



## San Mateo County Harbor District Board of Harbor Commissioners

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

### **SPECIAL MEETING AGENDA**

**October 17, 2018  
5:30 PM**

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

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

#### **A) Roll Call**

#### **B) Closed Session**

- 1) TITLE: PUBLIC EMPLOYMENT Pursuant to Government Code 54957  
(General Manager)

#### **C) Adjournment**

Agenda posted as required:  
October 12, 2018 at 4:00 PM

  
Debbie Gehret  
Deputy Secretary



## San Mateo County Harbor District Board of Harbor Commissioners

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

### **REGULAR MEETING AGENDA**

**October 17, 2018  
6:30 PM**

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

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

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

#### **A) Roll Call**

#### **B) 1. Public Comments/Questions**

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

#### **2. Commissioner Comments**

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

## C) Consent

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

**ITEMS PULLED FROM CONSENT WILL BE HEARD AFTER DISCUSSION ITEMS.**

1. **[Bills and Claims \(Chan\)](#)**  
Recommendation: Review Pre-Approved Bills and Claims in the amount of \$732,675.29. Pre-Approve Bills and Claims not to exceed \$350,000.
2. **[Minutes – Regular Meeting September 19, 2018 \(Gehret\)](#)**  
Recommendation: Approve Minutes of the Regular Meeting of September 19, 2018.
3. **[Minutes – Special Meeting September 24, 2018 \(Gehret\)](#)**  
Recommendation: Approve Minutes of the Special Meeting of September 24, 2018.
4. **[Monthly Capital Projects Update \(Moren\)](#)**  
Receive and file.
5. **[Wildlife Protection Committee Scope and Duties \(Moren\)](#)**  
Recommendation: Approve Scope and Duties of the Wildlife Protection Committee.

## D) Discussion

6. **[San Mateo Resource Conservation District Partnership; Update \(Moren\)](#)**  
Recommendation: Receive report and file.
7. **[Oyster Point Marina and Park: Potential New Agreement with South San Francisco \(McGrath\)](#)**  
Recommendation: Receive report. No action is requested.
8. **[CalPERS Unfunded Accrued Liability Paydown \(Pyle\)](#)**  
Recommendation: Authorize District staff to make a one-time payment to CalPERS for \$2,300,000 to pay down the District's unfunded accrued liability (UAL), or in another amount as determined by this Commission.
9. **[CLOSED SESSION:](#)**  
**CONFERENCE WITH LEGAL COUNSEL- EXISTING LITIGATION Pursuant to Government Code Section 54956.9 (d)(1)**  
Name of case: Three Captains' Sea Products Lease Dispute- Arbitration Proceedings.
10. **[Adopt Resolution No.18-15; Authorize Three Captains Seafood to Install and Use a Hoist on the South Side of Johnson Pier \(McGrath\)](#)**  
Recommendation: Adopt Resolution No.18-15, authorizing Three Captains Sea Products, Inc. (Three Captains) to install and use a second hoist at the location on the south side of Johnson Pier described on the map attached as Exhibit A.

11. [Transition Planning for New General Manager](#)

Discussion and possible action on the process for conducting a search for a new General Manager.

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

**F) Future Agenda Items**

**G) September Activity Reports: [General Manager](#); [Administration](#); [Operations](#)**

Information only.

**H) Adjournment**

The next Regular Meeting will be held on November 14, 2018 at the Municipal Services Building, 33 Arroyo Drive, South San Francisco, CA 94080 at 6:30 PM.

Agenda posted as required:  
October 12, 2018 at 4:00 PM

  
Debbie Gehret  
Deputy Secretary



## Staff Report

**TO:** Board of Harbor Commissioners

**FROM:** Kin Yip Chan, Accounting Technician

**DATE:** October 17, 2018

**SUBJECT:** Review Bills and Claims in the Amount of \$732,675.29

Total Disbursements being submitted for your review: **\$732,675.29**

<b>Dept. Code</b>	<b>Description</b>	<b>Amount</b>
103	Administration & Commissioners	\$ 46,906.86
201	Pillar Point Harbor	\$ 510,630.07
301	Oyster Point Marina	\$ 56,562.08
	Employee Deductions	\$ 30,092.94
	Payroll / Benefits	\$ 88,483.34
<b>Total Bills &amp; Claims for Review:</b>		<b>\$ 732,675.29</b>

**Pre-Approved Payroll Notes:**

Payroll Paydate 9/21/18	\$ 113,151.01
Payroll Paydate 10/5/18	\$ 119,881.94
<b>Total Payroll for Period:</b>	<b>\$ 233,032.95</b>

Background: The Board Pre-Approved Bills and Claims up to \$350,000 for this month and all payroll related claims. Actual Bills and Claims paid for the period of \$308,003.90 are hereby submitted, with \$424,671.39 awaiting approval.

**Recommended Motion:**

- 1) Accept Bills and Claims in the amount of \$732,675.29, including \$308,003.90 pre-approved on September 19, 2018 and \$424,671.39 approved on October 17, 2018.
- 2) Pre-Approve \$350,000 in Bills and Claims until next meeting date.

**Attachments:**

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



# San Mateo County Harbor District Board of Harbor Commissioners

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

## REGULAR MEETING MINUTES

**September 19, 2018**

**6:30 PM**

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

Teleconference Location:  
Bodega Marine Laboratory  
2099 Westshore Road  
Bodega Bay, CA 94923

### **A). Roll Call - 6:37 PM**

- Present at 33 Arroyo Drive, South San Francisco; Commissioners Brennan, Chang Kiraly, Larenas. A quorum of the Harbor District Board of Commissioners present in San Mateo County.
- Present by teleconference location in Bodega Bay, CA, Commissioner Mattusch. Commissioner Mattusch stated that there was an agenda posted on the door to his room, and that there were members of the public present; no public comment.
- Commissioner Bernardo absent.

### **B). 1. Public Comments/Questions**

- Sepi Richardson – comments directed to Commissioners about being on time and prepared for Commission meetings.

