeting	0%	\$ 6,011	\$ -	\$ -
Task 4 – Technical Investigations	0%	\$ 62,612	\$ -	\$ -
Task 5 – Preferred Concept Development	0%	\$ 67,228	\$ -	\$ -
Task 6 – CEQA Compliance - Initial Study	0%	\$ 5,161	\$ -	\$ -
Task 7 – Coastal Development Permit Application	0%	\$ 12,345	\$ -	\$ -
Task 8 – CEQA Compliance - Focused EIR	0%	\$ 50,943	\$ -	\$ -
Task 9 – Community Outreach	0%	\$ 14,160	\$ -	\$ -
Task 10 – Site Layout Plan Refinement	0%	\$ 29,517	\$ -	\$ -
Task 11 – Regulatory Permitting	0%	\$ 32,922	\$ -	\$ -
Total	1%	\$ 386,299	\$ -	\$ 4,453.75

B. SAMPLE INVOICE BREAKDOWN

lisa wise consulting, inc.

983 Deane Street
 San Luis Obispo, CA 93401
 T: 800-890-1340
 F: 800-890-1978
 lisa@lisawiseconsulting.com

Invoice Breakdown

DATE		INVOICE	
11/13/2013		1759	
PROJECT		PROFESSIONAL SERVICES THROUGH	
Port San Luis Harbor Terrace Campground (Contract No. 13-026)		October 31, 2013	
		<u>LWC</u>	
<u>Individual</u>	<u>Task</u>	<u>Hrs</u>	<u>Dollar Amount</u>
Wise, President	Task 1	8.00	\$ 1,200.00
Sethi, Sr. Assoc.	Task 1	16.25	\$ 1,753.75
Harrington, Assoc.	Task 1	20.00	\$ 1,700.00
TOTAL			\$ <u>4,653.75</u>



AGREEMENT FOR PROFESSIONAL SERVICES

This Agreement is made and entered into as of the 4th day of April, 2014 by and between the San Mateo County Harbor District hereinafter called "SMCHD" and Lisa Wise Consulting, Inc., hereinafter called "CONSULTANT".

RECITALS

This Agreement is entered into with reference to the following facts and circumstances:

- A. That SMCHD desires to engage CONSULTANT to render certain professional services to SMCHD;
- B. That CONSULTANT is qualified to provide such services to SMCHD and;
- C. That SMCHD has elected to engage the services of CONSULTANT upon the terms and conditions as hereinafter set forth.

1. Services. The services to be performed by CONSULTANT under this Agreement shall include those services set forth in Exhibit A, which is, by this reference, incorporated herein and made a part hereof as though it were fully set forth herein.

Performance of the work specified in said Exhibit A is hereby made an obligation of CONSULTANT under this Agreement, subject to any changes that may be made subsequently hereto upon the mutual written agreement of the said parties.

Where in conflict, the terms of this Agreement supersede and prevail over any terms set forth in Exhibit A.

2. Term; Termination. (a) The term of this Agreement shall commence upon the date hereinabove written and shall expire upon completion of performance of services hereunder by CONSULTANT.

(b) Notwithstanding the provisions of (a) above, either party may terminate this Agreement without cause by giving written notice not less than ten (10) days prior to the effective date of termination, which date shall be included in said notice. In the event of such termination, SMCHD shall compensate CONSULTANT for services rendered, and reimburse CONSULTANT for costs and expenses incurred, to the date of termination, calculated in accordance with the provisions of paragraph 3. In ascertaining the services actually rendered to the date of termination, consideration shall be given both to completed work and work in process of completion. Nothing herein contained shall be deemed a limitation upon

7. Reliance on Professional Skill of CONSULTANT. CONSULTANT represents that it has the necessary professional skills to perform the services required and SMCHD shall rely on such skills of the CONSULTANT to do and perform the work. In performing services hereunder CONSULTANT shall adhere to industry standards generally prevailing for the performance of consulting services similar to those to be performed by CONSULTANT hereunder.
8. Documents. All documents, plans, drawings, renderings, and other papers, or copies thereof, as finally rendered, prepared by CONSULTANT pursuant to the terms of this Agreement, shall, upon preparation and delivery to SMCHD, become the property of SMCHD. The SMCHD however, agrees to allow the Consultant to use these materials for marketing.
9. Relationship of Parties. It is understood that the relationship of CONSULTANT to the SMCHD is that of an independent contractor and all persons working for or under the direction of CONSULTANT are its agents or employees and not agents or employees of SMCHD.
10. Schedule. CONSULTANT shall adhere to the schedule set forth in Exhibit A; provided, that SMCHD shall grant reasonable extensions of time for the performance of such services occasioned by governmental reviews of CONSULTANT's work product or other unavoidable delays; provided, further, that such unavoidable delay shall not include strikes, lockouts, work stoppages, or other labor disturbances conducted by, or on behalf of, CONSULTANT's officers or employees.

CONSULTANT acknowledges the importance to SMCHD of SMCHD's Project schedule and agrees to put forth its best professional efforts to perform its services under this Agreement in a manner consistent with that schedule.

11. Indemnity. CONSULTANT 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 CONSULTANT, its officers, employees or agents in the performance of any services or work pursuant to this Agreement.

The duty of CONSULTANT to indemnify and save harmless, as set forth herein, shall include the duty to defend as set forth in Section 2778 of the

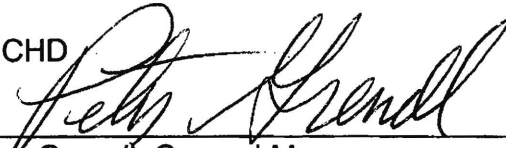
- (a) Precluding cancellation or reduction in per occurrence limits before the expiration of thirty (30) days (10 days for nonpayment) after City shall have received written notification of cancellation in coverage or reduction in per occurrence limits by first class mail;
 - (b) Naming SMCHD, its governing board, officers, commissions, employees, and agents, as additional insureds; and
 - (c) Providing that CONSULTANT's insurance coverage shall be primary insurance with respect to SMCHD, its governing board, officers, commissions, employees, and agents, and any insurance or self-insurance maintained by SMCHD for itself, its governing board, officers, commissions, employees, or agents shall be in excess of CONSULTANT's insurance and not contributory with it.
13. WORKERS' COMPENSATION. CONSULTANT certifies that he is aware of the provisions of the Labor Code of the State of California which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that Code, and CONSULTANT certifies that he will comply with such provisions before commencing the performance of the work of this agreement.
14. NON-DISCRIMINATION. The CONSULTANT will not discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin. The CONSULTANT will take affirmative action to insure that applicants are employed and the employees are treated during employment without regard to their race, color, religion, sex or national origin. Such action shall include, but not be limited to the following: employment, advancement, demotion, transfer, recruitment, or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. The CONSULTANT shall at all times be in compliance with the requirements of the Federal Americans With Disabilities Act (Public Law 101-336) which prohibits discrimination on the basis of disability by public entities. The CONSULTANT agrees to post in conspicuous places available to employees and applicants for employment any notices provided by the SMCHD setting forth the provisions of this non-discrimination clause.
15. Notice. All notices required by this Agreement shall be given to the SMCHD and CONSULTANT in writing, by first class mail, postage prepaid, deemed received three (3) days after post mark and addressed as follows:

SMCHD: San Mateo County Harbor District
400 Oyster Point Boulevard, Suite 300

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed on the date first above written by their respective officers duly authorized in that behalf.

Dated: April 4, 2014

SMCHD


Peter Grenell, General Manager

Dated: 4/4/2014

APPROVED AS TO FORM


District Legal Counsel

Dated: 04/04/14

CONSULTANT


Henry Pontarelli, Vice President

EXHIBIT B
CONSULTANT'S FEE SCHEDULE

SEE ATTACHED

This INSURANCE COVERAGE FORM modifies or documents insurance provided under the following:

Named Insured: _____

Effective Work Date(s): _____

Description of Work/Locations/Vehicles: _____

ADDITIONAL INSURED: **San Mateo County Harbor District**
400 Oyster Point Boulevard, Suite 300, South San Francisco, CA 94080
Attention: Peter Grenell, General Manager

Endorsement and Certificates of Insurance Required The Additional Insured, its elected or appointed officers, officials, employees and volunteers are included as insureds with regard to damages and defense of claims arising from: (Check all that apply)	Insurer	Policy No.
<input type="checkbox"/> General Liability: (a) activities performed by or on behalf of the Named Insured, (b) products and completed operations of the Named Insured, (c) premises owned, leased occupied or used by the Named Insured, and/or (d) permits issued for operations performed by the Named Insured. (Note: MEETS OR EXCEEDS ISO Form # CG 20 10 11 85)		
<input type="checkbox"/> Auto Liability: the ownership, operation, maintenance, use, loading or unloading of any auto owned, leased, hired or borrowed by the Named Insured, regardless of whether liability is attributable to the Named Insured or a combination of the Named Insured and the Additional Insured, its elected or appointed officers, officials, employees or volunteers.		
<input type="checkbox"/> Other:		
Certificates of Insurance Required (no endorsement needed) (Check all that apply)	Insurer	Policy No.
<input type="checkbox"/> Workers Compensation: work performed by employees of the Named Insured while those employees are engaged in work under the simultaneous directions and control of the Named Insured and the Additional Insured.		
<input type="checkbox"/> Professional Liability:		

PRIMARY/NON-CONTRIBUTORY: This insurance is primary and is not additional to or contributing with any other insurance carried by or for the benefit of Additional Insureds.

SEVERABILITY OF INTEREST: The insurance afforded by this policy applies separately to each insured who is seeking coverage or against whom a claim is made or a suit is brought, except with respect to the insurer's limit of liability.

PROVISIONS REGARDING THE INSURED'S DUTIES AFTER ACCIDENT OR LOSS: Any failure to comply with reporting provisions of the policy shall not affect coverage provided to the Additional Insured, its elected or appointed officers, officials, employees, or volunteers.

CANCELLATION NOTICE. The insurance afforded by this policy shall not be suspended, voided, canceled, reduced in coverage or in limits except after thirty (30) days' prior written notice (ten (10) days if canceled due to non-payment) by regular mail return receipt requested has been given to the Additional Insured. Such notice shall be addressed as shown above.

WAIVER OF SUBROGATION: The insurer(s) named above agree to waive all rights of subrogation against the CITY/District, its elected or appointed officers, officials, agents, volunteers and employees for losses paid under the terms of this policy which arise from work performed by the Named Insured for the CITY/District.
 Nothing herein contained shall vary, alter or extend any provision or condition of the Policy other than as above stated.

SIGNATURE OF INSURER OR AUTHORIZED REPRESENTATIVE OF THE INSURER

I, _____ (print/type name), warrant that I have authority to bind the above-named insurance company and by my signature hereon do so bind this company.

 SIGNATURE OF AUTHORIZED REPRESENTATIVE (original signature required)

ORGANIZATION:

TITLE:

ADDRESS: _____

TELEPHONE: (_____) _____ DATE ISSUED: _____

EXHIBIT A

3. SCOPE OF WORK

TASK 1. PROJECT KICKOFF MEETING AND INITIATION

1.1 Project Kickoff Meeting

The Consultant Team will meet with San Mateo Harbor District Project Management Staff (SMHD) to initiate the project, review and refine the Scope of Work and Timeline, and discuss the project's overall goals and objectives.

1.2 Consultant Team Site Visits

The Consultant Team will attend site visits to Pillar Point and Oyster Point with the SMHD Project Management Team to review and document field conditions.

1.3 Identify Stakeholders for Strategic Business Plan Advisory Committee (SBPAC)

As part of the overall Public Outreach Strategy (outlined in Task 2), LWC proposes the formation of a Strategic Business Plan Advisory Committee to represent the position of key stakeholders, provide a central point of contact for the Consultant Team and to build consensus and community ownership of the project. LWC will coordinate with SMHD Project Managers to identify key stakeholders and/or stakeholder groups for participation on the Strategic Business Plan Harbor Advisory Committee (SBPAC). The Committee should be limited approximately 10 members and include a representative or representatives from the SMHD, stakeholders on Johnson Pier (commercial fishermen, commercial fish buyers, and related business owners), harbor and marina tenants as well as community groups, elected officials, civic leaders, and/or business owners. The SBPAC should also include representatives from the City of South San Francisco, business owners and marina users in Oyster Point and if possible, a representative from the WETA.



1.4 Data Gathering & Archival Review

LWC has obtained an extensive collection of background documents and will continue to gather such information throughout project. The Consultant Team will review archival information as it will play a foundational role in the background and existing conditions research and reporting, guide the development of priorities and final recommendations, and inform development of the Strategic Business Plan. These documents include but are not limited to:

- San Francisco Bay Plan
- Local Coastal Programs for San Mateo County and the cities of South San Francisco and Half Moon Bay
- General Plans for San Mateo County and the cities of South San Francisco and Half Moon Bay
- 2011 Oyster Point Specific Plan and EIR
- Pillar Point Harbor Vessel Haul-Out Facility Demand Assessment and Financial Feasibility Analysis
- SMHD Business Plan – Repayment of Department of Boating and Waterways Debt
- Dredging Reports, Maps, and Historical Information
- Pillar Point Master Plan and Urban Waterfront Restoration Plan
- The San Francisco Bay Plan and other relevant Coastal Commission planning documents
- Commercial Fishing Economic Impacts, 2013, LWC
- San Mateo County Comprehensive Bicycle and Pedestrian Plan
- 2012 San Bruno / South San Francisco Community-Based Transportation Plan
- Half Moon Bay Roadway Level of Service Analysis
- Highway 1 Safety and Mobility Improvement Study
- Draft documents from the Princeton Planning Update, as they apply
- Various parcel maps

LWC and the Consultant Team will work closely with SMHD Project Managers, the SBPAC and stakeholders to assure that relevant research is included in this list. Efforts on this task will be concentrated at the beginning of the project, but continue throughout.

1.5 Project Management Plan

The Consultant team will work with Project Managers to confirm and document the timing of draft deliverables, document review and final deliverables, invoicing requirements, and communication protocol. The Project Management Plan will serve as a working document and keep all parties informed of the progress of the project. The Consultant Team will

work with the SMHD and the SBPAC to revise components of the Plan throughout the project, when necessary.

Deliverables: *Draft Project Management Plan with Final Scope of Work, Timeline and Budget, and Data Request List. List of potential participants and contact information for SBPAC.*

TASK 2. PUBLIC OUTREACH STRATEGY & INITIAL OUTREACH

An effective Public Outreach Plan will encompass multiple and substantive opportunities for stakeholders to participate and contribute to the project. LWC anticipates four (4) Public Outreach Events and six (6) SBPAC meetings at key points throughout the project. An effective public outreach campaign will include one on one interviews, public meetings, site visits, the use of social media such as a project Facebook page or project website and/or a page on the SMHD website that informs the public of project progress, promotes opportunities for participation, and provides the opportunity to comment.

The Consultant Team anticipates up to three (3) presentations to the Board of Harbor Commissioners: 1) Introduction of the project, Consultant Team, definition of deliverables and approach, 2) Mid project progress update, and 3) Presentation of the Public Review Draft Strategic Business Plan. Two (2) presentations to the County Board of Supervisors and the attendance of one (1) BoS adoption hearing are presented as optional tasks.

Informal data gathering and updating stakeholders of progress will take place throughout the project. Structure and timing of the outreach tasks will be finalized with input of the SMHD and in the Public Outreach Plan (Task 2.1).

2.1 Public Outreach Plan

The Public Outreach Plan will document the approach and methods of the community engagement process, survey instrument, timing and location of meetings and interviews, and guide the Consultant Team and inform the SMHD and SBPAC on the public outreach effort.

2.2 Board of Harbor Commissioners Meeting 1 – Project & Team Introduction

LWC will prepare for and attend one (1) Board of Harbor Commissioners meeting to introduce the project, Consultant Team, definition of deliverables and approach.



3. SCOPE OF WORK

2.3 Contact Potential SBPAC Representatives, Confirm Participation

LWC will contact Key Stakeholders and Stakeholder Groups, by phone and email and where warranted in person, as identified in Task 1.3, to confirm their participation on the SBPAC. LWC will also confirm contact information, availability and schedule one-on-one interviews with SBPAC members (Task 2.4). Throughout the project, the Consultant Team will aim to capitalize on travel to meetings, site visits and interviews so they coincide with each other where possible.

2.4 SBPAC Meeting 1 – Project Introduction & Goals

LWC will prepare for and facilitate the initial SBPAC meeting. Objectives of the meeting will be to introduce the Consultant Team and project scope, timeline and budget, and review the Project Management Plan and draft survey instrument for the outreach effort.

2.5 SBPAC & Stakeholder Interviews

The Consultant Team proposes one-on-one interviews using a survey instrument designed to gain respondents’ perspective on the highest priority issues and possible solutions. LWC proposes the interviews with each member of the SBPAC and a day and a half of formal stakeholder interviews at each facility. In addition, throughout the project, the Consultant Team will spend several days at each facility conducting site visits and meeting with facility users at which time they will gather stakeholder input.

Deliverables: SBPAC Meeting 1 Summary Memo and Draft Community Priorities for Pillar Point and Oyster Point, Public Outreach Plan memo that includes description outreach methods timing and location of meetings, project website, social media page (Facebook) and/or collaborative strategy that engages the SMHD website.



The City of Morro Bay was awarded a National Fish and Wildlife Foundation grant to work closely with local fishing industry stakeholders and interested community members to assess the performance of the industry, build on past work, and develop strategies for economic, social, and environmental sustainability.

A kick off meeting will be held on January 7, from 6:30 pm - 7:30 pm, at the Morro Bay Veteran's Hall (209 Surf Street)

What:
City of Morro Bay Fishing Community Sustainability Plan Kick off Public Meeting

When:
Monday, January 7, 2013 6:30 PM - 7:30 PM

Where:
Morro Bay Veteran's Hall
209 Surf Street
Morro Bay, CA 93442
Phone: 805.722.6254



This first meeting is intended to inform the community of the goals of the project, identify opportunities for participation, and answer questions.

The public is invited and encouraged to attend.

If you have any questions, feel free to contact the City of Morro Bay Harbor Planning Dept. at 805.722.6254 or via Facebook at 805.722.6254. The meeting is open to all.



TASK 3. PUBLIC OUTREACH EVENTS 1 & 2 – COMMUNITY PRIORITIES FOR OYSTER POINT & PILLAR POINT

LWC will prepare for and facilitate Public Outreach Events 1 and 2, one (1) meeting in each community, to inform the public on project goals and objectives, identify opportunities for participation, and obtain feedback on community priorities. LWC will work with SMHD Project Managers and the SBPAC to develop a meeting announcement (flyer) and concise PowerPoint presentation. The Consultant team will rely on the SMHD to procure the venue and broadcast the meeting details (through leaseholder email database, on SMHD website, physical posting on message boards at the harbor facilities). LWC will post the

announcement/flyer and “message” on the meeting on the Facebook page (if one is chosen). LWC will develop a one-page memo on the highest priority findings from the meeting.

Deliverables: *Public Outreach Event 1 & 2 presentation materials, Summary Memo and Draft Community Priorities for Pillar Point and Oyster Point.*

TASK 4. EXISTING INFRASTRUCTURE & FACILITIES ASSESSMENT (APPENDIX A)

The Existing Infrastructure & Facilities Assessment will review and augment past facilities and infrastructure reports, and will become a baseline document in guiding the Capital Facilities Plan and Strategic Business Plan. The Assessment will include components described in the sub tasks below.

4.1 Sea Level Rise Best Practices

Moffatt & Nichol (M&N) will identify the range of sea level rise that are currently predicted by various entities for planning the impact to the facility on the open coast (Pillar Point) and within San Francisco Bay (Oyster Pt.) and under the jurisdiction of the California Coastal Commission and Bay Area Conservation and Development Commission, respectively. M&N will identify a strategy to best address the range of impacts to the two harbors based upon risk assessment.

4.2 Circulation & Parking Assessment

Nelson\Nygaard (N\N) will conduct an access, circulation and connectivity analysis of the Harbor District’s facilities. This will include analyzing and making recommendations regarding all modes of transportation, particularly vehicle access to Johnson Pier and compatibility issues between commercial and recreational activities. The recommendations will be designed to help achieve overall community goals for economic development, environmental protection, support of commercial activity and quality of life, such as:

- parking that is efficiently located and shared, in order to minimize parking construction costs
- ensuring the feasibility of desired types of development in the project area;
- providing effective and efficient connectivity and integration among all modes of transportation;
- maximizing ridership on public transit facilities and services, such as the Oyster Point ferry.



3. SCOPE OF WORK

Throughout this task, N\N will work closely with the project team to achieve two imperatives: making a great place, and enabling efficient movement by a variety of transportation modes. Finding creative solutions to resolve the tension and trade-offs between these sometimes conflicting objectives will be an essential part of this task.

OPTIONAL TASK: TRANSPORTATION & PARKING DATA COLLECTION

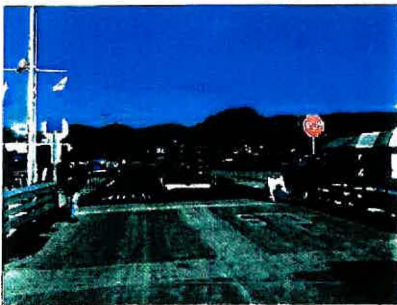
Since the need for new data collection may vary widely depending on: (a) the extent of development and change which may be desired at the Harbor District's facilities, (b) the extent of any existing problems (such as parking problems at peak hours), and (c) the amount of existing data available from existing Harbor District records and/or previous traffic studies for nearby developments, this optional task provides up to \$20,000 for parking and transportation data backspace collection. Depending on the particular needs identified during the course of study, this may include intersection turning movement and bicycle/pedestrian volume counts at relevant nearby intersections, 24-hour traffic volume counts on nearby street segments, parking supply and occupancy counts, and/or visitor surveys.

4.3 WETA & Emergency Preparedness

Drawing upon its expertise as ferry planners, including its work for WETA, Nelson\Nygaard will advise LWC on the ability of the Harbor District's facilities (particularly the Oyster Point ferry terminal) to provide support for disaster response activities in the event of natural disasters and other emergencies, such as a major earthquake.

4.4 Marine Infrastructure & Harbor Facilities Assessment

Moffatt & Nichol will perform a rapid visual assessment of the exposed structural elements of the District owned buildings and Facilities at Pillar Point Harbor and Oyster Point Marina. This will be a refinement of the current Facility Condition Survey effort currently being performed under separate contract to the District. The Assessment will include relevant background information, including purpose and approach, inspection results and conclusions, and will identify the items and priorities for repairs, upgrades and replacements to be performed in the next five years, including budgetary 5 year construction cost estimates for this work.



4.5 Indigenous Marine Life Restoration Report

Tenera Environmental will conduct interviews with marine scientists at local research and educational institutions and a literature review (scientific peer reviewed journals, grey literature) to compile information on studies of the biological and natural resources at Pillar Point Harbor and Oyster Point Marina. The information gathered from the effort will include graduate and undergraduate research papers, surveys that have been done for regulatory permitting, and unpublished observations. All of the information collected from the effort will be synthesized

and compiled into a database, with the goal to provide sufficient information to determine what is largely known and unknown about the principal species inhabiting the harbor and marina, and to help identify substantive data gaps that can be addressed through additional research or studies. It is likely that there is no information on indigenous and invasive species in both water bodies.

Tenera will contact a number of agencies and institutions to inquire about biological studies and assessments that have been completed in Pillar Point Harbor and Oyster Point Marina. Agencies and institutions to be contacted include but are not limited to:

- Gulf of the Farallones National Marine Sanctuary
- San Francisco Bay Area National Parks and Learning Center
- Monterey Bay National Marine Sanctuary
- US Geological Society (USGS)
- California Department of Fish and Wildlife (CDFW)
- National Marine Fisheries Service (NMFS)
- US Fish and Wildlife Service (USFWS)
- US Army Corp of Engineers
- California Coastal Commission
- Research Universities, including Stanford University, University of California, Berkeley, University of California, San Francisco, University of California, Davis (Bodega Marine Laboratory), University of California, Santa Cruz San Francisco State University, San Jose State University, Sonoma State University, California State University, East Bay
- Moss Landing Marine Laboratory
- Hopkins Marine Station
- The Bay Institute
- San Francisco Estuary Institute
- San Francisco Estuary Invasive Spartina Project
- Smithsonian Environmental Research Center (Tiburon) and their Marine Invasions Research Lab (Maryland)

Optional Task: Marine-Environmental In-Field Data Collection

Substantive gaps in determining the presence and habitat conditions for indigenous species may exist and warrant in-field data collection. As such, a scope and budget for additional field data collection can be determined upon completion of Task 4.6. This work could include site reconnaissance surveys for key opportunity species for native restoration such as eelgrass (*Zostera marina*), and/or detrimental invasive species such as asian kelp, wakame (*Undaria pinnatifida*). An estimated budget for this optional task is not to exceed \$32,000.

4.6 SBPAC Meeting 2 - Review Existing Infrastructure & Facilities Assessment

LWC and the Consultant Team will prepare for and facilitate the second SBPAC meeting, provide a project update and present and discuss the findings of the Existing Infrastructure and Facilities Assessment. As identified in the Public Outreach Strategy (Task 2), the Consultant Team will distribute and review the draft Assessment with the SBPAC.

4.7 Prepare Final Existing Infrastructure & Facilities Assessment Document

LWC and the Consultant Team will review and address SBPAC and SMHD comments and prepare the Final Existing Infrastructure and Facilities Assessment Document. The document will be prepared as a stand-alone, technical appendix to the Final Strategic Business Plan.

Deliverables: *Draft Existing Infrastructure & Facilities Assessment components and the Final Assessment (Appendix A to the Strategic Business Plan). SBPAC Meeting 2 Summary Memo.*

TASK 5. FINANCIAL CONDITIONS ASSESSMENT (APPENDIX B)

LWC and the Team will draw from existing SMHD reports and findings from the Existing Infrastructure and Facilities Assessment, discussions with SMHD and the SBPAC, site visits, public meetings and interviews to develop a comprehensive Financial Conditions Assessment. The Assessment will cover the current financial conditions of the Harbor District; the economic context in which the District operates and the fiscal implications on revenue, expenditures and debt retirement; and the economic impacts generated on the local and regional economy, with a particular focus on Pillar Point.

5.1 Economic & Market Trends Analysis

LWC will identify current economic conditions and market trends impacting District activities and finances to inform projections for District operations into the future. The Analysis will cover trends impacting costs and revenues, including historic rents and lease rates, labor, and financing costs.

5.2 Harbor & Marina Business Demand Analysis & Forecast

LWC will analyze and forecast future market demands specific to Harbor and Marina businesses and prepare the Harbor and Marina Business Demand Analysis & Forecast. The Analysis will include an assessment of regional harbors and their services, and where the District may capitalize on unmet market demands. The analysis will cover the needs of local vessels, visiting boaters (slip sizes and types, dry storage, and other



infrastructure), marine and coastal recreation opportunities (marine eco tourism, sailing, stand-up paddle boarding), visitor serving retail, the sale of fresh fish and opportunities with marine related education.

5.3 Revenue Enhancement Plan

LWC will build on the Analyses above and develop strategies, methods, and opportunities for increasing and diversifying District revenues through compatible coastal-dependent or marine-related development and prepare a Revenue Enhancement Plan. The plan will also present strategies to reduce operational expenditures and improve the Districts bottom line. The Plan will account for environmental and climate change-related limitations on spatial development and constraints on traditional rates and fees related to revenue generation. The Plan will also identify potential grant and cost-share funding sources available to cover costs, or partial costs of work items proposed in the Capital Facilities and Strategic Business Plan.

5.4 Harbor District Fiscal Analysis & Debt Retirement Plan

LWC will analyze District revenues and expenditures and update the 2001 District business plan for retirement of outstanding loan balance and debt service to the California Department of Boating and Waterways (DBW), including debt service and current status; determination of adequate reserves for remaining debt service; schedule for payoff of outstanding balance; historic and projected revenue; possibilities for new DBW facilities loans, for example, for docks and sea level rise adaptations.

5.5 Employment Impact Analysis

LWC will prepare an Employment Analysis. Through interviews with the SBPAC, key stakeholders, SMHD staff, and site visits, LWC will estimate the number and types of jobs generated by the SMHD. Analysis of employment will focus on HD staff, employment generated by visitor serving businesses, as well as an analysis of jobs created by the commercial fishing industry (to be coordinated with the Sustainable Fisheries Business Plan, Task 7). Additional work on SMHD employment-generated impacts to the regional economy, and tax implications can be conducted as an optional task at the SMHD discretion.

Employment Type	Estimated Employment	
	Low	High
On the Vessel, Skipper, or Deckhand	130	150
On the Dock and Baiting	26	26
Processing Plant	14	18
TOTAL	170	194

Source: CDFW, CCJCLC and personal interviews, commercial fishermen, industry stakeholders and Harbor Management staff, (Morro Bay, 2013).

5.6 SBPAC Meeting 3 - Review Harbor District Financial Conditions Assessment

LWC and the Consultant Team will prepare for and facilitate the third SBPAC meeting, provide a project update and present and discuss the findings of the Harbor District Financial Conditions Assessment. As identified in the Public Outreach Strategy (Task 2), the Consultant Team will distribute and review the draft Assessment with the SBPAC.

5.7 Prepare Final Financial Conditions Assessment Document

LWC and the Consultant Team will review and address SBPAC and SMHD comments and prepare the Final Harbor District Financial Conditions Assessment Document. The document will be prepared as a stand-alone, technical appendix to the Final Strategic Business Plan.

5.8: Board of Harbor Commissioners Presentation 2 – Project Update

LWC will prepare for and attend one (1) Board of Harbor Commissioners meeting to update the BoHC on project progress to date.

Optional Task: County Board of Supervisors Presentation

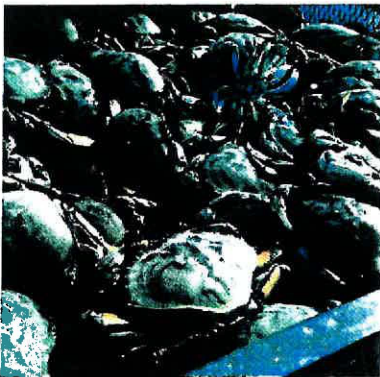
If desired by SMHD, LWC will prepare for and attend one (1) County Board of Supervisors (BoS) Meeting to update the BoS on project progress to date.

Deliverables: *Draft Existing Financial Conditions Assessment components and Final Assessment (Appendix B to the Strategic Business Plan). SBPAC Meeting 3 Summary Memo.*

TASK 6. PUBLIC OUTREACH EVENT 3 – EXISTING CONDITIONS PRESENTATION

LWC and the Consultant Team will prepare for and facilitate a public meeting at which Consultant Team members will present, via a concise PowerPoint presentation, the findings of the Harbor District Existing Infrastructure & Facilities Assessment and Financial Conditions Assessment and gather community input on next steps. LWC will work with SMHD Project Managers and the SBPAC to develop a meeting announcement (flyer) and PowerPoint presentation. The Consultant team will rely on the SMHD to procure the venue and broadcast the meeting details (through leaseholder email database, on SMHD website, physical posting on message boards at the harbor facilities). LWC will post the announcement/flyer and “message” on the meeting on the Facebook page (if one is chosen). LWC will develop a one-page memo on the highest priority findings from the meeting.

Deliverables: *Public Outreach Event 3 presentation materials and Summary Memo.*



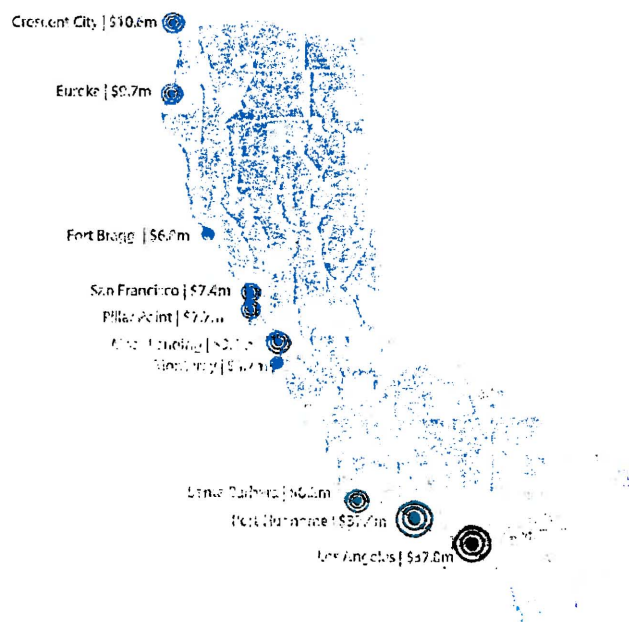
TASK 7. SUSTAINABLE FISHERIES BUSINESS PLAN FOR PILLAR POINT HARBOR

Pillar Point Harbor is one of the top 10 performing ports in California's \$205 million commercial fishing industry, a generator of employment and fresh, sustainable seafood. Commercial fishing is also part of a rich cultural heritage and a foundation of the community's identity. As such, a Sustainable Fisheries Business Plan aimed at assessing the performance of the commercial fishing industry at Pillar Point Harbor is included. The intent of the Plan is to develop a baseline of economic, social and environmental performance indicators against which industry participants and SMHD Project Managers can measure the efficacy of changes to physical facilities, number and types of businesses on Johnson Pier, changes in the market (consumer demand and promotional strategies), and shifts in regulation. The Plan will enable the fishing industry to better anticipate change and adapt to develop the most effective strategies for long-term performance and growth. The Plan will strive to improve efficiencies on Johnson Pier, support the working waterfront and its fishermen and local fishing industry businesses, and take advantage of increasing consumer interest and demand for local seafood.

This plan will focus on the diverse range of commercial fisheries targeted in Pillar Point, industry-related infrastructure needs, constraints on operations, marketing strategies, sustainable fishery management approaches, and assessment of harbor management, facilities maintenance and financial needs versus industry costs and operational concerns for fishermen, Harbor District lessees and other industry participants.

7.1 Fishing Industry Stakeholder Interviews

LWC will conduct (25-30) interviews with as many commercial fishermen (of all gear types and fisheries) as possible, as well as vessel owners, offloading/fish buyer business owners, fuel and ice facility operator and other stakeholders in the commercial fishing industry to obtain an insider's view on what is working well in Pillar Point Harbor, what is not, and what might be done. LWC will conduct interviews with commercial fishing industry stakeholders as an extension of the formal stakeholder interview process as identified in the Public Outreach Strategy (Task 2), during site visits and where necessary via phone.



Source: California Commercial Fisheries Council (2008)

7.2 Sustainable Fisheries Analysis

LWC will conduct a triple-bottom line analysis that includes economic indicators such as overall landings and earnings, performance by species, price per pound, number of commercial fishing trips, as well as assess the performance of commercial fishing businesses on Johnson Pier, social indicators such as the Pillar Point Harbor fishermen’s ability to self organize, leadership structure, relationships among participants of the industry and with the greater community and indentify opportunities and constraints, and finally, the environmental setting and performance of the commercial fishing industry, by the amount and type of regulation it faces and include case study assessments (of the health of California fish stocks) by leading fishery scientists and finally, a brief assessment of species that are showing signs of recovery as a result of regulation.

7.3 Sustainable Working Waterfront Analysis

LWC will briefly summarize other sources of revenue and tourism generation from businesses other than commercial fishing in the Harbor District purview. These may include eco tourism (kayak rentals), recreational fishing, and commercial passenger fishing vessel (CPFV) operations.

7.4 Marketing & Outreach Strategies

LWC will assess the strengths and weaknesses of the commercial fishing industry in Pillar Point and its connection with local and regional consumer and wholesale markets. LWC will provide a list of possible strategies to better promote commercial fishing. Recommendations (discussed in Task 7.6) may include the development of a port-wide marketing plan (for all species), development of a Pillar Point brand, better use of social media and on line tools such as FishLline, additional signage at the harbor, and/or the formation of a community supported fishery (CSF), among others.

7.5 Management & Operational Strategies

LWC will review the rent and wharfage structure on Johnson Pier and provide examples or case studies of rent and wharfage of five similar California ports for guidance on what approach may be the most amenable to the HD and the fishing community.

7.6 Recommendations

LWC will provide a list of approximately 10 of the highest priority items in which the commercial fishing industry and the SMHD should engage in to bring greater performance and sustainability. Recommendations may draw from findings in the Capital Facility Plan (Task 8). For example, recommendations may include repair, replacement or expansion of physical infrastructure as they may contribute to increased capacity for landings, earnings or increases in activity of a particular species. Recommendations may also include adjustment of rent and wharfage agreements or performance –based approaches aimed at an acceptable return for the SMHD while maintaining affordability for commercial fishing businesses.



7.7 SBPAC Meeting 4 - Review Sustainable Fisheries Business Plan

LWC and the Consultant Team will prepare for and facilitate the fourth SBPAC meeting, provide a project update and present and discuss the findings of the Sustainable Fisheries Business Plan. As identified in the Public Outreach Strategy (Task 2), the Consultant Team will distribute and review the draft Plan with the SBPAC.

7.8 Prepare Final Sustainable Fisheries Business Plan Document

LWC and the Consultant Team will review and address SBPAC and SMHD comments and prepare the Final Sustainable Fisheries Business Plan. The Sustainable Fisheries Business Plan will be presented as a section in the Strategic Business Plan.

Deliverables: *Draft Sustainable Fisheries Business Plan sections and Final Sustainable Fisheries Business Plan (section within the Strategic Business Plan). SBPAC Meeting 4 Summary Memo.*

TASK 8. CAPITAL FACILITIES PLAN

The Consultant Team, led by Moffatt & Nichol (M&N), will prepare the Capital Facilities Plan (CFP) to act as a companion document to the Strategic Business Plan. Nelson\Nygaard will play an important role on the CFP and work closely with M&N in their assessment and recommendations on physical traffic and parking-related facilities.

The CFP will rely on findings from Task 4 - Existing Infrastructure & Facilities Assessment, as well as the market trends, demand forecasts, and fiscal analyses conducted in Task 5 - Harbor District Financial Conditions Assessment, and will include a survey of marine infrastructure and facility construction, expansion or renovation needed to accommodate increased occupancy or operational changes necessary to achieve the District's long term fiscal and environmental goals.

The CFP will draw on the experience of Moffatt & Nichol to address scientifically accepted sea level rise (SLR) projections with respect to types, location, design, planning and construction timelines and regulatory parameters for various harbor and marina facilities. M&N will identify the range of sea level rise and implications of higher



3. SCOPE OF WORK

water levels (inundation, larger overturning moments and forces) which will include the local and eustatic sea levels added to extreme high water elevations due to tides, surges, tsunamis etc. These will be used to develop the sea level trends at Pillar Point and Oyster Point to evaluate coastal flooding potential.

These levels and the risk levels will be incorporated into the design criteria described in the tasks below. M&N will use risk-based, probabilistic methods for the two harbors to perform project life-cycle analysis and risk assessment to estimate appropriate sea level rise allowances and adaptation methods to mitigate the effects and associated risk to the facilities and operations.

The CFP will be organized into three major sections: 1) Approaches, standards and considerations applicable district-wide, 2) Infrastructure and facility improvements specific to Pillar Point, and 3) Infrastructure and facilities improvements specific to Oyster Point, and is reflected in the Tasks below.

8.1 CPF Draft Section 1 - District Wide

The Consultant Team will prepare the Draft District-Wide Capital Facilities Plan section. This section will provide design criteria and guidance on basic service levels (circulation, parking, public amenities etc.) to meet the needs of all District users; identify and prioritize infrastructure and facilities improvements projects; and provide cost estimates for each and make recommendations regarding the allocation of resources across the District.

8.2 CPF Draft Section 2 - Pillar Point

The Consultant Team will prepare the Draft Pillar Point Capital Facilities Plan section. This section will provide design criteria (including addressing SLR), provide guidance on basic service levels required to meet the needs of Pillar Point users, and identify infrastructure and facilities improvements projects to support long term viability of the Harbor, the restoration of indigenous marine life and improved water quality and circulation, as well as provide input on the potential establishment of a Coast Guard Station at Pillar Point. This section will also prioritize specific projects, provide cost estimates for each, and make recommendations regarding the allocation of resources for Pillar Point Harbor.

8.3 CPF Draft Section 3 - Oyster Point Marina / Park

The Consultant Team will prepare the Draft Oyster Point Marina / Park Capital Facilities Plan section. This section will provide design criteria (including addressing SLR), provide guidance on basic service levels required to meet the needs of Oyster Point Marina / Park users, and identify and prioritize infrastructure and facilities improvements projects to support long term viability of the Marina and the restoration of indigenous marine life and improved water quality and circulation. This section will also prioritize specific projects, provide cost estimates for each, and make recommendations regarding the allocation of resources for Oyster Point Marina / Park.



8.4 SBPAC Meeting 5 - Review Capital Facilities Plan

LWC and the Consultant Team will prepare for and facilitate the fifth SBPAC meeting, provide a project update and present and discuss the Capital Facilities Plan. As identified in the Public Outreach Strategy (Task 2), the Consultant Team will distribute the draft Capital Facilities Plan to the SBPAC and the SMHD for review and comment.

8.5 Prepare Final Capital Facilities Plan Document

LWC and the Consultant Team will review and address SBPAC and SMHD comments and prepare the Final Capital Facilities Plan. The CFP will be prepared as a stand-alone document and its findings will be incorporated into the final Strategic Business Plan.

Deliverables: *Draft Capital Facilities Plan Sections and Final Capital Facilities Plan (findings to be incorporated into the Strategic Business Plan). SBPAC Meeting 5 Summary Memo.*

TASK 9. DRAFT STRATEGIC BUSINESS PLAN

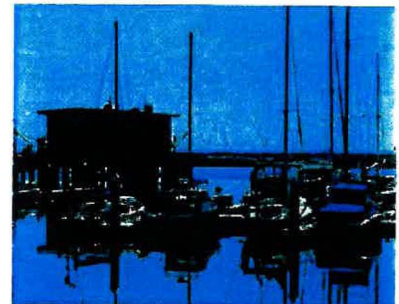
LWC and the Consultant Team will prepare the draft Strategic Business Plan (SBP) that incorporates the Capital Facilities Plan, the Sustainable Fisheries Business Plan, and other technical appendices prepared as part of this project. The Plan will be of professional appearance and include graphs, charts and images to complement the narrative. Per the RFP, the SBP will be structured and drafted around three major sections: 1) Strategic planning considerations applicable to the District as a whole, 2) Considerations specific to Pillar Point, and 3) Considerations specific to Oyster Point, and is reflected in the tasks below. The SBP will also include a section on consistency with federal, state and local plans and regulations.

9.1 Develop Preliminary Strategic Business Plan Outline & Style Guide

LWC will work with the Consultant Team to prepare an outline of the Strategic Business Plan, including the overall structure and placement of technical appendices, font, margins, spacing, headers and footers, placement of photos, protocol for graphs, tables and charts and other images as well as a draft Table of Contents. The development of the Style Guide will facilitate final document production, assure clear, consistent and attractive reports and bring greater efficiency to the project.

9.2 SBP Admin Draft Section 1 - District Wide Strategic Planning

LWC and the Consultant Team will prepare the Administrative Draft District-Wide section of the SBC, which will include an overview of the planning process, and the overarching community values, vision & mission obtained through the public outreach process. This section will also cover a general discussion of District activities and expansion opportunities, including potential operational or managerial roles involving cooperation with other harbors and marinas within the County; district-wide emergency management and protocol; educational



opportunities with joint marine-related educational activities for school children and adults with federal, state, County and other local agencies and educational institutions; District revenue enhancement opportunities and constraints, including expenditure reductions, business diversification and grant and cost-share funding sources; debt retirement strategies; and the prioritization of capital facilities improvements across the District.

9.3 SBP Admin Draft Section 2 – Pillar Point Harbor Strategic Planning

LWC and the Consultant Team will prepare the Administrative Draft Pillar Point section of the SBC, which will focus on plan objectives specific to Pillar Point Harbor, and includes: environmental restoration opportunities for indigenous species and water circulation and quality; the establishment of a US Coast Guard presence and how they may complement the District’s current search and rescue activities; recommendations from the Sustainable Fisheries Business Plan; and plans for capital facilities improvements at Pillar Point.

9.4 SBP Admin Draft Section 3 –Oyster Point Marina/Park Strategic Planning

LWC and the Consultant Team will prepare the Administrative Draft Oyster Point Marina/Park section of the SBC, focusing on strategic plan objectives specific to Oyster Point, and includes: Environmental restoration opportunities for indigenous species and water circulation and quality; WETA and waterborne emergency preparedness and response concerns in San Francisco Bay; District management and outlook for the current Joint Powers Agreement; and plans for capital facilities improvements at Oyster Point.

9.5 SBP Admin Draft Section 4 - Consistency with Federal, State & Local Plans & Regulations

LWC and the Consultant Team will prepare the Administrative Draft section of the SBP concerning consistency with federal, state & local plans & regulations, including the San Francisco Bay Plan, the County Local Coastal Program, and plans for the cities of South San Francisco and Half Moon Bay.

9.6 SBPAC Meeting 6 - Review Draft Strategic Business Plan

LWC and the Consultant Team will present and discuss the Administrative Draft Strategic Business Plan to the SBPAC. As identified in the Public Outreach Strategy (Task 2), the Consultant Team will distribute the Admin Draft SBP to the SBPAC and the SMHD for review and comment.

9.7 Prepare Strategic Business Plan Public Review Draft

LWC and the Consultant Team will review and address SBPAC and SMHD comments and prepare the Strategic Business Plan Public Review Draft.

Deliverables: *Draft Outline and Style Guide. Administrative Draft Strategic Plan Sections. Public Review Draft Strategic Business Plan. SPBAC Meeting 6 Summary Memo.*

TASK 10. PREPARE SUMMARY STRATEGIC BUSINESS PLAN DOCUMENT

LWC and the Consultant Team will summarize the Strategic Business Plan into a concise, visually appealing document for public distribution. The Summary SBP will present the community's vision, project mission, SBP elements and goal priorities, key findings, and approach to implementation.

