



Board of Harbor Commissioners

Sabrina Brennan, President
Edmundo Larenas, Vice President
Nancy Reyerling, Secretary
Tom Mattusch, Treasurer
Virginia Chang Kiraly, Commissioner

John Moren, Interim General Manager
William Parkin, District Counsel

San Mateo County Harbor District Board of Harbor Commissioners

"To assure the public is provided with clean, safe, well-managed, financially sound and environmentally pleasant marinas."

SPECIAL MEETING AGENDA

June 19, 2019

6:00 PM

San Mateo County Harbor District
Conference Room
504 Avenue Alhambra, Ste. 200
El Granada, CA 94018

Persons requiring special accommodation with respect to disability are directed to make such requests per the Americans With Disabilities Act to the Deputy Secretary to the Board at 650-583-4400, 24 hours in advance.

A) Roll Call

B) Closed Session

- 1) **TITLE: Conference with Legal Counsel—Existing Litigation**
Pursuant to Government Code §54956.9: (Brennan v. San Mateo County Harbor District (DFEH No. 201807-03053228; EEOC No. 37A-2019-00873-C).

C) Adjournment

The next regular meeting will be held on June 19, 2019 at the San Mateo County Harbor District District Office, 504 Avenue Alhambra, Ste. 200, El Granada, CA 94018 at 6:30 PM.

Agenda posted as required:
June 14, 2019 at 4:00 PM


Debbie Gehret
Deputy Secretary



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REGULAR MEETING AGENDA

**June 19, 2019
6:30 PM**

San Mateo County Harbor District
Conference Room
504 Avenue Alhambra, Ste. 200
El Granada, CA 94018

All Harbor District Commission regular meetings are recorded and posted at www.PacificCoast.tv within 48 hours of the meeting. Pacifica residents can tune into Comcast Channel 26 and residents from Montara through Pescadero can tune into Comcast Channel 27. Copies of the meetings can also be purchased from PCT and mailed for \$18.

Persons requiring special accommodation with respect to disability are directed to make such requests per the Americans With Disabilities Act to the Deputy Secretary to the Board at 650-583-4400, 48 hours in advance.

A) Roll Call

B) 1. Public Comments/Questions

The Public may directly address the Board of Harbor Commissioners for a limit of three (3) minutes, unless a request is granted for more time, on any item of public interest within the subject matter jurisdiction of the San Mateo County Harbor District, that is not on the Regular Agenda. If a member of the public wishes to address the Board on an agenda item, it is requested that a speaker card be completed and given to the Deputy Secretary. The Chair will call your name at the appropriate time. Agenda material may be reviewed at the administration offices of the District, 504 Avenue Alhambra, Ste. 200, El Granada, CA 94018 or online at www.smharbor.com.

2. Commissioner Comments

Commissioners may make public statements limited to five (5) minutes.

C) Consent

All items on Consent are approved by one motion unless a Commissioner requests at the beginning of the meeting that an item be withdrawn or transferred to Discussion. Any item on Discussion may be transferred to Consent.

ITEMS PULLED FROM CONSENT WILL BE HEARD AFTER DISCUSSION ITEMS.

1. **[Bills and Claims \(van Hoff\)](#)**
Recommendation: Review Pre-Approved Bills and Claims in the amount of \$531,841.69. Pre-Approve \$500,000 in Bills and Claims until next meeting.
2. **[Minutes – Special Meeting May 20, 2019 \(Gehret\)](#)**
Recommendation: Approve Minutes of the Special Meeting of May 20, 2019.
3. **[Minutes – Special Meeting June 6, 2019 \(Gehret\)](#)**
Recommendation: Approve Minutes of the Special Meeting of June 6, 2019.
4. **[Monthly Capital Projects Update \(Moren\)](#)**
Receive and file.

D) Discussion

5. **[Fiscal Year 2017/2018 Audited Basic Financial Statements; Presentation \(van Hoff\)](#)**
Recommendation: Receive 2017/18 San Mateo County Harbor District Audited Basic Financial Statements.
6. **[Approve Final 2019/20 Operating Budget and Capital Improvement Program; Adopt Resolution No.19-09 \(van Hoff\)](#)**
Recommendation: Approve Final 2019/20 Operating Budget and Capital Improvement Program (CIP) and adopt Resolution No.19-09.
7. **[Pillar Point Harbor Launch Ramp Dredge Project Invitation for Bid Approval \(Moren\)](#)**
Recommendation: Authorize the Interim General Manager, pursuant to an Invitation for Bid (IFB) response evaluation from qualified firm(s) and/or individual(s) to assist the San Mateo County Harbor District (District) with dredging of the Pillar Point Harbor launch ramp, to execute an Agreement with the sole bidder, Dixon Marine Services Inc.(Dixon), for the negotiated amount of \$344,480.98, and, subject to continued due diligence and verification of insurance and other obligations outlined in the IFB, award the contract to Dixon Marine Services Inc.

8. **Public Outreach Services (Moren)**
Recommendation: Authorize the Interim General Manager to execute a Professional Services Agreement (PSA) for Public Outreach Services with Phondini Partners LLC for an amount not to exceed \$39,900.
9. **Pillar Point RV Lot: Coastal Development Permit, First Look at Public Restroom, Green Space and Increased ADA Parking Preferred Alternative and Authorize Interim General Manager to Take All Actions Reasonably Necessary to Apply for Grant Funding, Including the Filing of an Application and Contract with Architectural and Engineering Firms (Moren)**
Recommendation: i) receive public input on the proposed new Pillar Point Harbor (PPH) RV Park public restroom, green space and increased ADA parking (Project) preferred alternative; ii) authorize a Priority Conservation Area Grant application to cover 1/3 of project costs; iii) authorize the Interim General Manager to contract with architectural and engineering firms for plans and cost estimates necessary for the grant application.
10. **Portola Ave Lot Purchase Update and Designation of New District Administration Office Design Ad Hoc Committee (Moren)**
Recommendation: i) receive update on the Portola Ave vacant lot purchase; ii) form a District Administration Office Design Ad Hoc Committee and assign two Board members.
11. **2019 Special District Risk Management Authority (SDRMA) Board of Directors Election (van Hoff)**
Recommendation: This Commission may consider voting for up to three (3) candidates for the 2019 Special District Risk Management Authority Board of Directors Election or may take no action.

E) Discussion/Action on Pulled Consent Items (if any)

F) Future Agenda Items

G) May Activity Reports: Interim General Manager/Operations; Administration

Information only

H) Adjourn

The next regular meeting will be held on July 17, 2019 at the San Mateo County Harbor District Office, 504 Avenue Alhambra, Ste. 200, El Granada, CA 94018 at 6:30 PM.

Agenda posted as required:
June 14, 2019 at 4:00 PM


Debbie Gehret
Deputy Secretary



Staff Report

TO: Board of Harbor Commissioners

FROM: Kin Yip Chan, Accounting Technician

DATE: June 19, 2019

SUBJECT: Review Bills and Claims in the Amount of \$531,841.69

Total Disbursements being submitted for your review: **\$531,841.69**

Dept. Code	Description	Amount
103	Administration & Commissioners	\$ 297,065.10
201	Pillar Point Harbor	\$ 66,720.49
301	Oyster Point Marina	\$ 31,151.52
	Employee Deductions	\$ 31,032.50
	Payroll / Benefits	\$ 105,872.08
	Total Bills & Claims for Review:	\$ 531,841.69

Pre-Approved Payroll Notes:

Payroll Paydate 5/3/19	\$ 120,554.00
Payroll Paydate 5/17/19	\$ 116,292.00
Payroll Paydate 5/31/19	\$ 115,748.69
Total Payroll for Period:	\$ 352,594.69

Background: The Board Pre-Approved Bills and Claims up to \$500,000 for this month and all payroll related claims. Actual Bills and Claims for the period are \$531,841.69. Of this amount, \$31,841.69 is awaiting approval.

Recommended Motion:

- 1) Accept Bills and Claims in the amount of \$531,841.69.
- 2) Pre-Approve \$500,000 in Bills and Claims until next meeting date.

Attachments:

[Bills and Claims/Cal Card Top 5](#)
[Legal Fees](#)

BILLS AND CLAIMS FOR 6/19/19 BOARD MEETING			PAYROLL EMPLOYEES	PAYROLL BENEFITS	ADMIN & COMM	PILLAR POINT	OYSTER POINT	TOTAL ALL
VENDOR	DESCRIPTION	AMOUNT	DEDUCTION	RELATED	103	201	301	DEPTS
SPECIAL DIST RISK MANAGEMENT AUTHORITY	WORKER'S COMPENSATION FY19-20	107,263.34			107,263.34			107,263.34
SPECIAL DIST RISK MANAGEMENT AUTHORITY	PROPERTY/LIABILITY FY 19-20	131,406.76			131,406.76			131,406.76
SUB-TOTAL OF PAYMENTS TO BE PROCESSED 6/19/2019		238,670.10	-	-	238,670.10	-	-	238,670.10
8X8, INC	TELEPHONE/COMMUNICATIONS	1,077.33			683.64	34.80	358.89	1,077.33
ADP, LLC	PAYROLL PROCESSING	1,271.10			308.14	520.00	442.96	1,271.10
ADVANCED BUSINESS FORMS	OPERATING SUPPLIES	607.21					607.21	607.21
AIRGAS USA, LLC	OPERATING SUPPLIES	121.31				121.31		121.31
AMAZON CAPITAL SERVICES, INC	OFFICE SUPPLIES	81.60			81.60			81.60
AMERICAN DEBRIS BOX SERVICE, INC	CONTRACTUAL SERVICES	1,635.74				1,635.74		1,635.74
AMERICAN RED CROSS	SAFETY EQUIPMENTS/TRAININGS	1,550.00				1,550.00		1,550.00
ARAMARK UNIFORM SERVICES LLC	UNIFORM SERVICES	905.91					905.91	905.91
AT&T	TELEPHONE/COMMUNICATIONS	255.05				255.05		255.05
BAY GREEN MARINE SANITATION	CONTRACTUAL SERVICES	2,694.81				1,722.41	972.40	2,694.81
BLUE LINE TRANSFER INC	GARBAGE SERVICES	54.65					54.65	54.65
BRENNAN, SABRINA	CONFERENCES & MEETINGS	811.84			811.84			811.84
CALIFORNIA WATER SERVICE CO	UTILITIES	4,186.09					4,186.09	4,186.09
CALPERS	PAYROLL DEDUCTION PAYABLE	46,656.88		46,656.88				46,656.88
CALPERS SUPPLEMENTAL INCOME 457 PLAN	PAYROLL DEDUCTION PAYABLE	24,424.14	24,424.14					24,424.14
CASPIAN IT GROUP	CONTRACTUAL SERVICES-IT	4,976.82			1,847.71	1,596.89	1,532.22	4,976.82
CITY OF FOSTER CITY	ADVERTISING EXPENSES	500.00				250.00	250.00	500.00
COASTSIDE COUNTY WATER DISTRICT	UTILITIES	7,952.29				7,952.29		7,952.29
COASTSIDE.NET	WIFI EXPENSES	359.10				359.10		359.10
COLEMAN SECURITY INDUSTRIES, INC	CONTRACTUAL SERVICES	4,405.72					4,405.72	4,405.72
COMCAST	INTERNET EXPENSES	639.10			193.33	83.33	362.44	639.10
COUNTY OF SAN MATEO PUBLIC SAFETY COMMUNICATIONS	TELEPHONE/COMMUNICATIONS	61.65				61.65		61.65
CPS HR CONSULTING	CONTRACTUAL SERVICES	6,421.51			6,421.51			6,421.51
DIGITAL DEPLOYMENT, INC/ STREAMLINE	CONTRACTUAL SERVICES-IT	200.00			200.00			200.00
FASTENAL COMPANY	REPAIRS & MAINTENANCE	55.88					55.88	55.88
GAETANI REAL ESTATE	ADMIN OFFICE RENT	8,200.00			8,200.00			8,200.00
GARDA, CL WEST, INC	CONTRACTUAL SERVICES	268.72				134.36	134.36	268.72
GARNISHMENT	PAYROLL DEDUCTION PAYABLE	1,411.06	1,411.06					1,411.06
GET IT TECH INC	OPERATING SUPPLIES	643.19					643.19	643.19
GRAINGER	REPAIRS & MAINTENANCE	1,278.90				903.48	375.42	1,278.90
HALF MOON BAY REVIEW	ADVERTISING EXPENSES	701.00				350.50	350.50	701.00
HASSETT HARDWARE/BLUETRAP CREDIT SERVICES	REPAIRS & MAINTENANCE	460.26				460.26		460.26
IRON MOUNTAIN, INC	CONTRACTUAL SERVICES	159.45			159.45			159.45
IRVINE & JACHENS INC	UNIFORM EXPENSES	140.50					140.50	140.50
JOHN MATTHEWS ARCHITECTS	CONTRACTUAL SERVICES	8,963.95			3,596.25	5,367.70		8,963.95
JOHN'S BACKFLOW TECH & SERVICE	REPAIRS & MAINTENANCE	225.00				225.00		225.00
JOHNSON, ROBERT	REIMB HEALTH INSURANCE PREMIUMS	813.00		813.00				813.00
KONICA MINOLTA	REPAIRS & MAINTENANCE	454.35			386.63	67.72		454.35
LENACO CORPORATION/BLUE RIBBON SUPPLY COMPANY	JANITORIAL SUPPLIES	3,355.59				2,234.08	1,121.51	3,355.59
LIGHTHOUSE PUBLIC AFFAIRS LLC	CONTRACTUAL SERVICES	5,000.00			5,000.00			5,000.00
MARINE LIEN SALE SERVICE	LIEN SALES	840.00				520.00	320.00	840.00
MISSION LINEN & UNIFORM SUPPLY	UNIFORM SERVICES	1,198.55				1,198.55		1,198.55
MOFFATT & NICHOL ENGINEERS, INC	CONTRACTUAL SERVICES	14,076.75				14,076.75		14,076.75
NAVIA BENEFIT SOLUTIONS	PAYROLL DEDUCTION PAYABLE	357.68	357.68					357.68
ON TIME TELECOM INC	CONTRACTUAL SERVICES	1,565.89				782.95	782.94	1,565.89
OPERATING ENGINEERS TRUST	HEALTH INSURANCE PREMIUMS	36,931.00		36,931.00				36,931.00
ORKIN SERVICES OF CALIFORNIA, INC	CONTRACTUAL SERVICES	135.00					135.00	135.00
PENINSULA PUMP & EQUIPMENT INC	REPAIRS & MAINTENANCE	1,924.94				1,924.94		1,924.94
PG&E	UTILITIES	12,911.81				12,911.81		12,911.81
PHONDINI PARTNERS LLC	CONTRACTUAL SERVICES	5,340.00			5,340.00			5,340.00
PITNEY BOWES, INC/ PURCHASE PC	POSTAGE REPLENISHMENT	197.60				48.80	148.80	197.60
RAUCH COMMUNICATION CONSULTANTS INC	CONTRACTUAL SERVICES	3,653.29			3,653.29			3,653.29
READY REFRESH BY NESTLE	OFFICE SUPPLIES	124.16					124.16	124.16
RECOLOGY OF THE COAST	GARBAGE SERVICES	454.42				454.42		454.42
RICHARDS, WATSON & GERSHON	LEGAL SERVICES	3,541.21			3,541.21			3,541.21
ROBERT HALF INTERNATIONAL, INC	CONTRACTUAL SERVICES	19,816.25			12,620.00		7,196.25	19,816.25
SAFETY KLEEN SYSTEMS, INC	USED OIL PICK UP EXPENSES	155.00				155.00		155.00
SAN MATEO DAILY JOURNAL	ADVERTISING EXPENSES	1,320.00				660.00	660.00	1,320.00
SOUTH SAN FRANCISCO SCAVENGER CO	GARBAGE SERVICES	2,517.20					2,517.20	2,517.20
SPECIAL DIST RISK MANAGEMENT AUTHORITY	HEALTH INSURANCE PREMIUMS	9,940.10		9,940.10				9,940.10
STANDARD INSURANCE COMPANY	LIFE & LTD INSURANCE	4,680.21		4,680.21				4,680.21

Legal Fees - Fiscal Years 2009 to 2019

Sum of Total Spent	Column Labels														Grand Total	
	AARONSON, DICKERSON, COHN &	BRAND/NORMAN	COX, WOOTON, LERNER, GRIFFIN,	FRANK/LYN N S.	HANSON BRIDGETT LLP	JAY RESENDEZ, ATTORNEY AT LAW	KOTZEBUE/MARGARET	KRAMER/KAREN	LIEBERT, CASSIDY & WHITMORE///	MCGRATH INVESTIGATIONS	OPPENHEIMER/ AMY	RICHARDS, WATSON & GERSHON	TOPLIFF/MARY L.//	GOYETTE/ GRIFFITHS//		WITTWER PARKIN LLP
08-09	\$ 65,229.96	\$ 675.00							\$ 82,179.67			\$ 17,303.42				\$ 165,388.05
09-10	\$ 44,729.24								\$ 50,505.65			\$ 6,402.50				\$ 101,637.39
10-11	\$ 46,880.38								\$ 34,050.00			\$ 11,803.75				\$ 92,734.13
11-12	\$ 84,627.99								\$ 5,674.20			\$ 1,770.00				\$ 92,072.19
12-13	\$ 105,733.63					\$ 735.00			\$ 7,097.00							\$ 113,565.63
13-14	\$ 88,761.42		\$ 10,856.98					\$ 13,803.00	\$ 83,662.55		\$ 24,381.00					\$ 221,464.95
14-15	\$ 340.75		\$ 9,143.02		\$ 287,596.29		\$ 26,364.00		\$ 92,751.48							\$ 416,195.54
15-16			\$ 29,949.79	\$ 4,500.00	\$ 301,540.13	\$ 3,325.00			\$ 133,292.43	\$ 15,445.00						\$ 488,052.35
16-17			\$ 3,682.03		\$ 317,484.72				\$ 97,191.79							\$ 418,358.54
17-18					\$ 290,308.67				\$ 18,150.00				\$ 25,000.00			\$ 333,458.67
18-19 YTD*					\$ 361,423.88				\$ 8,259.50			\$ 4,951.21		\$ 50,429.75	\$ 33,044.45	\$ 458,108.79
Grand Total	\$ 436,303.37	\$ 675.00	\$ 53,631.82	\$ 4,500.00	\$ 1,558,353.69	\$ 4,060.00	\$ 26,364.00	\$ 13,803.00	\$ 612,814.27	\$ 15,445.00	\$ 24,381.00	\$ 42,230.88	\$ 25,000.00	\$ 50,429.75	\$ 33,044.45	\$ 2,901,036.23



Staff Report

TO: Board of Harbor Commissioners
FROM: John Moren, Interim General Manager
DATE: June 19, 2019
SUBJECT: Monthly Capital Projects Update

Recommendation/Motion:

Receive Monthly Capital Projects update.

Fiscal Implications/Budget Status:

All Capital Projects are budgeted appropriately.

Capital Projects Update:

- **PPH Johnson Pier Reconfiguration, H-Dock and Fuel Dock Replacement Project: Initiated Jan. 2017**
 - H-Dock replacement meeting to gain input from public/tenants/stakeholders was held January 23, 2018 at the HMBYC.
 - Public input was addressed in a new drawing and sent with an additional questionnaire to all H-Dock tenants on March 21, 2018.
 - Addressed input gathered at first meeting and from questionnaire for H-Dock replacement. Second public meeting held May 15, 2018 at the HMBYC.
 - Terminus reconfiguration preliminary stakeholder/public meetings held on May 29, 2018 and July 17, 2018 to gather input/ideas on needed alterations.
 - Design/engineering consultant M&N provided a project update at the March 20, 2019 Board meeting, along with proposal to combine Johnson Pier Terminus Reconfiguration so that programmatic permitting can be made most cost efficient.

- **PPH Johnson Pier Timber Platform Piling Repair Project: Initiated Mar. 2019**
 - Project to be completed as soon as possible to stabilize the timber platform until the reconfiguration construction can take place.
 - Consultant M&N working on Design/Engineering/Permitting.

- **PPH Fishing Pier Repair and Access Walkway Rehabilitation: Initiated Mar. 2017**
 - Consultant M&N working on Design/Engineering/Permitting.
 - Initial drawings and technical memos submitted for review 2/22/18
 - 65% submittals reviewed May 2nd, consultant working on revisions.
 - CDP, NWP, and NOI applications submitted on June 22, 2018.
 - CCC CDP waiver approved in October 2018.
 - 95% tech specs for ITB are being completed.
 - Design/engineering consultant M&N provided a project update at the March 20, 2019 Board meeting.
 - Invitation for Bid sent out 6/5/19.

- **PPH West Trail Shoreline Protection Project: Initiated May 2015**
 - Geotech testing, core sampling, took place 11/6/17. CCC issued an Incomplete Filing Status on 1/17/18. Consultant currently revising Project plans and addressing CCC concerns.
 - Met with GHD and their sub-consultant at West Trail on 2/15/18 to discuss soil nail wall construction methods for further submittals to CCC.
 - GHD provided update presentation to Public/Board at April 18, 2018 BoC Meeting.
 - Consultant GHD directed to re-look at beach nourishment alternatives with emphasis on Living Shoreline options per CCC Incomplete Filing Status notification letter. GHD working with Program Manager to apply for Coastal Conservancy Grant for funds assist.
 - Project consultants GHD/ESA provided a project update and proposal for Board consideration at the April 17, 2019 Board meeting. Proposal was approved, GHD/ESA Team working on design, engineering and permitting.

- **PPH Launch Ramp Dredge Project: Initiated May 2016**
 - Bid Docs 80% complete, awaiting final tech specs CDP submittal. Additional sediment testing was required for use of airport property.
 - Project approved for Disaster Relief Funding by FEMA/CalOES
 - FAA approved staging site within airport boundary.
 - Sediment removed will be beneficially re-used either at Surfers Beach or West Trail.
 - Airport ground lease for sediment staging has been approved.
 - Additional Wetlands Delineation study was found to be necessary, in progress.
 - Project Invitation for Bid advertised March 2019.
 - Single bid received is being evaluated by design/engineering team.
 - Single bidder revised bid lower, being brought to Board for consideration 6/19/19.

- **PPH Launch Ramp and Restroom Replacement Project: Initiated Mar. 2017**
 - Applied for \$3.7M DBW Launch Ramp Facilities Grant for funding, Board approval application Jan 17, 2018.

- Met with DBW reps at launch ramp site on April 3, 2018 for a site needs evaluation, appears favorable for restroom, boat wash, rip/rap erosion repair, drainage trench and fish cleaning station replacement.
- Discussed DBW Launch Ramp Facilities Grant again with DBW staff at site on October 24, 2018, award results have been delayed due to funding challenges.
- **PPH RV Park Restroom Project: Initiated Nov. 2017**
 - Consultant working on survey and initial drawings. Met with City of Half Moon Bay and CCC on June 1st.
 - Discussed project with CCC on October 3, 2018.
 - HMB Study Session held Jan 8, 2019.
 - Met with City of Half Moon Bay and tenant on Jan 25, 2019, discussed public input from Study Session and potential preferred site location.
 - Met with John Mathews Architects April 1, 2019 to put together alternative drawings for later consultation w/ City of HMB.
 - Preferred alternative to be considered at 6/19/19 Board meeting.
- **PPH Harbormaster's Office Alterations Project: Initiated Oct. 2017**
 - Project approved by Board at Dec '17 meeting. Tech Specs, Bid Docs and permitting in progress.
 - Preliminary construction drawings currently at 90% completion, CCC/CDP Waiver approved.
 - Consultant and staff working on construction Invitation for Bid docs.
- **PPH Renovation of West Restroom/Shower/Laundry: Initiated Oct. 2017**
 - Renovate tenant use building, adding public restrooms. Project will progress at Board direction after Master Plan has been vetted.
- **PPH West Trail Restroom and Pave Parking Lot: Initiated Mar. 2018**
 - Project was on hold due to conflicting adjacent parking lot repair project.
 - Project will progress at Board direction after Master Plan has been vetted.
- **PPH Parking Lot B, C2, C3 Repair Project: Initiated May 2018**
 - Slurry/stripe project schedule pushed out due to conflict with Sidewalk Expansion priority project.
 - Project planning will resume after policies for long term oversize vehicle use in lot have been vetted.
- **PPH Exterior Lighting Restoration Project: Initiated Apr. 2018**
 - Scope includes removal/replacement of all exterior lamp and lighting fixtures throughout Pillar Point Harbor. Project will proceed in accordance with Board direction after Master Plan has been vetted.

- **Surfers Beach Sand Replenishment Pilot Project: Initiated Oct. 2015**
 - Consultant working closely with Sanctuary staff to move forward, clarification request letters sent 11/7/17. Staff attended MBNMS Advisory Council meeting in Monterey December 15, 2017.
 - Staff and consultant hosted combined agency, meeting on site 2/26/18. USACE, Sanctuary, CCC, EPA reps in attendance.
 - Consultant Damitz met with USACE, NOAA and GFNMS on 5/3/18 to discuss monitoring strategy.
 - Consultant Damitz presented Project update at May 23, 2018 Board meeting.
 - DBW Grant approved, Board approved Grant Agreement at May 23, 2018 meeting.
 - Engineering and Sediment Sampling/Analysis RFP submissions opened on 8/14/18. Highest ranked respondents awarded contracts.
 - Technical Advisory Group to meet November 8, 2018.
 - Meeting with regulatory authorities to discuss permitting occurred January 31, 2019.
 - Consultant Damitz provided Board update on April 2019. Tech Specs and permitting in progress.

- **PPH RV Parking Spaces Project: Initiated June 2019**

- **PPH Habitat Restoration at West Trail Project: Initiated June 2019**

- **PPH Coastal Trail Improvement Project: Initiated June 2019**

- **OPM Dock 12 (13,14) / East Dock Replacement: Initiated Mar. 2018**
 - Project design/engineering RFP has been completed. Project will proceed in accordance with Board direction and MOU terms.

- **Signage/Wayfinding Program Project: Initiated Jun. 2018**
 - Project will include a programmatic plan for new aesthetically pleasing interpretive signage/wayfinding consistent with ADA guidelines. Project will proceed at Board direction after Master Plan has been vetted.



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San Mateo County Harbor District Board of Harbor Commissioners

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SPECIAL MEETING MINUTES

May 20, 2019
6:30 PM

San Mateo County Harbor District
Conference Room
504 Avenue Alhambra, Ste. 200
El Granada, CA 94018

- A) Roll Call** 6:34 PM Commissioners Larenas, Mattusch, Reyring present.
Commissioners Brennan and Chang Kiraly absent.
6:35 PM Commissioner Brennan arrives.

B) 1. Public Comments/Questions

- **Dan Augustine – Bay Green, Inc.** – Commented regarding Bay Green’s pump out sanitation servicing, and the RFP for Pump-Out Services. Stated that Bay Green, Inc. will not be submitting a response to the RFP.

2. Commissioner Comments

- **Commissioner Reyring** - Met with Martha Poyatos of LAFCo; Harbor District is doing well regarding transparency, particularly with regard to Districted Elections, receipt of SDLF Certificate of Excellence and Finance Policy.
- **Commissioner Larenas** – Attended Climate Action Leadership forum, and a recent talk by Charles Lester, former Executive Director of the CA Coastal Commission.
- **Commissioner Mattusch** – The Coastside Fishing Club recently added 80,000 baby salmon to the salmon pen, bringing the total to 240,000 salmon, which are acclimated, then released in the ocean. Mentioned that boaters are increasingly unhappy regarding the current state of the boat ramp.

- **Commissioner Brennan** – Will be attending the CSDA Legislative Days conference, which addresses issues specific to Special Districts. Attended the Surfrider Board meeting and discussed topics on safety training for surfers, water quality; discussion of possibly establishing Technical Advisory Committee to consider treatment of water before it enters the Harbor.

C) Consent

ITEMS PULLED FROM CONSENT WILL BE HEARD AFTER DISCUSSION ITEMS.

1. **Bills and Claims (van Hoff)**
Recommendation: Review Pre-Approved Bills and Claims in the amount of \$444,659.88. Pre-Approve \$500,000 in Bills and Claims until next meeting.
2. **Minutes – Special Meeting April 11, 2019 (Gehret)**
Recommendation: Approve Minutes of the Special Meeting of April 11, 2019.
3. **Minutes – Regular Meeting April 17, 2019 (Gehret)**
Recommendation: Approve Minutes of the Regular Meeting of April 17, 2019.
4. **Minutes – Special Meeting May 7, 2019 (Gehret)**
Recommendation: Approve Minutes of the Special Meeting of May 7, 2019.
5. **Third Quarter 2018/19 Financial Report and Transfer Appropriations (van Hoff)**
Recommendation: Approve increase in budgetary appropriations (spending authority) of \$265,000 in Operating Expenses and decrease in budgetary appropriations of \$265,000 in Salaries and Benefits.
6. **Third Quarter – Fiscal Year 2018/19 (Q3-19) Rent Report (van Hoff)**
Information only.
7. **Monthly Capital Projects Update (Pyle)**
Receive and file.
8. **Labor and Employment Legal Services (van Hoff)**
Recommendation: Authorize the Interim General Manager to execute a Professional Services Agreement (PSA) for Labor and Employment Legal Services with the highest ranked firm, Ogletree, Deakins, Nash, Smoak & Stewart, P.C.

Motion: (Larenas/Brennan) approve Consent Items 1-8.

All in favor.

Motion passed.

D) Discussion

9. **Draft Final 2019/20 Operating Budget and Capital Improvement Program (van Hoff)**

No comments or changes.

10. **Rates and Fees Effective July 1, 2019 and Subsequent Adjustments by Consumer Price Index (van Hoff)**

Motion: (Reyering/Larenas) Approve Rates and Fees amended to reflect increases of 3.9% which is equal to the annual average increase in the Consumer Price Index for the San Francisco Bay Area; and other changes as proposed except for the increase to the Recreational Vehicle parking fee.

All in favor.

Motion passed.

11. **Administrative Analyst - Communications Position Description (van Hoff)**

Motion: (Mattusch/Larenas) Approve the position of Administrative Analyst-Communications Position Description and update the District's Salary Schedule with an hourly rate of \$33.11 per hour for step one up to \$44.38 per hour for step seven in the same step increments as the Planner Analyst and Accounting Specialist positions.

All in favor.

Motion passed.

E) Discussion/Action on Pulled Consent Items (if any)

F) Future Agenda Items

G) April Activity Reports: Interim General Manager/Operations, Administration

Information only.

H) Standing Committee Meeting Summary

- Finance Committee - April 30, 2019

I) Adjourn 8:00 PM

Motion: (Mattusch/Brennan) Adjourn meeting.

All in favor.

Motion passed.

Debbie Gehret
Deputy Secretary

Sabrina Brennan
President



Board of Harbor Commissioners

Sabrina Brennan, President
Edmundo Larenas, Vice President
Nancy Reyerling, Secretary
Tom Mattusch, Treasurer
Virginia Chang Kiraly, Commissioner

John Moren, Interim General Manager
William Parkin, District Counsel

San Mateo County Harbor District Board of Harbor Commissioners

“To assure the public is provided with clean, safe, well-managed, financially sound and environmentally pleasant marinas.”

SPECIAL MEETING MINUTES

June 6, 2019
1:00 PM – 5:00 PM

San Mateo County Harbor District
Conference Room
504 Avenue Alhambra, Ste. 200
El Granada, CA 94018

- A.) Roll Call 1:00 PM** Commissioners Brennan, Larenas, Mattusch present. Commissioners Chang Kiraly & Reyerling absent.
- B.) Public Comment** Email submitted by T.J. Gauthier with suggestions for updated Mission Statement.
- C.) Discussion**

Board workshop on Annual Goals and Strategic Plan, and next steps. Topics that may be discussed, include but are not limited to:

- 1 Welcome and Introduction**
- 2 Review and Finalize Annual Goals and Objectives**
 - Discuss current budget priorities
- 3 Mission, Vision and Values**
 - Evaluate current mission statement and consider changes
 - Edit draft vision statement developed during strategic planning process in 2018
 - Begin developing district values
- 4 Discuss Next Steps in the Annual and Strategic Planning Processes**
 - Consultant to integrate Annual Plan with the Strategic Plan, develop draft mission, vision, values statements and review with staff

- Board workshop to review draft strategic plan, and mission, vision, and values
- Staff develops annual and long-term implementation plans from the Strategic Plan
- Public review and comment of the draft Strategic Plan
- Consultant integrates public comments and reviews with staff
- Board review, comments on, and adopts final Strategic Plan

Consultant Martin Rauch led discussion of topics listed above. Consultant is to bring back updates to Goals and ideas for Mission and Value Statement. Staff was directed to add list below to the Capital Improvement Program.

- 1) Adjust all Oyster Point Marina Dock Replacements one year back.**
- 2) Add Pillar Point Harbor Habitat Restoration Project**
- 3) Add Pillar Point Harbor Electric Vehicle Parking Places Project**
- 4) Add Pillar Point Harbor RV Restroom Project**
- 5) Add Pillar Point Harbor Coastal Trail Improvements**

D.) Adjourn 4:00 PM

Debbie Gehret
Deputy Secretary

Sabrina Brennan
President



Staff Report

TO: Board of Harbor Commissioners

FROM: Julie van Hoff, Director of Administrative Services
Boomer Henthorne, Accounting Manager

DATE: June 19, 2019

SUBJECT: Fiscal Year 2017/18 Audited Basic Financial Statements

Recommendation:

Receive 2017/18 San Mateo County Harbor District Audited Basic Financial Statements.

Policy Implications:

- California Code of Regulations 1131.2 describes minimum audit requirements for Special Districts.
- Harbors and Navigation Code §6062 requires Harbor Districts to complete an annual audit by a licensed certified public accountant.

Fiscal Implications/Budget Status:

None

Alternatives Considered:

None

Background/Discussion:

Summary: San Mateo County Harbor District independent auditor Maze & Associates has submitted audited financial statements for the fiscal year ended June 30, 2018 (FY 2017/18). These financial statements were prepared by District staff and audited by Maze & Associates. The audited financials, which include the audit opinion and required communications are provided as attachments to this staff report.

Audit Opinion:

Maze & Associates has provided a “clean” unmodified opinion on the District’s financial statements. The financial statements were found to be free of material misstatement and fairly represent the District’s financial position, results of operations, and cash flows in conformity with generally accepted accounting principles in the United States. The audit affirms the continuing stable financial position of the District and the accuracy of our year-end financial statements.

Financial Highlights:

- The District’s financial statements reflect a net position of \$39,986,759 in FY 2017/18, which was an increase of \$2,144,741 compared to \$37,842,018 in FY 2016/17. The increase included a \$1,137,507 prior period adjustment associated with the implementation of Government Accounting Standards Board (GASB) Statement 75- Other Post-Employment Benefits (OPEB).
- The District’s operating revenues decreased by \$40,666 or .9%.
- The District’s operating expenses increased by \$1,878,598 or 21.3%, mainly due to increased repair and maintenance cost at Pillar Point Harbor to demolish Romeo Pier.
- Aggregate net pension liabilities are \$5,012,108 and net OPEB liabilities are \$2,532,946.

Memorandum of Internal Control:

As a part of the independent audit, Maze & Associates provided a Memorandum of Internal Control to the Board of Commissioners. The one internal control issue from FY 2016/17 related to Accounts Payable processing has been addressed. No new matters were identified.

The District’s auditing firm, Maze & Associates, will be attending the board meeting on June 19, 2019 to answer questions that the Board may have about the report.

Attachments:

1. [Presentation by Maze & Associates](#)
2. [FY 2017/18 Audited Basic Financial Statements by Maze & Associates](#)
3. [Memorandum of Internal Control by Maze & Associates](#)



SAN MATEO COUNTY HARBOR DISTRICT



FINAL 2019/20 OPERATING BUDGET AND CAPITAL IMPROVEMENT PROGRAM

Board of Commissioners:

Sabrina Brennan, President
Nancy Reyring, Secretary
Tom Mattusch, Treasurer

Edmundo Larenas, Vice President
Virginia Chang Kiraly, Commissioner



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INTRODUCTION

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Budget Snapshot

The District continues to strive “To assure the public is provided with clean, safe, well-managed, financially sound and environmentally pleasant marinas.” The Harbor Commission continues to work toward the development of long-range plans including an infrastructure restoration plan, strategic plan, and a master plan. The District is providing information to the general public and constituents on the District’s role in stewardship of Pillar Point Harbor and Oyster Point Marina through the implementation of a social media presence and outreach programs. On March 16, 2018 the District received a “Transparency Certificate of Excellence” from the Special District Leadership Foundation (SDLF) in recognition of its outstanding efforts to promote transparency and good governance.

The goal of the District’s Budget Document is to ensure a compliant and transparent process that will promote stakeholder confidence and trust. The District’s financial decisions consider sustainability and fiscal responsibility to anticipate and prepare for future funding requirements as well as unforeseen and unexpected emergencies, disasters, and other events.

This year, the District is fortunate to present an operating budget that includes sufficient revenue to fund the 2019/20 Fiscal Year (July 1, 2019 to June 30, 2020) expenditures and provide \$3,655,000 toward increasing the Working Capital balance. Over the next five years, annual average contributions to the Working Capital is projected at \$3,160,250 (per year).

The District updates the five-year Capital Improvement Program (CIP) annually. This five-year plan presents projects and associated funding for assets including land acquisition, construction, purchase of software, preventative maintenance needs, and replacement of vessels and vehicles. For Fiscal Years 2018/19 through 2023/24 (current year projection plus five-year CIP) the District’s funding needs for the CIP is estimated at \$48,355,385. The funding for the CIP is expected to come from \$33,528,620 in Working Capital balance, \$8,811,500 in grants, and \$6,015,265 in additional grant funding, debt financing, increases in revenues, and/or decreases in expenditures. Otherwise, projects may need to be postponed until sufficient funding is secured.

Budget Process

The District’s budget process is outlined in Policy 4.9.1. and Policy 4.9.2 of the Policy Handbook. Adoption of the Preliminary Budget and Final Budget is governed by Harbors and Navigation Code Section 6093 (et. seq.).

Policy 4.9.1 outlines the District’s process for preparing its annual budget. The preparation begins mid-year (fiscal year) for the succeeding year’s budget. District Finance staff begins the current fiscal year’s mid-year performance to budget analysis. The Harbor Commission reviews the mid-year budget report in February. Having reviewed the current year’s performance and identified budget issues and goals for the next fiscal year, staff prepares a first draft preliminary budget which is introduced to the Harbor Commission at a public meeting in March and a final preliminary budget is adopted in April. The Harbor Commission publishes a notice pursuant to Section 6061 of the Government Code stating that the adopted preliminary budget is available for public review. The public has at least 30 days to review and provide comment prior to the adoption of the final budget. The final budget is normally adopted in June.

Policy 4.9.2 establishes the level of appropriations authority for the District for a fiscal year. An appropriation authorizes the District to spend District resources. The Harbor Commissioners’ approval of appropriations places a maximum limit of the amount of money that can be spent in any given Fiscal Year within the following expenditure classifications: 1) Salary and Benefits, 2)



Operating Expenditures, 3) Non-Operating Expenditures, and 4) Capital Projects. The Harbor Commission may approve revisions to the appropriated amounts during the fiscal year.

The District is exempt from preparing a Board approved appropriation limit, set forth in the provisions of the California Constitutional Article XIII B, due to the provisions of Section 9 (c) "this section shall not apply to a district which existed on January 1, 1978, and that did not as of the 1977-78 fiscal year levy an ad valorem tax on property in excess of twelve and one-half cents (\$0.125) per one hundred dollars of assessed value."

Budget Report Presentation Changes from Prior Fiscal Year

Beginning in Fiscal Year 2019/20 (FY 2019/20), the District created two distinct sections of the Budget Document: 1) the Operating Budget; and 2) the CIP. The Operating Budget presents on-going activities of the District for the Fiscal Year period. CIP presents a plan for current and future capital asset costs and associated funding. Capital Improvements are typically carried out and paid for over several years. Consequently, a scheduling tool is required that forecasts anticipated needs and available funding several years into the future. District Policy 4.7.1 defines capital assets as assets with a cost of \$10,000 or greater and with a useful life of five (5) years or more.

The District also made a procedural change to allow capital projects, grant-funded projects, or one-time funded multi-year projects to automatically rollover any open purchase orders (encumbrances) and appropriations associated with those projects. The Capital Improvement Program section of this budget includes June 30, 2019 estimated encumbrance balances to be re-appropriated (page 35). The actual amount re-appropriated versus the estimated amount will vary.

The District's accounts and transactions are tracked on an accrual basis, which is the basis of accounting under generally accepted accounting principles (GAAP) for Enterprise Funds. Many other government entities track some or all accounts and transactions on a modified accrual basis under GAAP for Governmental Funds. Enterprise Fund financial statements report Net Position and focus on long-term economic resources while Governmental Fund financial statements report Fund Balance and focus on current economic resources. While the District's budget focuses on current economic resources, Fund Balance is not reported in the District's financial system because it does not use a Governmental Fund. To clarify and track the appropriate resources available, the nomenclature in the budget document has been changed from Reserves to Working Capital.

The District has been presenting public versus enterprise functional detail in the budget document. Now that the Operating Budget and CIP have been separated, the allocation of property tax revenue among the Administration Department, Pillar Point Harbor, and Oyster Point Marina has been adjusted and simplified (page 14).

Priorities and Issues

The Mission Statement of the San Mateo County Harbor District is: "To assure the public is provided with clean, safe, well-managed, financially sound and environmentally pleasant marinas." The District is working with a consultant to complete a list of District goals and to update the Mission Statement. This document will be updated when the Mission Statement and goals are adopted by the Harbor Commission. The CIP Section of this document includes the Harbor Commission's priorities as it relates to District projects.



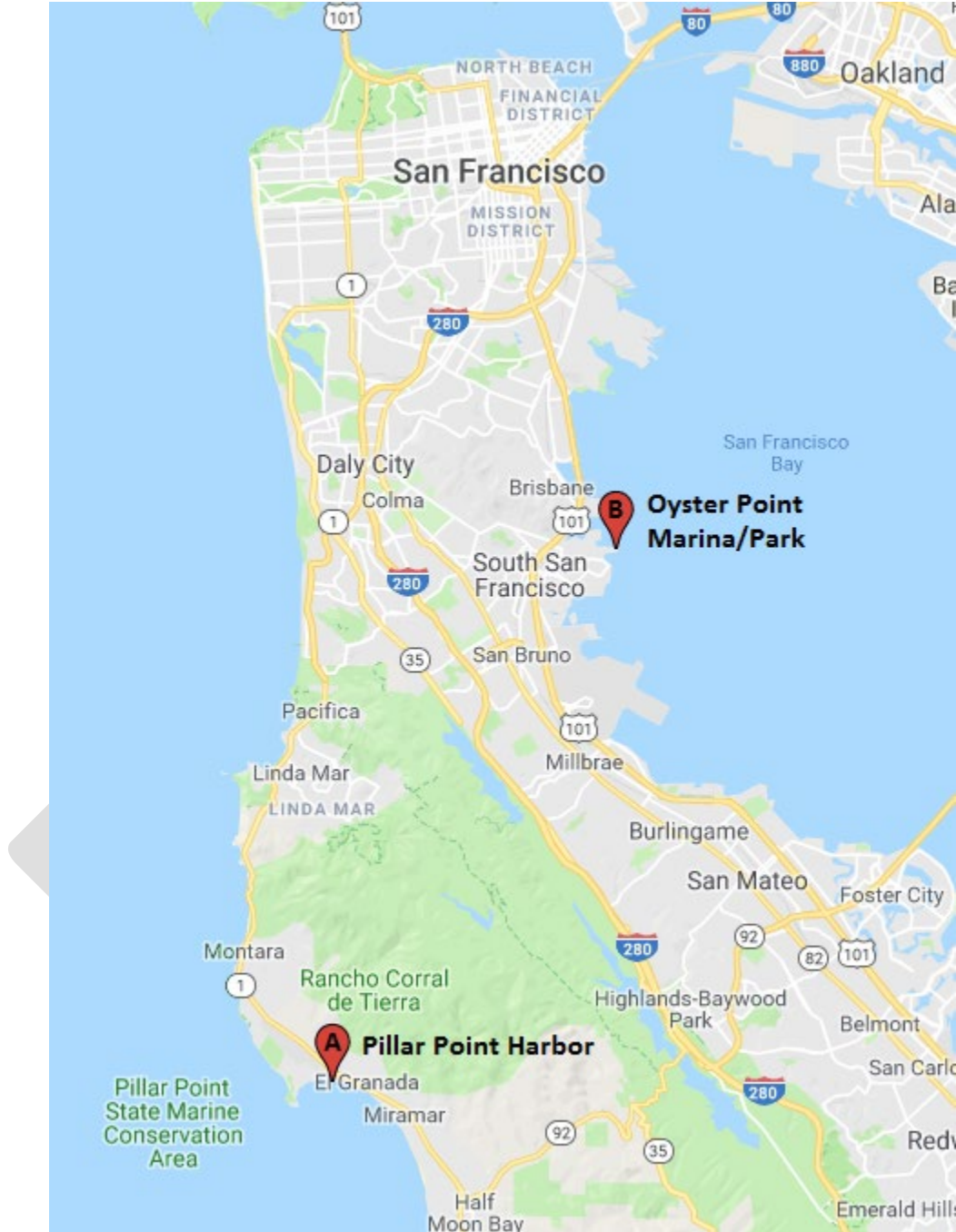
About Us

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Where is San Mateo County Harbor District?

The San Mateo County Harbor District is in Northern California and manages and operates (A) Pillar Point Harbor located on the Pacific Ocean in the unincorporated area of Princeton, and (B) Oyster Point Marina/Park on San Francisco Bay located in the City of South San Francisco.





Our History

The San Mateo County Harbor District is an independent special district created by San Mateo County in 1933 by Resolution of the Board of Supervisors who established the entire area of the County of San Mateo as the District's boundaries.

In 1948, the District created a harbor of safe refuge for the fishing fleet at Pillar Point per the State of California Harbors and Navigation Code Section 70.5. A federal breakwater was built by the Army Corps of Engineers in 1959-61, with an extension in 1967. The District constructed the harbor's docks and berths in the 1980s, along with a second, inner breakwater to provide further protection. This later work was financed by loans from the California Department of Boating and Waterways (DBW), now a Division of the State Parks Department.



1943 Aerial View of Pillar Point Harbor

In 1977, the District took over operation of Oyster Point Marina/Park from the City of South San Francisco. A Joint Powers Agreement was executed, giving the District authority to improve and complete construction of a recreational marina. Full build-out was accomplished during the 1980s.



San Mateo County Harbor District Today

The San Mateo County Harbor District operates two harbors. Pillar Point Harbor is located in the unincorporated community of Princeton in Half Moon Bay approximately twenty-five miles south of the City of San Francisco. The harbor is a 369-berth commercial fishing harbor that also supports sport fishing and recreational boating.



Oyster Point Marina/Park consists of a 408-berth recreational marina, public beach, and bayside park located in the City of South San Francisco. The District operates Oyster Point Marina/Park under a Memorandum of Understanding with South San Francisco, which owns the facility.





SECTION ONE- 2019/20 OPERATING BUDGET

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Operating Budget at a Glance

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Budgetary Highlights

The District's revenue streams continue to outpace on-going expenditures. The Operating Budget for Fiscal Year (FY) 2019/20 is projected to add \$3,655,000 to the working capital balance. Working capital is used to fund the Capital Improvement Program as well as unforeseen and unexpected emergencies, disasters, and other events.

2019/20 Operating Budget Summary		Comparison to 2018/19 Projections	
Operating Revenues	\$ 4,441,000	\$ 4,382,000	1.35%
Non-Operating Revenues	7,564,000	7,444,000	1.61%
Total Revenues	12,005,000	11,826,000	1.51%
Salaries/Wages/Benefits Expenditures	5,270,000	4,952,000	6.42%
Non-Personnel Expenditures	3,080,000	3,112,700	-1.05%
Total Expenditures	8,350,000	8,064,700	3.54%
Total Revenues less Expenditures	3,655,000	3,761,300	-2.83%
One-time Revenues(Expenditures)	-	(3,150,000)	-100.00%
Working Capital Increase	\$ 3,655,000	\$ 611,300	497.91%

- Operating Revenues are budgeted to increase by 1.35% due to projected inflationary increases in lease income, and rates, and fees.
- Non-Operating Revenues are budgeted to increase by 1.61% due to an anticipated increase in Property Tax Revenue of 2.03% offset by a decrease in interest income due to the spending of cash balances.
- Salaries/Wages and Benefit Expenditures are projected to increase by 6.42% due to anticipated filling of currently vacant positions along with salary/wage and benefit cost increases.
- Non-Personnel Expenditures are budgeted to decrease by 1.05%. This is mainly due to an anticipated decrease in legal settlement costs.
- The FY 2018/19 projection includes \$850,000 in biennial election costs and a one-time \$2,300,000 payment to the California Public Employees' Retirement System (CalPERS) to fund a portion of the long-term unfunded liability. The FY 2019/20 Operating Budget does not anticipate any one-time/biennial expenditures.



Short-Term Factors Influencing Decisions

Short-term factors influencing the District's decisions include impact of outside economic and legislative factors, environmental issues, and aging infrastructure.

Economic Factors:

The Public Employees' Pension is managed by California Public Employees' Retirement System (CalPERS). As of June 30, 2018, the District reported a net pension liability (NPL) of \$5,012,108. Multiple variables (e.g. expected rate of return on investments, expected inflationary rates, average life-span, and expected number of vested employees) impact the calculation of the NPL. The District paid an additional \$2,300,000 to fund the unfunded long-term retirement liability in FY 2018/19. CalPERS retirement costs continue to grow as expected rates of return decrease. It is difficult to predict the impact that economic and market conditions may have on the NPL and future retirement costs of the District.

The District has one month-to-month lease for a restaurant in the "tenant row" building at Pillar Point. Short-term agreements may impact future revenues.

State & Federal Budgets & Actions:

Pacific Gas & Electric Company (PG&E) filed for Chapter 11 bankruptcy protection in wake of the billions of dollars in liabilities associated with the 2017 and 2018 California wildfires. In addition, a nuclear power plant will be decommissioned. There is a potential that the District's utility costs may increase substantially while unitary property taxes decrease. For FY 2019/20, Property and Liability insurance rates increased due to the fires.

In addition, the State approved a \$4 billion housing bond in November. Lack of affordable housing may affect the District's ability to attract and retain qualified candidates. According to the 2018 State Department of Housing and Urban Development report, \$82,200 for a single individual is categorized as low income. Housing costs continue to increase throughout the area.

Environmental Issues:

The District is investigating, developing, and advocating for the implementation of strategies to mitigate the impacts of climate change on District-managed properties. Projects that are included in the Five-Year Capital Improvement Program section (pages 28-35) and are associated with climate change include the West Trail Shoreline Protection and Restoration of Surfers Beach.

Other Factors:

The District's Infrastructure is aging and will require replacement. For fiscal year ended June 30, 2018 the District had approximately \$45 million in depreciable assets with accumulated depreciation of \$28 million. About 62% of the District's total assets have been depreciated. In FY 2017/18 the District recorded \$1,108,660 in depreciation expense in its Audited Financial Statements. The five-year CIP section of this budget document includes a plan to replace a portion of the District's infrastructure. In the event that the District meets the fairly aggressive replacement projections, additional grants would need to be identified and/or debt will need to be issued in FY 2021/22 to meet the cash flow requirements. Otherwise, some projects may need to be deferred, revenues increased and/or expenditures decreased.

In 2018, the District entered into a Memorandum of Understanding (MOU) with the City of South San Francisco (SSF) to manage the Oyster Point Marina property owned by SSF. The MOU's



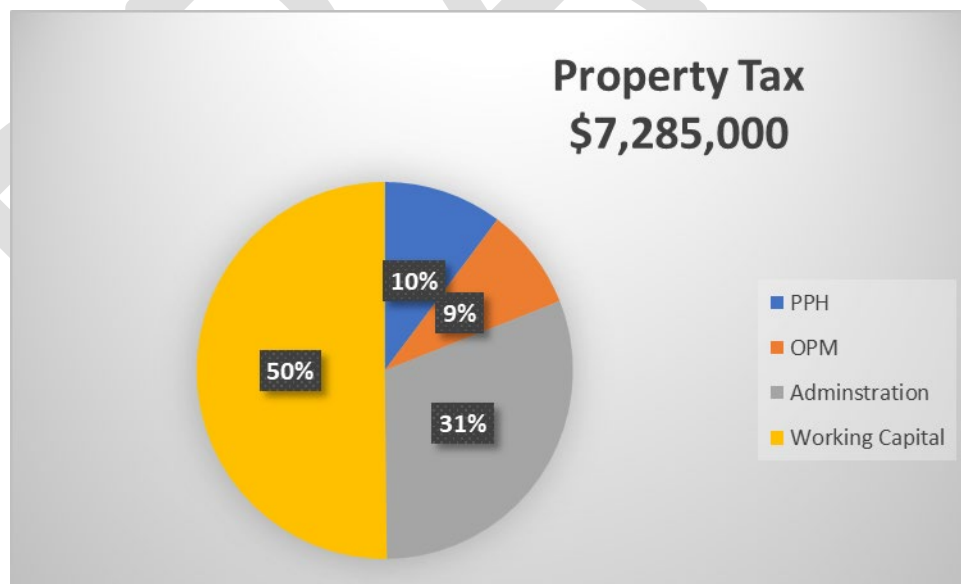
initial term is fifteen years. The MOU will automatically renew for two additional periods of ten years each, unless notice is given by the District to SSF to discontinue the MOU. The MOU requires that the District make specific Capital Improvements during specified timelines. These projects are included in the Capital Improvement Program Section (pages 28-35).

Public and Enterprise Services

The District's transactions are accounted for in an Enterprise Fund which includes three departments- Administration, Pillar Point Harbor (PPH), and Oyster Point Marina (OPM). PPH and OPM generate operating revenue from berth rentals, liveaboard fees, boat launch fees, property rentals and permit fees. This revenue is used to offset costs associated with these activities.

All District property is for the enjoyment of the public. In addition to providing the public with boating facilities, the District provides coastal trail access and maintenance, beach access, public fishing piers, park and landscape maintenance, public parking, trash removal, bay trail access and maintenance, search and rescue operations, toxic environmental clean-up, public restrooms and public outreach and education. These public services and activities serve a broad segment of San Mateo County's population and visitors.

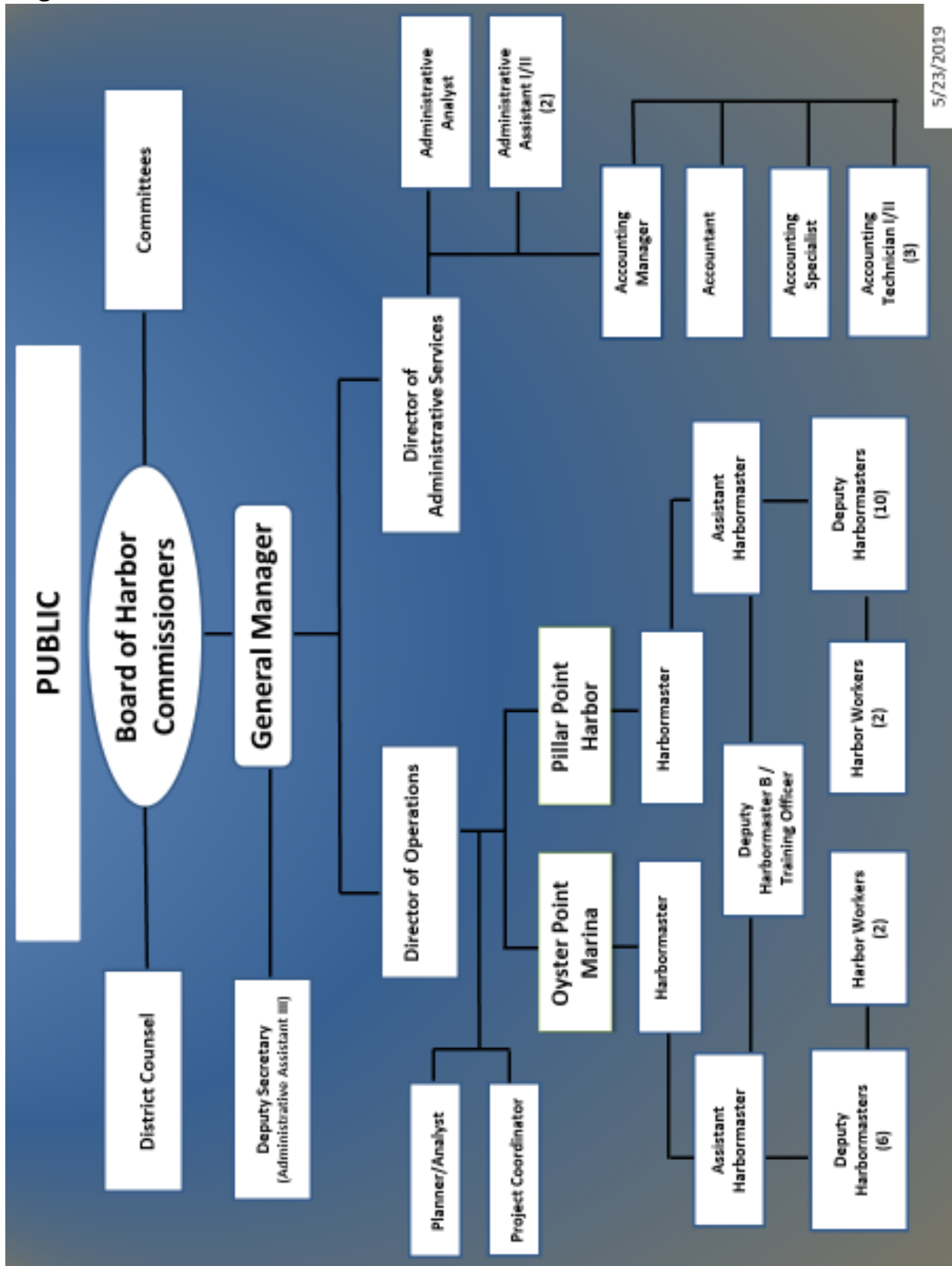
The District receives Property Tax Revenue from San Mateo County property owners. Property Tax Revenue is used to fund the Administration Department, any operating deficits of PPH and OPM, and a portion of the Capital Improvement Program. For FY 2019/20, the District estimates that \$640,000 will be used for OPM public operations, \$745,000 for PPH public operations, \$2,245,000 (\$275,000 funded by Interest Income) for administrative functions, and \$3,655,000 towards funding the Capital Improvement Program for a total of \$7,285,000 of anticipated Property Tax Revenue.



Fiscal Year 2019/20 Capital Asset projected costs (net of funding and grants) of \$7,279,800 (detail on pages 28-35) includes funding for projects that are for the benefit of the public such as the improvements to Pillar Point Harbor's Fishing Pier, West Trail erosion protection, improvements to public parking lots, and Surfers Beach restoration.



Organizational Chart



5/23/2019



Staffing Authorization

<u>Classification/Position Title</u>	<u>Actual 2017/18</u>	<u>Revised Budget 2018/19</u>	<u>Final Budget 2019/20</u>	<u>*Status as of 5/22/2019</u>
<u>Administration Department</u>				
General Manager	1	1	1	Active
Director of Operations	1	1	1	Active
Director of Admin. Services	1	1	1	Active
Accountant	1	1	1	Vacant
Accounting Specialist	-	1	1	Vacant
Accounting Tech I & II	1	1	1	Active
Accounting Manager	1	1	1	Active
Administrative Analyst	1	1	1	Vacant
Administrative Assistant I & II	2	2	2	Active
Deputy Secretary	1	1	1	Active
Planner Analyst	1	1	1	Vacant
Project Coordinator	-	1	1	Vacant
Total Administration	11	13	13	
<u>Pillar Point Harbor</u>				
Harbormaster	-	1	1	Vacant
Assistant Harbormaster	1	1	1	Active
Deputy Harbormaster A&B	9	10	10	8 Active/2 Vacant
Deputy Harbormaster/Training Officer	-	1	1	Active
Harbor Worker B	2	2	2	Active
Harbor Worker C (lead maint.)	1	-	-	Deleted
Accounting Tech I & II	1	1	1	Active
Total Pillar Point Harbor	14	16	16	
<u>Oyster Point Marina</u>				
Harbormaster	-	1	1	Active
Assistant Harbormaster	1	1	1	Active
Deputy Harbormaster A&B	6	6	6	5 Active/1 Vacant
Harbor Worker B	2	2	2	Active
Harbor Worker C (lead maint.)	1	-	-	Deleted
Accounting Tech I & II	1	1	1	Active
Total Oyster Point Marina	11	11	11	
Total Full-Time Equivalent Positions	36	40	40	

Changes from 2017/18 approved positions are highlighted in gray.

* Active positions are funded and filled. Vacant positions are funded but not filled.

Deleted positions are not funded and not filled.



Budget Schedules

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Basis of Budgeting vs. Accounting

The basis of budgeting and accounting refers to the method of recognition of revenue and expenses in financial and budgetary reporting. The District's budgets are prepared on a modified cash flow basis which projects the District's cash inflows and outflows over the course of a fiscal year (July 1 through June 30) excluding physical and intangible assets such as depreciation.

Revenues are recognized as they are received and accounted for while obligations for expenditures are recognized when a commitment is made through an encumbered purchase order or actual expense.

The District's accounts and transactions are tracked on an accrual basis, which is the basis of accounting under generally accepted accounting principles (GAAP) for Enterprise Funds. An Enterprise Fund is used to account for operations that are financed and operated in a manner similar to private business enterprises—where the intent of the governing body is that the costs (expenses, including depreciation) of goods or services to the general public on a continuing basis are financed or recovered primarily through user charges.

Under this method, all assets and liabilities associated with operations are included on the balance sheet, revenues are recorded when earned, and expenses are recorded at the time commitments are incurred. Depreciation and amortization are handled differently in budgetary reporting and in financial reporting. In budgetary reporting, depreciation and amortization are excluded, and the repayment of the principal on debt as expense is included. In financial reporting, depreciation and amortization are included, and the repayment of the principal on debt as expense is excluded. This table illustrates the differences between the budget and accounting basis described above.

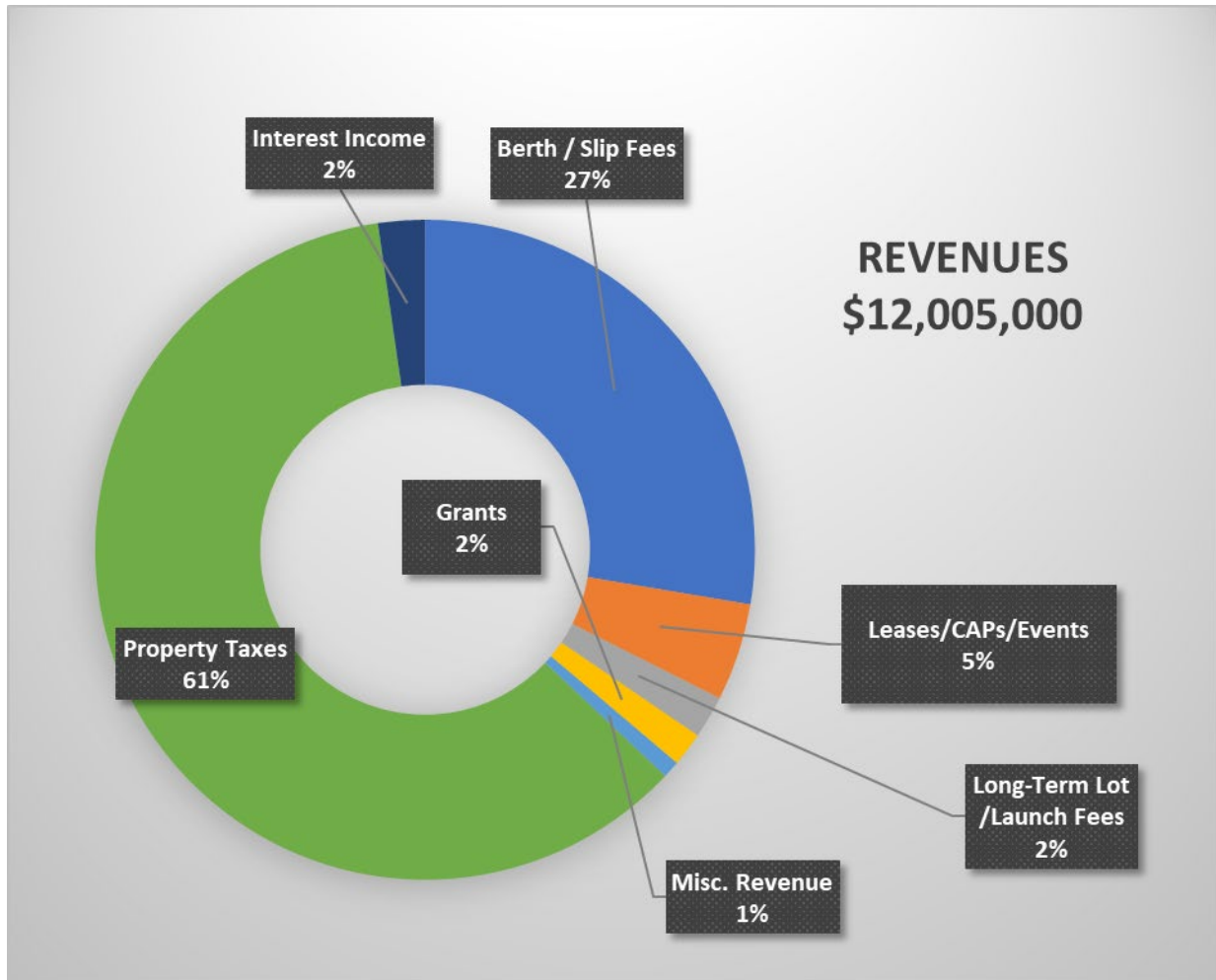
	BUDGETARY	ACCOUNTING
Basis	Modified Cash Flow	Accrual
Revenue	Recognized when received and accounted for	Recorded when earned
Obligations (Expenditures/ Expense)	Recognized when a commitment is made through encumbrance or expense	Recorded at the time commitments are incurred
Depreciation and Amortization	Excluded	Included
Repayment of Principal on Debt	Included	Excluded

Three-Year Comparative Financial Schedule

	Fiscal Year 2017/18		Fiscal Year 2018/19		Fiscal Year 2019/20	
	Revised Budget	Actual	Revised Budget	Projected	Preliminary Budget	Final Budget
Operating Revenues:						
Berth / Slip Fees	\$ 3,449,216	\$ 3,257,846	\$ 3,327,000	\$ 3,261,000	\$ 3,427,000	\$ 3,320,000
Leases and CAPs	589,000	631,891	611,000	552,000	552,000	552,000
Long-Term Lot /Launch Fees	245,706	238,085	250,000	250,000	250,000	250,000
Events	30,000	39,227	52,000	22,000	22,000	22,000
Grants & Reimbursements	110,000	119,088	475,000	200,000	200,000	200,000
Other Operating Revenue	100,000	96,707	100,000	97,000	97,000	97,000
Total Operating Revenues	4,523,922	4,382,844	4,815,000	4,382,000	4,548,000	4,441,000
Non-Operating Revenues:						
Property Taxes	6,500,000	7,006,800	7,140,000	7,140,000	7,285,000	7,285,000
Interest Income	53,300	235,347	186,245	300,000	275,000	275,000
Misc. Rev./Exp.	10,000	29,428	10,000	4,000	4,000	4,000
Grants & Reimbursements	-	119,104	-	-	-	-
Total Non-Operating Revenues	6,563,300	7,390,679	7,336,245	7,444,000	7,564,000	7,564,000
Total Revenues	\$11,087,222	\$11,773,523	\$12,151,245	\$11,826,000	\$12,112,000	\$12,005,000
Operating Expenditures:						
Salaries/Wages/Benefits Expenditures						
Salaries & Wages	\$ 3,140,514	\$ 2,950,445	\$ 3,306,141	\$ 3,200,000	\$ 3,415,000	\$ 3,415,000
Benefits-Current Employees	1,638,759	1,477,147	1,727,008	1,599,000	1,702,000	1,702,000
Benefits-Retired/Former Emp	190,209	147,951	152,157	153,000	153,000	153,000
Salary/Wages/Benefits Sub-total	4,969,482	4,575,543	5,185,306	4,952,000	5,270,000	5,270,000
Non-Personnel Expenditures						
Payments to Other Agencies	69,000	59,037	70,000	70,000	65,000	65,000
Utilities	355,000	415,357	506,000	350,000	438,000	438,000
Contract Services	423,000	565,647	611,500	580,000	623,000	623,000
Legal	484,000	333,458	484,400	550,000	505,000	505,000
Property/Liability Insurance	114,000	92,937	114,200	108,000	112,000	112,000
Repairs & Maint- Routine	209,500	130,448	277,700	278,400	294,000	294,000
Office/Equipment Rentals	91,500	91,500	98,400	94,800	100,000	100,000
Information Technology	236,000	142,094	167,700	108,000	118,000	118,000
Financial Service Fees	61,200	62,985	73,300	73,700	78,000	78,000
Operating Expenses	203,250	191,161	184,600	213,100	215,000	215,000
Travel and Training	57,000	53,454	56,300	46,000	53,000	53,000
Advertising and Promotion	16,000	15,553	20,400	30,400	30,000	30,000
Personnel Administration	28,000	2,953	17,100	39,500	42,000	42,000
Vessel Destruction	110,000	146,861	200,000	200,000	200,000	200,000
Memberships & Subscriptions	10,000	17,541	20,300	32,400	35,000	35,000
Claims Settlement	10,000	-	275,000	275,000	100,000	100,000
Bad Debts	50,000	79,118	101,600	57,400	62,000	62,000
Miscellaneous Expend.	12,250	14,252	16,700	6,000	10,000	10,000
Non-Personnel Expend Sub-total	2,539,700	2,414,356	3,295,200	3,112,700	3,080,000	3,080,000
Total Operating Expenditures	\$ 7,509,182	\$ 6,989,899	\$ 8,480,506	\$ 8,064,700	\$ 8,350,000	\$ 8,350,000
Revenues less Expenditures	\$ 3,578,040	\$ 4,783,624	\$ 3,670,739	\$ 3,761,300	\$ 3,762,000	\$ 3,655,000
One-time Revenues(Expenditures)						
Election Costs (every other year)		\$ -	\$ (830,000)	\$ (850,000)	\$ -	\$ -
Non-Operating Grants & Reimbursements		-	1,000,000	-	-	-
CalPERS Liability Payment		-	(2,300,000)	(2,300,000)	-	-
Increase(Decrease) to Working Capital	\$ 3,578,040	\$ 4,783,624	\$ 1,540,739	\$ 611,300	\$ 3,762,000	\$ 3,655,000

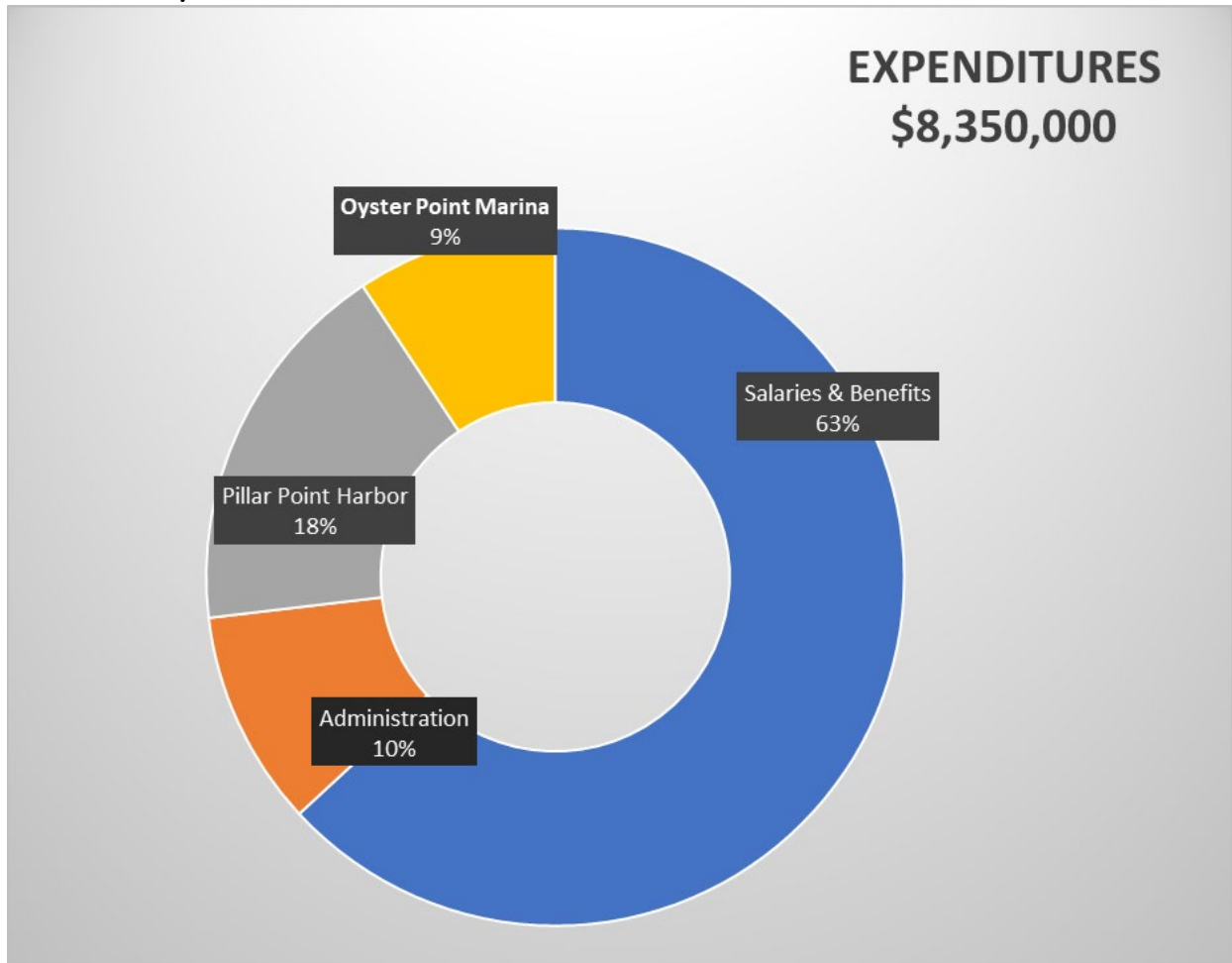


District Revenue





District Expenditures



The above chart shows the percentage of expenditures spent on Salaries/Wages & Benefits and Non-Personnel Expenditures for each of the three District departments.

Budget by Department



Department Summary

Administration Department-

The Administration Department includes five elected Harbor Commissioners and 13 full-time positions and are responsible for the following duties and tasks:

Elected Harbor Commissioners:

- Adopts a Mission Statement and establishes goals, objectives, and priorities for the District.
- Appoints, evaluates, and terminates General Manager.
- Adopts an annual budget.
- Adopts ordinances to provide legal foundation of District operations.
- Represents the District, stakeholders, and general public.
- Adopts policies.

General Manager:

- Plans, organizes, coordinates and directs the activities of the District.
- Prepares, reviews, and makes recommendations regarding issues for Board consideration and action.
- Appoints, evaluates and terminates management staff.
- Oversees preparation of annual budget.
- Provides direction and leadership by setting organizational standards and objectives.

Administration & Operations:

- Responsible for administrative, business, and fiscal functions, including finance/accounting, human resources, purchasing, information technology, risk management, contract management, public information, grant management, and real property management.

Operations:

- Responsible for operations and maintenance of the District's two marinas, develops and implements sound management approaches for the publicly owned land and facilities under lease, and generates optimal utilization of marine recreational operations and activities at the marinas.
- Plans and coordinates capital projects, maintenance work, and environmental compliance reporting.
- Manages construction projects.



Department Summary- continued

Pillar Point Harbor Department and Oyster Point Marina Department-

The Pillar Point Harbor Department includes 16 full-time positions and the Oyster Point Marina Department includes 11 full-time positions and are responsible for the following at their respective locations:

- Serve the public by providing berthing and support for pleasure and commercial craft.
- Ensure that the harbor/marina is maintained in safe and clean condition.
- Act as a liaison with outside agencies including but not limited to California Division of Boating and Waterways, U.S. Coast Guard, local law enforcement, yacht clubs, and other groups who may use District facilities.
- Plan, evaluate, and direct the maintenance of docks, piers, vehicles, vessels and equipment.
- Respond to emergency and/or severe weather situations to protect the public, staff, vessels, District assets, and other property as necessary.
- Enforce District ordinances and policies, and State of California boating laws.
- Provide information and other customer service to tenants, lessees and harbor visitors.