### **2. Commissioner Comments**

- Commissioner Brennan: commented regarding the recent decision of equal pay to women by the World Surf League; new legislation allowing special districts to create redistricting commissions.
- Commissioner Larenas: thanked John Moren for his work with the committees; attended the Greater Farallones National Marine Sanctuary Advisory Council meeting and will be attending Wildlife Society Symposium in October; suggests a site visit for property on which the District has Exclusive Negotiation Agreement.
- President Chang Kiraly: commented about the Fish and Fleet Festival and how well attended it was, and thanked staff for help with the event; congratulated Commissioner Brennan regarding the decision by World Surf League of equal pay for women in surf contests; announced upcoming special meeting on September 24 in South San Francisco concerning General Manager transition.

## C). Consent

Items 1,2,3,4,5,7, 9 pulled by Commissioner Brennan.

**6. Fourth Quarter – Fiscal Year 2018 (Q418) Investment Report (Pyle)**

Information only.

**8. Fourth Quarter – Fiscal Year 2018 (Q418) Financial Report and Spending Authority (Pyle)**

Information only.

**10. Commercial Activity Permit for Thomas Joseph to Charter his Privately-Owned Vessel at Pillar Point Harbor (Moren)**

Recommendation: Approve new Commercial Activity Permit (CAP) for Thomas Joseph.

**11. Pillar Point Harbor - Harbormaster Office Roof Replacement Project Bid Acceptance (Moren)**

Recommendation: Authorize the General Manager to award contract to Andy's Roofing Co. Inc. in the amount of \$97,586.00 and establish a contract contingency in the amount of 10%.

**12. Regular Board Meeting Date Change from November 21 to November 14, 2018; Adopt Resolution No.18-14 (McGrath)**

Recommendation: Adopt Resolution No.18-14 affirming the change in Regular Meeting date from November 21, 2018 to November 14, 2018.

**Motion:** (Mattusch/Brennan) Approve Consent Items 6, 8, 10, 11, 12.

**Ayes:** Brennan, Chang Kiraly, Larenas, Mattusch

**Nays:** None

**Absent:** Bernardo

**All in favor. Motion passed.**

## D). Discussion

**1. Bills and Claims (Chan)**

**Motion:** (Mattusch/Brennan) Accept Bills and Claims in the amount of \$481,628.24, including \$276,028.57 pre-approved on August 15, 2018 and \$205,823.67 approved on September 19, 2018, and pre-approve \$350,000 in Bills and Claims until the next meeting date.

**Ayes:** Brennan, Chang Kiraly, Larenas, Mattusch

**Nays:** None

**Absent:** Bernardo

**All in favor. Motion passed.**

**13. Engineering Services for the Pilot Surfers Beach Restoration Project (Moren)**

**Motion:** (Brennan/Mattusch) Authorize the General Manager, pursuant to a Request for Proposals (RFP) response evaluation from qualified firms and/or individuals to assist the San Mateo County Harbor District (District) on engineering services for the Pilot Surfers Beach Restoration Project, to execute a Special Services Agreement with the

highest ranked firm, ESA, for the amount of \$105,000, and, subject to continued due diligence and verification of insurance and other obligations outlined in the RFP, award the contract to ESA; (ii) establish a contract contingency in the amount of 10% of the negotiated contract amount for unanticipated additional expenses associated with the contract and authorize the General Manager to issue change orders up to the contingency amount.

**Ayes:** Brennan, Chang Kiraly, Larenas, Mattusch

**Nays:** None

**Absent:** Bernardo

**All in favor. Motion passed.**

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

### **2. Minutes – Regular Meeting July 18, 2018 (Gehret)**

Recommendation: Approve Minutes of the Regular Meeting of July 18, 2018.

### **3. Minutes – Special Meeting August 15, 2018 (Gehret)**

Recommendation: Approve Minutes of the Special Meeting of August 15, 2018.

### **4. Minutes – Regular Meeting August 15, 2018 (Gehret)**

Recommendation: Approve Minutes of the Regular Meeting of August 15, 2018.

### **5. Minutes – Special Meeting September 5, 2018 (Gehret)**

Recommendation: Approve Minutes of the Special Meeting of September 5, 2018.

**Motion:** (Brennan/Larenas) Approve the Minutes of July 18, 2018, Special and Regular Meetings of August 15, 2018 and the Special Meeting of September 5, 2018 (Items 2, 3, 4, 5).

**Ayes:** Chang Kiraly, Larenas, Mattusch

**Nays:** None

**Abstain:** Brennan

**Absent:** Bernardo

**Motion passed 3/0/1**

### **7. Fourth Quarter – Fiscal Year 2018 (Q418) Rent Report (Pyle)**

Report accepted.

### **9. Monthly Capital Projects Update (Moren)**

Report accepted.

## **F). Future Agenda Items**

## **G). August Activity Reports: General Manager; Administration; Operations Information only.**



**H). Adjournment** 8:02 PM

**Motion** (Brennan/Larenas) Adjourn meeting.

**Ayes:** Brennan, Chang Kiraly, Larenas, Mattusch

**Nays:** None

**Absent:** Bernardo

**All in favor. Motion passed.**

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Debbie Gehret  
Deputy Secretary

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Virginia Chang Kiraly  
President

DRAFT



## San Mateo County Harbor District Board of Harbor Commissioners

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

### **SPECIAL MEETING MINUTES**

**September 24, 2018**

**7:00 PM – 9:00 PM**

Municipal Services Building  
Betty Weber Room  
33 Arroyo Drive  
South San Francisco, CA 94080

Teleconference Location:  
Renaissance Indian Wells Resort & Spa  
44400 Indian Wells Lane  
Indian Wells CA 92210

#### **A.) Roll Call - 7:02 PM**

- Commissioners Bernardo, Chang Kiraly, Larenas, Mattusch present.
- Commissioner Brennan present by teleconference, with agenda posted.  
No members of the public present.
- A quorum of the Commission present in San Mateo County.

No public comment.  
Adjourn to Closed Session.

#### **B.) Closed Session**

- 1) TITLE: PUBLIC EMPLOYMENT Pursuant to Government Code 54957  
(General Manager)
- 1) No reportable action.

#### **C.) Open Session**

- 2) TITLE: Transition planning for new General Manager. Discussion and possible action on the process for conducting a search for a new General Manager.
- 2) No discussion of Item #2.