Deliverables: *Summary Strategic Plan*

TASK 11. PUBLIC OUTREACH EVENT 4 – PUBLIC REVIEW DRAFT

LWC and the Consultant Team will prepare for and facilitate Public Outreach Event 4 at which Consultant Team members will present, via a concise PowerPoint presentation, the Public Review Draft of the Strategic Business Plan. LWC will work with SMHD Project Managers and the SBPAC to develop a meeting announcement (flyer) and concise PowerPoint presentation. The Consultant team will rely on the SMHD to procure the venue and broadcast the meeting details (through leaseholder email database, on SMHD website, physical posting on message boards at the harbor facilities). LWC will post the announcement/flyer and "message" on the meeting on the Facebook page (if one is chosen). LWC will develop a one-page memo on the highest priority findings from the meeting.

Deliverables: *Public Outreach Event 4 presentation materials and Summary Memo.*

TASK 12. FINAL STRATEGIC PLAN & ADOPTION

12.1 Board of Harbor (BoHC) Commissioners Presentation

LWC will prepare for and attend one (1) Board of Harbor Commissioners meeting to present, via a concise PowerPoint presentation, the Public Review Draft Strategic Business Plan for review and feedback. LWC will document comments received and review with SMHD.

OPTIONAL TASK: COUNTY BOARD OF SUPERVISORS (BOS) PRESENTATION

If desired by SMHD, LWC will prepare for and attend one (1) Board of Supervisors Meeting to present, via a concise PowerPoint presentation, the Public Review Draft Strategic Business Plan for review and feedback. LWC will document comments received and review with SMHD.

3. SCOPE OF WORK

12.2 Prepare Final Strategic Business Plan

LWC and the Consultant Team will review and address Public, Board of Harbor Commission, and Board of Supervisors (if applicable) comments with the SMHD and prepare the Final Strategic Business Plan for adoption by the Harbor District.

12.3 Board of Harbor Commissioners Adoption

LWC will prepare for and attend one (1) Board of Harbor Commissioners Meeting to answer questions prior to SBP adoption.

OPTIONAL TASK: BOARD OF SUPERVISORS ADOPTION

LWC will prepare for and attend one (1) Board of Supervisors Meeting to answer questions prior to SBP adoption.

Deliverables: *Attendance and presentation materials to one (1) BoHC meeting to present key findings and the Public Review Draft Strategic Business Plan. Final, Complete Strategic Business Plan Document, including technical appendices. Optional attendance at one (1) BoS meeting to present and one (1) BoS meeting for plan adoption.*



EXHIBIT B

5. BUDGET

SUMMARY BUDGET - ALL FIRMS

San Mateo Harbor District Strategic Business Plan		LWC		M & N		N \ N		TENERA		Project Total (Task)	
		Firm Total		Firm Total		Firm Total		Firm Total		Hrs	Cost
		Hrs	Cost	Hrs	Cost	Hrs	Cost	Hrs	Cost		
Task 1	Project Kickoff Meeting & Initiation	84	\$ 11,300	12	\$ 2,910	36	\$ 5,544	24	\$ 4,239	156	\$ 23,993
Task 2	Public Outreach Strategy & Initial Outreach	96	\$ 13,000	-	\$ -	-	\$ -	-	\$ -	96	\$ 13,000
Task 3	Public Outreach Events 1 & 2 – Community Priorities	46	\$ 6,230	-	\$ -	-	\$ -	-	\$ -	46	\$ 6,230
Task 4	Existing Infrastructure & Facilities Assessment (Appendix A)	70	\$ 9,590	76	\$ 14,510	82	\$ 10,130	60	\$ 8,200	288	\$ 42,430
Task 5	Financial Conditions Assessment (Appendix B)	290	\$ 35,350	-	\$ -	-	\$ -	-	\$ -	290	\$ 35,350
Task 6	Public Outreach Event 3 – Existing Conditions Presentation	28	\$ 3,820	-	\$ -	12	\$ 1,854	-	\$ -	40	\$ 5,674
Task 7	Sustainable Fisheries Business Plan for Pillar Point Harbor	380	\$ 50,420	-	\$ -	-	\$ -	-	\$ -	380	\$ 50,420
Task 8	Capital Facilities Plan (CPF)	96	\$ 12,260	48	\$ 8,800	60	\$ 8,760	16	\$ 2,280	220	\$ 32,100
Task 9	Draft Strategic Business Plan (SBP)	242	\$ 31,570	37	\$ 7,110	22	\$ 3,246	28	\$ 4,026	329	\$ 45,952
Task 10	Prepare Summary Strategic Business Plan Document	20	\$ 2,660	-	\$ -	-	\$ -	-	\$ -	20	\$ 2,660
Task 11	Public Outreach Event 4 - Public Review Draft	26	\$ 3,570	-	\$ -	-	\$ -	-	\$ -	26	\$ 3,570
Task 12	Final Strategic Plan & Adoption	94	\$ 12,850	-	\$ -	-	\$ -	2	\$ 286	96	\$ 13,136
Project Total (Firm)		1,472	\$ 192,620	173	\$ 33,330	212	\$ 29,534	130	\$ 19,031	1,987	\$ 274,515
Assoc. Task	OPTIONAL TASKS									Project Total w/ Optional Task	
Task 4	Transportation & Parking Data Collection	-	-	-	-	\$ 20,000	-	-	-	\$	294,515
Task 4	Marine Environmental In-Field Data Collection	-	-	-	-	-	\$ 32,000	-	-	\$	326,515
Task 5-6	County Board of Supervisors Presentation	\$ 2,010	-	-	-	-	-	-	-	\$	328,525
Task 12	County Board of Supervisors Presentation	\$ 2,010	-	-	-	-	-	-	-	\$	330,535
Task 12	Board of Supervisors Adoption	\$ 2,010	-	-	-	-	-	-	-	\$	332,545

DETAILED BUDGET - ALL FIRMS

		LWC		M & N		N & N		TENERA		PROJECT TOTAL (TASK)	
		Firm Total		Firm Total		Firm Total		Firm Total		Firm Total	
Task	Description	Nrs	Cost	Nrs	Cost	Nrs	Cost	Nrs	Cost	Nrs	Cost
San Mateo Harbor District Strategic Business Plan											
Task 1	Project Kickoff Meeting & Initiation	8	\$ 1,260	4	\$ 1,070	8	\$ 1,436	8	\$ 2,027	28	\$ 5,813
1.1	Project Kickoff Meeting										
1.2	Consultant Team Site Visits	32	\$ 4,640	6	\$ 1,380	12	\$ 2,156	8	\$ 1,144	58	\$ 9,320
1.3	Identify Stakeholders for Strategic Business Plan Advisory Committee (SBPAC)	4	\$ 540	-	\$ -	-	\$ -	-	\$ -	4	\$ 540
1.4	Data Gathering & Archival Review	32	\$ 3,920	2	\$ 460	16	\$ 1,952	8	\$ 1,088	58	\$ 7,400
1.5	Project Management Plan	8	\$ 920	-	\$ -	-	\$ -	-	\$ -	8	\$ 920
	Task Total	84	\$ 11,300	12	\$ 2,910	34	\$ 5,564	24	\$ 6,239	154	\$ 23,993
Task 2	Public Outreach Strategy & Initial Outreach										
2.1	Public Outreach Plan	14	\$ 1,830	-	\$ -	-	\$ -	-	\$ -	14	\$ 1,830
2.2	BoiC Mtg 1 - Project and Team Introduction	14	\$ 2,010	-	\$ -	-	\$ -	-	\$ -	14	\$ 2,010
2.3	Contact Potential SBPAC Reps. Conflim Participation	16	\$ 2,080	-	\$ -	-	\$ -	-	\$ -	16	\$ 2,080
2.4	SBPAC Meeting 1 - Project Introduction & Goals	14	\$ 2,010	-	\$ -	-	\$ -	-	\$ -	14	\$ 2,010
2.5	SBPAC & Stakeholder Interviews	38	\$ 5,070	-	\$ -	-	\$ -	-	\$ -	38	\$ 5,070
	Task Total	76	\$ 13,000	-	\$ -	-	\$ -	-	\$ -	76	\$ 13,000
Task 3	Public Outreach Events 1 & 2 - Community Priorities for OP & FP										
	Task Total	46	\$ 6,230	-	\$ -	-	\$ -	-	\$ -	46	\$ 6,230
Task 4	Existing Infrastructure & Facilities Assessment (Appendix A)										
4.1	Sea Level Rise Best Practices	4	\$ 540	22	\$ 4,500	-	\$ -	-	\$ -	26	\$ 5,040
4.2	Circulation & Parking Assessment	10	\$ 1,330	-	\$ -	40	\$ 4,936	-	\$ -	50	\$ 6,266
4.3	WETA & Emergency Preparedness	4	\$ 540	-	\$ -	28	\$ 3,184	-	\$ -	32	\$ 3,724
4.4	Marine Infrastructure & Harbor Facilities Assessment	10	\$ 1,390	24	\$ 4,240	-	\$ -	-	\$ -	34	\$ 5,630
4.5	Indigenous Makino Life Restoration Report	8	\$ 1,080	-	\$ -	-	\$ -	60	\$ 8,200	68	\$ 9,280
4.6	SBPAC Meeting 2 - Review Existing Infrastructure & Facilities Assessment	14	\$ 2,010	4	\$ 1,530	6	\$ 774	-	\$ -	24	\$ 4,314
4.7	Prepare Final Existing Infrastructure & Facilities Assessment Document	20	\$ 2,700	24	\$ 4,240	8	\$ 1,256	-	\$ -	52	\$ 8,196
	Task Total	70	\$ 14,870	74	\$ 16,910	62	\$ 10,130	60	\$ 8,200	266	\$ 42,440
Task 5	Financial Conditions Assessment (Appendix B)										
5.1	Economic & Market Trends Analysis	54	\$ 6,330	-	\$ -	-	\$ -	-	\$ -	54	\$ 6,330
5.2	Harbor & Makino Business Demand Analysis & Forecast	46	\$ 5,330	-	\$ -	-	\$ -	-	\$ -	46	\$ 5,330
5.3	Revenue Enhancement Plan	36	\$ 4,570	-	\$ -	-	\$ -	-	\$ -	36	\$ 4,570
5.4	Harbor District Fiscal Analysis & Debt Retirement Plan	46	\$ 5,570	-	\$ -	-	\$ -	-	\$ -	46	\$ 5,570
5.5	Employment Impact Analysis	54	\$ 6,330	-	\$ -	-	\$ -	-	\$ -	54	\$ 6,330
5.6	SBPAC Meeting 3 - Review Financial Conditions Assessment	18	\$ 2,510	-	\$ -	-	\$ -	-	\$ -	18	\$ 2,510
5.7	Prepare Final Financial Conditions Assessment Document	20	\$ 2,700	-	\$ -	-	\$ -	-	\$ -	20	\$ 2,700
5.8	Board of Harbor Commissioners Presentation 2 - Project Update	14	\$ 2,010	-	\$ -	-	\$ -	-	\$ -	14	\$ 2,010
	Task Total	298	\$ 56,350	-	\$ -	-	\$ -	-	\$ -	298	\$ 56,350
Task 6	Public Outreach Event 3 - Existing Conditions Presentation										
	Task Total	28	\$ 3,420	-	\$ -	128	\$ 1,560	-	\$ -	156	\$ 1,980
Task 7	Sustainable Fisheries Business Plan for Pillar Point Harbor										
7.1	Fishing Industry Stakeholder Interviews	80	\$ 11,360	-	\$ -	-	\$ -	-	\$ -	80	\$ 11,360
7.2	Sustainable Fisheries Analysis	64	\$ 8,080	-	\$ -	-	\$ -	-	\$ -	64	\$ 8,080
7.3	Sustainable Working Waterfront Analysis	60	\$ 7,660	-	\$ -	-	\$ -	-	\$ -	60	\$ 7,660
7.4	Marketing & Outreach Strategies	24	\$ 3,160	-	\$ -	-	\$ -	-	\$ -	24	\$ 3,160
7.5	Management & Operational Strategies	40	\$ 5,120	-	\$ -	-	\$ -	-	\$ -	40	\$ 5,120
7.6	Recommendations	40	\$ 5,320	-	\$ -	-	\$ -	-	\$ -	40	\$ 5,320
7.7	SBPAC Meeting 4 - Review Sustainable Fisheries Business Plan	24	\$ 3,360	-	\$ -	-	\$ -	-	\$ -	24	\$ 3,360
7.8	Prepare Final Sustainable Fisheries Business Plan Document	48	\$ 6,360	-	\$ -	-	\$ -	-	\$ -	48	\$ 6,360
	Task Total	360	\$ 54,920	-	\$ -	-	\$ -	-	\$ -	360	\$ 54,920
Task 8	Capital Facilities Plan (CFP)										
8.1	CFP Draft Section 1 - District Wide	20	\$ 2,500	8	\$ 1,520	12	\$ 1,732	4	\$ 534	44	\$ 6,286
8.2	CFP Draft Section 2 - Pillar Point	20	\$ 2,500	14	\$ 2,580	18	\$ 2,628	4	\$ 572	56	\$ 8,280
8.3	CFP Draft Section 3 - Oyster Point Makino / Park	20	\$ 2,500	14	\$ 2,580	18	\$ 2,628	4	\$ 572	56	\$ 8,280
8.4	SBPAC Meeting 5 - Review Capital Facilities Plan	16	\$ 2,260	-	\$ -	-	\$ -	-	\$ -	16	\$ 2,260
8.5	Prepare Final Capital Facilities Plan Document	20	\$ 2,500	12	\$ 2,120	12	\$ 1,732	4	\$ 602	48	\$ 6,954
	Task Total	96	\$ 12,260	46	\$ 9,200	60	\$ 8,718	16	\$ 2,208	218	\$ 32,100
Task 9	Draft Strategic Business Plan (SBP)										
9.1	Develop Preliminary Strategic Business Plan Outline & Style Guide	16	\$ 1,800	-	\$ -	-	\$ -	-	\$ -	16	\$ 1,800
9.2	SBP Admin Draft Section 1 - District Wide Strategic Planning	40	\$ 5,320	-	\$ -	4	\$ 418	2	\$ 286	46	\$ 6,224
9.3	SBP Admin Draft Section 2 - Pillar Point Harbor Strategic Planning	40	\$ 5,320	12	\$ 2,120	6	\$ 876	10	\$ 1,372	68	\$ 9,708
9.4	SBP Admin Draft Section 3 - Oyster Point Makino/Park Strategic Planning	40	\$ 5,320	-	\$ -	6	\$ 876	10	\$ 1,372	56	\$ 7,568
9.5	SBP Admin Draft Section 4 - Consistency w/ Fed, State & Local Plans & Regs.	40	\$ 5,320	-	\$ -	-	\$ -	2	\$ 286	42	\$ 5,606
9.6	SBPAC Meeting 6 - Review Draft Strategic Business Plan	18	\$ 2,410	5	\$ 1,350	-	\$ -	-	\$ -	23	\$ 3,260
9.7	Prepare Strategic Business Plan Public Review Draft	48	\$ 6,080	20	\$ 3,640	6	\$ 876	4	\$ 670	78	\$ 11,246
	Task Total	228	\$ 37,270	37	\$ 7,870	28	\$ 3,760	38	\$ 4,928	293	\$ 46,828
Task 10	Prepare Summary Strategic Business Plan Document										
	Task Total	20	\$ 2,540	-	\$ -	-	\$ -	-	\$ -	20	\$ 2,540
Task 11	Public Outreach Event 4 - Public Review Draft										
	Task Total	24	\$ 2,776	-	\$ -	-	\$ -	-	\$ -	24	\$ 2,776
Task 12	Final Strategic Plan & Adoption										
12.1	Board of Harbor Commissioners Presentation	14	\$ 2,010	-	\$ -	-	\$ -	-	\$ -	14	\$ 2,010
12.2	Prepare Final Strategic Business Plan	64	\$ 8,480	-	\$ -	-	\$ -	2	\$ 286	66	\$ 8,766
12.3	Board of Harbor Commissioners Adoption	16	\$ 2,360	-	\$ -	-	\$ -	-	\$ -	16	\$ 2,360
	Task Total	94	\$ 12,850	-	\$ -	-	\$ -	2	\$ 286	96	\$ 13,146
BASE PROJECT TOTAL (FIRM)		1,672	\$ 192,620	173	\$ 33,220	212	\$ 29,534	130	\$ 19,021	1,987	\$ 274,415
Associated Task	OPTIONAL TASKS									Project Total in Optional Task	
Task 4	Transportation & Parking Data Collection					20,000				\$ 20,000	
Task 4	Marine Environmental In-Field Data Collection							32,000		\$ 32,000	
Task 5.4	County Board of Supervisors Presentation		\$ 2,010							\$ 2,010	
Task 12	County Board of Supervisors Presentation		\$ 2,010							\$ 2,010	
Task 12	Board of Supervisors Adoption		\$ 2,010							\$ 2,010	

DETAILED BUDGET - LWC

San Mateo Harbor District Strategic Business Plan		Lisa Wise Consulting										BASE PROJECT TOTAL (TASK)		
		Principal		Senior Associate		Senior Researcher		Associate		Travel & Materials	Firm Total			
		\$175		\$125		\$125		\$75		NA				
		Hrs	Cost	Hrs	Cost	Hrs	Cost	Hrs	Cost	Cost	Hrs			Cost
Task 1 Project Kickoff Meeting & Initiation														
1.1	Project Kickoff Meeting	4	\$ 700	-	\$ -	-	\$ -	4	\$ 300	\$ 200	8	\$ 1,200	28	\$ 6,813
1.2	Consultant Team Site Visits	12	\$ 2,100	-	\$ -	6	\$ 1,000	12	\$ 1,140	\$ 400	32	\$ 4,640	88	\$ 9,330
1.3	Identify Stakeholders for Strategic Business Plan Advisory Committee (SBPAC)	2	\$ 350	-	\$ -	-	\$ -	2	\$ 110	-	4	\$ 540	4	\$ 540
1.4	Data Gathering & Archival Review	8	\$ 1,400	4	\$ 500	4	\$ 500	16	\$ 1,520	-	32	\$ 3,920	88	\$ 7,690
1.5	Project Management Plan	2	\$ 350	-	\$ -	-	\$ -	2	\$ 110	-	4	\$ 540	4	\$ 540
	Task Total	28	\$ 4,900	4	\$ 500	12	\$ 1,500	40	\$ 3,890	\$ 600	84	\$ 11,300	164	\$ 23,973
Task 2 Public Outreach Strategy & Initial Outreach														
2.1	Public Outreach Plan	4	\$ 700	2	\$ 250	4	\$ 500	4	\$ 380	-	14	\$ 1,830	14	\$ 1,830
2.2	BeHc Mtg 1 - Project and Team Introduction	6	\$ 1,050	-	\$ -	-	\$ -	8	\$ 740	\$ 200	14	\$ 2,010	14	\$ 2,010
2.3	Contact Potential SBPAC Reps, Confirm Participation	4	\$ 700	-	\$ -	8	\$ 1,000	4	\$ 340	-	16	\$ 2,040	16	\$ 2,040
2.4	SBPAC Meeting 1 - Project Introduction & Goals	6	\$ 1,050	-	\$ -	-	\$ -	8	\$ 740	\$ 200	14	\$ 2,010	14	\$ 2,010
2.5	SBPAC & Stakeholder Interviews	16	\$ 2,800	2	\$ 250	4	\$ 500	16	\$ 1,520	-	38	\$ 5,070	38	\$ 5,070
	Task Total	34	\$ 4,300	4	\$ 500	16	\$ 2,000	40	\$ 3,960	\$ 400	94	\$ 15,060	94	\$ 15,060
Task 3 Public Outreach Events 1 & 2 - Community Priorities for OP & PP														
3.1	Public Outreach Event 1	16	\$ 2,800	4	\$ 500	2	\$ 250	24	\$ 2,280	\$ 400	46	\$ 6,230	46	\$ 6,230
	Task Total	16	\$ 2,800	4	\$ 500	2	\$ 250	24	\$ 2,280	\$ 400	46	\$ 6,230	46	\$ 6,230
Task 4 Existing Infrastructure & Facilities Assessment (Appendix A)														
4.1	Sea Level Rise Best Practices	2	\$ 350	-	\$ -	-	\$ -	2	\$ 190	-	4	\$ 540	24	\$ 3,040
4.2	Circulation & Parking Assessment	4	\$ 700	2	\$ 250	-	\$ -	4	\$ 380	-	10	\$ 1,330	50	\$ 6,244
4.3	WETA & Emergency Preparedness	2	\$ 350	-	\$ -	-	\$ -	2	\$ 190	-	4	\$ 540	32	\$ 3,724
4.4	Marine Infrastructure & Harbor Facilities Assessment	4	\$ 700	4	\$ 500	-	\$ -	2	\$ 190	-	10	\$ 1,390	34	\$ 4,324
4.5	Indigenous Marine Life Restoration Report	4	\$ 700	-	\$ -	-	\$ -	4	\$ 380	-	8	\$ 1,080	40	\$ 5,160
4.6	SBPAC Meeting 2 - Review Existing Infrastructure & Facilities Assessment	6	\$ 1,050	-	\$ -	-	\$ -	8	\$ 740	\$ 200	14	\$ 2,010	14	\$ 2,010
4.7	Prepare Final Existing Infrastructure & Facilities Assessment Document	8	\$ 1,400	4	\$ 500	-	\$ -	8	\$ 740	\$ 40	20	\$ 2,700	42	\$ 5,174
	Task Total	32	\$ 5,240	10	\$ 1,250	-	\$ -	38	\$ 3,860	\$ 240	70	\$ 9,870	304	\$ 42,440
Task 5 Financial Conditions Assessment (Appendix B)														
5.1	Economic & Market Trends Analysis	6	\$ 1,050	24	\$ 3,000	-	\$ -	24	\$ 2,280	-	54	\$ 6,330	84	\$ 10,320
5.2	Harbor & Marina Business Demand Analysis & Forecast	6	\$ 1,050	16	\$ 2,000	-	\$ -	24	\$ 2,280	-	46	\$ 5,330	46	\$ 5,330
5.3	Revenue Enhancement Plan	6	\$ 1,050	16	\$ 2,000	-	\$ -	14	\$ 1,520	-	36	\$ 4,570	36	\$ 4,570
5.4	Harbor District Fiscal Analysis & Debt Retirement Plan	6	\$ 1,050	24	\$ 3,000	-	\$ -	14	\$ 1,520	-	46	\$ 5,270	46	\$ 5,270
5.5	Employment Impact Analysis	6	\$ 1,050	24	\$ 3,000	-	\$ -	24	\$ 2,280	-	54	\$ 6,330	84	\$ 10,320
5.6	SBPAC Meeting 3 - Review Financial Conditions Assessment	6	\$ 1,050	4	\$ 500	-	\$ -	8	\$ 740	\$ 200	18	\$ 2,610	18	\$ 2,610
5.7	Prepare Final Financial Conditions Assessment Document	8	\$ 1,400	4	\$ 500	-	\$ -	8	\$ 740	\$ 40	20	\$ 2,700	20	\$ 2,700
5.8	Board of Harbor Commissioners Presentation 2 - Project Update	6	\$ 1,050	-	\$ -	-	\$ -	8	\$ 740	\$ 200	14	\$ 2,010	14	\$ 2,010
	Task Total	60	\$ 6,740	118	\$ 14,000	-	\$ -	138	\$ 12,540	\$ 640	276	\$ 32,280	360	\$ 46,440
Task 6 Public Outreach Event 3 - Existing Conditions Presentation														
6.1	Public Outreach Event 3	8	\$ 1,400	4	\$ 500	-	\$ -	14	\$ 1,520	\$ 400	26	\$ 3,620	26	\$ 3,620
	Task Total	8	\$ 1,400	4	\$ 500	-	\$ -	14	\$ 1,520	\$ 400	26	\$ 3,620	26	\$ 3,620
Task 7 Sustainable Fisheries Business Plan for Pillar Point Harbor														
7.1	Fishing Industry Stakeholder Interviews	32	\$ 5,600	8	\$ 1,000	32	\$ 4,000	8	\$ 760	-	80	\$ 11,840	80	\$ 11,840
7.2	Sustainable Fisheries Analysis	14	\$ 2,800	8	\$ 1,000	16	\$ 2,000	24	\$ 2,280	-	64	\$ 8,080	64	\$ 8,080
7.3	Sustainable Working Waterfront Analysis	20	\$ 3,500	8	\$ 1,000	4	\$ 500	28	\$ 2,460	-	60	\$ 7,660	60	\$ 7,660
7.3.1	Marketing & Outreach Strategies	8	\$ 1,400	8	\$ 1,000	-	\$ -	8	\$ 740	-	24	\$ 3,140	24	\$ 3,140
7.3.2	Management & Operational Strategies	12	\$ 2,100	4	\$ 500	8	\$ 1,000	16	\$ 1,520	-	40	\$ 5,120	40	\$ 5,120
7.4	Recommendations	14	\$ 2,800	4	\$ 500	4	\$ 500	16	\$ 1,520	-	40	\$ 5,320	40	\$ 5,320
7.5	SBPAC Meeting 4 - Review Sustainable Fisheries Business Plan	6	\$ 1,050	4	\$ 500	4	\$ 500	6	\$ 740	\$ 200	24	\$ 3,340	24	\$ 3,340
7.7	Prepare Final Sustainable Fisheries Business Plan Document	16	\$ 2,800	8	\$ 1,000	8	\$ 1,000	16	\$ 1,520	\$ 40	48	\$ 6,340	48	\$ 6,340
	Task Total	120	\$ 23,400	42	\$ 5,000	74	\$ 9,000	138	\$ 11,270	\$ 240	308	\$ 40,420	308	\$ 40,420
Task 8 Capital Facilities Plan (CFP)														
8.1	CFP Draft Section 1 - District Wide	4	\$ 1,050	4	\$ 500	-	\$ -	10	\$ 950	-	20	\$ 2,500	44	\$ 6,304
8.2	CFP Draft Section 2 - Pillar Point	4	\$ 1,050	4	\$ 500	-	\$ -	10	\$ 950	-	20	\$ 2,500	44	\$ 6,304
8.3	CFP Draft Section 3 - Oyster Point Marina / Park	6	\$ 1,050	4	\$ 500	-	\$ -	10	\$ 950	-	20	\$ 2,500	44	\$ 6,304
8.4	SBPAC Meeting 5 - Review Capital Facilities Plan	6	\$ 1,050	2	\$ 250	-	\$ -	8	\$ 740	\$ 200	16	\$ 2,240	16	\$ 2,240
8.5	Prepare Final Capital Facilities Plan Document	6	\$ 1,050	4	\$ 500	-	\$ -	10	\$ 950	-	20	\$ 2,500	44	\$ 6,304
	Task Total	30	\$ 6,200	14	\$ 3,500	-	\$ -	48	\$ 4,340	\$ 400	92	\$ 12,040	92	\$ 12,040
Task 9 Draft Strategic Business Plan (SBP)														
9.1	Develop Preliminary Strategic Business Plan Outline & Style Guide	2	\$ 350	4	\$ 500	-	\$ -	10	\$ 950	-	16	\$ 1,800	14	\$ 1,800
9.2	SBP Admin Draft Section 1 - District Wide Strategic Planning	16	\$ 2,800	8	\$ 1,000	-	\$ -	16	\$ 1,520	-	40	\$ 5,320	40	\$ 5,320
9.3	SBP Admin Draft Section 2 - Pillar Point Harbor Strategic Planning	16	\$ 2,800	8	\$ 1,000	-	\$ -	16	\$ 1,520	-	40	\$ 5,320	40	\$ 5,320
9.4	SBP Admin Draft Section 3 - Oyster Point Marina/Park Strategic Planning	16	\$ 2,800	8	\$ 1,000	-	\$ -	16	\$ 1,520	-	40	\$ 5,320	40	\$ 5,320
9.5	SBP Admin Draft Section 4 - Consistency w/ Fed, State & Local Plans & Regs.	16	\$ 2,800	8	\$ 1,000	-	\$ -	16	\$ 1,520	-	40	\$ 5,320	40	\$ 5,320
9.6	SBPAC Meeting 6 - Review Draft Strategic Business Plan	8	\$ 1,400	2	\$ 250	-	\$ -	8	\$ 740	\$ 200	18	\$ 2,410	18	\$ 2,410
9.7	Prepare Strategic Business Plan Public Review Draft	16	\$ 2,800	8	\$ 1,000	-	\$ -	24	\$ 2,280	-	48	\$ 6,080	48	\$ 6,080
	Task Total	96	\$ 16,740	48	\$ 6,000	-	\$ -	164	\$ 14,870	\$ 400	212	\$ 27,670	212	\$ 27,670
Task 10 Prepare Summary Strategic Business Plan Document														
10.1	Prepare Summary Strategic Business Plan Document	8	\$ 1,400	4	\$ 500	-	\$ -	8	\$ 740	-	20	\$ 2,640	20	\$ 2,640
	Task Total	8	\$ 1,400	4	\$ 500	-	\$ -	8	\$ 740	-	20	\$ 2,640	20	\$ 2,640
Task 11 Public Outreach Event 4 - Public Review Draft														
11.1	Public Outreach Event 4	8	\$ 1,400	2	\$ 250	-	\$ -	16	\$ 1,520	\$ 400	26	\$ 3,570	26	\$ 3,570
	Task Total	8	\$ 1,400	2	\$ 250	-	\$ -	16	\$ 1,520	\$ 400	26	\$ 3,570	26	\$ 3,570
Task 12 Final Strategic Plan & Adoption														
12.1	Board of Harbor Commissioners Presentation	6	\$ 1,050	-	\$ -	-	\$ -	8	\$ 740	\$ 200	14	\$ 2,010	14	\$ 2,010
12.2	Prepare Final Strategic Business Plan	16	\$ 2,800	16	\$ 2,000	8	\$ 1,000	24	\$ 2,280	\$ 400	64	\$ 8,480	64	\$ 8,480
12.3	Board of Harbor Commissioners Adoption	8	\$ 1,400	-	\$ -	-	\$ -	8	\$ 740	\$ 200	16	\$ 2,340	16	\$ 2,340
	Task Total	30	\$ 5,250	16	\$ 2,000	8	\$ 1,000	40	\$ 3,960	\$ 600	94	\$ 12,840	94	\$ 12,840
BASE PROJECT TOTAL (SHP)		442	\$ 80,810	272	\$ 34,500	114	\$ 14,250	620	\$ 58,190	\$ 4,120	1,478	\$ 192,420	1,478	\$ 214,518

DETAILED BUDGET - M&N

San Mateo Harbor District Strategic Business Plan		Moffatt & Nichol Engineers										BASE PROJECT TOTAL (TASK)	
		Supervising Engineer		Engineer III		Engineer I		Travel & Materials	Firm Total		Hrs	Cost	
		\$230	\$195	\$150	NA	Hrs	Cost	Hrs	Cost				
Task	Description	Hrs	Cost	Hrs	Cost	Hrs	Cost	Cost	Hrs	Cost	Hrs	Cost	
Task 1	Project Kickoff Meeting & Initiation												
1.1	Project Kickoff Meeting	4	\$ 920					\$ 150	4	\$ 1,070	28	\$ 6,813	
1.2	Consultant Team Site Visits	6	\$ 1,380						6	\$ 1,380	56	\$ 9,330	
1.3	Identify Stakeholders for Strategic Business Plan Advisory Committee (SBPAC)										4	\$ 540	
1.4	Data Gathering & Archival Review	2	\$ 460						2	\$ 460	56	\$ 7,490	
1.5	Project Management Plan										8	\$ 120	
	Task Total	12	\$ 2,740					\$ 150	12	\$ 2,910	164	\$ 23,993	
Task 2	Public Outreach Strategy & Initial Outreach												
2.1	Public Outreach Plan										14	\$ 1,830	
2.2	BoHC Mtg 1 - Project and Team Introduction										14	\$ 2,010	
2.3	Contact Potential SBPAC Rept. Confirm Participation										14	\$ 2,040	
2.4	SBPAC Meeting 1 - Project Introduction & Goals										14	\$ 2,010	
2.5	SBPAC & Stakeholder Interviews										26	\$ 6,075	
	Task Total										96	\$ 19,000	
Task 3	Public Outreach Events 1 & 2 - Community Priorities for OP & PP												
	Task Total										46	\$ 4,230	
Task 4	Existing Infrastructure & Facilities Assessment (Appendix A)												
4.1	Sea Level Rise Best Practices	6	\$ 1,380	16	\$ 3,120				22	\$ 4,500	24	\$ 5,040	
4.2	Circulation & Parking Assessment										60	\$ 6,240	
4.3	WETA & Emergency Preparedness										32	\$ 3,720	
4.4	Marine Infrastructure & Harbor Facilities Assessment	8	\$ 1,840			16	\$ 2,400		24	\$ 4,240	84	\$ 9,480	
4.5	Indigenous Marine Life Restoration Report										48	\$ 5,280	
4.6	SBPAC Meeting 2 - Review Existing Infrastructure & Facilities Assessment	6	\$ 1,380					\$ 150	6	\$ 1,530	24	\$ 3,114	
4.7	Prepare Final Existing Infrastructure & Facilities Assessment Document	8	\$ 1,840			16	\$ 2,400		24	\$ 4,240	84	\$ 9,174	
	Task Total	28	\$ 6,640	16	\$ 3,120	32	\$ 4,800	\$ 150	76	\$ 14,519	280	\$ 42,430	
Task 5	Financial Conditions Assessment (Appendix B)												
5.1	Economic & Market Trends Analysis										84	\$ 4,330	
5.2	Harbor & Marina Business Demand Analysis & Forecast										44	\$ 3,330	
5.3	Revenue Enhancement Plan										28	\$ 4,570	
5.4	Harbor District Fiscal Analysis & Debt Retirement Plan										44	\$ 5,270	
5.5	Employment Impact Analysis										84	\$ 4,330	
5.6	SBPAC Meeting 3 - Review Financial Conditions Assessment										18	\$ 2,010	
5.7	Prepare Final Financial Conditions Assessment Document										20	\$ 2,700	
5.8	Board of Harbor Commissioners Presentation 2 - Project Update										14	\$ 2,010	
	Task Total										390	\$ 34,360	
Task 6	Public Outreach Event 3 - Existing Conditions Presentation												
	Task Total										40	\$ 4,674	
Task 7	Sustainable Fisheries Business Plan for Pajar Point Harbor												
7.1	Fishing Industry Stakeholder Interviews										80	\$ 11,340	
7.2	Sustainable Fisheries Analysis										84	\$ 3,080	
7.3	Sustainable Working Waterfront Analysis										40	\$ 2,440	
7.4	Marketing & Outreach Strategies										24	\$ 3,140	
7.5	Management & Operational Strategies										40	\$ 5,120	
7.6	Recommendations										40	\$ 5,320	
7.7	SBPAC Meeting 4 - Review Sustainable Fisheries Business Plan										28	\$ 3,340	
7.8	Prepare Final Sustainable Fisheries Business Plan Document										88	\$ 4,340	
	Task Total										400	\$ 60,920	
Task 8	Capital Facilities Plan (CPF)												
8.1	CPF Draft Section 1 - District Wide	4	\$ 920			4	\$ 600		8	\$ 1,520	84	\$ 4,804	
8.2	CPF Draft Section 2 - Pajar Point	6	\$ 1,380			8	\$ 1,200		14	\$ 2,580	64	\$ 8,254	
8.3	CPF Draft Section 3 - Oyster Point Marina / Park	6	\$ 1,380			8	\$ 1,200		14	\$ 2,580	64	\$ 8,234	
8.4	SBPAC Meeting 5 - Review Capital Facilities Plan										18	\$ 2,840	
8.5	Prepare Final Capital Facilities Plan Document	4	\$ 920			8	\$ 1,200		12	\$ 2,120	48	\$ 6,974	
	Task Total	20	\$ 4,600			20	\$ 4,800		44	\$ 9,480	280	\$ 35,150	
Task 9	Draft Strategic Business Plan (SBP)												
9.1	Develop Preliminary Strategic Business Plan Outline & Style Guide										14	\$ 3,400	
9.2	SBP Admin Draft Section 1 - District Wide Strategic Planning										44	\$ 4,224	
9.3	SBP Admin Draft Section 2 - Pajar Point Harbor Strategic Planning	4	\$ 920			8	\$ 1,200		12	\$ 2,120	68	\$ 9,794	
9.4	SBP Admin Draft Section 3 - Oyster Point Marina/Park Strategic Planning										84	\$ 7,564	
9.5	SBP Admin Draft Section 4 - Consistency w/ Fed, State & Local Plans & Regs.										64	\$ 6,064	
9.6	SBPAC Meeting 6 - Review Draft Strategic Business Plan	5	\$ 1,150					\$ 200	5	\$ 1,350	23	\$ 3,764	
9.7	Prepare Strategic Business Plan Public Review Draft	8	\$ 1,840			12	\$ 1,800		20	\$ 3,640	78	\$ 11,244	
	Task Total	17	\$ 5,910			20	\$ 3,000	\$ 200	37	\$ 7,934	431	\$ 61,632	
Task 10	Prepare Summary Strategic Business Plan Document												
	Task Total										20	\$ 2,440	
Task 11	Public Outreach Event 4 - Public Review Draft												
	Task Total										18	\$ 3,570	
Task 12	Final Strategic Plan & Adoption												
12.1	Board of Harbor Commissioners Presentation										14	\$ 2,010	
12.2	Prepare Final Strategic Business Plan										64	\$ 8,744	
12.3	Board of Harbor Commissioners Adoption										14	\$ 2,340	
	Task Total										91	\$ 13,134	
	BASE PROJECT TOTAL (SBPAC)	77	\$ 12,910	16	\$ 3,120	60	\$ 13,600	\$ 600	173	\$ 33,332	1,967	\$ 274,915	

DETAILED BUDGET - N\N

San Mateo Harbor District Strategic Business Plan		Nelson \ Nygaard Transportation Engineers								BASE PROJECT TOTAL (TASK)			
		Principal IV		Associate Project Planner		Intern		Travel & Materials				Firm Total	
		\$180		\$127		\$50		NA					
		Hrs	Cost	Hrs	Cost	Hrs	Cost	Cost	Hrs			Cost	Hrs
Task 1 Project Kickoff Meeting & Initiation													
1.1	Project Kickoff Meeting	4	\$ 720	4	\$ 516	-	\$ -	\$ 200	8	\$ 1,436	20	\$ 5,813	
1.2	Consultant Team Site Visit	8	\$ 1,440	4	\$ 516	-	\$ -	\$ 200	12	\$ 2,156	60	\$ 1,320	
1.3	Identify Stakeholders for Strategic Business Plan Advisory Committee (SBPAC)	-	\$ -	-	\$ -	-	\$ -	\$ -	-	\$ -	4	\$ 540	
1.4	Date Gathering & Archival Review	4	\$ 720	8	\$ 1,032	4	\$ 200	\$ -	16	\$ 1,952	60	\$ 7,400	
1.5	Project Management Plan	-	\$ -	-	\$ -	-	\$ -	\$ -	-	\$ -	8	\$ 720	
Task Total		16	\$ 3,880	16	\$ 2,064	4	\$ 200	\$ 400	36	\$ 5,864	184	\$ 23,953	
Task 2 Public Outreach Strategy & Initial Outreach													
2.1	Public Outreach Plan	-	\$ -	-	\$ -	-	\$ -	\$ -	-	\$ -	14	\$ 1,830	
2.2	BoRC Mtg 1 - Project and Team Introduction	-	\$ -	-	\$ -	-	\$ -	\$ -	-	\$ -	14	\$ 2,010	
2.3	Contact Potential SBPAC Rept. Confirm Participation	-	\$ -	-	\$ -	-	\$ -	\$ -	-	\$ -	16	\$ 2,080	
2.4	SBPAC Meeting 1 - Project Introduction & Goals	-	\$ -	-	\$ -	-	\$ -	\$ -	-	\$ -	14	\$ 2,010	
2.5	SBPAC & Stakeholder Interviews	-	\$ -	-	\$ -	-	\$ -	\$ -	-	\$ -	20	\$ 8,070	
Task Total		-	\$ -	-	\$ -	-	\$ -	\$ -	-	\$ -	74	\$ 12,000	
Task 3 Public Outreach Events 1 & 2 - Community Priorities for OP & PP													
Task Total		-	\$ -	-	\$ -	-	\$ -	\$ -	-	\$ -	44	\$ 6,230	
Task 4 Existing Infrastructure & Facilities Assessment (Appendix A)													
4.1	Sea Level Rise Best Practices	-	\$ -	-	\$ -	-	\$ -	\$ -	-	\$ -	24	\$ 5,040	
4.2	Circulation & Parking Assessment	-	\$ -	24	\$ 3,096	8	\$ 400	\$ -	40	\$ 4,936	60	\$ 8,244	
4.3	WETA & Emergency Preparedness	4	\$ 720	16	\$ 2,064	8	\$ 400	\$ -	28	\$ 3,184	32	\$ 3,724	
4.4	Marine Infrastructure & Harbor Facilities Assessment	-	\$ -	-	\$ -	-	\$ -	\$ -	-	\$ -	34	\$ 5,630	
4.5	Indigenous Marine Life Restoration Report	-	\$ -	-	\$ -	-	\$ -	\$ -	-	\$ -	48	\$ 1,280	
4.6	SBPAC Meeting 2 - Review Existing Infrastructure & Facilities Assessment	-	\$ -	6	\$ 774	-	\$ -	\$ -	6	\$ 774	24	\$ 6,314	
4.7	Prepare Final Existing Infrastructure & Facilities Assessment Document	4	\$ 720	4	\$ 516	-	\$ -	\$ -	8	\$ 1,236	24	\$ 4,174	
Task Total		16	\$ 3,880	50	\$ 4,450	14	\$ 800	\$ -	82	\$ 10,140	288	\$ 42,450	
Task 5 Financial Conditions Assessment (Appendix B)													
5.1	Economic & Market Trends Analysis	-	\$ -	-	\$ -	-	\$ -	\$ -	-	\$ -	64	\$ 4,230	
5.2	Harbor & Marine Business Demand Analysis & Forecast	-	\$ -	-	\$ -	-	\$ -	\$ -	-	\$ -	64	\$ 5,330	
5.3	Revenue Enhancement Plan	-	\$ -	-	\$ -	-	\$ -	\$ -	-	\$ -	60	\$ 4,870	
5.4	Harbor District Fiscal Analysis & Debt Refinement Plan	-	\$ -	-	\$ -	-	\$ -	\$ -	-	\$ -	64	\$ 6,070	
5.5	Employment Impact Analysis	-	\$ -	-	\$ -	-	\$ -	\$ -	-	\$ -	64	\$ 4,230	
5.6	SBPAC Meeting 3 - Review Financial Conditions Assessment	-	\$ -	-	\$ -	-	\$ -	\$ -	-	\$ -	18	\$ 2,010	
5.7	Prepare Final Financial Conditions Assessment Document	-	\$ -	-	\$ -	-	\$ -	\$ -	-	\$ -	20	\$ 2,700	
5.8	Board of Harbor Commissioners Presentation 2 - Project Update	-	\$ -	-	\$ -	-	\$ -	\$ -	-	\$ -	14	\$ 2,010	
Task Total		-	\$ -	-	\$ -	-	\$ -	\$ -	-	\$ -	266	\$ 35,850	
Task 6 Public Outreach Event 3 - Existing Conditions Presentation													
Task Total		6	\$ 1,080	6	\$ 774	-	\$ -	\$ -	12	\$ 1,854	40	\$ 6,274	
Task 7 Sustainable Fisheries Business Plan for Pillar Point Harbor													
7.1	Fishing Industry Stakeholder Interviews	-	\$ -	-	\$ -	-	\$ -	\$ -	-	\$ -	80	\$ 11,850	
7.2	Sustainable Fisheries Analysis	-	\$ -	-	\$ -	-	\$ -	\$ -	-	\$ -	44	\$ 8,060	
7.3	Sustainable Working Waterfront Analysis	-	\$ -	-	\$ -	-	\$ -	\$ -	-	\$ -	40	\$ 7,440	
7.4	Marketing & Outreach Strategies	-	\$ -	-	\$ -	-	\$ -	\$ -	-	\$ -	24	\$ 3,140	
7.5	Management & Operational Strategies	-	\$ -	-	\$ -	-	\$ -	\$ -	-	\$ -	60	\$ 5,130	
7.6	Recommendations	-	\$ -	-	\$ -	-	\$ -	\$ -	-	\$ -	40	\$ 3,320	
7.7	SBPAC Meeting 4 - Review Sustainable Fisheries Business Plan	-	\$ -	-	\$ -	-	\$ -	\$ -	-	\$ -	24	\$ 3,340	
7.8	Prepare Final Sustainable Fisheries Business Plan Document	-	\$ -	-	\$ -	-	\$ -	\$ -	-	\$ -	48	\$ 4,340	
Task Total		-	\$ -	-	\$ -	-	\$ -	\$ -	-	\$ -	300	\$ 40,450	
Task 8 Capital Facilities Plan (CFP)													
8.1	CFP Draft Section 1 - District Wide	4	\$ 720	8	\$ 1,032	-	\$ -	\$ -	12	\$ 1,752	44	\$ 6,304	
8.2	CFP Draft Section 2 - Pillar Point	6	\$ 1,080	12	\$ 1,548	-	\$ -	\$ -	18	\$ 2,628	44	\$ 6,280	
8.3	CFP Draft Section 3 - Oyster Point Marina / Park	6	\$ 1,080	12	\$ 1,548	-	\$ -	\$ -	18	\$ 2,628	44	\$ 6,280	
8.4	SBPAC Meeting 5 - Review Capital Facilities Plan	-	\$ -	-	\$ -	-	\$ -	\$ -	-	\$ -	14	\$ 2,010	
8.5	Prepare Final Capital Facilities Plan Document	4	\$ 720	8	\$ 1,032	-	\$ -	\$ -	12	\$ 1,752	48	\$ 4,974	
Task Total		20	\$ 3,600	40	\$ 5,160	-	\$ -	\$ -	60	\$ 8,736	208	\$ 24,958	
Task 9 Draft Strategic Business Plan (SBP)													
9.1	Develop Preliminary Strategic Business Plan Outline & Style Guide	-	\$ -	-	\$ -	-	\$ -	\$ -	-	\$ -	16	\$ 1,900	
9.2	SBP Admin Draft Section 1 - District Wide Strategic Planning	2	\$ 360	2	\$ 258	-	\$ -	\$ -	4	\$ 618	44	\$ 4,800	
9.3	SBP Admin Draft Section 2 - Pillar Point Harbor Strategic Planning	2	\$ 360	4	\$ 516	-	\$ -	\$ -	6	\$ 876	48	\$ 9,798	
9.4	SBP Admin Draft Section 3 - Oyster Point Marina/Park Strategic Planning	2	\$ 360	4	\$ 516	-	\$ -	\$ -	6	\$ 876	54	\$ 7,600	
9.5	SBP Admin Draft Section 4 - Consistency w/ Fed, State & Local Plans & Regs.	-	\$ -	-	\$ -	-	\$ -	\$ -	-	\$ -	42	\$ 5,004	
9.6	SBPAC Meeting 6 - Review Draft Strategic Business Plan	-	\$ -	-	\$ -	-	\$ -	\$ -	-	\$ -	20	\$ 3,740	
9.7	Prepare Strategic Business Plan Public Review Draft	2	\$ 360	4	\$ 516	-	\$ -	\$ -	6	\$ 876	78	\$ 11,244	
Task Total		8	\$ 1,440	14	\$ 1,806	-	\$ -	\$ -	28	\$ 3,972	280	\$ 32,982	
Task 10 Prepare Summary Strategic Business Plan Document													
Task Total		-	\$ -	-	\$ -	-	\$ -	\$ -	-	\$ -	20	\$ 3,640	
Task 11 Public Outreach Event 4 - Public Review Draft													
Task Total		-	\$ -	-	\$ -	-	\$ -	\$ -	-	\$ -	24	\$ 3,570	
Task 12 Final Strategic Plan & Adoption													
12.1	Board of Harbor Commissioners Presentation	-	\$ -	-	\$ -	-	\$ -	\$ -	-	\$ -	14	\$ 2,010	
12.2	Prepare Final Strategic Business Plan	-	\$ -	-	\$ -	-	\$ -	\$ -	-	\$ -	46	\$ 8,244	
12.3	Board of Harbor Commissioners Adoption	-	\$ -	-	\$ -	-	\$ -	\$ -	-	\$ -	14	\$ 2,010	
Task Total		-	\$ -	-	\$ -	-	\$ -	\$ -	-	\$ -	74	\$ 12,264	
BASE PROJECT TOTAL (\$'000)		44	\$ 11,880	124	\$ 16,254	20	\$ 1,000	\$ 400	272	\$ 29,534	1,887	\$ 274,515	