Administration

	Fiscal Year 2017/18		Fiscal Year 2018/19		Fiscal Year 2019/20	
	Revised Budget	Actual	Revised Budget	Projected	Preliminary Budget	Final Budget
Non-Operating Revenues:						
Property Taxes	\$ 6,500,000	\$ 7,006,800	\$ 7,140,000	\$ 7,140,000	\$ 7,285,000	\$ 7,285,000
Interest Income	53,300	235,347	186,245	300,000	275,000	275,000
Miscellaneous Revenues	5,000	39,031	-	-	-	-
Total Non-Operating Revenues	6,558,300	7,281,178	7,326,245	7,440,000	7,560,000	7,560,000
Total Revenues	\$ 6,558,300	\$ 7,281,178	\$ 7,326,245	\$ 7,440,000	\$ 7,560,000	\$ 7,560,000
Operating Expenditures:						
Salaries/Wages/Benefits Expenditures						
Salaries & Wages	\$ 920,466	\$ 856,145	\$ 1,000,397	\$ 991,000	\$ 1,142,000	\$ 1,142,000
Benefits-Current Employees	455,218	389,791	475,574	456,000	525,000	525,000
Benefits-Retired/Former Emp	24,983	15,959	16,635	17,000	17,000	17,000
Salary/Benefits Sub-total	1,400,667	1,261,895	1,492,606	1,464,000	1,684,000	1,684,000
Non-Personnel Expenditures						
Payments to Other Agencies	69,000	59,037	70,000	70,000	65,000	65,000
Contract Services	113,000	125,476	236,500	200,000	210,000	210,000
Legal	424,000	169,526	279,000	120,000	126,000	126,000
Property/Liability Insurance	22,000	40,673	61,800	50,000	53,000	53,000
Repairs & Maint- Routine	3,500	3,032	3,400	3,400	4,000	4,000
Office/Equipment Rentals	91,500	91,500	98,400	94,800	100,000	100,000
Information Technology	147,000	62,080	93,800	48,000	50,000	50,000
Financial Service Fees	2,000	505	700	700	1,000	1,000
Operating Expenses	49,750	31,669	25,100	25,100	26,000	26,000
Travel and Training	27,000	29,784	39,900	26,000	27,000	27,000
Advertising and Promotion	6,000	3,824	4,400	4,400	5,000	5,000
Personnel Administration	6,000	1,295	15,100	35,000	37,000	37,000
Memberships & Subscriptions	9,000	16,353	19,500	30,000	32,000	32,000
Claims Settlement	10,000	-	275,000	275,000	100,000	100,000
Miscellaneous Expend.	750	290	-	-	-	-
Non-Personnel Expend Sub-total	980,500	635,044	1,222,600	982,400	836,000	836,000
Total Expenditures	\$ 2,381,167	\$ 1,896,939	\$ 2,715,206	\$ 2,446,400	\$ 2,520,000	\$ 2,520,000
Revenues less Expenditures	\$ 4,177,133	\$ 5,384,239	\$ 4,611,039	\$ 4,993,600	\$ 5,040,000	\$ 5,040,000
One-time Revenues(Expenditures)						
Election Costs (every other year)		\$ -	\$ (830,000)	\$ (850,000)	\$ -	\$ -
CalPERS Liability Payment		-	(667,000)	(667,000)	-	-
Increase (Decrease) to Working Capital	\$ 4,177,133	\$ 5,384,239	\$ 3,114,039	\$ 3,476,600	\$ 5,040,000	\$ 5,040,000



Pillar Point Harbor

	Fiscal Year 2017/18		Fiscal Year 2018/19		Fiscal Year 2019/20	
	Revised Budget	Actual	Revised Budget	Projected	Preliminary Budget	Final Budget
Operating Revenues:						
Berth / Slip Fees	\$ 2,069,118	\$ 1,931,592	\$ 1,950,000	\$ 1,950,000	\$ 2,009,000	\$ 2,009,000
Leases and CAPs	450,000	461,374	509,000	430,000	430,000	430,000
Long-Term Lot /Launch Fees	232,118	215,596	234,378	234,000	234,000	234,000
Events	30,000	39,977	50,000	20,000	20,000	20,000
Grants & Reimbursements	55,000	76,587	138,300	138,300	138,300	138,300
Other Operating Revenue	67,000	64,993	74,100	67,000	67,000	67,000
Total Operating Revenues	2,903,236	2,790,119	2,955,778	2,839,300	2,898,300	2,898,300
Non-Operating Revenues:						
Miscellaneous Revenues	-	3,150	10,000	4,000	4,000	4,000
Grants & Reimbursements	-	116,612	-	-	-	-
Total Non-Operating Revenues	-	119,762	10,000	4,000	4,000	4,000
Total Revenues	\$ 2,903,236	\$ 2,909,881	\$ 2,965,778	\$ 2,843,300	\$ 2,902,300	\$ 2,902,300
Operating Expenditures:						
Salaries/Wages/Benefits Expenditures						
Salaries & Wages	\$ 1,339,424	\$ 1,203,533	\$ 1,327,486	\$ 1,313,000	\$ 1,357,000	\$ 1,357,000
Benefits-Current Employees	764,970	667,421	774,065	722,000	746,000	746,000
Benefits-Retired/Former Emp	84,897	74,328	77,000	77,000	77,000	77,000
Salary/Benefits Sub-total	2,189,291	1,945,282	2,178,551	2,112,000	2,180,000	2,180,000
Non-Personnel Expenditures						
Utilities	237,000	268,515	336,200	270,000	284,000	284,000
Contract Services	133,000	246,615	184,000	200,000	210,000	210,000
Legal	33,000	95,655	92,000	340,000	307,000	307,000
Property/Liability Insurance	56,000	23,377	23,300	26,000	27,000	27,000
Repairs & Maint- Routine	120,000	67,103	169,100	200,000	210,000	210,000
Information Technology	60,000	48,087	40,600	32,000	34,000	34,000
Financial Service Fees	37,800	34,461	43,900	46,000	48,000	48,000
Operating Expenses	102,300	106,956	104,700	128,000	134,000	134,000
Travel and Training	16,000	10,979	4,700	12,000	13,000	13,000
Advertising and Promotion	5,000	8,214	8,000	20,000	21,000	21,000
Personnel Administration	8,000	222	500	3,000	3,000	3,000
Vessel Destruction	55,000	96,691	138,300	138,300	138,300	138,300
Memberships & Subscriptions	500	338	400	2,000	2,000	2,000
Bad Debts	25,000	52,066	90,200	32,000	34,000	34,000
Miscellaneous Expend.	9,500	6,005	500	2,000	2,000	2,000
Non-Personnel Expend Sub-total	898,100	1,065,284	1,236,400	1,451,300	1,467,300	1,467,300
Total Expenditures	\$ 3,087,391	\$ 3,010,566	\$ 3,414,951	\$ 3,563,300	\$ 3,647,300	\$ 3,647,300
Revenues less Expenditures	\$ (184,155)	\$ (100,685)	\$ (449,173)	\$ (720,000)	\$ (745,000)	\$ (745,000)
One-time Revenues(Expenditures)						
Non-Operating Grants & Reimbursements	-	-	1,000,000	-	-	-
CalPERS Liability Payment	-	-	(938,400)	(938,400)	-	-
Increase(Decrease) to Working Capital	\$ (184,155)	\$ (100,685)	\$ (387,573)	\$ (1,658,400)	\$ (745,000)	\$ (745,000)



Oyster Point Marina

	Fiscal Year 2017/18		Fiscal Year 2018/19		Fiscal Year 2019/20	
	Revised Budget	Actual	Revised Budget	Projected	Preliminary Budget	Final Budget
Operating Revenues:						
Berth / Slip Fees	\$ 1,380,098	\$ 1,326,254	\$ 1,377,000	\$ 1,311,000	\$ 1,418,000	\$ 1,311,000
Leases and CAPs	139,000	170,517	102,000	122,000	122,000	122,000
Long-Term Lot /Launch Fees	13,588	22,489	15,622	16,000	16,000	16,000
Events	-	(750)	2,000	2,000	2,000	2,000
Grants & Reimbursements	55,000	42,501	336,700	61,700	61,700	61,700
Other Operating Revenue	33,000	31,714	25,900	30,000	30,000	30,000
Total Operating Revenues	1,620,686	1,592,725	1,859,222	1,542,700	1,649,700	1,542,700
Non-Operating Revenues:						
Misc. Rev./(Exp.)	5,000	(12,753)	-	-	-	-
Grants & Reimbursements	-	2,492	-	-	-	-
Total Non-Operating Revenues	5,000	(10,261)	-	-	-	-
Total Revenues	\$ 1,625,686	\$ 1,582,464	\$ 1,859,222	\$ 1,542,700	\$ 1,649,700	\$ 1,542,700
Operating Expenditures:						
Salaries/Wages/Benefits Expenditures						
Salaries & Wages	\$ 880,624	\$ 890,767	\$ 978,258	\$ 896,000	\$ 916,000	\$ 916,000
Benefits-Current Employees	418,571	419,935	477,369	421,000	431,000	431,000
Benefits-Retired/Former Emp	80,329	57,664	58,522	59,000	59,000	59,000
Salary/Benefits Sub-total	1,379,524	1,368,366	1,514,149	1,376,000	1,406,000	1,406,000
Non-Personnel Expenditures						
Utilities	118,000	146,842	169,800	80,000	154,000	154,000
Contract Services	177,000	193,556	191,000	180,000	203,000	203,000
Legal	27,000	68,277	113,400	90,000	72,000	72,000
Property/Liability Insurance	36,000	28,887	29,100	32,000	32,000	32,000
Repairs & Maint- Routine	86,000	60,313	105,200	75,000	80,000	80,000
Information Technology	29,000	31,927	33,300	28,000	34,000	34,000
Financial Service Fees	21,400	28,019	28,700	27,000	29,000	29,000
Operating Expenses	51,200	52,536	54,800	60,000	55,000	55,000
Travel and Training	14,000	12,691	11,700	8,000	13,000	13,000
Advertising and Promotion	5,000	3,515	8,000	6,000	4,000	4,000
Personnel Administration	14,000	1,436	1,500	1,500	2,000	2,000
Vessel Destruction	55,000	50,170	61,700	61,700	61,700	61,700
Memberships & Subscriptions	500	850	400	400	1,000	1,000
Bad Debts	25,000	27,052	11,400	25,400	28,000	28,000
Miscellaneous Expend.	2,000	7,957	16,200	4,000	8,000	8,000
Non-Personnel Expend Sub-total	661,100	714,028	836,200	679,000	776,700	776,700
Total Expenditures	\$ 2,040,624	\$ 2,082,394	\$ 2,350,349	\$ 2,055,000	\$ 2,182,700	\$ 2,182,700
Revenues less Expenditures	\$ (414,938)	\$ (499,930)	\$ (491,127)	\$ (512,300)	\$ (533,000)	\$ (640,000)
One-time Revenues(Expenditures)						
CalPERS Liability Payment	-	-	(694,600)	(694,600)	-	-
Increase(Decrease) to Working Capital	\$ (414,938)	\$ (499,930)	\$ (1,185,727)	\$ (1,206,900)	\$ (533,000)	\$ (640,000)



SECTION TWO- FIVE-YEAR CAPITAL IMPROVEMENT PROGRAM

DRAFT



Five-Year Forecasts

Capital Improvement Program Summary

COST ESTIMATES	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24
Pillar Point Harbor	\$ 1,469,300	\$ 7,989,000	\$ 17,350,000	\$ 3,200,000	\$ 3,250,000	\$ 3,916,000
Oyster Point Marina	88,285	37,800	315,000	3,700,000	2,600,000	200,000
Administration	1,300,000	480,000	2,460,000	-	-	-
TOTAL	\$ 2,857,585	\$ 8,506,800	\$ 20,125,000	\$ 6,900,000	\$ 5,850,000	\$ 4,116,000
FUNDING SOURCES	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24
FEMA Funding	\$ 59,500	\$ 427,000	\$ -	\$ -	\$ -	\$ -
DBW Grant	-	800,000	-	-	-	450,000
OPC Grant	75,000	-	-	-	-	-
Grants (TBD)	-	-	7,000,000	-	-	-
Working Capital	2,723,085	7,279,800	13,125,000	4,611,681	2,783,492	3,005,562
Funding (TBD)	-	-	-	2,288,319	3,066,508	660,438
TOTAL	\$ 2,857,585	\$ 8,506,800	\$ 20,125,000	\$ 6,900,000	\$ 5,850,000	\$ 4,116,000

Working Capital

SOURCES (USES)	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24
Working Capital- Beginning Balance	\$ 18,434,636	\$ 14,250,403	\$ 11,048,051	\$ 1,894,831	\$ 1,258,081	\$ 1,287,954
Operating Revenue	4,382,000	4,441,000	4,574,000	4,711,220	4,852,557	4,998,133
Non-Operating Revenue	7,444,000	7,564,000	7,715,280	7,869,586	8,026,977	8,187,517
Salaries/Wages & Benefits	(4,952,000)	(5,270,000)	(5,533,500)	(5,810,175)	(6,100,684)	(6,405,718)
Non-Personnel Expenditures	(3,112,700)	(3,080,000)	(3,234,000)	(3,395,700)	(3,565,485)	(3,743,759)
One-Time/Biennial	(3,150,000)	-	(600,000)	-	(400,000)	-
Annual Increase in Working Capital	611,300	3,655,000	2,921,780	3,374,931	2,813,365	3,036,173
Working Capital used for CIP	(2,723,085)	(7,279,800)	(13,125,000)	(4,611,681)	(2,783,492)	(3,005,562)
Encumbrances	(2,072,448)	(1,650,000)	(600,000)	-	-	-
Encumbrances Released	-	2,072,448	1,650,000	600,000	-	-
TOTAL ENDING WORKING CAPITAL	\$ 14,250,403	\$ 11,048,051	\$ 1,894,831	\$ 1,258,081	\$ 1,287,954	\$ 1,318,565

Beginning in FY 2021/22, the total ending Working Capital Balances equals 10% of the projected annual revenues. This amount is to be held in reserves as required by the District's Reserve Policy 4.4.3. These reserves constitute the District's contingency and emergency reserves.

The five-year Working Capital projection assumes annual increases as follows: 1) Operating Revenues 3%, 2) Non-Operating Revenues 2%, 3) Salary/Wages & Benefits 5%, and 4) Non-Personnel Expenditures 5%.

The amount shown for One-time/biennial in FY 2018/19 includes \$2,300,000 for paying down the CalPERS unfunded long-term retirement liability and \$850,000 in election costs. The FY 2020/21 and FY 2022/23 include estimates of the biennial election costs. This cost is expected to be less in future years due to the District moving towards districted elections.

Encumbrances is a reserve of funds set aside for a particular contract. See page 35 for details.



Five-Year CIP Detail

PILLAR POINT HARBOR		FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24
Johnson Pier Terminus Repairs							
Design/Engineering		\$ 10,000	\$ 32,000				
Construction			500,000				
Johnson Pier Terminus/Fuel Dock /H Dock							
Design/Engineering		170,000	1,280,000				
Construction				14,000,000			
Grant (TBD)				(7,000,000)			
Johnson Pier G Dock							
Design/Engineering				200,000			
Construction					3,000,000		
Johnson Pier F Dock							
Design/Engineering					200,000		
Construction						3,000,000	
Johnson Pier E Dock							
Design/Engineering						200,000	
Construction							3,000,000
Fishing Pier							
Design/Engineering		50,000					
Construction			1,000,000				
West Trail							
Design/Engineering		76,000	618,000				
Construction			750,000	750,000			
Launch Ramp Dredging							
Permitting/Bid Docs		59,500	27,000				
Dredging			400,000				
FEMA Funding		(59,500)	(427,000)				
Harbormaster Bldg.							
CDP/Bid Docs		50,000					
Construction			300,000				
Parking Lot B, C2, C3							
Design/Engineering			50,000				
Construction				400,000			
Launch Ramp Impr./Restroom/Boat Wash							
Design/Engineering			200,000				
Construction				1,500,000			
Surfers Beach Restoration							
Design/Engineering		104,000	107,000				
Construction			1,500,000	500,000			
OPC Grant Funding		(75,000)					
DBW Grant Funding			(800,000)				
Vehicles/Vessels							
Trucks						50,000	
All-Terrain Vehicle			25,000				
Rescue Vessel							900,000
DBW Grant Funding							(450,000)
Golf Carts (2)							16,000
Two PWCs (purchased)		27,500					
Completed Projects							
Lessee Sidewalk		448,000					
Romeo Pier Demo		460,500					
Transformers A-C		13,800					



Five-Year CIP (continued)

PILLAR POINT HARBOR (cont)		FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24
Habitat Restoration			\$ 400,000				
EV Parking Places			200,000				
RV Restroom Project			400,000				
Coastal Trail Improvements			200,000				
TOTAL PILLAR POINT HARBOR		\$ 1,334,800	\$ 6,762,000	\$ 10,350,000	\$ 3,200,000	\$ 3,250,000	\$ 3,466,000
OYSTER POINT MARINA		FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24
Dock 12							
Design/Engineering				\$ 200,000			
Construction					1,400,000	600,000	
Dock 13							
Design/Engineering					200,000		
Construction						2,000,000	
Dock 14							
Design/Engineering							200,000
Construction							
Evaluation of Dock 16 in Accordance with MOU							
					100,000		
40k sq. ft. Parcel Building							
Design/Engineering				100,000			
Construction					2,000,000		
Vehicles/Vessels							
Repower Challenger	4,200	37,800					
Electric Golf/Dump Cart			15,000				
Completed Projects							
Bait Shop Building	26,983						
Transformers Dock 1-6	57,102						
TOTAL OYSTER POINT MARINA	\$ 88,285	\$ 37,800	\$ 315,000	\$ 3,700,000	\$ 2,600,000	\$ 200,000	
ADMINISTRATION		FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24
Admin Office/Land Purchase		\$ 1,300,000					
Design/Engineering			80,000				
Construction				2,000,000			
Enterprise Resource Planning System							
Consulting Services			400,000	400,000			
Software Price				60,000			
TOTAL ADMINISTRATION	\$ 1,300,000	\$ 480,000	\$ 2,460,000	\$ -	\$ -	\$ -	
SUMMARY		FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24
Pillar Point Harbor		\$ 1,334,800	\$ 6,762,000	\$ 10,350,000	\$ 3,200,000	\$ 3,250,000	\$ 3,466,000
Oyster Point Marina		88,285	37,800	315,000	3,700,000	2,600,000	200,000
Administration		1,300,000	480,000	2,460,000	-	-	-
TOTAL		\$ 2,723,085	\$ 7,279,800	\$ 13,125,000	\$ 6,900,000	\$ 5,850,000	\$ 3,666,000

The above summary information presents total estimated costs (uses) net of grants/funding (sources).



2019/20 CIP- Oyster Point Marina



Challenger Repowered

The Challenger was purchased in 2004 and requires the replacement of the two fifteen year old outboard engines.

Purchase & Installation \$37,800
Working Capital \$(37,800)

2019/20 CIP- Pillar Point Harbor



Surfers Beach

District Consultant is working closely with staff and other agencies to move this project forward. A DBW grant was approved by the Board on 5/23/18 to partially fund this project. Technical Specifications and permitting is in progress.

Design/Engineering \$107,000
Construction \$1,500,000
DBW Grant \$(800,000)
Working Capital \$(807,000)



Fishing Pier Repair

The PPH Fishing Pier has suffered substantial erosion in places along its breakwater foundation support. Rip rap must be replaced before structural damage occurs. The decking and safety hand railings around the circumference of the pier will also be repaired and/or replaced to become ADA compliant.

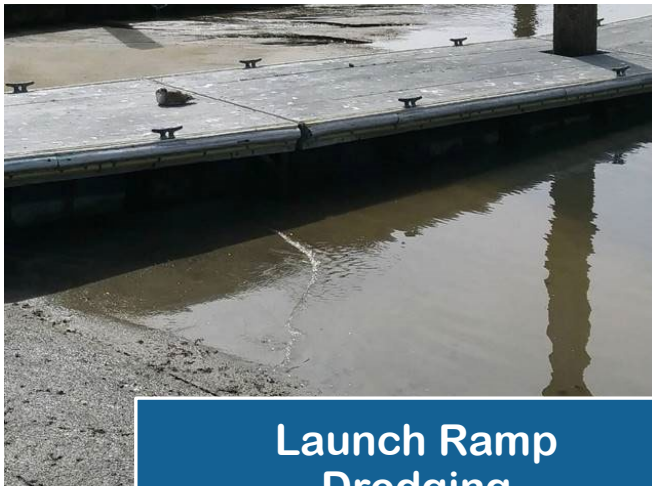
Construction \$1,000,000
Working Capital \$(1,000,000)



**Launch Ramp Restroom/
Boat Wash/ Ramp
Improvements**

The restrooms at the PPH launch ramp improvements are over 20 years old and are in poor condition. The restroom building is of modular construction and due to its poor condition, it is most cost effective to replace the entire building. A Consultant is working on design, engineering and permitting for the replacement.

Design/Engineering \$200,000
Working Capital (\$200,000)



**Launch Ramp
Dredging**

This project was initiated in 2016 and approved for Disaster Relief Funding by FEMA/CalOES. The FAA approved a staging site within the airport boundary. Bid documents are being evaluated.

Permitting/Bid Docs \$27,000
Dredging \$400,000
FEMA/CalOES \$(427,000)



**Harbormaster
Building**

This project was approved by the Board at a Dec 2017 meeting. Preliminary construction drawings are expected to be completed and an Invitation to Bid will be released. A CCC/CDP waiver has been approved.

Construction \$300,000
Working Capital \$(300,000)



West Trail Erosion Protection

The PPH West Trail and adjacent bluffs have sustained substantial erosion. The District is investigating beach nourishment alternatives with an emphasis on Living Shoreline options. District Consultant is working with Program Manager on Coastal Conservancy grant funding.

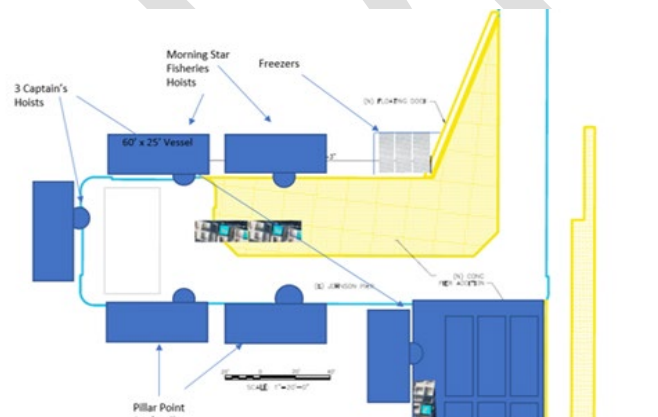
Design/Engineering	\$618,000
Construction	\$750,000
Working Capital	\$(1,368,000)



Parking Lots B, C2, C3

Slurry & stripe parking Lots B, C2 & C3. Polices for RV use in parking lot is expected to be vetted before this project will be started.

Design/Engineering	\$50,000
Working Capital	\$(50,000)



Johnson Pier Terminus & Fuel Dock Replacement

Design/Engineering consultant has been hired to work on the Johnson Pier Terminus, Fuel Dock Replacement and H-Dock Replacement. The projects have been combined so that programmatic permitting is cost efficient. Consultant will also assist in developing grant opportunities.

Design/Engineering	\$1,280,000
Working Capital	\$(1,280,000)



CIP Appropriations & Estimated Encumbrance Re-appropriations

Capital Improvement Projects typically take longer than a fiscal period to complete. The Harbor Commission approves capital project contracts for design/engineering services and construction throughout the fiscal year. Finance staff sets aside District resources to fund the contract by entering an encumbrance (purchase order) into the accounting system. At the end of a fiscal year there are open contracts for projects that have not been completed. The last column of the following list represents the **estimated** outstanding balance \$(2,072,448) of each of the projects listed. Upon adoption of the Final Capital Improvement Program, **the Harbor Commission approves the re-appropriation of the actual encumbrance amount outstanding.**

For example, the design/engineering phase of the Johnson Pier Pile Repairs may be completed by June 30, 2019 and the actual open amount may be \$0 instead of \$32,000. The Harbor Commission's approval for re-appropriation of encumbrances for this project in FY 2019/20 would be \$0.

In addition, **with the adoption of the CIP, the Harbor Commission approves appropriations of \$200,000.** The appropriations will be used at the discretion of the General Manager for the repowering of the Harbor Patrol Boat at OPM, the purchase of an all-terrain vehicle at PPH, and any contracts that meet the definition of a Capital Asset and are within the General Manager's purchasing authority of \$25,000.

All other CIP appropriations will be approved when the Harbor Commission approves a CIP contract.

Estimated Encumbrances to be Re-appropriated

Project	Approval Date(s)	Contractor	Original Contract	Change Orders	Total Contract	Estimated Spending thru 6/30/19	Estimated Encumbrance Re-appropriation
West Trail Erosion Protection	04/04/16 11/01/17 04/17/19	GHD, Inc	\$184,086	\$249,722 \$618,145	\$1,051,953	\$433,713	\$618,240
Surfers Beach Replenishment	11/16/17 04/17/19	Damitz	\$50,000	\$56,000	\$106,000	\$66,000	\$40,000
Surfers Beach Replenishment	09/19/18	Environmental Science	\$105,000	-	\$105,000	\$38,000	\$67,000
Surfers Beach Replenishment	04/11/19	Kinetic Labs	\$15,080		\$15,080	\$7,080	\$8,000
Johnson Pier Pile Repairs	03/20/19	Moffatt & Nichol	\$42,300	-	\$42,300	\$10,300	\$32,000
PPH RV Park Restroom	04/11/19	Matthews Architects	\$13,000	-	\$13,000	\$13,000	-
PPH Office Remodel	12/20/17	Matthews Architects	\$34,100	-	\$34,100	\$34,100	-
Johnson Pier & H-Dock Replacement	03/15/17 03/20/19	Moffatt & Nichol	\$143,700	\$1,318,000	\$1,461,700	\$181,492	\$1,280,208
Launch Ramp Dredge	01/18/17	Moffatt & Nichol	\$24,900	-	\$24,900	\$24,900	-
Launch Ramp Dredge	01/18/17 04/17/19	Damitz	\$13,993	\$47,700	\$61,693	\$34,693	\$27,000
Fishing Pier Rehab	10/18/17	Moffatt & Nichol	\$82,600	-	\$82,600	\$82,600	-
TOTAL ESTIMATED RE-APPROPRIATION							\$2,072,448



SECTION THREE- POLICIES & DEFINITIONS

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District Policies and Guidelines

Reserve Policy

The District's reserve policy establishes a minimum level at which the District's reserve balance is to be maintained. The District believes that sound financial management principles include anticipating and preparing for future funding requirements as well as unforeseen and unexpected emergencies, disasters, and/or other events. The limits defined in the District's Reserve Policy is intended to "maintain a prudent level of financial resources to protect against reducing service levels or raising fees because of the temporary revenue shortfalls or unpredicted one-time expenditures" (recommended Practice 4.1 of the National Advisory Council on State and Local Budgeting). In addition, this policy is intended to document the appropriate Reserve level to protect the District's credit worthiness.

The term "Reserve" in this instance refers only to the portion of Working Capital that is intended to provide stability and respond to unplanned events or opportunities. The term "Working Capital" is an accounting term defined as current assets less current liabilities in Enterprise funds.

The District will maintain a minimum "unassigned reserves" of 10% of annual revenue projections or \$1,200,500 for 2019/20 Budget Year per Reserve Policy 4.4.3.

Investment Policy

The District's Investment Policy is in compliance with California Government Code 53600. When investing, reinvesting, purchasing, acquiring, exchanging, selling and managing public funds, the primary objectives of the investment activities, in priority order, shall be:

- **Safety:** Safety of principal is the foremost objective of the investment program. Investments of the District shall be undertaken in a manner that seeks to ensure the preservation of the capital in the overall portfolio. To attain this objective, diversification is required so that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.
- **Liquidity:** The investment portfolio will remain sufficiently liquid to enable the District to meet all the operating requirements, which might be reasonably anticipated.
- **Return on Investments:** The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and the cash flow characteristics of the portfolio.



Debt Management Policy, Capacity, and Issuance

The District will be fiscally prudent and in compliance with state and federal law. California Harbors and Navigation Code Section 6077 prescribes that the bonded indebtedness of the District not exceed 15% of the assessed value of property within the District. To issue bonds that require additional property tax assessments, the bond proposition must pass with two-thirds of the voting electors approving such proposition. Since the District's boundaries are the same as the San Mateo County's boundaries, the District uses the County's gross assessed value of property for July 1, 2018 through June 30, 2019, of about \$211.2 billion (per County's Tax Rate Book), making the debt limit approximately \$31.7 billion.

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Definitions & Abbreviations

Accrual Accounting: A method of accounting that recognizes expenses when incurred and revenues when earned, rather than when payment is made or received.

Adopted Budget: The budget that is approved and enacted by the Harbor Commission on or before June 30th.

Appropriation: The allocation of funding for Salaries/Wages & Benefits expenditures, Non-Personnel expenditures, and for Capital Project expenditures. A budgetary term used for Harbor Commission approved expenditures.

Balanced Budget: A balanced budget exists when total projected revenues are equal to, or greater than, total projected operating expenditures.

California Coastal Commission (CCC): California State agency with regulatory oversight over land use and public access in the California coastal zone.

California Coastal Development Permit (CDP): A development permit issued by the CCC in the coastal zone.

California Division of Boating and Waterways (DBW): A division of the State of California Parks Department which provides funding for Harbor and Marina activities.

California Office of Emergency Services (CalOES): California Governor's Office agency that oversees and coordinates emergency preparedness, response, recovery, and homeland security activities within the state.

California Public Employees' Retirement System (CalPERS): The nation's largest public pension fund that delivers retirement and health care benefits to the District employees, retirees, and their beneficiaries.

Capital Asset: Assets such as land, structures, improvements, furniture and/or equipment, vehicles, vessels that are expected to last and/or be used for more than one year. The District defines capital assets as a value of \$10,000 or more and a useful life of 5 years or more.

Capital Improvement Program (CIP): The District's plan for current and future projects related to the acquisition, expansion, or rehabilitation of land, buildings, equipment, and other public infrastructure.

Depreciation: Depreciation Expense is recorded in the District's Audited Financial Reports on an annual basis. This amount represents an allocation of an asset's original cost over the life of the asset. Accumulated depreciation is the accumulation of annual expense of an asset from the time asset was acquired up to a single point in the asset's useful life.

Federal Aviation Administration (FAA): A federal government agency that regulates all aspects of civil aviation in the nation.

Federal Emergency Management Agency (FEMA): A part of the U.S. Department of Homeland Security that provides funding to help people before, during, and after disasters.

Generally Accepted Accounting Principles (GAAP): GAAP is a combination of authoritative standards (set by policy boards) and the commonly accepted ways of recording and reporting accounting information. GAAP improves the clarity of the communication of financial information.

Governmental Fund: Funds generally used to account for tax-supported activities. The District records property tax revenue in the Enterprise Fund.



Encumbrances: Commitments related to unfilled contracts for goods and services including purchase orders.

Encumbrance Accounting: Purpose is to prevent further expenditure of funds in light of commitments already made.

Enterprise Funds: Funds to account for services that are provided to the public on a user charge basis, similar to the operation of a commercial business. The District accounts for financial transactions in an Enterprise Fund. Focuses on long-term economic resources.

Expenditures: Term used for money going out from a governmental entity to pay for the services or functions and facilities that the entity provides to the public. It is used for modified accrual accounting while the term Expense is used for full accrual accounting.

Fiscal Year (FY): A 12-month period of time to which the annual budget applies. The District's fiscal year begins on July 1st and ends on June 30th.

Memorandum of Understanding (MOU): Generally used to describe a written agreement between two government entities or between a government entity and an employee union.

Net Pension Liability (NPL): The amount by which the total pension liability exceeds the pension plan's net assets.

Net Position: The residual of all other financial statement elements presented in a statement of financial position.

Operating Budget: Focuses on one fiscal year and on-going activities of the District.

Oyster Point Marina (OPM): A recreational marina, public beach, and bayside park located in the City of South San Francisco. The District operates OPM under a Memorandum of Understanding with South San Francisco, which owns the facility.

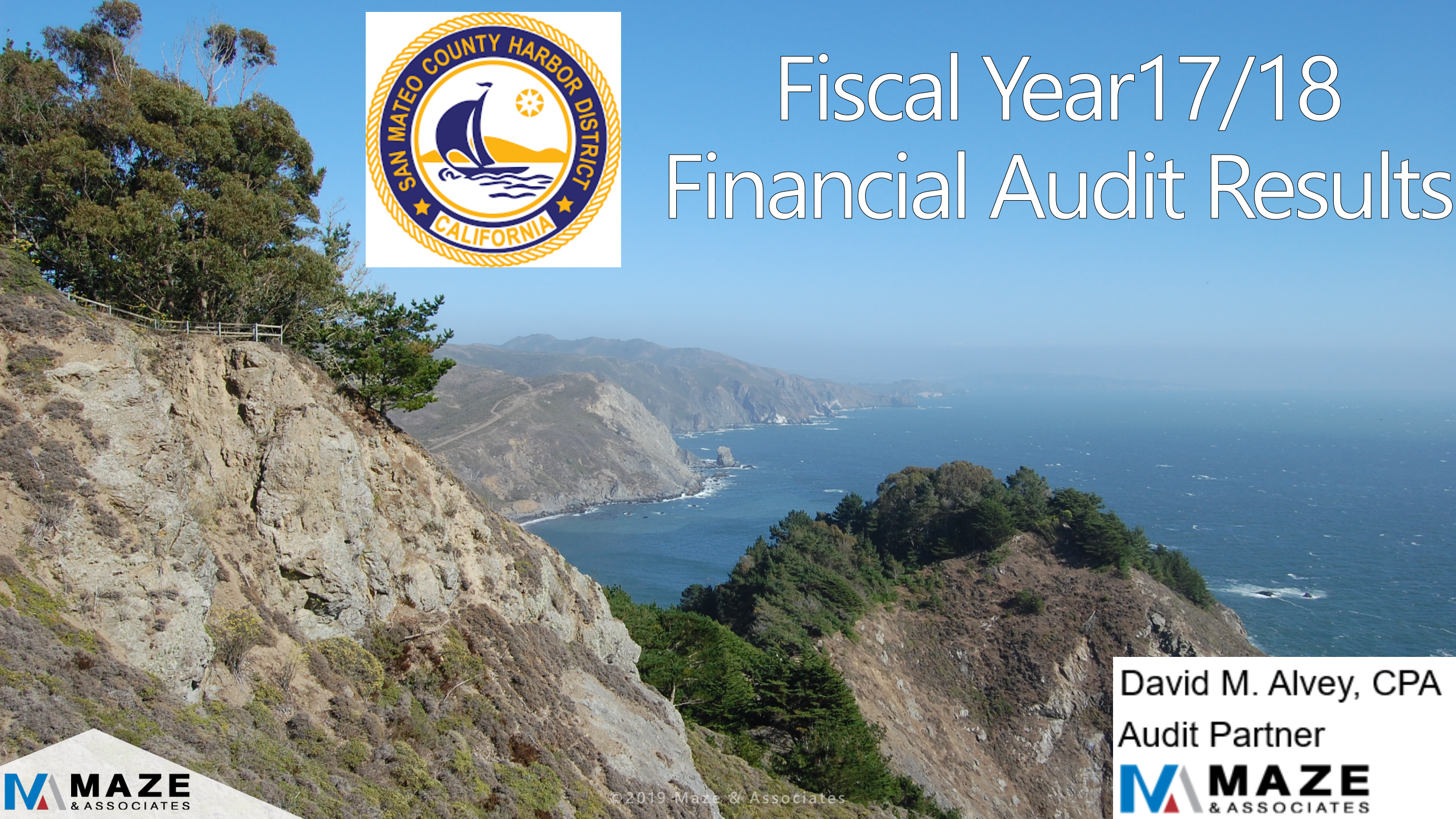
Pillar Point Harbor (PPH): A commercial fishing harbor that also supports sport fishing and recreational boating located in and adjacent to the Pacific Ocean. PPH is owned and operated by the District.

Special District Leadership Foundation (SDLF): A California 501 (c) (3) organization formed to promote and recognize excellence in the governance and management of special districts.

Working Capital: Working Capital is an Enterprise Fund's functional equivalent of unrestricted fund balance in a Governmental Fund. Working Capital is calculated as Current Assets minus Current Liabilities equals Working Capital.



Fiscal Year 17/18 Financial Audit Results



David M. Alvey, CPA
Audit Partner



Overall Audit Strategy

- Risk Based Audit Approach
- Audit Scope
- Interim Phase vs Final Phase
- Management Representation



Fiscal Year 17/18 Financial Audit Results

- Independent auditor – Maze and Associates
- Unmodified (“clean”) audit opinion
 - Change in accounting principal – GASB 75
- District continues to maintain a strong financial position
- Memorandum on Internal Controls

Fiscal Year 17/18 Financial Audit Results

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners of the
San Mateo County Harbor District
El Granada, California

Report on the Financial Statements

We have audited the accompanying financial statements of the San Mateo County Harbor District (District), as of and for the years ended June 30, 2018 and June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Fiscal Year 17/18 Financial Audit Results

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Fiscal Year 17/18 Financial Audit Results

Opinion

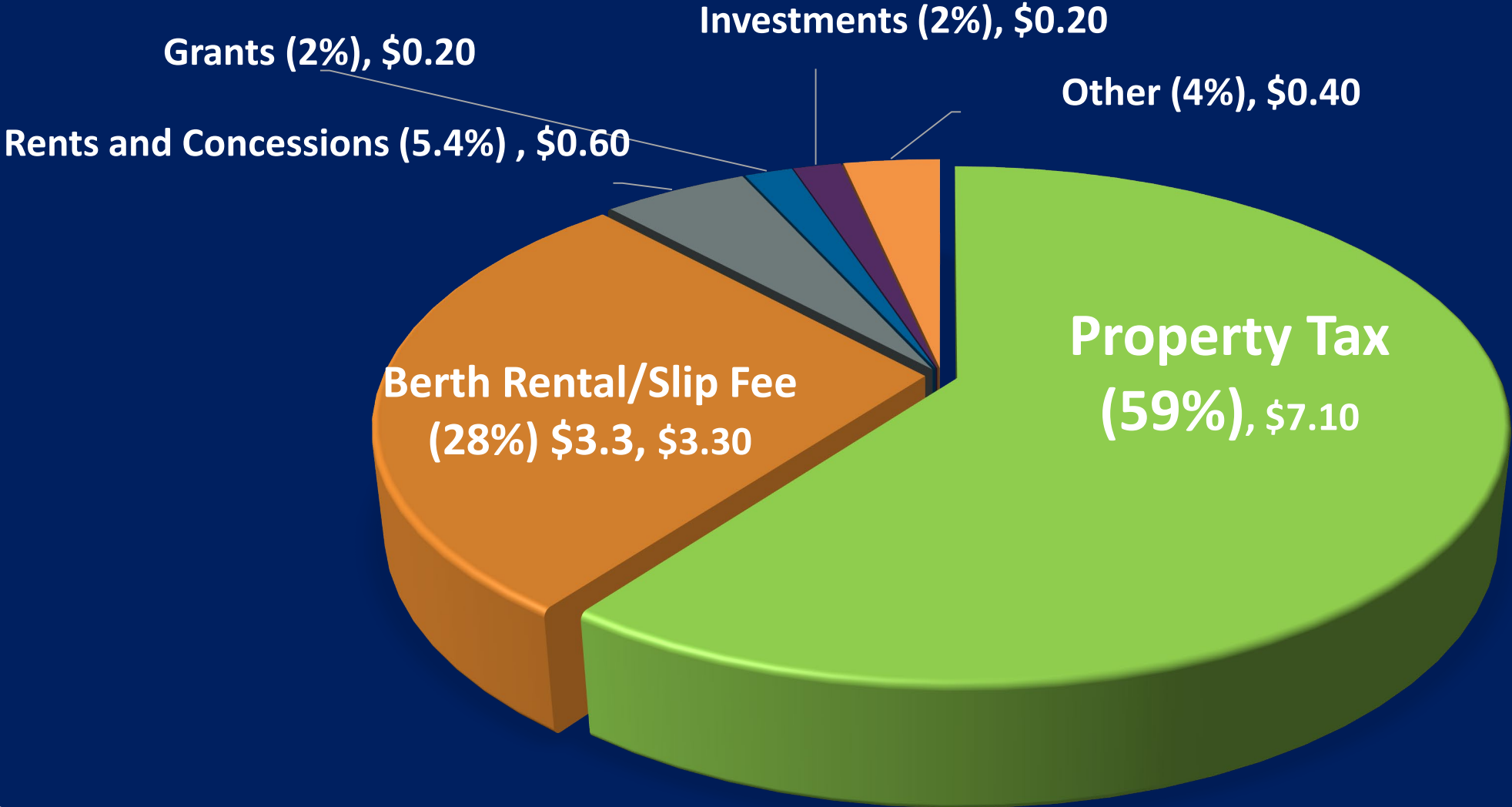
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the of the District as of June 30, 2018 and 2017, and the changes in financial positions and its cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principles

Management adopted the provisions of the following Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, which became effective during the year ended June 30, 2018 and required a prior period adjustment to the financial statements and required the restatement of net position as discussed in Note 1L and Note 8.

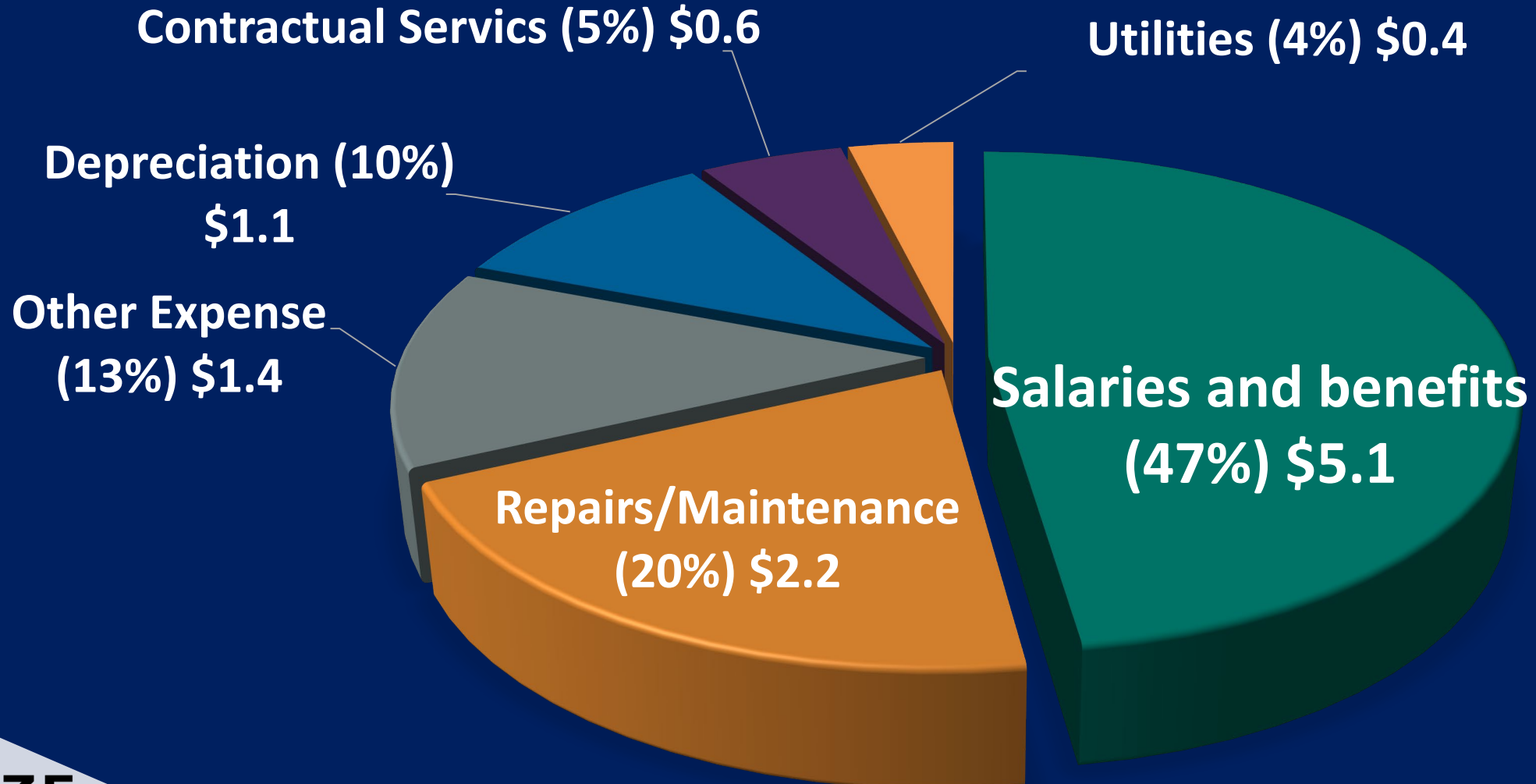
FY 2017/18 Sources of Revenue

TOTAL REVENUE \$11.8 MILLION



FY 2017/18 Expenses by Major Category

TOTAL EXPENSES \$10.8 MILLION



Other Significant Items

- Net Pension Liability of \$5 million under GASB 68 (4th year)
 - Increase \$515 thousand over prior year
- Net OPEB Liability of \$2.5 million under GASB 75 (new)
 - Decrease of \$1.1 million under the old reporting
 - Required a restatement
- Net Position increased \$2.1 million (\$1.1 due to restatement)

Memorandum on Internal Controls

- Communication with the Board of Commissioners
- Areas to report
 - Material Weakness
 - Significant Deficiencies
 - Other Matters
- Other Required Communication

Questions?



“We are in the business to help our clients succeed”

SAN MATEO COUNTY HARBOR DISTRICT
BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

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**SAN MATEO COUNTY HARBOR DISTRICT
 BASIC FINANCIAL STATEMENTS
 For the Years Ended June 30, 2018 and 2017**

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**BOARD OF COMMISSIONERS
FY 2017-18**

Virginia Chang-Kiraly - President

Robert Bernardo - Vice President

Tom Mattusch - Treasurer

Edmundo Larenas - Secretary

Sabrina Brennan - Commissioner

**MANAGEMENT
FY 2017-18**

Steve McGrath - General Manager

Prepared by the
Finance Department

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners of the
San Mateo County Harbor District
El Granada, California

Report on the Financial Statements

We have audited the accompanying financial statements of the San Mateo County Harbor District (District), as of and for the years ended June 30, 2018 and June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the of the District as of June 30, 2018 and 2017, and the changes in financial positions and its cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principles

Management adopted the provisions of the following Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, which became effective during the year ended June 30, 2018 and required a prior period adjustment to the financial statements and required the restatement of net position as discussed in Note 1L and Note 8.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and other required supplementary information as listed in the Table of Contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Introductory Section and Supplemental Information Section listed in the Table of Contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Supplemental Information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplemental Information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 29, 2019, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Maze + Associates

Pleasant Hill, California
April 29, 2019

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Management's Discussion and Analysis

This section of San Mateo County Harbor District's annual financial report presents our discussion and analysis of the District's financial during the fiscal year that ended on June 30, 2018. Please read it in conjunction with the District's basic financial statements (pages 16 - 18) and the footnotes (pages 19 - 36).

Financial Highlights

- The District's net position was \$39,986,759 at June 30, 2018. This was an increase of \$2,144,741 for the year. \$1,137,507 of this increase was related to a prior period adjustment that was made to implement Government Accounting Standards Board (GASB) Statement 75, a new accounting standard that became effective this year.
- The District's operating revenues decreased by \$40,666, or 0.9%. Operating revenues accounted for 36% of all revenues.
- The District's operating expenses increased by \$1,878,598, or 21.3%, mainly due to increased repairs and maintenance cost at Pillar Point Harbor to demolish Romeo Pier.
- General Revenues from taxes, interest, and investments accounted for \$7,244,644 in revenues, or 62% of all revenues. Revenues in the form of grants and other non-operating revenue total \$180,024, or 2% of all revenues.
- Aggregate net pension liabilities are \$5,012,108 and net Other Post Employment Benefit (OPEB) liabilities are \$2,532,946.

Overview of the Financial Statements

This annual report consists of three parts- Management's Discussion and Analysis (this section), the basic financial statements including notes to the basic financial statements, and required supplementary information. The basic financial statements include Proprietary (Enterprise) fund statements which offer short- and long- term financial information about the activities that the District operates like a business.

The basic financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The basic financial statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements.

The basic financial statements consist of three statements:

- The Statement of Net Position presents information on all the District's assets and liabilities, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.
- The Statement of Revenues, Expenses, and Changes in Net Position presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Certain revenues and expenses are reported in this statement that may result in cash flows in future periods.
- The Statement of Cash Flows presents information to show how the District's cash changed throughout the fiscal year. It shows the sources and uses of cash.

The accounting basis and measurement focus for Proprietary Funds is accrual accounting and economic resources focused. All assets and liabilities, both financial and capital, and short- and long-term are included in the statements. All revenues and expenses are recorded regardless of when cash is received or paid.

Since the District is reported in one fund, an Enterprise Fund which is one of the Proprietary Fund types, only one set of financial statements is necessary.

Financial Analysis of the District's Overall Financial Position and Results of Operations

The District's financial statements provide detailed information about the District's one fund:

Our analysis below focuses on the net position and the changes in net position of the District's activities in fiscal year ended June 30, 2018 as compared to fiscal year ended June 30, 2017.

Comparative Statement of Net Position (condensed) As of June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
Assets and Deferred Outflows of Resources:				
Current assets	\$ 21,696,568	\$ 17,775,391	\$ 3,921,177	22.1%
Non-current assets	30,911,023	31,191,191	(280,168)	(0.9)%
Deferred Outflows of Resources	<u>1,628,502</u>	<u>1,632,913</u>	<u>(4,411)</u>	<u>(0.3)%</u>
Total assets and deferred outflows of resources	<u>54,236,093</u>	<u>50,599,495</u>	<u>3,636,598</u>	<u>7.2%</u>
Liabilities and Deferred Inflows of Resources:				
Current liabilities	3,261,932	1,080,329	2,181,603	201.9%
Non-current liabilities	10,802,766	11,453,756	(650,990)	(5.7)%
Deferred Inflows of Resources	<u>184,636</u>	<u>223,392</u>	<u>(38,756)</u>	<u>(17.3)%</u>
Total liabilities and deferred inflows of resources	<u>14,249,334</u>	<u>12,757,477</u>	<u>1,491,857</u>	<u>11.7%</u>
Net position:				
Net investment in capital assets Restricted/Unrestricted net position:	30,911,023	31,191,191	(280,168)	(0.9)%
Unrestricted	<u>9,075,736</u>	<u>6,650,827</u>	<u>2,424,909</u>	<u>36.5%</u>
Total net position	<u>\$ 39,986,759</u>	<u>\$ 37,842,018</u>	<u>\$ 2,144,741</u>	<u>5.7%</u>

The above table is a condensed schedule of the District's Statement of Net Position (page 16). Additionally, the above table shows variance information to illustrate what items changed year over year.

Net position increased \$2,144,741, or 5.7%. This increase is primarily due to an increase in cash and investment balances increasing by \$3,730,771 offset by an increase in current liabilities of \$2,181,603. The current liability increase was primarily due to outstanding accounts payable balances for the demolition of Romeo Pier at Pillar Point Harbor at fiscal year ended June 30, 2018.

Comparative Statement of Revenues, Expenses, and Changes in Net Position (condensed)
For the years ended June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
Operating revenues	\$ 4,263,755	\$ 4,304,421	\$ (40,666)	(0.9)%
Non-operating revenues	7,528,336	6,696,814	831,522	12.4%
Total Revenues	11,792,091	11,001,235	790,856	7.2%
Operating expenses	10,681,189	8,802,591	1,878,598	21.3%
Non-operating expenses	103,668	(77,057)	180,725	(234.5)%
Total Expenses	10,784,857	8,725,534	2,059,323	23.6%
Net income before contributions	1,007,234	2,275,701	(1,268,467)	(55.7)%
Capital Contributions	-	-	-	-
Increase (decrease) in net position	1,007,234	2,275,701	(1,268,467)	(55.7)%
Net position:				
Beginning of fiscal year	37,842,018	35,566,317	2,275,701	6.4%
Prior period adjustment	1,137,507	-	1,137,507	
Beginning of fiscal year, restated	38,979,525	35,566,317	3,413,208	9.6%
End of fiscal year	<u>\$ 39,986,759</u>	<u>\$ 37,842,018</u>	<u>\$ 2,144,741</u>	<u>5.7%</u>

The above table is a condensed schedule of the District's Statement of Revenues, Expenses, and Changes in Net Position (page 17). This table shows the nature and source of the changes in our Net Position. Additionally, the above table shows variance information to illustrate what items changed year over year.

Operating revenues are those revenues that are generated from the primary enterprise operations of the District, such as fees collected for berth rent or to use the boat launch ramp. All other revenues are reported as non-operating revenues, such as property taxes or grant revenue received. Operating expenses are all the expenses, enterprise and non-enterprise, that are essential to the primary operations of the District, such as salaries and wages or repairs and maintenance. All other expenses are reported as non-operating expenses.

Due to GASB 75 becoming effective this year, our OPEB liability must now be determined through an actuarial valuation, which the District completed in 2018. Implementing GASB Statement 75 required us to record a prior period adjustment (gain) of \$1,137,507, which was the difference in the way we previously estimated and recorded this liability internally, versus the external actuarial valuation that was done in 2018 (see Note 1L).

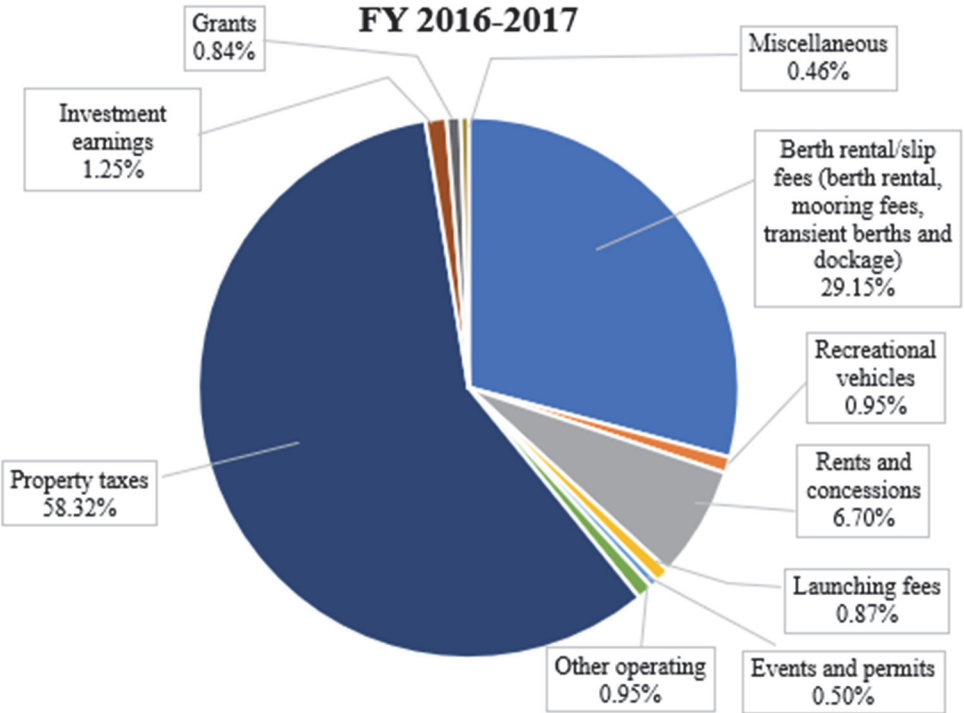
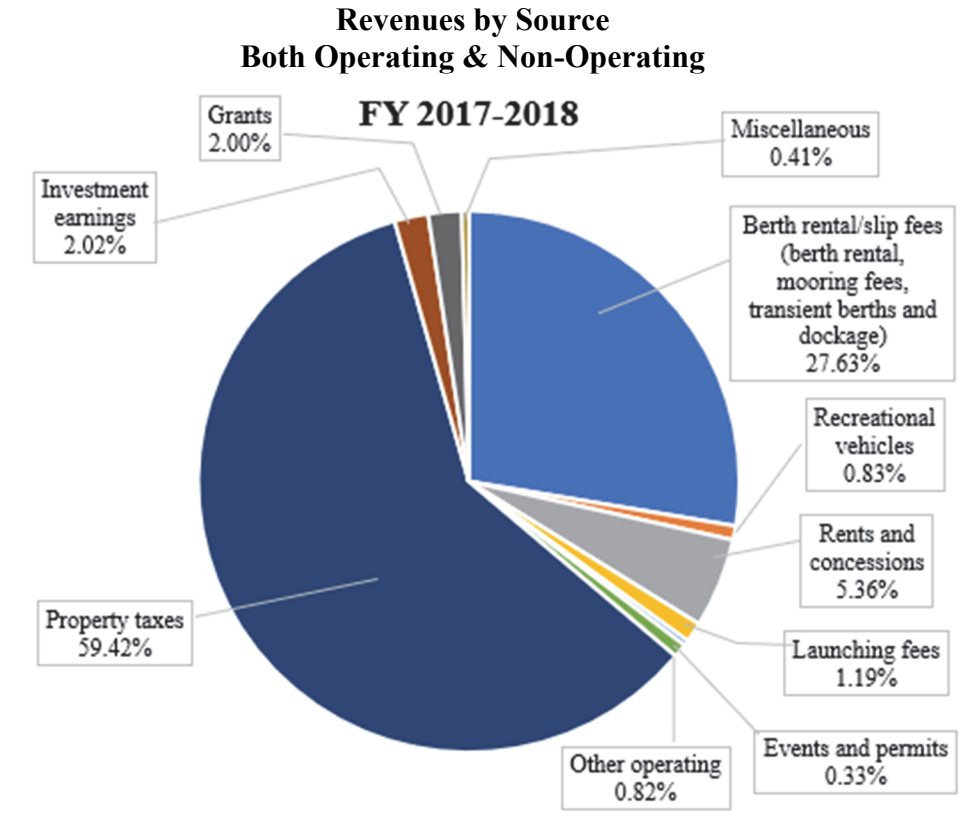
Summary of Revenues
For the Years Ended June 30, 2018 and 2017

Revenue Source	2018		2017		Increase/ (Decrease)	Percentage Increase/ (Decrease)
	Total	Percentage of Total Revenue	Total	Percentage of Total Revenue		
Berth rental/slip fees (berth rental, mooring fees, transient berths and dockage)	\$ 3,257,846	27.6%	\$ 3,206,453	29.1%	\$ 51,393	1.6%
Recreational vehicles	98,135	0.8%	104,970	1.0%	(6,835)	(6.5)%
Rents and concessions	631,890	5.4%	737,383	6.7%	(105,493)	(14.3)%
Launching fees	139,950	1.2%	96,086	0.9%	43,864	45.7%
Events and permits	39,227	0.3%	55,507	0.5%	(16,280)	(29.3)%
Other operating	96,707	0.8%	104,022	0.9%	(7,315)	(7.0)%
Property taxes	7,006,800	59.4%	6,415,569	58.3%	591,231	9.2%
Investment earnings	237,844	2.0%	137,914	1.3%	99,930	72.5%
Grants	235,701	2.0%	92,955	0.8%	142,746	153.6%
Miscellaneous	47,991	0.4%	50,376	0.5%	(2,385)	(4.7)%
Total revenues	\$ 11,792,091	100.0%	\$ 11,001,235	100.0%	\$ 790,856	7.2%

The above table is a selected list of the District's major sources of revenue; operating revenues (enterprise harbor operations) are shown as well as grant, investment, and property tax revenue. All items above are cash transactions, meaning that the District received actual monies paid in the amounts above. Miscellaneous revenue and non-cash transactions, such as gains in our OPEB liability or gain/loss on disposition of assets are not shown above. Additionally, the above table shows variance information to illustrate what items changed year over year.

Revenues from the District's harbor activities increased due to a slight increase in berth/transient rentals, and launching fees. These revenue streams make up 27.6% and 1.2% of the District's total revenues, respectively. Most other revenue streams did not change much year over year. The District saw an increase in property tax revenue from San Mateo County due to rising property values. Property taxes made up 59.4% of the District's total revenues. Investment earnings (2% of District total revenue) increased due to high cash balances that remained in our investment account throughout the year. Grant revenue (2% of District total revenue) increased this year due an increase in the District's participation in the State of California - Division of Boating and Waterways' Surrendered and Abandoned Vessel Exchange (SAVE) grant, which provides us funding to destroy derelict vessels at our harbors.

The following is a graphic illustration of District revenues by source for the current and previous fiscal years:



San Mateo County Harbor District

Summary of Expenses
For the years ended June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
Operating expenses:				
Administration	\$ 1,971,327	\$ 2,655,622	\$ (684,295)	(25.8)%
Pillar Point Harbor	5,393,957	2,979,984	\$ 2,413,973	81.0%
Oyster Point Marina	2,207,245	2,071,477	\$ 135,768	6.6%
Depreciation and amortization	1,108,660	1,095,508	\$ 13,152	1.2%
Total operating expenses	<u>\$ 10,681,189</u>	<u>\$ 8,802,591</u>	<u>\$ 1,878,598</u>	21.3%
Non-operating expenses:				
Gain (loss) on disposition of capital assets	18,563	\$ (4,240)	\$ 22,803	(537.8)%
Termination benefits	26,068	\$ (132,484)	\$ 158,552	(119.7)%
Payments to other agencies	59,037	\$ 59,667	\$ (630)	(1.1)%
Total non-operating expenses	<u>\$ 103,668</u>	<u>\$ (77,057)</u>	<u>\$ 180,725</u>	(234.5)%
Total expenses	<u><u>\$ 10,784,857</u></u>	<u><u>\$ 8,725,534</u></u>	<u><u>\$ 2,059,323</u></u>	23.6%

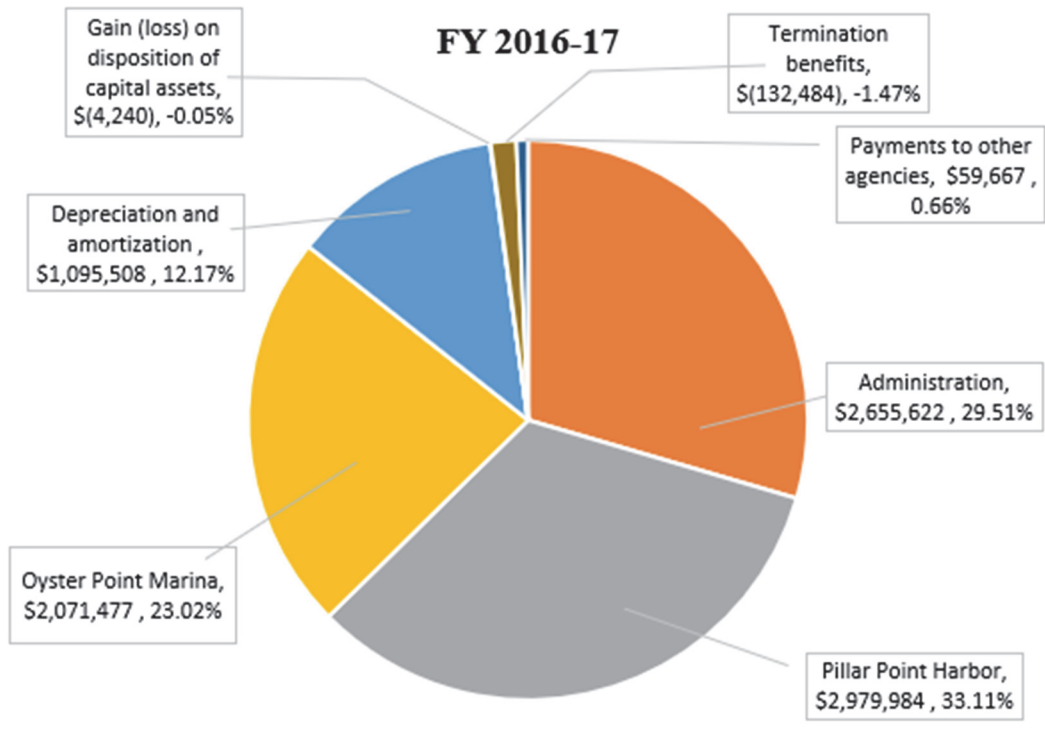
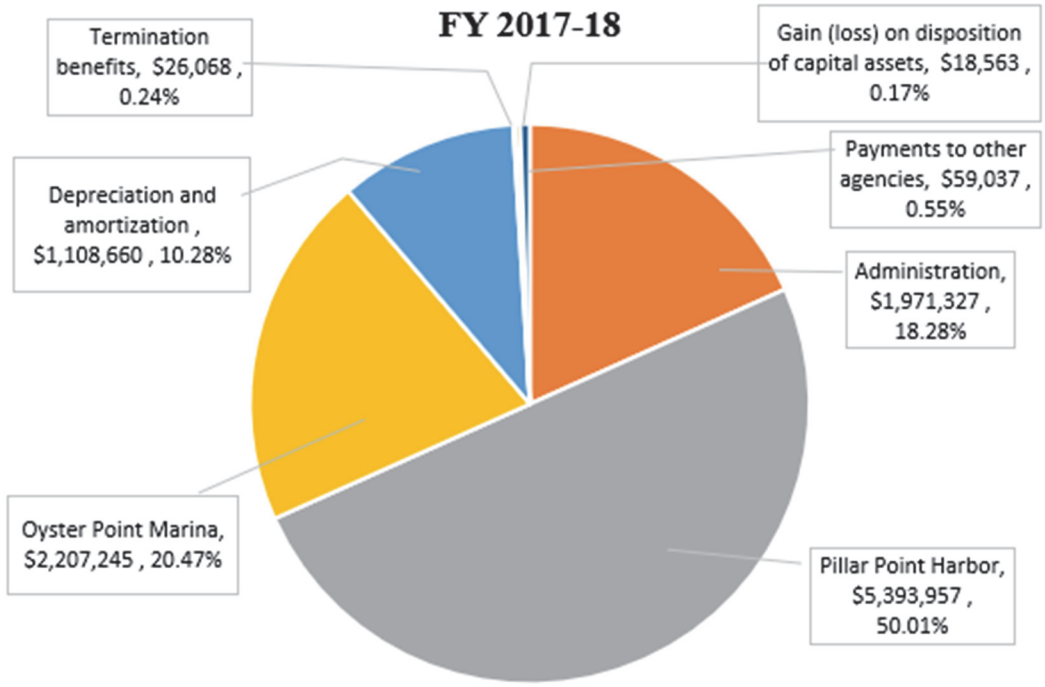
The District's operating expenses increased mainly due to repairs and maintenance costs at Pillar Point Harbor related to the destruction of Romeo Pier. The increase in non-operating expenses in fiscal year 2017/18 is primarily due to a loss on disposition of capital assets (related to the Oyster Point Development parcel conveyance which occurred in September 2017) and the implementation of GASB Statement 75, which adjusted our OPEB. An expense of \$26,068 for OPEB was recorded in the current year. See Note 8 in the Notes to the Basic Financial Statements for more information.

District-wide, legal services decreased due to attempts to reduce legal costs. Administration operating expenses decreased due to there being no election for the District in the fiscal year. Pillar Point Harbor operating expenses increased mainly due to repairs and maintenance costs related to the demolition of Romeo Pier, for which final billing was completed in September 2018. Oyster Point Marina operating expenses increased slightly in salaries and wages due to the increased cost of labor and an increase in professional services (Dornbusch Financial Analysis and a topographical survey) that were needed throughout the year.

The increase in loss on disposition of assets in the chart above is due to the disposal of a Gatehouse at Oyster Point Marina. The asset was lost in the termination of several land leases related to executing the Implementation Agreement with the City of South San Francisco in September 2017. There were no sales of capital assets in fiscal year 2017/18. The increase in termination benefit expense is due to implementing the new GASB 75 standard which required us to record a more accurate OPEB expense based off an actuarial study that was completed during the year.

The following is a graphic illustration of District expenses for the current and previous fiscal years:

Expenses Both Operating & Non-Operating



Capital Assets and Long-Term Debt Activity

The District's investment in capital assets, net of accumulated depreciation, as of June 30, 2018 was \$30,911,023. The total decrease in net capital assets from the prior year was 0.9%. This decrease was due to asset acquisitions being offset by the annual depreciation expense, and due to the loss of certain assets at Oyster Point Marina. See below for more explanation. There were no sales or significant dispositions of capital assets during the year. The table below shows the ending balances of District capital assets, as well as variance information to illustrate what changed year over year.

Comparative Schedule of Capital Assets For the years ended June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
Nondepreciable assets				
Land	\$ 13,081,020	\$ 13,081,020	\$ -	0.0%
Construction in progress	1,089,538	712,419	377,119	52.9%
Total nondepreciable assets	<u>\$ 14,170,558</u>	<u>13,793,439</u>	<u>377,119</u>	<u>2.7%</u>
Autos and trucks	195,351	94,733	100,618	106.2%
Boats and radar	864,398	537,775	326,623	60.7%
Breakwater	12,896,267	12,896,267	-	0.0%
Utilities	636,669	636,669	-	0.0%
Launch Ramps	3,957,424	3,957,424	-	0.0%
Piers	6,131,836	6,216,940	(85,104)	(1.4)%
Bulkheads	100,000	100,000	-	0.0%
Buildings and improvements	5,464,528	5,494,528	(30,000)	(0.5)%
Docks	11,271,880	11,271,880	-	0.0%
Parking lots	1,930,860	2,102,389	(171,529)	(8.2)%
Walkways/Paths	1,191,625	1,191,625	-	0.0%
Machinery and equipment	340,784	313,090	27,694	8.8%
Subtotal	<u>44,981,622</u>	<u>44,813,320</u>	<u>168,302</u>	<u>0.4%</u>
Less: Accumulated Depreciation	<u>(28,241,157)</u>	<u>(27,415,568)</u>	<u>(825,589)</u>	<u>3.0%</u>
Depreciable assets, net	<u>16,740,465</u>	<u>17,397,752</u>	<u>(657,287)</u>	<u>(3.8)%</u>
Total Capital Assets	<u>\$ 30,911,023</u>	<u>\$ 31,191,191</u>	<u>\$ (280,168)</u>	<u>(0.9)%</u>

Construction in progress increased due to various ongoing projects such as electric transformers on docks at both harbors, and the west trail shoreline protection project and Dock H replacement at projects at Pillar Point Harbor. Autos and trucks increased due to two 2017 Ford F250 Supercab's being placed into service at both harbors. Boats and radar increased due to a new 32-foot Radon boat being placed into service at Pillar Point Harbor. The decreases in Piers is due to the demolition of Romeo Pier, which was completed during the year. Buildings and improvements and Parking lots decreased due to the loss of certain assets at Oyster Point Marina which were part of a conveyance of land parcels associated with the Implementation Agreement with the City of South San Francisco.

Economic Factors and Next Year's Budgets and Rates

The District's Fiscal Year 2018/19 Operating and Capital Budget estimate Operating Revenues of \$4,815,000 and Non-Operating Revenues of \$8,336,245 for a total of \$13,151,245. This is a \$1,359,154 or 11.5% increase primarily due to \$1,000,000 in budgeted Federal Emergency Management Agency reimbursements for additional dredging costs caused by a 2017 storm and \$275,000 for expected reimbursement from the City of South San Francisco to offset the cost of the repair of a fuel system.

In the Original Budget the Expenditures, not including capital asset expenditures, are expected to be \$9,310,506. In October 2018 the District approved additional appropriations and made a one-time lump sum payment of \$2,300,000 to CalPERS in order to pay down part of the unfunded accrued liability for the District's employee pension plan.

Estimated revenues of \$13,151,245 less estimated expenditures of \$11,610,506 provide an estimated \$1,540,739 that may be used for funding of one-time costs including capital project costs

Contacting the District

This financial report is designed to provide our customers and creditors a general overview of the District's finances and to demonstrate the District's accountability for the money it receives and is allocated to it. If you have any questions concerning any of the information provided in this report or requests for additional financial information, please contact:

San Mateo County Harbor District
PO Box 1449
El Granada, CA 94018

John Moren, Interim General Manager

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BASIC FINANCIAL STATEMENTS

SAN MATEO COUNTY HARBOR DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2018 AND 2017

	2018	2017*
ASSETS		
CURRENT ASSETS		
Cash and investments (Note 2)	\$ 21,178,216	\$ 17,447,445
Accounts receivables:		
Customers	179,500	131,288
Interest	79,151	43,484
Other	2,647	55,000
Prepaid expenses and deposits	257,054	98,174
Total current assets	21,696,568	17,775,391
NON-CURRENT ASSETS		
Capital assets (Note 3):		
Land	13,081,020	13,081,020
Construction in progress	1,089,538	712,419
Depreciable assets	44,981,622	44,813,320
Less accumulated depreciation	(28,241,157)	(27,415,568)
Total non-current assets	30,911,023	31,191,191
TOTAL ASSETS	52,607,591	48,966,582
DEFERRED OUTFLOWS OF RESOURCES		
Pension related (Note 7)	1,628,502	1,632,913
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 54,236,093	\$ 50,599,495
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 2,575,824	\$ 430,464
Accrued payroll	65,948	51,452
Customer deposit	365,881	335,672
Unearned revenue (Note 4)	254,279	262,741
Total current liabilities	3,261,932	1,080,329
NON-CURRENT LIABILITIES		
Unearned revenue (Note 4)	2,994,545	3,061,091
Compensated absences	263,167	250,467
Termination benefits payable (Note 8)		3,644,385
Net OPEB Liability (Note 8)	2,532,946	
Net pension liability (Note 7)	5,012,108	4,497,813
Total non-current liabilities	10,802,766	11,453,756
TOTAL LIABILITIES	14,064,698	12,534,085
DEFERRED INFLOWS OF RESOURCES		
Pension related (Note 7)	184,636	223,392
NET POSITION (Note 5)		
Net investment in capital assets	30,911,023	31,191,191
Unrestricted	9,075,736	6,650,827
TOTAL NET POSITION	39,986,759	37,842,018
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 54,236,093	\$ 50,599,495

See accompanying notes to financial statements

* Not restated for the provisions of GASB Statement No. 75 discussed in Note 8

SAN MATEO COUNTY HARBOR DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

	2018	2017*
OPERATING REVENUES		
Berth Rental	\$ 3,257,846	\$ 3,206,453
Launching fees	139,950	96,086
Recreational vehicles	98,135	104,970
Rents and concessions	631,890	737,383
Events and permits	39,227	55,507
Other operating revenues	96,707	104,022
Total operating revenues	4,263,755	4,304,421
OPERATING EXPENSES		
Administration	1,971,327	2,655,622
Pillar Point Harbor	5,393,957	2,979,984
Oyster Point Marina	2,207,245	2,071,477
Depreciation and amortization	1,108,660	1,095,508
Total operating expenses	10,681,189	8,802,591
Operating income (loss)	(6,417,434)	(4,498,170)
NONOPERATING REVENUES (EXPENSES)		
Grants	238,193	92,955
Investment earnings	235,352	137,914
Property taxes	7,006,800	6,415,569
Gain (loss) on disposition of capital assets	(18,563)	4,240
Termination benefits	(26,068)	132,484
Payments to other agencies	(59,037)	(59,667)
Miscellaneous revenue	47,991	50,376
Total nonoperating revenues (expenses)	7,424,668	6,773,871
CHANGES IN NET POSITION	1,007,234	2,275,701
NET POSITION, BEGINNING OF YEAR, AS RESTATED (NOTE 1L)	38,979,525	35,566,317
NET POSITION, END OF YEAR	\$ 39,986,759	\$ 37,842,018

See accompanying notes to financial statements

* Not restated for the provisions of GASB Statement No. 75 discussed in Note 8

**SAN MATEO COUNTY HARBOR DISTRICT
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	\$ 4,232,229	\$ 4,306,967
Payments to suppliers	(2,556,793)	(3,430,579)
Payments to or on behalf of employees	(4,548,347)	(4,002,244)
Other receipts and payments	47,991	50,376
Net cash provided (used) by operating activities	(2,824,920)	(3,075,480)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Property taxes net of collection fees	7,006,800	6,415,569
Receipts from grants	238,193	92,955
Payments to other agencies	(59,037)	(59,667)
Net cash provided (used) by noncapital financing activities	7,185,956	6,448,857
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisitions and construction on capital assets	(865,617)	(663,448)
Proceeds from the sale of assets	-	4,240
Net cash provided (used) by capital and related financing activities	(865,617)	(659,208)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest received on investments	235,352	137,914
Net cash provided (used) in investing activities	235,352	137,914
Net increase (decrease) in cash and cash equivalents	3,730,771	2,852,083
CASH AND INVESTMENTS:		
Beginning of year	17,447,445	14,595,362
End of year	\$ 21,178,216	\$ 17,447,445
Reconciliation of operating income (loss) to net cash provided (used)		
by operating activities:		
Operating income (loss)	\$ (6,417,434)	\$ (4,498,170)
Nonoperating income (loss), other than those from financing, capital related, or investing activities	1,159,430	182,860
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation and amortization expense	1,108,660	1,095,508
Change in assets, liabilities, deferred outflows of resources and deferred inflows of resources:		
(Increase) in accounts receivable	(31,526)	2,546
(Increase) in prepaid expenses	(158,880)	86,660
(Decrease) in accounts payable and accrued liabilities	2,163,922	139,753
(Decrease) in accrued payroll	14,496	4,138
(Decrease) in deposits and unearned revenue	(44,799)	(82,976)
(Decrease) in termination benefits payable	(3,644,385)	(132,484)
Increase in accrued vacation and sick leave	12,700	33,496
(Decrease) in net pension liability and related deferred inflows and outflows	479,950	93,189
(Decrease) in net OPEB liability and related deferred inflows and outflows	2,532,946	
Net cash (used) by operating activities	\$ (2,824,920)	\$ (3,075,480)

See accompanying notes to financial statements

SAN MATEO COUNTY HARBOR DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Years Ended June 30, 2018 and 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the San Mateo County Harbor District (District) have been prepared in conformity with generally accepted accounting principles as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The District is accounted for as an enterprise fund and applies all applicable GASB pronouncements in its accounting and reporting. The more significant of the District's accounting policies are described below.

The District's resources are allocated to and accounted for in these basic financial statements as an enterprise fund type of the proprietary fund group. The enterprise fund is used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other policies. Net position for the enterprise fund represents the amount available for future operations.

A. Description of the Entity and its Programs

The District is organized under the Harbor and Navigation provisions of the general laws of the State of California and is governed by a five-member Board of Commissioners elected at large by the registered voters of the District. The District has three locations: Pillar Point Harbor, located in the unincorporated area of Princeton, Oyster Point Marina, located in South San Francisco, and an Administrative Office located in Half Moon Bay. The District serves the entire County of San Mateo.

Oversight responsibility, the ability to conduct independent financial affairs, issue debt instruments, approve budgets, and otherwise influence operations and account for fiscal matters is exercised by the District's Board of Commissioners. The District is a separate reporting entity for financial reporting purposes and the accompanying financial statements reflect the assets, liabilities, Net Position, revenues, and expenses of the District only.

As defined by GASB Statements No. 14 and 39, *The Financial Reporting Entity*, the District is not financially accountable for any other entity other than itself, nor are there any other entities for which the nature and significance of their relationship with the District are such that exclusion would cause the District's financial statements to be misleading or incomplete.

In addition, based upon the above criteria, the District is not aware of any entity which would be financially accountable for the District which would result in the District being considered a component of the entity.

SAN MATEO COUNTY HARBOR DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Years Ended June 30, 2018 and 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Fund Accounting Classification and Basis of Accounting

On the Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position, business-like activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of net income, financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Fund equity is classified as Net Position.

District funds are classified as enterprise funds, which account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The acquisition and capital improvement of the physical plant facilities required to provide these goods and services are financed from existing cash resources, the issuance of bonds, and cash flow from operations.

C. Cash and Investments

For the purposes of the Statement of Net Position and Statement of Cash Flows, “cash equivalents and investments” includes all demand, savings accounts, and certificates of deposits or short-term investments with an original maturity of three months from operations.

D. Fair Value Hierarchy

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 inputs are inputs – other than quoted prices included within level 1 – that are observable for an asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for an asset or liability.

If the fair value of an asset or liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

**SAN MATEO COUNTY HARBOR DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 For the Years Ended June 30, 2018 and 2017**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Capital Assets

Capital assets are carried at cost or estimated cost if actual cost was not available. Contributed capital assets are valued at their estimated fair value on the date contributed. Depreciation is calculated on a straight-line basis using the following useful life schedule:

Asset	Useful Life
Autos and trucks	3 to 10 years
Boats and radar	3 to 10 years
Signs	10 years
Breakwater	50 years
Utilities	20 years
Channels	20 years
Launch Ramps	20 years
Piers	25 to 50 years
Bulkheads	50 years
Buildings and improvements	10 to 40 years
Docks	20 to 30 years
Parking Lots	10 to 25 years
Walkways/Paths	25 to 30 years
Machinery and Equipment	3 to 20 years

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized.

F. Property Taxes

The State of California (State) Constitution Article XIII A provides that the combined maximum property tax rate on any given property may not exceed one percent (1%) of its assessed value unless an additional amount for general obligation debt has been approved by voters. Assessed value is calculated at 100% of market value as defined by Article XIII A and may be adjusted by no more than two percent (2%) per year unless the property is sold, transferred, or improved. The State Legislature has determined the method of distribution of receipts from a one percent (1%) tax levy among counties, cities, school districts, and other districts.

San Mateo County assesses, bills for, and collects property taxes as follows:

	<u>Secured</u>	<u>Unsecured</u>
Lien dates	March 1	March 1
Levy dates	July 1	July 1
Due dates	50% on November 1 and 50% on March 1	July 1
Delinquent as of	December 10 (for November) and April 10 for (March)	August 31

SAN MATEO COUNTY HARBOR DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Years Ended June 30, 2018 and 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Property Taxes (continued)

The term “unsecured” refers to taxes on personal property other than real estate, land, and buildings. These taxes are secured by liens on the property being taxed.

Property taxes levied are recorded as revenue when received in the fiscal year of levy because of the adoption of the “alternate method of property tax distribution,” known as the Teeter Plan, by the District and the County of San Mateo (County). The Teeter Plan authorizes the Controller of the County to allocate 100% of the secured property taxes billed, but not yet paid. The County remits tax monies to the District in three installments, as follows:

55% remitted on December 15
40% remitted on April 15
5% remitted on June 15

G. Accrued Vacation and Sick Leave

The liability for vested vacation (PTO) is recorded as an expense when the hours are earned. When PTO is used it offsets the PTO liability account. For “represented” employees, unused balances of PTO are carried over from year to year but cannot exceed 480 hours. For “management” employees, unused balances of PTO are carried over from year to year but cannot exceed 540 hours. District employees’ sick leave accrues from year to year with no cap. Employees can use their sick leave upon the approval of a physician’s note or documented FMLA supporting information.

H. Comparative Data

Comparative data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the District’s financial position and operations.