#### **D.) Adjournment - 8:06 PM**

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Debbie Gehret  
Deputy Secretary

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Virginia Chang Kiraly  
President



## Staff Report

**TO:** Board of Harbor Commissioners  
**FROM:** John Moren, Director of Operations  
**DATE:** October 17, 2018  
**SUBJECT:** Monthly Capital Projects Update

**Recommendation/Motion:**

Receive Monthly Capital Projects Update

**Fiscal Implications/Budget Status:**

All Capital Projects are budgeted appropriately

**Capital Projects Update:**

- **PPH H-Dock Replacement Project: Initiated 1/17**
  - Public meeting to gain input from public/tenants/stakeholders was held January 23<sup>rd</sup>.
  - Public input was addressed in a new drawing and sent with an additional questionnaire to all H-Dock tenants on March 21<sup>st</sup>.
  - Addressed input gathered at first meeting. Second public meeting held May 15<sup>th</sup>.
  - Draft 75% design/engineering technical specifications being completed, will bring to Board for final plan input/approval.
  
- **PPH Fishing Pier Repair and Access Walkway Rehabilitation: Initiated 3/17**
  - Consultant M&N working on Design/Engineering/Permitting.
  - Initial drawings and technical memos submitted for review 2/22/18, consultant finalizing Tech Specs accordingly.
  - 65% submittals reviewed May 2<sup>nd</sup>, consultant working on revisions.
  - CDP, NWP, and NOI applications submitted on June 22, 2018. CCC CDP waiver approval to be heard in October.

- **PPH Retail/Restaurant Sidewalk Expansion Project: Initiated 5/16**
  - Regulatory compliance/permitting taking place. CEQA NOE filed with County Clerk's Office.
  - Final revised Project plans, after CCC Notice of Incomplete Filing Status, were submitted to CCC for review and CDP Waiver issued.
  - SMC Bldg. Permit approved, Invitation to Bid initiated, bids opened July 11, 2018. Bid approved by Board July 18<sup>th</sup>. Proposed construction start date of September 17<sup>th</sup>, immediately after the Fish and Fleet event.
  - Contract agreement fully executed. Notice to Proceed to be issued 9/15/18.
  - Project progressing ahead of schedule, sidewalk in front of retail strip poured in one-week, little disruption.
  
- **PPH West Trail Shoreline Protection Project: Initiated 5/15**
  - Geotech testing, core sampling, took place 11/6/17. CCC issued an Incomplete Filing Status on 1/17/18. Consultant currently revising Project plans and addressing CCC concerns.
  - Met with GHD and their sub-consultant at West Trail on 2/15/18 to discuss soil nail wall construction methods for further submittals to CCC.
  - GHD provided update presentation to Public/Board at April 18<sup>th</sup> BoC Meeting.
  - Consultant GHD directed to re-look at beach nourishment alternatives with emphasis on Living Shoreline options per CCC. Working with Program Manager to apply for Coastal Conservancy Grant for funds assist.
  
- **PPH Launch Ramp Dredge Project: Initiated 5/16**
  - Bid Docs 80% complete, awaiting final tech specs CDP submittal. Additional sediment testing was required for use of airport property.
  - Project approved for Disaster Relief Funding by FEMA/CalOES
  - FAA approved staging site within airport boundary.
  - Sediment removed will be beneficially re-used either at Surfers Beach or West Trail.
  - Airport ground lease for sediment staging under review.
  
- **PPH Johnson Pier Terminus Improvement Project: Initiated 6/16**
  - Preliminary public meetings held on May 29<sup>th</sup> and July 17<sup>th</sup> to gather input/ideas on needed alterations.
  
- **PPH Launch Ramp and Restroom Replacement Project: Initiated 3/17**
  - Applied for \$3.7M DBW Launch Ramp Facilities Grant for funding, Board approval application Jan 17, 2018.
  - Met with DBW reps at launch ramp site on April 3<sup>rd</sup> for a site needs evaluation, appears favorable for restroom, boat wash, rip/rap erosion repair, drainage trench and fish cleaning station replacement, awaiting grant results.

- **PPH RV Park Restroom Project: Initiated 11/17**
  - Consultant working on survey and initial drawings. Met with City of Half Moon Bay and CCC on June 1<sup>st</sup>.
  - Discussed project with CCC on October 3, 2018.
- **PPH Harbormaster's Office Alterations Project: Initiated 10/17**
  - Project approved by Board at Dec '17 meeting. Tech Specs, Bid Docs and permitting in progress.
  - Preliminary construction drawings currently at 90% completion, permitting in progress.
- **PPH Harbormaster's Office Roof Replacement Project: Initiated 11/17**
  - Bids opened on 8/17/18. Lowest responsible and responsive bid approved at 9/19/18 Board meeting. Awaiting contract execution.
- **PPH Renovation of West Restroom/Shower/Laundry and New West Trail Restroom: Initiated 9/17**
  - RFP for design/engineering in progress, finalizing details for scope of work.
- **PPH Parking Lot B, C2, C3 Repair Project: Initiated 5/18**
  - Slurry/stripe project schedule pushed out due to conflict with Sidewalk Expansion priority project, will take place after.
- **Surfers Beach Sand Replenishment Pilot Project: Initiated 10/15**
  - Consultant working closely with Sanctuary staff to move forward, clarification request letters sent 11/7/17. Staff attended MBNMS Advisory Council meeting in Monterey December 15, 2017.
  - Staff and consultant hosted combined agency, meeting on site 2/26/18. USACE, Sanctuary, CCC, EPA reps in attendance.
  - Consultant Damitz met with USACE, NOAA and GFNMS on 5/3/18 to discuss monitoring strategy.
  - Consultant Damitz presented Project update at May 23, 2018 Board meeting.
  - DBW Grant approved, Board approved Grant Agreement at May 23, 2018 meeting.
  - Engineering and Sediment Sampling/Analysis RFP submissions opened on 8/14/18. Highest ranked respondents awarded contracts.
- **PPH/OPM Transformer Repair Project: Initiated 10/16**
  - Contract executed.
  - Transformers installed on OPM Docks 1-5 in March, transformer for Dock 6 arrived damaged, had to be replaced, will be installed June-July.
  - PPH transformers for Docks A, B,C have been installed. Transformer on Dock B was damaged during installation, ordered new access door, adjusted dock floatation May 15<sup>th</sup>.
  - Final OPM Dock 6 transformer successfully installed July 3<sup>rd</sup>.