DETAILED BUDGET - TENERA

San Mateo Harbor District Strategic Business Plan		Tenera Environmental											BASE PROJECT TOTAL (TASK)		
		Director		Project Scientist A Manager		Senior Scientist		Travel & Materials	Firm Total		Hrs	Cost			
		\$192		\$143		\$124		NA							
		Hrs	Cost	Hrs	Cost	Hrs	Cost	Cost	Hrs	Cost					
Task 1 Project Kickoff Meeting & Initiation															
1.1	Project Kickoff Meeting	-	\$ -	0	\$ 1,144	-	\$ -	-	\$ -	883	8	\$ 2,027	28	\$ 5,013	
1.2	Consultant Team Site Visits	-	\$ -	0	\$ 1,144	-	\$ -	-	\$ -	-	8	\$ 1,144	8	\$ 9,320	
1.3	Identify Stakeholders for Strategic Business Plan Advisory Committee (SBPAC)	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	-	\$ -	4	\$ 540	
1.4	Data Gathering & Archival Review	-	\$ -	4	\$ 572	4	\$ 494	-	\$ -	-	6	\$ 1,068	58	\$ 7,400	
1.5	Project Management Plan	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	-	\$ -	8	\$ 920	
Task Total		-	\$ -	20	\$ 2,860	4	\$ 494	-	\$ -	883	24	\$ 4,259	156	\$ 25,991	
Task 2 Public Outreach Strategy & Initial Outreach															
2.1	Public Outreach Plan	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	-	\$ -	14	\$ 1,820	
2.2	BoHC Mtg 1 - Project and Team Introduction	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	-	\$ -	14	\$ 2,010	
2.3	Contact Potential SBPAC Reps, Confirm Participation	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	-	\$ -	14	\$ 2,840	
2.4	SBPAC Meeting 1 - Project Introduction & Goals	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	-	\$ -	14	\$ 2,010	
2.5	SBPAC & Stakeholder Interviews	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	-	\$ -	26	\$ 6,070	
Task Total		-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	-	\$ -	94	\$ 13,650	
Task 3 Public Outreach Event 1 & 2 - Community Priorities for OP & PP															
Task Total		-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	-	\$ -	44	\$ 4,230	
Task 4 Existing Infrastructure & Facilities Assessment (Appendix A)															
4.1	Sea Level Rise Best Practices	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	-	\$ -	24	\$ 5,040	
4.2	Circulation & Parking Assessment	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	-	\$ -	50	\$ 6,244	
4.3	WETA & Emergency Preparedness	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	-	\$ -	32	\$ 3,724	
4.4	Marine Infrastructure & Harbor Facilities Assessment	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	-	\$ -	24	\$ 3,450	
4.5	Indigenous Marine Life Restoration Report	-	\$ -	40	\$ 5,720	20	\$ 2,480	-	\$ -	60	8	\$ 8,200	68	\$ 9,260	
4.6	SBPAC Meeting 2 - Review Existing Infrastructure & Facilities Assessment	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	-	\$ -	14	\$ 4,314	
4.7	Prepare Final Existing Infrastructure & Facilities Assessment Document	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	-	\$ -	32	\$ 6,174	
Task Total		-	\$ -	40	\$ 5,720	20	\$ 2,480	-	\$ -	60	8	\$ 8,200	188	\$ 42,430	
Task 5 Financial Conditions Assessment (Appendix B)															
5.1	Economic & Market Trends Analysis	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	-	\$ -	64	\$ 6,330	
5.2	Harbor & Marina Business Demand Analysis & Forecast	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	-	\$ -	64	\$ 8,320	
5.3	Revenue Enhancement Plan	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	-	\$ -	36	\$ 4,570	
5.4	Harbor District Fiscal Analysis & Debt Retirement Plan	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	-	\$ -	44	\$ 5,574	
5.5	Employment Impact Analysis	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	-	\$ -	54	\$ 6,380	
5.6	SBPAC Meeting 3 - Review Financial Conditions Assessment	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	-	\$ -	18	\$ 2,510	
5.7	Prepare Final Financial Conditions Assessment Document	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	-	\$ -	20	\$ 2,720	
5.8	Board of Harbor Commissioners Presentation 2 - Project Update	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	-	\$ -	14	\$ 2,010	
Task Total		-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	-	\$ -	296	\$ 33,254	
Task 6 Public Outreach Event 3 - Existing Conditions Presentation															
Task Total		-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	-	\$ -	40	\$ 6,274	
Task 7 Sustainable Fisheries Business Plan for Pillar Point Harbor															
7.1	Fishing Industry Stakeholder Interviews	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	-	\$ -	80	\$ 11,260	
7.2	Sustainable Fisheries Analysis	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	-	\$ -	44	\$ 8,080	
7.3	Sustainable Working Waterfront Analysis	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	-	\$ -	48	\$ 7,440	
7.4	Marketing & Outreach Strategies	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	-	\$ -	28	\$ 3,140	
7.5	Management & Operational Strategies	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	-	\$ -	40	\$ 5,120	
7.6	Recommendations	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	-	\$ -	40	\$ 5,120	
7.7	SBPAC Meeting 4 - Review Sustainable Fisheries Business Plan	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	-	\$ -	24	\$ 3,840	
7.8	Prepare Final Sustainable Fisheries Business Plan Document	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	-	\$ -	48	\$ 4,800	
Task Total		-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	-	\$ -	308	\$ 43,600	
Task 8 Capital Facilities Plan (CFP)															
8.1	CFP Draft Section 1 - District Wide	-	\$ -	2	\$ 284	2	\$ 248	-	\$ -	4	\$ 594	-	\$ -	84	\$ 4,304
8.2	CFP Draft Section 2 - Pillar Point	-	\$ -	4	\$ 572	-	\$ -	-	\$ -	4	\$ 572	-	\$ -	86	\$ 9,280
8.3	CFP Draft Section 3 - Oyster Point Marina / Park	-	\$ -	4	\$ 572	-	\$ -	-	\$ -	4	\$ 572	-	\$ -	86	\$ 9,280
8.4	SBPAC Meeting 5 - Review Capital Facilities Plan	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	-	\$ -	14	\$ 2,840	
8.5	Prepare Final Capital Facilities Plan Document	1	\$ 192	2	\$ 284	1	\$ 124	-	\$ -	4	\$ 402	-	\$ -	48	\$ 6,374
Task Total		1	\$ 192	16	\$ 1,736	3	\$ 372	-	\$ -	16	\$ 1,066	-	\$ -	236	\$ 27,100
Task 9 Draft Strategic Business Plan (SBP)															
9.1	Develop Preliminary Strategic Business Plan Outline & Style Guide	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	-	\$ -	18	\$ 1,800	
9.2	SBP Admin Draft Section 1 - District Wide Strategic Planning	-	\$ -	2	\$ 284	3	\$ 3	-	\$ -	2	\$ 286	-	\$ -	44	\$ 6,224
9.3	SBP Admin Draft Section 2 - Pillar Point Harbor Strategic Planning	-	\$ -	8	\$ 1,144	2	\$ 248	-	\$ -	10	\$ 1,392	-	\$ -	40	\$ 9,784
9.4	SBP Admin Draft Section 3 - Oyster Point Marina/Park Strategic Planning	-	\$ -	8	\$ 1,144	2	\$ 248	-	\$ -	10	\$ 1,392	-	\$ -	44	\$ 9,504
9.5	SBP Admin Draft Section 4 - Consistency w/ Fed, State & Local Plans & Regs	-	\$ -	2	\$ 284	3	\$ 3	-	\$ -	2	\$ 286	-	\$ -	42	\$ 8,404
9.6	SBPAC Meeting 6 - Review Draft Strategic Business Plan	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	-	\$ -	33	\$ 3,760	
9.7	Prepare Strategic Business Plan Public Review Draft	2	\$ 384	2	\$ 284	-	\$ -	-	\$ -	4	\$ 470	-	\$ -	78	\$ 11,344
Task Total		2	\$ 384	22	\$ 3,144	4	\$ 490	-	\$ -	30	\$ 4,070	-	\$ -	230	\$ 46,512
Task 10 Prepare Summary Strategic Business Plan Document															
Task Total		-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	-	\$ -	20	\$ 2,440	
Task 11 Public Outreach Event 4 - Public Review Draft															
Task Total		-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	-	\$ -	36	\$ 3,470	
Task 12 Final Strategic Plan & Adoption															
12.1	Board of Harbor Commissioners Presentation	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	-	\$ -	14	\$ 2,010	
12.2	Prepare Final Strategic Business Plan	-	\$ -	2	\$ 286	3	\$ 3	-	\$ -	2	\$ 286	-	\$ -	46	\$ 6,244
12.3	Board of Harbor Commissioners Adoption	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	-	\$ -	16	\$ 2,840	
Task Total		-	\$ -	2	\$ 286	3	\$ 3	-	\$ -	3	\$ 310	-	\$ -	62	\$ 8,194
PASS PROJECT TOTAL (STAFF)		3	\$ 574	16	\$ 13,728	27	\$ 3,064	-	\$ -	883	130	\$ 19,037	1,887	\$ 274,515	



San Mateo County Harbor District

Board of Harbor Commissioners

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

Scott Grindy, Acting General Manager

January 12, 2015

Lisa Wise Consulting, Inc.
983 Osos Street
San Luis Obispo, CA 93401

Re: Strategic Business Plan Immediate Project Stop/Suspend-NOTICE

Dear Henry,

As you are aware at the January 7th San Mateo County Harbor District Board of Harbor Commissioners meeting, you were provided verbal direction on the following:

1. Stop all work to the project for up to six months while the search for a new General Manager position occurs, and while the new Board members familiarize themselves with the project. During this time the District via direction of the Board will contact you if and when the project is to again start in efforts of completing the project.
2. Immediately work with Acting General Manager Scott Grindy to establish and negotiate a cost for the completion of the Community Sustainability Plan (CSP) portion of the Strategic Business Plan so that it can be brought back to the District Board for approval at the January 21st, board meeting.

I look forward to the noted information ASAP so it can be placed on the upcoming agenda. It will need to be concluded no later than Wednesday morning January 14th.

Thank you.

Sincerely,

SAN MATEO COUNTY HARBOR DISTRICT

A handwritten signature in black ink, appearing to read "Scott Grindy", with a long horizontal line extending to the right.

Scott Grindy
Acting General Manager



APPENDIX B

SAN MATEO COUNTY HARBOR DISTRICT
STRATEGIC BUSINESS PLAN
FINANCIAL CONDITIONS ASSESSMENT
DRAFT – REVISED JUNE, 2015

lisa wise consulting, inc.



TABLE OF CONTENTS

1. Introduction2

2. Statewide Industry Trends4

3. District Financial Picture11

4. Debt Retirement Plan21

5. Employment Analysis.....28

6. Regional Comparison and Demand.....30

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1. INTRODUCTION

The San Mateo County Harbor District (SMCHD/District) was established in 1933 and reactivated in 1948. The District operates two facilities: Pillar Point Harbor and Oyster Point Marina Park. The 369-berth Pillar Point Harbor on Half Moon Bay supports recreational boating and commercial and recreational fishing. Facilities at Pillar Point and Oyster Point were primarily financed by debt issued from the Division of Boating and Waterways (DBW). Pillar Point Harbor is located on the coast, approximately 20 miles south of San Francisco and Oyster Point Marina Park is located in the City of South San Francisco, on San Francisco Bay.

On the coast, Pillar Point Harbor boasts an inner and outer breakwater as well as being situated Half Moon Bay in the lee of wind and swell from the north, making it extremely well protected. The Pillar Point facility encompasses a harbor office, restrooms, parking lots, restaurants, fresh fish retail, surf shop, fishing tackle shop, kayak and stand-up paddleboard rental, six-lane boat launch ramp, 18,000 square foot pier (Romeo Pier) that has been decommissioned and the site of one of the most vibrant off the boat seafood sales markets on the Coast. The Harbor District encompasses the trail to and viewing areas for Mavericks, one of the world's top big wave venues and site of the Maverick's Big Wave Invitational surf contest. Pillar Point Harbor is also home to one of California's top-performing commercial fishing fleets that generates an average of approximately \$6.5 million at the dock each year, and over \$183 million since 1990, as well as a vibrant Commercial Passenger Fishing Vessel (CPFV) fleet that provides ocean access to thousands of recreational anglers annually.

AT&T Park in San Francisco hosts live broadcasts of the Mavericks Big Wave Invitational on its giant (110 foot wide) video display.

CPFVs are boat, skipper and crew for hire and give recreational fishermen access to experienced professional skippers, and crew and ocean fishing grounds. Pillar Point Harbor has a long history of CPFV operators dating back to the 1950s (Scofield, 1954).

On the Bayside, Oyster Point Marina Park, a 428-berth recreational facility in the City of South San Francisco, includes a Water Emergency Transportation Authority (WETA) Ferry Terminal that provides service to Oakland, the District office, boat launch ramp, pedestrian and bike trail, picnic areas, hotel, restaurant, fuel dock, yacht club, marine services, and dry storage. The SMCHD has operational control of Oyster Point through a joint powers agreement with South San Francisco that expires in 2026. City development plans are in place for a mixed-use office park (Shorenstein Company as developer) in Oyster Point, which has gone through a successful EIR process.

In 2014, the District commissioned a Strategic Business Plan (SBP/Plan) to align its resources for maintaining and improving its harbor facilities and other operational concerns over the next several years. These include but are not limited to: (a) identification of adaptive measures to sea level rise impacts; (b) achieving cost saving benefits from advance planning to reduce fluctuations in needed investment; and (c) diversifying and augmenting revenue streams to reduce reliance on property tax revenues. A key component of the Strategic Plan is the Financial Conditions Assessment, which is a comprehensive assessment of the District's financial conditions and is intended to guide the research and recommendations set forth in the SBP.

The Financial Conditions Assessment draws from primary and secondary data sources including: District audited financial statements, existing SMCHD reports, U.S. Bureau of Labor Statistics, discussions with SMCHD staff, site visits, meetings and public workshops held at Pillar Point Harbor and Oyster Point Marina Park on October 14, 2014, and December 1, 2014, and dozens of personal interviews with stakeholders. The Assessment covers the current financial conditions of the District; the economic context in which the District operates and the fiscal implications on revenue, expenditures and potential debt retirement; and the economic impacts of the District on the local and regional economy.

DRAFT

2. STATEWIDE INDUSTRY TRENDS

Boasting over 1,100 miles of coastline, California is home to a bustling marine dependent economic sector. The thousands of recreational and commercial vessels that travel and work in California coastal waters are supported by a vast network of related businesses and physical infrastructure. According to the U.S. Bureau of Labor Statistics (BLS, NOAA Coastal Services Center), there were 126 ship and boat building and repair establishments located in California coastal counties in 2011. These businesses were estimated to be responsible for 7,800 jobs and over \$413 million in wages. The boatyard industry alone represents a market sector that was valued at nearly \$670 million. Commercial fishing earnings in the State have doubled in the last five years from \$130 million to \$260 million, and the Commercial Passenger Fishing Vessel industry generated over 5 million trips in 2013, one of the highest performances in the last ten years. The number of boat dealers in the State is down but wages (\$30 million) and GDP (\$50 million) generated by marinas has been stable (between 2005 and 2011, the most recent data available from the Bureau of Labor Statistics).

The purpose of this Section is to characterize statewide economic conditions and market trends in the marine and marina services industries to inform decision makers in the Harbor District on revenue enhancement and cost reduction strategies that could contribute to sustainability and efficiency of SMCHD finances and operations. Those industries are Commercial Fishing, Recreational Fishing, Marinas, and related industries of Boat Building and Repair, and Boat Dealers. The Section concludes with a discussion of working waterfront best practices put forth by the National Working Waterfronts and Waterways Symposium (NWWWS). A detailed analysis of the commercial fishing industry in Pillar Point can be found in the Pillar Point Harbor Fishing Community Sustainability Plan, Appendix C of the Strategic Business Plan.

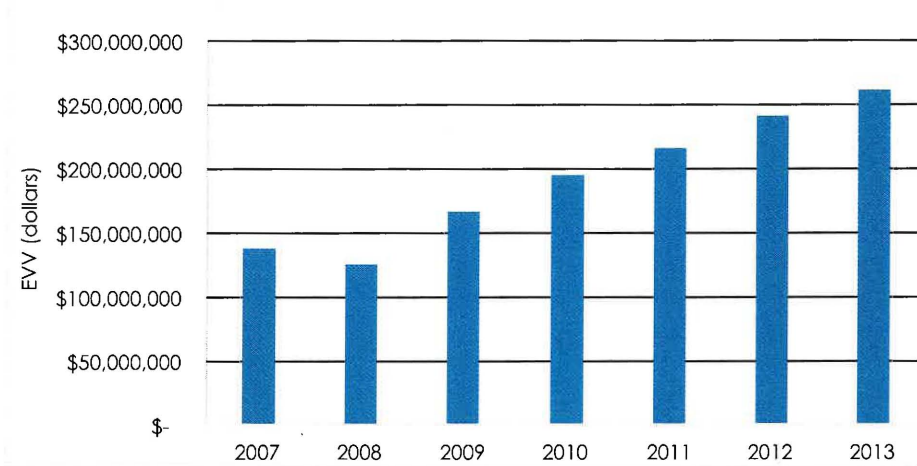
The NWWWS is a clearinghouse for information, data, and tools that individuals, communities, and governments at all levels can use to develop, inform, and enhance their sustainable working waterfront initiatives.

Both positive and negative trends are present in the following data and figures, indicating opportunities as well as potential impacts to consider when assessing the District's overall financial health. The District's finances, local and regional economy have also been affected by the recent recession and the findings should be viewed in that context.

2.1 TRENDS IN COMMERCIAL FISHING ACTIVITY

An important component of SMCHD operations is the commercial fishing industry. From a statewide perspective, earnings at the dock in the California commercial fishing industry, a key indicator of economic performance, have almost doubled from \$130 million in 2007 to \$260 million in 2013.

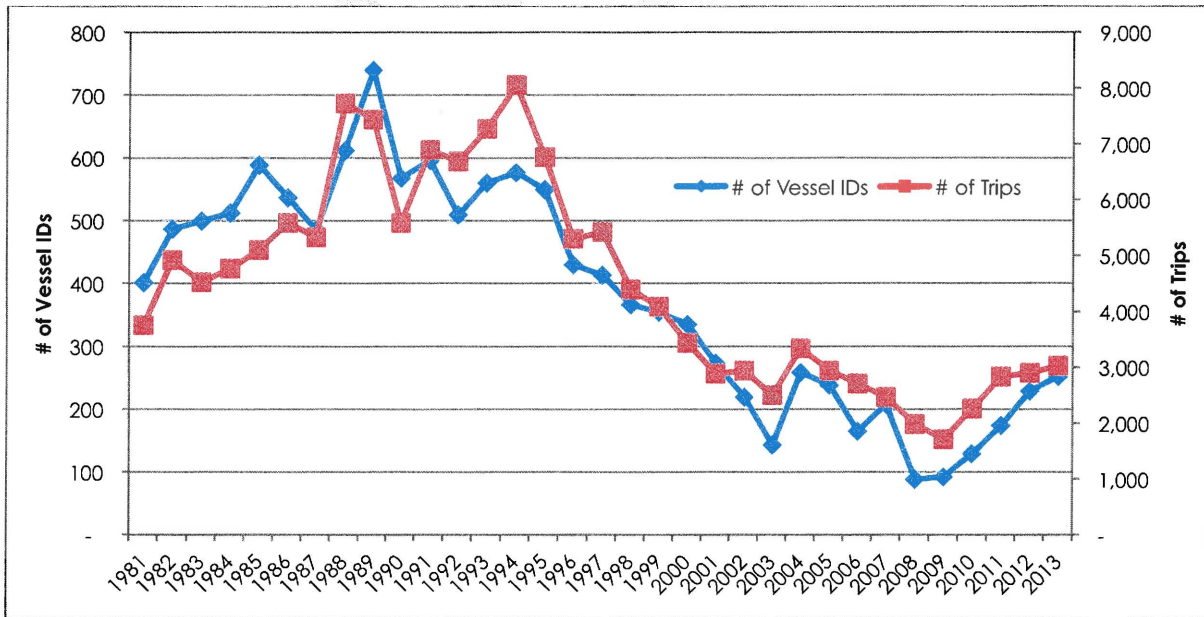
FIGURE 2.1: CALIFORNIA ANNUAL TOTAL ADJUSTED EVV, 2007-2013



SOURCE: CALIFORNIA DEPARTMENT OF FISH AND WILDLIFE

While earnings have increased substantially since 2007, the statewide trend in other performance measures like the number of fishing vessels, fish tickets, and overall commercial trips has been of general decline, though a modest rebound has occurred in the last five years. Generally, and while commercial fishing is cyclical and unpredictable, the fact that vessels and trips have declined faster than earnings, and that earnings have are trending upwards indicates that activity has consolidated to fewer boats and earnings appear to be stabilizing.

FIGURE 2.2: CALIFORNIA VESSEL IDS AND COMMERCIAL FISHING TRIPS, 1981-2013



SOURCE: CALIFORNIA DEPARTMENT OF FISH AND WILDLIFE

2.2 TRENDS IN RECREATIONAL FISHING ACTIVITY

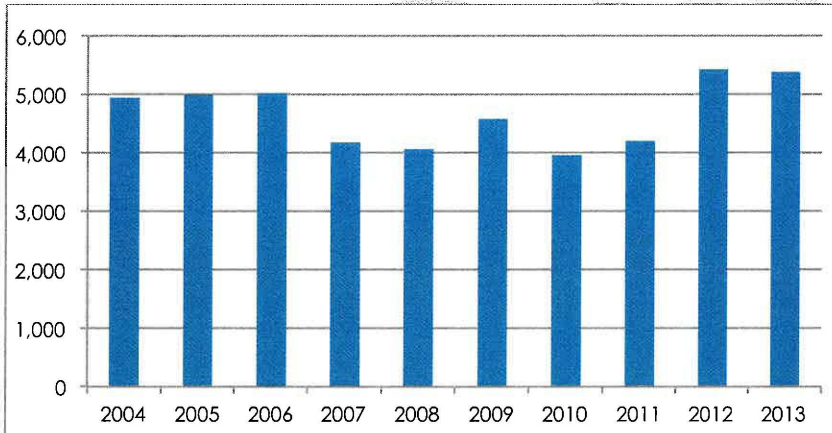
The recreational fishing and the Commercial Passenger Fishing Vessel (CPFV) industries generate jobs and income and provide coastal access to millions of Californians and visitors. There are several CPFV operations, and whale watching businesses in Pillar Point Harbor that conduct thousands of trips each year in an industry that appears to be stable and growing.

When the purchase of durable goods is considered, the recreational fishing industry generates nearly \$2 billion in revenue in the State of California.

The State's recreational angler fishing trips topped 3.8 million in 2011 and for-hire fishing trip expenditures totaled \$122 million. Private recreational fishing boat trip expenditures totaled \$78 million. Spending on recreational fishing-related durable goods purchased in California totaled nearly \$535 million. Marine recreational fishing in California contributed 10 thousand jobs to the State's economy, generated \$1.4 billion in output (sales), \$844 million to the state's gross domestic product, and \$526 million in income. Trip expenditures generated approximately 4.1 thousand jobs and durable expenses generated 6 thousand jobs. See figure 2.3 below.

Recreational fishing trips are an indicator of the vibrancy of activity in the industry. According to the Department of Fish and Wildlife, recreational fishing trips have remained relatively stable at approximately 5 million per year despite a dip between 2007 and 2011 and slight increases in 2012 and 2013.

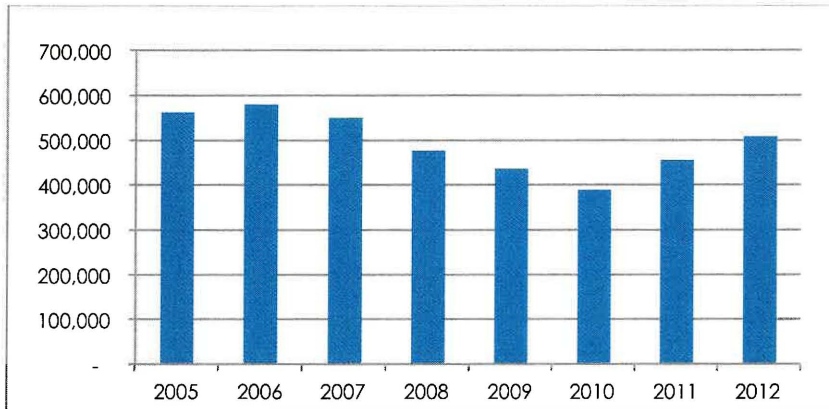
FIGURE 2.3: CALIFORNIA RECREATIONAL FISHING TRIPS, IN THOUSANDS, 2004-2013



SOURCE: CALIFORNIA DEPARTMENT OF FISH AND WILDLIFE

The number of participants who engage in recreational fishing on a CPFV or “for hire” fishing vessel has dropped since 2005, but has seen some gains in 2011 and 2012.

FIGURE 2.4: CALIFORNIA CPFV REGISTERED CPFV ANGLERS 2005-2012



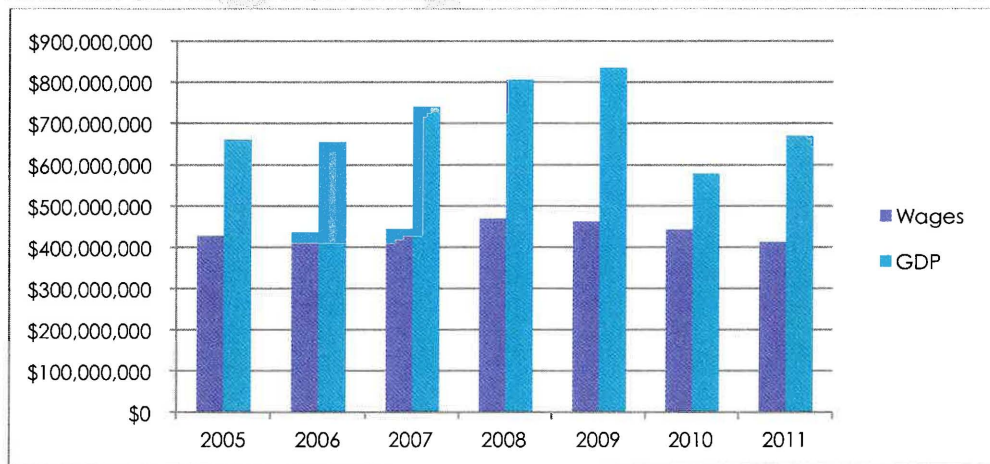
SOURCE: CALIFORNIA DEPARTMENT OF FISH AND WILDLIFE

2.3 TRENDS IN BOAT BUILDING AND REPAIR

Ship and boat building and repair are unique and valuable industries that generate employment and spending and play a foundational role in the California maritime economy. Data from NOAA's National Ocean Watch database for the 19 coastal counties in California provides a high-level overview of industry trends in terms of GDP and wages.

Between 2005 and 2011 (the most recent data available) the amount of goods and services rendered from ship/boat building and repair (referred to as GDP) in California coastal counties 2009 has remained relatively stable, as have wages. However after peaking in 2009, both GDP and wages saw a modest dip in 2010, but GDP rebounded in 2011. In 2011, the ship and boat building and repair industry in California was valued at approximately \$670 million and generated over \$400 million in wages.

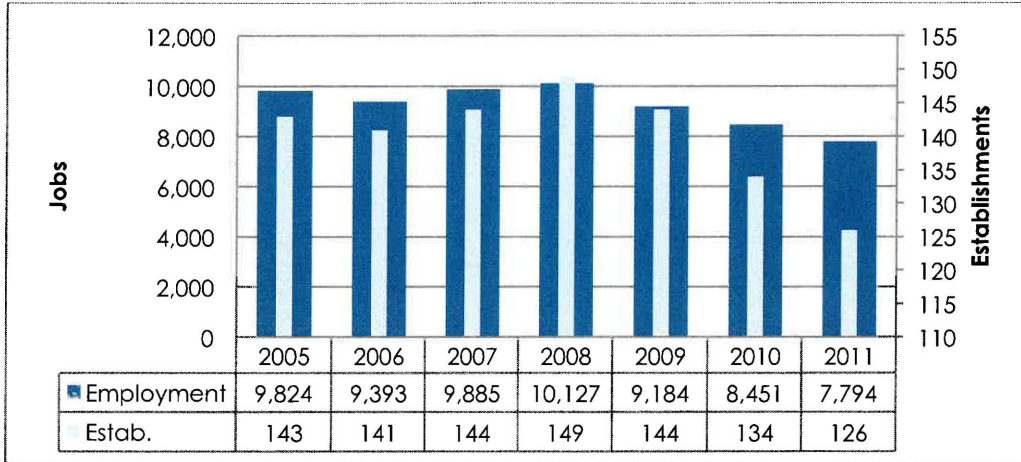
FIGURE 2.5: CALIFORNIA COASTAL COUNTIES - SHIP & BOAT BUILDING INCLUDING REPAIR GDP & WAGES



SOURCE: BLS DATA, ACCESSED FROM ENOW (NOAA COASTAL SERVICES CENTER)

Between 2005 and 2011, employment at ship and boat building and repair establishments in California dropped by approximately 25% from just under 10,000 jobs to fewer than 8,000. During that time, the number of establishments also dropped from approximately 143 to 126, a 14.5% decrease.

FIGURE 2.6: CALIFORNIA COASTAL COUNTIES - SHIP & BOAT BUILDING (INCLUDING REPAIR) JOBS & ESTABLISHMENTS

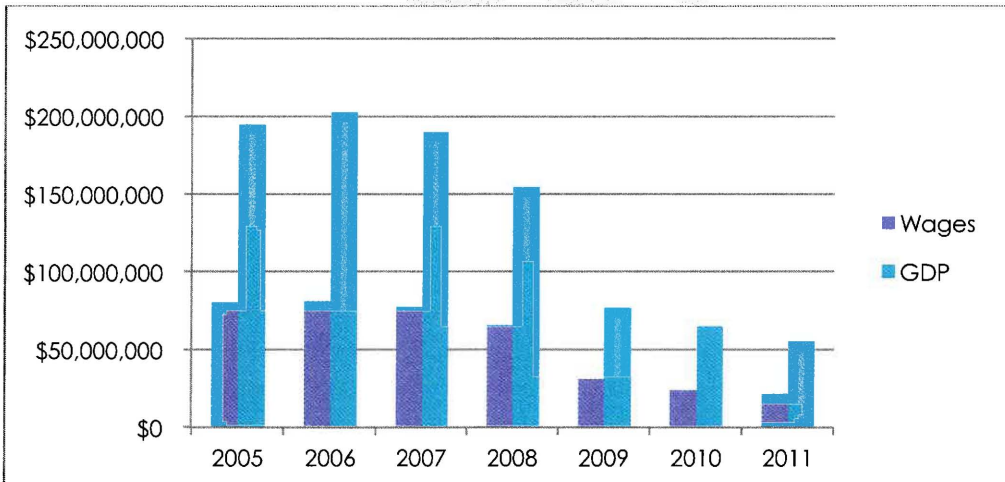


SOURCE: BLS DATA, ACCESSED FROM ENOW (NOAA COASTAL SERVICES CENTER)

2.4 TRENDS IN THE BOAT DEALERS INDUSTRY

Another marine dependent business and indicator of marine related economic activity are boat dealers. As shown below, in the 19 California Coastal counties, wages and GDP have declined consistently between 2005 and 2011.

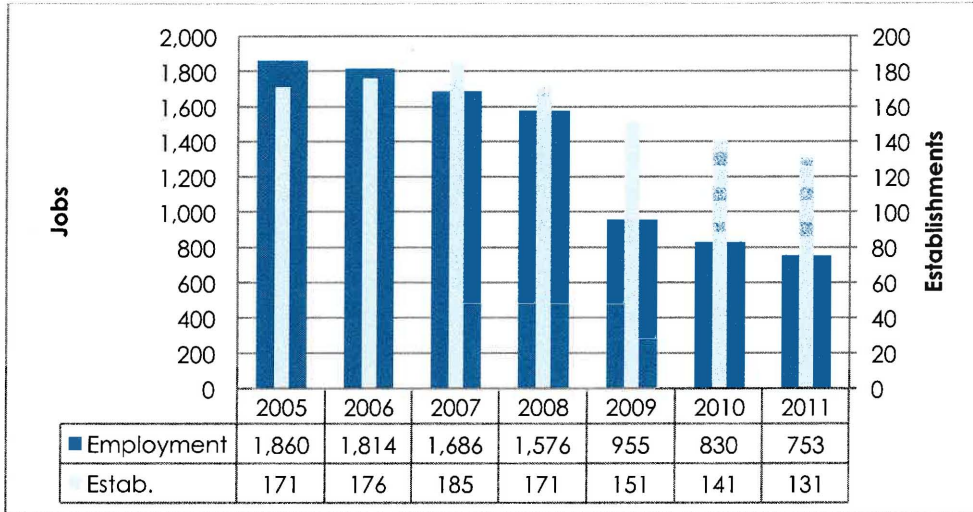
FIGURE 2.7: CALIFORNIA COASTAL COUNTIES – BOAT DEALERS GDP & WAGES



SOURCE: BLS DATA, ACCESSED FROM ENOW (NOAA COASTAL SERVICES CENTER)

Employment at boat dealers has declined as have the number of establishments, but at a slower rate.

FIGURE 2.8: CALIFORNIA COASTAL COUNTIES – JOBS & ESTABLISHMENTS

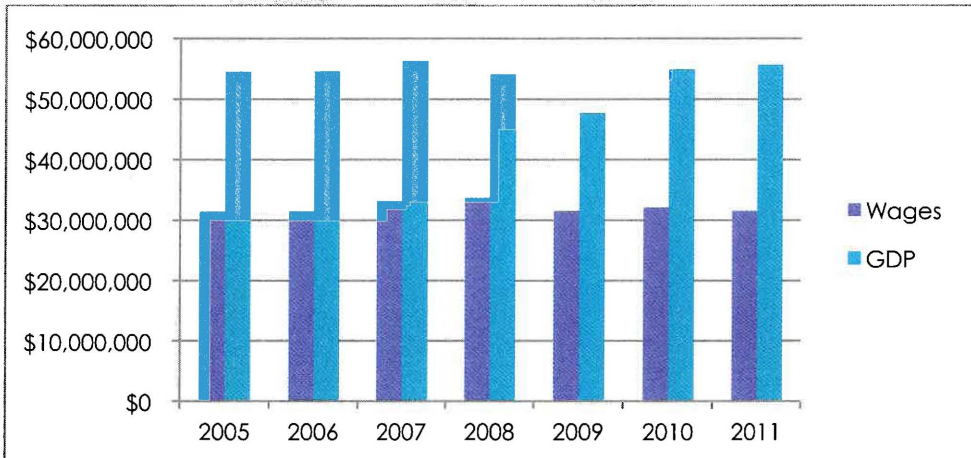


SOURCE: BLS DATA, ACCESSED FROM ENOW (NOAA COASTAL SERVICES CENTER)

2.5 MARINA TRENDS

Marinas are a typical marine-dependent land use and represent wages from and demand for marine-related services associated with the industries discussed above. Marinas (public and private) in the 19 Coastal Counties in California contribute over \$50 million annually to the State's economy.

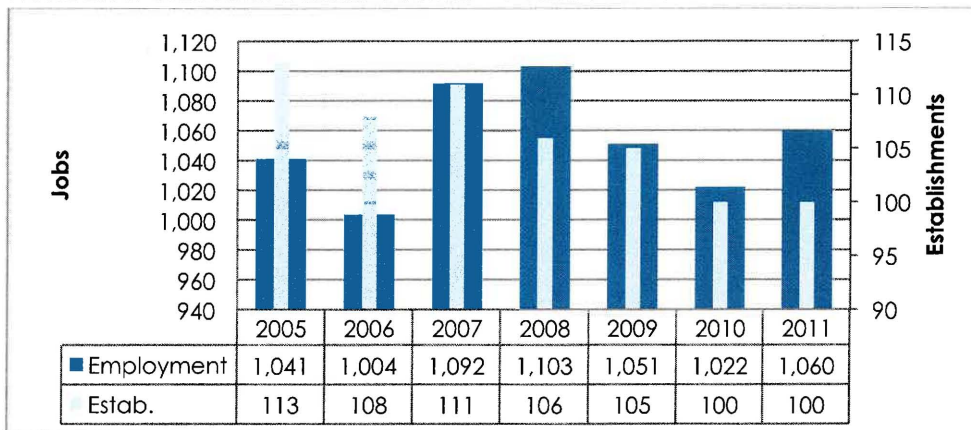
FIGURE 2.9: CALIFORNIA COASTAL COUNTIES – MARINAS GDP & WAGES



SOURCE: BLS DATA, ACCESSED FROM ENOW (NOAA COASTAL SERVICES CENTER)

Wages generated at marinas remained over \$30 million annually between 2005 and 2011.

FIGURE 2.10: CALIFORNIA COASTAL COUNTIES – MARINAS JOBS AND ESTABLISHMENTS



SOURCE: BLS DATA, ACCESSED FROM ENOW (NOAA COASTAL SERVICES CENTER)

2.6 BEST PRACTICES FROM THE NATIONAL WORKING WATERFRONTS & WATERWAYS SYMPOSIUM

This section discusses best practices for consideration in creating a sustainable working waterfront presented by the country's leading institution on furthering interests of coastal communities and working waterfronts.

There is a strong movement toward the recognition and acknowledgement of the importance of our nation's working waterfronts and waterways and the role they play in commerce, the identity of coastal communities as well as a showcase for accomplishments in environmental stewardship.

In 2013, civic leaders, land use professionals, economists, sociologists, academics and representatives from marine-dependent industries gathered at the National Working Waterfronts and Waterways Symposium (NWWWS) in Tacoma, WA. The NWWWS is considered a leading think tank and source for information sharing on coastal and river borne industry. Outcomes from the Symposium included a list of recommendations aimed at political and civic leaders on the importance of working waterfronts and waterways in the U.S. Key recommendations include:

- Recognize the importance of working waterfronts at the highest level of government in policies, guidance documents, and federal actions; and analyze the best government policies to protect current working waterfront uses.
- Ensure no net loss of working waterfronts by creating and maintaining a national inventory of working waterfronts, including those no longer in use but with a potential future use.
- Document cultural aspects of working waterfronts and their role in coastal communities.
- Facilitate a national conversation about how current and emerging issues, such as sea-level rise and coastal storms, threaten working waterfronts.

3. DISTRICT FINANCIAL PICTURE

The Harbor District generally operates as an enterprise agency to demonstrate the portion of District expenses that are recovered from services provided, including berth rents, live aboard fees, small boat launch fees, and lease rents. However, the District also undertakes non-enterprise activities that generate no immediately measurable revenue, such as trail maintenance and beach erosion control, and year-round marine search and rescue. The District's share of property tax revenue helps defray non-enterprise costs that serve a broader segment of the County population and visitors.

In June of each year, the Harbor Commission adopts the annual budget for the following fiscal year (July 1 – June 30). The District's budget is not only a projection of receipts and disbursements, but also the financial plan that identifies the operating costs considered essential to the successful operation of the District. Nonetheless, District operations and expenses need to adapt to unanticipated circumstances as the year unfolds. The budget process generally begins in February and allows opportunity for the public review and the Commission to review and comment on budget projections.

According to Government Code Section 26909 and the State Controller's Minimum Audit Requirements for California Special Districts, annual audits are conducted on the District's financial statements. The audited financial statements follow an accrual accounting protocol.

Financial data used in this assessment was compiled from annual budgets, audited financial statements, and loan documents.

Table 3.1 below presents a summary of the District's total revenues, expenses, and cash reserves over the past ten fiscal years (2004/05 to 2013/14). These figures indicate the District has generally achieved a positive cash flow before depreciation. Also shown are cash reserves and debt service associated with a loan from the Division (formerly Department) of Boating and Waterways (DBW), which are discussed in detail in Section 4 below.

Revenues, expenses, capital projects, and cash reserves are discussed in more detail below.

TABLE 3.1: 10 YEAR FINANCIAL SUMMARY

	Fiscal Year									
	2004/2005	2005/2006	2006/2007	2007/2008	2008/2009	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014
Operating Revenues	\$ 3,160,744	\$ 3,351,280	\$ 3,408,858	\$ 3,286,738	\$ 3,461,953	\$ 3,286,209	\$ 3,406,274	\$ 3,524,118	\$ 3,428,763	\$ 3,997,067
Non-Operating Revenues	\$ 3,155,251	\$ 4,201,524	\$ 4,254,499	\$ 4,319,458	\$ 5,376,493	\$ 6,182,846	\$ 4,596,894	\$ 4,586,126	\$ 6,329,712	\$ 7,622,953
Total Revenues	\$ 6,315,995	\$ 7,552,804	\$ 7,663,357	\$ 7,606,196	\$ 8,838,446	\$ 9,469,055	\$ 8,003,168	\$ 8,110,244	\$ 9,758,475¹	\$ 11,620,020²
Operating Expenses	\$ (4,548,467)	\$ (4,739,314)	\$ (5,153,820)	\$ (4,688,224)	\$ (5,033,146)	\$ (4,534,119)	\$ (4,967,014)	\$ (4,875,881)	\$ (5,677,941)	\$ (5,885,199)
Non-Operating Expenses	\$ (881,581)	\$ (875,711)	\$ (855,611)	\$ (1,224,380)	\$ (1,926,929)	\$ (1,802,738)	\$ (624,262)	\$ (1,510,046)	\$ 105,520 ³	\$ (575,362)
Capital Expenses	\$ (652,079)	\$ (1,366,645)	\$ (2,743,336)	\$ (1,940,473)	\$ (962,969)	\$ 147,490	\$ (460,318)	\$ (932,476)	\$ (3,269,808)	\$ (1,809,454)
Total Expenses	\$ (6,082,127)	\$ (6,981,670)	\$ (8,752,767)	\$ (7,853,077)	\$ (7,923,044)	\$ (6,189,367)	\$ (6,051,594)	\$ (7,318,403)	\$ (8,842,229)	\$ (8,270,015)
Net Cash Flow	\$ 233,868	\$ 571,134	\$ (1,089,410)	\$ (246,881)	\$ 915,402	\$ 3,279,688	\$ 1,951,574	\$ 791,842	\$ 916,246	\$ 3,350,006
DBW Principal Loan Payment	\$ (20,644)	\$ (27,860)	\$ (896,029)	\$ (1,564,106)	\$ (1,627,076)	\$ (4,411,855)	\$ (889,024)	\$ (929,865)	\$ (972,584)	\$ (2,247,656)
End of Year Cash Reserves	\$ 11,486,935	\$ 12,000,872	\$ 10,652,388	\$ 9,557,294	\$ 9,468,725	\$ 12,884,294	\$ 13,496,228	\$ 14,079,878	\$ 13,284,495	\$ 13,980,280

Note:

1. Fiscal year 2012/13 non-operating revenue includes a one-time payment for \$600,000 wave attenuation infrastructure from a federal grant.
2. Fiscal year 2013/14 non-operating revenue includes a one-time expense reimbursement from the City of South San Francisco for Dock 11 at Oyster Point Marina Park for \$2 million.
3. In fiscal year 2013/14 there was a one-time valuation adjustment to the termination benefit to present actual costs for each eligible member. Before 2013, all benefit calculations were made assuming the highest possible premium would be paid for each member when they started receiving the benefit.

