Regular Public Session of February 23, 2016

Santa Cruz Port Commission
MINUTES

Commission Members Present:
Toby Goddard    Chairman
Dennis Smith    Vice-chairman
Reed Geisreiter Commissioner
Stephen Reed    Commissioner
Bill Lee        Commissioner

REGULAR PUBLIC SESSION – 7:00 PM

Chairman Goddard 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.

1. Pledge of Allegiance
2. Oral Communication

Discussion: Commissioner Reed thanked staff for their continued effort with dredging operations. Additionally, he pointed out that Santa Cruz Yacht Club liaison, Liz Kroft is in attendance for tonight’s meeting.

CONSENT AGENDA

3. Approval of Minutes
   a) Regular Public Session of January 26, 2016

   MOTION: Motion made by Commissioner Reed, seconded by Vice-chairman Smith to approve the consent agenda.
   - Motion carried unanimously. Commissioner Geisreiter ABSTAINED.

REGULAR AGENDA

4. Review Approval of FY17 Budget and 5-Year Capital Improvement Program (CIP)

Discussion: Port Director Ekers reviewed the proposed FY17 budget, and highlighted the following recommended changes from the special public budget session on February 9, 2016:

   • Addition of hydraulic winch for Dauntless A-frame operation and possible construction of new A-frame. Current cost for this project is unknown.
- West Side Master Plan proposed for FY17 ($50,000) was postponed to FY18.
- One non-funded project (Arana Gulch Grade Control Structure Feasibility Study) was added to the 5-year plan in FY19.
- Proposed “ADA Parking Upgrades” project was modified to encompass all types of parking and renamed “Parking Upgrades.”

**MOTION:** Motion made by Commissioner Lee, seconded by Commissioner Geisreiter to approve the FY17 operating budget and FY17 Capital Improvement Program.
- *Motion carried unanimously.*

5. **Consideration of Value and Marketing Strategy for Seabright**

**Discussion:** Port Director Ekers stated that delivery of the District’s new dredge is scheduled for May 2016. She stated that the Commission will need to determine a strategy for removing *Seabright* from the harbor and establish a desired purchase price or means of disposal. She reviewed several options for decommissioning *Seabright*:

- Contract with DSC Dredge (DSC) to market Seabright on the Port District’s behalf (draft agreement attached to staff report).
- Dismantle *Seabright* and ship to DSC facility in Louisiana for resale. Estimated cost to transport is approximately $250,000.
- Utilize in-house marketing techniques to locate prospective buyers.
- Forgo marketing and obtain “scrap value” (estimated scrap value is approximately $20,000, not including engines).

Port Director Ekers stated that the dredge is currently operational, which is beneficial if prospective buyers wish to see the dredge operate prior to purchase. She stated that the dredge’s jet pump is a Tier One engine and meets Air Toxic Control Measure (ATCM) Standards; however, the two other engines are not ATCM-compliant, making them unmarketable in California.

Commissioner Reed stated that he is supportive of utilizing Port District resources to market the dredge, with the understanding that the marketability of an antiquated piece of equipment is low. He asked if there is any value in selling the ATCM-compliant jet pump and then obtaining scrap value for the remainder of the dredge.

Commissioner Geisreiter asked if the Corps of Engineers has any ownership/claim to *Seabright*. Port Director Ekers stated that the original 1986 Memorandum of Agreement (MOA) referenced that the Port District must notify the Corps if it wishes to release its interest in the property;
however, the current MOA does not include the same clause. Port Director Ekers stated that she will confirm with the Corps.

Commissioner Geisreiter stated that he is supportive of marketing the dredge using in-house methods, but stated that the costs may become exorbitant. He stated that marketing through DSC may be beneficial, rather than tasking staff with trying to locate prospective buyers.

A discussion ensued about a potential list price for the dredge. Additionally, terms of the draft DSC contract were discussed. Commissioner Lee stated that the District should ensure that the contract contains an exit clause, in the event the District chooses to obtain scrap value, rather than continue to list it through DSC. Chairman Goddard stated that the contract includes a provision to terminate the contract after six months.

Chairman Goddard stated that because the dredge is currently operational he is supportive of the marketing agreement with DSC.

**MOTION:** Motion made by Commissioner Lee, to authorize staff to explore a marketing agreement with DSC to list Seabright for re-sale in as-is condition, allowing DSC to establish a sales price between $1 to $100,000, designed to attract bidders. Port District to retain the existing Christmas tree. If Seabright does not sell within 3 months, staff is authorized to pursue scrapping the vessel.

Chairman Goddard requested that prior to entering into an agreement with DSC, that staff contact the Marina Sand Plant to see if they are interested in purchasing all or part of the vessel.

Commissioner Lee agreed to amendment of the motion.

After further discussion, the Commission agreed that the motion, which represents direction to staff, does not require formal action.


**Discussion:** Port Director Ekers stated that the proposed 50hp Toyo Pump will be deployed as a tool to augment current dredging operations. She stated that the supplemental pump may be beneficial in dredging areas of the harbor that are harder to reach (Fuel Dock, AA Dock), and could potentially be utilized for other purposes, such as anchovy removal.

Commissioner Smith stated that he is supportive of purchasing the 50hp pump, noting that it could be used for dredging areas around the fishery and north harbor fairways. He stated that installing the pump onto a vessel/work
boat may be more beneficial than using a crane for deployment. Commissioner Reed agreed.

