

San Mateo County Harbor District Board of Harbor Commissioners Meeting Agenda

September 2, 2015
6:30 p.m.

Sea Crest School, Think Tank, Room #19
901 Arnold Way
Half Moon Bay, CA 94019

All Harbor District Commission meetings are recorded and posted at www.PacificCoast.tv within 24-48 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 physical disability are directed to make such requests per the Americans With Disabilities Act to the Deputy Secretary to the Board at 650-583-4400.

A.) Roll Call

Commissioners

Tom Mattusch, President
Nicole David, Vice President
Robert Bernardo, Secretary
Pietro Parravano, Treasurer
Sabrina Brennan, Commissioner

Staff

Glenn Lazof, Interim General Manager
Debra Galarza, Director of Finance
Marcia Schnapp, Interim Administrative Services Manager
Scott A. Grindy, Harbor Master
Debbie Nixon, Deputy Secretary
Steven Miller, District Counsel

B.) Public Comments/Questions –

The Public may directly address the Board of Harbor Commissioners for a limit of three 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, Board of Harbor Commissioners that is not on the regular Agenda. If a member of the public wishes to address the Board on an Agenda Item, that person must complete a Public Speaker Form and wait until that Item comes up for discussion. Agenda material may be reviewed at the administration offices of the District, 504 Avenue Alhambra, 2nd Floor, El Granada, CA 94018 or online at www.smharbor.com.

C.) Staff Recognition-

D.) Consent Calendar

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calendar are approved by one motion unless a Commissioner requests at the beginning of the meeting that an item be withdrawn or transferred to the regular agenda.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

- 1 **TITLE:** **Minutes of Meeting July 14, 2015 - Special**
 REPORT: Draft minutes
 PROPOSED ACTION: Approval

- 2 **TITLE:** **Minutes of Meeting August 5, 2015**
 REPORT: Draft minutes
 PROPOSED ACTION: Approval

- 3 **TITLE:** **Minutes of Meeting August 13, 2015 - Special**
 REPORT: Draft minutes
 PROPOSED ACTION: Approval

- 4 **TITLE:** **Minutes of Meeting August 17, 2015 - Special**
 REPORT: Draft minutes
 PROPOSED ACTION: Approval

- 5 **TITLE:** **Minutes of Meeting August 19, 2015**
 REPORT: Draft minutes
 PROPOSED ACTION: Approval

- 6 **TITLE:** **Minutes of Meeting August 24, 2015 - Special**
 REPORT: Draft Minutes
 PROPOSED ACTION: Approval

- 7 **TITLE:** **Quarterly Investment Balances Report**
 REPORT: Galarza, Report
 PROPOSED ACTION: Accept quarterly investment balances report

- 8 **TITLE:** **Approve Expenditure of Monies in an Amount Not to Exceed \$1,500 to Advertise the Sustainable Seafood Saturday Event on September 26, 2015 and Fish & Fleet Fest on Sunday September 27, 2015**

 REPORT: Lazof, Report
 PROPOSED ACTION: Approve expenditure of monies to advertise for the Sustainable Seafood Saturday and Fish and Fleet Fest

- 9 TITLE: **Award of Contract to ERBCO Construction Services Inc. in an amount of \$50,550 for Repair of Pillar Point Public Hoist**
REPORT: Lazof/Grindy, Memo, Resolution
PROPOSED ACTION: Adopt Resolution 40-15 to approve a contract with ERBCO Construction in an amount of \$50,550

E.) Old Business

- 10 TITLE: **Joint Powers Agreement with City of South San Francisco for Operation of Oyster Point Marina - Information Session**
REPORT: Lazof, Memo
PROPOSED ACTION: Information only

F.) New Business

- 11 TITLE: **Bills and Claims in the Amount of \$650,000**
REPORT: Bills and Claims Detailed Summary
PROPOSED ACTION: Approval of Bills and Claims for payment and a transfer in the amount of \$650,000 to cover payment of Bills and Claims
- 12 TITLE: **Presentation of California Special District Association Recognition in Special District Governance Certificate to Commissioners Mattusch and Brennan**
REPORT: Schnapp, Memo, Certificates
PROPOSED ACTION: Presentation of Certificates by Vice President David
- 13 TITLE: **Consideration of Redwood City “Guide to City Council Communications & Business Including Procedures for Public Participation.” (Commissioner David)**
REPORT: Lazof, Memo
PROPOSED ACTION: Commission may direct Staff to prepare for Commission consideration a new District policy based on consideration of Redwood City Guide
- 14 TITLE: **IT Equipment Paid for and Not Received By District as Described in Letter From Interim General Manager to John Ullom. Information and Discussion Item, (Commissioner Brennan)**
REPORT: Lazof, Memo
PROPOSED ACTION: Information Item, direction may be given to staff for future agenda item

- 15 TITLE: **Approve Award of Contract to Independent Outside Investigator**
REPORT: Miller, Memo
PROPOSED ACTION: Authorize President Mattusch to execute Contract with Michelle McGrath

J.) Staff Reports: a) Administration and Finance

- 16 **Interim General Manager – Lazof**
17 **Director of Finance – Galarza**
18 **Interim Administrative Services Manager – Schnapp**

b) Operations

- 19 **Oyster Point Marina/Park and Pillar Point Harbor – Grindy**

K.) Board of Harbor Commissioners

- 20 A. Committee Reports
- B. Commissioner Statements and Requests
1. The Board of Harbor Commissioners may make public statements limited to five (5) minutes.
 2. Any Commissioner wishing to place an item on any future agenda may do so at this time.
Any Commissioner wishing to place more than one item on any future agenda may make a motion to place such item(s) on the agenda and must have a majority vote of the Board to do so.

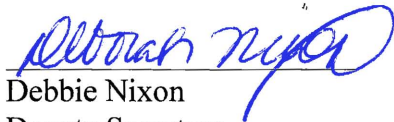
G.) Closed Session

- 21 TITLE: **Conference With Labor Negotiator Pursuant To Government Code 54957.6**
- AGENCY DESIGNATED: Steven Miller
- REPRESENTATIVE: UNREPRESENTED EMPLOYEE: General Manager
- 22 TITLE: **Conference With Legal Counsel – Anticipated Litigation: Government Code Section 54956.9(d)(2). Claim of Debra Galarza**
- 23 TITLE: **Conference with Labor Negotiator Pursuant to Government Code Section 54957.6**
- DISTRICT REPRESENTATIVES: Scott Grindy, Deborah Glasser, Glenn Lazof
- EMPLOYEE ORGANIZATIONS: Operating Engineers Local Union 3 and Teamsters Local Union 856

L.) Adjournment

The next scheduled meeting will be held on September 16, 2015 at the Municipal Services Building, 33 Arroyo Drive, South San Francisco at 6:30 p.m.

Agenda Posted As Required:
August 28th at 11:00 a.m.


Debbie Nixon
Deputy Secretary

**San Mateo County Harbor District
Board of Harbor Commissioners
Special Meeting Minutes**

**July 14, 2015
6:30 p.m.**

**Sea Crest School, Think Tank, Room #19
901 Arnold Way
Half Moon Bay, CA 94019**

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A.) Roll Call

Commissioners

- Tom Mattusch, President
- Nicole David, Vice President
- x Robert Bernardo, Secretary
- x Pietro Parravano, Treasurer
- Sabrina Brennan, Commissioner

Staff

- Glenn Lazof, Interim General Manager
- Marcia Schnapp, Administrative Services Manager

x - absent

B.) New Business

(1:18)

- 1 TITLE: **Approve Software Services Agreement with OpenGov, Inc. in the amount of \$4,000 Per Year for Up to a Three (3) Year Period, for use of OpenGov Web Platform for Increased Accessibility and Transparency of District Financial Information**
- REPORT: Oral Report – Lazof, Presentation - OpenGov
- PROPOSED ACTION: Approve

Public Comment:

Oppose

John Ullom (36:40)

Action: Motion by David, second by Brennan to approve software services agreement with OpenGov, Inc. in the amount of \$4,000 per year for up to a three (3) year period, for use of OpenGov web platform for increased accessibility and transparency of District financial information. The motion passed.

Ayes: Brennan, David, Mattusch
Absent: Bernardo, Parravano

(43:11)

- 2 TITLE: **Authorize Amendment to Agreement with Regional Government Services to (a) Keep the Agreement in Place for a Full Six Month Term Even After the District Appoints a Permanent General Manager; and (b) Authorize the President of the Board or a Permanent General Manager Employed by the District to Make Use of Additional RGS Staff, Within the Existing Not to Exceed Agreement Amount**
- REPORT: Oral Report, Handouts – Lazof
PROPOSED ACTION: Approve

Public Comment:

Oppose

John Ullom

Action: Motion by David, second by Brennan to authorize amendment to agreement with Regional Government Services (RGS) to keep the agreement in place for a full six month term even after the District appoints a permanent General Manager. The motion passed.

Ayes: Brennan, David, Mattusch
Absent: Bernardo, Parravano

Action: Motion by David, second by Mattusch to authorize the General Manager employed by the District to make use of additional RGS staff, after review by the Board, within the existing not-to-exceed agreement amount of \$150,000. The motion passed.

Ayes: David, Mattusch
Nays: Brennan
Absent: Bernardo, Parravano

Adjournment

The meeting adjourned at 7:40 P.M.

The next scheduled meeting will be held on July 15, 2015 at the Municipal Services Building, 333 Arroyo Drive, South San Francisco at 6:30 P.M..

Debbie Nixon
Deputy Secretary

Tom Mattusch
President

Draft

**San Mateo County Harbor District
Board of Harbor Commissioners
Meeting Minutes**

**August 5, 2015
6:30 p.m.**

**Sea Crest School, Think Tank, Room #19
901 Arnold Way
Half Moon Bay, CA 94019**

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A.) Roll Call

Commissioners

Tom Mattusch, President
Nicole David, Vice President
Robert Bernardo, Secretary
Pietro Parravano, Treasurer
Sabrina Brennan, Commissioner

Staff

Glenn Lazof, Interim General Manager
x Debra Galarza, Director of Finance
Marcia Schnapp, Interim Administrative Services Manager
Scott A. Grindy, Harbor Master
Debbie Nixon, Deputy Secretary
Steven Miller, District Counsel

x - Absent

B.) Public Comments/Questions –

Mike Futrell, currently the City Manager of South San Francisco, looks forward to working with the Commission regarding Oyster Point Marina. (1:32)

Marc Hurd wanted Item 4 pulled from the consent calendar. He said lots of people want to comment on it. (4:12)

Bud Ratts emphasized how important the task of getting a new General Manager is. (5:30)

Cassandra Clark asked for Item 4 to be pulled off the consent calendar. She is committed to the long term success of the Mavericks event. (7:33)

(9:52)

C.) Staff Recognition – Scott Grindy acknowledged James Smith who is the Lead Maintenance Supervisor at Oyster Point Marina employee who has received many positive comments from tenants. Scott also acknowledged Deputy Harbor Master Cary Smith from Pillar Point Harbor for helping him with Tour de Fleurs on Saturday, August 1st.

(11:04)

D.) Consent Calendar

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

Items 2, 3, 4 and 7 were pulled from the Consent Calendar.

- 1 TITLE: **Minutes of May 26, 2015**
 REPORT: Draft Minutes
 PROPOSED ACTION: Approve
- 5 TITLE: **Extension of Current Services from McCoy's Patrol Service at Oyster Point Marina/Park through November 2015**
 REPORT: Schnapp, Memo
 PROPOSED ACTION: Approve extension of current services from McCoy's Patrol Service at Oyster Point Marina/Park through November 2015
- 6 TITLE: **Fiscal Year 2014-15 Salary Schedule Correction**
 REPORT: Corrected Salary Schedule
 PROPOSED ACTION: Approve correction to FY2014-15 salary schedule

(11:35)

Action: Motion by Mattusch, second by Bernardo to approve items 1, 5 and 6 from the consent calendar. The motion passed unanimously.

Ayes: Bernardo, Brennan, David, Mattusch, Parravano

- 2 TITLE: **Review and Renew Investment Policy for FY2015/16**
REPORT: Galarza, Memo, Resolution
PROPOSED ACTION: Adopt Resolution 36-15 to renew District Investment Policy

This item was pulled from the agenda and will be brought back to the Commission at a later date.

(12:35)

- 3 TITLE: **Increase Agreement With Cox, Wootton, Lerner, Griffin, Hansen & Poulos LLP In The Matter Of The “Spirit Of Sacramento” Vessel Arrest To Increase The Not To Exceed Contract Amount By \$25,000, And Approve Budget Amendment In The Same Amount**
REPORT: Grindy, Memo, Resolution
PROPOSED ACTION: Adopt Resolution 34-15 and approve \$25,000 increase to agreement for legal services related to “Spirit of Sacramento” and necessary budget revisions

Action: Motion by Parravano, second by Brennan to adopt Resolution 34-15 to approve the \$25,000 increase to agreement for legal services related to “Spirit of Sacramento” and approve the necessary budget revisions. The motion passed unanimously.

Ayes: Bernardo, Brennan, David, Mattusch, Parravano

(15:21)

- 4 TITLE: **CARTEL Application for 5 Year Extension Permit for Big Wave Contest Event through March 2021**
REPORT: Lazof, Memo
PROPOSED ACTION: Staff is recommending that topic of granting multi-year permits to promoter be postponed until April 6, 2016 meeting of the Board of Commissioners

Public Comments:

(21:34)

Support

Charise McHugh
Matt Cavaco
Brian Overfelt
Jeff Clark
Darryl Virostko
Kelsey Kaulukukui
Cassandra Clark

F.) New Business

Item 13 was moved to the beginning of new business.

(1:06:55)

- 13 TITLE: Discussion and Possible Action on Fees for Fish Off-Loading, Fees for Wholesale Purchase and Fees for Retail Sales (Requested by Commissioner Brennan)
- REPORT: Memo, Lazof/Grindy
- PROPOSED ACTION: Discussion of Fish Buyer Fees and direction to Staff for future action

Public comment:

Supports lower fees

Bud Ratts
Mike McHenry
Jim Anderson
John Dooley
Brian Rogers
Larry Fortado

Action: Motion by Brennan, second by David to direct staff to work with tenants to amend all three leases changing wet fish from \$10 per ton to \$3 per ton and bring the amendment back to the commission. The motion passed.

Ayes: Bernardo, Brennan, David, Mattusch
Recused: Parravano

Action: Motion by Brennan, second by David to direct staff to meet with stakeholders to devise a feasible plan regarding retail fish sales assessment and enforceability. The motion passed.

Ayes: Bernardo, Brennan, David, Mattusch
Recused: Parravano

- 14 TITLE: **Bills and Claims in the Amount of \$635,301.70**
- REPORT: Bills and Claims Detailed Summary
- PROPOSED ACTION: Approval of Bills and Claims for payment and a transfer in the amount of \$635,301.70 to cover payment of Bills and Claims

Action: Motion by Parravano second by Bernardo to approve bill and claims for payment and transfer in the amount of \$635,301.70 to cover payment of Bills and Claims. The motion passed.

Ayes: Bernardo, David, Mattusch, Parravano
Nays: Brennan

- 9 TITLE: **Amend Interagency Agreement With Regional Government Services And Approve Budget Amendment Re Same**
REPORT: Lazof, Memo
PROPOSED ACTION: Amend Agreement with RGS to (a) increase not to exceed contract amount by \$30,000 and (b) authorize General Manager to use additional project manager administrative services in a variety of finance-related areas and approve necessary budget revision

Public Comment:

Support
Bud Ratts

Action: Motion by Brennan, second by Bernardo to adopted resolution 35-15 to amend the agreement with RGS. Increasing the not to exceed contract amount by \$30,000 and to authorize the general manger to use additional project administrative services in a variety of finance related items. The motion passed unanimously.

Ayes: Bernardo, Brennan, David, Mattusch, Parravano

- 10 TITLE: **Romeo Pier Update** (Requested by Commissioner David)
REPORT: Memo, Grindy
PROPOSED ACTION: Staff will provide an informational report concerning status of actions regarding Romeo Pier, including report on bids, permits, funding options, and proposed timeline. The Commission may provide direction to staff.

Public Comments:

Supports taking down Romeo Pier
Brian Rogers
Mike McHenry

Action: Motion by David second Parravano to obtain all permits to demolish Romeo Pier and issue RFP for bids. The motion passed unanimously.

Action: Motion by David, second by Bernardo to extend meeting to 10:45 PM.

Ayes: Bernardo, Brennan, David, Mattusch, Parravano

- 11 TITLE: **Commissioner Attendance at CSDA September Conference**
REPORT: Memo, Lazof
PROPOSED ACTION: The Commission may elect to send up to five members to the September CSDA Conference and consider approving the necessary budget revision

Action: Motion by Brennan second Bernardo to adopt resolution 33-15 to elect to send up to five members to the September CSDA Conference and approve the necessary budget revision. The motion passed unanimously.

Ayes: Bernardo, Brennan, David, Mattusch, Parravano

J.) Adjournment

Meeting adjourned at 10:50 PM.

The next scheduled meeting will be held on August 19 at the Municipal Services Building, 333 Arroyo Drive, South San Francisco, CA at 6:30 p.m.

Debbie Nixon
Deputy Secretary

Tom Mattusch
President

The following items were not taken up at the meeting.

- 12 TITLE: **Half Moon Bay Art And Pumpkin Festival-Harbor District Participation October 17-18**
REPORT: Memo, Grindy
PROPOSED ACTION: The Commission may consider sponsorship of this event at a cost of up to \$5,000

G.) Staff Reports: a) Administration and Finance

- 15 **Interim General Manager – Lazof**
16 **Director of Finance – Galarza**
17 **Interim Administrative Services Manager – Schnapp**

b) Operations

18 Oyster Point Marina/Park and Pillar Point Harbor – Grindy

H.) Board of Harbor Commissioners

19 A. Committee Reports

B. Commissioner Statements and Requests

1. The Board of Harbor Commissioners may make public statements limited to five (5) minutes.
2. Any Commissioner wishing to place one item on a future agenda may do so. For additional items, any Commissioner may make a motion to place the item on the Agenda and must have a majority vote to pass.

I.) Closed Session

20 TITLE: **Conference with Labor Negotiator Pursuant to Government Code Section 54957.6**
DISTRICT REPRESENTATIVES: Scott Grindy, Deborah Glasser, Glenn Lazof
EMPLOYEE ORGANIZATIONS: Operating Engineers Local Union 3 and Teamsters Local Union 856

No closed session.

**San Mateo County Harbor District
Board of Harbor Commissioners
Meeting Minutes**

August 13, 2015

6:00 p.m.

**Oyster Point Marina/Park
Harbor Masters Office
95 Harbormaster Road
South San Francisco, Ca. 94080**

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Roll Call

Commissioners

- Tom Mattusch, President
- Nicole David, Vice President
- Robert Bernardo, Secretary
- Pietro Parravano, Treasurer
- x Sabrina Brennan, Commissioner

Staff

- Glenn Lazof, Interim General Manager
- Steven Miller, District Counsel

x-absent

Public Comment

Ullom expressed opposition to the recent action to the recent action granting a permit to Cartel for the Mavericks Surf Contest.

The Board adjourned to closed session at 6:06pm.

Closed Session

- 1 TITLE: **Conference with Legal Counsel – Anticipated Litigation: Government Code Section 54956.9(d)(2). 2 cases**

There was no reportable action from closed session.

Adjournment

The meeting adjourned at 7:17 pm.

The next scheduled meeting will be held on August 19, 2015 at the Municipal Services Building, 33 Arroyo Drive, South San Francisco at 6:30 p.m.

Debbie Nixon
Deputy Secretary

Tom Mattusch
President

Draft

**San Mateo County Harbor District
Board of Harbor Commissioners
Special Meeting Minutes**

August 17, 2015

2:00 p.m.

**504 Avenue Alhambra
2nd Floor
El Granada, CA 94018**

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Roll Call

Commissioners

Tom Mattusch, President
Nicole David, Vice President
Robert Bernardo, Secretary
Pietro Parravano, Treasurer
Sabrina Brennan, Commissioner

Staff

X Steven Miller, District Counsel

x - absent

Closed Session

- 1 TITLE: **Public Employee Appointment, Government Code Section 54957(b)(1): General Manager**

There was no reportable action from closed session.

Adjournment

Meeting adjourned at 8:25 p.m.

The next schedule meeting will be held on August 19, 2015 at the Municipal Services Building, 33 Arroyo Drive, South San Francisco at 6:30 p.m.

Debbie Nixon
Deputy Secretary

Tom Mattusch
President

**San Mateo County Harbor District
Board of Harbor Commissioners
Meeting Agenda**

**August 19, 2015
6:30 p.m.**

**Municipal Services Building
33 Arroyo Drive
South San Francisco, CA 94080**

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A.) Roll Call

Commissioners

Tom Mattusch, President
Nicole David, Vice President
Robert Bernardo, Secretary
Pietro Parravano, Treasurer
Sabrina Brennan, Commissioner

Staff

Glenn Lazof, Interim General Manager
x Debra Galarza, Director of Finance
Marcia Schnapp, Interim Administrative Services Manager
Scott A. Grindy, Harbor Master
Debbie Nixon, Deputy Secretary
Steven Miller, District Counsel

x - absent

B.) Public Comments/Questions - None

C.) Staff Recognition - None

D.) Consent Calendar

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

- 1 TITLE: **Minutes of Meeting June 8, 2015 – Special Meeting**
 REPORT: Draft Minutes
 PROPOSED ACTION: Approval

- 2 TITLE: **Minutes of Meeting June 11, 2015 – Special Meeting**
 REPORT: Draft Minutes
 PROPOSED ACTION: Approval

- 6 TITLE: **Minutes of Meeting July 15, 2015**
 REPORT: Draft Minutes
 PROPOSED ACTION: Approval

- 7 TITLE: **Reaffirm Investment Policy for FY2015/16**
 REPORT: Galarza, Memo, Resolution
 PROPOSED ACTION: Adopt Resolution 36-15 to renew District Investment Policy

Action: Motion by Bernardo, second by Parravano to approve consent calendar items 1, 2, 6 and 7. The motion passed unanimously.

Ayes: Bernardo, Brennan, David, Mattusch, Parravano

(1:21)

- 3 TITLE: **Minutes of Meeting June 17, 2015**
 REPORT: Draft Minutes
 PROPOSED ACTION: Approval

Brennan asked that the verbiage documented for her public comment be changed. She asked that her letter she read from at that meeting be attached to the minutes.

- 4 TITLE: **Minutes of Meeting June 23, 2015 – Special Meeting**
 REPORT: Draft Minutes
 PROPOSED ACTION: Approval

Action: Motion by Brennan, second by Parravano to approve item 4. The motion passed.

Ayes: Brennan, Mattusch, Parravano

Abstain: Bernardo, David

- 5 TITLE: **Minutes of Meeting July 1, 2015**
 REPORT: Draft Minutes
 PROPOSED ACTION: Approval

Action: Motion by Brennan, second by Parravano to approve item 5. The motion passed.

Ayes: Bernardo, Brennan, Mattusch, Parravano
Abstain: David

(4:52)

- 8 TITLE: **Direct Staff to Apply for Grants for Acquisition of Search and Rescue Vessel**
 REPORT: Grindy, Memo, Resolution
 PROPOSED ACTION: Authorize staff to seek funding or donations for replacement vessel.

Action: Motion by Brennan, second by David to authorize staff to seek funding or donations for replacement vessel for Pillar Point Harbor. The motion passed unanimously.

Ayes: Bernardo, Brennan, David, Mattusch, Parravano

- 9 TITLE: **Special Use Permit for Grays Harbor Historical Seaport Authority to Visit Pillar Point Harbor October 29-November 9, 2015**
 REPORT: Memo, Grindy
 PROPOSED ACTION: Approve Special Use Permit for Grays Harbor Historical Seaport Authority and waive all fees in exchange for inclusive marketing activities

Action: Motion by David, second by Brennan to approve Special Use Permit for Grays Harbor Historical Seaport. The motion passed unanimously.

Ayes: Bernardo, Brennan, David, Mattusch, Parravano

E.) New Business

(11:56)

- 10 TITLE: **Proclamation for Emily Cooper**
 REPORT: Proclamation
 PROPOSED ACTION: Following her faithful and dedicated service on behalf of the community and staff of the San Mateo County Harbor District

Action: Motion by David, second by Brennan to approve proclamation for Emily Cooper. The motion passed unanimously.

Ayes: Bernardo, Brennan, David, Mattusch, Parravano

(14:49)

- 11 **TITLE:** **Bills and Claims in the Amount of \$294,847.46**
 REPORT: Bills and Claims Detailed Summary
 PROPOSED ACTION: Approval of Bills and Claims for payment and a transfer in the amount of \$294,847.46 to cover payment of Bills and Claims

Public Comment:

Oppose

Brian Rogers – legal fees to high

Action: Motion by Parravano, second by Bernardo to approve bills and claims in the amount of \$294,847.46. The motion passed unanimously.

Ayes: Bernardo, Brennan, David, Mattusch, Parravano

(16:17)

- 12 **TITLE:** **Oyster Point Marina Joint Powers Authority with the City of South San Francisco (Commissioner Brennan)**
 REPORT: Lazof , Memo,
 PROPOSED ACTION: The district will receive information regarding the Joint Powers Agreement with the City of South San Francisco. The District may discuss and/or take action on the three point recommendation in the staff report:
 1) Prior to the first meeting of the Liaison Committee General Manager will request Counsel should prepare a matrix based on the JPA agreements that clearly identifies the Responsibilities and Obligations of each party to the agreement.
 2) That the Liaison committees continue to schedule a meeting with the City of South San Francisco to discuss the concerns of all parties.
 3) That the District request a reasonable time to prepare a thorough response based on this letter and clarifications as understood by future Liaison committee discussions, either following the Liaison Committee meeting or if the City does not agree to meet, as described in the staff report.

(19:56)

Public Comments:

Oppose

Brian Rogers

Leonard Woren

Undeclared

Gregory Sanchez (1:18:25)

Three actions were taken, one for each point:

- 1) **Action:** Motion by David, second by Brennan for the General Manager to work with legal counsel prior to the first meeting of the Liaison Committee and to prepare a matrix based on the JPA agreement that clearly identifies the responsibilities and obligations of each party to the agreement. The motion passed unanimously.

Ayes: Bernardo, Brennan, David, Mattusch, Parravano

(38:19)

- 2) **Action:** Motion by David, second by Brennan to continue to schedule a meeting with the City of South San Francisco and the Liaison Committees to discuss concerns of all the parties. The motion passed unanimously.

Ayes: Bernardo, Brennan, David, Mattusch, Parravano

- 3) **Action:** Motion by Brennan, second by David that the District have reasonable time to prepare a thorough response based on the letter provided by the South San Francisco City Manager as understood by the Liaison Committee discussions, either following the meeting or if the City does not meet, as described in the staff report. The motion passed unanimously.

Ayes: Bernardo, Brennan, David, Mattusch, Parravano

(39:26)

13	TITLE:	Letter to Monterey Bay National Marine Sanctuary Regarding Management Plan Update and Sand Placement (Commissioner David)
	REPORT:	Lazof, Memo Materials Provided by Commissioner David, Resolution 37-15
	PROPOSED ACTION:	The Commission may consider approval of correspondence to the Monterey Bay National Marine Sanctuary, the Commission may also offer further direction to staff or the Beach Replenishment Committee

Public Comment:

Support

Leonard Woren (41:48)

Action: Motion by David, second by Parravano to approve the letter to Monterey Bay National Marine Sanctuary regarding management plan update and sand placement with one correction and adopt Resolution 37-15. The motion passed unanimously.

Ayes: Bernardo, Brennan, David, Mattusch, Parravano

(52:16)

- 14 TITLE: **Crab Festival-Harbor District Participation January 30-31, 2016**
- REPORT: Memo, Grindy
- PROPOSED ACTION: The Commission may consider sponsorship of this event at a cost of up to (Sponsorship cost + Marketing Materials)

Action: Motion by Brennan, second by David to spend a total of \$5,000 being split evenly between sponsorship and marketing materials for the Crab Festival on January 30 – 31, 2016. The motion passed unanimously.

Ayes: Bernardo, Brennan, David, Mattusch, Parravano

(1:04:27)

- 15 TITLE: **Adoption of Interim Harbor District Capital Improvement Plan**
- REPORT: Memo, Lazof
- PROPOSED ACTION: The Commission may establish a process to review and may also modify planned capital improvements including unfunded improvements and/or may modify planned Capital Improvements. An interim Capital Improvement Plan may also be adopted, so that funding proposals, including grants and debt financing, may be guided prior to the development of a final plan.

Public Comments:

Support

Jim Steele
Leonard Woren

Undeclared

John Ullom

(1:18:25)

Out of order public comment from Gregory Sanchez on item 12.

Action: Motion by Bernardo, second by Parravano to adopt the Interim Harbor District Capital Improvement Plan. The motion passed

Ayes: Bernardo, David, Mattusch, Parravano

Nays: Brennan

(1:36:27)

F.) Staff Reports: a) Administration and Finance

- 16 **Interim General Manager – Lazof**
Lazof presented this report.
- 17 **Director of Finance – Galarza**
Schnapp presented this report.
- 18 **Interim Administrative Services Manager – Schnapp**
Schnapp presented this report

b) Operations

- 19 **Oyster Point Marina/Park and Pillar Point Harbor – Grindy**
Grindy presented this report

G.) Board of Harbor Commissioners

- 20 A. Committee Reports – None
- B. Commissioner Statements and Requests
 - 1. The Board of Harbor Commissioners may make public statements limited to five (5) minutes.

(2:07:44)

Commissioner David said the Sustainable Seafood Saturday and the Fish Fleet Fest on September 26 – 27 is making great progress.

Commissioner Brennan said it would be great to see the flyer published in a local newspaper, and emphasized it's a great opportunity to promote the District and to educate

the public about the wonderful things that the Harbor does.

2. Any Commissioner wishing to place an item on a future agenda may do so. For additional items, any Commissioner may make a motion to place the item on the Agenda and must have a majority vote to pass.

Commissioner David asked for an item to be agendized regarding a clear policy that discourages behavior like heckling and booing at meetings and also clapping and cheering. She will send examples from other Cities so we could develop our own policies.

Commissioner Brennan asked for an item to be agendized regarding the IT equipment that the district paid for and never received.

H.) Closed Session

- 21 TITLE: **Conference with Labor Negotiator Pursuant to Government Code Section 54957.6**
DISTRICT Scott Grindy, Deborah Glasser, Glenn Lazof
REPRESENTATIVES:
EMPLOYEE Operating Engineers Local Union No. 3 and Teamsters Local
ORGANIZATIONS: Union No. 856

No reportable action.

Adjournment

The meeting adjourned at 8:47 PM.

The next scheduled meeting will be held on September 2, 2015 at the Sea Crest School, Think Tank, Room #19, 901 Arnold Way., Half Moon Bay, CA 94019 at 6:30 PM.

Debbie Nixon
Deputy Secretary

Tom Mattusch
President

**San Mateo County Harbor District
Board of Harbor Commissioners
Special Meeting Agenda**

August 24, 2015

6:00 p.m.

**Oyster Point Marina/Park
95 Harbormaster Road
South San Francisco, CA 94080**

All Harbor District Commission meetings are recorded and posted at www.PacificCoast.tv within 24-48 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 physical disability are directed to make such requests per the Americans With Disabilities Act to the Deputy Secretary to the Board at 650-583-4400

Roll Call

Commissioners

- Tom Mattusch, President
- Nicole David, Vice President
- x Robert Bernardo, Secretary
- Pietro Parravano, Treasurer
- Sabrina Brennan, Commissioner

Staff

x - absent

Closed Session

- 1 TITLE: **Public Employee Appointment, Government Code Section 54957(b)(1): General Manager**

There was no reportable action from closed session.

Adjournment

Meeting adjourned at 7:00 P.M.

The next regular scheduled meeting will be held on September 2, 2015 at Sea Crest School, Think Tank, Room #19, 901 Arnold Way, Half Moon Bay at 6:30 p.m.

Debbie Nixon
Deputy Secretary

Tom Mattusch
President

**SAN MATEO COUNTY HARBOR DISTRICT
QUARTERLY INVESTMENT BALANCES REPORT**

ITEM 7



As required by Section 12 (Reporting) of the Investment Policy of the San Mateo County Harbor District, I am submitting to each member of the Board of Harbor Commissioners a Quarterly Investment Report.

The following cash and investments were held by the San Mateo County Harbor District as of June 30, 2015:

<u>CASH</u>	<u>AMOUNT</u>	<u>AVERAGE FY RATE</u>
Petty Cash	\$ 2,300.00	-
US Bank - Operations	1,141,637.67	-
US Bank - Payroll	0.00	-
Total Cash	1,143,937.67	-
 <u>INVESTMENTS</u>		
Local Agency Investment Fund (LAIF)	6,902.12	0.26%
San Mateo County Investment Pool	14,653,835.46	0.83%
San Mateo County Investment Pool - Restricted	1,790,494.14	0.83%
Total Investments	16,451,231.72	
Total Cash and Investments	\$ 17,595,169.39	

The District typically invests in: The Local Agency Investment Fund (LAIF), the San Mateo County Investment Pool, Collateralized CDs and FDIC Insured accounts, which require current statements to satisfy the reporting requirement.

<u>Category</u>		
Restricted	Reserved for Debt Service - DBW Loan Collateral	\$ 1,701,349.00
Committed	Emergency Reserve	1,619,464.00
Committed	Reserve for District Office	1,526,217.72
Committed	Capital Improvements Reserves	586,500.00
Assigned	Payables Liability	371,347.11
Assigned	Unfunded Health Insurance Termination Benefit Liability	3,594,992.00
Assigned	Debt Service Liability-DBW Loan payment due 12/31/15	1,393,093.77
Assigned	Encumbrances for Capital Projects	431,216.81
Non Spendable	Customer Deposits Liability	291,646.96
Non Spendable	Customer's Prepayments Liability	242,009.81
Unassigned		5,836,430.70
Total All Categories		\$ 17,595,169.39

Category Descriptions:

Restricted:

Amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers or enabling legislation.

Committed:

Amounts that can be used for the specific purposes determined by a formal action of the government's highest level of decision-making authority. Committed amounts can be changed by formal action of the decision making authority if necessary.

Assigned:

Amounts that are intended to be used by government for specific purposes but do not meet the criteria to be classified as restricted or committed.

Unassigned:

Residual classification and includes all spendable amounts not contained in other classifications.

Certifications:

I certify that all investment actions executed since the Investment Policy was adopted on September 15, 2004, have been made in full compliance with the Investment Policy and the San Mateo County Harbor District will meet its expenditure obligations for the next six months.

