



Regular Public Session of April 23, 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

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.

1. Pledge of Allegiance
2. Oral Communication

Discussion: Commissioner Goddard stated that he attended a Surf City Kiwanis Club meeting and gave a presentation on harbor-related matters to its members.

Chairman Smith stated that he attended the Santa Cruz Commercial Fishermen's Association meeting and noted that the local commercial fleet is disappointed with Monterey Bay Fisheries Trust, as they believe their efforts are geared to larger fisheries. He stated that the Port District should continue its efforts to support the local commercial fishing fleet.

CONSENT AGENDA

3. Approval of Minutes
 - a) Special Public Session of March 26, 2019
4. Approval of Month-to-Month Rental Agreement at Santa Cruz Harbor Boatyard (Homer Lighthall Jr.)
5. Approval of O'Neill Sea Odyssey Sublease Agreement
6. Approval of Resolution 19-03 Approving an Amended, Consolidated Salary Schedule for Unrepresented Employees

Discussion: Chairman Smith suggested that a lease addendum be drafted for item 4, Rental Agreement for Homer Lighthall Jr., rather than executing a new lease

agreement. There was consensus among the Commission to simplify the paperwork and incorporate the proposed terms of the lease agreement into a lease addendum.

MOTION: Motion made by Commissioner Goddard, seconded by Commissioner Gertler to approve the consent agenda, with the suggested revision to item 4.
- *Motion carried unanimously.*

REGULAR AGENDA

7. Presentation by Ben Harris, Monterey Bay Salmon and Trout Project

Discussion: Executive Director of the Monterey Bay Salmon and Trout Project (MBSTP), Ben Harris, presented an overview of the MBSTP program and mission. He stated that the main focus of MBSTP is to restore salmon and trout populations in the Monterey Bay. Mr. Harris discussed plans for the upcoming barge-release of 120,000 smolt from Santa Cruz Harbor on Tuesday, May 21, 2019.

8. Approval of Electronic Key Access for Outside Marine Service Providers

Discussion: Harbormaster Marshall summarized information in the staff report and recommended approval.

In response to a question posed by Vice-chairman Reed, Harbormaster Marshall stated that outside marine service providers needing temporary / day use access to the facilities will be provided an electronic key fob that will deactivate after a short duration (at end of day). She stated that some form of collateral will be required to obtain day use access (driver's license, credit card, keys, etc.)

Vice-chairman Reed expressed support for encouraging all outside marine service providers to comply with best management practices while performing work in the harbor. He suggested that this language be incorporated into the short-form user agreement required from each provider.

Commissioner Goddard expressed support for providing access to outside marine service providers.

MOTION: Motion made by Commissioner Goddard, seconded by Vice-chairman Reed, to adopt the recommendations of the Policy and Operations Committee regarding dock, restroom, and shower access for outside marine service providers.
- *Motion carried unanimously.*

9. Award of Contract for Pile Repair and Replacement Project 2019 – Phase 2 (NTE \$1,550,000)

Port Director Olin explained that the Pile Replacement Project is being completed in phases. 70 piles were replaced in 2018 as part of Phase 1. The purpose of tonight's item is to award the contract for phase 2 to Bellingham Marine, which will replace 80 piles during the June 15 to November 30, 2019 work window.

Port Director Olin provided a detailed report on the piles permitted for replacement, and piles replaced or proposed for replacement in the first two phases of work. She provided a detailed report on project funding and expenditures from project inception, and distributed a handout summarizing the permits and project funding.

Port Director Olin stated that a request for proposals (RFP) for Phase 2 of the Pile Repair and Replacement Project was advertised, commencing March 18, 2019. She stated that one bid was received for the project from Bellingham Marine Industries, Inc., in the amount of \$1,408,781.

Port Director Olin stated that \$1,587,000 is currently available in the Capital Improvement Program for the Pile Replacement project.

Facilities Maintenance and Engineering Manager (FME) Kerkes recapped the project as follows:

- 14" steel piles with a high-density polyethylene (HDPE) sleeve will be used, which differs from Phase 1 construction, which incorporated concrete piles.
- The per pile cost for Phase 2 of construction is higher than Phase 1, at \$17,610 / pile.
- Because the steel piles are lighter than concrete, it will enable the contractor to use a smaller barge for installation, which should minimize the number of dock fingers that need to be removed and facilitate construction.
- Material is readily available.
- A mix of pile guides (wraps and rollers) will be utilized. Corroded "hoop" pile guides will be replaced.

In response to a question posed by Commission Goddard, FME Kerkes confirmed that Bellingham Marine will be responsible for coordinating a vessel relocation plan with staff. One staff member will be dedicated to ensuring the vessel relocation is properly executed.

