



Special Closed & Regular Public Session of May 28, 2019

**Santa Cruz Port Commission
MINUTES**

Commission Members Present:

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

SPECIAL PUBLIC SESSION – 5:00 PM

Chairman Smith brought the special public session to order at 7:00 PM at the Santa Cruz Harbor Office, 135 Fifth Avenue, Santa Cruz, CA 95062.

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

At 7:01 PM, Chairman Smith announced the Commission will meet in closed session to discuss agenda items 3 and 4.

SPECIAL CLOSED SESSION

3. Conference with Real Property Negotiators
Agency Designated Representative: M. Olin
Negotiating Parties: 616 Atlantic Avenue (Aldo's Restaurant)
Under Negotiation: Lease
4. Conference with Real Property Negotiators
Agency Designated Representative: M. Olin
Negotiating Parties: 333 Lake Avenue (Bayside Marine)
Under Negotiation: Lease

SPECIAL PUBLIC SESSION

5. 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 and 4.

Chairman Smith adjourned the special open session following the closed meeting at 6:40 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.

6. Pledge of Allegiance

7. Oral Communication

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

Audience member, Tom Whieldon, thanked the Commission for their support of the Monterey Bay Salmon and Trout Project and their recent salmon release event on May 21, 2019.

Dry storage renter, Bill Proveromo, requested that the Commission consider providing electronic key access to dry storage renters. Slip renter, Bill Lee, expressed support for dry storage renters obtaining electronic key access to harbor restrooms.

Commissioner Goddard stated he attended the California Special Districts' Association (CSDA) Legislative Days in Sacramento and met with California Legislators regarding potential assembly bills. Commissioner Goddard recommended the Port District consider obtaining a District Transparency Certificate of Excellence and District of Distinction Accreditation to become eligible for cost savings on its annual workers' compensation expenses.

Commissioner Goddard recommended the CSDA Leadership Academy for Commissioners who are interested in learning more about special district governance.

CONSENT AGENDA

8. Approval of Minutes

a) Regular Public Session of April 23, 2019

9. Approval of O'Neill Sea Odyssey Sublease Agreement (Tenant: Surfrider Foundation)

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

- *Motion carried unanimously.*

REGULAR AGENDA

10. Review and Acceptance of AB 691 Sea Level Rise Assessment Report

Discussion: Port Director Olin explained that Assembly Bill 691 requires trustees of legislatively granted Public Trust Lands in the State of California to prepare and submit an assessment report to assist in proactively planning for sea level rise impacts. She stated that the Port District retained the services of civil engineering firm, Moffat and Nichol, to assist in the development of the Sea Level Rise Assessment Report, which focuses solely on granted land in the north harbor.

Administrative Services Manager MacLaurie stated that the information included in the report fulfills the requirements set forth by the State.

Vice-Chairman Reed expressed support for utilizing the report as a planning tool and questioned whether it would be beneficial to complete a similar assessment for the south harbor.

Commissioner Goddard recommended revisions to the organization and formatting of the report. He commented that while he understands the report meets State Lands' requirement, he would like to see the report made more utilitarian for the Port District. He noted that sea level rise is relative. He suggested it may be helpful to include references that show what the datum would look like today by tying the changes to something physical on Earth. Commission Goddard suggested that Moffat and Nichol incorporate some of these changes and think about his comments.

There was consensus among the Commission to review the amended report at the next public session in June.

11. Approval of Sixth Lease Amendment – 493 Lake Avenue (Johnny's Harborside)

Discussion: Port Director Olin stated that the proposed lease amendment provides Johnny's Harborside Restaurant with additional space to house a refrigeration unit to accommodate food storage needs. Port Director Olin stated she has been working with Dan Agostinis of Johnny's Harborside and Hans Haveman of H&H on identifying a suitable location. Johnny's Harborside will pay all costs associated with moving H&H's equipment and structures. The estimated cost is \$7,640.

Port Director Olin outlined the location for the storage and reviewed terms and conditions associated with installation.

A brief discussion ensued regarding H&H Fresh Fish's previous utilization of the space and the current condition of ice machine. It was suggested that a review of H&H's leasehold space be performed as a result of this project.

In response to a comment made by Commissioner Goddard, Port Director Olin confirmed that the new refrigeration unit will not encroach upon the T-Dock breezeway.

MOTION: Motion made by Commissioner Goddard, seconded by Vice-chairman Reed, to approve the sixth Amendment to Lease for Johnny's Harborside, 493 Lake Avenue, renting approximately 60 square feet of exterior space for the remaining lease term to accommodate a refrigeration unit. Additionally, staff is directed to evaluate whether any changes to H&H's lease are recommended as a result of this project.
- *Motion carried unanimously.*

12. Award of Contract for 2019-20 Sediment Sampling and Analysis Plan Services (NTE \$60,000)

Port Director Olin stated that each year prior to commencing dredging for the season, the Port District is required to prepare and submit a Sampling and Analysis Plan (SAP) to regulators for review and approval.

Port Director Olin stated that Red Hills Environmental has previously performed this sampling and analysis work and is familiar with the intricacies of the District's regulatory permits.

Port Director Olin recommended award of the contract to Red Hills Environmental, LLC.

MOTION: Motion made by Vice-chairman Reed, seconded by Commissioner Goddard to award contract and authorize Port Director to execute a contract with Red Hills Environmental, LLC, in the amount of \$54,336.25, plus a 10% contingency (\$5,663.75) for Sediment Sampling and Analysis Plan Services (NTE \$60,000)
- *Motion carried unanimously.*

13. Approval of Resolution 19-04 – Special District Risk Management Authority (SDRMA)

Discussion: Port Director Olin requested the Commission provide direction to staff on casting the Port District's vote(s) for candidates for the SDRMA Board of Directors election and approve Resolution 19-04.

