



Special Closed & Special Public Session of October 29, 2019

**Santa Cruz Port Commission  
MINUTES**

*Commission Members Present:*

Dennis Smith            Chairman  
Stephen Reed            Vice-chairman  
Toby Goddard            Commissioner  
Darren Gertler            Commissioner

*Commission Members Absent:*

Neli Cardoso            Commissioner

**SPECIAL PUBLIC SESSION – 5:00 PM**

Chairman Smith brought the special public session to order at 5:00 PM at the Santa Cruz Harbor Public Meeting Room, 365 A Lake Avenue, Santa Cruz, CA 95062.

1. Oral Communication
2. Announcement of Closed Session Pursuant to Government Code (Ralph M. Brown Act) Section 54956.9(a), 54956.8, 54957.6

At 5:00 PM, Chairman Smith announced the Commission will meet in closed session to discuss agenda items 3, 4, and 5.

**SPECIAL CLOSED SESSION**

3. Conference with Legal Counsel – Pending Litigation (1 Case)
4. Conference with Labor Negotiators  
Agency Designated Representative: M. Olin & T. Davis  
Employee Organization: Operating Engineers Local No. 3
5. Conference with Real Property Negotiators  
Agency Designated Representative: M. Olin  
Negotiating Parties: 616 Atlantic Avenue (A & I Olivieri LLC)  
Under Negotiation: Lease

**SPECIAL PUBLIC SESSION**

6. Action and Vote Disclosure after Closed Session Pursuant to Government Code (Ralph M. Brown Act) Section 54957.1

Chairman Smith announced that the Commission took no reportable action in closed session on items 3, 4, and 5.

Chairman Smith adjourned the special open session following the closed meeting at 6:50 PM.

### **REGULAR PUBLIC SESSION – 7:00 PM**

Chairman Smith brought the regular public session to order at 7:00 PM at the Santa Cruz Harbor Public Meeting Room, 365 A Lake Avenue, Santa Cruz, CA 95062.

7. Pledge of Allegiance

8. Oral Communication

Discussion: Chairman Smith stated that the Commission took no reportable action in closed session on agenda items 3, 4, and 5.

Commissioner Gertler proposed staff research the feasibility of partnering with California State Parks Division of Boating and Waterways to implement a Life Jacket Loaner Program at the Santa Cruz Harbor.

Commissioner Goddard stated that he attended a California Special Districts' Association Monterey County Chapter meeting and discussed potential benefits of implementing a local Santa Cruz chapter.

### **CONSENT AGENDA**

9. Approval of Minutes  
a) Regular Public Session of September 24, 2019

10. Approval of Month-to-Month Rental Agreement at 275A Lake Avenue  
(Tenant: O'Neill Yacht Charters)

11. Approval of Exercise of Lease Option for 365 Lake Avenue, Suite B  
(Tenant: Nexus Wealth Advisors)

MOTION: Motion made by Vice-chairman Reed, seconded by Commissioner Gertler to approve the consent agenda.

- *Motion carried. Commissioner Cardoso ABSENT.*

### **REGULAR AGENDA**

12. Award of Contract for Consulting Services – Horizon Water and Environment (NTE: \$65,000)

Discussion: Port Director Olin stated that Administrative Services Manager MacLaurie has researched the feasibility of obtaining a Regional General Permit (RGP) from the U.S. Army Corps of Engineers (Corps) to streamline the permit approval process for routine maintenance activities within the harbor. She

stated that due to the extensive application required for the RGP, it will be in the District's best interest to have assistance from an outside consulting firm to navigate the process.

In response to a question posed by Commissioner Goddard, Administrative Services Manager MacLaurie confirmed that annual maintenance dredging activities will continue to be permitted separately from the RGP.

MOTION: Motion made by Commissioner Goddard, seconded by Vice-chairman Reed to approve the contract for consulting services to Horizon Water and Environment in an amount not to exceed \$65,000.  
- *Motion carried. Commissioner Cardoso ABSENT.*

13. Review / Approve Design Plans for *Pappy* Display Cradle and Authorize Public Bid Process

Discussion: Port Director Olin stated that design plans for the *Pappy* display cradle are presented for review and approval. She stated that the conceptual cost estimate for the project came in higher than anticipated, but noted that if the project is authorized for public bid, a lower proposal may be received.

A discussion ensued regarding the feasibility of having in-house crews perform the work, rather than placing the project out to bid. FME Kerkes stated that competing priorities, like dredging, may interfere with staff's ability to readily complete the project.

There was consensus among the Commission to authorize the project for public bid.

MOTION: Motion made by Vice-chairman Reed, seconded by Commissioner Gertler to approve design plans for *Pappy* display cradle and authorize public bid process.  
- *Motion carried. Commissioner Cardoso ABSENT.*

14. Approval of Cash / Payroll Disbursements – September 2019

Discussion: Port Director Olin provided a handout to replace page 39 of the packet to include Comerica credit card payment line item detail.