I. Deferred Outflows of Resources

In addition to assets, the statement of financial position or balance sheet reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position or fund balance that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense) until that time.

J. Deferred Inflows of Resources

In addition to liabilities, the statement of financial position or balance sheet reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position or fund balance that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time.

SAN MATEO COUNTY HARBOR DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Years Ended June 30, 2018 and 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. New Governmental Accounting Standards Board Statement Pronouncements

The Governmental Accounting Standards Board (GASB) releases new accounting and financial reporting standards which may have a significant impact on the District's financial reporting process. New standards which may impact the District include the following:

GASB Statement No. 75 – Accounting and Financial Reporting for Post-employment Benefits Other than Pensions. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for post-employment benefits other than pensions (other post-employment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. This Statement replaces the requirements of Statements No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, as amended, and No. 57, OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans, for OPEB. Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, establishes new accounting and financial reporting requirements for OPEB plans. This statement is effective for the 2017-2018 fiscal year and required a prior period adjustment as discussed in Note 1L.

GASB Statement No. 81 – Irrevocable Split-Interest Agreements. This statement requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities and deferred inflows of resources at the inception of the agreement. Furthermore, this statement requires that a government recognize assets representing its beneficial interests in irrevocable split-interest agreements that are administered by a third party, if the government controls the present service capacity of the beneficial interests. This statement requires that a government recognize revenue when the resources become applicable to the reporting period. This statement is effective for the 2017-2018 fiscal year and had no effect on the District's financial statements.

GASB Statement No. 85 – Omnibus 2017. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). This statement is effective for the 2017-2018 fiscal year and reflected in Notes 7 and 8.

GASB Statement No. 86 – Certain Debt Extinguishment Issues. The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. This statement is effective for the 2017-2018 fiscal year and had no impact on the District's financial statements.

**SAN MATEO COUNTY HARBOR DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Years Ended June 30, 2018 and 2017**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Fund Balance and Net Position Restatements

Management adopted the provisions of the following Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions* (OPEB), which became effective during the year ended June 30, 2018. In June 2015, GASB issued Statement No. 75 and the intention of this Statement is to improve the usefulness of information for decisions made by the various users of the financial reports of governments whose employees – both active employees and inactive employees – are provided with postemployment benefits other than pensions by requiring recognition of the entire net OPEB liability and a more comprehensive measure of OPEB expense.

The implementation of the Statement required the District to make prior period adjustments. As a result, the beginning net position was restated and increased by \$1,137,507. See Note 8.

NOTE 2 – CASH AND INVESTMENTS

A. Summary of Cash and Investments

The District's cash and temporary investments are carried at market, and include:

	2018	2017
Cash in bank	\$ 2,310,593	\$ 1,191,118
Investments	18,865,373	16,254,077
Cash on hand	2,250	2,250
	\$ 21,178,216	\$ 17,447,445

California Law requires banks and savings and loan institutions to pledge government securities with a market value of 110% of the District's cash on deposit or first trust deed mortgage notes with a value of 150% of the District's cash on deposit as collateral for these deposits. Under California Law this collateral is held in an investment pool by an independent financial institution in the District's name and places the District ahead of general creditors of the institution pledging the collateral. The District has waived collateral requirements for the portion of deposits covered by federal deposit insurance.

The District's investments are carried at fair value, as required by generally accepted accounting principles. The District adjusts the carrying value of its investments to reflect their fair value at each fiscal year end, and it includes the effects of these adjustments in income for that fiscal year.

SAN MATEO COUNTY HARBOR DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Years Ended June 30, 2018 and 2017

NOTE 2 – CASH AND INVESTMENTS (Continued)

B. Authorized Investments

The District's Investment Policy and the California Government Code allow the District to invest in the following, provided the credit ratings of the issuers are acceptable to the District and approved percentages and maturities are not exceeded.

The table below also identifies certain provisions of the California Government Code, or the District's Investment Policy where the District's Investment Policy is more restrictive.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Authorized Limit (%)</u>	<u>Minimum Credit Quality</u>
Local Agency Bonds	5 Years	None	N/A
U.S. Treasury Bills, Notes, or Bonds	5 Years	None	N/A
State Warrants	5 Years	None	N/A
Notes & Bonds of other Local Agencies	5 Years	None	N/A
U.S. Agencies	5 Years	None	N/A
Bankers Acceptance	180 Days	40%	N/A
Prime Commercial Paper	270 Days	25%	A1, P1
Negotiable Certificates of Deposit	5 Years	30%	N/A
Repurchase Agreement (A)	1 Year	20%	N/A
Medium Term Corporate Notes	5 Years	30%	A
Money Market Mutual Funds & Mutual Funds	5 Years	20%	AAA
Collateralized Bank Deposits	5 Years	None	N/A
Mortgage Pass-Through Securities	5 Years	20%	AAA
Local Agency Investment Fund (LAIF)	N/A	None	N/A
County Pooled Investment Funds	N/A	None	N/A

(A) See California Government Code 53601 (I) for limits on the use of Reverse Repurchase Agreements

(B) Mutual Funds maturity may be defined as the weighted average maturity. Under SEC Regulations, Money Market Mutual funds must have an average maturity of 90 days or less

SAN MATEO COUNTY HARBOR DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Years Ended June 30, 2018 and 2017

NOTE 2 – CASH AND INVESTMENTS (Continued)

C. Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity date:

Investment Type	June 30, 2018		June 30, 2017
	12 Months or less	Total	
California Local Agency Investment Fund	\$ 7,054	\$ 7,054	\$ 6,972
San Mateo County Investment Fund	18,858,319	18,858,319	16,247,105
Total Investments	<u>\$ 18,865,373</u>	<u>18,865,373</u>	<u>16,254,077</u>
Cash in banks and on hand		<u>2,312,843</u>	<u>1,193,368</u>
Total Cash and Investments		<u>\$ 21,178,216</u>	<u>\$ 17,447,445</u>

The District is a participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The District reports its investment in LAIF at the fair value amount provided by LAIF, which is the same as the value of the pool share. The balance available for withdrawal is based on the accounting records maintained by LAIF, which are maintained on an amortized cost basis. Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities issued by federal agencies, government-sponsored enterprises, United States Treasury Notes and Bills, and corporations. At June 30, 2018 and 2017, respectively, these investments matured in an average of 193 and 194 days.

The District invests in the San Mateo County Treasury (County), which sponsors an investment pool to invest funds of the County and external public entities, such as the District. The County's pool activity is governed by California Government Code Sections 27000.1 and 53607 as well as the County's Investment Policy, which delegate the County Treasurer to invest in securities issued by the United States, certain corporate bonds and notes, bankers' acceptances, certificates of deposit, commercial paper, repurchase agreements, the State of California Local Agency Investment Fund, and securities lending transactions. Participants' equity in the County's investment pool is determined by the dollar amount of participant deposits, adjusted for withdrawals and distributed investment income. Investment income is determined on an amortized cost basis. Interest payments, accrued interest, accreted discounts, amortized premiums, and realized capital gains and losses, net of administrative fees, are apportioned to pool participants every quarter.

SAN MATEO COUNTY HARBOR DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Years Ended June 30, 2018 and 2017

NOTE 2 – CASH AND INVESTMENTS (Continued)

D. Fair Value Hierarchy

The San Mateo County Investment Fund and the Local Agency Investment Fund are exempt from fair value hierarchy.

E. Credit Rate Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District's only investments are in the California Local Agency Investment Fund and San Mateo County Investment Fund which are not rated at June 30, 2018 and 2017.

NOTE 3 – CAPITAL ASSETS

Changes in capital assets and depreciation for the years ended June 30, 2018 and 2017 were as follows:

	Balance June 30, 2017,	Additions	Retirements	Transfers and Adjustments	Balance June 30, 2018
Capital assets					
Nondepreciable					
Land	\$ 13,081,020	\$ -	\$ -	\$ -	\$ 13,081,020
Construction in progress	712,419	819,360	-	(442,241)	1,089,538
Total capital assets not being depreciated	<u>13,793,439</u>	<u>819,360</u>	<u>-</u>	<u>(442,241)</u>	<u>14,170,558</u>
Depreciable					
Autos and Trucks	94,733	-	-	100,618	195,351
Boats and radar	537,775	-	(15,000)	341,623	864,398
Breakwater	12,896,267	-	-	-	12,896,267
Utilities	636,669	-	-	-	636,669
Launch Ramps	3,957,424	-	-	-	3,957,424
Piers	6,216,940	-	(85,104)	-	6,131,836
Bulkheads	100,000	-	-	-	100,000
Buildings and improvements	5,494,528	-	(30,000)	-	5,464,528
Docks	11,271,880	-	-	-	11,271,880
Parking lots	2,102,389	-	(171,529)	-	1,930,860
Walkways/Paths	1,191,625	-	-	-	1,191,625
Machinery and equipment	313,090	27,694	-	-	340,784
Total capital assets being depreciated:	<u>44,813,320</u>	<u>27,694</u>	<u>(301,633)</u>	<u>442,241</u>	<u>44,981,622</u>
Accumulated depreciation	<u>(27,415,568)</u>	<u>(1,108,660)</u>	<u>283,071</u>	<u>-</u>	<u>(28,241,157)</u>
Total depreciable assets (net)	<u>17,397,752</u>	<u>(1,080,966)</u>	<u>(18,562)</u>	<u>442,241</u>	<u>16,740,465</u>
Total capital assets	<u>\$ 31,191,191</u>	<u>\$ (261,606)</u>	<u>\$ (18,562)</u>	<u>\$ -</u>	<u>\$ 30,911,023</u>

SAN MATEO COUNTY HARBOR DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Years Ended June 30, 2018 and 2017

NOTE 3 – CAPITAL ASSETS (Continued)

Beginning values reflects amounts as valued on a consolidated basis. The total valuation amounts are presented in representative categories and have been redistributed to reflect balances at June 30, 2018.

	Balance June 30, 2016,	Additions	Retirements	Balance June 30, 2017
Capital assets				
Nondepreciable				
Land	\$ 13,081,020	\$ -	\$ -	\$ 13,081,020
Construction in progress	83,971	628,448	-	712,419
Total capital assets not being depreciated	<u>13,164,991</u>	<u>628,448</u>	<u>-</u>	<u>13,793,439</u>
Depreciable				
Autos and Trucks	115,994	-	(21,261)	94,733
Boats and radar	537,775	-	-	537,775
Breakwater	12,896,267	-	-	12,896,267
Utilities	636,669	-	-	636,669
Launch Ramps	3,957,424	-	-	3,957,424
Piers	6,216,940	-	-	6,216,940
Bulkheads	100,000	-	-	100,000
Buildings and improvements	5,494,528	-	-	5,494,528
Docks	11,271,880	-	-	11,271,880
Parking lots	2,102,389	-	-	2,102,389
Walkways/Paths	1,191,625	-	-	1,191,625
Machinery and equipment	278,090	35,000	-	313,090
Total capital assets being depreciated:	<u>44,799,581</u>	<u>35,000</u>	<u>(21,261)</u>	<u>44,813,320</u>
Accumulated depreciation	(26,341,321)	(1,095,508)	21,261	(27,415,568)
Total depreciable assets (net)	<u>18,458,260</u>	<u>(1,060,508)</u>	<u>-</u>	<u>17,397,752</u>
Total capital assets	<u>\$ 31,623,251</u>	<u>\$ (432,060)</u>	<u>\$ -</u>	<u>\$ 31,191,191</u>

NOTE 4 – UNEARNED REVENUE

On September 10, 2009, the District entered into an Oyster Point Marina lease agreement with Department of Boating and Waterways (DBW) for a period of fifty-five (55) years. Conditionally, the DBW received a payment in the amount of \$3,660,000 from California Emergency Management Agency on the Water Emergency Transportation Authority's (WETA) behalf. This payment was allocated to the District's outstanding debt principal of the consolidated loan agreement between the District and DBW. The District recognizes income for this payment proportionally over the life of the lease and on an annual basis. As of June 30, 2018, the District's total unearned revenues was \$3,248,824 of which \$2,994,545 was related to WETA.

NOTE 5 – NET POSITION

The District's Reserve Policy requires minimum reserves to equal at least 20% of annual revenue projections, 50% of which shall be unassigned.

**SAN MATEO COUNTY HARBOR DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Years Ended June 30, 2018 and 2017**

NOTE 6 – RISK MANAGEMENT

The District insurance, workers’ compensation, and employer’s liability through the Special District Risk Management Authority risk pool (SDRMA). SDRMA is a risk pooling self-insurance authority, created under the provisions of California Government Code Section 6500, et. seq. The purpose of SDRMA is to arrange and administer programs of self-insured losses and to purchase excess insurance coverage. Maximum coverage and deductible amounts are as follows:

Type of Coverage	Coverage Limit	Retention/Deductible
Property	\$ 1,000,000,000	\$ 1,000
Boiler & Machinery	100,000,000	1,000
Pollution	2,000,000	1,000
Cyber	Limits on File	1,000
Mobile Equipment	1,000,000,000	No deductible
General Liability	10,000,000	500
Employee/Public Officials Dishonesty	1,000,000	No deductible
Auto Liability	10,000,000	1,000
Trailer	Limits on File	No deductible
Employers' Liability	5,000,000	No deductible
Workers' Compensation	Statutory	No deductible

Settled claims resulting from these risks have not exceeded insurance coverage in any of the past five fiscal years.

NOTE 7 – PUBLIC EMPLOYEES’ RETIREMENT SYSTEM (PERS)

General Information about the Pension Plan

Plan Description – All qualified permanent and probationary employees are eligible to participate in the District’s Miscellaneous Employee Pension Rate Plan. The District’s Miscellaneous Rate Plans are part of the public agency cost-sharing multiple-employer defined benefit pension plan (PERF C), which is administered by the California Public Employees’ Retirement System (CalPERS). PERF C consists of a miscellaneous pool and a safety pool (also referred to as “risk pools”), which are comprised of individual employer miscellaneous and safety rate plans, respectively. Individual employers may sponsor more than one miscellaneous and safety rate plan. The employer participates in one cost-sharing multiple-employer defined benefit pension plan regardless of the number of rate plans the employer sponsors. The District sponsors two miscellaneous rate plans. Benefit provisions under the Plan are established by State statute and District resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided – CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service.

**SAN MATEO COUNTY HARBOR DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Years Ended June 30, 2018 and 2017**

NOTE 7 – PUBLIC EMPLOYEES’ RETIREMENT SYSTEM (PERS) (Continued)

The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for the plan are applied as specified by the Public Employees’ Retirement Law. The Pension Reform Act of 2013 (PEPRA) Assembly Bill 340 is applicable to employees new to CalPERS hired after December 31, 2012.

The Plan’s provisions and benefits in effect at June 30, 2018, are summarized as follows:

	<u>Miscellaneous</u>	<u>Miscellaneous PEPRA</u>
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	2.5% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	55	62
Monthly benefits, as a % of eligible compensation	2.0-2.5%	1.0-2.0%
Required employee contribution rates	8.000%	6.250%
Required employer contribution rates	9.539%	6.533%

Beginning in fiscal year 2016, CalPERS collects employer contributions for the Plan as a percentage of payroll for the normal cost portion as noted in the rates above and as a dollar amount for contributions toward the unfunded liability and side fund. The dollar amounts are billed on a monthly basis. The District’s required contribution for the unfunded liability and side fund was \$317,048 in fiscal year 2018.

Contributions - Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2018, the contributions recognized as part of pension expense for the Plan were \$543,950.

Net Pension Liability – For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the CalPERS Plan and additions to/deductions from the Plan’s fiduciary net position have been determined on the same basis as they are reported by the CalPERS Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**SAN MATEO COUNTY HARBOR DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Years Ended June 30, 2018 and 2017**

NOTE 7 – PUBLIC EMPLOYEES’ RETIREMENT SYSTEM (PERS) (Continued)

As of June 30, 2018, and 2017, the District reported a net pension liability of \$5,012,108 and \$4,497,813, respectively, for its proportionate share of the net pension liability of the Plan as follows:

The District’s net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2017, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016 rolled forward to June 30, 2017 using standard update procedures. The District’s proportion of the net pension liability was based on projection of the District’s long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The District’s proportionate share of the net pension liability for the Plan as of June 30, 2016 and 2017 was as follows:

	Miscellaneous
Proportion - June 30, 2016	0.12480%
Proportion - June 30, 2017	0.12714%
Change - Increase (Decrease)	0.00234%

For the year ended June 30, 2018, the District recognized pension expense of \$557,463. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 543,950	\$ -
Differences between actual and expected experience	5,684	(81,432)
Changes in assumptions	705,228	(53,774)
Change in employer's proportion and differences between the employer’s contributions and the employer’s proportionate share of contributions	214,146	(49,430)
Net differences between projected and actual earnings on plan investments	159,494	-
Total	\$ 1,628,502	\$ (184,636)

**SAN MATEO COUNTY HARBOR DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Years Ended June 30, 2018 and 2017**

NOTE 7 – PUBLIC EMPLOYEES’ RETIREMENT SYSTEM (PERS) (Continued)

The \$543,875 reported as deferred outflows of resources related to contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	Annual Amortization
2019	\$ 331,535
2020	404,991
2021	258,084
2022	(94,694)

Actuarial Assumptions - For the measurement period ended June 30, 2017, the total pension liability was determined by rolling forward the June 30, 2016 total pension liability. The total pension liability for the measurement date June 30, 2017 was based on the following actuarial methods and assumptions:

Valuation Date	June 30, 2016
Measurement Date	June 30, 2017
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.75%
Projected Salary Increase	Varies by Entry Age and Service
Mortality	Derived using CalPERS' Membership Data for all Funds (1)
Post Retirement Benefit Increase	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter

(1) The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the CalPERS 2014 experience study report available on CalPERS website.

All other actuarial assumptions used in both valuations were based on the results of a January 2014 actuarial experience study for the period 1997 to 2011, including updates to salary increase, mortality and retirement rates. Further details of the Experience Study can be found on the CalPERS website under Forms and Publications.

Change in Assumptions – In 2017, the accounting discount rate was reduced from 7.65% to 7.15%.

**SAN MATEO COUNTY HARBOR DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Years Ended June 30, 2018 and 2017**

NOTE 7 – PUBLIC EMPLOYEES’ RETIREMENT SYSTEM (PERS) (Continued)

Discount Rate - The discount rate used to measure the total pension liability was 7.15% for the Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.15% discount rate is adequate, and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.15% will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds’ asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

Asset Class	New Strategic Allocation	Real Return Years 1 - 10(a)	Real Return Years 11+(b)
Global Equity	47.0%	4.90%	5.38%
Global Fixed Income	19.0%	0.80%	2.27%
Inflation Sensitive	6.0%	0.01%	1.39%
Private Equity	12.0%	6.60%	6.63%
Real Estate	11.0%	2.80%	5.21%
Infrastructure and Forestland	3.0%	3.90%	5.36%
Liquidity	2.0%	-0.40%	-0.90%
Total	<u>100%</u>		

(a) An expected inflation of 2.5% used for these periods.

(b) An expected inflation of 3.0% used for these periods.

**SAN MATEO COUNTY HARBOR DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Years Ended June 30, 2018 and 2017**

NOTE 7 – PUBLIC EMPLOYEES’ RETIREMENT SYSTEM (PERS) (Continued)

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the District’s proportionate share of the next pension liability for the Plan calculated using the discount rate for the Plan, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	<u>Miscellaneous</u>
1% Decrease	6.15%
Net Pension Liability	\$ 7,336,742
Current Discount Rate	7.15%
Net Pension Liability	\$ 5,012,108
1% Increase	8.15%
Net Pension Liability	\$ 3,086,806

Pension Plan Fiduciary Net Position - Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

NOTE 8 – OTHER POST EMPLOYMENT BENEFITS

A. General Information about the District’s Post Employment Benefit Plan

Plan Description - Eligible District employees receive Post Employment Benefits through a single employer defined benefit plan upon termination. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Governmental Accounting Standards Board Statement No. 75.

Benefits Provided – The following is a summary of Plan benefits by employee group as of June 30, 2018:

All San Mateo County Harbor District Employees	
<i>Eligibility</i>	Employees hired after January 1, 1981 but prior to July 1, 2009, with no less than 12 years of service at the time of termination. Employee must not have been terminated for good cause.
<i>Benefit</i>	At the time of termination, the individual and their dependents may continue their then existing health, dental, and vision benefits, and life insurance, at the District's expense. These benefits may only be collected for a period that is equal to half of the time the individual was employed with the District.

For the year ended June 30, 2018, the District’s contributions to the Plan were \$141,302.

**SAN MATEO COUNTY HARBOR DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Years Ended June 30, 2018 and 2017**

NOTE 8 – OTHER POST EMPLOYMENT BENEFITS (Continued)

Employee Covered by Benefit Terms – Membership in the plan consisted of the following at the measurement date of June 30, 2018:

Active employees	12
Inactive employees or beneficiaries currently receiving benefit payments	9
Total	21

B. Total OPEB Liability

Actuarial Methods and Assumptions – The District’s total OPEB liability was measured as of June 30, 2018 and the total OPEB liability was determined by an actuarial valuation dated June 30, 2018 based on the following actuarial methods and assumptions:

	Actuarial Assumptions
Valuation Date	June 30, 2018
Measurement Date	June 30, 2018
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Discount Rate	3.62%
Long-Term Expected Return of Plan Investm	4.00%
Payroll Growth	3.00%
Healthcare Trend Rates	6.00%

The discount rate was based on the Municipal Bond 20-Year High Grade Rate Index.

The underlying mortality assumptions were based on the RP-2014 Employee Mortality Table for Males or Females and all other actuarial assumptions used in the June 30, 2018 valuation were based on the results of a plan experience during the period July 1, 2016 to June 30, 2018.

C. Changes in Net OPEB Liability

The changes in the Net OPEB liability follows:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Balance at 6/30/17	\$ 2,506,878	\$ -	\$ 2,506,878
Changes Recognized for the Measurement Period:			
Service costs	79,156	-	79,156
Interest on the total OPEB liability	88,214	-	88,214
Employer contributions	-	141,302	(141,302)
Benefit payments	(141,302)	(141,302)	-
Net Changes	26,068	-	26,068
Balance at 6/30/18	\$ 2,532,946	\$ -	\$ 2,532,946

**SAN MATEO COUNTY HARBOR DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Years Ended June 30, 2018 and 2017**

NOTE 8 – OTHER POST EMPLOYMENT BENEFITS (Continued)

D. OPEB Expenses and Deferred Outflows/Inflows of Resources Related to OPEB

The District did not have any deferred inflows/outflows in the first year of implementation. Under GASB 74 and 75, OPEB expense includes service cost, interest cost, change in total OPEB liability due to plan changes; all adjusted for deferred inflows and outflows. San Mateo County Harbor District determined that it was not reasonable to rerun prior valuations under GASB 75, therefore, the District used the transition approach provided in GASB 75, Paragraph 244.

E. Sensitivity of the Total OPEB Liability to Changes in the Discount Rate and Healthcare Cost Trend Rates

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.62%) or 1-percentage-point higher (4.62%) than the current discount rate:

Total OPEB Liability/(Asset)		
Discount Rate -1%	Current Discount Rate	Discount Rate +1%
(2.62 %)	(3.62%)	(4.62%)
\$2,785,891	\$2,532,946	\$2,315,164

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (5% decreasing to 4%) or 1-percentage-point higher (7% decreasing to 6%) than the current healthcare cost trend rates:

Total OPEB Liability/(Asset)		
Current Healthcare Cost		
1% Decrease	Trend Rates	1% Increase
(5.00% decreasing to 4.00%)	(6.00% decreasing to 5.00%)	(7.00% decreasing to 6.00%)
\$2,260,679	\$2,532,946	\$2,861,314

NOTE 9 – COMMITMENTS AND CONTINGENCIES

The District is subject to general risk and exposure due to normal operations in the course of business. These risks involve various claims against the District, both asserted and unasserted, all of which management considers to be immaterial to these financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

**San Mateo County Harbor District
a Cost-Sharing Multiple-Employer Defined Pension Plan
As of fiscal year ending June 30, 2018
Last 10 Years***

**Schedule of the Plan's Proportionate Share of
the Net Pension Liability
and Related Ratios as of the Measurement Date
Last 10 Years***

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Plan's proportion of the Net Pension Liability	0.04848%	0.13453%	0.10624%	0.12714%
Plan's proportionate share of the Net Pension Liability	\$ 3,016,578	\$ 3,690,808	\$ 4,497,813	\$ 5,012,109
Plan's Covered Payroll	\$ 2,064,270	\$ 2,000,338	\$ 2,022,481	\$ 2,361,865
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered Payroll	146.13%	184.51%	222.39%	212.21%
Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability	81.15%	79.89%	75.87%	75.39%

* Fiscal year 2015 was the 1st year of implementation, therefore only four years are shown.

**San Mateo County Harbor District
 Cost-Sharing Multiple Employer Defined Pension Plan - Miscellaneous Plans
 For the Fiscal Year Ended June 30, 2018**

**Schedule of Contributions
 Last 10 Years***

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Actuarially determined contribution	\$ 376,892	\$ 409,949	\$ 474,656	\$ 543,875
Contributions in relation to the actuarially determined contributions	<u>(376,892)</u>	<u>(409,949)</u>	<u>(464,656)</u>	<u>(543,875)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
 Covered payroll	 <u>\$ 2,000,338</u>	 <u>\$ 2,361,865</u>	 <u>\$ 2,361,865</u>	 <u>\$ 2,814,510</u>
 Contributions as a percentage of covered payroll	 18.84%	 17.36%	 20.10%	 19.32%

* Fiscal year 2015 was the 1st year of implementation, therefore only four years are shown.

SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS
 Single Employer Longevity Health Insurance Premium Payment Program
 Last 10 fiscal years*

Measurement Date	<u>6/30/18</u>
Total OPEB Liability (1)	
Service Cost	\$79,156
Interest	88,214
Benefit payments	<u>(141,302)</u>
Net change in total OPEB liability	26,068
Total OPEB liability - beginning	<u>2,506,878</u>
Total OPEB liability - ending (a)	<u><u>\$2,532,946</u></u>
Covered-employee payroll	<u><u>\$3,007,506</u></u>
Total OPEB liability as a percentage of covered-employee payroll	-84.22%

Notes to Schedule:

(1) No assets are accumulated in a trust that meets the criteria in paragraph 4 of Governmental Accounting Standards Board Statement No. 75.

* Fiscal year 2018 was the first year of implementation.

SCHEDULE OF CONTRIBUTIONS

Single Employer Longevity Health Insurance Premium Payment Program
Last 10 fiscal years*

Fiscal Year Ended June 30,	<u>2018</u>
Actuarially required contribution	\$141,302
Contributions in relation to the actuarially required contributions	<u>141,302</u>
Contribution deficiency (excess)	<u>\$0</u>
Covered-employee payroll	<u>\$3,007,506</u>
Contributions as a percentage of covered-employee payroll	4.70%

Notes to Schedule:

Valuation Date : June 30, 2018

* Fiscal year 2018 was the first year of implementation.

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SUPPLEMENTAL INFORMATION

San Mateo County Harbor District
Schedule of Revenues, Expenses, and Changes in Net Position
Administration
For the year ended June 30, 2018
(with comparative totals for the year ended June 30, 2017)

	<u>2018</u>	<u>2017</u>
OPERATING EXPENSES:		
Advertising and promotion	\$ 3,824	\$ 3,085
Bank charges	505	509
Contractual services	125,476	510,509
Dues and subscriptions	16,353	15,565
Insurance	40,673	21,770
IT	62,080	79,937
Legal fees	169,526	214,956
Personnel expenses	1,295	2,401
Operating expenses	31,669	36,937
Rent	91,500	87,900
Repairs and maintenance	3,032	3,408
Salaries and benefits	1,395,320	900,016
Training, seminars and professional development	29,784	25,606
Elections	-	752,490
Miscellaneous expense	290	533
Depreciation and amortization	808	-
Total operating expenses	<u>1,972,135</u>	<u>2,655,622</u>
Operating income (loss)	<u>(1,972,135)</u>	<u>(2,655,622)</u>
NONOPERATING REVENUES (EXPENSES):		
Grants	-	-
Investment earnings	235,352	137,914
Property taxes	894,350	1,709,562
Termination benefits	62	146,703
Shared revenues	716,433	708,570
Payments to other agencies	(59,037)	(59,667)
Miscellaneous revenue	39,031	5,667
Total nonoperating revenues (expenses)	<u>1,826,191</u>	<u>2,648,749</u>
Net Income	<u>\$ (145,944)</u>	<u>\$ (6,873)</u>

San Mateo County Harbor District
Schedule of Revenues, Expenses, and Changes in Net Position
Pillar Point Harbor
For the year ended June 30, 2018

(with comparative totals for the year ended June 30, 2017)

	<u>2018</u>	<u>2017</u>
OPERATING REVENUES:		
Berth rental, transient fees and dockage	\$ 1,931,592	\$ 1,856,832
Launching fees	117,461	74,250
Recreational vehicles	98,135	104,970
Rents and concessions	461,373	422,549
Events and permits	39,977	53,867
Other operating revenues	64,993	72,266
Total operating revenues	<u>2,713,531</u>	<u>2,584,734</u>
OPERATING EXPENSES:		
Advertising and promotion	8,214	5,243
Bad debts (recoveries)	52,066	52,903
Bank charges	34,461	32,958
Contractual services	246,615	139,023
Claim settlements	-	4,140
Dues and subscriptions	338	200
Insurance	23,377	53,208
IT	34,241	48,527
Legal Fees	95,655	154,309
Personnel expenses	222	1,966
Operating expenses	106,956	101,387
Repairs and maintenance	2,261,800	194,218
Salaries and benefits	2,147,822	1,897,233
Travel, training, seminars and professional development	10,979	10,683
Utilities	268,515	275,604
Vessel destruction	96,691	-
Miscellaneous expenses	6,005	8,382
Depreciation and amortization	475,899	456,578
Total operating expenses	<u>5,869,856</u>	<u>3,436,562</u>
Operating income (loss)	<u>(3,156,325)</u>	<u>(851,828)</u>
NONOPERATING REVENUES (EXPENSES):		
Grants	193,200	44,379
Property Taxes	4,587,564	2,837,074
Gain (loss) on disposition of capital assets	-	4,240
Termination benefits	(19,873)	(45,209)
Shared revenues	(425,063)	(416,972)
Interest expense	-	-
Miscellaneous revenue	3,150	40,085
Total nonoperating revenues (expenses)	<u>4,338,978</u>	<u>2,463,597</u>
Net Income	<u>\$ 1,182,653</u>	<u>\$ 1,611,769</u>

San Mateo County Harbor District
Schedule of Revenues, Expenses, and Changes in Net Position
Oyster Point Marina
For the year ended June 30, 2018
(with comparative totals for the year ended June 30, 2017)

	2018	2017
OPERATING REVENUES:		
Berth rental, transient fees and dockage	\$ 1,326,254	\$ 1,349,621
Launching fees	22,489	21,836
Rents and concessions	170,517	314,834
Events and permits	(750)	1,640
Other operating revenues	31,714	31,756
Total operating revenues	1,550,224	1,719,687
OPERATING EXPENSES:		
Advertising and promotion	3,515	3,323
Bad debts	27,052	33,201
Bank charges	28,019	20,450
Contractual services	193,556	139,682
Dues and subscriptions	850	200
Insurance	28,887	34,903
IT	31,928	31,389
Legal fees	68,278	49,094
Personnel expenses	1,436	2,199
Miscellaneous expenses	7,957	110
Repairs and maintenance	41,177	156,826
Operating expenses	52,536	53,338
Salaries and benefits	1,512,351	1,335,818
Travel, training, seminars and professional development	12,691	13,150
Utilities	146,842	145,494
Vessel destruction	50,170	52,300
Depreciation and amortization	631,953	638,930
Total operating expenses	2,839,198	2,710,407
Operating income (loss)	(1,288,974)	(990,720)
NONOPERATING REVENUES (EXPENSES):		
Grants	44,993	48,576
Property taxes	1,524,886	1,868,933
Gain (loss) on disposition of capital assets	(18,563)	-
Termination benefits	(6,257)	30,990
Shared revenues	(291,370)	(291,598)
Interest expense	-	-
Miscellaneous revenue	5,810	4,624
Total nonoperating revenues (expenses)	1,259,499	1,661,525
Net Income	\$ (29,475)	\$ 670,805

**INDEPENDENT AUDITOR'S REPORT ON
INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Commissioners of the
San Mateo County Harbor District
El Granada, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the San Mateo County Harbor District (District), South San Francisco, California, as of and for the year ended June 30, 2018 and the related notes to the financial statements, and have issued our report thereon dated April 29, 2019. Our report included an emphasis of a matter paragraph disclosing the implementation of new accounting principles.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our testing disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

We have also issued a separate Memorandum on Internal Control dated April 29, 2019 which is an integral part of our audit and should be read in conjunction with this report

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Maze + Associates

Pleasant Hill, California
April 29, 2019

SAN MATEO COUNTY HARBOR DISTRICT
MEMORANDUM ON INTERNAL CONTROL
AND
REQUIRED COMMUNICATIONS
FOR THE YEAR ENDED JUNE 30, 2018

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SAN MATEO COUNTY HARBOR DISTRICT

**MEMORANDUM ON INTERNAL CONTROL
AND
REQUIRED COMMUNICATIONS**

For the Year Ended June 30, 2018

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MEMORANDUM ON INTERNAL CONTROL

To the Board of Commissioners of
the San Mateo County Harbor District,
El Granada, California

In planning and performing our audit of the basic financial statements of the San Mateo County Harbor District (District) as of and for the year ended June 30, 2018, in accordance with auditing standards generally accepted in the United States of America, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. Given these limitations during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Included in the Schedule of Other Matters are recommendations not meeting the above definitions that we believe are opportunities for strengthening internal controls and operating efficiency.

This communication is intended solely for the information and use of management, Board of Commissioners, others within the organization, and agencies and pass-through entities requiring compliance with *Government Auditing Standards* and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Maze + Associates".

Pleasant Hill, California
April 29, 2019

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MEMORANDUM ON INTERNAL CONTROL

SCHEDULE OF OTHER MATTERS

2018-01: Upcoming Governmental Accounting Standards Board Pronouncements

EFFECTIVE FISCAL YEAR 2018/19:

GASB 83 – Certain Asset Retirement Obligations

This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement.

This Statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for AROs. This Statement requires that recognition occur when the liability is both incurred and reasonably estimable. The determination of when the liability is incurred should be based on the occurrence of external laws, regulations, contracts, or court judgments, together with the occurrence of an internal event that obligates a government to perform asset retirement activities. Laws and regulations may require governments to take specific actions to retire certain tangible capital assets at the end of the useful lives of those capital assets, such as decommissioning nuclear reactors and dismantling and removing sewage treatment plants. Other obligations to retire tangible capital assets may arise from contracts or court judgments. Internal obligating events include the occurrence of contamination, placing into operation a tangible capital asset that is required to be retired, abandoning a tangible capital asset before it is placed into operation, or acquiring a tangible capital asset that has an existing ARO.

This Statement requires the measurement of an ARO to be based on the best estimate of the current value of outlays expected to be incurred. The best estimate should include probability weighting of all potential outcomes, when such information is available or can be obtained at reasonable cost. If probability weighting is not feasible at reasonable cost, the most likely amount should be used. This Statement requires that a deferred outflow of resources associated with an ARO be measured at the amount of the corresponding liability upon initial measurement.

This Statement requires the current value of a government's AROs to be adjusted for the effects of general inflation or deflation at least annually. In addition, it requires a government to evaluate all relevant factors at least annually to determine whether the effects of one or more of the factors are expected to significantly change the estimated asset retirement outlays. A government should remeasure an ARO only when the result of the evaluation indicates there is a significant change in the estimated outlays. The deferred outflows of resources should be reduced and recognized as outflows of resources (for example, as an expense) in a systematic and rational manner over the estimated useful life of the tangible capital asset.

A government may have a minority share (less than 50 percent) of ownership interest in a jointly owned tangible capital asset in which a nongovernmental entity is the majority owner and reports its ARO in accordance with the guidance of another recognized accounting standards setter. Additionally, a government may have a minority share of ownership interest in a jointly owned tangible capital asset in which no joint owner has a majority ownership, and a nongovernmental joint owner that has operational responsibility for the jointly owned tangible capital asset reports the associated ARO in accordance with the guidance of another recognized accounting standards setter. In both situations, the government's minority share of an ARO should be reported using the measurement produced by the nongovernmental majority owner or the nongovernmental minority owner that has operational responsibility, without adjustment to conform to the liability measurement and recognition requirements of this Statement.

MEMORANDUM ON INTERNAL CONTROL

SCHEDULE OF OTHER MATTERS

GASB 83 – Certain Asset Retirement Obligations (Continued)

In some cases, governments are legally required to provide funding or other financial assurance for their performance of asset retirement activities. This Statement requires disclosure of how those funding and assurance requirements are being met by a government, as well as the amount of any assets restricted for payment of the government's AROs, if not separately displayed in the financial statements.

This Statement also requires disclosure of information about the nature of a government's AROs, the methods and assumptions used for the estimates of the liabilities, and the estimated remaining useful life of the associated tangible capital assets. If an ARO (or portions thereof) has been incurred by a government but is not yet recognized because it is not reasonably estimable, the government is required to disclose that fact and the reasons therefor. This Statement requires similar disclosures for a government's minority shares of AROs.

Effective Date

The requirements of this Statement are effective for reporting periods beginning after June 15, 2018.

How the Changes in This Statement Will Improve Financial Reporting

This Statement will enhance comparability of financial statements among governments by establishing uniform criteria for governments to recognize and measure certain AROs, including obligations that may not have been previously reported. This Statement also will enhance the decision-usefulness of the information provided to financial statement users by requiring disclosures related to those AROs.

EFFECTIVE FISCAL YEAR 2019/20:

GASB 84 – Fiduciary Activities

The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported.

This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. An exception to that requirement is provided for a business-type activity that normally expects to hold custodial assets for three months or less.

This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria.

A fiduciary component unit, when reported in the fiduciary fund financial statements of a primary government, should combine its information with its component units that are fiduciary component units and aggregate that combined information with the primary government's fiduciary funds.

MEMORANDUM ON INTERNAL CONTROL

SCHEDULE OF OTHER MATTERS

GASB 84 – Fiduciary Activities (Continued)

This Statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. Events that compel a government to disburse fiduciary resources occur when a demand for the resources has been made or when no further action, approval, or condition is required to be taken or met by the beneficiary to release the assets.

Effective Date

The requirements of this Statement are effective for reporting periods beginning after December 15, 2018.

How the Changes in This Statement Will Improve Financial Reporting

The requirements of this Statement will enhance consistency and comparability by (1) establishing specific criteria for identifying activities that should be reported as fiduciary activities and (2) clarifying whether and how business-type activities should report their fiduciary activities. Greater consistency and comparability enhances the value provided by the information reported in financial statements for assessing government accountability and stewardship.

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MEMORANDUM ON INTERNAL CONTROL

STATUS OF PRIOR YEAR OTHER MATTERS

2017-01: Review of Accounts Payable

Criteria: It is necessary for accounts payable batches to be reviewed and approved before they are posted to the General Ledger, and monthly reconciliation between accounts payable sub ledger and General Ledger should be performed to ensure the accuracy of processing disbursements.

Condition: It was noted that the Accounting Manager signed off on each disbursement request forms, and reviewed the check run total, but was not reviewing the GL. Additionally; accounts payable was able to post directly into the GL after entering disbursements in the accounts payable module in Fundbalance.

Cause: The District is limited in staff, and the task transition between the new Accounting Manager and the former Accounting Manager was done with a short timeframe therefore task handover was not thorough performed. As of result, accounts payable batches were not reviewed before they are posted to the General Ledger.

Potential Effect: Accounts payable batches posted to General Ledger without proper review and approval can cause a potential risk of improper processing disbursements due to processing errors, unauthorized transactions, and unauthorized adjustments to the general ledger.

Recommendation: Accounts payable batches should be reviewed and approved before they are posted to General Ledger. As our discussion with the District at the time of audit, the new Accounting Manager will review an individual accounts payable processing and accounts payable batch reports before they are posted to General Ledger. It appears that the District will perform accounts payable processing efficiency.

Current Status: Implemented.

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REQUIRED COMMUNICATIONS

To the Board of Commissioners of
the San Mateo County Harbor District
El Granada, California

We have audited the basic financial statements of the San Mateo County Harbor District (District) for the year ended June 30, 2018. Professional standards require that we communicate to you the following information related to our audit under generally accepted auditing standards and Government Auditing Standards.

Significant Audit Findings

Accounting Policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year, except as follows:

GASB Statement No. 75 – *Accounting and Financial Reporting for Post-employment Benefits Other Than Pensions*

The following Governmental Accounting Standards Board (GASB) pronouncements became effective, but did not have a material effect on the financial statements:

GASB Statement No. 81 – *Irrevocable Split-Interest Agreements*

GASB Statement No. 85 – *Omnibus 2017*

GASB Statement No. 86 – *Certain Debt Extinguishment Issues*

Unusual Transactions, Controversial or Emerging Areas

We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the District's financial statements were:

Estimated Fair Value of Investments: As of June 30, 2018, the District held \$21.2 million of cash and investments as measured by fair value as disclosed in Note 2 to the financial statements. Fair value is essentially market pricing in effect as of June 30, 2018. These fair values are not required to be adjusted for changes in general market conditions occurring subsequent to June 30, 2018.

Estimate of Depreciation: Management's estimate of the depreciation is based on useful lives determined by management. These lives have been determined by management based on the expected useful life of assets as disclosed in Note 1.E. to the financial statements. We evaluated the key factors and assumptions used to develop the depreciation estimate and determined that it is somewhat reasonable in relation to the basic financial statements taken as a whole.

Estimate of Compensated Absences: Accrued compensated absences which are comprised of accrued vacation, holiday, and certain other compensating time is estimated using accumulated unpaid leave hours and hourly pay rates in effect at the end of the fiscal. We evaluated the key factors and assumptions used to develop the accrued compensated absences and determined that it is reasonable in relation to the basic financial statements taken as a whole.

Estimated Net Pension and Net OPEB Liabilities and Pension-Related Deferred Outflows and Inflows of Resources: Management's estimate of the net pension and net OPEB liabilities and deferred outflows/inflows of resources are disclosed in Note 7 and Note 8 to the financial statements and are based on actuarial studies determined by a consultant, which are based on the experience of the District. We evaluated the key factors and assumptions used to develop the estimate and determined that it is reasonable in relation to the basic financial statements taken as a whole.

Disclosures

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Professional standards require us to accumulate all known and likely uncorrected misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. We have no such misstatements to report to the Board of Commissioners.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in a management representation letter dated April 29, 2019.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Information Accompanying the Financial Statements

We applied certain limited procedures to the required supplementary information that accompanies and supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the required supplementary information and do not express an opinion or provide any assurance on the required supplementary information.

We were engaged to report on the supplementary information, which accompanying the financial statements but are not required supplementary information. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Board of Commissioners and management and is not intended to be, and should not be, used by anyone other than these specified parties.

Maze + Associates

Pleasant Hill, California
April 29, 2019



Staff Report

TO: Board of Harbor Commissioners

FROM: Julie van Hoff, Director of Administrative Services

DATE: June 19, 2019

SUBJECT: Approve Final 2019/20 Operating Budget and Capital Improvement Program; Adopt Resolution No.19-09

Recommendation/Motion:

Motion: Approve Final 2019/20 Operating Budget and Capital Improvement Program (CIP) and adopt Resolution No.19-09.

Policy Implications:

Harbors and Navigation Code 6093 (et. seq.) provides statutory requirements for budget development. Policy 4.9.1 provides the process for preparing the Budget and Policy 4.9.2 establishes the level of appropriation authority (see page 4 of attached document for further detail)

Fiscal Implications/Budget Status:

The Final 2019/20 Operating Budget and CIP presents \$12,005,000 in total revenues, and \$8,350,000 in total operating expenditures. Revenues less operating expenditures equals \$3,655,000, which represents the estimated amount to be added to the available working capital balance.

The Five-Year CIP estimates use of \$7,279,800 of the working capital balance to fund capital projects/assets in FY 2019/20. The estimated working capital balance at the end of FY 2019/20 is estimated at approximately \$11 million.

Background/Discussion:

The following timeline represents work completed to date on the District's 2019/20 Budget:

On March 20, 2019, staff presented a 'First Look' Preliminary 2019/20 Operating and Capital Budget to this Board.

On April 11, 2019, staff presented a Draft Preliminary Budget to the Finance Committee.

On April 17, 2019, staff presented the same Draft Preliminary Budget as reviewed by the Finance Committee and presented staff and Finance Committee recommendations for updating the Preliminary Budget. The recommendations included separating the Operating Budget and the Capital Improvement Program, or CIP, and allowing unspent contract amounts to be carried forward and eliminating the need to adopt other CIP appropriations prior to approval of a contract, unless it falls within the General Manager's authority of \$25,000 or below. The Preliminary Budget was adopted with recommended changes.

On April 24 and May 1, 2019, staff published a Public Notice (Attachment 1), as required by Harbors and Navigation Code 6093.1, stating that the Preliminary Budget was adopted.

A Finance Committee was noticed on April 30, 2019 to allow for additional input in the Budget development. Staff has further refined the Budget document based on more recent financial information and additional input.

The Draft Final 2019/20 Operating Budget and CIP was presented to the Board for review and consideration.

On May 20, 2019, this Commission approved an Administrative Analyst Communications position and the transfer of \$265,000 of appropriations from Salaries/Wages & Benefits to Non-Personnel Operating Expense for FY 2018/19. These changes have been incorporated into the attached Final 2019/20 Budget Document.

On June 6, 2019, a Special Meeting was held to discuss, among other topics, current CIP priorities. Based on Board direction staff added the following projects to the CIP: 1) PPH Habitat Restoration at West Trail, 2) PPH EV Parking Places, 3) PPH RV Restroom, and 4) PPH Coastal Trail Improvements. In addition, direction was given to move Dock improvement project at Oyster Point Marina to begin in fiscal year 2020/21.

Recommendation:

Staff recommends that the Board of Commissioners review the Final 2019/20 Operating Budget and CIP, receive public comment, make any changes as may be desired and adopt Resolution No.19-19 adopting the FY 2019/20 Operating Budget and CIP.

Attachments:

1. [Resolution No.19-09](#)
2. [Presentation](#)
3. [Final 2019/20 Operating Budget and CIP](#)

Resolution No. 19-09
to
Adopt the Fiscal Year 2019/20
Final Operating Budget and Capital Improvement Program
of the
San Mateo County Harbor District

Whereas, in accordance with Section 6093 of the Harbors and Navigation Code of the State of California, the Board of Harbor Commissioners of the San Mateo County Harbor District (Board), introduced and adopted the Preliminary Operating Budget and Capital Improvement Program (CIP) for FY 2019/20 on April 17, 2019; and

Whereas, in accordance with Section 6093.1 of the Harbors and Navigation Code, the Board published a notice in the Half Moon Bay Review on April 24, 2019 and May 1, 2019 specifying that:

- (a) The Preliminary Budget had been adopted as set forth above; and
- (b) Copies of the Preliminary Budget were available for public inspection on the District's website, as well as at the District's Administrative Office.

Whereas, a public hearing was held at 6:30 PM on June 19, 2019 at the Regular Meeting of the Board at the San Mateo County Harbor District Office located at 504 Avenue Alhambra, El Granada, CA, at which time the Board heard from any taxpayer that chose to appear and be heard; and

Whereas, it is in the best interest of the taxpayers of the District that the Final Operating Budget and CIP for FY 2019/20 be adopted in the format as set forth, and

Now, Therefore, Be It Resolved that the Board hereby fixes and adopts a Final Operating Budget and CIP for FY 2019/20 as follows:

1. \$5,270,000 in appropriations for Salaries/Wages and Benefits.
2. \$3,080,000 in appropriations for Non-Personnel Operating Costs.
3. \$200,000 in appropriations for vehicles, vessels and CIP projects not greater than \$25,000.
4. CIP revenue (grants and FEMA funding) and all CIP encumbrances (contract commitments) as of June 30, 2019 are hereby incorporated as part of the 2019/20 approved budget, and

Be It Further Resolved, that the Board shall report the Final Budget to the Board of Supervisors of the County of San Mateo in accordance with Section 6093.3 of the Harbors and Navigation Code of the State of California.

Approved this 19th day of June 2019 at the Regular Meeting of the Board of Harbor Commissioners by a recorded vote as follows:

For:

Against:

Absent:

Abstention:

Attest

BOARD OF HARBOR COMMISSIONERS

Debbie Gehret
Deputy Secretary

Sabrina Brennan
President



Fiscal Year 2019/20 Operating Budget & Capital Improvement Program

San Mateo County Harbor District
06/19/2019



SECTIONS OF BUDGET DOCUMENT

Introduction

Section One- 2019/20 Operating Budget

Section Two- Five-Year Capital Improvement Program

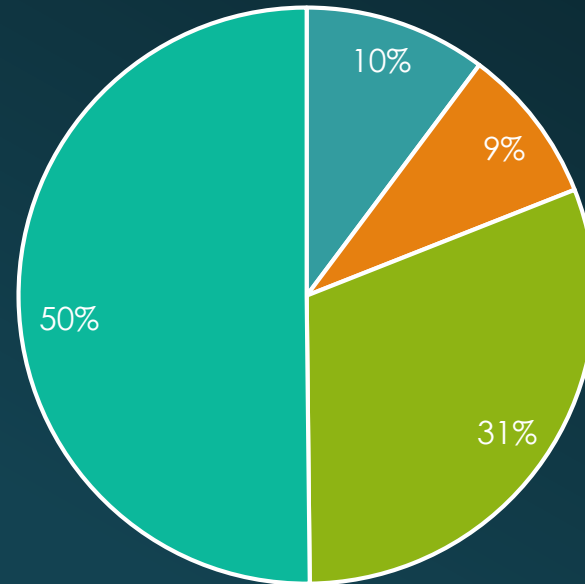
Section Three- Policies & Definitions

Operating Budget at a Glance

2019/20 PRELIMINARY BUDGET		COMPARISON TO 2018/19 PROJECTIONS	
Operating Revenues	\$ 4,441,000	\$ 4,382,000	1.35%
Non-Operating Revenues	7,564,000	7,444,000	1.61%
Total Revenues	12,005,000	11,826,000	1.51%
Salaries/Wages/Benefits Expenditures	5,270,000	4,952,000	6.42%
Non-Personnel Expenditures	3,080,000	3,112,700	-1.05%
Total Expenditures	8,350,000	8,064,700	3.54%
Total Revenues less Expenditures	3,655,000	3,761,300	-2.83%
One-time Expenditures		(3,150,000)	-100.00%
Working Capital Increase	\$3,655,000	\$611,300	497.91%

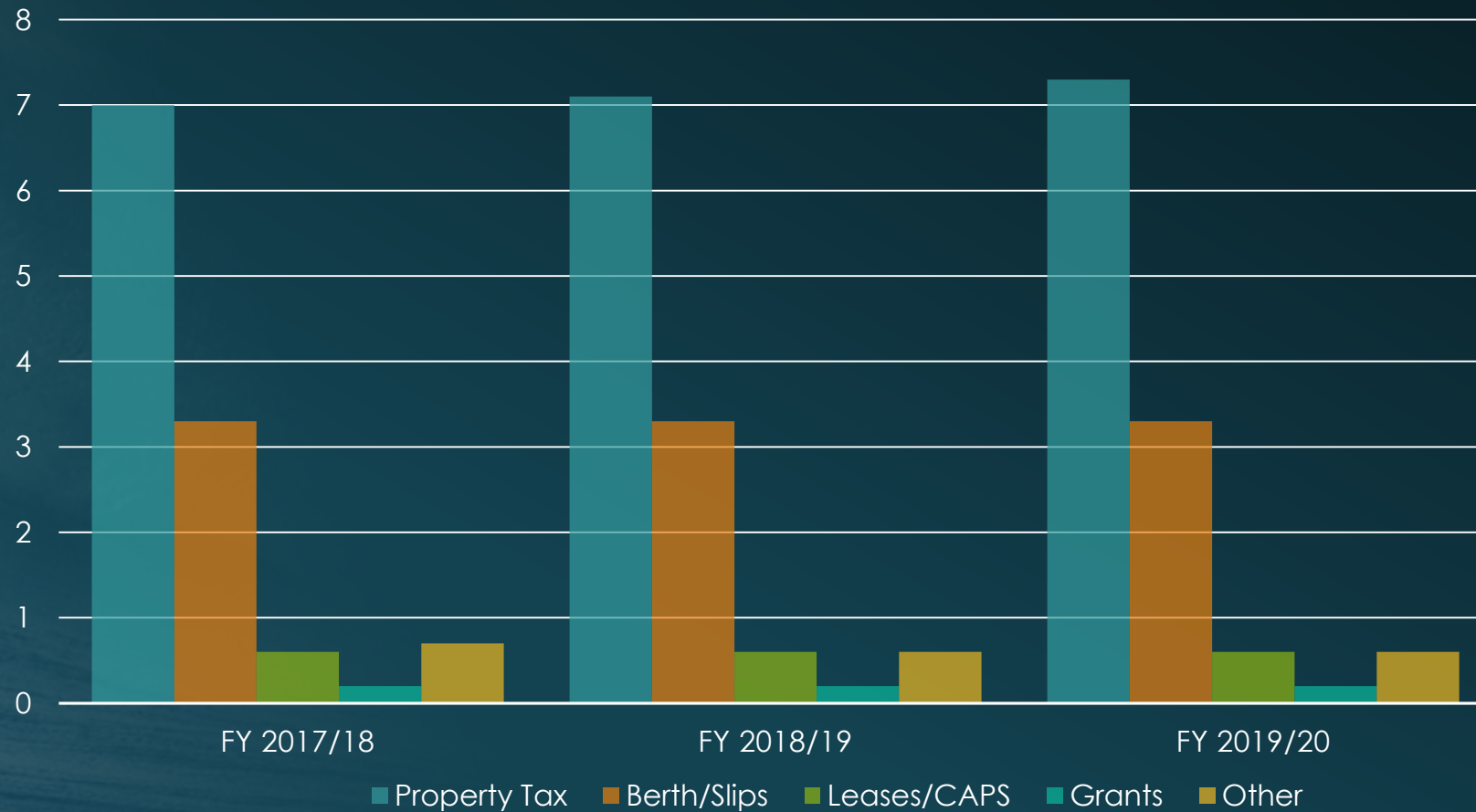
Public & Enterprise Services

Property Tax \$7,285,000

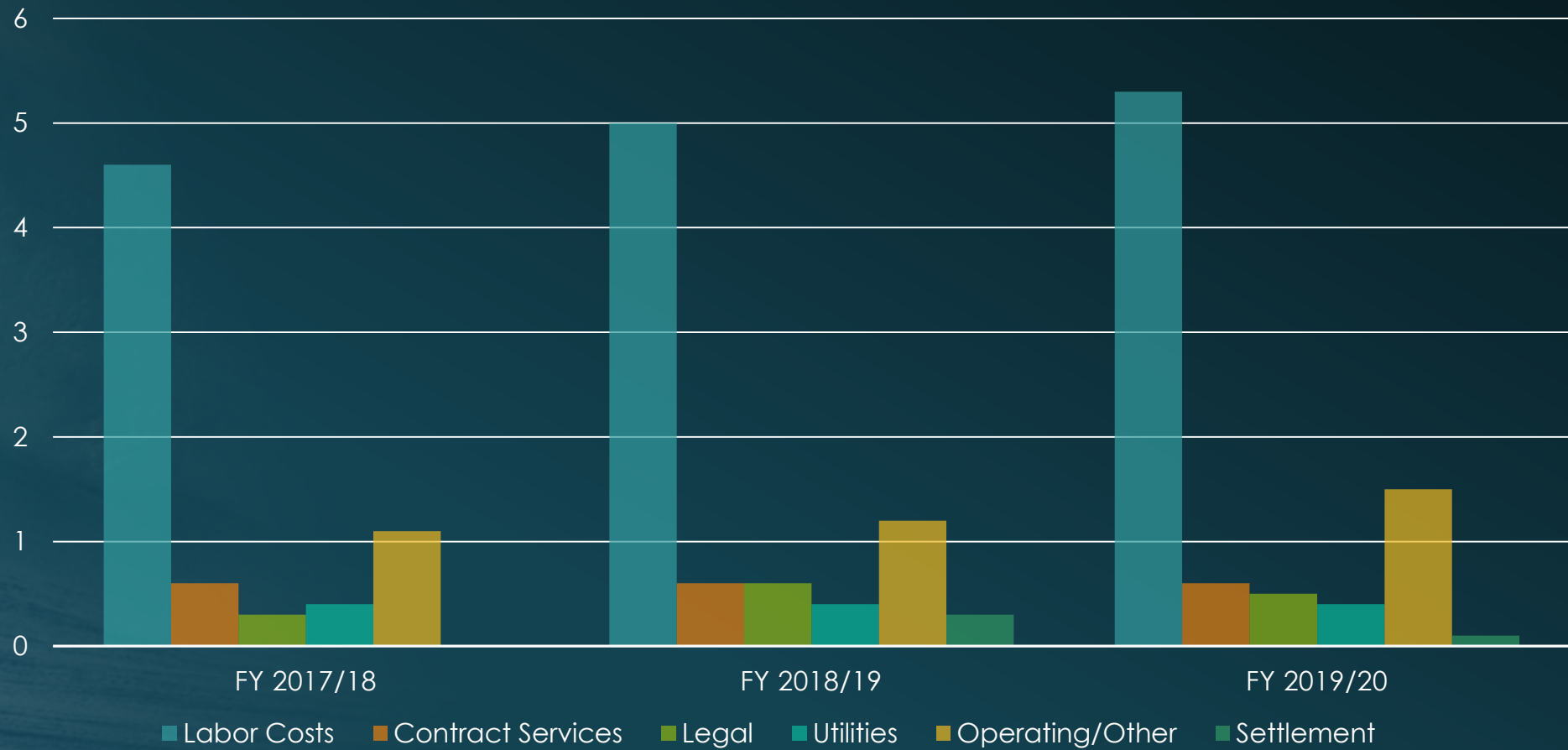


■ PPH ■ OPM ■ Administration ■ Working Capital

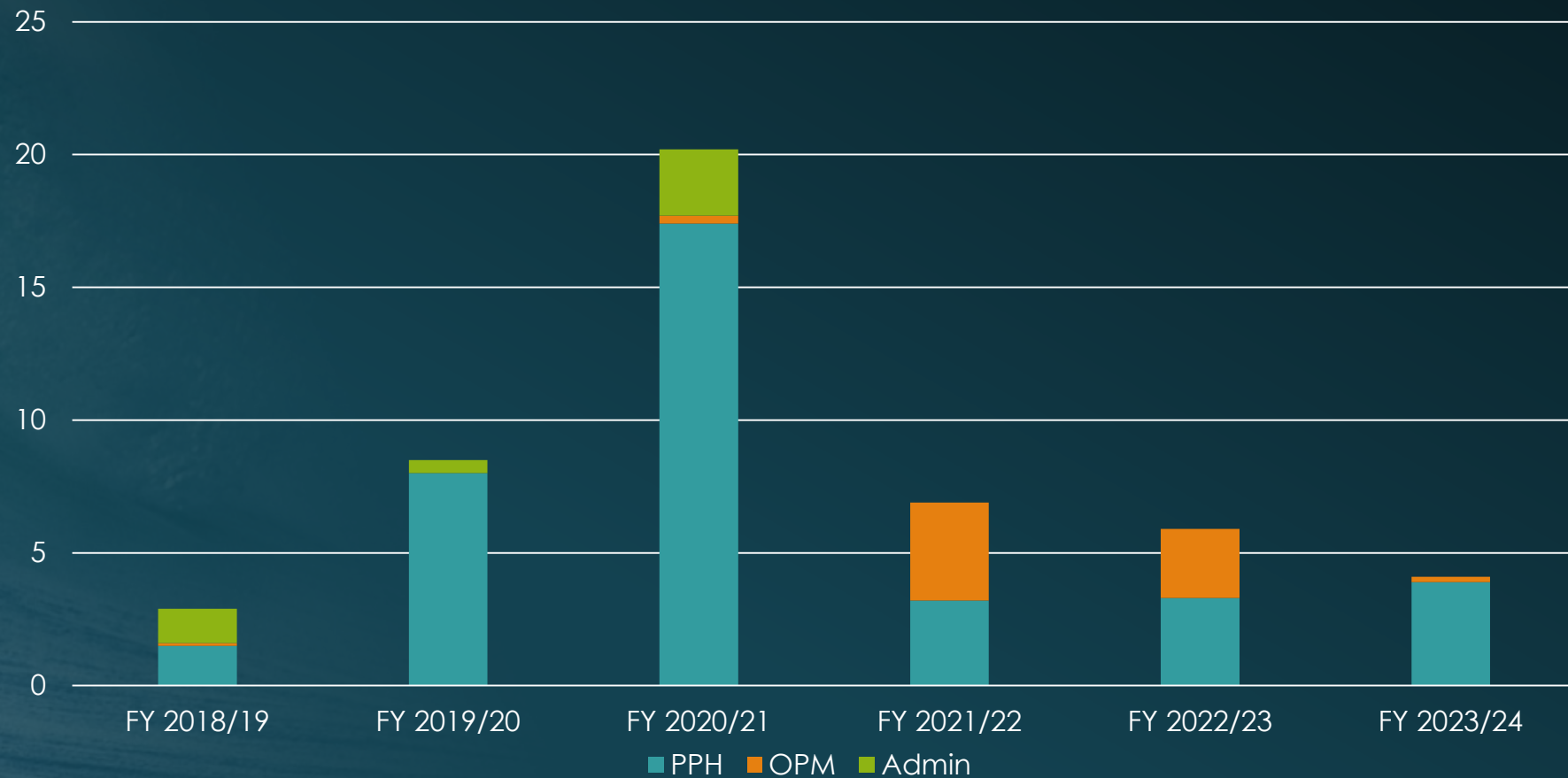
District Revenue (in millions)



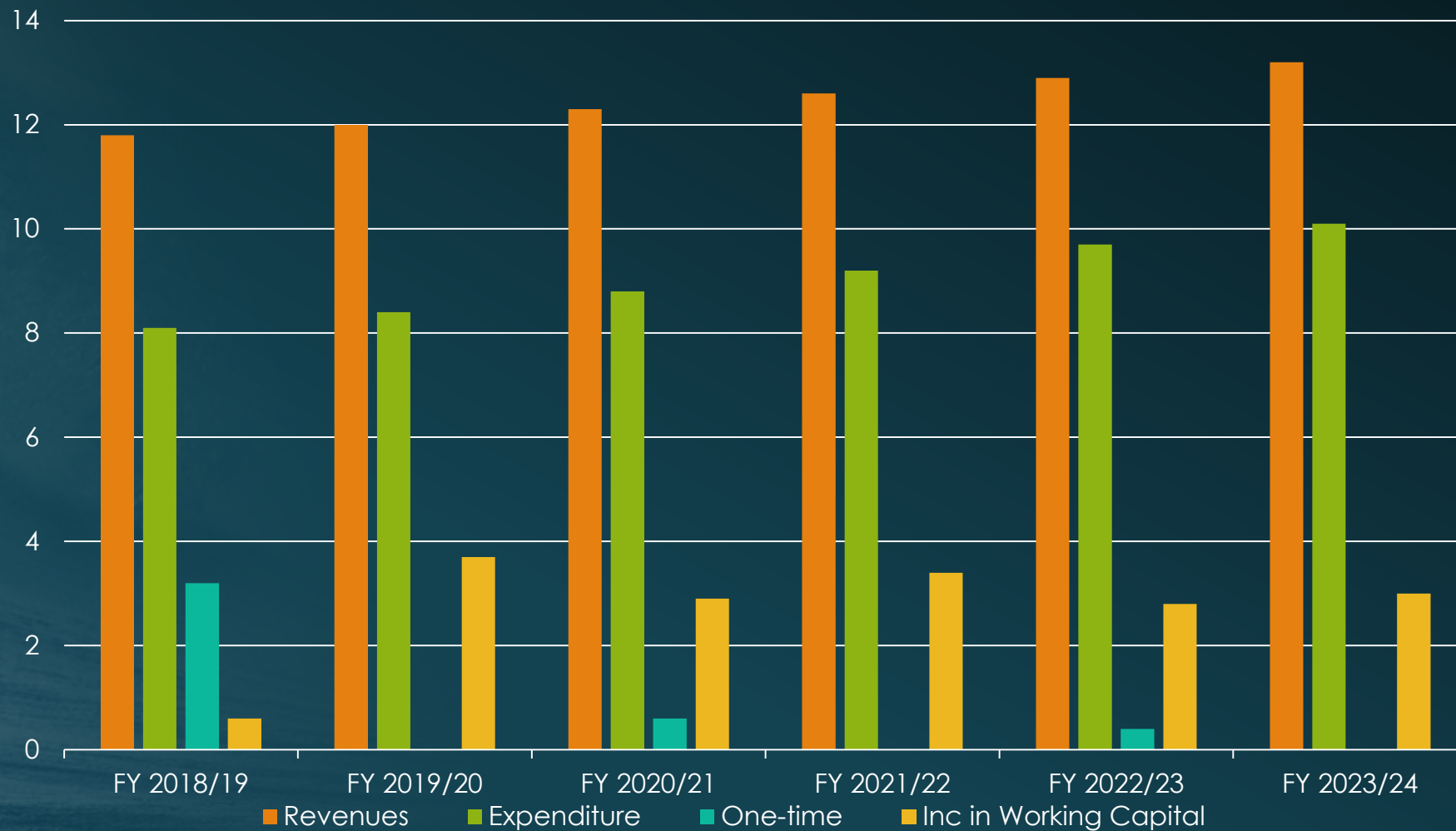
District Expenditures (in millions)



Capital Improvement Program (in millions)

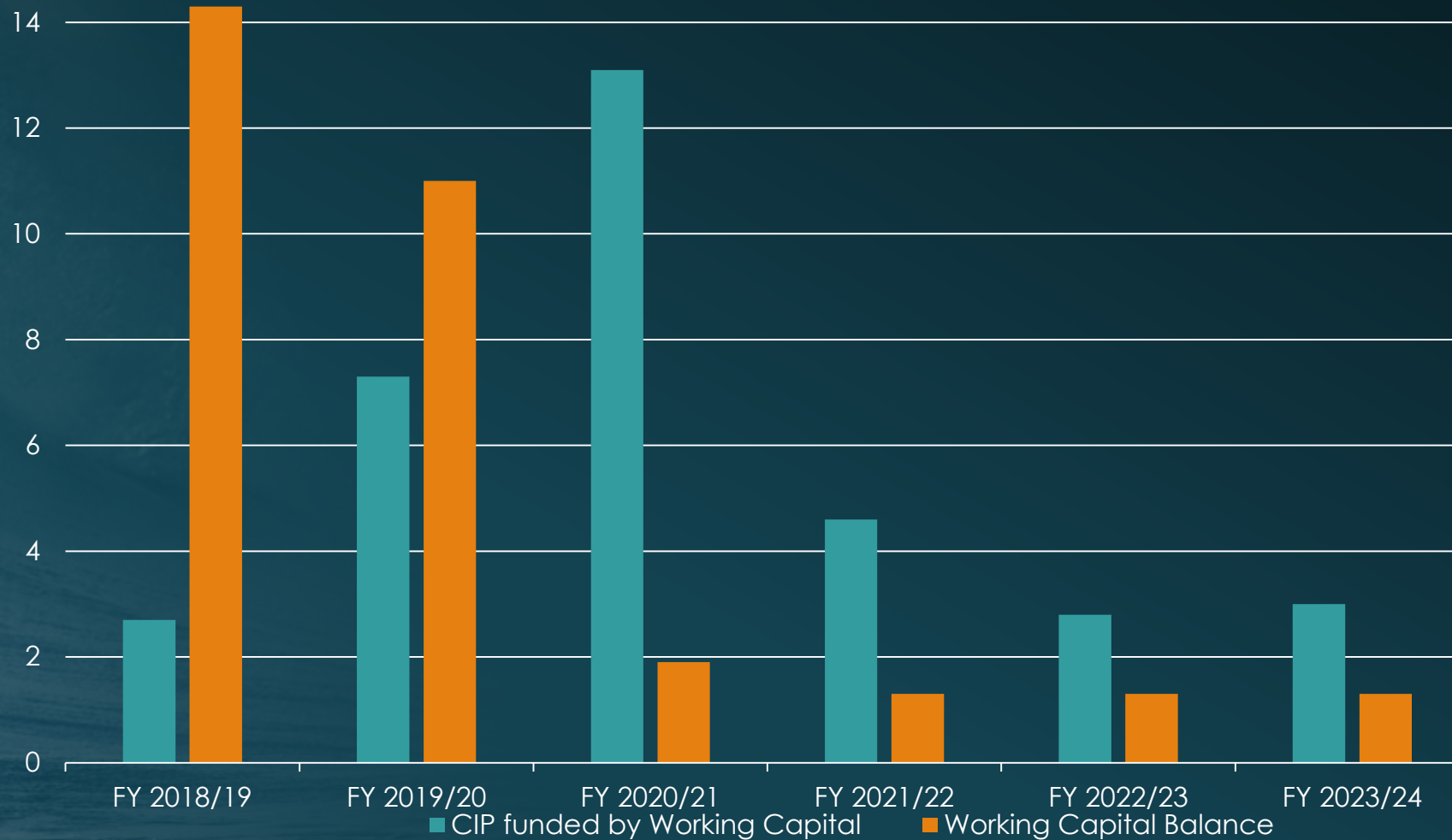


Five-Year Forecast (in millions)



CIP & Working Capital Forecast (in millions)

16



Pillar Point Harbor



**Launch Ramp Restroom/
Boat Wash/ Ramp
Improvements**



Harbormaster Building



Fishing Pier Repair



Surfers Beach Restoration



West Trail Erosion Protection

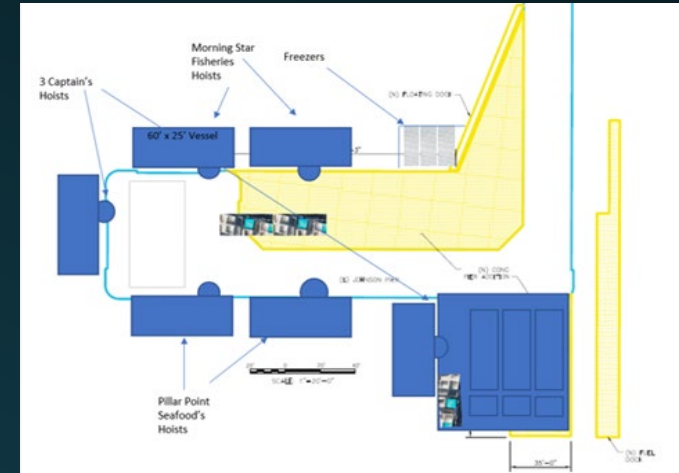


Launch Ramp Dredging

Pillar Point Harbor



Parking Lots B, C2, C3



Johnson Pier Terminus, Fuel Dock Replacement & H-Dock Replacement

Re-appropriations of Encumbrances

Project	Approval Date(s)	Contractor	Original Contract	Change Orders	Total Contract	Estimated Spending thru 6/30/19	Estimated Encumbrance Re-appropriation
West Trail Erosion Protection	04/04/16 11/01/17 04/17/19	GHD, Inc	\$184,086	\$249,722 \$618,145	\$1,051,953	\$433,713	\$618,240
Surfers Beach Replenishment	11/16/17 04/17/19	Damitz	\$50,000	\$56,000	\$106,000	\$66,000	\$40,000
Surfers Beach Replenishment	09/19/18	Environmental Science	\$105,000	-	\$105,000	\$38,000	\$67,000
Surfers Beach Replenishment	04/11/19	Kinetic Labs	\$15,080		\$15,080	\$7,080	\$8,000
Johnson Pier Pile Repairs	03/20/19	Moffatt & Nichol	\$42,300	-	\$42,300	\$10,300	\$32,000
PPH RV Park Restroom	04/11/19	Matthews Architects	\$13,000	-	\$13,000	\$13,000	-
PPH Office Remodel	12/20/17	Matthews Architects	\$34,100	-	\$34,100	\$34,100	-
Johnson Pier & H-Dock Replacement	03/15/17 03/20/19	Moffatt & Nichol	\$143,700	\$1,318,000	\$1,461,700	\$181,492	\$1,280,208
Launch Ramp Dredge	01/18/17	Moffatt & Nichol	\$24,900	-	\$24,900	\$24,900	-
Launch Ramp Dredge	01/18/17 04/17/19	Damitz	\$13,993	\$47,700	\$61,693	\$34,693	\$27,000
Fishing Pier Rehab	10/18/17	Moffatt & Nichol	\$82,600	-	\$82,600	\$82,600	-
TOTAL ESTIMATED RE-APPROPRIATION							\$2,072,448

Summary

- **Adopt Fiscal Year 2019/20 Appropriations:**
 - **Salaries/Wages & Benefits** **\$5,270,000**
 - **Non-Personnel Operating Costs** **3,080,000**
 - **Capital Appropriations** **200,000**
 - **Estimated CIP Encumbrances** **2,072,448**



Staff Report

TO: Board of Harbor Commissioners

FROM: John Moren, Interim General Manager

DATE: June 19, 2019

SUBJECT: Pillar Point Harbor Launch Ramp Dredge Project Invitation for Bid Approval

Recommendation/Motion:

Motion: (i) Authorize the Interim General Manager, pursuant to an Invitation for Bid (IFB) response evaluation from qualified firm(s) and/or individual(s) to assist the San Mateo County Harbor District (District) with dredging of the Pillar Point Harbor launch ramp, to execute an Agreement with the sole bidder, Dixon Marine Services Inc.(Dixon), for the negotiated amount of \$344,480.98, and, subject to continued due diligence and verification of insurance and other obligations outlined in the IFB, award the contract to Dixon Marine Services Inc.

Policy Implications:

This dredge episode is necessary to clear the launch ramp for public use.

Fiscal Implications/Budget Status:

No negative fiscal impact, \$427,000.00 has been budgeted for the launch ramp and Surfers Beach dredging in FY19-20.

Background:

In May 2016 the District entered into a Professional Services Agreement with consultant Brad Damitz to coordinate a routine maintenance dredge episode at the PPH Launch Ramp.

The historic severe storm events which occurred in Feb of 2017 caused the eastern launch ramps to be covered in sand very rapidly. The storms were deemed qualified for emergency disaster relief funds from FEMA/CalOES. Therefore, staff and Damitz worked to apply for debris removal emergency grant funding and were awarded up to \$395,504 for reimbursement. Staff have already successfully submitted soft cost invoices for FEMA/CalOES reimbursement and will continue to do so. Costs for design, engineering, construction/dredging and debris/sediment removal/storage will be submitted for reimbursement by FEMA/CalOES emergency grant funding.



Photo showing shoaling at the PPH Boat Launch Facility

Damitz began the permitting process and set to work on identifying a temporary staging site for sand removed from launch ramp so that it could later be used for beach nourishment at Surfers Beach.

To date, all dredging/stockpile permit applications have been submitted and the required environmental documentation has been completed, including eelgrass surveys, bathymetric surveys, wetland delineations, and sediment sampling/analysis. A stockpile site at HMB Airport has been secured and permitted.

The project Invitation for Bid was issued. Bids were due on May 1, 2019. Dixon was the sole bidder and initially proposed \$482,809.35. In accordance with the IFB terms, the District's design/engineering team determined most efficient work plan and staff negotiated with the sole bidder. As a result, Dixon submitted a revised cost proposal for \$344,480.98 to remove, dewater and stage the 1,600 cubic yards of sediment.

Summary/Recommendation:

Staff recommends the Board authorize the Interim General Manager, pursuant to an Invitation for Bid (IFB) response evaluation from qualified firm(s) and/or individual(s) to assist the San Mateo County Harbor District (District) with dredging of the Pillar Point Harbor launch ramp, to execute an Agreement with the sole bidder, Dixon Marine Services Inc.(Dixon), for the negotiated amount of \$344,480.98, and, subject to continued due diligence and verification of insurance and other obligations outlined in the IFB, award the contract to Dixon Marine Services Inc.

Attachments:

1. [Exhibit A: Dixon revised cost proposal](#)
2. [Exhibit B: Invitation for Bid, 2019-03 PPH Launch Ramp Dredge Project](#)

SAN MATEO COUNTY HARBOR DISTRICT

CONTRACT NO. 2019-03

Pillar Point Harbor Boat Launch Ramp Dredging

BID FORM

**TO: SAN MATEO COUNTY HARBOR DISTRICT
EL GRANADA, CA**

Pursuant to the Notice Inviting Bids, the undersigned bidder herewith submits a bid on the bidding form or forms attached hereto and made a part hereof and binds itself on award by the San Mateo County Harbor District under this bid to execute a contract in accordance with its bid, the bid documents and the award. The attached Notice Inviting Bids, General Conditions and Instructions for Bidders, Special Provisions, Technical Specifications, Bid Forms, and Addenda, if any, are made a part of this bid and all provisions thereof are accepted, and all representations and warranties required thereby are hereby affirmed.

Bids below include all applicable charges, including labor, insurance, bonding, and other costs necessary for the furnishing of all equipment and the performance of all services called for under the Contract. Prices quoted shall include all sales or use taxes.

BIDDER SHALL SUBMIT QUOTES FOR ALL ITEMS

CONTRACT NO. 2019-03

PILLAR POINT HARBOR BOAT LAUNCH RAMP DREDGING

LINE #	ITEM #	DESCRIPTION	AMOUNT
1	Task 1	Mobilization	\$ 99,313 ³ / ₁₀₀
2	Task 2	Silt Curtains	\$ 84,094 ⁴ / ₁₀₀
3	Task 3	Dredging and Disposal	\$ 159,258 ² / ₉
4	Task 4	Designated Upland Disposal Area	\$ 31,890 ⁹ / ₄
5	Task 5	Demobilization	\$ 45,608 ⁵ / ₅
		TOTAL BID PRICE	\$ 344,480 ⁹⁸ / ₀₀

The Bid Form must be signed below in accordance with the General Conditions and Special Provisions. Bids submitted in any other form will be considered non-responsive and may be rejected.

Name Under Which Business is Conducted:

Dixon MARINE SERVICES, Inc.

Business Address: PO Box 424 Inverness, CA 94987

Telephone Number: 415-669-7369 Facsimile Number: 415-669-7409

E-Mail Address: MASutton@dixonmarine.com

MANDATORY SIGNATURE(S)
(See General Condition 3 and Special Provision 1.3)

IF SOLE OWNER, sign here: I sign as sole owner of the business named above.

IF PARTNERSHIP, one or more partners sign here: The undersigned certify that we are partners in the business named above and that we sign this Contract proposal with full authority to do so.

IF CORPORATION OR LCC, sign here: The undersigned certify that they sign this Contract proposal with full and proper authorization to do so.

Entity Name: Dixon MARINE SERVICES, Inc

By: Rebecca Dixon Title: President

*By: [Signature] Title: V.P

Incorporated under the laws of the State of CALIFORNIA

* If the Bidder is a corporation, this Bid Form must be executed by two corporate officers, consisting of: (1) the president, vice president or chair of the board; and (2) the secretary, assistant secretary, chief financial officer or assistant treasurer. In the alternative, this Bid Form may be executed by a single officer or a person other than an officer provided that evidence satisfactory to the District is provided, demonstrating that such individual is authorized to bind the corporation (e.g. a copy of a certified resolution from the corporation's board or a copy of the corporation's bylaws).