SOURCE: SAN MATEO COUNTY HARBOR DISTRICT AUDITED FINANCIAL STATEMENTS

3.1. REVENUE TRENDS

Table 3.3 (next page) presents a detailed breakout of revenue sources for the Harbor District over the last 10 years. Since fiscal year 2004/2005, total revenues have increased from approximately \$6.3 million to approximately \$9.7 million in fiscal year 2013/2014 (excluding reimbursements and capital contributions, see below). During this same period operating revenues have increased from approximately \$3.1 million to nearly \$4.1 million, and non-operating revenues have nearly doubled from \$3.1 million to \$5.7 million in fiscal year 2013/14. Most of the growth in revenues is the result of steady increases in tax revenue, and increases in rents and concessions. It is important to note the District has received significant, one-time payments in recent years, including \$600,000 in federal contributions as part of a \$2.1 million wave attenuation infrastructure project at Oyster Point, as well as a one-time expense reimbursement from the City of South San Francisco for Dock 11 at Oyster Point Marina Park of \$2 million (discussed further below).

Table 3.2 (below) presents the major sources of income as a percent of total revenue over the last ten years and the associated geometric average annual growth rate (AGR). Local government property taxes and other government revenues comprise a near majority of revenue to the District, and have risen substantially since 2004/05. However, this revenue includes Redevelopment Agency (RDA), Educational Revenue Augmentation Fund (ERAF), and other state mandated funds. With recent changes to State law regarding the dissolution of redevelopment agencies and the intermittent ability to qualify for other public funds, the District should not rely on steady increases from these funding sources. Regardless, base property tax (less all other tax allocations) has risen over \$1.5 million at an annual growth rate of 5.8 percent. Property taxes alone have provided nearly 40 percent of total revenue over the past ten years.

Over the last ten years, berth rentals comprised the next largest source of revenue at 28.1 percent, and with some fluctuation, has risen modestly from \$2.2 million to \$2.7 million. Rents and concessions, including leases to visitor serving businesses, contribute the next highest portion of revenue, nearly seven percent, increasing at an AGR of over six percent. Operating revenues are discussed in more detail in the next Section.

TABLE 3.2: MAJOR DISTRICT REVENUES AND GROWTH

Major Revenue Source	% of Total Revenue	10 YR AGR
Property Taxes	39.1%	5.8%
Berth rental	28.1%	2.2%
ERAF/Other Tax Revenue	9.4%	18.9%
Rents & concessions	6.9%	5.2%
Non-recurring grants & state cost recoveries ¹	4.2%	NA
Interest income	2.7%	-15.2%
All other	9.5%	NA
Total Revenue²	100.0%	3.5%

Notes:

1. Includes infrequent revenues that may be discontinued and may preclude valid representation by AGR

2. AGR excludes reimbursements, one-time payments and other non-recurring revenue.

SOURCE: SAN MATEO COUNTY HARBOR DISTRICT AUDITED FINANCIAL STATEMENTS

TABLE 3.3: HARBOR DISTRICT 10 YEAR REVENUE SUMMARY

	Operating Revenues									
	2004/2005	2005/2006	2006/2007	2007/2008	2008/2009	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014
Berth Rental	\$ 2,228,931	\$ 2,334,391	\$ 2,363,660	\$ 2,401,066	\$ 2,454,142	\$ 2,306,670	\$ 2,265,867	\$ 2,414,734	\$ 2,454,496	\$ 2,706,831
Rents & concessions	\$ 530,569	\$ 521,809	\$ 496,007	\$ 488,116	\$ 525,174	\$ 555,573	\$ 682,706	\$ 630,614	\$ 580,471	\$ 837,747
Transient berths & dockage	\$ 158,500	\$ 125,380	\$ 155,171	\$ 150,100	\$ 169,389	\$ 181,081	\$ 168,619	\$ 113,546	\$ 102,969	\$ 127,675
Other sales & services	\$ 98,258	\$ 217,790	\$ 207,415	\$ 92,148	\$ 154,497	\$ 73,259	\$ 125,044	\$ 168,776	\$ 107,380	\$ 126,404
Launching fees	\$ 71,349	\$ 77,051	\$ 126,273	\$ 91,124	\$ 83,863	\$ 94,001	\$ 92,140	\$ 105,893	\$ 87,555	\$ 110,073
Mooring fees	\$ 35,159	\$ 43,568	\$ 41,669	\$ 44,959	\$ 47,179	\$ 43,279	\$ 42,410	\$ 44,097	\$ 45,938	\$ 42,346
Recreational vehicles	\$ 32,518	\$ 25,138	\$ 12,612	\$ 13,528	\$ 20,515	\$ 25,386	\$ 23,814	\$ 37,505	\$ 42,600	\$ 37,311
Dock box fees	\$ 5,460	\$ 6,153	\$ 6,051	\$ 5,698	\$ 7,194	\$ 6,960	\$ 5,674	\$ 8,953	\$ 7,354	\$ 8,680
Total Operating Revenue	\$ 3,160,744	\$ 3,351,280	\$ 3,408,858	\$ 3,286,738	\$ 3,461,953	\$ 3,286,209	\$ 3,406,274	\$ 3,524,118	\$ 3,428,763	\$ 3,997,067
Property taxes	\$ 2,403,589	\$ 2,245,857	\$ 3,168,783	\$ 3,348,901	\$ 3,629,659	\$ 3,582,746	\$ 3,564,150	\$ 3,595,797	\$ 3,709,772	\$ 3,977,705
Other Taxes (ERAF, RDA etc.)	\$ 262,119	\$ 897,355	\$ 625,559	\$ 562,366	\$ 639,133	\$ 806,611	\$ 706,959	\$ 864,308	\$ 1,370,333	\$ 1,243,995
Non-recurring grants & State cost recoveries	\$ 156,537	\$ 213,157	\$ 2,195	\$ -	\$ 906,084	\$ 1,340,000	\$ 51,478	\$ 28,359	\$ 640,000 ¹	\$ 271,420
Interest Income	\$ 331,350	\$ 386,813	\$ 456,070	\$ 405,570	\$ 196,571	\$ 93,900	\$ 133,166	\$ 123,219	\$ 94,969	\$ 75,043
Reimbursement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,779	\$ 2,004,872 ²
Asset Sales	\$ -	\$ 449,354	\$ -	\$ -	\$ -	\$ 349,482	\$ -	\$ -	\$ 29,674	\$ 95,049
Miscellaneous	\$ 1,656	\$ 8,988	\$ 1,892	\$ 2,621	\$ 5,046	\$ -	\$ 91,317	\$ -	\$ -	\$ -
Insurance settlements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,106	\$ 49,824	\$ 789	\$ -	\$ -
Total Non-Operating Revenue	\$ 3,155,251	\$ 4,201,524	\$ 4,254,499	\$ 4,319,458	\$ 5,376,493	\$ 6,182,846	\$ 4,596,894	\$ 4,586,126	\$ 6,329,712	\$ 7,622,953
Total All Revenue	\$ 6,315,995	\$ 7,552,804	\$ 7,663,357	\$ 7,606,196	\$ 8,838,446	\$ 9,469,055	\$ 8,003,168	\$ 8,110,244	\$ 9,758,475	\$ 11,620,020

Notes:

1. Includes a one-time payment for \$600,000 wave attenuation infrastructure from a federal grant.
2. Includes a one-time expense reimbursement from the City of South San Francisco for Dock 11 at Oyster Point Marina Park for \$2 million.

SOURCE: SAN MATEO COUNTY HARBOR DISTRICT AUDITED FINANCIAL STATEMENTS

OPERATING REVENUE

Operating revenues reflect fees and income directly tied to the services provided by the District, and are important as the sources of income over which the District has the most control. Berth rentals comprise the lion's share of operating revenues, and have been growing modestly at 2.2 percent AGR. Rents and concessions, largely made up of lease payments from businesses renting visitor and/or commercial-fishing related space from the District, constitute roughly 17 percent of all operating revenue (nearly 7 percent of total) and has grown at an AGR of 5.2 percent. Rents and concessions have generally ranged between \$500,000 and 600,000, but reached nearly \$840,000 in this latest fiscal year, largely due to offloading fees and an adjustment in lease rates. Transient berths and dockage fees are the next highest earning source and the only one to exhibit a decline, providing \$127,000 in 2013/14 from a high of \$181,000 in 2009/10.

TABLE 3.4: DISTRICT OPERATING REVENUE 10 YEAR DISTRIBUTION AND GROWTH

Operating Revenue Source	% of Operating Revenue	% of Total Revenue	10 YR AGR
Berth Rental	69.7%	28.1%	2.2%
Rents & concessions	17.0%	6.9%	5.2%
Transient berths & dockage	4.2%	1.7%	-2.4%
Other sales & services	4.0%	1.6%	2.8%
Launching fees	2.7%	1.1%	4.9%
Mooring fees	1.3%	0.5%	2.1%
Recreational vehicles	0.8%	0.3%	1.5%
Dock box fees	0.2%	0.1%	5.3%
All Operating Revenue	100.0%	40.3%	2.6%

SOURCE: SAN MATEO COUNTY HARBOR DISTRICT AUDITED FINANCIAL STATEMENTS

NON-RECURRING REVENUE

It is necessary to identify and distinguish certain non-operating revenues received by the District, such as grants, reimbursements, and asset sale proceeds that are atypical and/or may not be relied upon in projecting future District revenues. In the past two fiscal years the District received a one-time payment of \$600,000 from federal sources as part of a grant-funded \$2.1 million wave attenuation infrastructure project at Oyster Point, and a one-time \$2 million reimbursement from the City of South San Francisco for Dock 11 at Oyster Point Marina Park following construction of the South San Francisco-Oyster Point Ferry Terminal.

In the last three fiscal years, the District also received \$1 million in other local tax revenue, including Redevelopment Agency tax allocations. Similarly, the District received \$6.7 million in Educational Revenue Augmentation Fund (ERAF) disbursements over the past 10 years that varied between \$260,000 in fiscal year 2004/05 and \$910,000 in fiscal year 2013/14. Due to the dissolution of redevelopment agencies in California (Assembly Bill 26) and the uncertainty of ERAF allocations for local governments and special districts, the aforementioned revenues cannot be relied upon as a consistent, long term revenue source for the District.

3.2. EXPENSE TRENDS

Like revenues, District expenditures are categorized as operating and non-operating and are generally comprised of costs required to run and maintain district operations and facilities. It is important to note that non enterprise expenses, such as wages for search and rescue staff and trail and park maintenance are included in the Districts operating expenses. Table 3.5 below presents major expenses for the District over previous ten fiscal years. Salaries, wages and other payroll expenses constitute the District's largest expense, or over 43 percent of all expenses. Capital expenses are the next largest, or 19 percent, followed by interest on the remaining DBW debt, comprising 8.5 percent of total expenses over the ten year period. The District has seen salaries, wages, and other payroll expenses (salaries and payroll burden) increase at an annual average growth rate of 2.6 percent, near the average annual inflation for that period (Bureau of Labor Statistics, 2014). Interest expenses have declined at an AGR near 10 percent as interest has decreased steadily with pay down of the consolidated DBW loan. Although capital expenses were generally lower during and immediately after the Great Recession (fiscal years 2008/2009 to 2011/12), they are have increased in recent years and have fluctuated significantly over the past 10 years. . Overall, total expenses have increased at an AGR near 3.5 percent.

3.5: MAJOR DISTRICT EXPENSES AND GROWTH

Major Expense	% of Total Expenses	10 YR AGR
Salaries and payroll burden	43.4%	2.5%
Capital Expenses ¹	18.7%	NA
Interest Expense (DBW)	8.5%	-9.7%
Contractual services	5.0%	5.6%
Termination benefits ¹	4.7%	NA
Utilities	3.9%	3.6%
Insurance	3.1%	1.8%
Repairs & maintenance	2.2%	2.2%
Elections ¹	1.9%	NA
All Other Expenses	8.4%	NA
All Expenses	100.0%	3.5%

Notes:

1. These expenses are infrequent or unpredictable and preclude valid representation by 10-year AGR.

SOURCE: SAN MATEO COUNTY HARBOR DISTRICT AUDITED FINANCIAL STATEMENTS

Table 3.6 (following page) provides a summary of operating and non-operating expenses from fiscal year 2004/05 to 2013/14. Contributing to the overall increase in expenses from \$6.0 million to \$8.2 million (4.9 percent AGR) were capital expenses and salaries, wages and other payroll expenses. As previously stated, the District has seen salaries and payroll increase at an annual average growth rate of 2.6 percent, reflective of periodic cost of living increases, resulting in growth near the average annual inflation for that period (Bureau of Labor Statistics, 2014). Capital expenses have fluctuated based on needed improvements and other infrastructure investments (Capital projects are discussed in Section 3.4, below.)

TABLE 3.6: HARBOR DISTRICT 10 YEAR EXPENSE SUMMARY

	Expenditures									
	2004/2005	2005/2006	2006/2007	2007/2008	2008/2009	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014
Salaries and payroll burden	\$ (2,897,122)	\$ (3,180,348)	\$ (3,257,006)	\$ (3,238,620)	\$ (3,288,038)	\$ (3,041,464)	\$ (3,169,464)	\$ (3,265,145)	\$ (3,518,606)	\$ (3,627,090)
Contractual services	\$ (399,173)	\$ (312,950)	\$ (323,989)	\$ (386,595)	\$ (430,955)	\$ (338,256)	\$ (286,794)	\$ (281,465)	\$ (330,039)	\$ (651,386)
Utilities	\$ (280,902)	\$ (264,000)	\$ (260,704)	\$ (267,863)	\$ (288,881)	\$ (300,825)	\$ (285,251)	\$ (310,415)	\$ (298,837)	\$ (385,908)
Insurance	\$ (204,727)	\$ (194,140)	\$ (229,764)	\$ (245,353)	\$ (240,188)	\$ (236,072)	\$ (237,954)	\$ (245,705)	\$ (262,684)	\$ (239,394)
Repairs & maintenance	\$ (146,413)	\$ (109,594)	\$ (104,768)	\$ (95,348)	\$ (109,596)	\$ (147,333)	\$ (338,485)	\$ (242,197)	\$ (188,892)	\$ (177,923)
Elections	\$ (108,928)	\$ (217,856)	\$ (459,534)	\$ -	\$ (100,000)	\$ -	\$ -	\$ -	\$ (376,975)	\$ (188,487)
Operating supplies	\$ (69,585)	\$ (54,526)	\$ (63,476)	\$ (59,076)	\$ (59,978)	\$ (66,782)	\$ (112,061)	\$ (89,073)	\$ (107,566)	\$ (117,435)
Office rental	\$ (54,797)	\$ (62,002)	\$ (68,584)	\$ (70,803)	\$ (75,396)	\$ (94,518)	\$ (90,547)	\$ (91,930)	\$ (90,812)	\$ (95,063)
All Other Operating Expenses ¹	\$ (386,820)	\$ (343,898)	\$ (385,995)	\$ (324,566)	\$ (440,114)	\$ (308,869)	\$ (446,458)	\$ (349,951)	\$ (503,530)	\$ (402,513)
Total Operating Expenses²	\$ (4,548,467)	\$ (4,739,314)	\$ (5,153,820)	\$ (4,688,224)	\$ (5,033,146)	\$ (4,534,119)	\$ (4,967,014)	\$ (4,875,881)	\$ (5,677,941)	\$ (5,885,199)
Interest Expense (DBW)	\$ (881,581)	\$ (875,711)	\$ (855,611)	\$ (800,702)	\$ (743,544)	\$ (554,179)	\$ (483,649)	\$ (441,869)	\$ (398,170)	\$ (350,616)
Termination benefits	\$ -	\$ -	\$ -	\$ -	\$ (812,191)	\$ (1,248,559)	\$ (140,613)	\$ (1,050,627)	\$ 503,689 ³	\$ (224,746)
Asset Sales	\$ -	\$ -	\$ -	\$ (423,678)	\$ (35,623)	\$ -	\$ -	\$ (15,954)	\$ -	\$ -
Investment loss	\$ -	\$ -	\$ -	\$ -	\$ (335,571)	\$ -	\$ -	\$ -	\$ -	\$ -
Reimbursement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,596)	\$ -	\$ -
Total Non-Operating Expense	\$ (881,581)	\$ (875,711)	\$ (855,611)	\$ (1,224,380)	\$ (1,926,929)	\$ (1,802,738)	\$ (624,262)	\$ (1,510,046)	\$ 105,520	\$ (575,362)
Capital Expenses	\$ (652,079)	\$ (1,366,645)	\$ (2,743,336)	\$ (1,940,473)	\$ (962,969)	\$ 147,490	\$ (460,318)	\$ (932,476)	\$ (3,269,808)	\$ (1,809,454)
Total All Expenses²	\$ (6,082,127)	\$ (6,981,670)	\$ (8,752,767)	\$ (7,853,077)	\$ (7,923,044)	\$ (6,189,367)	\$ (6,051,594)	\$ (7,318,403)	\$ (8,842,229)	\$ (8,270,015)

Notes:

1. Any individual operating expense less than 1 percent of total expenses.
2. Excludes depreciation.
3. In fiscal year 2013/14 there was a one-time valuation adjustment to the termination benefit to present actual costs for each eligible member. Before 2013, all benefit calculations were made assuming the highest possible premium would be paid for each member when they started receiving the benefit.

SOURCE: SAN MATEO COUNTY HARBOR DISTRICT AUDITED FINANCIAL STATEMENTS

3.3 REVENUE AND EXPENSES BY DEPARTMENT

The District has also accounted for revenues and expenses by department. Tables 3.7 and 3.8 show operating revenues and expenses for Pillar Point, Oyster Point, Administration, and the Harbor Commission from fiscal year 2010/2011. Revenues for Oyster Point include approximately \$2.6 million in reimbursements from the City of South San Francisco for breakwater and dock repairs (wave attenuation) and the replacement of Dock 11. Without this reimbursement, the two facilities have grown at a similar rate.

TABLE 3.7: HARBOR DISTRICT REVENUES BY DEPARTMENT, 2010/11 – 2013/14

Department	Operating Revenues					
	2010/11	2011/12	2012/13	2013/14	% Share	AGR
Pillar Point	\$ 1,974,752	\$ 2,016,950	\$ 2,077,755	\$ 2,384,566	54.7%	6.5%
Oyster Point	\$ 1,531,953	\$ 1,529,199	\$ 1,401,213 ¹	\$ 1,887,667 ²	41.1%	7.2%
Administration	\$ 226,327	\$ 148,559	\$ 97,105	\$ 172,887	4.2%	6.5%
Harbor Commission	\$ -	\$ -	\$ -	\$ -	0.0%	NA
Total	\$ 3,733,032	\$ 3,694,708	\$ 4,176,070	\$ 6,445,110	100.0%	13.2%

Notes:

1. 2012/13 revenues for Oyster Point Marina exclude a \$600,000 reimbursement from the City of South San Francisco for wave attenuation capital expense.
2. 2013/14 revenues for Oyster Point Marina exclude a \$2 million reimbursement payment from the City of South San Francisco for the replacement of Dock 11.

SOURCE: SAN MATEO COUNTY HARBOR DISTRICT AUDITED FINANCIAL STATEMENTS

TABLE 3.8: HARBOR DISTRICT EXPENSES BY DEPARTMENT, 2010/11 – 2013/14

Department	Expenses ¹					
	2010/11	2011/12	2012/13	2013/14	% Share	AGR
Pillar Point	\$ 2,398,556	\$ 2,972,441	\$ 2,278,637	\$ 2,860,464	43.6%	6.7%
Oyster Point	\$ 2,069,755	\$ 2,196,171	\$ 1,630,367	\$ 1,934,494	32.5%	6.4%
Administration	\$ 1,027,580	\$ 1,133,872	\$ 1,204,760	\$ 1,242,560	19.1%	6.2%
Harbor Commission	\$ 123,746	\$ 91,241	\$ 488,860	\$ 468,174	14.9%	NA ²
Total	\$ 5,619,638	\$6,393,726	\$5,602,625	\$6,505,691	100.0%	7.7%

Notes:

1. Excludes depreciation.
2. Harbor Commission expenses vary based on whether an election is held, however increased legal expenses have contributed to the increase in recent years.

SOURCE: SAN MATEO COUNTY HARBOR DISTRICT AUDITED FINANCIAL STATEMENTS

3.4. CAPITAL PROJECTS

Each year, the District undertakes capital projects that vary considerably scale and scope, some of which are tied to grant and other "outside" funding sources. As shown in Table 3.6 (above), capital expenses have ranged between \$650,000 and \$3.3 million, totaling nearly \$14 million over the last 10 years. After considerably reduced expenses in fiscal years 2009/10 to 2010/11, significant capital investments totalling over \$5 million were made in the last two years.

In 2009, the District prepared a list of potential capital projects, and prioritized them into categories of "must do" and "should do", and this has been used to inform facilities plans. The District has recently hired Moffatt & Nichol Engineers to produce a Marine Infrastructure and Facility Conditions Survey, which will inform capital project priorities and the Strategic Business Plan.

3.5. CASH RESERVES

The creation, use, and definition of reserves varies significantly among public agencies. Typically, and in accordance with Generally Accepted Accounting Principals (GAAP), reserves simply equate to a net positive balance of liquid assets to liabilities in annual budgets. Reserves may also be specific "contingency" or "rainy day" funds, with an associated policy governing uses responding to uncertainty.

Best practices for the establishment of cash reserves for public agencies typically adhere to a few principles, 1) cash reserves are intended to better position agencies to fund anticipated and unforeseen capital outlays, 2) reduce or eliminate interest and costs associated with debt, as well as 3) protect budgets against known and unknown risks. Therefore, reserve funds should clearly identify their intended use and should balance the the provision of ample cushion in times of need without restricting excessive amounts for extended periods of time. Generally, public agencies should have policies in place to govern the use, amounts, and management of reserve funds. Policies should include the periodic assessment of cash reserves to ensure the amounts and intended uses remain necessary and valid. Generally, cash reserves must be accounted for separately, and interest should be reinvested in the reserve fund from which it accrued.

A more difficult exercise is to determine the proper amount to keep in reserves. Some "rules of thumb" used by municipalities to evaluate an adequate amount of reserves may be as simple as a percentage of annual operating expenditures or an amount required to maintain operations for a given period of time. However, there is little in the way of industry guidelines or academic research that provides standards applicable across agencies. Generally, reserve funds should respond to historical peaks and troughs in revenue streams.

At the end of fiscal year 2013/14, the District had \$13.9 million in cash. Of this, approximately \$1.78 million is restricted as a requirement of the Division of Boating & Waterways outstanding debt (see also Debt Retirement Plan below). While reserves have fluctuated over the years, since 2008 cash has increased by nearly \$2.5 million in the last 10 years (21.7%). This is due to a combination of revenue increases, including non-recurring government tax payments, grant payments and reimbursements, and modest growth in corresponding expenses.

TABLE 3.9: SAN MATEO COUNTY HARBOR DISTRICT 10 YEAR CASH BALANCE

Fiscal Year	Available Cash	Restricted Cash	Total Cash
2004/05	\$ 9,976,124	\$ 1,510,811	\$ 11,486,935
2005/06	\$ 10,439,470	\$ 1,561,402	\$ 12,000,872
2006/07	\$ 9,024,999	\$ 1,627,389	\$ 10,652,388
2007/08	\$ 7,854,545	\$ 1,702,749	\$ 9,557,294
2008/09	\$ 7,817,446	\$ 1,651,280	\$ 9,468,726
2009/10	\$ 11,212,020	\$ 1,672,274	\$ 12,884,294
2010/11	\$ 11,805,185	\$ 1,691,043	\$ 13,496,228
2011/12	\$ 12,364,655	\$ 1,715,223	\$ 14,079,878
2012/13	\$ 11,547,199	\$ 1,737,296	\$ 13,284,495
2013/14	\$ 12,204,651	\$ 1,775,629	\$ 13,980,280

SOURCE: SAN MATEO COUNTY HARBOR DISTRICT FISCAL BUDGETS

ASSIGNED AND COMMITTED CASH RESERVES

A portion of the District's cash reserve funds are appropriated for various uses, however they may be repurposed at the Board of Harbor Commissioner's discretion, and therefore remain characterized as "unrestricted". Current earmarked funds and their intended uses are presented in Table 3.10 below.

TABLE 3.10: 2013/14 CASH RESERVE APPROPRIATIONS

Cash Reserve	Amount	Category
Emergency Reserve	\$ 1,619,464	Committed
Reserve for District Office	\$ 1,526,218	Committed
Capital Improvements Reserves	\$ 586,500	Committed
Payables Liability	\$ 141,877	Assigned
Unfunded Health Insurance Termination Benefit Liability	\$ 2,973,047	Assigned
Encumbrances for Capital Projects	\$ 685,222	Assigned
Customer Deposits Liability	\$ 214,228	Assigned
Customer's Prepayments Liability	\$ 255,315	Assigned
Total Committed/Assigned	\$ 8,001,871	
Unassigned	\$ 4,202,781	
Restricted DBW Set Aside	\$ 1,775,629	
Total Cash Reserve End of Fiscal Year 2013/14	\$ 13,980,280	

SOURCE: SAN MATEO COUNTY HARBOR DISTRICT FISCAL BUDGETS

The reserve funds previously committed or assigned to various purposes at the Commission's discretion have been apportioned because of a known need. The District, at the Harbor Commission's discretion, must weigh the costs and benefits of repurposing funds for other anticipated future capital needs, remaining DBW debt retirement (see section 4 below), and future investments to improve the financial viability of the District. This review should be created in conjunction with a clear policy for governing cash reserves.

4. DEBT RETIREMENT PLAN

SMCHD development in the late 1970s and 1980s was financed by loans from the Division of Boating and Waterways (DBW). Loan restructuring and consolidation efforts are discussed further below. The purpose of this Section is to illustrate how the District can continue to make debt payments and/or retire the debt in accordance with the negotiated loan terms.

4.1. DBW DEBT HISTORY

The following DBW debt history is based upon the San Mateo County Harbor District Basic Financial Statements for the year ended June 30, 2013.

Between 1973 and 1991, DBW extended seventeen loans totalling \$19,473,934 to SMCHD for capital and other expenses at Pillar Point Harbor, as well as the development of Oyster Point Marina Park. In May 1997, DBW allowed SMCHD a three-year loan deferral during which time no principal or interest payments were due. At the end of the deferral period, the loans and deferred interests were re-amortized over the remaining life of the loans. In July 2001, SMCHD executed an "Approval of Concept" agreement with DBW to defer for five years the principal portions of DBW debt service payments and make interest only payments.

In October 2004, SMCHD entered into a Consolidated Loan Agreement with DBW that consolidated the seventeen previous loans into one. Collateral for the consolidated loan is all property tax revenues due to SMCHD, assigned rents and leases¹ due to SMCHD, and a restricted cash reserve account with the San Mateo County Treasury that had a beginning balance of \$1,500,000. Beginning in 2007, the District made principal and interest payments on the outstanding loan balance.

The DBW loan agreement includes covenants intended to ensure the District maintains the ability to retire the debt, requiring the District obtain approval for capital expenses greater than \$1,000,000 and approval for changes to any lease rate within the District.

In 2008, SMCHD and DBW entered into San Mateo County Harbor District Settlement Agreement Amendment#1 that re-amortized SMCHD's loan with DBW to accommodate additional principal paydown in 2008 and 2009, as shown in Table 4.1. At year-end 2008, the outstanding DBW principal amounted to \$17,784,253. Two subsequent principal payments in the amounts of \$2,400,000, \$3,660,000, and one interest and principal payment in the amount of \$1,407,374 were made on December 31, 2008, September 10, 2009, and December 31, 2009, respectively. The September, 2009, \$3.66 million payment was made to DBW by WETA as a condition of approval of WETA's lease from SMCHD for the commuter ferry terminal at Oyster Point Marina Park, which required the removal of docks and, therefore, future revenue.

¹ Assigned rents and leases refers to a scenario when rents due to a borrower, in this case rents from Pillar Point and Oyster Point Marina Park, can be transferred to the lender, in this case DBW, in the event the borrower is unable to make loan payments.

TABLE 4.1 SMCHD SETTLEMENT AGREEMENT AMENDMENT#1 DBW AMORTIZATION SCHEDULE

Payment Date	Principal (dollars)	Interest (dollars)	Total Payment (dollars)	Remaining Loan Balance
12/31/08	\$2,400,000.00	\$772,924.21	\$1,627,075.79	\$15,384,252.68
9/10/2009 ¹	\$3,660,000.00	\$0.00	\$3,660,000.00	\$11,724,252.68
12/31/09	\$751,854.91	\$655,518.94	\$1,407,373.85	\$10,972,397.77
12/31/10	\$889,023.74	\$504,070.03	\$1,393,093.77	\$10,083,374.03
12/31/11	\$929,865.33	\$463,228.44	\$1,393,093.77	\$9,153,508.70
12/31/12	\$972,583.18	\$420,510.59	\$1,393,093.77	\$8,180,925.52
12/31/13	\$1,017,263.48	\$375,830.29	\$1,393,093.77	\$7,163,662.04
12/31/2014 ²	\$1,230,392.71	\$162,701.06	\$1,393,093.77	\$5,933,269.33
12/31/15	\$979,573.35	\$413,520.42	\$1,393,093.77	\$4,953,695.98
12/31/16	\$1,165,521.84	\$227,571.93	\$1,393,093.77	\$3,788,174.14
12/31/17	\$1,219,065.71	\$174,028.06	\$1,393,093.77	\$2,569,108.44
12/31/18	\$1,275,069.38	\$118,024.39	\$1,393,093.77	\$1,294,039.06
12/31/19	\$630,982.47	\$28,987.23	\$659,969.69	\$663,056.59

Notes:

1. Funds for the 9/10/2009 \$3,660,000 principal pay-down were issued to directly to DBW by WETA.
2. Due to early payments, the latest remaining balance and payment schedule presented in audited FY2013/14 financial statement is now inconsistent with amortization schedule in Settlement Agreement 1. See below.

SOURCE: SAN MATEO COUNTY HARBOR DISTRICT

According to the current amortization schedule, DBW principal will be paid off entirely by the end of 2019, unless SMCHD does so sooner on a voluntary basis. SMCHD debt service payments will have reduced DBW principal to approximately \$4.95 million² by the end of calendar year 2015. (Note: As discussed further below, the District has over \$1.7 million in a restricted reserve account administered by the San Mateo County Treasurer that could enable the District to retire the remaining debt in 2018 or earlier.)

² Source: SMCHD, Staff and "2014 Payment Oyster and Pillar Point, Modify 2014 Payment Due on July 1, 2014, Modification B, 7/28/2014"

4.2. DEBT SERVICE COVERAGE RATIO

One approach to assessing a borrower's ability to pay debt obligations is an evaluation of the debt service coverage ratio (DCR), which is the ratio of net income to the debt payments. This section will show that SMCHD has current and projected DCRs of 1.01 and above, which indicates that the SMCHD has enough projected net income to cover DBW debt payments without drawing from cash reserves.

What is DCR?

To qualify for financing, a lender must be satisfied that it is an acceptable investment. In this case the lender is DBW, and the investment is the consolidated loan issued to SMCHD as described above. A lender evaluates the risk and return of any given loan. One widely used indication of the risk is the degree to which a borrower's income is expected to exceed the loan payments. The lender typically would like to see a sufficient cushion. If income is less than anticipated, the borrower will still be able to make the debt payments without using reserve funds. A common way to measure the cushion a borrower is expected to maintain is the DCR.

A DCR of 1.0 would illustrate that a borrower has exactly enough net income to pay a debt obligation. For example, consider the case in which a company earned annual net income of \$100,000. Say also, the company has taken on a loan that results in an annual payment of \$100,000. The company DCR would be $\$100,000$ (net income) / $\$100,000$ (debt payment) = 1.0. If the company's net income increases to \$120,000, the DCR increases to 1.2. If the company's net income falls to \$80,000, the DCR decreases to 0.8. A DCR of less than 1.0 signals that a borrower will be unable to make a debt payment unless it has reserve funds.

In the case of SMCHD, Table 4.2 below shows an end of fiscal year 2013/14 DCR of 1.85 that is projected to reduce to 1.01 and then trend back up to 1.41 when capital expenses are excluded. This means the District has enough net income to pay its DBW debt obligations while maintaining a 1 to 41 percent (of total DBW debt payment) cushion, which the District must consider when determining fund allocation for capital projects and whether to draw from cash reserves. To this end, Table 4.2 also presents the amount of funds available for capital expenses while maintaining a DCR of 1.0. It is important to note that these projections are based on historical trends and applied to current budgets while excluding depreciation. Depreciation reflects a loss in value of the District's capital assets over lifespan of the asset, but do not contribute to cash flows out of the District.

TABLE 4.2: SMCHD DBW DEBT SERVICE COVERAGE RATIO

Fiscal Year	Actual	Budgeted	Projections ¹				
	FY 2013/14	FY 2014/15	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20
Operating Revenues	\$ 3,997,067	\$ 3,788,250	\$ 3,888,362	\$ 3,991,119	\$ 4,096,592	\$ 4,204,852	\$ 4,315,973
Non-Operating Revenues ²	\$ 7,047,592	\$ 5,117,300	\$ 5,345,876	\$ 5,584,661	\$ 5,834,113	\$ 6,094,707	\$ 6,366,941
Total Revenues	\$ 11,044,659	\$ 8,905,550	\$ 9,234,237	\$ 9,575,780	\$ 9,930,705	\$ 10,299,559	\$ 10,682,914
Total Operating Expense³	\$ (5,885,199)	\$ (7,608,547)	\$ (7,829,511)	\$ (8,056,892)	\$ (8,290,876)	\$ (8,531,656)	\$ (8,779,428)
Cash Available for Debt Payment	\$ 5,159,460	\$ 1,297,003	\$ 1,404,727	\$ 1,518,889	\$ 1,639,828	\$ 1,767,903	\$ 1,903,485
DBW Principal Payment ⁴	\$ 2,247,656	\$ -	\$ 979,573	\$ 1,165,522	\$ 1,219,066	\$ 1,275,069	\$ 1,294,039
DBW Loan Interest**	\$ 538,531	\$ -	\$ 413,520	\$ 227,572	\$ 174,028	\$ 118,024	\$ 59,448
Total Loan Payment	\$ (2,786,188)	\$ -	\$ (1,393,093)	\$ (1,393,094)	\$ (1,393,094)	\$ (1,393,093)	\$ (1,353,487)
Debt Service Coverage Ratio	1.85	-	1.01	1.09	1.18	1.27	1.41
DSCR with Capital Expenses		1.00	1.00	1.00	1.00	1.00	1.00
Amount Available for Capital Expenses		\$ 1,297,003	\$ 11,634	\$ 125,795	\$ 246,734	\$ 374,810	\$ 549,998

Notes:

1. Projections are based on historical average annual growth rates. Non-operating revenues include non-recurring governmental and other funds that may not be consistently received by the District. Therefore, non-operating revenue growth projections are based on revenues the District is likely to continue receiving, namely property taxes and interest on investments, and is assumed to increase 4.5% annually.
2. Less certain administrative fees and other costs associated with non-operating revenue.
3. Excludes depreciation.
4. Data from audited fiscal year 2013/14 audited financial statement.

SOURCE: SAN MATEO COUNTY HARBOR DISTRICT AUDITED FINANCIAL STATEMENTS AND FISCAL BUDGETS

4.3. CASH RESERVES

In the event SMCHD net income were to decrease to a point where net income in any given year would not support the full DBW debt payment, SMCHD would have the option to draw from its unrestricted cash reserves, which totaled \$12,204,651 at the end of fiscal year 2013/14 (see Tables 3.9 and 4.3). This may include the adjustment or reallocation of assigned and/or committed reserves (See Table 3.10).

As shown in Table 4.3, unrestricted cash reserve funds are projected to decrease to \$7.8 million by the end of fiscal year 2018/19, with the final DBW loan payment occurring the following year and cash reserves increasing to \$9.6 million, assuming annual capital expenses of \$1.5 million. Historically, capital expenses have varied (see Table 3.6), ranging from roughly \$0.5 million to over \$3 million per year.

4.4. CASH RESERVES, CAPITAL PROJECT EXPENSES & DBW PREPAYMENT

SMCHD could use unrestricted or restricted cash reserve funds to pay off the DBW loan earlier. The District has over \$1.7 million in a restricted reserve account administered by the San Mateo County Treasurer that could enable the District to retire the remaining debt in 2018 or earlier.

This section describes the level of unrestricted and restricted cash reserves relative to prepaying the remaining DBW debt obligation. This section also discusses the decision to undertake capital project expenses and the impact it would have on unrestricted cash reserve funds.

USE OF UNRESTRICTED CASH RESERVE FUNDS TO PAY DOWN REMAINING DBW PRINCIPAL

Table 4.3 (below) shows SMCHD unrestricted cash reserve amounts for each year in comparison to the DBW loan outstanding principal balance. The projections show that in any given year, SMCHD would have reserves sufficient to pay off the DBW loan in its entirety. As discussed in Section 3 above, a significant portion of these reserves have been assigned or committed to various purposes and a reallocation must be reviewed and approved by the Board of Harbor Commissioners. As of the 2013/2014 fiscal year, the District held \$4.2 million in unassigned, unrestricted cash reserves, and \$1.78 million in the restricted DBW setaside, totalling nearly \$6 million, roughly equal to the remaining loan principal (see Table 3-10 for cash reserve balances).

ROLE OF CAPITAL PROJECT EXPENSES

The decision to undertake capital project expenses should come after the post-DBW debt payment position is confirmed. Any capital project expenses would reduce the amount of cash remaining in unrestricted cash reserves. Table 4.3 takes into account capital project expenses that have been formally budgeted for fiscal years 2013/14 and 2014/15, after which capital expenses of \$1.5 million per year are assumed. As discussed above, capital expenses may vary significantly from year to year; one of the many purposes of cash reserves is adapting to fluctuations in capital and other expenses. Although unlikely given the District's aging facilities and infrastructure needs, if no large capital project expenses are undertaken, SMCHD would retain unrestricted cash reserves that are sufficient to pay off DBW outstanding principal in any of the forecast years shown in Tables 4.3. The District will retain nearly \$9.5 million in reserves once all debt obligations are retired, enough to cover more than one year of operating expenses.

USE OF RESTRICTED CASH RESERVE FUNDS TO PAY DOWN REMAINING DBW PRINCIPAL

As part of the Consolidated Loan Agreement entered into with DBW in 2004, SMCHD was required to set aside \$1,500,000 in an restricted cash account held by San Mateo County Treasury. The balance of this fund as of end of Fiscal 2012/13 is \$1,775,629. SMCHD may use the restricted cash fund to pay down the last year of outstanding DBW principal. Because the account more than covers the last year DBW debt obligation, SMCHD could pay off the DBW loan one year early without reducing its overall financial position or unrestricted cash reserves.

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TABLE 4.3: SMCHD CASH RESERVE SUFFICIENCY

Fiscal Year	Actual	Budgeted	Projections ¹				
	FY 2013/14	FY 2014/15	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20
Operating Revenues	\$ 3,997,067	\$ 3,788,250	\$ 3,888,362	\$ 3,991,119	\$ 4,096,592	\$ 4,204,852	\$ 4,315,973
Non-Operating Revenues ²	\$ 7,047,592	\$ 5,117,300	\$ 5,345,876	\$ 5,584,661	\$ 5,834,113	\$ 6,094,707	\$ 6,366,941
Total Revenues	\$ 11,044,659	\$ 8,905,550	\$ 9,234,237	\$ 9,575,780	\$ 9,930,705	\$ 10,299,559	\$ 10,682,914
Total Operating Expense ³	\$ (5,885,199)	\$ (7,608,547)	\$ (7,829,511)	\$ (8,056,892)	\$ (8,290,876)	\$ (8,531,656)	\$ (8,779,428)
Cash Available for Debt Payment	\$ 5,159,460	\$ 1,297,003	\$ 1,404,727	\$ 1,518,889	\$ 1,639,828	\$ 1,767,903	\$ 1,903,485
DBW Principal Payment ⁴	\$ 2,247,656	\$ -	\$ 979,573	\$ 1,165,522	\$ 1,219,066	\$ 1,275,069	\$ 1,294,039
DBW Loan Interest ⁴	\$ 538,531	\$ -	\$ 413,520	\$ 227,572	\$ 174,028	\$ 118,024	\$ 59,448
Total Loan Payment	\$ (2,786,188)	\$ -	\$ (1,393,093)	\$ (1,393,094)	\$ (1,393,094)	\$ (1,393,093)	\$ (1,353,487)
Cash Available after Loan Payment	\$ 2,373,272	\$ 1,297,003	\$ 11,634	\$ 125,795	\$ 246,734	\$ 374,810	\$ 3,256,972
Capital Projects Expense	\$ (1,809,454)	\$ (545,933)	\$ (1,500,000)	\$ (1,500,000)	\$ (1,500,000)	\$ (1,500,000)	\$ (1,500,000)
Remaining Cash Reserves	\$ 12,204,651	\$ 12,955,721	\$ 11,467,355	\$ 10,093,149	\$ 8,839,884	\$ 7,714,693	\$ 9,471,666
	12/31/2013	12/31/2014	12/31/2015	12/31/2016	12/31/2017	12/31/2018	12/31/2019
Outstanding DBW Loan Principal	\$ 5,933,269	\$ 5,933,269	\$ 4,953,696	\$ 3,788,174	\$ 2,569,108	\$ 1,294,039	\$ -

Notes:

1. Projections are based on historical average annual growth rates. Non-operating revenues include non-recurring governmental and other funds that may not be consistently received by the District. Non-operating revenue is therefore assumed to increase 5% annually, based on the AGR of revenues the District is likely to continue receiving only.
2. Less certain administrative fees and other costs associated with non-operating revenue.
3. Excludes depreciation.
4. Data from audited fiscal year 2013/14 audited financial statement.

SOURCE: SAN MATEO COUNTY HARBOR DISTRICT AUDITED FINANCIAL STATEMENTS AND FISCAL BUDGETS

5. EMPLOYMENT ANALYSIS

This Section summarizes the number and types of jobs generated in the SMCHD, including staff and employment generated by lessees and the commercial fishing industry. The data was collected through interviews with commercial fishermen, the District and local businesses as well as from employment and wage data provided by the District. Table 5.1 below provides a breakdown of employees by location, and by District Department.

TABLE 5.1: HARBOR DISTRICT ESTIMATED EMPLOYMENT, 2014

Full Time Equivalent (FTE) Employment by Location				
Location	Commercial Fishing / Working Waterfront	Visitor Serving Uses/Businesses	District Staff	Total
Pillar Point Harbor	119.5 ¹	31.5	13.5	164.5
Oyster Point Marina Park	13.5 ²	42	8.5	64.0
District Administrative	NA	NA	6	6.0
District Harbor Commission	NA	NA	0.5 ³	0.5
Total	133	73.5	28.5	235

Notes:

1. Includes 8.5 FTE for three fish buyer/offloaders and fuel dock employees and 4 FTE for CPFV operators based on discussions with District staff and fishing industry stakeholders. This figure also includes employment estimate for commercial fishermen: 126.5 active local vessels (50% of CDFW total, the other 50% are visiting vessels). One third of those are full time fishermen with 1.75 crew or 73 FTE, one third are part time fishermen with part time crew or 26 FTE, the remaining one third make a handful of trips and are employed part time or full time in another industry and equate to 8 FTE. Therefore, total commercial fishing industry, including fish handlers, fuel and ice operator and CPFV operators in San Mateo County is 119.5.
2. Working waterfront employment based on Drake's Marine, Yacht Club and Harbor District. A seasonal, more highly varied number of specialists are brought on to perform work on boats on an as-needed basis, but are excluded from this estimate.
3. Assumes 0.1 FTE per Commissioner (5 total).

EMPLOYMENT AT PILLAR POINT

In addition to 13.5 District staff, employment on the working waterfront at Pillar Point Harbor includes those participating in the commercial fishing industry: skippers and deckhands, offloaders, employment at the fuel and ice facility, recreational fishing trip operators, and deckhands; and those working at businesses leasing District facilities: food service and visitor service workers, retail workers, and RV Park and kayak rental staff. With 369 slips accommodating 253 active fishing vessels (CDFW, 2013), approximately half of which are estimated to be local, the commercial fishing industry at Pillar Point generates approximately 119.5 full time equivalent (FTE) jobs, including employment on the dock.

Other businesses and employment generators nearby and associated with Pillar Point that do not lease directly to the District include the Half Moon Bay Yacht Club; Barbara's Fish Trap (a seafood restaurant serving fresh, locally caught fish); the Oceano Hotel and Pillar Point Inn, retail and service businesses within Harbor Village shopping center, the Half Moon Bay Brewing Company, and Café Classique, which opens early to serve fishermen and other workers at Pillar Point Harbor. Employment at these and other businesses are a part of the working waterfront at Pillar Point, but are not included in employment estimates.

EMPLOYMENT AT OYSTER POINT

Employment at Oyster Point is largely comprised of eight District staff and onshore businesses, including a hotel, restaurant, and banquet facility, as well as boating service and parts retailer, Drakes Marine. The District Administration offices relocated in June 2015 to Half Moon Bay, approximately one mile from Pillar Point Harbor; most administrative staff is located at that office. Other businesses/entities providing employment include a small kite boarding rental outfit, the Oyster Point Yacht Club, and several other leaseholders.