Debra Galarza
Director of Finance

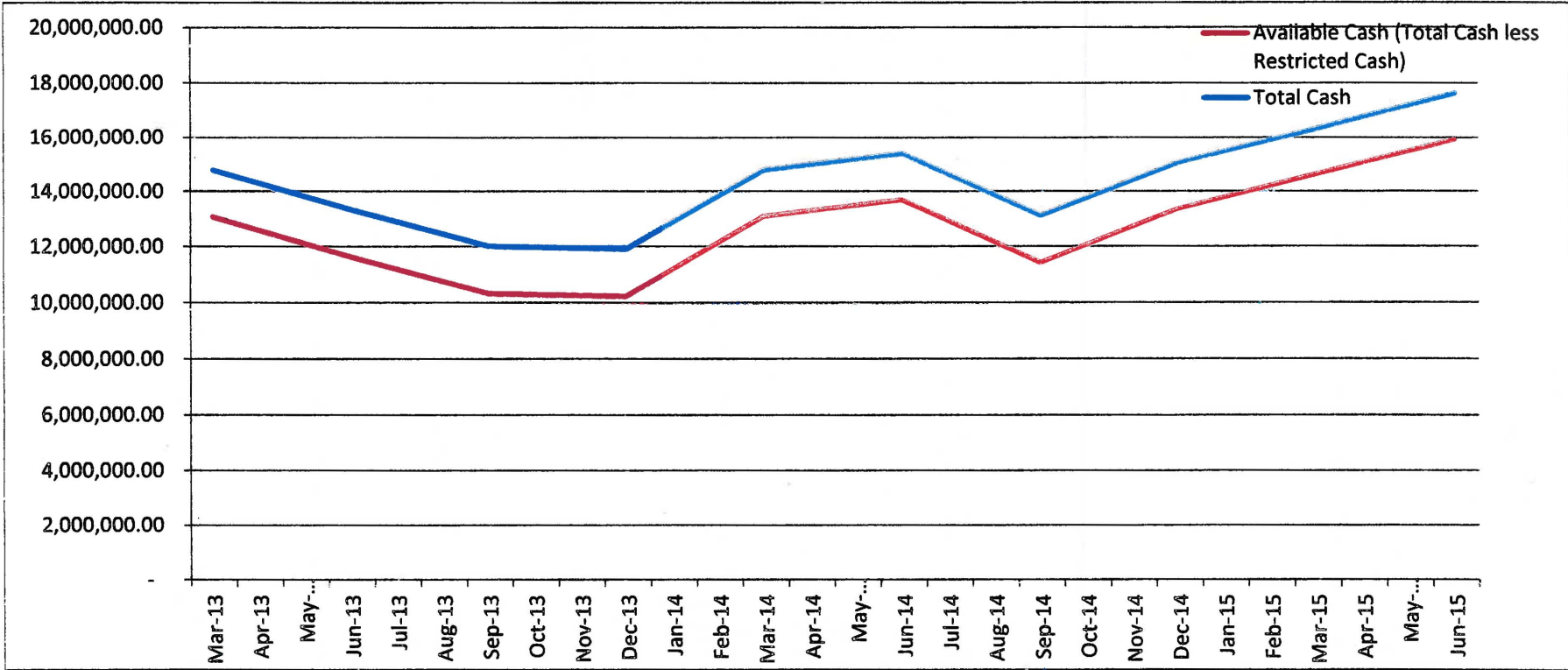
8/17/15
Date

Reviewed By:

Pietro Parravano
Treasurer - San Mateo County Harbor District

Date

**SAN MATEO COUNTY HARBOR DISTRICT
QUARTERLY INVESTMENT BALANCES REPORT**



Staff Report

Approve Expenditure of an Amount Not to Exceed

Glenn Lazof: Interim General Manager (IGM)

Background: At its meeting on August 19, 2015, 2 Commissioners expressed interest regarding advertising for the Sustainable Seafood Saturday event on Saturday September 26, 2015 and the Fish and Fleet Fest on Sunday September 27, 2015. Staff contacted the Half Moon Bay Review for pricing. Pricing is as follows:

Color ad 4 ¾ x 3 1/2 = \$220 per ad, 2 ads =	\$440
Insert - \$60 per 1,000 with a minimum of 3,000 =	\$180
Insert for all 5,500 HMB Review subscribers =	\$355
Total	\$775

Recommendation: Staff would like the Commission to approve the expenditure of an amount not to exceed \$1,500 for advertising of both events. The monies will be spent purchasing 2 color ads, one for each event, and for the payment of having the postcard flyer inserted into all 5,500 issues of the HMB Review. There will be an additional cost to print the postcard flyer, but at the time this report was written, we did not have the quote.

Fiscal Impact: Funds are available in the budget under advertising.

Staff Report

Approval of Contract with ERBCO Construction Services Inc. for Repair of Pillar Point Public Hoist

Glenn Lazof: Interim General Manager (IGM); Scott Grindy: Harbormaster

Background: The District published an Invitation for Bids in accordance with Public Contract Code requirements(commencing with Section 20720) At the bid opening on August 20, 2015 the District received a sole bid from ERBCO in the amount of \$50,550, which includes \$7,750 for a needed boom extension. Staff has reviewed the bid and, in consultation with the District's counsel, has determined that the bidder is responsible and responsive to the bid specifications.

Analysis: Repair/replacement of this hoist is expensive relative to those used by our fish buyers, because as a public hoist it must be a certified hoist. Staff estimates that the cost of a new certified hoist would be over \$100,000 plus additional costs which could result from permit costs associated with the increased review of the Harbor area by the Coastal Commission.

It is reasonable to question whether it was cost effective to repair an older hoist at a cost nearly half that of a new hoist. Staff is recommending repair as the result will be a certified hoist that will be the best quality hoist on the pier, and very nearly as good as a new hoist. This repair also includes the option of lengthening the boom which will improve safety and utility, subject to engineering review and approval.

The repair must be complete within 30 days of issuance of the notice to proceed. Commercial Crab season is projected to start November 15, (recreational November 7) but loading of gear and other preparations which would use the hoist, may start in early October. Going out to bid for a new hoist would delay four weeks or more, possibly into the season. Note that we are still gathering information about additional permitting issues that may cause additional delays.

During the last full year of Hoist use in 2014 the district earned \$6,980 from Hoist use.

Recommendation: 1) Approve resolution authorizing contract with ERBCO Construction Services Inc. in the amount of \$50,550; and 2) Approve a contract contingency in the amount of \$5,000 to pay for unforeseen work arising on the project.

Fiscal Impact: Funds are available in the budget under repair and maintenance. This purchase will be capitalized.

Resolution 40-15
of the
San Mateo County Harbor District
to

Award a Contract to ERBCO Construction Services Inc. for Repair of the Pillar Point Harbor Public Hoist

Whereas, the Pillar Point Harbor Public Hoist has been inoperable since June 2015 and is in need of repair; and

Whereas, on August 6, 2015 the District issued an Invitation for Bids for repair of the Public Hoist and on August 20, 2015 received a sole bid from ERBCO Construction Services, Inc.; and

Whereas, Staff has determined that ERBCO Construction Inc. is a responsible bidder, and its bid price responsive to the bid specifications and fair and reasonable.

Now, Therefore, Be It Resolved that the Board of Harbor Commissioners of the San Mateo County Harbor District (Board) awards a contract to ERBCO Construction in the base amount of \$50,550 for repair of the Pillar Point Harbor Public Hoist, including a needed boom extension; and

Be it Further Resolved that the Board establishes a contingency for the contract in the amount of \$5,000 and authorizes the General Manager to issue change orders to the contract up to the contingency amount.

Approved this 2nd day of September 2015 at the regular meeting of the Board of Commissioners by a recorded vote as follows:

For:
Against:
Absent:
Abstention:

Attested

BOARD OF HARBOR COMMISSIONERS

Debbie Nixon
Deputy Secretary

Tom Mattusch
President

Pillar Point Harbor Public Hoist Repair: Challenger Dock Crane

Repair Criteria

The brand of the Pillar Point Harbor's Public Hoist is a Challenger Dock Crane, which has been annually inspected and certified by AC3 of Alameda Ca. for the past years. AC3 at its most recent inspection (June 2015) has not approved the dock crane to be re-certified due to required repairs.

Task 1: Public Hoist Repair

The Contractor is expected to perform all work necessary to repair the Challenger Dock Crane so that it will be re-certified by AC3 and reinstall the Crane at the Pillar Point Harbor.

Additionally, the Contractor must prepare and submit two written reports to the District, including a repair report detailing all repair work performed and a recertification report.

Contractor is responsible for obtaining AC3 certification and such certification is a condition of District acceptance of the work. The work will include, but not necessarily be limited to, repair of the following:

1. Corrosion at the top of the mast where the diagonal support weldment captures the mast slewing pin.
2. Potential that the lower slewing connection is in a similar condition and repairs will be needed.
3. Complete disassembly of the crane structure is required along with a thorough inspection and repair of these components as needed.
4. Repairs found during disassembly must also be performed and completed as part of the overall repair.
5. Once all of the parts and components have been inspected, a written repair procedure report needs to be provided to the District by a registered professional engineer.
6. Disassemble and sandblast complete crane except hoist drive.
7. Replace any components as needed or required for certification inspection.
8. Hot Dip Galvanize ASTM 123 Crane or Coat with Inorganic Zinc.
9. Any welding performed during the repair needs to be completed by a welder who holds the proper certifications for the types of welds to be performed.
10. Non-destructing testing of the welds will also be required and documented in the repair report.
11. Written Documentation of the entire repair and engineering processes needs to be on file for the District to review if necessary and copies must be provided to the District upon completion of the project.
12. Dock Crane will be painted in marine grade paint in a safety yellow color on leg frames and swing arm.

13. Bid price will include all activities to remove, ship and return the dock crane from its present site to the site where the work will be performed, including safely disconnecting and reconnecting electrical circuits, removing and remounting from the deck surface, and providing any new anchor support bolts and fasteners where required. Alternatively, the Contractor may perform the work where the Crane is currently located and all such costs associated with onsite performance of the work must be included in the Bid.
14. Replacement of any electrical wiring, flexible conduit and/or service cords as part of the repair will be included in the cost of the project work.
15. All test-weights for re-certification of the dock crane must be provided and performed, which includes any contractor staff time necessary for recertification efforts at the pier site.
16. Contractor will include costs for recertification via AC3, and will include in their bid any corrections required by AC3 found at re-certification and reinstallation of the Dock Crane upon repair completion.
17. Removal, repairs, recertification and reinstallation, including drafting of two written reports, must be performed within 30 days of issuing the Notice to Proceed, and will be included in the bid costs.

Staff Report

Joint Powers Agreement with City of South San Francisco for Operation of Oyster Point Marina - Information Session)

Glenn Lazof: Interim General Manager (IGM)

Background: Actions from August 19 meeting, draft minutes:

Action: Motion by David, second by Brennan to prior to the first meeting of the liaison committee the general manager will work with legal counsel to prepare a matrix based on the JPA agreements that clearly identifies the responsibilities and obligations of each party to the agreement.

The Matrix is a work in progress, but is attached.

2) Action: Motion by David, second by Brennan that the liaison committee continues to schedule a meeting with the City of South San Francisco to discuss concerns of all parties.

The Liaison Group has still not arranged a meeting as of this report.

3) Action: Motion by Brennan, second by David that the District request a reasonable time to prepare a thorough response base on the letter provided by the South San Francisco city manager and provide clarification as understood by liaison committee discussions, either following the liaison committee meeting or if the city does not meet, as described in the staff report.

Staff's preference is that the Liaison Group met first, but if no activity letter will be written as time permits.

Analysis:

JPA Fundamentals: Two or more public agencies can agree to form a JPA. A joint powers authority is established when two or more public agencies by agreement jointly exercise any power common to the contracting agencies. If either lacks the authority to conduct an activity, that cannot be granted to a JPA. The "Joint Powers" granted to the authority are specified in the JPA agreement.

Comparing a JPA agreement to a contract is not the best analogy. When a JPA is created it actually is a new governmental entity. If we were simply "contracting" with SSF to operate OPM there would not likely be a JPA, an interagency agreement would suffice. ¹

¹ SMCHD has an interagency agreement with the IGM's employer RGS. RGS is a JPA. The Joint Powers Agreement that empowers RGS is an agreement between a few Cities (Walnut Creek, Dublin, Larkspur, Yountville, etc. and the Association of Bay Area Governments (ABAG)).

Typically a contract involves one party paying another party for services the other party receives. It is therefore a good question for the party providing services to ask if they getting enough payment to justify the cost providing this service. JPA's, as government entities are primarily designed to more efficiently provide services to benefit the public. Public services, such as fire, police, parks and trails are not ordinarily provided for profit. JPA's providing these service exist because the governing bodies believe there is a public benefit to their constituency. Thus they are supported by tax revenues when there is not enough money in the service to cover the costs.

The members of the JPA will frequently amend the agreement to add new powers, describe changes in funding (in our case one time contributions from the City and the DBW), and if it is decided to extend the agreement this would most likely also be done by amendment. This JPA has had three amendments.¹

Specific to the OPM JPA: The stated purpose of the OPM JPA is to jointly construct, operate and maintain specific facilities at OPM until November 10, 2026. Additional facilities would likely be the subject of further amendments (better yet a restated and amended agreement) which would include agreed upon changes in financial participation and extending the agreement as the members desire.

Other than specific large lump sums contributed by the City some years ago, the agreement while anticipating that operating enterprise revenues could cover expenses (there are even provision for the event that operating revenues exceed the costs!), left the remaining financial obligations to the SMCHD. The agreement makes it clear that this why the District has the final say in disputes over matters of maintenance and operations, as well as authority over leases. I would infer from this the Commission expected that the Public Benefits of the OPM facility (open space, beach, trails, etc.) to our constituency are of a value commensurate with the supporting tax dollars.

The Governance of the JPA is laid out in the agreement. In the OPM JPA, the Liaison Group is charged with communications. By inference, if the Group only reports to the City and District, then these governing boards are the decision makers for the JPA.

¹ Amendment #1- Provides for repayment to the District of \$700,000 in funds that were advanced to cover cost overruns for the project, ultimately to be repaid to the city from excess operating revenues.

Amendment #2 - Establishing the Liaison Committee and providing for further development of the Marina, clarifying that because financial responsibility lies with the Harbor District, if there is disagreement regarding the project, the Harbor District has the final decision, certain accounting records which are required to be kept by the District, and a semi-annual reporting requirement and disposition of any operating revenue in excess of loan payments and costs,

Amendment #3 – Provides that City Property is not encumbered in any way by Department of Boating and Waterway Loans

The scope of this agreement is the scope of the project. Staff would propose that one of the tasks of the Liaison Group is for SSF staff and the Harbormaster to create a checklist and validate that the project is complete.

Staff's read of the financial contributions described in the agreement is that after operating revenues exceed expenses, the District will be paid back the \$700,000 specifically noted in the agreement, plus all the other funds we contributed over the years, and the City also would be paid back funds it has contributed over the years and then excess revenues would be treated as laid out in the agreement.

The JPA does not include a termination provision that allows either party to unilaterally terminate the agreement. The agreement does suggest at the end of the agreement the District has no responsibilities, unless agreed to as part of the mutual termination agreement.

Having worked in management for two different JPA's most of the last 6 years or so, the IGM has a pretty working good knowledge of Joint Powers Authorities generally and I welcome your questions.

I'd like to end with the following observation on JPA's, the words are not mine. "To the extent possible, this process calls for setting aside political differences, jealousies and competition, avoiding the tendency of participating agencies to protect their turf and curbing any desire to dictate the outcome. In drafting the joint powers agreement, the overall goal is to ensure that the newly created entity is given the level of authority required to accomplish its purposes and a strong set of operating rules to enhance stability and survivability during times of turmoil which can easily occur when member agencies are at odds"

Recommendation: None.

If the Commission wishes to take further action, it should be placed on a future agenda.

Fiscal Impact: None, informational item only.

JPA Agreement Responsibility Matrix

Responsibility	Agency	Citation	Amended?
Ultimate Financial Responsibility	SMCHD	Agreement Page 5	Ref. Amendment 2
Final Decisions re: Development of OPM, Management, and Operations	SMCHD	Agreement Page 5&7	No
Supervision of Construction OPM 1977 Development Plan	SMCHD	Agreement Page 7	No
Sewer and Water Facilities, infrastructure	SSF	Agreement Page 9	No
Sewer and Water Fees	Lessees	Agreement Page 9	No
Police Patrol	SSF	Agreement Page 9	No
Fire	SSF	Agreement Page 10	No
Street Sweeping	SSF	Agreement Page 10	No
Refuse Containers	SMCHD/ Lessees	Agreement Page 10	No
Maintenance of Parks, Pathways, Improvements	SMCHD	Agreement Page 10	No
Zoning	SSF	Agreement Page 11	No
Leases	SMCHD	Agreement Page 11	No
Accounting of District Expenses	SMCHD	Agreement Page 11	No
Accounting of SSF Expenses	SSF	Agreement Page 11	No
Insurance	SMCHD	Agreement Page 12	No
Liasion Group	JOINT RESPONSIBILITY	Amendment 2 Page 2	No
Ultimate Financial Responsibility	SMCHD	Amendment 2 Page 3	No



STAFF REPORT

TO: San Mateo County Harbor District Commissioners

VIA: Glenn Lazof, Interim General Manager

FROM: Marcia Schnapp, Administrative Services Manager

DATE: September 2, 2015

SUBJECT: AUTHORIZATION TO PAY BILLS & CLAIMS OCCURRING BETWEEN AUGUST 13, 2015 AND SEPTEMBER 11, 2015 IN AN AMOUNT NOT TO EXCEED \$650,000

Recommendation:

Authorize Staff To Pay Bills & Claims Occurring Between August 13, 2015 And September 11, 2015 In An Amount Not To Exceed \$650,000.

Background

Due to lack of accounting staff in the Finance Department due to emergency leaves of both the Accounts Payable staff and the Payroll staff, remaining staff was unable to prepare the Bills and Claims for approval of the Board for the September 2, 2015 Board meeting.

Temporary accounting staff started work on Thursday, August 27th. However, training takes considerably more time than could be accomplished in the one day available to completely update the accounts payable system and produce all the reports necessary to present a Bills and Claims report to the Board for the September 2, 2015 Board meeting.

It is anticipated temporary staff will have enough time to train in order to produce the Bills and Claims report for the September 16, 2015 Board meeting. The amount requested above will enable the District to continue to meet its ongoing recurring expenses plus the addition of any one-time non-recurring expenses anticipated prior to the next meeting.

Financial Impact

Recurring and expected non-recurring items have already been budgeted for. Any new items, such as those that may occur due to emergencies or closed-session items, if they have not already been approved, will be brought before the board for approval.



STAFF REPORT

TO: San Mateo County Harbor District Commissioners

VIA: Glenn Lazof, Interim General Manager

FROM: Marcia Schnapp, Interim Administrative Services Manager

DATE: September 2, 2015

SUBJECT: Presentation of Certificates of Completion of the Recognition in Special District Governance to President Tomas Mattusch and Commissioner Sabrina Brennan
- No Resolution/Board Action Required -

Presentation of Certificates of Completion of the Recognition in Special District Governance to President Tomas Mattusch and Commissioner Sabrina Brennan.

Background

The California Special District Leadership Foundation (SDLF) has established a program to assist in the training of elected officials in special district governance.

The Certificate of Recognition in Special District Governance was designed to honor special district board members and trustees who have completed the program. It is comprised of two distinct parts: the completion of the Special District Leadership Academy and 10 hours of continuing education.

The Special District Leadership Academy is comprised of four courses: Governance Foundations, Setting Direction/Community Leadership, Board's Role in Human Resources and Board's Role in Finance and Fiscal Accountability. The four courses are unique from any other courses on special district governance in that they are curriculum that has been created by special districts and agreed upon as what governing officials of special districts should know. SDLF has endorsed the Academy as the core special district governance training in California.

Financial Impact

The attendance at the required training courses, whether via onsite attendance or via a webinar, is paid for by the Harbor District.

Attachments:

Certificate – Tomas Mattusch
Certificate – Sabrina Brennan

Recognition in Special District Governance

In recognition of completion of the required education, the Special District
Leadership Foundation presents the Recognition in Special District Governance
Award

to

Sabrina Brennan

This 18th Day of August 2015



A handwritten signature in cursive script, reading "David Aranda".

David Aranda, SDLF Board President

A handwritten signature in cursive script, reading "Neil C. McCormick".

Neil McCormick, SDLF Administrator

Recognition in Special District Governance

In recognition of completion of the required education, the Special District
Leadership Foundation presents the Recognition in Special District Governance
Award

to

Tomas Mattusch

This 18th Day of August 2015



David Aranda, SDLF Board President

Neil McCormick, SDLF Administrator

Staff Report

Consideration of Redwood City “Guide to City Council Communications & Business Including Procedures for Public Participation.” (Commissioner David)

Glenn Lazof: Interim General Manager (IGM);

Background: Vice President David requested this item and submitted the policy adopted by Redwood City for your consideration. District staff believes that Commissioner David's focus is on the portion of Redwood City's policy focusing on public participation at public meetings and so staff has prepared a revised policy that focuses only on those aspects of the Redwood City policy. If the District wants to consider other aspects of the Redwood City policy (for instance adopting Rosenberg's Rules rather than Roberts Rules of Order), such changes would implicate other District policies such that Staff would need to bring an item back to a future Board meeting. The attached shows changes to the Redwood City policy on the topic of public participation that have been (slightly) tailored to the District.

Analysis: Vice President David expressed that her intention is that Commission meetings shall provide a balanced forum for discussion that focuses on the strength and weaknesses of an item being discussed and on the best decision being made. It is essential that we encourage respect and courtesy, while discouraging behavior that can have a negative effect on those with opposing opinions.

Public Participation Section II C 2, in consideration of the emphasis this commission has placed on video recording of meetings, does the commission wish to add interfering with the recording of meetings to the list of disruptive activity?

Recommendation: Policy. Should the Commissioners desire to consider adopting the Redwood City policy as the basis for a District policy concerning public participation at District meetings, it can direct Staff to prepare a complete and final version, based on the attached markup of the Redwood City policy, for action at a future Board meeting. Some revisions to the District's ordinances may be required.

Fiscal Impact: Not applicable, although if policy contributes to better decision making there could be beneficial fiscal impacts.

A GUIDE TO CITY COUNCIL COMMUNICATIONS & BUSINESS

INCLUDING PROCEDURES FOR PUBLIC PARTICIPATION

Adopted: November 19, 2012

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I. INTRODUCTION & CONTENTS

~~Redwood City's San Mateo County Harbor District's adopted~~ Core Purpose is: To assure that the public is provided with clean, safe, well-managed, financially sound and environmentally pleasant marinas. Build a Great Community Together. One way we do this is by understanding and respecting everyone's interests. The purpose of this Guide is to ensure that there is a clear awareness of how the City-District conducts its business, therefore fostering full community participation. These are guidelines to help people understand what to expect and the best way to promote good communication between the Commissioners-Council and those wishing to speak during City-Council/Board of Harbor Commissioners - meetings. ~~The Mayor, as Presiding Officer, and the City Council~~The President and The Board of Harbor Commissioners have the discretion to modify the application of these guidelines during meetings, such as the amount of time provided for public comment, as needed to assure that the Board-Council is able to conduct its business and to hear from speakers wishing to participate in its meetings.

II. GENERAL MATTERS

~~A. Procedural Rules. Rosenberg's Rules of Order shall serve as a general guide to procedural matters and motions but need not be strictly followed. (See www.ca-ilg.org/sites/main/files/file-attachments/resources__Rosenbergs_Rules_of_Order_-_Revised_2011.pdf)~~

~~B. Adjournment. City Council/The Board of Harbor Commissioners meetings conclude no later than 11:00:30 p.m. unless a 5/7 majority of the Board-Council votes to extend the meeting to discuss specified items; any motion to extend the meeting shall include a list of the specified items to be handled. Any items not completed at a regularly scheduled Council/Board meeting shall be continued to the next regular Board/business meeting or by 35/57 majority vote to a specified meeting. Occasionally, the City Council/Board of Harbor Commissioners may adjourn in memory of someone. Such a request is usually handled through the Mayor/President.~~

C. Public Participation.

1. Aspirational Goals. The Board of Harbor Commissioners City Council welcomes participation—and comment on any matter within its subject matter jurisdiction. It is the Board of Harbor Commissions-City Council's intent to create and maintain an environment where people feel comfortable participating in the public process and an atmosphere of respect for all who participate in the City/County-District's public meetings. To maintain civility and respect and in order to allow the Commissioners Council to complete its work in a timely manner, the Council requests that all attendees and participants show respect for every speaker regardless of their viewpoint, and to refrain from conduct that may inhibit others from addressing Council/Commissioners. Disrespectful conduct, such as hissing, booing, whistling, cheering, chanting, and judgmental hand gestures, are all inappropriate. The City-Council/Commissioners also discourages profane

remarks or personal attacks or insults to any member of the CouncilBoard of Harbor Commissioners, staff, other attendees or speakers, or the general public. Accordingly, the City-CouncilBoard of Harbor Commissioners requests the cooperation of all in maintaining a meeting environment where persons can feel comfortable participating in the public process and expressing their views and opinions, and an atmosphere of respect for all.

2. Maintaining Order. The following behaviors, when they cause actual disruption of a City Council Board of Harbor Commissioners meeting are prohibited, and provide grounds for the Presiding Officer/President to declare a speaker out of order, limit speaking time or topics, expel a person from the meeting if they refuse to cease their disruptive behavior, call for security to physically remove or arrest any persons who persist in actual disruption: creating or participating in a physical disturbance, speaking out of turn or in violation of applicable rules (including time limits), preventing or attempting to prevent others who have the floor from speaking, preventing or impeding others from observing the meeting, entering into or remaining in an area of the meeting room that is not open to the public, holding up in the air or waving posters, signs, flags, or banners in the audience in a way that impedes ingress or egress or disrupts the ability of other audience members to view or participate in the proceedings, or disrupts the ability of the Council Commissioners to view the audience or participated in the proceedings.

3. Enforcement. Disruptive behavior as described more fully above may result in removal from a City Council Board of Harbor Commissioners meeting and/or arrest and prosecution. Any law enforcement officer on duty may serve as the Sergeant-at-Arms of the Council Board of Harbor Commissioners meetings. The Sergeant-at-Arms shall carry out all orders and instructions given by the Presiding President/Officer for the purpose of maintaining order at the City Council Board of Harbor Commissioners meetings.

D. Cooling off Period/Clearing Council Board of Harbor Commissioners Chambers Meeting Rooms. In the event one or more individuals at a Council Board of Harbor Commissioners meeting continues, after a warning by the Presiding President/Officer, to engage in disruptive or unruly behavior to the extent that it is preventing Council Board of Harbor Commissioners members or others from adequately participating in the meeting, the Presiding President/Officer may order a cooling off period and/or the Council Board of Harbor Commissioners meeting room chambers be cleared of all members of the public (with the exception of members of the press who are not participating in the disruption) or may adjourn the meeting to another time or place so that the meeting may continue uninterrupted.

~~E. Council Board of Harbor Commissioners Chamber Capacity. Council Board of Harbor Commissioners Chambers Meeting room attendance shall be limited to the posted seating capacity (Enter #?152 people). Entrance to the City Hall meeting location will be appropriately regulated by the General Manager/City Manager or designee on occasions when the Council Board of Harbor Commissioners Chamber capacity is likely to be exceeded. While the Council Board of Harbor Commissioners is in session, members of the public shall not remain standing in the Council Board of Harbor Commissioners Chamber meeting room except to address the Council Board of Harbor Commissioners; standing in the foyer at the back of the room is acceptable so long as proper decorum is observed. Sitting on the floor shall not be permitted. The Council Board of Harbor Commissioners proceedings may be conveyed by loudspeaker to those who have been unable to enter the Council Board of Harbor Commissioners Chambers. There is also a monitor outside for people to view the proceedings.~~

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F. Accessibility. The cityCountyDistrict will makes every reasonable effort to accommodate the needs of the disabled. Persons needing assistance should contact the City Clerk-Deputy Secretary.

~~G. Use of CityCountyDistrict Equipment. CityCountyDistrict equipment such as video/DVD player and projector is not available for public use during public comment for items not on the agenda due to the limited time for such items and the need for advance coordination with the City ClerkDeputy Secretary to assure compatibility with CityCountyDistrict equipment. Such equipment is generally available on a limited basis for use during presentations on agenda items such as land use matters or appeals. The speaker must make prior arrangements with the Deputy SecretaryCity Clerk in order to assure compatibility with the CityCountyDistrict's system, allow testing for viruses or other issues that might harm the CityCountyDistrict's equipment, and that the materials do not require more than a few minutes' preparation and set up.~~

~~H. Alternate Facilities for CouncilBoard of Harbor Commissioners Meetings. The MayorGeneral Manager and Vice Mayor may approve from time to time that a meeting be held at a facility other than the City Council Chambers 33 Arroyo Drive, South San Francisco, CA location or Sea Crest School, Think Tank, Room #19, 901 Arnold Way, Half Moon Bay, CA 94019, or 504 Alhambra Avenue, El Granada CA 94018 second floor location and provide advance notice to the public.~~

~~I. Use of City CouncilBoard of Harbor Commissioners Chambers. The City CouncilBoard of Harbor Commissioners Chambers are for use only by the CityCounty. By permission of the CityCounty, the Chambers may be used for CityCounty co-sponsored meetings or by other governmental agencies; to the extent it does not disrupt any CityCounty activity. In addition, upon permission of the CityCounty, the City CouncilBoard of Harbor Commissioners chambers may be used for City CouncilBoard of Harbor Commissioners debates during election years facilitated by a non-governmental non-partisan entity. All other uses are prohibited. Applications for use shall be made to the City ClerkDeputy Secretary.~~

~~J. Materials after Posting of Agenda. New materials provided after the posting of the agenda are available during the meeting in the public binder on the specified table in the back of the City CouncilBoard of Harbor Commissioners chambers meeting location and are posted on the City's County'sDistrict's website at www.smharbor.com.~~

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III. PUBLIC COMMENT

A. These Guidelines are intended to assure that members of the public have the opportunity to speak before final action on an item and that the City CouncilBoard of Harbor Commissioners has adequate time to complete its work as set forth on an agenda. The time frames set forth herein are meant to give people an idea of what to expect. While the total time for public comment on an agenda item or the time for individual comment may be reasonably limited to allow the CouncilBoard of Harbor Commissioners time to complete its work, the MayorPresident as Presiding Officer may adjust these time frames as appropriate for any particular item or agenda to ensure that the intent of the law and of these guidelines is met.

B. Public Comment: General Rules.

1. Public comment will generally be taken in the following order and in accordance with the published agenda:

- a. Public comment on non-agenda items and consent items.
 - b. Public comment on action items ~~including appeals and public hearings as~~ they are taken up under the procedures set forth herein.
2. Oral communications may be used only to address items that are within the ~~Council~~Board of Harbor Commissioner's subject matter jurisdiction.

3. Any person desiring to address the Council Board of Harbor Commissioners must first obtain permission of the

Presiding President Officer, via the use of speaker ~~cards forms outlined below.~~

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4. Speakers shall use ~~the a~~ microphone, ~~if~~ provided for the public and speak in a recordable tone, either personally or with assistance, if necessary.

~~4.5.~~ All remarks should be addressed to the Council Board of Harbor Commissioners as a body and not to any individual member, ~~nor to staff,~~ ~~nor~~ or any other member of the public

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6. In order to assure the opportunity for all those desiring to speak before the Council Board of Harbor Commissioners, there is no yielding of time to another speaker.

7. Speaker Cards. Speaker cards must be submitted to the City Clerk Deputy Secretary, in order to address the Council Board of Harbor Commissioners during oral communications and on any agenda matter. The speaker must identify the agenda item number and/or subject matter on which the speaker desires to comment.

Identifying information requested on the speaker cards is *optional* and is collected so that that the County City can respond to speakers when appropriate after the meeting. **Please note: e-mail addresses, names, addresses, and other contact information are not required, but if included on the speaker card or in any communication to the City Council Board of Harbor Commissioners, will become part of the public record.** A speaker may list his or her name on the card as "anonymous" and address as "County District or non-district City Resident." The Presiding President Officer will call on speakers by the name listed on the speaker card, so if a speaker lists his or her name as "anonymous" or another pseudonym, he or she should be prepared to respond to that name when called to the podium by the Presiding President Officer.

8. The Deputy Secretary City Clerk will give the cards to the Presiding President Officer so that the speakers may be identified an orderly way. **Once the public comment period has begun, no additional speaker cards will be collected and no additional speakers will be allowed to speak.** This is because the amount of time allotted to speakers is dependent upon the total number of speakers, as determined by the number of speaker cards submitted prior to the start of the public comment period.

~~9. Petitions. Petitions shall be submitted to the City Clerk and shall not be read in their entirety unless requested to do so by the Council.~~

C. Public Comment: Non-Agenda Matters and Consent Calendar.

1. The General Rules for all public comment apply (see above).

2. The time for public comment on this portion of the agenda is generally ~~fifteen~~three (~~15~~3) minutes. Regardless of the number of speakers, a speaker shall not exceed 3 minutes but the time allotted might be less than 3 minutes when there are more than 5 speakers, at the discretion of the Presiding ~~President~~Officer. When there are numerous speakers, the Presiding ~~President~~Officer may extend the time for public comment for non-agenda and consent items.