- Scope of work 95% complete, troubleshooting ground fault controllers. System final punch list inspection to be performed late October.
- **OPM Fuel Dock Replacement Project: Initiated 4/18**
  - Project design/engineering RFP in progress.
- **OPM Dock 12 (13,14) / East Dock Replacement: Initiated 3/18**
  - Design/engineering RFP proposals received 9/5/18 and were evaluated.
  - Highest ranked firm's proposal will be brought to Board for consideration November 14th.
- **Admin Office Alterations Project: Initiated 10/16**
  - Design consultant made recommendations for scope of work that will help to secure approval of application for building permit. Per plan checker, specific requirements are necessary to meet space ventilation in order to gain approval of the building permit, plan revision underway.
- **OPM Gravel Parking Lot Project: Initiated 7/18**
  - RFP in progress for design/engineering services. Parking lot to be paved and striped in accordance with ADA standards.
- **PPH Exterior Lighting Restoration Project: Initiated 4/18**
  - Scope includes removal of all exterior lamp and lighting fixtures and installing new throughout Pillar Point Harbor. RFP for design/engineering in progress.
- **Signage/Wayfinding Program Project: Initiated 6/18**
  - Project will include a programmatic plan for new aesthetically pleasing interpretive signage/wayfinding consistent with ADA guidelines. RFP for design/engineering in progress.



## Staff Report

**TO:** Board of Harbor Commissioners

**FROM:** Wildlife Protection Committee

**VIA:** John Moren, Director of Operations

**DATE:** October 17, 2018

**SUBJECT:** Approve Proposed Scope and Duties for the San Mateo County Harbor District Wildlife Protection Committee

**Recommendation/Motion:**

**Motion:** Approve the Scope and Duties for the Wildlife Protection Committee to read; “The Wildlife Protection Committee develops recommendations on ways to protect wildlife and unique biodiverse ecosystems within District borders through education and enforcement proposals and advises the San Mateo County Harbor District Board of Harbor Commissioners on policy matters and funding proposals with a goal to preserve and enhance San Mateo County wildlife and their habitat.”

**Policy Implications:**

No new policy implications. Affirms the San Mateo County Harbor District’s (District) desire to continue efforts in promoting additional ways for the public to provide input in the decisions made by the Board of Harbor Commissioners (Board).

**Fiscal Implications/Budget Status:**

No new fiscal implications.

**Background:**

The District’s Advisory Committees are another means for members of the public, stakeholders and civic organizations to provide input into decisions made by the Board of Harbor Commissioners. To this end, the Wildlife Protection Committee meets once every month to receive valuable input from the public on ways to protect wildlife and educate the public.

The Wildlife Protection Committee has met four times with stakeholders, wildlife protection professionals, stakeholders and the public to gather input and ideas for the

scope and duties. After these discussions and considering all input, it was determined the best statement summary of the Wildlife Protection Committee's scope and duties should read; ***“The Wildlife Protection Committee develops recommendations on ways to protect wildlife and unique biodiverse ecosystems within District borders through education and enforcement proposals and advises the San Mateo County Harbor District Board of Harbor Commissioners on policy matters and funding proposals with a goal to preserve and enhance San Mateo County wildlife and their habitat.”***

The above scope and duties will enable the Wildlife Protection Committee to get input from experts in the field, suggest means and methods to the Board for enforcement and education to protect sensitive wildlife and their environment within District borders, ensuring that all stakeholders and the public have an additional venue to provide valuable input.

**Summary/Recommendation:**

Staff recommends the Board approve the Scope and Duties for the Wildlife Protection Committee to read; “The Wildlife Protection Committee develops recommendations on ways to protect wildlife and unique biodiverse ecosystems within District borders through education and enforcement proposals and advises the San Mateo County Harbor District Board of Harbor Commissioners on policy matters and funding proposals with a goal to preserve and enhance San Mateo County wildlife and their habitat.”





## Staff Report

**TO:** Board of Harbor Commissioners

**FROM:** John Moren, Director of Operations

**DATE:** October 17, 2018

**SUBJECT:** San Mateo Resource Conservation District Partnership; Update

**Recommendation/Motion:**

Receive report and update from the San Mateo County Resource Conservation District; this is an informational item only; no action is required.

**Policy Implications:**

No new policy implications. This affirms the San Mateo County Harbor District's (District) desire to continue efforts in monitoring pollutant levels within the harbor and identifying sources.

**Fiscal Implications/Budget Status:**

No new fiscal implications. The District Board of Harbor Commissioners (Board) approved entering into an Agreement with the Resource Conservation District (RCD) on March 21, 2018 for an amount not-to-exceed \$256,370 thru fiscal year 2018-2019. The contract balance as of August 15, 2018 is \$118,638.51.

**Background:**

Since 2002, Pillar Point Harbor (PPH) has been included on a statewide list of contaminated water bodies due to its high fecal indicator bacteria (FIB) concentrations. FIB are indicative of pathogens harmful to humans and can come from any warm blooded animal including pets, humans and wildlife. This contamination continues to cause beach postings that warn the public that the water is contaminated and not suitable for contact.

In 2008, RCD initiated the PPH Source Identification Project (RCD Pollution Study) to help characterize sources of bacterial contamination in the harbor. To follow up on this study, agreements were adopted between the District and RCD to further address this issue and other water quality concerns by monitoring various water quality parameters within PPH as well as storm water outfalls flowing into the harbor from upland.

Most recently, RCD has led an effort to ensure the integrity of storm water and sewage pipes leading to the outfalls, as faulty pipes could cause cross contamination and/or pollutants entering the storm water pipes from ground water.

**Summary/Recommendation:**

San Mateo Harbor District will continue the valued partnership with RCD working toward protecting water quality in Pillar Point Harbor.

