



Superior Court of San Mateo County

Hall of Justice and Records
400 County Center
Redwood City, CA 94063-1655

Peggy Thompson
Court Executive Officer
Clerk & Jury Commissioner

(650) 599-1711
FAX (650) 363-4698

May 20, 2002

Governing Board President
San Mateo County Harbor District
P. O. Box 39
El Granada, CA 94018

Re: San Mateo County Harbor District Report

Dear Governing Board President:

The 2001-2002 Grand Jury filed a report on May 20, 2002 which contains findings and recommendations pertaining to your agency. Your agency must submit comments, within 90 days, to the Hon. Quentin L. Kopp.

As you are the public agency that has been commented upon by the Grand Jury, your comments are due no later than August 19, 2002 to:

Hon. Quentin L. Kopp
Judge of the Superior Court
Hall of Justice
400 County Center; 2nd Floor
Redwood City, CA 94063-1655.

For all responses, the responding person or entity shall indicate one of the following:

1. The respondent agrees with the finding.
2. The respondent disagrees wholly or partially with the finding, in which case the response shall specify the portion of the finding that is disputed and shall include an explanation of the reasons therefor.

Additionally, as to each Grand Jury finding, the responding person or entity shall report one of the following actions:

1. The recommendation has been implemented, with a summary regarding the implemented action.
2. The recommendation has not yet been implemented, but will be implemented in the future, with a time frame for implementation.

3. The recommendation requires further analysis, with an explanation and the scope and parameters of an analysis or study, and a time frame for the matter to be prepared for discussion by the officer or director of the agency or department being investigated or reviewed, including the governing body of the public agency when applicable. This time frame shall not exceed six months from the date of publication of the Grand Jury report.
4. The recommendation will not be implemented because it is not warranted or reasonable, with an explanation therefor.

Please submit your responses as follows:

1. Responses to be placed on file with the County Clerk (required)
 - a. Prepare original on letterhead.
2. Responses to be placed at the Grand Jury website (by either "a." or "b." below)
 - a. Copy response to a PC disk. (Insert agency name if it is not indicated at the top of your response.)
 - b. Copy response and send by E-mail to: grandjury@sanmateocourt.org. (Insert agency name if it is not indicated at the top of your response.)

If you have any questions regarding these procedures, please do not hesitate to contact Thomas F. Casey, III, County Counsel, at (650) 363-4756.

Very truly yours,



Peggy Thompson
Court Executive Officer

PT:mc
Enclosure

cc: Hon. Quentin L. Kopp
Thomas F. Casey III

Governance of the San Mateo County Harbor District

Issue

Are there ways to improve governance of the San Mateo County Harbor District (District)?

Background

The District has been the subject of a number of grand jury investigations over the years and continues to receive unfavorable press. Prior grand juries have, indeed, recommended dissolution of the District as a cost savings and efficiency measure.

The District operates two boating and harbor facilities in San Mateo County. One, at Oyster Point, is primarily a recreational facility on land owned by the City of South San Francisco and operated by the District under a joint powers agreement. The other, Pillar Point, is in the City of Half Moon Bay on land owned by the District. The latter site combines commercial fishing and recreational uses.

For the fiscal year ended June 30, 2000, the most recent year available when the Grand Jury completed its investigation, the District had income and expenses as follows (figures are rounded):

Income and Expense	Amount
Operating Income (including interest and grants)	\$3,220,000
Property Tax Revenue	<u>1,968,000</u>
Total Income	5,188,000
Operating Expenses	<u>4,000,000</u>
Net Surplus	\$1,188,000

The surplus is used to fund reserves, make capital improvements, and repay long term loans from the State of California, which total approximately \$17,000,000.

Members of the 2001-2002 Grand Jury toured the harbor facilities and reviewed prior grand jury reports, financial reports, leasing documents, and the Local Agency Formation Commission report. Members of the Grand Jury interviewed the five members of the Harbor Commission and the Harbor District Manager, and attended a meeting of the Harbor District Commission.

Findings

The Grand Jury members who toured the facilities found Pillar Point and Oyster Point to be adequately maintained. The District has improved its financial condition in recent years and has negotiated a more favorable loan payment schedule. The District has received its consultant's recommended long-range plan that provides guideposts for future development. The plan indicates that the District will generate sufficient revenue to pay operating expenses and capital improvements, and complete repayment of its outstanding loans on schedule by 2018. The District Manager is knowledgeable and appears to be successful in negotiating with the State Department of Boating and Waterways for grants and loans.

There is, however, major dissension among the Commissioners. There has been refusal to participate in discussion of, and vote upon, some issues, and frequent airing of complaints outside Commission meetings. This dissension distracts the Commissioners and the District Manager from properly conducting District business. For example, some of the District leases, entered into some years ago, are not providing optimum revenue.

Because of the dissension, the District has received unfavorable publicity. The District needs to overcome the dissension and take steps to improve its public image.

Summary

In response to a complaint, the Grand Jury reviewed the management and operation of the San Mateo County Harbor District. The District appears to be recovering from past financial problems. Today, however, it is distracted from its mission by internal dissension among the Commissioners.

Recommendations

1. District Commissioners should develop a better working relationship in order to better govern the District.
2. The District should engage a qualified consultant to help Commissioners develop conflict resolution skills.
3. The District should publicize its successes to counter current unfavorable publicity.
4. The District should seek opportunities to improve terms of its leases to generate more income.