3. Matters Not on the Agenda. The Brown Act does not allow the ~~City Council~~Board of Harbor Commissioners to discuss non-agendized matters because it does not give the public adequate notice. Accordingly, the ~~City Council~~Board of Harbor Commissioners is limited to asking factual and clarifying questions of staff, and when appropriate, the ~~Council~~Board of Harbor Commissioners may consider placing a matter on a future agenda. In addition, it is not reasonable to expect staff to respond to any of a variety of issues on which they may or may not be prepared to respond to on a moment's notice, so the ~~General Manager~~City Manager may direct staff to respond at a later time.
 4. Consent Calendar. There is generally a Consent Calendar on all regular meeting agendas which includes those matters that the ~~City Manager~~General Manager, in consultation with the ~~Mayor~~President and Vice-~~Mayor~~President, deems to be of a routine nature and will be enacted by one motion and one vote. The public may contact the person identified on the agenda prior to the ~~Council~~Board of Harbor Commissioners meeting with questions about matters on the consent calendar.
- D. Public Comment: Action Items. The public may comment on each remaining item listed on the agenda for action as the item is addressed by the ~~Council~~Board of Harbor Commissioners -
1. The General Rules for all public comment apply (see above).
 2. Action Items ~~(other than appeals and public hearings)~~-The total time for public comment on items on this part of the agenda is generally **thirty (30)** minutes. Regardless of the number of speakers, a speaker shall not exceed 3 minutes but the time for individual speakers may be less than 3 minutes when there are more than 10 speakers. The Presiding ~~President~~Officer may extend the time for public comment.
 - ~~3. Appeals and Public Hearings. The total time for public comment on items on this part of the agenda is generally sixty (60) minutes. Regardless of the number of speakers, a speaker shall not exceed 3 minutes. If there are more than twenty (20) persons wishing to comment in addition to the staff and the parties to the appeal or public hearing, the Presiding Officer may limit the public comment for all speakers to less than three (3) minutes per speaker. If there are more than twenty (20) speakers, the Presiding Officer may also extend the time for comment to ensure that every speaker has an opportunity to make public comment.~~

~~IV. PROCEDURES FOR PUBLIC HEARINGS ON LAND USE AND ZONING MATTERS AND ON APPEALS~~

- ~~A. Presentation by the Party Participants. The Presiding Officer may limit the amount of time to be devoted to public presentations.~~
- ~~1. The General Rules for all public comment apply (see above).~~
 - ~~2. For public hearings for land use and zoning matters and for appeals, staff shall present its report first.~~

~~3. If the item is not an appeal, then the applicant will have ten minutes to make a presentation followed by public comment.~~

~~4. If the item is an appeal, then time shall be provided for one representative on both sides of the appeal to make a presentation. Absent unusual circumstances in the judgment of the Presiding Officer, each side shall have ten minutes to make a presentation on the appeal. The appellant shall go first, then the applicant, and then individuals may make public comment.~~

~~5. Where the appellant is the applicant, the appellant-applicant may make a ten (10) minute presentation after the staff report, and public comment on the matter shall follow.~~

~~6. In case there are two or more appellants, the time allowed for presentation shall be a total of twenty (20) minutes divided among all appellants. In no event will an individual appellant be given less than five (5) minutes for presentation.~~

~~7. In some cases, a designated spokesperson(s) appears on behalf of an individual or a group to present the case of the applicant or appellant. Because the applicant and/or appellant is given more time than others, applicants and appellants should not additionally speak during public comment, regardless of whether the applicant or appellant spoke or whether represented by a spokesperson, on the item so as to avoid the inequity of some parties obtaining more time than others. A party may have more than one spokesperson such as the applicant and an attorney or an attorney and an engineer, and they may all speak but within the total time allotted to that one party.~~

~~B. Public Comment. The General Rules for all public comment apply (see above).~~

~~C. Rules of Evidence Do Not Apply. The City Council and its subordinate agencies as well as staff are not partisans on any side of any land use dispute but are charged with making decisions in the best interests of the entire City after weighing all input, and this process is a means of addressing divergent community interests. Accordingly, the rules of evidence and other such legal procedures do not apply.~~

~~D. Ex Parte Communications. Constituents have a reasonable expectation that they may engage their elected officials on matters of community concern such as land use matters which are often controversial. However, interested persons also have a right to know what a Council Member considers as supporting information in making certain decisions and may feel that the proceeding was not fair when a public official has ex parte communications (communications that occur outside of a public hearing) on a matter that is before or likely to come before the City Council.~~

~~The City Council wishes to balance its commitment to transparency in government and its obligation to provide a fair process. Accordingly, the following are suggested as best practices:~~

~~1. Legislative decisions. Legislative decisions relate to the City Council's law-making and policy functions, such as ordinances, zoning, and general plan amendments. The City Council may discuss pending legislative matters~~

~~freely with its constituents and the public and no disclosure of those contacts is necessary.~~

~~2. Adjudicative decisions or quasi-judicial decisions. Adjudicative or quasi-judicial decisions relate to evaluations and judgments where the City Council is charged with applying legal standards to a factual situation, such as discretionary land use entitlements. Accordingly, the procedure employed must be fair as well as accord interested parties with a meaningful opportunity to prepare and be heard. Interested parties should keep in mind that ex parte contacts with Council Members may give rise to the perception that the process was not fair if Council Members have information that other interested parties do not have, or ex parte contacts may give rise to a perception that the Council Member is biased in favor of or against a particular party. While Council Members may meet with constituents to discuss pending adjudicative decisions, it is recommended that the Council Member make a complete disclosure of such contact, as follows:~~

~~i. Where information of a specific nature is gathered by a member of the City Council through contacts outside the record and the information is not already on the record, the member shall disclose the contact and its substance on the record prior to the commencement of the hearing to which such contact relates.~~

~~ii. When a matter involves a mixture of adjudicatory and legislative decisions, ex parte contacts and communications shall be disclosed.~~

~~3. Appeals. Once an appeal is filed, the City Council prefers to limit ex parte communications and rely on the record as presented during the hearing. In this case, the City Council members should decline to participate in any ex parte communications and may wish to avoid gathering or receiving information outside the noticed public meeting; but, to the extent such communication occurs, they should disclose this information.~~

~~4. Hearings involving vested rights. Vested rights involve an established property interest such as revocation of a use permit. Here, the City Council's need for discourse with the public outside of a noticed meeting is less significant because the Council is not considering granting a benefit and instead is contemplating a modification or loss of an existing property interest. In this case, if such communication occurs, the Council Member who participates in ex parte communications should disclose this information.~~

~~E. Tentative Opinions Not Prejudgment. Council Members sometimes express tentative opinions on various projects pending before them. The expression of such opinions assists interested persons and the public to address the concerns expressed and makes for a robust and far-ranging exploration of the issues raised by a project. The final decision is nonetheless based upon the entire record, after all evidence and testimony~~

~~has been considered, and such tentative opinions are a necessary part of the review process and do not constitute prejudgment of the project.~~

~~F. Procedural Protections. Nothing in these procedures shall be construed as limiting any procedural protections that a party of the public may be entitled to by law over and above the protections of these guidelines, based upon the facts of any particular proceeding.~~

~~G. Written Findings. On any matter for which state law or City ordinance requires the preparation of written findings, the staff report and other materials submitted on the matter will contain findings proposed for adoption by the Council. Any motion directly or impliedly rejecting the proposed findings must include a statement of alternative or modified findings or a direction that the matter under consideration be continued for a reasonable period of time in order for staff to prepare a new set of proposed findings consistent with the evidence which has been presented and the direction provided by the Council.~~

~~H. Absence. A Council member who is absent from any portion of a hearing conducted by the Council may vote on the matter provided that he or she has:~~

- ~~1. — watched or listened to a video broadcast or recording of the entire portion of the hearing from which he or she was absent~~
- ~~2. — examined all of the exhibits presented during the portion of the hearing from which he or she was absent~~
- ~~3. — states for the record before voting that the Council member deems himself or herself to be as familiar with the record and with the evidence presented at the hearing as he or she would have been had he or she personally attended the entire hearing.~~

~~I. Submission of Written Materials to Council.~~

- ~~1. Documents, comments and information may be provided to the City Council in writing subject to the following provisions:
 - ~~a) Written documents, comments, or information may be mailed to the City Clerk or delivered to the City Clerk.~~
 - ~~b) If the document, comment, or information concerns a hearing item, the sender should clearly label the material with the date of the meeting and the agenda item to which it applies.~~
 - ~~c) All documents, comments, and information provided to the City become a public record including any contact information~~~~
- ~~2. Pursuant to the Redwood City Municipal Code s. Chapter 1, an appellant who is filing an appeal must provide all documents upon which appellant is relying at the time he or she files the appeal.~~

~~V. USE OF ELECTRONIC MEDIA~~

~~Use of Electronic Communications at Public Meetings. See Policy, "The Use of Computer Hardware during City Council/Board of Harbor Commissioners Meetings, Boards, Commission, and Committee Meetings," approved by Resolution No. 15035 on July 12, 2010, and attached hereto as Attachment 1, TBD~~

~~VI. PROCEDURES FOR CITY COUNCIL/BOARD OF HARBOR COMMISSIONERS CORRESPONDENCE~~

~~A. City Council/Commissioners Use of City District Letterhead. Resolution No. 13644, Adopted June 7, 1999, and entitled, "A Resolution Approving and Adopting City Council/District Policy Regarding Use of City/District Letterhead and City District Logo and Rescinding Any And All Prior Such Policies," is attached hereto as Attachment 12.~~

~~B. Use of Title on Candidate Endorsements and Ballot Measures:~~

- ~~1. A City/County/District official can lawfully endorse a candidate for election or a ballot measure and identify themselves using their job or political title (e.g., Joe Smith, Townville Vice President San Mateo County Harbor District Assistant City Manager/General Manager Commissioner or Lucy Lawful, Vice Mayor of Townville).~~
- ~~2. The caveats are as follows: a) the City/County/District employee or official may not mislead the public into thinking that she other is speaking in official capacity or on behalf of the City/County/District, b) the employee or official must not use public resources such as letterhead, and c) the City/County/District employee's or official's off duty speech must not interfere with official duties.~~
- ~~3. The Institute for Local Government suggests the following practice: officeholders may allow their names and titles to be used, subject to a condition that there is an asterisk by their name indicating that titles and organizational affiliations are for identification purposes only, and do not imply an endorsement by the organization itself.~~

~~VII. CITY COUNCIL/BOARD OF HARBOR COMMISSIONERS STAFF COMMUNICATIONS~~

~~Requests made by individual Board Members Council Members for information or assistance will be addressed as quickly as possible under the circumstances, provided that, in the judgment of the City Manager/General Manager (or the City/County/District's General Counsel Attorney depending on the nature of the request) the request is not of a magnitude, either in terms of workload or policy, which would require that it more appropriately be assigned to staff through the collective direction of the City Council/Board of Harbor Commissioners. If the individual Council/Board Member request goes beyond these parameters, or in the judgment of the City Manager/General Manager, is not within the scope of City/County policies or business, the City Manager/General Manager will bring the request to the full Board/Council for consideration.~~

~~LIST OF ATTACHMENTS~~

- ~~1. City Council Policy regarding "The Use of Computer Hardware during City Council, Boards, Commissions, and Committees Meetings," approved by Resolution No. 15035, adopted July 12, 2010.~~
- ~~2. City Council Policy regarding "Use of City Letterhead and City Logo" and Rescinding Any And All Prior Such Policies, approved by Resolution No. 13644, adopted June 7, 1999.~~



Attachment 1

CITY COUNCIL BOARD OF HARBOR COMMISSIONERS POLICY
EFFECTIVE: 7/12/10

SUBJECT: THE USE OF COMPUTER HARDWARE DURING CITY COUNCIL BOARD
OF HARBOR COMMISSIONERS, BOARDS, COMMISSIONS, AND COMMITTEES
MEETINGS

PURPOSE:

This policy provides ~~allows~~ City Council ~~Board of Harbor Commissioners~~, as well as the City Boards, Commissions, and Committees, to ~~utilization~~ ~~utilize~~ of computer hardware and software to receive and store agenda materials for the City Council ~~Board of Harbor Commissioners Meetings~~.

POLICY:

A. General

1. ~~During City Council Board of Harbor Commissioners meetings noticed and open to the public pursuant to the Brown Act, the use of computer hardware, including cell phones, Ipads, notebooks, netbooks, desktop computers, and other devices, by Council Board members to access the internet/intranet or receive/send email or text messages is~~ not permitted.
2. ~~This prohibition shall also apply to City County Board, Commission, and Committee members during their respective meetings.~~

B. Exceptions

1. ~~This prohibition shall not apply to City Council Board of Harbor Commissioners Board of Harbor Commissioners subcommittees.~~
2. ~~It shall not apply to email or text messages from or to family that do not address City County District/Redevelopment Agency business.~~

Approved by Resolution No. 15035 on July 12, 2010 by the City Council ~~Board of Harbor Commissioners/Redevelopment Agency Board~~.

Staff Report

IT Equipment Paid for and Not Received By District as Described in Letter From Interim General Manager to John Ullom. Information and Discussion Item, (Commissioner Brennan)

Glenn Lazof: Interim General Manager (IGM); Marcia Schnapp: Interim Administrative Services Manager

Background: Commissioner Brennan requested this information item at the last meeting. The agenda packet includes the letter written to Mr. Ullom which describes the occurrence as to the best of our knowledge at that date.

Staff has also included information additional submitted by Commissioner Brennan.

The \$34,689.31 in question has been refunded to the District

Analysis: The Administrative Services Manager has included a matrix which highlights the issues raised by the District's failure to recover the deposit over a two year period with an eye towards identifying where the problem was a lack of policy (policy failure), a management issue (failure to follow policy or General Accepted Accounting Practice). She has also submitted a staff report giving her point of view. While our reports aren't very different, in the interest of transparency her perspective is being shared as well.

My understanding is the IT equipment in questions was to be built by the vendor, not purchased on the open market.

When viewing the matrix keep in mind that the District assigned responsibility for IT to the HR manager, until this summer when the Administrative Services Manager position was approved by the Board.

None of the management staff during the time of the transaction in question under discussion has been employed at the district during this internal investigation.

Recommendation: None.

If the Commission wishes to take further action, it should be place on a future agenda.

Fiscal Impact: None, informational item only.



STAFF REPORT

TO: San Mateo County Harbor District Commissioners

VIA: Glenn Lazof, Interim General Manager

FROM: Marcia Schnapp, Interim Administrative Resources Manager

DATE: September 2, 2015

SUBJECT: IT EQUIPMENT PAID FOR AND NOT RECEIVED

IT System/Servers Question Resolved – See Separate Board Agenda Item

When I started working for the District in late April, 2015, the Board had already hired a third party IT inventory consultant to inventory the IT hardware of the District; this was due to questions raised by a member of the public who, upon reviewing District IT purchase invoices over the past several years, thought there was a disconnect between what was invoiced and what was actually at District work sites and offices.

I was tasked by then acting General Manager Grindy to research the matter to determine what the facts were, as opposed to all the conjecture. To be clear, none of the staff involved in the final transactions are with the District today.

What was discovered went back to May of 2012 when the Board authorized the General Manager to spend up to \$45 thousand on an IT systems hardware and software upgrade, which included the purchase of two new servers, based upon a quote received from the current IT vendor. An invoice was requested to be created by the IT vendor by the then Human Resources Manager. That invoice was created for \$42 thousand. It required an 80% deposit towards the purchase of the hardware, the now infamous \$34 thousand. That deposit was paid by District check. However, unknown to the vendor, the invoice was booked by Finance as a purchase and not a deposit.

The IT project was postponed several times by the District, so the vendor continued to hold the funds on deposit until the project was re-activated. The project was brought to the fore in January of 2015 only to be dropped by the end of March 2015 due to the resignation of the IT vendor.

I waited for the IT inventory to be completed and shared with District staff, which occurred at the end of June 2015.

Upon review of that inventory, I immediately contacted the vendor and scheduled a meeting to review the course of events I had been able to piece together to have him confirm or amend. Shortly thereafter, the Interim General Manager also asked me to start investigating the matter and report back.

During that meeting the vendor shared with me that he still had the deposit on file. Before he returned any funds, I wanted to ensure that the amount he returned was the correct amount. Over the next month I collected and printed the relevant quotes, invoices and transactions to identify the exact amount of the deposit. Once I was able to identify the amount in question, I sent him a letter requesting he confirm my findings. Once he confirmed my findings, I scheduled a time to meet with him to pick up the balance due. That occurred in the first part of August. The vendor very

willingly and without hesitation, fully repaid the District the amount due from that June 2012 invoice.

The epilogue is that the District had proper policies and procedures in place that would've prevented the purchase to begin with. Those policies and procedures were not followed in this instance. To answer the question as to why would only be cause for speculation since the parties involved have left the District, some more than two years ago.

Staff has produced a separate board report for Board review and analysis, summarizing the events, what the problem was, and what the resolution would've been to avoid the problem in the first place.

<u>Date</u>	<u>By/Title</u>	<u>Item</u>	<u>Authorization</u> (Bd Action, Policy #, Manage	<u>Policy / Management Issue</u> (Best Practice)	<u>Solution</u>
3/28/2012	Vendor-TWCO	Quote #32 for \$42,550.91	HR Mgr (IT Respons)	No Long Term Strategic IT Plan Lack of Implementation	Develop Long Term IT Strategic Plan with short-term Implement.Schedule/ Milestones Staff presentation to Bd
5/16/2012	HR Manager	Agenda Item 14 Authorize Purchase servers NTE \$45,000	Board Motion Passed	No documentation of Quotes from alternative sources	Adhere to Policy
5/31/2012	HR Manager	Reportedly requests Vendor to Issue Invoice, not deposit invoice for Product Invoice \$42,550.91, 80% deposit = 34,689.31	HR Mgr Recommends; GM approves	Invoice was for Product but no goods received because in fact this was a deposit.	Adhere to Purchasing Policy Invoicing should be written for deposit, when such. For >\$500 Vendors to be Prohibited from Purchasing Equipment on behalf of the District except in emergency; developing "shopping list" instead;
6/21/2012	AP Staff	Books Invoice as IT Equip Expense; not as fixed asset	(Reportedly)Finance Director initially did not approve	Non-recurring items that don't have GL entry approved by DOF	Adhere to Purchasing Policy Adhere to GAAP
6/21/2012	AP Staff	Issues ck 40875 for \$36,714.31, which includes \$34,689.31 for equipment (sic-deposit)	DOF and Board Treasurer	High Dollar check with no packing slip or backup or proof of delivery	Adhere to Purchasing Policy For high dollar checks, ensure higher scrutiny from secondary approvers
6/30/2012	Fin Dir (DOF)	Changes IT expense to Fixed Asset in System	None Needed - Discretion Of Director of Finance	No documentation of delivery	Adhere to GAAP and GASB for booking of fixed assets
YE Audit	Auditors	Test for proper booking Deposit not in Bal Sheet Booked improperly as Fixed Asset instead	RFP process hires auditors	Didn't test largest additions to Fixed assets	Going forward, add review of all fixed asset additions and Deletions to Auditors review Tasks; not just sampling.
FY2012-13	IT Server Proj is Postponed	HR Manager	None Needed - Discretion	Lack of Follow-up by or to Finance	Finance should be informed of major decisions re Capital Assets Acquisition.
Jan-15	HR Mgr	Reinitiates IT Server Project	None needed	Questions regarding missing servers arise	Adhere to Purchasing Policy GAAP and GASB
3/31/2015	Vendor	IT Vendor Resigns	None needed	District staff are unaware Of outstanding deposit	See above
5/5/2015	Interim Admin	Starts email stream with	Directed by Interim GM		

<u>Date</u>	<u>By/Title</u>	<u>Item</u>	<u>Authorization</u> (Bd Action, Policy #, Manage (Best Practice))	<u>Policy / Management Issue</u>	<u>Solution</u>
	Srvcs Mgr (IASM)	Vendor regarding servers	(Mid-May)		
6/25/2015	IASM/Vendor	Onsite meeting at new Admin office	Notice to IGM	Vendor said he didn't want to issue an invoice for product he didn't deliver, but was told by HR Mgr to do so	Adhere to Purchasing Policy; HR to get approval of all financial transactions from finance dept/DOF; no inappropriate dir. to vendors
7/9/2015	IASM/Vendor	Meeting to confirm amt of Deposit due District by Vendor	Notice to IGM	none	Will issue confirming letter to vendor regarding amt due District
8/11/2015	IASM/Vendor	Vendor delivers refund for \$34,689.31 to ISMA	Notice to IGM	none	Still need to correct District books: fixed asset accts and depreciation accts to reverse prior bookings
8/11/2015	IASM/Vendor	Vendor delivers refund for \$34,689.31 to ISMA	Notice to IGM	none	
8/24/2015	D O F	Confirmation Check clears	Notice to IGM	none	Still need to correct District books: fixed asset accts and depreciation accts to reverse prior bookings



San Mateo County Harbor District

Board of Harbor Commissioners

Tom Mattusch, President
Nicole David, Vice President
Robert Bernardo, Secretary
Pietro Parravano, Treasurer
Sabrina Brennan, Commissioner

Glenn Lazof, Interim General Manager

August 19, 2015
John Ullom
Via email
redbonelogic@gmail.com

Re: Letter of Appreciation

John,

This June you had raised questions, rather persistently, over the district paying \$40,000 for IT equipment it had could not locate. While I lacked specific details beyond that in your e-mails, I was concerned enough to begin an internal investigation. The wheels of government turn slowly, but we finally have enough information for me to share what has been learned and hopefully to address some of the obvious questions that flow from that discovery.

Harbor District staff has identified \$34,689.31 that was paid to The Well Connected Office (TWCO) in 2012 as a deposit on equipment that was not delivered. By the end of last week, we were in receipt of the full refund of this amount from the vendor. The twisted trail of documentation regarding this payment is, to say the least, not a path in which the district can take pride. The meandering trail contributed both to my confusion and to the length of time our investigation and resolution took. It also reduced the chances of discovery in the IT Audit, as well as previous internal and external reviews.

Below are some of the salient points in the accounting and documentation process:

- 1) Apparently, this deposit was paid using a purchase invoice rather than a deposit invoice as documentation.
- 2) Initially the deposit was recorded as six separate purchases of hardware and software, all under the \$10,000 threshold for fixed assets; it should have been recorded as one deposit for described Capital equipment and booked in the deposit account along with other deposits such as prepaid rents, etc.
- 3) A subsequent journal, processed by staff that is no longer with the District, recombined the six purchases as a Capital Asset. While that would have been the right way to correct the record had it been a purchase, it had the effect of further obfuscating that the transaction was a deposit, not a purchase.
- 4) As the IT Audit referenced, past practice was that there was not a one to one relationship between invoices and equipment purchased. There would be a general description of what issue was being addressed, information provided regarding software and hardware, but not information (such as serial numbers) specific enough to track through inventory.
- 5) If inventory was done for 2012, there was obviously a failure to link the new Capital Asset purchases to what was to be inventoried. Had this been done in accordance with standard procedures, the inventory would have at least identified that the system recorded a purchase for equipment that could not be located, and that finding would have led to further investigation.

What has been done so that this could not happen today? When the IGM started on May 13, it was required that prior to approval of purchases, district staff that receive goods or services, must document in writing that goods or services being paid for were received. My purpose of requiring the GM's signature is to validate, among other things, that such acknowledgement is recorded. If there were a payment of a deposit, it would be obvious that no goods were received, and the Finance Director and General Manager would both need to miss that no acknowledgement of receipt was provided. Such control procedures above are pretty much standard operating procedures for public agencies. These provide checks and balances so that even if one of these controls failed there is still the opportunity for discovery.

The District plans to thoroughly revisit purchase policies and procedures, and more importantly to adhere to them. Some of the routine practices to be enforced, which would prevent such occurrences include:

Properly recording deposit payments.

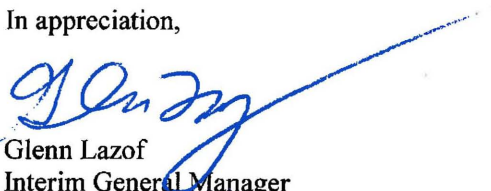
Requiring that Capital Equipment invoices provide detailed specific information regarding exactly what equipment was purchased, including serial numbers as well as correctly identifying deposit payments.

Procedures for inventory control that transfer the specific equipment information (model, serial numbers, etc.) to the list of inventory to be verified.

A complete inventory of fixed assets should be conducted annually, and inventory controls would be in place to ensure that newer purchases are added to the list.

The bottom line here is that if not for your persistence, we very well may not have recovered this overpayment. Please accept my sincere thanks.

In appreciation,



Glenn Lazof
Interim General Manager
San Mateo County Harbor District
650-583-4400
glazof@smharbor.com

IT Study
San Mateo County Harbor District

Prepared for:

Mr. Steven D. Miller, Esquire
Hanson Bridgett LLP
425 Market Street, 26th Floor
San Francisco, CA 94105

Report Prepared By:



Karen Rayment, MSEE, MBA, P.E., PMP
Senior Consulting Engineer

Reviewed By:



Caleb Scharf
Principal IT Consultant

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1. Introduction

CASE Forensics (CASE) was retained by Mr. Steven D. Miller, District Counsel for San Mateo County Harbor District (SMCHD) to perform a physical inventory of IT equipment, a review of records provided pertaining to the purchase of IT equipment, and to review the IT infrastructure needs and existing systems at SMCHD's three locations: Administrative Offices, Oyster Point Marina Harbormaster Buildings, and Pillar Point Harbor Buildings.

This report details the work performed by Karen Rayment, Senior Consulting Engineer for CASE, and the results of this study.

2. Summary of Observations Based upon Information Provided by SMCHD

After performing a physical inventory audit, and after reviewing the Contractor's Well Connected Office (or WCO) Invoices and description of work billed to SMCHD provided by SMCHD personnel, the following observations were made:

- 1) SMCHD has been, and still is, a stable-asset organization in recent years, that has neither increased nor decreased its inventory for lease (pleasure boat slips and commercial spaces). Lease inventory is a core revenue stream for this organization. Associated overhead costs include, but are not limited to, personnel costs, maintenance and repair costs, capital equipment expenditures, upkeep and scrap costs, facilities costs, and outsourced contractor and materials costs.

A scalable IT Program Plan that includes consideration for growth and expansion of the core business is not needed at this time. Many small, stable businesses do not have an IT Program Plan, scalable or not, simply because it is too expensive to keep, revise, document and administer a Plan where available inventory or services to create revenue are stable and well-known. When an IT system goes down or is problematic, it impedes business operations, and needs to be repaired or upgraded quickly. Most small business IT contractors are usually in reactive mode, trying to keep daily operations on track, rather than being deeply involved in long-term capital investment planning on a full-time basis.

The amount of time spent on long-term capital projects versus daily operations depends upon the agreement and communication between the hiring organization (SMCHD) and the IT Contractor (WCO in this case). It is challenging to perform both modes well in small business environments, especially if there are budget constraints and a limited number of trained personnel on staff. For both parties, it is important that reactions to Help Desk questions, customer-facing issues and complaints about unstable or broken equipment come first every day. This can be very disruptive to long-term planning and capital equipment projects.

Small businesses that outsource all IT functions, especially with a stable core earnings capability, normally conduct IT business on a responsive basis, rather than an aggressive, pro-active, long-term planning basis. This responsive basis is the state of the relationship between SMCHD and WCO, as documented by multiple open market brands in inventory, and as shown by the documented invoices provided to CASE where the bulk of the invoices show a lot of time spent on support.

The main responsibility, then, for small business IT contractors is to focus on the integrity of daily operations and quick response. When an IT system goes down or is problematic, it impedes business operations, and needs to be repaired or upgraded quickly.

Even with small businesses on a planned or unexpected growth trajectory, a formal IT Program Plan may be optional due to focused expenditures on core business assets such as increased inventory or adding head count. Typically, adding a few workstations or laptops as personnel come and go, or as technology changes, doesn't require a full IT Program Plan for small businesses.

Sometimes an IT Program Plan resides with an outside contractor. Sometimes there is no IT Program Plan simply because it is not part of the agreed-to services by the hiring agency.

For the purpose of this study, CASE has no knowledge of whether The Well Connected Office was asked to create an IT Program Plan or a long-term capital expenditure plan and roadmap. While some of the IT equipment in inventory at the time of this study may be overscaled or underscaled for the organization's customer and personnel needs; without understanding the reasons for purchase at the time of each purchase and commissioning, there is no way to tell whether mistakes were made by either party, or whether response time and budget were factors.

Most small businesses have some IT equipment that is either overscaled or underscaled for number of personnel on staff and for core business requirements- it is not unusual. The reasons that a few pieces of IT equipment may be overscaled or underscaled could be, but are not limited to, miscommunications by one or both parties, lack of understanding of the technology performance parameters by one or both parties, time constraints, budget constraints, access to information and equipment constraints, and other responsive issues that may occur during the normal course of operating a small business.

- 2) Generally speaking, the physical items in inventory were noted to be typical, off-the-shelf purchases, which anyone can buy on the open market. Only a few custom-built computers, and the boxed server at PPH are noted as exceptions. There is no reason provided for building custom hardware instead of purchasing open market hardware on the reviewed invoices, however, two common reasons for IT providing custom hardware rather than off-the-shelf hardware include, but are not limited to, the need for customized applications that off-the-shelf hardware cannot provide (such as less memory, or more storage) and cost. Customized hardware can be less costly than off-the-shelf hardware for some organizations.
- 3) Microsoft Windows is used across the organization as the organization's operating system.
- 4) Without an IT Program Plan documented and on file as the IT systems change, it is impossible to tell simply by doing a survey of Invoices and Inventory, when and why any changes to the overall organizational IT systems were made for both hardware and software changes. Common reasons for changes include vendors going out of business or discontinuation of a product or specific model group, upgrades in adjacent technology such that upgrades of physical hardware and connectivity are needed, service support (such as Comcast) requires upgrades of physical hardware or software, and facilities moves. Hardware also has a physical lifetime and some individual units may age more poorly than others.
- 5) The primary shared database is The Marina Program (TMP) and the primary objective of this shared database is to track which rental spaces are available, and which are rented, per each user lookup. More information is provided below in Section 5.

- 6) The Purchasing Regulations outlining both normal bid flow (quote-to-cash) process for SMCHD and the exceptions for Contractors and Aggregate Purchases not greater than \$5,000 seem to be general guidelines outlining the General Manager's latitude to conduct SMCHD business. These regulations may be ambiguous when it comes to ongoing IT outsourcing.
 - a. According to "2.35.060 Independent contractors" there should be an insurance certificate on file in keeping with the Labor Code, but CASE has no knowledge where the certificate is kept, or whether it was filed.
 - b. According to "2.35.090 Exceptions to bidding requirements" section D., IT equipment and software clearly fall under this category of "...for technical items or equipment requiring standardization and interchangeability of parts with existing equipment..." Clause E states the requirement (for a contractor excused from the bidding process) as, "...The aggregate cost of the supplies and equipment does not exceed five thousand dollars (\$5,000.00)."

For IT, as a completely outsourced service, this clause can be problematic as it does not state a time frame for the aggregate cost allowable without going through the standard bid process and is apparently left up to the General Manager's discretion.

Responding to viruses, denial of service attacks, blatant hacking, or other time-sensitive events can be labor-intensive for IT personnel, and these types of fast responses to preserve IT systems are mandatory.

- 7) During the physical inventory performed by CASE at the various SMCHD facilities, there was no sign of frivolous IT spending. All users had approximately the same types of equipment from approximately the same date range of manufacture, and all were relevant to their job functions. Most of the physical IT equipment audited ranged from 2010 – 2012, with the exception of a few computers or monitors which were purchased in 2013-2014 timeframe.

There was no impression or cursory evidence of IT equipment being used for anything other than conducting the normal process of core business. Indications of frivolous IT spending could include, but is not limited to, some personnel having more computing power than is needed for doing their jobs. Other indicators of frivolous spending may include replacing multiple machines at once just to do a gratuitous upgrade, buying several machines at once of the same vintage and brand, and then charging for setting up the multiple-machine purchase. There is no indication from the inventory audit and invoices that this has been happening.

The boxed, new server at PPH and the 8-way KVM switch in the server area at PPH were mentioned as a project for the expansion of IT infrastructure that had been on hold for many months. CASE has no knowledge of that project's details, who initiated the project, or why it was put on hold. It is reasonable that pieces of equipment are left in storage in as-received condition when projects are put on hold, especially if it is expected that Management will re-initiate the project. It also may be reasonable to return the items when Management clearly communicates that the projects are put on hold indefinitely. Investigating the reasons for the expenditures, the reasons for putting projects on hold, and the equipment choices made for these IT items was outside the scope of this study.

- 8) CASE conducted a very basic IT survey Questionnaire for the purpose of understanding the core business and user requirements only. The Questions and Answers recorded are not meant to guide the IT planning for SMCHD, or to be construed as all-inclusive for this type of survey. The Questionnaire and included answers, as annotated in this report in Section 5, could be expanded

upon to start a rudimentary tracking system for any facilities moves or to address any change in IT needs over time, but was intended only for general information gathering for this study.

3. Background

The San Mateo County (California) Harbor District operates two facilities – one at Oyster Point in South San Francisco, and the other in Half Moon Bay.

Oyster Point Marina (OPM) and Park provides approximately 600 recreational boat berths, both for long-term rentals and for daily rentals. There are facilities for pump-out, restrooms and showers, a guest dock, a launch ramp, a fuel dock, and a 300 foot fishing pier, to name a few amenities.

Pillar Point Harbor (PPH) provides approximately 370 berths - a combined location for both commercial and recreational watercraft. Harbor services include fuel and guest docks, a fishing pier, an RV lot, showers and restrooms, a laundry facility, a pump out facility, and a commercial fish buying center, to name a few of the amenities.

At the time of this report, the Administration Offices for both OPM and PPH was located near OPM, in an office building that overlooks San Francisco Bay.

4. Physical Inventory Audit and Documentation Reviewed

Access to all of the equipment listed in this report, and all of the documentation reviewed and referenced herein, was provided by SMCHD employees. CASE has no knowledge of any other IT equipment or any other documents than those provided, as documented in this study. CASE reserves the right to amend or revise this report, should new or revised information come to light, or should the Client require further work that falls outside the scope of this study, with budget and schedule to be negotiated by both parties, on a case-to-case basis.

4.A. Physical Inventory of Current IT Equipment

Physical inventory of IT equipment was performed at the Oyster Point Administration building, the Oyster Point Marina Harbormaster building, the Oyster Point Marina Maintenance and Warehouse building, the Pillar Point Marina Harbormaster building, and the Pillar Point Marina Maintenance and Warehouse, located at the following addresses:

SMCHD Administrative Offices

400 Oyster Point Boulevard, Suite 300
South San Francisco, CA 94080

Oyster Point Marina Harbormaster Office & Warehouse

95 Harbor Master Road, #1
South San Francisco, CA 94080

Pillar Point Harbor Offices & Warehouse

1 Johnson Pier
Half Moon Bay, CA 94019

The physical inventory lists that were compiled during on-site visits on 21 April 2015 are available in Appendix A of this report.

4.B. Documentation Reviewed

Documentation reviewed for the purpose of this study includes the online *SMCHD Purchasing Regulations, Chapter 2.35: Contracting and Purchasing Procedures*. Additionally, SMCHD administrative personnel provided Well Connected Office Invoices from 2010 through 2015 to date. No other information was provided as a basis for this report.

The *SMCHD Purchasing Regulations, Chapter 2.35: Contracting and Purchasing Procedures* have been included for reference in Appendix B of this report. These Purchasing Procedures were downloaded on 29 April 2015 from the SMCHD website:

<http://www.codepublishing.com/CA/SanMateoCountyHarborDistrict/>

Invoice documentation for IT Contractor, Well Connected Office (WCO), was provided by SMCHD for the purpose of this review. Observations after reviewing the provided WCO invoices include:

- WCO charged SMCHD \$75 per hour for all years, 2010-2015, without a rate increase for labor.
- The WCO invoices provided to CASE range from Calendar Years 2010 through present in 2015. Since the SMCHD Fiscal Year is from July 1 to June 30, the IT Contractor spending for the fiscal years, as itemized on the provided invoices, is summarized below:
 - July 1, 2010 – June 30, 2011: \$ 6,581.43
 - July 1, 2011 – June 30, 2012: \$ 61,364.01 (New Servers in mid-2012)
 - July 1, 2012 – June 30, 2013: \$ 42,638.50
 - July 1, 2013 – June 30, 2014: \$ 39,571.57
 - July 1, 2014 – Present, 2015*: \$ 51,749.08 (New Firewalls Palo Alto Networks)
- * Budget for FY14-15 as provided by SMCHD Personnel is \$56,500.
- There is no evidence of payments made in excess of the value of the IT equipment and software purchased from 2010-2015.
- Comparing the invoices provided to the physical inventory doesn't produce a one-to-one inventory validation. There are many items in use at various locations at SMCHD that are not on any WCO invoices. There are also a few items on WCO invoices that are no longer in inventory. This may be due to electronic waste disposal of the older or broken equipment. There is a free electronic waste disposal service for tenants of the building that houses the Administrative offices at Oyster Point. Tenants only need to bring the old or broken electronics to the lobby on given days during specified time ranges and the building managers dispose of the equipment. It is not clear whether specific electronic waste certificates of disposal are provided, or where they are kept if there are certificates on file.
- The WCO invoices provided to CASE by SMCHD personnel for the purpose of this study show that the costs were reasonable and in bounds with market prices, except for the WCO labor charge of \$75 per hour. The IT hourly rate of \$75 is low in the present market and the rate wasn't raised for the period of 2010-present. This is unusual since market rates for contractors tend to increase by a small percentage year-over-year.

5. Information Technology System Questionnaire and Responses

While CASE was on site to perform the physical inventory audit at the SMCHD Administration Offices, OPM, a brief questionnaire was presented to, and answered by Administrative personnel. The purpose of

the questionnaire presented is to assess the main purposes of using IT equipment, connectivity, and services during the course of normal business. The secondary purpose of the questionnaire was to better understand the criticality of various IT elements and the sensitivity of stored data and transmitted data.

The following questions are posed in large or small organizations, as general industry best practices, for understanding the needs for, and the structure of IT systems. The general answers to each of the questions are a summary of the Questionnaire responses that CASE received from Administrative personnel during this study, and are provided as an overview of the current IT infrastructure for SMCHD Operations.

The survey questions are listed below in bold text, and the answers CASE compiled by speaking with Administrative personnel are provided just below each question.

- 1. Where does the IT organization fit into the overall organizational structure?**
 - A. There is no IT Manager, or full-time person on staff responsible for IT Help Desk services or Infrastructure decisions. The Human Resources Manager, who recently left SMCHD to pursue other career opportunities was in charge of making IT decisions prior to leaving.

- 2. Number of IT personnel devoted to the following IT functions: Application Development and Maintenance; Computer Operations; Security Administration; Help Desk/PC Support; Network Administration; Training (user pool and IT personnel); Strategy and Planning.**
 - A: All IT functions are outsourced. In the past, the most tech-savvy person in the Administration was the Director of Finance, so sometimes the IT consultant did not have to come by on a service call if internal personnel could fix a problem.

- 3. How many management-level people are included in the IT function? What are their positions?**
 - A. As above, only the HR Manager who left SMCHD in March of 2015 was directly responsible for IT management, in addition to other responsibilities in Human Resources.

- 4. What is the annual budget for IT in the following areas: Hardware, Software, External Costs such as Customization of Software and Databases, Internal IT Benefits and Salaries, External Consultants?**
 - A. Process for setting the IT budget in the past included the Director of Finance asking the HR Manager what expenditures are expected for the upcoming year.

For FY14-15, the estimated budget is: \$4k for Commissioners; \$21k for Administration IT Budget; \$13k for OPM; \$18.5k for PPH.

- 5. Does the organization use outside vendors for any of the standard IT functions needed, as follows: Data Center Management; Programming Support; Application System Support and Development; Data Entry; Network Management; Remote Access Administration?**
 - A. All IT functions are outsourced to the Well Connected Office.

- 6. Systems Configurations, IT Capabilities, and Computer and Application Use Programs (based on both Personnel responses and CASE's survey of materials and inventory):**
 - Win XP or Win 7 are dominant for users' computers, depending upon the age of the computers.

 - Pending upgrades or migrations include Oyster Point Marina Harbormaster Building and Warehouse needing its own server because the Administrative Offices are moving in May 2015 to Half Moon Bay. Currently, the Harbormaster and Warehouse buildings are linked via antenna to

the General Manager's office at Oyster Point, due to the server in the Administration Building that will be vacated when Admin moves.