**Attachments:**

[RCD Presentation Update](#)



## Staff Report

**TO:** Board of Harbor Commissioners

**FROM:** Steve McGrath, General Manager

**DATE:** October 17, 2018

**SUBJECT:** Oyster Point Marina and Park: Potential New Agreement with South San Francisco

**Recommendation/Motion:**

Receive report. No action is requested.

**Policy Implications:**

None at this time, although the Joint Powers Agreement (JPA) with the City of South San Francisco (SSF) under which the District operates Oyster Point Marina and Park (OPM) will terminate in 2026, and, at this Commission's direction, discussions have continued regarding a new agreement.

**Fiscal Implications/Budget Status:**

In January 2018, this Commission received a final report from Dornbusch Associates. (Attachment 1) The firm was charged with performing a financial analysis to determine the implications of undertaking Capital Improvement Plan (CIP) investments, and the implications for both the JPA and any potential new agreement.

The report examined several scenarios, with various of levels of occupancy, berth rental rates and capital improvements. The report also reviewed a reduced occupancy scenario, for example in a recession, and the potential for a management contract with the city. The report concluded with two basic recommendations:

**Term of any new agreement:**

Since the Harbor District would want to be able to benefit from the additional revenue and operating cash flows generated by the investment in new docks and other CIP projects, while fully amortizing its investments over their useful lives, under this scenario we would recommend that the JPA be extended approximately 30 years from the midpoint of the CIP. Since roughly half of the CIP investment occurs prior to FY2021 and half occurs after, we recommend that the CIP be extended to around the year 2050.

**This recommendation is based on the assumption that the JPA termination clause is written the same way as the current JPA. (Page 39)**

The draft agreement anticipates a 15-year term with two 10-year options, which, if executed in 2018, would extend the term to 2053.

Compensation for the District on termination:

**We recommend that the JPA be amended so that, going forward, SMCHD is compensated for the residual value of any investment it makes in real property and personal property assets that would revert to South San Francisco upon termination of the agreement.** The simplest way to determine residual value would be by straight-line depreciation based on installation dates, investment values and the useful lives for different assets described in this report.

With such an amendment, the exact term length of the JPA would not be as critical because SMCHD would be able to receive fair compensation for any investments it makes. For example, a dock replaced five years before the expiration of the JPA would still have 25/30 (83.3%) of its value at JPA expiration, and SSF would compensate SMCHD at that level. (Page 39).

This provision is included in the draft agreement.

**Discussion:**

In February 2017, this Commission directed staff to work with the City and the Liaison Committee on drafting a new agreement for operation of OPM by the District.

That effort was expanded to incorporate discussion, drafting and agreement on an Implementation Agreement in September 2017.

The Liaison Committee met most recently on April 17, 2018, received a report from City Manager Mike Futrell, and me. The Committee reviewed the basic elements of a potential new agreement and directed staff to continue to develop these for inclusion in an agreement for review by this Commission and the City Council.

This Commission received an update on October 4, 2018, specifically on the progress made on development of a new agreement with City. At that time, staff presented a comprehensive list of issues which have been discussed. (Attachment 2). Staff committed to providing the Commission with another opportunity to discuss, and to review an actual draft agreement. Accordingly, the requested draft is attached to this report as Attachment 3.

It is result of a hard work on both sides, and incorporates several goals of the District:

- 1 Clarifies that the City is responsible for protection against sea level rise, water quality and landfill subsidence
- 2 Incorporates the Dornbusch recommendation regarding the term of a new agreement
- 3 Incorporates the Dornbusch recommendation regarding payment to the District for the depreciated value of our capital assets on termination

Although still in draft form, the General Manager will walk through the fundamental deal points in a presentation and answer any questions the Commission may have about the draft agreement.

**Attachments:**

- Attachment 1 – [January 2018 Dornbusch Report](#)
- Attachment 2 – [October 4 Staff Report](#)
- Attachment 3 – [DRAFT Agreement between South San Francisco and Harbor District](#)



## Staff Report

**TO:** Board of Harbor Commissioners

**FROM:** Anita C. Pyle, Director of Administrative Services  
Boomer Henthorne, Accounting Manager

**DATE:** October 17, 2018

**SUBJECT:** CalPERS Unfunded Accrued Liability Paydown

**Recommendation/Motion:**

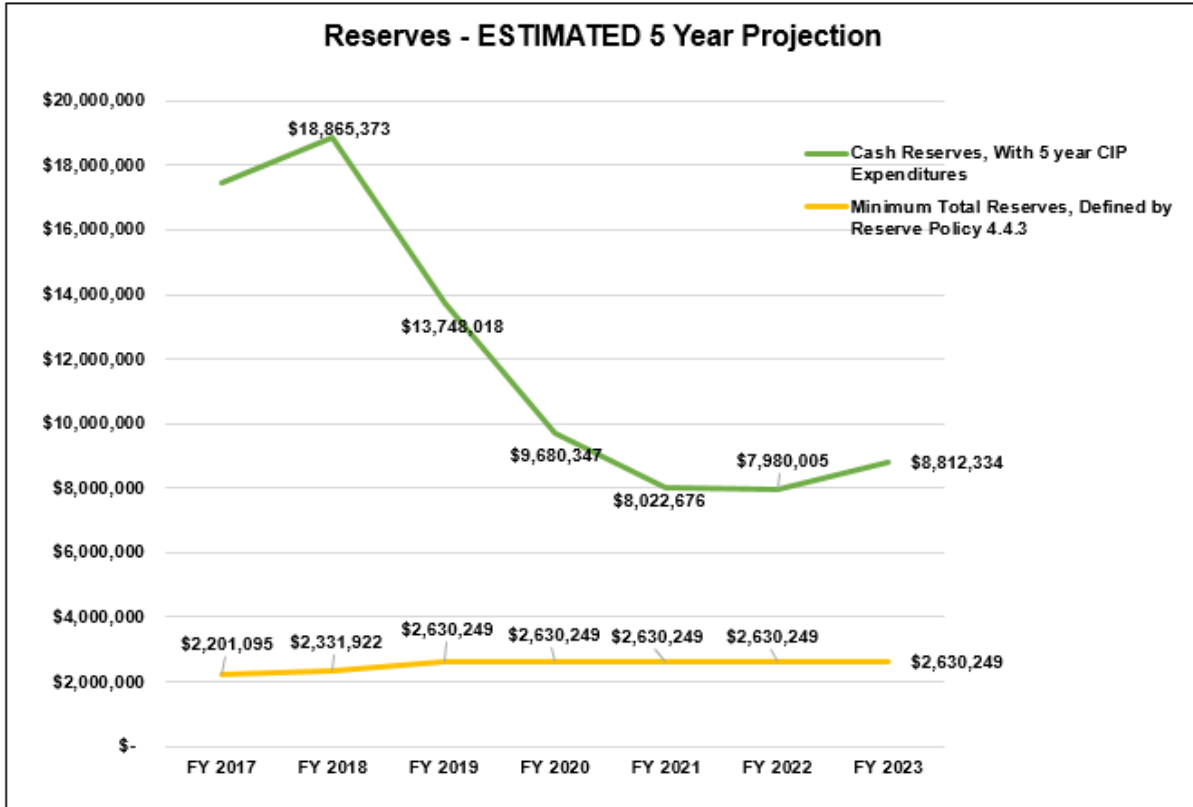
Motion: Authorize District staff to make a one-time payment to CalPERS for \$2,300,000 to pay down the District's unfunded accrued liability (UAL), or in another amount as determined by this Commission.