MOTION: Motion made by Vice-chairman Reed, seconded by Commissioner Goddard to approve cash/payroll disbursements for September 2019, in the amount of \$698,570.00.  
- *Motion carried. Commissioner Cardoso ABSENT.*

**INFORMATION**

15. Port Director's Report

#### Aldo's Seawall Replacement Project

Port Director Olin stated that Granite Construction has completed tie-back installation work and will begin demobilizing the temporary construction trestle in the coming days. Port Director Olin stated that Mesiti-Miller Engineering has completed design work for the Accessway Improvement Plans and those plans have been submitted to the Coastal Commission for review.

#### Boatyard Marine Ways Pile Replacement Project

Port Director Olin stated that emergency work to repair three piles at the Boatyard Marine Ways is underway. She stated that the repair is estimated to cost \$66,000 and is being performed under a change order to the Phase II Pile Repair and Replacement Project.

#### Chardonnay III

Port Director Olin stated that Chardonnay III will temporarily relocate to the Monterey area beginning November 1, 2019. Chardonnay III will not be subject to the \$2,000 base charter fee while the vessel is elsewhere. A sublet for the slip has been arranged.

#### USACE Reimbursement Request - Dredging

Port Director Olin stated that the Port District has submitted a reimbursement request to the U.S. Army Corps of Engineers (Corps) for Quarters 3 and 4, totaling \$192,500.

#### Water Taxi

Port Director Olin stated that she and Chairman Smith met with representatives from Congressman Panetta's office to discuss issues relating to the recent termination of the District's water taxi service. Port Director Olin stated that the District is actively collecting more information to prepare for a productive community meeting and next steps.

#### Month-to-Month Rental Agreement for (6) Parking Spaces

Port Director Olin stated that the Port District has entered into a month-to-month rental agreement with Dick McDermott for the six parallel parking spaces located at 497 Lake Avenue.

#### Patrol Vessel Grant Funding

Port Director Olin stated that final grant agreement documents are expected to be received back from the State by the end of the week. Once the fully executed documents are received, the District will move forward with finalizing a purchase agreement with Moose Boats.

#### Recycling/Refuse

Port Director Olin stated that she and FME Kerkes met with representatives from Santa Cruz Municipal Utilities to discuss recycling issues at the harbor. She stated that the District's recycling bins are being regularly contaminated with trash, so staff is actively researching a long-term approach to mitigate the problem.

16. Harbormaster's Report

Interim Harbormaster Anderson stated that the Boatyard's Travelift will be closed while repairs are performed on the marine ways support piles.

Interim Harbormaster Anderson stated that Phase II of the Pile Replacement Project is almost complete, noting that to date, Bellingham Marine has replaced 72 of the 80 piles scheduled for replacement. 240 vessel relocations have been coordinated by staff. Commissioner Goddard expressed interest in reviewing a map of all the pilings that were replaced at the conclusion of the project.

Interim Harbormaster Anderson stated that a Marine Fire Extinguisher Training Class has been scheduled for November 16, 2019, at 10:00 AM. Space is limited to 30 participants and another class will be scheduled if needed.

17. Facilities Maintenance & Engineering Manager's (FME) Report

In response to a question posed by Chairman Smith, Supervising Harbor Dredge Worker Sengezer stated that the secondary cooling system failure on *Twin Lakes* was discovered during routine testing/maintenance. Supervising Harbor Dredge Worker Sengezer stated that the replacement parts have been ordered and the repair is scheduled to be completed in time for entrance channel dredging to begin on Monday, November 4, 2019.

In response to a question posed by Commissioner Goddard, Dredge Supervisor Sengezer confirmed that the hull of *Twin Lakes* has been spot treated with Rust Knockout primer and will be coated with paint.

18. Delinquent Account Reporting (*There was no discussion on this agenda item*)

19. Annual Business Use of Slip Review

In response to a question posed by Chairman Smith, a discussion ensued regarding the unused (second) 6-pak charter approval held by Tom Dolan. Interim Harbormaster Anderson stated that he will meet with Mr. Dolan to discuss plans and a timeline for implementation of a second charter operation. Commissioner Goddard suggested that reviewing non-use of business use slips may be beneficial, citing *Marie Celine* as an example of a business use slip that is underutilized.

Commissioner Goddard suggested adding a column to the report to indicate which licensees are currently paying the waiting list bypass fee.

20. Review of Financial Reports

- a) Comparative Seasonal Revenue Graphs
- b) Employee Count as of September 30, 2019
- c) Quarterly Budget Report as of September 30, 2019
- d) Quarterly Fuel Sales Report
- e) Quarterly Boatyard Report

- f) Quarterly Concession Percentage Rent Report
- g) LAIF Statement
- h) FY19 Debt Service Coverage Ration

Port Director Olin stated that the Quarterly Concession Percentage Rent Report (item f) is new, and thanked Accounting Technician Eldridge for his efforts in developing it.

21. Crime/Incident/Citation Report – September 2019

Commissioner Goddard commended Harbor Patrol for their efforts associated with the water rescue on September 29, 2019.

22. Port Commission Review Calendar / Follow-Up Items *(There was no discussion on this agenda item)*

Chairman Smith adjourned the regular public session at 8:10 PM.



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Dennis Smith, Chairman