



Regular Public Session of March 26, 2019

**Santa Cruz Port Commission  
MINUTES**

*Commission Members Present:*

Dennis Smith	Chairman
Stephen Reed	Vice-chairman
Toby Goddard	Commissioner
Darren Gertler	Commissioner
Neli Cardoso	Commissioner

**REGULAR PUBLIC SESSION – 7:00 PM**

Chairman Smith brought the regular public session to order at 7:00 PM at the Santa Cruz Harbor Public Meeting Room, 365 A Lake Avenue, Santa Cruz, CA 95062.

1. Pledge of Allegiance
2. Oral Communication

Discussion: Slip renter Bill Lee expressed his opinion that the Commission should consider deploying all available resources to address entrance dredging, such as a second shift.

Audience member Michael Podorson requested that the Commission reconsider its current policy relative to electronic key access for outside marine service providers. Audience member Toni O'Hare agreed.

Chairman Smith stated that a Policy and Operations Committee meeting has been scheduled for Friday, April 5, 2019, at 3:30 PM to discuss electronic access to dockside facilities for outside marine service providers. He encouraged the outside marine service providers to attend that meeting.

Slip renter Chris Malachowsky expressed support for a free, harbor wide Wi-Fi system.

**CONSENT AGENDA**

3. Approval of Minutes
  - a) Special Public Session of February 12, 2019
  - b) Special Closed and Regular Public Session of February 26, 2019

Discussion: Port Director Olin stated that a correction to the minutes of February 12, 2019, has been made to reflect that Commissioner Cardoso was in attendance and not former Commissioner Reed Geisreiter.

In regard to the minutes of February 26, 2019 (item 13), slip renter Curtis Gandy requested that the Port District display emergency and non-emergency contact information at each dock gate.

MOTION: Motion made by Commissioner Goddard, seconded by Commissioner Gertler to approve the consent agenda with the revision made to the special public session minutes of February 12, 2019.  
- *Motion carried. Commissioners Smith, Reed, Goddard, and Gertler voting YES. Commissioner Cardoso voting NO.*

#### **REGULAR AGENDA**

4. Presentation by California Employers' Retiree Benefit Trust Program (CERBT)

Discussion: Port Director Olin introduced Karen Lookingbill, Customer Outreach and Support Analyst for the CalPERS CERBT Program. Ms. Lookingbill provided an overview of the CERBT Program, highlighting potential advantages of prefunding other post-employment benefits (OPEB).

5. Presentation by Barry Swenson Builders – Review Proposed Development of Southwest Corner of 7<sup>th</sup> Avenue and Brommer Street

Discussion: Representatives Jesse Nichols and Jesse Bristow of Barry Swenson Builders presented conceptual design drawings for the proposed development of the vacant 8.3 parcel located at the southwest corner of 7<sup>th</sup> Avenue and Brommer Street.

To address anticipated parking impacts, mainly the loss of the District's use of the vacant lot for "overflow" trailer parking, the conceptual design drawings included options to reconfigure the District's 7<sup>th</sup> Avenue dry storage to allow for additional parking of vessels, trailers and rigs. Additionally, a dry storage racking system was proposed.

Slip renter Bill Lee expressed support for more housing and multipurpose parking.

Chairman Smith stated that a dry storage racking system is not likely to be a viable option for the District. He stated that it will be beneficial for the District to work with and collaborate with Barry Swenson Builders during the development process.

In response to a question posed by Commissioner Goddard regarding the development timelines, Jesse Nichols stated that the project could break ground in as little as two years, followed by one and half to two additional years of construction. He stated that it is likely the housing would be constructed first.

In response to a question posed by Commissioner Cardoso, Mr. Nichols stated that current use of the lot remains in control of the County.

6. Approval of Additional Services Contract with Mesiti-Miller Engineering for Design and Permitting of Seawall Replacement at Aldo's Restaurant (NTE \$15,515)

Port Director Olin requested Commission approval of the contract amendment with Mesiti-Miller Engineering for Design and Permitting of the Seawall Replacement at Aldo's Restaurant. She stated that the contract amendment will cover costs incurred by EcoSystems West for their extensive work to obtain project permits.