- The organization does not keep a high-level flowchart of application systems and interfaces.
- The organization never uses report customization for IT personnel and internal users, for instance fully-relational database reports with various search fields customized per user type.
- There is no formal IT training program for users.
- There are no plans for automating any of the current Operations functions or systems.
- SMCHD is connected to the Internet via Comcast Business service.
- Microsoft Outlook is used to provide Email and Calendar access.
- The network uses firewalls sold by Check Point Software Technologies Ltd.
- The marina slips include wireless internet access for the tenants via wireless routers at the dockside buildings. The tenants' wireless access points reside in either the Harbormaster buildings, the Marina Warehouses, or both.
- Primary business purposes for internet access include research for process and organizational improvement, webinars for training classes, and most often for purchasing requirements.
- The organization uses point of sale terminals where tenants and customers can pay their slip rental fees, pay for gas and diesel fuel, pay for sundries where they are sold. Tenants can also sign up for auto-pay where their slip fees are regularly debited from their online bank accounts.
- The organization primarily uses technology for purchasing needs, and to receive funds from tenants. They also keep records of available and rented boat slips and retail spaces, and they auto-debit slip fees from tenants' bank accounts. When rental slip fees are paid on the weekends, outside of normal Administrative business hours, the payment slips and credit card numbers are kept in a safe until Monday morning, then given to Accounting to update the transactions online.
- The Marina Program (TMP) database, with user interfaces displayed according to user access privileges, is a server-based, centralized database used to run the core business- boat slip rentals. Renting slips and retail spaces yields the core revenue stream for this organization.

The Finance Department has Administrator privileges for TMP. This is the main software used to track rental slips and associated financial transactions. All staff can look for available slips (read access), but only Finance Director, Accountant, Accountant Technicians, and the Harbormaster can change a rented slip to a vacant slip in the system, or a vacant slip to a rented slip designation, and apply payments to each slip (read-write access).

Only Finance personnel can change the structure of the database (root privileges, otherwise known as read-write-execute access), but they do not change the structure of the database since there is no expansion planned for either OPM or PPH, so the number of available rental spaces is static and stable through time.

- There is no disaster recovery plan for computer hardware and operations, as a written procedure that is taught to all personnel and kept on file. Having said that, there are tape backups evident in the Administration server room, and there is mention in the WCO invoices of VM ware being used, which means that both hardware and software environments can be “virtualized” or preserved across multiple evolutions of hardware platforms.
- There is no business recovery IT plan in place, as a written procedure, to resume business operations sequentially should a catastrophic event occur, to the knowledge of the personnel that completed this survey at the Administration offices. However, there is evidence of critical system battery backup units in the Administration offices that will hold up critical IT systems for a time, during an external power outage.
- There is no IT Department or Contractor that regularly does significant programming, and there is no separate Development, Quality Assurance, or Production environment. This is a landlord business for a static number of rental spaces, so the core business is not scaling for changing external market conditions, growing over time, or dynamic in nature.
- Access to TPM is around the clock, 365 days per year, since visitors stop by the Marinas on a daily basis and can rent some of the available slips as at a daily rental rate.
- Capacity planning and scalability are not factors in the IT strategy for this organization since the capacity for revenue, number of rentable slips, and number of full-time personnel needed has not changed in many years. The business revenue is limited by the number of rental spaces available.
- There was no formal, written IT policy that CASE had access to during this study. This lack of written formal IT policy is normal for most businesses regardless of size, especially businesses that are not focused on high-tech pursuits. SMCHD revenue is dependent upon leased spaces as core revenue, not on designing, developing, or producing high-tech products and/or services.

6. Review of Procurement Process without Requiring a Bid

The following sections of the Ordinance Code may be relevant to this study because the IT contractor Well Connected Office (WCO) provided software and services under the category of Independent contractor, and due to the contractor’s requirement to supply technical items and equipment requiring standardization and interchangeability of parts with existing equipment. See the comments below.

Comments

- 2.35.060 Independent Contractors – this clause mentions that Independent Contractors hired by the SMCHD’s General Manager may be engaged without going through the specification and bidding process if the cost doesn’t exceed \$5,000 to the Harbor District, and if the Contractor files an insurance certificate with the District. CASE has no knowledge of this certificate or whether it was filed, or where it is stored if it was filed.

San Mateo County Harbor District Ordinance Code (taken from SMCHD website verbatim):

2.35.060 Independent contractors.

The General Manager shall have the duty to engage independent contractors to perform sundry services for the District and the offices thereof, with or without the furnishing of materials, when the aggregate cost does not exceed the amount of five thousand dollars (\$5,000.00). Any engagement exceeding the amount of five thousand dollars (\$5,000.00) shall come before the Board of Harbor Commissioners for approval. Such arrangements may be made without the formality of preparing specifications or obtaining bids. Said independent contractors shall file with the General Manager a certificate that they are insured pursuant to the worker's compensation provisions of the Labor Code. [Amended through codification process of 1995, Ord. 74-96. Code 1996 § 2.7.6; prior code § 4.106.]

2.35.090 Exceptions to bidding requirements.

Subject to the approval of the General Manager of the District, bidding requirements shall not be required under the following circumstances:

A. Supplies and equipment are being purchased from agencies of the Federal or State government or through the purchasing department of the County of San Mateo;

B. The material or service to be procured is available from only one (1) source or firm;

C. The contract is for personal or professional services or for any service to be rendered by a university, college or other educational institution;

D. Purchases are for highly perishable materials or medical supplies, for material or services where the prices are established by law, for technical items or equipment requiring standardization and interchangeability of parts with existing equipment, for experimental, developmental or research work, for supplies purchased for authorized resale, and for technical or specialized supplies requiring substantial initial investment for manufacture;

E. The aggregate cost of the supplies and equipment does not exceed five thousand dollars (\$5,000.00). [Amended through codification process of 1995, Ord. 74-96. Code 1996 § 2.7.9; prior code § 4.109.]

Appendix A: SMCHD Physical Equipment Audit on 21 April 2015

SMCHD IT Physical Equipment Audit

DATE OF PHYSICAL AUDIT: 21 April 2015

ADDRESS: SMCHD Administration Offices; 400 Oyster Point Blvd., Suite 300, South San Francisco, CA 94080

CONTACT PERSON AT THIS SITE: Debbie Nixon

CONTACT PERSON – EMAIL: DNixon@SMHarbor.com CONTACT PERSON – PHONE

NUMBER: (650) 583-4400

SPACES AUDITED AT THIS ADDRESS:

- 1) Conference Room
- 2) Reception Desk and Printer Area
- 3) Human Resources Manager Office
- 4) Director of Finance Office
- 5) Accountant Office
- 6) General Manager Office
- 7) Server Room
- 8) File Storage Room
- 9) Administration Desk (Temporary Administrator)
- 10) Accounting Specialist Desk

Room: Conference Room	Mfgr	Model #	Serial #	NOTES
Laptop Computer	Lenovo	Thinkpad	423923U	Used for meeting slides
Phone	Polycom	Soundpoint IP 550		
Room: Reception Desk	Mfgr	Model #	Serial #	NOTES
Workstation Computer	LG/Asus	(Intel i5)	1612316200930	
Phone	Polycom	WX500	1668-44505-001 rD	
Printer	HP	CP2025 Color Laser	CNGSC57764	
Mailing/Postage Center	Pitney Bowes	Connect+ 2000	MSF2 0015847	
Fax/Copy/Scanner	Konica Minolta	BizHub c454e	A3EPWY1171825	
(2) Computer Monitors	Asus	VS228	Color LED Monitors	
Computer Keyboard	Logitech	MK700/710		
Room: HR Manager Office	Mfgr	Model #	Serial #	NOTES
Workstation Computer	LG/Asus	(Intel i5)	16123136100324	
Phone	Polycom	Soundpoint IP 550		
(2) Computer Monitors	ViewSonic	VS14822	T8L122901539 and T8L122901514	
Computer Keyboard	Logitech	MK700/710		
Printer	HP	CM1312nfi Color Laser	CNB336C5J5X	
Workstation Computer	Dell Precision	T1500	2SZOQL1	Manufactured in 2010
Computer Keyboard	Dell	L100		
Room: Director of Finance	Mfgr	Model #	Serial #	NOTES
Printer	Brother	HL-53	U62248E0J621608	
(2) Computer Monitors	Samsung	SyncMaster 2243		
Phone	Polycom	Soundpoint IP 550		
Room: Accountant Office	Mfgr	Model #	Serial #	NOTES
Battery Backup Unit	APC	RS 900		
(2) Computer Monitors	Dell	<Asian Characters>		
Printer	Brother	HL-54	U63081K2N227441	
Phone	Polycom	Soundpoint IP 550		
Workstation Computer	Fractal Design	Intel i7		
Computer Keyboard	Logitech	K520		

Room: General Manager				
	Mfgr	Model #	Serial #	NOTES
Computer Monitor	LG	Flatiron E2742V	206NDMT83635	
Laptop Computer	Lenovo	ThinkPad	Win7/Intel i5	
Phone	Polycom	Soundpoint IP 550		
Computer Keyboard	Dell			
Laptop Docking Station	Lenovo	75Y5735		
Wireless Router	Netgear	WGR614	1A43677B15C22	
Printer	HP	Laserjet 100 MFP		
Wireless Station/Antenna	EnGenius	ENS500		
Phone Adapter/Router	Linksys (Cisco)	SPA2102		
Room: Server Room				
	Mfgr	Model #	Serial #	NOTES
Computer Monitor	Asus	HDMI		
Cat 5 Ethernet Patch Panel	Optima	Cat 5 Ethernet		
Switch	Cisco	SG300-28P		PoE Managed Switch
Cable Modem	SMC	SMCD3G-CCR		
VPN, Firewall Edge Router	Networks Check Point	UTM-1		
Digital Voice Mail System	Nortel	Call Pilot		Phone System Equipment
(2) Trunk Cartridges	Networks Nortel	LS/DS		Phone System Equipment
Computer Monitor	Networks Samsung	NT7B75G93 SyncMaster 710N		
Battery Backup Unit	APC	RS 900		
(6) Workstation Computers	Dell	Assorted Models		Stored in server room
Workstation Computer	Dell	Precision T3400		Running, in server rack
Battery Backup Unit	APC	SC 1000 Rack		Running, in bottom of rack
4-Port KVM Switch	Air Link	101		
LCD Monitor w/keyboard	i-Tech	RKP217d (2U)		Server monitor/keyboard
Server SAS Hard Drives	Dell	500Gb, 7.2k		Rack with 2.5 Tb storage space
Tape Backup Autoloader	Dell	124t Power Vault		Tape backup system
DVD Burner/Backup Unit	Dell Rack Mount	Generic RW Drive		

(2) Phones	Polycom	Soundpoint IP 550		Spare, stored telephones
Room: File Storage	Mfgr	Model #	Serial #	NOTES
Gigabit Ethernet Switch	Dell	PowerConnect 2748		
(2) Workstation Computers	Dell	Various		Stored
Room: Harbormaster Admin	Mfgr	Model #	Serial #	NOTES
Computer Monitor	Hyundai	L70S	L71SEBS951901450	
Computer Monitor	Samsung	SyncMaster 2243	Z1IAHCGSC07393M	
Computer Keyboard	Dell	L100		
Workstation Computer	Dell	Optiplex 380		
Workstation Computer	Dell	Dimension E520		
Phone	Polycom	Soundpoint IP 550		
Room: Harbormaster Admin	Mfgr	Model #	Serial #	NOTES
Phone	Polycom	Soundpoint IP 550		
Computer Keyboard	Dell	SK-8115		
(2) Computer Monitors	Dell	No Model Found		
Workstation Computer	No	No Model		
Printer	Markings Brother	Found HL-54	U63081K2N227442	

DATE OF PHYSICAL AUDIT: 21 April 2015

ADDRESS: SMCHD Harbormaster Offices; 95 Harbormaster Road, #1, South San Francisco, CA 94080

CONTACT PERSON AT THIS SITE: Debbie Nixon

CONTACT PERSON – EMAIL: DNixon@SMHarbor.com CONTACT PERSON – PHONE

NUMBER: (650) 583-4400

SPACES AUDITED AT THIS ADDRESS:

- 1) Harbormaster Office
- 2) Harbormaster Administration Office
- 3) Assistant Harbormaster Office
- 4) Network Closet
- 5) Lunch Room in Warehouse/Maintenance Building OPM
- 6) Warehouse/Maintenance Office

Room: Harbormaster Office	Mfgr	Model #	Serial #	NOTES
Switchboard Phone	Vodavi	Triad	SBD026078	
Phone	Starplus	TR9015-71		
Computer Monitor	Polycom	Soundpoint IP 550		
Computer Keyboard	Asus	VE248		
Laptop Docking Station	Dell			
	Lenovo	Mini-Dock		
	Thinkpad	3 4337		
Room: Harbormaster Admin	Mfgr	Model #	Serial #	NOTES
Workstation Computer	Custom	Tower	Cooler Master	RC100KKP31103000152
Business Center Printer	Xerox			Printer/Fax/Copier 8600 Series
Printer	HP	Office Jet Pro		
Phone	HP	Laser Jet P3005d		
Switchboard Phone	Polycom	VVX 500	0004F282A419	
(2) Computer Monitors	Vodavi	Triad	SBD026022	
Phone Adapter/Router	Starplus	TR9015-71		
Battery Backup Unit	Asus	VE248		
	Linksys (Cisco)	SPA2102	FM500L663229	
	APC	RS 900		
Room: Assistant Harbormaster	Mfgr	Model #	Serial #	NOTES
Switchboard Phone	Vodavi	Triad	SBD026096	
Computer Monitor	Starplus	TR9015-71		
Phone	Dell	E2210Hc		
Computer Keyboard	Polycom	Soundpoint IP 550		
Workstation Computer	Dell	SK-8115		
	Dell	Optiplex 380	BDCSQL1	
Room: Network Closet	Mfgr	Model #	Serial #	NOTES
Motorola Master Controller	Moto	MC3100	SU9C32010016	
Networked Phone Cabinet	Vodavi	5000-00	SBE011645	
Router	Cisco	Comcast Service		
Gigabit Ethernet Switch	Cisco	SG 200-26P	DNI153303NS	
Telephony Cable Modem	Arris	TM608G	558NPCDG476956	VoIP Router - Comcast
Battery Backup Unit	APC	RT 1500	QS1315141257	SURTA1500XL
Room: Warehouse Lunch Room	Mfgr	Model #	Serial #	NOTES
Phone	Polycom	Soundpoint IP 550		

Room: Maintenance Office	Mfgr	Model #	Serial #	NOTES
Printer	HP	Office Jet 6600	CN26D2B018	
Printer	HP	Photosmart		
High-power Router	Open Mesh	OM2P-HS	12A295808	
Phone	Polycom	Soundpoint IP 550		
Answering Machine	AT&T	E5908		
Computer Monitor	Dell	Generic		
Computer Keyboard	Dell	SK-8115		
Workstation Computer	Dell	Precision T3400		

DATE OF PHYSICAL AUDIT: 21 April 2015

ADDRESS: SMCHD Pillar Point Harbormaster Offices; 1 Johnson Pier; Half Moon Bay, CA 94019

CONTACT PERSON FOR THIS SITE AUDIT: Debbie Nixon

CONTACT PERSON – EMAIL: DNixon@SMHarbor.com CONTACT PERSON – PHONE

NUMBER: (650) 583-4400

SPACES AUDITED AT THIS ADDRESS:

- 1) Administrative Office
- 2) Assistant Harbormaster Desk 1
- 3) Stored Server, New in Box
- 4) Server Area
- 5) Acting Harbormaster Office
- 6) Assistant Harbormaster Desk 2

Room: Administrative Office	Mfgr	Model #	Serial #	NOTES
(2) Computer Monitors	Asus			
Switchboard Phone	Nortel	T7316E	NNTM74XT1FER	
Phone	Networks			
Computer Keyboard	Polycom	WX500		
Battery Backup Unit	Logitech	820-003463	SY201UK	
Workstation Computer	APC	Pro 650		
	LG	Not Marked		
Room: Harbormaster Office	Mfgr	Model #	Serial #	NOTES
Phone	Polycom	Soundpoint IP 550		
Phone	Nortel	T7316E		
	Networks			
Room: Boxed Server	Mfgr	Model #	Serial #	NOTES
Athena Power 3U Case	Athena	RM- Power		PO #2731202 on box
Server Motherboard	Asus	Z9PE-D16		
(4) 16Gb Server Memory	Wintec	20-161-580	800953181685	
iKVM Management Chip	Asus	ASMB6-iKVM		
Room: Server Area	Mfgr	Model #	Serial #	NOTES
Server	Dell	PowerEdge 2950		
Battery Backup Unit	APC	AP9630	AS1314241300	
KVM Switch – 8 Port	Tripp-Lite	B040-008-19	FGQGVH1	
Printer-Copier	Konica	FK-511	A5C0011014344	BizHub
Gigabit Ethernet Switch	Minolta			
Firewall	Cisco	SG200-26P	DNI153303N3	
	Check	UTM-1 Edge		
Mailing Machine	Point	NW		
	Pitney	DM125/DM225	1944077	
	Bowes			
Room: Acting Harbormaster's	Mfgr	Model #	Serial #	NOTES
Phone	Nortel	T7 316E	NNTMENJ3307F	
Phone	Networks			
	Polycom	Soundpoint IP 550		
Computer Monitor	ViewSonic	VA2448M-LED		
Computer Monitor	Dell	E2210HC	CN-0H265R-64180	
Battery Backup	APC	PRO 650		
Workstation Computer	Asus	Not Marked	16128130301841	
Computer Keyboard	Logitech	K330		
Room: Lead Maintenance	Mfgr	Model #	Serial #	NOTES

Phone	Polycom	Soundpoint IP 550		
Phone	Nortel Networks	T7 316E	NT8B27JAAA	
Computer Monitor	Samsung	SynchMaster 710N	MJ17H9NX401050L	
Computer Keyboard	MicroSoft	KC-0405	7619800820288	
Battery Backup	APC	PRO 650		
Workstation Computer	Dell	Optiplex 380		
Room: Front Desk				
Point of Sale - Credit Card	Verifone	VX520	281-749-490	Pay station for boat slips
Computer Monitor	Dell			
Phone	Nortel Networks	T7316E	NT8B27JAAA	
Phone	Polycom	Soundpoint IP 550		
Workstation Computer	Dell	Optiplex 360	BD8PQL1	
Computer Keyboard	Dell	L100	CN-ORH65973571	
Room: Crew Desk				
Computer Monitor	Philips	190CW7CS/27	BZ5A0650313488	
Computer Keyboard	Logitech	MK320	SY301UK	
Phone	Nortel Networks	T7316E		
Phone	Polycom	Soundpoint IP 550		
Workstation Computer	Dell	Precision T3400		
Room: Maintenance Bldg.				
Workstation Computer	Dell	Precision T3400		
Phone	Polycom	Soundpoint IP 550		
Computer Monitor	Dell	No Marking		
Computer Keyboard	Logitech	K330		

Appendix B: SMCHD Purchasing Regulations

Chapter 2.35

CONTRACTING AND PURCHASING PROCEDURES

Sections:

- [2.35.010](#) Construction or repair contracts – Procedure.
- [2.35.020](#) Requests for proposals.
- [2.35.030](#) Purchases for District.
- [2.35.040](#) Purchase procedure.
- [2.35.050](#) Disposal of unneeded District property.
- [2.35.060](#) Independent contractors.
- [2.35.070](#) Criteria for determining lowest responsible bidder.
- [2.35.080](#) Policy to provide maximum open and free competition.
- [2.35.090](#) Exceptions to bidding requirements.
- [2.35.100](#) Remedies, sanctions and penalties.

2.35.010 Construction or repair contracts – Procedure.

A. Construction and repair contracts shall be let in accordance with the general law and shall be let only after public bidding whenever the cost exceeds five thousand dollars (\$5,000.00), except that work consisting solely of new construction is required to be awarded upon competitive bidding only if it exceeds in cost the sum of ten thousand dollars (\$10,000.00).

B. Whenever such contracts are let by public bidding, the Board of Harbor Commissioners shall adopt plans, profiles, cross sections, specifications, and other contract documents, including a form of agreement, which contract documents shall have first been approved by the District's attorney, and shall issue a call for sealed bids, notice of which shall be caused to be published by the General Manager as required by law but at least two (2) consecutive times prior to the date set for opening bids, in a daily newspaper of general circulation printed and published in the County and designated by the Board, or for at least two (2) consecutive times prior to such date in a weekly newspaper printed and published in the County and designated by the Board.

C. All bids for construction and/or repair shall be publicly opened by the General Manager of the District and the contract shall be awarded to the lowest responsible bidder; provided, that in any case the Board may reject all bids and advertise for new bids.

D. The District Engineer shall make his or her recommendation to the Board of Harbor Commissioners as to the award of any such contract, prior to Board action thereon. Upon the complete execution of the contract, the

original thereof, together with the original bonds and certificates, shall be filed in the business office of the District. [Amended through codification process of 1995, Ord. 74-96. Code 1996 § 2.7.1; prior code § 4.101.]

2.35.020 Requests for proposals.

A. Before the District enters into independent contracts for engineering services, architectural services, management consultants or similar one (1) time professional assistance to accomplish specified projects, requests for proposals shall be obtained if the expense of the contract is estimated to exceed five thousand dollars (\$5,000.00). The request for proposal shall be in accordance with administrative procedures promulgated by the General Manager.

B. The Board of Harbor Commissioners may waive any of the provisions of this chapter which require requests for proposals in any situation where the Board of Harbor Commissioners determines that the best interest of the District would be served without the necessity of requests for proposals. [Amended through codification process of 1995, Ord. 74-96. Code 1996 § 2.7.2; prior code § 4.102.]

2.35.030 Purchases for District.

It shall be the duty of the General Manager to acquire by purchase, lease, lease-purchase, or other suitable method all personal property including, but not limited to, all stationery, clothing, first aid supplies, equipment, machinery, motor vehicles, materials and supplies required by any manager, when such manager shall make requisition upon him a requisition form prepared and furnished by the General Manager, subject to such approval process as may be required by the purchasing policy of the District. [Amended through codification process of 1995, Ord. 74-96. Code 1996 § 2.7.3; prior code § 4.103.]

2.35.040 Purchase procedure.

A. The General Manager shall, upon receipt of a requisition properly drawn, signed and approved, determine the manner of acquisition, i.e., purchase, lease-purchase, or other; the cost and the supplier of the requested item or items pursuant to the following provisions:

1. The purchase requisition, together with the copies thereof, shall be transmitted to the District's Financial Officer or his or her designee, for proper budget checking and for the certification that sufficient funds are available to meet the cost of the articles proposed to be acquired.
2. Upon receiving the purchase requisition from the Financial Officer or his or her designee, the General Manager shall sign and issue to the supplier a purchase order directing the delivery of the articles specified therein at the price named therein to the facility requisitioning same. Each

purchase order except an open purchase order written against an existing contract or agreement shall be signed by the General Manager or his or her designee.

3. If the estimated cost of the acquisition does not exceed the sum of five thousand dollars (\$5,000.00), the General Manager may acquire the property requisitioned in the manner he or she deems most suitable; however, shall always seek and solicit competitive pricing. For purposes of this section, a lease or lease purchase shall be deemed not to exceed five thousand dollars (\$5,000.00) if the aggregate of the lease payment does not exceed five thousand dollars (\$5,000.00) per year and the lease term does not exceed three (3) years.

4. The General Manager shall, whenever the cost of a proposed acquisition of personal property exceeds the sum of five thousand dollars (\$5,000.00) and is less than fifteen thousand dollars (\$15,000.00), obtain written bids from vendors of such personal property. The General Manager may solicit the bids by advertisement, telephone, letter or in any other manner which obtains at least three (3) bidders, qualified to provide the required personal property at competitive pricing.

5. The General Manager shall, whenever the cost of a proposed acquisition of personal property exceeds the sum of fifteen thousand dollars (\$15,000.00), advertise and solicit sealed bids for the procurement of said property. A notice to bidders shall be published in such cases at least once in a newspaper of general circulation published and printed in the County of San Mateo and bids shall not be opened nor shall the proposed acquisition be made by the General Manager until at least two (2) weeks after publication. Bids shall be opened at the time specified in said notice, and bids received after such time shall not be opened or otherwise be given consideration with respect to such proposed acquisition. Whenever articles of personal property are referred to by a specific mark or brand name, the General Manager shall give notice in the publication referred to that articles of equal value, utility, or merit will be considered. Nothing contained in this subsection shall preclude the District from waiving any informality in such written bids nor preclude said District from rejecting any and all of such bids and determining not to acquire the said personal property.

6. In the event that the General Manager receives no bids as provided for in this section and the subject matter of the bid is an item essential to the continued operation of the District in preserving the public peace, health and/or safety, the General Manager shall immediately request and obtain the Board of Harbor Commissioners' approval to negotiate the acquisition of the essential supplies on the best terms available.

7. Upon request by the General Manager, the Board of Harbor Commissioners may waive any of the provisions of this section which require competitive bidding in any situation where the Board of Harbor Commissioners determines that the best interest of the District would be served without the necessity of competitive bidding.

B. The General Manager shall prepare written procedures concerning the purchase and procurement of supplies and materials for the guidance of managers and employees to ensure compliance with this chapter. [Amended during 2014 recodification; amended through codification process of 1995, Ord. 74-96. Code 1996 § 2.7.4; prior code § 4.104.]

2.35.050 Disposal of unneeded District property.

Whenever any item of District personal property is, in the opinion of the General Manager, surplus and no longer needed by the District, the General Manager may sell, by sealed bid or public auction, or otherwise dispose of such property and pay the proceeds into the District treasury. However, if the estimated value of such surplus property exceeds, in the opinion of the General Manager, the sum of ten thousand dollars (\$10,000.00), the General Manager shall first report such fact to the Board of Harbor Commissioners and obtain the Board of Harbor Commissioners' approval prior to any disposition of such property. [Amended through codification process of 1995, Ord. 74-96. Code 1996 § 2.7.5; prior code § 4.105.]

2.35.060 Independent contractors.

The General Manager shall have the duty to engage independent contractors to perform sundry services for the District and the offices thereof, with or without the furnishing of materials, when the aggregate cost does not exceed the amount of five thousand dollars (\$5,000.00). Any engagement exceeding the amount of five thousand dollars (\$5,000.00) shall come before the Board of Harbor Commissioners for approval. Such arrangements may be made without the formality of preparing specifications or obtaining bids. Said independent contractors shall file with the General Manager a certificate that they are insured pursuant to the worker's compensation provisions of the Labor Code. [Amended through codification process of 1995, Ord. 74-96. Code 1996 § 2.7.6; prior code § 4.106.]

2.35.070 Criteria for determining lowest responsible bidder.

Criteria to determine the acceptability of bids on construction contracts requiring public bidding and involving an expenditure of five thousand dollars (\$5,000.00) or more shall include, but not be limited to, the following:

A. Certification that the bidder is in compliance with laws prohibiting discrimination; and

B. Certification that the bidder is in compliance with the requirements of all Federal and State laws relating to employment; and

C. Certification that the bidder is in compliance with the provisions of this chapter and any other requirements adopted by the Board of Harbor Commissioners implementing them. [Amended through codification process of 1995, Ord. 74-96. Code 1996 § 2.7.7.]

2.35.080 Policy to provide maximum open and free competition.

All procurement transactions, regardless of whether negotiated or advertised and without regard to dollar value, shall be conducted so as to provide maximum open and free competition. Positive efforts shall be made by the District to utilize San Mateo County businesses and sources of supplies and services and every effort shall be made to allow such sources maximum feasible opportunity to compete for contracts with the District. [Amended through codification process of 1995, Ord. 74-96. Code 1996 § 2.7.8; prior code § 4.108.]

2.35.090 Exceptions to bidding requirements.

Subject to the approval of the General Manager of the District, bidding requirements shall not be required under the following circumstances:

A. Supplies and equipment are being purchased from agencies of the Federal or State government or through the purchasing department of the County of San Mateo;

B. The material or service to be procured is available from only one (1) source or firm;

C. The contract is for personal or professional services or for any service to be rendered by a university, college or other educational institution;

D. Purchases are for highly perishable materials or medical supplies, for material or services where the prices are established by law, for technical items or equipment requiring standardization and interchangeability of parts with existing equipment, for experimental, developmental or research work, for supplies purchased for authorized resale, and for technical or specialized supplies requiring substantial initial investment for manufacture;

E. The aggregate cost of the supplies and equipment does not exceed five thousand dollars (\$5,000.00). [Amended through codification process of 1995, Ord. 74-96. Code 1996 § 2.7.9; prior code § 4.109.]

2.35.100 Remedies, sanctions and penalties.

All contracts for the District shall contain such contractual provisions or conditions which will allow for administrative, contractual or legal remedies in instances where contractors violate or breach contract terms, and provide for such sanctions and penalties as may be appropriate. [Code 1996 § 2.7.10; prior code § 4.110.]

OPM

Room: Harbormaster Office					
	Mfgr	Model #	Serial #	NOTES	INVOICE
Switchboard Phone	Vodavi Starplus	Triad TR9015-71	SBD026078		
Phone	Polycom	Soundpoint IP 550			
Computer Monitor	Asus	VE248			Yes, 06/04/2014 - #718
Computer Keyboard	Dell				
Laptop Docking Station	Lenovo Thinkpad	Mini-Dock 3 4337			
Room: Harbormaster Admin					
	Mfgr	Model #	Serial #	NOTES	
Workstation Computer	Custom	Tower	Cooler Master	RC100KKP31103000152	Yes, 10/31/2011 - #203
Business Center	Xerox			Printer/Fax/Copier	
Printer	HP	Office Jet Pro		8600 Series	
Printer	HP	Laser Jet P3005d			
Phone	Polycom	VVX 500	0004F282A419		
Switchboard Phone	Vodavi Starplus	Triad TR9015-71	SBD026022		
(2) Computer Monitors	Asus	VE248			Yes, 6/4/2014 - #717
Phone Adapter/Router	Linksys (Cisco)	SPA2102	FM500L663229		
Battery Backup Unit	APC	RS 900			
Room: Assistant Harbormaster					
	Mfgr	Model #	Serial #	NOTES	
Switchboard Phone	Vodavi Starplus	Triad TR9015-71	SBD026096		
Computer Monitor	Dell	E2210Hc			
Phone	Polycom	Soundpoint IP 550			
Computer Keyboard	Dell	SK-8115			
Workstation Computer	Dell	Optiplex 380	BDCSQL1		
Room: Network Closet					
	Mfgr	Model #	Serial #	NOTES	
Motorola Master Controller	Moto	MC3100	SU9C32010016		
Networked Phone Cabinet	Vodavi	5000-00	SBE011645		
Router	Cisco	Comcast Service			
Gigabit Ethernet Switch	Cisco	SG 200-26P	DNI153303NS		
Telephony Cable Modem	Arris	TM608G	558NPCDG476956	VoIP Router - Comcast	
Battery Backup Unit	APC	RT 1500	QS1315141257	SURTA1500XL	Yes, 5/30/2013 - #486
Room: Warehouse Lunch Room					
	Mfgr	Model #	Serial #	NOTES	
Phone	Polycom	Soundpoint IP 550			
Room: Maintenance Office					
	Mfgr	Model #	Serial #	NOTES	In Warehouse
Printer	HP	Office Jet 6600	CN26D2B018		
Printer	HP	Photosmart			
High-power Router	Open Mesh	OM2P-HS	12A295808		Yes, 06/16/2015 - #735
Phone	Polycom	Soundpoint IP 550			
Answering Machine	AT&T	E5908			

Computer Monitor	Dell	Generic
Computer Keyboard	Dell	SK-8115
Workstation Computer	Dell	Precision T3400

Room: Conference Room	Mfgr	Model #	Serial #	NOTES	INVOICE
Laptop Computer	Lenovo	Thinkpad	423923U	Used for meeting slides	
Phone	Polycom	Soundpoint IP 550			
Room: Reception Desk	Mfgr	Model #	Serial #	NOTES	INVOICE
Workstation Computer	LG/Asus	(Intel i5)	1612316200930		Yes, 10/05/2014 - #799
Phone	Polycom	WX500	1668-44505-001 rD		
Printer	HP	CP2025 Color Laser	CNGSC57764		Yes, 11/26/2012 - #356
Mailing/Postage Center	Pitney Bowes	Connect+ 2000	MSF2 0015847		
Fax/Copy/Scanner	Konica Minolta	BizHub c454e	A3EPWY1171825		
(2) Computer Monitors	Asus	VS228	Color LED Monitors		Yes, 06/04/2014 - #717
Computer Keyboard	Logitech	MK700/710			
Room: HR Manager Office	Mfgr	Model #	Serial #	NOTES	INVOICE
Workstation Computer	LG/Asus	(Intel i5)	16123136100324		Yes, 10/05/2014 - #799
Phone	Polycom	Soundpoint IP 550			
(2) Computer Monitors	ViewSonic	VS14822	T8L122901539 and T8L122901514		Yes, 9/27/2012 - #324
Computer Keyboard	Logitech	MK700/710			
Printer	HP	CM1312nfi Color Laser	CNB336C5J5X		
Room: Director of Finance	Mfgr	Model #	Serial #	NOTES	INVOICE
Printer	Brother	HL-53	U62248E0J621608		Yes, 7/9/2010 - #138
(2) Computer Monitors	Samsung	SyncMaster 2243			Yes, 7/9/2010 - #138
Workstation Computer	Dell Precision	T1500	2S20QL1	Manufactured in 2010	
Computer Keyboard	Dell	L100			
Phone	Polycom	Soundpoint IP 550			
Room: Accountant Office	Mfgr	Model #	Serial #	NOTES	INVOICE
Battery Backup Unit	APC	RS 900			
(2) Computer Monitors	Dell	<Asian Characters>			
Printer	Brother	HL-54	U63081K2N227441		
Phone	Polycom	Soundpoint IP 550			
Workstation Computer	Fractal Design	Intel i7			Yes, 06/16/2015 - #735
Computer Keyboard	Logitech	K520			
Room: General Manager	Mfgr	Model #	Serial #	NOTES	INVOICE
Computer Monitor	LG	Flatiron E2742V	206NDMT83635		
Laptop Computer	Lenovo	ThinkPad	Win7/Intel i5		Yes, 4/30/2012 - #262
Phone	Polycom	Soundpoint IP 550			
Computer Keyboard	Dell				
Laptop Docking Station	Lenovo	75Y5735			Yes, 4/30/2012 - #262

Wireless Router	Netgear	WGR614	1A43677B15C22	
Printer	HP	Laserjet 100 MFP		Yes, 11/26/2012 - #357
Wireless Station/Antenna	EnGenius	ENS500		Yes, 11/30/2013 - #599
Phone Adapter/Router	Linksys (Cisco)	SPA2102		
Room: Server Room				
	Mfgr	Model #	Serial #	NOTES
Computer Monitor	Asus	HDMI		
Cat 5 Ethernet Patch Panel	Optima	Cat 5 Ethernet		
Switch	Cisco	SG300-28P		PoE Managed Switch Yes, 2/23/2012 - #233
Cable Modem	SMC Networks	SMCD3G-CCR		
VPN, Firewall Edge Router	Check Point	UTM-1		Yes, 2/5/2013 - #410
Digital Voice Mail System	Nortel Networks	Call Pilot		Phone System Equipment
(2) Trunk Cartridges	Nortel Networks	LS/DS NT7B75G93		Phone System Equipment
Computer Monitor	Samsung	SyncMaster 710N		
Battery Backup Unit	APC	RS 900		
(6) Workstation Computers	Dell & Custom	Assorted Models	Stored in server room	Yes, 9/5/2012 - #316 2 of 6 found on Invoices
Workstation Computer	Dell	Precision T3400		Running, in server rack
Battery Backup Unit	APC	SC 1000 Rack		Running, in bottom of rack Yes, 2/23/2012 - #233
4-Port KVM Switch	Air Link	101		
LCD Monitor w/keyboard	i-Tech	RKP217d (2U)		Server monitor/keyboard
Server SAS Hard Drives	Dell	500Gb, 7.2k		Rack with 2.5 Tb storage space
Tape Backup Autoloader	Dell	124t Power Vault		Tape backup system
DVD Burner/Backup Unit	Dell Rack Mount	Generic RW Drive		
(2) Phones	Polycom	Soundpoint IP 550		Spare, stored telephones
Room: File Storage				
	Mfgr	Model #	Serial #	NOTES
Gigabit Ethernet Switch	Dell	PowerConnect 2748		
(2) Workstation Computers	Dell	Various		Stored
Room: Harbormaster Admin				
	Mfgr	Model #	Serial #	NOTES
Computer Monitor	Hyundai	L70S	L71SEBS951901450	
Computer Monitor	Samsung	SyncMaster 2243	Z1IAHCGSC07393M	Yes, 7/9/2010 - #138
Computer Keyboard	Dell	L100		
Workstation Computer	Dell	Optiplex 380		
Workstation Computer	Dell	Dimension E520		
Phone	Polycom	Soundpoint IP 550		
Room: Accounting Specialist				
	Mfgr	Model #	Serial #	NOTES
Phone	Polycom	Soundpoint IP 550		
Computer Keyboard	Dell	SK-8115		
(2) Computer Monitors	Dell	No Model Found		
Workstation Computer	No Markings	No Model Found		Yes, 10/5/2014 #799
Printer	Brother	HL-54	U63081K2N227442	

PPH

Room: Administrative Office	Mfgr	Model #	Serial #	NOTES	INVOICE
(2) Computer Monitors	Asus				Yes, 6/4/2014 - #718
Switchboard Phone	Nortel Networks	T7316E	NNTM74XT1FER		
Phone	Polycom	WX500			
Computer Keyboard	Logitech	820-003463	SY201UK		
Battery Backup Unit	APC	Pro 650			
Workstation Computer	LG	Not Marked			Yes, 3/31/2013 - #445
Room: Harbormaster Office					
	Mfgr	Model #	Serial #	NOTES	
Phone	Polycom	Soundpoint IP 550			
Phone	Nortel Networks	T7316E			
Room: Boxed Server					
	Mfgr	Model #	Serial #	NOTES	
Athena Power 3U Case	Athena Power	RM-3UD365R808		PO #2731202 on box	
Server Motherboard	Asus	Z9PE-D16			
(4) 16Gb Server Memory	Wintec	20-161-580	8.00953E+11		
iKVM Management Chip	Asus	ASMB6-iKVM			
Room: Server Area					
	Mfgr	Model #	Serial #	NOTES	
Server	Dell	PowerEdge 2950			
Battery Backup Unit	APC	AP9630	AS1314241300		
KVM Switch – 8 Port	Tripp-Lite	B040-008-19	FGQGVH1		
Printer-Copier	Konica Minolta	FK-511	A5C0011014344	BizHub	
Gigabit Ethernet Switch	Cisco	SG200-26P	DNI153303N3		Yes, 2/23/2012 - #233
Firewall	Check Point	UTM-1 Edge NW			Yes, 12/5/2012 - #374
Mailing Machine	Pitney Bowes	DM125/DM225	1944077		
Room: Acting Harbormaster's					
	Mfgr	Model #	Serial #	NOTES	
Phone	Nortel Networks	T7 316E	NNTMENJ3307F		
Phone	Polycom	Soundpoint IP 550			
Computer Monitor	ViewSonic	VA2448M-LED			
Computer Monitor	Dell	E2210HC	CN-0H265R-64180		
Battery Backup	APC	PRO 650			
Workstation Computer	Asus	Not Marked	16128130301841		Yes, 10/31/2011 - #205
Computer Keyboard	Logitech	K330			
Room: Lead Maintenance					
	Mfgr	Model #	Serial #	NOTES	
Phone	Polycom	Soundpoint IP 550			
Phone	Nortel Networks	T7 316E	NT8B27JAAA		
Computer Monitor	Samsung	SynchMaster 710N	MJ17H9NX401050L		
Computer Keyboard	MicroSoft	KC-0405	7619800820288		
Battery Backup	APC	PRO 650			
Workstation Computer	Dell	Optiplex 380			
Room: Front Desk					
	Mfgr	Model #	Serial #	NOTES	

Point of Sale - Credit Card	Verifone	VX520	281-749-490	Pay station for boat slips	Yes, 11/30/2013 - #600
Computer Monitor	Dell				
Phone	Nortel Networks	T7316E		NT8B27JAAA	
Phone	Polycom	Soundpoint IP 550			
Workstation Computer	Dell	Optiplex 360		BD8PQL1	
Computer Keyboard	Dell	L100		CN-ORH65973571	
Room: Crew Desk	Mfgr	Model #		Serial #	NOTES
Computer Monitor	Philips	190CW7CS/27		BZ5A0650313488	
Computer Keyboard	Logitech	MK320		SY301UK	
Phone	Nortel Networks	T7316E			
Phone	Polycom	Soundpoint IP 550			
Workstation Computer	Dell	Precision T3400			
Room: Maintenance Bldg.	Mfgr	Model #		Serial #	NOTES
Workstation Computer	Dell	Precision T3400			
Phone	Polycom	Soundpoint IP 550			
Computer Monitor	Dell	No Marking			
Computer Keyboard	Logitech	K330			



San Mateo County Harbor District

Board of Harbor Commissioners

Tom Mattusch, President
Nicole David, Vice President
Robert Bernardo, Secretary
Pietro Parravano, Treasurer
Sabrina Brennan, Commissioner

Glenn Lazof, Interim General Manager

June 18, 2015

To: All Interested Parties
From: Glenn Lazof Interim General Manager
San Mateo Harbor District

Re: Release of Information Technology Forensic Audit

The San Mateo County Board of Commissioners has directed staff to release a recently completed Audit Report of our Information Technology Services. The report found no malfeasance by Vendors or District staff, but did point the way to areas of improvement in the District's IT strategic planning and procurement documentation. The District readily acknowledges that among the many operational improvements which are needed, information technology procurement is one of the areas that will require attention. This report contains a great deal of useful information to help guide that effort.