**Fiscal Implications/Budget Status:**

This item was not budgeted for in the FY 2018-19 budget. Depending on which option chosen in the Background/Discussion section below, this could cost the District \$1,000,000 to \$3,000,000. In FY 2019-20 however, the District will realize future interest savings depending on the amount paid down. See Background/Discussion section below.

The chart below is an updated line graph from the FY 2018-19 Final Budget. It is an estimated projection of how much money the District would have in reserves including the five-year Capital Improvement Plan and the UAL paydown of \$2,300,000 in FY 2018-19. Actual ending reserves from FY 2017-18 were \$18,865,373 which is reflected in the graph below. Minimum Total Reserves per policy 4.4.3 are required to be 20% of annual revenue projections.

Please note: these figures are estimates and make no guarantee of actual reserve funds.



**Alternatives Considered:**

Alternatively, we could:

- Take no action. This is not recommended as the District has adequate cash reserves and would potentially forgo material future cost savings by not paying this down. Additionally, our liability would continue to grow higher the longer we refrain from paying down our UAL.
- Commit the District to making UAL payments to CalPERS greater than what they require on a regular basis. This could take the form of adopting a policy or procedure which would require District staff to make these payments.

**Background/Discussion:**

District staff reached out to CalPERS to discuss the possibility of paying down our unfunded accrued liability (UAL) to increase the funded ratio of our pension plans. Our UAL is made up of “bases” – these are liabilities that are generated each year when CalPERS has a fiscal year where investments underperformed. Each of these bases was incurred at a different time and has a different maturity date. Paying off “new” base will generate more savings than paying off a base with just a few years left. Over several years our list of annual liabilities have added up, and now our total net unfunded accrued liability is \$4.68 million (per the most recent CalPERS 06/30/17 Actuarial Report).

Each year CalPERS requires us to make a lump sum payment toward our UAL (\$370,000 in July 2018). This payment usually does not necessarily equal the amount of interest added onto our balance from previous years of investment

underperformance. As such, continuing to pay the CalPERS required lump sum payment does not always reduce our UAL. Continuing to make the minimum required payment does not effectively reduce our UAL.

CalPERS gives us a lot of discretion in terms of what specific bases we can pay down, and District staff has put together several options for the Board to consider:

The following shows potential savings under four different scenarios:

	Paydown Amount	Interest Savings	Return on Investment
Option 1	\$1,000,000	\$1,579,064	57.91%
Option 2	\$2,000,000	\$3,017,080	50.85%
Option 3	\$2,300,000	\$3,411,227	48.31%
Option 4	\$3,000,000	\$4,327,837	44.26%

In all four options, Staff is proposing we pay down bases with the highest individual return on investment, i.e. – the newest liabilities would be paid down first thus realizing the most potential interest savings.

**Recommendations:**

Staff recommends paying down 50% of our combined UAL, \$2,300,000 and beginning with the newest base. This Option 3 above, will generate an interest savings of \$3,411,227 and a return on investment of 48.31%.

**Attachments:**

[UAL Paydown Presentation](#)





# Item 9

## No Staff Report



## Staff Report

**TO:** Board of Harbor Commissioners  
**FROM:** Stephen McGrath, General Manager  
**DATE:** October 17, 2018  
**SUBJECT:** Three Captains' Seafood Second Hoist

**Recommendation:**

Motion: Adopt Resolution No.18-15, authorizing Three Captains Sea Products, Inc. (Three Captains) to install and use a second hoist at the location on the south side of Johnson Pier described on the map attached as Exhibit A.

**Alternatives:**

Failure to adopt the Resolution will place the District in violation of the terms of a binding arbitration award.

**Fiscal Implications/Budget Status:**

Unknown at this time

**Background:**

This District has a lease with Three Captains for use of a facility on Johnson Pier. Three Captains is one of three Fish Buyers operating on the Pier. The lease grants Three Captains, and all other Fish Buyers, the right to a second hoist, at a location approved by the District and subject to compliance with all other required permits, including from the California Coastal Commission.

The District has at various times considered requests from Three Captains for a second hoist, including on the south side of the Pier in 2014. Most recently, after approving installation of a hoist on the north side of the Pier in October 2016, this Commission rescinded that approval in February 2018.

Three Captains disputed this Commission's February 2018 determination, and, per the Lease, the matter was submitted to binding arbitration. The arbitrator issued her Interim Order on October 10, 2018. This order, when Final on October 12, is final and non-appealable and the District must comply with it. A copy of the Interim Order

is attached to this Staff Report. The Final Order has not been issued at the time of publishing this Staff Report. The General Manager will post it to the District's website, inform Commissioners when it is issued and will provide an oral update at the October 17, 2018 meeting. The findings of the Interim Order are not expected to change in the Final Order and may be summarized as follows:

a. Three Captains' demand for lost profits and other monetary damages in excess of \$900,000 was denied, except for \$25,000 in expenses related to permit applications and fees.

b. The District must on, or before Wednesday, October 17, 2018, adopt a Resolution confirming that Three Captains may install and use a second hoist at the south side location identified on Exhibit A.

c. Three Captains is entitled to recover its attorneys' fees incurred after the Commission's February 2018 action. The exact amount of those awarded fees will be included in the arbitrator's Final Order and so are unknown at the time of publishing this staff report. An update will be presented to the Commission at the meeting.