IF JOINT VENTURE, officers of each participating firm sign here: The undersigned certify that they sign this Contract proposal with full and proper authorization to do so:

Joint Venture Name composed of: _____

By _____ Title _____

By _____ Title _____

**INVITATION FOR BIDS
CONTRACT No. 2019-03**

for

***PILLAR POINT HARBOR BOAT LAUNCH
RAMP DREDGING***

NOTICE INVITING BIDS

NOTICE IS HEREBY GIVEN that sealed bids will be received in the Harbor District Administrative Offices, San Mateo County Harbor District (District), either by U.S. Postal Service addressed to its mailing address, PO Box 1449, El Granada, CA 94018, or by courier or personal delivery to 504 Avenue Alhambra, 2nd Floor, El Granada, CA 94018, on **May 01, 2019, by 2:00 p.m., Pacific Standard Time**, at which time bids will be publicly opened and read for the following:

CONTRACT NO. 2019-03 Pillar Point Harbor Boat Launch Ramp Dredging

The District seeks bids for **dredging of sediment that has accumulated on and adjacent to the Pillar Point Harbor boat launch ramps**. Dredging shall be performed using land-based equipment (e.g. long-reach excavator). Bids shall be submitted on the District's "Bid Form" and enclosed in a sealed envelope marked "**CONTRACT NO. 2019-03 Pillar Point Harbor Launch Ramp Maintenance Dredging**" and plainly endorsed with Bidder's name and address.

Bidders bidding as the prime contractor must possess a valid State of California Contractor's License at the time of contract award. All subcontractors, if any, must be properly licensed by the State of California to perform specialized trades.

A recommended pre-bid conference and site visit will be held prior to the date of bid opening. District staff and consultants will be available to answer general questions pertaining to the solicitation documents and the specifications. Any questions that may require staff research to answer or that will otherwise modify the meaning or intent of this solicitation shall be submitted to the District in writing as described in Special Provision 1.8. The pre-bid conference will take place on **April 8, 2019 at 10:30 AM** at 1 Johnson Pier, Half Moon Bay, CA 94019. There will be a site visit immediately following the pre-bid conference.

Bids must be accompanied by a deposit either in the form of a certified or cashier's check or Bidder's Bond, as described in the documents, which shall be applied to damages sustained by the District in the event that the successful Bidder fails or refuses to enter into a contract awarded to it by the District.

Requests for modifications or clarifications of any requirement must be submitted in writing to San Mateo County Harbor District, Interim General Manager, John Moren by e-mail at jmoren@smharbor.com or by facsimile at (650) 583-4614 by **April 12, 2019 at 4:30 p.m., Pacific Standard Time**.

This is a Public Works Contract. The general prevailing rates of per diem wages and the general prevailing rates for regular (straight) time, holiday and overtime work in San Mateo County for each craft, classification and type of worker needed to execute the Contract shall be set forth in the current General Prevailing Wage Determinations made by the Director of Industrial Relations pursuant to California Labor Code Sections 1720 et seq. The current General Prevailing Wage Determinations are incorporated into the Contract, and are available at the California Department of Industrial Relations' website (www.dir.ca.gov/dlsr/DPreWageDetermination.htm). Should the general prevailing wage rates not specify a wage determination for a particular type of worker, attention is directed to 8 CCR 16202(b) regarding petitioning the Director of the California Department of Industrial Relations for a special wage determination.

The successful Bidder will be required to furnish a Performance Bond and a Payment Bond, both in the amount set forth in the Special Provisions.

Pursuant to Public Contract Code Section 22300, the successful Bidder may submit certain securities in lieu of the District withholding funds from progress payments (retention) during the Project.

Bids will be examined and reported to the Interim General Manager within ninety (90) calendar days after the bids have been opened. The District reserves the right to reject any and all bids, or to waive any irregularities or informalities in any bid or in the bid procedure, or to postpone the bid opening for good cause. No Bidder may withdraw its bid for a period of ninety (90) calendar days after the date of opening of the bids. Each Bidder will be notified of award of contract, if award is made.

Contractors and subcontractors must be registered with the Department of Industrial Relations (DIR) at the time of bid, or else the bid may be rejected as non-responsive. (See Labor Code sections 1725.5 and 1771.1.) For federally funded projects, the contractor and subcontractors must be registered at the time of contract award. (See Labor Code section 1771.1(a). Each bidder must submit proof of contractor registration with DIR (e.g. a hard copy of the relevant page of the DIR's database found at: <https://efiling.dir.ca.gov/PWCR/Search>). This Contract is subject to monitoring and enforcement by the DIR pursuant to Labor Code Section 1771.4.

To inspect and obtain the Bid Documents or for additional information, please contact San Mateo County Harbor District, Interim General Manager, John Moren by telephone at (650) 583-4962, by facsimile at (650) 583-4614, or by e-mail at jmoren@smharbor.com.

Dated at El Granada, this **March 28, 2019**.

GENERAL CONDITIONS AND INSTRUCTIONS FOR BIDDERS

SAN MATEO COUNTY HARBOR DISTRICT

GENERAL CONDITIONS AND INSTRUCTIONS FOR BIDDERS

These General Conditions and Instructions apply to all bids, except insofar as they may be modified by the Special Provisions, Technical Specifications or Bid Forms.

1. **Definition of Terms.** Whenever in the Bid or Contract Documents the following terms or pronouns in place of them, or abbreviations are used the intent and meaning shall be interpreted as follows:

"District" shall mean San Mateo County Harbor District.

"Board," "Director," "Directors," or "Board of Directors" shall mean the five (5) member governing board of the San Mateo County Harbor District or members thereof.

"Secretary" means the Administrative Assistant/Deputy Secretary of the Board of the San Mateo County Harbor District.

"General Manager" means General Manager of the San Mateo County Harbor District.

"Contractor" means the successful bidder to whom a contract is awarded.

"Written Order" means a written order signed by the General Manager or properly authorized representative or agent, mailed to the Contractor at the address designated in the firm's Bid, or to such other address as may be designated in writing as its official place of business.

"Bid Documents" or "Contract Documents" mean the Notice Inviting Sealed Bids, General Conditions and Instructions for Bidders, Special Provisions, Technical Specifications, Bid Forms and Addenda, if any.

"Bidder" or "Bid" means Proposer or Proposal, respectively.

2. **Explanations and Clarifications**

- A. **Request for Interpretation or Correction.** Prospective Bidders must examine the Contract Documents carefully. It shall be the duty of every person contemplating submitting a Bid for the proposed Contract, to contact the Secretary and request in writing, before bidding, an interpretation or correction of every discrepancy, ambiguity, error or omission in any of the Contract Documents which should have been discovered by a reasonably prudent Bidder.

Any interpretation, change, or correction of said Contract Documents will be made by addenda only, duly issued by the District. Copies of such addenda will be mailed or delivered to each firm receiving a set of said specifications. Upon such mailing or delivery, such addendum will become a part of the Contract Documents, and binding on all Bidders whether or not actual notices of such addenda are shown.

- B. Interpretations or Corrections Binding. Only the written interpretation or correction so given by the District shall be binding. All oral modifications of the Contract Documents are void and ineffective.
3. Form of Bid and Signature. The Bid shall be made on the form provided and shall be enclosed in a sealed envelope marked and addressed as required. If the Bid is made by a sole owner, it shall be signed with the firm's full name and its address shall be given; if it is made by a partnership, it shall be signed with the partnership name by a member of the firm, who shall also sign its own name, and the name and address of each member of the firm shall be given; and if it is made by a corporation it shall be signed by **two** officers of the corporation, consisting of (1) the chairman of the board, president, or vice president, and (2) the secretary, assistant secretary, chief financial officer, assistant financial officer, or by a person authorized by the corporation to execute written Contracts on its behalf. If the Bid made by a corporation is signed by a person other than an officer, or by only one officer, there must be attached to the Bid a certified copy of a resolution of the corporation authorizing such officer or person to sign Bids on behalf of the corporation. If it is made by a joint venture, it shall be signed on behalf of each participating company by officers or other individuals who have the full and proper authorization so to do. If it is made by an LLC, it must be signed by an officer or other member who has full and proper authorization to execute contracts on behalf of the LLC. Bids submitted in any other form will be considered non-responsive and may be rejected.
4. Bid Form. Blank spaces in the Bid shall be properly filled. The phraseology of the Bid must not be changed and no additions shall be made to the items mentioned therein. Alterations by erasure or interlineations must be explained or noted in the Bid over the signature of the Bidder. If the unit price and the total amount named by a Bidder for any item do not agree, the unit price alone will be considered as representing the Bidder's intention. Any mathematical errors apparent on the face of the Bid shall be corrected and the mathematically correct total shall be used to determine the lowest Bidder.
5. Unauthorized Conditions. Unauthorized conditions, limitations or provisions attached to a Bid will render it informal and may cause its rejection. No telegraphic Bids or modifications will be considered.
6. Submission of Bid. Prior to the hour specified in the notice inviting sealed Bids, all Bids shall be delivered to the Secretary at the address shown in the Notice. All Bids shall be in a sealed envelope properly endorsed as to the item being Bid and the Bidder's name and address. No Bids received after said time or at any place other than the time and place as stated in the notice will be considered.
7. Withdrawal of Bid. Any Bid may be withdrawn at any time prior to the time fixed in the public notice for the opening of Bids only by written request for the withdrawal of the Bid filed with the District. The request shall be executed by the Bidder or its duly authorized representative.

A telephonic request is not acceptable. The District will accept facsimile or email transmissions of properly executed requests that are received by the District prior to the time fixed in the public notice for the opening of Bids. The District will not be

responsible for interruptions, delays, or any other unsuccessful facsimile or email transmission of Bid withdrawals, whether or not caused by the District's facsimile equipment. The withdrawal of a Bid does not prejudice the right of the Bidder to file a new Bid. Whether or not Bids are opened exactly at the time fixed in the public notice opening Bids, a Bid will not be received after that time, nor may any Bid be withdrawn after the time fixed in the public notice for the opening of Bids.

8. **Canvass of Bid.** At the hour specified in the notice, the Secretary will open, examine and publicly declare all Bids received. Bidders, their representatives, and others interested are invited to be present at the opening of Bids. Award will be made or Bids rejected by the District within the time specified in the Specifications or Bid Forms or, if not specified, within a reasonable time after Bids have been opened. The District reserves the right to postpone the Bid opening for its own convenience.
9. **Award of Contract.** The award of the Contract, if awarded, will be made to the lowest responsible Bidder whose Bid complies with the requirements prescribed and whose qualifications are satisfactory to the District. Such award, if made, will be made within ninety (90) days after the opening of the Bids. If the lowest responsible Bidder refuses or fails to execute the Contract or file the required bonds, the District may award the Contract to the second lowest responsible Bidder. The periods of time specified above within which the award of Contract may be made shall be subject to extension for such further period as may be agreed upon in writing between the District and the Bidders concerned. All Bidders shall be notified of the award.
10. **Rejection of Bids.** The District may reject any and all Bids, and must reject the Bid of any party who has been delinquent or unfaithful in any former Contract with the District. The District also reserves the right to waive any irregularities or informalities in any Bid or in the bidding procedure. All Bidders shall be notified of the award. All Bids must remain in effect at least ninety (90) days from the Bid opening date.
11. **Taxes.** The supplies, materials or equipment called for under the Specifications will be used by the District in the performance of a governmental function and are exempt from taxation by the United States Government, and the District will, if requested, furnish a tax exemption certificate and any and all affidavits and documents that may be necessary to establish such exemption. California State sales or use taxes shall be included in the Bid price.
12. **Additional Taxes.** Any sales tax, use tax, imposts, revenues, excise, or other taxes which may hereafter be imposed by the State of California or any political subdivision thereof, and applicable to the sale of the material delivered as a result of the Bidder's Bid and which, by the terms of the tax law may be passed directly to the purchases, will be included in the Bid price.
13. **Alternative Bid.** Submission of alternative Bid or Bids, except as specifically called for in the Specifications or Bid Forms, will render it informal and may cause its rejection.
14. **Bidder's Security.** Each Bidder shall submit with its Bid one of the following forms of Bidder's security:

- (a) An unconditional Certified or Cashier's Check on a solvent bank, in an amount equal to at least ten percent (10%) of the amount Bid, payable to the order of San Mateo County Harbor District; or
- (b) A Bidder's Bond, in an amount equal to at least ten percent (10%) of the amount Bid, using the form entitled "Bidder's Bond," provided with the Bid documents, and properly executed and acknowledged by the Bidder and by a corporate surety authorized to transact such business in the State of California and acceptable to the District.

Any condition or limitation placed upon said check or any alteration of said form of bond, or imperfection in the execution thereof, as herein required will render it informal and may, at the option of the District, result in the rejection of the Bid under which such check or bond is submitted. Said check or Bidder's Bond shall be a guarantee that the Bidder(s), if awarded the Contract, will execute the required Contract and bonds within fifteen (15) days after receipt of the contract and bond forms from the District or such additional time as may be allowed by the District. If the Bidder(s) fails or refuses to execute the required Contract and bonds within said time, the money and proceeds from the check or bond as the case may be, shall be applied towards payment of the damage to the District on account of the delay in the execution of the Contract and bonds and the performance of the work thereunder, and the necessity of accepting a higher or less desirable Bid resulting from such failure or refusal to execute the Contract and bonds required. The amount of the check or bond as the case may be, shall not constitute a limitation upon the right of the District to recover for the full amount of such damage. The check or bond of the successful Bidder(s) and the next two highest Bidders will be returned after the execution of the Contract with the successful Bidder(s) and the approval of its bonds on behalf of the District, and the checks or bonds of the other Bidders will be returned promptly after the Bids have been opened and reviewed by the District.

- 15. **Permits.** The District is responsible for obtaining all required permits for the project.
- 16. **Statement of Experience and Qualifications.** Upon request, the Bidder may be required to prove to the District's satisfaction that it has the skill and experience and that it has the necessary facilities and ample financial resources to perform the Contract in a satisfactory manner and within the required time.
- 17. **Waiver.** The Bidder shall represent and warrant that it has sufficiently informed itself in all matters affecting the performance of the work or the furnishing of the labor, supplies, material or equipment called for in the Specifications; that Bidder has checked its Bid for errors and omissions; that the prices stated in its Bid are correct and as intended by it and are a complete and correct statement of its prices for performing the work or furnishing the labor, supplies, materials or equipment required by the Contract Documents.

The Bidder waives any claim for the return of its Bid deposit if, on account of errors or omissions claimed to have been made by it in its Bid, or for any other reason, it should refuse or fail to execute the Contract.

- 18. **Non-Collusion Certification.** By submitting a Bid, the Bidder represents and warrants that such Bid is genuine and not sham or collusive or made in the interest or in behalf of

any person not therein named, and that the Bidder has not, directly or indirectly, induced or solicited any other Bidder to put in a sham Bid, or any other person, firm or corporation to refrain from bidding, and that the Bidder has not in any manner sought by collusion to secure to the Bidder an advantage over any other Bidder.

19. **Penalty for Collusion.** If at any time it shall be found that the person, firm or corporation to whom a Contract has been awarded has, in presenting any Bid or Bids, colluded with any other party or parties, then the Contract so awarded shall be null and void and the Contractor and its bondsmen shall be liable to the District for all loss or damage which the District may suffer thereby and the District may advertise for a new Contract for said labor, supplies, materials or equipment.
20. **Interest of District Personnel.** By submitting a Bid, the Bidder represents and warrants that neither the General Manager, nor any Director, officer or employee of the District is in any manner interested directly or indirectly in the Bid or in the Contract which may be made under it, or in any expected profits to arise therefrom, as set forth in Article 4, Division 4, Title 1 (commencing with Sec. 1090) or Title 9 (commencing with Section 8100 of the Government Code of the State of California).
21. **Representation Before the District.** No person previously in the position of Director, Officer, employee, or agent of the District may act as an agent or attorney for, or otherwise represent, a Bidder or Contractor by making any formal or informal appearance, or any oral or written communication, before the District, or any officer or employee of the District, for a period of twelve months after leaving office or employment with the District, if the appearance or communication is made for the purpose of influencing any action involving the issuance, amendment, award, or revocation of a permit, license, grant or Contract.
22. **Time for Execution of Contract and Filing Bond.** The Bidder(s) to whom award is made shall execute a written Contract with the District on the form of Contract of the District and furnish a good and approved bond as herein required within fifteen (15) days after receiving the forms of Contract and bond for execution.

If the Bidder to whom award is made fails to enter into the Contract as herein provided and furnish the said bond, the award will be annulled and an award may, in the discretion of the District, be made to the Bidder whose Bid is next most acceptable; and such Bidder shall fulfill every stipulation embraced herein as if it were the party to whom the first award was made.
23. **Documents Deemed Part of Contract.** The Notice Inviting Sealed Bids, General Conditions and Instructions for Bidders, Special Provisions, Bid Form, Technical Specifications and Addenda, if any, and the Agreement will be deemed a part of the Contract.
24. **Governing Law; Compliance with Laws.** The Contractor hereunder shall be governed by the laws of the State of California. The Contractor must comply with all local, state and federal laws, rules and regulations applicable to this Contract and to the work to be done hereunder, including, all rules and regulations of the District.

25. **Manner of Execution of Contract.** If the Contractor is an individual, the Contract shall be executed by the Contractor personally. If the Contractor is a co-partnership, it is desirable that the Contract be executed by all of the partners, but it may be executed by one of them. If the Contractor is a corporation, it must be executed by two officers of the corporation consisting of (1) the Chairman of the Board, President or Vice President; and (2) the Secretary, Assistant Secretary, Chief Financial Officer or Assistant Treasurer, or by a person authorized by the corporation to execute written Contracts on its behalf, and the corporate seal affixed thereto. If the corporate seal is not affixed to the Contract, or if it is executed by a person other than an officer, or by only one officer there must be attached to the Contract a certified copy of a resolution of the corporation authorizing such officer or person to execute written Contracts for and on behalf of the corporation. If the Contractor is a joint venture, the Contract must be executed on behalf of each participating firm by officers or other individuals who have the full and proper authorization so to do. If the Contractor is an LLC, the Contract must be executed by an officer or other member who has full and proper authorization to execute contracts on behalf of the LLC.
26. **Faithful Performance Bond.** Upon execution of the contract, the Contractor shall furnish a bond to guarantee the faithful performance of the contract. The amount of the bond shall be stated in the Special Provisions. The bond shall be with a California-admitted corporate surety, or with two or more sufficient sureties to be approved by the District. As an alternative to furnishing a bond, Contractor may guarantee faithful performance of the contract by (1) depositing with the District a certified check or cashier's check from a solvent bank for the prescribed amount.
27. **Effect of Extensions of Time.** Granting, or acceptance, of extensions of time to complete the work or furnish the labor, supplies, materials or equipment, or any one of the aforementioned, will not operate as a release to Contractor or the surety on Contractor's faithful performance bond from said guarantee.
28. **Changes by the Contractor.** If the Contractor, on account of conditions developing during the performance of the contract, finds it impracticable to comply with these Specifications and applies in writing for a modification of requirements, such change may be authorized only in writing by the General Manager, if not detrimental to the District.
29. **Changes by the District.** In case any work, materials or equipment shall be required which are not mentioned, specified or indicated or otherwise provided for herein, the Contractor shall, if ordered in writing by the General Manager, do and perform such work and furnish such materials or equipment at the Contractor's catalogue prices, less discounts ordinarily allowed to users of such materials or equipment or at regular labor charges less customary discounts, or both.

The Contractor's Bid to perform any changes requested by the District shall include the cost of the material, engineering time, labor for installation if required and a reasonable markup, if any.

In case any work, materials or equipment which are mentioned, specified or indicated or otherwise provided for in the contract or in the Specifications forming a part of the

contract shall be required to be omitted from, in or about the work, the Contractor shall, if ordered by the General Manager, omit the performance of such work and the furnishing of such materials or equipment and there shall be deducted from the amount to be paid to the Contractor the amount which the General Manager and the Contractor shall determine and mutually agree to be the reasonable value of such work, materials or equipment, and such determination and agreement shall be final and conclusive upon the Contractor.

It is understood, however, that the amount of work, materials or equipment required by the Contract shall not, in accordance with the above provisions referring to additions or omissions, be so increased or diminished as substantially to alter the general character or extent of the Contract.

30. Change Orders. The Contract may be modified or changed by the District from time to time, in order to carry out and complete more fully and perfectly the work agreed to be done and performed. An order that modifies or changes work to be performed under the Contract shall be valid only if issued in writing and signed by the General Manager and shall designate (1) the change in cost or manner of payment, if any and (2) the effect on time for Contract performance, if any. Work so ordered must be performed by the Contractor.

31. Disputed Work/Claims. The Contractor must promptly comply with the following procedures in the event the Contractor has any dispute regarding (1) the District's determination on any change orders relative to adjustments in Contract price, time for performance or any other requirement or (2) whether a determination or order by the District violates the provisions of the Contract. Before proceeding with such work or complying with such determination or order, or simultaneously, the Contractor must notify the General Manager in writing of the reasons for the Contractor's opinion with respect to the dispute and request a final determination. The General Manager shall render the final determination within a reasonable time of receipt of such written request.

If the General Manager determines that the work in question is Contract work and not extra work, or that the determination or order complained of is proper, he/she will direct the Contractor to proceed, and the Contractor must promptly comply. However, in order to reserve its right to claim compensation for such work or damages resulting from such compliance, the Contractor must, within ten (10) days after receiving notice of the General Manager's determination and direction, notify the General Manager in writing that the work is being performed, or that the determination direction is being complied with under protest.

If the Contractor fails to so appeal to the General Manager for a determination, or having so appealed, should the Contractor thus fail to notify the General Manager in writing of its protest, the Contractor shall be deemed to have waived any claim for extra compensation or damage therefore. Oral appeals or oral protests, no matter to whom made, shall not be deemed even substantial compliance with the provisions of this Section.

32. Notice of Potential Claim. The Contractor shall not be entitled to the payment of any additional compensation or damages for any cause, including any act or failure to act by

the District, or the happening of any event, thing or occurrence, unless, it shall give the District due written notice of potential claim as described below. Compliance with this section shall not be a prerequisite as to matters within the scope of the protest provisions in General Condition 31, "Disputed Work/Claims."

The written notice of potential claim shall set forth the reasons for which the Contractor believes additional compensation or damages will or may be due, the nature of the cost involved and, insofar as possible, the amount of the potential claim. The notice must be given to the General Manager prior to the time that the Contractor shall have performed the work giving rise to the potential claim for additional compensation or damages, if based on an act or failure to act by the District, or in all other cases, within fifteen days after the happening of the event, thing or occurrence giving rise to the potential claim.

It is the intention of this section that differences between the parties arising under and by virtue of the Contract be brought to the attention of the District at the earliest possible time in order that such matters may be settled, if possible, or other appropriate action promptly taken. The Contractor agrees that it shall have no right to additional compensation or damages for any claim that may be based on any such act, failure to act, event, thing or occurrence for which no written notice of potential claim as required was filed.

33. **Contractor's Liability.** The Contractor will indemnify, keep and save harmless the District, its agents, officials and employees, against all suits or claims arising out of any injury or death to persons or property caused by, resulting from, relating to, or alleged to have been caused by, result from, or relate to, the acts or omissions of the Contractor (including its employees and subcontractors) , whether or not it has been alleged that the injury was caused through a negligent act or omission of the Contractor (or its employees or subcontractors), unless the injury was caused by the willful misconduct or the sole or active negligence on the part of the District, its agents, officials or employees. The Contractor will, at its own expense, defend any and all such actions, and will at its own expense pay all charges of attorneys and all costs and other expenses arising therefrom or incurred in connection therewith. If any judgment is rendered against the District in any such action, the Contractor will at its own expense satisfy and discharge the same.
34. **Approval by the General Manager.** The work shall be executed under the direction and supervision of the General Manager or his designee, on whose inspection all work shall be accepted or condemned. The General Manager shall have full power to reject or condemn any materials furnished or work performed under the Contract which do not conform to the terms and conditions set forth in the Contract Documents.
35. **Defective or Damaged Work.** The Contractor agrees that within ten calendar days after being notified in writing by the District of any work not in accordance with the requirements in the Contract or of any defects in the work, it will commence and prosecute with due diligence all work necessary to fulfill the requirements of the Contract or correct the defect, and will complete such work in a reasonable period of time and at no additional cost to the District.

If the Contractor fails to promptly comply with this provision, the Contractor hereby authorizes the District to proceed to have such work done at the Contractor's expense,

and Contractor agrees to honor and pay the costs and charges upon the District's demand. In the alternative, the District may elect to deduct the costs and charges from any compensation due or to become due to the Contractor. The District shall be entitled to all costs and expenses, including reasonable attorney's fees, necessarily incurred upon the Contractor's refusal to pay the above costs and charges. Nothing in the provision shall limit or restrict the warranty provisions set forth in the General Conditions, Special Provisions, and Technical Specifications.

36. Independent Contractor. Neither Contractor nor any of the Contractor's employees is, or shall be deemed, an agent or employee of the District, and in the performance of all work hereunder, Contractor shall be an independent Contractor, shall comply with all applicable Worker's Compensation laws, shall pay all required Social Security taxes and Unemployment Compensation taxes, and shall pay or perform all other obligations imposed upon an employer of labor, all at Contractor's expense, and, furthermore, shall indemnify the District against any and all liability as a result of Contractor's failure to perform any of the foregoing requirements.

37. Protection of Work and of Persons and Property. During performance and up to the date of final acceptance by the District, the Contractor shall be under an absolute obligation to protect the finished and unfinished work against any damage, loss or injury. In the event of damage, loss or injury to the finished and unfinished work, the Contractor shall promptly replace or repair such work, whichever the District shall determine to be preferable. The obligation to deliver finished work in strict accordance with the Contract shall be absolute and shall not be affected by the District's approval of or failure to prohibit means and methods of construction used by the Contractor.

During the performance of this Contract and up to the date of final acceptance, the Contractor must take all reasonable precautions to protect the persons and property of others from damage, loss or injury. Within three (3) days after notice to it of the happening of any such loss, damage or injury to work, persons and property, the Contractor shall make a full and complete report thereof in writing to the District.

Under this article the Contractor assumes the following distinct and several risks, whether they arise from acts or omissions (whether negligent or not) of the Contractor, or the District, or the District's Representative, or of third persons; or from any other cause, and whether such risks are within or beyond the control of the Contractor, excepting risks which arise solely from District or District Representative's active negligence or affirmative acts with actual and willful intent to cause the loss, damage and injuries, and professional errors and omissions of the District or of the District's Representative:

- a. The risk of loss or damage to the finished and unfinished Work prior to final acceptance by the District;
- b. The risk of claims, just or unjust, by third persons against the Contractor, the District or the District's Representative on account of injuries (including wrongful death), loss or damage of any kind whatsoever arising or alleged to arise out of or in connection with the performance of the Work (whether or not actually caused by or resulting from the performance of the Work) or out of or in connection with the Contractor's operations or presence at or in the vicinity of the work site,

whether such claims are made and whether such injuries, damage and loss are sustained at any time both before and after final acceptance of the Work;

- c. The risk of loss or damage to any property, including the loss of use thereof of the Contractor, and of claims made against the Contractor, the District, or the District's Representative for loss or damage to any property, including the loss of use thereof of subcontractors, material men, workmen and other performing the Work, occurring at any time prior to completion of removal of such property from the premises or in the vicinity thereof.

Neither the acceptance of the completed Work or payment therefore shall release the Contractor from its obligations under this article. The enumeration elsewhere in this Contract of particular risks assumed by the Contractor or of particular claims for which it is responsible shall not be deemed to limit the effect of the provisions of this article or to imply that it assumes or is responsible for only risks or claims of the type enumerated; and neither the enumeration in this article nor the enumeration elsewhere in this Contract of particular risks assumed by the Contractor or of particular claims for which it is responsible shall be deemed to limit the risks which the Contractor would assume or the claims for which it would be responsible in the absence of such enumerations.

Except as these specifications otherwise may provide, all loss or damage of any sort or nature arising from any unforeseen obstruction or difficulties, either natural or artificial, or from any act or omission not authorized by these specifications on the part of the Contractor, or any agent or person employed by it, shall be the responsibility of the Contractor.

The provisions of this Article shall not be deemed to create any new right of action in favor of third parties against the Contractor, or the District.

38. **Damages.** All loss or damage arising from any unforeseen obstruction or difficulties, whether natural or artificial, which may be encountered in the prosecution of the work, or the furnishing of the supplies, materials or equipment, or from any action of the elements prior to the final acceptance of the work or of the supplies, materials or equipment, or from any act or omission not authorized by these Specifications on the part of the Contractor or any agent or person employed by it shall be sustained by the Contractor.
39. **Failure to Complete Contract-Effect.** In case of failure on the part of the Contractor to complete its Contract within the specified time or within authorized extensions thereof, the Contract may be terminated and the District shall in such event not thereafter pay or allow to the Contractor any further compensation for any labor, supplies or materials furnished by it under said Contract; and the District may proceed to complete such Contract either by reletting or otherwise, and the Contractor and its bondsmen shall be liable to the District for all loss or damage which it may suffer on account of the Contractor's failure to complete its Contract within the specified time.
40. **Non-Performance of Contract.**
 - a. **Right to Stop Work.** Authority to stop the work, in whole or in part is vested in the District and may be invoked whenever it deems such action necessary to

insure proper execution of the Contract; work may not be resumed until the District has given written consent.

- b. Rejection of Materials and Workmanship. The District has the right to reject defective material and workmanship and to require its replacement or correction without additional cost to District. Defective material and workmanship includes, but is not limited to, materials and workmanship that does not meet the requirements of the specifications of this Contract reasonably interpreted in the sole discretion of the District. Contractor shall promptly segregate and remove rejected work. All adjacent work disturbed by removal of such work shall be replaced in accordance with this Contract and without expense to the District including work of other Contractors disturbed by such removals and replacements.
- (1) If Contractor fails to proceed at once with replacement of rejected work, District may, by Contract or otherwise, replace such material and correct such workmanship and charge the cost to the Contractor, or District may terminate right of the Contractor to proceed. The Contractor and its surety shall be liable for any damage to same extent as provided for by terminations hereunder.
 - (2) If rejected materials are not removed within a reasonable time, District may cause them to be removed and stored at Contractor's expense three days after issuing written notice to so remove them. If Contractor does not pay for such removal and storage within six days thereafter, District may, six days after further written notice, sell the materials and credit Contractor with net proceeds after all costs of removal and sale are deducted. If materials so removed are valueless or sale does not meet cost of removal, Contractor shall bear all resultant loss.
- c. Neglected Work. District may perform or employ others to undertake portions of the work persistently neglected by the Contractor if work is still proceeding unsatisfactorily three days after written notice to the Contractor. In such case work will be done according to the Contract Documents and the cost deducted from next payment falling due to the Contractor. Such action shall in no way affect status of either party under Contract, nor be held as basis of any claim by the Contractor or for extension of time.
- d. Right to Withhold Payment. Part or whole of any payment or any certificate may be withheld by District if such course is deemed necessary to protect District from loss on account of Contractor's failure to meet its obligations or if balances unpaid to Contractor are insufficient to complete the work. This right may also be exercised if in District's opinion the work will not be completed in time specified for performance of the Contract.

41. Termination of Right to Proceed. If the Contractor should appear to the District to be in default and the Contractor fails to remedy its default within five (5) days after receipt from the District of notice of such default, the District may terminate the Contractor's

right to proceed with work or that portion which the District determines is most directly affected by the default.

The term "default" for purposes of this provision includes, but is not limited to, the performance of work in violation of the terms of the Contract; abandonment, assignment or subletting of the Contract without approval of the District, bankruptcy or appointment of a receiver for Contractor's property; failure to maintain the schedule of work; refusal or failure to maintain the schedule of work; refusal or failure properly to prosecute the work; use of materials, supplies, plant or equipment of improper quality or quantity; refusal or failure to provide proper workmanship; failure to take effective steps to end a prolonged labor dispute; and the performance of the Contract in bad faith.

Upon the District's termination of the Contractor's right to proceed with the work or a portion of it, the District will have the right to complete the work or the portion by whatever means and methods it deems expedient, including the hiring of others on such terms as the District deems advisable.

The expense of completing such work or portion thereof, together with a reasonable charge for managerial and administrative services as certified by the District, will be charged to the Contractor, and the expense so charged will be deducted by the District out of such monies as may be due or may at any time thereafter become due to the Contractor. In case such expense is more than the sum which otherwise would have been payable to the Contractor under the Contract, then the Contractor or its surety or sureties shall promptly pay the amount of such excess to the District, upon notice from the District of the excess so due. The District may, in its sole discretion, withhold all or any part of any progress payments otherwise due to the Contractor until completion and final settlement of the work covered by such notice of default.

42. **Payments.** Unless otherwise stated in the Specifications or Bid forms, the District shall pay the Contractor within thirty (30) days after the District issues a written notice of final acceptance.
43. **Liquidated Damages.** It is agreed by the parties to the Contract that time is of the essence, and in event of delay in completion of the work or the delivery of the supplies, materials or equipment beyond the date set forth in the Contract documents, or beyond authorized extensions thereof, damage will be sustained by the District and that it is or will be impracticable to determine the actual amount of the damage by reason of such delay, and it is, therefore, agreed that the District shall be paid an amount as set forth in the Special Provisions as liquidated damages. If no amount is set forth, Contractor shall be liable for actual damages for each and every calendar day that the time consumed in said completion extends beyond the date herein specified in that the District will suffer by reason of said delay or default. If the delay in delivery is caused by strikes, government controls or other causes beyond the control of the Contractor, an extension of time without liquidated damages liability shall be granted by the District upon a proper showing and finding by the District that the extension is justified.
44. **Insurance Certificates.** Certificates of insurance required by the Special Provisions shall be delivered to the District concurrently with the executed Contract. The District reserves the right to request certified copies of an insurance policy if questions arise.

All required insurance under this Contract shall provide adequate protection for the San Mateo County Harbor District, its Officers, Agents, Representatives and Employees, while acting in such capacity and their successors or assignees, as they now or as they may hereinafter be constituted singly, jointly or severally, and the Contractor, against all claims, liability damages and accidents of any kind.

45. **Infringement of Patents.** The Contractor agrees that it will, at its own expense, defend all suits or proceedings instituted against the District and pay any award of damages assessed against the District in such suits or proceedings, insofar as the same are based on any claim that the materials or equipment, or any part thereof, or any tool, article or process used in the manufacture thereof, constitutes an infringement of any patent of the United States provided the District gives to the Contractor prompt notice in writing of the institution of the suit or proceeding and permits the Contractor through its counsel to defend the same and gives the Contractor all needed information, assistance and authority to enable the Contractor so to do.
46. **Assignment.** The Contractor shall not assign, transfer, convey, sublet or otherwise dispose of the Contract or its right, title or interest in or to the same, or any part thereof, without previous consent in writing of the General Manager endorsed thereon or attached thereto.
47. **Warranty of Title.** Contractor shall warrant to the District, its successors and assigns, that the title to the material, supplies or equipment covered by the Contract, when delivered to the District or to its successors or assigns, is free from all liens and encumbrances.
48. **Warranty of Fitness.** Contractor hereby warrants that all materials furnished shall meet the requirements and conditions of the Bid documents; shall be fit for the purposes intended and fulfill its design functions; shall be free of all patent and latent defects in design materials, and workmanship and perform satisfactorily.

It is understood and agreed that by acceptance of this warranty and the acceptance of materials or supplies to be manufactured or assembled pursuant to these Specifications, District does not waive any warranty, either expressed or implied in Sections 2312 to 2317, inclusive, of the Commercial Code of the State of California or any products liability of the Contractor as determined by any applicable decision of a court of the State of California or of the United States.

49. **Time of Completion.** The Contractor shall complete all or any designated portion of the work called for under the Contract in all parts and requirements within the time set forth in the Special Provisions.

Time shall be computed starting the first day after the effective date of the Notice to Proceed. The effective date of the Notice to Proceed will be the date stated as such in the Notice to Proceed, provided that in no case will such effective date be earlier than the date of the issuance of such Notice to Proceed.

50. **Or Approved Equal Clause.** In order to establish a basis of quality, certain materials, processes and type of machinery and equipment, or kinds of materials may be specified on the plans or herein, either by description of process or by designating a manufacturer

by name or by referring to a brand of product designation, or by specifying a kind of material. It is not the intent of these Specifications to exclude other processes, equipment or materials of equal Value, Utility or Merit which are approved by the District.

51. **Antitrust Claims.** The Contractor's attention is directed to California Government Code Section 4552, which shall be applicable to the Contractor and its subcontractors:

In submitting a Bid to a public purchasing body, the Bidder offers and agrees that if the Bid is accepted, it will assign to the purchasing body all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Sec. 15) or under the Cartwright Act (Chapter 2 (commencing with Section 16700) of Part 2 of Division 7 of the Business and Professions Code), arising from purchases of goods, materials, or services by the Bidder for sale to the purchasing body pursuant to the Bid. Such assignment shall be made and become effective at the time the purchasing body tenders final payment to the Bidder.

52. **Environmental and Safety and Health Standards Compliance.** Contractor shall comply with applicable environmental statutes, regulations and guidelines in performing the work under this Contract. The Contractor shall also comply with applicable Occupational Safety and Health standards, regulations and guidelines in performing the work under this Contract.

53. **Equal Employment Opportunity.** In connection with the performance of this Contract, the Contractor shall not discriminate against any employee or an applicant for employment because of race, color, religion, gender, national origin, ancestry, age, marital status, pregnancy, medical condition, disability, or sexual orientation as provided for in Federal, State and local laws in consideration of an award.

The Contractor shall take affirmative action to insure that applicants are employed, and that employees are treated during their employment, without regard to the above factors. Such actions shall include but not be limited to the following: demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay; other forms of compensation; and selection for training, including apprenticeship.

54. **Rights and Remedies of the District.** The rights and remedies of the District provided herein shall not be exclusive and are in addition to any other rights and remedies provided by law or under the Contract.

55. **Qualification Questionnaire.** The Contractor shall submit, prior to execution of this Agreement, documentation showing whether or not the Contractor, any officer of the Contractor, or any employee of the Contractor, has ever been disqualified, removed, or otherwise prevented from bidding on or completing any federal, state or local government project because of a violation of law or safety regulation. For this purpose, Contractor must complete the bidders statement of Qualification Questionnaire and Financial Statement with Business Reference, which is included in the Bidder's Statement of Qualifications Questionnaire and Financial Statement with Business References.

56. Bid Protest Procedures. FAILURE TO COMPLY WITH ANY OF THE REQUIREMENTS SET FORTH IN THE DISTRICT'S BID PROTEST PROCEDURES MAY RESULT IN REJECTION OF THE PROTEST.

a. Protests Based Upon the Specifications.

- (1) Pre-Protest Procedures. Bidders must first utilize any procedures in the specifications for Approved Equals or Requests for Clarifications or Modifications, prior to submitting a protest. If the bidder disagrees with the District's decision on such requests, the bidder may then avail itself of the bid protest procedures.
- (2) Submission of Protest. Protests based upon restrictive specifications or alleged improprieties in the bidding procedure or contract specifications, which are apparent or reasonably should have been discovered prior to bid opening, shall be filed in writing with the District not later than five calendar days before the bid opening or proposal due date. The protest must clearly specify in writing the grounds and evidence on which the protest is based. If the protestor later raises new grounds or new evidence that reasonably could have been raised, the District will not consider such new grounds or evidence in the determination on the protest. Staff shall respond to the protest with its written determination prior to bid opening or proposal due date. Where the staff determination could affect bid responses, an appropriate extension of the bid opening or proposal due date may be granted.
- (3) Review by the General Manager. If the protest is denied, the bidder may pursue its protest to the General Manager. Within forty-eight (48) hours of receipt of the staff's written determination to deny the protest, the bidder must submit in writing to the General Manager a statement of the reasons for the protest, with supporting evidence, and document that it has exhausted all administrative remedies at the District staff level. The General Manager will issue a written decision prior to the bid opening, which shall be final.

b. Protests Based Upon Contract Award.

- (1) Notice of Staff Recommendation for Award of Contract. Upon conclusion of the bid evaluation for each contract, the District shall send a notice to all bidders of the staff's recommendation for contract award. Such notice shall be sent at least seventy-two (72) hours prior to the Board or Committee meeting, if applicable, at which the recommendation will be considered.
- (2) Submission of Protest; Initial Procedures. Protests based upon alleged improprieties that are not apparent or which could not reasonably have been discovered prior to bid opening, such as disputes over the staff recommendation for contract award, shall be submitted in writing to the District by the deadline specified in the notice from the District advising of the staff's recommendation for award of contract.

- (3) The protest must clearly specify in writing the grounds and evidence on which the protest is based. If the protestor later raises new grounds or new evidence not previously set forth in written submissions that reasonably could have been raised earlier, the District will not consider such new grounds or evidence in the determination on the protest.
 - (4) The Deputy Secretary of the District will make best efforts to notify the other bidders of the protest, and the time and place it will be considered by the Board.
- c. Proceedings Before the Board. The protestor may appear before the Board to present evidence in support of its appeal. After consideration of the protestor's evidence, the staff recommendation, and any other relevant information, the Board may determine whether to reject or allow the protest. Upon Board action, a written statement of the reasons therefore shall be included in the record.

The decision of the Board on the protest and the award of contract, if such a decision is made, shall be final.

d. Protests after Contract Award. No protests will be considered after contract award, except for compelling reasons whereby the lateness is due to the District's untimely handling of the protest submission. In no event will the District consider protests filed after contract award due to the neglect of the protestor. Failure to comply with the time periods for filing protests as set forth herein shall be a basis for rejection of the protest.

57. Air Pollution Control. The Contractor shall comply with all air pollution control rules, regulations, ordinances and statutes which apply to any work performed pursuant to the Contract, including any air pollution control rules, regulations, ordinances and statutes, specified in Section 11017 of the Government Code. Material to be disposed of shall not be burned, either inside or outside the work site.

58. Water Pollution Control. The Contractor shall comply with all water pollution control rules, regulations, ordinances and statutes which apply to any work performed pursuant to this Contract.

The Contractor shall exercise every reasonable precaution to protect streams, lakes, reservoirs, bays, coastal waters and other bodies of water from pollution with fuels, oils, bitumens, calcium chloride and other harmful materials, and shall conduct and schedule its operations so as to avoid or minimize muddying and silting of said waters.

59. Compliance with Law.

- (a) The Contract documents, and the rights of the parties thereunder, shall be interpreted in accordance with the laws of the State of California.
- (b) The Contractor warrants that all operational practices of the Contractor, and all workmanship and material, equipment and articles used in the performance of the work hereunder shall be in accordance with the rules and requirements of the United States Coast Guard in effect at the time of Contractor's submission of Bid.

In addition, all safety orders, rules and recommendations of the State of California, Division of Industrial Safety, and the United States Department of Labor, Occupational Safety and Health Administration applicable to the work to be done under this Contract shall be obeyed and enforced by the Contractor.

60. **Discharge of Liens.** The Contractor shall pay all costs and expenses incident to any work performed by it or for its account, and shall not create, incur, suffer or permit to be placed or imposed any lien or encumbrance or charge in any way arising from any act or omission of the Contractor. The Contractor shall orally or in writing inform all persons dealing with it in performing the work of the provisions of this paragraph.

The Contractor shall immediately discharge or cause to be discharged any lien or right in rem of any kind, other than in favor of the District, and if any such lien or right in rem is not immediately discharged, the District may, after notification to the Contractor, discharge or cause to be discharged such lien or right at the expense of the Contractor.

SPECIAL PROVISIONS

SAN MATEO COUNTY HARBOR DISTRICT

CONTRACT NO. 2019-03

Pillar Point Harbor Boat Launch Ramp Dredging

SPECIAL PROVISIONS

Coordination of General Conditions and Instructions for Bidders, Special Provisions, and Technical Specifications. The General Conditions and Instructions for Bidders, Special Provisions, and Technical Specifications are intended to be complementary and to describe and provide for a complete work. In the event that there are inconsistencies or discrepancies between provisions contained in these components of the Contract Documents, the Special Provisions and Technical Specifications shall govern over the General Conditions and Instructions for Bidders.

SECTION 1. BID REQUIREMENTS AND CONDITIONS

- 1.1 **Bid Invited.** The San Mateo County Harbor District (District) invites bids for Pillar Point Harbor Boat Launch Ramp Dredging, in full accordance with these specifications.
- 1.2 **Schedule of Activities.** Listed below is the “Schedule of Activities” which outlines pertinent dates of which Bidders should make themselves aware. These dates may be subject to change.

DATE	ACTIVITY
April 8, 2019 @ 10:30 a.m.	Recommended Pre-Bid Conference and site visit at 1 Johnson Pier, Half Moon Bay, CA 94019
April 12, 2019 @ 4:30 p.m.	Written requests for approved equals/modifications/clarifications are due.
April 19, 2019	District will respond to requests for approved equals (Postmarked).
May 1, 2019 @ 2:00 p.m.	Bid Opening San Mateo County Harbor District

- 1.3 **Bid Form.** Bids shall be submitted on the District’s “Bid Form” attached hereto, enclosed in a sealed envelope marked “**CONTRACT NO. 2019-03, Pillar Point Harbor Boat Launch Ramp Dredging,**” and plainly endorsed with the Bidder’s name and address. Bids must be received by the Deputy Secretary, San Mateo County Harbor District, at its mailing address PO Box 1449, El Granada, CA 94018, or by courier or personal delivery to 504 Avenue Alhambra, 2nd Floor, El Granada, CA 94018 by **May 1, 2019, at 2:00 p.m. Pacific Time**, at which time they will be publicly opened and read in the Board Room of said building.

The Total Bid Price shall include all labor, equipment, materials, applicable taxes, delivery charges, warranties, insurance, license fees, bonds, and all other costs necessary for **removal of and relocation of dredged materials from Pillar Point Harbor boat launch ramps.**

Each Bid Form must be signed on Bid Form page 2 by one or more individuals with authority to bind the Contractor to the bid. Please refer to General Condition 3 and the Bid Form. All bids without the appropriate signature(s) on Bid Form page 2 may be deemed non-responsive and may result in the rejection of the bid. Bidder must submit the three-page Bid Form properly executed.

1.4 Examination of Contract Documents and Site of Work. The Bidder shall have examined carefully the Contract Documents. The submission of a Bid shall be conclusive evidence that the Bidder has investigated and is satisfied as to the conditions to be encountered, the character, quality and scope of work to be performed, the quantities of materials to be furnished and the requirements of the Contract Documents.

1.5 Pre-Bid Conference and Site Visit. A recommended pre-bid conference and site visit will be held prior to the date of bid opening. District staff will be available to answer general questions pertaining to the solicitation documents and the specifications. Any questions that may require staff research to answer or that will otherwise modify the meaning or intent of this solicitation shall be submitted to the District in writing as described in Special Provision 1.8. The pre-bid conference will take place on **April 8, 2019, at 10:30 a.m., Pacific Standard Time, 1 Johnson Pier, Half Moon Bay, CA 94019.**

1.6 Documents to Accompany Bid. The bid shall be accompanied by the following:

- (1) The Bidder's Bond or certified or cashier's check required by Section 14 of the General Conditions and Section 1.10 of the Special Provisions in an amount equal to at least ten percent (10%) of the proposed Total Contract Price
- (2) Certificate of Insurance in accordance with Special Provision 4.1.C
- (3) List of Subcontractors
- (4) Acknowledgement of Addenda, if any
- (5) Qualification Questionnaire
- (6) Proof of DIR Registration in accordance with Special Provision 5.15
- (7) Non-Collusion Declaration

1.7 Approved Equals and Qualified Products. It should be understood that specifying a brand name or specific types of components and/or equipment in these specifications shall not relieve the Bidder from its responsibility to furnish the end product in accordance with the warranty and contractual requirements. The Bidder is responsible for notifying the District of any inappropriate brand names, or types of components and/or equipment that may be called for in these specifications and to propose a suitable substitute for consideration. Unless otherwise specifically provided in the specifications, reference to any equipment, material, article or patented process by trade name, make, or catalog number shall be regarded as establishing a standard of quality and shall not be construed as limiting competition; and a Bidder may, at its option, use any equipment, material, article or process which, in the judgment of the District, is equal to that designated.

The Bidder shall furnish, at its own expense, all test results, technical data, and background information required by the District in making the determination as to whether the proposed equipment, material, article or process is an approved equal. The District shall be the sole judge as to the comparative equality and suitability of alternative equipment, article, material or process and its decision shall be final.

1.8 Request for Approved Equals/Questions/Clarifications. A Bidder may submit to the District requests for approved equals, modifications, or clarifications regarding any requirements, terms, or conditions contained herein. Any such requests must be received in writing by **April 12, 2019 at 4:30 p.m., Pacific Time.** Any requests of approved equals must be fully supported with samples, technical data, test results, or other pertinent information as evidence that the substitute offered is essentially equal or better than that specified in the Contract Documents. The District shall make a determination on each Bidder's request under this procedure in writing. The written determination shall be mailed or otherwise furnished to the Bidder by **April 19, 2019.** Failure of the District to respond within the time limit shall be deemed to be a denial of request. In the event that a request for an approved equal, modification, or clarification is granted, an addendum detailing the approved equal, modification, or clarification will be mailed or otherwise furnished to all potential Bidders who received bid packets.

1.9 Single-Bid Response. In the event of a single-bid response, the District reserves the right to conduct a price and/or cost analysis of the bid to verify that the bid price is fair and reasonable. The Bidder will be expected to cooperate in this process and to submit cost and pricing data to verify that the bid price is fair and reasonable. The right of examination shall extend to all documents necessary to permit adequate evaluation of the cost of the replacement and the prices quoted and shall include the computations and projections used by the Bidder.

Failure to submit the data as requested by the District within ten (10) calendar days of receipt of written notification to the sole offeror shall result in the Bidder being declared non-responsive.

1.10 Bidder's Bond. As required by Section 14 of the General Conditions and Instructions for Bidders, the Bidder's Security to be submitted with the Bid shall be in the amount of at least ten (10) percent of the Total Bid Price as specified on the Bid Form.

SECTION 2. AWARD OF CONTRACT

2.1 Award of Contract. The award of Contract, if any, will be made within ninety (90) calendar days after the date of bid opening to the lowest responsible Bidder based on the Total Bid Price. Each bid as submitted shall remain in effect for ninety (90) calendar days after the date the bids are opened. No Bidder may withdraw its bid during this time period. The lowest responsive and responsible Bidder shall be determined by comparing and evaluating the Total Bid Price as set forth in the Bid Form. The District reserves the right to reject any and all bids or to waive any irregularities in any bid or in the bidding procedure.

2.2 Contract Bonds

- A. **Performance Bond.** The Performance Bond as described in Paragraph 26 of the General Conditions shall be in the amount of one hundred percent (100%) of the total contract price, as awarded by the District. Said bond shall guarantee the Contractor's faithful performance of the Contract and compliance with all terms, conditions and requirements specified in the Contract Documents and shall remain in full force and effect for a period of twelve (12) months after the District's final acceptance of the Contractor's work in accordance with Special Provision 3.2 hereof. The Contractor shall use the form entitled "Performance Bond" included in the Contract Documents.
- B. **Payment Bond.** The Contractor shall provide a payment bond in the amount equal to one hundred percent (100%) of the total contract price and issued by California admitted surety. The payment bond shall provide security for Contractor's full payment to all subcontractors for costs of materials, equipment, supplies, and labor furnished in the course of the performance of the Contract. Full compensation for furnishing the payment bond is included in the total contract price.

SECTION 3. CONTRACT PERFORMANCE

- 3.1 **General.** The Contractor shall perform all work and undertake all services detailed in the Contract Documents in accordance with the specified requirements, terms and conditions.
- 3.2 **Acceptance and Payment.** The Contractor shall notify the District once it has completed all work and services detailed in the Contract Documents in accordance with the specified requirements, terms and condition. Following the Contractor's notification, the District shall undertake a thirty (30)-calendar-day period for inspection. The District will notify the Contractor in writing within said thirty (30) calendar days as to whether the work and services have been accepted.

If the District determines that the work and services are not in conformity with the specification requirements, or that there are defects or deficiencies requiring correction, the District will notify the Contractor of such deficiencies or nonconformity in writing within the aforementioned thirty (30)-day period. The Contractor shall promptly correct or remedy any and all deficiencies or defects noted by the District at no cost to the District. The Contractor shall complete the necessary corrections within fifteen (15) days of the District's notification of deficiencies or nonconformity. At such time as the Contractor has made all necessary corrections to the satisfaction of the District, the District shall issue the Contractor a written notice of final acceptance. In the event the Contractor fails to remedy the deficiencies, the District shall have the right to reject the work and terminate the Contract for breach as provided below in Special Provision Section 3.7, **Termination.** Alternatively, the District may cause the repair to be made by its own or other forces, whereupon the cost of the repair shall be deducted from sums otherwise due the Contractor.

After final acceptance by the District, the Contractor may thereupon furnish to the District satisfactory evidence that all liens, claims and demands of Subcontractors, laborers and materialmen, arising out of such work, are fully satisfied, and that all of the work is fully

released from all liens, claims and demands of whatever kind and nature and whether just or otherwise.

In accordance with Paragraph 42 of the General Conditions, the District shall make payment to the Contractor following the receipt of proper statements or invoices for the work within thirty (30) days of the date of final acceptance of the work by the District. The acceptance by the Contractor of the final payment, whether such payment be made pursuant to any judgment of any court, or otherwise, shall constitute and operate as a release to the District of any and all claims of the Contractor and liability to the Contractor for anything theretofore done or furnished for or relating to or arising out of this Contract and the work done hereunder, and for any prior act, neglect or default on the part of the District or any of its directors, officers, agents or employees excepting only claims against the District for the amounts deducted or retained in accordance with the terms and provisions of this Contract by law. Should the Contractor refuse to accept the final payment as tendered by the General Manager, it shall constitute waiver of any right to interest thereon.

- 3.3 Liquidated Damages.** Liquidated Damages totaling the dollar amount loss to District per occurrence of specific event shall be assessed for this Contract.
- 3.4 Time of Performance.** Said project will be completed in full no later than (6) six weeks after receiving Notice to Proceed.
- 3.5 Interference with District Operations.** Any and all work must not interfere with the District's normal operations including operation of Pillar Point Harbor, except as necessary to complete the dredging activities at the launch ramps as detailed in the technical specifications.
- 3.6 Warranty.** All work, including all installation work or repairs, is guaranteed by the Contractor against failure, damage, defect, or non-compliance with the Contract of any kind for a period of one (1) year from the date of District's final acceptance. The Contractor must furnish a Performance Bond therefor as provided in the Special Provisions. In addition to said guarantee, the District will have the benefits of any manufacturer's or builder's guarantee given by a manufacturer or builder. Where any individual work item is incomplete at the time of acceptance by the District, the guarantee will run from the date of completion of such item. If the Contractor fails to proceed promptly with any repairs as directed by the District, such corrections and repairs shall be effected at the Contractor's expense at such time as the District may determine. The District may deduct the cost of such repairs from any amount owed to the Contractor or require the Contractor to reimburse such costs to the District.

It is understood and agreed that the District does not waive any warranty, either express or implied, in Sections 2312 through 2317, inclusive, of the California Commercial Code, or any liability of the manufacturer or Contractor as may be determined by a decision of the court of the State of California or of the United States.

- 3.7 Termination.** The District may terminate the Contract for convenience for any reason at any time by giving the Contractor fifteen (15) days' notice thereof. Notice of termination shall be by Certified Mail. Upon termination for the convenience of the District, the District shall pay the Contractor the allowable costs incurred to the date of termination and those

costs deemed reasonably necessary by the District to effect the termination. In the event that the Contractor breaches the terms or violates the conditions of this Contract and does not correct such breaches or violations within ten (10) days following notice thereof from the District, the District may immediately terminate the Contract and shall pay the Contractor only for work performed in full conformance with the specifications to the date of termination, less any costs incurred by the District to repair and complete any remaining work under the Contract. The District reserves the right to pursue any and all remedies available in equity or law in the event the District suffers any damages due to the Contractor's breach of terms or violation of the conditions in this Contract.

- 3.8 Protection of Property.** The Contractor shall exercise every precaution to ensure that no injury or damage occurs to District property as a result of its operations. Should any existing property be damaged by or through any of the Contractor's operations, such injury or damage shall be replaced or repaired immediately by the Contractor, at Contractor's sole cost, in a manner satisfactory to the District.

SECTION 4. INSURANCE

4.1 Insurance Requirements

A. Types of Insurance

Contractor shall not commence work until proper evidence of insurance coverage of the types and amounts specified in this Section has been provided to District. Contractor shall not violate or permit to be violated any conditions or provisions of said policies of insurance, and at all times shall satisfy the requirements of the insurer for the purpose of maintaining said insurance in effect.

If any claim is made by any third person against Contractor on account of any incident connected to the Contract, Contractor shall promptly report the fact in writing to District, giving full details of the claim.

Any person, firm, or corporation that Contractor authorizes to work upon the District's property, including any Subcontractor, shall be deemed to be Contractor's agent and shall be subject to all applicable terms of this Contract. Prior to the Contractor's start of the work or entry onto the District's property, Contractor agrees to require its Subcontractors to procure and maintain, at Contractor's (or its Subcontractor(s)) sole cost and expense (and to prove to the District's reasonable satisfaction that it remains in effect throughout the performance of the work under this Contract), the kinds of insurance described below. Such insurance must remain in effect throughout the term of this Contract and will be at the sole cost and expense of Contractor (or its Subcontractor(s)).

1. Commercial General Liability Insurance

The Contractor shall, at its own expense, procure and maintain Commercial General Liability insurance providing bodily injury and property damage coverage with a combined limit of at least One Million Dollars (\$1,000,000)

each occurrence. This insurance shall include but not be limited to premises and operations, contractual liability covering the indemnity provisions contained in this Contract, personal injury, products and completed operations, and broad form property damage, and include a Cross Liability endorsement.

Said Policy shall protect Contractor and District in the same manner as though a separate policy had been issued to each, but nothing in said policy shall operate to increase the insurance company's liability as set forth in its policy beyond the amount or amounts shown or to which the insurance company would have been liable if only one interest had been named as an insured.

2. Business Automobile Liability

Contractor shall, at its own cost and expense, procure and maintain Business Automobile Liability insurance providing bodily injury and property damage with a combined single limit of at least Two Million Dollars (\$2,000,000) per occurrence for all owned, non-owned and hired automobiles. This insurance shall provide contractual liability covering all motor vehicles and mobile equipment to the extent coverage may be excluded from general liability insurance.

3. Workers' Compensation and Employers' Liability Insurance

If Contractor employs any person to perform work in connection with this Contract, Contractor shall procure and maintain at all times during the performance of such work Workers' Compensation Insurance, in conformance with the laws of the State of California, and Federal laws where applicable. Employers' Liability Insurance shall not be less than Five Million Dollars (\$5,000,000) for each accident and Five Million Dollars (\$5,000,000) for each disease, with a policy limit of Five Million Dollars (\$5,000,000).

The policy shall contain a waiver of subrogation in favor of the San Mateo County Harbor District and its officers, directors, employees, volunteers, and agents, while acting in such capacity, and their successors and assignees, as they now or as they may hereafter be constituted, singly, jointly, or severally.

4. Protection & Indemnity.

The Contractor shall provide Protection and Indemnity (including crew), Collision Liabilities and Vessel Pollution insurance covering all vessels, barges or other marine equipment that will be used in connection with this project. The limits of liability shall be not less than \$5,000,000.

B. General Insurance Requirements

1. Acceptable Insurance

All policies will be issued by insurers acceptable to the District. This insurance shall be issued by an insurance company or companies authorized to do business in the State of California with minimum “Best’s” rating of A- and with minimum policyholder surplus of Fifty Million Dollars (\$50,000,000) or a company acceptable to District in its sole discretion. All policies shall be issued in a form satisfactory to the General Manager of the District and shall be issued specifically as primary insurance. Workers’ Compensation coverage requirements may be met with the California State Compensation Fund.

2. Procure and Maintain Insurance

Contractor must, at its own cost and expense, procure and maintain at all times during the performance of this Contract, all of the required policies specified above. The failure to procure or maintain the required insurance policies and/or an adequately funded self-insurance program acceptable to the District will constitute a material breach of the Contract.

3. Terms of Policies

All insurance specified above shall remain in force until all work to be performed is satisfactorily completed. If the insurance is provided on a claims-made basis it must remain in force for the entire term of the Contract and a minimum of three (3) years thereafter.

4. Self-Insurance

Upon evidence of financial capacity satisfactory to the District and Contractor’s agreement to waive subrogation against the District respecting any and all claims that may arise, the Contractor's obligations hereunder may be satisfied in whole or in part by adequately funded self-insurance.

5) Deductibles and Retentions

The Contractor shall be responsible for payment of any deductible or retention on the Contractor’s policies without right of contribution from the District. Deductible and retention provisions shall not contain any restrictions as to how or by whom the deductible or retention is paid. Any deductible or retention provision limiting payment to the Named Insured is unacceptable.

In the event that the policy of the Contractor or any subcontractor contains a deductible or self-insured retention, and in the event that the District seeks

coverage under such policy as an additional insured, the Contractor shall satisfy such deductible or self-insured retention to the extent of loss covered by such policy for a lawsuit arising from or connected with any alleged act or omission of the Contractor, subcontractor, or any of their officers, directors, employees, agents, or suppliers, even if the Contractor or subcontractor is not a named defendant in the lawsuit.

C. **Evidence of Insurance and Endorsements**

Prior to commencing of work or entering onto the District's property, Contractor shall file a Certificate of Insurance with the District evidencing the foregoing coverages, including the following endorsements:

1. The insurance company(ies) issuing such policy(ies) will provide at least thirty (30) days' notice to the District of cancellation or non-renewal.
2. That the policy(ies) is primary insurance and the insurance company(ies) providing such policy(ies) shall be liable thereunder for the full amount of any loss or claim that Contractor is liable for under this Section, up to and including the total limit of liability, without right of contribution from any other insurance maintained or which may be maintained by the San Mateo County Harbor District.
3. Such insurance shall include as additional insureds the San Mateo County Harbor District, and its respective directors, officers, employees, and agents while acting in such capacity, and their successors or assignees, as they now or as they may hereafter be constituted, singly, jointly, or severally.
4. The policy must also contain either a Cross Liability endorsement or Severability of Interests Clause and stipulate that inclusion of the District as an additional insured will not in any way affect the District's rights as respects any claim, demand, suit or judgment made, brought, or recovered against the Contractor. Said policy shall protect Contractor and the District in the same manner as though a separate policy had been issued to each, but nothing in said policy shall operate to increase the insurance company's liability as set forth in its policy beyond the amount or amounts shown or to which the insurance company would have been liable if only one interest had been named as an insured.

D. **Consequence of Lapse**

Should any required insurance not be procured or lapse during the term of this Contract, requests for payment originating after such lapse will not be processed until the District receives satisfactory evidence of reinstated coverage as required by the Contract. If insurance is not reinstated, the District, may, at its sole option, terminate this Contract effective on the date of such lapse of insurance.

SECTION 5. PUBLIC WORKS PROVISIONS

5.1 Labor Compliance Requirements

In the performance of this Contract, Contractor's attention is directed to the following requirements of the Labor Code:

A. Hours of Labor. Eight hours labor constitutes a legal day's work. Contractor shall forfeit, as penalty to District, \$25 for each worker employed in the performance of the Contract by Contractor or by any subcontractor under it for each calendar day during which such worker is required or permitted to work more than eight hours in any one day and 40 hours in any one calendar week in violation of the provisions of the California Labor Code and in particular, Sections 1810 to 1815, inclusive. Work performed by employees of the Contractor in excess of eight hours per day and 40 hours during any one week shall be permitted upon compensation for all hours worked in excess of eight hours per day at not less than one-and-one-half times the basic rate of pay, as provided in Section 1815.

B. Prevailing Wages. Contractor shall comply with California Labor Code Sections 1770 to 1780, inclusive. In accordance with Section 1775, the Contractor shall forfeit as a penalty to District an amount as determined by the Labor Commissioner not to exceed \$200 for each calendar day or portion thereof for each worker paid less than stipulated prevailing wage rates for such work or craft in which such worker is employed for any work done under the contract by him or by any subcontractor under it in violation of the revisions of the Labor Code and in particular, Labor Code Sections 1770 to 1780, inclusive. In addition to said penalty and pursuant to Section 1775, the difference between such stipulated prevailing wage rates and the amount paid to each worker for each calendar day or portion thereof for which each worker was paid less than the stipulated prevailing wage rate shall be paid to each worker by Contractor. Pursuant to the provisions of Section 1773 of the Labor Code, the District has obtained the general prevailing rate of per diem wages and the general prevailing rate for holiday and overtime work applicable to the work to be done from the Director of the Department of Industrial Relations. Copies of the prevailing wage rates are on file at the District and are available for review upon request. Pursuant to §1773.2 of the Labor Code, the Contractor shall post general prevailing wage rates at a prominent place at the site of the work.

C. Payroll Records. Contractor and each subcontractor shall submit electronic certified payroll records to the California Labor Commissioner in the manner and format set forth in California Labor Code section 1771.4.

The Contractor's attention is directed to the following provisions of Labor Code Section 1776. The Contractor shall be responsible for the compliance with these provisions by its subcontractors.

- (a) Each contractor and subcontractor shall keep an accurate payroll record, showing the name, address, social security number, work classification, straight time and overtime hours worked each day and week, and the actual per diem

wages paid to each journeyman, apprentice, worker, or other employee employed by him or her in connection with the public work.

(b) The payroll records enumerated under subdivision (a) shall be certified and shall be available for inspection at all reasonable hours at the principal office of the Contractor on the following basis:

(i) A certified copy of an employee's payroll record shall be made available for inspection or furnished to such employee or his or her authorized representative on request.

(ii) A certified copy of all payroll records enumerated in subdivision (a) shall be made available for inspection or furnished upon request to the District, the Division of Labor Standards Enforcement and the Division of Apprenticeship Standards of the Department of Industrial Relations.

(iii) A certified copy of all payroll records enumerated in subdivision (a) shall be made available upon request to the public for inspection or copies thereof made; provided, however, that a request by the public shall be made through either the District, the Division of Apprenticeship Standards or the Division of Labor Standards Enforcement. If the requested payroll records have not been provided pursuant to paragraph (2), the requesting party shall, prior to being provided the records, reimburse the costs of preparation by the Contractor, subcontractor and the entity through which the request was made. The public shall not be given access to such records at the principal office of the Contractor.

(c) Unless required to be furnished directly to the Labor Commissioner in accordance with Labor Code Section 1771.4(3)(b), the certified payroll records shall be on forms provided by the Division of Labor Standards Enforcement or shall contain the same information as the forms provided by the Division.

(d) The Contractor shall file a certified copy of the records enumerated in subdivision (a) with the entity that requested such records within ten (10) days after receipt of a written request.

(e) Any copy of records made available for inspection as copies and furnished upon request to the public or the District, the Division of Apprenticeship Standards or the Division of Labor Standards Enforcement shall be marked or obliterated in such a manner as to prevent disclosure of an individual's name, address and social security number. The name and address of the Contractor shall not be marked or obliterated.

(f) The Contractor shall inform the District of the location of records enumerated under subdivision (a), including the street address, city and county, and shall, within five working days, provide a notice of a change of location and address.

(g) In the event of noncompliance with the requirements of this Section, the Contractor shall have ten (10) days in which to comply subsequent to receipt of written notice specifying in what respects such contractor must comply with this Section. Should noncompliance still be evident after such 10-day period, the Contractor shall, as a penalty the State or the District, forfeit One-Hundred Dollars (\$100) for each calendar day, or portion thereof, for each worker, until strict compliance is effectuated. Upon the request of the Division of Apprenticeship Standards or the Division of Labor Standards Enforcement, such penalties shall be withheld from progress payments then due. The penalties specified in subdivision (g) of Labor Code Section 1776 for noncompliance with the provisions of said Section 1776 may be deducted from any monies due or which may become due to the Contractor.

(h) The Contractor and each subcontractor shall preserve their payroll records for a period of three (3) years from the date of completion of the Contract.

D. Labor Non-discrimination. Attention is directed to Section 1735 of the Labor Code which provides that Contractor shall not discriminate against any employee or applicant for employment because of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status of any person, except as provided in Section 12940 of the Government Code. Contractor further agrees to include a similar provision in all subcontracts, except subcontracts for standard commercial supplies or raw materials.

E. Apprentices. The Contractor and all subcontractors shall comply with the requirements of California Labor Code sections 1777.5, 1777.6 and 1777.7 regarding the employment of apprentices.

5.2 Prohibition Against Contracting with Debarred Subcontractors

Contractor is prohibited from performing work on a public works project with a subcontractor who is ineligible to perform work on the public works project pursuant to Section 1777.1 or 1777.7 of the Labor Code.

5.3 Use of Subcontractors

Contractor shall not subcontract any work to be performed by it under this Agreement without the prior written approval of the Agency. Contractor shall be solely responsible for reimbursing any subcontractors and the Agency shall have no obligation to them. Attention is directed to the requirements of Section 4100 to 4113, inclusive of the California Public Contract Code which may be applicable to the work covered by this section of the Agreement. Each Contractor shall list the name and business address of each subcontractor to whom the Contractor proposes to subcontract a portion of the work in an amount in excess of one-half of one percent (0.5%) of the Total Contract Price, along with a description of the portion of the work which shall be done by each subcontractor, by executing the "List of Subcontractors" form attached to this Contract.

5.4 Prompt Payment to Subcontractors

Pursuant to Business and Professions Code Section 7108.5, the Contractor shall pay each first tier Subcontractor under this Contract for satisfactory performance of work under its subcontract no later than 7 days from the Contractor's receipt of payment from the District for such work. The Contractor shall require each first tier Subcontractor to make payments to lower tier Subcontractors in a similar manner. The District shall have no obligation to pay or to verify the payment of money to any Subcontractor, except as may otherwise be required by law.

The Contractor, not the District, shall be solely responsible for payment to Subcontractors at any tier for any amounts owing from the Contractor. All such Subcontractors agree that they shall have no claim, and shall take no action against the District or its officers, directors, employees or sureties, for non-payment by the Contractor.

5.5 Non-Collusion Declaration

Pursuant to Public Contract Code section 7106, Contractor shall execute a Non-Collusion Declaration, in a form provided by the Agency, which is attached and incorporated herein.

5.6 Third-Party Claims

Pursuant to Public Contracts Code Section 9201, the District shall have full authority to compromise or otherwise settle any claim relating to the Agreement at any time. The District will provide for timely notification to the Contractor of the receipt of any third-party claim, relating to the Agreement. Notice shall be in writing and will be provided within thirty (30) days. The District shall be entitled to recover its reasonable costs incurred in providing such notification.

5.7 Claims Procedures

In the event the District and Contractor cannot resolve claims of \$375,000 or less, the claims provisions of California Public Contract Code sections 20104-20104.6 shall apply, which provisions are summarized below. Any claim submitted by the Contractor shall be in writing and include the documents necessary to substantiate the claim.

For claims of less than fifty thousand dollars (\$50,000), the District shall respond in writing within 45 days of receipt of the claim, or request additional documentation supporting the claim within 30 days of receipt of the claim. If additional documentation is requested, District will respond in writing to the claim within 15 days of receipt of the additional documentation, or within a period of time no greater than that taken by the claimant in producing the additional information, whichever is greater.

For claims of over \$50,000 and less than or equal to \$375,000, District shall respond in writing within 60 days of receipt of the claim, or request additional documentation

supporting the claim within 30 days of receipt of the claim. If additional documentation is requested, District will respond in writing to the claim within 30 days of receipt of the additional documentation, or within a period of time no greater than that taken by the claimant in producing the additional information, whichever is greater.

For claims over \$375,000, District shall respond in writing within 90 days of receipt of the claim, or request additional documentation supporting the claim within 45 days of receipt of the claim. If additional documentation is requested, District will respond in writing to the claim within 30 days of the additional documentation, or within a period of time no greater than that taken by the claimant in providing the additional information, whichever is greater.

For claims of any amount, if the Contractor disputes the District's response, or the District fails to respond within the time prescribed, the Contractor may demand an informal conference to meet and confer for settlement of the issues in dispute within 15 days of the District's response or failure to respond. In the event that the meet and confer conference is unsuccessful, Contractor must file a government claim pursuant to Government Code section 910 et seq. in order to initiate a civil action. In any civil action filed to resolve claims for \$375,000 or less, the court shall submit the matter to nonbinding mediation within 60 days following the filing or responsive pleading. If the matter remains in dispute after nonbinding mediation, the court shall submit the matter to judicial arbitration pursuant to Code of Civil Procedure section 1141.10 et seq. If the matter remains in dispute after judicial arbitration, the District or the Contractor may request a trial de novo.

5.8 Contractor's License Requirements

Contractor and any approved subcontractors shall hold such current and valid Contractor's Licenses as required by California Law.

5.9 Payment of Workers' Compensation

Contractor shall sign and file with the Agency the following certification prior to performing the work of the Agreement:

"I am aware of the provisions of Section 3700 of the Labor Code which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the work of this Agreement."

5.10 Examination and Audit of Records

Pursuant to Government Code Section 8546.7, Contractor shall retain all project-related records for a period of 3 years after final payment on this Agreement, which shall be subject to audit or inspection by the Agency or the State Auditor during this period.

5.11 Anti-Trust Claim Assignment

Pursuant to Public Contract Code 7103.5, the contractor offers and agrees to assign to the District all rights, title, and interest in and to all causes of action it may have under Section 4

of the Clayton Act (15 U.S.C. Sec. 15) or under the Cartwright Act (Chapter 2 (commencing with Section 16700) of Part 2 of Division 7 of the Business and Professions Code), arising from purchases of goods, services, or materials pursuant to this Contract. This assignment shall be made and become effective at the time the District tenders final payment to the Contractor, without further acknowledgment by the parties.

5.12 Utility Relocation

If applicable, pursuant to California Government Code Section 4215, if during the course of the work the Contractor encounters utility installations which are not shown or indicated in the contract plans or in the specifications or which are found in a location substantially different from that shown, and such utilities are not reasonably apparent from visual examination of the work site, then it shall promptly notify the District in writing. Where necessary for the work of the Contract, the District will amend the contract to adjust the scope of work and the compensation to allow the Contractor to make such adjustment, rearrangement, repair, removal, alteration, or special handling of such utility, including repair of the damaged utility. If the Contractor fails to give the notice specified above and thereafter acts without instructions from the District, then it shall be liable for any or all damage to such utilities or other work of the Contract which arises from its operations subsequent to the discovery, and it shall repair and make good such damage at its own cost.

5.13 Excavation

If applicable, in accordance with state law (Public Contract Code Section 7104), with respect to any work involving digging trenches or excavations that extend deeper than four feet, the Contractor shall notify the District promptly in writing of any of the following conditions: (a) material that the Contractor believes may be hazardous waste, as defined in California Health and Safety Code Section 25117, that is required to be removed to a Class I, Class II or Class III disposal site in accordance with provisions of existing law; (b) subsurface or latent physical conditions at the site differing from those indicated; (c) unknown physical conditions at the site of any unusual nature, differing materially from those ordinarily encountered and generally recognized as inherent in work of the character provided for in the Contract Documents. Contractor shall notify the District of such conditions prior to disturbing them, and shall await direction from the District as to how to proceed.

5.14 Trench Safety

If applicable, excavation for any trench 5 feet or more in depth shall not begin until the Contractor has received approval from the District, of the Contractor's detailed plan for worker protection from the hazards of caving ground during the excavation of such trench. Such plan shall be submitted at least 5 days before the Contractor intends to begin excavation for the trench and shall show the details of the design of shoring, bracing, sloping or other provisions to be made for worker protection during such excavation. No such plan shall allow the use of shoring, sloping or a protective system less effective than that required by the Construction Safety Orders of the Division of Industrial Safety; and if such plan varies from the shoring system standards established by the Construction Safety Orders, the plan shall be prepared and signed by an engineer who is registered as a Civil or Structural Engineer in the State of California. Attention is directed to the provisions of Section 6705 of the Labor Code concerning trench excavation safety plans.

5.15 Public Works Registration

The Contractor must be registered with the California Department of Industrial Relations pursuant to Labor Code Section 1725.5. **BIDDERS MUST SUBMIT PROOF OF CONTRACTOR REGISTRATION WITH THE DIR IN THE FORM OF A HARD COPY OF THE RELEVANT PAGE OF THE DIR'S DATABASE FOUND AT: <https://efiling.dir.ca.gov/PWCR/Search>.**

This Contract is subject to monitoring and enforcement by the DIR pursuant to Labor Code Section 1771.4. The Contractor must post job site notices, as prescribed by regulation. The Contractor shall furnish the records specified in Labor Code Section 1776 directly to the Labor Commissioner, monthly in a format prescribed by the Labor Commissioner.

5.16 Compliance With All Applicable Laws

Contractor shall comply with all the applicable requirements of federal, state and local laws, statutes and ordinances relative to the execution of the Construction Work. In the event Contractor fails to comply with these requirements, the District may stop any Construction Work until such noncompliance is remedied. No part of the time lost due to any such cessation of the Construction Work shall be made the subject of a claim for an extension of time or increase in the compensation.

5.17 Iran Contracting Act

The undersigned Bidder certifies that it is not, at the time of bidding, on the California Department of General Services (DGS) list of persons determined to be engaged in investment activities in Iran or otherwise in violation of the Iran Contracting Act of 2010 (Public Contract Code Section 2200-2208).

5.18 Safety Requirements

The Contractor shall promptly and fully comply with and carry out, and shall without separate charge therefore to the District, enforce compliance with the safety and first aid requirements prescribed by applicable State and Federal laws and regulations, rules and orders and as may be necessary to ensure that all Construction Work shall be done in a safe manner and that the safety and health of the employees, agents and the people of local communities is safeguarded. Compliance with the provisions of this Section by subcontractors shall be the responsibility of the Contractor. All installed, dismantled, and removed material, equipment and facilities, without separate charge therefore to the District, shall fully conform with all applicable State and Federal safety laws, rules, regulations and orders and it shall be the Contractor's responsibility to furnish only such material, equipment and facilities.

5.19 Retention on Progress Payments

If the Contract utilizes progress payments, five percent (5%) will be deducted from each progress payment and held in retention by the District. The remainder less any other deductions taken in accordance with this article will be paid to the Contractor as progress payments. The Contractor acknowledges and agrees that, pursuant to Public Contract Code section 7200, the percentage of retention amounts withheld by the Contractor from its Subcontractors may not exceed the percentage withheld by the District from the Contractor as specified herein.

Contractor shall release retention to a Subcontractor within 30 days of the Subcontractor satisfactorily completing all required work. Upon satisfactory completion of a Subcontractor's work, including provision of appropriate releases, certificates, evidence of the Subcontractor's compliance with all applicable requirements of the Contract Documents, and all other documents as may be required by the Contractor and the District to close-out the subcontract, the Contractor may submit an application to the District for the release of the portion of the retention attributed to the Subcontractor's work. The Contractor's application shall certify that the Subcontractor has:

- a) Completed all work required to be performed under its subcontract;
- b) The amount withheld by the Contractor under the subcontract; and
- c) That the Subcontractor has provided all backup information, stop payment notice, and lien releases required to close-out the subcontract.

Within 7 days following receipt of payment from the District for the completed Subcontractor Work, the Contractor shall release all monies withheld as retention from the Subcontractor, even if the Work to be performed by the Contractor or other Subcontractors is not completed and has not been accepted. The Contractor shall, by appropriate agreement with each Subcontractor, require each first tier Subcontractor to make payments to lower tier subcontractors in a similar manner.

5.20 Release of Retention

Upon the District's issuance of Notice of Final Acceptance the District will release the amount retained.

5.21 Securities in Lieu of Retention

Pursuant to Public Contract Code Section 22300, the successful Bidder may submit Securities in lieu of retention payments by the Owner. Upon Contractor's request, the District will make payment of funds withheld from progress payments, pursuant to the requirements of California Public Contract Code Section 22300, if Contractor deposits in escrow with the District or with a bank acceptable to the District, securities eligible for investment under California Government Code Section 16430, bank or savings and loan certificates of deposit, interest bearing demand deposit accounts, standby letters of credit, or any other security mutually agreed to by Contractor and the District, upon the following conditions:

- (1) Contractor shall bear the expenses of the District and the escrow agent in connection with the escrow deposit made.

(2) Securities or certificates of deposit to be placed in escrow shall be of a value at least equivalent to the amounts of retention to be paid to Contractor pursuant to this article.