We strive to make improvements at the Harbor District. Releasing these previously confidential findings is an example of our acknowledgement that a thorough examination into past practices is a necessary step towards improving District operations. We strive to maintain a progressive working environment that supports staff when reporting or investigating past practices that may need review. We aim to reap the benefits of full participation from the Harbor District team in recommending improvements to current operations. The release of this information is no way intended to place blame or revisit the past. We want to take these lessons learned and move forward.

Report Highlights:

Former IT Contractor charged \$75 an hour from 2010 through 2015 for labor - considered below market for such services

No evidence of payments made in excess of the value of IT equipment

The report noted the lack of disaster and business recovery planning

A server and switch were purchased for a project which was placed on hiatus – and the details of that project were not discovered by the auditor.

No indications of "frivolous" IT spending was found



San Mateo County Harbor District

Board of Harbor Commissioners

Tom Mattusch, President
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Robert Bernardo, Secretary
Pietro Parravano, Treasurer
Sabrina Brennan, Commissioner

Glenn Lazof, Interim General Manager

There is not a “one to one” ratio between invoices and equipment or software in inventory. There was no documentation for many items which are used regularly. Some purchased items are not in inventory, which may be attributable to normal breakage and disposal.

Vendor: 0259

THE WELL CONNECTED OFFICE

ALMES/STEVE//

0408

Invoice #	Invoice Date	Description	Amount
+ 274	05/31/2012	TECH SUPPORT SVCS	562.50
- 275	05/31/2012	TECH SUPPORT SVCS OPM	750.00
- 276	05/31/2012	TECH SUPPORT SVCS PPH	712.50
278	05/31/2012	CUSTOM SERVER, STORAGE, SOFTWARE	34,689.31
Check Amt Total:			36,714.31

*Inv 278 in
fixed assets
file*

103.801.003	9181.82
103.801.004	2381.28
201.801.003	9181.82
201.801.004	2381.28
301.801.003	9181.82
301.801.004	2381.28

Check Date: 06/21/2012

201 12 402 10 +

SAN MATEO COUNTY HARBOR DISTRICT

Check #: 40875

004

301 12 425 61 *

112.50 +	sfy the following purchase/disbursement requirement:
750.00 +	
9,181.83 +	
2,381.28 +	
11,825.60 +	
12,463.10 +	Requisition Number: Invoice Number:
12,425.61 +	COD/Freight Bill Number:
003	Account Number: Account Name:
Total	Contract/PO Number: Contractor Name:
36,714.31 *	Explanation/Detail:
	TECH SUPPORT SERVICES PPH

e amount of: \$562.50

Written as: Five Hundred Sixty Two Dollars and 50/100

The Check will be:

- Mailed To Payee
- Picked Up By Payee
- Picked Up By Employee And Hand-Delivered To Payee



Signature of Manager: <i>Francis Davis</i>	Date: 6/6/12	Department: Admin.
---	-----------------	-----------------------

General Manager Approval: <i>[Signature]</i>	Date: 6/29/12	Director of Finance Approval: <i>[Signature]</i>	Date: 6/6/12
---	------------------	---	-----------------

General Ledger Number: 100-201.000.760.000 187.50 100-103.000.760.000 262.50 100-301.000.760.000 112.50	Available Budget Amount:	Budget Remaining After Approval:
--	--------------------------	----------------------------------

The Well Connected Office
 3410 Glendora Drive
 San Mateo, CA 94403



Invoice

Date	Invoice #
5/31/2012	274

Bill To

San Mateo County Harbor District
Attn: Accounts Payable
400 Oyster Point Blvd
Suite 300
South San Francisco, CA 94080

Ship To

San Mateo County Harbor District
 400 Oyster Point Blvd
 Suite 300
 South San Francisco, CA 94080

Terms	Project
Net 30	

Date	Item	Description	Rate	Qty	Total
5/8/2012	Labor	Complete setting up the two new computers. One for the new harbormaster, the other for the presentation computer for the district.	75.00	2	150.00
5/9/2012	Labor	Put the finishing touches on the harbormaster's computer, as well as the presentation computer. Set up the auto responder for the harbormaster mailbox.	75.00	1	75.00
5/15/2012	Labor	Go to the plaza and talk to Marietta about items to accomplish today.	75.00	1.5	112.50
5/17/2012	Labor	Get the item for PPH that arrived and prepare to install it.	75.00	1	75.00
5/29/2012	Labor	Set up Scott Grindy's phone to retain more messages in his in-box on the phone, start working on remote access for Genevieve Frederick while she is away from the office.	75.00	2	150.00
		103 - 201 901			
		150 75 - 37.50 37.50			
		75 37.50 37.50			
		112.50 112.50			
		75 75 -			
		150 75 - 37.50 37.50			
		262.50 187.50 112.50 = 562.50			

<small>A discount may be given to bills paid within 10 days of the date of invoice. Check the terms section above for more information. This discount is not valid for credit cards, only for cash and checks. Unless noted, all items carry manufacturer's warranties only, and are not additionally warranted by The Well Connected Office. The Well Connected Office is not responsible for any loss of business, loss of profits, business interruption, or other problem resulting from the uses of any products sold. The Well Connected Office does not support the use of any device for any other purpose outside the manufacturer's specifications. No returns will be accepted without prior authorization. All computer equipment requires adequate cooling-make sure that your PC or networking equipment is cooled properly!</small>		Subtotal	\$562.50
		Sales Tax (8.25%)	\$0.00
		Total	\$562.50
		Payments/Credits	\$0.00
		Balance Due	\$562.50
Phone #	E-mail		
(650) 766-1981	steve@thewellconnectedoffice.com		

The Well Connected Office
 3410 Glendora Drive
 San Mateo, CA 94403



Invoice

Date	Invoice #
5/31/2012	275

Bill To

**San Mateo County Harbor District
 Oyster Point Marina
 400 Oyster Point Blvd
 Suite 300
 South San Francisco, CA 94080**

Ship To

Oyster Point Marina
 95 Harbormaster Road #1
 South San Francisco, CA 94080

Terms	Project
Net 30	

Date	Item	Description	Rate	Qty	Total
5/9/2012	Labor	Set up the new power supply for Amanda's computer, and set up the docking station for the harbormaster computer upstairs. Dock the computer on the docking station to make sure that all the devices are detected correctly and that everything works.	75.00	1.5	112.50
5/9/2012	Labor	Delivered unused computers from Pillar Point to Plaza and Oyster Point (they did not have dolly to carry equipment at the time), Began working on Amanda's Win7 upgrade at Oyster Point	75.00	2	150.00
5/15/2012	Labor	Swap Amanda's old computer with a new one. Get the printer on her new computer configured with IP and not Parallel (Parallel??? Really???)	75.00	2	150.00
5/16/2012	Labor	Delivered unused computers from Pillar Point to Plaza and ran performance tests and inventoried ratings and specifications of computers.	75.00	2.5	187.50
5/17/2012	Labor	Replace Amanda's computer with the new one once and for all, and set up the printer that she has on her desk on both the OPM Marina server and the PPH marina server.	75.00	1	75.00
5/17/2012	Labor	Installed printer drivers and installed the printer for Amanda in the Harbor Master's office.	75.00	1	75.00

		Subtotal	\$750.00
		Sales Tax (8.25%)	\$0.00
		Total	\$750.00
		Payments/Credits	\$0.00
		Balance Due	\$750.00
Phone #	E-mail		
(650) 766-1981	steve@thewellconnectedoffice.com		

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The Well Connected Office
 3410 Glendora Drive
 San Mateo, CA 94403



Invoice

Date	Invoice #
5/31/2012	276

Bill To

**San Mateo County Harbor District
 Pillar Point Harbor
 400 Oyster Point Blvd
 Suite 300
 South San Francisco, CA 94080**

Ship To

**Pillar Point Harbor
 One Johnson Pier
 Half Moon Bay, CA 94019**

Terms	Project
1% 10 Net 30	

Date	Item	Description	Rate	Qty	Total
5/9/2012	Labor	Work on the login for Jwagner, who has no icons on the front PC - solved, also work on a printing problem for one user in Marina -- solved. Set up the docking station for Scott Grindy in the Harbormaster's office, talk to him about phones and computers in the warehouse, and move the extra computers in the office all to a single location.	75.00	2.5	187.50
5/9/2012	Labor	Assembled, gathered, and inventoried unused computers and accessories from Pillar Point and delivered to Plaza and Oyster Point	75.00	1	75.00
5/15/2012	Labor	Attempt another fix on the credit card launch ramp kiosk. Replace the screen, but now it's still not working, so call for tech support and now they are going to send us yet another replacement part.	75.00	2	150.00
5/16/2012	Labor	Assembled, gathered, and inventoried remaining unused computers and accessories (that were later identified by the crew) from Pillar Point and delivered to Plaza and Oyster Point	75.00	1	75.00
5/23/2012	Labor	Install the latest part that was shipped to us to fix the pay station, and it still doesn't work. Have Katie ship it back and get more parts shipped to us from the pay station people.	75.00	3	225.00

		Subtotal	\$712.50
		Sales Tax (8.25%)	\$0.00
		Total	\$712.50
		Payments/Credits	\$0.00
		Balance Due	\$712.50

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Phone #	E-mail
(650) 766-1981	steve@thewellconnectedoffice.com

The Well Connected Office
 3410 Glendora Drive
 San Mateo, CA 94403



Invoice

Date	Invoice #
5/31/2012	278

Bill To

**San Mateo County Harbor District
 Attn: Accounts Payable
 400 Oyster Point Blvd
 Suite 300
 South San Francisco, CA 94080**

Ship To

San Mateo County Harbor District
 400 Oyster Point Blvd
 Suite 300
 South San Francisco, CA 94080

Terms	Project
Net 30	

Date	Item	Description	Rate	Qty	Total
		Amount due now: 80% of total Amount Due at completion of job: 20% of total <i>Hardware</i>			

Please pay amount due so that equipment can be ordered and configuration commence.

A discount may be given to bills paid within 10 days of the date of invoice. Check the terms section above for more information. This discount is not valid for credit cards, only for cash and checks. Unless noted, all items carry manufacturer's warranties only, and are not additionally warranted by The Well Connected Office. The Well Connected Office is not responsible for any loss of business, loss of profits, business interruption, or other problem resulting from the uses of any products sold. The Well Connected Office does not support the use of any device for any other purpose outside the manufacturer's specifications. No returns will be accepted without prior authorization. All computer equipment requires adequate cooling-make sure that your PC or networking equipment is cooled properly!

Subtotal	\$31,446.40
Sales Tax (8.25%)	\$3,242.91
Total	\$34,689.31
Payments/Credits	\$0.00
Balance Due	\$34,689.31

Phone #	E-mail
(650) 766-1981	steve@thewellconnectedoffice.com

The Well Connected Office - Inv 278 5/31/78 - Calculation of Cost Distribution

Cost	Sales Tax %	Sales Tax		Total Cost	%	Required Downpayment		Remaining Balance (20% of cost before tax)
		Amt				80% Cost	100% Sls Tx)	
Computer Hardware		801-003						
14,313.00	8.25%	1,180.82		15,493.82	80%	11,450.40	12,631.22	2,862.60
1,350.00	8.25%	111.38		1,461.38	80%	1,080.00	1,191.38	270.00
1,200.00	8.25%	99.00		1,299.00	80%	960.00	1,059.00	240.00
16,863.00		1,391.20		18,254.20		13,490.40	14,881.60	3,372.60
Computer Storage		801-003						
2,400.00	8.25%	198.00		2,598.00	80%	1,920.00	2,118.00	480.00
11,950.00	8.25%	985.87		12,935.87	80%	9,560.00	10,545.87	2,390.00
14,350.00		1,183.87		15,533.87		11,480.00	12,663.87	2,870.00
Computer Software		801.004						
4,495.00	8.25%	370.84		4,865.84	80%	3,596.00	3,966.84	899.00
800.00	8.25%	66.00		866.00	80%	640.00	706.00	160.00
1,300.00	8.25%	107.25		1,407.25	80%	1,040.00	1,147.25	260.00
1,500.00	8.25%	123.75		1,623.75	80%	1,200.00	1,323.75	300.00
8,095.00		667.84		8,762.84		6,476.00	7,143.84	1,619.00
39,308.00		3,242.91		42,550.90		31,446.40	34,689.31	7,861.60
Distribution:								
Computer Hardware	801-003						14,881.60	3,372.60
Computer Storage	801-003						12,663.87	2,870.00
Total							27,545.47	6,242.60
103.801.003							9,181.82	2,080.86
201.801.003							9,181.82	2,080.87
301.801.003							9,181.83	2,080.87
Totals							27,545.47	6,242.60
Computer Software	801.004						7,143.84	1,619.00
103.801.003							2,381.28	539.67
201.801.003							2,381.28	539.67
301.801.003							2,381.28	539.66
							7,143.84	1,619.00
							34,689.31	7,861.60

San Mateo County Harbor District
 400 Oyster Point Blvd Suite 300, South San Francisco, CA 94080
 Phone 650-583-4400 Fax 650-583-4611

REQUISITION

Requisition #

Date of Order 01/27/2015	Date Required: 01/27/2015	Enter Project Account Code, If Applicable:
Name of Recommended Vendor: The Well Connected Office		
Address of Recommended Vendor :		
City:	State:	Zip:
Phone Number:	Fax Number:	Point of Contact:

This requisition is for the following items:

Quantity	Description	Unit Measure	Unit Price	Extension
1	Software Subscription - OPM			\$3,125.00
1	Software Subscription - PPH			\$3,125.00
1	Software Subscription - ADMIN			\$3,125.00
Subtotal				
Taxes				
Shipping and Handling				
Total				\$9,375.00

I do solemnly declare and certify that funds are available in my budget for payment of goods and services ordered herein. The General Ledger account to be charged is **301.740.000, 201.740.000, 103.801.004** and the available budget is \$. These purchases are to be considered as CONSUMABLE-SUPPLIES. Method of Payment is VISA UNDER \$500. If open Purchase Order, please enter PO number:

Signature of General Manager 	Date Signed 2-3-15	Department
--	------------------------------	-------------------

PLEASE SUBMIT DIRECTLY TO THE DIRECTOR OF FINANCE IF UNDER \$250.00, OTHERWISE COMPLETE FOLLOWING SECTION THEN SUBMIT TO GENERAL MANAGER.

Name of Additional Vendor:	Bid quote:
Phone Number: () -	Point of Contact:
Fax Number: () -	
Name of Additional Vendor:	Bid quote:



New Endpoint Quotation
 Equipment from Palo Alto Networks
 Quote by The Well Connected Office
 January 15, 2015

79585

Item #	Description	Qty	Unit Price	Extended Price	Discount if purchased by 1/31/2015	Promotional Price
PAN-PA-500-TP	Palo Alto Networks Threat prevention subscription year 1 for PA-500	3	825.00	2,475.00	3.0%	2,400.00
PAN-PA-500-URL4	Palo Alto Networks PANDB URL Filtering subscription year 1 for PA-500	3	825.00	2,475.00	3.0%	2,400.00
PAN-PA-500-WF	WildFire subscription year 1	3	825.00	2,475.00	3.0%	2,400.00
PAN-SVC-PREM-300	Premium support year 1 for PA-500	3	750.00	2,250.00	3.3%	2,175.00
Totals:				\$9,675.00	3.1%	\$9,375.00

\$ 3,125.-
 PPH 740.000
 ADM 740.000
 ADM - 800.000

San Mateo County Harbor District
 400 Oyster Point Blvd Suite 300, South San Francisco, CA 94080
 Phone 650-583-4400 Fax 650-583-4611

REQUISITION

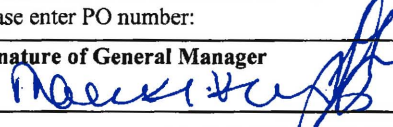
Requisition #

Date of Order 01/27/2015	Date Required: 01/27/2015	Enter Project Account Code, If Applicable:
Name of Recommended Vendor: The Well Connected Office		
Address of Recommended Vendor :		
City:	State:	Zip:
Phone Number:	Fax Number:	Point of Contact:

This requisition is for the following items:

Quantity	Description	Unit Measure	Unit Price	Extension
1	Server - OPM <i>Firewall</i>			\$3,233.00
1	Server - PPH <i>Firewall</i>			\$3,233.00
1	Server - ADMIN <i>Firewall</i>			\$3,233.00
Subtotal				
Taxes				
Shipping and Handling				
Total				\$9,700.00

I do solemnly declare and certify that funds are available in my budget for payment of goods and services ordered herein. The General Ledger account to be charged is **301.760.020, 201.760.020, 103.760.020** and the available budget is \$. These purchases are to be considered as CONSUMABLE-SUPPLIES. Method of Payment is VISA UNDER \$500. If open Purchase Order, please enter PO number:

Signature of General Manager 	Date Signed <i>2-3-15</i>	Department
---	------------------------------	------------

PLEASE SUBMIT DIRECTLY TO THE DIRECTOR OF FINANCE IF UNDER \$250.00, OTHERWISE COMPLETE FOLLOWING SECTION THEN SUBMIT TO GENERAL MANAGER.

Name of Additional Vendor:	Bid quote:
Phone Number: () -	Point of Contact:
Fax Number: () -	
Name of Additional Vendor:	Bid quote:



New Endpoint Quotation
Equipment from Palo Alto Networks
Quote by The Well Connected Office
January 15, 2015

79584

Item #	Description	Qty	Unit Price	Extended Price	Discount if purchased by 1/31/2015	Promotional Price
PAN-PA-500-2G	Palo Alto Networks PA-500 with 2GB Memory	3	4,015.00	12,045.00	19.5%	9,700.00
Totals:				\$12,045.00	19.5%	\$9,700.00

\$ 3,233

PPH

OPM

ADM

~~201.00~~ 760.00

760.00

Answers to questions in e-mail "April 1, 2015 - Item 5"

1. Number of servers installed at the district:
 - a. 2 virtual servers at Pillar Point Harbor: SVR-DC-2 and SVR-TS-01
 - b. 2 virtual servers installed at the Plaza: SVR-SBS and SVR-TS-02
 - c. One new server in the rack at the Plaza
 - d. One new server uninstalled
 - e. One backup computer installed at the Plaza that is currently not used
2. Invoices for the servers
 - a. See Appendix "A" below
3. Desktop computers installed at the 3 locations:

a.

Location	Dedicated Computers	Shared computers	Laptop Computers
Plaza	5	1	2
OPM	2	1	
PPH	3	3	
Totals:	10	5	2
Total Number of Computers:			17

4. Computer count:
 - a. Employees that have dedicated computers:
 - i. Plaza:
 - (1) Debbie Nixon
 - (2) (HR Manager)
 - (3) Belen Cruz
 - (4) Debra Galarza
 - (5) David Doyle
 - (6) Scott Grindy
 - ii. OPM:
 - (1) Michelle Reloba
 - (2) Jim Merlo
 - iii. PPH:
 - (1) Katie Mickelson
 - (2) John Draper
 - (3) Michael Williams
 - b. Employees who share common computers
 - i. Plaza
 - (1) Emily Cooper
 - ii. OPM:
 - (1) Gary Stern

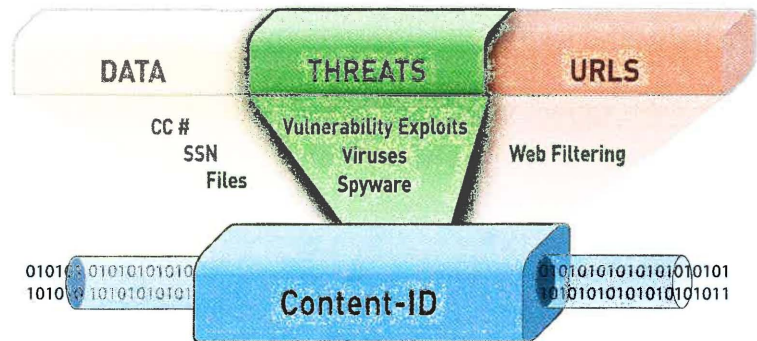
- (2) Greg Gubser
 - (3) James Smith
 - (4) Matt Hoff
 - (5) Nbeal McGeehan
 - (6) Tyler Finch
 - iii. PPH
 - (1) Cary Smith
 - (2) Chris Chang
 - (3) Dante Madrigal
 - (4) David Arington
 - (5) Don Coats
 - (6) Gabe Turco
 - (7) Jacob Walding
 - (8) Jerry Pemberton
 - (9) Randy Bankord
 - (10) Suzanne Walker
- 5. See inventory above
- 6. The district will receive half the refund on 3/31, and the other half before 4/30. The Well Connected Office has not received credit from the distributor yet.
- 7. The statement that the devices will become useless is completely false. The subscriptions to the additional features can be cancelled at any time. The device will, of course, lose some of its functionality but the basic functioning of the firewall will remain. The subscriptions provide constant updates to virus definitions and the URL filtering portions of the firewall, as well as 24x7 next business day replacement for the unit if the unit becomes defective any time during the warranty period. There are 4 different prices on there for 4 different things. The first (PAN-PA-500-TP) is for threat prevention, which is a definition file, not unlike Norton or Kaspersky or the like. Treat protection is an advanced packet decomposition technique that inspects packets on their way through the firewall before they even reach the end points, including the wireless networks. The second (PAN-PA-500-URL4) prevents inadvertent or intentional web surfing to inappropriate or damaging sites that may infect computers or expose the user to unwanted sexual or violent material. The third (PAN-PA-500-WF), is another protection system called Wildfire. WildFire identifies unknown malware, zero-day exploits, and Advanced Persistent Threats (APTs) through dynamic analysis in a scalable cloud-based, virtual environment. WildFire automatically disseminates protections in near real-time to help security teams meet the challenge of advanced cyber attacks. Built on an enterprise security platform that natively classifies all traffic, inclusive of threats and the applications that carry them—regardless of port or SSL encryption. Attached to this document are descriptions of the 3 things you are paying for in addition to the warranty, which is the last item (PAN-SVC-PREM-300). So, you could cut out everything except the \$2,250 per year if you didn't care about being protected.
- 8. Firewalls are not just about remote users. If we are to provide wireless to the entire harbor including guests and all the live aboard residents, the firewall must be able to

handle the amount of throughput necessary to support the guests and the actual people who need to work at the district. A firewall serves many functions in addition to simply providing remote access, which is a very small part of its complete functionality. The Well Connected Office is going to present 4 options in addition to the Palo Alto Networks Firewalls at the meeting on April 1.

Integrated Threat Prevention

Fully integrated real-time threat prevention protects enterprise networks from a wide range of threats, complementing the policy-based application visibility and control that the Palo Alto Networks® next-generation firewalls deliver.

- Proven protection from network and application vulnerability exploits (IPS), viruses, spyware and unknown threats in full application context.
- Protection delivered in a single stream-based scan, resulting in high throughput and low latency.
- Single policy table reduces the management overhead associated with policy creation to block threats, control applications and limit non-work related web activity.



Today's networks and their users are under attack from an ever-expanding universe of threats, malware, and vulnerabilities. More and more of these threats are focused on financial gain as opposed to notoriety, and hackers have learned to use evasive applications, tunneling and encryption to avoid detection by traditional IPS solutions. To make matters worse, many organizations have resorted to the habit of "see a security problem, buy an appliance", leading to a lack of coordination, poor visibility, and poor performance. This has left a dangerous situation, where security solutions are increasingly fractured and difficult to manage, while the hackers are increasingly adept at penetrating them.

Palo Alto Networks offers a unique and modern approach to threat prevention that begins by proactively reducing the vulnerability of the network, and then fully inspecting all allowed traffic for threats. Palo Alto Networks lets organizations instantly and dramatically reduce the attack surface of their networks by preventing or limiting risky or unnecessary applications or features. This includes a variety of applications and technologies that are regularly used by attackers to hide their attacks such as proxies, encryption and encrypted tunnels.

Next, Palo Alto Networks takes the unique step of fully inspecting all allowed traffic irrespective of port or evasion attempt. This enables Palo Alto Networks to catch all threats even if they are transmitted over non-standard ports or tunneled within other applications or protocols. A single unified threat engine performs IPS, stream-based anti-virus prevention, and blocking of unapproved file types and data. Additionally, the cloud-based WildFire™ engine identifies unknown and targeted malware and exploits that may have no known signature. This gives organizations the unique ability to reduce their exposure, ensure visibility into evasive traffic and protect from all types of threats in a single pass of traffic.

Control the Application, Block the Threat

Applications are integral to virtually all cyber threats. In some cases, the application is the threat, such as a botnet communicating via a peer-to-peer network. In other cases the threat is enabled by an application that provides a vector for the threat or obscuring it from security solutions, such as an SSL encrypted browser session that obscures the delivery of malware. By leveraging App-ID™, Palo Alto Networks provides visibility into all applications, where they can be controlled by policy and fully inspected for threats. Undesirable applications such as P2P file sharing, external proxies or circumventors, can be summarily blocked, or limited to the few users with a valid use case. Additionally, staff can easily restrict applications by their ability to tunnel other applications, transfer files, or history of being used by malware. These controls can instantly reduce the attack surface of the enterprise. Applications that are permitted can be controlled and inspected at a very granular level for viruses, spyware and vulnerability exploits. App-ID enhances the threat prevention logic through the use of more than 100 application and protocol decoders, which further reveal exactly where to look for different types of threats.

Scan for all Threats in a Single Pass

Palo Alto Networks' threat prevention engine represents an industry first by detecting and blocking both malware and vulnerability exploits in a single pass. Traditional threat prevention technologies require two, sometimes three scanning engines which adds significant latency and dramatically slows throughput performance. Unlike these solutions Palo Alto Networks leverages a uniform signature format for all threats and malware and ensures fast processing by performing all analysis in a single integrated scan. The uniform signature format eliminates many redundant processes common to multiple scanning engine solutions (TCP reassembly, policy lookup, inspection, etc.) and in so doing, improves performance. Stream-based scanning means that the scanning process begins as soon as the first packets of the file are received, thereby eliminating the latency issues associated with the traditional buffer-based approaches.

Independent Vulnerability Research

Unlike other security vendors who source their signatures from 3rd Parties, Palo Alto Networks performs all IPS research in-house by Palo Alto Networks researchers. Over the past 4 years, this elite team has discovered more Microsoft and Adobe Flash vulnerabilities than any other security vendor research team.



Additionally, the IPS solution has been validated by NSS Labs and received their highest rating of 'Recommended' based on the high observed high block rate, performance, resistance to evasion and overall value.

Palo Alto Networks researchers are active in the threat prevention community, working closely with

software vendors, both informally and formally, through programs such as the Microsoft Active Protections Program (MAPP). As a member of MAPP, Palo Alto Networks receives priority access to Microsoft's monthly and out-of-band security update releases. By receiving vulnerability information earlier, Palo Alto Networks can develop signatures and deliver them to customers in a synchronized manner, thereby ensuring that customers are protected.

The Palo Alto Networks IPS protects organizations from all types of threats including vulnerability exploits, buffer overflows, DoS/DDoS attacks and port scans using proven threat detection and prevention (IPS) mechanisms:

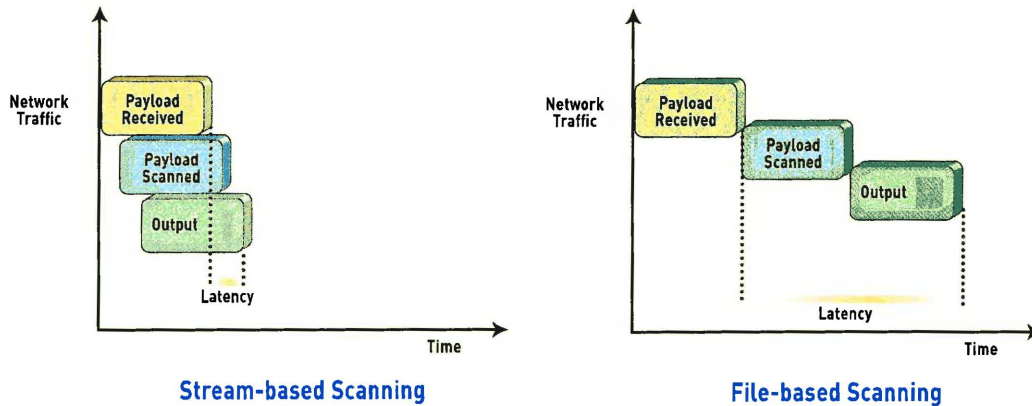
- Protocol decoder-based analysis statefully decodes the protocol and then intelligently applies signatures to detect vulnerability exploits.
- Protocol anomaly-based protection detects non-RFC compliant protocol usage such as the use of overlong URI or overlong FTP login.
- Stateful pattern matching detects attacks across more than one packet, taking into account elements such as the arrival order and sequence.
- Statistical anomaly detection prevents rate-based DoS flooding attacks.
- Heuristic-based analysis detects anomalous packet and traffic patterns such as port scans and host sweeps.
- Other attack protection capabilities such as blocking invalid or malformed packets, IP defragmentation and TCP reassembly are utilized for protection against evasion and obfuscation methods employed by attackers.
- Custom vulnerability or spyware phone home signatures that can be used in either the anti-spyware or vulnerability protection profiles.

In addition to these traditional IPS capabilities, Palo Alto Networks also provides the unique ability to detect and block threats on non-standard ports. Traditional IPS solutions invoke their signatures based on the observed port number, which is a serious flaw given that applications no longer adhere to traditional port conventions. By leveraging App-ID, which identifies all traffic, on all ports, the threat prevention engine never loses sight of threat regardless of port evasion.

Network Antivirus: Stream-based Malware Prevention

Inline antivirus protection detects and blocks malware at the gateway before it ever reaches the target host. Antivirus protection leverages the same uniform signature format used for IPS. The stream-based scanning engine protects the network without introducing significant latency—which is a serious drawback of network antivirus offerings that rely on proxy-based scanning engines. Proxy-based network antivirus solutions have historically lacked the performance capacity to be widely deployed in a real-time environment (e.g., web applications) because they pull the entire file into memory

Stream-based scanning
Stream-based scanning helps minimize latency and maximize throughput performance.



before the scanning process began. Stream-based virus scanning inspects traffic as soon as the first packets of the file are received, eliminating the performance and latency issues associated with the traditional proxy-based approach. Key antivirus capabilities include:

- Protection against a wide range of malware such as viruses, including PDF, HTML and Javascript viruses, spyware downloads, spyware phone home, Trojans, etc.
- Inline stream-based detection and prevention of malware embedded within compressed files and web content. Leverages SSL decryption within App-ID to block viruses embedded in SSL traffic.

Signatures for all types of malware are generated directly from millions of live virus samples collected by Palo Alto Networks from several sources including a worldwide network of honeypots deployed around the world, from the WildFire malware analysis service and from other leading third-party research organizations around the world. The Palo Alto Networks threat team analyzes the samples and quickly eliminates duplicates and redundancies. New signatures for new malware variants are then generated (using our uniform signature format) and delivered to customers through scheduled daily or emergency updates.

Drive-by Download Protection

Drive-by downloads have become the preferred method for hackers to deliver malware to unsuspecting users. Instead of a user clicking on an attachment in an email, users can become infected via a drive-by-download simply by visiting a webpage with an infected image. Often the user and even the owner of the website may be unaware that the site has been compromised. Palo Alto Networks can look within the application session, see that a download is taking place and verify with the user if the file is an approved download.

DNS Sinkholing and Monitoring

DNS traffic exists in nearly every organization, creating an overwhelming ocean of data security teams often ignore, or do not have the tools to properly analyze. Knowing this, cyber attackers are increasingly abusing DNS to mask

their command-and-control (C2) activity in order to deliver additional malware or steal valuable data. Malicious domain names controlled by attackers enable the rapid movement of command-and-control centers from point to point, bypassing traditional security controls such as blacklists or web reputation. Palo Alto Networks addresses this by:

- Allowing opt-in passive DNS monitoring, creating a database of malicious domains and infrastructure across our global customer base. This intelligence is consumed by PAN-DB URL filtering, DNS-based command-and-control signatures, and WildFire to prevent future attacks.
- Enabling customers to create a local DNS sinkhole, re-directing malicious queries to an address of your choosing to quickly identify and block compromised hosts on the local network.