MOTION: Motion made by Commissioner Goddard, seconded by Vice-chairman Reed to authorize the Port Director to execute the contract documents with Bellingham Marine Industries, Inc.; and authorize a not-to-exceed amount of \$1,550,000 for construction from the Capital improvement Project fund for the amount of the contract, plus a 10% contingency.
- *Motion carried unanimously.*

10. Award of Contract for Aldo's Seawall Replacement Project (NTE \$2,193,980)

Discussion: Port Director Olin stated that Aldo's Restaurant has been operating at its temporary location on Mariner Park Lawn for almost three years due to the accelerated failure and pending reconstruction of the supporting seawall under the restaurant building.

Port Director Olin stated that a request for proposal (RFP) for the Aldo's Seawall Replacement Project was advertised, commencing February 28, 2019. She stated that three bids were received, two of which were competitive. The low bidder for the project was Granite Construction Company, with a bid of \$1,994,480.

Port Director Olin provided an update on pending project permits, noting that the Army Corps of Engineers will not issue their permit until the legally required advertising period for the Incidental Harassment Authorization has concluded. She stated that if the contract is awarded at tonight's meeting, a limited Notice to Proceed will be issued to ensure the Contractor has ample time to order and receive materials needed for the project.

Port Director Olin outlined the project funding needs, and recommended that the Commission authorize a transfer of \$302,000 from the Unallocated Capital Improvement Fund (CIP) to the Seawall Replacement Project, to bring total available project funding to \$2,452,206.

Commission Goddard expressed support for the project and commented that if the award of contract is approved, then the original contractor who built the harbor, Granite Construction, will be rebuilding it.

MOTION: Motion made by Commissioner Gertler, seconded by Commissioner Goddard to authorize the Port Director to execute the contract documents with Granite Construction Company; authorize a not-to-exceed amount of \$2,193,980 for the construction budget including a 10% contingency; authorize a \$302,000 transfer from the Unallocated Capital Improvement Fund (F099) to the Seawall Replacement Fund (F027) to fund total project construction cost of \$2,452,206.
- *Motion carried unanimously.*

11. Award of Contract for Pavement Repairs (NTE \$33,850)

Discussion: Facilities Maintenance and Engineering Manager (FME) Kerkes recommended award of the contract for pavement repairs, stating that maintenance crews have identified areas in the north west and south west harbor in need of repaving.

FME Kerkes stated that one bid was received for this project from Watsonville Grading and Excavation Inc.

Commissioner Goddard expressed support for pursuing this repaving project.

MOTION: Motion made by Commissioner Goddard, seconded by Chairman Smith to award a contract to Watsonville Grading and Excavation Inc., for paving repairs on the harbor's west side parking areas and service road; authorize the Port Director to execute the contract; and authorize a not-to-exceed amount of \$33,850.

- *Motion carried unanimously.*

12. Consideration of Application for Additional 6-Pak Charter Operation (Pacific Yachting & Sailing)

Discussion: Port Director Olin stated that a correction to the premise map on page 56 should be made to show that the slips assigned to PYS (FF 13, 14, 16, and 17) are actually located in the bays directly to the east (north east side of FF Dock). A corrected premise map was distributed to the Commission and made available to the audience.

Harbormaster Marshall summarized information in the staff report and recommended approval, which will allow PYS to berth two boats in a single slip.

Vice-chairman Reed asked if PYS will be billed for the combined length of the two boats (44') or the slip size (40'). Port Director Olin confirmed that PYS will pay for 44' rather than the 40' slip length.

Operations Director for PYS, Breanna Stremple, thanked the Commission for their consideration and stated that there has been an increase in the demand for basic sailing classes conducted on small tiller vessels.

Commission Goddard and Chairman Smith expressed their support for the PYS application for a new 6-pak charter operation as it supports the Port District's mission to provide a full array of boating and sailing opportunities to the public.

In response to a question posed by Commissioner Goddard, Port Director Olin confirmed that the slip allocation outlined in lease agreement between the Port District and Chardonnay Sailing Charters LLC, dba Pacific Yachting and Sailing remains unchanged. She stated that approval of the proposed charter application does not require a lease amendment.

[Following the meeting, the correct name for the business entity receiving the charter permit was confirmed to be *Chardonnay Sailing Charters LLC, dba Pacific Yachting & Sailing.*]

Audience member, Bill Lee, expressed support for the PYS charter application.

MOTION: Motion made by Vice-chairman Reed, seconded by Chairman Smith to approve the application for additional 6-pak charter operation and berthing arrangement for Pacific Yachting and Sailing.
- *Motion carried unanimously.*

13. Approval of FY20 Fee Schedule

Discussion: Port Director Olin presented the FY20 fee schedule for review. She highlighted the following:

- Increase to staff hourly rates commensurate with 2019 salaries, including an administrative mark-up.
- Increase to Meter Parking Pass for Slip Renters (\$5 to \$6).
- Update to Partnership and Sublease fees to reflect current policy.
- Incorporation of fees for new electronic key fobs
- Correction to page 62 – Daily Launch Permit – Disabled. Fee remains at \$10 (inadvertently redlined on the proposed fee schedule)

In response to a suggestion from Commissioner Goddard, staff noted that the fee schedule will be formatted to show that a 2-hour minimum is in place for staff services, and a 1-hour minimum is in place for all vehicles.