(3) Contractor shall enter into an escrow agreement satisfactory to the District, which agreement shall be substantially similar to the form provided in California Public Contract Code Section 22300.

(4) Contractor shall obtain the written consent of the surety to such agreement.

SECTION 6. HAZARDOUS CHEMICALS AND WASTES

For the purposes of this Section only, the term "claims" shall include (a) all notices, orders, directives, administrative, or judicial proceedings, fines, penalties, fees, or charges imposed by any governmental agency with jurisdiction, and (b) any claim, cause of action, or administrative or judicial proceeding brought against the District, its directors, or employees, or for any loss, cost (including reasonable attorney's fees), damage, or liability, sustained or suffered by any person or entity, including the District. The Contractor shall bear full and exclusive responsibility for any release of hazardous or nonhazardous chemicals or substances during the course of performance of this Contract. The Contractor shall immediately report any such release to the District. The Contractor shall be solely responsible for all claims and expenses associated with the response to, removal and remediation of the release, including, without limit, payment of any fines or penalties levied against the District by any agency as a result of such release and shall hold harmless, indemnify, and defend the District from any claims arising from such release.

If the performance of the work outlined by these Contract specifications creates any hazardous wastes, those wastes shall be properly disposed of according to federal, state, and local laws, at the expense of the Contractor. The Contractor shall dispose of the wastes under its own EPA generator number. In no event shall the District be identified as the generator. The Contractor shall notify the District of any such hazardous wastes and the District reserves the right to a copy of any test conducted on the wastes and, at its cost, to perform additional tests or examine those wastes, prior to disposition. The Contractor shall hold harmless, indemnify, and defend the District from any claims arising from the disposal of the hazardous wastes, regardless of the absence of negligence or other malfeasance by the Contractor.

TECHNICAL SPECIFICATION

PART 1 GENERAL

1. SUMMARY

- A. Dredging includes the removal and upland disposal of all materials encountered, as specified and indicated. No payment will be made for dredging outside the limits of dredging.
- B. Dredged material will be loaded into dump trucks, dewatered at the designated drying area (as outlined in section 2-Q), and transported approximately 1.5 miles via existing roadways to the designated upland disposal site, as shown on the Project Plans.
- C. The Contractor shall provide all labor, materials, tools, equipment, insurance, licenses, transportation, and any related services necessary for the proper and complete dredging operations.
- D. The design depth of the dredge area is -6.0 feet MLLW. The regulatory permitted allowable overdepth dredging is an additional 1 foot below the design depth.
- E. The Contractor shall be liable for any fees imposed by regulatory agencies as a result of dredging, or excavation of sediment, beyond the limit of dredging or below the regulatory permitted allowable overdepth dredging.
- F. A silt curtain shall be installed and maintained in the approximate areas shown on Project Plans whenever dredging occurs in this area.
- G. Dredging shall be performed using land-based equipment (i.e. long-reach excavator).
- H. A Pre-dredge Hydrographic survey will be performed by the San Mateo County Harbor District (District). The results of the survey will be provided to the successful bidder and are to be used as the pre-dredge survey submittal to the regulatory agencies. Dredge quantities will be based on said survey. The Contractor at its option may perform its own independent pre-dredge hydrographic survey in advance of dredging activities.

2. REQUIREMENTS

- A. **Material to be Removed:** Shallow boring samples taken in the area to be dredged indicate the sediment to be removed consists mostly of sandy material. Tests were performed on the sediments as required by the U.S. Army Corps of Engineers and the sampling procedures, locations, and test results are available for review at the Harbor District office.
- B. **Hard Material:** It is not anticipated that the Contractor will need to remove hard material. Hard material is defined as soil or rock material requiring the use of special equipment for its economical removal and includes boulders or fragments too large to be removed in one piece by the dredge. Blasting is not permitted.
- C. **Artificial Obstructions:** Except as indicated, the Harbor District has no knowledge of the existence of wrecks, wreckage, and other material of a size or character that will necessitate the employment of special or additional equipment for their economical removal or knowledge of the presence of cables, pipes, or other artificial obstructions. However, a small percentage of small debris and garbage that is routinely found in the harbor such as tires and driftwood should be anticipated, and no additional compensation shall be made for removal and disposal of such debris and/or garbage.
- D. Contractor shall inform the Harbor District ten (10) calendar days in advance of performing dredging. This notification shall include the Contractor's schedule of dredging.
- E. **Dredging Limits:** The limits of dredging are as shown on the Project Plans.
 - 1. **Design Depth:** The design depth for the dredging is elevation -6.0 feet MLLW.
 - 2. **Regulatory Permitted Overdepth Dredging:** Regulatory permits allow overdepth dredging of 1.0 feet below the design depth (to an elevation of -7.0 feet MLLW).
 - 3. **Payment Limits:** Measurement of depths to be used for calculating dredge payment volumes shall be limited to no deeper than -7.0 feet MLLW in areas shown on Project Plans. Any dredged material

removed deeper than said elevations shall be at the Contractor's expense.

4. Any fees assessed by the regulatory agencies for dredging outside the limits of dredging or below the regulatory permitted overdepth allowance shall be the responsibility of the Contractor.
- F. Estimated Quantity of Material: The estimated quantity of material to be dredged is listed below and is based on a hydrographic survey conducted on April 27, 2017. The estimated quantities will be updated based on the pre-dredge survey to be performed.
1. Dredging Depth: The total quantity of material within the design dredging limit is as follows:
 - a) Within Concrete Launch Ramp: 230 cubic yards;
 - b) Beyond Concrete Launch Ramp, (including the side slopes) to the design depth of -6' MLLW: 950 cubic yards;
 - c) 1' overdepth: 420 cubic yards.
- G. Side Slopes: The Contractor shall dredge side slopes. The design side slope is 1 vertical to 2 horizontal. No overdepth dredging of the side slopes is allowed.
- H. Silt Curtain: The regulatory permits require that a silt curtain be installed and maintained in the approximate area shown on the Project Plans during dredging of the Boat Ramp area. The curtain may be removed after dredging is completed.
- I. Permits: The Harbor District will secure required permits for dredging and upland disposal of material, as indicated. Contractor shall comply with all regulatory permit conditions and be responsible to obtain other permits that are required for his/her operations. The permits obtained or applied for by the Harbor District include:
1. U.S. Army Corps of Engineers, Section 404 Individual Permit. Application in process.
 2. California Coastal Commission, Coastal Development Permit. Application in process.
 3. San Francisco Bay Regional Water Quality Control Board, 401 Water Quality Certification. Application in process.

4. San Mateo County – Half Moon Bay Airport, permission to occupy and use property as a disposal site for dredged material; Permit Agreement No. 5400.
- J. The Contractor shall observe the rules and regulations of the State of California and agencies of the United States Government prohibiting the pollution of the coastal waters by dumping refuse, rubbish, debris, etc., and the menace to navigation, by permitting piles and debris to go adrift in navigable waters.
 - K. Charges: The Contractor shall pay for any charges, including fines, assessed by the regulatory agencies for dredging outside the limits of dredging, for dredging below the regulatory permitted overdepth allowance, or for other noncompliance with permit conditions caused by the Contractor's operations.
 - L. Dredging Plan of Operation: Within five (5) days after award of the contract, the Contractor shall be required to submit to the Harbor District a Dredging Operations Plan as outlined by the Corps of Engineers (USACE) in the permit for review and acceptance. The Contractor shall, if required by the Harbor District, revise and resubmit the Plan at the Pre-Dredge meeting; respond to comments and questions from the Harbor District. The accepted Dredging Plan of Operation will be submitted by the Harbor District to the USACE. Dredging shall not commence until all comments and questions have been addressed and answered to the satisfaction of the Harbor District and USACE. The Plan at a minimum shall include the following:
 1. USACE Permit Number and Dredging Episode Number;
 2. Identification of work as maintenance dredging, and quantity of material to be removed;
 3. Name and telephone number of the Contractor's onsite representative;
 4. Schedule, including mobilization date, silt curtain installation date, start and completion dates for the dredging and disposal operations and demobilization date;
 5. List and technical specifications of equipment to be used, including, if applicable, the names of vessels, bin or barge capacities, and radio telephone frequencies and call signs of any marine equipment;
 6. Vessel and barge anchoring locations, if applicable;

7. Description of dredging and disposal operations, including estimated daily production rate;
 8. Description of silt curtain operation, including technical specifications of the curtain, and installation, maintenance, and removal procedures;
 9. Description of horizontal and vertical positioning systems to be used, including coordinates and elevations of all control points to be used for the work;
 10. Method of determining electronic positioning of the dredge during the entire dredging operation at the dredge site;
 11. Description of controls to ensure that dredging operations occur within the limits of dredging;
 12. Description of controls to ensure that disposal of the dredged material at the upland disposal site is at the assigned location;
 13. Method for estimating daily dredge quantities;
 14. Quality control survey procedures.
- M. Contractor shall not receive NTP until the Dredging Operations Plan described above has been approved by the Army Corps of Engineers.
- N. The Contractor shall provide and be responsible for all survey and layout work required for dredging operations and shall be responsible for the correctness of all final grades and lines. The Contractor shall layout the work as shown on the drawings and shall have the Harbor District approve its location, sequence, time and schedule prior to commencing any dredging. Notice for layout review and approval shall be received in writing by the Harbor District a minimum ten (10) calendar days in advance of commencing with any proposed dredging.
- O. The plan shall be updated on a daily basis (or as necessary) to allow notification to the Harbor District of dredging progress.
- P. Solid Debris Management Plan: Contractor shall submit no later than twenty (20) days prior to commencement of work. A Solid Debris Management Plan which describes measures to ensure that solid debris generated during dredging or any other aspect of the work is retained and properly disposed of in areas not

under Corps of Engineers jurisdiction. At a minimum, the plan shall include the following:

1. USACE Permit Number and Dredging Episode Number;
2. The source and expected type of debris;
3. Debris retrieval method;
4. Disposal method and site(s);
5. Schedule of disposal operations;
6. Debris containment method to be used, if floatable debris is involved.

Q. **Material Drying Prior to Transport:** After dredging, Contractor shall place dredged material in the designated drying area in the area directly north of the launch ramps. The Contractor shall secure the drying area so as to prevent dredged material from running back into Half Moon Bay. Prior to loading and hauling to the disposal area, the dredged material shall be dried sufficiently to allow hauling per state and local requirements. Contractor shall employ BMPs at the drying area to prevent the dredged sediment from re-entering the water. This includes typical BMPs, where applicable, for work in a marine environment such as: EC-1 Scheduling, SE-1 Silt Fence, SE-2 Sediment Basin, SE-5 Fiber Rolls, SE-6 Gravel Bag Berm, SE-8 Sandbag Barrier, SE-9 Straw Bale Barrier, and WE-1 Wind Erosion Control. For a detailed description of each of these BMPs, individual fact-sheets are available online at the California Stormwater Quality Association (CASQA) Stormwater Best Management Handbook Portal at: <https://media.ocgov.com/gov/pw/watersheds/documents/bmp/constructionactivities.asp>

The designated drying area shall be removed completely after the dredged sediment is hauled to the disposal area.

R. **Disposal Area:** Prior to placing any material at the disposal area, the Contractor shall install and secure a protective membrane (“membrane”) approved by the Harbor District across the entirety of the disposal area to ensure no water or contaminants that may be present in the dredged material are absorbed into the ground. Prior to the placement of any dredged material, the membrane shall be secured to the disposal area using a method approved by the Harbor District in writing. Further, once all of the dredged material that is permitted to be placed at the disposal area has been placed, the Contractor shall secure a sheeting over the

dredged material stockpile to ensure it does not create a nuisance or hazard to aircrafts or patrons using the Airport. The sheeting shall be of a type approved in writing by the Harbor District and shall be installed in a manner satisfactory to the Harbor District. The Contractor shall place the dredged material evenly within the disposal. As specified in the Project Plans, a hard barrier must be in place prior to any placement of material. When the Airport Operations Area (AOA) gate is open, the Contractor shall provide security personnel to operate the gate approved by the Harbor District. This individual must meet with Airport Operations prior to job commencement to confirm rules for manning the gate. Prior to opening the AOA gate, the Contractor must notify Airport Operations of all work at (650) 454-0469.

- S. Access to disposal area: The Contractor will only utilize the haul route indicated on the Plans when transporting the dredged material to the disposal area. As the Airport is an operating general aviation airport, for safety purposes, no other route is authorized. Access to other portions of the Airport is not granted. The Contractor shall maintain the access route free of sand and debris during dredged material transport activities through applicable means and to conditions acceptable to the Harbor District.
- T. Work within the Disposal Area: Access to the disposal area is permitted only during the hours of 0830 to 1630 and the Contractor will ensure that its staff and agents are aware of, and comply with, these access hour limitations. Work in the disposal area during other times must be coordinated with prior approval from the Airport Operations Manager at (650) 372-3298. All personnel working within the AOA will be required to provide a valid government issued identification and be escorted at all times by airport staff when inside the AOA but outside of the temporary hard barriers placed around the disposal area.
- U. Maintenance of the Access Route and Disposal Area: The Contractor shall maintain and repair the disposal area at its sole cost and effort. The Contractor shall keep the disposal area in good and safe condition, free from waste and hazardous materials, and in compliance with state and federal stormwater pollution prevention plan (SWPPP) best management practices, as approved by the Harbor District. If the Contractor fails to keep the disposal area in good and safe condition, free from waste or hazardous materials, and in compliance with SWPPP best management practices, San Mateo County officials may perform the

necessary remediation work at the expense of the Contractor, which expense the Contractor agrees to pay within fifteen (15) days of receipt of notice.

- V. Repair of Damages: Any and all damage caused to Airport roads by the Contractor's transportation of dredged material to the disposal area and from the disposal area shall be repaired by the Contractor within thirty (30) days of receipt of written notice from San Mateo County officials or the Harbor District. The Contractor acknowledges that the roads that provide access to the disposal area have not been designed to support heavy loads or high traffic conditions and any damage incurred during the term of the Contract shall be deemed the fault of the Contractor and shall be repaired at the Contractor's sole effort and cost.

- W. Laws and Regulations: The Contractor shall at all times maintain, occupy, and use the disposal area in compliance with all laws, rules, ordinances, resolutions, and regulations which may be applicable thereto, including but not limited to storm water runoff, environmental, San Mateo County Airports, and FAA regulations.

PART 2 – PRODUCTS

1. SILT CURTAIN

- A. Submittal: The Contractor shall submit silt curtain technical information with the Preliminary Dredging Plan of Operation. The information shall include the silt curtain material, method of floating the curtain, method of anchoring the curtain, method of marking the curtain as a warning to navigation, and method of connecting sections of the curtain.

- B. Product: Silt curtain shall be a product that has been designed as a silt curtain to be used in tidal areas.

- C. Floatation: Sufficient floatation shall be provided so that the top of the curtain does not submerge below the water surface.

- D. Anchorage: Sufficient anchorage shall be provided so that the curtain extends from the top of the water to the ground at all anticipated water levels.

PART 3 – EXECUTION

1. INSPECTION

- A. Contractor's Quality Control: The Contractor shall inspect the work, keep records of the work done, and see that the gages, targets, range, and other markers are in place and in proper order and condition. The Contractor at a minimum shall:
1. Check the depth of dredging in each section prior to moving;
 2. Maintain daily dredging records of areas by Station and estimated quantity dredged;
 3. Maintain daily records of disposal operation including the estimated quantity of material taken to the designated upland disposal site; the time the dump truck leaves the dredging area, disposes of material, and returns to the dredging area; the horizontal coordinates at the time of disposal; and any other reporting conditions required by the permits.
 4. Maintain daily records of any problems including spills, damage to existing facilities, etc. The Contractor shall submit daily reports by noon of the following day.
- B. Owner Inspection: From time-to-time the Harbor District or the Harbor District's representative will inspect boatmen, laborers, and material forming a part of the ordinary and usual equipment and crew of the dredging plant as may be reasonably necessary for inspecting and observing the work.

2. DREDGING WORK

- A. Interference with Navigation: Conduct operations so as to interfere as little as possible with the use of boat ramp and harbor channels and passages. Channels shall not be blocked by the Contractor unless requested in writing and approved by the Harbor District. The Harbor District will coordinate with the Contractor to accommodate the movement of vessels and floating equipment should that become necessary.
- B. Lights: Each night between sunset and sunrise keep proper lights upon all floating plants, ranges, and other markers, and all buoys whose size and location would endanger or obstruct navigation as required by the State of California and the U.S. Coast Guard. The Contractor shall be responsible for all damages resulting from any neglect or failure in this respect. Maintain lights on or about the plant from

sunset to sunrise as may be necessary for the proper observation of dredging operations when work at night is in progress.

- C. Ranges: If desired the Contractor shall furnish, set and maintain in good order all necessary ranges, buoys, and other markers needed to define the work to facilitate the work and inspection.
- D. Establish and maintain continuous recording gages for measuring the water depth within 0.10 feet. Reading of the continuous water level shall be transmitted to the dredge. Suspend dredging at any time when the gage is not working correctly.
- E. Plant: The Contractor's plant, coamings, barges, and associated equipment to be used in performing the work shall be of sufficient size and efficiency to meet the job requirements and will be subject to approval by the Harbor District. The plant and equipment shall be kept at all times in condition for efficient work. Remove any dredged material improperly placed due to leaks, breaks or failure of equipment.
- F. Disposal of Excavated Material: Provide for the proper and safe transportation and disposal of dredged materials. Transport and dispose of all dredged material in the designated disposal area at the Half Moon Bay Airport as indicated on the Project Plans. Deposition or placement of dredged materials in unauthorized places is strictly forbidden. Any material that is intentionally or unintentionally deposited elsewhere than in places authorized by the permits will not be paid for until all requirements to mitigate the action as required by the enforcing agencies are complied with. Any expense required to mitigate the occurrence shall be the responsibility of the Contractor. The Contractor shall comply with rules and regulations of County of San Mateo, Pillar Point Harbor, and governing authorities.
- G. Overflow Requirements:
 - 1. No overflow or decant water shall be discharged, with the exception of spillage incidental to mechanical dredge operations;
 - 2. During transportation from the dredging site to the disposal site, no dredged material shall be permitted to overflow, leak or spill from truck or other equipment.

- H. Method of Disposal: Dredged material shall be transported by truck and deposited in disposal as shown in Project Plans. No debris or material other than natural sediment (clay, sand or silt) shall be deposited in the designated disposal area.
 - I. Navigation Warnings: Furnish and maintain suitable navigation warning signs on all Contractor's equipment and as required by the State of California and the U.S. Coast Guard to prevent hazards to navigation.
 - J. Disposal Site Verification Log (DSVL): Contractor shall furnish to the Harbor District by the end of work week on each Friday a "Disposal Site Verification Log" which enumerates the dredging accomplished during the week (form to be provided by Corps of Engineers after approval of Dredging Plan of Operation).
 - K. Salvaged Material: Anchors, chains, firearms, and other articles of value which are brought to the surface in the course of dredging operations shall become the property of the Contractor.
 - L. Safety of Structures: Contractor shall use care in the prosecution of work to assure the stability of boat ramp, floating docks, bulkheads, and other structures lying on or adjacent to the site of the work insofar as they may be jeopardized by the operation of dredging and by moving or mooring the equipment. Make good all damage resulting from the moving or mooring of equipment and from the dredging operation.
 - M. Removal of Plant: Upon completion of the work, promptly remove plant, including ranges, buoys, piles, and other markers or obstructions placed by or for the Contractor in navigable waters or on shore.
3. SILT CURTAIN
- A. Description: A silt curtain is required by the regulatory agencies to prevent dredging induced suspended sediment from impacting adjacent areas.
 - B. Installation: The silt curtain shall be installed in approximate locations shown on Project Plans. The Contractor may propose an alternative location as long as the location does not impact navigation or dredging. A sufficient number of anchors shall be installed to keep the curtain in-place and to keep the bottom of the curtain approximately on the bottom.

- C. Demarcation: The curtain shall be marked as required by the U.S. Coast Guard. If no requirements are dictated by the Coast Guard, the Contractor at a minimum shall install Coast Guard approved lighting at the ends of the curtain.
- D. Inspection & Maintenance: The silt curtain shall be maintained in-place while any dredging is being performed. The Contractor shall inspect the curtain daily, at a minimum, to ensure it is in-place and to perform any required maintenance. The Contractor shall note the inspection in the daily Quality Control Report.

4. HYDROGRAPHIC SURVEYS

- A. Pre and Post Surveys: The Harbor District will perform one (1) pre-dredge survey (to be performed no earlier than sixty (60) calendar days and no later than 20 calendar days before commencement of dredging) and one (1) post-dredge survey for the purpose of calculating final pay quantities.
- B. Post-Dredge Survey: The Harbor District will perform one (1) post-dredge survey at their cost within seven (7) days of the dredging being completed. Additional post-dredge surveys may be performed by the Harbor District if requested, but the cost will be deducted from any payment owed the Contractor.
- C. All vertical control shall be accurate to the nearest hundredth of a foot, including levels for the setting of tide gage to MLLW elevation.
- D. Survey data shall include tidal elevation.
- E. Horizontal control shall be based on NAD88 and shall be accurate to the nearest one tenth (0.1) of a foot.
- F. Dredge quantities shall be computed to the nearest cubic yard based on the sounding lines surveyed during the pre- and post-dredge surveys.

5. MEASUREMENT

- A. The Harbor District shall conduct the pre-dredge and post-dredge surveys.
- B. Method of Measurement: The material removed will be measured by cubic yard in place by means of soundings taken during pre- and post-dredge surveys. The Project Plans represent the conditions prior to the pre-dredge survey. A post-dredge survey will be conducted within seven (7) days of the dredging work being completed.

- C. The average end area method shall be used to calculate dredge quantities, with sufficient cross-sections taken along the project control line (launch ramp centerline) to determine quantities. Spacing between cross-sections shall not exceed 20-ft. A tabular summary shall be submitted with payment request to show project depth, overdepth, and total dredging quantity.
- D. Calculated dredge quantities based on the pre- and post-dredging surveys will be the basis for final payment.

6. PAYMENT

A. MOBILIZATION

- 1. Mobilization shall consist of all work required in preparing the Contractor's dredging plant and equipment for shipment, moving plant, equipment labor, supplies and incidentals to the job site making ready for and starting of continuous dredge operations, and all work required to maintain plant and equipment in working condition at the site during the dredging period.
- 2. Payment for mobilization will be made at the contract lump sum price for "Mobilization". This price and payment shall be full compensation for "Mobilization" as defined above and no additional compensation shall be allowed or paid for.

B. SILT CURTAINS

- 1. Silt Curtain shall consist of all work required to provide, install, maintain, and remove a temporary silt curtain as required by the Project Plans and contract documents.
- 2. Payment for Silt Curtain will be made at the contract lump sum price for "Silt Curtain". This price and payment shall be full compensation for "Silt Curtain" and no additional compensation shall be allowed or paid for.

C. DREDGING AND DISPOSAL

- 1. The total amount of material removed and disposed of will be measured by the cubic yard, by computing the volume between the bottom surface shown by soundings of the pre-dredge survey and the bottom surface shown by soundings of the post-dredge survey.

2. No payment shall be made for dredging of materials in excess of the project pay limits as specified in these specifications and on the Project Plans.
3. Soundings taken from the pre-dredging survey conducted by the Harbor District prior to commencement of dredging will be used in determining quantity of material removed for payment. The determination of quantities to be paid, after having once been made, will not be reopened, except on evidence of collusion, fraud or obvious error.
4. Payment for dredging shall be made at the contract price per cubic yard paid for "Dredging and Disposal", under which contract award is made, which price and payment thereof shall constitute full compensation for dredging, loading, transporting, and disposing of materials removed above project payment overdepth dredging elevations.

D. DESIGNATED UPLAND DISPOSAL AREA

The bid cost for the designated disposal area shall include all costs associated with preparing and maintaining the disposal area as shown on the Project Plans. Costs include, but are not limited to, installation and removal of hard barrier, installation of the protective membrane, and perimeter chain link fence.

E. DEMOBILIZATION

1. Demobilization shall consist of all work required to prepare plant and equipment for moving offsite to normal legal berth including removing all plant, equipment, labor and unused supplies and incidentals from the job site at the completion of the contract work, including cleaning up any land based staging site used for the execution of the work.
2. Payment for demobilization shall be made at the contract lump sum price for "Demobilization". This price and payment shall be full compensation for "Demobilization" as defined above and no additional compensation will be allowed or paid for.

- F. Retention: Ten percent (10%) of progress payments will be withheld as per the agreement until final acceptance of the project.

7. FINAL EXAMINATION AND ACCEPTANCE

- A. Post-Dredge Survey: As soon as practicable after the completion of dredging, but no later than seven (7) days after work is complete, the Harbor District will conduct a post- dredge survey. The Contractor shall remove all shoals and lumps disclosed by this survey by dragging the bottom or by dredging at no additional cost to the Harbor District. However, if the shoal areas are so small as to form no material obstruction to navigation, their removal may be waived at the discretion of the Harbor District. The Contractor or his authorized representative will be notified when the post- dredge survey is to be made and will be permitted to accompany the survey party and to inspect the data and methods used in preparing the final estimate.
 - B. Acceptance by Harbor District: When the area within the Limits of Dredging is found to be in a satisfactory condition, and between the design depth and the payment overdredge depth the work therein will be accepted by the Harbor District as complete.
 - C. Regulatory Approval: Final acceptance of the project is also dependent on review and approval by the Corps of Engineers of the Post-Dredge Survey and any reports to have been submitted by the Contractor to the Corps during the project.
 - D. Notice of Completion: Upon acceptance of the work as complete by the Harbor District, the Harbor District shall file a Notice of Completion at the office of the San Mateo County Clerk
8. FINAL PAYMENT
- A. Final payment will be based on quantities calculated from pre- and post-dredge surveys conducted by the Harbor District.
 - B. Retention: Ten Percent (10%) of the payment amount will be withheld and will be released to the Contractor after the 35 calendar days posting period of the Notice of Completion provided that no Stop Notices have been received from subcontractors or suppliers. In addition, if the post dredge survey reveals that the Contractor violated the terms of the Permits and dredged material below the allowable overdredge limits or, if the Regulators claim that any provisions of the Permits have been violated, the retention shall be withheld until it is certain that the regulators will not impose a penalty for said violation.

END OF SECTION

SAN MATEO COUNTY HARBOR DISTRICT

CONTRACT NO. 2019-03

Pillar Point Harbor Boat Launch Ramp Dredging

BID FORM

**TO: SAN MATEO COUNTY HARBOR DISTRICT
EL GRANADA, CA**

Pursuant to the Notice Inviting Bids, the undersigned bidder herewith submits a bid on the bidding form or forms attached hereto and made a part hereof and binds itself on award by the San Mateo County Harbor District under this bid to execute a contract in accordance with its bid, the bid documents and the award. The attached Notice Inviting Bids, General Conditions and Instructions for Bidders, Special Provisions, Technical Specifications, Bid Forms, and Addenda, if any, are made a part of this bid and all provisions thereof are accepted, and all representations and warranties required thereby are hereby affirmed.

Bids below include all applicable charges, including labor, insurance, bonding, and other costs necessary for the furnishing of all equipment and the performance of all services called for under the Contract. Prices quoted shall include all sales or use taxes.

BIDDER SHALL SUBMIT QUOTES FOR ALL ITEMS

CONTRACT NO. 2019-03

PILLAR POINT HARBOR BOAT LAUNCH RAMP DREDGING

LINE #	ITEM #	DESCRIPTION	AMOUNT
1	Task 1	Mobilization	\$
2	Task 2	Silt Curtains	\$
3	Task 3	Dredging and Disposal	\$
4	Task 4	Designated Upland Disposal Area	\$
5	Task 5	Demobilization	\$
		TOTAL BID PRICE	\$

The Bid Form must be signed below in accordance with the General Conditions and Special Provisions. Bids submitted in any other form will be considered non-responsive and may be rejected.

Name Under Which Business is Conducted:

Business Address: _____

Telephone Number: _____ Facsimile Number: _____

E-Mail Address: _____

MANDATORY SIGNATURE(S)
(See General Condition 3 and Special Provision 1.3)

IF SOLE OWNER, sign here: I sign as sole owner of the business named above.

IF PARTNERSHIP, one or more partners sign here: The undersigned certify that we are partners in the business named above and that we sign this Contract proposal with full authority to do so.

IF CORPORATION OR LCC, sign here: The undersigned certify that they sign this Contract proposal with full and proper authorization to do so.

Entity Name: _____

By: _____ Title: _____

*By: _____ Title: _____

Incorporated under the laws of the State of _____

* If the Bidder is a corporation, this Bid Form must be executed by two corporate officers, consisting of: (1) the president, vice president or chair of the board; and (2) the secretary, assistant secretary, chief financial officer or assistant treasurer. In the alternative, this Bid Form may be executed by a single officer or a person other than an officer provided that evidence satisfactory to the District is provided, demonstrating that such individual is authorized to bind the corporation (e.g. a copy of a certified resolution from the corporation's board or a copy of the corporation's bylaws).

IF JOINT VENTURE, officers of each participating firm sign here: The undersigned certify that they sign this Contract proposal with full and proper authorization to do so:

Joint Venture Name composed of: _____

By _____ Title _____

By _____ Title _____

DOCUMENTS TO ACCOMPANY BID:

- _____ The Bidder's Bond or certified or cashier's check required by Section 14 of the General Conditions and Special Provision 1.10, in an amount equal to at least ten percent (10%) of the Total Bid Price
- _____ Certificate of Insurance in accordance with Special Provision 4.1.C
- _____ List of Subcontractors
- _____ Acknowledgment of Addenda, if any
- _____ Qualification Questionnaire
- _____ Proof of DIR Registration in accordance with Special Provision 5.15
- _____ Non-Collusion Declaration

BIDDER'S BOND

KNOW ALL PERSONS BY THESE PRESENTS:

That _____, as Principal, and _____, as Surety, are held and firmly bound unto the SAN MATEO COUNTY HARBOR DISTRICT, hereinafter called the District, in the sum of _____ (\$ _____) being at least ten percent (10%) of the total amount of the bid of the Principal above named for Contract # 2019-01 Pillar Point Harbor Boat Launch Ramp Dredging, for the payment of which sum in lawful money of the United States, well and truly to made to the District, we bind ourselves, our heirs, executors, administrators, successors, and assigns, jointly and severally, firmly by these presents.

The condition of the above obligation is such that, whereas the Principal has submitted said bid to the District;

NOW THEREFORE, if the Principal is awarded a contract by the District and, within the time and in the manner required by the Specifications, enters into a written contract with the District and furnishes the requisite bond or bonds, then this obligation shall become null and void, otherwise to remain in full force and effect.

In the event suit is brought upon this bond by the District and Judgment is recovered, the Surety shall pay all costs incurred by the District in such suit, including a reasonable attorney's fee to be fixed by the Court.

Dated _____ 2017.

Principal:

By: _____

By: _____

(SEAL)

Surety:

By: _____

By: _____

(SEAL AND NOTARIAL
ACKNOWLEDGEMENT OF
SURETY)

Note: Signatures of those executing for surety must be properly notarized.

SAMPLE CERTIFICATE OF INSURANCE

CERTIFICATE OF INSURANCE					CERTIFICATE NUMBER	
PRODUCER <div style="text-align: center; font-size: 1.2em;">- S A M P L E -</div>			THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER OTHER THAN THOSE PROVIDED IN THE POLICY. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES DESCRIBED HEREIN.			
INSURED NAMED INSURED AND ADDRESS			COMPANIES AFFORDING COVERAGE			
			COMPANY A			
			COMPANY B			
			COMPANY C			
			COMPANY D			
COVERAGES This certificate supersedes and replaces any previously issued certificate for the policy period noted below.						
THIS IS TO CERTIFY THAT POLICIES OF INSURANCE DESCRIBED HEREIN HAVE BEEN ISSUED TO THE INSURED NAMED HEREIN FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THE CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, CONDITIONS AND EXCLUSIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.						
CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
	GENERAL LIABILITY <input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> OCCUR <input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT				GENERAL AGGREGATE	\$
					PRODUCTS - COM/PROP AGG	\$
					PERSONAL & ADV INJURY	\$
					EACH OCCURRENCE	\$
					FIRE DAMAGE (Any one fire)	\$
					MED EXP (Any one person)	\$
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS				COMBINED SINGLE LIMIT	\$
					BODILY INJURY (Per person)	\$
					BODILY INJURY (Per accident)	\$
					PROPERTY DAMAGE	\$
	GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT	\$
					OTHER THAN AUTO ONLY:	
					EACH ACCIDENT	\$
					AGGREGATE	\$
	EXCESS LIABILITY <input type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA FORM				EACH OCCURRENCE	\$
					AGGREGATE	\$
						\$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY THE PROPRIETOR/PARTNERS/EXECUTIVE OFFICERS ARE: <input type="checkbox"/> INCL <input type="checkbox"/> EXCL				WC STATUTORY LIMITS	OTHER
					EL EACH ACCIDENT	\$
					EL DISEASE-POLICY LIMIT	\$
					EL DISEASE-EACH EMPLOYEE	\$
	OTHER <input type="checkbox"/> PROFESSIONAL LIABILITY				EACH OCCURRENCE	\$
					AGGREGATE	\$
						\$
DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS						
CERTIFICATE HOLDER			CANCELLATION			
			SHOULD ANY OF THE POLICIES DESCRIBED HEREIN BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE INSURER AFFORDING COVERAGE WILL ENDEAVOR TO MAIL <u>30</u> DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED HEREIN, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER AFFORDING COVERAGE, ITS AGENTS OR REPRESENTATIVES, OR THE ISSUER OF THIS CERTIFICATE.			
			BY: CATEGORY <u> </u>			
					VALID AS OF: 	

LIST OF SUBCONTRACTORS

The Bidder is required to furnish the following information in accordance with the provisions of Sections 4100 to 4114, inclusive, of the Public Contract Code of the State of California. This list and information shall include all subcontractors that will perform work, provide labor or render services to the Bidder in connection with the project in an amount in excess of one-half of one percent of the total amount of Bidder's proposal.

Do not list alternative subcontractors for the same work. Use additional sheets if necessary.

NAME OF SUBCONTRACTOR	LICENSE NUMBER	LOCATION OF/ PLACE OF BUSINESS	PORTION OF WORK
1.			
2.			
3.			
4.			
5.			
6.			
7.			
8.			
9.			
10.			
11.			
12.			
13.			
14.			
15.			
16.			

PAYMENT BOND

KNOW ALL PERSONS BY THESE PRESENTS, that _____ called the PRINCIPAL, and _____ a corporation duly organized under the laws of the State of _____, having its principal place of business at _____ in the State of _____, and authorized to do business in the State of California, hereinafter called the SURETY, are held and firmly bound unto the San Mateo County Harbor District (District), hereinafter called the OBLIGEE, or order in the sum of _____ (\$ _____ .00) lawful money of the United States, for the payment of which, well and truly to be made, we bind ourselves, our heirs, executors, administrators and successors, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH THAT:

WHEREAS, the PRINCIPAL has entered into a Contract with the OBLIGEE for **Pillar Point Harbor Boat Launch Ramp Dredging** and said PRINCIPAL is required under the terms of said Contract to furnish a bond securing payment of claims to which reference is made in Section 9554 of the Civil Code.

NOW, THEREFORE, if said PRINCIPAL or any of its subcontractors fails to pay any of the persons named in Section 9100 of the Civil Code, or amounts due under the Unemployment Insurance Code with respect to work or labor performed under the Contract, or any amounts required to be deducted, withheld and paid over to the Employment Development Department from the wages of employees of the Contractor and his subcontractors pursuant to Section 13020 of the Unemployment Insurance Code with respect to such work and labor, the SURETY, will pay for the same, in an amount not exceeding the sum specified in this bond, and also will pay, in case suit is brought upon this bond, a reasonable attorney's fee, to be fixed by the court.

This bond will inure to the benefit of any of the persons named in Section 9100 of the Civil Code so as to give a right of action to such persons or their assigns in any suit brought upon this bond.

This bond is given to comply with Sections 9550 and 9554 of the Civil Code. The liability of the PRINCIPAL and SURETY hereunder is governed by the provisions of said Code, all acts amendatory thereof, and all other statutes referred to therein.

SURETY, for value received, hereby agrees that no change, extension of time, alteration or addition to the terms of the Contract or to the work to be performed thereunder or to the Contract Documents accompanying the same shall in any way affect its obligations on this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the Contract or to the work or to the other portions of the Contract Documents.

IN WITNESS WHEREOF the above-bounded parties have executed this instrument this _____ day of _____, 2017, the name and corporate seal of each corporate party being hereto affixed and these presents duly signed by its undersigned representatives, pursuant to authority of its governing body.

(Principal)

NOTE:
To be signed by Principal
and Surety and acknowledgement
and notarial seal attached.

By: _____

By: _____

(Surety)

(Address)

By: _____

By: _____

STATE OF CALIFORNIA)
) ss.

CITY AND COUNTY OF _____)

On _____, 2017 before me, _____, Notary Public, personally appeared _____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

Witness my hand and official seal.

Signature _____
Notary Public

STATE OF CALIFORNIA)
) ss.
CITY AND COUNTY OF _____)

On _____, 2017 before me, _____, Notary Public, personally appeared _____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

Witness my hand and official seal.

Signature _____
Notary Public

TO BE CONSIDERED COMPLETE, BOTH THE BIDDER AND AN ADMITTED SURETY INSURER AUTHORIZED BY THE CALIFORNIA INSURANCE COMMISSIONER TO TRANSACT SURETY BUSINESS IN THE STATE OF CALIFORNIA MUST SIGN THIS PERFORMANCE BOND. IN ADDITION, BOTH THE PRINCIPAL'S AND THE SURETY'S SIGNATURES MUST BE NOTARIZED AND A COPY OF THE SURETY'S POWER OF ATTORNEY MUST BE ATTACHED.

PERFORMANCE BOND

KNOW ALL PERSONS BY THESE PRESENTS, that

WHEREAS THE SAN MATEO COUNTY HARBOR DISTRICT, (hereinafter referred to as "District") has entered into a Contract with _____ (hereinafter referred to as "Principal") for the Pillar Point Harbor Boat Launch Ramp Dredging ("Contract"); and

WHEREAS, said Principal is required under the terms of said Contract to furnish a bond of faithful performance of said Contract;

NOW, THEREFORE, we, the Principal, and _____, as Surety are held and firmly bound unto the District, in the penal sum of _____ Dollars (\$ _____) lawful money of the United States, being a sum equal to one hundred percent (100%) of the total amount payable under the Contract, for the payment of which sum, well and truly to be made, we bind ourselves, our heirs, executors, administrators, and successors, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH, that if the above-bound Principal, or its heirs, executors, administrators, successors, or assigns approved by the District, shall promptly and faithfully perform the covenants, conditions and agreements in the Contract during the original term and any extensions thereof as may be granted by the District, with or without notice to Surety, and during the period of any guarantees or warranties required under the Contract, and shall also promptly and faithfully perform all the covenants, conditions, and agreements of any alteration of the Contract made as therein provided, notice of which alterations to Surety being hereby waived, on Principal's part to be kept and performed at the time and in the manner therein specified, and in all respects according to their true intent and meaning, and shall indemnify, defend, protect, and hold harmless the District as stipulated in the Contract, then this obligation shall be removed; otherwise it shall be and remain in full force and effect.

No extension of time, change, alteration, modification, or addition to the Contract, or of the work required thereunder, shall release or exonerate Surety on this bond or in any way affect the obligation of this bond; and Surety does hereby waive notice of any such extension of time, change, alteration, modification, or addition.

Whenever Principal shall be and declared by the District to be in default under the Contract, Surety shall promptly remedy the default, or shall promptly do one of the following at District's election:

1. Undertake through its agents or independent Contractors, reasonably acceptable to the District, to complete the Contract in accordance with its terms and conditions and to pay and perform all obligations of Principal under the Contract, including without limitation, all obligations with respect to warranties, guarantees, and the payment of liquidated damages.

2. Reimburse the District for all costs the District incurs in completing the Contract, including consequential damages and costs associated with resoliciting the Contract, if applicable, negotiation, and completion of the project, and in correcting, repairing or replacing any defects in materials or workmanship and/or materials and workmanship which do not conform to the specifications in the Contract.

Surety's obligations hereunder are independent of the obligations of any other surety for the performance of the Contract, and suit may be brought against Surety and such other sureties, jointly and severally, or against any one or more of them, or against less than all of them without impairing the District's rights against the others.

No right of action shall accrue on this bond to or for the use of any person or corporation other than the District or its successors or assigns.

In the event suit is brought upon this bond by the District, Surety shall pay reasonable attorney's fees and costs incurred by the District in such suit.

IN WITNESS WHEREOF, the above bounded parties have executed this instrument under their seals this ____ day of _____, 2017, the name and corporate seal of each corporate party being hereto affixed and these presents duly signed by its undersigned representative, pursuant to authority of its governing body.

(Principal)

NOTE:
To be signed by Principal
and Surety and acknowledgement
and notarial seal attached.

By: _____

By: _____

(Surety)

(Address)

By: _____

By: _____

STATE OF CALIFORNIA)
) ss.
CITY AND COUNTY OF _____)

On _____, 2017 before me, _____, Notary Public, personally appeared _____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

Witness my hand and official seal.

Signature _____
Notary Public

STATE OF CALIFORNIA)
) ss.
CITY AND COUNTY OF _____)

On _____, 2017 before me, _____, Notary Public, personally appeared _____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

Witness my hand and official seal.

Signature _____
Notary Public

TO BE CONSIDERED COMPLETE, BOTH THE BIDDER AND AN ADMITTED SURETY INSURER AUTHORIZED BY THE CALIFORNIA INSURANCE COMMISSIONER TO TRANSACT SURETY BUSINESS IN THE STATE OF CALIFORNIA MUST SIGN THIS PERFORMANCE BOND. IN ADDITION, BOTH THE PRINCIPAL'S AND THE SURETY'S SIGNATURES MUST BE NOTARIZED AND A COPY OF THE SURETY'S POWER OF ATTORNEY MUST BE ATTACHED.

SAMPLE CONTRACT

SAMPLE CONTRACT

THIS CONTRACT is made and entered into this _____ day of _____, by and between SAN MATEO COUNTY HARBOR DISTRICT (referred to as "District") and _____ (referred to as "Contractor").

The Contractor and the District, for the consideration hereinafter named, agree as follows:

1. **Scope of Work.** The Contractor shall furnish the District all the labor, materials and equipment required to complete the work more particularly described in the specifications approved by the District entitled:

CONTRACT NO. 2019-03

Pillar Point Harbor Boat Launch Ramp Dredging

and which are appended hereto and made part of the Contract.

The Contractor shall perform the following work listed on the Bid Form.

The District has the right to inspect the ongoing installation process on a daily basis, if necessary, and there will be a final inspection by a District representative.

2. **Time of Performance.** The Contractor shall begin work upon issuance of the Notice to Proceed, and shall diligently prosecute all of the work under this Contract in all parts and requirements to completion by **[INSERT TIME OF PERFORMANCE]**, as provided in the Specifications.
3. **Contract Price.** The Contractor shall faithfully perform each and every item required of it in this Contract for the sum of _____ Dollars (\$ _____), which includes all applicable charges, including taxes, freight and delivery charges, insurance and all other costs necessary for the furnishing of all material and the performance of all the services called for under the Contract. Payments to Contractor shall be made at the time and in the manner provided in the Contract.
4. **Term of Contract.** The term of this Contract shall commence upon District's issuance of a Notice to Proceed. Following District's final acceptance of the debris removal work, all work, including all installation work or repairs, is guaranteed by the Contractor against failure, damage, defect, or non-compliance with the Contract of any kind for a period of one (1) year from the date of District's final acceptance.

5. **Component Parts.** This Contract shall consist of the following documents, each of which is on file in the Office of the Secretary and all of which are incorporated herein and made a part hereof by reference thereto:
- A. Contract
 - B. Bid Documents: Notice Inviting Bids, General Conditions and Instructions for Bidders, Special Provisions and Technical Specifications
 - C. Bid Form (As Accepted by the District)
 - E. Addenda No. _____ to _____
 - F. Performance Bond
 - G. Payment Bond
 - H. Insurance Certificates
6. **Service Notice.** Any notice required or permitted to be given by this Contract shall be deemed given when personally delivered to recipient thereof or mailed by registered or certified mail, return receipt requested, postage prepaid, to the appropriate recipient thereof, in the case of the Contractor, at the business address specified in its proposal, and in the case of the District, at PO Box 1449, El Granada, CA, 94018, or at any other address which either party may subsequently designate in writing to the other party.
7. **Publicity.** The Contractor, its employees, subcontractors, and agents shall not refer to the District, or use any logos, images, or photographs of the District for any commercial purpose, including, but not limited to, advertising, promotion, or public relations, without the District's prior written consent. Such written consent shall not be required for the inclusion of the District's name on a customer list.
8. **Governing Law.** This Contract shall be governed and construed in accordance with the laws of the State of California. Any action relating to, and all disputes arising under, this Contract shall be instituted and prosecuted in a court of competent jurisdiction in the State of California. Each party hereby appoints the individual listed opposite its name to act as its initial agent for service of process relating to any such action.

SAMPLE CONTRACT

IN WITNESS WHEREOF, the District has caused these presents to be executed by the District's officer thereunto duly authorized, and the Contractor has subscribed same, all on the day and year first above written.

FOR THE CONTRACTOR:

Name Under Which Business is Conducted: _____

Business Address: _____

City/State/Zip: _____

Telephone No. _____ Facsimile No. _____

If SOLE OWNER, sign here:

I sign as sole owner of the business named above.

If PARTNERSHIP, sign here:

The undersigned certify that they are partners in the business named above and that they sign this contract bid proposal with full authority to do so (One or more partners sign).

If CORPORATION OR LLC, execute here:

The undersigned certify that they sign this contract bid proposal with full and proper authorization to do so.

Entity name: _____

By: _____ Title: _____

* By: _____ Title: _____

Incorporated under the laws of the State of: _____

** If the Contractor is a corporation, this Contract must be executed by two corporate officers, consisting of: (1) the president, vice president or chair of the board; and (2) the secretary, assistant secretary, chief financial officer or assistant treasurer. In the alternative, this Contract may be executed by a single officer or a person other than an officer provided that evidence satisfactory to the District is provided demonstrating that such individual is authorized to bind the corporation (e.g. a copy of a certified resolution from the corporation's board or a copy of the corporation's bylaws.)*

If JOINT VENTURE, Sign Here:

The undersigned certify that they sign this contract bid proposal with full and proper authorization to do so.

Joint Venture Name Composed of: _____

By: _____ Title: _____

By: _____ Title: _____

Incorporated under the laws of the State of: _____

FOR THE SAN MATEO COUNTY HARBOR DISTRICT:

General Manager

**NON-COLLUSION DECLARATION TO BE EXECUTED BY BIDDER
AND SUBMITTED WITH BID**

The undersigned declares:

I am the _____ of _____, the party making the foregoing bid.

The bid is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization, or corporation. The bid is genuine and not collusive or sham. The bidder has not directly or indirectly induced or solicited any other bidder to put in a false or sham bid. The bidder has not directly or indirectly colluded, conspired, connived, or agreed with any bidder or anyone else to put in a sham bid, or to refrain from bidding. The bidder has not in any manner, directly or indirectly, sought by agreement, communication, or conference with anyone to fix the bid price of the bidder or any other bidder, or to fix any overhead, profit, or cost element of the bid price, or of that of any other bidder. All statements contained in the bid are true. The bidder has not, directly or indirectly, submitted his or her bid price or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, to any corporation, partnership, company association, organization, bid depository, or to any member or agent thereof to effectuate a collusive or sham bid, and has not paid, and will not pay, any person or entity for such purpose.

Any person executing this declaration on behalf of a bidder that is a corporation, partnership, joint venture, limited liability company, limited liability partnership, or any other entity, hereby represents that he or she has full power to execute, and does execute, this declaration on behalf of the bidder.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this declaration is executed on _____ [date], at _____ [city], _____ [state]."

Signature of Bidder

Title

Date

**QUALIFICATION QUESTIONNAIRE AND
FINANCIAL STATEMENT WITH BUSINESS REFERENCES**

Name of Applicant or Firm () Telephone

() Facsimile

Street Address (NOTE: If using a P.O. Box, please list both P.O. Box No. AND Street Address)

City, State, Zip

Date Submitted:

Fiscal Year Ending:

The above applicant or firm is:

A parent firm of: _____

A subsidiary division of: _____

1. How many years has your organization been in business as a **dredging, excavation or debris removal** contractor under your present name?

2. How many years experience:

a) As a prime contractor: _____

b) As a subcontractor: _____

3. Are you registered as a contractor or subcontractor with the California Department of Industrial Relations? _____

Registration No.: _____ Registration expiration date: _____

****BIDDER MUST SUBMIT PROOF OF CONTRACTOR REGISTRATION WITH THE DIR IN THE FORM OF A HARD COPY OF THE RELEVANT PAGE OF THE DIR'S DATABASE FOUND AT: <https://efiling.dir.ca.gov/PWCR/Search>****

4. List below at least three contracts your organization has performed in the last five years involving similar dredging, excavation or debris removal projects.

CONTRACT \$ AMOUNT	PERCENT COMPLETED	CONTRACTING AGENCY AND ADDRESS, NAME AND PHONE OF OWNER/AGENCY REPRESENTATIVE

(Use separate sheet if more listing space is needed.)

5. Have you ever failed to complete any work awarded to you, or have you ever been disqualified, removed, or otherwise prevented from bidding on or completing any federal, state or local government project because of a violation of law or safety regulation.

() Yes () No

If so, where and why? _____

6. The Contractor shall dispose of any hazardous wastes under its own EPA generator number. Please provide your EPA Generator Number:

7. What is the construction experience of the principal officers and key employees (including superintendents) of your organization?

INDIVIDUAL'S NAME	PRESENT POSITION OR OFFICE	YEARS OF CONSTRUCTION EXPERIENCE	MAGNITUDE & TYPE OF WORK	IN WHAT CAPACITY

8. List facilities that are available for anticipated work. (In Column 3, indicate ownership status of equipment and facilities if available: O-Own, L-Lease.)

QTY.	ITEM (DESCRIPTION, SIZE, CAPACITY, ETC.)	OWNERSHIP	CONDITION	YEARS OF SERVICE	PRESENT LOCATION

9. Give information below about all your contract work underway or to which you are committed.

TYPE OF WORK	LOCATION	VALUE	PERCENT COMPLETE	SCHEDULED COMPLETION DATE	FOR WHOM PERFORMED

10. References: Give only engineers, architects, or owners, including public bodies, for whom you have done work.

NAME	ADDRESS	BUSINESS

REFERENCES

1. Please list 3 bank references familiar with the Bidder's accounts:

- a) Name of Bank: _____
Street Address: _____
City and State: _____ Telephone: _____
Officer Familiar with Bidder's Account: _____

- b) Name of Bank: _____
Street Address: _____
City and State: _____ Telephone: _____
Officer Familiar with Bidder's Account: _____

- c) Name of Bank: _____
Street Address: _____
City and State: _____ Telephone: _____
Officer Familiar with Bidder's Account: _____

ACKNOWLEDGMENT OF ADDENDA

The undersigned Bidder acknowledges receipt of the following addenda, if issued, to the Bid Documents. If none received, write "None Received".

Addendum No. _____, dated _____

Addendum No. _____, dated _____

Addendum No. _____, dated _____

Date: _____

Firm: _____

Signature: _____

Print Name: _____

Title: _____



Staff Report

TO: Board of Harbor Commissioners

FROM: John Moren, Interim General Manager

DATE: June 19, 2019

SUBJECT: Public Outreach Services

Recommendation/Motion:

Motion: Authorize the Interim General Manager to execute a Professional Services Agreement (PSA) for Public Outreach Services with Phondini Partners LLC for an amount not to exceed \$39,900.

Background:

The District has desired and considered opportunities to have a Social Media presence for many years. At the District Special Meeting on January 10, 2019 the Board decided to form a Social Media/Public Outreach Standing Committee. Representatives from Phondini Partners LLC (Phondini) provided a proposal to assist the District in creating a Social Media presence. At this meeting the Board directed the Interim General Manager (IGM) to enter into an initial Professional Services Agreement (PSA) with Phondini for an amount not to exceed the IGM's procurement authority, see attached 1/10/19 Meeting Minutes. Subsequently, the District entered into an initial PSA with Phondini for an amount not to exceed \$15,600, see attached Phondini PSA.

Phondini had previously worked with the District to formulate a Social Media Policy, which they helped staff perfect and has since been approved. Phondini has successfully worked to set up several social media sites for the District, e.g., Facebook, Twitter, Instagram, LinkedIn, populated, monitored and maintained these sites. Phondini has organized multiple outreach and educational tours, e.g., Sheriff's Activities League Coastside Empowering Young Women, Stanford Coastside Club.

Phondini has submitted the attached proposal to continue public outreach and social media efforts, for an amount not to exceed \$39,900.

Summary/Recommendation:

Authorize the Interim General Manager to execute a Professional Services Agreement (PSA) for Public Outreach Services with Phondini Partners LLC for an amount not to exceed \$39,900.

Attachments:

1. [January 16, 2019 Phondini Partners LLC - Professional Services Agreement](#)
2. [January 10, 2019 District Special Meeting Minutes](#)
3. [June 10, 2019 Phondini Partners LLC - Proposal, Exhibit A](#)
4. [Phondini Partners, LLC - Presentation](#)

AGREEMENT

PUBLIC OUTREACH SERVICES

THIS AGREEMENT is made as of this 16th day of January, 2019, by and between the San Mateo County Harbor District ("District") and Phondini Partners LLC, ("Contractor").

WHEREAS, the District desires to obtain professional services to assist the District with public outreach, education programs and a social media policy; and

WHEREAS, Contractor desires to perform such services and has represented that it is experienced and qualified to perform such services. It has submitted a written proposal, dated January 10, 2019, a copy of which is attached and incorporated as Exhibit A; and

WHEREAS, the District's Board of Harbor Commissioners, at its meeting on January 10, 2019, authorized the Interim General Manager to enter into this Agreement; and

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1. RENDITION OF SERVICES

The Contractor agrees to provide professional services to the District in accordance with the terms and conditions of this Agreement. In the performance of its work, the Contractor represents that it (1) has and will exercise the degree of professional care, skill, efficiency, and judgment of contractors with special expertise in providing such services; (2) carries all applicable licenses, certificates, and registrations in current and good standing that may be required to perform the work; and (3) will retain all such licenses, certificates, and registrations in active status throughout the duration of this engagement.

2. SCOPE OF SERVICES

Contractor will provide District the scope of services set forth in Exhibit A, as supplemented by Exhibit B, in accordance with the terms and conditions of this Agreement. In the event of any inconsistency between the terms of this Agreement and the terms of Exhibit A, this agreement shall prevail.

3. SCHEDULE

Contractor will commence work upon District's issuance of a Notice to Proceed and, unless the Agreement is terminated sooner pursuant to Section 20 will endeavor to complete all work within one year.

4. KEY PERSONNEL

It is understood and agreed by the parties that at all times during the term of this Agreement that Joe Falcone, shall serve as the primary staff person of the Contractor to undertake, render and oversee all of the services under this Agreement. Upon written notice by the Contractor and approval by the District, which will not be unreasonably withheld, the Contractor may substitute this person with another person, who shall possess similar qualifications and experience for this position.

5. COMPENSATION

The Consultant agrees to perform all the services included in Exhibit A for the total not-to-exceed amount of eight thousand dollars (\$8,000). The amount includes all labor, materials, taxes, profit, overhead, insurance, travel, and subconsultant costs. The not-to-exceed amount is not guaranteed; compensation will be based on services actually rendered.

6. NOTICES

All communications relating to the day-to-day activities of the Project shall be exchanged between the District's General Manager and Board President (or their designees), and the Contractor.

All other notices and communications regarding interpretation of the terms of this Agreement and changes thereto shall be given to the other party in writing and may be given by personal delivery to a representative of the parties or by mailing the same, postage prepaid, addressed as follows:

If to the District: San Mateo County Harbor District
504 Ave. Alhambra, 2nd Floor
P.O. Box 1449
El Granada, CA 94018
Attention: John Moren, Interim General Manager

If to the Contractor: Phondini Partners LLC
Address: PO Box 157
Half Moon Bay, CA 94019
Attention: Joseph Falcone, CEO

The address to which mailings may be made may be changed from time to time by notice mailed as described above. Any notice given by mail shall be deemed given on the day after that on which it is deposited in the United States Postal Service as provided above.

7. OWNERSHIP OF WORK

All reports, designs, drawings, plans, photographic images, video and sound recording, specifications, analyses, charts, tables, schedules and all other materials prepared, or in the process of being prepared, for the services to be performed by the Contractor shall be and are the property of the District. The District shall be entitled access to and copies of these materials during the progress of the work. Any such materials remaining in the hands of the Contractor or in the hands of any subcontractor upon completion or termination of the work shall be immediately delivered to the District. If any materials are lost, damaged or destroyed before final delivery to the District, the Contractor shall replace them at its own expense, and the Contractor assumes all risks of loss, damage or destruction of or to such materials. The Contractor may retain a copy of all materials produced under this Agreement for its use in its general business activities.

Any and all rights, title, and interest (including, without limitation, patent rights, copyright and any other intellectual-property or proprietary right) to materials prepared under this

Agreement are hereby assigned to the District. The Contractor agrees to execute any additional documents which may be necessary to evidence such assignment.

The Contractor represents and warrants that all materials prepared under this Agreement are original or developed from materials in the public domain (or both) and that all materials prepared under and services provided under this Agreement do not infringe or violate any copyright, trademark, patent, trade secret, or other intellectual-property or proprietary right of any third party.

8. CONFIDENTIALITY

Any District materials to which the Contractor has access or materials prepared by the Contractor during the course of this Agreement ("confidential information") shall be held in confidence by the Contractor, who shall exercise all reasonable precautions to prevent the disclosure of confidential information to anyone except the officers, employees, and agents of the Contractor as necessary to accomplish the rendition of services set forth in Section 2 of this Agreement.

The Contractor, its employees, subcontractors, and agents shall not release any reports, information or other materials prepared in connection with this Agreement, whether deemed confidential or not, to any third party without the approval of the District.

9. SUBCONTRACTORS

The Contractor shall not subcontract any services to be performed by it under this Agreement without the prior written approval of the District, except for service firms engaged in drawing, reproduction, typing, and printing. Any subcontractors must be engaged under written contract with the Contractor with provisions allowing the Contractor to comply with all requirements of this Agreement, including without limitation the "Ownership of Work" provisions in Section 7. The Contractor shall be solely responsible for reimbursing any subcontractors, and the District shall have no obligation to them.

10. CHANGES

The District may, at any time, by written order, make changes within the scope of work and services described in this Agreement. If such changes cause an increase in the budgeted cost of or the time required for performance of the agreed upon work, an equitable adjustment as mutually agreed shall be made in the limit on compensation as set forth in Section 5 or in the time of required performance as set forth in Section 3, or both. In the event that the Contractor encounters any unanticipated conditions or contingencies that may affect the scope of work or services, schedule, or the amount of compensation specified herein, the Contractor shall so advise the District immediately upon notice of such condition or contingency. The written notice shall explain the circumstances giving rise to the unforeseen condition or contingency and shall set forth the proposed adjustment in schedule or compensation. This notice shall be given to the District prior to the time that the Contractor performs work or services related to any proposed adjustment. The pertinent changes shall be expressed in a written supplement to this Agreement prior to implementation of such changes.

11. RESPONSIBILITY; INDEMNIFICATION

The Contractor shall indemnify, keep and save harmless the District and its Commissioners, officers, agents and employees against any and all suits, claims or actions arising out of any of the following:

- A. Any injury to persons or property that may occur, or that may be alleged to have occurred, arising from the performance of this Agreement by the Contractor caused by a negligent act or omission or willful misconduct of the Contractor or its employees, subcontractors or agents; or
- B. Any allegation that materials or services provided by the Contractor under this Agreement infringe or violate any copyright, trademark, patent, trade secret, or any other intellectual-property or proprietary right of any third party.

The Contractor further agrees to defend any and all such actions, suits or claims, with counsel acceptable to the District in its sole discretion and pay all charges of attorneys and all other costs and expenses of defenses as they are incurred. If any judgment is rendered, or settlement reached, against the District, or any of the other individuals enumerated above in any such action, the Contractor shall, at its expense, satisfy and discharge the same. This indemnification shall survive termination or expiration of the Agreement.

12. INSURANCE

A. Types of Insurance

The Contractor shall not commence work until proper evidence of insurance coverage of the types and amounts specified in this section has been provided to the District. The Contractor shall not violate or permit to be violated any conditions or provisions of said policies of insurance, and at all times shall satisfy the requirements of the insurer for the purpose of maintaining said insurance in effect.

If any claim is made by any third person against the Contractor on account of any incident connected to the Agreement, the Contractor shall promptly report the fact in writing to the District, giving full details of the claim.

Any person, firm, or corporation that the Contractor authorizes to work upon the District's property, including any subcontractor, shall be deemed to be the Contractor's agent and shall be subject to all applicable terms of this Agreement. Prior to the Contractor's start of the work or entry onto the District's property, the Contractor agrees to require its subcontractors to procure and maintain, at the Contractor's (or its subcontractor(s)') sole cost and expense (and to prove to the District's reasonable satisfaction that it remains in effect throughout the performance of the work under this Agreement), the kinds of insurance described below. Such insurance must remain in effect throughout the term of this Agreement and will be at the sole cost and expense of the Contractor (or its subcontractor(s)).

1) Commercial General Liability Insurance

The Contractor shall, at its own expense, procure and maintain Commercial General Liability insurance providing bodily injury and property damage coverage with a combined limit of at least One Million Dollars (\$1,000,000)

each occurrence and a general aggregate limit of at least Two Million Dollars (\$2,000,000). This insurance shall include, but not be limited to, premises and operations, contractual liability covering the indemnity provisions contained in this Agreement, personal injury, products and completed operations, and broad form property damage, and include a Cross Liability endorsement.

Said Policy shall protect the Contractor and the District in the same manner as though a separate policy had been issued to each, but nothing in said policy shall operate to increase the insurance company's liability as set forth in its policy beyond the amount or amounts shown or to which the insurance company would have been liable if only one interest had been named as an insured.

2) Business Automobile Liability

The Contractor shall, at its own cost and expense, procure and maintain Business Automobile Liability insurance providing bodily injury and property damage with a combined single limit of at least One Million Dollars (\$1,000,000) per occurrence for all owned, non-owned and hired automobiles. This insurance shall provide contractual liability covering all motor vehicles and mobile equipment to the extent coverage may be excluded from general liability insurance.

3) Workers' Compensation and Employers' Liability Insurance

If the Contractor employs any person to perform work in connection with this Agreement, the Contractor shall procure and maintain at all times, during the performance of such work, Workers' Compensation Insurance in conformance with the laws of the State of California, and federal laws where applicable. Employers' Liability Insurance shall not be less than One Million Dollars (\$1,000,000) for each accident and One Million Dollars (\$1,000,000) for each disease, with a policy limit of One Million Dollars (\$1,000,000).

The policy shall contain a waiver of subrogation in favor of the District and its officers, Commissioners, employees, volunteers, and agents, while acting in such capacity, and their successors and assignees, as they now or as they may hereafter be constituted, singly, jointly, or severally.

4) Professional Liability Insurance

The Contractor shall also maintain Professional Liability Insurance covering the Contractor's performance under this Agreement with a limit of liability of One Million Dollars (\$1,000,000) for any one claim. This insurance shall be applicable to claims arising from the work performed under this Agreement. Prior to commencing work under this Agreement, the Contractor shall furnish to the District a Certificate of Insurance or certified copy of the insurance policy if requested, indicating compliance with the requirements of this paragraph. This certificate or policy shall

further stipulate that thirty (30) days' advance written notice of cancellation, non-renewal or reduction in limits shall be given to the District.

B. General Insurance Requirements

- 1) Acceptable Insurance
All policies will be issued by insurers acceptable to the District. This insurance shall be issued by an insurance company or companies authorized to do business in the State of California with minimum "Best's" rating of B+ and with minimum policyholder surplus of Twenty-Five Million Dollars (\$25,000,000) or a company acceptable to the District in its sole discretion. All policies shall be issued in a form satisfactory to the Interim General Manager of the District and shall be issued specifically as primary insurance. Workers' Compensation coverage requirements may be met with the California State Compensation Fund.
- 2) Procure and Maintain Insurance
The Contractor must, at its own cost and expense, procure and maintain at all times during the performance of this Agreement, all of the required policies specified above. The failure to procure or maintain the required insurance policies and/or an adequately funded self-insurance program acceptable to the District will constitute a material breach of the Agreement.
- 3) Terms of Policies
All insurance specified above shall remain in force until all work to be performed is satisfactorily completed. If the insurance is provided on a claims-made basis, it must remain in force for the entire term of the Agreement and a minimum of three (3) years thereafter.
- 4) Self-Insurance
Upon evidence of financial capacity satisfactory to the District and Contractor's agreement to waive subrogation against the District respecting any and all claims that may arise, the Contractor's obligations hereunder may be satisfied in whole or in part by adequately funded self-insurance.
- 5) Deductibles and Retentions
The Contractor shall be responsible for payment of any deductible or retention on the Contractor's policies without right of contribution from the District. Deductible and retention provisions shall not contain any restrictions as to how or by whom the deductible or retention is paid. Any deductible or retention provision limiting payment to the Named Insured is unacceptable.

In the event that the policy of the Contractor or any subcontractor contains a deductible or self-insured retention, and in the event that the District seeks coverage under such policy as an additional insured, the Contractor shall satisfy such deductible or self-insured retention to the extent of loss covered by such policy for a lawsuit arising from or connected with any alleged act or omission of the Contractor, subcontractor, or any of their officers, directors, employees, agents, or suppliers, even if the Contractor or subcontractor is not a named defendant in the lawsuit.

Evidence of Insurance and Endorsements

Prior to commencing work or entering onto the District's property, the Contractor shall file a Certificate of Insurance with the District evidencing the foregoing coverage's, including the following endorsements:

- 5) The insurance company(ies) issuing such policy(ies) will provide at least thirty (30) days' notice to the District of cancellation or non-renewal.
- 6) That the policy(ies) is primary insurance and the insurance company(ies) providing such policy(ies) shall be liable thereunder for the full amount of any loss or claim that the Contractor is liable for under this section, up to and including the total limit of liability, without right of contribution from any other insurance maintained or which may be maintained by the District.
- 7) Such insurance shall include as additional insureds the District, and its respective Commissioners, officers, employees, and agents while acting in such capacity, and their successors or assignees, as they now or as they may hereafter be constituted, singly, jointly, or severally.
- 8) The policy must also contain either a Cross Liability endorsement or Severability of Interests Clause and stipulate that inclusion of the District as an additional insured will not in any way affect the District's rights as respects to any claim, demand, suit or judgment made, brought, or recovered against the Contractor. Said policy shall protect the Contractor and the District in the same manner as though a separate policy had been issued to each, but nothing in said policy shall operate to increase the insurance company's liability as set forth in its policy beyond the amount or amounts shown or to which the insurance company would have been liable if only one interest had been named as an insured.

C. Consequence of Lapse

Should any required insurance not be procured or lapse during the term of this Agreement, requests for payment originating after such lapse will not be processed until the District receives satisfactory evidence of reinstated coverage as required by the Agreement. If insurance is not reinstated, the District, may, at its sole option, terminate this Agreement effective on the date of such lapse of insurance.

13. MANNER OF PAYMENT

Contractor will submit detailed monthly invoices at the end of each month describing the work performed and the associated deliverable, which will be consistent with Exhibit A & B. Invoices will also include total expenditures to date and the remaining balance on the budgeted or not-to-exceed amount. Invoices will be prepared in a format acceptable to District. The District shall endeavor to pay approved invoices within thirty (30) days of their receipt.

14. CONTRACTOR'S STATUS

Neither the Contractor nor any party contracting with the Contractor shall be deemed to be an agent or employee of the District. The Contractor is and shall be an independent Contractor, and the legal relationship of any person performing services for the Contractor shall be one solely between that person and the Contractor

15. ASSIGNMENT

Contractor shall not assign any of its rights nor transfer any of its obligations under this Agreement without the prior written consent of District.

16. DISTRICT WARRANTIES

The District makes no warranties, representations or agreements, either express or implied, beyond such as are explicitly stated in this Agreement.

17. DISTRICT REPRESENTATIVE

Except when approval or other action is required to be given or taken by the Board of Harbor Commissioners of the District, the General Manager of the District, or such person or persons as he/she shall designate in writing from time to time, shall represent and act for the District.

18. DISPUTE RESOLUTION

The District and Contractor agree to attempt in good faith to resolve all disputes informally. If agreed to by both parties, alternate methods of dispute resolution, such as mediation, may be utilized. Unless otherwise directed by the District, the Contractor shall continue performance under this Agreement while matters in dispute are being resolved.

19. MAINTENANCE, AUDIT, AND INSPECTION OF RECORDS

All Contractor and subcontractor costs incurred in the performance of this Agreement will be subject to audit. The Contractor and its subcontractors shall permit the District or its authorized representatives to inspect, audit and verify statements, invoices or bills submitted by the Contractor pursuant to this Agreement. The Contractor shall also provide such assistance as may be required in the course of such audit. The Contractor shall retain these records and make them available for inspection hereunder for a period of four (4) years after expiration or termination of the Agreement.

If, as a result of the audit, it is determined by the District's auditor or staff that reimbursement of any costs including profit or fee under this Agreement was in excess of that represented and relied upon during price negotiations or represented as a basis for payment, the Contractor agrees to reimburse the District for those costs within sixty (60) days of written notification by the District.

20. TERMINATION

The District shall have the right to terminate this Agreement at any time for cause or for convenience by giving written notice to the Contractor. Upon receipt of such notice, the Contractor shall not commit itself to any further expenditure of time or resources.

If the Agreement is terminated for any reason other than a breach or default by the Contractor, the District shall pay to the Contractor in accordance with the provisions of Sections 5 and 13 all sums actually due and owing from the District for all services performed and all expenses incurred up to the day written notice of termination is given, plus any costs reasonably and necessary incurred by the Contractor to effect such termination. If the Agreement is terminated for breach or default, the District shall remit final payment to the Contractor in an amount to cover only those services performed and expenses incurred in full accordance with the terms and conditions of this Agreement up to the effective date of termination.

The District shall not in any manner be liable for the Contractor's actual or projected lost profits had the Contractor completed the services required by this Agreement.

21. NONDISCRIMINATION

In connection with the performance of this Agreement, the Contractor shall not discriminate against any employee or applicant for employment because of race, color, religion, citizenship, political activity or affiliation, national origin, ancestry, physical or mental disability, marital status, age, medical condition (as defined under California law), veteran status, sexual orientation, gender identity, gender expression, sex or gender (which includes pregnancy, childbirth, breastfeeding, or related medical conditions), taking or requesting statutorily protected leave, or any other characteristics protected under federal, state, or local laws. The Contractor shall take affirmative actions to ensure that applicants are employed, and that employees are treated during their employment, without regard to their race, religion, color, sex, disability, national origin, or any other characteristic protected under state, federal, or local laws. Such actions shall include, but not be limited to, the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Contractor further agrees to insert a similar provision in all subcontracts, except subcontracts for standard commercial supplies or raw materials.

22. CONFLICT OF INTEREST

The Contractor warrants and represents that it presently has no interest and agrees that it will not acquire any interest that would present a conflict of interest under California Government Code §§ 1090 et seq. or §§ 87100 et seq. during the performance of services under this Agreement. The Contractor further covenants that it will not knowingly employ any person having such an interest in the performance of this Agreement. Violation of this provision may result in this Agreement being deemed void and unenforceable.

23. PUBLICITY

The Contractor, its employees, subcontractors, and agents shall not refer to the District, or use any logos, images, or photographs of the District for any commercial purpose, including, but not limited to, advertising, promotion, or public relations, without the District's prior written consent. Such written consent shall not be required for the inclusion of the District's name on a customer list.

24. ATTORNEY'S FEES

If any legal proceeding should be instituted by either of the parties to enforce the terms of this Agreement or to determine the rights of the parties under this Agreement, the prevailing party in said proceeding shall recover, in addition to all court costs, reasonable legal fees.

25. WAIVER

Any waiver of any breach or covenant of this Agreement must be in a writing executed by a duly authorized representative of the party waiving the breach. A waiver by any of the parties of a breach or covenant of this Agreement shall not be construed to be a waiver of any succeeding breach or any other covenant unless specifically and explicitly stated in such waiver.

26. SEVERABILITY

If any provision of this Agreement shall be deemed invalid or unenforceable, that provision shall be reformed and/or construed consistently with applicable law as nearly as possible to reflect the original intentions of this Agreement, and in any event, the remaining provisions of this Agreement shall remain in full force and effect.

27. NO THIRD PARTY BENEFICIARIES

This Agreement is not for the benefit of any person or entity other than the parties.

28. APPLICABLE LAW

This Agreement, its interpretation and all work performed under it shall be governed by the laws of the State of California.

29. BINDING ON SUCCESSORS

All of the terms, provisions and conditions of this Agreement shall be binding upon and inure to the benefit of the parties and their respective successors, assigns and legal representatives.

30. ENTIRE AGREEMENT; MODIFICATION

This Agreement, including any attachments, constitutes the entire Agreement between the parties with respect to the subject matter hereof and may not be amended except by a written amendment executed by authorized representatives of both parties. In the event of a conflict between the terms and conditions of this Agreement and the attachments, the terms of this Agreement will prevail.

IN WITNESS WHEREOF the parties have executed this Agreement by their duly authorized officers as of the day and year first above written.

SAN MATEO COUNTY HARBOR DISTRICT

By: J. Moran Date: 1-16-19
Title: Interim General Manager

***PHONDINI PARTNERS LLC**

By: J. Moran Date: 1/16/19
Title: CEO & Managing Partner

By: J. Moran Date: 1/16/19
Title: Secretary

**This Agreement must be executed by two corporate officers, consisting of: (1) the president, vice president or chair of the board; and (2) the secretary, assistant secretary, chief financial officer or assistant treasurer. In the alternative, this Agreement may be executed by a single officer or a person other than an officer provided that evidence satisfactory to the District is provided demonstrating that such individual is authorized to bind the corporation (e.g. a copy of a certified resolution from the corporation's board or a copy of the corporation's bylaws).*

EXHIBIT A
**Agreement between the San Mateo County Harbor District and Phondini Partners
LLC**

Revised: February 5, 2019

1. Description of Services to be Performed by Contractor

In consideration of the payments set forth in Section 2, Amount and Method of Payment, Contractor shall provide the following services:

Social Media Policy

1. Work with the District General Manager or designee ("District") to develop a Social Media Guidelines document for the District.
 - a. The project allows for Two (2) review cycles for the document.
 - b. In 2015, Contractor worked with the District Management, Counsel and Transparency Officer to produce a revised Electronics Communications and Social Media Policy.

Social Media Program

1. Select Three (3) Social Media services for an initial focus in consultation with the District (e.g. Facebook, Twitter & Instagram).
2. Create a Social Media presence on each service plus LinkedIn for the District for a total of Four (4) accounts
3. Design the mobile and desktop environment for each of the Social Media accounts.
 - a. District will facilitate the design process by providing access to graphics assets that represent the District including logos, maps, and pictures.
 - b. Contractor has access to a number of libraries containing current and historical photos of the harbor.
4. (optional) Develop a training program for selected District Staff and possibly Tenants on:
 - a. the proper and optimal use of Social Media for communications
 - b. the importance of good pictures in Social Media
 - c. the role of concise and clear text in Social Media
 - d. social media etiquette and permission, and
 - e. the District Social Media Guidelines.
5. (optional) Deliver a training session on subject matter identified in 4. above at District facilities.
6. Establish channels via email to acquire content from
 - a. District Staff,
 - b. Commissioners,
 - c. Tenants and
 - d. the General Public.
7. Visit District facilities to acquire content from:
 - a. District office or Harbor: Four (4) times per month
 - b. additional visits to the District office or Harbor to acquire content can be arranged on a time and materials basis.

8. Curate content from District Staff and Commission to ensure that it:
 - a. meets the Social Media Guidelines of the District,
 - b. delivers the information clearly and concisely, and
 - c. fits into the schedule of content delivery to avoid over-posting and saturation.
9. Ensure the delivery of, on average, Five (5) posts per week to each of the Social Media services for Ninety (90) days after launch with at least:
 - a. One (1) item from the Harbor,
 - b. One (1) item from the District management and operations
 - c. By default, all official District communication will be distributed via social media.
 - d. Content may be from current activities, archives or related news items depending on what is happening that week.
 - e. Within reason, and, as needed, provide content to meet these requirements based on the visits to District facilities in 7. above.
10. Develop a following for the District Social Media presence by:
 - a. creating Advertising on the District website and Social Media services to inform the local community of the existence of the District and Harbor Social Media presence.
 - b. sending emails using the District distribution list to cultivate followers from the local community.
 - c. leveraging the over 50,000 users and followers of the FishLine Community Program developed and managed by the Contractor.

Outreach and Education Program

1. Recruit volunteer docents from the community
 - a. With at least one bilingual docent
 - b. With knowledge of the harbor and local history and habitat
2. (optional) Develop a training program for docents, including:
 - a. history & culture
 - b. operations & business
 - c. fisheries
 - d. boating & recreational activities
 - e. biology & ecology
 - f. harbor patrol & safety
3. (optional) Deliver a training session on subject matter identified in 2. above for docents
4. Develop Outreach and Education program activities
 - a. Tours of Harbor and surrounding area
 - b. Associated information on social media and website
5. Select Three (3) community groups for initial Outreach and Education program activities per 4.
 - a. One (1) Coastside school or community group
 - b. One (1) Bayside San Mateo County school or community group (preferably from an underserved school district or SAL)
 - c. One (1) Government & Community group composed of elected and appointed officials as well as community leaders from San Mateo County
6. Engage the Three (3) community groups with the Outreach and Education program activities identified in 4 in a Ninety (90) day period.

Analysis

1. Deliver the following Thirty (30) days prior to the completion of the contract:
 - a. a written analysis of the District Social Media program

- b. a written analysis of the District Outreach and Education program
 - c. a written proposal on how best to continue the District Social Media program beyond this contract.
 - d. a written proposal on how best to continue the District Outreach and Education program beyond this contract.
2. Additional services are available on a time and materials basis.

2. Amount and Method of Payment

In consideration of the services provided by Contractor pursuant to Section 1, Description of Services to be Performed by Contractor, and subject to the terms of the Agreement, District shall pay Contractor based on the following schedule and terms:

Contractor shall submit an itemized invoice on a monthly basis and will be paid accordingly for work completed.

Deliverable	Estimated Cost
Development of Social Media Guidelines	\$500
Creation & Design of Social Media Presence	\$600
Social Media Training (optional)	\$1000
Content Acquisition, Curation and Delivery for 90 days	\$4500
Social Media Advertising for 90 days	\$1500
Docent Training (optional)	\$1500
Outreach and Education Services for 90 days	\$3000
Transportation for Outreach and Education Tours (estimate)	\$1500
Bilingual Services for Social Media, Outreach & Education	\$600
Management, Software Subscriptions, and Compliance	\$900
TOTAL	\$15600



Board of Harbor Commissioners

Virginia Chang Kiraly, President
Vice President
Edmundo Larenas, Secretary
Tom Mattusch, Treasurer
Sabrina Brennan, Commissioner
Nancy Reyerling, Commissioner

John Moren, Interim General Manager
Steven D. Miller, District Counsel

San Mateo County Harbor District Board of Harbor Commissioners

“To assure the public is provided with clean, safe, well-managed, financially sound and environmentally pleasant marinas.”