Botnet Detection and Prevention

Protecting the network from botnets has proven to be a very difficult challenge for both IT security teams and the industry at large. Botnets leverage many techniques to remain undetected including the ability to use applications to remain hidden in transmission as well as to update the botnet itself, making it more difficult to detect with a signature. Palo Alto Networks provides a unique ability to find and control botnets by using a combination of elements including application identification, threat signatures and the analysis and correlation of unusual traffic patterns.

- Control botnet vectors. Organizations can use the application control enabled by App-ID to deploy firewall policies that control those applications that may be used by botnets as propagation channels or for command and control. Examples include:
- Block P2P and IM applications such as MSN, which have been known to propagate the Mariposa botnet.
- Block known botnet command and control applications (e.g., IRC)
- Control, inspect and monitor those applications that are emerging as command and control channels (Twitter, Gmail, Google Docs).

- Prevent the propagation of known botnets. The threat prevention engine can identify and block the download as well as the command and control traffic for known botnets such as Mariposa, Dark Energy and Rustock.
- Pinpoint bot-infected machines. The Palo Alto Networks solution integrates a range of datapoints to identify machines on the network that may be infected by both known, unknown or polymorphic botnets. These factors include tracking of unknown applications, IRC traffic, malware sites, dynamic DNS, and newly created domains is analyzed, resulting in a report that displays a list of potentially infected hosts that can be investigated as members of a botnet.

WildFire: Protection From Targeted and Unknown Threats

Advanced cyber threats have evolved to highly evasive and adaptable network applications that allow hackers to launch increasingly sophisticated and targeted attacks. This new breed of threats are at the heart of many of today's most sophisticated intrusions—enabling attackers to gain a foothold within the enterprise from which they can dig deeper into the network, control their attack and steal information. As threats have become more powerful, they have also become more targeted and customized for a particular network, helping them avoid traditional signature-based security solutions. To meet this challenge, Palo Alto Networks has developed WildFire, which identifies unknown malware, zero-day exploits, and Advanced Persistent Threats (APTs) in a cloud-based virtual execution environment. This scalable service automatically disseminates protections in near real-time to help security teams meet the challenge of advanced cyber attacks:

- **Integration of Firewall and the Cloud:** WildFire extends customer's Palo Alto Networks next-generation firewall capabilities with no additional hardware. The in-line firewall captures and analyzes unknown files in a cloud-based virtual malware analysis environment, discovering advanced threats, and performing automated enforcement while maintaining high network throughput and low latency.
- **WildFire Virtualized Sandbox:** The WildFire service is an advanced, virtual malware analysis environment, purpose-built for high fidelity hardware emulation, analyzing suspicious samples as they execute. The cloud-based service detects and blocks targeted and unknown malware, exploits, and outbound C2 activity by observing their actual behavior, rather than relying on pre-existing signatures.

- **Automated Signature Generator:** When an unknown file is identified as malicious, WildFire automatically generates protections and delivers them to all WildFire customers globally in as little as 30 minutes.
- **Deep Visibility and Analysis:** WildFire users receive integrated logs, analysis, and visibility into WildFire events in the Palo Alto Networks management interface, Panorama, or the WildFire portal. This includes the ability to see all behaviors of the malicious file, the user that was targeted, the application that delivered the threat, and all URLs involved in delivery or phone-home of the malware or exploit.

Behavioral Botnet Report

In addition to the direct analysis of malware in WildFire, the Palo Alto Networks solution also includes the ability to identify the presence of modern malware through the monitoring and correlation of network traffic. The behavioral botnet report looks for a variety of tell-tale signs of a botnet infection such as the presence of unknown application traffic, IRC traffic, repeated attempts to download files and connections to newly registered domains. The report leverages User-ID™ to specifically identify the specific user that is infected, along with the key factors that contributed to the analysis.

World Class Research and Partnerships

The Palo Alto Networks threat research team is a world-class research organization dedicated to the discovery and analysis of threats, applications and their respective network behavior. Through internal research, third party relationships with software vendors (e.g., Microsoft) and the same research organizations used by other leading security vendors, customers are assured that Palo Alto Networks is providing them with the best network threat protection and application coverage.

URL Filtering



An integrated approach to risk reduction

Fully integrated URL filtering database enables granular control over web browsing activity, complementing safe application enablement policies.

- Safely enable web usage with the same policy control mechanisms that are applied to applications—allow, allow and scan, apply QoS, block, and more.
- Reduce malware incidents by blocking access to known malware and phishing download sites.
- Tailor web filtering control efforts with white lists (allow), black lists (block), custom categories and database customization.
- Facilitate SSL decryption policies such as “don’t decrypt traffic to financial services sites” but “decrypt traffic to blog sites”.

Tech-savvy users are spending more and more time on their favorite website or using the latest and greatest web application. This unfettered web surfing and application use exposes organizations to security and business risks including propagation of threats, possible data loss, and lack of regulatory or internal policy compliance.

Stand-alone URL filtering solutions are insufficient control mechanisms because they are easily bypassed with external proxies (PHproxy, CGIproxy), translation sites (Google Translate, Bing Translator), search engine caches (Google Search, Internet Archive), circumventors (Tor, UltraSurf, Hamachi) and remote desktop access tools (GoToMyPC, RDP, SSH). Controlling users’ application activity requires an integrated approach that implements policies to control web activity and the applications that are commonly used to bypass traditional security mechanisms.

Palo Alto Networks® next-generation firewalls natively classifies all traffic, inclusive of applications, threats and web content, then ties that traffic to the user, regardless of location or device type. The application, content and user, the business elements that run your business, are then used as the basis of all security policies. By addressing the lack of visibility and control from both the application and web content perspective, your organization is safeguarded from a full spectrum of legal, regulatory, productivity, and resource utilization risks.

Flexible, Policy-based Control

As a complement to the application visibility and control enabled by App-ID™, URL categories can be used as a match criteria for policies. Instead of creating policies that are limited to either allowing all or blocking all behavior, the URL category as a match criteria allows for exception-based behavior, resulting in increased flexibility yet more granular policy enforcement. Examples of how using URL categories can be used in policies include:

- Identify and allow exceptions to general security policies for users who may belong to multiple groups within Active Directory (e.g. deny access to malware and hacking sites for all users, yet allow access to users that belong to the security group).
- Allow access to streaming media category, but apply QoS to control bandwidth consumption.
- Prevent file download/upload for URL categories that represent higher risk (e.g. allow access to unknown sites, but prevent upload/download of executable files from unknown sites to limit malware propagation).
- Apply SSL decryption policies that allow encrypted access to finance and shopping categories but decrypt and inspect traffic to all other URL categories.

Tighten controls over common policy evasion tactics

URL filtering policies can be enforced even when common evasion tactics such as cached results and language translation sites are used.

- **Search engine cached results prevention:** a common tactic to evade controls is to access cached results within the popular search engines. URL filtering policies will be applied to cached results when end-users attempt to view the cached results of Google Search and Internet Archive.
- **Translation site filtering:** URL filtering policies are applied to URLs that are entered into translation sites such as Google Translate as a means of bypassing policies.

Safe Search Enforcement

Safe Search Enforcement allows you to prevent inappropriate content from appearing in users' search results. When this feature is enabled, only Google, Yahoo or Bing searches with the strictest Safe Search option set will be allowed; all other searches will be blocked.

Customizable URL Database and Categories

To account for each organization's unique traffic patterns, on-device caches are used to store the most recently accessed URLs. Devices can also automatically query a master cloud-based database for URL category information when an unknown URL is found. Lookup results are automatically inserted into the cache for future activity. Additionally, administrators can create custom URL categories to suit their specific needs.

Customizable End-User Notification

Each organization has different requirements on how best to inform end-users that they are attempting to visit a web page that is blocked according to the corporate policy and associated URL filtering profile. To accomplish this goal, administrators can use a custom block page to notify end users of the policy violation. The custom block page can include references to the username, IP address, the URL they are attempting to access, and the URL category. In order to place some of the web activity ownership back in the user's hands, administrators have two powerful options:

- **URL filtering continue:** when a user accesses a page that potentially violates URL filtering policy, a block page warning with a "Continue" button can be presented to the user, allowing them to proceed if they feel the site is acceptable.
- **URL filtering override:** requires a user to correctly enter a password in order to bypass the block page and continue surfing.

URL Activity Reporting and Logging

A set of pre-defined or fully customized URL filtering reports provides IT departments with visibility into URL filtering and related web activity including:

- **User activity reports:** an individual user activity report shows applications used, URL categories visited, websites visited, and a detailed report of all URLs visited over a specified period of time.
- **URL activity reports:** a variety of top 50 reports that display URL categories visited, URL users, websites visited, blocked categories, blocked users, blocked sites and more.
- **Real-time logging:** logs can be filtered through an easy-to-use query tool that uses log fields and regular expressions to analyze traffic, threat or configuration incidents. Log filters can be saved and exported and for more in-depth analysis and archival, logs can also be sent to a syslog server.

Deployment Flexibility

The unlimited user license behind each URL filtering subscription and the high performance nature of the Palo Alto Networks next-generation firewall means that customers can deploy a single appliance to control web activity for an entire user community without worrying about cost variations associated with user-based licensing.

WildFire™

WildFire identifies unknown malware, zero-day exploits, and Advanced Persistent Threats (APTs) through dynamic analysis in a scalable cloud-based, virtual environment. WildFire automatically disseminates protections in near real-time to help security teams meet the challenge of advanced cyber attacks. Built on an enterprise security platform that natively classifies all traffic, inclusive of threats and the applications that carry them—regardless of port or SSL encryption.

- Identifies unknown malware and zero-day exploits using advanced static and dynamic analysis techniques.
- Combines the complete visibility and control over known threats and applications with cloud-based dynamic analysis of unknown threats to ensure accurate, safe and scalable malware analysis.
- True in-line blocking of exploitive and malicious files, as well as command-and-control traffic.

Advanced cyber attacks are employing stealthy, persistent methods to evade traditional security measures. Skilled adversaries demand that modern security teams re-evaluate their basic assumptions that traditional intrusion prevention systems, antivirus and single-purpose sandbox appliances are up to the task of defeating APTs.

Enterprise security platform

WildFire is built on the industry's leading security platform, with full visibility into all network traffic, including stealthy attempts to evade detection such as non-standard ports or SSL encryption. Known threats are proactively blocked with Threat Prevention, providing baseline defenses against known exploits, malware, malicious URLs and command-and-control (C2) activity. Unknown files are analyzed by WildFire in a scalable virtual sandbox environment where new threats are identified and protections are automatically developed and delivered to you in the form of an update. The result is a unique, closed loop approach to controlling cyber threats, that begins with positive security controls to reduce the attack surface; inspects all traffic, ports, and protocols to block all known threats; rapidly detects unknown threats by observing their actual behavior in a cloud-based virtual execution environment; then automatically employs new protections back to the front line to ensure previously unknown threats are known to all and blocked across the kill chain.

WildFire

WildFire is an advanced, virtual malware analysis environment, purpose-built for high fidelity hardware emulation, analyzing suspicious samples as they execute. The cloud-based service detects and blocks targeted and unknown malware, exploits, and outbound C2 activity by observing their actual behavior, rather than relying on pre-existing signatures. In addition to quickly turning unknown threats to known, WildFire generates protections that are shared globally in as little as 30 minutes. The security service tightly integrates with Palo Alto Networks® next-generation firewalls, allowing complete control over your network as cyber criminals attempt to deliver malware or communicate with infected systems.

Behavioral-based cyber threat discovery

To find unknown malware and exploits, WildFire executes suspicious content against Windows XP, Windows 7 and Android operating systems, with full visibility into common file types, including: EXEs, DLLs, ZIP files, PDF documents, Office Documents, Java, and Android APKs, including high risk embedded content such as Adobe Flash files, images, and Javascript.

WildFire identifies over 130 potentially malicious behaviors to identify the true nature of malicious files based on their actions including:

- **Changes made to host:** observes all process for modifications to the host, including file and registry activity, code injection, memory heap spray (exploit) detection, addition of auto-run programs, mutexes, Windows services, and other suspicious activities.
- **Suspicious network traffic:** analysis of all network activity produced by the suspicious file, including backdoor creation, downloading of next-stage malware, visiting low-reputation domains, network reconnaissance, and much more.
- **Anti-analysis detection:** monitors for techniques used by advanced malware to avoid VM-based analysis, such as debugger detection, hypervisor detection, code injection into trusted processes, disabling of host-based security features, and more.

Extending the next-generation firewall platform that natively classifies all traffic across hundreds of applications, WildFire uniquely applies this behavioral analysis regardless of ports

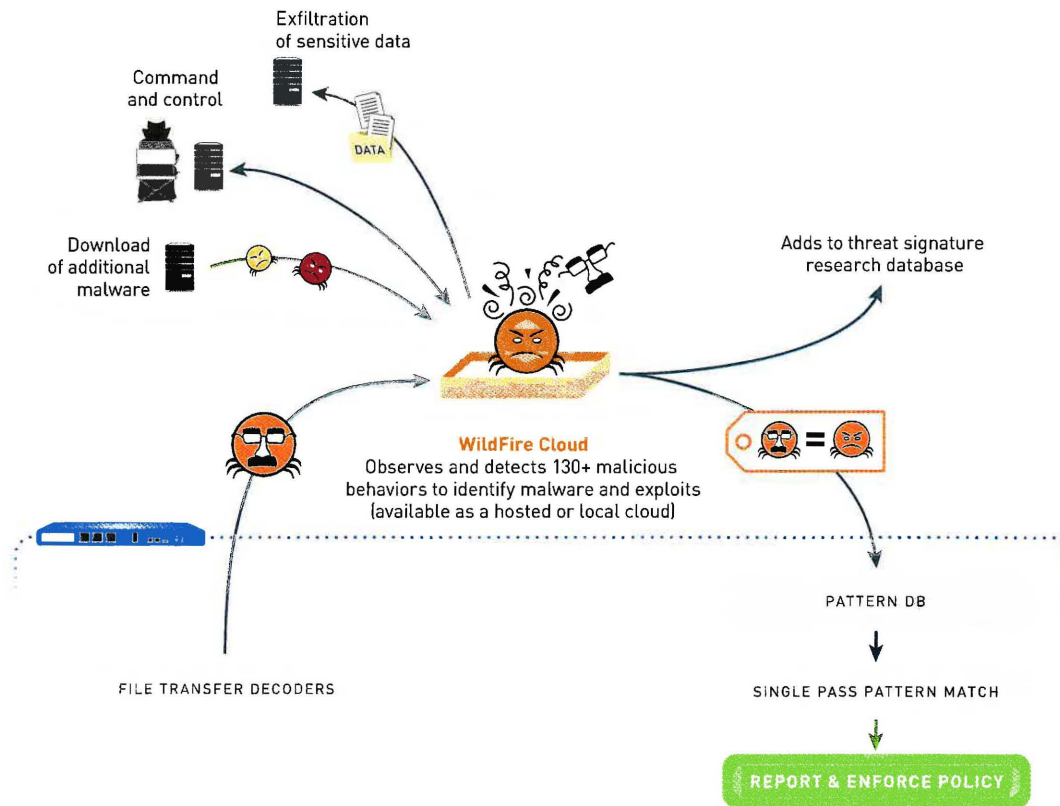
or encryption, including full visibility into web traffic, email protocols (SMTP, IMAP, POP) and FTP.

Cloud-based detection architecture

To support dynamic malware analysis across the network at scale, WildFire is built on a cloud-based architecture that can be leveraged by your existing Palo Alto Networks next-generation firewall, with no additional hardware. Where regulatory or privacy requirements prevent the use of public cloud infrastructure, a private cloud solution can be built on-premises using the WF-500 appliance. In either case, WildFire provides the same best-in-class visibility and simple, cost effective deployment.

Threat prevention with global intelligence sharing

When an unknown threat is discovered, WildFire automatically generates protections to block it across the cyber kill-chain, sharing these updates with all subscribers across the globe in as little as 30 minutes. These quick updates are able to stop rapidly spreading malware, as well as identify and block the proliferation of all future variants without any additional action or analysis. Palo Alto Networks customer's global intelligence sharing helps put all of us one step closer to stopping cyber attackers.



How WildFire Works: WildFire provides a logical combination of next-generation firewall hardware and scalable cloud-based malware analysis.

In conjunction with protection from malicious and exploitive files, WildFire looks deeply into malicious outbound communication, disrupting command-control activity with anti-C2 signatures and DNS-based callback signatures. The information is also fed into PAN-DB, where newly discovered malicious URLs are automatically blocked. This correlation of data and in-line protections are key to identifying and blocking ongoing intrusions as well as future attacks on a network.

Integrated logging, reporting and forensics

WildFire users receive integrated logs, analysis, and visibility into WildFire events in the management interface, Panorama, or the WildFire portal, enabling teams to quickly investigate and correlate events observed in their networks. This allows security staff to quickly locate the data needed for timely investigations and incident response. Host-based and network-based indicators of compromise become actionable through log analysis and custom signatures.

To aid security and IR staff in discovering infected hosts, WildFire also provides:

- Detailed analysis of every malicious file sent to WildFire across multiple operating system environments, including both host-based and network-based activity
- Session data associated with the delivery of the malicious file, including source, destination, application, User-ID™, URL, etc.
- Access to the original malware sample for reverse engineering and full PCAPs of dynamic analysis sessions.
- An open API for integration with best-in-class SEIM tools, such as the Palo Alto Networks application for Splunk, and leading endpoint agents.

This analysis provides a wealth of indicators of compromise (IOCs) that can be applied across the APT kill chain.

Maintaining the Privacy of Your Files

WildFire leverages a public cloud environment managed directly by Palo Alto Networks. All suspicious files are securely transferred between the firewall and the WildFire datacenter over encrypted connections, signed on both sides by Palo Alto Networks. Any files that are found to be benign are destroyed, while malware files are archived for further analysis.

WildFire Requirements:

- Use of WildFire requires PAN-OS™ 4.1+
- Enhanced file type support (PDF, Java, Office, APK, etc.) requires PAN-OS 6.0+

Licensing Information:

Basic WildFire functionality is available as a standard feature on all platforms running PAN-OS 4.1 or greater.

- Windows XP and Windows 7 analysis images
- EXE and DLL file types, including compressed (zip) and encrypted (SSL) content
- Automatically submit suspicious files to WildFire
- Automatic protections are delivered with regular threat prevention content updates (threat prevention license is required) every 24-48 hours.

The WildFire subscription adds near real-time protection from advanced threats, including these additional features:

- Automatic WildFire signature updates every 30 minutes for all new malware detected anywhere in the world.
- Enhanced file type support, including: EXE, DLL, Adobe PDF, Microsoft Office Documents (.doc, .docx, .xls, .xlsx, .ppt, and .pptx), Java (.jar and class files), Android APKs. Includes analysis of commonly embedded objects such as Javascript, Flash, images, etc. Includes compressed (zip) and encrypted (SSL) content.
- WF-500 support.
- WildFire API for programmatic submission of up to 100 samples per day and up to 1,000 report queries by file hash per day.

WF-500

The WF-500 is an optional hardware appliance to support customers who choose to deploy WildFire as a private cloud for additional data privacy. The WF-500 is sized to accommodate most mid-range to large-scale networks, with the option of deploying additional appliances as traffic volumes increase or for networks that require geographic distribution.

WF-500 Specifications**PROCESSOR**

- Dual 6-Core Intel Processor with Hyper-Threading

MEMORY

- 128 GB RAM

SYSTEM DISK

- 120GB SSD

Hardware Specifications**I/O**

- 4x10/100/1,000
- DB9 Console serial port, USB

STORAGE CAPACITY

- 2TB RAID1: 4 x 1TB RAID Certified HDD for 2 TB of RAID Storage

POWER SUPPLY

- Dual 920W power supplies in hot swap, redundant configuration

MAX POWER CONSUMPTION

- 510 Watts

RACK MOUNTABLE (DIMENSIONS)

- 2U, 19" standard rack (3.5"H x 21"D x 17.5"W)

MAX BTU/HR

- 1,740 BTU/hr

INPUT VOLTAGE (INPUT FREQUENCY)

- 100-240VAC (50-60Hz)

MAX CURRENT CONSUMPTION

- 11A@100VAC

SAFETY

- UL, CSA, CB

EMI

- FCC Class A, CE Class A, VCCI Class A

ENVIRONMENT

- Operating temperature: 32 to 95 F, 5 to 35 C
- Non-operating temperature: -4 to 158 F, -40 to 65 C

To view additional information on the WF-500 security features and associated capacities, please visit www.paloaltonetworks.com/products

Debbie Nixon

From: Steve Almes <steve@thewellconnectedoffice.net>
Sent: Sunday, April 05, 2015 3:31 AM
To: Scott Grindy
Cc: Debbie Nixon; Debra Galarza; Belen Cruz; Jim Merlo; John Draper
Subject: RE: IT harbor district

As much as I look forward to being berated by your board President and her ancient IT goons yet another time, I think I'm going to have to respectfully decline. As you have probably discovered by now, I never really had a contract to do business with your organization, I was brought in as a favor by Julie Turner when she was disappointed because the District was paying a company almost \$100,000 a year for doing next to nothing. Since I've come on board, I have maintained phone systems, upgraded and repeatedly fixed the pay station, revolutionized backups and e-mail hosting, done things that the previous company said "simply weren't possible," and done it all for about 41% of their hourly rate. Over the past 3 years respectively, my charges have been \$27,181 in 2014, \$31,161 in 2013, and \$36,782 in 2012, the year the "horrible gouging of the district" took place according to your band of IT experts. **These prices include labor and equipment!!!** Had the harbor district stayed with the previous company, they would have paid approximately \$252,000 for those three years in labor alone. So, Julie (and Marietta for keeping me on after she left) saved about \$155,000 of the taxpayer's money over these last 3 years alone. They should probably get a medal or some sort of gubernatorial award. However, that isn't going to happen because they're both gone now.

I know that we haven't always seen eye to eye over the past several years that you've been working for the district. As a matter of fact, you once compared me with the Everett Washington IT department who apparently just "got things done." Looking at the salaries from 2002 from the Port of Everett, the MIS Manager alone had a salary of \$63,870, which I'm sure has increased considerably since then, and that's of course not including vacations, benefits, and sick accruals (something that you never paid with The Well Connected Office). However, let's just say for sake of argument we just consider his base salary from 2002. That's a total savings over a 3 year period of \$94,600... I'd say that's probably worth some sort of medal as well.

So, for the money that the district pays me, I don't think I want to go through another ordeal like I did at the board meeting. As the president herself has said, "The time for comments has passed." And with that, the time for efficient cost effective IT support has passed as well. If I want to get kicked around for a few bucks, I will just have to go down and sign up for a fight at the local boxing club. At least then I'll know what I'm getting myself into.

As far as getting you the passwords, I will send them via USPS this week when I have some extra time. It seems like at least one of the people that was stalking around the office without my knowledge had access, because comments he made were related to software that he would have no idea was installed without having access to the system console. There are also several things that are under my control that I would appreciate getting transferred as soon as possible, including the Wi-Fi, your hosted e-mail, and your domain name, smharbor.com. I've already discontinued my remote access capability and removed my access to the system. Since AppRiver has a non-compete clause, you will have to find another place to host your e-mail, as I will not grant approval for one of the president's IT goons to get rights to the service I worked so hard to set up and have recently completed. The backups have already been discontinued, so I would recommend getting another system in place as soon as possible. The reason I discontinued this immediately is that one of your so-called self-proclaimed IT experts said that my system, which he mentioned by name, was not qualified as a DR system. I'm sure he has a system that costs a lot more and does less for you all to consider.

As far as equipment that I have that is yours, there is none of that other than what was delivered last week. The only reason I had the server was because I was going to install the proper software when it was decided how your organization was going to proceed. All the equipment has been delivered and is in your possession as of Thursday night.

I came to the Harbor District as a favor to work with friends and help them make some sense of their IT mess. Unfortunately, due mostly to the chaos between the board members and the staff, but also due to the complexity of your particular IT situation there, I will never see that project completed. I wish you all well in your future, and hope that somehow you can work all your issues out without yet another lawsuit or restraining order. However, based on my experience last Wednesday, I highly doubt that is an option.

Have a nice life,

Steve

PS. Remember those numbers for the last 3 years for labor and equipment. If you're all still around 3 years from now, I dare you to compare them to the exorbitant amount you will pay for IT support from now on.

Steve Almes
The Well Connected Office, LLC
(888) 507-9995 (office)/(650) 627-7677 (fax)/(650) 766-1981 (cell)
steve@thewellconnectedoffice.net (e-mail)/www.thewellconnectedoffice.net (web)

From: Scott Grindy [mailto:sgrindy@smharbor.com]
Sent: Friday, April 3, 2015 4:37 PM
To: Steve Almes
Cc: Scott Grindy; Debbie Nixon
Subject: IT harbor district

Hi Steve,

I am hoping you are having a good break over this weekend holiday.

At the board meeting the other night I have been given direction to obtain additional quotations to bring back to the board meeting on the 15th of April. Because of this I would like to ask if you would like to provide us with an update quotation. (see attachment).

Also I will need to obtain from you very soon this coming week any extra materials and equipment you may have that we have purchased for the Wi-Fi projects and any other related equipment, software, license documents etc. It would be my preference that it be dropped off at either Pillar Point or Oyster Point office locations.

Also needed would be system passwords and any account numbers in regards to Comcast or equal so that if others do the project work there will be no access concerns to move forward.

Thank you

Scott Grindy
Acting General Manager
San Mateo County Harbor District
650 515 7792

The Well Connected Office
 Mendocino Drive
 San Mateo, CA 94403



Invoice

Date	Invoice #
5/31/2012	278

Bill To

San Mateo County Harbor District
Attn: Accounts Payable
400 Oyster Point Blvd
Suite 300
South San Francisco, CA 94080

Ship To

San Mateo County Harbor District
 400 Oyster Point Blvd
 Suite 300
 South San Francisco, CA 94080

PAID
 73993

Terms	Project
Net 30	

Date	Item	Description	Rate	Qty	Total
	Custom Serv...	Hardware: Well Connected Custom Server: SuperMicro SuperServer 1U model 1026T-6RF+ with Dual Quad Core Intel Xeon Processors running at 2.4Ghz, 32GB Registered Kingston DDR Memory, 4 Kingston SSD/Now 240GB SSD disk drives, DVD ROM drive	4,771.00	3	14,313.00T
	SUPM17M	SuperMicro Universal I/O 2-Port 10-Gigabit Ethernet LAN Card	450.00	3	1,350.00T
	N82E168173...	IOGEAR GCL138 LCD Console Drawer and 8-Port KVM Bundle	1,200.00	1	1,200.00T
	DR-B1200I-...	Storage: Drobo 12-Bay SAN Storage for Business controller card	2,400.00	1	2,400.00T
	DR-B1200I-...	Drobo 12-Bay SAN Storage for Business, with 6x 2TB (WD2000FYYG) Drives	11,950.00	1	11,950.00T
	2471485	Software: VMware vSphere Essentials Plus Kit - (v. 5) - license	4,495.00	1	4,495.00T
	MIC908K	Windows Small Business Server Standard 2011 64-Bit English 1-pack DSP	800.00	1	800.00T
	WWFF495	OEM DVD 1-4CPU 5 CLT OEM			
	MIC909L	Windows 2011 Small Business Server User CAL-20 Pack	1,300.00	1	1,300.00T
		Windows Server Standard 2008 R2 SP1 64BITX64 English 1-pack DSP Oei DVD 1-4CPU	750.00	2	1,500.00T
		Subtotal			39,308.00
	Less 20% du...	Less: 20% due after successful installation	-20.00%		-7,861.60

Please pay amount due so that equipment can be ordered and configuration commence.

A discount may be given to bills paid within 10 days of the date of invoice. Check the terms section above for more information. This discount is not valid for credit cards, only for cash and checks. Unless noted, all items carry manufacturer's warranties only, and are not additionally warranted by The Well Connected Office. The Well Connected Office is not responsible for any loss of business, loss of profits, business interruption, or other problem resulting from the uses of any products sold. The Well Connected Office does not support the use of any device for any other purpose outside the manufacturer's specifications. No returns will be accepted without prior authorization. All computer equipment requires adequate cooling-make sure that your PC or networking equipment is cooled properly!

Subtotal

Sales Tax (8.25%)

Total

Payments/Credits

Balance Due

Phone #	E-mail
(650) 766-1981	steve@thewellconnectedoffice.com

The Well Connected Office
 3410 Glendora Drive
 San Mateo, CA 94403



Invoice

Date	Invoice #
5/31/2012	278

Bill To

**San Mateo County Harbor District
 Attn: Accounts Payable
 400 Oyster Point Blvd
 Suite 300
 South San Francisco, CA 94080**

Ship To

San Mateo County Harbor District
 400 Oyster Point Blvd
 Suite 300
 South San Francisco, CA 94080

Terms	Project
Net 30	

Date	Item	Description	Rate	Qty	Total
		Amount due now: 80% of total Amount Due at completion of job: 20% of total <i>Hardware</i>			

Please pay amount due so that equipment can be ordered and configuration commence.

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Subtotal	\$31,446.40
Sales Tax (8.25%)	\$3,242.91
Total	\$34,689.31
Payments/Credits	\$0.00
Balance Due	\$34,689.31

Phone #	E-mail
(650) 766-1981	steve@thewellconnectedoffice.com

The Well Connected Office - Inv 278 5/31/78 - Calculation of Cost Distribution

Cost	Sales Tax %	Sales Tax		Total Cost	%	Required Downpayment		Remaining Balance (20% of cost before tax)
		Amt				80% Cost	100% Sls Tx	
Computer Hardware 801-003								
14,313.00	8.25%	1,180.82		15,493.82	80%	11,450.40	12,631.22	2,862.60
1,350.00	8.25%	111.38		1,461.38	80%	1,080.00	1,191.38	270.00
1,200.00	8.25%	99.00		1,299.00	80%	960.00	1,059.00	240.00
16,863.00		1,391.20		18,254.20		13,490.40	14,881.60	3,372.60
Computer Storage 801-003								
2,400.00	8.25%	198.00		2,598.00	80%	1,920.00	2,118.00	480.00
11,950.00	8.25%	985.87		12,935.87	80%	9,560.00	10,545.87	2,390.00
14,350.00		1,183.87		15,533.87		11,480.00	12,663.87	2,870.00
Computer Software 801.004								
4,495.00	8.25%	370.84		4,865.84	80%	3,596.00	3,966.84	899.00
800.00	8.25%	66.00		866.00	80%	640.00	706.00	160.00
1,300.00	8.25%	107.25		1,407.25	80%	1,040.00	1,147.25	260.00
1,500.00	8.25%	123.75		1,623.75	80%	1,200.00	1,323.75	300.00
8,095.00		667.84		8,762.84		6,476.00	7,143.84	1,619.00
39,308.00		3,242.91		42,550.90		31,446.40	34,689.31	7,861.60
Distribution:								
Computer Hardware	801-003						14,881.60	3,372.60
Computer Storage	801-003						12,663.87	2,870.00
Total							27,545.47	6,242.60
103.801.003							9,181.82	2,080.86
201.801.003							9,181.82	2,080.87
301.801.003							9,181.83	2,080.87
Totals							27,545.47	6,242.60
Computer Software 801.004								
							7,143.84	1,619.00
103.801.003							2,381.28	539.67
201.801.003							2,381.28	539.67
301.801.003							2,381.28	539.66
							7,143.84	1,619.00
							34,689.31	7,861.60

The Well Connected Office
 3410 Glendora Drive
 San Mateo, CA 94403



Invoice

Date	Invoice #
5/31/2012	278

Bill To

**San Mateo County Harbor District
 Attn: Accounts Payable
 400 Oyster Point Blvd
 Suite 300
 South San Francisco, CA 94080**

Ship To

**San Mateo County Harbor District
 400 Oyster Point Blvd
 Suite 300
 South San Francisco, CA 94080**

Terms	Project
Net 30	

Date	Item	Description	Rate	Qty	Total
		Amount due now: 80% of total Amount Due at completion of job: 20% of total <i>Hardware</i>			

Please pay amount due so that equipment can be ordered and configuration commence.

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Subtotal	\$31,446.40
Sales Tax (8.25%)	\$3,242.91
Total	\$34,689.31
Payments/Credits	\$0.00
Balance Due	\$34,689.31

Phone #	E-mail
(650) 766-1981	steve@thewellconnectedoffice.com

The Well Connected Office - Inv 278 5/31/78 - Calculation of Cost Distribution

Cost	Sales Tax %	Sales Tax		Total Cost	%	Required Downpayment		Remaining Balance (20% of cost before tax)
		Amt				80% Cost	100% Sls Tx)	
Computer Hardware		801-003						
14,313.00	8.25%	1,180.82		15,493.82	80%	11,450.40	12,631.22	2,862.60
1,350.00	8.25%	111.38		1,461.38	80%	1,080.00	1,191.38	270.00
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16,863.00		1,391.20		18,254.20		13,490.40	14,881.60	3,372.60
Computer Storage		801-003						
2,400.00	8.25%	198.00		2,598.00	80%	1,920.00	2,118.00	480.00
11,950.00	8.25%	985.87		12,935.87	80%	9,560.00	10,545.87	2,390.00
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Computer Software		801.004						
4,495.00	8.25%	370.84		4,865.84	80%	3,596.00	3,966.84	899.00
800.00	8.25%	66.00		866.00	80%	640.00	706.00	160.00
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8,095.00		667.84		8,762.84		6,476.00	7,143.84	1,619.00
39,308.00		3,242.91		42,550.90		31,446.40	34,689.31	7,861.60
Distribution:								
Computer Hardware		801-003					14,881.60	3,372.60
Computer Storage		801-003					12,663.87	2,870.00
Total							<u>27,545.47</u>	<u>6,242.60</u>
103.801.003							9,181.82	2,080.86
201.801.003							9,181.82	2,080.87
301.801.003							9,181.83	2,080.87
Totals							<u>27,545.47</u>	<u>6,242.60</u>
Computer Software		801.004					<u>7,143.84</u>	<u>1,619.00</u>
103.801.003							2,381.28	539.67
201.801.003							2,381.28	539.67
301.801.003							2,381.28	539.66
							<u>7,143.84</u>	<u>1,619.00</u>
							<u>34,689.31</u>	<u>7,861.60</u>

The Well Connected Office

3410 Glendora Drive
San Mateo, CA 94403



Invoice

Date	Invoice #
3/30/2015	930

Bill To

San Mateo County Harbor District
Attn: Accounts Payable
400 Oyster Point Blvd
Suite 300
South San Francisco, CA 94080

Ship To

San Mateo County Harbor District
400 Oyster Point Blvd
Suite 300
South San Francisco, CA 94080

Terms	Project / PO
Net 30	

Date	Item / Tech	Description	Rate	Qty	Total
	Custom Serv...	Hardware: Well Connected Custom Server featuring Athenatech Server 3U Rackmount Chassis with 1500Watt power supply, ASUS Z9PE-D16/2L R server motherboard, Dual XEON E5 2630 processors running at 2.3Ghz (12 cores total), 64GB Wintec Server RAM (motherboard matched RAM), LSI MegaRAID 16 port RAID card featuring RAID 0,1,3,5,6,10,0+1,0+5,0+6,0+10, LSI FastPath RAID software designed for maximizing SSD speed, 3 ICYDOCK 4 drive capacity hot swap drive cages, LSI battery backup unit for MegaRAID card, 2 ADATA 256GB SSD's (RAID 1 for OS), 5 ADATA 512GB SSD's for data drive, Server 2012 OS x64 installed and tested	10,820.00	3	32,460.00T
	RACKKVM	Rack mount KVM with 19" monitor, keyboard and mouse	750.00	2	1,500.00T
	MIC908K	Software: Windows Server 2012	750.00	2	1,500.00T
	N82E168324...	Microsoft Windows Server 2012 - 5 Device CALs - OEM	160.00	5	800.00T
	Deposit	Deposit Prior to ordering equipment			-25,000.00

Thank you for your business.