EMPLOYMENT, INCOME AND ECONOMIC IMPACTS

The Harbor District employs approximately 28.5 FTE staff, many of whom live, shop and recreate in the local community, and some own vessels and lease slips from the Harbor District. Overall, the District provided nearly \$2 million in wages to employees in fiscal year 2013/14. Yacht owners, workers, business patrons and visitors generate spending on fuel and transportation, lodging, food, rentals, and other products, a significant portion of which occurs within San Mateo County. This spending generates income for local businesses as well as sales tax revenue. Hotel stays for visits influenced by Oyster Point and Pillar Point contribute transit occupancy taxes to the City of South San Francisco and San Mateo County, respectively. Additionally, property taxes levied on boats and properties within the Harbor generate tax revenue for the City of South San Francisco and the County.

TABLE 5.2: HARBOR DISTRICT EMPLOYMENT AND INCOME, 2014

Employment Type	FTE by Industry			SM County Industry Income Average ¹	Total Direct Income
	Pillar Point	Oyster Point	Total		
Fishing ²	119.5	0	119.5	\$ 49,442.31	\$ 5,908,356
Recreation-Sport ³	3.5	1.5	5.0	\$ 27,461.52	\$ 137,308
Retail	2.5	14.5	17.0	\$ 31,997.65	\$ 543,960
Hotel Accommodations	1.5	13	14.5	\$ 22,385.22	\$ 324,586
Food Service	24	26.5	50.5	\$ 22,385.22	\$ 1,130,454
District Staff ⁴	16.75	11.75	28.5	NA	\$ 1,961,905
Total	167.75	67.25	235.0	NA	\$ 10,006,568
				Less 2013/14 Rents⁵	\$ 9,168,821

Notes:

1. Taken from US Census 2012 Business Census and based on most applicable NAICS code.
2. Includes employment estimate for commercial fishermen, CPFV and other workers attributed to vessel operations, and is calculated by multiplying an non-transient active vessels (176.5) by 1.75 FTE per vessel, based on CDFW data, discussions with commercial fishermen at Pillar Point Harbor, earnings, and LWC experience.
3. Estimated FTE split between retail and sport fishing operations of Half Moon Bay Sport Fishing and Tackle.
4. Administrative Staff and Commission FTE divided equally between Pillar Point and Oyster Point. Total direct income taken directly from 2013/14 financial data.
5. Payments between lessees and the District to avoid double counting.

Table 5.2 illustrates an estimate of income generated by the District. The District and its leaseholders provide approximately \$9 million in income in San Mateo County.

6. REGIONAL COMPARISON AND DEMAND

This section provides a comparative overview of four regional ports as examples, intended to inform decision makers in San Mateo Harbor District. They include: Santa Cruz, Monterey, Moss Landing and Port San Luis. These facilities were chosen primarily due to their proximity and in the case of Port San Luis, its recognition from the Government Finance Officers Association on the presentation of its 2015/2015 budget. Santa Cruz, Port San Luis and Moss Landing are special districts and share the same management structure as San Mateo Harbor District. While Monterey harbor operations and management are a division of the City, it is the next major port to the south of Pillar Point Harbor (approximately 90 miles), shares a strong synergy between commercial fishing and tourism and is considered a successfully managed harbor.

The variables presented in this case study analysis include a detailed look at budgets, revenues and expenses, impacts of tourism, commercial fishing activity, number of staff and payroll, slips and moorings, leases and capital expenditures.

6.1 DEMAND FOR MARINE DEPENDENT USES

The regional comparison is made within the context of marine dependent uses and the demand for infrastructure and services that support them. Marine dependent uses require a site on, or adjacent to, the sea to be able to function. From the perspective of a port or harbor district management, Coastal Act policies seek to ensure the availability of a range of boat slip sizes commensurate with the regional distribution of vessel type and size, or land use designations that broaden access to affordable boating opportunities.

Furthermore, the Coastal Act specifically targets provision of amenities that support recreational and commercial boating and fishing activities. Coastal Act Section 30224 encourages recreational boating facilities as follows, "Increased recreational boating use of coastal waters shall be encouraged, in accordance with this division, by developing dry storage areas, increasing public launching facilities, providing additional berthing space in existing harbors, limiting non-water-dependent

The economic, commercial, and recreational importance of fishing activities shall be recognized and protected. Section 30234.5 of the California Coastal Act.

land uses that congest access corridors and preclude boating support facilities, providing harbors of refuge, and by providing for new boating facilities in natural harbors, new protected water areas, and in areas dredged from dry land." Section 30234 of the Coastal Act also states, "Facilities serving the commercial fishing and recreational boating industries shall be protected and, where feasible, upgraded. Existing commercial fishing and recreational boating harbor space shall not be reduced unless the demand for those facilities no longer exists or adequate substitute space has been provided. Proposed recreational boating facilities shall, where feasible, be designed and located in such a fashion as not to interfere with the needs of the commercial fishing industry."

Demand for marine dependent uses at Pillar Point Harbor and Oyster Point Marina Park is a function of the strength in: local and regional commercial fishing, recreational fishing, pleasure boating (sail and motor), live-aboards and marine related-tourism such as stand up paddle boarding, kayaking, surfing and kite surfing and recreational fishing from piers and breakwaters.

A facility's capacity to accommodate and maintain demand for marine dependent facilities and services relies on its financial health, ability to attract funding, staff, condition and capacity of physical infrastructure, regional competition, and ability to attract tourism.

6.2 OVERVIEW OF REGIONAL PORTS

This section provides an overview of four regional ports: Santa Cruz, Moss Landing, Monterey, and Port San Luis and summarizes the key characteristics that contribute to their performance. Information was gathered primarily from direct communication with harbor management and staff from each facility, by phone and email, and review of fiscal year 2014/15 budgets, websites and archival data sources.

SANTA CRUZ

Santa Cruz Port District (SCPD) is the next major port facility to the south Pillar Point Harbor (approximately 50 miles), and the northern-most harbor in Monterey Bay. Santa Cruz has a population of over 60,000 residents, and is home to the University of California, Santa Cruz, a thriving downtown, and regional attractions such as the Santa Cruz Beach Boardwalk Amusement Park.

By general election, the District was formed in 1950 and like Pillar Point Harbor is governed by a five-person Board of Commissioners. Commissioners serve four-year terms and are elected by citizens within 30 square miles of the Port district. The 360 berth marina, parking facilities, and a launch ramp were completed in 1964 with funding from the Division of Boating & Waterways. As demand for slips grew, the District constructed the North Harbor Expansion in 1973, with funding from the Department of Parks and Recreation and \$5 million in State loans. Tenets of the loans required the SCPD to operate as a state or regional resource, so the District does not favor residents of Santa Cruz County in assigning berths. Today, the SCPD manages 1,000 berths, roughly 15 percent are occupied by commercial fishing boats, 35 percent pleasure power boats, and 50 percent are sailboats. Revenues at Santa Cruz total nearly \$7.9 million, with \$5.3 million from user fees and \$1.5 million from business rents.

Commercial fishing in Santa Cruz is characterized primarily by small-scale operations. Earnings generated by commercial fishermen in 2013 were approximately \$1.8 million.

In the past 15 years, the SCPD has seen upgrades and expansion in new slips and docks, upgraded power systems, new and improved recreational areas, and the erection of the Walton lighthouse at the West Jetty. SCPD has also instituted paid parking and has taken over management of the boatyard and haulout facility, operates a fuel dock, as well as maintaining and RV park with full hook ups. Generally, Santa Cruz operates as a government-owned business, covering nearly all of its operating costs from commercial enterprises. However, capital improvements have been accomplished through State-backed debt financing, as well as public-private partnerships, and the Port District recently received approximately \$20 million in emergency funds to rebuild in the wake of the 2011 tsunami.

MOSS LANDING

Moss Landing is approximately 75 miles south of Pillar Point Harbor, halfway between Santa Cruz and Monterey. Moss Landing is home to Moss Landing Marine Laboratories (MLML), Monterey Bay Aquarium Research Institute (MBARI), Elkhorn Slough National Estuarine Research Reserve (ESNERR) and the PG&E natural gas power plant. The ESNERR is the area's primary tourist attraction, drawing over 40,000 visitors annually (personal communication, Elkhorn Slough Visitor's Center, December 2014).

Moss Landing Harbor District (District) was formed on June 22, 1943 and governed by a five-member Board of Commissioners who are elected to four-year terms by voters within the District. Harbormaster, Linda McIntyre was quoted in the Monterey County Weekly as "having taken a six-figure budget that was in the red to \$2 million in reserves in 12 years".

The District serves commercial and recreational fishermen, pleasure and sail boaters, eco-tourists, and residents in Monterey County and the greater Salinas areas. The District's total annual revenue is \$2.8 million, \$1.4 million of which is from assigned (non-temporary) berthing fees and approximately \$526,000 from a diversity of business leases, including offices, retail, restaurants, and water sports outfitters.

Earnings generated by commercial fishing were approximately \$7.5 million in 2013.

The District is currently engaged in more than a dozen capital projects, including major facilities repairs, tighter security measures, and a new restaurant. These complement the \$4 million North Harbor Improvement Project, completed in 2007, which provides a new 4-lane launch ramp, new parking pavement, storm drains, a boat wash, a visitor-serving dock, and a public access wharf. (<http://www.mosslandingharbor.dst.ca.us/about/history.htm>). The final phase of the project is the implementation of the Monterey Bay Sanctuary Scenic Trail, funded by the Monterey County Regional Transportation Commission, linking Moss Landing to Monterey and Santa Cruz.

MBARI has released a three-phase General Development Plan to expand their current research facilities and construct a new dock house and pier replacement. MBARI has several postdoctoral positions and occasionally employs students from UCSC and MLML. They also have an annual 10-week summer internship for teachers and undergraduate and graduate students.

MLML is the largest research facility in the Monterey Bay with the largest research fleet and scientific diving program north of Scripps Institute in La Jolla and has been a graduate school for 45 years. The MLML research facility and graduate program in Marine Science supports seven California State Universities (CSU Fresno, Stanislaus, Sacramento, East Bay, San Francisco, San Jose, and Monterey Bay). Enrollment is typically 120 students, undergraduate and graduate. Currently, there is no local student housing, so the majority of students have no choice but to leave Moss Landing to seek housing. MLML plans to create student housing as part of their Sandholdt Center expansion (K. Coale, personal communication).

As Moss Landing the closest state beach for schools in Castroville and Salinas (the largest city on the Central Coast), local middle school and high school educational programs use Moss Landing for coastal field trips. MLML's Teacher Enhancement Program trains middle school and high school educators in marine science curriculum. MLML also supports a wireless network throughout Elkhorn Slough to support California State University, Monterey Bay (CSUMB) educational efforts.

MONTEREY

Monterey Harbor is situated less than 100 miles from Pillar Point Harbor and is the next major port facility south of Moss Landing and Santa Cruz. From the time it served as a whaling station in the 1850s and the establishment of the Booth Cannery in 1902, the City of Monterey has relied on its waterfront for its identity and as a source of jobs and wealth generation. By the mid-1940s, Monterey had grown into a tourist destination with the Fisherman's Wharf serving as a prime attraction and offloading station for the commercial fishing industry.

Monterey Harbor and Marina is a designated department within the Monterey City government structure; it is not an independent harbor or port district, thus it does not operate on separate tax funds. According to Monterey City Code, the harbormaster has "full authority in the interpretation and enforcement of all rules and regulations affecting the Marina." His/her decision is final, "subject only to appeal to the Director of Community Services, City Manager and the City Council." (City of Monterey Municipal Code).

The main public facilities in the Monterey Harbor are Municipal Wharf 1 and 2, the marina, the Coast Guard Pier, and boat launch ramps. Municipal Wharf 1 caters to both visitors and residents. Municipal Pier 2 is oriented primarily to commercial fishing, tourism, aquaculture, fresh fish retail and recreational pier fishing. The Harbor has 493 slips and 190 moorings. A waiting list of over 500 names demonstrates the high demand for space there.

Total annual revenue for Monterey Harbor and Marina is \$2.9 million dollars, the bulk of which comes from berthing fees and parking meters.

The commercial fishing industry in Monterey was more reliant on larger-scale trawl operations than Pillar Point Harbor and was hit especially hard by regulations imposed in the late 1990s and early 2000s. Current (2013) earnings at the dock were \$7.6 million which places Monterey the 12th highest grossing port in California (behind Pillar Point's 6th position).

In 1995, the District implemented a new berthing allocation policy which requires vessel owners to occupy their berth for 30 months after being assigned one off the wait-list. If they then choose to lease it out, the new berthing fee is 50% more than the normal fee. This policy has mitigated "flipping" and has increased berthing fee revenue.

Monterey has a transient rent sharing program, in which a slip holder receives half of the fees collected by the Harbor when their slip is vacant and rented by a visiting/transient vessel. The Harbormaster claims that this has greatly enhanced communication with slip holders/tenants, who now alert the office ahead of time of their plans to travel.

An upgraded dry-storage boat yard for trailerable boats enables the harbor to host regattas.

The Harbor has been very active in the pursuit of grants, mostly from DBAW as well as National Fish and Wildlife Foundation, Central Coast Joint Cable Fisheries Liaison Committee, among others. The Harbor Division is currently pursuing a Wildlife Conservation Board grant of \$450,000 to rebuild part of a pier, and had plans to apply for \$500,000 in funding from the California State Coastal Conservancy to enlarge Municipal Wharf II for large truck turnarounds (Personal communication with District Staff). The City and commercial groundfish fishermen in Monterey are also working with conservation NGOs and various funding sources to establish a Community Quota Fund. The Wharf Expansion and the Community Quota Fund and were identified as top priorities in the Monterey Community Sustainability Plan that was approved unanimously by the Monterey City Council in October of 2013.

PORT SAN LUIS HARBOR DISTRICT

Port San Luis lies at the north end of San Luis Obispo Bay, over 200 miles south of Pillar Point Harbor. The Port San Luis Harbor District (PSLHD) administers the 8,400 acres of tideland that constitute the harbor. The District was created by general election in 1954, and is governed by a five-member Board of Harbor Commissioners. Board members serve four-year terms, meet on a monthly basis, and represent 71,000 constituents.

In 1984, the District was granted jurisdiction over 1,630 foot Avila Beach and 1,424 foot Harford Pier, the latter of which requires continual structural maintenance. Harford Pier is the central activity area of Port San Luis for commercial and recreational functions. It is home to two restaurants, three fish markets, and numerous historical plaques. The pier is also the main access point to moored and anchored boats (Port San Luis does not have berths or slips).

Facilities also include a boat launch serving vessels up to 15,000 pounds, a boatyard offering repairs and maintenance, a fuel facility with a 12,000 gallon double-walled tank.

Like Monterey and Moss Landing, Port San Luis was heavily reliant on larger-scale trawl operations and hit hard by regulation in the 1990s and early 2000s. The fleet has been fairly successful in transitioning to a smaller scale profile, and has established a strong nearshore and live fishery. Commercial fishing earnings in 2013 were slightly less than \$2 million.

Total non-operating revenue for PSLHD is \$2.9 million, of which the largest portions derive from RV fees and business leases on Avila and Harford piers.

PSLHD has facilitated a financial turn-around since the mid-2000's. Much of the turnaround can also be attributed to PSLHD's management of paid parking in Avila Beach, expansion of RV fee revenues and the completion of a Port Master Plan process that lead to the San Luis Bay Area Plan and an update of the San Luis Obispo County Local Coastal Program. Financial turnaround of PSLHD is highlighted by the District's receipt of the "Distinguished Budget Presentation Award" for its 2014-2015 budget from the Government Finance Officers Association, a nonprofit organization representing public finance officials in the United States and Canada. PSLHD staff has also excelled in soliciting grant funding from a variety of sources to implement capital improvements associated with the Port Master Plan. PSLHD coordinated the Master Plan update efforts with California Coastal Commission, which paved the way for the development

of Harbor Terrace RV, resort, and campground facility, a 32 acre parcel on PSLHD property that requires a Coastal Development Permit. The new development is slated to accommodate approximately 180 RVs, cabins, tent campsites and 16,000 square feet of visitor-serving commercial uses. In order to initiate the project, PSLHD entered into a standard-setting revenue sharing agreement with California State Coastal Conservancy to fund the \$400,000 entitlement process that will secure the Coastal Development Permit. PSLHD entered into an exclusive negotiating rights agreement with a developer / operator for the facility in December 2014 and construction is expected to begin in late 2015 or early 2016, and PSLHD will realize the projected added income generation a year or two thereafter.

KEY TAKEAWAYS

Key Takeaways are a summary of the characteristics that have contributed to the performance and sustainability of each of the regional ports, and as such, may inform decision makers at the SMCHD. They include expansion of harbor facilities, expansion in the number of visitor serving businesses, paid parking, RV accommodations/increased RV accommodations, development of a museum, aquarium or educational center, expansion/inclusion of marine research facilities, collaboration with local educational institutions for field education opportunities, continued/increased pursuit of grant funding, integrating facility expansion/improvement alternatives into planning documents and coordination with the Californian Coastal Commission once strategies are confirmed. The feasibility of some these potential revenue enhancement strategies for SMCHD will need additional analysis and will be considered as part of the Strategic Business Plan.

SANTA CRUZ PORT DISTRICT, KEY TAKEAWAYS

SCPD boasts a 1,200 berth marina and 57 visitor serving businesses, the greatest of the regional ports, as well as paid parking, a boatyard and haulout facility and RV Park (both managed by the Santo Cruz Port District (SCPD)), and dry storage for 275. These revenue-generating enterprises enable the SCPD to operate with little relative tax revenue (see Financial Comparison). The fact that SCPD serves a larger market, should be considered by SMCHD when assessing alternatives to boost the performance and financial sustainability. Still, SPCD has utilized grant funding and public-private partnerships for capital improvements, and required emergency financial assistance to rebuild after potentially crippling damage caused by tsunamis. Such events could similarly impact SMCHD in future, and are likely to be exacerbated by sea level rise.

MOSS LANDING HARBOR DISTRICT, KEY TAKEAWAYS

Moss Landings Harbor District has done an excellent job turning around its finances and attracting federal and regional funding to support capital projects, such as a FEMA grant funding tsunami erosion repair. The commercial fishing industry however, has been hit hard by increased regulation, inexpensive foreign imports and shifts in consumer preferences. There is now only one commercial fish offloader in the Harbor and the commercial fishing association is all but defunct. The privately held boatyard, Gravelle's, has struggled with environmental regulation, has diminished operations and is for sale. Marine research and educational facilities, MBARI and MLML present the industries with longevity and diverse funding sources that will continue to and grow in benefit to the Harbor District and complement the services the District

offers, such as slips and moorings, commercial fishing infrastructure, parking, showers, laundry, eco-tourism opportunities and regional attractions like the ESNERR.

MONTEREY HARBOR, KEY TAKEAWAYS

Monterey Harbor has been successful and benefitted greatly from synergies between a working waterfront identity and tourism. According to the Monterey County Business Council's Competitive Clusters Status Report 2010-2011, the top three tourist attractions in Monterey County's \$2 billion, 8 million visitor, and 20,000-job tourism industry are Cannery Row, the Monterey Bay Aquarium and Fisherman's Wharf. Monterey is a global tourist destination, people come to visit the working waterfront and value the historical and cultural heritage of the fishing industry as well as the scenic beauty, Monterey Bay Aquarium, and diversity of restaurants.

The Monterey brand is successful, consistent, well defined and widely known. Monterey is in an incredibly advantageous position with a well-established and valuable identity.

PORT SAN LUIS, KEY TAKEAWAYS

PSLHD has excelled in identifying needs in the market, and revenue generating opportunities, such as and low-cost overnight visitor serving uses and expansion of RV fees and coordinating with the California Coastal Commission as to approve/certify these expansions alternatives into key planning policy documents (LCP that incorporates specific language from the Port Master Plan). This strategic approach has facilitated the development of Harbor Terrace, a potentially significant revenue generating project, and the funding support from the State Coastal Conservancy. The PSLHD has also excelled in attracting grant funding from a variety of sources including, the San Luis Obispo Council of Governments, Central Coast Joint Cable Fisheries Liaison Committee, Division of Boating and Waterways.

6.3 FINANCIAL COMPARISON

This Section shows how SMCHD compares to Santa Cruz Harbor, Moss Landing, Monterey Harbor, and Port San Luis in terms of revenues, expenses, and operations. While the ports are different sizes, located in different markets, have different infrastructure, and provide different services, this Section is intended to provide a relative comparison of the components that make up their operations and financial statements to inform SMCHD decision makers and to identify opportunities to improve the performance of the District.

Table 6.1 shows total revenue, visitor serving businesses, slip and mooring capacity, and staffing (full time equivalents – FTE) to provide a snapshot of how SMCHD relates to the other ports in terms of size and existing services. As the Table shows, total revenue in the SMCHD of approximately \$8.9 million outpaces the other ports. While total FTE's (28.5) are similar to Santa Cruz, they are less than Port San Luis, which has lower revenues than SMCHD. (Pillar Point Harbor and Oyster Point Marina Park are listed separately in the tables below, as they are geographically separated and serve different markets.)

TABLE 6.1: REGIONAL HARBOR/PORT COMPARISON

Harbor/Port	Total Revenue	Visitor Serving Businesses	Slips & Moorings	Staff FTE
SMCHD – Pillar Point Harbor	\$ 4,934,450 ¹	18	444	16.75 ²
SMCHD – Oyster Point Marina Park	\$ 3,971,100 ¹	10	455	11.75 ²
Santa Cruz Harbor, Santa Cruz	\$ 7,884,775	57	1,200	25.67
Moss Landing, Monterey	\$ 2,827,049	18	609	7-9 ³
Monterey Harbor, Monterey	\$ 2,909,307	35	603	11-13 ³
Port San Luis, San Luis Obispo	\$ 4,574,500	19	413	31.75

Notes:

1. Distributes non-operating revenue (County tax and other) evenly across Pillar Point and Oyster Point.
2. Distributes Administrative Staff and Harbor Commission FTE evenly across Pillar Point and Oyster Point.
3. Estimated based on fiscal year 2013/14 budgets for salaries and wages and information available on Harbor/Port websites.

SOURCE: FISCAL YEAR 2014/15 FINANCIAL BUDGETS, CDFW, AND DISCUSSIONS WITH STAFF

Table 6.2 provides a more detailed comparison of 2014/15 budgets across selected harbors and ports. As illustrated in the Table, SMCHD (Pillar Point and Oyster Point) receives the largest amount of taxes and other government revenue (57% of revenue). However, Port San Luis (PSL) also receives a significant amount of other government revenue relative to its size (62% of PSL revenue is property tax).

Santa Cruz is run almost entirely on enterprise revenue, although it has received significant contributions from tsunami grants and retains significant debt from a series of loans and bonds for capital investments. The Santa Cruz revenue stream relies more heavily on lease revenue than any of the other ports presented here. As lease revenue is codified in a legal contract, it is considered more secure than some other types of revenue. Port San Luis Harbor District has proved exceptionally capable at recruiting grant funding and pursuing creative public-private and public-public partnerships.

TABLE 6.2: REGIONAL HARBOR FINANCIAL FY2014/15 BUDGET SUMMARY COMPARISON

Harbor	Operating Revenue ¹	Taxes / Govt. Revenue	Expenditures ²	Capital Expenditure	Grants	Outstanding Debt	Annual Debt Service
Pillar Point Harbor	\$ 2,375,800	\$ 5,050,000	\$ 4,296,137 ³	\$ 545,933	\$ 60,000	\$ 5,933,269	\$ 1,393,093
Oyster Point Marina	\$ 1,412,450		\$ 3,312,410 ³				
Santa Cruz Harbor	\$ 7,829,775	\$ 55,000	\$ 6,087,622	\$ 149,500	\$ 1,479,227	\$ 16,803,000 ⁴	\$ 1,546,043
Moss Landing	\$ 2,318,559	\$ 488,490	\$ 3,074,667	\$ 4,932,742	\$ 741,417	\$ 4,861,543	\$ 496,000 ⁵
Monterey Harbor	\$ 2,753,747	\$ - ⁶	\$ 2,506,048	\$ 195,758	\$ 45-\$500K	\$ 2,843,717 ⁷	\$ 257,774 ⁷
Port San Luis	\$ 1,714,000	\$ 2,839,500	\$ 4,276,500	\$ 209,700	\$ 574,000	NA	NA

Notes:

1. Operating and all other revenue except from taxes or government sources.
2. Includes operating expenses, depreciation, and interest payments on debt, as applicable.
3. Administrative and Harbor Commission costs distributed equally across Pillar Point & Oyster Point.
4. Santa Cruz Debt includes loans from DBW for \$14.4 million, as well as Bonds for \$2.4 million. Santa Cruz debt service payments on CMAA bonds are to be made from funds held in escrow as part of FY14 debt refinance.
5. Approximate amortization payment through 2017/18. Debt service payments increase in varied amounts through life of loan (2031). Taken from 2011-13 Audited Financial Statements.
6. Harbor Department receives revenue from General Fund, however budget indicates this revenue is derived from enterprise services.
7. State of California Small Craft Harbor loan identified in 2013 City of Monterey Comprehensive Annual Financial Statement. Annual debt service payment assumed to equal FY 2013/14 payment.

SOURCE: SAN MATEO COUNTY HARBOR DISTRICT

REVENUES

Tables 6.3 and 6.4 present a comparison of revenues streams budgeted for fiscal year 2014/15. Revenue streams vary across each port/harbor, in part due to size, historical origins, structures and land uses, commercial fishing activity, and jurisdictional structure. Of the ports selected, SMCHD is the largest in terms of revenue and expenditures and is in the unique position of operating two geographically separated harbors.

Of note, Port San Luis RV and government tax revenue are much larger contributors to revenue streams than other ports / harbors on a percentage basis. SMCHD lacks paid parking and direct RV revenue (the RV facility in the Harbor District is operated on a lease). In addition, business lease/rents are lower than the other ports as a percentage of total revenue.

TABLE 6.3: REGIONAL HARBOR/PORT FY 2014/15 BUDGET REVENUE COMPARISON

Harbor	Business Lease Rents	Parking	RV	Berthing and Mooring	Transient Boat Fees	Liveaboards	Taxes / Govt. Revenue Sources	Other
Pillar Point Harbor	\$ 433,000	\$ -	\$ 35,000	\$ 1,707,500	\$ 81,720 ¹	\$ 93,362 ¹	\$ 5,050,000	\$ 22,600 (Events)
Oyster Point Marina	\$ 235,000	\$ -	\$ -	\$ 1,098,400	\$ 55,077	\$ 151,649		\$ -
Santa Cruz	\$ 1,475,000	\$ 274,366	NA ²	NA ²	NA ²	NA ²	\$ -	\$ -
Moss Landing	\$ 496,003	\$ -	\$ 29,802	\$ 1,673,104	\$ 57,500	\$ 100,000	\$ 100,000	\$ 93,000 (Events)
Monterey	\$ 240,540	\$ 995,000	\$ -	\$ 1,354,000	\$ 21,560	\$ 25,000	NA	\$ 35,000 (Cruise Ships)
Port San Luis	\$ 413,100	\$ 362,000	\$ 671,000	\$ 125,200 ⁴	NA ⁴	\$ -	\$ 2,839,500	\$ 2,200 (Events)

Notes:

1. Transient boat fees and liveaboards in District budgets are included in Berth and Mooring fee totals. For comparison purposes, historical proportions of these fees have been used to estimate fees.
2. Itemized revenues not available. Revenues combined in \$5.3 million revenue identified as "User Fees."
3. Intergovernmental revenues include County of Santa Cruz funds for marine rescue services and waste oil recycling.
4. Includes \$1,000 from open anchorage fees as well as transient vessels paying for guest moorings, which may be characterized as Transient Boat Fees.

SOURCE: LWC AND SAN MATEO COUNTY HARBOR DISTRICT

TABLE 6.4: REGIONAL HARBOR/PORT FY 2014/15 BUDGET REVENUE COMPARISON

Harbor	Business Lease Rents	Parking	RV	Berthing and Mooring	Transient Boat Fees	Liveaboards	Taxes / Govt. Sources
Pillar Point Harbor	4.9%	0.0%	0.4%	19.2%	0.9%	1.0%	56.7%
Oyster Point Marina	2.6%	0.0%	0.0%	12.3%	0.6%	1.7%	0.0%
Santa Cruz	18.7%	3.5%	NA	NA	NA	NA	0.7%
Moss Landing	17.5%	0.0%	1.1%	59.2%	2.0%	3.5%	17.3%
Monterey	8.3%	34.2%	0.0%	46.5%	0.7%	0.9%	0.0%
Port San Luis	9.0%	7.9%	14.7%	2.7%	NA	0.0%	62.1%

Notes: See Table 6.3 above.

SOURCE: LWC AND SAN MATEO COUNTY HARBOR DISTRICT

Table 6.4 shows the number of business leases, annual rents, and lease rates. While some port leases are structured as a percentage of revenue, others are based on square footage. Structuring leases based on square footage provides a generally consistent revenue stream to the port. Leases based of revenue could fluctuate based on seasonal demand and macro-economic trends. However, they allow small businesses to manage cash flow and provide an opportunity for ports to share in upward markets.

Lease rates in Pillar Point Harbor vary between \$0.50 and just over \$2.00 per square foot per month. The three fish buyers on Johnson Pier all pay the same lease payments, while the businesses occupying the on-shore retail buildings vary considerably.

Oyster Point Marina currently only leases space to the Oyster Point Yacht Club, as the District is searching for a new tenant to fill the vacated Oyster Point Bait and Tackle shop space.

TABLE 6.5: REGIONAL HARBOR BUSINESS LEASE COMPARISON

Harbor/Port	Business Leases	Annual Rents from Business Leases	Percent of Total Revenue	Lease Rates
Pillar Point Harbor	10	\$ 433,000	4.9%	Median rent: \$1.37/SF + percentage of revenue
Oyster Point Marina	4	\$ 235,000	2.6%	NA ²
Santa Cruz	57	\$ 1,475,000	18.7%	Median rent: \$2.40/SF
Moss Landing	18	\$ 496,003	17.5%	\$1.40-\$1.43/SF
Monterey	35	\$ 240,540	8.3%	2-4% of revenue
Port San Luis	19	\$ 413,100	9.0%	4.5-15% of revenue

Notes:

1. There are two direct leases to SMCHD Harbor District at Oyster Point Marina Park: one lease to Shorestein Development includes sub leases to three businesses.
2. This information is withheld to preserve the confidentiality of the sole leaseholder.

SOURCE: SAN MATEO COUNTY HARBOR DISTRICT

WHARFAGES

In the commercial fishing industry, wharfage is an assessment charged to tenants based on the amount and/or type of seafood landed and the value of seafood brought to the facility by other means (truckage fee). Leases at the three fish handling facilities on Johnson Pier run \$2,575 per month for five years with two five-year renewal options. Wharfage fees are \$0.01 to \$0.05 per pound for finfish and \$8.00 to \$10.00 per ton for wetfish. These fees are levied on fishbuyers and offloaders on Johnson Pier and for reporting purpose, are included in their lease payments (presented in Table 6.5 above). The fuel and ice facility generates approximately \$11,000 annual revenue for the District, in addition to water fees.

Other fees levied by SMHCD are fish sale permits (\$250/permit) for the direct sale of seafood and passenger fees for party boats/CPFV (\$2.25 per passenger).

BERTHS AND SLIPS

The San Mateo County Harbor District has 797 slips – 369 at Pillar Point and 428 at Oyster Point. An indicator of regional demand for slips is the number and types of vessels on the waitlist, as well as

the fee to remain on the waitlist. Pillar Point Harbor has a relatively small waitlist, which demonstrates that supply and demand, under the current configuration of infrastructure and services are balanced. Oyster Point is the only marina on the list to have vacant slips. Currently, there is 38 percent vacancy in Oyster Point. In discussions with stakeholders in Oyster Point Marina/Park, representatives from the City of South San Francisco and Harbor District staff, the vacancy is fueled, in part, by limits on the number or percentage of live-aboards permitted (San Francisco Bay Conservation and Development Commission).

TABLE 6.6: REGIONAL HARBOR SLIP DEMAND WAITLISTS AND VACANCY

Harbor	Total Slips	Waitlist (Active)	Waitlist (Standby)	Longest Waitlist	Availability	Initial WL Fee	Annual WL Fee
Pillar Point Harbor	369	9	NA	30', 9 slips 35' XX slips	All except 30' & 35'	\$25	\$25
Oyster Point Marina	428	Vacant Slips ¹	None	26'	all except 26'	\$25	\$25
Santa Cruz	1,200	418	534	30', 122 slips	-	\$100	\$100
Moss Landing	609	17	No standby waitlist	30', 14 slips	20', 40', 60'	\$75	\$75
Monterey	413	585-slips / 74-moorings	236-slips / 25- moorings	30', 196 slips	None	\$20	\$10
Port San Luis ²	0	NA	NA	NA	Yes. Moorings	\$100	\$50

Notes:

NA: Not Applicable

1. Slips at Oyster Point are currently (2014) 62 percent occupied.

2. Port San Luis only offers moorings. Boaters may pay for construction of mooring, purchaser owns it.

SOURCE: LWC AND SAN MATEO COUNTY HARBOR DISTRICT

EXPENDITURES

Table 6.7 shows total expenditures, salaries/benefits, and capital expenditures across the ports. Total expenditures for SMCHD (\$6.9 million) are lower than Santa Cruz even though SMCHD revenues are higher than Santa Cruz. In addition, salaries and benefits track closely to Santa Cruz.

TABLE 6.7: REGIONAL HARBOR/PORT PAYROLL AND CAPITAL AND TOTAL EXPENDITURES COMPARISON

Harbor/Port	Total Expenditures	Salaries & Benefits			Capital Project Expenditures*
		Total	FTE	% of Total	
Pillar Point Harbor ¹	\$ 3,759,902	\$ 1,825,219	16.75 ²	48.5%	\$ 520,933
Oyster Point Marina ¹	\$ 3,161,192	\$ 1,310,622	11.75 ²	41.5%	\$ 25,000
Santa Cruz	\$ 7,884,775	\$ 3,091,361	25.67	39.2%	\$ 149,500
Moss Landing	\$ 2,827,049	\$ 698,000	NA	24.7%	\$ 4,932,742
Monterey	\$ 2,909,307	\$ 316,472	NA	10.9%	\$ 195,758
Port San Luis	\$ 4,574,500	\$ 2,077,100	31.75	45.4%	\$ 209,700

Notes:

1. Includes Cal DBW Interest Expense, Depreciation & Certain Maint. Repairs/Equip.

2. Distributes 6 Administrative staff FTE equally across each harbor. Includes Commission at 0.1 FTE per commissioner (5).

SOURCE: SAN MATEO COUNTY HARBOR DISTRICT

6.4 PRIVATE MARINAS AND HARBORS

San Mateo County is home to other public and private marinas and harbors. Table 6.8 identifies other marinas and harbors in San Mateo County, totaling nearly 2,200 slips. A significant part of demand for slips on the coast is a result of the commercial and recreational fishing activity, which private marinas do not have the infrastructure to support. At Oyster Point, however, demand for slips is driven largely by boat owners seeking access to the Bay and those who wish to live on their boats.

In addition, factors on the desirability of harbors are largely driven by the quality and maintenance of docks, the provision of ancillary services, such as power, water, pumpouts, laundry and shower facilities, security, as well as favorable weather.

TABLE 6.8: SAN MATEO COUNTY MARINAS

Port/Harbor/Marina	Number of Berths/Slips
Port of Redwood City (Public)	190
Redwood Landing Marina	43
Coyote Point Marina (Public)	565
Brisbane Marina (Public)	580
Oyster Cove Marina	219
Pete's Harbor ¹	64
Bair Island Marina	95
Downtown Marina	145
Westpoint Harbor	277
Total	2,178

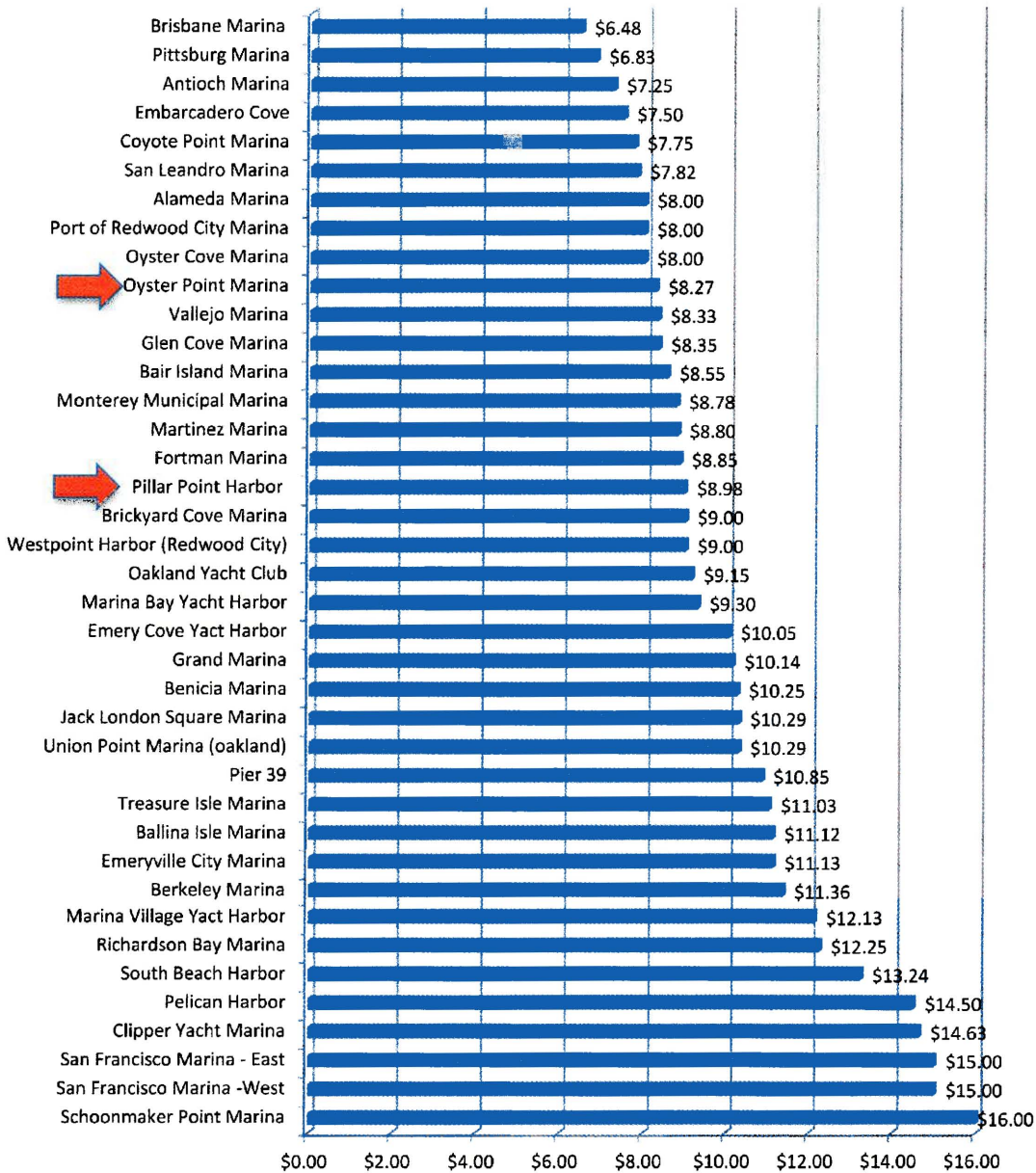
Notes:

1. Pete's Harbor was recently sold to Paul's Corporation that proposes to develop the property into an upscale waterfront community with 411 luxury apartments and 64 slips.

A 2013 survey of Bay Area marinas was conducted by Coyote Point Marina in San Mateo County, and in cooperation with the Marine Recreational Association, the Bay Area Harbormaster Group and in consultation with Harbormaster's and Port Captains. This survey found that average fees (per foot, per month) for single finger dock slips ranged from \$7.95 for 25' slips to \$12.84 for 80' slips. Average double finger dock slip fees were similar in price, ranging from \$8.21 to \$13.22 for 25' and 70' slips, respectively.

Table 6.9 shows that Pillar Point slip fees (\$8.48) are in the mid-range relative to others in the Bay Area. Single finger dock berthing fees at Oyster Point Marina Park range between \$7.70 and \$8.31 per foot per month, also near the Bay Area's mid-price range. According to District staff, prices at both locations have remained near Bay Area median prices for the past decade.

TABLE 6.9: BAY AREA SLIP FEE COMPARISON: SURVEY OF BAY AREA MARINA AVERAGE RATES FOR 40' BERTHS



SOURCE: SURVEY OF SAN FRANCISCO BAY AREA MARINA BERTH RATES JANUARY 2015. SURVEY WAS CONDUCTED BY WEST POINT MARINA IN REDWOOD CITY, CA IN COOPERATION WITH THE MARINA RECREATION ASSOCIATION, THE BAY AREA HARBOR MASTER GROUP AND CALIFORNIA ASSOCIATION OF HARBORMASTER'S AND PORT CAPTAIN. DATA WAS COMPILED THROUGH JANUARY 2015.

6.5 BOATYARD-HAULOUT FACILITIES

Vessel owners typically haul their boats out of the water on a regular basis (one or two years) to clean and paint (anti fouling) the bottom, replace zincs, and conduct minor maintenance. Vessel owners also typically undertake more extensive work every four or five years. Because there is no boatyard or haulout in Pillar Point or Oyster Point, vessel owners travel to other facilities in San Francisco Bay or on the Coast.

A boatyard-haulout facility has been identified by the commercial fishing industry as a top priority at Pillar Point Harbor (See Fishing Community Sustainability Plan, Appendix C). Input from stakeholders at Oyster Point have also indicated a similar desire for a boatyard and haulout facility.

Services engaged in a boatyard and haulout facility include water, water/soda blast, painting, welding and fabrication, rigging, carpentry, diesel mechanic, and electric/electronic system installations and repairs.

It is likely that local vessel owners would utilize a local facility if one were available. The number of vessel owners, services available and price, and the ability to work on one's boat would influence demand. However, a 2007 study by Dornbusch Associates determined that there was insufficient demand to support such a boatyard and haulout facility at Pillar Point.

SMCHD may reevaluate whether local vessel ownership and the 2,187 slips in the County (mostly on the Bay) would support a facility at either location. This could start with a comprehensive survey of vessel owners, how often they undertake maintenance haulouts, how often they engage in major overhauls, and how much they spend, where they currently take their boats, and why.

6.6 TOURISM AND VISITOR SPENDING

Tourism and visitor spending is a significant contributor to California's coastal economy and an important part of a vibrant working waterfront. In a 2007 poll of over 800 California residents, 71 percent of respondents agreed that they seek out and enjoy going to working waterfronts (California Residents' Opinion on and Attitudes toward Coastal Fisheries and their Management, Responsive Management, 2007). Consequently, visitor serving uses are key component to the long term financial outlook of ports and harbor districts, as well as in the diversification of income.

Table 6.10 indicates that San Mateo County has strong visitor spending, on par or better with known tourist destination counties in California, notably Monterey. Furthermore, visitor spending within San Mateo County is significantly higher than in Santa Cruz, which derives a much higher portion of revenue from leases. Through research in case study ports, it was reported that there have been no vacancies in visitor-serving use leases, and that these businesses have been seeking to expand or grow.

Visitor-serving uses may be broadly categorized into recreational activities, overnight accommodations, retail and dining services, and support facilities such as parking. Each of these is briefly described below.

RECREATIONAL ACTIVITIES

Non-motorized boating in harbors and marinas is an expanding recreational activity and includes stand-up paddle boarding, rowing, and kayaking. Other recreational activities include fishing off piers and breakwaters, wildlife viewing, kite flying, cycling, and jogging/walking. Oyster Point is considered a "high opportunity site" for the San Francisco Bay Area Water Trail, a network of launch and landing sites for human-powered boats and beach-able sail craft.

OVERNIGHT ACCOMMODATIONS

The shortage of overnight accommodations, especially lower cost accommodations, was clearly documented in a December 12, 2014, public workshop hosted by the California Coastal Commission that addressed the topic of Low Cost Overnight Visitor Accommodations. RV and campsite spaces are especially lacking along the Coast.

RETAIL AND DINING SERVICES

Retail and food service supports nearly all activities in the port and attracts visitor spending. Direct sales of seafood off the boat in Pillar Point Harbor provides an advantage for commercial fishermen and the Harbor District and is discussed in detail in the Pillar Point Harbor Fishing Community Sustainability Plan (Appendix C).

PARKING

Parking is provided largely at no cost on Pillar Point and Oyster Point facilities. Demand for parking will increase as recreational activity, dining, commercial fishing and retail uses expand.

TABLE 6.10: TOURISM AND VISITOR SPENDING COMPARISON

Harbor	County	County-wide Visitor Spending				Change in Spending, '08-'12
		Visitor Spending - Accommodations	Visitor Spending - Food & Beverage	Visitor Spending - Retail Sales	Total Visitor Spending	
San Mateo County Harbor District	San Mateo	\$ 536,000,000	\$ 666,000,000	\$ 419,000,000	\$ 2,943,000,000	10.2%
Santa Cruz Harbor	Santa Cruz	\$ 157,400,000	\$ 199,800,000	\$ 125,800,000	\$ 716,700,000	10.3%
Moss Landing	Monterey	\$ 521,000,000	\$ 704,000,000	\$ 477,000,000	\$ 2,272,000,000	6.6%
Monterey	Monterey	\$ 521,000,000	\$ 704,000,000	\$ 477,000,000	\$ 2,272,000,000	6.6%
Port San Luis	San Luis Obispo	\$ 301,000,000	\$ 378,000,000	\$ 263,000,000	\$ 1,318,000,000	13.9%

SOURCE: DEAN RUNYAN ASSOCIATES, PREPARED FOR THE CALIFORNIA TRAVEL & TOURISM COMMISSION

Staff Report

Update on Refinancing of Department of Boating and Waterways (DBW) Loan To District

Glenn Lazof: Interim General Manager (IGM)

Background: There are two major motivations for refinancing this loan. One is to benefit from potentially substantial interest savings. Perhaps of equal or greater importance is to free the District from the administrative restrictions that exist with the DBW loan. Staff is not seeking extending the term of the loan; therefore the payoff date will continue to be December 2019.