**MOTION:** Motion made by Vice-chairman Reed, seconded by Commissioner Goddard to approve the additional services contract with Mesiti-Miller Engineering for Design and Permitting of the Seawall Replacement at Aldo's Restaurant (NTE \$15,515)  
- *Motion carried unanimously.*

7. Approval of Contract with Mesiti-Miller Engineering for Administration Services for Aldo's Seawall Replacement Project (NTE \$90,000)

**Discussion:** Port Director Olin requested Commission approval of the contract with Mesiti-Miller Engineering (MME) for Construction Administration services for Aldo's Seawall Replacement Project for \$75,000, plus a 20% contingency (NTE \$90,000).

In response to a question posed by Commissioner Goddard, Port Director Olin stated that the Monitoring and Inspection Allowance, which was included in MME's cost estimate, is intended to cover costs associated with special inspections beyond the normal scope of work, like geotechnical inspections.

**MOTION:** Motion made by Commissioner Goddard, seconded by Vice-chairman Reed to approve the contract with Mesiti-Miller Engineering for Construction Administration Services for Aldo's Seawall Replacement Project (NTE \$90,000).  
- *Motion carried unanimously.*

8. Consideration of Application for 99-Pak Charter Operation to Replace "Team O'Neill" 49-Pak Charter

Discussion: Port Director Olin stated that Team O'Neill, LLC's application for a 99 pak charter operation was received in November 2018. She stated that staff has worked with representatives from Team O'Neill, LLC, on the application, which was revised twice prior to the presentation to the Commission.

Port Director Olin highlighted elements of the 99-pak charter proposal:

- Passenger capacity rating will increase from 49 to 99.
- Monthly charter fee structure will convert to a rate of \$2 / passenger. No base fee is recommended.
- To reduce south harbor parking impacts, Team O'Neill will be required to purchase and operate a parking shuttle to remote north harbor parking areas.
- Parking shuttle will operate:
  - Weekends and holidays, year round (peak and non-peak season)
  - Mid-week for O'Neill Yacht Charters' group bookings of 20 passengers or more that have not made other arrangements for bus transport to the harbor.
  - On surface streets only
- Port Commission reserves the right to review the shuttle service in the future, for the purpose of determining whether offering expanded weekday service is warranted.
- Port District reserves the right to audit vessel ridership manifests.
- Continue to allow use of the F-dock end tie on a temporary basis at the current slip rate being charged for the purpose of selling the *Team O'Neill* catamaran. Staff proposes authorizing a 6 to 9-month period, with any extension requiring Commission approval.

Mark Massara, attorney for Team O'Neill, LLC, thanked the Commission for their consideration and expressed support for the conditions, as proposed. He stated that approval of the proposed application will ensure the future of the O'Neill Sea Odyssey Program and the public benefit it provides.

In response to a question proposed by Vice-Chairman Reed, Port Director Olin clarified that this application for a 99-pak charter will replace Team O'Neill's existing 49-pak charter operation in the south harbor.

Members of the audience expressed support for Team O'Neill and their application for a 99-pak charter operation.

Commissioner Gertler asked for additional information on the proposed parking shuttle operation. Mr. Massara stated that Team O'Neill's staff will be used to operate the shuttle and transport passengers from remote parking areas in the north harbor to the south harbor. He stated that parking shuttle services will be advertised on their website and distributed to customers.

Commissioner Cardoso expressed concern about the parking impacts associated with a 99-pak charter operation. Chairman Smith stated that the parking shuttle should alleviate some of the impacts to the area.

Vice-Chairman Reed questioned whether a base fee should apply. Chairman Smith expressed his opposition to a base fee.