Subtotal \$11,260.00

Sales Tax \$3,263.40

Total \$14,523.40

Payments/Credits \$0.00

Balance Due \$14,523.40

A discount may be given to bills paid within 10 days of the date of invoice. Check the terms section above for more information. This discount is not valid for credit cards, only for cash and checks. Unless noted, all items carry manufacturer's warranties only, and are not additionally warranted by The Well Connected Office. The Well Connected Office is not responsible for any loss of business, loss of profits, business interruption, or other problem resulting from the uses of any products sold. The Well Connected Office does not support the use of any device for any other purpose outside the manufacturer's specifications. No returns will be accepted without prior authorization. All computer equipment requires adequate cooling-make sure that your PC or networking equipment is cooled properly!

Phone #	E-mail	If there is no total on this page then this invoice may continue on the back or on the next page
(650) 766-1981	steve@thewellconnectedoffice.com	

Quotation

Date	Quote #
3/28/2012	32

Name / Address
San Mateo County Harbor District Attn: Accounts Payable 400 Oyster Point Blvd Suite 300 South San Francisco, CA 94080



Project

Item	Description	Qty	Unit Price	Total
Custom Server Model 7	Hardware: Well Connected Custom Server featuring Athenatech Server 3U Rackmount Chassis with 1500Watt power supply, ASUS Z9PE-D16/2L R server motherboard, Dual XEON E5 2630 processors running at 2.3Ghz (12 cores total), 64GB Wintec Server RAM (motherboard matched RAM), LSI MegaRAID 16 port RAID card featuring RAID 0,1,3,5,6,10,0+1,0+5,0+6,0+10, LSI FastPath RAID software designed for maximizing SSD speed, 3 ICYDOCK 4 drive capacity hot swap drive cages, LSI battery backup unit for MegaRAID card, 2 ADATA 256GB SSD's (RAID 1 for OS), 5 ADATA 512GB SSD's for data drive, Server 2012 OS x64 installed and tested	3	10,820.00	32,460.00T
RACKKVM	Rack mount KVM with 19" monitor, keyboard and mouse	2	750.00	1,500.00T
MIC908K	Software: Windows Server 2012	2	750.00	1,500.00T
N82E16832416558	Microsoft Windows Server 2012 - 5 Device CALs - OEM Sales Tax	5	160.00 8.25%	800.00T 2,991.45

Thank you for your business.	Total	\$39,251.45
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Unless otherwise specified, this quotation is valid for up to 30 days after the Quotation date. Please note that quotations typically do not include labor and shipping charges. All prices shown for labor and shipping, if shown, are estimates only and may change. The Well Connected Office is not responsible for loss of business, loss of profits, downtime, or other items beyond our reasonable control due to the purchase/use of these items. Please note that items are typically under the support of the manufacturer for a period of 90 days post purchase, and any additional support beyond that period should be arranged before the expiration of the 90 day warranty period. Longer warranties will be noted on the individual items shown.

Staff Report

Award Contract to Michelle McGrath for Independent Investigator Services

Steven Miller, General Counsel

The District has received a complaint relating to personnel matters and the District's Policy No. 6,2.5 concerning Harassment and Retaliation. The District's General Counsel recommends that an investigation be conducted, and that it not be conducted in-house. Board approval is therefore sought for a contract with an outside investigator to conduct an independent investigation.

General Counsel recommends outside investigator, Michelle McGrath. Ms. McGrath's proposed retainer contract is attached. Her general hourly rate is \$250 per hour, which General Counsel considers reasonable compared to standard rates for attorney investigators under these circumstances.

Action requested:

- 1) Approve award of a contract to Michelle McGrath, independent outside investigator; and
- 2) Authorize the Board President to execute agreement with Ms. McGrath

MCGRATH

INVESTIGATIONS

August 24, 2015

Steven Miller, Esq.
Hanson Bridgett LLP
425 Market Street, 26th Floor
San Francisco, CA 94105

SENT VIA EMAIL ONLY: smiller@hansonbridgett.com

Re: Retention of Attorney Michelle McGrath to Perform Impartial
Workplace Investigation

Dear Mr. Miller:

I am pleased to welcome the San Mateo Harbor District as a client. I understand that you serve as General Counsel to the San Mateo Harbor District and request this investigation on its behalf. This letter sets forth the terms of my retention.

1. **Parties.** The parties to this contract for legal services is entered into by and between Michelle Regalia McGrath “Attorney” and San Mateo Harbor District “Client”, collectively, “the parties.”
2. **Scope of Services.** Client has retained Attorney to conduct an independent investigation in connection with an employee complaint(s).

The scope of the investigative assignment consists of reaching factual findings based on a preponderance of evidence standard.

The investigation will be performed by Attorney. It is understood and agreed that this contract shall create an attorney-client relationship between Client and Attorney.

3. **Limitation on Scope of Services.** This agreement constitutes an agreement for “limited scope legal services.” That is, Attorney has been retained in her capacity as an attorney-at-law to bring her skill,

po box 2296, walnut creek, ca 94595 925.658-2740 michelle@mcgrathinvestigations.com
www.mcgrathinvestigations.com

training and professional judgment to bear in conducting an impartial investigation of the above-described allegations. Client understands that Attorney has not been retained to represent Client in litigation, to advocate on behalf of Client, or to advise Client in regard to any steps Client should take based on the investigation results. The parties agree that Client has employed a separate attorney who shall be responsible for providing Client with all such necessary and appropriate legal advice, as well as legal advice in regard to, without limitation, such matters as whether to conduct a privileged or non-privileged investigation, steps to create and preserve any privilege, the consequences of any decision to reveal all or part of the results of the investigation to third parties, the need for any interim measures, such as the propriety of placing employees on administrative leave during the pendency of the investigation, any steps Client should take to preserve evidence, the proper scope (i.e. issues to be investigated) of the investigation, the propriety and scope of any confidentiality admonitions in light of the Banner decision, the propriety of any electronic searches, any obligations under state or federal fair credit reporting laws, and any need for specialized workplace “threat assessment.” By this contract, Client grants its informed consent for Attorney to perform the limited scope legal services as described above.

4. **Impartiality and No Guarantee of Results.** Client and Attorney agree that the objective of this engagement is for Attorney to conduct an impartial investigation into the above-described dispute, and that Attorney fulfills its duty to Client by conducting this investigation objectively and impartially. Attorney does not guarantee any particular result or finding. Rather, attorney will reach findings based on an impartial and professional evaluation of the evidence available to it. Client understands that its obligation to pay fees and costs does not depend on the outcome of this investigation.
5. **Confidentiality/Privilege.** The parties understand that the work performed by Attorney will be protected by the attorney-client and work product privileges to the extent applicable law permits and that the work performed by Attorney in the investigation is intended to be protected specifically by Evidence Code 952. Attorney will communicate findings to Steven Miller Esq. of Hanson Bridgett, LLP. Attorney also has Client’s express authority to communicate with Steven Miller, Esq. about this matter.
6. **Fees and Billing.** Client agrees to compensate Attorney at the rate of \$250 per hour for the work performed by Attorney. Invoices shall be sent monthly and payment is due on receipt. A retainer fee is not

required. Attorney will charge for waiting time. Attorney will charge \$150 per hour for travel time. Attorney has made no specific representations regarding the total fees or costs that may be incurred.

7. **Compensation for Post-Investigative Work.** This engagement shall be considered concluded after Attorney has provided a written investigation report in this matter. After the conclusion of this engagement, should a need arise for Attorney to respond to any subpoena, or to otherwise provide deposition or trial testimony in connection with this matter, Client shall compensate Attorney at its then applicable rates for time expended, including time involved in preparing for such deposition or testimony, or responding to any subpoena. Client agrees to reimburse Attorney for all reasonable fees and costs incurred in obtaining necessary representation for such proceedings, including legal fees and costs that Attorney incurs in preparing for such proceedings. Client shall also compensate Attorney at its then applicable rates for time expended in defending against any actual or threatened claim with respect to which Attorney is entitled to indemnification pursuant to paragraph 9, below. Attorney will retain investigative file for seven (7) years in an electronic format.
8. **Indemnity.** So that Attorney feels free to investigate independently and free of intimidation, Client agrees to defend, indemnify, and hold Attorney harmless for and against all actions, claims, and complaints, whether formal or informal, actual or threatened, arising from or related to the investigation brought or asserted against Attorney by anyone other than Client. This provision includes an obligation to indemnify Attorney for all costs (including, without limitation, settlement costs and other legal expenses) incurred in defending or resolving such actions. In accordance with California Rule of Professional Conduct 3-400, this provision is not intended to apply to any potential professional malpractice action brought by Client against Attorney.
9. **Client Cooperation.** Client agrees to make available the witnesses and documents requested by Attorney to permit Attorney to perform this impartial investigation. Mr. Miller will be the primary point of contact. This will include arranging access to witnesses and documents and arranging a location for interviews.
10. **Termination.** Client may terminate this contract at any time. Attorney may also terminate this contract at any time, provided such termination complies with any applicable State Bar of California Rules of Professional Conduct. Upon termination, any outstanding fees and

costs shall become immediately payable. Provisions number six through ten and the provisions below shall survive termination of this contract.

11. **Choice of Law.** This contract is entered into in the State of California; disputes relating to it shall be resolved under the laws of the State of California.
12. **Severability.** Should any provisions of this contract be declared to be invalid or unenforceable, the remainder of this contract shall remain in full force and effect.
13. **Binding Arbitration of Disputes.** Should a dispute arise between the parties, including regarding fees or costs, and should the parties be unable to resolve such dispute through voluntary mediation or otherwise, the parties agree to submit their dispute to binding arbitration pursuant to the California Arbitration Act. This agreement to arbitrate is subject to the right of the parties to non-binding fee arbitration under the State Bar Fee Arbitration Program. Client understands that, by agreeing to binding arbitration, it waives the right to a jury or court trial and attendant procedural rights, such as full discovery and appeal rights.
14. **Complete Agreement.** This contract contains the complete agreement between Attorney and Client and represents the final and exclusive embodiment of their agreement. It supersedes all prior agreements, whether written or oral, relating to the subject matter. Changes to this agreement can only be made in writing signed by both parties.

15. An individual authorized to execute this agreement on behalf of Client, should sign, date and return a copy of this letter to me, signifying agreement to these terms. My signature below constitutes my agreement.

Sincerely,



Michelle Regalia McGrath

I am authorized to, and hereby agree to the foregoing:

Date

Signature

Print Name and Title

Memo

To: Board of Harbor Commissioners
 From: Glenn Lazof, Interim General Manager
 Date: August 27, 2015; covering the period August 13- 27, 2015
 Re: September 2, 2015 Activity Report

Administration

- Prioritization continues, we have spent much of this period focused on maintaining Finance functions. See additional note under Personnel regarding an event that required much time from administration.
- The Harbor Master was on vacation the week of August 24.

Meetings: Doing our best to be prepared for meetings of Commissioners and assist with meeting legal requirements has to take precedence over much of our work. Below is a list of planned public meetings where preparation, support, and/or attendance occurred during this period:

Board of Harbor Commissioners:

- Special Meeting August 13, 2015
- Special Meeting August 17, 2015
- Regular Meeting August 19, 2015
- Special Meeting August 24, 2015
- Special Meeting of September 2, 2015
- Regular Meeting of September 2, 2015

Finance Committee:

- Tentative Scheduled and Cancellation Meeting for September 1, 2015, now scheduled for regular meeting time of September 24.

Oyster Point Marina Liaison Committee:

- No progress scheduling meeting.

Legal Mandates/Issues:

- Public Records Act – 5 requests pending, 1 request withdrawn
- Health Insurance 1– The previous report indicated that we received two weeks’ notice from the Teamster Health and Welfare Trust that 7 individuals insured by the District would be dropped from the plan. The Trust had offered to maintain coverage as if they were on COBRA continuation health coverage, for 18 months, or until the Teamsters elect to rescind the coverage. Recently the trust has stated they are going to cancel coverage for persons who are Medicare eligible. Additionally, the District is supposed to be billed directly, but we have not received anything for the August period. We are formulating a response.
- Health Insurance 2 – This is the issue where the Teamsters Health and Welfare Trust billed us for “retroactive Health Insurance Payments” going back as far as 2012. The District has received and reviewed the formal agreement with the Health Plan as a preliminary step in developing our response, and will appeal as appropriate.

Working environment, long term health of District: As an Interim General Manager one of my most important goals is to make as much progress as possible towards creating a work environment that will support the recruitment and retention of a successor of the highest quality and professionalism.

- Preparing for transition to regular GM including handoff of projects, Commission directives, and Personnel, and legal matters will need to be more of a focus now.

These are tasks that can be described as completed:

- There is now a direct link from the District web site to Pacific Coast TV's video of your meetings.
- Follow up regarding questions Commissioner Brennan had requested regarding Air Force Agreements relevant to West Trail, including review of an e-mail from Lisa Ketcham.
 - Sam Herzberg, County Parks Planner, has now confirmed that the property belongs to the Air Force, not the State Lands Commission.

These are tasks where adequate progress was made during this period.

- 2015 Mavericks Surf Contest Conditions and Permits
 - The Permit we issued is "null and void" if all required permits are not obtained by Cartel Mavericks.
 - Harbor District staff is not taking the lead on researching every agency that might require a permit, as that is the permittees responsibility.
 - When we receive information such as that below, we do follow up and share with interested parties.
 - Prior to the event the District will request information regarding all permits obtained.
 - Please see e-mail attached from County Staff indicating their view that a Coastal Development Permit is not required for this event. They based this on a 1998 memoranda from Peter Douglas, Coastal Commission Executive Director "Regulation of Temporary Events in the Coastal Zone" and a 1993 memoranda "Guidelines for Exclusion of Temporary Events from Coast Development Permit Requirements". Note that the Coastal Commission staff has not officially responded to our inquiry as of yet.
 - We have received an e-mail from County Parks Planning staff indicating that beginning this year a permit will be required from County Parks, citing erosion and safety concerns. Staff has notified Cartel/Mavericks.
- Temporary Coastal Development Permit for West Trail Culver has been approved. Staff believes at this time that an amendment will be needed, but the longstanding contract (2006) contract with GHD needs additional review to validate remaining balance and amounts required. Should Board action be needed on the contract, we will do our best to have it ready by the September 16 meeting.
- Approval of City of Menlo Park Successor Agency, Las Pulgas Project Area subordination request. This is an administrative approval, but I have asked the amount of the additional tax revenue the District is expected to receive before signing off.
- Open Gov. Finance Director and IGM held second meeting with Open Gov. Data files have been sent over for past five fiscal years. Review of chart accounts and current year will take place over next 2-3 weeks.
- Five year Mavericks Surf Contest Permit is being prepared for execution. Per the motion, a permit will be authorized that is similar to that of the current year, except that it will be for the period ending March 2021. As of this writing I expect execution early next week, probably before the September 2 meeting. As before, the permit will be uploaded on the district web site after execution.
- Reviews of routine financial and personnel documentation, prior to authorization.
- Briefings on Labor Negotiations.
- Phondini Proposal for Development of Social Media Plan, draft agreement should be ready for approval later this month.

These are items in which some progress was made, but not as much as we would like.

- Cost Accounting Enterprise and Public Purpose Activities.

- Nearly a half dozen hours on telephone hold with our payroll provider ADP, to obtain necessary information has contributed, along with staffing issue in Finance has led to a delay in employee time sheet entry which will provide the basis for labor cost.
- Developing Public Financing RFP's for Financial Advisor, Bond Counsel, and Underwriter/Placement Agent.
- Developing long term RFP for IT Services.

These are items in which some progress was made, but far less than is required to limit exposures and forestall future issues:

- Completing Agreement with CASPIAN IT for stop gap services, still unable to find a provider willing to provide a quote for a 60 day window. Unable to find a proponent for short time frame, extension of stop gap service being requested at the September 16 meeting.
- Staff has begun consolidating the interim Five Year Capital Improvement Plan (CIP) list adopted August 19 into one document.
- Preparations to solicit proposals from potential Oyster Point Bait Shop Lessees.

These are tasks in which no progress was made

- Letter to City of South San Francisco requesting reasonable period to prepare a thorough response to their concerns (preference is that Liaison Group meets first).
- Mavericks Store Lease- end date is June 30.
- Review of Pillar Point restaurant lease regarding any requirement to conduct business in leased area.
- Updating District's Reserve Policies.
- Review of Fees and Charges for increased revenue coverage of District costs including consideration of proposing:
 - Fees/ permits for large truck impact on Johnson Pier.
 - Greater clarity between market rates fees and those limited by law to cost of service.
 - Consistency between fees for similar services.
 - Environmental Fee.
- Moving to a "Paperless" environment.
 - Investigating issuance of iPads for Board meeting use.
- Reviews and updates of all Policies and Procedures.
 - Including new Policies and Procedures for District Treasurer.

These are tasks which have been paused, either due to other priorities, and other reasons as described herein:

- Previously Reported:
 - Four responses received to the RFP legal services, prior to my appointment. Additional reasons for pause: complex pending and potential legal matters need to proceed with labor negotiations. Also it seems appropriate to wait to take this up after the successful recruitment of a new GM, permitting his or her participation in these important selections.
 - Completion of Office Move - Looking for a third party opinion to resolve the disagreement between Staff and Committee recommendation regarding the placement of the wall to maximize meeting space and protect confidential documents is at impasse as we have been unable to find a reasonably priced space planner willing to work us. This decision will be left for the new General Manager, who is likely as good an unbiased third party as anyone.

Personnel

- Ongoing matters requiring confidentiality pertaining to individual positions, (3 significant (one with widespread "ripple impacts" requiring a great deal of attention from administrative staff)

- Belen Cruz, serving at our AP desk and in the finance office for almost 9 years will retire Sept 15. We will be moving forward on recruitment.
- Advertising has begun to recruit for Certified Lists for Deputy Harbormaster and Harbor Worker positions.
- We welcomed Yvonne Quigtar from the Professional Services Division of Robert Half on August 27. Yvonne will be filling a large portion of the accounting support gap in the finance department created by vacancies and FMLA leave. This is an urgent situation; expect to see a contract at the next meeting as costs are likely to exceed my procurement authority, assuming the need continues.

Transparencies

- IGM attended another site visit on West Trail, called by County Parks staff which also included staff from the Peninsula Open Space Trust, Fish and Wildlife Service, Vandenberg Air Force Base. We discussed how to foster and enhance continued interagency cooperation in the areas surrounding the West Trail. This includes:
 - Grant opportunities for both joint projects and for individual agencies.
 - Identified a potential County source to support West Trail Bathroom and Parking Lot improvement projects.
 - Continued formal or informal meetings.
- Brent Ives shared a list of goals established by the Commission to achieve or substantially complete by February 2016.

Sustainable Seafood Saturday – Program

September 26, 2015
10 am to 1 pm



College of San Mateo
1700 W Hillsdale Blvd.
San Mateo

Choral Room (Building 2 – Music), Recommended Parking: Beethoven Lot 2

10:10 Welcome – Nicole David, San Mateo County Harbor Commissioner

10:20 Introduction – Why we care about sustainable seafood

Peter Halmay, San Diego Fishermen's Working Group, President

10:40 Presentation – What fishermen have done to fish sustainably and protect the ocean

Steve Fitz, F/V Mr. Morgan, HMB Groundfish Marketing Association, Vice President

11:10 Presentation – Working with local fishers and industry to keep fish populations stable

Tom Dempsey, Senior Fisheries Project Director at The Nature Conservancy

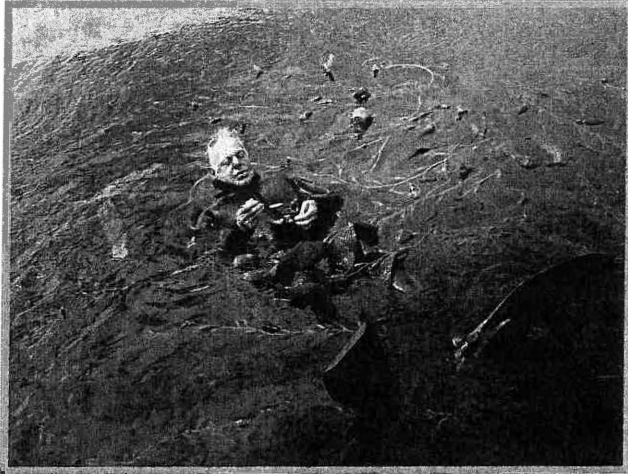
11:40 Presentation – Hungry? - The benefits of seafood in a human diet

Margy Gassel, PhD, Office of Environmental Health Hazard Assessment

12:10 Overview – The choices we have every day – **Peter Halmay**

12:20 Podium Discussion and Q&A

Peter Halmay



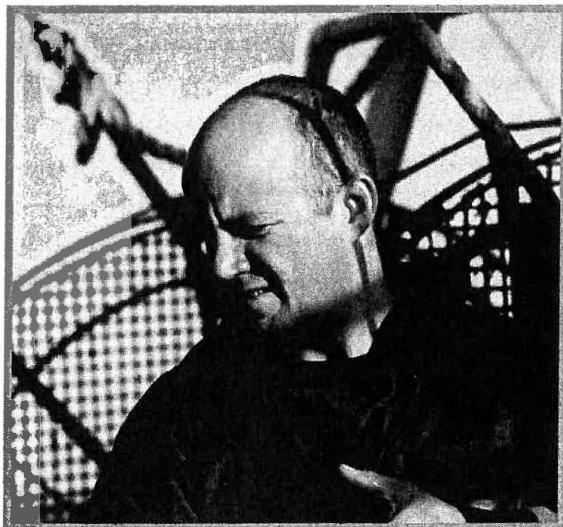
After working as a consulting engineer for seven years after graduation, I decided to take a couple of years off to pursue my diving hobby and work as a full time abalone diver. That was in 1970 and I never went back.

Over the years, I noted that what was holding fishermen back was the lack of organization, and I have spent the past 30 years of my life developing social capital in the sea urchin fishery. I was the founding director of SUHAC, the statewide sea urchin dive association, which led to the formation of the California Sea Urchin Commission, a quasi-

government body under the California Department of Food and Ag.

I was elected a director of CSUC and appointed Vice chairman. However I noted a lack of involvement, or proper foundation at the Port level, and formed a fishing co-operative, the San Diego Watermen's Association (SDWA). This effort expanded to include all San Diego fishermen and led to the development of a San Diego Community Based Association, San Diego Fishermen's Working Group (SDFWG), the San Diego Seafood Harvesters LLC, and the Fishermen's Marketing Association of San Diego. During this entire time I have remained a full time sea urchin diver working about 150-220 days a year under water. Maybe I will retire in about 30 years, but the prospect of my wife being the boss instead of my being the Captain with complete authority does not sit well with me.

Steve Fitz



Steve Fitz is a second generation fisherman and captain of the family run fishing vessel Mr. Morgan, out of Pillar Point Harbor. As a young boy he witnessed the "glory days" of the early 70's, watching his father and uncle return from Georges Bank on various boats with abundant loads of Atlantic cod. Following in their footsteps, Steve began his fishing career after his freshman year at the University of Denver. Working summers and winter breaks allowed him to help finance his college tuition and earn a degree in business.

After twenty-five years and multiple fisheries, the Mr. Morgan has become his passion. It is the only vessel outfitted with Scottish seine gear in the United States.

CALIFORNIA COASTAL COMMISSION

NORTH CENTRAL COAST DISTRICT OFFICE
45 FREMONT STREET, SUITE 103
SAN FRANCISCO, CA 94105
PHONE (415) 904-5260
FAX (415) 904-5400
WEB: WWW.COASTAL.CA.GOV

**EMERGENCY PERMIT ACCEPTANCE FORM**


TO: CALIFORNIA COASTAL COMMISSION
North Central Coast District Office
45 Fremont Street, Suite 2000
San Francisco, California 94105

RE: Emergency Permit No. G-2-15-0019

INSTRUCTIONS: After reading the attached Emergency Permit, please sign this form and return to the North Central Coast District Office within 15 working days from the permit's date.

I hereby understand all of the conditions of the emergency permit being issued to me and agree to abide by them.

I also understand that the emergency work is TEMPORARY and that a regular Coastal Permit is necessary to make it a permanent installation. I agree to apply for a regular Coastal Permit within 1 year of the date of the emergency permit (i.e., by July 28, 2016), OR I will remove the emergency work authorized by such permit in its entirety. I understand that the deadlines contained herein may be extended for good cause by the Executive Director.



Signature of property owner or
Authorized representative

Glenn Lazof

Name

504 Avenue Alhambra, 2nd Fl

Address

PO Box 1449

Address

El Granada, CA 94018

Address

8/18/2015

Date of Signing



California Coastal Commission

EMERGENCY COASTAL DEVELOPMENT PERMIT

Emergency CDP G-2-15-0019 (West Trail, Pillar Point Harbor, San Mateo County)

Issue Date: July 28, 2015

Page 1 of 3

This emergency coastal development permit (ECDP) authorizes emergency development consisting of removal and replacement of a storm water culvert and outflow along the West Trail at Pillar Point Harbor in San Mateo County. Proposed work will include removal and disposal of the existing, damaged 18-inch reinforced concrete pipe (RCP) and 12-inch corrugated metal pipe (CMP) that are exposed on the west side of the trail and buried under the trail. 3 linear feet of CMP and a 90 degree CMP elbow will be attached to the existing pipe running down the hillside, and will feed into a newly installed 60-inch manhole with 36-inch diameter grated lid. 47 linear feet of 36-inch RCP will be installed to run from the manhole along the route of the existing pipe (to be removed). Eroded portions of the trail will be backfilled with gravel and further protected along the harbor side with sandbags.

Based on the materials presented by the Permittee (San Mateo County Harbor District), the existing stormwater pipes have deteriorated over time resulting in water leaking out of the pipes under the trail. Weakening of the soil around the pipe caused by these leaks, combined with ongoing tidal and wave action has resulted in significant erosion of the West Trail in this location. Although efforts are underway to identify a long term solution to erosion problems along the entirety of the trail, public safety on this heavily used trail is in danger. The proposed emergency development is necessary to abate the risk of ongoing erosion that would constitute a public safety hazard, particularly as it relates to the ability of emergency vehicles to use this accessway. The submitted application materials include the Commission's typical best management practices to protect water quality during construction along coastal waters. Therefore, the Executive Director of the California Coastal Commission hereby finds that:

- (a) An emergency exists that requires action more quickly than permitted by the procedures for administrative or ordinary coastal development permits (CDPs), and that the development can and will be completed within 30 days unless otherwise specified by the terms of this ECDP; and
- (b) Public comment on the proposed emergency development has been reviewed if time allows.

The emergency development is hereby approved, subject to the conditions listed on the attached pages.

Nancy Cave, North Central Coastal District Manager, for Charles Lester, Executive Director

Emergency CDP G-2-15-0019 (West Trail, Pillar Point Harbor)

Issue Date: July 28, 2015

Page 2 of 3

Conditions of Approval

1. The enclosed ECDP acceptance form must be signed by the Permittee and returned to the California Coastal Commission's North Central Coast District Office within 15 days of the date of this permit (i.e., by August 18, 2015). This ECDP is not valid unless and until the acceptance form has been received in the North Central Coast District Office.
2. Only that emergency development specifically described in this ECDP is authorized. Any additional and/or different emergency and/or other development requires separate authorization from the Executive Director and/or the Coastal Commission.
3. The emergency development authorized by this ECDP must be completed within 6 months of the date of this permit (i.e., by January 28, 2016) unless extended for good cause by the Executive Director.
4. The emergency development authorized by this ECDP is only temporary and is designed to abate the identified emergency, and shall be removed if it is not authorized by a regular CDP. Within 1 year of the date of this permit (i.e. by July 28, 2016) the Permittee shall submit a complete application for a regular CDP to have the emergency development be considered permanent or for a different project designed to repair the site. The application shall include a hydrologic analysis of the area to assess the need for the stormwater conveyance that is currently existing and/or approved within this ECDP. The Permittee agrees that if it is determined that the stormwater conveyance is unnecessary, the portions approved in this ECDP will be removed and the trail will be backfilled with sediment. The deadlines in this condition may be extended for good cause by the Executive Director.
5. In exercising this ECDP, the Permittee agree to hold the California Coastal Commission harmless from any liabilities for damage to public or private properties or personal injury that may result from the project.
6. This ECDP does not obviate the need to obtain necessary authorizations and/or permits from other agencies (e.g., U.S. Army Corps of Engineers, State Lands Commission, etc.). The Permittee shall submit to the Executive Director copies of all such authorizations and/or permits upon their issuance.
7. All emergency development shall be limited in scale and scope to that specifically identified in the plans submitted to the Coastal Commission on February 24, 2015.
8. All emergency development is limited to the least amount necessary to abate the emergency and to prevent further harm while a long-term solution is identified.
9. All emergency construction activities shall limit impacts to coastal resources (including public recreational access, habitat areas, and Pillar Point Harbor) to the maximum extent feasible including by, at a minimum, adhering to the following construction requirements (which may be adjusted by the Executive Director if such adjustments: (1) are deemed necessary due to extenuating circumstances; and (2) will not adversely impact coastal resources):
 - a. All areas within which construction activities and/or staging are to take place shall be minimized to the maximum extent feasible in order to minimize construction encroachment on the shoreline

Emergency CDP G-2-15-0019 (West Trail, Pillar Point Harbor)

Issue Date: July 28, 2015

Page 3 of 3

and to have the least impact on public access and the marine environment. Construction activities, materials, and/or equipment storage are prohibited outside of the defined construction, staging, and storage areas.

- b. All accessways impacted by construction activities shall be restored to their pre-construction condition or better within three days of completion of construction.
 - c. The Permittee shall notify planning staff of the Coastal Commission's North Central Coast District Office immediately upon completion of construction. If planning staff should identify additional reasonable restoration measures, such measures shall be implemented immediately.
10. Copies of this ECDP shall be maintained in a conspicuous location at the construction job site at all times, and such copies shall be available for public review on request. All persons involved with the construction shall be briefed on the content and meaning of this ECDP, and the public review requirements applicable to it, prior to commencement of construction.
 11. Failure to comply with the conditions of this approval may result in enforcement action under the provisions of Chapter 9 of the Coastal Act.
 12. The issuance of this ECDP does not constitute admission as to the legality of any development undertaken on the subject site without a CDP and shall be without prejudice to the California Coastal Commission's ability to pursue any remedy under Chapter 9 of the Coastal Act.

The emergency development carried out under this ECDP is at the Permittee's risk and is considered to be temporary work done in an emergency situation to abate an emergency. For the development to be authorized under the Coastal Act and/or if the property lessees wish to expand the scope of work, a regular CDP must be obtained. A regular CDP is subject to all of the provisions of the California Coastal Act and may be conditioned or denied accordingly.

If you have any questions about the provisions of this ECDP, please contact the Commission's North Central Coast District Office at 45 Fremont Street, Suite 2000, San Francisco, CA 94105 (415)-904-5200.

Glenn Lazof

From: Lisa Aozasa <laozasa@smcgov.org>
Sent: Thursday, August 13, 2015 4:46 PM
To: John Ullom
Cc: Carole Groom; Glenn Lazof; Jo.Ginsberg@coastal.ca.gov; Nancy.Cave@coastal.ca.gov; Nicole David; Steve Monowitz; jjag@santacruzsentinel.com; sdfs sdfs
Subject: Re: Mavericks CDP Required?
Attachments: Temp Event Guidelines from CCC.pdf

Hi Mr. Ullom --

I apologize for not responding to your last e-mail -- I was away from the office for a few days and am still not caught up with e-mails and phone calls that have come in since I was out.

As I mentioned in a prior e-mail sent to you on July 14th, the County's Local Coastal Program (LCP) doesn't clearly address permitting for temporary events, so we rely on the attached guidelines from the Coastal Commission to determine whether or not a temporary event requires a Coastal Development Permit (CDP). Our interpretation is that the Mavericks event does not require a CDP, since it does not occur between Memorial Day and Labor Day. However, the Executive Director or the Commission has the discretion to require a permit if additional criteria are met per the attached memo.

To that end, I understand that the Coastal Commission staff have reached out to the Mavericks Event sponsors to try and determine what activities will be proposed for this year's Event. I haven't heard if there has been any determination about the permit requirement as a result of those conversations. Again, the County's position is that no CDP is required from the County, but we will work cooperatively with the Coastal Commission staff as necessary, if they make a different determination.

Regards,

Lisa Aozasa
Deputy Director
laozasa@smcgov.org



COUNTY OF SAN MATEO
PLANNING AND BUILDING

Planning and Building Department
455 County Center, 2nd Floor
Redwood City, CA 94063
(650) 363-4852 T
(650) 363-4849 F

www.planning.smcgov.org

To provide feedback, please visit the [Planning and Building Survey](#). Thank you.

>>> John Ullom <redbonelogic@gmail.com> 8/13/2015 12:39 PM >>>
Hello Ms. Aozasa,

I hope this mild by my standards rant finds you well.

Over 6 weeks now since you were put on the case Ms. Aozasa. How can this possibly be?

CALIFORNIA COASTAL COMMISSION45 FREMONT, SUITE 2000
SAN FRANCISCO, CA 94105-2219
VOICE AND TDD (415) 904-8200

January 23, 1998

To: Planning Directors of Coastal Cities and Counties

From: Peter Douglas, Executive Director

A handwritten signature in black ink that reads "Peter Douglas".

Re: **REGULATION OF TEMPORARY EVENTS IN THE COASTAL ZONE**

Over the past several years, temporary events on California's beaches and adjacent areas have become a subject of substantial concern. The concerns relate to the nature and frequency of such events, their impact on coastal resources and nearby residential neighborhoods, and the general public's ability to get to and utilize coastal recreational lands during such events. Temporary events, such as volleyball tournaments, visual arts and music festivals, surfing contests, boat and auto races, farmers markets, etc. have a long-standing tradition and history in California's coastal communities. As the State's population grows and competition for limited coastal space intensifies and fiscally strapped local governments search for supplemental sources of revenue, conflicts among different coastal users and uses become more significant. Exacerbating the problem is the fact that many event sponsors, whether for profit or charitable purposes, seek to charge entrance fees that, by their nature, result in the exclusion from the event site non-paying members of the public. The Commission recently denied approval of a volleyball tournament that proposed 100% paid seating on the beach in the summer.

While some temporary events raise substantial concerns about adverse impacts on coastal resources, most events of this type are de minimis and raise no such concerns. In order to minimize permitting burdens for the vast majority of temporary events that do not raise Coastal Act concerns, the Commission sought and received legislative approval to utilize procedures to exclude such events from coastal permit requirements. The attached guidelines were adopted by the Commission in 1993 to identify those types of temporary events which have the potential for significant adverse effect on public access and/or coastal resources and which, as a result, require a coastal development permit.

The Commission recently held a workshop and received public testimony on whether the guidelines should be changed. Subsequent to the hearing, Commission staff, based on Commission direction, determined not to amend the guidelines at this time. However, testimony at the hearing did suggest that the guidelines fail to address the cumulative impacts these kinds of events are having on public access to and recreational use of the shoreline. Concerns were raised about the number and size of events, impacts on public parking, noise, advertising, etc. The Commission heard from citizens that these concerns are not being adequately addressed at the local level and that there may be inadequate opportunities for the public to raise these concerns through a public hearing process.

The Coastal Act gives both the Coastal Commission and local governments the responsibility to implement coastal protection policies through the planning and regulatory processes established by the Act. The Commission believes that most of the concerns raised in connection with the impacts of temporary events can best be addressed at the local government level. Obviously in doing so, Coastal Act policies designed to protect coastal resources need to be addressed. The Commission-adopted guidelines relative to temporary events only apply to areas where the Coastal Commission retains permit authority, including public trust lands and areas for which there is no certified Local Coastal Program (LCP).

The Commission has asked that staff contact its local government partners in coastal stewardship to request that you review your local regulations affecting temporary events. The intent is to ensure that every LCP contains implementable land use policies that specifically address the protection of coastal resources consistent with Coastal Act policies. These policies should, for example, deal with potential impacts on parking and traffic affecting public beach access, visual amenities, the recreational and free use of public beaches, impacts on environmentally sensitive habitat, and the cumulative affects of multiple events, especially during the high-use summer season. Coastal development permits should be required for those temporary events having the potential of significant adverse effects on coastal resources. In addition to the range of issues your jurisdiction deals with as a matter of primarily local concern, Coastal Act policies and the Commission's guidelines should be used to help shape your approach.