MOTION: Motion made by Vice-chairman Reed, seconded by Commissioner Goddard to approve FY20 fee schedule and authorize the Port Director to waive or adjust fees as deemed appropriate.
- *Motion carried unanimously.*

14. Approval of Cash / Payroll Disbursements – March 2019

Discussion: Commissioner Goddard requested a status update for warrant 51428 – *Twin Lakes Snorkel* (progress payment). FME Kerkes confirmed that the new snorkel is complete and waiting to be installed in the off-season.

MOTION: Motion made by Commissioner Goddard, seconded by Vice-chairman Reed to approve cash/payroll disbursements for March 2019, in the amount of \$731,473.16.
- *Motion carried unanimously.*

INFORMATION

15. Port Director's Report

Follow up with Carols Palacios, CAO and Christina Mowrey, CBM

Port Director Olin stated that a letter to the CAO's office was sent today acknowledging the County's commitment to increase the annual contribution to the District's search and rescue program to \$50,000 / year. She stated that the letter also requested allocation of any unused FY19 proceeds towards a one-time contribution for acquisition of a new patrol vessel.

Dredge Season Extension

Port Director Olin stated that staff has requested a dredge extension through May 31, 2019. It is likely the request will be authorized through May 24, 2019, due to Coastal Commission permit requirements.

Parker Dive

Port Director Olin updated the Commission on the underwater hazards that exist off of Harbor Beach. She stated that Parker Dive was able to salvage the diamond buoy and anchor from the nearshore area, which required six tons of lift and a water jet to uncover.

The 10" polyethylene pipeline was not recovered. It is estimated to be over 40' long and will be salvaged after the dredge season concludes. If harbor crews are unable to retrieve the pipeline, Parker Dive may need to complete the job. The initial quote for the buoy and pipeline recovery was \$9,811, though the final cost increased to \$13,000 due to additional equipment needs and multiple attempts.

PG&E

Port Director Olin stated that a claim for \$25,000 in unpaid temporary construction easement money has been filed with PG&E. She stated that as a result of PG&E's bankruptcy filing, submitting a claim is the only recourse for attempting to receive payment.

Dredge Training

Port Director Olin stated that Ancil Taylor was onsite during the week of April 15, 2019, to assist the dredge crew with training in safety and production. The crew has begun cross training on *Twin Lakes* and will continue to do so throughout the remainder of the season.

Pappy Display

Port Director Olin informed the Commission that engineer Jeff Martin has reported that he will submit conceptual design drawings for the Pappy display cradle in the next couple of days.

Dan Haifley Retirement

Port Director Olin stated she attended a retirement celebration for Dan Haifley, former Executive Director of Team O'Neill, at the Coconut Grove on April 11, 2019. Port Director Olin spoke on behalf of the Port District at the event, acknowledging Dan Haifley and his achievements.

DBAW Boating Safety and Enforcement Grant

Port Director Olin stated that Assistant Harbormaster Blake Anderson has prepared a \$90,000 DBAW grant application to assist in acquisition of a new patrol vessel. The typical grant award ranges around \$80,000. If awarded, the item will be presented to the Commission for consideration and approval at a future meeting.

16. Harbormaster's Report

Harbormaster Marshall clarified the commercial salmon season dates as May 1-31, June 4-30, and July 11-31.

In response to a question posed by Chairman Smith regarding firearm and less lethal launcher quarterly training, Harbormaster Marshall described the less lethal launcher as having a large non-lethal bullet.

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

In response to a question posed by Vice-chairman Reed, FME Kerkes reviewed the dredge operations plan for the remaining weeks of the season.

18. Financial Reports

- a) Comparative Seasonal Revenue Graphs
- b) Preliminary Budget Report as of March 31, 2019
- c) Quarterly Boatyard Report
- d) Quarterly Fuel Dock Report
- e) Employee Count as of March 31, 2019

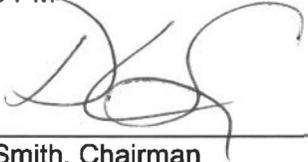
Accounting Technician Mark Eldridge reviewed the preliminary year-end budget report and noted that several year-end adjustments have yet to occur. He stated that the FY19 net income projection is currently estimated to be approximately \$1.2 million.

The Commission expressed appreciation to staff for providing the preliminary year-end budget report in advance of the annual audit.

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

20. Crime/Incident/Citation Report – March 2019 *(There was no discussion on this agenda item)*
21. Written Correspondence *(There was no discussion on this agenda item)*
 - a) Letter from Harbormaster Marshall, to J. Gotti, Coast Guard Monterey
 - b) Letter from Congressman Panetta, U.S. House of Representatives, to Chairman Smith
22. Port Commission Review Calendar / Follow-Up Items *(There was no discussion on this agenda item)*

Chairman Smith adjourned the regular public session at 8:40 PM.



Dennis Smith, Chairman