A brief discussion ensued regarding the background of the candidates and their qualifications. There was consensus among the Commission to cast votes for candidates Swan, O'Rourke, and Raffelson.

MOTION: Motion made by Commissioner Goddard, seconded by Commissioner Gertler to approve Resolution 19-04, casting votes for SDRMA Board of Directors candidates Swan, O'Rourke, and Raffelson.
- *Motion carried unanimously.*

14. Approval of Cash / Payroll Disbursements – April 2019

Discussion: In response to a question posed by Commissioner Goddard about Warrant # 51532 to Peterson CAT for dozer repairs, Port Director Olin stated that staff is currently evaluating options for repair or replacement of the District's CAT D6 Dozer because other extensive repairs are needed. She stated that options will be presented to the Commission at the next regular session.

MOTION: Motion made by Commissioner Goddard, seconded by Commissioner Gertler to approve cash/payroll disbursements for April 2019, in the amount of \$1,162,236.28
- *Motion carried unanimously.*

INFORMATION

15. Port Director's Report

Dredge Extension

Port Director Olin stated that the Port District obtained a second extension to dredge the entrance channel through June 7, 2019. She reviewed the dredge plan for the remainder of the 2018-19 season.

Stakeholder Meeting

Port Director Olin informed the Commission that a stakeholder meeting for the concession lot Parking Access and Revenue Control System (PARCS) Replacement Project was held on May 16, 2019, to review the project prior to issuing a request for proposals. Port Director Olin stated the one adjustment was made during the meeting to relocate one of the two the pay on foot stations. Port Director Olin concluded that the project is currently out to bid and scheduled to be presented at the next regular session for award of contract.

RV Online Booking System

Port Director Olin stated that staff is currently researching options for an online reservation request system for the RV Park.

Aldo's Seawall Replacement Project

Port Director Olin stated that the construction budget for the Aldo's Seawall Replacement Project includes a Monitoring and Inspection Allowance of \$75,000, of which \$3,000 was used for asbestos testing prior to the demolition of the restaurant building. Port Director Olin reviewed next steps for the project and announced that a groundbreaking ceremony has been scheduled for June 12, 2019.

Sound Study

Port Director Olin stated that Illingworth and Rodkin recently completed a sound study of ambient noise within the harbor. She explained this will provide important data for regulatory permits.

Dauntless Collision Claim

Port Director Olin stated that on May 13, 2019, *Dauntless* struck three vessels causing minor damage. The claims process is underway.

Audit Field Work

Port Director Olin informed the Commission that audit fieldwork has been scheduled for July 2019.

Pappy

Port Director Olin reported that staff and the ad hoc committee are now working with Hogan Land Services on design of a display cradle for *Pappy*. She reported that Steelhead Engineering's involvement in the project has ended.

Decorative Anchor

Port Director Olin stated the Port District acquired a large decorative anchor for \$400.

Change of Command

Port Director Olin stated that she will attend the U.S. Army Corps of Engineers Change of Command Ceremony on June 28, 2019.

16. Harbormaster's Report *(There was no discussion on this agenda item)*
17. Facilities Maintenance & Engineering Manager's (FME) Report

Commissioner Gertler noted that it was nice to see office staff join the maintenance staff for weeding in the north harbor.
18. Financial Reports *(There was no discussion on this agenda item)*
 - a) Comparative Seasonal Revenue Graphs
19. Review of Delinquent Accounts *(There was no discussion on this agenda item)*
20. Crime/Incident/Citation Report – April 2019 *(There was no discussion on this agenda item)*
21. Written Correspondence *(There was no discussion on this agenda item)*
 - a) LAFCO Call for Nominations – Special District Alternate Member
 - b) Letter to County Administrative Officer Carlos Palacios from Port Director Olin
 - c) Letter to Port Director Olin, from Team O'Neill LTD
 - d) Letter to Port Commission, from Team O'Neill LTD
 - e) Letter to Victor Kraft, to the Santa Cruz Port District

Mark Massara, attorney for Team O'Neill LTD, thanked the Commission for its recent approval of the Team O'Neill 99-Pak charter operation. Mr. Massara expressed concern about certain permit conditions, mainly the requirement to operate a vehicle shuttle to remote parking for group charters of 20 passengers or more. Mr. Massara stated there has been confusion and misunderstanding, which is clear from their letters. He stated that it was their understanding that the vehicle shuttle operation only applies to group charters of +49. He stated Port staff had a different interpretation. Mr. Massara stated it's an honest difference that he hopes to clarify.

Mr. Massara stated that the estimate cost to operate a vehicle shuttle is \$200,000/year. He stated the cost includes shuttle operation for multiple vehicles, insurance, and employees.

Mr. Massara stated that in their view, a vehicle shuttle should only be offered to group charters of +49. Mr. Massara stated that offering such service is consistent with the expansion they are proposing with the 99-pak vessel.


Mr. Massara requested that the Commission direct staff to continue negotiating terms of the permit to adjust the requirement for a parking shuttle from 20 passengers to 49 passengers or more.

Chairman Smith advised Team O'Neill to schedule a meeting with the Port Director to discuss the process and timeline for requesting a permit amendment.

Audience member, Tom Whieldon, expressed support for the O'Neill Sea Odyssey and O'Neill Yacht Charter operations.

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

Chairman Smith adjourned the regular public session at 8:00 PM



Dennis Smith, Chairman