The nominal interest rate of the DBW loan is 4.594%. The extent of interest savings from refinancing will depend on the opinion of bond counsel as to whether this qualifies as tax exempt financing (i.e. the proceeds were used for a public purpose). There would still be savings if not tax exempt (see Brandis Tallman below for how tax exemption can impact the rate). Market conditions are wobbly (Greece/ Puerto Rico) but the general interest rate climate remains excellent for borrowers at this time. The responses to my preliminary inquiry definitely support this.

It would be premature to go to market financing additional capital improvements. While it is more cost efficient to spread Cost of Issuance over a larger amount, and the current interest rate environment is unlikely to improve over the next few years, our Capital Planning has not had undergone the rigorous review that is needed. Part of that review is to identify non-district sources of funding such as grants and interagency partnerships, which will reduce the principle amount the district would need to borrow. When the Capital Improvement plan is ready for prime time, we can roll the remaining portion of this debt into any new debt, assuming this has not been paid off first.

Analysis: Costs of issuance (COI) are normally rolled into the principle debt and paid out of the loan proceeds, not the district budget. Our goal is to obtain the lowest overall cost to the District taking into account both costs of issuance and interest rates. This is most efficiently achieved through a private placement process, wherein we hire specialists who solicit banks, hedge funds, or other private capital to give us the best rate. Usually the payoff to the original lender, DBW in this case, is paid directly from proceeds once the refinance is funded. Below is preliminary information provided by entities the IGM has contacted to discuss their terms for refinancing this debt.

Brandis Tallman (California Special Districts Finance Corporation –referral) - They are a full service broker-dealer, and investment banking firm, that is regulated by the Municipal Securities Rulemaking Board (“MSRB”), which is a part of the SEC. They underwrite publicly offered bond issues, and serve as placement agent for direct loan private placement transactions. They had the highest tax exempt interest estimate at 2.45%. I also asked them to provide a taxable interest rate, in case we don’t qualify, which came in at 3.45%. Cost of issuance is \$59,919.

Wiest Law Firm - This firm provides Bond and Special Counsel to public agencies, but also works closely with banks that would fund our refinancing. This firm has worked with Moss Landing, Humboldt Bay Port Harbor District, and The Port of Santa Cruz. They reported that banks are very anxious for this type of deal at this time, which means good rates are available. This firm recently placed a tax exempt public agency financing for about 1.73%. They feel we can probably expect an interest of less than 2%. Their charges, depending on the extent of their work is in the range of \$20,000 to under \$30,000 or more. The lender and minimal Financial Advisory services should be under \$17,250 for COI will also charge an additional amount in the range of \$5-\$10,000. If we closed by the end of August, a reduction in rate just to 2%, and included the high side \$47,250 in COI, we would still be ahead in total loan expenses compared to the DBW loan, by the time of the next payment in December 2015.

Holman Capital Group – They are a private company that packages public agency financing for what they describe as “local banks”. They expect that we can save up to \$250,000 in interest up to over the life of the loan, (assuming tax exempt financing). They can only guarantee rates for 30 days, because of flux in the markets, but they say to expect an interest rate less than 2.40% but close to Brandis Tallman, with a cost of issuance in the range of \$5-10,000 and no lender costs.

Stern Brothers – This firm would also seek a bank to fund our refinance. For example, they recently circulated a proposal to 15 different banks on behalf of one agency client. They believe interest at close would also be between 1.75% and 2%, confirming the estimate we received from Wiest. Total Costs of Issuance might approach \$80,000.

It should be noted that until rates are locked in a straight comparison of these estimates might be unfair, Brandis has the highest estimate, but perhaps they are also the most realistic in estimating Market Conditions by the time we close.

Recommendation: Take no action, staff will continue to work through these proposals and bring the clear leader(s) to your first meeting in August.

Fiscal Impact: The longer we delay this option the longer we are paying above market interest. Currently we project \$250,000-\$340,000 in interest savings through Fiscal Year 2019, assuming tax exempt status, in addition to savings in staff time and other benefits from being released from DBW requirements.

Staff Report

Commissioner Discussion of Review of Treasurer's and Deputy Treasurer Procedures

Glenn Lazof: Interim General Manager (IGM)

Background: A review of treasurer's and deputy treasurer procedures was completed before the IGM started with the district. Bringing this to Commissions attention was missed during the transition.

Analysis: The District has since appointed a commissioner to the position of Treasurer. This action satisfied six of the recommendations.

Other recommendations:

The district should establish policies and procedures for the Treasurer position. Commissioners are aware that all or most policies and procedures need to be reviewed and updated and should be completed by the new General Manager.

The investment policy will be updated annually.

The IGM does agree that a Deputy Treasurer is needed for a district this size, nor did the auditors state that this was a necessity.

Staff has inquired into the surety bond. We have been informed that this is covered by our insurance.

I don't believe Commissioner Pavarrano was given an oath of office when appointed Treasurer. Staff will schedule on an upcoming agenda.

Recommendation: None

Staff recommends that a future board action should describe the scope of each committee

Fiscal Impact: None

SAN MATEO COUNTY HARBOR DISTRICT
REVIEW OF TREASURER AND
DEPUTY TREASURER PROCEDURES

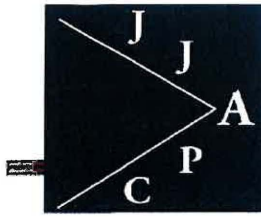
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San Mateo County Harbor District
Review of Treasurer and Deputy Treasurer Procedures

Table of Contents

	<u>Page</u>
Independent Accountants' Report	1
Section I: General.....	3
Section II: Treasurer Process and Diagrams	6
Cash Disbursement Process	6
Employee Reimbursements.....	8
Bad Debt Write-Offs	10
Quarterly Investment Reports	12
Wire Transfers/Bank Reconciliations	14
Recommendations	16
Section III: Additional Findings and Recommendations.....	17
Section IV: Conclusion	19

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JJACPA, Inc.

A Professional Accounting Services Corp.

INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

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

We have performed the procedures enumerated below, which were agreed to by the management of San Mateo County Harbor District (District), solely to assist you in evaluating Treasurer and Deputy Treasurer functions performed by the General Manager and Finance Director, respectively. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

- 1) Review the procedures of the District Treasurer and Deputy Treasurer for deficiencies, significant deficiencies or material weaknesses in internal control.
- 2) Provide process improvements recommendations based on the results of our findings.
- 3) Provide the results of the above procedures in a report format.

Findings: See page 16 for findings and recommendations.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on Treasurer and Deputy Treasurer functions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

May 8, 2015

JJACPA, Inc.
JJACPA, Inc.

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San Mateo County Harbor District

Review of Treasurer and Deputy Treasurer Procedures

I. General

Format of this Report

This report has been prepared using the following format:

Section I: General

This section provides an overview of the engagement and Treasurer functions. It describes the purpose of this report, legal determination, and current job descriptions for District staff.

Section II: Treasurer Process and Diagrams

This section provides process flow diagrams of the finance and treasurer functions we feel have been significantly altered by appointing the General Manager to the Treasurer position, rather than a Commissioner. It includes both before and after diagrams of the process, including key controls affected by the change. Our recommendations for each process are provided starting on page 16.

Section III: Additional Observations and Recommendations

This section includes additional observations and recommendations we encountered during the engagement.

Purpose

At the Board of Commissioner's meeting on January 21, 2015, the Commission appointed the General Manager to the position of Treasurer. The position was previously filled by a Commissioner. The role of Deputy Treasurer was subsequently assigned to the Finance Director by the General Manager/Treasurer. District staff is concerned that these appointments would eliminate an important level of review and approval, previously provided by a Commissioner as Treasurer.

The purpose of our engagement and report is to determine if the Treasurer and Deputy Treasurer functions assigned to the General Manager and Finance Director, respectively, create weaknesses in the District's internal controls over financial management and reporting.

Legal Determination

In a Memo dated January 16, 2015 prepared by Steven D. Miller, District General Council, Mr. Miller addresses the legal determination in appointing the General Manager to the position of Treasurer. As stated in his memo, the District is required to have a Treasurer by the Harbors and Navigation Code Section 6071. The Treasurer is appointed by the Board of Commissioners and serves at the pleasure of the Board, but does not need to be a Board member. The Treasurer may appoint a deputy who serves at the pleasure of the Treasurer. In the opinion of Mr. Miller, appointing the General Manager to the position of Treasurer is consistent with Section 6071.

San Mateo County Harbor District

Review of Treasurer and Deputy Treasurer Procedures

I. General, Continued

Job Description: District General Manager

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

Job Description: District Director of Finance

The Director of Finance directs the financial management of the District, manages and directs the professional accounting services, investments, budget preparation, and assists the General Manager in day-to-day functions and responsibilities. Under general direction, the Director of Finance plans, coordinates and administers the full range of financial and accounting administrative duties and supervises the Accounting Specialist and two Accounting Technicians. In overseeing the financial operations of two marinas/harbors, direction is exercised over the functions of finance administration, accounting, investments, revenue collection, revenue projections, cash forecasting, budgeting, grants financing and administration, payroll, disbursements, billing, purchasing, debt management, insurance, and the Public Employees' Retirement System (PERS).

Treasurer Functions

Section 6071 of the Harbors and Navigation Code describes the Treasurer's role as the following:

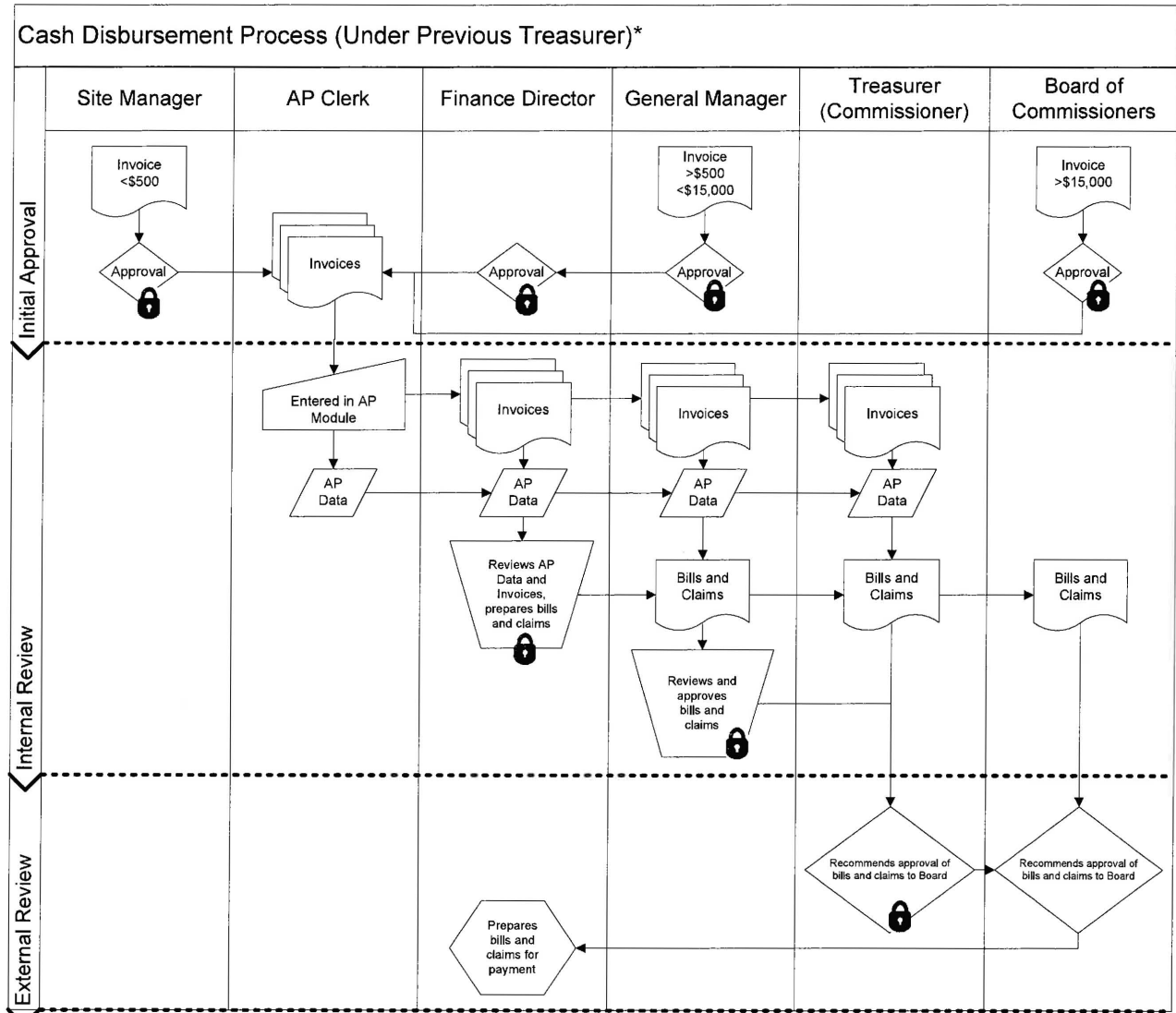
[The District] may employ engineers, attorneys and any other officers and employees necessary in the work of the district. It shall appoint a treasurer, who shall hold office at the pleasure of the board, and whose duty it shall be to receive and safely keep all moneys of the district. He shall comply with all provisions of law governing the deposit and securing of public funds. He shall payout moneys only on warrants duly authorized by the board and not otherwise; provided, however, that no warrants need be issued for the payment of principal and interest on bonds of the district. He shall at regular intervals, at least once each month, submit to the secretary of the district a written report and accounting of all receipts and disbursements and fund balances, a copy of which report he shall file with the board.

The treasurer may appoint a deputy or deputies for whose acts he and his bondsman shall be responsible. Such deputy or deputies shall hold office subject to the pleasure of the treasurer and shall receive such compensation as may be provided by the board. Said treasurer shall execute a bond covering the faithful performance by him of the duties of his office and his duties with respect to all moneys coming into his hands as treasurer in such amount as shall be fixed by resolution of said board. The surety bond herein required shall be executed only by a surety company authorized to do business in the State of California and the premium therefore shall be paid by the district out of its general fund. Said bond shall be approved by the board and filed with the secretary of the district. Said treasurer before entering upon the duties of his office shall take and file with the secretary of the district the oath of office required by the Constitution of this State.

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**San Mateo County Harbor District
Review of Treasurer and Deputy Treasurer Procedures**

II. Treasurer Process and Diagrams



*The purpose of this diagram is to show the direct and indirect controls related to the Treasurer function, as such, there may be additional controls performed by finance staff not shown in this diagram.

Indicates a control procedure

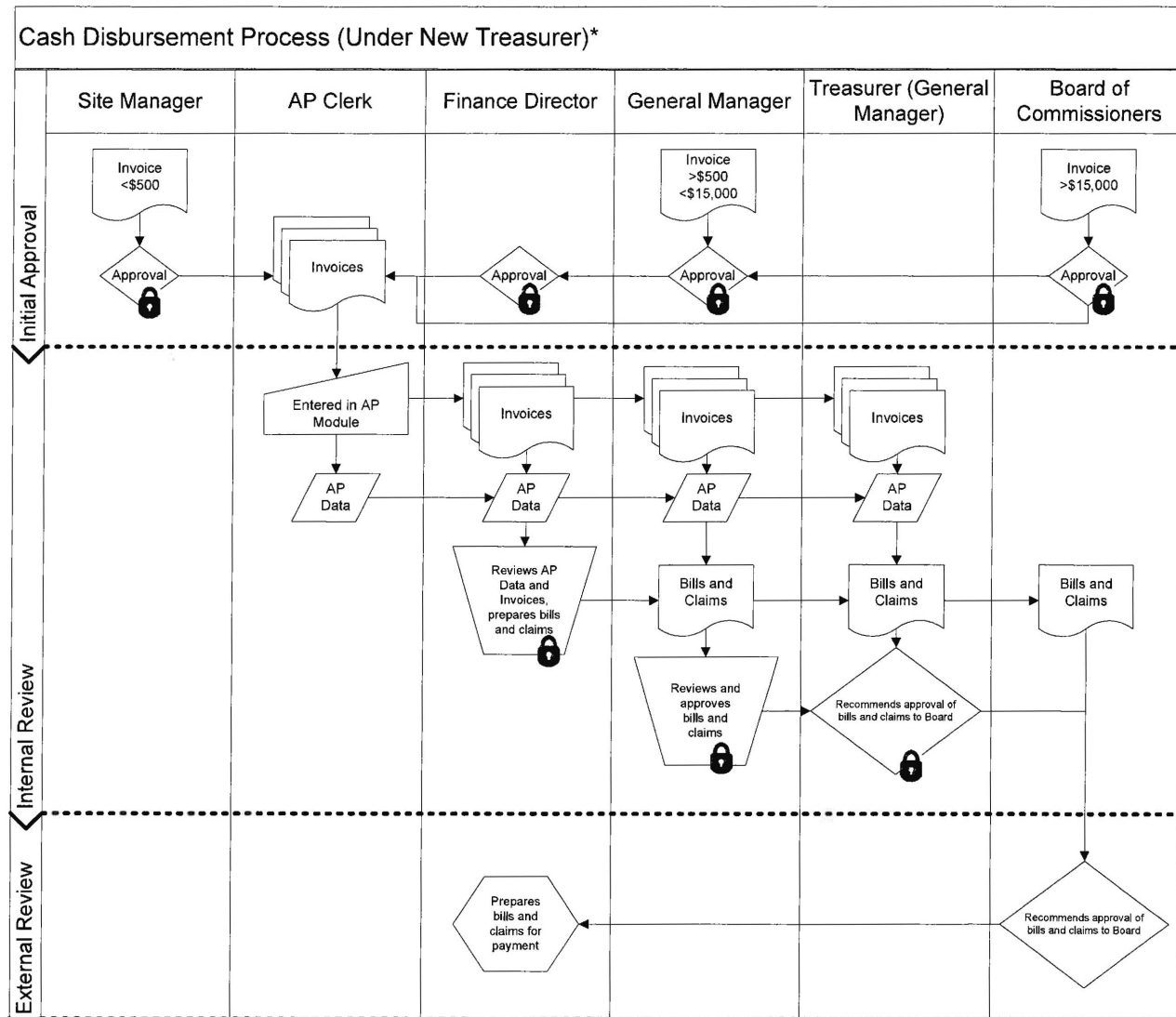
Controls with Commissioner as Treasurer

Controls exist in several layers under the former organizational structure. Initial approvals occur from site managers (invoices less than \$500), General Manager and Finance Director (invoices between \$500 and \$15,000) and the Board of Commissioners (invoices greater than \$15,000). Secondary review and approvals occur internally by the Finance Director and General Manager as invoices are entered into the accounting system and the bills and claims are prepared. A final and external level of review occurs when a Commissioner, as Treasurer, reviews the bills and claims and supporting documentation. The Treasurer then recommends the Board approve the bills and claims for payment based on his review.

San Mateo County Harbor District

Review of Treasurer and Deputy Treasurer Procedures

II. Treasurer Process and Diagrams, Continued



*The purpose of this diagram is to show the direct and indirect controls related to the Treasurer function, as such, there may be additional controls performed by finance staff not shown in this diagram.

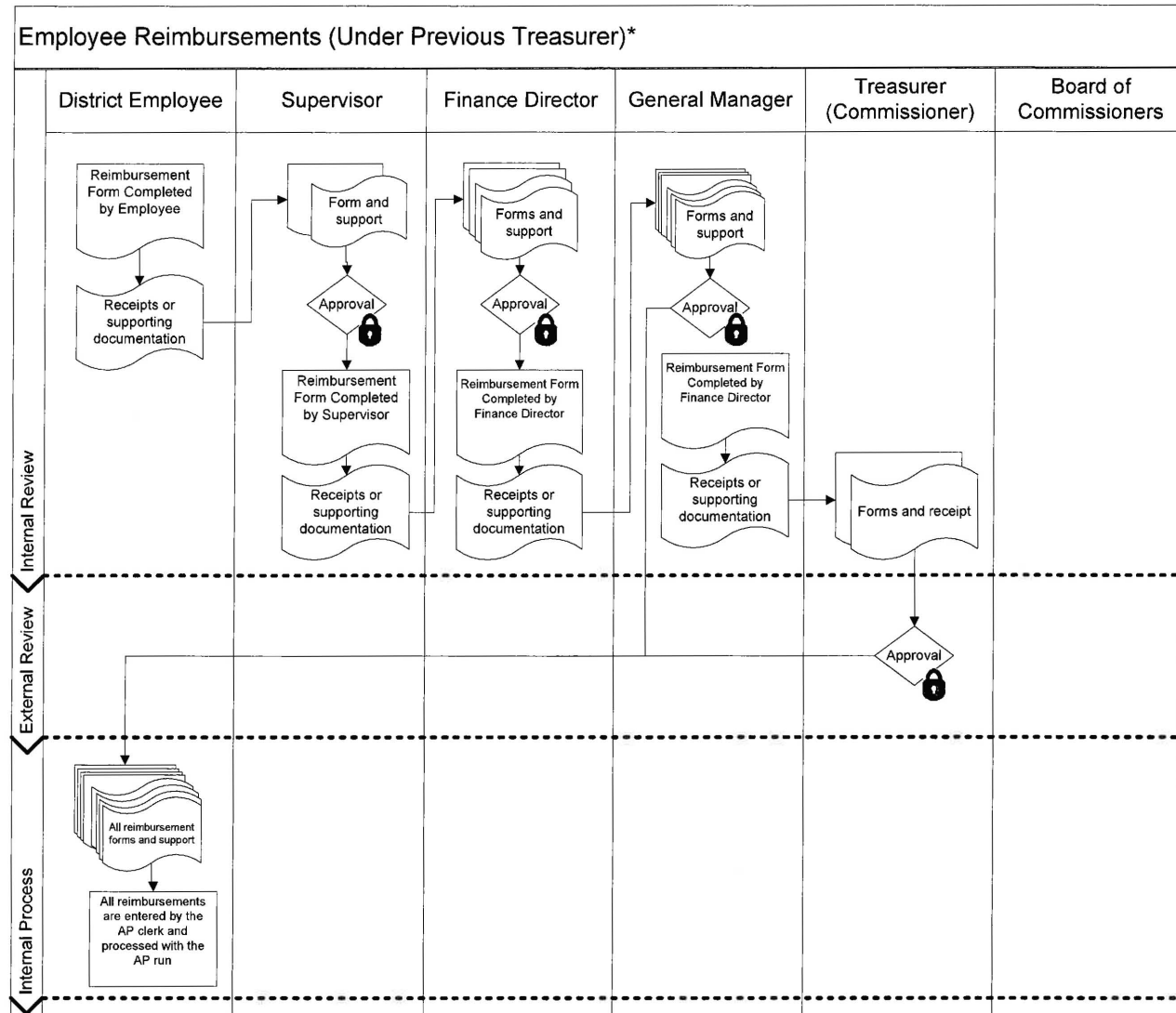
Indicates a control procedure

Controls with General Manager as Treasurer

The controls at the initial approval level remain the same under the new organizational format. The controls remain the same at the internal level of review, with one exception. The review of the bills and claims previously performed by a Commissioner as part of the external review, has been moved to an internal review function, leaving no key control procedures at the external level.

**San Mateo County Harbor District
Review of Treasurer and Deputy Treasurer Procedures**

II. Treasurer Process and Diagrams, Continued



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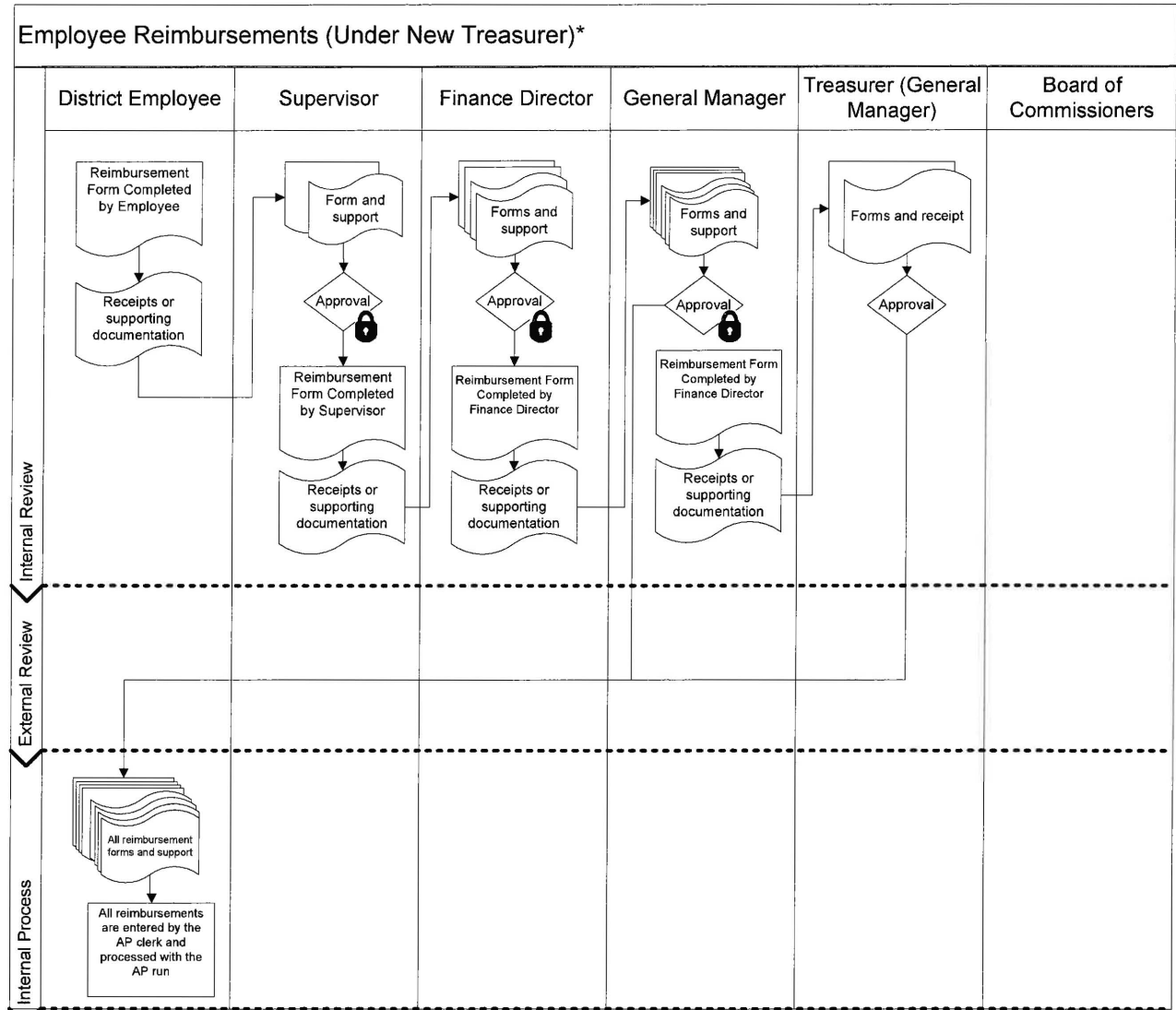
Indicates a control procedure

Controls with Commissioner as Treasurer

Under the previous organizational structure, controls existed in both the internal and external review levels. As part of the internal review process, employee reimbursements are first reviewed by the employees' supervisor, then the Finance Director and finally the General Manager before processing. The Finance Director's reimbursement requests are also approved by the General Manager. The General Manager's reimbursement requests are approved by the Treasurer, then entered and processed as part of the AP run. The Board approves the reimbursements as part of the bills and claims.

**San Mateo County Harbor District
Review of Treasurer and Deputy Treasurer Procedures**

II. Treasurer Process and Diagrams, Continued



*The purpose of this diagram is to show the direct and indirect controls related to the Treasurer function, as such, there may be additional controls performed by finance staff not shown in this diagram.

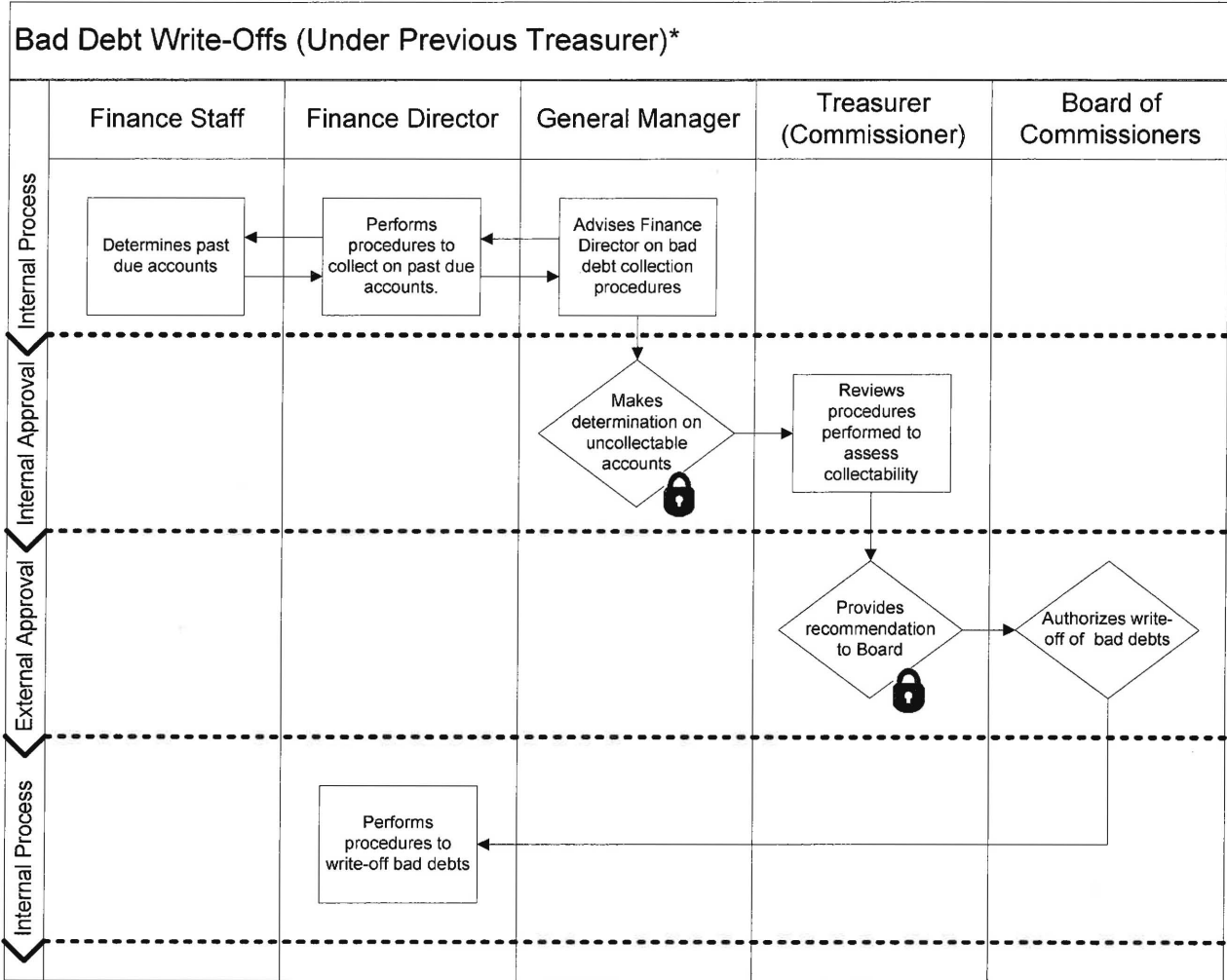
Indicates a control procedure

Controls with General Manager as Treasurer

Under the new organizational structure, there are no external reviews of the General Manager’s reimbursements. With a change in Treasurer, without a change in policies or procedures, the General Manager is effectively reviewing his own expenses for reimbursement, which would not be considered a control procedure.

**San Mateo County Harbor District
Review of Treasurer and Deputy Treasurer Procedures**

II. Treasurer Process and Diagrams, Continued



*The purpose of this diagram is to show the direct and indirect controls related to the Treasurer function, as such, there may be additional controls performed by finance staff not shown in this diagram.

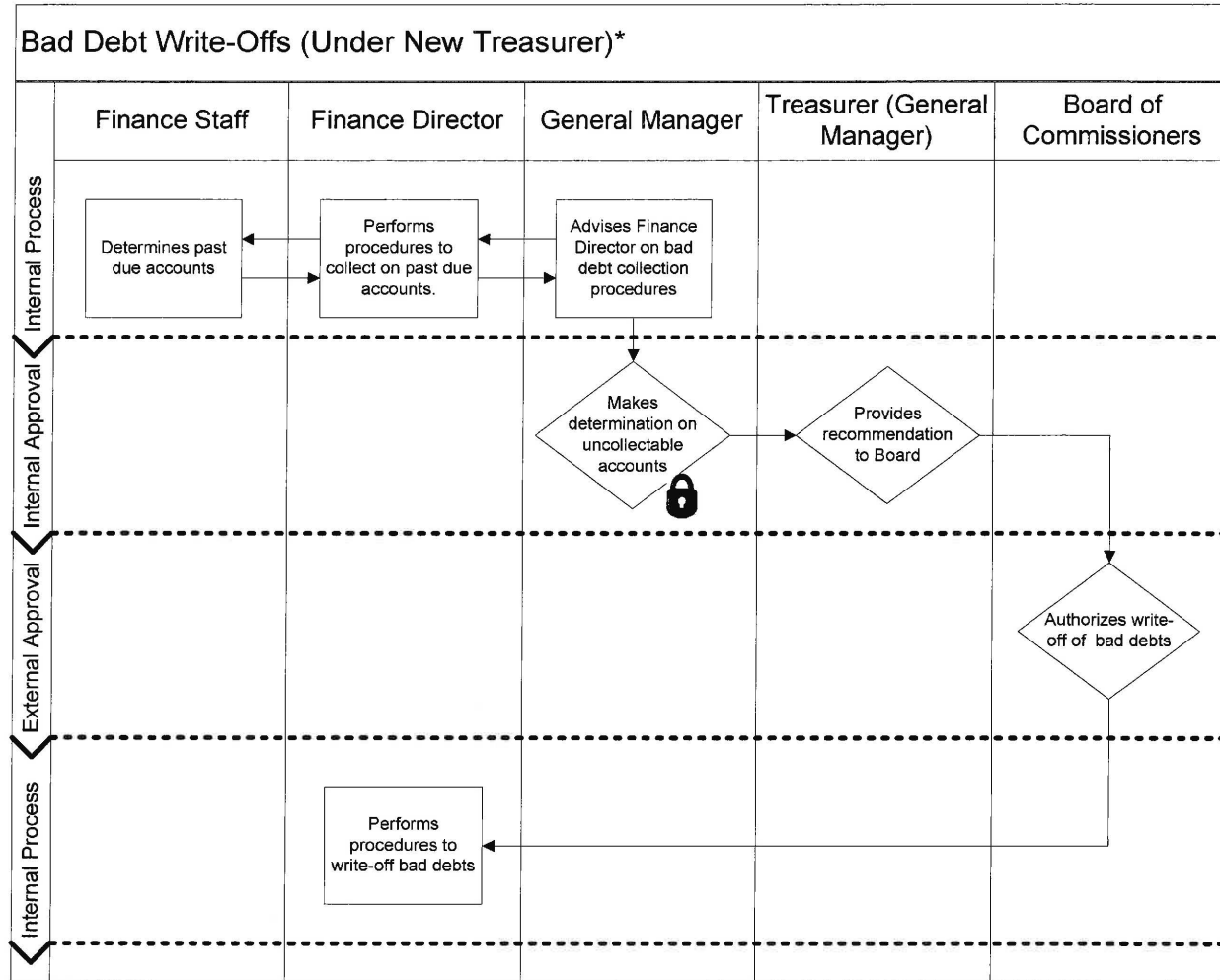
Indicates a control procedure

Controls with Commissioner as Treasurer


Under the previous organizational structure, there were control procedures at both the internal and external level. The General Manager would work with the Finance Director and staff to determine which accounts are past due and perform procedures to assess collectability. Ultimately, the General Manager would make a determination on which accounts he determines to be uncollectable. The Treasurer would review the procedures performed, recommend additional procedures to staff, or recommend the Board authorize the write-off of bad debts.

**San Mateo County Harbor District
Review of Treasurer and Deputy Treasurer Procedures**

II. Treasurer Process and Diagrams, Continued



*The purpose of this diagram is to show the direct and indirect controls related to the Treasurer function, as such, there may be additional controls performed by finance staff not shown in this diagram.

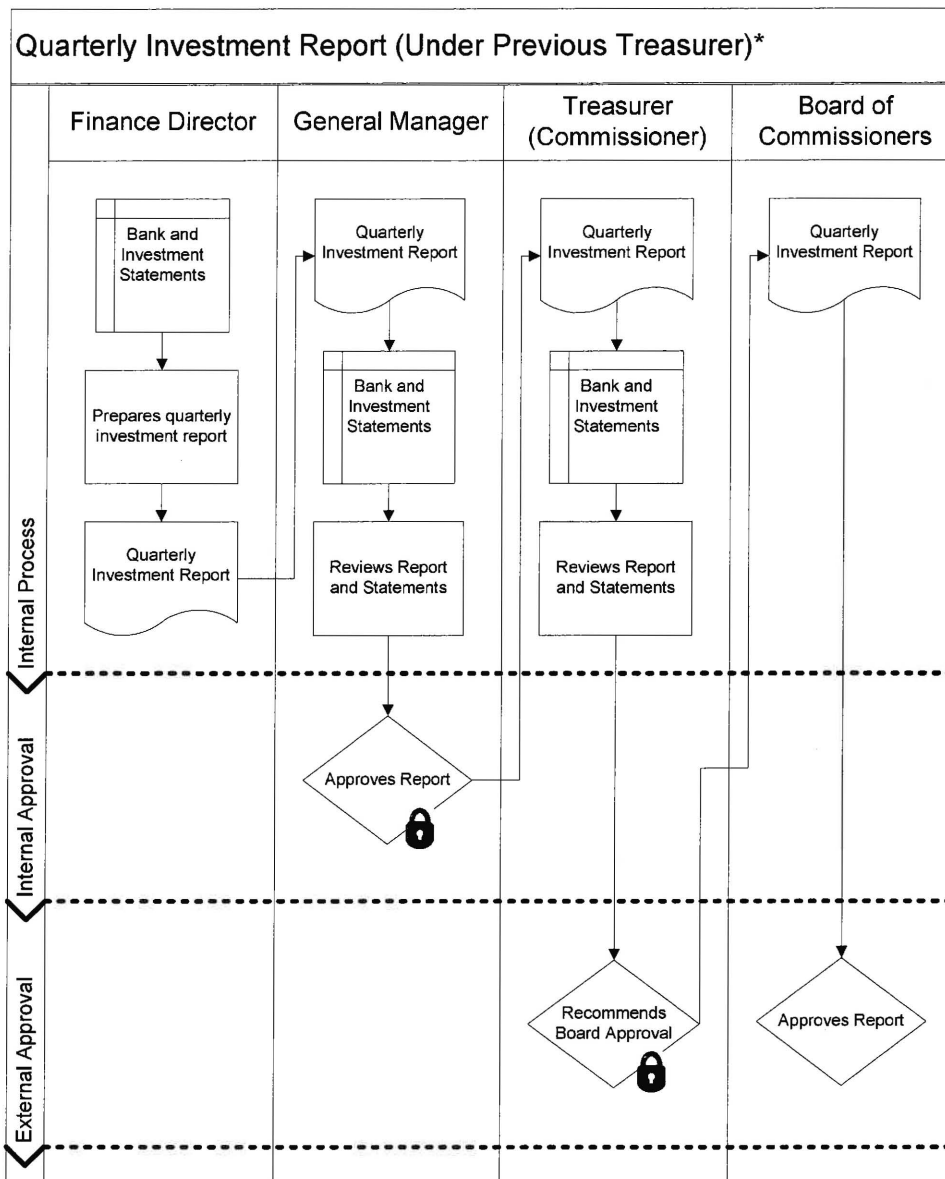
 Indicates a control procedure

Controls with the General Manager as Treasurer

With the General Manager as Treasurer, the internal process of assessing bad debt remains the same. The General Manager continues to work with staff to assess the collectability of accounts and makes a determination on which accounts he deems as uncollectable. Under the new structure, the second level of external review is lost. The Board no longer has a designee to review the procedures done to determine collectability, as the General Manager is making both the determination, and recommendation to the Board.

**San Mateo County Harbor District
Review of Treasurer and Deputy Treasurer Procedures**

II. Treasurer Process and Diagrams, Continued



*The purpose of this diagram is to show the direct and indirect controls related to the Treasurer function, as such, there may be additional controls performed by finance staff not shown in this diagram.

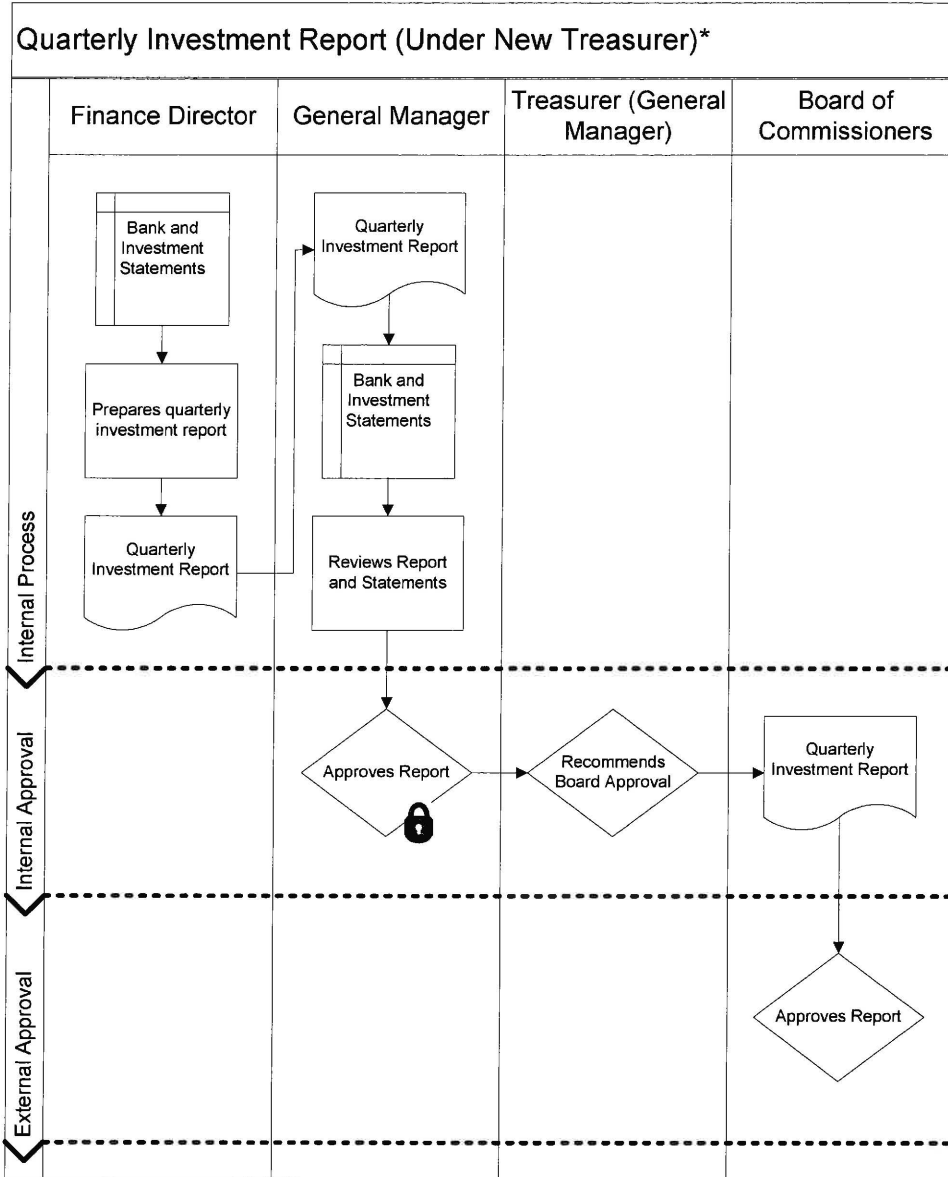
Indicates a control procedure

Controls with Commissioner as Treasurer

Under the previous structure, the General Manager reviews and approves the Quarterly Investment Reports prepared by the Finance Director. The report and supporting documents are provided to the Treasurer for his review. This procedure allows for a second level of review outside of District staff and for the Treasurer to answer any questions other Board members may have before asking staff.

**San Mateo County Harbor District
Review of Treasurer and Deputy Treasurer Procedures**

II. Treasurer Process and Diagrams, Continued



*The purpose of this diagram is to show the direct and indirect controls related to the Treasurer function, as such, there may be additional controls performed by finance staff not shown in this diagram.