**Timing:**

Should the Commission adopt Resolution No. 18-15, staff will cooperate with Three Captains' efforts to seek approvals necessary to install and use its hoist on the south side of the Pier and will continue to ensure safe operations on the Pier for all tenants and for the public.

**Attachments:**

- Attachment 1 – [Resolution No. 18-15 w/Exhibit A Hoist location on Johnson Pier](#)
- Attachment 2 - [Interim Award](#)



# Item 11

## No Staff Report



## Activity Report

**TO:** Board of Harbor Commissioners  
**FROM:** Steve McGrath, General Manager  
**DATE:** October 17, 2018  
**PERIOD:** September 2018

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### Administration:

General administrative, personnel, IT, management etc.

Attention to implementation of OE3 and Teamsters MOUs; job descriptions and classifications; 457 and FSA implementation.

Long time District counsel Arlin Kachalia has left Liebert Cassidy and Whitmore; met with Richard Bolanos, Arlin's supervising partner. Mr. Bolanos is familiar with the District, will be the District's principal point of contact until such time as another associate is familiar enough with the District to be principal point of contact.

### Board of Commissioners:

Meetings (person and phone) with individual Commissioners on various matters.

Prep for and attend September 5, 2018 Board of Commissioners special meeting.

Prep for and attend September 19, 2018 Board of Commissioners regular meeting.

Prep for and attend September 24, 2018 Board of Commissioners special meeting.

### Other:

Attention to Strategic Plan development. See below, 2018 Goals.

Districted elections: process completed with Commission action on September 5. Consultant to work with County to ensure map is properly in place for 2020 election.  
 Due diligence on the empty parcel adjacent to Sam's; see related staff report.  
 Attention to possible new agreement with South San Francisco. See related staff report.

Attention to Three Captains arbitration.

Attended Mid Coast Community Council meeting; gave brief update on projects and districted elections.

Goals and Objectives for 2018

**Status**

1	Complete Strategic Plan	Staff has been working with consultant Martin Rauch on re-starting this process now that the districted election process is complete. Since the process began in June 2016, there have been three Strategic Planning committee meetings, one finance Committee discussion of RFP language, and six Commission discussions. The most recent was held May 2, 2018. Public workshops scheduled for November 7 and 13. Special meeting Board workshops scheduled for November 28 and December 4.
2	Board Policies	Gathering/editing samples for review / comment by ad-hoc Committee (Chang Kiraly and Mattusch)
3	Contract for GM	Complete
4	Contracts, OE3 and Teamsters	Complete. Follow up on implementation of several components ongoing.
5	SDLF District of Distinction	First step (Transparency Certificate) completed; next steps under review. Key component includes Board review and approval of the District's Policy Manual. Staff intends to bring this to the Board for consideration within the next quarter for consideration, especially related to Personnel Rules and related policies.
6	Permanent home for Admin	Site visit held October 9.
7	PPH Johnson Pier terminus	Two (productive) meetings held with fish buyers, HMB Seafood Marketing Association.
8	PPH F, G, H docks	Planning continues.
9	PPH Surfers Beach replenishment	Contracts issued for sediment sampling and design/engineering.
10	OPM Agreement w SSF	An overview of current status was provided at the July meeting. Special meeting held October 4. See related staff report.
11	OPM Dock 12	Responses to RFP received.



## Activity Report

**TO:** Board of Harbor Commissioners  
**FROM:** Anita Pyle, Director of Administrative Services  
**DATE:** October 17, 2018  
**PERIOD:** September 2018

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### **Board of Harbor Commissioners**

Regular Commission Meeting – September 19, 2018

### **Public Records Act Requests (PRAs)**

Goal: To respond to all PRA's in a manner compliant with State Law.

#### **New PRA's Received:**

- On 9/13/18, a PRA request was received from John H. Cigavic III, Esq. for Joshua Gift Re: "Unjustified Claims of Lien on ITSPHISHI (CF8810KW) & Safety Danger Issues at Pillar Point Harbor" requesting copies of all contracts upon which the Harbor bases its claim of lien, including any and all invoices for services actually rendered, and any and all accountings applicable to the Harbor's claim in support of the claimed lien. Also requested were copies of anything the Harbor believes constitutes consideration for attempting to lien a vessel that the Harbor knows is Mr. Cigavic's Client's main source of income as a fisherman.
- On 9/27/18, a PRA request was received from John Ullom, Re: PRA Pillar Point RV Lot CDP Situation, requesting a copy of the CDP issued for the RV Lot at Pillar Point Harbor and copies of all communications between HMB, the SMCHD, the CCC, and the operators of the RV Lot.

#### **Completed PRAs:**

- The request from John H. Cigavic III, Esq. was completed on 9/28/18.

#### **On-going PRAs:**

- None

## Accounting

- Operations – recurring operating activities
  - Accounts Payable, Employee Reimbursements – biweekly
    - 2 AP runs processed
    - Updating A/P vendor master lists, purchase orders, updating major contract reconciliations, update CA Use Tax spreadsheet
    - Positive Pay Upload to US BANK
    - Recurring journal entries
  - Accounts Receivable (Cash Batches)
    - Daily Cash Batch review, account adjustment review
    - Month-end – The Marine Program (TMP) to GL reconciliation and rollover to next period
    - State of CA FTB Intercept program – received and filed reports and payments
    - Assist Director of Operations with collections of major balances
    - Monthly AR Report
    - PPH Standing meeting with Director of Operations and Interim Assistant Harbor Master to go over “problem” accounts
    - Send accounts to Collections (Rash Curtis)
    - Monthly AR report review
  - Banking
    - Reconciliation of all bank and investment accounts
  - Payroll processing – biweekly
    - 2 payroll cycles processed
    - CALPERS/ICMA reporting uploads for 457 plans
  - Year-End 06/30/18
    - Closed out Purchase Orders for FY2018
    - AP cutoff for FY2018
    - Fixed Asset entries for entire year
    - All other year-end entries
    - Tax Allocation, P&E Report generate/review
- Board Meeting – 09/19/18
  - Q4 Rent Report, Q4 Financial Report, Q4 Investment Report
  - Q4 Staff Reports
- Grants
  - Working on one multi DBW reimbursement request for \$37,807.00
  - Completed 3 DBW reimbursement requests - approved for \$21,257.68
- Special Projects
  - Team – Conference Room Cleanup
  - In progress – Set up vendors on account - Cal Card optimization
  - AP Process Manual
  - Directed Administrative Assistant - Contract Management Project – in progress
  - Payroll Process Manual
  - Payroll – 457/FSA Employer contribution meetings/memo
  - Accounting Tech I Process Manual