SPECIAL MEETING MINUTES

January 10, 2019
5:30 PM

San Mateo County Harbor District
Conference Room
504 Avenue Alhambra, Ste. 200
El Granada, CA 94018

- A) Roll Call** 5:36 PM Commissioners Brennan, Larenas, Reyerling present.
Commissioners Chang Kiraly, Mattusch absent.
5:55 PM Commissioner Chang Kiraly arrives.
- B) Closed Session** 5:38 PM No public comments. Adjourn to closed session.
- TITLE: Conference with Legal Counsel—Anticipated Litigation**
Significant exposure to litigation pursuant to Government Code Section §54956.9(d)(2); Claim by John Schulz.
 - No reportable action.
 - TITLE: Public Employee Performance Evaluation**
pursuant to Government Code Section 54957; General Counsel.
 - No reportable action.
- 6:23 PM Motion:** (Larenas/Brennan) Adjourn Closed Session.
Ayes: Brennan, Chang Kiraly, Larenas, Reyerling
Nays: None
Absent: Mattusch
Motion passed
- C) Open Session** 6:25 PM

1. Board Retreat – Consider Hiring a Facilitator

- Set Goals and Priorities for 2019
- Schedule Retreat (in advance of Strategic Planning meetings)
- Retreat open to the public

Board discussion to have a Board Retreat to discuss goals and priorities for 2019, held possibly at the Admin office or Half Moon Bay Yacht Club. February 8th is the date that works for all commissioner's present. Board discussion regarding the current contract with Martin Rauch of Rauch Communication Consultants; direct staff to see if the current contract can be amended allowing for change order to have the consultant facilitate a Board Retreat. Commissioners in agreement to hold the Board Retreat at Half Moon Yacht Club if available.

Motion: (Reyering/Brennan) Direct the Interim General Manager to amend Martin Rauch's contract to facilitate an all-day Board Retreat to be held on February 8th.

Ayes: Brennan, Chang Kiraly, Larenas, Reyering

Nays: None

Absent: Mattusch

Motion passed

2. Public Outreach, Education Program and Social Media Policy: Consider Hiring a Director of Community Engagement – Discussion and Possible Action

- Outreach and Education Program Plan
 - Bilingual
- Social Media Program Plan
 - Facebook, Instagram, Twitter and LinkedIn
- Social Media Policy
 - Review San Mateo County Policy
 - Deadline
- Consider hiring a Director of Community Engagement
 - This role may include developing countywide outreach program, education programs, social media content and email news blasts
- Consider hiring a consultant to act as Director of Community Engagement
 - This role may include developing countywide outreach program, education programs, social media content and email news blasts

Board discussion to form a Social Media committee, to be populated at the regular Board meeting of January 16, 2019. Also, discussion to obtain the

services of Phondini Partners, who previously brought a proposal to the Harbor District.

Commissioner Brennan introduced Dan Blick, of Phondini Partners, who explained Phondini Partners services, including the setup of the FishLine Community Program, which has been available on the District's website.

Board of Commissioner directed the Interim General Manager to enter into a Professional Services Agreement with Phondini Partners, not to exceed the General Manager's procurement authority without further approval.

3. Discussion and Possible Action Regarding Hiring a New General Counsel

Board discussion led by Commissioners Larenas and Brennan of obtaining new General Counsel for the Harbor District. Commissioners Larenas and Brennan suggested Wittwer Parkin LLP of Santa Cruz, who also represents Granada Community Services District. Commissioner Larenas stated that this firm has extensive experience with land use law and is very familiar with the Coastal Act. Commissioners Chang Kiraly and Reyering suggested an RFP process for the hire of new General Counsel. Commissioner Brennan suggested that commissioners contact other law firms and have interested firms submit a proposal before the January 16th Board meeting rather than have an RFP.

Public Comments:

- **T.J. Gauthier** – Suggested the Board take their time to get qualifications of other law firms.
- **John Ullom** – Agrees with previous speaker. Stated that the optics of this do not look good. Take the time to do it right. The Harbor District already has issues with credibility.
- **Mary Larenas** – The new firm has worked with other agencies on the coast; is not an unknown firm.

4. Committee Policy – Discussion and Possible Action

Board discussion to approve amending Policy 3.0 Standing Committees to reinstate members of the public to serve on Standing Committees, per the policy guidelines.

Public Comment:

- **John Ullom** – Community members are a useful tool. Suggests eliminating the OPM Committee.

Motion: (Larenas/Reyering) Approve amendment to Policy 3.0 on Standing Committees, with minor amendments.

Ayes: Brennan, Chang Kiraly, Larenas, Reyering

Nays: None

Absent: Mattusch
Motion passed

5. **Future Agenda Items - Discussion re: Placing Items on Future Agenda**

- **Commissioner Larenas** – Hire new employment/labor counsel.
- **Commissioner Reyering** – Consider the Lease Amendment with Oyster Point Yacht Club
- **Commissioner Brennan** – Resolution to hold all Regular meetings only at the District office in El Granada.

Motion: (Brennan/Reyering) Adjourn meeting.

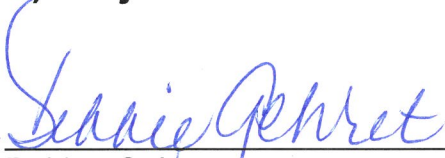
Ayes: Brennan, Chang Kiraly, Larenas, Reyering

Nays: None

Absent: Mattusch

Motion passed

D) Adjournment 8:50 PM



Debbie Gehret
Deputy Secretary



Sabrina Brennan
President

EXHIBIT A
Agreement between the San Mateo County Harbor District and Phondini Partners
LLC

Revised: June 10, 2019

1. Report and Analysis on Services Performed by Contractor

During the Initial Phase of the Public Outreach Project, Contractor has provided the following services:

Social Media Policy

1. Worked with the District staff to update the Computers, Electronic Communications, and Social Media policy for the District. Policy was approved by the Board of Commissioners and Contractor has been following the guidelines.

Social Media Program

1. Selected Three (3) Social Media services in consultation with the District: Facebook, Twitter & Instagram.
2. Created a Social Media presence for the San Mateo County Harbor District on those services plus a presence for Pillar Point Harbor on Facebook. Verified ownership of the properties with Facebook.
 - Facebook: smharbor
 - Facebook: pillarpoint
 - Instagram: smharbor
 - Twitter: smharbor
 - LinkedIn: smharbor
3. Designed the mobile and desktop environment for each of the Social Media accounts.
 - a. District facilitated the design process by providing access to graphics assets that represent the District including logos, maps, and pictures.
 - b. Contractor accessed a number of libraries containing current and historical photos of the harbor and surrounding area. Thanks to the Half Moon Bay History Association and Dave Cresson for access to their archives.
 - c. Contractor has created a shared Google Photos library with 1,676 photos of the harbor and marina.
 - d. Contractor shared folder with the consultant conducting the search for the new GM.
4. Communicated with local community and met with District Staff to discuss:
 - a. the proper and optimal use of Social Media for communications
 - b. the importance of good pictures in Social Media
 - c. the role of concise and clear text in Social Media
 - d. social media etiquette and permission, and
 - e. the District Social Media Guidelines.
5. Established channels via email to acquire content from
 - a. District Staff,
 - b. Commissioners,
 - c. Tenants and

- d. the General Public.
6. Visited District facilities on a regular basis and Monitored District website and emails to acquire content from District Staff and Commission to ensure that it:
 - a. meets the Social Media Guidelines of the District,
 - b. delivers the information clearly and concisely, and
 - c. fits into the schedule of content delivery to avoid over-posting and saturation.
7. Ensured the delivery of, on average, Five (5) posts per week to each of the Social Media services for Ninety (90) days after launch (March 6, 2019). This target (60 posts) was exceeded significantly on Facebook, Instagram and Twitter.
 - a. Actual number of posts to June 7, 2019:
 - Facebook – smharbor: 103 posts
 - Facebook – pillarpoint: 57 posts (started posting April 2, 2019)
 - Instagram – smharbor: 100 posts
 - Twitter – smharbor: 109 tweets
 - LinkedIn – smharbor: 49 posts (started posting April 30, 2019)
 - a. All official District communication (meeting announcements, job listings, requests for bids, etc) was distributed via social media.
 - b. Major emphasis during National Safe Boating Week and Wear Your Life Jacket To Work Day with 23 posts during the 8-day period.
 - c. About 20% of Facebook posts were made in both English and Spanish which increases rank and visibility to Spanish users.
8. Developed a following for the District Social Media presence by:
 - a. created Advertising on the District website and Social Media services to inform the local community of the existence of the District and Harbor Social Media presence.
 - b. qualified to run Advertising on Social Media for the District in compliance with the Facebook program to eliminate rogue advertisers (required to provide identity and to show that District was a legitimate entity)
 - c. leveraged the over 50,000 users and followers of the FishLine Community Program developed and managed by the Contractor to increase the followers and reach of District Social Media.
 - d. followed (where reasonable and possible) the social media pages of local institutions, local leaders, local businesses, and similar institutions.
 - e. experienced virtually no trolls or abusive posts.
 - f. total followers across all Social Media is 805
 - Facebook – smharbor: 515 followers; following 91
 - Facebook – pillarpoint: 61 followers; following 91; 97 check-ins
 - Instagram – smharbor: 173 followers; following 318
 - Twitter – smharbor: 48 followers; following 350
 - LinkedIn – smharbor: 8 followers
9. Monitored analytics on the social media sites. A summary of the analytics information:
 - a. Facebook
 - Monthly post reach (unique individuals, both organic and paid) ranged from about 17K to 21K people.
 - 90% of followers are from the San Mateo County area led by Half Moon Bay, San Mateo, and Redwood City.
 - Gender mix of followers is 54% women; of people reached is 53%
 - Age distribution of followers is 38% under 45; of people reached is 38%
 - Approximately 10% of those reached declared Spanish as their language
 - b. Instagram
 - In the most recent 7-day period, 144 accounts reached with 584 impressions of

- content
 - Gender mix is 53% women
 - Age distribution is 64% under 45
 - c. Twitter
 - subscribed to Twitter Promote Mode since April 26 which significantly increases the exposure of tweets beyond followers
 - Tweets earned 54.1K impressions (number of times users saw the Tweet) since March 6, 2019. Since Promote Mode was activated, a typical Tweet gets 1.2K impressions.
 - d. LinkedIn
 - LinkedIn posts have 266 impressions since April 30
10. Facebook support
- a. The Contractor has met with Facebook 3 times, once in person, to discuss the District social media presence.
 - b. Facebook's analysis of the progress so far is that we've outperformed expectations because the District Social Media appeals primarily to San Mateo County adult residents which number about 500,000.
 - c. Facebook also accepted feedback on how their tools work for a special district government organization which is an unusual customer for them.

Outreach and Education Program

1. Recruited volunteer docents from the community
 - a. Identified several individuals in the local community
 - b. Candidates experienced harbor tours and other activities
2. Developed Outreach and Education program activities
 - a. Focused on Tours of Harbor and surrounding area
 - b. Worked with District to identify and design promotional items (keychains, coffee mugs, notebooks, tote bags, bookmarks). 1200 bookmarks were given out in goody bags at Pacific Coast Dream Machines.
 - c. Created tour survey form.
3. Selected 2 community groups for initial Outreach and Education program activities.
 - a. May 5, 2019: Sheriff's Activities League Coastside Empowering Young Women (20) for education session inside the Harbormaster office because of inclement weather (would have been a harbor tour). We arranged a bus for transport which turned out to be prescient because of the bad weather.
 - b. May 29, 2019: Stanford Coastside Club (13) for harbor tour with discussions with three members of the commercial fishing community along the way. Survey results gave tour guide, tour length, tour content, tour satisfaction, and recommend to a friend all 5 stars out of 5. Tour location easy to find (Harbormaster building) got one 4-star rating. Comments: "Excellent" "Enjoyed it" "Fascinating! Loved it!" "Very Informative" "Thank you!" "Great information!"
 - c. A third tour was planned for El Granada Elementary School 3rd Grade Class but we ran out of time because of the end of the school year and the end of the contract.

Tenant communications system

1. Identified DialMyCalls as suitable vendor
2. Consulted with district staff on implementation

2. Description of Services to be Performed by Contractor

In consideration of the payments set forth in Section 3, Amount and Method of Payment, Contractor shall provide the following services:

Public Outreach Plan and Training

1. Develop a Public Outreach Plan for the District.
 - a. Develop plan based on the Institute for Local Government TIERS Public Engagement Framework
 - b. TIERS provides a step-by-step approach to public engagement using the five (5) pillars of Think, Initiate, Engage, Review and Shift.
 - c. The District is already at Engage so we will Review what has been done and then follow the TIERS process to develop the Outreach Plan
2. Train a District Communications representative, to be hired.
 - a. Provide training and mentoring for all the functions provided in this project
 - b. Register two District representatives for the TIERS Public Engagement Learning Lab which consists of training and support over a six-month period for an agency team.
 - Two-day immersive off-site Public Engagement Workshop in San Diego, 9/5-6
 - Private initial kickoff consultation with ILG
 - Monthly 'Open Lab' calls for problem solving, peer-to-peer learning and coaching (post workshop)
 - TIERS material and online tools

Continue Social Media Program

1. Provide Social Media services for Facebook, Instagram, Twitter and LinkedIn for a period of Six (6) months.
2. Visit District facilities to acquire content from District office, Harbor & Marina as required.
3. Curate content from District Staff and Commission to ensure that it:
 - a. meets the Social Media Guidelines of the District,
 - b. delivers the information clearly and concisely, and
 - c. fits into the schedule of content delivery to avoid over-posting and saturation.
4. Ensure the delivery of, on average, Five (5) posts per week to each of the Social Media services:
 - a. One (1) item from the Harbor,
 - b. One (1) item from the District management and operations
 - c. By default, all official District communication will be distributed via social media.
 - d. Content may be from current activities, archives or related news items depending on what is happening that week.
 - e. Within reason, and, as needed, provide content to meet these requirements based on the visits to District facilities in 7. above.
5. Develop a following for the District Social Media presence by:
 - a. creating Advertising on the District website and Social Media services to inform the local community of the existence of the District and Harbor Social Media presence.
 - b. following relevant local, regional and state individuals and institutions on Social Media
 - c. leveraging the over 50,000 users and followers of the FishLine Community Program developed and managed by the Contractor.

Diversity Outreach and Education Program

1. Investigate and Develop Outreach and Education program activities, including the following
 - a. Boat excursions for underserved community groups for fishing or wildlife viewing
 - b. Public art project involving local community groups (permanent or temporary)
 - c. Speakers on relevant topics either at the District Office, a Pop-up Tent at the Harbor or Marina, or another location. Topics can include all of the areas listed in (2).
 - d. Activities in conjunction with community groups & organizations (e.g. Local Schools & Colleges, Sheriff's Activities League, Coastside Fishing Foundation, Local Fishermen Groups, Golden Gate Audubon, Pacific Beach Coalition, HMB Yacht Club, Half Moon Bay History Association, Sea Hugger, Marine Mammal Center, Cal SeaGrant, ...)
 - e. Tours of Harbor and surrounding area
 - f. Associated information on social media and website
 - g. Organize at least One (1) activity per month
2. Recruit volunteer docents to assist with the activities in (1)
3. Survey participants in all activities where possible.
4. Maintain a record of the activities for publicity and potential grant applications.
5. Investigate grant funding from Coastal Commission, Coastal Conservancy and other sources.
6. Maintain inventory of promotional logo items

Analysis

1. Deliver the following before the completion of the contract:
 - a. a written analysis of the District Public Outreach Program
 - b. a written proposal to continue the District Public Outreach Program
2. Additional services are available on a time and materials basis.

3. Amount and Method of Payment

In consideration of the services provided by Contractor pursuant to Section 2, Description of Services to be Performed by Contractor, and subject to the terms of the Agreement, District shall pay Contractor based on the following schedule and terms:

Contractor shall submit an itemized invoice on a monthly basis and will be paid accordingly for work completed.

Deliverable	Estimated Cost
Development of Public Outreach Plan	\$7500
Training for District Communications representative	\$2000
TIERS Public Engagement Learning Lab for 2 persons	\$3500
Social Media Content Acquisition, Curation and Delivery	\$6000
Social Media Management & Advertising	\$3000
Docent Recruitment & Training	\$2000
Outreach and Education Services	\$6000
Transportation & Other 3 rd Party Expenses for Outreach and Education Activities	\$6000
Bilingual Services for Social Media, Outreach & Education	\$1500
Promotional Items	\$600
Management and Compliance	\$1800
TOTAL	\$39,900



Public Outreach for San Mateo County Harbor District

Joe Falcone

CEO, Phondini Partners LLC

Half Moon Bay, California

joe@Phondini.com

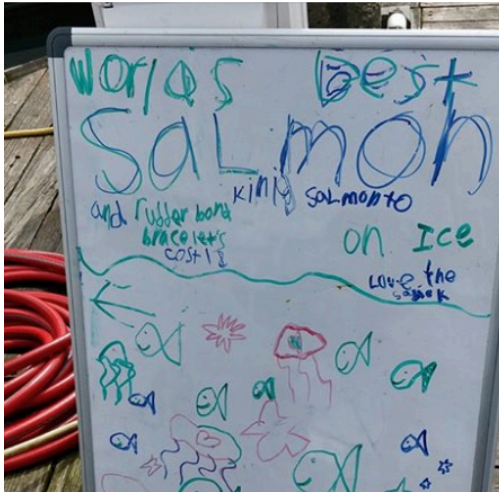
Pilot Program Results for 90 days

- Worked with District to update Electronic Communications policy
- Created 5 new social media sites with over 800 followers
 - Facebook: SMHarbor & PillarPoint
 - Instagram: SMHarbor
 - Twitter: SMHarbor
 - LinkedIn: SMHarbor
- Published over 100 posts
 - Averaged over 8 per week
 - Commitment was 5 posts per week
- Reached about 20,000 people / month

San Mateo County Harbor District is at Pillar Point Harbor.
Published by Hootsuite [?] · June 3 at 6:00 PM · 🌐

Viewing: English ▾

Commercial salmon season briefly paused & reopens tomorrow... c
Fish Phone 650-726-8724 or the FishLine app (<http://FishLine.me>)
availability of salmon & other seafood direct from the Fishermen at
Point Harbor.



San Mateo County Harbor District is at San Mateo County Harbor District.

Published by Hootsuite [?] · May 17 at 8:01 AM · 🌐

Harbor District staff is ready for Wear Your Life Jacket to Work Day - at you wearing your life jacket today? #lifejacket2work



San Mateo County Harbor District is at Oyster Point Marina/Park.

Published by Hootsuite [?] · April 27 · 🌐

Viewing: English ▾

A lucky fisherman caught a halibut at the Oyster Point Fishing Pier last week... and fishing is free from Ocean and Bay Piers in California.



San Mateo County Harbor District is at Oyster Point Marina/Park.

Published by Hootsuite [?] · April 25 · 🌐

Make way for 8 goslings at Oyster Point Marina & Park. Please give geese a wide berth while they waddle about the grasslands.



San Mateo County Harbor District

Published by Hootsuite [?] · April 4 · 🌐

This drawing of Pillar Point and Bay is signed by Coastside artist Wolf. He was born in San Francisco in 1889 and around 1926 he moved south to Half Moon Bay where his grandparents had settled back in the 1800s. #throwbackthursday



San Mateo County Harbor District is at Pillar Point Harbor.

Published by Hootsuite [?] · May 24 at 10:01 AM · 🌐

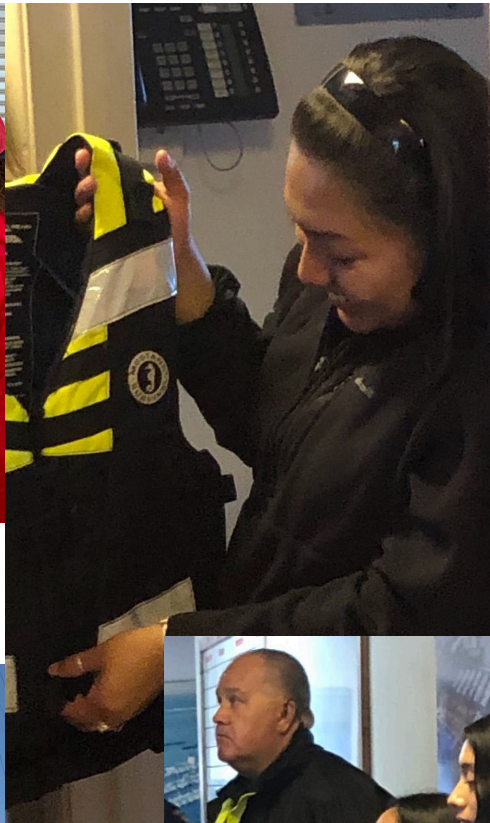
Viewing: English ▾

Make every week on the water or at the beach a National Safe Boating Week says the San Mateo County Harbor District Harbor Patrol, Coastside Fire and California State Parks. #safeboating



Pilot Program Results for 90 days

- Translated posts into Spanish
 - 20% of Facebook posts
- Coordinated two harbor tours
 - Sheriff's Activities League Coastside Empowering Young Women
 - Stanford Coastside Club
 - High survey ratings & reviews: "Excellent"
- Selected new promotional items
- Investigated Coastal Conservancy grants
- Investigated and Selected Vendor for Tenant Communication System



Continuation of Public Outreach Project

- Period of 6 months: July to December
- Same Phondini team:
 - Joe Falcone
 - Amy Broome
 - Dan Blick
- Designated District Communications representative
 - To be hired and trained

Public Outreach Plan and Training

- Develop Public Outreach Plan for District
 - Use Institute for Local Government TIERS Public Engagement Framework as model
- TIERS provides a step-by-step approach to public engagement
 - using the 5 pillars of Think, Initiate, Engage, Review and Shift.
 - we're at Stage 3, so we'll do the Review first
- Train District Communications representative in existing environment
 - Social media policy, photo library, Hootsuite dashboard
- Attend TIERS Public Engagement Learning Lab
 - consists of training and support over a six month period

Continue Social Media

- Continue delivery of at least 5 posts per week
 - District business, history, events, safety, recreation, etc
- Continue boosting posts of significant importance to a wider audience
 - Including job postings, interesting events, safety
- Continue advertising to attract more followers
- Translate all posts into Spanish
 - Investigate other languages for County audience

Diversify Outreach and Education

- Boat excursions for underserved community groups for fishing or wildlife viewing
 - Potential for Coastal Commission/Conservancy grants in 2020
- Speakers on relevant topics at the District Office, Pop-up Tent at Harbor or Marina, or another location
- Activities in conjunction with Community Groups
 - Local Schools & Colleges, Sheriff's Activities League, Coastside Fishing Foundation, Local Fishermen, Golden Gate Audubon, Pacific Beach Coalition, Cal SeaGrant, HMB Yacht Club, Sea Hugger, HMB History Association, Marine Mammal Center...
- And also Tours of Harbor or Marina
- Organize at least one activity per month



Staff Report

TO: Board of Harbor Commissioners

FROM: John Moren, Interim General Manager

DATE: June 19, 2019

SUBJECT: Pillar Point RV Lot: Coastal Development Permit, First Look at Public Restroom, Green Space and Increased ADA Parking Preferred Alternative and Authorize Interim General Manager to Take All Actions Reasonably Necessary to Apply for Grant Funding, Including the Filing of an Application and Contract with Architectural and Engineering Firms

Recommendation/Motion:

Staff recommends District Board; i) receive public input on the proposed new Pillar Point Harbor (PPH) RV Park public restroom, green space and increased ADA parking (Project) preferred alternative; ii) authorize a Priority Conservation Area Grant application to cover 1/3 of project costs; iii) authorize the Interim General Manager to contract with architectural and engineering firms for plans and cost estimates necessary for the grant application.

Policy Implications:

Consistent with District's desire to provide the public with restroom/parking amenities and comply with California Coastal Commission's (CCC) Coastal Development Permit (CDP) requirements.

Fiscal Implications/Budget Status:

In an effort to professionally move forward with design alternatives for a new public restroom adjacent to the K&N leased RV park, and to comply with the required CDP, the Interim General Manager has enlisted the assistance of an architectural firm for an amount not-to exceed \$13,000. Additional costs associated with architectural and engineering services are necessary to support the grant application. Should the District's Board of Harbor Commissioners desire to move forward with the Project, staff will work with the City of Half Moon Bay, K&N Properties and other stakeholders to seek

grant funding and cost share. Any grant opportunity that is approved or significant proposed design changes will be brought back to the Board for consideration.

Background:

In 1987, the District received a "Use Permit" from the City of Half Moon Bay (HMB) for an unimproved parking area for recreational vehicles (RVs).

In 1998,

- 1 HMB affirmed that the Use Permit was still active
- 2 The District entered into a lease with Keet Nerhan, K&N Properties (K&N) for improvements to the site and operation of an RV park
- 3 The District communicated with the Department of Boating and Waterways (DBW) regarding the lack of necessity for DBW approval of the lease
- 4 K&N subsequently received necessary building permits from HMB for development of the site

In order to issue a CDP, a city must have an adopted Local Coastal Plan (LCP). Otherwise, a CDP is issued directly by the Coastal Commission. HMB adopted its LCP after the K&N RV lot had been developed.

In 2016, the District and K&N received a Compliance Order from HMB, requiring the application for a CDP.

Currently, K&N operates the Pillar Point RV lot, under the terms of its lease with the District. The lease was initially effective on October 1, 1998, with a term of 25 years and an option to extend for an additional 25 years. Currently the lease expires September 30, 2023.

Over the last several years, issues have been raised concerning the absence of a CDP, and K&N's non-compliance with the terms of the lease.

The District has worked in good faith with K&N and HMB to resolve this issue. While the installation of a new restroom at the site is not a specific requirement of the CDP, the District and HMB agree that a new restroom, outdoor shower, green space and additional ADA parking at this site would benefit the public and be favorable in the CDP application process.

The District and HMB have worked together to present site improvement alternatives to the public and, based on public input, have developed the attached preferred alternative.

Pursuant to Board direction at its December 20, 2017 meeting (see attached minutes), HMB has worked with the District to identify potential grant opportunities to fund this project and has found that the Priority Conservation Area (PCA) grant has a likelihood for success in funding 1/3 of the project costs. HMB plans to bring the preferred alternative to the Planning Commission for consideration on July 9, 2019. This grant application must be submitted by July 15th. Should the grant application be approved,

staff will bring back to the District Board for final approval. District and HMB will continue to look for additional project grant funding.

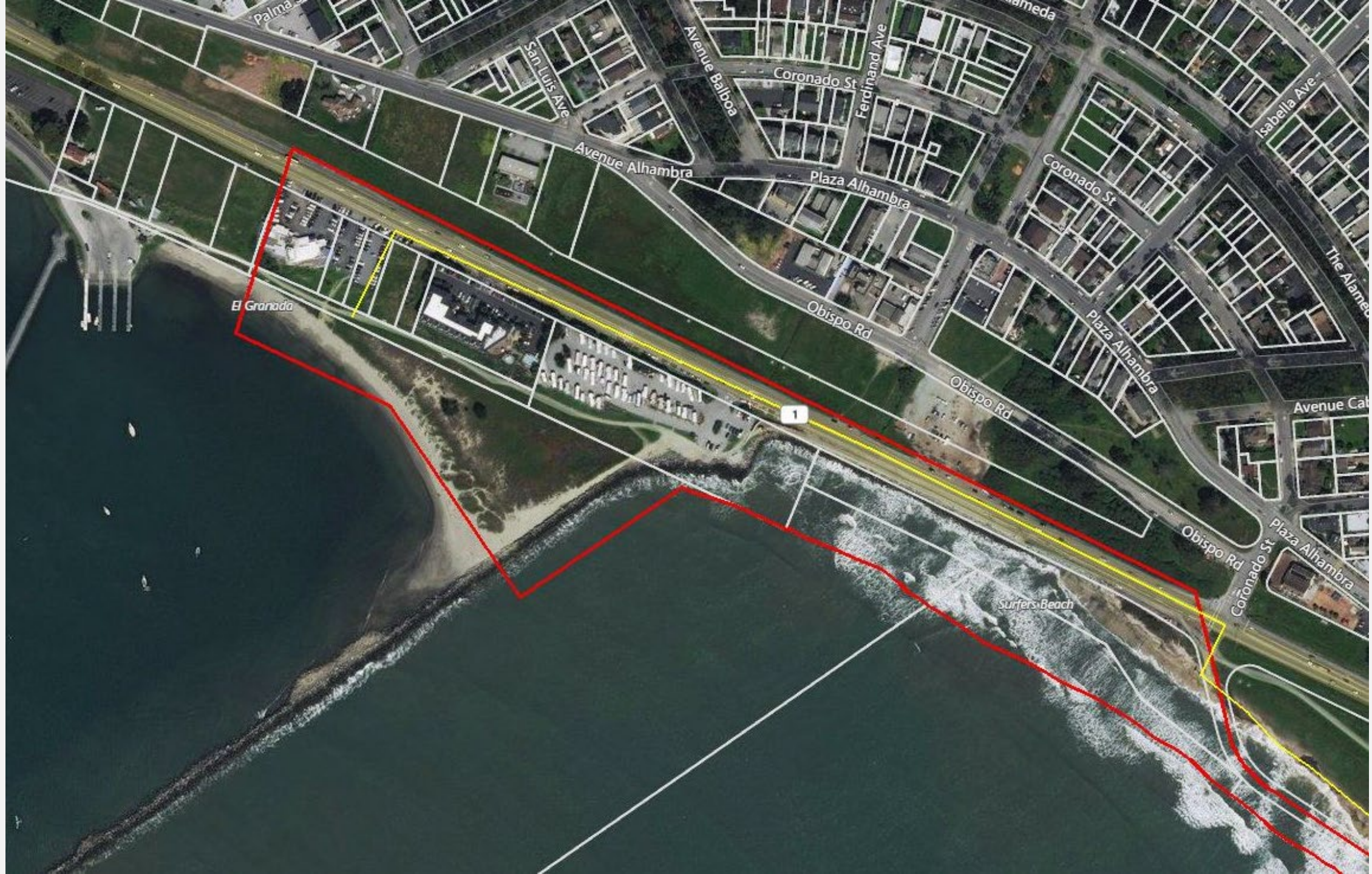
Summary/Recommendation:

Staff recommends District Board; i) receive public input on the proposed new Pillar Point Harbor (PPH) RV Park public restroom, green space and increased ADA parking (Project) preferred alternative; ii) authorize a Priority Conservation Area Grant application to cover 1/3 of project costs; iii) authorize the Interim General Manager to contract with architectural and engineering firms for plans and cost estimates necessary for the grant application.

Attachments:

1. [New Restrooms/outdoor shower/drinking fountain/green space drawing of proposed preferred alternative for public input.](#)
2. [HMB Compliance Order](#)
3. [K&N/District Lease Agreement](#)
4. [Dec 20, 2017 District Board Meeting Minutes](#)
5. [PCA Grant Letter of Interest](#)

PILLAR POINT HARBOR RV PARK
PUBLIC RESTROOM AND GREEN SPACE
PREFERRED ALTERNATIVE



El Granada

1

Surfers Beach

Palma

San Luis Ave

Avenue Balboa

Coronado St

Ferdinand Ave

Avenue Alhambra

Plaza Alhambra

Coronado St

Isabella Ave

Obispo Rd

Obispo Rd

Plaza Alhambra

Avenue Cat

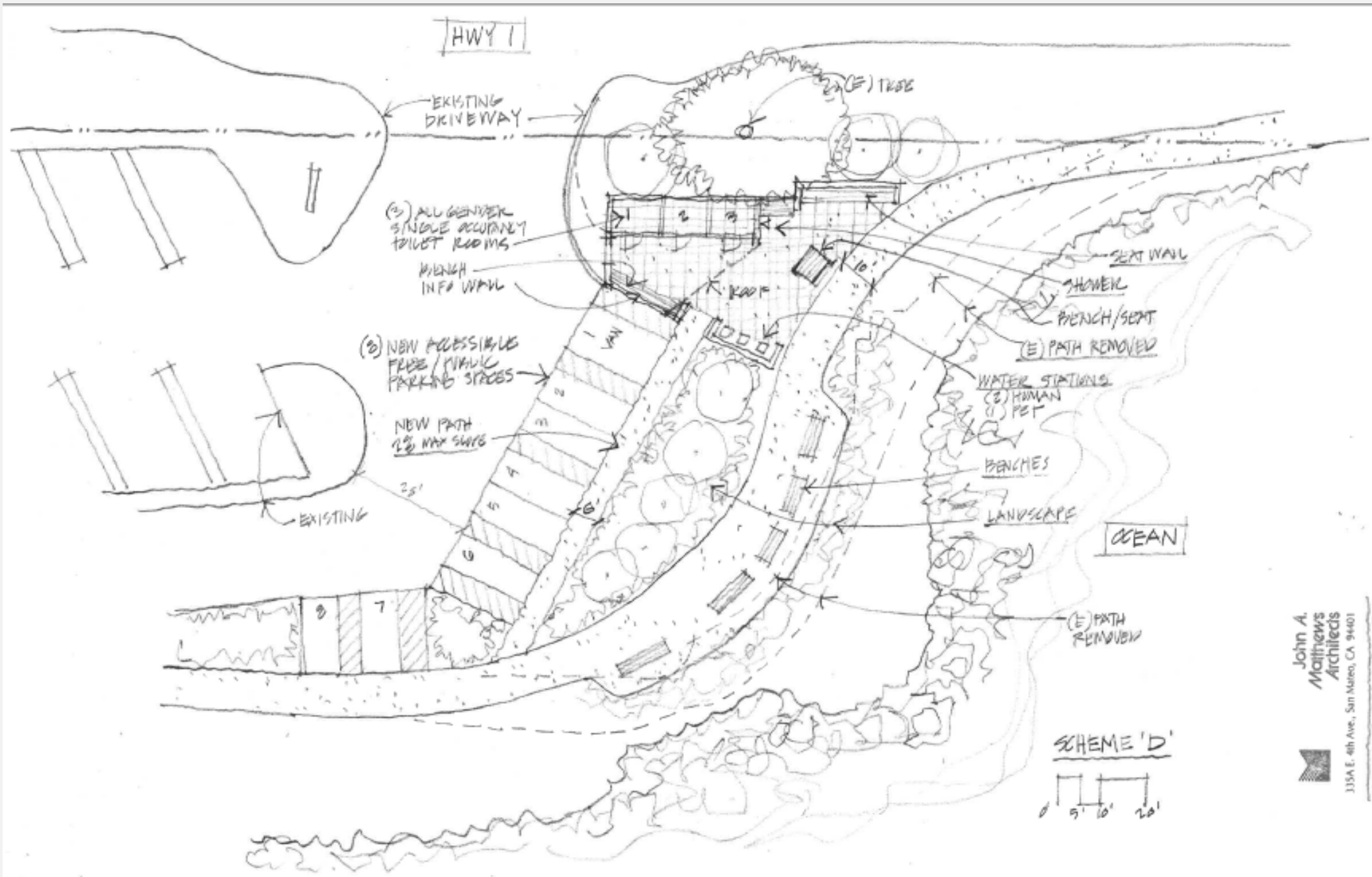
Obispo Rd

Coronado St

Plaza Alhambra



Proposed sites from Jan 8, 2019 Planning Commission Meeting

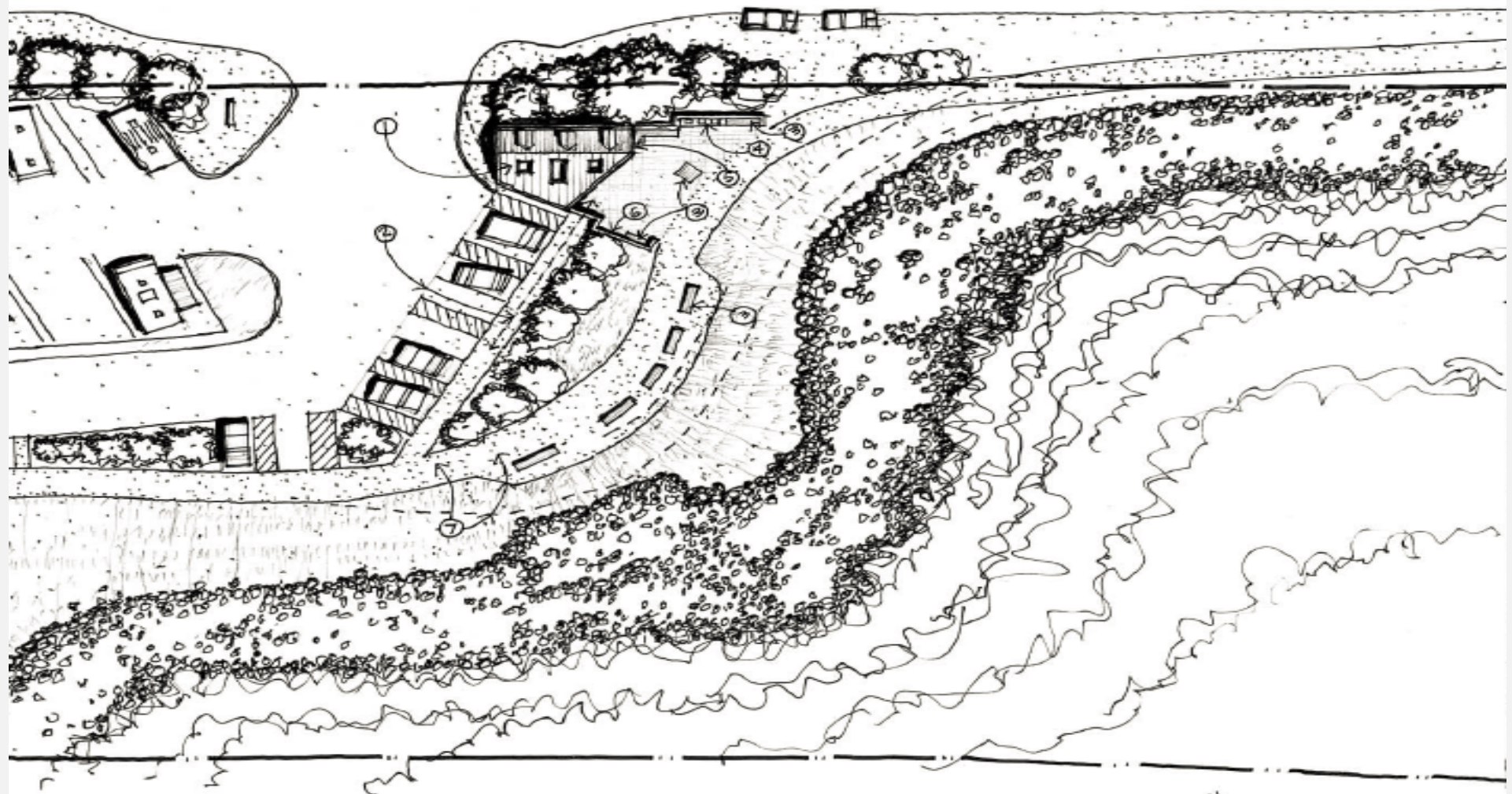


John A. Mathews Architects
 335A E. 4th Ave., San Mateo, CA 94401

SUB HARBOR DISTRICT
 MAY 19 2019

SCHEME 'D'
 0 5' 10' 20'

Preferred Alternative Under Consideration



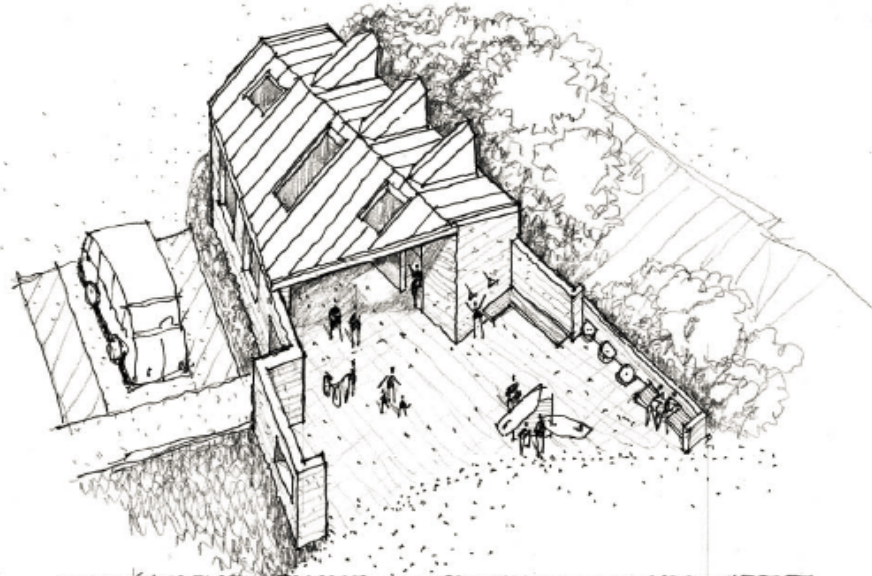
SITE PLAN

1" = 20'-0"



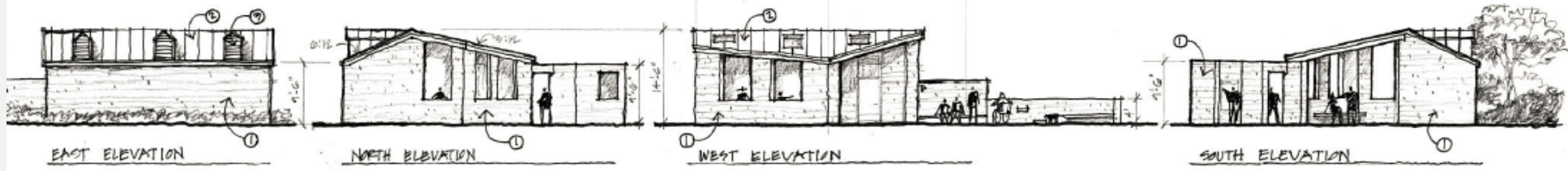
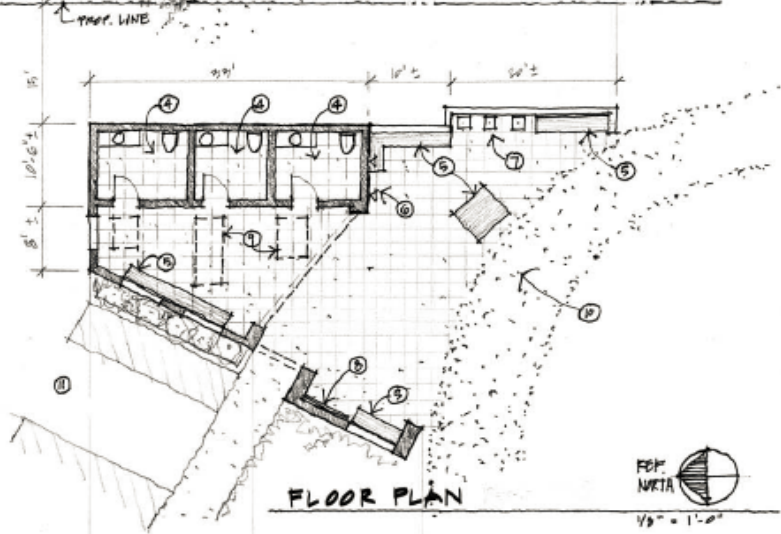
- ① RESTROOMS (2) ALL GENDER SINGLE OCCUPANCY ACCESSIBLE TRIST RMS
- ② ACCESSIBLE / FREE PARKING SPACES (2) & ACCESSIBLE ROUTE TO RESTROOMS
- ③ BENCHES
- ④ DRINKING FOUNTAINS / WATER STATIONS (2)
- ⑤ SHOWER
- ⑥ INFORMATION WALL
- ⑦ TRAIL - RELOCATE AS SHOWN

Preferred Alternative Under Consideration



KEY NOTES

- ① 4x12. BOARD FRAME CONCRETE WALLS
- ② STANDING SEAM METAL ROOF
- ③ LOUVERED METAL VENTS
- ④ ALL GROUND-SINGLE OCCUPANCY ACCESSIBLE TRAVEL RING
- ⑤ BENCH
- ⑥ SHOWER
- ⑦ WATER SINKS, ACCESSIBLE, STANDING + MET
- ⑧ INFORMATION BOARD
- ⑨ ROOF OPENING
- ⑩ TRAIL
- ⑪ ACCESSIBLE PARKING



Preferred Alternative Under Consideration

December 14, 2016

Via Certified Mail, Return Receipt Requested

Keet Nerhan, KN Properties
210 San Mateo Rd Suite 201
Half Moon Bay, CA 94019

COMPLIANCE ORDER

Re: Violation of the Half Moon Bay Municipal Code-Failure to Obtain Coastal Development Permit Pursuant to Half Moon BAY Municipal Code Section 18.20.025 for Pillar Point Recreational Vehicle Lot at 4000 Cabrillo Highway North, Half Moon Bay, Ca.

Dear Mr. Nerhan:

Please be advised that the City received a citizen complaint contending that Pillar Point RV Park failed to obtain a mandatory Coastal Development Permit (CDP) prior to installing an RV Park. The City reviewed its own records and could not find any evidence that a CDP was obtained. On August 11, 2016, the City sent the San Mateo County Harbor District (SMCHD) a letter inquiring as to whether SMCHD had any documentation which demonstrated SMCHD had obtained the required CDP. During several discussions, SMCHD verbally indicated that no CDP was issued. As such, the City has concluded that the Pillar Point RV Park is operating without a required CDP. This is a violation of Half Moon Bay Municipal Code (HMBMC) Section 18.20.025 (Permit required). On December 6, 2016, the City received a letter from the San Mateo County Harbor District. This letter indicates that you are the party responsible for Code Compliance. (See attachment).

This Compliance Order requires you to timely correct the violation. If you do not take corrective action and follow the abatement instructions by the deadlines specified hereunder, administrative citations and fines may be issued, and the City may choose to pursue its legal remedies.

HMBMC Violations at 4000 Cabrillo Highway N.

1. Unpermitted Development – HMBMC 18.20.025

Based upon research and discussions with SMCHD, the absence of any City's records demonstrating that SMCHD obtained a CDP, SMCHD verbal indications that they believed no CDP had been issued, the City has determined that no CDP was issued for the development.

Under HMBM Section 18.20.025, unless otherwise exempted, all development (as defined in Section 18.20.020) in the city of Half Moon Bay requires a coastal development permit. The coastal development permit was to be approved prior to the commencement of development.

Corrective Action/Abatement Instructions

1. Obtain a retroactive coastal development permit for the aforementioned Pillar Point RV Lot from the City of Half Moon Bay as set forth below.

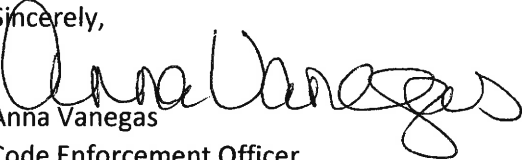
Deadline for Compliance

You must submit a complete application for a coastal development permit no later than January 27, 2017. The City will expedite review and processing of the application to the extent feasible. As the applicant, you must diligently pursue the CDP documents in a timely manner.

Failure to **submit a complete CDP application by the aforementioned deadline** will result in the issuance of administrative citations and fines pursuant to HMBMC Chapter 4.16 and the City may thereafter pursue all of its available legal remedies, which can include criminal enforcement (i.e. the issuance of a criminal misdemeanor citation) and civil actions. Any extensions of the deadlines set hereunder are at the City's sole discretion and must be confirmed in advance, by writing, by the Community Development Director.

If you have any questions or would like further clarification please contact me at 650-726-8253.

Sincerely,



Anna Vanegas

Code Enforcement Officer
City of Half Moon Bay

Lease Agreement

This Lease is made and entered into by and between the San Mateo County Harbor District, a public agency, located in the County of San Mateo, State of California, hereinafter referred to as "Lessor", and Keet Nerhan, dba KN Properties, hereinafter referred to as "Lessee".

IT IS AGREED between the parties hereto as follows:

1. LEASE DOCUMENTS

This Lease includes the Lease General Conditions (71 Pages), revised February 27, 1992 and the following Exhibits, which are also made a part hereof:

- Exhibit A - Parcel Map of San Mateo County Harbor District, Pillar Point Harbor.
- Exhibit B - Pillar Point Harbor Specific Plan.
- Exhibit C - Booklet entitled "Design Criteria for Construction by Lessees of the San Mateo County Harbor District - 1980"
- Exhibit D - Site Plan.

2. PROPERTY LEASED

District hereby Leases to Lessee and Lessee hereby Leases from Lessor, the property located at Pillar Point Harbor, El Granada, County of San Mateo, State of California, described as follows: The premises depicted in Exhibit A, a portion of Parcel 047-263-010, consisting of approximately 203,590 square feet of space (approximately 4.6 acres), together with the non-exclusive right of ingress and egress over such other properties of District not leased to or occupied by other lessees for purposes of access to and from the subject premises.

3. TERM OF LEASE

3.1 FIXED COMMENCEMENT AND TERMINATION DATES:

The term of this Lease ("Lease Term") shall commence on the earlier of (a) the first day of the month following the month in which the City of Half Moon Bay has issued the last of any necessary discretionary land use approvals permitting construction of all Improvements to be constructed by Lessee on the Premises or (b) October 1, 1998, and expire at midnight on the same day twenty-five (25) years subsequent, subject to any options to extend. Promptly following commencement of the Lease Term, Lessor and Lessee shall execute an amendment confirming the commencement and expiration dates of the Lease Term which amendment shall be recorded.

3.2 OPTION TO EXTEND LEASE TERM:

Provided Lessee is not then in default under any of the terms and conditions of this Lease, to the extend permitted by law, Lessee shall have the option to extend the Lease Term for an additional period of twenty-five (25) years from and after expiration of the original term upon the same terms and conditions contained in the Lease, as amended to date, including the rent.

To exercise this option, Lessee shall give written notice to Lessor no earlier than three hundred sixty days (360) and no later than one hundred eighty days (180) prior to the expiration of the original lease term. Failure to give said notice of exercising option shall result in relinquishing and forfeiting all further rights under this agreement. Termination of the lease term or any option period shall also cut off any further rights or options under this section.

4. USES AND SERVICES

4.1 USE OF PREMISES

4.1.1 Lessee shall have an exclusive right to operate and maintain an overnight camping area for recreational vehicles- ("the facilities") - including all activities related thereto, and a vehicle parking area for day use visitor parking only.

4.1.2 Subject to the prior written approval of the District, Lessee may provide additional uses and services which are ancillary to, and compatible with the required uses and services, and not incompatible with other uses and services allowed or required for other Lessees at Pillar Point Harbor.

4.1.3 The above listed uses and services, both required and optional, shall be the only uses and services permitted. Lessee agrees not to use the demised premises for any other purpose nor to engage in any other business activity within or from the demised premises.

4.1.4 The parties acknowledge that District is obligated, both generally and under its proposed Master Plan for Pillar Point Harbor, to control the volume and use of its facilities, particularly with respect to vehicular traffic, parking, and the use of other facilities. In that regard, the District reserves the right to make a finding that the availability of berthing and/or parking, and/or the public safety, is threatened due to third-party use of the facilities under this Lease. In that event, the District may limit the use of Lessee's facilities by third parties by providing a written thirty (30) day notice to the Lessee and to any known third-party users of said limitations.

4.1.5 The General Manager shall from time to time, or when specifically requested, report to the Board of Harbor Commissioners on the volume of activity and general use of and access to, the facilities, by pedestrian, vehicles and by vessels, with specific reference to and whether the facilities and access to them, and parking, are adequate for the volume, and whether the parking, vessel use, berthing use, and traffic flow can be controlled safely, or should be restricted,

4.1.6 Notwithstanding the provisions of this Lease, or any other regulation, lease, rule or document to the contrary, the parties agree that based on the considerations and reports referred to above, the District reserves to itself the right to restrict Lessees' customer parking by quantity and/or location, to accommodate all tenants and users of District controlled facilities.

4.1.7 Whenever the District, pursuant to Section 4.1 of this Lease, limits the normal activities of Lessee or of third parties being charged for goods and services by Lessee, District and Lessee shall negotiate a temporary adjustment of rental for the Premises. This said adjustment shall bear a reasonable relationship to the loss of revenue occasioned by Lessee.

4.2 SERVICE

4.2.1 Lessee shall not use or permit the leased premises or any part thereof to be used in whole or in part for any use in violation of any present or future laws, ordinances, general rules or regulations at any time applicable thereto of any public or governmental authority, including the San Mateo County Harbor District, and Lessee hereby expressly covenants and agrees at all times during the term of this lease, at Lessee's own cost and expense, to keep, maintain, use and operate all property owned, used or placed by Lessee in or on or about the leased premises and all property and equipment placed in or on or around the leased premises at Lessee's request in a clean, wholesome and sanitary condition and Lessee shall at all times faithfully obey and comply with all laws, rules and regulations applicable thereto adopted (or which shall during the term hereof be adopted) by federal, state, local or other governmental bodies or departments, including the San Mateo County Harbor District.

4.2.2 Lessee shall not use or occupy nor permit the leased premises or area, or any part thereof, to be used or occupied for any unlawful business, use, or purpose. In that connection, Lessee agrees to conduct its business and operations upon the leased premises and to use all necessary equipment so as to reduce to the minimum that is reasonably practicable the emanation from Lessee's facilities and operations of fumes, toxic substances, and odors, and to take all necessary precautions to avoid pollution.

4.2.3 Lessee shall not perform any acts or carry on any business or operations that may injure or damage the leased premises or be a nuisance or menace to the users of the San Mateo County Harbor District.

4.2.4 At all times, Lessee shall keep the leased premises allocated for the use of Lessee, clean and free of rubbish, trash, and debris. In the event, Lessee shall fail to keep said premises clean and free from rubbish trash and debris, Lessor reserves the right, among other remedies, to give written notice to Lessee of such obligations and upon failure of Lessee, within three (3) days of such written notice, to so clean the leased premises, service areas and the like allocated for the use of Lessee. Lessee may, at its option and with prior authorization by the Harbormaster, engage Harbor District personnel to clean the area and Lessee agrees to pay for the reasonable cost of said work. Lessee shall pay Lessor for the entire amount of such additional lease fee(s) for the cost of such cleaning work done by Harbor District personnel.

5. OPERATING SCHEDULE AND CONTROLLED PRICES.

5.1 Lessee shall provide full services on Leased premises as specified in paragraph 4.1.1 of this Agreement during regular business hours not less than six (6) days each week, with a minimum of eight (8) hours per day, of the Lease term, with the exception of New Year's Day, Thanksgiving Day, and Christmas Day. Lessee shall provide District with a schedule of operating hours and a revised schedule if changes are made. If Lessee requires to be closed for an extended period of time, then Lessee shall request in writing to Lessor, and at least thirty (30) days prior to closure, for permission to close the business.

5.2 Lessee shall, at all times maintain a schedule of prices to be charged for all products and services supplied to patrons on or from the Leased premises; whether the same are supplied by Lessee or by sublessees; assignees, concessionaires, permittees, or Lessees, and shall make said schedule available to the District.

5.2.1 All rates and charges to patrons served on or from the Leased premises shall be reasonable and consistent with the quality of services and facilities offered, and shall be no more than rates and charges for comparable services and facilities in the counties of San Francisco, Santa Clara, San Mateo, and Santa Cruz, which shall be annually reviewed by Lessor.

5.2.2 The fees charged to third parties shall be reviewed by Lessee and by the parties every six (6) months during the term of this Lease, and shall be adjusted, if necessary.

5.3 This Lease hereby specifically reserves to the San Mateo County Harbor District the power to fix and determine the rates to be charged by the Lessee for the use by the public of facilities developed or leased by the Lessee, as required by Harbors and Navigation Code, Sections 72 and 72.2. Consistent with the provisions of Harbors and Navigation Code, Sections 72 and 72.2, if and when the District exercises its right to fix and determine the rates to be charged by the Lessee, the District shall take into account comparable rates within the San Francisco Bay Area, Lessee's costs for providing the facilities and services at the Premises, and the amount of rent being paid by Lessee to the District.

6. LEASE RENTS

6.1 MINIMUM RENT

6.1.1 Commencing from the date of execution of the Lease until the commencement of operation of the Premises or the issuance of a Certificate of Occupancy for the Premises, whichever comes first, but in no case longer than nine (9) months from execution of the Lease, Lessee shall pay the Minimum Rent of one thousand dollars (\$1,000.00) per month to Lessor in equal monthly installments. Minimum Rent shall be paid in advance on or before the first day of each calendar month.

6.2 MINIMUM ANNUAL RENT

6.2.1 Minimum annual rent shall be paid to Lessor in equal monthly installments as follows:

\$15,000 per year or three percent (3%) of the gross annual revenues, whichever is the larger, for the first three (3) years commencing from the commencement of operation of the facilities following completion of physical improvements or six (6) months from execution of the lease, whichever comes soonest.

\$20,000 per year or three percent (3%) of the gross annual revenues, whichever is the larger, for the next five (5) years.

\$25,000 per year or three percent (3%) of the gross annual revenues, whichever is the larger, for the next ten (10) years.

\$30,000 per year or three percent (3%) of the gross annual revenues, whichever is the larger, for the next seven (7) years.

6.2.2 Minimum annual rent shall be adjusted annually thereafter each March 1st based on the CPI (SF-Oakland) for the previous calendar year.

6.3 PERCENTAGE RENT

6.3.1 Percentage rent for the demised premises shall be three percent (3%) of total gross receipts from business operations conducted on or from the demised premises and may be adjusted in accordance with the provisions of the Lease General Conditions.

Lessee shall pay the percentage rent to Lessor if the percentage rent exceeds the minimum annual rent at the conclusion of the calendar year. In any case, the minimum annual rent shall be the minimum paid to Lessor. Lessor shall make the adjustment to Lessee's account at the conclusion of the calendar year.

6.4 DUE AND PAYABLE

6.4.1 Minimum annual rent (adjusted or unadjusted) shall be due and payable in advance, in equal monthly installments, on or before the first day of each month for the term of this Lease.

6.4.2 Percentage rents shall be payable as follows:

6.4.2.1 At the end of each quarter, i.e. March 31, June 30, September 30, and December 31, percentage rentals shall be computed for the prior quarter and the differences between the minimum annual rent for said quarter shall be due and payable on the 30th day following the end of said quarter.

6.4.2.2 The percentage rent based upon receipts shall be recomputed at the end of each year using the applicable percentages and the balance of rents as computed for each year shall be due and payable on or before March 30 of the following year. Any overpayment of rent shall be credited toward future rents.

7. GROSS RECEIPTS

7.1 Gross receipts are the gross income derived, received, or charged by any sub-lessee, sub-tenant, concessionaire, Lessee, assignee, permittee or any other person, all of which are referred to hereafter as "sub-tenants"; or by Lessee, for sales for charges for service, for use of space made in or on Leased premises, or from any and all sources of income derived in whole or in part from any business transacted in, at or from the Leased premises; whether from sub-tenants, customers, or otherwise, whether for cash or credit, and whether payment is actually made or not.

7.2 Gross receipts shall include, without limitation, all:

7.2.1 Deposits not refunded;

7.2.2 Orders taken on or from the Leased premises to be filled or paid for elsewhere;

7.2.3 Sales or charges for all services performed, whether such sales are made, or such services are rendered at or arranged through occupied space at the Leased premises by long-distance communication, and whether initiated, performed, or completed at another location;

7.2.4 Consideration received by Lessee for value directly from customers, and from sub-tenants, including sub-rents.

7.3 Each sale or charge for service or use of space on credit or installments shall be treated as a sale or charge for the whole price in the calendar year for which the sale or charge is made, whether or not any payments are made within that year.

7.4 The following matters only may be excluded or deducted from gross receipts at the time they are ascertained, and where not ascertainable during the period covered by a statement of gross receipts, from time of subsequent statement when they are known:

7.4.1 Gratuities such as tips retained by employees, lessee or sub-tenant, for their personal benefit;

7.4.2 All sums collected and paid out for sales taxes, luxury taxes, excise taxes, and similar taxes required by law be added to the total purchase price, whether now or hereafter in force, to be collected from customers and paid by Lessee or sub-tenant;

7.4.3 Merchandise transferred or exchanged between other stores or warehouses owned by or affiliated with Lessee or any sub-tenant; if such transfers or exchanges are made solely for the convenient operation of Lessee's or sub-tenant's business and not for the purpose of consummating a sale previously made at, on or from the Leased premises or for the purpose of depriving District from the percentage of gross receipts of a sale that otherwise would be made at, on, or from Leased premises;

7.4.4 Merchandise returned to shippers or manufacturers;

7.4.5 All refunds made on any sale or charge for service or use of space previously included as gross receipts;

7.4.6 All cash or credit received in settlement of any claims for loss or damage;

7.4.7 Gift certificates or like vouchers, if not issued for value, until converted into a sale by redemption;

7.4.8 Bulk sales made by Lessee or sub-tenant not in the ordinary course of business and subject to prior written approval of District

7.4.9 Any income or receipts, under generally accepted accounting principles, which are derived from sale or disposal of any capital assets (excluding any assets normally sold during business conducted on Leased premises) or from retirement of any indebtedness; or from lessee's or sub-tenant's investments of any funds not invested in the Leased premises or the operation of Lessee's or sub-tenant's business on Leased premises;

7.4.10 Percentage rent collected by Lessee from sub-tenants for District's benefit.

7.4.11 Any income or moneys generated from the sale of fishing licenses or stamps on behalf of the State of California Department of Fish and Game.

7.5 None of the above exclusions or deductions from gross receipts shall be excluded or deducted if in substance it is a typical sale, charge for Service, or other source of gross income ordinarily the subject of percentage rent, but arranged only to avoid such rent, or if actually contracted for elsewhere on other premises such as a typical sale, charge for service or other source of gross income which is ordinarily the subject of percentage rent, but such sale, charge for service, or other gross income is for the Lessee's or sub-tenant's business benefit.

8. IMPROVEMENTS AND INVESTMENTS

8.1 All design and construction shall conform with the applicable requirements as set forth in "Design Criteria for Construction by Lessees - 1980", (Exhibit C.), adopted by District, all applicable codes and ordinances, including but not limited to District, City of Half Moon Bay, County of San Mateo, State and Federal. No construction shall be commenced without prior written approval of the District, including approval of all plans, and the granting of a permit by the City of Half Moon Bay for construction. Completion of construction will be in accordance with the time schedule submitted as part of the proposed construction approval by District.

8.2 Lessee shall design and construct or cause to be designed and constructed physical improvements to the Premises for a forty (40) space recreational vehicle overnight parking and camping facility and day use parking facility as stated in the following schedule and as set forth in "Site Plan" (Exhibit D):

1. Repair and extension of the existing restrooms to acceptable health and safety standards including Americans With Disabilities Act (ADA) standards and requirements including roof and partition replacement;
2. Installation of electrical service to the restrooms;
3. Pave and stripe the overnight parking and camping area;
4. Construct overnight camping sites to include numbered bollards, parking, picnic tables, barbecue pits and fire rings for overnight camping spaces;
5. Pave and stripe the day use parking area;
6. Construct barbeques, water fountains and trash receptacles for day use area;
7. Construct wheelchair-accessible access trail from Beach Hotel to "Surfer's Beach";
8. Install underground utilities to campsites as well as new drainage;
9. Install new fences, signs and lighting;
10. Landscape the entire Premises to Lessor's standards.

8.3 Lessee shall be responsible for and pay in full all costs of design and construction and associated permit and other costs for all physical improvements provided on the Premises pursuant to this Agreement.

9. SUBLEASE/ASSIGNMENT OR SALE OF LEASEHOLD

9.1 Article XVI of the General Conditions pertaining to Assignment, Subletting and Hypothecation are incorporated into this section.

9.2 Notwithstanding any other provision of this Lease to the contrary, should Lessee, or any affiliate of Lessee be allowed by District to sublet, assign or sell any portion or all of said Lessee's interest in this Leasehold to any other person, entity or group, said Lessee shall pay the District a minimum of \$1,000.00 to reimburse the District for the costs of effecting the transfer, or ten percent (10%) of the gross sales price, including the value of any traded property, Leasehold, equipment or services involved in the "purchase", whichever is greater, as a return to the District for the general maintenance, construction, improvement, advertising, and expansion of the Pillar Point Harbor area.

9.3 The "gross sales price" in the Sale of any above described interest in this Leasehold shall not include the sale of any fishing vessels or equipment on those vessels, nor any standard and removable stock on hand or other personal property which may normally be removed by a tenant at the end of a Leasehold, not having attained the status of fixtures. The "gross sales price" shall include the value of the Leasehold, any generalized goodwill associated with the Leasehold on the premises, the right to complete the terms of the Lease and utilize the structure involved, and any and all fixtures in place on site which are not excluded above.

9.4 It is contemplated by all the parties that Lessee may, in order to raise capital for the business, sell stock of the corporation should such entity exist or be created for this purpose by Lessee. Any transfer of shares, whether upon formation of corporation or subsequent thereto, which would result any single investor acquiring more than fifty-one (51%) of the equity and voting shares in the corporation shall be considered a transfer or assignment for purposes of this lease, and shall require the prior written consent of Lessee; and unless released in accordance with the provisions below or otherwise Lessee shall remain personally responsible for the obligations under this lease in accordance with California law.

10. LATE PAYMENTS

10.1 Payments not paid by the due date shall bear interest at 10.00% per annum until paid. Lessee shall have the right to charge interest to sub-tenants for monies not paid promptly when due and payable.

11. NON-SUFFICIENT FUNDS

11.1 Lessee shall be charged a fee pursuant to Section 1719 of the Civil Code for the State of California for each check that is returned to Lessor for lack of sufficient funds.

12. SECURITY DEPOSIT

12.1 Lessee shall be required to post a security deposit of \$5,000, which may be used by the District for payment of any Lease moneys, rents, fees or other charges due and payable to the District, but in arrears for over ninety (90) days.

12.2 The security deposit shall take one of the forms set out below and shall guarantee Lessee's full and faithful performance of all the terms, covenants, and conditions of this Lease:

1. The assignment to District of a savings deposit held in a financial institution in San Mateo County acceptable to District. Such assignment shall consist of delivery to District of the original passbook for such savings deposit and execution and delivery of a written assignment of said deposit and execution and delivery of a written assignment of said deposit to District on a form approved by District.
2. A renewable Time Certificate of Deposit from a financial institution in San Mateo County wherein the principal sum is made payable to District on order. Both the financial institution and the form of the certificate must be approved by District.
3. A renewable instrument or instruments of credit from one or more financial institutions, subject to regulation by the state or federal government, pledging that funds necessary to secure performance of the Lease terms, covenants, and conditions are guaranteed for payment, and agreeing that said funds shall secure Lessee's performance, and that all or any part shall be paid to District upon demand. Both the financial institution(s) and the form of the instrument(s) must be approved by District. The instrument of credit shall be renewed within thirty days of its expiration date; otherwise, the Lessor shall withdraw the funds to hold as a cash security deposit.

12.3 Lessee may change the form of security deposit only within thirty (30) days after any anniversary of the Lease term. Regardless of the form in which Lessee elects to make said security deposit, all or any portion of the principal sum shall be available unconditionally to District for correcting any default or breach of this Lease by Lessee, his successors or assigns, or for payment of expenses incurred by District as a result of the failure of Lessee, his successors or assigns, to faithfully perform all the terms, covenants, and conditions of this Lease.

12.4 Should Lessee elect to assign a savings deposit to District, provide a Time Certificate of Deposit, or provide an instrument of credit to fulfill the security deposit requirements of this Lease, the depository or issuer therein shall incur no liability because of the payment of any or all of the principal sum to District upon demand. The agreement entered into by Lessee with a financial institution to establish the deposit necessary to permit assignment or issuance of a certificate, as provided above, may allow the payment to Lessee of interest accruing on account of said deposit.

12.5 Lessee shall maintain the required security deposit throughout the Lease term. Failure to do so shall be deemed a default and shall be grounds for immediate termination of the Lease. If any portion of the security deposit is withdrawn by Lessor for payment of default monies owed Lessor, Lessor shall notify Lessee in writing and Lessee shall have thirty days to replenish the security deposit to its full amount.

12.6 The security deposit shall be rebated, reassigned, released or endorsed to Lessee to order, as applicable, at the end of the Lease term, provided Lessee is not then in default and has performed its obligations required to be performed upon termination of this Lease.

13. MAINTENANCE AND SERVICES TO PREMISES

13.1 Lessee shall during the term of this lease, at Lessee's own cost and expense, maintain the leased premises, and every part thereof, and including the exterior and interior of any structure leased or constructed and leased for the use of Lessee, all landscaping, and all trade fixtures, machinery, equipment, and other property situated in or upon the leased premises, owned, operated, installed or caused to be installed, or to be at, on or upon the leased premises by Lessee, including all utilities and fixtures, and appurtenances, owned, operated, installed or caused to be installed on or upon the leased premises in good, clean, safe and sanitary condition and repair.

13.2 Lessor shall not be required or obligated to make any changes, alterations, additions, improvements, or repairs in, on, or about the leased premises, or any part thereof, during the term of this lease.

13.3 If during the term of this lease any additions, alterations, repairs or improvements in or to the leased premises or any of the improvements thereon or equipment, machinery and other property in or on the leased premises, owned, operated, installed or caused to be installed by Lessor are required by any governmental authority or by any law, ordinance, or governmental regulation, it shall be made by Lessor at the sole cost and expense of Lessor.

13.4 Lessee shall maintain equipment leased from the District in good order, and shall repair leased equipment as necessary to keep it in good operating order. Any leased equipment Lessee replaces due to normal wear and tear becomes Lessee's property. The Lessor may by mutual consent purchase such equipment from the Lessee. All equipment under control of Lessee shall remain under control of Lessee and any third party shall not use said equipment without a prior agreement with the Lessor, Lessee, and the third party. Equipment that is rendered unusable due to Lessee's failure to properly maintain it shall be replaced by Lessee and shall belong to the District.

13.5 Upon termination of the lease agreement, Lessee shall return all equipment, machinery and other property of Lessor to Lessee in the original condition in which it was received except for normal wear and tear.

13.6 Lessee shall be responsible for the payment all utilities and services in connection with the Premises including the following:

- Garbage and trash disposal
- Electricity
- Water
- Sewer
- Telephone service
- Landscaping maintenance

14. LESSOR'S ACCESS

14.1 The duly authorized officers or representative of Lessor shall have the right to enter the leased area and premises during normal business hours and in emergencies at all times:

14.1.1 To inspect the area and premises for compliance with the terms of this lease;

14.1.2 For any other lawful purpose.

15. INSURANCE

15.1 Lessee, at Lessee's sole cost and expense, shall provide and maintain a Comprehensive General Liability policy with Broadform Endorsement (or comparable coverage) in an amount not less than \$1,000,000 per occurrence and \$2,000,000 in aggregate. Said policy shall insure Lessee's leased premises and operations for death, bodily injury, and property damage and name Lessor as an Additional Insured. In addition, where applicable, Lessee shall provide and maintain insurance for Workers' Compensation, United States Longshore and Harbor Workers' Compensation, Maritime Law Benefits, Pollution, Liquor Liability, and any other coverage the Lessor may require.

All policies, limits, and coverages are subject to the approval of Lessor and may be revised at any time if the circumstances so warrant.

15.2 During the lease term, or any renewals or extension thereof, Lessee shall at Lessee's own cost and expense, maintain in full force and effect a policy or policies of comprehensive liability insurance, including property damage, written by one or more responsible insurance companies licensed to do business in the State of California, that will insure Lessee and Lessor and Lessor's officers, agents, members of the governing body of Lessee and its employees, against liability for injury to persons and property and for death of any person or persons occurring on or about the leased premises or connected with Lessee's use and occupancy of the leased property or any of Lessee's operations or business conducted on, from or near the leased property, including operation of any vessels.. Said amount may include coverage by any umbrella liability coverage. Lessee shall provide the Lessor with a duplicate copy of such insurance policy or policies, including in each instance an endorsement providing that such insurance shall not be canceled except after thirty (30) days prior written notice to the Lessor. Notwithstanding any other provision in this section, this lease shall not take effect, nor shall Lessee take or maintain possession of the leased premises or commence or continue operations until Lessee provides proof of insurance to Lessor.

15.3 Notwithstanding the provisions above, no more than once every five (5) years during the term of this lease and any extensions thereof, Lessor may demand the amount of insurance coverage be renegotiated and thereafter adjusted to reflect any changes in needs due to inflation or potential liabilities contemplated within the following five (5) years. If Lessor and Lessee cannot agree on an amount of insurance to be carried, or they cannot otherwise agree to a method for determining the amount of said coverage, then either party is free to invoke the arbitration provisions of this lease to determine the amount of insurance coverage that is appropriate.

15.4 Lessor shall not be liable to Lessee or to any other person whomsoever for any damage occasioned by the bursting, exploding, or leaking of any tank, pipe or chamber in or about Pillar Point Harbor or for any damage, including pollution, arising from any acts or neglect of the public or of other Lessees, users, fishermen, or occupants of the San Mateo County Harbor District area and property.

15.5 Lessor shall not be liable in damages or otherwise for any failure to furnish, or for any interruption of service of any water, gas, or other utility services, or damage caused by fire, flood, rising water, tidal wave, tsunami, accident, riot, strike, labor disputes, acts of God, or for other acts, events, causes or conditions beyond the control of Lessor.

15.6 In that connection Lessee expressly represents and agrees that Lessee has thoroughly inspected and examined the site and area to be leased, used and occupied by Lessee and all risk or loss or damage to Lessee's equipment, machinery, personal property and supplies shall be and is hereby assumed by Lessee.

16. MECHANICS LIENS

16.1 PROHIBITION AGAINST MECHANICS LIENS

16.1.1 Lessee shall not suffer or permit to be enforced against the leased premises, or any part thereof, any mechanic's, materialman's, contractor's, or subcontractor's liens arising from construction, repair, restoration, replacement, or improvements furnished at Lessee's request, or any other claim or demand created by Lessee's act or omission. The Lessee shall pay or cause to be paid all of such liens claims or demand, or in the alternative supply a bond in the amount of one and one-half times the amount of the claim, before any action is brought to enforce the same, and Lessee agrees to indemnify and hold Lessor harmless, and the leased premises free and harmless from any liability for any and all such liens, claims, and demands, and to pay Lessor's attorneys fees and all costs and expenses incurred by Lessor in connection therewith. Lessor shall approve all construction, repair, restoration, replacement, or improvements furnished by Lessee prior to their execution.

16.1.2 Nothing in this lease shall be deemed or construed in any way as constituting the consent or request of Lessor, expressed or implied, by inference or otherwise, to any contractor, subcontractor, laborer, or materialman, for the performance of any labor or the furnishing of materials for any specific improvement, alteration, or repair of or to the leased premises, any buildings or improvements thereof, or any part thereof.

No construction work, repair, restoration, replacement, or improvements shall be allowed without prior written consent of Lessor and Lessor shall have the right to post notice of non-responsibility on the premises.

17. PROPERTY INSURANCE

17.1 LESSEE TO MAINTAIN INSURANCE

17.1.1 Lessee shall provide or cause to be provided, at Lessee's own cost and expense, insurance against any and all loss or damage to Lessor's property.

17.1.2 In the event the above described insurance is secured then Lessee agrees to deliver to the Lessor a duplicate policy or policies evidencing such insurance coverage, or to furnish certificates of insurance to the Lessor, evidencing that such insurance is in effect, and renewal policies, certificates or binders evidencing the renewal thereof shall be delivered to the Lessor by the Lessee not less than thirty (30) days prior to the expiration of such policy or policies. In the event any insurance coverage or policy is canceled or reduced, the Lessee shall, within thirty (30) days after receipt of written notice from the insurance company of such cancellation or reduction in coverage, file with the Lessor a certificate showing that the required insurance has been reinstated or provided through another insurance company or companies satisfactory to the Lessor. Any such policy shall provide that the policy shall not be canceled except upon thirty (30) days advance written notice to Lessee.

18. WORKERS' COMPENSATION INSURANCE

18.1 Lessee shall maintain in full force and effect during the term of this lease, Workers' Compensation Insurance and other employee insurance consistent with good business practices and as required by law with respect to Lessee's employees, including USL&H coverage. Evidence of such insurance coverage shall be filed with Lessor from time to time as requested. Lessee shall further maintain in full force and effect during the term of this lease, such other employee insurance as required by applicable federal and state laws.

19. INDEMNITY, LIABILITY AND OTHER INSURANCE

19.1 EXEMPTION OF LESSOR FROM LIABILITY

19.1.1 The Lessor and the Lessor's officers, agents and employees, including members of the Board of Harbor Commissioners of the San Mateo County Harbor District, shall be free from any and all liabilities and claims for damages or suits for or by reason of any death or injury to any person or persons or damages to property of any kind whatsoever, whether the person or property of Lessee, its agents or employees, Lessees, customers, contractors, or third persons, including property owned or controlled by or in the possession of the Lessor, any of its officers, agents or employees, that may in whole or in part arise from or be caused by any of the following:

- 19.1.1.1 The use, operation, maintenance or occupation of the leased property or any part thereof, or any surface areas above the leased premises;
- 19.1.1.2 The acts, omissions or negligence of Lessee, its officers, agents, employees, representatives, permittees or Lessees; or
- 19.1.1.3 The failure of Lessee to observe and comply with any of the terms or conditions of this lease or any applicable law, ordinance, rule or regulation.

19.1.2 Lessee shall indemnify, relieve, protect, defend and save harmless the Lessor and each of its officers, members of the governing body of Lessor, and employees from such liability and claims arising during the lease term and during any periods of occupancy by Lessee, or during any periods of holding over by Lessee, its agents, officers, employees or permittees beyond that expiration or other termination of this lease.

19.1.3 Lessor shall be named as an additional insured on all insurance policies of Lessee which are taken out under this Lease Agreement.

20. DAMAGE OR DESTRUCTION

20.1 DESTRUCTION DUE TO RISK COVERED BY INSURANCE

20.1.1 If a total destruction (the rendering totally unusable fifty percent (50%), or more of Lessee's improvements on the leased premises), or a partial destruction [less than fifty percent (50%)] occurs to Lessee-owned improvements, the loss is covered by the insurance described in this lease, Lessee shall within ninety (90) days thereafter commence and diligently prosecute the repair, restoration, or replacement such that the completed work, which may be different in design, shall be equal in value, quality and use to the condition of the improvements before the event giving rise to the work.

20.2 DESTRUCTION DUE TO RISK NOT COVERED BY INSURANCE

If any of the Lessee-owned improvements are damaged or destroyed by any casualty not covered by the insurance provisions of this lease and if the leased premises are hereby rendered unfit for the uses prescribed herein, Lessee shall have the option of clearing the land and returning it as it was at any time of the inception of this lease, in which event Lessee may terminate this lease, or of rebuilding the structure(s) in such a way that it would be comparable in use and value (but not necessarily design- to the structure(s) which had existed prior to the casualty.

21. DEFAULT AND REMEDIES

21.1 DEFAULT OF LESSEE

21.1.1 The Lessee has until March 31, 1999, to acquire and obtain all required permits for the operation and conduct of business associated with this lease. In the event permits are not obtained by this date, Lessee shall be relieved from this lease without any remedy owed to Lessor.

21.1.2 The Lessor may, at its option and without limiting Lessee in the exercise of any other right or remedy the Lessor may have on account of a default or breach by Lessee, exercise the right and remedies specified herein if:

21.1.2.1 The Lessee defaults in the payment of any money agreed to be paid by Lessee to the Lessee, for lease rent or otherwise, or to be paid by Lessee for taxes and utilities or for any other purpose under this lease, and if such default continues for thirty (30) days after written notice by the Lessor to the Lessee;

21.1.2.2 The Lessee defaults in the performance of any other of its agreements, conditions, or covenants under this lease and such default is not corrected as soon as practicable to do so, in no event more than thirty (30) days, after written notice thereof;

21.1.2.3 Lessee has not reinstated or otherwise replaced any insurance coverage, required under this agreement, that is canceled or not renewed prior to the earlier of: (a) lapse of the insurance coverage; or (b) twenty (20) days after written notice from Lessor.

21.2 REMEDIES ON DEFAULT

21.2.1 On any breach, or default, the Lessor may exercise any of the following rights after the periods of time stated in the foregoing section.