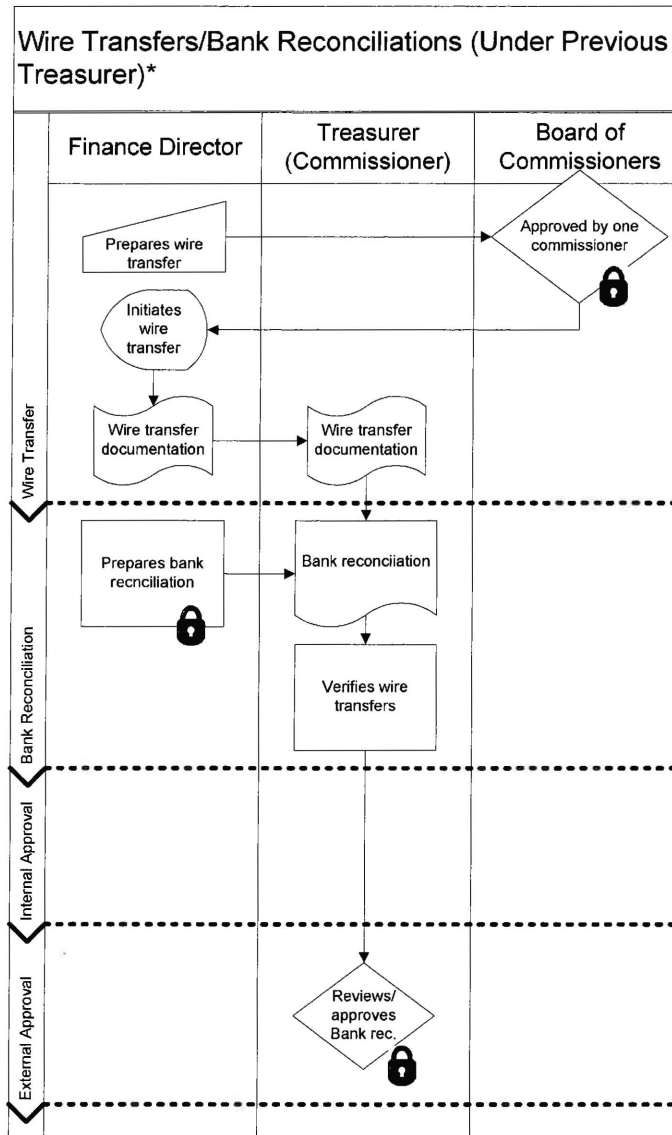
Indicates a control procedure

Controls with General Manager as Treasurer

With the General Manager serving as Treasurer, the District loses an extra level of review provided under the previous structure. Additionally, any questions regarding investment must go to staff first, instead of a Commissioner.

**San Mateo County Harbor District
Review of Treasurer and Deputy Treasurer Procedures**

II. Treasurer Process and Diagrams, Continued



*The purpose of this diagram is to show the direct and indirect controls related to the Treasurer function, as such, there may be additional controls performed by finance staff not shown in this diagram.

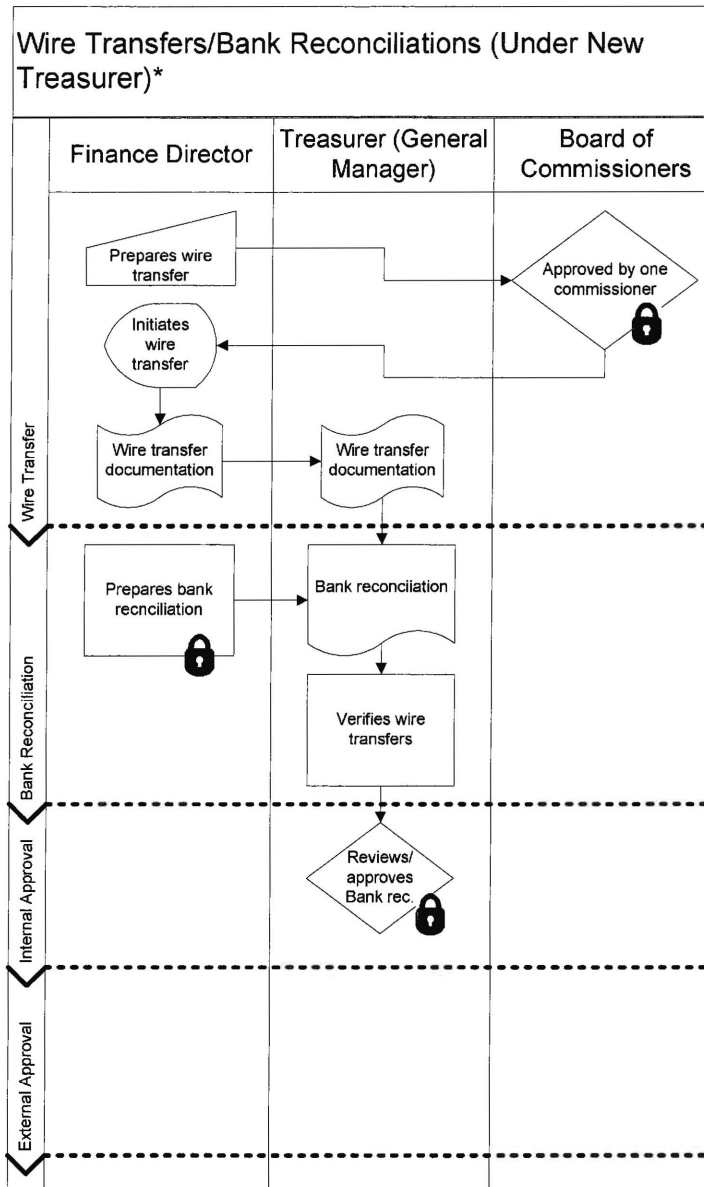
Indicates a control procedure

Controls with Commissioner as Treasurer

The Treasurer plays a role in both the wire transfer and bank reconciliation process. District policy requires approval by one Commissioner for wire transfers. The Finance Director initiates the wire transfer, and documents the transfer when finished. The Finance Director also prepares the bank reconciliation. The Treasurer reviews and approves the bank reconciliation, adding an additional layer of external review. As part of the review, he or she verifies that the wire transfer was completed accurately.

**San Mateo County Harbor District
Review of Treasurer and Deputy Treasurer Procedures**

II. Treasurer Process and Diagrams, Continued



*The purpose of this diagram is to show the direct and indirect controls related to the Treasurer function, as such, there may be additional controls performed by finance staff not shown in this diagram.

Indicates a control procedure

Controls with General Manager as Treasurer

With the General Manager as Treasurer, the process is similar to how it was before, with some exceptions. A designee from the Board no longer has the ability to review and approve the bank reconciliation, or verify that the wire transfer was completed accurately. Those procedures rest only with the General Manager.

San Mateo County Harbor District

Review of Treasurer and Deputy Treasurer Procedures

II. Treasurer Process and Diagrams, Continued

Recommendations

Cash Disbursement Process

With the General Manager acting as Treasurer, instead of a Commissioner, the District loses a key level of review performed by an individual external to the day-to-day operations of the District. Review of the bills and claims is performed by the General Manager/Treasurer, instead of a Commissioner (acting as Treasurer). We recommend that the District revise its policies and procedures to have an individual on the Board of Commissioner's review the bills and claims and make a recommendation to the Board. Alternatively, the District could appoint a Commissioner to be Treasurer.

Employee Reimbursements

With the General Manager acting as Treasurer, instead of a Commissioner, the General Manager is responsible for reviewing his own reimbursable expenses. In essence, no one is reviewing the General Manager's expenses. We recommend that the District revise its policies and procedures to have an individual on the Board review the General Manager's reimbursable expenses. Alternatively, the District could appoint a Commissioner to be Treasurer.

Bad Debt Write-Offs

According to District policy, Board approval is needed to write-off bad debts. Under the previous organizational structure, a Commissioner serving as Treasurer would periodically meet with staff to discuss the procedures performed to assess uncollectable accounts. The outcome of this meeting would then be relayed to other Board members before approving the write-off. With the General Manager as Treasurer, the District loses a step in the communication process. We recommend the District revise its policies and procedures to have a Commissioner discuss the write-off of bad debts with the General Manager and staff. Alternatively, the District can appoint a Commissioner to be Treasurer.

Quarterly Investment Reports

Investment reports are essential tools to help the Board of Commissioner's make decisions about District operations. It is important that these reports be accurate. By having a Commissioner as Treasurer, it provides an extra layer of review by someone outside of the day-to-day operations of the District. It also provides an additional level of security against fraud. The District loses part of this security by having the General Manager serve as Treasurer. We recommend that the District revise its policies and procedures to have a Board member prepare or review the Quarterly Investment Reports. Alternatively, the Board can appoint a Commissioner to be Treasurer.

San Mateo County Harbor District

Review of Treasurer and Deputy Treasurer Procedures

II. Treasurer Process and Diagrams, Continued

Recommendations, Continued

Wire Transfers/Bank Reconciliations

Under the previous organization structure, the Treasurer performed a key control in the wire transfer process. As part of his or her review of the bank reconciliation, the Treasurer had an opportunity to verify that wire transfers were completed accurately. Given that wire transfers often consist of large amounts between financial institutions, it would be prudent to have an outside source (Commissioner) to verify that the transfer was completed. The possibility exists that someone within the finance department could transfer funds to his or her own account. We suggest that the District revise its policies and procedures to have a Board member verify the completion of a wire transfer. Alternatively, the District could appoint a Commissioner to be Treasurer.

III. Additional Findings and Recommendations

1. Treasurer Policy and Procedures

The District does not have a policies and procedures document for the Treasurer position. In past years, Treasurers performed the function to the best of their ability without the benefit of a defined role. The District currently has various other financial policies (investment, payroll, etc.) that reference the responsibility of the Treasurer, but those various responsibilities are not combined into a single document. Without a job description, a Treasurer would not know what he or she is responsible to perform. We suggest the District establish a policies and procedures document for the Treasurer function.

2. Commissioner Reimbursements

Under the current policies and procedures of the District, all expenses incurred by Commissioners for reimbursement are required to be approved by the Board of Commissioners. Forms are submitted to the Board Treasurer, who shall recommend approval or disapproval to the Board. By appointing the General Manager as Treasurer, the General Manager is responsible for approving all Commissioner reimbursements. This places the General Manager in a position where he is responsible for approving the expenses of his or her superiors, creating a conflict of interest. We recommend the District update its policies and procedures to have Board members review each other's reimbursable expenses, rather than the General Manager. Alternatively, the District could appoint a Commissioner to be Treasurer.

3. Outdated Investment Policy and Other Outdated Policies

According to the District's Investment Policy "...the treasurer or fiscal officer of the San Mateo County Harbor District shall annually prepare and submit a state of investment policy and such policy, and any changes thereto, shall be considered by the legislative body at a public meeting," the District is required to update its policy on a yearly basis. It appears that the last adopted policy is from 2004. We suggest the District update its Investment Policy yearly, as stated in the policy itself.

San Mateo County Harbor District

Review of Treasurer and Deputy Treasurer Procedures

III. Additional Findings and Recommendations, Continued

3. Outdated Investment Policy and Other Outdated Policies, Continued

We also noticed that many other District policies are outdated, some as old as 2000. We recommend the District update all of its policies and procedures and continue to review and update them, as necessary, on a yearly basis.

4. General Manager Experience

During our engagement, we noted that the current Interim General Manager does not have any experience serving as Treasurer. As the former Harbor Master, his expertise is in the operation and maintenance of the harbor, not in the financial affairs of the District. By appointing another individual with a finance or treasurer background, it can add another level of review and approval to the finance process of the District allowing the Interim General Manager to focus on his job of managing the District.

5. Deputy Treasurer

As stated in the Harbors and Navigation Code Section 6071, The District may appoint a Deputy Treasurer to assist the Treasurer. The District appointed the Finance Director to serve as the Deputy Treasurer. The issues we encountered with the Finance Director serving as Deputy Treasurer are similar to the issue we had with the General Manager being Treasurer, primarily a lack of a job description and instances of the Finance Director reviewing his or her own work. We recommend the District adopt policies and procedures to govern the roles and responsibilities of the Deputy Treasurer. Given the relatively small size of the District, it may not be necessary for the District to have a Deputy Treasurer other than to serve as a back up to perform the Treasurer functions in the absence of the Treasurer, but it is clear that this role should be well defined along with that of the treasurer.

6. Noncompliance with the Harbors and Navigation Code Section 6071

The District is in noncompliance with Harbors and Navigation Code Section 6071 requiring that the Treasurer shall execute a bond to cover the faithful performance of his or her duties. Harbors and Navigation Code Section 6071 states in part the following:

Said Treasurer shall execute a bond covering the faithful performance by him of the duties of his office and his duties with respect to all moneys coming into his hands as treasurer in such amount as shall be fixed by resolution of said Board. The surety bond herein required shall be executed only by a surety company authorized to do business in the State of California and the premium therefore shall be paid by the district out of its general fund.

The District has not executed the required surety bond placing them in noncompliance with the stated code section. We recommend the District execute a surety bond as required by the Harbors and Navigation Code, and incorporate this requirement into their policies and procedures for the Treasurer function.

San Mateo County Harbor District

Review of Treasurer and Deputy Treasurer Procedures

III. Additional Findings and Recommendations, Continued

7. Oath of Office

The District is in noncompliance with Harbors and Navigation Code Section 6071 requiring that the Treasurer take the oath of office. Harbors and Navigation Code Section 6071 states, "Said treasurer before entering upon the duties of his office shall take and file with the secretary of the district the oath of office required by the Constitution of this State." The Treasurer of the District did not take this oath when appointed. We recommend the District require the Treasurer to take the oath when appointing a new treasurer.

IV. Conclusion

Under the previous appointment with a Commissioner serving as Treasurer, the District relied on the position to perform important control procedures in its financial preparation and recording process. With the General Manager as treasurer, most, if not all, of those key controls have been lost. In many instances, the General Manager and Finance Director, serving as Treasurer and Deputy Treasurer, respectively, are placed in positions to review their own work which are not effective controls. Should the General Manager remain as Treasurer, the control procedures identified in this report would have to be given to other Board members to avoid a material weakness in the District's internal controls over financial reporting, creating additional unnecessary work for District staff. We recommend that the District appoint a Commissioner to the function of Treasurer. Additionally, the District should define the roles and responsibilities of the Treasurer function and document them in a policies and procedures document.

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ITEM 11

Memorandum

TO: Harbor Commissioners

FROM: David Doyle & Belen Cruz
(DOF on vacation)

MSA
(Marcia Schnapp)

RE: Bills & Claims for Period Ending 7/15/15

Total Disbursements being submitted for your review: \$ 163,974.39

These include:

Handchecks in the amount of: \$ 92,373.30

Payables in the amount of: \$ 71,601.09 ✓

<u>Dept. Code</u>	<u>Description</u>		<u>Page Reference</u>
101	Harbor Commission	\$ 60,985.92	2
103	Administration	\$ 12,361.33	2
201	Pillar Point Harbor	\$ 39,481.03	2
301	Oyster Point Marina	\$ 23,681.18	2
	Payroll Related	\$ 27,464.93	2
	Total for Review	\$ 163,974.39 ✓	2

Notes:

Handchecks Written for:

Payroll Related \$ 27,464.93

Utilities \$ 19,307.40

Invoices with Due Dates on or Before Board Meeting \$ 45,600.97

Total Handchecks Written \$ 92,373.30 ✓

BILLS CLAIMS FOR 7/15/15 BOARD MEETING

VENDOR	DESCRIPTION	AMOUNT	PAYROLL RELATED	HARBOR COM 101	ADMIN 103	PILLAR POINT 201	OYSTER POINT 301
ADP, LLC	PAYROLL PROCESSING	494.66		77.29	92.75	185.50	139.12
ARAMARK UNIFORM SERVICES	UNIFORM SERVICES	115.30					115.30
BLUE RIBBON SUPPLY	OPERATING SUPPLIES	345.79				345.79	
COASTSIDE COUNTY WATER DISTRICT	UTILITIES	6,037.61				6,037.61	
DOODYCALLS, LLC	OPERATING EXPENSE	499.65				499.65	
FASTENAL COMPANY	SMALL TOOLS	538.69				538.69	
TYLER FINCH	REIMBURSE TRAINING EXPENSE	180.00					180.00
GENERAL CREDIT FORMS, INC.	OFFICE SUPPLIES	32.82				32.82	
GRAINGER	REPAIRS & MAINTENANCE	443.12				38.55	404.57
HENDERSON MARINE SUPPLY, INC	REPAIRS & MAINTENANCE	428.31					428.31
MACCORKLE INSURANCE SERVICE	INSURANCE PREMIUMS	58,725.00		58,725.00			
MARINE LIEN SALE SERVICE	LIECN SALE	480.00				480.00	
NEAL MCGEEHAN	REIMBURSE UNIFORM EXPENSE	30.44					30.44
JAMES MERLO	REIMBURSE UNIFORM EXPENSE	166.76					166.76
MISSION UNIFORM	UNIFORM SERVICES	183.06				183.06	
DEBORAH NIXON	REIMBURSE MILEAGE	207.87			207.87		
PACIFIC COLOR GRAPHICS	OFFICE SUPPLIES	469.38		260.75	208.63		
PACIFICA COMMUNITY TELEVISION	CONFERENCES & MEETINGS	1,000.00		1,000.00			
PG&E	UTILITIES	407.55					407.55
SAFETY KLEEN SYSTEMS INC.	OIL CLEAN UP SUPPLIES	253.01				253.01	
STAPLES ADVANTAGE	OFFICE SUPPLIES	462.07				462.07	
MICHAEL WILLIAMS	REIMBURSE TOWING EXPENSE	100.00				100.00	
SUB-TOTAL OF PAYMENTS TO BE PROCESSED 7/15/15		71,601.09	-	60,063.04	509.25	9,156.75	1,872.05
ALX TECHNOLOGY	REPAIRS & MAINTENANCE	651.15				651.15	
AT&T	TELEPHONE/COMMUNICATIONS	169.88		169.88			
BAYGREEN MARINE SANITATION	CONTRACTUAL SERVICES	1,600.00				800.00	800.00
CALIFORNIA WATER SERVICE	UTILITIES	3,165.20					3,165.20
CALPERS SUPPLEMENTAL INCOME	PAYROLL DEDUCTION PAYABLE	6,243.00	6,243.00				
CALPERS	PAYROLL DEDUCTION PAYABLE	21,221.93	21,221.93				
CHEYENNE PRODUCTS, INC.	HARBOR EQUIPMENT	2,524.00			2,524.00		
COMCAST	TELEPHONE/COMMUNICATIONS	385.99			385.99		
EMILY COOPER	REIMBURSE MILEAGE EXPENSE	33.25			33.25		
FASTENAL COMPANY	REPAIRS & MAINTENANCE	245.23			245.23		
GRAINGER	REPAIRS & MAINTENANCE	76.68					76.68
MC COY'S PATROL SERVICE	SECURITY SERVICES	7,001.90					7,001.90
PETTY CASH	REPLENISH PETTY CASH PPH	250.74				250.74	
PG&E	UTILITIES	16,142.20				8,152.89	7,989.31
PITNEY BOWES, INC.	MOVE POSTAGE METER TO NEW OFFICE	753.00		753.00			
RECOLOGY OF THE COAST	GARBAGE DISPOSAL	17,059.78				17,059.78	
CARY SMITH	REIMBURSE FUEL EXPENSE	69.00				69.00	
U.S. BANK -CAL CARD-301	OPERATING EXPENSE	1,663.61			1,663.61		
U.S. BANK-CAL CARD-103	OPERATING EXPENSE	3,340.72				3,340.72	
U.S. BANK-CAL CARD-201	OPERATING EXPENSE	2,776.04					2,776.04
WORKING DIRT MANAGEMENT, INC.	OFFICE RENT	7,000.00			7,000.00		
TOTAL HANDCHECKS		92,373.30	27,464.93	922.88	11,852.08	30,324.28	21,809.13
TOTAL BILLS & CLAIMS		163,974.39	27,464.93	60,985.92	12,361.33	39,481.03	23,681.18
			PAYROLL	COMM	ADMIN	PPH	OPM

Memo

To: Board of Harbor Commissioners
 From: Glenn Lazof, Interim General Manager
 Date: June 9, 2015; covering the period June 25-July 9
 Re: July 15, 2015 Activity Report

Administration

The reduction in scheduled board meetings to prepare from six in the last GM report to the three confirmed in this period has been helpful. The district was previously at a pace where work was being directed far faster than our administrative resources could implement them. The result was that the time and effort Commissioners and staff put into planning, discussion, and direction was disproportionate to the time and effort available for implementation.

The list of administrative tasks and demands remains greater than our resources to complete these tasks, so prioritization continues. Tasks are not always addressed in order of importance; sometimes it is better to grab the “low hanging fruit” and make easy progress when we can.

The additional support from RGS, which the commission approved at the last meeting in June, began work on July 6. Emily Cooper’s last day was July 7. Progress (or lack thereof) also reflects that the IGM had two days off the week of July 4 and that the Finance Director was on vacation the week of July 6.

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:

Board of Harbor Commissioners:

- Special Meeting June 29, 2015
- Regular Meeting July 1, 2015
- Consideration of Special Meeting TBA Re: Open Gov.
- Regular Meeting July 15, 2015

Oyster Point Marina Liaison Committee:

- Staff is working on scheduling next meeting.

Legal Mandates/Issues:

- Public Records Act – Three requests during the period of this report. One request is for all reproducible communications between Commissioners and Commissioners and also all reproducible communications between Commissioners and Staff, retroactive to June 9. Requestor has informed the District that this request will be made between Sunday and Saturday for each week.
- We are behind in our PRA responses. Preparing for the anticipated loss of clerical support this week was a contributing factor. Part time Public Transparency Officer and Human Resources Management Support started July 6; however a large share of that resource has needed to be diverted to some of the more immediate HR issues.

These are tasks that can be described as completed:

- Issuance of Mavericks Contest Permit. Permit questions and other planning and compliance issues will continue as ongoing tasks until conditions are satisfied (see below).

- Research into whether there has been any Commission action regarding agendizing the IT Audit. (None found)

These are tasks where adequate progress was made during this period.

- Completion of Office Move
 - Selection of space planner to provide consultation in configuration of new office, particularly to maximize utility of meeting room space for District and other Public Agencies while protecting confidential personnel documents. We have two quotes so far.
 - Research resulting in invalidating concern that delays in completing tenant improvements was a breach of the lease by the district.
 - Research into required Commission Actions to change location of regular meetings once meeting room is ready
- Reestablishing workflow and accountability for non-urgent staff reports for meeting Agenda's.
 - Adjustments to process – lessons learned from previous packet, so good so far.

These are items in which some progress was made, but not as much as we would like.

- Planning to implement Cost Accounting for Public Facilities and Enterprise Activity for 15 -16 Fiscal year
- Reviews of routine financial and personnel documentation, prior to authorization
- Preparations for Labor Negotiations
- Mavericks Surf Contest Conditions and Permits
 - Coastal Commission staff is researching answers to our preliminary inquiries regarding the trail closure:
 - Whether a temporary trail closure lasting less than a full day, occurring for public safety reasons, requires a permit.
 - Who has jurisdiction over the trail? (If a permit is required they need to identify owner/s of the property in question). IGM's understanding is that possible candidates include the County, Air Force, and this District.
 - IGM Informed Commission Staff that if a permit is required, the district should play a role in assuring that one is obtained regardless of the outcome of jurisdictional research.
- Phondini Proposal for Development of Social Media Plan for District. Project was assigned to transparency officer on July 7.
- Research into Commission Action regarding contents of meeting minutes (see below under Transparencies).
- Preparations to execute agreement with Open Gov. to provide Financial Transparency. Execution expected shortly after Finance Director Returns from vacation July 13.
- Agreement with CASPIAN IT for stop gap services
 - Services are being provided as specified in board action July 8
 - Preparing to finalize short term contract with Caspian
 - Initial steps taken
- Obtaining quotes for IT Services Gap between action of last meeting and Long Term Contract Selection expected in December
- Developing long term RFP for IT Services.
 - Preliminary inquiry of County and City regarding feasibility and efficiency of contracting to use their internal IT
 - Preparing long term RFP for IT Services, to bring before Commission for approval in August

These are items in which some progress was made, but far less than is required to limit exposures and forestall future issues:

- Updating District's Reserve Policies

These are tasks in which no progress was made (there are probably others where no progress has been made perhaps because the IGM has not yet discovered they need to be done):

- Mavericks Store Lease- end date is June 30.
- Reviewing potential Oyster Point Bait Shop Lease terms
- Review of Pillar Point restaurant lease regarding any requirement to conduct business in leased area.
- Development of Five Year Capital Improvement Plan (CIP).
- 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:

- Special Meeting to revisit the Strategic Plan/ Lisa Wise Consulting Project as directed April 15, 2015.
- 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. Also 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.

Personnel

- Ongoing matters requiring confidentiality pertaining to individual employees, (2 significant)
- Planning for continuity of administrative staff in response to anticipated turnover
- Assist in Preparations for Initial Meetings with Operating Engineers and Teamsters

Transparencies

- Minutes of Meetings. In researching what should be ordinarily attached to Board meeting minutes as presented to the Commission, staff found that we were not adhering to the policy in that we were including more information under public and commissioner comment support of opposition to agenda items. Staff will now adhere to this direction until there is additional direction from the Commission. The action taken follow.

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

Ayes: Bernardo, Brennan, David, Mattusch

Absent: Parravano



STAFF REPORT

FROM:  Debra Galarza, Director of Finance

DATE: July 15, 2015

SUBJECT: Finance Department Report to the Commission

Accounting and operations

- Ongoing expense management through detailed review of invoices and review of bills and claims. Bi-weekly payroll processing and review.
- Open FY 2014-15 Audit-Field auditors in office June 29-July 2nd. They will return October 19-23rd for year-end field work.
- FY 2015-16 final budget updated and posted on website on July 1st.
- Requested updated insurance documents from lease holders.
- Cal Card Administration.
- Ordered/received new credit card machines for Pillar Point and Oyster Point to adhere to chip technology requirements.
- Cross training staff on Collections procedures.
- Vacation July 6-July 10th.



STAFF REPORT

TO: San Mateo County Harbor District Commissioners
VIA: Glenn Lazof, Interim General Manager
FROM: Marcia Schnapp, Interim Administrative Resources Manager
DATE: July 15, 2015
SUBJECT: General Report to Board

The Administrative Services Manager is responsible for: human resources issues, IT (computer, phones, office machines), benefits, risk management/insurance, the office move, labor issues, and other administrative duties as required. Below is a status update of any activities related to the categories mentioned above.

Office Space Planner Quotes

Staff has received two of three quotes as of 7/9/15. The third quote is expected shortly. Once all three quotes are received, Staff will present to the Board for its review, consideration and action.

IT Services

The Board approved a budget for interim IT services support for 90 days until a permanent vendor can be selected through an RFP process. Staff anticipates bringing a draft RFP back to the Board for its review and comments in August. The RFP would be issued in September; with responses due by the latter part of October. Approval of a vendor would come to the Board in November with anticipated start date for the approved IT vendor on or about December 1.

Staffing

The temporary staff responsible for PRA document production and administrative support has resigned effective July 7th. District will be advertising for another temporary person to fill this role. In addition, due to the importance of the Deputy Secretary to the Board position, Staff will also be advertising to create a certified list for the Deputy Secretary position.

Policies

Staff has delivered all policies and employment contracts to the RGS HR consultant (former HR Executive for El Dorado County). Staff will be working closely with the consultant to update all District policies to identify and resolve conflicts between District Policies, Personnel Policies, Ordinances, and MOUs.

The Board has requested Staff to review the purchasing policy and to add a public communications/media policy. This will be added to the review tasks. When the analysis is completed, these items will be included in the overall updates presented to the Board for review and comments. Because of the volume of changes to policies that may develop, Staff anticipates presenting policies recommended for update over a period of board meetings, instead of all at once.

Memo

To: Board of Harbor Commissioners
From: Scott Grindy, Harbor Master
CC: Glenn Lazlo, Interim General Manager
Date: July 7, 2015

Oyster Point Marina/Park

Construction Update & General Status Updates

- Main underground water line to dock 11 repaired due to fracture.
- Civil work site review for grant funded public restroom in process.

OPM Miscellaneous

- Spirit of Sacramento, no update regarding Federal Courts/US Marshalls.
- Fuel Dock tanks (SKS Lease + Drakes Marine Managed) are in the beginning stages of design for replacement to the newer double walled tank systems. Project schedule and fuel dock times to be noticed when done.
- Car and Motorcycle Show Event for April 2016 in discussions with promotor, present event is at Brisbane Marina.
- One DHM out till August due to personal injuries while surfing.
- Staff reviewing water pressure concerns on some docks (80 psi range) and PRV issues.

Pillar Point Harbor

Construction Update & General Status Updates

- Staff performing dock pedestal electrical services.
- The Electrical Project for PPH/OPM is punch list complete, reviewing final billing and verification of work completed in closeout in process.
- Awaiting Coastal Commission written response and permit to West Trail repairs. *(See Coastal Comm. Email on permit consolidation attached)*

PPH Miscellaneous

- PPH District Hoist (near Harbor Office) is off line, and has lost its certification due to inspection findings. Due to quotes for the repairs exceeding the \$5,000 limit for a public project staff is preparing the item to go to bid for the repairs with an estimated cost of about \$25,000. It is anticipated the hoist would be returned to service at approximately the end of September. Unit is over 40 yrs. old.
- Working on initial efforts with USGS for a Tsunami Monitoring Station.
- Vandalism and wear and tear to pier restroom shower doors, replacement in process. (Requisition and estimated completion by the end of July.

Occupancy Overview (June)

PPH

- Total occupancy (inner harbor) – 93% (this includes slips, end ties and walk way)
- Berth occupancy (inner Harbor)- 93% (345 slips out of 369 are occupied)
- Moorings (Outer Harbor) – 18% (7 out of 38 moorings occupied)

OPM

- Total Berth Occupancy 66% (283 out of 428 are occupied)
- LAB count 42 LTT count 10

Search and Rescue Activity Highlights & Urgent Need Activities:

PPH 3 rescue activities

OPM 7 rescue activities, some were jointly with SSF Fire

Calendar Reminder Items of District Events and Activities

- September 27 @ PPH “Fish & Fleet” Event
- December 5th for OPM boat & Christmas tree lighting
- December 12th for PPH “Holiday Boat Lighting” Event
- January 30-February 6 “Crab Week”

EMS-Clean Marina Activities-District Wide

- PPH/OPM-Vessel Annual Inspections and new vessel inspections on going
- PPH-Waste Fish Monofilament Fishing Line clean up stations now installed (see attachment)

EMS STAFF NOTES: District EMS staff are presently reviewing the ongoing study being done by the “The Los Angeles County Department of Beaches and Harbors” is currently considering requiring all divers that perform hull cleaning in the Marina del Rey harbor to be certified in a program that includes Best Management Practices (BMPs).

As you may be aware, there are problems with marina bottoms having high copper and zinc levels in some marinas from bottom cleaning activities being performed while boats are in the water and at their slips. This has various impacts from fish and wildlife to dredging activities.

- 1. Does your port/marina require permits to conduct boat maintenance and hull cleaning? If the answer is “no”, please complete question 1 and return the survey. If the answer is “yes”, please complete the rest of the survey.
- 2. Does your port/marina have a hull-cleaning ordinance that requires divers to have certification related to BMPs?
- 3. If a certification program is required, who pays for the training and how often must the certification be renewed?
- 4. Are there aspects to your hull-cleaning ordinance that you would like to revise?
- 5. How is your ordinance enforced and how are certified divers identified?
- 6. What public outreach was done prior to adoption of your ordinance?

- 7. Does your port/marina currently have a TMDL related to copper paint or boat maintenance?

District staff is reviewing for implementation, and permitting processes for boat vendors.

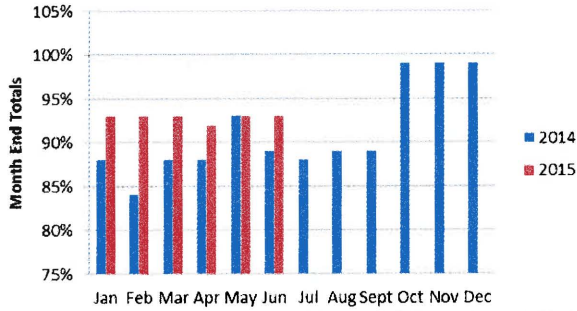
Other Misc. Items:

- Obtaining quotes and proposals for a security system for the new administrative offices (installation and annual services).

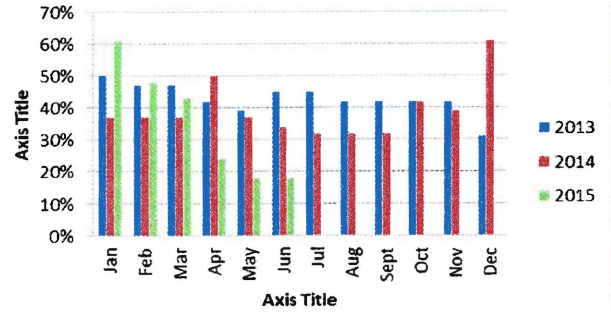
Pillar Point Harbor Dashboard

Monthly Marina Activity Report - June 2015

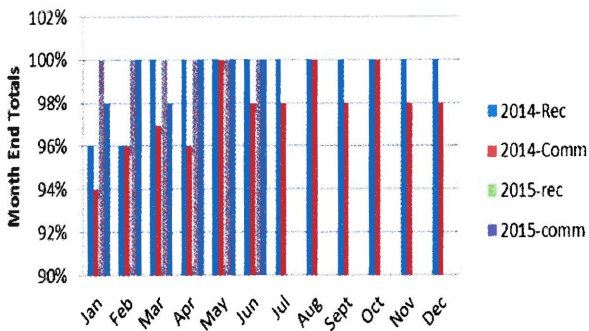
Overall Occupancy 369 slips available (June 15 - 93% occupied)



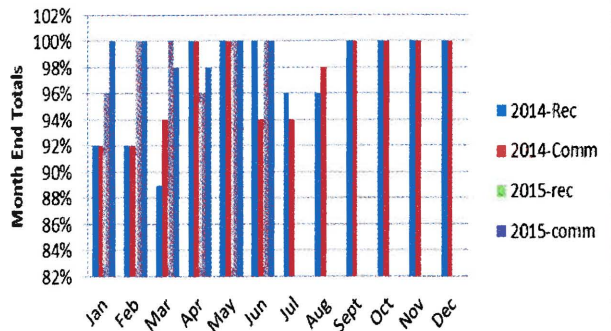
Mooring Occupancy 38 Moorings Available (June 15 - 18% occupied)



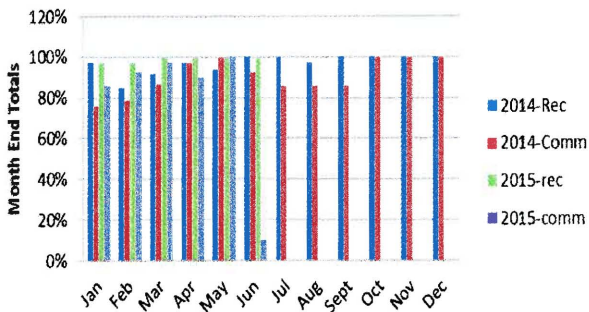
30 ft Slips (Total: 28 rec, 54 comm)



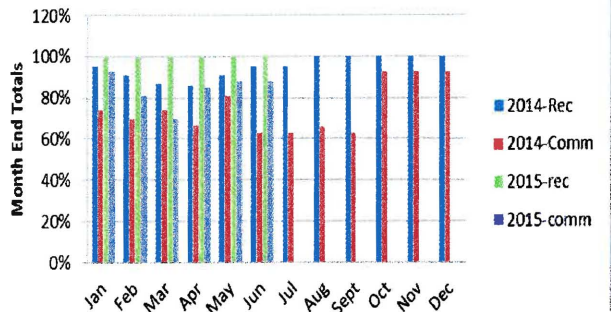
35 ft Slips (Total: 26 rec, 48 comm)



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



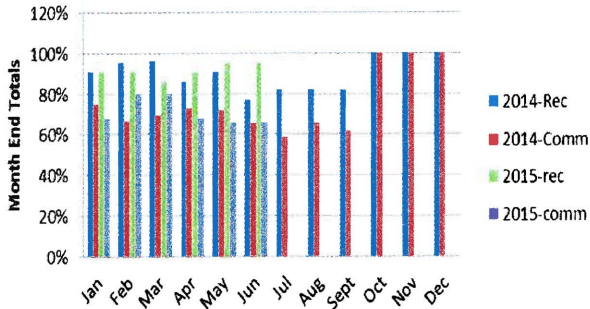
45 ft Slips (Total: 22 rec, 27 comm)



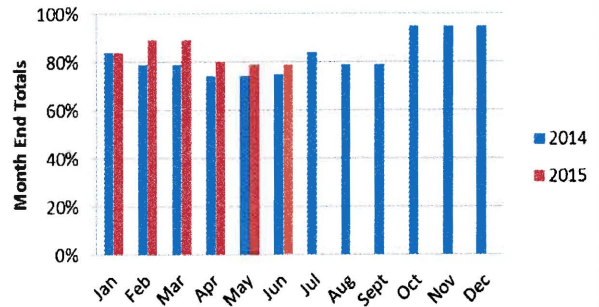
Pillar Point Harbor Dashboard

Monthly Marina Activity Report - June 2015

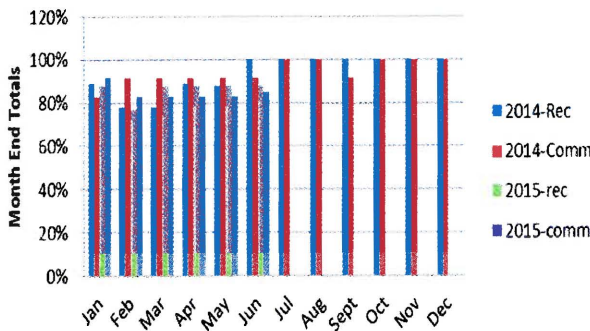
50 ft Slips (Total: 22 re, 40 comm)



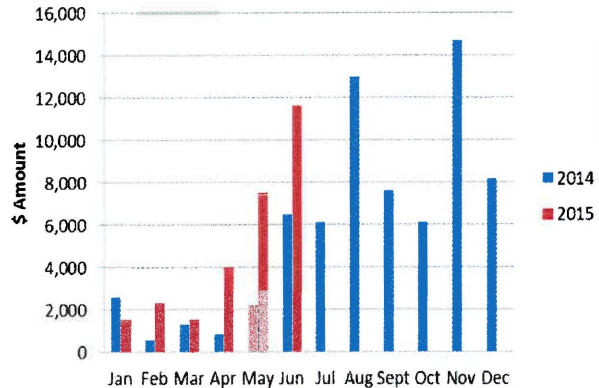
55 ft Slips (Total: 19 comm)



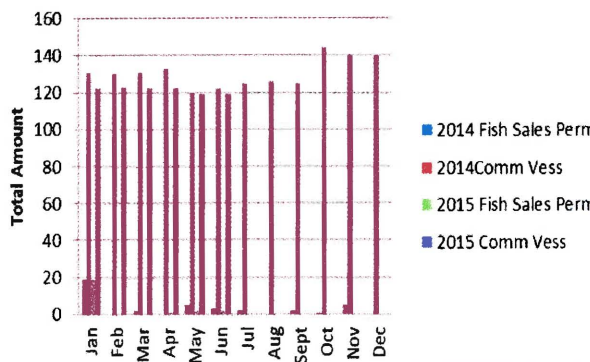
65 ft Slips (Total: 9 rec, 12 comm)



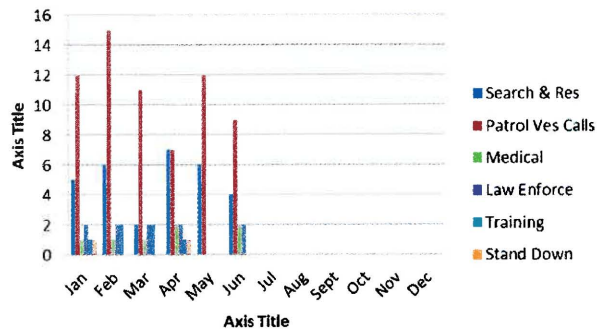
Launch Ramp Totals



PPH Comm Fish Activity



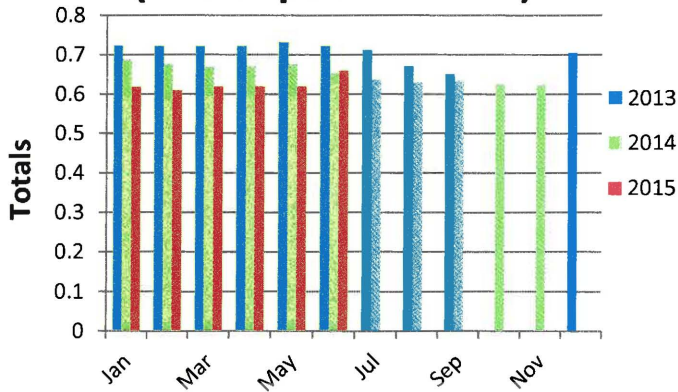
Call Outs - SAR PPH Harbor Patrol - 2015



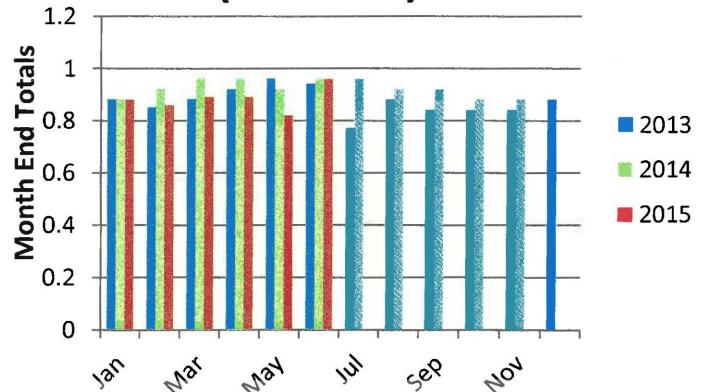
Oyster Point Marina

Monthly Marina Activity Report - June 2015

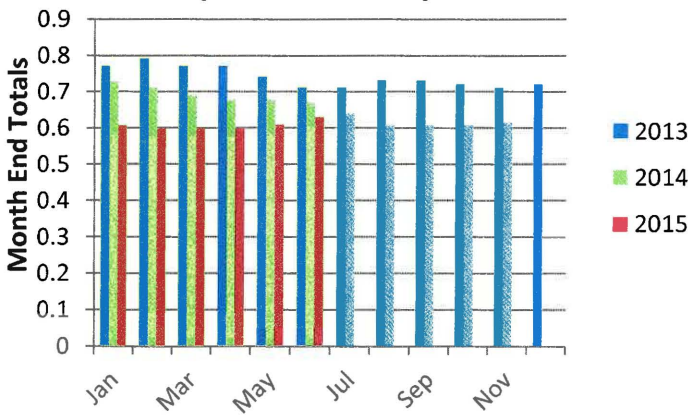
Overall Occupancy (428 Slips Available)



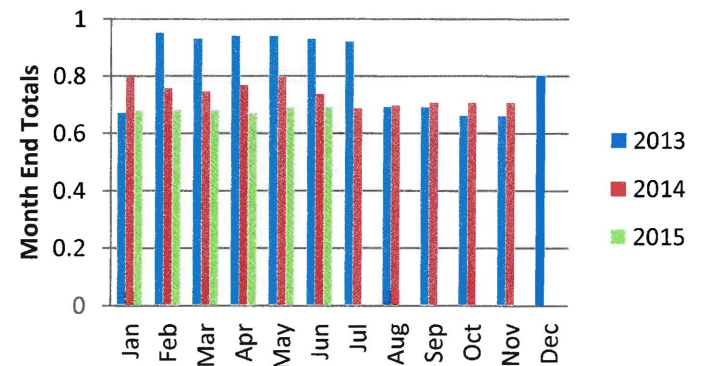
26 ft Slips (Total: 25)



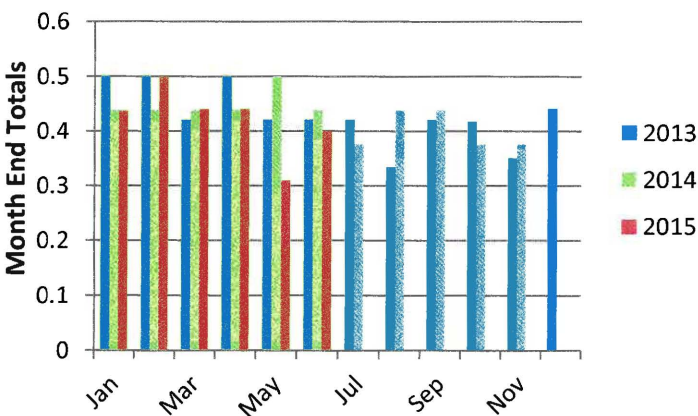
30 ft Slips (Total: 158)



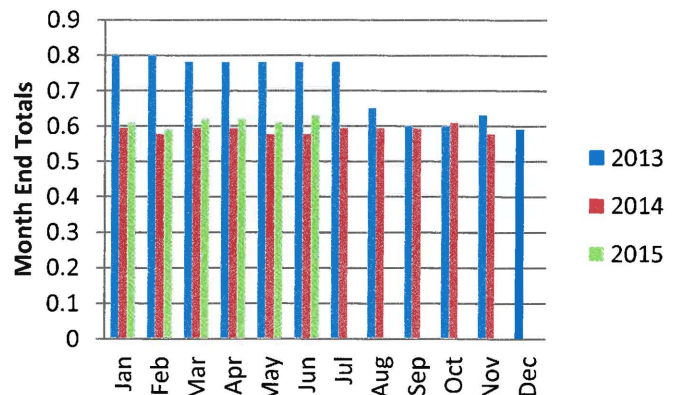
36 ft Slips (Total: 99)



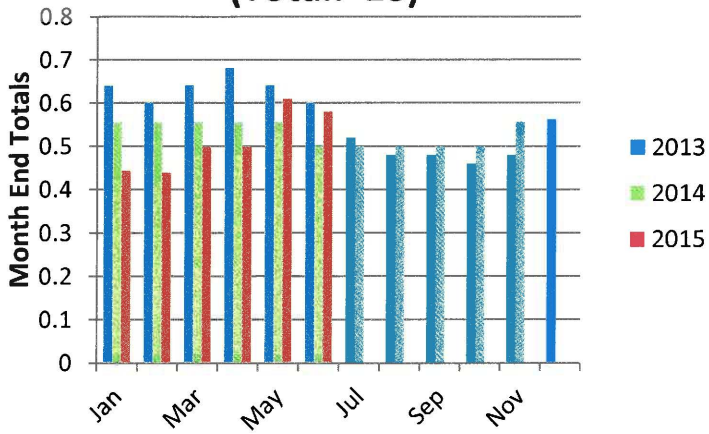
40 ft Slips (Total: 16)



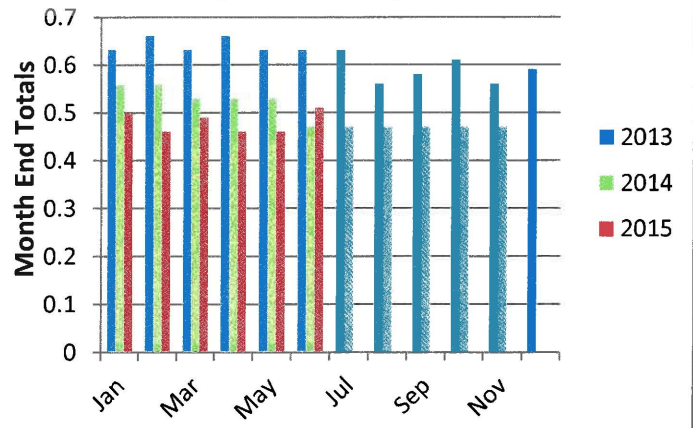
45 ft slips (Total: 64)



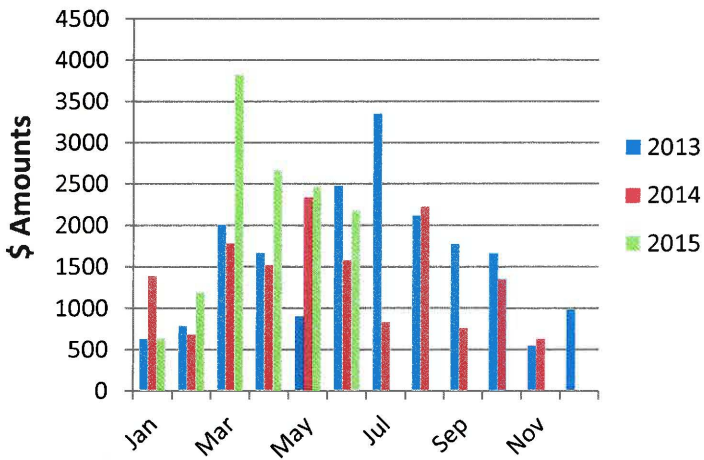
50 ft Slips (Total: 18)



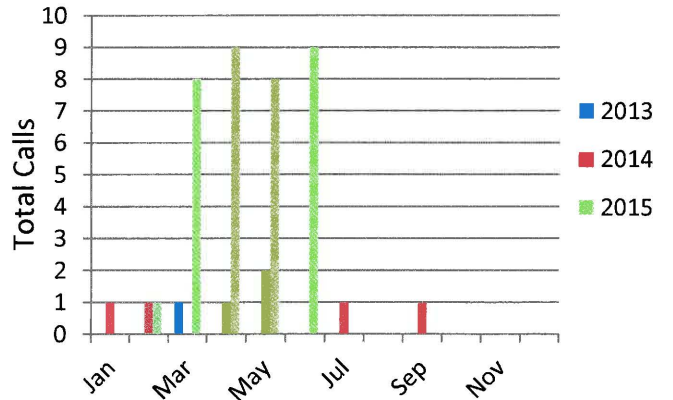
60 ft Slips (Total: 34)



Launch Ramp Totals



Call Outs (OPM Harbor Patrol - 2013-2015)



Scott Grindy



From: Ducklow, Kelsey@Coastal <Kelsey.Ducklow@coastal.ca.gov>
Sent: Thursday, July 02, 2015 9:11 AM
To: Summer Burlison; Scott Grindy
Cc: Lisa Aozasa
Subject: RE: FW: Pillar Point/West Trail Culvert Jurisdiction

WEST TRAIL

Thank you!