Commissioner Goddard stated that he is not supportive of the proposed application, as presented, noting that stronger language is needed to better define the operating plan and conditions. Commissioner Goddard expressed his belief that the charter oversubscribes the southeast area of the harbor; it puts visitor uses over slip renter uses; and despite staff's efforts, he believes the parking is weak and unenforceable. He stated that the public benefit associated with the O'Neill Sea Odyssey program is undeniable, but he suggested the impacts associated with doubling the passenger capacity needs further review.

Chairman Smith expressed support for the proposed application and acknowledged the parking impacts that currently exist in the south harbor. He stated that Team O'Neill is attempting to mitigate some of those parking impacts by operating a shuttle to the north harbor, which will benefit both visitors and slip renters alike. Commissioner Goddard acknowledged the attempt, but noted that the conditions outlining the use of the proposed parking shuttle are not clearly defined or enforceable.

A brief discussion ensued regarding postponing consideration to a future date to allow staff and Team O'Neill additional time to strengthen the proposal and associated conditions. Port Director Olin stated that staff can continue to work with Team O'Neill to revise the charter application, but that some discussion of the proposal and conditions by the Commission will need to be deliberated in public session.

Mr. Massara stated that Team O'Neill is sensitive to all of the concerns raised and expressed support for moving forward with a decision at tonight's meeting.

**MOTION:** Motion made by Commissioner Gertler to approve the staff recommendation and application for 99-pak charter operation to replace "Team O'Neill" 49-pak charter. Peak period of operation is clarified to mean April 1 to October 31. The Commission to review the shuttle operation / parking after twelve months. Commissioner Goddard seconded the motion to allow for further discussion.

**Discussion:** Commissioner Gertler commented that Team O'Neill's history is sterling, and that O'Neill Sea Odyssey's activities engage the public. Commissioner

Cardoso agreed that the services provided by Team O'Neill are beneficial, but commented that the 99-pak rating is a lot of parking impact to consider.

Commissioner Goddard seconded the motion to allow for further discussion.

Commissioner Goddard again stated that the value of the O'Neill Sea Odyssey program is not in question, but the issue before the Port Commission is the increase in the vessel's pak rating from 49 to 99, and the associated impacts.

Commissioner Gertler noted that existing impact from the Team O'Neill charter is already 49 passengers per day and suggested that group bookings of 50 or more be required to utilize the parking shuttle, regardless of the day. Commissioner Goddard commented that he does not want to draft conditions at the meeting.

Commissioner Reed expressed support for reviewing the charter operation and parking operation on an annual basis. Chairman Smith agreed and commented that he will support the motion, which provides for annual review of the charter operation.

Chairman Smith called for a vote on the motion.

MOTION: *Motion carried. Commissioners Gertler, Cardoso, Reed, and Smith voting YES. Commissioner Goddard voting NO.*

9. Consideration of Application for 6-Pak Charter Operation (Ray Adams)

Discussion: Harbormaster Marshall stated that Mr. Adams is in attendance at tonight's meeting. Mr. Adams reviewed his operating plan and stated that he plans to run approximately 100 charters/year during April – December.

In response to a question posed by Chairman Smith, Mr. Adams stated that his client base is primarily tourist and overflow customers from other charter operators in the harbor.

Chairman Smith expressed concern for the viability and competition between small charter operators in the harbor. He recommended a comprehensive review of charter operations be performed to determine a maximum number of allowable charters.

Commissioner Goddard expressed support for Mr. Adams's request, noting that the location in the northeast harbor will have minimal parking impacts.

Vice-Chairman Reed stated that he would like to see all charter operations advertise to customers that Santa Cruz Harbor is a small craft harbor and all trips and tours are weather dependent.

MOTION: Motion made by Commissioners Goddard, seconded by Commissioner Reed to approve a 6-pak charter permit for Ray Adams.  
- *Motion carried. Commissioners Goddard, Reed, and Gertler voting YES. Commissioner Smith and Cardoso voting NO.*

10. 2019 Election of Special District Regular Member on LAFCO

Discussion: There was consensus among the Commission to authorize the Port Director to vote for candidate Rachel Lather.