21.2.1.1 Lessor can continue this lease in full force and effect, and the lease will continue in effect as long as Lessor does not terminate Lessee's right to possession, and Lessor shall have the right to collect lease rent when due. No act by Lessor allowed by this paragraph shall terminate this lease unless Lessor notifies Lessee that Lessor elects to terminate this lease.

21.2.1.2 Lessor can terminate Lessee's right to possession of the premises at any time Lessee is in default. No act by Lessor other than giving notice to Lessee shall terminate this lease.

21.3 NO WAIVER OF DEFAULT:

21.3.1 The Lessor's failure to take advantage of any default or breach of covenant or agreement on the part of Lessee during the lease term or during any previous dealings between the parties shall not be, or be construed as, a waiver thereof, nor shall any custom or practice which may be established between the parties hereto in the course of administering this lease be construed to waive or to lessen the right of the Lessee to insist upon the performance by Lessee of any term, covenant, or condition hereof, or to exercise any rights given Lessor on account of any such default. A waiver of the particular breach, or default, shall not be deemed to be a waiver of the same or any other subsequent breach or default. The acceptance of lease rent hereunder shall not be, or be construed to be a waiver of any term, covenant, or condition of this lease.

21.4 REMEDIES AND CUMULATIVE:

21.4.1 The rights, powers, elections, and remedies of the Lessor contained in this lease shall be construed as cumulative and no one of them is or shall be considered exclusive of the other or exclusive of any rights or remedies allowed by law, and the exercise of one or more rights, powers, elections, or remedies shall not impair the Lessor's right to exercise any other.

22. SURRENDER AND REMOVAL

22.1 Ten (10) days after the expiration of the term of this lease or any earlier termination thereof, Lessee shall surrender to Lessor possession of the leased premises.

22.2 Upon expiration of this lease, or any earlier termination, Lessee may remove, or cause to be removed, all of Lessee's movable structures, trade fixtures, docks, rafts, machinery, equipment, and other personal property placed or installed on the leased premises. Any of said property, including any structure or building that Lessee may construct or install, that is not removed from said premises by expiration of the lease term shall belong to Lessor without the payment of any consideration.

22.3 Notwithstanding language in the preceding subsection, if Lessor shall terminate this lease agreement pursuant to provisions herein prior to the natural expiration of the lease term, Lessee's property shall not automatically belong to Lessor pursuant to the above subsection until thirty (30) days after termination of the leasehold interest. During the thirty (30) days, Lessee shall be allowed reasonable access to remove his property. Nothing in this lease shall in any way be construed to limit the Lessor's rights under law to seek a Writ of Attachment or other legal measures to enforce any rights it might have against said property as a result of any amount that Lessee may owe Lessor at that time.

23. ENVIRONMENTAL PROTECTION PROVISIONS

23.1 In addition to all other duties and obligations imposed upon Lessee by this lease with respect to care and maintenance of the leased premises, and the conduct of Lessee's business thereon, Lessee, by signing this lease agreement, further expressly covenants and agrees to comply with all applicable provisions of and amendments to governmental laws and regulations related to environmental protection, including any laws or regulations that may impose requirements upon the San Mateo County Harbor District as a governmental agency.

24. NONDISCRIMINATION

24.1 Lessee covenants and agrees for itself and for its successors and assigns that, in the use and occupancy of the leased area, property and premises and in the conduct and operation of Lessee's business, it shall not enter into any agreement which would restrict the leased area or any part thereof or the leasehold interest therein or Lessee's business, upon the basis of race, sex, religion, color, creed, national origin, or ancestry in the use and occupancy of the leased area, property, and premises or in the conduct and operation of Lessee's business.

24.2 Lessee further covenants by and for itself, its successors and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of any person or group of persons on account of race, color, creed, age, sex national origin, or ancestry in the use, occupancy, tenure, or enjoyment of the leased area and premises and property herein leased; nor in the operation of Lessee's business thereon; nor shall the Lessee itself or any person claiming under or through the Lessee establish or permit any such practice or practices of discrimination in the use, occupancy, tenure, or enjoyment of the leased area and premises, or in the conduct or operation of Lessee's business; nor shall the Lessee itself, or any person claiming under or through the Lessee, establish or permit any such practice or practices of discrimination or segregation with reference to the selection of Lessee's employees with respect to the use, occupancy and enjoyment of the leased premises, or in the conduct and operation of Lessee's business on the leased property and premises.

24.3 Lessee further agrees that the leased premises shall be open, to the extent the leased premises and Lessee's facilities thereon are open to the public, to all persons without discrimination on the basis of race, color, creed, age, sex, national origin, or ancestry, and there shall be no discrimination in public access and use of the leased area and premises or Lessee's business to the extent that it is open to the public.

25. ARBITRATION

25.1 If any question, dispute, controversy, or misunderstanding arises under or in connection with this lease, other than disputes with respect to the payment of lease rent, and Lessor and the Lessee cannot agree, then such questions, dispute, controversy, or misunderstanding shall on written request of one party served on the other be submitted to arbitration, and such arbitration shall comply with and be governed by the provisions of the California Arbitration Act, Sections 1280 et seq., as then in effect, of the California Code of Civil Procedure.

25.2 The parties may agree upon one arbitrator, but in the event that they cannot agree, there shall be three, one named in writing by each of the parties within five (5) days after demand for arbitration is given with notice of such appointment to the other party and a third chosen by the two appointed.

25.3 If the two arbitrators fail to select a third arbitrator within ten (10) days of their appointment, upon application of either party, the third arbitrator shall be promptly appointed by the then presiding Judge of the Superior Court of the State of California in and for the County of San Mateo, acting in his individual and not official capacity. The party making such application to such Judge shall give the other party to this lease five (5) days notice of his application.

25.4 The arbitrators shall proceed with due dispatch. If there is only one arbitrator, his decision shall be binding and conclusive on the parties. The decision of any two of the three arbitrators shall be binding, final, and conclusive on the parties to this lease. Such decision shall be in writing and delivered to the parties, and shall be in such form that a judgment may be entered on the decision in the Superior Court of the State of California in and for the County of San Mateo.

25.5 If either party fails to appoint an arbitrator as provided by this Section, then such arbitrator not so appointed shall be appointed by the presiding Judge of the Superior Court of the State of California in and for the County of San Mateo.

25.6 The expense of any such arbitration shall be borne in equal amounts by Lessor and Lessee.

25.7 In the event the subject matter of the arbitration involves any payments by Lessee then such payments shall be paid by Lessee when due but Lessee shall have the right to have such dispute or question resolved by arbitration pursuant to the foregoing provisions of this section.

26. PARTIAL INVALIDITY

26.1 If any term, covenant, condition, or provision of this lease is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions shall remain in full force and effect and shall in no way be affected, impaired, or invalidated.

26.2 Lessor and Lessee enter into this agreement in the belief and with the expectation that Lessor is fully authorized and empowered to hire out the leased premises for the purposes, and under the terms, set forth herein. If for any reason Lessor is not, or during the term or any extension provided herein is no longer, authorized to continue the lease substantially as provided herein, Lessor may terminate this agreement without penalty. Lessee may not terminate this agreement without penalty.

27. RELATIONSHIP OF THE LESSOR AND LESSEE:

27.1 Nothing contained in this lease shall be deemed or construed by the parties or by any third person to create the relationship of principal and agent or of partnership or of joint venture or of any association between the Lessor and the Lessee, and neither the method of computation of lease rent nor any other provisions contained in this lease nor any acts of the parties shall be deemed to create any relationship between the Lessor and Lessee, other than the relationship of Lessor and Lessee.

28. INTERPRETATION AND DEFINITIONS:

28.1 The language in all parts of this lease shall in all cases be simply construed according to its fair meaning and not strictly for or against lessor or lessee, unless otherwise provided in this lease. Unless the context otherwise requires, the following definitions and rules of construction shall apply to this lease:

28.1.1 Number and Gender. In this lease the neuter gender includes the feminine and masculine, and the singular number includes the plural, and the word "person" includes corporation, partnership, firm, or association wherever the context so requires.

28.1.2 Mandatory and Permissive. "Shall," "Will," and "Agrees" are mandatory, "May" is permissive.

28.1.3 Captions. Captions of the articles, sections, and paragraphs of this lease are for convenience and reference only, and the words contained therein shall in no way be held to explain, modify, amplify, or aid in the interpretation, construction, or meaning of the provisions of this lease.

28.1.4 Term Includes Extensions. All references to the "term" of this lease or the lease term shall include any extensions of such term

28.1.5 Parties. Parties shall include the lessor and lessee named in this lease.

28.1.6 Sublessee. As used herein, the word "sublessee" shall mean and include in addition to a sublessor and sublessee, a lessee, concessionaire, or other occupant or user of any portion of the leased premises or buildings or improvements thereon.

29. ATTORNEY' S FEES:

29.1 In the case of arbitration, the prevailing party shall be entitled to attorney's fees as determined by the arbitrators.

30. MODIFICATION

30.1 This lease may be modified only by written agreement by the Lessee and Lessor's Board of Harbor Commissioners.

31. FINAL APPROVAL

31.1 Approval of this lease shall be subject to final approval by the California Department of Boating and Waterways, or its successor; and approval of this lease by the District shall become final only after the Lease has been approved by said Department pursuant to the applicable provisions of the Harbors and Navigation Code.

32. NOTICES AND PAYMENTS

32.1 All notices, payments, statements, demands, requests, consents, approvals, authorizations, offers, agreements, appointments, and any other communications required under this lease by either party to the other shall be in writing and shall be sufficiently given and served upon the other party, if sent by Certified Mail, Return Receipt Requested, postage prepaid, and addressed as follows:

32.1.1 All notices and payments to District shall be given or mailed to:

General Manager
San Mateo County Harbor District
One Johnson Pier
P.O. Box 39
El Granada, CA 94018

32.1.2 All notices and payments to Lessee shall be given or mailed to:

Mr. Keet Nerhan
KN Properties
P.O. Box 158
Half Moon Bay, CA 94019

32.2 Either party may designate a different address by giving notice as set forth in this section.

32.3 All notices and communications referred to herein shall be deemed given on the date of service, if served personally; or on the date of delivery if such delivery is documented by a certified mail receipt; or the fifth day following date of mailing, if utilizing ordinary, first class mail.

32.4 If Lessee is not a resident of the County of San Mateo or is an association or partnership without a member or partner resident of said county, or is a foreign corporation, Lessee shall file with District a designation of agent, who must reside in San Mateo County. Said designation shall include the name, residence and business address of the agent, and shall designate the person as an agent of Lessee for the service of process in any court action between Lessee or Encumbrance Holder and District, arising out of or based on this Lease, and the delivery to such agent of written notice or a copy of any process in such action shall constitute a valid service upon Lessee.

33. ENTIRE AGREEMENT

This agreement contains the entire understanding between the parties with respect to the subject matter herein. There are no representations, agreement or understandings (whether oral or written) between the parties relating to the subject matter of this Agreement which are not fully expressed herein. This Agreement may not be amended except pursuant to a written instrument signed by all parties.

34. AGREEMENT JOINTLY PREPARED

This lease shall conclusively be presumed to have been drafted jointly by the parties hereto. This lease, consisting of twenty-three (23) pages, plus Exhibit "A", "B", "C", and "D", has been executed by the parties in several counterparts, each of which shall be deemed to be an original copy.

Approved and executed this twelfth day of May 1998.

LESSOR:
San Mateo County Harbor District

LESSEE:
Keet Nerhan, dba
KN Properties



Peter Grenell
General Manager



Keet Nerhan
Owner

APPROVAL:

DEPARTMENT OF BOATING AND WATERWAYS:

Don Waltz

Date



San Mateo County Harbor District Board of Harbor Commissioners

“To assure the public is provided with clean, safe, well-managed, financially sound and environmentally pleasant marinas.”

REGULAR MEETING MINUTES

**December 20, 2017
6:30 PM**

San Mateo County Harbor District
Conference Room
504 Avenue Alhambra, 2nd Floor
El Granada, CA 94018

A.) Roll Call 6:45 PM— All Commissioners present.

B.) 1. Public Comments/Questions

- Mary Larenas – asked to move Item 13 after Item 7.
- Lisa Fernandez – supportive of moving up Item 13.
- Harvey Rarback – comments regarding the future Mavericks event.
- Ashley Gray – asked to move up Item 13.
- Kris Lannin Liang – supportive up moving up Item 13.

2. Commissioner Comments

- Commissioner Chang Kiraly – thanked staff and community for participation in the Lighted Boat Festival.
- Commissioner Larenas – comments regarding the current sexual harassment claim, the process and possible conflict of interest with counsel. Feels the process is flawed.
- Commissioner Brennan – comments regarding the Lighted Boat Festival and regarding the current sexual harassment claim. Feels the process is flawed, not independent and not a transparent process.
- Commissioner Larenas – asked to have Item 13 move up.

C.) Consent Calendar

ITEMS PULLED FROM THE CONSENT CALENDAR WILL BE HEARD AFTER DISCUSSION ITEMS.

Items 2, 4, 5 were pulled from the Consent Calendar.

1. **Bills and Claims (Chan)**

Recommendation: Review Pre-Approved Bills and Claims in the amount of \$375,921.58. Pre-Approve Bills and Claims not to exceed up to \$350,000.

3. **Minutes - Special Meeting Minutes November 15, 2017 (Gehret)**

Recommendation: Approve Minutes of the Special Meeting of November 15, 2017.

6. **SMCHD Administration Building - Lease Renewal (Pyle)**

Recommendation: Authorize the General Manager to exercise the option to extend the lease for the SMCHD Administrative Offices, located at 504 Avenue Alhambra, 2nd Floor in El Granada, CA for a 12-month period beginning on June 1, 2018.

Motion: (Bernardo/Chang Kiraly) Approve Consent Items 1, 3 and 6.

Ayes: All in favor.

Motion passed.

D.) Discussion

7. **Lost Fishing Gear Recovery Program; Presentation by the Half Moon Bay Seafood Marketing Association (McGrath)**

Receive presentation.

13. **Wildlife Protection: Request for Standing Committee (Larenas)**

Information only.

Public Comment:

- Marshall Dinowitz – representing the Sequoia Audubon Society. Supportive of new committee.
- Barbara Dye – supportive of committee as a member of the Audubon Society. Offers suggestions of signage.
- Barbara Kossy – supportive of committee and helping wildlife.
- Mary Larenas – supportive of new committee.
- Christine Corwin – representing Coastside Dog of San Mateo County. Looking forward to dog walkers working with group.

Motion: (Brennan/Larenas) Move to form a Wildlife Protection standing committee.

Ayes: All in favor.

Motion passed.

7:35 PM – Commissioner Chang Kiraly leaves the room.

7:40 PM – Commissioner Chang Kiraly returns.

8. **Pillar Point (Surfers Beach/KN) RV Lot: CDP Application and Restroom Facility (McGrath)**

Public Comment:

- Dave Olson – not supportive. Poor location. Feels the tenant should open the restrooms to the public.

Motion: (Bernardo/Chang Kiraly) Authorize staff to continue to work with the City of Half Moon Bay and KN Properties on site planning, grant funding and permit application for a restroom facility adjacent to Surfers Beach.

Ayes: Bernardo, Chang Kiraly, Mattusch

Nays: Brennan, Larenas

Motion passed.

8:15 PM - Commissioner Bernardo leaves the room.

8:20 PM - Commissioner Bernardo returns.

9. Commercial Activity Permit Revisions (CAP): Blue Water Ventures and Princeton Waters (Pyle)

Public Comment:

- Cynthia Kuhr – owner of Princeton Waters. Willing to answer any questions regarding her Airbnb business.

Motion: (Chang Kiraly/Bernardo) 1) Approve the 2018 term revisions of the Blue Water Ventures Commercial Activity Permit. 2) Approve a 3-month extension of Princeton Waters' 2017 CAP allowing it to remain under current terms through March 31, 2018.

Ayes: All in favor.

Motion passed.

10. Proposed Scope and Name Change for the San Mateo County Harbor District Beach Replenishment Committee (Moren)

Motion: (Bernardo/Brennan) Approve the proposed Scope and Committee Name Change from "Beach Replenishment Committee" to San Mateo County Harbor District Climate Change Resilience Committee."

Ayes: Bernardo, Brennan, Larenas

Nays: Chang Kiraly, Mattusch

Motion passed.

11. Pillar Point Harbor Office Alteration Project (Moren)

Motion: (Chang Kiraly/Bernardo) Authorize the General Manager to enter into an Agreement with John Matthews Architects (Consultant) to produce design and construction documents supporting alterations to the Pillar Point Harbor (PPH) Office improving staff security, ADA compliance, public access, workflow and efficiency of the building for an amount not-to-exceed \$31,000 and establish a contract contingency in the amount of 10% of the contract amount for unanticipated additional expenses associated with the contract and authorize the General Manager to issue change orders up to the contingency amount.

Ayes: All in favor.

Motion passed.

12. Policy 3.2, Brown Act Compliance (McGrath)

Motion: (Brennan/Chang Kiraly) Adopt Resolution No.17-21 and Policy 3.2; Brown Act Compliance.

Ayes: All in favor

Motion passed.

E.) Commissioner Item

Item 13, Wildlife Protection; Request for Standing Committee, moved after Item 7.
See above.

F.) Discussion/Action on Pulled Consent Items (if any)

2. Minutes - Special Meeting August 16, 2017 (Gehret)

Commissioner Larenas – commented that he abstained from the vote in Closed Session – that it was not unanimous.

Motion: (Chang Kiraly/Bernardo) Approve Special Meeting Minutes of August 16, 2017.

Ayes: Bernardo, Chang Kiraly, Larenas, Mattusch

Nays: None

Abstain: Brennan

Motion passed.

4. Minutes - Regular Meeting November 15, 2017 (Gehret)

Commissioner Brennan – read emails from members of the public who felt their comments from November 15th, were not accurately reflected. Emails, and Commission Larenas' comments, attached to website as Distributed Materials.

Motion: (Chang Kiraly/Brennan) Approve Regular Meeting Minutes of November 15, 2017.

Ayes: All in favor.

Motion passed.

5. Emergency Oyster Point Marina Fuel Dock Electric Repairs Project; Termination of Emergency per Public Contract Code 22050 (Moren)

Commissioner Brennan commented regarding underground tank and the need for removal.

Receive and file.


G.) November Activity Reports: General Manager, Administration, Operations

H.) Adjournment: 9:26 PM

Motion: (Chang Kiraly/Bernardo) Adjourn meeting.

All in favor.


Debbie Gehret
Deputy Secretary


President



City of Half Moon Bay
Bob Nisbet, City Manager

February 25, 2019

Re: 2019 PCA Grant Letter of Interest for the Pillar Point RV Park Public Restroom Project

Dear PCA Evaluation Committee,

The City of Half Moon Bay seeks grant funding support for a wonderful public amenity project in a highly trafficked area of the California Coastal Trail. The California Coastal Trail (CCT) is a designated Regional Recreation Priority Conservation Area (PCA) that spans over 137 miles along the Sonoma, Marin, San Francisco, and San Mateo County coastlines, including almost the entire length of Half Moon Bay's jurisdiction. This trail is a vital coastal recreation facility serving local, regional, and tourist populations of all ages, origins, and income levels.

At the north end of Half Moon Bay's jurisdiction, the CCT coincides with a public day-use parking area and the City's most popular beach, Surfer's Beach. The day-use parking is on the southern end of a parcel owned by the San Mateo County Harbor District, who maintains the CCT segment running through this property. The Harbor District leases this property to a private developer who operates the Pillar Point Recreational Vehicle (RV) Park on the northern end of the site. Between the trail, beach, RV Park, and the Pillar Point Harbor with its plethora of restaurants, hotels, and activities, this is a very popular visitor-serving coastal recreation destination of regional significance (see attached site photos below).

Unfortunately, there are very few public amenities to serve the hundreds of daily pedestrians, bicyclists, and beach-goers in this area of the CCT. The nearest public restroom facilities are approximately 0.60 miles to south at the southern entrance to Mirada Surf Park and approximately 0.65 miles to the north at the entrance to the boat docks in Pillar Point Harbor, neither visible from the parking area or stairway to Surfer's Beach. There is just one bench to stop for a rest and watch the surfers, and nowhere to fill up a water bottle, lock up a bike, or wash your kid's feet off.

The City of Half Moon Bay is coordinating with the San Mateo County Harbor District and the RV Park operator to enhance the CCT experience for pedestrians, bicyclists, and beach-goers in this heavily used location by improving the day-use parking area with a new public restroom structure, ADA parking spaces, and additional amenities. The restroom structure will include one unisex stall and one family stall, a drinking fountain, and an outdoor shower. A forecourt leading from the CCT to the restroom will provide space for pedestrians and bicyclists to safely

pull off the trail with room to gather without impeding trail traffic, and will include educational signage, benches, bicycle racks and a tire pump station, a dog clean-up station, and trash and recycling receptacles. Two new ADA parking spaces will be supplemented with an ADA-compliant path of travel to the new restroom and to the trail. The existing parking area will be reconfigured in order to accommodate the restroom, forecourt, and ADA improvements, and will re-locate the displaced parking spaces elsewhere onsite. See the illustrated preliminary site plan attached to this letter.

The preliminary cost estimate for this project is \$360,000, approximately \$175,000 for the restroom structure and \$185,000 for the site improvements and additional amenities. The Harbor District and RV Park operator will provide the remaining 2/3 match to the PCA Grant funding, unless other grant opportunities arise. Project and funding details are as follows:

Project Title	Pillar Point RV Park Public Restroom
Project Applicant	San Mateo County Harbor District (property owner)
Local Jurisdiction/Permitting Authority	City of Half Moon Bay
Project Manager	Brittney Cozzolino, Associate Planner bcozzolino@hmbcity.com 650-750-2014
Project Supporters	California Coastal Commission
Estimated Project Cost	\$360,000
Pending Matching Funds	Property owner and lessee to provide match funds
Amount of PCA Funding Requested	Not to exceed \$120,000
Bay Area Greenprint Link	http://bit.ly/2lpmqtR

The proposed project requires approval of a Coastal Development Permit (CDP) from the City of Half Moon Bay. An application has been submitted to the City and is currently under review. California Environmental Quality Act (CEQA) analysis will be conducted through the CDP review. City staff anticipates finding this project categorically exempt from CEQA under Section 15303(e), which exempts new construction of accessory structures. The tentative project timeline is as follows:

Date	Action
By July 2019	Approve Coastal Development Permit
July 2019	Submit full grant application
By January 2020	Secure match funding
January 2020	Approve Building Permit
April 2020	Begin construction

The planning process for this project has and will continue to involve community participation. The Half Moon Bay City Council has authorized City staff to jointly seek grant funding with the Harbor District, and the Half Moon Bay Planning Commission has held a public study session on site and design alternatives for the proposed restroom. The City of Half Moon Bay and the

Harbor District continue to collaborate on their aligned vision of improving public access and providing a well-planned, full service public space for the benefit of all types of trail-users and beach-goers. From the meetings held to date, it is very clear from the public that these types of amenities and improvements are badly needed in this area. This project location is especially in need of the proposed ADA improvements, as it is one of very few areas along the CCT within Half Moon Bay that does not have high bluffs and can provide near-beach access for those with physical limitations.

The proposed project will provide an invaluable, locally and regionally significant public amenity in a highly utilized area of this immensely popular PCA. The project supports the PCA Grant program goals and ABAG's designation of this PCA as a Regional Recreation facility by supporting public access and enhancing bicycle and pedestrian opportunities. The project also supports Half Moon Bay's Local Coastal Program, Parks Master Plan, and Bicycle/Pedestrian Master Plan goals of maximizing public access and providing needed beach and trail amenities on the east side of the CCT. The restroom, ADA improvements, and additional bicycle and pedestrian amenities will benefit locals and visitors, trail-users and beach-goers, and people of all types of physical abilities alike.

Thank you for your consideration of our letter of interest. We look forward to hearing back from you. Should you have any questions, please do not hesitate to contact me.

Sincerely,



Bob Nisbet

City Manager, Half Moon Bay

cc: San Mateo County Harbor District



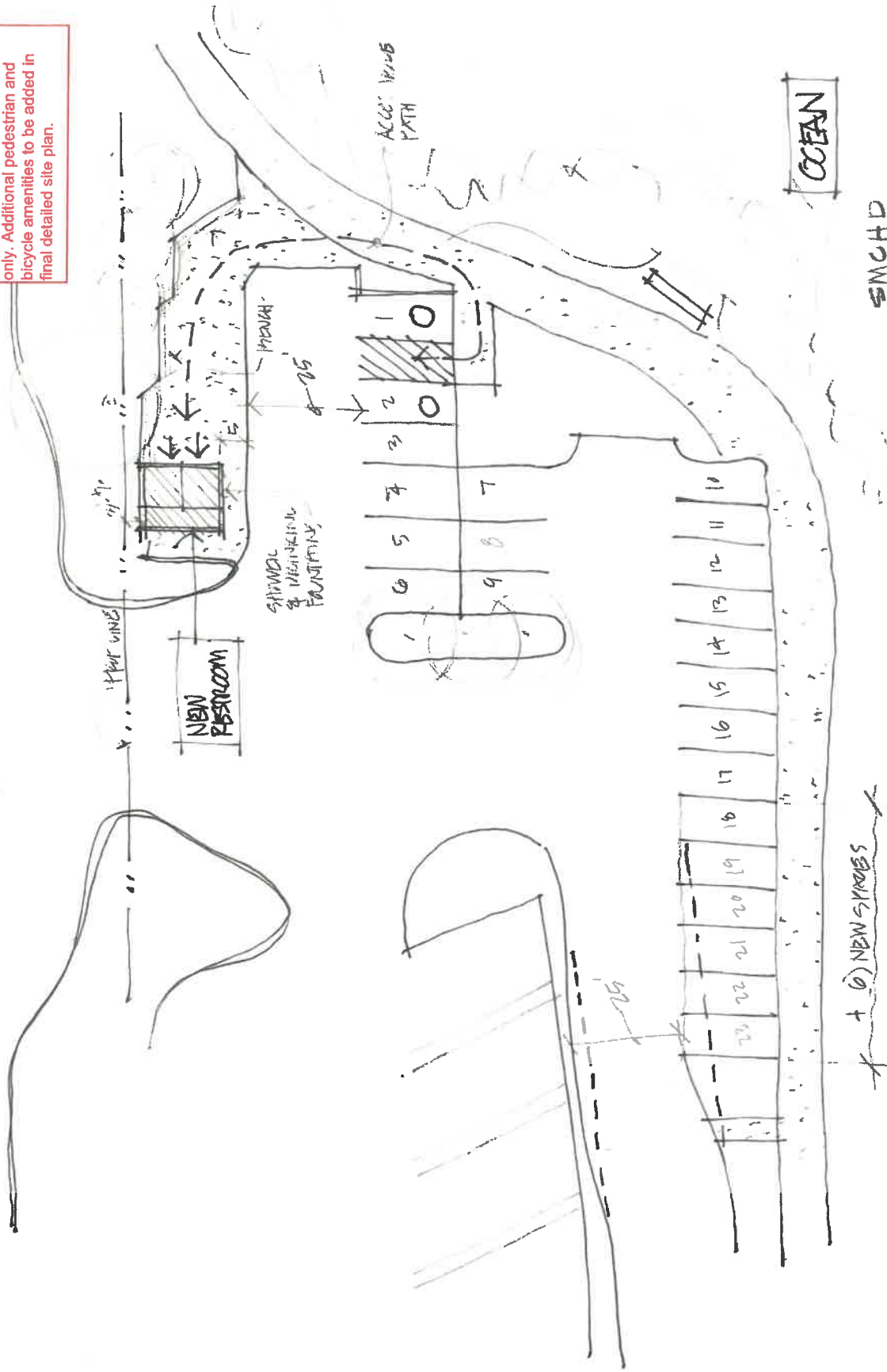
Figure 1: Project Vicinity Aerial Photo



Figure 2: Site Photo

Preliminary, conceptual site plan only. Additional pedestrian and bicycle amenities to be added in final detailed site plan.

HWY 1



SMCHD
JMA
04 FEB 2019-01



Staff Report

TO: Board of Harbor Commissioners

FROM: John Moren, Interim General Manager

DATE: June 19, 2019

SUBJECT: Portola Avenue Lot Purchase Update and Designation of New District Administration Office Design Ad Hoc Committee

Recommendation/Motion:

Staff recommends District Board; i) receive update on the Portola Avenue vacant lot purchase; ii) form a District Administration Office Design Ad Hoc Committee and assign two Board members.

Policy Implications:

The District has a long-standing desire for ownership of an Administration Office Building instead of continuing to rent.

Fiscal Implications/Budget Status:

The District has historically had a committed reserve of \$1,526,217 for a new District Administration Office. The Portola Avenue property was purchased for \$1.3 million from this committed reserve. The proposed new Five-Year CIP Program allots \$80,000 for design/engineering in 2019/20 and \$2 million in 2020/21 for construction. After consultation with the new Ad Hoc Committee, staff will return to full Board for direction prior to additional expenditures for the Administration Office design and lot development.

The District currently rents office space at an annual cost of \$91,200, which will be eliminated when the new office is constructed and occupied.

Background:

Summary of History

2005: Bid of \$1.9 million for new building across from Harbormasters' office rejected.

2007: Consideration was given to development of a site at Oyster Point Marina and a Request for Proposals (RFP) was issued to prepare tentative and final parcel maps. Since that time, the City of South San Francisco (SSF) prepared a Precise Plan for the area, completed an Environmental Impact Report (EIR), executed a Disposition and Development Agreement (DDA) with the District lessee at the time, Oyster Point Ventures (OPV). Concurrently, in 2011, the District and SSF executed an MOU regarding the implementation of the DDA.

2009: The District pursued two possible sites in Princeton.

2011: Consideration was given to possible sites: Public meeting(s) were held, with public opposition to the location of a building on Perched Beach.

2012: The District moved forward with preliminary planning for development of a new building, on the 'B Lot' at Pillar Point Harbor. The District commissioned a massing study, and in April authorized issuance of an RFP for architectural services. The RFP was not issued.

2015: The District considered purchase of the El Granada building in which Administration offices are currently located.

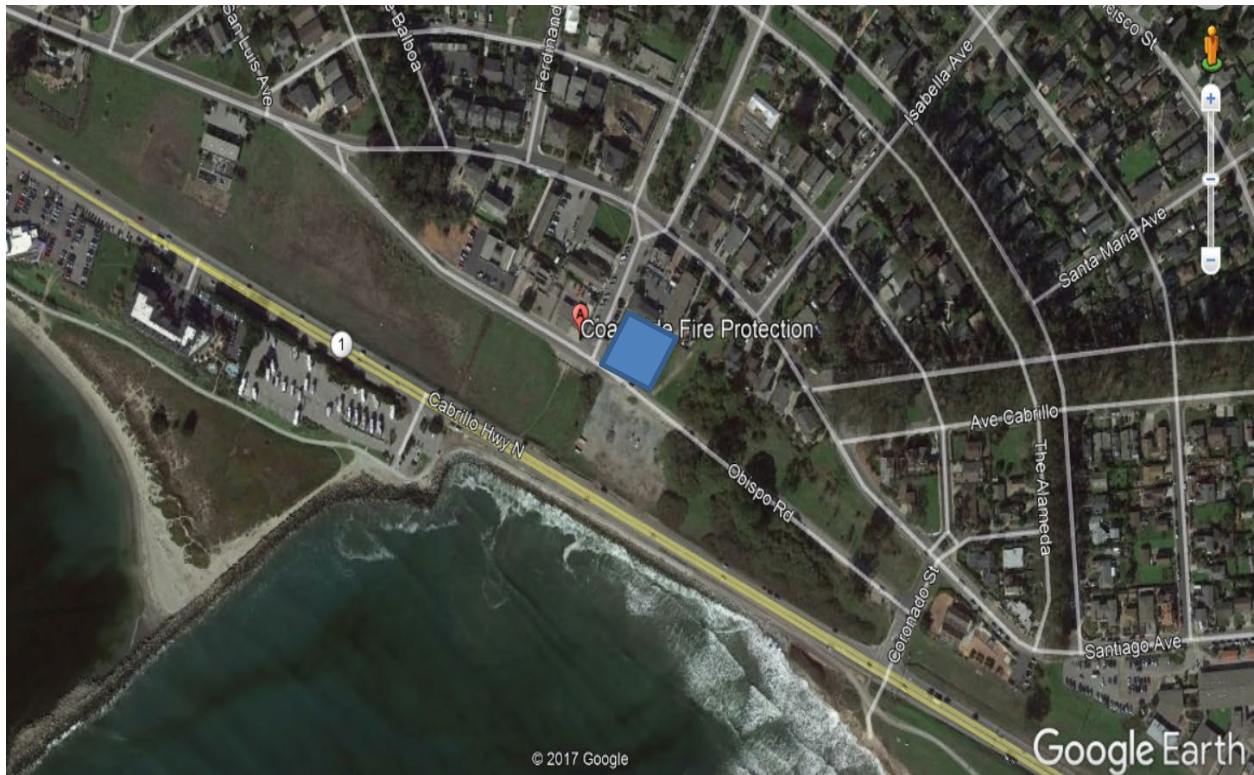
2015: The District moved from South San Francisco to El Granada in leased space at an initial cost of \$7,000 per month.

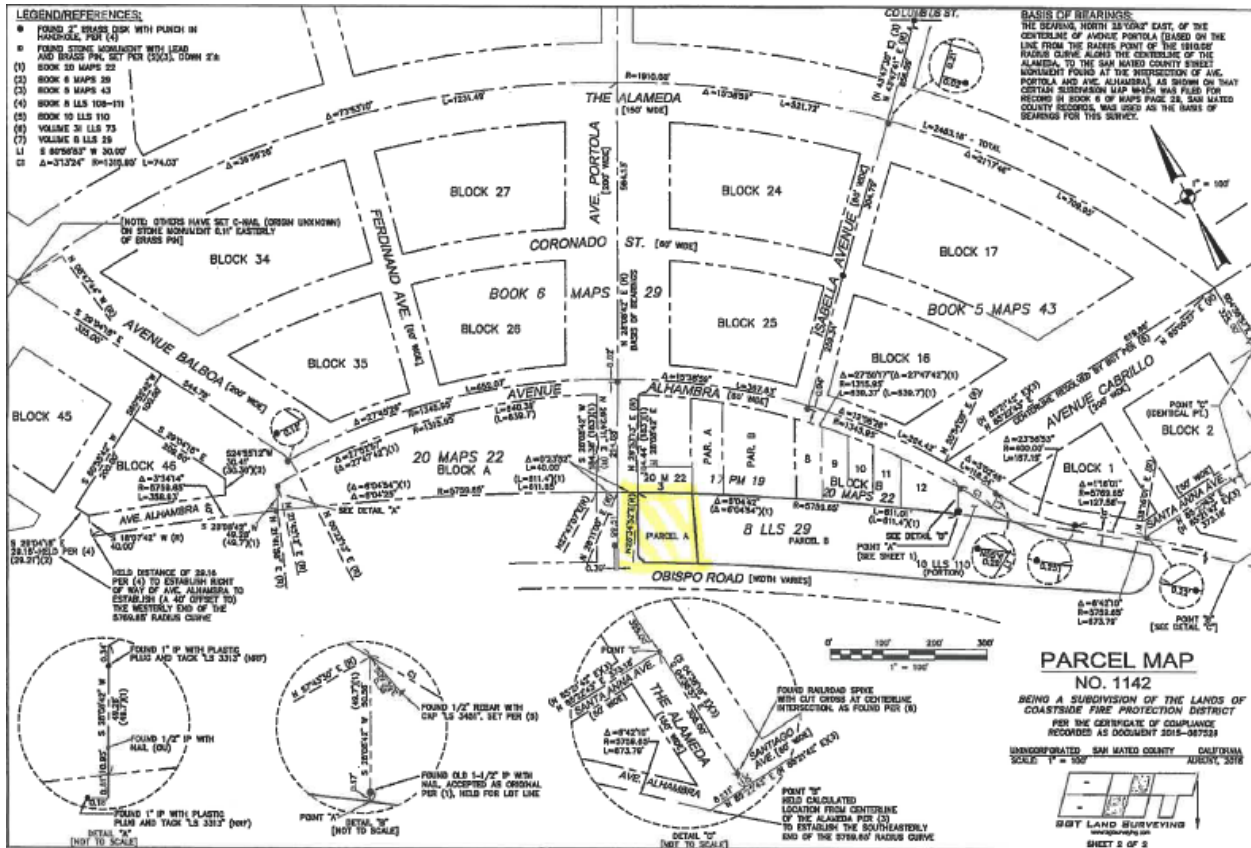
2017-2018: The District considered additional vacant lot and improved property purchases to no avail.

June 6, 2019: At Board direction, District finalized purchase of the .31 acre Portola Avenue vacant lot property.

Relieving the District of the burden of lease payments and securing a permanent home for the District are clearly long held goals of this District. As evidenced above, the District has had many false starts on this project and the District continues to pay in excess of \$90,000 annually in rent. The current Administration Office lease will require re-negotiation beginning in late 2020, or early 2021.

The land parcel on Obispo Road, which the new Coastside Fire Protection District (FD) headquarters is in the process of being built, was subdivided into two parcels and it came to the attention of the District that the western parcel would be made available to be developed. The parcel is identified as APN # 047-261-030-2, located at the corner of Obispo Road and Portola Avenue, an ideal location for the District Administration Office. The District was able to make an offer of \$1.3 million prior to the parcel being offered to the public. The offer was subsequently accepted, and, after substantial due diligence, the District closed on the .31 acre vacant lot property on June 6, 2019, see attached Purchase Agreement.





OWNER'S STATEMENT

I HEREBY STATE THAT I AM THE OWNER OF OR HAVE SOME LEGAL TITLE OR INTEREST IN AND TO THE REAL PROPERTY INCLUDED WITHIN THE SUBDIVISION SHOWN UPON THIS MAP, AND I AM THE ONLY PERSON WHOSE CONSENT IS NECESSARY TO PASS A CLEAR TITLE TO SAID REAL PROPERTY, AND THAT I HEREBY CONSENT TO THE MAKING AND FILING OF SAID MAP AND SUBDIVISION AS SHOWN WITHIN THE OBSTRUCTIVE BORDER LINE.

OWNER: COASTSIDE FIRE PROTECTION DISTRICT
DATE: _____
BY: [Signature] PRINT NAME

OWNER'S ACKNOWLEDGMENT

A NOTARY PUBLIC OR OTHER OFFICER COMPLETING THIS CERTIFICATE VERIFIES ONLY THE IDENTITY OF THE INDIVIDUAL WHO SIGNED THE DOCUMENT TO WHICH THIS CERTIFICATE IS ATTACHED, AND NOT THE TRUTHFULNESS, ACCURACY, OR VALIDITY OF THAT DOCUMENT.

STATE OF CALIFORNIA
COUNTY OF _____
ON _____ 2015, BEFORE ME, _____

PERSONALLY APPEARED _____
WHO PROMISED TO ME ON THE BASIS OF SATISFACTORY EVIDENCE TO BE THE PERSON(S) WHOSE NAME(S) IS/ARE SUBSCRIBED TO THE WITHIN INSTRUMENT AND ACKNOWLEDGED TO ME THAT IS/ARE/ THEY DESIGNED THE SAME IN HIS/HER/THEIR AUTHORIZED CAPACITY(IES) AND THAT BY HIS/HER/THEIR SIGNATURE(S) ON THE INSTUMENT THE PERSON(S) ON THE ENTITY UPON WHOM(S) OF WHICH THE PERSON(S) ACTED, ASSUMED THE LIABILITY.

I CERTIFY UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE STATE OF CALIFORNIA THAT THE FOREGOING PARAGRAPH IS TRUE AND CORRECT.

WITNESS MY HAND AND OFFICIAL SEAL.

SIGNATURE: _____
PERSONAL COUNTY OF BUSINESS: _____
COMMISSION EXPIRES: _____
COMMISSION # OF NOTARY: _____

COUNTY SURVEYOR'S STATEMENT

I HEREBY STATE THAT I HAVE EXAMINED THIS PARCEL MAP AND HAVE FOUND THAT THE SUBDIVISION AS SHOWN HEREON IS SUBSTANTIALLY THE SAME AS IT APPEARED ON THE TENTATIVE MAP, IF RECORDED, AND ANY APPROVED ALTERNATE PERSON(S) THAT ALL THE PROVISIONS OF THE CALIFORNIA SUBDIVISION MAP ACT AND THE SAN MATEO COUNTY ORDINANCE APPLICABLE AT THE TIME OF APPROVAL OF THE TENTATIVE MAP, IF RECORDED, HAVE BEEN COMPLIED WITH; AND THAT I AM SATISFIED THAT THIS MAP IS TECHNICALLY CORRECT.

DATE: _____ BY: [Signature] COUNTY SURVEYOR
L.S. #1023

SURVEYOR'S STATEMENT

THIS PARCEL MAP WAS PREPARED BY ME OR UNDER MY DIRECTION AND IS BASED UPON FIELD SURVEY IN CONFORMANCE WITH THE REQUIREMENTS OF THE SUBDIVISION MAP ACT AND LOCAL ORDINANCES AT THE REQUEST OF COASTSIDE FIRE DISTRICT IN SEPTEMBER, 2017. I HEREBY STATE THAT THIS PARCEL MAP SUBSTANTIALLY CONFORMS TO THE APPROVED OR GENERALLY APPROVED TENTATIVE MAP, IF ANY, AND THAT ALL THE MONUMENTS SHOWN HEREON ARE OF THE CHARACTER AND OCCUPY THE POSITIONS INDICATED AND WILL BE SUFFICIENT TO ENABLE THE SURVEY TO BE RETIRED.

DATE: _____ BY: [Signature] COUNTY SURVEYOR
L.S. #1023

CLERK OF THE BOARD STATEMENT

I HEREBY STATE THAT THE BOARD OF SUPERVISORS OF THE COUNTY OF SAN MATEO, STATE OF CALIFORNIA, DO HEREBY CERTIFY THAT CERTIFICATES HAVE BEEN FILED AND DEPOSITS HAVE BEEN MADE IN CONFORMANCE WITH THE REQUIREMENTS OF SECTIONS 66043 AND 66043.5 OF THE GOVERNMENT CODE OF THE STATE OF CALIFORNIA.

DATE: _____
CLERK OF THE BOARD OF SUPERVISORS
SAN MATEO COUNTY, STATE OF CALIFORNIA
BY: [Signature] DEPUTY

COUNTY RECORDER'S STATEMENT

FILED THIS _____ DAY OF _____, 2015, AT _____
IN VOLUME _____ OF PARCEL MAPS, AT PARCEL _____ AT THE RESIDE OF BRYAN G. TAYLOR.

FILE NO. _____ MARK GOURD, SAN MATEO COUNTY RECORDER
FEE _____ \$10.00
BY: [Signature] DEPUTY

PARCEL MAP NO. 1142
BEING A SUBDIVISION OF THE LANDS OF COASTSIDE FIRE PROTECTION DISTRICT FOR THE CERTIFICATE OF COMPLIANCE RECORDED AS DOCUMENT 2015-267239

UNINCORPORATED SAN MATEO COUNTY CALIFORNIA
AUGUST, 2015
SCALE 1" = 50'

BY: [Signature] COUNTY SURVEYOR
L.S. #1023

SHEET 2 OF 2

Now that the District has successfully purchased the lot, a District Administration Office Design Ad Hoc Committee, comprised of two Board members, should be created and populated to direct staff in advising the full Board on the best alternative to move forward with new building design and to discuss potential partnering with the Granada Community Services District (GCSD), who has already formed a like Ad Hoc Committee for this purpose. GCSD has expressed interest in potentially partnering with the District in some manner, as they too are renting office space and desire to develop a permanent home with sufficient community meeting space. If possible, it is believed that the two Districts partnering in the site development would be most efficient use of public funds, benefit both Districts and the public.

Summary/Recommendation:

Staff recommends District Board; i) receive update on the Portola Avenue vacant lot purchase; ii) form a District Administration Office Design Ad Hoc Committee and assign two Board members.

Attachments:

[Purchase Agreement APN # 047-261-030-2](#)



CALIFORNIA
ASSOCIATION
OF REALTORS

VACANT LAND PURCHASE AGREEMENT
AND JOINT ESCROW INSTRUCTIONS
(C.A.R. Form VLP, Revised 12/18)

Date Prepared: March 23, 2019

1. OFFER:

- A. THIS IS AN OFFER FROM San Mateo City Harbor District by John Neuren ("Buyer"),
 B. THE REAL PROPERTY to be acquired is Ays Portols- APN # 047-261-030, situated in
El Granada (City), San Mateo (County), California, 94018 (Zip Code), Assessor's Parcel No. 047-261-030 ("Property").
 Further Described As Parcel A
 C. THE PURCHASE PRICE offered is One Million, Three Hundred Thousand Dollars \$ 1,300,000.00
 D. CLOSE OF ESCROW shall occur on _____ (date) (or 30 Days After Acceptance).
 E. Buyer and Seller are referred to herein as the "Parties." Brokers are not Parties to this Agreement.

2. AGENCY:

- A. DISCLOSURE: The Parties each acknowledge receipt of a "Disclosure Regarding Real Estate Agency Relationships" (C.A.R. Form AD).
 B. CONFIRMATION: The following agency relationships are confirmed for this transaction:
 Seller's Brokerage Firm Goldwell Banker License Number _____
 Is the broker of (check one): the seller; or both the buyer and seller. (dual agent)
 Seller's Agent _____ License Number _____
 Is (check one): the Seller's Agent. (salesperson or broker associate) both the Buyer's and Seller's Agent. (dual agent)
 Buyer's Brokerage Firm Turner Real Estate License Number 01521692
 Is the broker of (check one): the buyer; or both the buyer and seller. (dual agent)
 Buyer's Agent Brent Turner License Number 00933635
 Is (check one): the Buyer's Agent. (salesperson or broker associate) both the Buyer's and Seller's Agent. (dual agent)

- C. POTENTIALLY COMPETING BUYERS AND SELLERS: The Parties each acknowledge receipt of a "Possible Representation of More than One Buyer or Seller - Disclosure and Consent" (C.A.R. Form PRBS).

3. FINANCE TERMS: Buyer represents that funds will be good when deposited with Escrow Holder.

- A. INITIAL DEPOSIT: Deposit shall be in the amount of _____ \$ 39,000.00
 (1) Buyer Direct Deposit: Buyer shall deliver deposit directly to Escrow Holder by electronic funds transfer, cashier's check, personal check, other _____ within 3 business days after Acceptance (or _____);
 OR (2) Buyer Deposit with Agent: Buyer has given the deposit by personal check (or _____) to the agent submitting the offer (or to _____), made payable to _____, The deposit shall be held uncashed until Acceptance and then deposited with Escrow Holder within 3 business days after Acceptance (or _____).
 Deposit checks given to agent shall be an original signed check and not a copy.

(Note: Initial and increased deposits checks received by agent shall be recorded in Broker's trust fund log.)

- B. INCREASED DEPOSIT: Buyer shall deposit with Escrow Holder an increased deposit in the amount of _____ \$ within _____ Days After Acceptance (or _____).
 If the Parties agree to liquidated damages in this Agreement, they also agree to incorporate the increased deposit into the liquidated damages amount in a separate liquidated damages clause (C.A.R. Form RID) at the time the increased deposit is delivered to Escrow Holder.
 C. ALL CASH OFFER: No loan is needed to purchase the Property. This offer is NOT contingent on Buyer obtaining a loan. Written verification of sufficient funds to close this transaction IS ATTACHED to this offer or Buyer shall, within 3 (or _____) Days After Acceptance, Deliver to Seller such verification.
 D. LOAN(S):

- (1) FIRST LOAN: in the amount of _____ \$
 This loan will be conventional financing OR FHA, VA, Seller financing (C.A.R. Form SFA), assumed financing (C.A.R. Form AFA), subject to financing, Other _____. This loan shall be at a fixed rate not to exceed _____ % or, an adjustable rate loan with initial rate not to exceed _____ %. Regardless of the type of loan, Buyer shall pay points not to exceed _____ % of the loan amount.
 (2) SECOND LOAN in the amount of _____ \$
 This loan will be conventional financing OR Seller financing (C.A.R. Form SFA), assumed financing (C.A.R. Form AFA), subject to financing Other _____. This loan shall be at a fixed rate not to exceed _____ % or, an adjustable rate loan with initial rate not to exceed _____ %. Regardless of the type of loan, Buyer shall pay points not to exceed _____ % of the loan amount.
 (3) FHAVA: For any FHA or VA loan specified in 3D(1), Buyer has 17 (or _____) Days After Acceptance to Deliver to Seller written notice (C.A.R. Form FVA) of any lender-required repairs or costs that Buyer requests Seller to pay for or otherwise correct. Seller has no obligation to pay or satisfy lender requirements unless agreed in writing. A FHAVA amendatory clause (C.A.R. Form FVAC) shall be a part of this transaction.

Buyer's Initials () ()
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Seller's Initials () ()



VACANT LAND PURCHASE AGREEMENT (VLP, PAGE 1 OF 11)

E. ADDITIONAL FINANCING TERMS:

F. BALANCE OF DOWN PAYMENT OR PURCHASE PRICE in the amount of \$ 1,261,000.00 to be deposited with Escrow Holder pursuant to Escrow Holder Instructions.

G. PURCHASE PRICE (TOTAL): \$ 1,300,000.00

H. VERIFICATION OF DOWN PAYMENT AND CLOSING COSTS: Buyer (or Buyer's lender or loan broker pursuant to paragraph 3J(1)) shall, within 3 (or ___) Days After Acceptance, Deliver to Seller written verification of Buyer's down payment and closing costs. ([] Verification attached.)

I. APPRAISAL CONTINGENCY AND REMOVAL: This Agreement is (or [X] is NOT) contingent upon a written appraisal of the Property by a licensed or certified appraiser at no less than the purchase price. Buyer shall, as specified in paragraph 19B(3), in writing, remove the appraisal contingency or cancel this Agreement within 17 (or ___) Days After Acceptance.

J. LOAN TERMS:

(1) LOAN APPLICATIONS: Within 3 (or ___) Days After Acceptance, Buyer shall Deliver to Seller a letter from Buyer's lender or loan broker stating that, based on a review of Buyer's written application and credit report, Buyer is prequalified or preapproved for any NEW loan specified in paragraph 3D. If any loan specified in paragraph 3D is an adjustable rate loan, the prequalification or preapproval letter shall be based on the qualifying rate, not the initial loan rate. ([] Letter attached.)

(2) LOAN CONTINGENCY: Buyer shall act diligently and in good faith to obtain the designated loan(s). Buyer's qualification for the loan(s) specified above is a contingency of this Agreement unless otherwise agreed in writing. If there is no appraisal contingency or the appraisal contingency has been waived or removed, then failure of the Property to appraise at the purchase price does not entitle Buyer to exercise the cancellation right pursuant to the loan contingency if Buyer is otherwise qualified for the specified loan. Buyer's contractual obligations regarding deposit, balance of down payment and closing costs are not contingencies of this Agreement.

(3) LOAN CONTINGENCY REMOVAL:

Within 21 (or ___) Days After Acceptance, Buyer shall, as specified in paragraph 19, in writing, remove the loan contingency or cancel this Agreement. If there is an appraisal contingency, removal of the loan contingency shall not be deemed removal of the appraisal contingency.

(4) [] NO LOAN CONTINGENCY: Obtaining any loan specified above is NOT a contingency of this Agreement. If Buyer does not obtain the loan and as a result Buyer does not purchase the Property, Seller may be entitled to Buyer's deposit or other legal remedies.

(5) LENDER LIMITS ON BUYER CREDITS: Any credit to Buyer, from any source, for closing or other costs that is agreed to by the Parties ("Contractual Credit") shall be disclosed to Buyer's lender. If the total credit allowed by Buyer's lender ("Lender Allowable Credit") is less than the Contractual Credit, then (i) the Contractual Credit shall be reduced to the Lender Allowable Credit, and (ii) in the absence of a separate written agreement between the Parties, there shall be no automatic adjustment to the purchase price to make up for the difference between the Contractual Credit and the Lender Allowable Credit.

K. BUYER STATED FINANCING: Seller is relying on Buyer's representation of the type of financing specified (including but not limited to, as applicable, all cash, amount of down payment, or contingent or non-contingent loan). Seller has agreed to a specific closing date, purchase price and to sell to Buyer in reliance on Buyer's covenant concerning financing. Buyer shall pursue the financing specified in this Agreement. Seller has no obligation to cooperate with Buyer's efforts to obtain any financing other than that specified in the Agreement and the availability of any such alternate financing does not excuse Buyer from the obligation to purchase the Property and close escrow as specified in this Agreement.

L. SELLER FINANCING: The following terms (or [] the terms specified in the attached Seller Financing Addendum) (C.A.R. Form SFA) apply ONLY to financing extended by Seller under this Agreement.

(1) BUYER'S CREDIT-WORTHINESS: Buyer authorizes Seller and/or Brokers to obtain, at Buyer's expense, a copy of Buyer's credit report. Within 7 (or ___) Days After Acceptance, Buyer shall provide any supporting documentation reasonably requested by Seller.

(2) TERMS: Buyer's promissory note, deed of trust and other documents as appropriate shall incorporate and implement the following additional terms: (i) the maximum interest rate specified in paragraph 3D shall be the actual fixed interest rate for Seller financing; (ii) deed of trust shall contain a REQUEST FOR NOTICE OF DEFAULT on senior loans; (iii) Buyer shall sign and pay for a REQUEST FOR NOTICE OF DELINQUENCY prior to Close Of Escrow and at any future time if requested by Seller; (iv) note and deed of trust shall contain an acceleration clause making the loan due, when permitted by law and at Seller's option, upon the sale or transfer of the Property or any interest in it; (v) note shall contain a late charge of 6% of the installment due (or ___) if the installment is not received within 10 days of the date due; (vi) title insurance coverage in the form of a joint protection policy shall be provided insuring Seller's deed of trust interest in the Property (any increased cost over owner's policy shall be paid by Buyer); and (vii) tax service shall be obtained and paid for by Buyer to notify Seller if property taxes have not been paid.

(3) ADDED, DELETED OR SUBSTITUTED BUYERS: The addition, deletion or substitution of any person or entity under this Agreement or to title prior to Close Of Escrow shall require Seller's written consent. Seller may grant or withhold consent in Seller's sole discretion. Any additional or substituted person or entity shall, if requested by Seller, submit to Seller the same documentation as required for the original named Buyer. Seller and/or Brokers may obtain a credit report, at Buyer's expense, on any such person or entity.

M. ASSUMED OR "SUBJECT TO" FINANCING: Seller represents that Seller is not delinquent on any payments due on any loans. Seller shall, within the time specified in paragraph 19, provide Copies of all applicable notes and deeds of trust, loan balances and current interest rates to Buyer. Buyer shall then, as specified in paragraph 19B(3), remove this contingency or

Buyer's Initials ([Signature]) (_____)

Seller's Initials ([Signature]) (_____)



Property Address: Ave Portola - APN # 067-267-030, El Granada, CA 94018

Date: March 22, 2019

cancel this Agreement. Differences between estimated and actual loan balances shall be adjusted at Close Of Escrow by cash down payment. Impound accounts, if any, shall be assigned and charged to Buyer and credited to Seller. Seller is advised that Buyer's assumption of an existing loan may not release Seller from liability on that loan. If this is an assumption of a VA Loan, the sale is contingent upon Seller being provided a release of liability and substitution of eligibility, unless otherwise agreed in writing. If the Property is acquired subject to an existing loan, Buyer and Seller are advised to consult with legal counsel regarding the ability of an existing lender to call the loan due, and the consequences thereof.

4. SALE OF BUYER'S PROPERTY:

A. This Agreement and Buyer's ability to obtain financing are NOT contingent upon the sale of any property owned by Buyer.
OR B. This Agreement and Buyer's ability to obtain financing are contingent upon the sale of property owned by Buyer as specified in the attached addendum (C.A.R. Form COP).

6. **MANUFACTURED HOME PURCHASE:** The purchase of the Property is contingent upon Buyer acquiring a personal property manufactured home to be placed on the Property after Close Of Escrow. Buyer has has not entered into a contract for the purchase of a personal property manufactured home. Within the time specified in paragraph 19, Buyer shall remove this contingency or cancel this Agreement, (or this contingency shall remain in effect until the Close Of Escrow of the Property).

6. **CONSTRUCTION LOAN FINANCING:** The purchase of the Property is contingent upon Buyer obtaining a construction loan. A draw from the construction loan will will not be used to finance the Property. Within the time specified in paragraph 19, Buyer shall remove this contingency or cancel this Agreement (or this contingency shall remain in effect until Close Of Escrow of the Property).

7. ADDENDA AND ADVISORIES:

A. **ADDENDA:** Addendum # _____ (C.A.R. Form ADM)
 Back Up Offer Addendum (C.A.R. Form BUO) Court Confirmation Addendum (C.A.R. Form CCA)
 Septic, Well and Property Monument Addendum (C.A.R. Form SWPI)
 Short Sale Addendum (C.A.R. Form SSA) Other _____

B. **BUYER AND SELLER ADVISORIES:** Buyer's Inspection Advisory (C.A.R. Form BIA)
 Probate Advisory (C.A.R. Form PA) Statewide Buyer and Seller Advisory (C.A.R. Form SBSA)
 Trust Advisory (C.A.R. Form TA) REO Advisory (C.A.R. Form REO)
 Short Sale Information and Advisory (C.A.R. Form SSIA) Other _____

8. **OTHER TERMS:** An additional contingency of this Agreement is that Buyer's purchase of the Property is subject to formal approval by the Buyer's Board of Commissioners. Said contingency will be removed within 14 days after Acceptance

9. ALLOCATION OF COSTS

A. **INSPECTIONS, REPORTS AND CERTIFICATES:** Unless otherwise agreed, in writing, this paragraph only determines who is to pay for the inspection, test, certificate or service ("Report") mentioned; it does not determine who is to pay for any work recommended or identified in the Report.

- (1) Buyer Seller shall pay for a natural hazard zone disclosure report, including tax environmental Other: _____ prepared by _____
- (2) Buyer Seller shall pay for the following Report _____ prepared by _____
- (3) Buyer Seller shall pay for the following Report _____ prepared by _____

B. ESCROW AND TITLE:

- (1) (a) Buyer Seller shall pay escrow fee
(b) Escrow Holder shall be Seller's choice
(c) The Parties shall, within 5 (or _____) Days After receipt, sign and return Escrow Holder's general provisions.
- (2) (a) Buyer Seller shall pay for owner's title insurance policy specified in paragraph 18E
(b) Owner's title policy to be issued by Seller's choice
(Buyer shall pay for any title insurance policy insuring Buyer's lender, unless otherwise agreed in writing.)

C. OTHER COSTS:

- (1) Buyer Seller shall pay County transfer tax or fee _____
- (2) Buyer Seller shall pay City transfer tax or fee _____
- (3) Buyer Seller shall pay Homeowners' Association ("HOA") transfer fee _____
- (4) Seller shall pay HOA fees for preparing all documents required to be delivered by Civil Code §4525.
- (5) Buyer to pay for any HOA certification fee.
- (6) Buyer Seller shall pay HOA fees for preparing all documents other than those required by Civil Code §4525.
- (7) Buyer Seller shall pay for any private transfer fee _____
- (8) Buyer Seller shall pay for _____
- (9) Buyer Seller shall pay for _____

10. **CLOSING AND POSSESSION:** Possession shall be delivered to Buyer: (i) at 6 PM or (12 _____ AM / PM) on the date of Close Of Escrow; (ii) no later than _____ calendar days after Close Of Escrow; or (iii) at _____ AM / PM on _____
The Property shall be unoccupied, unless otherwise agreed in writing. Seller shall provide keys and/or means to operate all Property locks. If Property is located in a common interest subdivision, Buyer may be required to pay a deposit to the Homeowners' Association ("HOA") to obtain keys to accessible HOA facilities.

Buyer's Initials: () ()
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Seller's Initials () ()



11. ITEMS INCLUDED IN AND EXCLUDED FROM SALE:

- A. **NOTE TO BUYER AND SELLER:** Items listed as included or excluded in the MLS, flyers or marketing materials are not included in the purchase price or excluded from the sale unless specified in 11B or C.
- B. **ITEMS INCLUDED IN SALE:**
 - (1) All EXISTING fixtures and fittings that are attached to the Property;
 - (2) The following items: _____
 - (3) Seller represents that all items included in the purchase price, unless otherwise specified, are owned by Seller.
 - (4) All items included shall be transferred free of liens and without Seller warranty.
- C. **ITEMS EXCLUDED FROM SALE:** _____

12. STATUTORY AND OTHER DISCLOSURES AND CANCELLATION RIGHTS:

- A. **NATURAL AND ENVIRONMENTAL HAZARD DISCLOSURES AND OTHER BOOKLETS:** Within the time specified in paragraph 19A, Seller shall, if required by Law: (i) Deliver to Buyer earthquake guide(s) (and questionnaire), environmental hazards booklet; (ii) disclose if the Property is located in a Special Flood Hazard Area; Potential Flooding (Inundation) Area; Very High Fire Hazard Zone; State Fire Responsibility Area; Earthquake Fault Zone; and Seismic Hazard Zone; and (iii) disclose any other zone as required by Law and provide any other information required for those zones.
- B. **WITHHOLDING TAXES:** Within the time specified in paragraph 19A, to avoid required withholding, Seller shall Deliver to Buyer or qualified substitute, an affidavit sufficient to comply with federal (FIRPTA) and California withholding Law (C.A.R. Form AS or QS).
- C. **MEGAN'S LAW DATABASE DISCLOSURE:** Notice: Pursuant to Section 290.46 of the Penal Code, information about specified registered sex offenders is made available to the public via an Internet Web site maintained by the Department of Justice at www.meganslaw.ca.gov. Depending on an offender's criminal history, this information will include either the address at which the offender resides or the community of residence and ZIP Code in which he or she resides. (Neither Seller nor Brokers are required to check this website. If Buyer wants further information, Broker recommends that Buyer obtain information from this website during Buyer's inspection contingency period. Brokers do not have expertise in this area.)
- D. **NOTICE REGARDING GAS AND HAZARDOUS LIQUID TRANSMISSION PIPELINES:** This notice is being provided simply to inform you that information about the general location of gas and hazardous liquid transmission pipelines is available to the public via the National Pipeline Mapping System (NPMS) Internet Web site maintained by the United States Department of Transportation at <http://www.npms.phmsa.dot.gov/>. To seek further information about possible transmission pipelines near the Property, you may contact your local gas utility or other pipeline operators in the area. Contact information for pipeline operators is searchable by ZIP Code and county on the NPMS Internet Web site.
- E. **CONDOMINIUM/PLANNED DEVELOPMENT DISCLOSURES:**
 - (1) SELLER HAS: 7 (or ___) Days After Acceptance to disclose to Buyer whether the Property is a condominium, or is located in a planned development or other common interest subdivision (C.A.R. Form VLQ).
 - (2) If the Property is a condominium or is located in a planned development or other common interest subdivision, Seller has 3 (or ___) Days After Acceptance to request from the HOA (C.A.R. Form HOA1): (i) Copies of any documents required by Law; (ii) disclosure of any pending or anticipated claim or litigation by or against the HOA; (iii) a statement containing the location and number of designated parking and storage spaces; (iv) Copies of the most recent 12 months of HOA minutes for regular and special meetings; and (v) the names and contact information of all HOAs governing the Property (collectively, "CI Disclosures"). Seller shall itemize and Deliver to Buyer all CI Disclosures received from the HOA and any CI Disclosures in Seller's possession. Buyer's approval of CI Disclosures is a contingency of this Agreement as specified in paragraph 19B(3). The Party specified in paragraph 9, as directed by escrow, shall deposit funds into escrow or direct to HOA or management company to pay for any of the above.

13. SELLER DOCUMENTATION AND ADDITIONAL DISCLOSURE:

- A. Within the time specified in paragraph 19, if Seller has actual knowledge, Seller shall provide to Buyer, in writing, the following information:
 - (1) **LEGAL PROCEEDINGS:** Any lawsuits by or against Seller, threatening or affecting the Property, including any lawsuits alleging a defect or deficiency in the Property or common areas, or any known notices of abatement or citations filed or issued against the Property.
 - (2) **AGRICULTURAL USE:** Whether the Property is subject to restrictions for agricultural use pursuant to the Williamson Act (Government Code §§51200-51295).
 - (3) **DEED RESTRICTIONS:** Any deed restrictions or obligations.
 - (4) **FARM USE:** Whether the Property is in, or adjacent to, an area with Right to Farm rights (Civil Code §3482.5 and §3482.6).
 - (5) **ENDANGERED SPECIES:** Presence of endangered, threatened, 'candidate' species, or wetlands on the Property.
 - (6) **ENVIRONMENTAL HAZARDS:** Any substances, materials, or products that may be an environmental hazard including, but not limited to, asbestos, formaldehyde, radon gas, lead-based paint, fuel or chemical storage tanks, and contaminated soil or water on the Property.
 - (7) **COMMON WALLS:** Any features of the Property shared in common with adjoining landowners, such as walls, fences, roads, and driveways, and agriculture and domestic wells whose use or responsibility for maintenance may have an effect on the Property.
 - (8) **LANDLOCKED:** The absence of legal or physical access to the Property.
 - (9) **EASEMENTS/ENCROACHMENTS:** Any encroachments, easements or similar matters that may affect the Property.
 - (10) **SOIL FILL:** Any fill (compacted or otherwise), or abandoned mining operations on the Property.
 - (11) **SOIL PROBLEMS:** Any slippage, sliding, flooding, drainage, grading, or other soil problems.
 - (12) **EARTHQUAKE DAMAGE:** Major damage to the Property or any of the structures from fire, earthquake, floods, or landslides.
 - (13) **ZONING ISSUES:** Any zoning violations, non-conforming uses, or violations of "setback" requirements.
 - (14) **NEIGHBORHOOD PROBLEMS:** Any neighborhood noise problems, or other nuisances.
- B. **RENTAL AND SERVICE AGREEMENTS:** Within the time specified in paragraph 19, Seller shall make available to Buyer for inspection and review, all current leases, rental agreements, service contracts and other related agreements, licenses, and permits pertaining to the operation or use of the Property.
- C. **TENANT ESTOPPEL CERTIFICATES:** Within the time specified in paragraph 19, Seller shall deliver to Buyer tenant estoppel certificates (C.A.R. Form TEC) completed by Seller or Seller's agent, and signed by tenants, acknowledging: (i) that tenants' rental or lease agreements are unmodified and in full force and effect (or if modified, stating all such modifications); (ii) that no lessor defaults exist; and (iii) stating the amount of any prepaid rent or security deposit.

Buyer's initials (AM) (_____)
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Seller's Initials (JS) (_____)



- D. **MELLO-ROOS TAX; 1915 BOND ACT:** Within the time specified in paragraph 19, Seller shall: (i) make a good faith effort to obtain a notice from any local agencies that levy a special tax or assessment on the Property (or, if allowed, substantially equivalent notice), pursuant to the Mello-Roos Community Facilities Act, and Improvement Bond Act of 1915, and (ii) promptly deliver to Buyer any such notice obtained.
- E. **SELLER VACANT LAND QUESTIONNAIRE:** Seller shall, within the time specified in paragraph 19, complete and provide Buyer with a Seller Vacant Land Questionnaire (C.A.R. Form VLO).
- 14. **SUBSEQUENT DISCLOSURES:** In the event Seller, prior to Close Of Escrow, becomes aware of adverse conditions materially affecting the Property, or any material inaccuracy in disclosures, information or representations previously provided to Buyer of which Buyer is otherwise unaware, Seller shall promptly provide a subsequent or amended disclosure or notice, in writing, covering those items. However, a subsequent or amended disclosure shall not be required for conditions and material inaccuracies disclosed in reports ordered and paid for by Buyer.
- 15. **CHANGES DURING ESCROW:**
 - A. Prior to Close Of Escrow, Seller may engage in the following acts, ("Proposed Changes"), subject to Buyer's rights in paragraph 15B: (i) rent or lease any part of the premises; (ii) alter, modify or extend any existing rental or lease agreement; (iii) enter into, alter, modify or extend any service contract(s); or (iv) change the status of the condition of the Property.
 - B. At least 7 (or ___) Days prior to any Proposed Changes, Seller shall give written notice to Buyer of such Proposed Changes. Within 5 (or ___) Days After receipt of such notice, Buyer, in writing, may give Seller notice of Buyer's objection to the Proposed Changes, in which case Seller shall not make the Proposed Changes.
- 16. **CONDITION OF PROPERTY:** Unless otherwise agreed in writing: (i) the Property is sold (a) "AS-IS" in its PRESENT physical condition as of the date of Acceptance and (b) subject to Buyer's Investigation rights; (ii) the Property, including pool, spa, landscaping and grounds, is to be maintained in substantially the same condition as on the date of Acceptance; and (iii) all debris and personal property not included in the sale shall be removed by Close Of Escrow.
 - A. Seller shall, within the time specified in paragraph 19A, DISCLOSE KNOWN MATERIAL FACTS AND DEFECTS affecting the Property, including known insurance claims within the past five years, and make any and all other disclosures required by law.
 - B. Buyer has the right to conduct Buyer Investigations of the property and, as specified in paragraph 19B, based upon information discovered in those investigations: (i) cancel this Agreement; or (ii) request that Seller make Repairs or take other action.
 - C. Buyer is strongly advised to conduct investigations of the entire Property in order to determine its present condition. Seller may not be aware of all defects affecting the Property or other factors that Buyer considers important. Property improvements may not be built according to code, in compliance with current Law, or have had permits issued.
- 17. **BUYER'S INVESTIGATION OF PROPERTY AND MATTERS AFFECTING PROPERTY:**
 - A. Buyer's acceptance of the condition of, and any other matter affecting the Property, is a contingency of this Agreement as specified in this paragraph and paragraph 19B. Within the time specified in paragraph 19B(1), Buyer shall have the right, at Buyer's expense unless otherwise agreed, to conduct inspections, investigations, tests, surveys and other studies ("Buyer Investigations"), including, but not limited to, the right to: (i) inspect for lead-based paint and other lead-based paint hazards; (ii) inspect for wood destroying pests and organisms; (iii) review the registered sex offender database; (iv) confirm the insurability of Buyer and the Property; and (v) satisfy Buyer as to any matter specified in the attached Buyer's Inspection Advisory (C.A.R. Form BIA). Without Seller's prior written consent, Buyer shall neither make nor cause to be made: (i) invasive or destructive Buyer Investigations except for minimally invasive testing; or (ii) inspections by any governmental building or zoning inspector or government employee, unless required by Law.
 - B. Seller shall make the Property available for all Buyer Investigations. Buyer shall (i) as specified in paragraph 19B, complete Buyer Investigations and, either remove the contingency or cancel this Agreement, and (ii) give Seller, at no cost, complete Copies of all investigation reports obtained by Buyer, which obligation shall survive the termination of this Agreement.
 - C. **Buyer Indemnity and Seller protection for entry upon property:** Buyer shall: (i) keep the Property free and clear of liens; (ii) repair all damage arising from Buyer Investigations; and (iii) indemnify and hold Seller harmless from all resulting liability, claims, demands, damages and costs of Buyer's Investigations. Buyer shall carry, or Buyer shall require anyone acting on Buyer's behalf to carry, policies of liability, workers' compensation and other applicable insurance, defending and protecting Seller from liability for any injuries to persons or property occurring during any Buyer Investigations or work done on the Property at Buyer's direction prior to Close Of Escrow. Seller is advised that certain protections may be afforded Seller by recording a "Notice of Non-responsibility" (C.A.R. Form NNR) for Buyer Investigations and work done on the Property at Buyer's direction. Buyer's obligations under this paragraph shall survive the termination or cancellation of this Agreement and Close Of Escrow.
 - D. **BUYER IS STRONGLY ADVISED TO INVESTIGATE THE CONDITION AND SUITABILITY OF ALL ASPECTS OF THE PROPERTY AND ALL MATTERS AFFECTING THE VALUE OR DESIRABILITY OF THE PROPERTY, INCLUDING BUT NOT LIMITED TO, THE ITEMS SPECIFIED BELOW. IF BUYER DOES NOT EXERCISE THESE RIGHTS, BUYER IS ACTING AGAINST THE ADVICE OF BROKERS. BUYER UNDERSTANDS THAT ALTHOUGH CONDITIONS ARE OFTEN DIFFICULT TO LOCATE AND DISCOVER, ALL REAL PROPERTY CONTAINS CONDITIONS THAT ARE NOT READILY APPARENT AND THAT MAY AFFECT THE VALUE OR DESIRABILITY OF THE PROPERTY. BUYER AND SELLER ARE AWARE THAT BROKERS DO NOT GUARANTEE, AND IN NO WAY ASSUME RESPONSIBILITY FOR, THE CONDITION OF THE PROPERTY. BROKERS HAVE NOT AND WILL NOT VERIFY ANY OF THE ITEMS IN THIS PARAGRAPH 17, UNLESS OTHERWISE AGREED IN WRITING.**
 - E. **SIZE, LINES, ACCESS AND BOUNDARIES:** Lot size, property lines, legal or physical access and boundaries including features of the Property shared in common with adjoining landowners, such as walls, fences, roads and driveways, whose use or responsibility for maintenance may have an effect on the Property and any encroachments, easements or similar matters that may affect the Property. (Fences, hedges, walls and other natural or constructed barriers or markers do not necessarily identify true Property boundaries. Property lines may be verified by survey.) (Unless otherwise specified in writing, any numerical statements by Brokers regarding lot size are APPROXIMATIONS ONLY, which have not been and will not be verified, and should not be relied upon by Buyer.)
 - F. **ZONING AND LAND USE:** Past, present, or proposed laws, ordinances, referendums, initiatives, votes, applications and permits affecting the current use of the Property, future development, zoning, building, size, governmental permits and inspections. Any zoning violations, non-conforming uses, or violations of "setback" requirements. (Buyer should also investigate whether these matters affect Buyer's intended use of the Property.)
 - G. **UTILITIES AND SERVICES:** Availability, costs, restrictions and location of utilities and services, including but not limited to, sewerage, sanitation, septic and leach lines, water, electricity, gas, telephone, cable TV and drainage.

Buyer's Initials (DM) (_____)

Seller's Initials (JK) (_____)

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VACANT LAND PURCHASE AGREEMENT (VLPA PAGE 6 OF 11)



- H. ENVIRONMENTAL HAZARDS: Potential environmental hazards, including, but not limited to, asbestos, lead-based paint and other lead contamination, radon, methane, other gases, fuel, oil or chemical storage tanks, contaminated soil or water, hazardous waste, waste disposal sites, electromagnetic fields, nuclear sources, and other substances, including mold (airborne, toxic or otherwise), fungus or similar contaminant, materials, products or conditions.
- I. GEOLOGIC CONDITIONS: Geologic/seismic conditions, soil and terrain stability, suitability and drainage including any slippage, sliding, flooding, drainage, grading, fill (compacted or otherwise), or other soil problems.
- J. NATURAL HAZARD ZONE: Special Flood Hazard Areas, Potential Flooding (Inundation) Areas, Very High Fire Hazard Zones, State Fire Responsibility Areas, Earthquake Fault Zones, Seismic Hazard Zones, or any other zone for which disclosure is required by Law.
- K. PROPERTY DAMAGE: Major damage to the Property or any of the structures or non-structural systems and components and any personal property included in the sale from fire, earthquake, floods, landslides or other causes.
- L. NEIGHBORHOOD, AREA AND PROPERTY CONDITIONS: Neighborhood or area conditions, including Agricultural Use Restrictions pursuant to the Williamson Act (Government Code §§51200-51295), Right To Farm Laws (Civil Code §3482.5 and §3482.6), schools, proximity and adequacy of law enforcement, crime statistics, the proximity of registered felons or offenders, fire protection, other government services, availability, adequacy and cost of any speed-wired, wireless internet connections or other telecommunications or other technology services and installations, proximity to commercial, industrial or agricultural activities, existing and proposed transportation, construction and development that may affect noise, view, or traffic, airport noise, noise or odor from any source, abandoned mining operations on the Property, wild and domestic animals, other nuisances, hazards, or circumstances, protected species, wetland properties, botanical diseases, historic or other governmentally protected sites or improvements, cemeteries, facilities and condition of common areas of common interest subdivisions, and possible lack of compliance with any governing documents or Homeowners' Association requirements, conditions and influences of significance to certain cultures and/or religions, and personal needs, requirements and preferences of Buyer.
- M. COMMON INTEREST SUBDIVISIONS: OWNER ASSOCIATIONS: Facilities and condition of common areas (facilities such as pools, tennis courts, walkways, or other areas co-owned in undivided interest with others), Owners' Association that has any authority over the subject property, CC&Rs, or other deed restrictions or obligations, and possible lack of compliance with any Owners' Association requirements.
- N. SPECIAL TAX: Any local agencies that levy a special tax on the Property pursuant to the Mello-Roos Community Facilities Act or Improvement Bond Act of 1915.
- O. RENTAL PROPERTY RESTRICTIONS: Some cities and counties impose restrictions that limit the amount of rent that can be charged, the maximum number of occupants and the right of a landlord to terminate a tenancy.
- P. MANUFACTURED HOME PLACEMENT: Conditions that may affect the ability to place and use a manufactured home on the Property.

18. TITLE AND VESTING:

- A. Within the time specified in paragraph 18, Buyer shall be provided a current preliminary title report ("Preliminary Report"). The Preliminary Report is only an offer by the title insurer to issue a policy of title insurance and may not contain every item affecting title. Buyer's review of the Preliminary Report and any other matters which may affect title are a contingency of this Agreement as specified in paragraph 19B. The company providing the Preliminary Report shall, prior to issuing a Preliminary Report, conduct a search of the General Index for all Sellers except banks or other institutional lenders selling properties they acquired through foreclosure (REOs), corporations, and government entities. Seller shall within 7 Days After Acceptance, give Escrow Holder a completed Statement of Information.
- B. Title is taken in its present condition subject to all encumbrances, easements, covenants, conditions, restrictions, rights and other matters, whether of record or not, as of the date of Acceptance except for: (I) monetary liens of record (which Seller is obligated to pay off) unless Buyer is assuming those obligations or taking the Property subject to those obligations; and (II) those matters which Seller has agreed to remove in writing.
- C. Within the time specified in paragraph 19A, Seller has a duty to disclose to Buyer all matters known to Seller affecting title, whether of record or not.
- D. At Close Of Escrow, Buyer shall receive a grant deed conveying title (or, for stock cooperative or long-term lease, an assignment of stock certificate or of Seller's leasehold interest), including oil, mineral and water rights if currently owned by Seller. Title shall vest as designated in Buyer's supplemental escrow instructions. THE MANNER OF TAKING TITLE MAY HAVE SIGNIFICANT LEGAL AND TAX CONSEQUENCES. CONSULT AN APPROPRIATE PROFESSIONAL.
- E. Buyer shall receive a "CLTA/ALTA Homeowner's Policy of Title Insurance", if applicable to the type of property and buyer. A title company, at Buyer's request, can provide information about the availability, desirability, coverage, and cost of various title insurance coverages and endorsements. If Buyer desires title coverage other than that required by this paragraph, Buyer shall instruct Escrow Holder in writing and shall pay any increase in cost.

19. TIME PERIODS; REMOVAL OF CONTINGENCIES; CANCELLATION RIGHTS: The following time periods may only be extended, altered, modified or changed by mutual written agreement. Any removal of contingencies or cancellation under this paragraph by either Buyer or Seller must be exercised in good faith and in writing (C.A.R. Form CR or CC).