We realize that many local governments have dealt with temporary events long before the Coastal Act was enacted. It is our intent to work in cooperation and coordination with you so as to avoid duplication of effort, to reduce regulatory burdens for event sponsors, and to minimize conflicts in policy direction. As you consider our request, we would also appreciate it if you would assist the Commission in meeting its responsibilities by notifying promoters of temporary events that a coastal development permit may be required from the Commission for certain types of events, and that they should contact the appropriate Commission office for guidance on whether a coastal permit or permit exemption is required. To the extent possible, Commission staff is available to provide any assistance you may deem helpful and appropriate. If you have any further questions, please don't hesitate to contact either myself at the above number or Sherilyn Sarb in our San Diego office at (619) 521-8036.

CALIFORNIA COASTAL COMMISSION

45 FREMONT, SUITE 2000
SAN FRANCISCO, CA 94105-2219
VOICE AND TDD (415) 804-5200



TO: Local Governments and Interested Persons

FROM: Coastal Commission Staff

SUBJECT: Guidelines For the Exclusion of Temporary Events from Coastal Commission Permit Requirements - Adopted 5/12/93

I. Purpose and Authority.

The purpose of these guidelines is to identify the standards the Coastal Commission staff, under the direction of the Executive Director, will use in determining whether a temporary event is excluded from coastal development permit requirements pursuant to Public Resources Code Section 30610 (i) (as amended by SB 1578, Ch. 1088, Stats. 1992). The guidelines are for use in areas where the Coastal Commission retains coastal development permit authority. These guidelines may be utilized by local governments for reference in developing Local Coastal Programs or in processing LCP amendments, if required, to address coastal development permit jurisdiction over temporary events.

II. Criteria for Exclusion from Permit Requirements.

Except as provided in Section III. below, the Executive Director shall exclude from coastal development permit requirements all temporary events except those which meet all of the following criteria:

- a) Are held between Memorial Day weekend and Labor Day; and,
- b) Occupy all or a portion of a sandy beach area; and,
- c) Involve a charge for general public admission or seating where no fee is currently charged for use of the same area (not including booth or entry fees).

Only temporary events meeting all of the above criteria shall require coastal development permit review, however,

The Executive Director may also exclude from permit requirements temporary events meeting all of the above criteria when:

- d) The fee is for preferred seating only and more than 75% of the provided seating capacity is available free of charge for general public use; or,

e) The event is held on sandy beach area in a remote location with minimal demand for public use, and there is no potential for adverse effect on sensitive coastal resources; or,

f) The event is less than one day in duration; or,

g) The event has previously received a coastal development permit and will be held in the same location, at a similar season, and for the same duration, with operating and environmental conditions substantially the same as those associated with the previously-approved event.

III. Executive Director or Commission Discretion to Require a Permit.

The Executive Director, or the Commission through direction to the Executive Director, may determine that a temporary event shall be subject to Commission coastal development permit review, even if the criteria in Section II. are not met, if the Executive Director or the Commission determines that unique or changing circumstances exist relative to a particular temporary event that have the potential for significant adverse impacts on coastal resources. Such circumstances may include the following:

a) The event, either individually or together with other temporary events scheduled before or after the particular event, precludes the general public from use of a public recreational area for a significant period of time;

b) The event and its associated activities or access requirements will either directly or indirectly impact environmentally sensitive habitat areas, rare or endangered species, significant scenic resources, or other coastal resources as defined in Section V. of these guidelines;

c) The event is scheduled between Memorial Day weekend and Labor Day and would restrict public use of roadways or parking areas or otherwise significantly impact public use or access to coastal waters;

d) The event has historically required a coastal development permit to address and monitor associated impacts to coastal resources.

IV. Modifications to Guidelines by the Commission.

The Commission may amend these guidelines at any time if it is determined such modification is necessary to more effectively implement Section 30610(i) of the Coastal Act, and provide Coastal Commission coastal development permit review of any category of temporary events having the potential for significant impacts to coastal resources; or, eliminate such review of any category of temporary events having no such potential.

V. Definitions.

For purposes of these guidelines, the following definitions shall apply:

a) "Temporary event(s)" means an activity or use that constitutes development as defined in Section 30106 of the Coastal Act; and is an activity or function of limited duration; and involves the placement of non-permanent structures; and/or involves exclusive use of a sandy beach, parkland, filled tidelands, water, streets or parking area which is otherwise open and available for general public use;

b) "Limited duration" means a period of time which does not exceed a two week period on a continual basis, or does not exceed a consecutive four month period on an intermittent basis;

c) "Non-permanent structures" include, but are not limited to, bleachers, perimeter fencing, vendor tents/canopies, judging stands, trailers, portable toilets, sound/video equipment, stages, platforms, movie/film sets, etc., which do not involve grading or landform alteration for installation.

d) "Exclusive use" means a use that precludes use in the area of the event for public recreation, beach access or access to coastal waters other than for or through the event itself.

e) "Coastal resources" include, but are not limited to, public access opportunities, visitor and recreational facilities, water-oriented activities, marine resources, biological resources, environmentally sensitive habitat areas, agricultural lands, and archaeological or paleontological resources.

f) "Sandy beach area" includes publicly owned and privately owned sandy areas fronting on coastal waters, regardless of the existence of potential prescriptive rights or a public trust interest.

(tegl.doc)



STAFF REPORT

TO: San Mateo County Harbor District Commissioners

VIA: Glenn Lazof, Interim General Manager

FROM: Debra Galarza, Director of Finance

DATE: September 2, 2015

SUBJECT: **Finance Department Report to the Commission**

Admin Accounting Support Staff Still on FMLA Leave

Both AP and Payroll/Reconciliations staff are still absent on long term leave.

Hired Accountemps temporary to handle Payroll and all Accounting other than AP.

Training temporary accounting technician to do both daily AR reconciliation of both harbors and all accounts payable.

Continued cross training of staff so that they can be available during finance or accounting staff shortages elsewhere in the District.

FY2014-15 Audit

Auditors awaiting fixed asset and depreciation schedule to finalize FY14-15 audit.

OpenGov

Public vs. Enterprise General Ledger accounts established. Need to re-class July and August expense and journal entry activity before upload to OpenGov can occur.

Quarterly Investment Balances Report

Completed the Quarterly Investment Balances Report for the 4th Quarter ending June 30, 2015 (FY14-15) for presentation to the Board.

RGS Financial Support Staff

Worked with the RGS Financial Support staff to get them access to the District's financial reporting to enable them to come up to speed on District's financials, leases, and other items related to the finance and accounting of the District.



STAFF REPORT

TO: San Mateo County Harbor District Commissioners

VIA: Glenn Lazof, Interim General Manager

FROM: Marcia Schnapp, Interim Administrative Resources Manager

DATE: September 2, 2015

SUBJECT: General Report to Board

Staffing – Finance Dept

The recent vacancies in the Finance department due to emergency leaves have created a work bottle neck with regard to both accounts payable and payroll. Staff has just recently hired a temporary who has experience with ADP payroll. In addition, temporary staff who has been working at the harbors has been relocated to the finance department and has begun training on the most critical accounting functions: accounts payable, accounts receivable reconciliation, etc.

It will take time for these individuals to be trained adequately enough to work at a level to begin addressing the backlog and bringing each desk current.

The Administrative Services Manager, due to past experience, has also been asked to assist with the backlog that will now be increasing due to recent events.

Fewer staff resources means that backlogs increase not decrease. Staff will be working with the Board to determine what projects they have tasked staff with are critical as opposed to those that can be postponed until current staffing shortages can be resolved.

HR/Staffing

Deputy Secretary Certified List

District has advertised for applications in order to create a certified list for the Deputy Secretary position. The District already has applications for Accounting Technician and Accounting Specialist. This will ensure the District experiences minimal administrative disruption in the event of a staff departure in any one of these positions.

Deputy Harbormaster/Harbor Worker Certified Lists

Staff has publicly posted and advertised for applications to refresh its Deputy Harbormaster and Harbor Worker to create certified lists.

Accounting Technician

Staff had advertised for this position over six months ago. With the notice of a vacancy due to retirement being received by the District, Staff will be scheduling an interview panel to complete this process to create the certified list for this position so that the District may immediately fill the position at the appropriate time.

Website Providers

Last board meeting, and at a previous board meeting, Commissioner Brennan suggested a couple of alternative website vendors, one of which is Streamline. Staff has contacted Streamline. Because the District is a harbor district, and because Streamline has no harbor district's at this time, they have put us in their queue to allow us to be a beta-site for them at no cost for creating the website, but with ongoing web hosting costs. As more details come forward, Staff will share this information with the Board.

RFPs

PPH Public Hoist

The Request for Bids has been publicly noticed and posted. The only bid received has been included in this Board packet for award of a contract.

IT Services

Staff has a final draft of the RFP for IT Services that it is now working with legal counsel on. Once that process is complete, Staff expects that RFP will be publicly noticed and posted shortly thereafter.

Private Placement Underwriting Firm RFP

Private Placement Underwriting Firm RFP is scheduled to be released in August/September 2015

Financial Advisory Firm RFP

Financial Advisory Firm RFP is scheduled to be released in August/September 2015

Bond/Tax Counsel Firm RFP

Bond/Tax Counsel Firm RFP is scheduled to be released in August/September 2015

OPM Security Services (new)

Staff will be developing an RFP for OPM Security Services once the PPH Public Hoist and IT Services RFPs have been completed, but in time to meet the November deadline for renewal.

OPM Bait Shop Lease

Additional amendments have been sent to legal to review and to finalize lease RFP.

Web Services

Staff would like to have this RFP split between website design and ongoing maintenance. Staff feels the District may get better pricing using this model as those who are good at website design may give the District a fresh updated and more efficient website but may charge more for ongoing maintenance; whereas those vendors who are good at website maintenance may not be great website designers.

External Auditors for District Financial Statements

External Auditors RFP is scheduled to be released in November 2015

Insurance

Insurance RFP is scheduled to be released in January 2016.

District Policies

Staff is working closely with consultants to update District policies, including developing policies regarding communication and social media.

Memo

To: Board of Harbor Commissioners
From: Scott Grindy, Harbor Master
CC: Glenn Lazof, Interim General Manager
Date: August 19, 2015

Oyster Point Marina/Park

Construction Update & General Status Updates

- In conversation with Moffat & Nichol for OPM correctional design for high water issue at harbor office area.
- Lining up for RFP for consultant for design of the dock #12 replacement.
- New trash compactor should be arriving late August 2015.
- HM preparing bid for annual electrical inspection to be performed in early winter.

OPM Miscellaneous

- Staff working on vessel inspections to meet tenant requirements of which include updated insurance information.
- Working with staff & tenants on vessels that are pending lien actions.
- HM met with various county and city officials for planning issues of impact with pending Super Bowl event in 2016.
- HM and AHM working through staff evaluations.

Pillar Point Harbor

Construction Update & General Status Updates

- HM has contacted engineer from Moffat/Nichols for moving ahead on Romeo Pier. Engineer will provide a schedule update and summary of timeline in September once he has reviewed permit items with Coastal Commission.
- Coastal Commission has notified us that the permit for the trail is approved, awaiting actual letter and permit to West Trail repairs. HM and GHD consultants preparing bid documents to move forward.
- HM preparing bid for Fish Buyers building roof which is now in need of repairs.
- HM preparing bid for annual electrical inspection to be performed in early winter.
- Hoist bid opening occurred.

PPH Miscellaneous

- Planning discussions continue with organizers of Fish and Fleet event.
- Preparing board item for Crab Festival in January 2016.
- Public Meeting on Fish Fee's and Commercial Fisherman preparing actions for working.
- HM and AHM working through staff evaluations.

Occupancy Overview (August)

PPH

- Total occupancy (inner harbor) –94% (this includes slips, end ties and walk way)
- Berth occupancy (inner Harbor)- 94% (347 slips out of 369 are occupied)
- Moorings (Outer Harbor) – 18% (7 out of 38 moorings occupied)

OPM

- Total Berth Occupancy 68% (291 out of 428 are occupied)
- LAB count 42 LTT count 11

Search and Rescue Activity Highlights & Urgent Need Activities:

PPH 4 Search and Rescue activities 1 medical

OPM 8 Search and Rescue activities

Calendar Reminder Items of District Events and Activities

- Sept 15, 6PM Roundtable Fish Buyer Fees & Commercial Fishing Fees, Rates and Discounts @ Sea Crest School-Think Tank Room
- Lady Washington Returns to PPH October 29-November 9
- September 27 @ PPH "Fish & Fleet" Event
- December 5 for OPM Decorated Boat & Holiday Tree Lighting
- December 12 for PPH "Holiday Boat Lighting" Event
- January 30-February 6 "Crab Week" at PPH Areas
- Blessing of the Fishing Fleet 2016 (Date TBD)

EMS-Clean Marina Activities-District Wide

- PPH/OPM-Vessel Annual Inspections and new vessel inspections on going.
- PPH Staff contacting the 4 mooring ball tenants in the harbor for interest in a monthly pump out service being they are liveaboards in the outer harbor and waiting responses.
- On 8/13/2015 at PPH, an equipment failure on the pumpout boat caused a sewer spill from the boat of about 7 gallons. County Health was notified and signage and testing occurred.
- BayGreen Pump out Service PPH 19
- BayGreen Pump out Service OPM 12

District staff is reviewing for implementation, and permitting processes for boat service provider vendors.

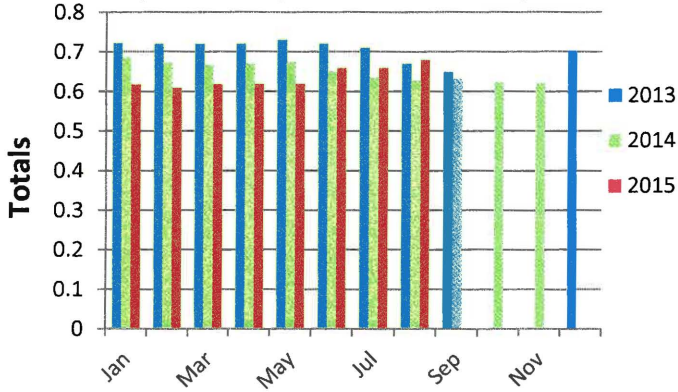
Other Misc. Items:

- Harbor Master was on PTO from August 20 returning August 31.
- Grant preliminary discussions for future board meeting discussions.

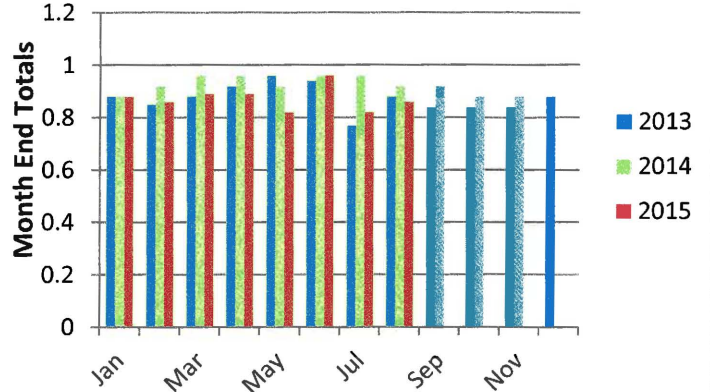
Oyster Point Marina

Monthly Marina Activity Report - August 2015

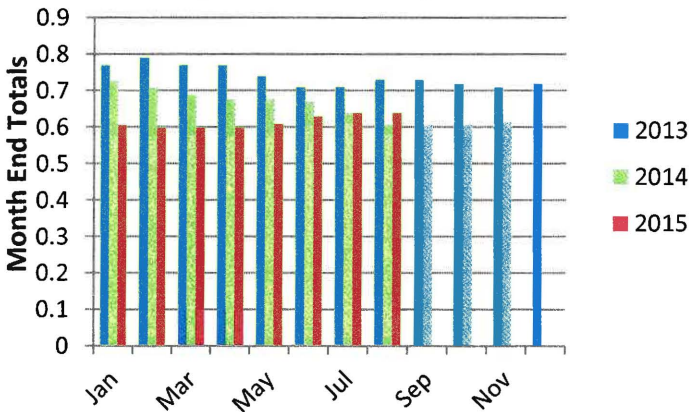
Overall Occupancy (428 Slips Available)



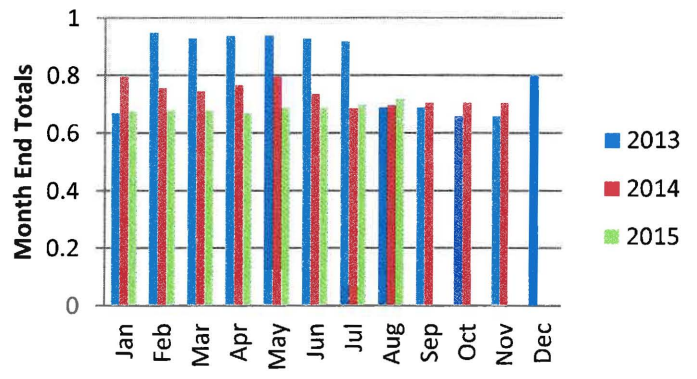
26 ft Slips (Total: 25)



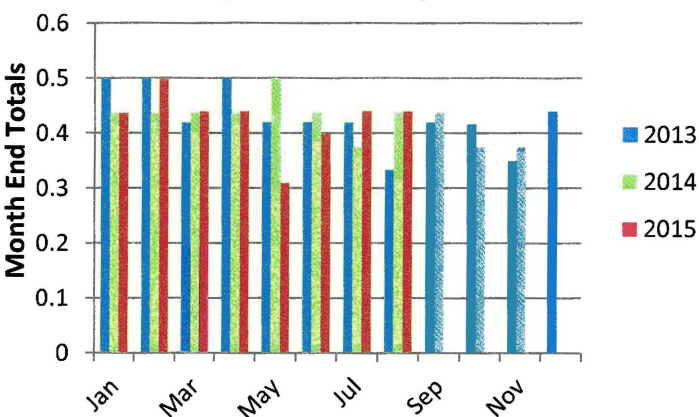
30 ft Slips (Total: 158)



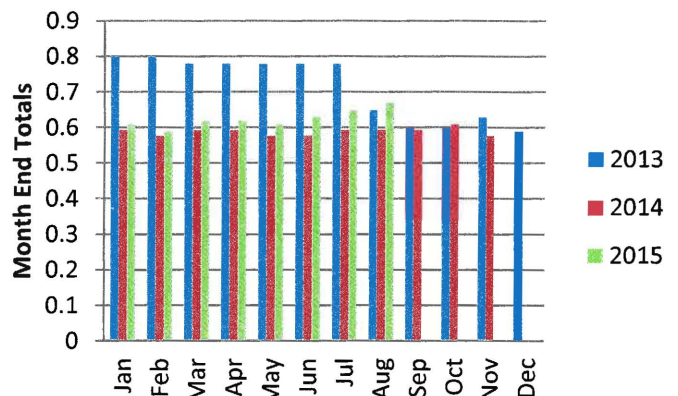
36 ft Slips (Total: 99)



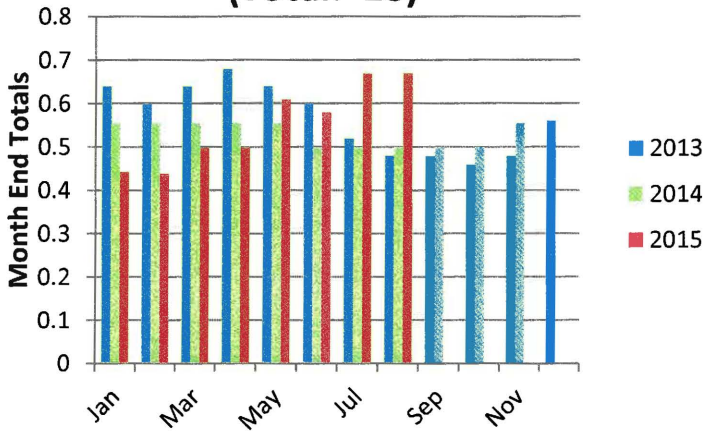
40 ft Slips (Total: 16)



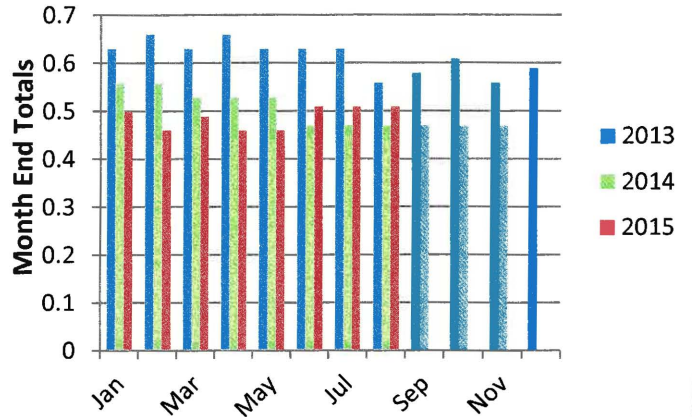
45 ft slips (Total: 64)



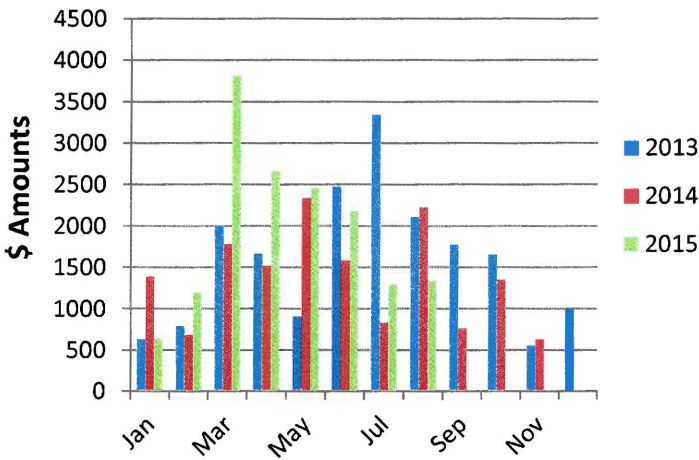
50 ft Slips (Total: 18)



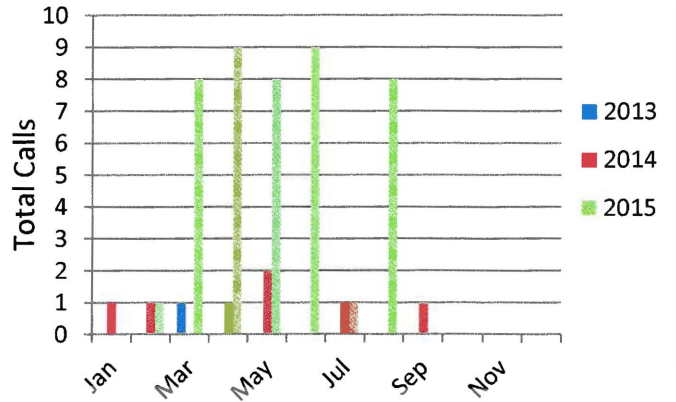
60 ft Slips (Total: 34)



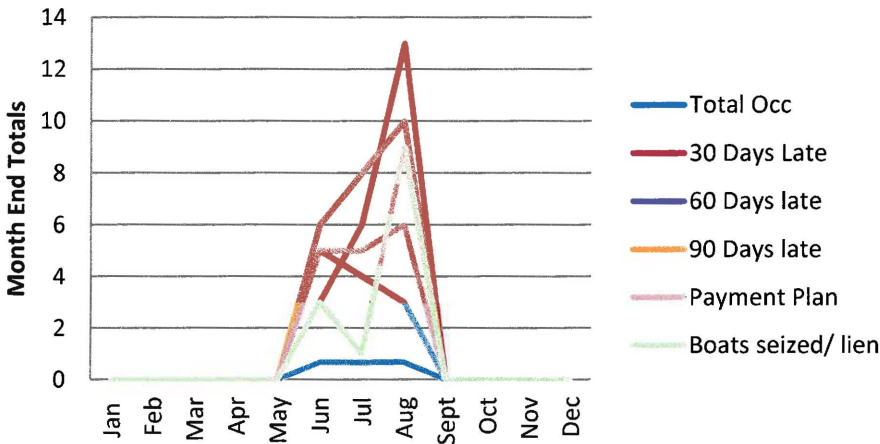
Launch Ramp Totals



Call Outs (OPM Harbor Patrol - 2013-2015)



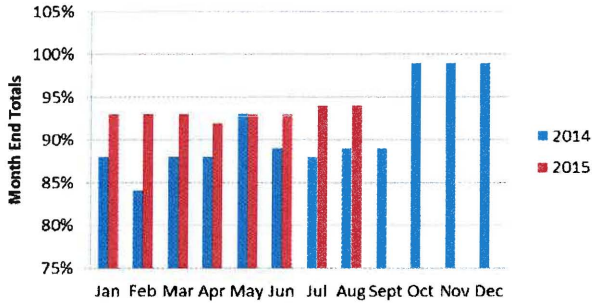
Delinquent Accounts



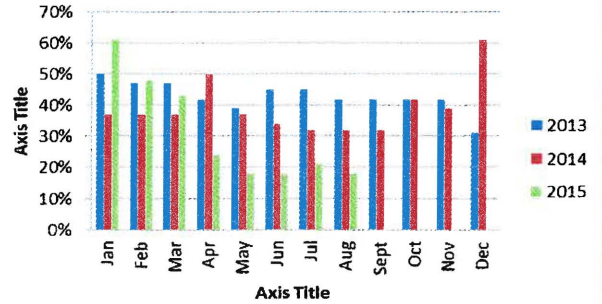
Pillar Point Harbor Dashboard

Monthly Marina Activity Report - August 2015

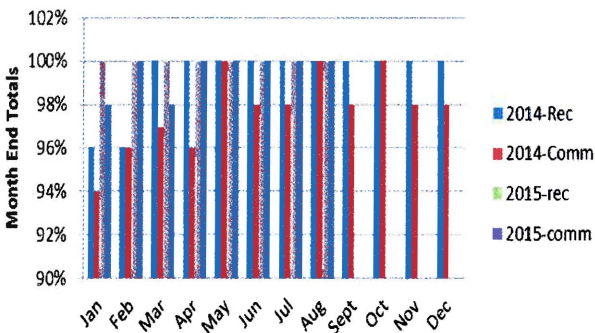
Overall Occupancy 369 slips available (Aug 15 - 94% occupied)



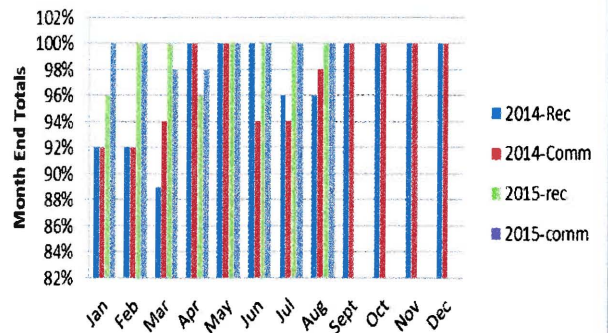
Mooring Occupancy 38 Moorings Available (Aug 15 - 18% occupied)



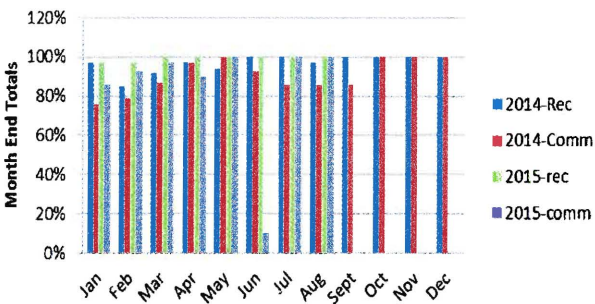
30 ft Slips (Total: 28 rec, 54 comm)



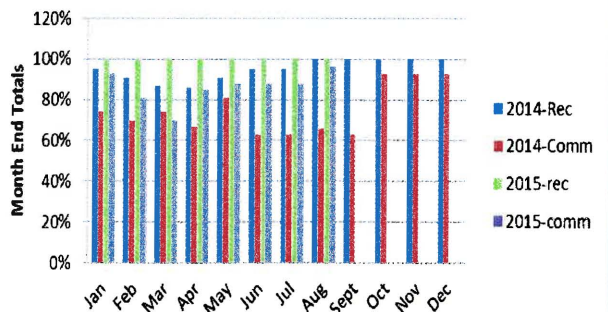
35 ft Slips (Total: 26 rec, 48 comm)



40 ft Slips (Total: 34 rec, 29 comm)



45 ft Slips (Total: 22 rec, 27 comm)



Debbie Nixon

From: Cave, Nancy@Coastal <Nancy.Cave@coastal.ca.gov>
Sent: Wednesday, August 12, 2015 6:51 PM
To: Scott Grindy
Cc: Ducklow, Kelsey@Coastal; Manna, Jeannine@Coastal
Subject: RE: CDP Application No. 2-14-1340: San Mateo County Harbor District "Trail Project"

Scott: The Executive Director has issued an emergency permit for that project, and that emergency permit issuance will be reported to the Commission on Friday August 14th during the District Director's Report (Dan Carl) – which will happen right before the Half Moon Bay appeal (Item 7a) on Friday...we have not received, to my knowledge, any objections to this issuance, and we are merely reporting the issuance to the Commission – they will not be voting on this.

So...we have issued you the permit – please check with Kelsey - Nancy

From: Scott Grindy [<mailto:sgrindy@smharbor.com>]
Sent: Wednesday, August 12, 2015 3:17 PM
To: Cave, Nancy@Coastal
Cc: Ducklow, Kelsey@Coastal; Manna, Jeannine@Coastal; Scott Grindy
Subject: CDP Application No. 2-14-1340: San Mateo County Harbor District "Trail Project"

Hi Nancy, I hope the summer is enjoyable for you this year.

I have not heard anything about our permit for a while and thought it best to check in with you. Also please note the address change for the district office noted below.

Hope to hear from you soon.

Best

Scott Grindy

San Mateo County Harbor District
504 Avenue Alhambra, 2nd Floor
PO Box 1449
El Granada, CA 94018
650/583-4400 phone
650/583-4611 fax
www.smharbor.com

Debbie Nixon

From: Scott Grindy
Sent: Wednesday, August 12, 2015 2:36 PM
To: Glenn Lazof
Cc: pph; Tom Mattusch; Pietro Parravano; Robert Bernardo; Sabrina Brennan; Nicole David
Subject: FW: Pumpout Waster Spill Report Pillar Point Harbor ABC Docks August 12 2015--
Update

FYI

Update from County Health.

-----Original Message-----

From: Greg Smith [<mailto:gjsmith@smcgov.org>]
Sent: Wednesday, August 12, 2015 2:32 PM
To: Scott Grindy
Cc: Daniel Augustine; Kate Elgin; Michelle Bilodeau
Subject: Re: Pumpout Waster Spill Report Pillar Point Harbor ABC Docks August 12 2015

Scott,

Thanks for the notice. I also got your email transmitting the report.

Given the limited volume and location, and that Capistrano Beach is already posted with warning signs, we will not post CLOSURE signs at this time. However, we have collected samples from Capistrano Beach which should be resulted Thursday to give us a bead on the extent of impact.

Best,
Smitty

Gregory J. Smith, PG, REHS
Supervisor Water Protection and Land Use Programs San Mateo County Environmental Health
2000 Alameda de las Pulgas, Suite 100
San Mateo, CA 94403
Direct Phone 650-372-6279
Fax 650-627-8244
<mailto:GJSmith@smcgov.org>

<http://www.smhealth.org/environ/water>

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>>> Scott Grindy <sgrindy@smharbor.com> 8/12/2015 12:15 PM >>>

Greg,

Thank you for taking my call earlier.

We will be sending you a written incident report shortly on this as well.

Dan Augustine with BayGreen called me prior our call this morning, his pumpout vessel operator reported to him that while pumping a boat at the ABC docks of Pillar Point Harbor, a fitting on the boat broke loose and about an estimated 7 gallons of boat waste went to the harbor with the balance of about 8 gallons went to the inside of his operators boat.

*(Photo attached taken by harbor staff of the elbow that broke loose in the boat today)

My understanding is the waste pump was immediately shut down, the stainless hose clamp on the rubber fitting was reattached and the waste inside the boat was then cleaned up and put into the boats waste holding tank.

I have copied Dan on this email and have provided your contact information so he can also send you his report as well. His direct phone number is 415 373 7729 if you wish to call Dan directly.

Our district report is being done presently and will also be sent to you in the next hour or so in its format.

My understanding is that you will be posting the beach by Barbara's Fish Trap restaurant and the beach by HMB Kayak till testing proves beaches are open again per your regular practice.

Thank you for your efforts and for BayGreens effort in taking immediate notification actions to all. They have done a wonderful job for the Harbor District pumping without incident thousands of gallons of waste from boats at our two marinas and their quick response and calling us immediately shows their positive team effort in emergency response.

Scott



WARNING

**SAN MATEO COUNTY HARBOR DISTRICT
INCIDENT REPORT**

Date: 08/12/15

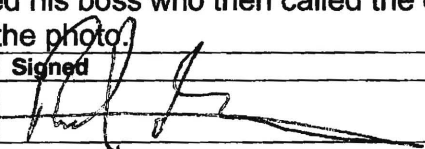
To: Harbormaster Grindy

From: DHM Bankord

DESCRIPTION OF VESSEL OR VEHICLE INVOLVED

Name of Vessel		License or Identification		Make/Model	
Bay Green		N/A		N/A	
Year	Propulsion	Gross Tonnage	Hull Material	Length	Draft
N/A	Power	N/A	Fiberglass	18 ft.	3 ft.
Radio/Radar/Navigational Aids				Persons on Board	
N/A				01	
Operator Name		Phone	Address		
Rob Garcia		210-838-0886			
Registered Owner		Phone	Address		
Bay Green		415-621-1393			

DESCRIPTION OF INCIDENT

Date of Occurrence		Location of Occurrence, Related to Fixed Objects			
08-12-15		B-36 (PPH)			
Witness		Phone	Address		
N/A		N/A	N/A		
Time	Wind	Visibility		Sea	Swell
11:15	N/A	Clear			
Vessel Operator Information			On scene Weather		
Rob Garcia (Employee)			Flat / Inner Harbor		
Type or Nature of Incident			Operation Engaged in at Time of Incident		
Sewage Spill			Pump out Service		
Physical Damage Sustained, Brief Description			Additional Actions		
<p>At approx. 11:15 received a report from the employee of Bay Green (Rob Garcia) that there was a sewage spill approx. 10 gal. Of sewage in the water and the vessel. According to Rob. Approx. 7 gal was discharged into the water. A hose clamp vibrated loose is what caused the discharge. He called his boss who then called the district. The boat was cleaned and sanitized prior to the photo.</p>					
Billed for Service	YES	NO	Signed		Reviewed by
	<input type="checkbox"/>	<input checked="" type="checkbox"/>			

**Don Luckenbach
662 Knight Drive
Benicia, CA 94510**

August 9, 2015

Pillar Point Harbor
One Johnson Pier
Half Moon Bay, CA 94019

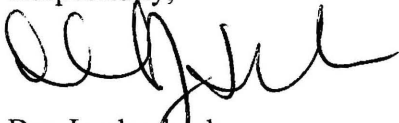
Re: Slip Termination Notice #A24

Dear Harbor Master:

I am giving my notice that we intend to terminate our slip A24 in Pillar Point September 1, 2015. My family and I enjoyed our time in Pillar Point. Everyone on your staff has always been very courteous and professional to my guest and me. We feel safe with our boat there.

Thanks for all the great service. We will be back.

Respectfully,

A handwritten signature in black ink, appearing to read 'Don Luckenbach', written over the printed name below.

Don Luckenbach
"LotsaLuck H"

Debbie Nixon

From: Scott Grindy
Sent: Wednesday, August 26, 2015 10:30 PM
To: Debbie Nixon; Glenn Lazof
Subject: Fwd: Big Thanks

Debbie pls include a copy with my HM report

Sent from my Verizon Wireless 4G LTE smartphone

----- Original message -----

From: "Samson, Matt" <Matt.Samson@ssf.net>
Date: 08/26/2015 9:19 PM (GMT-08:00)
To: Scott Grindy <sgrindy@smharbor.com>
Subject: Big Thanks

Harbor Master Grindy

I wanted to thank you personally along with your staff for their participation in the swimmer class over the past two days. Having your staff operated your department's boat made a positive impact during swims throughout Oyster Point as well as out in open waters. In moving forward with relationship building, this type of training is as valuable as can be.

Your staff was very helpful and professional and provided a safe working area for students. Without the boat, we would not have been able to make the class as challenging as we did for the students.

Your staff was able to take much more photos than we were so I didn't attach any of ours to this email. If you do end up needing additional ones, please let me know.

Respectfully,

Matt Samson
Fire Captain
South San Francisco Fire Department
415 302 6539