Kelsey Ducklow

From: Summer Burlison [<mailto:sburlison@smcgov.org>]
Sent: Thursday, July 02, 2015 9:01 AM
To: Ducklow, Kelsey@Coastal; Scott Grindy
Cc: Lisa Aozasa
Subject: RE: FW: Pillar Point/West Trail Culvert Jurisdiction

Hi Scott, Kelsey,

Thank you both for providing plans and information on this project scope. This is to confirm that we are ok with the Coastal Commission processing this project as one consolidated permit.

Please let me know if you have any further questions.

Thanks,
Summer

Summer Burlison
Planner III
sburlison@smcgov.org

County of San Mateo
Planning and Building Department
455 County Center, 2nd Floor
Redwood City, CA 94063
(650) 363-1815 T
(650) 363-4849 F
www.planning.smcgov.org

Please be aware that I am out of the office every other Monday.

From: "Ducklow, Kelsey@Coastal" <Kelsey.Ducklow@coastal.ca.gov>
To: Scott Grindy <sgrindy@smharbor.com>, Summer Burlison <sburlison@smcgov.org>
Date: 7/1/2015 12:19 PM
Subject: RE: FW: Pillar Point/West Trail Culvert Jurisdiction

That is the most up to date plan set that I am working from as well. The word we got from the CCC's mapping unit was that the work to be done along the east/harbor side of the trail is CCC jurisdiction, but the work along the west/hill side of the trail is San Mateo County jurisdiction.

From: Scott Grindy [<mailto:sgrindy@smharbor.com>]
Sent: Wednesday, July 01, 2015 12:11 PM
To: Summer Burlison
Cc: Ducklow, Kelsey@Coastal; Scott Grindy
Subject: RE: FW: Pillar Point/West Trail Culvert Jurisdiction

Hi Summer,

I believe this to be the most update set.

Scott

From: Summer Burlison [<mailto:sburlison@smcgov.org>]
Sent: Wednesday, July 01, 2015 12:07 PM
To: Scott Grindy
Cc: Kelsey.Ducklow@coastal.ca.gov
Subject: Re: FW: Pillar Point/West Trail Culvert Jurisdiction

Hi Scott,

Do you have a map or plan that would show the location/extent of the project scope that you could pass over, just to make sure we understand the geographic extent of the project?

Thanks,
Summer

From: Scott Grindy <sgrindy@smharbor.com>
To: Summer Burlison <sburlison@smcgov.org>
CC: "Kelsey.Ducklow@coastal.ca.gov" <Kelsey.Ducklow@coastal.ca.gov>, "ScottGrindy" <sgrindy@smharbor.com>
Date: 6/30/2015 3:52 PM
Subject: FW: Pillar Point/West Trail Culvert Jurisdiction

Hi Summer,

I am not sure if you are the right person to ask but if not could you forward and copy me and Kelsey please.

This is regarding the "Mavericks Trail" we have a permit item into the Coastal Commission for trail repairs (next to Princeton), please see the question from Kelsey below.

Thank you very much,

Scott Grindy
Harbor Master
San Mateo County Harbor District
650 515 7792

From: Ducklow, Kelsey@Coastal [<mailto:Kelsey.Ducklow@coastal.ca.gov>]

Sent: Monday, June 29, 2015 9:03 AM
To: Scott Grindy
Subject: Pillar Point/West Trail Culvert Jurisdiction

Hi Scott,

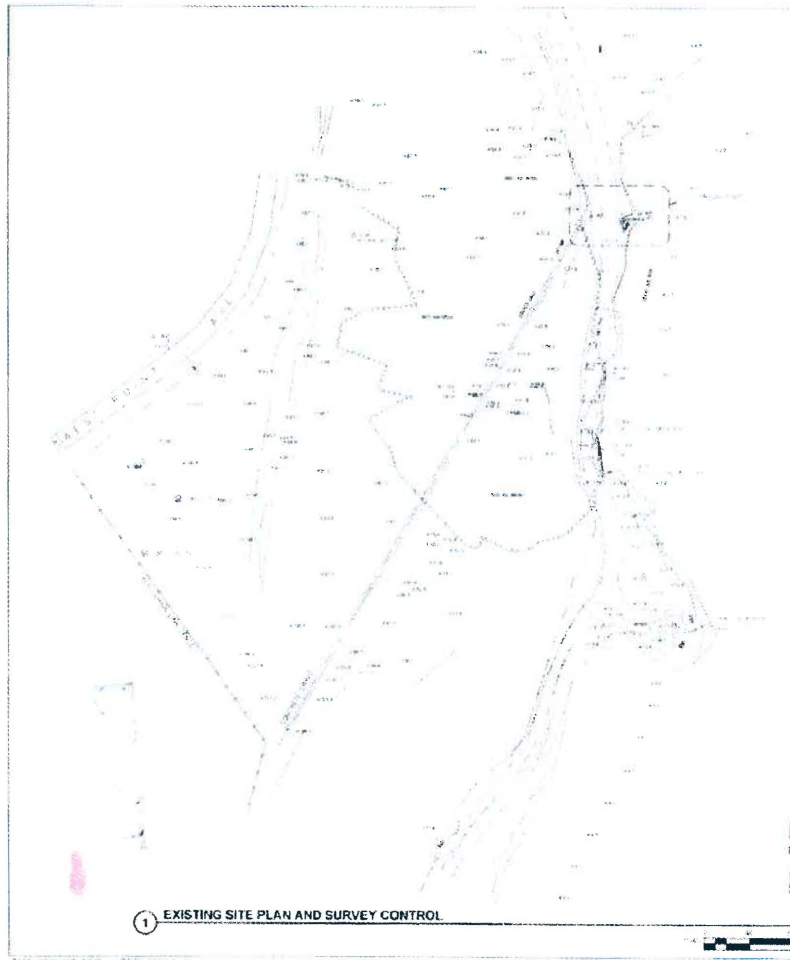
I'm moving through finalizing the permit for the culvert repair but we did hear back from our mapping unit and found out that the project components are split between the Commission's retained jurisdiction and San Mateo County jurisdiction. Could you please check in with the county and ensure that it is ok to proceed with a consolidated permit?

Thanks, and feel free to call if you have any questions – 415.904.2335

Kelsey

--

Kelsey Ducklow
NOAA Coastal Management Fellow | California Coastal Commission
kelsey.ducklow@coastal.ca.gov | 415.904.2335
45 Fremont St. Suite 2000, San Francisco, CA 94105



① EXISTING SITE PLAN AND SURVEY CONTROL

SURVEY CONTROL NOTES

1. ALL DIMENSIONS ARE IN FEET AND DECIMALS THEREOF.
 2. ALL DIMENSIONS ARE TO THE CENTERLINE OF THE ROAD OR RAILROAD UNLESS OTHERWISE NOTED.
 3. ALL DIMENSIONS ARE TO THE CENTERLINE OF THE ROAD OR RAILROAD UNLESS OTHERWISE NOTED.
 4. ALL DIMENSIONS ARE TO THE CENTERLINE OF THE ROAD OR RAILROAD UNLESS OTHERWISE NOTED.
 5. ALL DIMENSIONS ARE TO THE CENTERLINE OF THE ROAD OR RAILROAD UNLESS OTHERWISE NOTED.

NO.	DESCRIPTION	DATE	BY

Drawing Revisions:

FOR PERMITTING PURPOSES ONLY



LAND BY:
 COUNTY OF SAN MATEO, CALIFORNIA
 HARBOR DISTRICT

San MATEO COUNTY
 HARBOR DISTRICT
 PILLAR POINT HARBOR
 WEST TRAIL CULVERT REPAIR

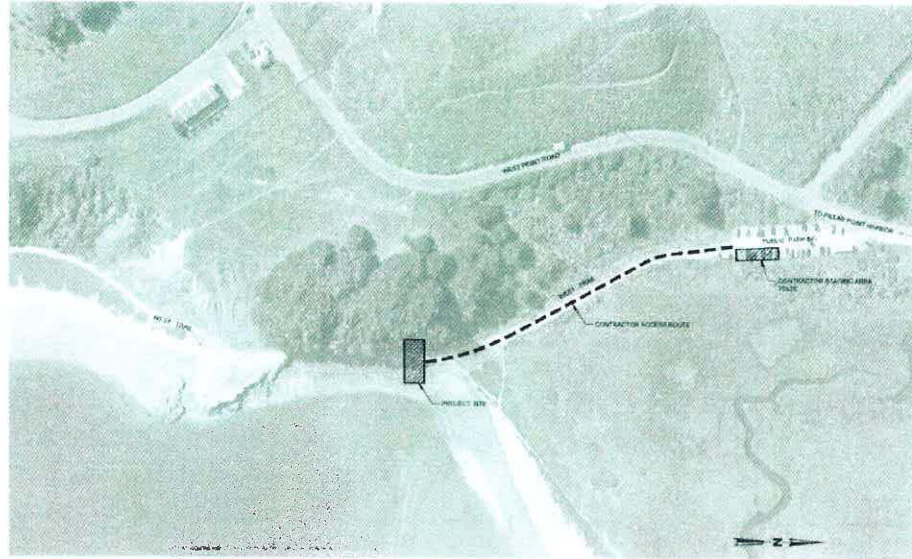
EXISTING SITE PLAN AND SURVEY CONTROL

DATE	BY	DATE	BY

Scale: 1" = 100'-0"

C-101

ANSI D



CONTRACTOR STAGING PLAN

SHEET NOTES

1. GENERAL NOTES: SEE SHEET C-101 FOR PERMITTING INFORMATION AND PERMITS REQUIRED. ALL WORK SHALL BE IN ACCORDANCE WITH THE LOCAL ORDINANCES AND REGULATIONS OF THE COUNTY OF SAN MATEO.
2. CONTRACTOR SHALL MAINTAIN ACCESS TO ALL ADJACENT PROPERTIES AT ALL TIMES.
3. CONTRACTOR SHALL MAINTAIN ACCESS TO ALL ADJACENT PROPERTIES AT ALL TIMES.
4. CONTRACTOR SHALL MAINTAIN ACCESS TO ALL ADJACENT PROPERTIES AT ALL TIMES.
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FOR PERMITTING PURPOSES ONLY



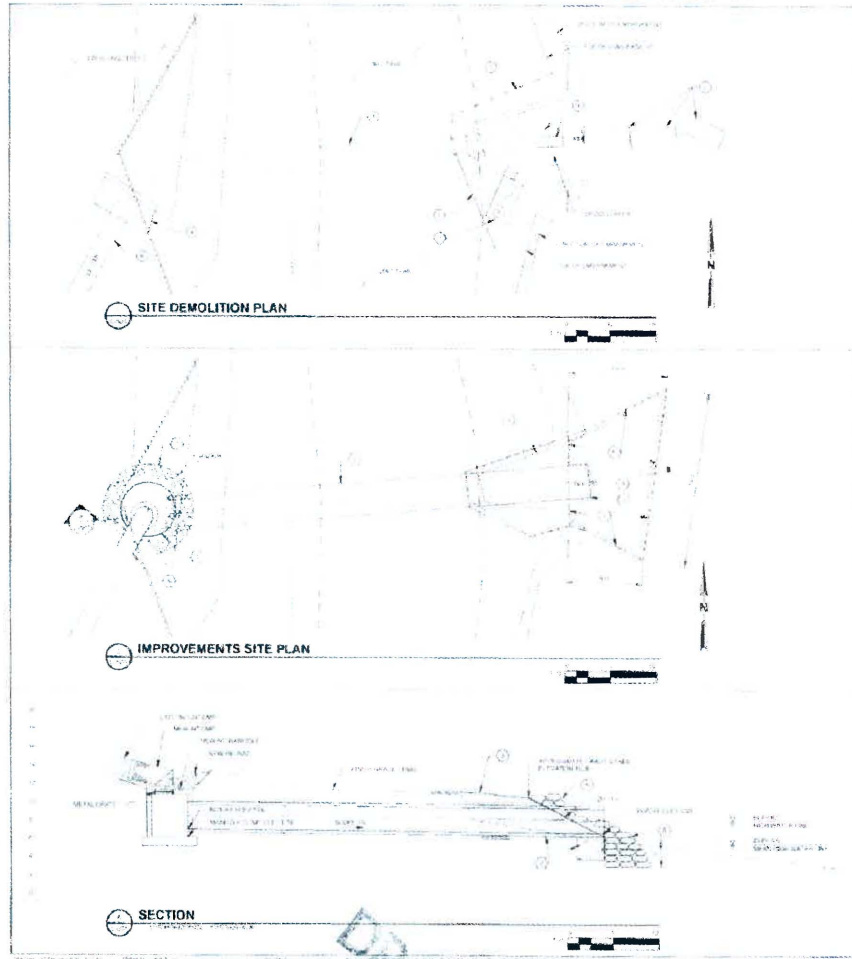
SAN MATEO COUNTY HARBOR DISTRICT

PIELAN POINT HARBOR WESTPARK DEVELOPMENT

CONTRACTOR STAGING PLAN

DATE: 08/01/2011	BY: [Signature]
SCALE: AS SHOWN	APP: [Signature]
CHECKED: [Signature]	DATE: 08/01/2011
DESIGNED: [Signature]	DATE: 08/01/2011

C-102 **ANSI D**



DEMOLITION NOTES

- 1. DEMOLITION SHALL BE ACCORDING TO THE CALIFORNIA DEMOLITION ACT AND THE CALIFORNIA HAZARDOUS WASTE ACT.
- 2. ALL DEMOLITION SHALL BE ACCORDING TO THE CALIFORNIA DEMOLITION ACT AND THE CALIFORNIA HAZARDOUS WASTE ACT.
- 3. ALL DEMOLITION SHALL BE ACCORDING TO THE CALIFORNIA DEMOLITION ACT AND THE CALIFORNIA HAZARDOUS WASTE ACT.
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- 5. ALL DEMOLITION SHALL BE ACCORDING TO THE CALIFORNIA DEMOLITION ACT AND THE CALIFORNIA HAZARDOUS WASTE ACT.

KEYNOTES

- 1. ALL DEMOLITION SHALL BE ACCORDING TO THE CALIFORNIA DEMOLITION ACT AND THE CALIFORNIA HAZARDOUS WASTE ACT.
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- 5. ALL DEMOLITION SHALL BE ACCORDING TO THE CALIFORNIA DEMOLITION ACT AND THE CALIFORNIA HAZARDOUS WASTE ACT.

NO.	REVISION	DATE	BY	CHECKED

FOR PERMITTING PURPOSES ONLY



**SAN MATEO COUNTY
HARBOR DISTRICT**
PILGRIM HARBOR
WEST SAN CONSISTENCE

CIVIL DETAILS

DATE	SCALE

C-501 **ANSI D**
1 of 5

DRAFT

Public Restroom
OPM - SSF (VIA GRANT)

SOA # 231402

CUSTOMER: City of South San Francisco

Order Received: 05/18/15

Date Released: Pending

Spokane Manufacturing Instructions

Oyster Point Marina

PRELIMINARY MI



BUILDING NUMBER : CRS - 009 MANUFACTURE DATE: _____

BUILDING TYPE : Cortez Sectional RR/Concession/Storage

WALL COLOR : Benjamin Moore Stone Hearth – Split Face Block

ROOF COLOR : Benjamin Moore Stone Hearth -- Ribbed Metal

Restrooms : Unisex

CASTING INSTRUCTIONS: “SEE DRAWINGS”

- Marine Package
- 3068 Fiberglass LVR Door & Frames: Restrooms
- 3068 Fiberglass Door & Frame: Chase & Concession
- 6068 Fiberglass Double Door - Storage
- 6040 Concession SS Roll-up Door w/Pass-Thru Window
- Plumbing & Electrical - See Dwg's
- Vent Placement – See Dwg's
- Floor Drains
- Preliminary Dwg's Req'd
- CA PE Dwg's – 3 Sets
- CA State Approval Req'd
- CATag Req'd

FINISHING INSTRUCTIONS

- 3068 Fiberglass LVR Door & Frames: Restrooms
- 3068 Fiberglass Door & Frame: Chase & Concession
- 6068 Fiberglass Double Door - Storage
- 6040 Concession SS Roll-up Door w/Pass-Thru Window
- Stainless Spring Hinge Req'd
- Privacy Latch – Restrooms
- Chase, Storage, & Concession Latch- Passage
- Deadbolt All Doors: Standard TownSteel
- Restroom Fixtures: Stainless Steel - 4 W/C -- 4 Lavs
- ADA Drinking Fountain Req'd
- Exterior Frostproof Hose Bib Req'd

Stainless Steel Lavatory – Concession Section
3-Compartment Sink – Concession Section
Composite Mop Sink Req'd – Concession Section
30 Gallon Water Heater Req'd
Floor Drains Req'd – All Rooms
Standard Electrical – See Dwg's
Hand Dryers – 4 Req'd
Exhaust Fans
3 - Roll TP Holders
Mechanical Wall Vents Req'd
18" X 36" Mirrors Req'd
Unisex Brown Signs – Restrooms
CA ADA Signs Req'd
Trim Paint: Benjamin Moore Night Horizon 2134-10
Paint Touch-Up Kit Req'd

CORTEZ SECTIONAL

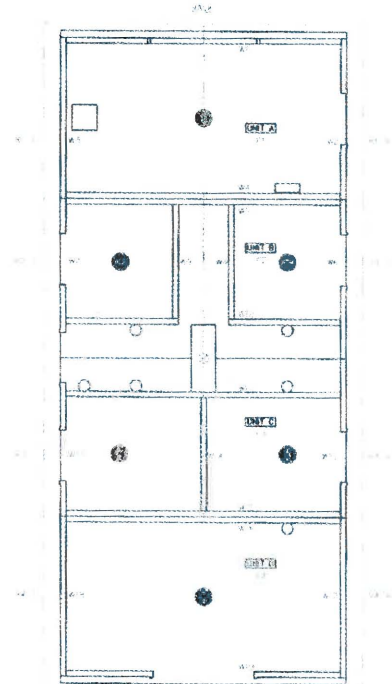
PANEL MARK NO. KEY PLAN

NOTES

1. GENERAL NOTES: SEE DRAWING CRSD-001 FOR GENERAL NOTES AND SPECIFICATIONS.
2. PANEL MARK NO. KEY PLAN: THIS KEY PLAN IDENTIFIES THE LOCATION OF EACH PANEL WITHIN THE SECTIONAL. THE PANEL MARK NO. IS INDICATED BY A LETTER AND A NUMBER IN THE CORNER OF EACH PANEL.
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APPLICABLE CODES

- 1. INTERNATIONAL BUILDING CODE (IBC) 2006
- 2. AMERICAN INSTITUTE OF ARCHITECTS (AIA) 2003



INDEX OF DRAWINGS

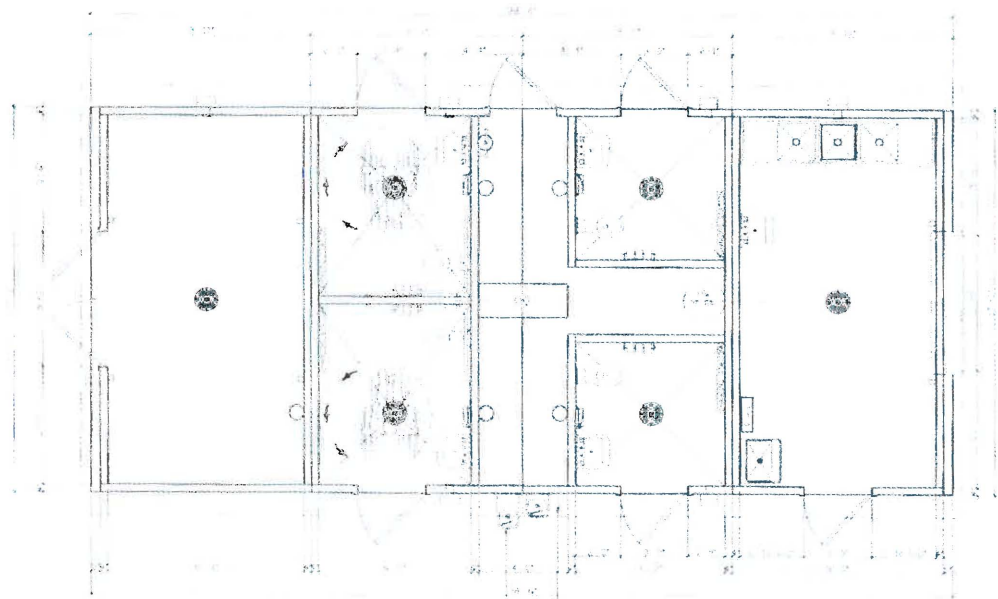
NO.	TITLE
001	GENERAL NOTES
002	PANEL MARK NO. KEY PLAN
003	SECTIONAL ELEVATION
004	SECTIONAL ELEVATION
005	SECTIONAL ELEVATION
006	SECTIONAL ELEVATION
007	SECTIONAL ELEVATION
008	SECTIONAL ELEVATION
009	SECTIONAL ELEVATION
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CORTEZ SECTIONAL
DRAWING NUMBER CRS-009

COVER SHEET

CRS-D1



1/2" = 1'-0" (SEE NOTE 1)
 1/4" = 1'-0" (SEE NOTE 2)

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301 A. Highway 77, Houston, TX 77045

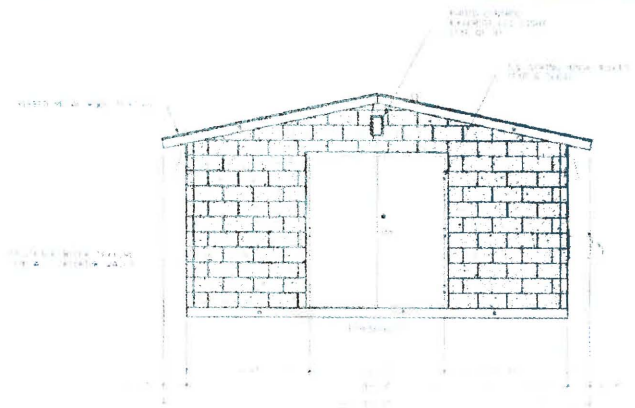
COR'LZ SECTIONAL
 BUILDING NUMBER CRS-029

NOTES:
 1. ALL DIMENSIONS UNLESS OTHERWISE SPECIFIED ARE IN FEET AND INCHES.
 2. ALL WALLS ARE 8" THICK UNLESS OTHERWISE SPECIFIED.
 3. ALL DOORS ARE 3'0" WIDE UNLESS OTHERWISE SPECIFIED.
 4. ALL WINDOWS ARE 4'0" WIDE UNLESS OTHERWISE SPECIFIED.
 5. ALL CEILING ARE 8'0" HIGH UNLESS OTHERWISE SPECIFIED.
 6. ALL FLOORS ARE 4" THICK UNLESS OTHERWISE SPECIFIED.
 7. ALL ROOFS ARE 4" THICK UNLESS OTHERWISE SPECIFIED.
 8. ALL FOUNDATIONS ARE 12" THICK UNLESS OTHERWISE SPECIFIED.
 9. ALL STRUCTURAL ELEMENTS ARE TO BE CAST IN PLACE CONCRETE.
 10. ALL REINFORCEMENT IS TO BE AS SHOWN ON THE DRAWING.
 11. ALL MATERIALS ARE TO BE OF THE HIGHEST QUALITY AVAILABLE.
 12. ALL WORK IS TO BE DONE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE BUILDING CODES AND SPECIFICATIONS.
 13. ALL WORK IS TO BE DONE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE PRECAST/PREFABRICATED CONCRETE INSTITUTE (PCI) MANUALS.
 14. ALL WORK IS TO BE DONE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE CONCRETE REINFORCING STEEL INSTITUTE (CRSI) MANUALS.
 15. ALL WORK IS TO BE DONE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE STEEL DECKING MANUFACTURER'S LITERATURE.
 16. ALL WORK IS TO BE DONE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE MASONRY MANUALS.
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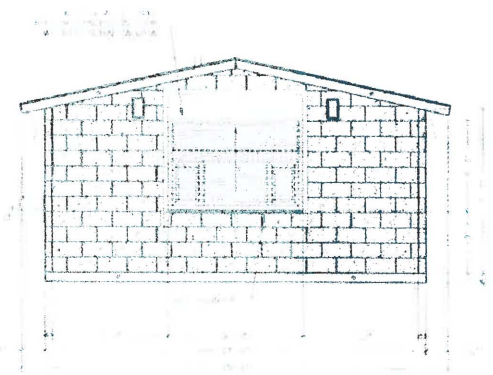
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FLOOR PLAN

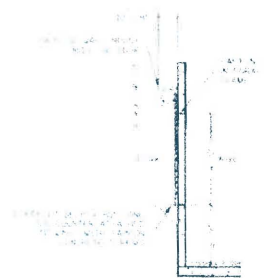
CRS-03 SHEET 47



FRONT ELEVATION



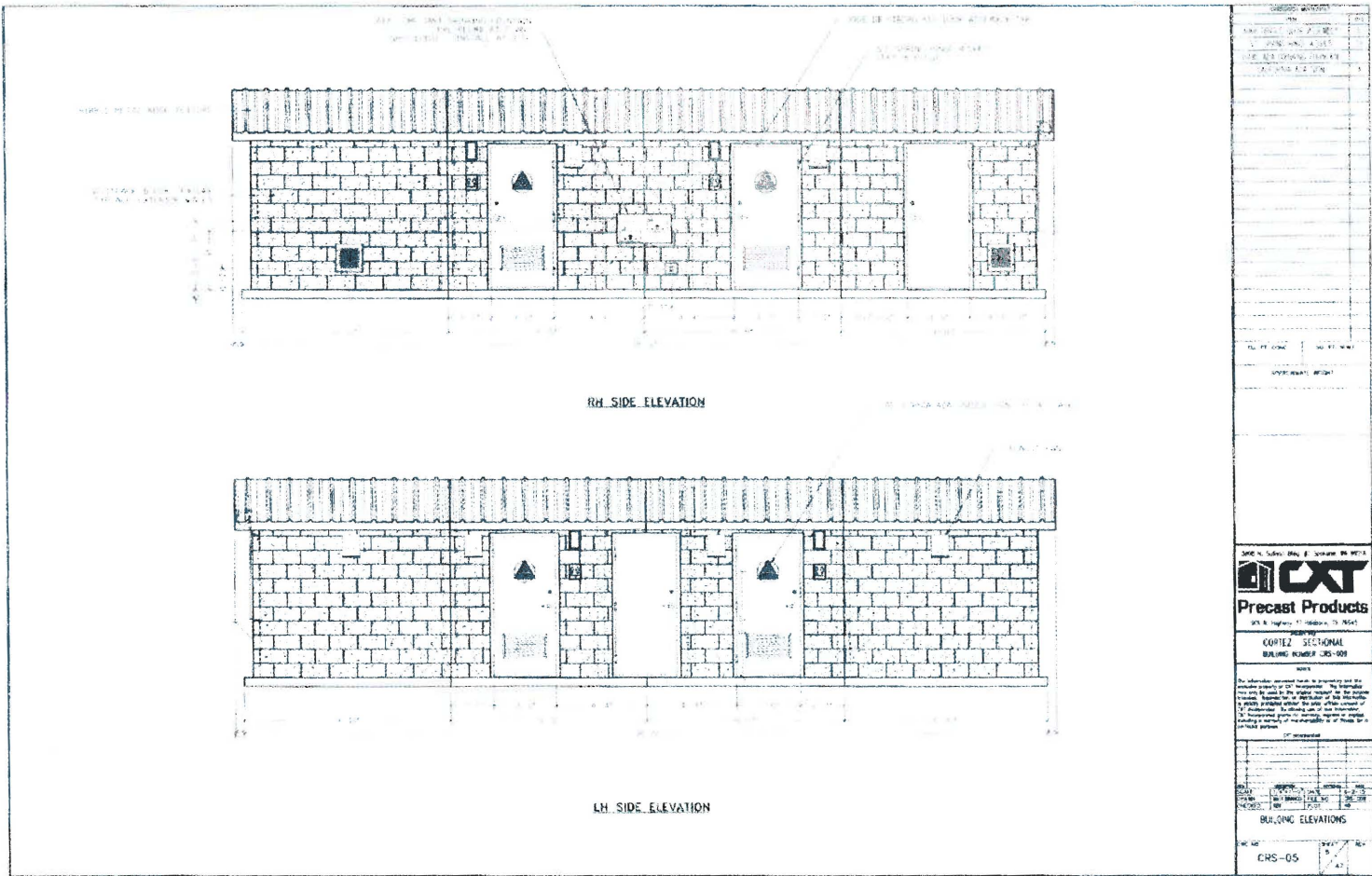
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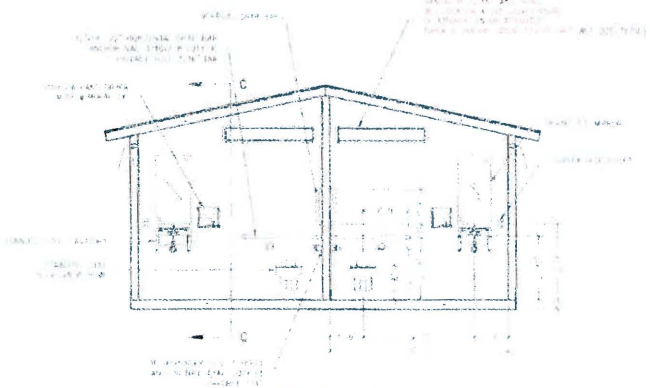


EXTERIOR ROLL UP DOOR DETAIL

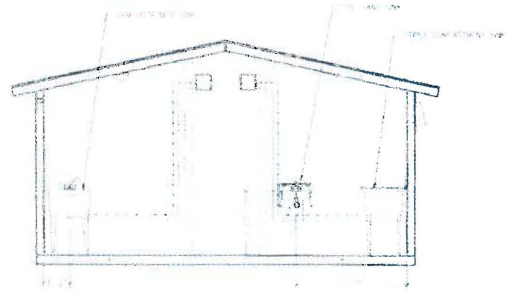
GENERAL NOTES	
1.	SEE PLAN FOR DIMENSIONS
2.	SEE PLAN FOR MATERIALS
3.	SEE PLAN FOR FINISHES
4.	SEE PLAN FOR DETAILS
5.	SEE PLAN FOR ELEVATIONS
6.	SEE PLAN FOR SECTIONAL
7.	SEE PLAN FOR BUILDING NUMBER
8.	SEE PLAN FOR DATE
9.	SEE PLAN FOR SCALE
10.	SEE PLAN FOR SHEET NUMBER
11.	SEE PLAN FOR PROJECT NUMBER
12.	SEE PLAN FOR CLIENT NAME
13.	SEE PLAN FOR ARCHITECT NAME
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15.	SEE PLAN FOR CITY
16.	SEE PLAN FOR STATE
17.	SEE PLAN FOR ZIP CODE
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21.	SEE PLAN FOR WEBSITE
22.	SEE PLAN FOR SOCIAL MEDIA
23.	SEE PLAN FOR OTHER CONTACT INFORMATION
24.	SEE PLAN FOR LEGAL DISCLAIMER
25.	SEE PLAN FOR COPYRIGHT NOTICE
26.	SEE PLAN FOR TRADEMARKS
27.	SEE PLAN FOR PATENTS
28.	SEE PLAN FOR OTHER RIGHTS
29.	SEE PLAN FOR ALL OTHER NOTES
30.	SEE PLAN FOR ALL OTHER INFORMATION

CORTEX SECTIONAL BUILDING NUMBER EXS-009	
<small> The information contained herein is preliminary and subject to change without notice. It is not intended to be a contract. The information herein is provided for informational purposes only. The information herein is not intended to be a contract. The information herein is not intended to be a contract. The information herein is not intended to be a contract. </small>	
SCALE: 1/4" = 1'-0" DATE: 10/15/2013 SHEET: 01 OF 01	BUILDING ELEVATIONS
PROJ NO: CRS-04	SHEET NO: 01

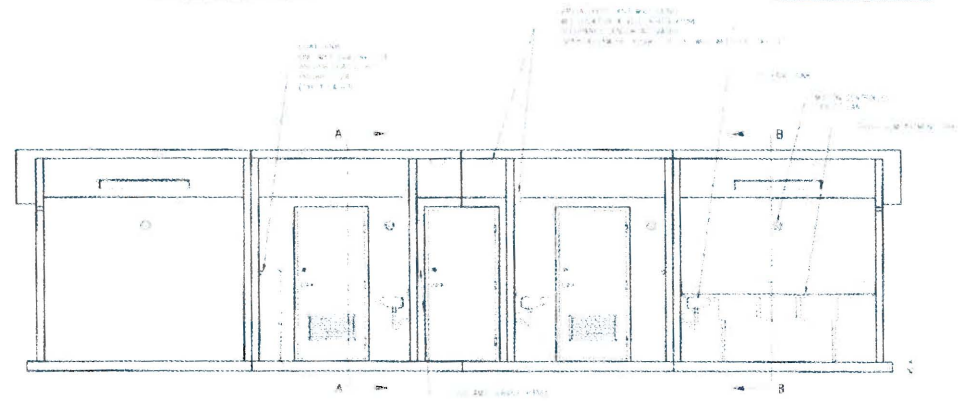




SECTION A - A



SECTION B - B



SECTION C - C

NO.	DESCRIPTION	DATE
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CXT

 Precast Products

801 A Highway 11, Houston, TX 77060

SECTIONAL

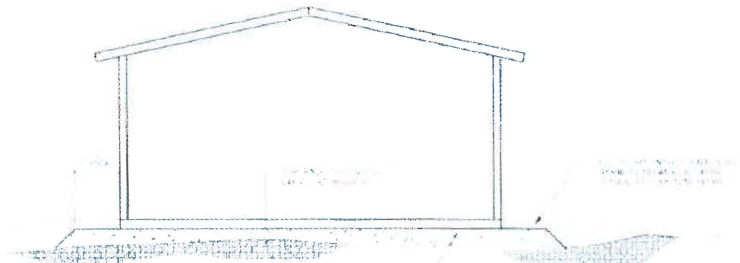
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BUILDING INTERIOR ELEVATIONS

CRS-06

NOTA
 Este plano muestra el detalle de la cimentación para el tipo de estructura que se indica en el título. La estructura debe ser construida sobre un terreno firme y nivelado. En caso de que el terreno no sea firme o nivelado, se deberá realizar un estudio de suelos y adoptar las medidas necesarias para garantizar la estabilidad de la estructura.
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PRESTADO POR: **CXT**
Precast Products
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 E-mail: info@cxt.com.co
 Web: www.cxt.com.co

PROYECTO: CORTEZ SELIPONAI
BAJADA: BARRIO SELIPONAI

Este plano muestra el detalle de la cimentación para el tipo de estructura que se indica en el título. La estructura debe ser construida sobre un terreno firme y nivelado. En caso de que el terreno no sea firme o nivelado, se deberá realizar un estudio de suelos y adoptar las medidas necesarias para garantizar la estabilidad de la estructura.

NO. DE PLAN:	NO. DE HOJA:	NO. DE HOJAS:
CRS-59	23	41

FOUNDATION DETAIL

By Tim Beeman (Star Patcher) July 7, 2015



Move over Super Bowl. The Big Catch is coming to the Coastsides!

Miramar Events, Half Moon Bay Brewing Company and Mavericks Coastsides Foundation today announced plans to launch an exciting new Coastsides event – **Half Moon Bay Crab Week, “The Big Catch”**, scheduled to take place January 30-February 6, 2016, to benefit the Cabrillo Education Foundation (CEF).

These organizations have joined forces to conceive, curate and nurture a community-based event to celebrate and honor the beloved, locally-caught Dungeness Crab in the height of its season, the fishermen and fisheries of the coast, marine life and sustainability, while raising funds to support the high standard of education in Coastsides public schools which is so critical to our future.

“This is first and foremost about community involvement,” said Nate Rey, CEO of founding sponsor Half Moon Bay Brewing Company. “We want to encourage and foster participation from all segments of our Coastsides community in building this new event and bringing it to life.”

Half Moon Bay Crab Fest, a two-day festival to be held in the parking lots surrounding Half Moon Bay Brewing Company on January 30-31, 2016, will serve as the signature kick-off event to Crab Week.

Crab Fest will capture the essence of the exploding artisan food and drink movement, showcasing the best restaurants, wineries, breweries, and distilleries from the Coastsides and beyond ... wrapped around a festive, colorful scene filled with entertaining chefs' demonstrations, sensational live music, educational marine, fisheries and sustainability related exhibits, a free Crazy Crab Kidz Fest, plus a bustling fishermen's market with fresh, just-caught whole Dungeness Crab to buy and take home.

Organizers envision Half Moon Bay Crab Week as a full weeklong extravaganza and marketing platform for local businesses and organizations to create, host and merchandise Crab Week-themed promotions, special offers and add-on events all of which will be driven and promoted heavily through the [event website](#) and marketing campaign.

“We'll be partnering with CEF and the Chamber of Commerce in reaching out to encourage restaurants, hotels, retailers, merchants and community organizations from throughout the Coast to sponsor and participate in Crab Week and Crab Fest to help build the buzz and tap into the excitement both locally and throughout the Bay Area,” said Tim Beeman, CEO of Miramar Events. Crab Fest will feature a specific HMB Centric area with organizers planning to feature crab and other food delights from Coastsides fishermen and restaurants along with craft beer, wine and spirits from

Coastside producers. "We'd absolutely love to see add-on events like a paddleboard race, kayak race, chowder cook-off, artist open studios, and fun run attached to Crab Week and are wide-open to community groups interested in organizing them for their own fund-raising," said Beeman.

An added bonus: Crab Week coincides with the week leading up to the Super Bowl, being held in the Bay Area in 2016. Organizers see Crab Week and Crab Fest as having enormous potential to help boost business and draw visitors to the Coastside from far and wide.

The Cabrillo Education Foundation (CEF) is a non-profit organization that operates independently of the Cabrillo Unified School District to insure student success throughout our local public schools. "We're excited about the prospect of making Crab Week an important part of our annual fund-raising. Advocacy, innovation, collaboration and sustainability for our students' success in Literacy, Science, Computer Coding and 21st Century Learning Skills/Enrichment are just a few of the reasons why supporting our CEF endowment is so important," said Keith Cernak, Executive Director. "One of CEF's goals is to strengthen partnerships with the local business community and we see this as a great opportunity to achieve that."

For Crab Week/Crab Fest general information, visit <http://www.crabweek.org>

For details on becoming a Crab Week/Crab Fest sponsor, visit <http://www.crabweek.org/become-a-sponsor.html>

Like Crab Week on Facebook <https://www.facebook.com/HMBCrabWeek>

Follow Crab Week on Twitter <https://twitter.com/CrabWeek> and Instagram <https://instagram.com/crabweek>

Press inquiries and contacts can be made through the Crab Week media relations office at 650-726-3491 (office) or 415-999-2428 (mobile) or by email: tim@miramarevents.com





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

ADDITIONAL INFORMATION



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
County Manager



Date: June 30, 2015
Board Meeting Date: July 7, 2015
Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

From: John L. Maltbie, County Manager

Subject: Comment letter on the Circulation Draft Municipal Service Review for the San Mateo County Harbor District.

RECOMMENDATION:

Direct the County Manager to send the attached comment letter to the San Mateo County Local Agency Formation Commission as the County response to the Circulation Draft Municipal Service Review for the San Mateo County Harbor District.

BACKGROUND:

The 2013-14 San Mateo County Civil Grand Jury investigated the San Mateo County Harbor District (SMCHD) and issued a report titled: "What is the Price of Dysfunction? The San Mateo County Harbor District". Among the many recommendations in the Civil Grand Jury report were that the San Mateo County Local Agency Formation Commission (LAFCo) initiate a service review of the District and that the District be dissolved.

On May 29, 2015, LAFCo released a Circulation Draft Municipal Service Review for the Harbor District. The review cites multiple fiscal issues at the District and recommends a number of actions to remedy the fiscal problems. The County received a copy of the LAFCo review and can submit comments to LAFCo on the draft.

DISCUSSION:

The County Manager has prepared a comment letter on the LAFCo review of the Harbor District for consideration by your Board. The comment letter concurs with all the fiscal recommendations in the LAFCo report and notes that the County will not be commenting on the dissolution of the District unless LAFCo formally adopts a dissolution recommendation. However, the letter points out that the LAFCo report states that the District has multiple budget issues including over \$17 million in deferred maintenance, State loan payments, termination benefits and Calpers obligations. The

letter states that before taking action on the Grand Jury recommendation to have the County initiate dissolution of the District, the County will conduct a comprehensive analysis of District operations, finances and facilities. This review would include input from the City of South San Francisco and will be discussed by the Board of Supervisors prior to the Board taking any action.

FISCAL IMPACT:

There is no fiscal impact associated with sending the attached comment letter to LAFCo.

Attachment:

Letter to the San Mateo County Local Agency Formation Commission (LAFCo)

July 7, 2015

Martha Poyatos, Executive Director
San Mateo County Local Agency Formation Commission
455 County Center, 2nd Floor
Redwood City, CA 94063

Dear Ms. Poyatos,

The County of San Mateo has received and reviewed the Circulation Draft Municipal Service Review for the San Mateo County Harbor District dated May 29, 2015. This letter includes our general comments on the report. Please note that the County will not be commenting on the dissolution of the District unless LAFCo formally adopts a recommendation to that effect.

The County concurs with the recommendations in Section 5 of the report. We have specific concerns about the lack of linkage between the capital improvements recommended in the strategic plan and the capital projects funded in the District budget. We also support engaging an outside public accounting firm to review the District operations and capital budgets and support separation of the enterprise and non-enterprise budget functions.

After LAFCo completes the Municipal Service Review and Sphere update for the District, the Commission could recommend that the District be dissolved. If that happens, and the County decides to follow-up on the Grand Jury recommendation that the County initiate an application to dissolve the District, the County would undertake a comprehensive analysis of all aspects of the District. Our analysis would include, but not be limited to, deferred maintenance, debts, Calpers liability, finances, operations and staffing structure, and the Oyster Point marina joint powers agreement with the City of South San Francisco. The analysis would include input from the City of South San Francisco. The analysis would need to be completed and discussed at a public meeting prior to the Board of Supervisors considering action to initiate proceedings to dissolve the District.

Sincerely,



JOHN L. MALTBIE
County Manager / Clerk of the Board