- A. SELLER HAS: 7 (or ___) Days After Acceptance to Deliver to Buyer all Reports, disclosures and information for which Seller is responsible under paragraphs 3M, 7A, 8, 9, 12A, B, and E, 13, 16A and 18A. Buyer after first Delivering to Seller a Notice to Seller to Perform (C.A.R. Form NSP) may cancel this Agreement if Seller has not Delivered the items within the time specified.
- B. (1) BUYER HAS: 17 (or ___) Days After Acceptance, unless otherwise agreed in writing, to:
 - (i) complete all Buyer Investigations; review all disclosures, reports, and other applicable information, which Buyer receives from Seller; and approve all matters affecting the Property; and (ii) Deliver to Seller Signed Copies of Statutory Disclosures and other disclosures Delivered by Seller in accordance with paragraph 12A.
 - (2) Within the time specified in paragraph 19B(1), Buyer may request that Seller make repairs or take any other action regarding the Property (C.A.R. Form RR). Seller has no obligation to agree to or respond to (C.A.R. Form RRRR) Buyer's requests.
 - (3) By the end of the time specified in paragraph 19B(1) (or as otherwise specified in this Agreement), Buyer shall Deliver to Seller a removal of the applicable contingency or cancellation (C.A.R. Form CR or CC) of this Agreement. However, if any report, disclosure or information for which Seller is responsible is not Delivered within the time specified in paragraph 19A, then Buyer has 5 (or ___) Days After Delivery of any such items, or the time specified in paragraph 19B(1), whichever is later, to Deliver to Seller a removal of the applicable contingency or cancellation of this Agreement.

Buyer's Initials (DM) (_____)

Seller's Initials (JK) (_____)



(4) Continuation of Contingency: Even after the end of the time specified in paragraph 19B(1) and before Seller cancels, if at all, pursuant to paragraph 19C, Buyer retains the right, in writing, to either (i) remove remaining contingencies, or (ii) cancel this Agreement based on a remaining contingency. Once Buyer's written removal of all contingencies is Delivered to Seller, Seller may not cancel this Agreement pursuant to paragraph 19C(1).

C. SELLER RIGHT TO CANCEL:

(1) Seller right to Cancel; Buyer Contingencies: If, by the time specified in this Agreement, Buyer does not Deliver to Seller a removal of the applicable contingency or cancellation of this Agreement, then Seller, after first Delivering to Buyer a Notice to Buyer to Perform (C.A.R. Form NBP), may cancel this Agreement. In such event, Seller shall authorize the return of Buyer's deposit, except for fees incurred by Buyer.

(2) Seller right to Cancel; Buyer Contract Obligations: Seller, after first delivering to Buyer a NBP, may cancel this Agreement if, by the time specified in this Agreement, Buyer does not take the following action(s): (i) Deposit funds as required by paragraph 3A or 3B or if the funds deposited pursuant to paragraph 3A or 3B are not good when deposited; (ii) Deliver a notice of FHA or VA costs or terms as required by paragraph 3D(3) (C.A.R. Form FVA); (iii) Deliver a letter as required by paragraph 3J(1); (iv) Deliver verification as required by paragraph 3C or 3H or if Seller reasonably disapproves of the verification provided by paragraph 3C or 3H; (v) Return Statutory Disclosures as required by paragraph 12A; or (vi) Sign or Initial a separate liquidated damages form for an increased deposit as required by paragraphs 3B and 27B; or (vii) Provide evidence of authority to sign in a representative capacity as specified in paragraph 19. In such event, Seller shall authorize the return of Buyer's deposit, except for fees incurred by Buyer.

D. NOTICE TO BUYER OR SELLER TO PERFORM: The NBP or NSP shall: (i) be in writing; (ii) be signed by the applicable Buyer or Seller; and (iii) give the other Party at least 2 (or ____) Days After Delivery (or until the time specified in the applicable paragraph, whichever occurs last) to take the applicable action. A NBP or NSP may not be Delivered any earlier than 2 Days Prior to the expiration of the applicable time for the other Party to remove a contingency or cancel this Agreement or meet an obligation specified in paragraph 19.

E. EFFECT OF BUYER'S REMOVAL OF CONTINGENCIES: If Buyer removes, in writing, any contingency or cancellation rights, unless otherwise specified in writing, Buyer shall conclusively be deemed to have: (i) completed all Buyer Investigations, and review of reports and other applicable information and disclosures pertaining to that contingency or cancellation right; (ii) elected to proceed with the transaction; and (iii) assumed all liability, responsibility and expense for Repairs or corrections pertaining to that contingency or cancellation right, or for the inability to obtain financing.

F. CLOSE OF ESCROW: Before Buyer or Seller may cancel this Agreement for failure of the other Party to close escrow pursuant to this Agreement, Buyer or Seller must first Deliver to the other Party a demand to close escrow (C.A.R. Form DCE). The DCE shall: (i) be signed by the applicable Buyer or Seller; and (ii) give the other Party at least 3 (or ____) Days After Delivery to close escrow. A DCE may not be Delivered any earlier than 3 Days Prior to the scheduled close of escrow.

G. EFFECT OF CANCELLATION ON DEPOSITS: If Buyer or Seller gives written notice of cancellation pursuant to rights duly exercised under the terms of this Agreement, the Parties agree to Sign mutual instructions to cancel the sale and escrow and release deposits, if any, to the party entitled to the funds, less fees and costs incurred by that party. Fees and costs may be payable to service providers and vendors for services and products provided during escrow. Except as specified below, release of funds will require mutual Signed release instructions from the Parties, judicial decision or arbitration award. If either Party fails to execute mutual instructions to cancel escrow, one Party may make a written demand to Escrow Holder for the deposit (C.A.R. Form BDRD or SDRD). Escrow Holder, upon receipt, shall promptly deliver notice of the demand to the other Party. If, within 10 Days After Escrow Holder's notice, the other Party does not object to the demand, Escrow Holder shall disburse the deposit to the Party making the demand. If Escrow Holder complies with the preceding process, each Party shall be deemed to have released Escrow Holder from any and all claims or liability related to the disbursement of the deposit. Escrow Holder, at its discretion, may nonetheless require mutual cancellation instructions. A Party may be subject to a civil penalty of up to \$1,000 for refusal to sign cancellation instructions if no good faith dispute exists as to who is entitled to the deposited funds (Civil Code §1057.3).

20. REPAIRS: Repairs shall be completed prior to final verification of condition unless otherwise agreed in writing. Repairs to be performed at Seller's expense may be performed by Seller or through others, provided that the work complies with applicable Law, including governmental permit, inspection and approval requirements. Repairs shall be performed in a good, skillful manner with materials of quality and appearance comparable to existing materials. It is understood that exact restoration of appearance or cosmetic items following all Repairs may not be possible. Seller shall: (i) obtain invoices and paid receipts for Repairs performed by others; (ii) prepare a written statement indicating the Repairs performed by Seller and the date of such Repairs; and (iii) provide Copies of invoices and paid receipts and statements to Buyer prior to final verification of condition.

21. FINAL VERIFICATION OF CONDITION: Buyer shall have the right to make a final verification of the Property within 5 (or ____) Days Prior to Close Of Escrow, NOT AS A CONTINGENCY OF THE SALE, but solely to confirm: (i) the Property is maintained pursuant to paragraph 16; (ii) Repairs have been completed as agreed; and (iii) Seller has complied with Seller's other obligations under this Agreement (C.A.R. Form VP).

22. ENVIRONMENTAL HAZARD CONSULTATION: Buyer and Seller acknowledge: (i) Federal, state, and local legislation impose liability upon existing and former owners and users of real property, in applicable situations, for certain legislatively defined, environmentally hazardous substances; (ii) Broker(s) has/have made no representation concerning the applicability of any such Law to this transaction or to Buyer or to Seller, except as otherwise indicated in this Agreement; (iii) Broker(s) has/have made no representation concerning the existence, testing, discovery, location and evaluation of/for, and risks posed by, environmentally hazardous substances, if any, located on or potentially affecting the Property; and (iv) Buyer and Seller are each advised to consult with technical and legal experts concerning the existence, testing, discovery, location and evaluation of/for, and risks posed by, environmentally hazardous substances, if any, located on or potentially affecting the Property.

Buyer's Initials ([Signature]) (_____)

Seller's Initials ([Signature]) (_____)



23. PRORATIONS OF PROPERTY TAXES AND OTHER ITEMS: Unless otherwise agreed in writing, the following items shall be PAID CURRENT and prorated between Buyer and Seller as of Close Of Escrow: real property taxes and assessments, interest, rents, HOA regular, special, and emergency dues and assessments imposed prior to Close Of Escrow, premiums on insurance assumed by Buyer, payments on bonds and assessments assumed by Buyer, and payments on Mello-Roos and other Special Assessment District bonds and assessments that are now a lien. The following items shall be assumed by Buyer WITHOUT CREDIT toward the purchase price: prorated payments on Mello-Roos and other Special Assessment District bonds and assessments and HOA special assessments that are now a lien but not yet due. Property will be reassessed upon change of ownership. Any supplemental tax bills shall be paid as follows: (I) for periods after Close Of Escrow, by Buyer; and (II) for periods prior to Close Of Escrow, by Seller (see C.A.R. Form SPT or SBSA for further information). TAX BILLS ISSUED AFTER CLOSE OF ESCROW SHALL BE HANDLED DIRECTLY BETWEEN BUYER AND SELLER. Prorations shall be made based on a 30-day month.

24. BROKERS:

- A. **COMPENSATION:** Seller or Buyer, or both, as applicable, agrees to pay compensation to Broker as specified in a separate written agreement between Broker and that Seller or Buyer. Compensation is payable upon Close Of Escrow, or if escrow does not close, as otherwise specified in the agreement between Broker and that Seller or Buyer.
- B. **SCOPE OF DUTY:** Buyer and Seller acknowledge and agree that Broker: (i) Does not decide what price Buyer should pay or Seller should accept; (ii) Does not guarantee the condition of the Property; (iii) Does not guarantee the performance, adequacy or completeness of inspections, services, products or repairs provided or made by Seller or others; (iv) Does not have an obligation to conduct an inspection of common areas or areas off the site of the Property; (v) Shall not be responsible for identifying defects on the Property, in common areas, or offsite unless such defects are visually observable by an inspection of reasonably accessible areas of the Property or are known to Broker; (vi) Shall not be responsible for inspecting public records or permits concerning the title or use of Property; (vii) Shall not be responsible for identifying the location of boundary lines or other items affecting title; (viii) Shall not be responsible for verifying square footage, representations of others or information contained in investigation reports, Multiple Listing Service, advertisements, flyers or other promotional material; (ix) Shall not be responsible for determining the fair market value of the Property or any personal property included in the sale; (x) Shall not be responsible for providing legal or tax advice regarding any aspect of a transaction entered into by Buyer or Seller; and (xi) Shall not be responsible for providing other advice or information that exceeds the knowledge, education and experience required to perform real estate licensed activity. Buyer and Seller agree to seek legal, tax, insurance, title and other desired assistance from appropriate professionals.

25. REPRESENTATIVE CAPACITY: If one or more Parties is signing the Agreement in a representative capacity and not for him/herself as an individual then that Party shall so indicate in paragraph 37 or 38 and attach a Representative Capacity Signature Disclosure (C.A.R. Form RCSD). Wherever the signature or initials of the representative identified in the RCSD appear on the Agreement or any related documents, it shall be deemed to be in a representative capacity for the entity described and not in an individual capacity, unless otherwise indicated. The Party acting in a representative capacity (i) represents that the entity for which that party is acting already exists and (ii) shall Deliver to the other Party and Escrow Holder, within 3 Days After Acceptance, evidence of authority to act in that capacity (such as but not limited to: applicable portion of the trust or Certification Of Trust (Probate Code §18100.5), letters testamentary, court order, power of attorney, corporate resolution, or formation documents of the business entity).

26. JOINT ESCROW INSTRUCTIONS TO ESCROW HOLDER:

- A. The following paragraphs, or applicable portions thereof, of this Agreement constitute the joint escrow instructions of Buyer and Seller to Escrow Holder, which Escrow Holder is to use along with any related counter offers and addenda, and any additional mutual instructions to close the escrow: paragraphs 1, 3, 4B, 5, 6, 7A, 8, 9, 12B, 18, 19G, 23, 24A, 25, 26, 32, 35, 36, 37, 38 and paragraph D of the section titled Real Estate Brokers on page 11. If a Copy of the separate compensation agreement(s) provided for in paragraph 24A, or paragraph D of the section titled Real Estate Brokers on page 10 is deposited with Escrow Holder by Broker, Escrow Holder shall accept such agreement(s) and pay out from Buyer's or Seller's funds, or both, as applicable, the Broker's compensation provided for in such agreement(s). The terms and conditions of this Agreement not set forth in the specified paragraphs are additional matters for the information of Escrow Holder, but about which Escrow Holder need not be concerned. Buyer and Seller will receive Escrow Holder's general provisions, if any, directly from Escrow Holder and will execute such provisions within the time specified in paragraph 9B(1)(c). To the extent the general provisions are inconsistent or conflict with this Agreement, the general provisions will control as to the duties and obligations of Escrow Holder only. Buyer and Seller will execute additional instructions, documents and forms provided by Escrow Holder that are reasonably necessary to close the escrow and, as directed by Escrow Holder, within 3 (or ___) Days, shall pay to Escrow Holder or HOA or HOA management company or others any fee required by paragraphs 9, 12 or elsewhere in this Agreement.
- B. A Copy of this Agreement including any counter offer(s) and addenda shall be delivered to Escrow Holder within 3 Days After Acceptance (or _____). Buyer and Seller authorize Escrow Holder to accept and rely on Copies and Signatures as defined in this Agreement as originals, to open escrow and for other purposes of escrow. The validity of this Agreement as between Buyer and Seller is not affected by whether or when Escrow Holder Signs this Agreement. Escrow Holder shall provide Seller's Statement of Information to Title company when received from Seller. If Seller delivers an affidavit to Escrow Holder to satisfy Seller's FIRPTA obligation under paragraph 12B, Escrow Holder shall deliver to Buyer a Qualified Substitute statement that complies with federal Law.
- C. Brokers are a party to the escrow for the sole purpose of compensation pursuant to paragraph 24A and paragraph D of the section titled Real Estate Brokers on page 11. Buyer and Seller irrevocably assign to Brokers compensation specified in paragraph 24A, and irrevocably instruct Escrow Holder to disburse those funds to Brokers at Close Of Escrow or pursuant to any other mutually executed cancellation agreement. Compensation instructions can be amended or revoked only with the written consent of Brokers. Buyer and Seller shall release and hold harmless Escrow Holder from any liability resulting from Escrow Holder's payment to Broker(s) of compensation pursuant to this Agreement.
- D. Upon receipt, Escrow Holder shall provide Seller and Seller's Broker verification of Buyer's deposit of funds pursuant to paragraph 3A and 3B. Once Escrow Holder becomes aware of any of the following, Escrow Holder shall immediately notify all Brokers: (i) if Buyer's initial or any additional deposit is not made pursuant to this Agreement, or is not good at time of deposit with Escrow Holder; or (ii) if Buyer and Seller instruct Escrow Holder to cancel escrow.

Buyer's Initials () (_____)

Seller's Initials () (_____)

E. A Copy of any amendment that affects any paragraph of this Agreement for which Escrow Holder is responsible shall be delivered to Escrow Holder within 3 Days after mutual execution of the amendment.

27. REMEDIES FOR BUYER'S BREACH OF CONTRACT:

- A. Any clause added by the Parties specifying a remedy (such as release or forfeiture of deposit or making a deposit non-refundable) for failure of Buyer to complete the purchase in violation of this Agreement shall be deemed invalid unless the clause independently satisfies the statutory liquidated damages requirements set forth in the Civil Code.
- B. **LIQUIDATED DAMAGES:** If Buyer fails to complete this purchase because of Buyer's default, Seller shall retain, as liquidated damages, the deposit actually paid. Buyer and Seller agree that this amount is a reasonable sum given that it is impractical or extremely difficult to establish the amount of damages that would actually be suffered by Seller in the event Buyer were to breach this Agreement. Release of funds will require mutual, Signed release instructions from both Buyer and Seller, judicial decision or arbitration award. **AT TIME OF ANY INCREASED DEPOSIT BUYER AND SELLER SHALL SIGN A SEPARATE LIQUIDATED DAMAGES PROVISION INCORPORATING THE INCREASED DEPOSIT AS LIQUIDATED DAMAGES (C.A.R.FORM RID).**

Buyer's Initials [Signature] / _____

Seller's Initials [Signature] / _____

28. DISPUTE RESOLUTION:

A. **MEDIATION:** The Parties agree to mediate any dispute or claim arising between them out of this Agreement, or any resulting transaction, before resorting to arbitration or court action through the C.A.R. Consumer Mediation Center (www.consumermediation.org) or through any other mediation provider or service mutually agreed to by the Parties. The Parties also agree to mediate any disputes or claims with Broker(s), who, in writing, agree to such mediation prior to, or within a reasonable time after, the dispute or claim is presented to the Broker. Mediation fees, if any, shall be divided equally among the Parties involved. If, for any dispute or claim to which this paragraph applies, any Party (i) commences an action without first attempting to resolve the matter through mediation, or (ii) before commencement of an action, refuses to mediate after a request has been made, then that Party shall not be entitled to recover attorney fees, even if they would otherwise be available to that Party in any such action. **THIS MEDIATION PROVISION APPLIES WHETHER OR NOT THE ARBITRATION PROVISION IS INITIALED.** Exclusions from this mediation agreement are specified in paragraph 28C.

B. ARBITRATION OF DISPUTES:

The Parties agree that any dispute or claim in Law or equity arising between them out of this Agreement or any resulting transaction, which is not settled through mediation, shall be decided by neutral, binding arbitration. The Parties also agree to arbitrate any disputes or claims with Broker(s), who, in writing, agree to such arbitration prior to, or within a reasonable time after, the dispute or claim is presented to the Broker. The arbitrator shall be a retired judge or justice, or an attorney with at least 5 years of transactional real estate Law experience, unless the parties mutually agree to a different arbitrator. The Parties shall have the right to discovery in accordance with Code of Civil Procedure §1283.05. In all other respects, the arbitration shall be conducted in accordance with Title 9 of Part 3 of the Code of Civil Procedure. Judgment upon the award of the arbitrator(s) may be entered into any court having jurisdiction. Enforcement of this agreement to arbitrate shall be governed by the Federal Arbitration Act. Exclusions from this arbitration agreement are specified in paragraph 28C.

"NOTICE: BY INITIALING IN THE SPACE BELOW YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION DECIDED BY NEUTRAL ARBITRATION AS PROVIDED BY CALIFORNIA LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR JURY TRIAL. BY INITIALING IN THE SPACE BELOW YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS THOSE RIGHTS ARE SPECIFICALLY INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY."

"WE HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION TO NEUTRAL ARBITRATION."

Buyer's Initials [Signature] / _____

Seller's Initials [Signature] / _____

C. ADDITIONAL MEDIATION AND ARBITRATION TERMS:

- (1) **EXCLUSIONS:** The following matters are excluded from mediation and arbitration: (i) a judicial or non-judicial foreclosure or other action or proceeding to enforce a deed of trust, mortgage or installment land sale contract as defined in Civil Code §2985; (ii) an unlawful detainer action; and (iii) any matter that is within the jurisdiction of a probate, small claims or bankruptcy court.
- (2) **PRESERVATION OF ACTIONS:** The following shall not constitute a waiver nor violation of the mediation and arbitration provisions: (i) the filing of a court action to preserve a statute of limitations; (ii) the filing of a court action to enable the recording of a notice of pending action, for order of attachment, receivership, injunction, or other provisional remedies; or (iii) the filing of a mechanic's lien.
- (3) **BROKERS:** Brokers shall not be obligated nor compelled to mediate or arbitrate unless they agree to do so in writing. Any Broker(s) participating in mediation or arbitration shall not be deemed a party to the Agreement.

29. SELECTION OF SERVICE PROVIDERS: Brokers do not guarantee the performance of any vendors, service or product providers ("Providers"), whether referred by Broker or selected by Buyer, Seller or other person. Buyer and Seller may select ANY Providers of their own choosing.

Buyer's Initials ([Signature]) (_____)
VLP A REVISED 12/18 (PAGE 9 OF 11)

Seller's Initials ([Signature]) (_____)

Property Address: Ave Serrano - APN # 007-261-030, El Granada, CA 94019

Date: March 29, 2019

- 30. **MULTIPLE LISTING SERVICE ("MLS"):** Brokers are authorized to report to the MLS a pending sale and, upon Close Of Escrow, the sales price and other terms of this transaction shall be provided to the MLS to be published and disseminated to persons and entities authorized to use the information on terms approved by the MLS.
- 31. **ATTORNEY FEES:** In any action, proceeding, or arbitration between Buyer and Seller arising out of this Agreement, the prevailing Buyer or Seller shall be entitled to reasonable attorneys fees and costs from the non-prevailing Buyer or Seller, except as provided in paragraph 28A.
- 32. **ASSIGNMENT:** Buyer shall not assign all or any part of Buyer's interest in this Agreement without first having obtained the written consent of Seller. Such consent shall not be unreasonably withheld unless otherwise agreed in writing. Any total or partial assignment shall not relieve Buyer of Buyer's obligations pursuant to this Agreement unless otherwise agreed in writing by Seller (C.A.R. Form AOAA).
- 33. **EQUAL HOUSING OPPORTUNITY:** The Property is sold in compliance with federal, state and local anti-discrimination Laws.
- 34. **TERMS AND CONDITIONS OF OFFER:** This is an offer to purchase the Property on the above terms and conditions. The liquidated damages paragraph or the arbitration of disputes paragraph is incorporated in this Agreement if initialed by all Parties or if incorporated by mutual agreement in a counteroffer or addendum. If at least one but not all Parties initial, a counter offer is required until agreement is reached. Seller has the right to continue to offer the Property for sale and to accept any other offer at any time prior to notification of Acceptance. Buyer has read and acknowledges receipt of a Copy of the offer and agrees to the confirmation of agency relationships. If this offer is accepted and Buyer subsequently defaults, Buyer may be responsible for payment of Brokers' compensation. This Agreement and any supplement, addendum or modification, including any Copy, may be Signed in two or more counterparts, all of which shall constitute one and the same writing.
- 35. **TIME OF ESSENCE; ENTIRE CONTRACT; CHANGES:** Time is of the essence. All understandings between the Parties are incorporated in this Agreement. Its terms are intended by the Parties as a final, complete and exclusive expression of their Agreement with respect to its subject matter, and may not be contradicted by evidence of any prior agreement or contemporaneous oral agreement. If any provision of this Agreement is held to be ineffective or invalid, the remaining provisions will nevertheless be given full force and effect. Except as otherwise specified, this Agreement shall be interpreted and disputes shall be resolved in accordance with the Laws of the State of California. Neither this Agreement nor any provision in it may be extended, amended, modified, altered or changed, except in writing Signed by Buyer and Seller.
- 36. **DEFINITIONS:** As used in this Agreement:
 - A. "Acceptance" means the time the offer or final counter offer is accepted in writing by a Party and is delivered to and personally received by the other Party or that Party's authorized agent in accordance with the terms of this offer or a final counter offer.
 - B. "Agreement" means this document and any counter offers and any incorporated addenda, collectively forming the binding agreement between the Parties. Addenda are incorporated only when Signed by all Parties.
 - C. "C.A.R. Form" means the most current version of the specific form referenced or another comparable form agreed to by the parties.
 - D. "Close Of Escrow" means the date the grant deed, or other evidence of transfer of title, is recorded.
 - E. "Copy" means copy by any means including photocopy, NCR, facsimile and electronic.
 - F. "Days" means calendar days. However, after Acceptance, the last Day for performance of any act required by this Agreement (including Close Of Escrow) shall not include any Saturday, Sunday, or legal holiday and shall instead be the next Day.
 - G. "Days After" means the specified number of calendar days after the occurrence of the event specified, not counting the calendar date on which the specified event occurs, and ending at 11:59 PM on the final day.
 - H. "Days Prior" means the specified number of calendar days before the occurrence of the event specified, not counting the calendar date on which the specified event is scheduled to occur.
 - I. "Deliver", "Delivered" or "Delivery", unless otherwise specified in writing, means and shall be effective upon: personal receipt by Buyer or Seller or the individual Real Estate Licensee for that principal as specified in the section titled Real Estate Brokers on page 11, regardless of the method used (i.e., messenger, mail, email, fax, other).
 - J. "Electronic Copy" or "Electronic Signature" means, as applicable, an electronic copy or signature complying with California Law. Buyer and Seller agree that electronic means will not be used by either Party to modify or alter the content or integrity of this Agreement without the knowledge and consent of the other Party.
 - K. "Law" means any law, code, statute, ordinance, regulation, rule or order, which is adopted by a controlling city, county, state or federal legislative, judicial or executive body or agency.
 - L. "Repairs" means any repairs (including pest control), alterations, replacements, modifications or retrofitting of the Property provided for under this Agreement.
 - M. "Signed" means either a handwritten or electronic signature on an original document, Copy or any counterpart.
- 37. **EXPIRATION OF OFFER:** This offer shall be deemed revoked and the deposit, if any, shall be returned to Buyer unless the offer is Signed by Seller and a Copy of the Signed offer is personally received by Buyer, or by _____ who is authorized to receive it, by 5:00 PM on the third Day after this offer is signed by Buyer (or by _____ AM/ _____ PM, on _____ (date)).

One or more Buyers is signing the Agreement in a representative capacity and not for him/herself as an individual. See attached Representative Capacity Signature Disclosure (C.A.R. Form RCSD-B) for additional terms.

Date 3-29-19 BUYER _____
 (Print name) San Mateo City Harbor District by John Koren
 Date _____ BUYER _____
 (Print name) _____

Additional Signature Addendum attached (C.A.R. Form ASA).

Seller's Initials (JK) (_____)

Property Address: Ave Portola, APM # 047-261-030, El Granada, CA 94013

Date: March 28, 2019

38. ACCEPTANCE OF OFFER: Seller warrants that Seller is the owner of the Property, or has the authority to execute this Agreement. Seller accepts the above offer and agrees to sell the Property on the above terms and conditions, and agrees to the above confirmation of agency relationships. Seller has read and acknowledges receipt of a Copy of this Agreement, and authorizes Broker to Deliver a Signed Copy to Buyer.

(If checked) SELLER'S ACCEPTANCE IS SUBJECT TO ATTACHED COUNTER OFFER (C.A.R. Form SCO or SMCO) DATED:

One or more Sellers is signing the Agreement in a representative capacity and not for him/herself as an individual. See attached Representative Capacity Signature Disclosure (C.A.R. Form RCSD-S) for additional terms.

Date 3/28/19 SELLER [Signature]

Date SELLER

Additional Signature Addendum attached (C.A.R. Form ASA).

(Initials) (Do not initial if making a counter offer.) CONFIRMATION OF ACCEPTANCE: A Copy of Signed Acceptance was personally received by Buyer or Buyer's authorized agent on (date) at AM/ PM. A binding Agreement is created when a Copy of Signed Acceptance is personally received by Buyer or Buyer's authorized agent whether or not confirmed in this document. Completion of this confirmation is not legally required in order to create a binding Agreement; it is solely intended to evidence the date that Confirmation of Acceptance has occurred.

REAL ESTATE BROKERS:

- A. Real Estate Brokers are not parties to the Agreement between Buyer and Seller.
B. Agency relationships are confirmed as stated in paragraph 2.
C. If specified in paragraph 3A(2), Agent who submitted the offer for Buyer acknowledges receipt of deposit.
D. COOPERATING (BUYER'S) BROKER COMPENSATION: Seller's Broker agrees to pay Buyer's Broker and Buyer's Broker agrees to accept, out of Seller's Broker's proceeds in escrow, the amount specified in the MLS, provided Buyer's Broker is a Participant of the MLS in which the Property is offered for sale or a reciprocal MLS.
E. PRESENTATION OF OFFER: Pursuant to Standard of Practice 1-7, if Buyer's Broker makes a written request, Seller's Broker shall confirm in writing that this offer has been presented to Seller.

Buyer's Brokerage Firm Turner Real Estate DRE Lic. # 01321692
By Brent Turner DRE Lic. # 00933635 Date
Address 80 N. Cabrillo Highway, Q-613 City Half Moon Bay State CA Zip 94019
Telephone (650)726-1733 Fax (888)744-3428 E-mail brent@trealestate.net
Seller's Brokerage Firm Coldwell Banker DRE Lic. # 01908304
By Jane Gung DRE Lic. # 00478786 Date 5/2/19
By Barbara Laven DRE Lic. # 01361161 Date 5/2/19
Address 248 Main St Ste 200 City Half Moon Bay State CA Zip 94019
Telephone 650 726 1100 Fax 726 8676 E-mail barbara.laven@cbnorcal.com

ESCROW HOLDER ACKNOWLEDGMENT:

Escrow Holder acknowledges receipt of a Copy of this Agreement, (if checked, a deposit in the amount of \$ counter offer numbers Seller's Statement of Information and supplemental escrow instructions and the terms of Escrow Holder's general provisions. Escrow Holder is advised that the date of Confirmation of Acceptance of the Agreement as between Buyer and Seller is Escrow Holder By Escrow # Address Date Phone/Fax/E-mail Escrow Holder has the following license number # Department of Business Oversight, Department of Insurance, Department of Real Estate.

PRESENTATION OF OFFER: Seller's Broker presented this offer to Seller on (date). Broker or Designee Initials

REJECTION OF OFFER: No counter offer is being made. This offer was rejected by Seller on (date). Seller's Initials

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Buyer's Acknowledge that page 11 is part of this Agreement (Signature)





BUYER'S VACANT LAND ADDITIONAL INSPECTION ADVISORY

(C.A.R. Form BVLIA, 11/13)

Property Address: Ava Fortofo- APN # 017-261-030, El Granada, CA 94018 ("Property").

A. IMPORTANCE OF PROPERTY INVESTIGATION: The physical condition of the land and improvements being purchased is not guaranteed by either Seller or Brokers. For this reason, you should conduct thorough investigations of the Property personally and with professionals who should provide written reports of their investigations. A general physical inspection typically does not cover all aspects of the Property nor items affecting the Property that are not physically located on the Property. If the professionals recommend further investigations, including a recommendation by a pest control operator to inspect inaccessible areas of the Property, you should contact qualified experts to conduct such additional investigations. Additionally, some inspections, such as those listed below, may be of particular importance when purchasing vacant land.

B. BUYER RIGHTS AND DUTIES: You have an affirmative duty to exercise reasonable care to protect yourself, including discovery of the legal, practical and technical implications of disclosed facts, and the investigation and verification of information and facts that you know or that are within your diligent attention and observation. The purchase agreement gives you the right to investigate the Property. If you exercise this right, and you should, you must do so in accordance with the terms of that agreement. This is the best way for you to protect yourself. It is extremely important for you to read all written reports provided by professionals and to discuss the results of inspections with the professional who conducted the inspection. You have the right to request that Seller make repairs; corrections or take other action based upon items discovered in your investigations or disclosed by Seller. If Seller is unwilling or unable to satisfy your requests, or you do not want to purchase the Property in its disclosed and discovered condition, you have the right to cancel the agreement if you act within specific time periods. If you do not cancel the agreement in a timely and proper manner, you may be in breach of contract.

C. SELLER RIGHTS AND DUTIES: Seller is required to disclose to you material facts known to him/her that affect the value or desirability of the Property. However, Seller may not be aware of some Property defects or conditions. Seller does not have an obligation to inspect the Property for your benefit nor is Seller obligated to repair, correct or otherwise cure known defects that are disclosed to you or previously unknown defects that are discovered by you or your inspectors during escrow. The purchase agreement obligates Seller to make the Property available to you for investigations.

D. BROKER OBLIGATIONS: Brokers do not have expertise in all areas and therefore cannot advise you on many items, such as soil stability, geologic or environmental conditions, hazardous or illegal controlled substances, structural conditions of the foundation or other improvements, or the condition of the roof, plumbing, heating, air conditioning, electrical, sewer, septic, waste disposal, or other system. The only way to accurately determine the condition of the Property is through an inspection by an appropriate professional selected by you. If Broker gives you referrals to such professionals, Broker does not guarantee their performance. You may select any professional of your choosing. If you have entered into a written agreement with a Broker, the specific terms of that agreement will determine the nature and extent of that Broker's duty to you. YOU ARE STRONGLY ADVISED TO INVESTIGATE THE CONDITION AND SUITABILITY OF ALL ASPECTS OF THE PROPERTY. IF YOU DO NOT DO SO, YOU ARE ACTING AGAINST THE ADVICE OF BROKERS.

E. YOU ARE ADVISED TO CONDUCT INVESTIGATIONS OF THE ENTIRE PROPERTY, INCLUDING, BUT NOT LIMITED TO THE FOLLOWING:

- 1. FINANCE: Financing the purchase of vacant land finance and especially financing construction loans for the improvement of vacant land can provide particular challenges, including subordination agreements and insurance requirements. Buyer is advised to seek the assistance of reputable lenders in assistance with their decisions regarding financing of the property.
2. CONSTRUCTION COSTS: If Buyer is contemplating building improvements on the property, Buyer is advised that they will have to contact directly any contractors, service providers, suppliers, architects, utility companies regarding the costs of improvements. Buyer is advised to get written bids from all such persons regarding their decision to develop the property.
3. UTILITIES: Unimproved property may or may not have utilities available to the property. Buyer(s) is advised to obtain information from the public or private utility provider about the availability and cost of providing utilities to the property and whether necessary easements are in place to allow such utilities to the property.
4. ENVIRONMENTAL SURVEY: Unimproved land may have had or may have hazardous materials stored upon or under the land or been used by persons engaged in activities exposing the land to hazardous materials. The land may also be host to protected vegetation or animal life. Buyer(s) is advised to satisfy themselves as what hazards or protected plant or animal life are on the property and what impact they may have on Buyer's future plans for the property by seeking the help of a qualified professional.

Buyer's Initials [Signature]

Seller's Initials [Signature]

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BVLIA 11/13 (PAGE 1 OF 2)



BUYER'S VACANT LAND ADDITIONAL INSPECTION ADVISORY (BVLIA PAGE 1 OF 2)

Terraz Real Estate, 90 N. Cabrillo Hwy, Q-613 Half Moon Bay CA 94019
Brend Turner

Phone: 6507261133
Produced with zipForm® by zipLogix 18070 Fifteen Mile Road, Fraser, Michigan 49026 www.zipLogix.com

Fax: 8887443428

Harbor

Property Address: Ave Fortola- APN # 047-251-020, El Granada, CA 94018

Date: _____

- 5. **NATURAL HAZARDS REPORTS:** Buyer(s) is advised that while certain disclosures are required by state, federal and local laws, hazard disclosure companies can provide additional disclosures for both natural and man-made hazards or nuisances for a cost. Buyer is advised to seek the advice of a natural hazards reporting company regarding additional reports and disclosures that buyer may wish to obtain.
- 6. **SUBDIVISION OF THE PROPERTY:** If Buyer's plans include future subdivision of the property (whether under the Subdivision Map Act of the Subdivided Lands Law) multiple, complex issues regarding city, county, state, and federal laws may be presented. Buyer is strongly advised to seek the advice of California legal counsel familiar with federal, state and local subdivision requirements.

Buyer and Seller acknowledge and agree that Broker: (i) Does not decide what price Buyer should pay or Seller should accept; (ii) Does not guarantee the condition of the Property; (iii) Does not guarantee the performance, adequacy or completeness of inspections, services, products or repairs provided or made by Seller or others; (iv) Does not have an obligation to conduct an inspection of common areas or areas off the site of the Property; (v) Shall not be responsible for identifying defects on the Property, in common areas, or offsite unless such defects are visually observable by an inspection of reasonably accessible areas of the Property or are known to Broker; (vi) Shall not be responsible for inspecting public records or permits concerning the title or use of Property; (vii) Shall not be responsible for identifying the location of boundary lines or other items affecting title; (viii) Shall not be responsible for verifying square footage, representations of others or information contained in investigation reports, Multiple Listing Service, advertisements, flyers or other promotional material; (ix) Shall not be responsible for providing legal or tax advice regarding any aspect of a transaction entered into by Buyer or Seller; and (x) Shall not be responsible for providing other advice or information that exceeds the knowledge, education and experience required to perform real estate licensed activity. Buyer and Seller agree to seek legal, tax, insurance, title and other desired assistance from appropriate professionals.

By signing below, Buyer and Seller each acknowledge that they have read, understand, accept and have received a Copy of this Advisory. Buyer is encouraged to read it carefully.

SELLER  Date 5/2/19

SELLER _____ Date _____

BUYER  Date 3-29-19
Sun Mateo City Harbor District by John Moran

BUYER _____ Date _____

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BVLIA 11/13 (PAGE 2 OF 2)



BUYER'S VACANT LAND ADDITIONAL INSPECTION ADVISORY (BVLIA PAGE 2 OF 2)

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Harbor

BALANCE SHEET

SMCHD

As of: 4/30/2019

Balances

Fund: 100 - General Fund-Mixed Activity
Assets

110.005 Petty Cash	2,250.00
110.018 Local Agency Investment Fund	7,169.48
110.019 San Mateo County Investment	16,655,061.61
110.026 Operating - US Bank	1,418,178.71
110.027 Payroll - US Bank	-232,000.91
110.040 Accounts Receivable - OPM	132,895.59
110.042 Accounts Receivable - PPH	348,933.18
110.044 DBAW SAVE / Fund Assist Rec.	67,561.56
110.140 Allowance for Bad Debt - OPM	-94,716.12
110.142 Allowance for Bad Debt - PPH	-141,371.77
110.150 Prepaid Expenses	14,614.58
110.152 Prepaid Postage	5,014.37
110.154 Prepaid Insurance	59,620.79
110.155 Prepaid Workers Comp Insurance	53,843.91
110.156 Prepaid CalPERS UAL	185,097.50
110.181 SECURITY DEPOSIT-504 ALHAMBRA	21,000.00
115.000 Deferred Outflows	1,628,501.00
120.079 Construction In Progress	641,505.84
145.000 ADMIN Fixed Assets	13,847.06
146.000 ADMIN Accumulated Depreciation	-2,192.41
147.000 OPM Fixed Assets	25,096,244.46
148.000 OPM Accumulated Depreciation	-16,242,159.94
149.000 PPH Fixed Assets	20,417,875.91
150.000 PPH Accumulated Depreciation	-12,559,465.03
153.000 PPH Land	13,081,020.33

Total Assets

50,578,329.70

Liabilities

210.055 Accrued Liabilities	415,000.00
210.064 Accrued PTO;S/L;PTO-OT	280,757.35
210.068 Customer Prepays-PPH	170,024.60
210.069 Customer Prepays - OPM	36,580.56
210.070 Cust.Deposit Payable - OPM	109,162.14
210.071 Cust.Deposit Payable - PPH	254,021.92
210.089 Deferred Revenue -Current <1yr	28,236.38
210.095 Longevity Benefit Payable	2,527,570.00
210.096 FSA PAYABLE	-221.90
210.100 GASB 68 PensionLiability	5,012,109.00
215.000 Deferred Inflows	184,635.00
220.050 WETA Deferred Rev-Dock Loss	2,994,545.36

Total Liabilities

12,012,420.41

Reserves/Balances

300.410 District Office Reserve	1,526,217.00
300.750 Payables Reserve	527,016.59
300.800 Customer Deposits & Prepayment	629,939.51
300.850 Termination Benefit Liab. Res	2,527,570.00
300.900 Unassigned Reserve	11,394,297.03

BALANCE SHEET

SMCHD

As of: 4/30/2019

Balances

Fund: 100 - General Fund-Mixed Activity
Reserves/Balances

390.000 Fund Balance 23,381,717.24
398.000 Change In Fund Balance -1,420,848.08

Total Reserves/Balances 38,565,909.29

Total Liabilities & Balances 50,578,329.70





**CALIFORNIA
ASSOCIATION
OF REALTORS®**

ADDENDUM

(C.A.R. Form ADM, Revised 12/16)

No. 7

The following terms and conditions are hereby incorporated in and made a part of the: Purchase Agreement, Residential Lease or Month-to-Month Rental Agreement, Transfer Disclosure Statement (Note: An amendment to the TDS may give the Buyer a right to rescind), Other _____

dated March 29, 2019, on property known as Ave Portola - APN # 047-251-030
Granada, CA 94018

in which San Mateo Cty Harbor District by John Brown is referred to as ("Buyer/Tenant")
and _____ is referred to as ("Seller/Landlord")

1. # 8 - Contingency regarding board approval is hereby removed

The foregoing terms and conditions are hereby agreed to, and the undersigned acknowledge receipt of a copy of this document.

Date 4-2-19

Date 5/2/19

Buyer/Tenant _____

Seller/Landlord John Brown

San Mateo Cty Harbor District by John Brown

Buyer/Tenant _____

Seller/Landlord _____

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ADM REVISED 12/15 (PAGE 1 OF 1)

ADDENDUM (ADM PAGE 1 OF 1)





CALIFORNIA
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**POSSIBLE REPRESENTATION OF MORE THAN ONE BUYER
OR SELLER - DISCLOSURE AND CONSENT**

(C.A.R. Form PRBS, Revised 12/18)

A real estate broker (Broker), whether a corporation, partnership or sole proprietorship, may represent more than one buyer or seller. This multiple representation can occur through an individual licensed as a broker or salesperson or through different individual broker's or salespersons (associate licensees) acting under the Broker's license. The associate licensees may be working out of the same or different office locations.

Multiple Buyers: Broker (individually or through its associate licensees) may be working with many prospective buyers at the same time. These prospective buyers may have an interest in, and make offers on, the same properties. Some of these properties may be listed with Broker and some may not. Broker will not limit or restrict any particular buyer from making an offer on any particular property whether or not Broker represents other buyers interested in the same property.

Multiple Sellers: Broker (individually or through its associate licensees) may have listings on many properties at the same time. As a result, Broker will attempt to find buyers for each of those listed properties. Some listed properties may appeal to the same prospective buyers. Some properties may attract more prospective buyers than others. Some of these prospective buyers may be represented by Broker and some may not. Broker will market all listed properties to all prospective buyers whether or not Broker has another or other listed properties that may appeal to the same prospective buyers.

Dual Agency: If Seller is represented by Broker, Seller acknowledges that broker may represent prospective buyers of Seller's property and consents to Broker acting as a dual agent for both seller and buyer in that transaction. If Buyer is represented by Broker, buyer acknowledges that Broker may represent sellers of property that Buyer is interested in acquiring and consents to Broker acting as a dual agent for both buyer and seller with regard to that property.

In the event of dual agency, seller and buyer agree that: a dual agent may not, without the express permission of the respective party, disclose to the other party confidential information, including, but not limited to, facts relating to either the buyer's or seller's financial position, motivations, bargaining position, or other personal information that may impact price, including the seller's willingness to accept a price less than the listing price or the buyer's willingness to pay a price greater than the price offered; and except as set forth above, a dual agent is obligated to disclose known facts materially affecting the value or desirability of the Property to both parties.

Offers not necessarily confidential: Buyer is advised that seller or listing agent may disclose the existence, terms, or conditions of buyer's offer unless all parties and their agent have signed a written confidentiality agreement. Whether any such information is actually disclosed depends on many factors, such as current market conditions, the prevailing practice in the real estate community, the listing agent's marketing strategy and the instructions of the seller.

Buyer and seller understand that Broker may represent more than one buyer or more than one seller and even both buyer and seller on the same transaction and consents to such relationships.

Seller and/or Buyer acknowledges reading and understanding this Possible Representation of More Than One Buyer or Seller - Disclosure and Consent and agrees to the agency possibilities disclosed.

Seller [Signature] Date 5/2/19
Seller _____ Date _____

Buyer _____ Date _____
Buyer [Signature] San Diego City Harbor District by John Fern Date 3-29-19
Buyer _____ Date _____

Buyer's Brokerage Firm Turner Real Estate DRE Lic # 01321822 Date _____
By Brent Turner DRE Lic # 00933635 Date _____

Seller's Brokerage Firm Coldwell Banker DRE Lic # 01908304 Date 5/2/19
By [Signature] [Signature] DRE Lic # 00478786 Date _____
01361161

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PRBS REVISED 12/18 (PAGE 1 OF 1)

POSSIBLE REPRESENTATION OF MORE THAN ONE BUYER OR SELLER (PRBS PAGE 1 OF 1)

Turner Real Estate, 80 N. Cabrillo Hwy, Q-613 Half Moon Bay CA 94019
Brent Turner

Phone: 6507261133
Produced with zipForm® by zipLogix 18070 Fifteen Mile Road, Fraser, Michigan 48026 www.zipLogix.com

Fax: 8887443428

Harbor



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**WIRE FRAUD AND ELECTRONIC FUNDS
TRANSFER ADVISORY**
(C.A.R. Form WFA, Revised 12/17)

Property Address: Ave Portola- APM # 047-251-030, El Granada, CA 94018

("Property").

WIRE FRAUD AND ELECTRONIC FUNDS TRANSFERS ADVISORY:

The ability to communicate and conduct business electronically is a convenience and reality in nearly all parts of our lives. At the same time, it has provided hackers and scammers new opportunities for their criminal activity. Many businesses have been victimized and the real estate business is no exception.

While wiring or electronically transferring funds is a welcome convenience, we all need to exercise extreme caution. Emails attempting to induce fraudulent wire transfers have been received and have appeared to be legitimate. Reports indicate that some hackers have been able to intercept emailed transfer instructions, obtain account information and, by altering some of the data, redirect the funds to a different account. It also appears that some hackers were able to provide false phone numbers for verifying the wiring or funds transfer instructions. In those cases, the victim called the number provided to confirm the instructions, and then unwittingly authorized a transfer to somewhere or someone other than the intended recipient.

ACCORDINGLY, YOU ARE ADVISED:

1. Obtain phone numbers and account numbers only from Escrow Officers, Property Managers, or Landlords at the beginning of the transaction.
2. DO NOT EVER WIRE OR ELECTRONICALLY TRANSFER FUNDS PRIOR TO CALLING TO CONFIRM THE TRANSFER INSTRUCTIONS. ONLY USE A PHONE NUMBER YOU WERE PROVIDED PREVIOUSLY. Do not use any different phone number or account number included in any emailed transfer instructions.
3. Orally confirm the transfer instruction is legitimate and confirm the bank routing number, account numbers and other codes before taking steps to transfer the funds.
4. Avoid sending personal information in emails or texts. Provide such information in person or over the telephone directly to the Escrow Officer, Property Manager, or Landlord.
5. Take steps to secure the system you are using with your email account. These steps include creating strong passwords, using secure WiFi, and not using free services.

If you believe you have received questionable or suspicious wire or funds transfer instructions, immediately notify your bank, and the other party, and the Escrow Office, Landlord, or Property Manager. The sources below, as well as others, can also provide information:

Federal Bureau of Investigation: <https://www.fbi.gov/>; the FBI's IC3 at www.ic3.gov; or 310-477-6565

National White Collar Crime Center: <http://www.nw3c.org/>

On Guard Online: <https://www.onguardonline.gov/>

NOTE: There are existing alternatives to electronic and wired fund transfers such as cashier's checks. By signing below, the undersigned acknowledge that each has read, understands and has received a copy of this Wire Fraud and Electronic Funds Transfer Advisory.

Buyer/Tenant [Signature] San Mateo City Harbor District by John Moran Date 7-29-19
 Buyer/Tenant _____ Date _____
 Seller/Landlord [Signature] _____ Date 5/2/19
 Seller/Landlord _____ Date _____

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WFA REVISED 12/17 (PAGE 1 OF 1)

WIRE FRAUD AND ELECTRONIC FUNDS TRANSFER ADVISORY (WFA PAGE 1 OF 1)



Staff Report

TO: Board of Harbor Commissioners

FROM: Julie van Hoff, Director of Administrative Services

DATE: June 19, 2019

SUBJECT: 2019 Special District Risk Management Authority (SDRMA) Board of Directors Election

Recommendation/Motion:

This Commission may consider voting for up to three (3) candidates for the 2019 Special District Risk Management Authority Board of Directors Election or may take no action.

Background:

The Harbor District is a member of the Special District Risk Management Authority (SDRMA), through which the District purchases liability, workers' compensation and property insurance. The five-member Board of Directors serve staggered 4-year terms and elections are held every two years. The SDRMA Board is the governing body responsible for policy decisions related to member services.

The following is a list of candidates:

- Bob Swan (Incumbent) – Groveland Community Services District
- Jesse D. Claypool – Honey Lake Valley Resource Conservation District
- Patrick K. O'Rourke, MPA/CFRM – Redwood Regional Economic Development Commission
- Sandy Seifert-Raffelson (Incumbent) – Herlong Public Utility District
- James (Jim) M. Hamlin, Burney Water District

Candidate statements of qualifications are included in the attachment.

Recommendation:

The Commission may consider voting for up to three (3) candidates for the 2019 Special District Risk Management Authority Board of Directors Election with the official ballot returned by August 21, 2019.

The Commission may also consider taking no action.

Attachments:

[2019 SDRMA Board of Directors Election Packet](#)



SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY

2019 BOARD OF DIRECTORS ELECTION

OFFICIAL ELECTION BALLOT ENCLOSED

This is an official election packet that contains items that require ACTION by your Agency's governing body for the selection of up to three (3) candidates to the SDRMA Board of Directors.

ELECTION PACKET ENCLOSURES

- Election Ballot Instructions
- Official Election Ballot (Action Required)
- Candidate's Statements of Qualifications (5)
- Self-addressed, Stamped Envelope

SDRMA'S BOARD OF DIRECTORS ELECTION BALLOT INSTRUCTIONS

Notification of nominations for three (3) seats on the Special District Risk Management Authority's (SDRMA's) Board of Directors was mailed to the membership in January 2019.

On May 2, 2019, SDRMA's Election Committee reviewed the nomination documents submitted by the candidates in accordance with SDRMA's Policy No. 2017-10 Establishing Guidelines for Director Elections. The Election Committee confirmed that five (5) candidates met the qualification requirements and those names are included on the Official Election Ballot.

Enclosed is the Official Election Ballot along with a Statement of Qualifications as submitted by each candidate. Election instructions are as follows:

1. The enclosed Official Election Ballot must be used to ensure the integrity of the balloting process.
2. After selecting up to three (3) candidates, your agency's governing body must approve the enclosed Official Election Ballot at a public meeting. **Ballots containing more than three (3) candidate selections will be considered invalid and not counted.**
3. The signed Official Election Ballot MUST be sealed and received by mail or hand delivery at SDRMA's office on or before 4:30 p.m. on Wednesday, August 21, 2019 to the address below. A self-addressed, stamped envelope is enclosed. Faxes or electronic transmissions are NOT acceptable.

Special District Risk Management Authority
Election Committee
1112 "I" Street, Suite 300
Sacramento, California 95814

4. The four-year terms for newly elected Directors will begin on January 1, 2020 and terminate on December 31, 2023.
5. Important balloting and election dates are:

August 21, 2019:	Deadline for members to return the signed Official Election Ballot
August 22, 2019:	Ballots are opened and counted
August 23, 2019:	Election results are announced, and candidates notified
September 25, 2019:	Newly elected Directors are introduced at the SDRMA Annual Breakfast to be held in Anaheim at the CSDA Annual Conference
November 6-7, 2019:	Newly elected Directors are invited to attend SDRMA board meeting (Sacramento)
January 2020:	Newly elected Directors are seated, and Board officer elections are held

If you have any questions regarding the election and balloting process, please do not hesitate to call SDRMA's Chief Operating Officer Paul Frydendal at 800.537.7790.



**OFFICIAL 2019 ELECTION BALLOT
SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY
BOARD OF DIRECTORS**

VOTE FOR ONLY THREE (3) CANDIDATES

Mark each selection directly onto the ballot, voting for no more than three (3) candidates. Each candidate may receive only one (1) vote per ballot. A ballot received with more than three (3) candidates selected will be considered invalid and not counted. All ballots must be sealed and received by mail or hand delivery in the enclosed self-addressed, stamped envelope at SDRMA on or before 4:30 p.m., Wednesday, August 21, 2019. Faxes or electronic transmissions are NOT acceptable.

- BOB SWAN (INCUMBENT)**
Board Member, Groveland Community Services District
- JESSE D. CLAYPOOL**
Board Chair, Honey Lake Valley Resource Conservation District
- PATRICK K. O’ROURKE, MPA/CFRM**
Board Member, Redwood Region Economic Development Commission
- SANDY SEIFERT- RAFFELSON (INCUMBENT)**
Finance Manager/Treasurer, Herlong Public Utility District
- JAMES (Jim) M. HAMLIN**
Board President, Burney Water District

ADOPTED this ____ day of _____, 2019 by the San Mateo County Harbor District at a public meeting by the following votes:

AYES: _____
 NOES: _____
 ABSTAIN: _____
 ABSENT: _____

ATTEST: _____ APPROVED: _____

**Special District Risk Management Authority
Board of Directors
Candidate's Statement of Qualifications**

This information will be distributed to the membership with the ballot, "exactly as submitted" by the candidates – no attachments will be accepted. No statements are endorsed by SDRMA.

Candidate* Bob Swan

District/Agency Groveland Community Services District (GCSD)

Work Address P.O. Box 350, Groveland, CA 95321

Work Phone (209) 962-7161

Home Phone (408) 398-4731

*The name or nickname and any designations (i.e. CPA, SDA, etc.) you enter here will be printed on the official ballot, exactly as submitted.

Why do you want to serve on the SDRMA Board of Directors? (Response Required)

I am a current Board member. I would like to be elected to a second term because:

1. As a board member of Groveland CSD, I am particularly aware of the great value that smaller districts get from SDRMA, and I'd like to continue to do my part to make sure that this important agency continues to operate smoothly and stably into the indefinite future.
2. The insurance market in California (and nationwide) is going through a period of rapid change. The Board and staff are engaged in a major re-evaluation of SDRMA's approach to fulfilling its mission of providing cost-effective risk management services to its members. I believe that it is important to maintain Board continuity in this effort.
3. SDRMA Board members are either board members ("electeds") or employees of a member agency. I think there is value in having a balance between elected and employee Board members. The Board seats that are NOT up for election are currently 3 employees / 1 elected. I'd like to make sure the new Board has at least 2 elected members.

What Board or committee experience do you have that would help you to be an effective Board Member? (SDRMA or any other organization) (Response Required)

1. SDRMA Board Member since 2016. This year (2019), I serve as Secretary. During our "no CEO" period in late 2017 - early 2018, I was a member of the ad hoc Personnel Committee. I am also a member of the Alliance Executive Council, and a backup member of the Legislative Committee.
2. Groveland CSD Board Member since I was appointed in June 2013. For the years 2014-2018, I served as Board President. (We finally implemented mandatory rotation of the office in 2019).
3. Member of the Board of Southside Community Connections, a local nonprofit in Groveland that provides educational, social, and recreational services to seniors, as well as free transportation to those who cannot drive.
4. Board Member (currently Treasurer) of Pine Cone Performers, a local choral and acting group, since 2010.
5. Back during my work life, I was a corporate representative on an IEEE standards committee concerned with wireless networking. It was very educational being on a committee where the members had widely differing (competing) goals.

**Special District Risk Management Authority
Board of Directors
Candidate's Statement of Qualifications**

**What special skills, talents, or experience (including volunteer experience) do you have?
(Response Required)**

History: BS Physics, MS Computer Science. 3 years in USAF. 30 years in the semiconductor industry, first as an engineering manager, later as a business unit manager. Now retired (so I have plenty of time).

Skills, etc.: Very familiar with financial reports, cost accounting, quantitative analysis. Working knowledge of modern computer and communications technology. Managed distributed organizations with up to 150 technical people and up to \$120M in annual sales. Pretty good at listening to different views, and helping to achieve consensus (or, at least, compromise).


What is your overall vision for SDRMA? (Response Required)

Well, obviously I support our (newly revised) vision statement: "To be the exemplary public agency risk pool of choice for California special districts and other public agencies". In order to achieve this vision, I believe the key issues are:

1. Maintain long term financial stability. This includes ensuring that there is a fair allocation of cost versus risk across the pool membership.
2. Continue to retain / acquire highly qualified staff, and ensure that this is a desirable place to work.
3. Remember who are our target clientele, which in my opinion are small to mid-sized districts with limited options for insurance.
4. In light of ever-evolving California workers-compensation law, expand risk-management training even further than we now provide.
5. Maintain good relations with our re-insurers (who insulate us from catastrophe). In the long run, explore the possibility of joining a "captive" re-insurer to improve stability.

I certify that I meet the candidate qualifications as outlined in the SDRMA election policy. I further certify that I am willing to serve as a director on SDRMA's Board of Directors. I will commit the time and effort necessary to serve. Please consider my application for nomination/candidacy to the Board of Directors.

Candidate Signature

 Date 4-24-2019

**Special District Risk Management Authority
Board of Directors
Candidate's Statement of Qualifications**

**What special skills, talents, or experience (including volunteer experience) do you have?
(Response Required)**

My experience with special districts and governance, belief in the importance of quality governing policies, the ability to work effectively with the other board members and staff and a desire to give back to SDRMA and its membership will be what I bring to the SDRMA Board of Directors.

What is your overall vision for SDRMA? (Response Required)

For SDRMA to continually advance as an industry leader providing affordable solutions for special districts of any size enabling them to be effective within the communities they serve.

I certify that I meet the candidate qualifications as outlined in the SDRMA election policy. I further certify that I am willing to serve as a director on SDRMA's Board of Directors. I will commit the time and effort necessary to serve. Please consider my application for nomination/candidacy to the Board of Directors.

Candidate Signature



Date

4-26-19

**Special District Risk Management Authority
Board of Directors
Candidate's Statement of Qualifications**

This information will be distributed to the membership with the ballot, "exactly as submitted" by the candidates – **no attachments will be accepted**. No statements are endorsed by SDRMA.

Candidate* Patrick K. O'Rourke, MPA/CFRM
District/Agency Redwood Region Economic Development Commission (RREDC)
Work Address 520 E Street Eureka, CA 95501
Work Phone 707-445-9651 Home Phone 707-726-6700

*The name or nickname and any designations (i.e. CPA, SDA, etc.) you enter here will be printed on the official ballot, exactly as submitted.

Why do you want to serve on the SDRMA Board of Directors? (Response Required)

I have considerable interest, knowledge, and experience in board leadership; board service; and board governance/policy development & oversight in for-profits, nonprofits, a joint powers authority/SDRMA member organization, and as an elected city councilman. I also have considerable experience (as a top-level executive board leader and manager) in organizational risk management and risk mitigation/prevention. I would like to share my knowledge, skills, abilities, and experience in service to SDRMA members, via my service on SDRMA's board of directors. I believe that my knowledge, experience, and dedication to excellence and implementation of best practices in governance and policy development/oversight will serve SDRMA well, and will assist SDRMA in maintaining its "Excellence" accreditation via the California Association of Joint Powers Authorities (CAJPA).

What Board or committee experience do you have that would help you to be an effective Board Member? (SDRMA or any other organization) (Response Required)

Having served in board leadership roles (25+ years in for-profit entities; 25+ years in nonprofit & private/public foundations; and 2+ years in a Joint Powers Authority [SDRMA member organization]), I am well-versed and experienced in board governance; policy development; financial statement analysis and budget review; executive management search/selection, oversight and evaluation; organizational risk management/mitigation; litigation oversight; and best practices in organizational governance. At SDRMA member organization, Redwood Region Economic Development Commission (RREDC), I have served as 2019 Immediate Past Chair; 2018 Board Chair; 2017 Vice Chair; Chair of Executive Committee; and Member of the Loan Committee. I have in-depth knowledge of policy governance (Culver, et al.); I am an advocate for transparency & best practices; and I am knowledgeable & experienced in California's Ralph M. Brown Act and Roberts Rules of Order. I have also served in board governance and board leadership roles in several nonprofit organizations and in both public and private foundations, including as Board Chair (12+ years) and in President & Vice President roles. I have also Chaired Search/Selection committees; Public Relations committees; Fund Development committees; and Finance/Audit committees.

**Special District Risk Management Authority
Board of Directors
Candidate's Statement of Qualifications**

**What special skills, talents, or experience (including volunteer experience) do you have?
(Response Required)**

Besides holding a Master of Public Affairs degree, with a specialty in nonprofit management; having completed all coursework and written/oral exams (all except dissertation) for a PhD in Mass Communication, with a specialty in public relations and a cognate in organizational communication management, I have several other directly-relevant skills/talents/experience including: I am expertly adept at executive-level relationship development and stewardship, and have served as an organizational & industry advocate and liaison working closely with community organizations, local/county/state elected officials, and public/private entities/organizations and foundations. I am expertly adept at financial and operational analysis, and at asset/portfolio management and risk mitigation. I have taught for-credit university courses in corporate leadership; in entrepreneurial leadership research and practice; as well as having published peer-reviewed academic research on leadership in public relations.

What is your overall vision for SDRMA? (Response Required)

My vision for SDRMA would be for SDRMA to continue to add value to its members; operate with the highest ethical practices and transparency; continue in providing excellence in service, education, safety and compliance training; help members to mitigate and reduce risk; provide expedient claims review and response; provide members with state-of-the-art education and information; educate members to minimize losses/risk in member workplaces; and to continue to provide members with comprehensive coverage for property/liability, workers comp, and health benefits.

I would envision SDRMA management and staff enjoying a quality of life that will ensure their happiness and continue an atmosphere of dedicated service to SDRMA members. I would also envision that SDRMA will continue to operate with efficiencies that minimize costs/expenses, continue to enable SDRMA to maintain competitive premium rates, and (when possible) lower organizational and member costs. I would also envision a governing board that embraces and employs best governing practices in all areas of policy development; executive management oversight; financial review/audit; and in investing and spreading portfolio assets to minimize portfolio investment risks and maximize return on investments. Finally, I would envision SDRMA, and its management team/staff, operating in ways that will continue to earn accreditation "Excellence" from the California Association of Joint Powers Authorities (CAJPA).

I certify that I meet the candidate qualifications as outlined in the SDRMA election policy. I further certify that I am willing to serve as a director on SDRMA's Board of Directors. I will commit the time and effort necessary to serve. Please consider my application for nomination/candidacy to the Board of Directors.

Candidate Signature _____

Date _____

3/25/1959 2019

**Special District Risk Management Authority
Board of Directors
Candidate's Statement of Qualifications**

This information will be distributed to the membership with the ballot, "exactly as submitted" by the candidates No statements are endorsed by SDRMA.

Candidate* Sandy Seifert-Raffelson

District/Agency Herlong Public Utility District

Work Address 447-855 Plumas St., P o Box 115, Herlong, CA 96113

Work Phone (530) 827-3150 Cell Phone (530) 310-4320

*The name or nickname and any designations (i.e. CPA, SDA, etc.) you enter here will be printed on the official ballot, exactly as submitted.

Why do you want to serve on the SDRMA Board of Directors?

I am a current Board member of SDRMA and feel that I have added my financial background to make better informed decisions for our members. As a Board member, I continue to improve my education of insurance issues and look forward to representing small District's and Northern California as a voice on the SDRMA Board. I feel I am an asset to the Board with my degree in Business and my 30 plus years' experience in accounting and auditing.

I understand the challenges that small District face every day when it comes to managing liability insurance, worker's compensation and health insurance for a few employees with limit revenue and staff. My education and experience give me an appreciation of the importance of risk management services and programs, especially for smaller District that lack expertise with insurance issues on a daily basis.

I feel I am an asset to this Board, and would love a chance to stay on 4 more years!

What Board or committee experience do you have that would help you to be an effective Board Member? (SDRMA or any other organization)

While serving on the SDRMA Board, I have been privilege to be Secretary of the Board for two years, and currently the Vice-President. I have served on CSDA's Audit and Financial Committee's for 6 years; I have served on the SDLF Board; Northeastern Rural Health Clinic Board; Fair Board; School and Church boards; 4-H Council and leader for 15 years; and UC Davis Equine Board. In the past 25 years, I have learn that there is no "I" in Board and it can be very rewarding to be part of a team that makes a difference for others.

As part of my many duties working with Herlong PUD, I worked to form the District and was directly involved with LAFCo, Lassen County Board of Supervisors and County Clerk to establish the initial Board of Directors and first Policies for HPUD. I have administered the financial portion of 2 large capital improvement project with USDA as well as worked on the first ever successful water utility privatization project with the US Army and Department of Defense. I am currently working on a 4.2 million grant from California for new infrastructure for the small District HPUD absorb through LAFCo in 2017. I am also the primary administrator of a federal contract for utility services with the Federal Bureau of Prison and the US Army.

**Special District Risk Management Authority
Board of Directors
Candidate's Statement of Qualifications**

What special skills, talents, or experience (including volunteer experience) do you have?

I have my Bachelor's Degree in Business with a minor in Sociology. I have audited Small Districts for 5 years, worked for a Small District for almost 15 years and have over 30 years of accounting experience. I am a good communicator and organizer. I have served on several Boards and feel I work well within groups or special committee. I am willing to go that extra mile to see things get completed.

I believe in recognition for jobs well done. I encourage incentive programs that get members motivated to participate and strive to do their very best to keep all losses at a minimum and reward those with no losses.


I have completed my Certificate for Special District Board Secretary/Clerk Program in both regular and advance course work through CSDA and co-sponsored by SDRMA. I have completed the CSDA Special District Leadership Academy and Special District Governance Academy. I am in the processes of getting my small District re-certified for their District of Transparency and hope one day to attain our District of Distinction.

I work for a District in Northeastern California that has under gone major changes from a Cooperative Company to a 501c12 Corporation, to finally a Public Utility District. I have worked with LAFCo to become a District. Also our small District consolidated another small District into our District. Through past experience I feel I make a great Board member representing the small districts of Northern California and their unique issues and will make decisions that would help all rural/small districts.

What is your overall vision for SDRMA?

For SDRMA to be at the top of the risk management field and to continue communicating and listening to the needs of all California Special Districts and meeting those needs at a reasonable price that Special Districts can afford. I would like to continue education and rewards for no claims and explore avenues of financial endeavors that will benefit our customers.

I certify that I meet the candidate qualifications as outlined in the SDRMA election policy. I further certify that I am willing to serve as a director on SDRMA's Board of Directors. I will commit the time and effort necessary to serve. Please consider my application for nomination/candidacy to the Board of Directors.

Candidate Signature  Date 4/16/19

**Special District Risk Management Authority
Board of Directors
Candidate's Statement of Qualifications**

This information will be distributed to the membership with the ballot, "exactly as submitted" by the candidates
- no attachments will be accepted. No statements are endorsed by SDRMA.

Candidate* James (Jim) M. Hamlin
District/Agency Burney Water District
Work Address 20222 Hudson St. Burney, Ca. 96013
Work Phone (530) 335-3582 Cell Phone _____

*The name or nickname and any designations (i.e. CPA, SDA, etc.) you enter here will be printed on the official ballot, exactly as submitted.

Why do you want to serve on the SDRMA Board of Directors? (Response Required)

Hope to serve and help with decisions being made to both strengthen SDRMA and
move into new areas. Our districts are facing new challenges constantly.

**What Board or committee experience do you have that would help you to be an effective Board Member?
(SDRMA or any other organization) (Response Required)**

See Next

**Special District Risk Management Authority
Board of Directors
Candidate's Statement of Qualifications**

What special skills, talents, or experience (including volunteer experience) do you have? (Response Required)

September 1972 until January 2014, owned and operated a Insurance brokerage
Sold business and retired.

Board Member of Mayers Memorial Hospital District From 1990 until 2014
Served on the Associal of Hospital Districts for six years.

Served on the board of Burney Water District the previous six years. Current
Serving on Mayers Memorial Hospital Financial Board.

What is your overall vision for SDRMA? (Response Required)

SDRMA Board must be strong and protect the concerns of their members. Need
to have a listening ear for the districts that are represented. Need to
use caution when jumping into new areas, not jepordise their strong programs
and beliefs for new programs.

I certify that I meet the candidate qualifications as outlined in the SDRMA election policy. I further certify that I am willing to serve as a director on SDRMA's Board of Directors. I will commit the time and effort necessary to serve. Please consider my application for nomination/candidacy to the Board of Directors.

Candidate Signature

James M. Hamble

Date

3-27-2019



Activity Report

TO: Board of Harbor Commissioners
FROM: Julie van Hoff, Director of Administrative Services
DATE: June 19, 2019
PERIOD: May 2019

Harbor Commissioner Meetings

- Regular Commission Meeting – May 20, 2019

Public Records Act Requests (PRAs)

- **New PRA Requests**
 - Lisa Damrosch, Morning Star Fisheries, LLC – 5/30/19
 - Transparent CA- 2017 & 2018 Employee Compensation Reports -5/9/19
- **PRA Completed**
 - Lisa Damrosch – Morning Star & Three Captains – 10/13/18
 - John Sims, Commodore – OPYC – 10/29/18
 - John Ullom – Failed CFD & Fuel Storage Tank Leak at Oyster Point – 3/13/19
 - John Ullom – Pillar Point Fuel System – 3/26/19
 - Transparent CA - 2017 & 2018 Employee Compensation Reports - 5/9/19

Accounting/Finance

- **Operations**
 - Accounts Payable (A/P)
 - Processed two A/P runs
 - Uploaded Positive Pay to US BANK
 - Processed recurring journal entries
 - Accounts Receivable (A/R)
 - Daily cash batch review, account adjustment review
 - Month-end – The Marina Program (TMP) to general ledger reconciliation and rollover to next period
 - State of California Franchise Tax Board Intercept program – received and filed reports and payments
 - Assisted with collections of major balances, filing of liens, and sale of boats
 - Prepared and reviewed monthly A/R report for PPH and OPM

- Met with management to review “problem” accounts
 - Sent accounts to collections
 - Banking
 - Reconciled all bank and investment accounts
 - Prepared wire transfer for purchase of land
 - Purchasing/Contracts
 - Updated Contract summary and major contract reconciliations
 - Payroll – biweekly
 - Processed two payroll cycles
 - Uploaded CALPERS/ICMA reports for 457 savings plans
 - Reported CALPERS pension plan information
- **Fiscal Year 2017-18 Audit & Financial Report**
 - Coordinated exit conference
 - Prepared staff report for June 19 presentation of the 2017/18 Audited Financial Statements to the Commission.
- **Board Meeting – May 20, 2019**
 - Prepared Bills & Claims report
 - Prepared Legal Fees report
 - Prepared 2019/20 Third Quarter Financial Statements & Spending Authority
- **Grants**
 - Requested DBW SAVE reimbursement for \$50,532 – In progress
 - Requested DBW SAVE reimbursement for \$5,401 – In progress
 - OPM/SSF Fuel Dock Reimbursement for \$7,979 – In progress
- **Special Projects**
 - Set up District Amazon Prime account
 - Beginning implementation of District text, phone, and/or email notification system.
 - Creating identification and badge card templates.
- **Budget**
 - Prepared and presented Fiscal Year 2019/20 Draft Final Budget at May Harbor Commission meeting.
 - Prepared Fiscal Year 2019/10 Final Budget document and power point presentation.
 - Updated Organizational Chart.
 - Prepared Resolution for June Board Meeting.

Human Resources

- **Prepared Check Request for Medical & Life Insurance**
 - OE3 Trust Fund
 - Teamsters
 - SDRMA Medical
 - SDRMA Ancillary
- **Personnel**
 - Worked on filing personnel paperwork
 - Assisted with one verification of employment
 - Prepared PTO payout paperwork per employee request.
 - Prepared position description for Administrative Analyst-Communications

- Prepared staff report recommending Ogletree, Deakins, Nash, Smoak & Stewart as highest rated proposer in the RFP for employment and labor legal issues. Coordinating signing of approved Professional Services Agreement.
- Worked with RGS on leave paperwork for four employees.
- Provided retirement benefit information to one employee.
- Provided medical benefits information to one employee going on FMLA leave.
- Assisted employee with removing a dependent from medical insurance.
- Assisted employee's dependent with prescription benefits.
- Updated health insurance enrollment for one employee.
- **Employment Recruitment**
 - Assisted with Deputy Harbormaster A&B recruitment and met with PPH staff to debrief. Scheduled seventeen interviews. Sent out three notifications for conditional offer of employment and notifications to other candidates.
 - Opened recruitment for Accountant position.
 - Provided information to CPS HR Consulting for Harbormaster recruitment.
 - Set up account with CalOpps for employment advertisement.

Miscellaneous

- **Policy Updates**
 - In process of creating list of District Policies and corresponding recommended CSDA Policies.
 - Continued update to employee and commissioner expenditure reimbursement policies.
 - Prepared proposed edits to Policy 1.1.1- Code of Ethics and Values policy.
- **Leases/CAPs/Special Events**
 - Requested Statement(s) of Earnings that were past due.
 - Filed lease documents.
 - Created invoice for Cartel Management Special Event Permit for use of District Property during surfing event at Mavericks surf break.
 - Prepared 2019/20 Third Quarter Rent Report.
- **Risk Management**
 - Coordinated SDRMA Safety training for administrative staff.
 - Attended Navigation Awareness Training.
 - Attended Tsunami Workshop held at Pillar Point Harbor.
 - Assisted at the Disaster Preparedness Event in Half Moon Bay.
- **Other**
 - Continued training of staff & temporary employee on payroll and other Accountant position functions.
 - Updated District's website.
 - Worked on organizing District records in compliance with Records Retention Policy.
 - Scanned incoming mail.
 - Continued bi-weekly Business Process Documentation & Improvement meetings- topics included Fee and Rate schedule and recruitments.
 - Attended San Mateo Finance Officer's Group (SAMFOG) at Woodside Town Hall.
 - Updated District's Rates & Fees schedule.

- Prepared information regarding five years of revenue records related to OPM Fuel System.
- Requested quote from Caspian for remote meeting equipment.



Activity Report

TO: Board of Harbor Commissioners

FROM: John Moren, Interim GM

DATE: June 19, 2019

PERIOD: May 2019

Pillar Point Harbor:

Construction Update & General Status Updates:

- Misc. maintenance work in progress throughout the marina
- Landscaping in facility
- Sport Rock Fish Season opened on April 1st
- Commercial Crab Season has closed

Miscellaneous:

- 395 Launches
- Seeking bids for Pillar Point Harbor Boat Launch Ramp Dredging, bids were due May 1, 2019, reviewing single bid received.
- Currently recruiting for the position of Harbormaster A. Deadline for applications was Wednesday, May 15, 2019.
- CPR/AED/Blood Borne Pathogen Training
- SMCHD Social Media Team Assistance

Occupancy Overview:

- Total occupancy: 100%, 369 slips, 369 occupied.

Search and Rescue Activity Highlights & Urgent Need Activities:

- 5/1 thru 5/31
 - 14 Search & Rescue
 - 34 Patrol Vessel & DHM Calls
 - 5 Medical Calls
 - 8 Law Enforcement Calls
 - 11 Environmental Resource Protection Calls
 - 45 Allied Agency Engagements/Assistance

EMS-Clean Marina Activities:

- Vessel inspections are ongoing

PPH Staff:

PPH Team participated in helo training with USCG May 18th



Oyster Point Marina/Park

General Status & Construction Update:

- Misc. maintenance work in progress throughout the marina.
- Kilroy Development Project continues, OPM on Generator Power, Kilroy contractors hope to have the marina off generator and on temp PG&E in late June
- Daily dock checks & Storm checks
- Spring cleaning

Miscellaneous:

- Crew Training continued to cross train with USCG and PPH staff. OPM staff trained with USCG Rescue Swimmers.



- Registration, Liveboard, insurance and operability enforcement efforts continue.
- Halibut fishing full swing shaping up to be a big year. Lots of launch ramp activity.

Occupancy Overview:

- On 5/31/19 occupancy: 79.5% 408 slips, 324 occupied

Search and Rescue Activity Highlights & Urgent Need Activities:

- 5/1 thru 5/31: 11 vessel activities, 3 Fire, 4 Police Business, 1 Coast Guard, 31 DHM Call Outs
- 1 SPCA, 2 Fish & Wildlife

EMS-Clean Marina Activities:

- Vessel inspections for new tenants and for seaworthiness of existing tenants are ongoing.

Calendar Reminder Items of Events and Activities:

- Helo Training with USCG June 19th OPM
- June 28th Change of Command USCG Air Station SFO
- June 17th Switch over to PG&E power

Administration:

See related Staff Report for update on Capital Projects

District:

- Executive Search firm RFP for GM concluded, hiring process has begun.

Grants:

- Working with FEMA and CalOES for project funding assistance
- Continuing efforts to identify potential grant funding for all CIP's

ADA Coordinator:

- Continued work on issues identified in the ADA Transition Plan/Self Evaluation. Incorporating CalOES "Strategies for Inclusive Planning Emergency Response" in our ERP. This addition to the ERP facilitates more comprehensive inclusion of planning for people with access and functional needs, including people with disabilities as well as other groups disproportionately impacted in emergencies.

District Training Officer, DHM Cary Smith:

- The Disaster Preparedness Event on Saturday, May 4th in HMB was well attended and we were able to share Boating Safety, Clean Boating Habits, and Environmental Protection with all ages of the public. Big thanks to Betty and Debbie for taking time to assist in the effort. District staged in front of the Half Moon Bay Review and were able to share information with their staff on Harbor Patrol Operations. We were requested and invited to attend the Countywide event at the Fairgrounds on September 21st. by staff from Supervisor Groom's Office.
- SMCHD Deputy Harbormaster Recruitment and Testing (Outreach, Testing Metrics and Improvements to process)
- CEAP (Coastside Emergency Action Program) Monthly Meeting, CERT Teamwork, Keynote Speaker
- Social Media Efforts: Assist with Media (Images and Messaging) Tours, Events
- Public Information Officer for Safety and Marine Related Education and Events
- Neptune Coalition Monthly Meetings (USCG Sector SF and Bay Area Allied Agencies)
- Citation Enhancement and Ordinance Code revision (Turbo Data)
- USCG Air Station SF on the water training
- Scheduling required recertification training

- DBW (BSEE) Boating Safety and Enforcement Equipment Grant: Workshop and Grant
- Community Outreach (CPR instruction) Harbor and Surf Communities
- DHM Training Matrix creation and ongoing record keeping
- Marine Flare Disposal Pilot Program with San Mateo County Environmental Health Planning and Outreach with OPYC and HMBYC
- Surf Rescue and RWC Safety Training for the Surf Community
- Training Program development, updates and vision moving forward
- OE3 MOU Training requirements and Equivalent Training discussion
- Harbor Community based CERT Team research
- Emergency Notification research for Harbor Communities and Future Outreach
- Tsunami Preparedness and Tabletop Training Planning for Administration and Operations
- Enhanced First Aid Certification and Upgraded Recertification
- Ordinance and Compliance Enhancement Research and Discussion
- Enhanced Allied Agency Training Opportunities on the Water OPMHP and PPHP
- San Mateo Public Safety Communications Updates and Enhancement Communications
- Other Meetings and Duties as assigned

Activities and Training:

- Allied Agency Training with PPHP/OPMHP and USCG
- CPR/AED/Blood Borne Pathogen Recertification Training OPMHP and PPHP
- DBW Class Training Scheduling
- USCG Air Station SF Allied Agency Training Day
- USCG Air Station SF Hoist and Rescue Swimmer Training
- Half Moon Bay Disaster Preparedness Day/Event (May 4th)
- USCG Station Golden Gate Open House (May 11th)
- BWRAG Potential Training and Support (Fall 2019)
- Deputy Harbormaster Recruitment and Testing planning and updates
- National Safe Boating Week and Navigational Awareness Training Planning (May 17th)

Future Objectives:

- SMCHD Operations Training standardization
- SMCHD Patrol Boat Electronics Standardization
- SMCHD Water Based Recreational and Harbor Community Training
- SMCHD Enhanced Allied Agency Communications
- SMCHD Administration and Commission Safety and Boating Education Training
- SMCHD Operations Social Media Safety Messaging and Environmental Resource Protection Messaging
- SMCHD Operations Professional Image Development and Outreach

- SMCHD Operations Customer Service Training
- SMCHD Operations Mental Health and Self Medication Awareness and Officer Safety Training

District Safety:

- Target Solutions - OSHA courses, continuing to assign safety refresher courses for 2019.
- Updating Emergency Response Plans, copies will be placed on District website, additional emphasis on tsunami response.
- 2019 DBW Boater Safety Survey/Kits – Continuing to work with DBW at PPH and OPM to send out Dock Walker boater safety surveys with statements. Tenants will deliver completed surveys to the HM office for boater safety kits.
- Continuing increased training efforts to promote excellent Customer Service.