- HMB Sportfishing account reconciliation
- In progress - CalPERS – Unfunded Accrued Liability (UAL) Paydown – analysis for Oct Board Meeting

### **Administration**

- **Public Record Act (PRA) Requests**
  - Received two PRA requests in September
- **Board Packets**
  - Assisted with finalizing and distributing the 9/19/18 Board packet
- **Lease Files**
  - Mailed rent increase letter to Mavericks Surf Shop
- **Other**
  - Assisted with Conference Room clean-up
  - Continued scanning contract files



# Activity Report

**TO:** Board of Harbor Commissioners  
**FROM:** John Moren, Director of Operations  
**DATE:** October 17, 2018  
**PERIOD:** September 2018

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## **Pillar Point Harbor:**

### **Construction Update & General Status Updates:**

- Misc. maintenance work in progress throughout the marina.
- Landscaping in facility

### **Miscellaneous:**

- Ongoing training
- US Coast Guard Helo Training
- Cross training with OPM staff
- Beach clean-up
- 2 Safety meetings
- 709 launches at boat ramp 9/1/18 thru 9/30/18

### **Occupancy Overview:**

- Total occupancy: 99%, 369 slips, 365 occupied.

### **Search and Rescue Activity Highlights & Urgent Need Activities:**

- 9/1 thru 9/30
  - 11 Search & Rescue
  - 25 Patrol Vessel & DHM Calls
  - 4 Medical
  - 2 Law Enforcement

### **EMS-Clean Marina Activities:**

- Vessel inspections are ongoing
- Registration and Insurance enforcement
- Nonpayment enforcement

### **Calendar Reminder Items of Events and Activities:**

- Fish and Fleet Festival was held on September 16, 2018
- Polynesian Voyaging Society (Hikianalia Canoe) arrived on Sept 24, 2018
- Lady Washington expected to arrive October 24, 2018

### **PPH Staff:**

Fish and Fleet Festival on September 16, 2018



## **Oyster Point Marina/Park:**

### **General Status & Construction Update:**

- Misc. maintenance work in progress throughout the marina.
- OPD project underway
- OPM on Generator Power

### **Miscellaneous:**

- Crew Training, continued to cross train with PPH staff and USCG
- Registration, liveaboard and insurance enforcement ongoing

### **Occupancy Overview:**

- On 9/31/18 occupancy: 79% 408 slips, 322 occupied

### **Search and Rescue Activity Highlights & Urgent Need Activities:**

- 9/1 thru 9/30: 10 vessel activities, 5 Fire, 6 Police Business, 2 Coast Guard, 25 Call Outs

### **EMS-Clean Marina Activities:**

- Vessel inspections are ongoing

### **Calendar Reminder Items of Events and Activities:**

- Fleet week 10/4 thru 10/7

**OPM Staff:**

- OPM and PPH staff participated in the Operation Poseidon Training Exercise, multi-agency training with FBI, Homeland Security, TSA, United Airlines, SFO Fire Rescue, Alameda County Fire, San Francisco Police, San Jose Fire, Redwood City Fire, San Mateo County Sheriff Department, SFO OEC, USCG, Prop SF, Oakland Fire, San Bruno Fire, Menlo Park Fire, SFO Incident Command.



- OPM team members Smith and Andrews received a letter of appreciation for their professional lifesaving response in assisting a windsurfer who had suffered a medical emergency while in the Bay.

Dear Mr. Moren,

I would like to express my utmost gratitude for the assistance I received from Harbor District personnel 2 days ago. On Tuesday September 18th I suffered a medical emergency while windsurfing off Coyote Point. I asked for help over the marine handheld radio I carry with me. Harbor District personnel from Oyster Point were the first to arrive, and helped me on board their vessel while waiting briefly for the Coast Guard ship from Treasure Island to arrive. After transferring me to the Coast guard vessel they even saved my windsurfing equipment and brought it back to Oyster Point for me. I was discharged from the hospital yesterday, and able to pick up my equipment today in excellent condition.

I believe the two gentleman who helped me were named Jim Smith and Ben Andres; I may not have their names exactly correct.

Again, my deepest thanks for the outstanding emergency service I received.

Mark Showen

## **Administration:**

See related Staff Report for update on Capital Projects

### **Grants**

- Continuous updates to SAM.gov, Grants.gov in efforts to stay current with registrations and passwords
- Working with FEMA and CalOES to finalize SMCHD project worksheets and applications for project funding assistance
- Continuing efforts to identify potential grant funding for all CIP's

### **ADA Coordinator**

- Continued work on issues identified in the ADA Transition Plan/Self Evaluation. Incorporating CalOES "Strategies for Inclusive Planning Emergency Response" in our ERP. This addition to the ERP facilitates more comprehensive inclusion of planning for people with access and functional needs, including people with disabilities as well as other groups disproportionately impacted in emergencies.

### **District Safety**

- Target Solutions - OSHA required courses, continuing to assign safety refresher courses for 2018.
- 2018 DBW Boater Safety Survey/Kits – Continuing to work with DBW Vivian Matuk at PPH and OPM to send out Dock Walker boater safety surveys with statements. Tenants will deliver completed surveys to the HM office for boater safety kits.
- Continuing increased training efforts to promote excellent Customer Service.