Commissioner Lee stated that careful consideration will need to be taken when determining how the pump will be mounted and deployed. He stated that purchasing additional equipment such as an 8" discharge pipe and power source (generator or extension cord) will increase overall costs.

Commissioner Geisreiter asked if this pump can be used for entrance channel dredging. Facilities Maintenance and Engineering Manager Kerkes stated that a long-reach crane or barge would be needed to position the pump into the center channel.

Commissioner Goddard stated that it is his belief that purchasing and deploying the pump now will not provide a timely resolution to the current emergency conditions that exist in the entrance. Commissioner Smith agreed that the equipment will provide the District with long-term benefits, but it does not provide an immediate solution to the shoaled conditions that currently exist.

Commissioner Lee stated that he is supportive of the acquisition, if effective ways to use the pump can be clearly identified. He expressed his belief that its utility from land will be limited, and stated that to be effective a barge and means of mounting the pump will be needed. He suggested that more research on the discharge distance that can be achieved before a booster is needed should be explored, and that power sources need to be identified. He also suggested that the benefits of a 75hp pump versus a 50hp pump should be considered, since the cost difference between the two is fairly low. Commissioner Reed agreed that staff should be given more time to develop a proposal that addresses these ideas.

Port Director Ekers stated that staff has researched a multitude of options to assist with the emergency entrance conditions and that she has approached the issue from an engineering standpoint. She stated that while the Toyo pump will not entirely resolve the shoaled conditions at the entrance, it will supplement current dredging operations and continue to operate when the dredge is inoperable.

**MOTION:** Motion made by Commissioner Geisreiter to continue the emergency action for emergency work to augment entrance dredging (4/5ths vote required; and authorize the purchase of a Toyo 50hp pump to augment dredging operations in an amount not to exceed $55,000.

Motion died for lack of second.
MOTION: Motion made by Commissioner Reed, seconded by Commissioner Geisreiter to continue the emergency action for emergency work to augment entrance dredging (4/5ths vote required) and authorize the purchase of a Toyo 50hp pump to augment dredging operations in an amount not to exceed $55,000 with the condition that staff research deployment costs and present options to full Commission for review.

Discussion: Port Director Ekers stated that the deployment costs are outlined in the staff report. She stated that a 50hp pump has been recommended because of its immediate availability. She stated that a larger, 75hp pump may require additional lead time and pose additional deployment issues.

Commissioner Reed withdrew his motion.

MOTION: Motion made by Commissioner Reed, seconded by Commissioner Geisreiter to continue the emergency action for emergency work to augment entrance dredging (4/5ths vote required) and authorize the purchase of a Toyo 50hp pump to augment dredging operations in an amount not to exceed $55,000.

Discussion: Commissioner Lee stated a 75hp pump should be researched, if staff thinks it is appropriate.
- Motion carried. Chairman Goddard and Commissioner Smith voting NO.

7. Approval of Resolution 16-02 – Accepting a Boating Safety and Enforcement Equipment Grant from the Division of Boating and Waterways (DBAW) in the Amount of $29,000.

MOTION: Motion made by Commissioner Reed, seconded by Commissioner Lee to approve Resolution 16-02.
- Motion carried unanimously.

8. Approval of Agreement for Lifeguard Services

MOTION: Motion made by Commissioner Reed, seconded by Commissioner Geisreiter to authorize the Port Director to execute the Agreement with the City of Santa Cruz to provide lifeguard services on Harbor Beach in 2016.
- Motion carried unanimously.

9. Selection of Name for New Dredge

Discussion: A discussion ensued about selecting a name for the new dredge. There was consensus among the Commission to select the name Twin Lakes.

MOTION: Motion made by Commissioner Geisreiter, seconded by Commissioner Reed to select the name Twin Lakes for the new dredge.
- Motion carried unanimously.
10. Approval of Cash / Payroll Disbursements – January 2015

Discussion: Chairman Goddard asked for additional information on Warrant # 44796 – Tsunami Disaster Advance Liability Repayment. Administrative Services Manager Olin stated that this repayment is for advance funding that was issued to the Port District at the time of the tsunami to assist with cash flow for repairs, contracting, etc. Accounting Technician Michael Scott noted it was booked as a liability.

Chairman Goddard asked for additional information on Warrant # 44820 – Excess Emissions Fee for Interim Variance for Squirt. Administrative Services Manager Olin stated that this variance fee allows the District to operate Seabright and Squirt concurrently.

MOTION: Motion made by Commissioner Lee, seconded by Commissioner Reed to approve cash/payroll disbursements for January 2016, in the amount of $1,477,050.97 - Motion carried unanimously.

INFORMATION

11. Port Director’s Report – No items to report.

12. Harbormaster’s Report

In regard to a question posed by Vice-chairman Smith, Harbormaster Marshall reported that eleven of the twelve delinquent accounts currently approved for payment plans are commercial fishermen.

13. Facilities Maintenance & Engineering Manager’s Report (There was no discussion on this agenda item)

14. Review of Delinquent Accounts (There was no discussion on this agenda item)

15. Review of Financial Reports (There was no discussion on this agenda item)
   a) Comparative Seasonal Revenue Graph
   b) Tsunami Financial Overview

16. Crime/Incident/Citation Report – January 2016 (There was no discussion on this agenda item)

17. Written Correspondence
   a) Letter from Santa Cruz Yacht Club to Port Commission
18. Port Commission Review Calendar/Follow Up Items (There was no discussion on this agenda item.)

Chairman Goddard adjourned the regular public session at 9:11 PM

Toby Goddard, Chairman