11. Approval of Cash / Payroll Disbursements – February 2019

MOTION: Motion made by Commissioner Goddard, seconded by Chairman Smith to approve cash/payroll disbursements for February 2019, in the amount of \$649,534.61.  
- *Motion carried unanimously.*

## INFORMATION

12. Port Director's Report

### Introduction of New Staff

Port Director Olin introduced Renee Ghisletta as the Port District's new Administrative Assistant.

### California Marine Affairs and Navigation Conference (CMANC)

Port Director Olin distributed a handout to the Commission debriefing the annual CMANC conference, which was held during the week of March 4, 2019, in Washington, D.C.

### Insurance

Port Director Olin informed the Commission of her intent to bind insurance coverage for FY20. She stated that the FY20 estimate for coverage is approximately \$271,365, which is a savings of approximately \$1,411 over the prior year.

### LAFCO

Port Director Olin stated she met with LAFCO executives to discuss the Port District's service review process occurring later this year.

### Meeting with Santa Cruz County Administrative Officer

Port Director Olin stated she met with Carlos Palacios, County Administrative Officer and Christina Mowrey, County Budget Manager to discuss funding support for the Port District's marine search and rescue program. She stated that the County has agreed to increase

annual support of marine search and rescue from \$24,000 to \$50,000. Port Director Olin stated that approval of a one-time contribution toward acquisition of a patrol vessel was not approved, though County staff may be able to allocate any funding that may remain from their FY19 budget. The County closes out the year in August.

#### Santa Cruz Sentinel – Coastlines

Port Director Olin stated she requested a correction to a recent publication in the Santa Cruz Sentinel's Government Corner section published March 25, 2019, in which the Sentinel incorrectly indicated that the Port District has jurisdictional responsibility for search and rescue in the Monterey Bay.

#### Salvage Operation

Port Director Olin stated that the Port District has retained Parker Dive to assess and remove two underwater hazards in the nearshore area of Harbor Beach; one 10" polyethylene pipeline estimated to be 40'+, and an anchored diamond buoy. She stated that the quote received was for \$9,811 and is subject to change depending on the crew and equipment needs.

#### Aldo's Seawall

Port Director Olin updated the Commission on the Aldo's Seawall project, stating that the project is currently out to bid. Bids are due Monday April 10, 2019, at 11:00 AM. Twelve contractors attended the mandatory pre-bid meeting.

#### Pile Repair and Replacement Project – Phase II

Port Director Olin stated that the Pile Repair and Replacement Project is also out to bid and bids are due on Monday, April 10, 2019, at 10:00 AM.

#### Dredge Training

Port Director Olin stated that the Port District has scheduled dredge consultant Ancil Taylor to come to Santa Cruz the week of April 15, 2019, for additional crew training and a review of safety and production.

#### Concession Lot Project Request for Proposal (RFP)

Port Director Olin stated that Watry Design Inc. has drafted a RFP for replacement of the concession parking lot equipment and installation of two self-pay stations.

#### Vessel Collision with Dredge Twin Lakes

Port Director Olin confirmed receipt of a \$5,500 payment for damages sustained to *Twin Lakes* after a vessel collision on December 26, 2018. She states that repairs will be performed during the off-season.

13. Harbormaster's Report (*There was no discussion on this agenda item*)
14. Facilities Maintenance & Engineering Manager's (FME) Report



In response to a question posed by Commissioner Goddard, Administrative Services Manager MacLaurie and Facilities Maintenance Engineer Kerkes reviewed the number of displaced vessels in the north harbor due to dredging and shoaling of the X/J channel.

Chairman Smith expressed gratitude toward FME Kerkes and maintenance crews for achieving remarkable functionality and aesthetics on the new dock gates.

FME Kerkes stated that the dredge crew deployed the Toyo submersible pump and dredged the east side of the entrance channel, gaining depths of approximately 9'. In response to a question posed by Commissioner Goddard, FME Kerkes stated that the Toyo pump is powered by a generator and mobilized by an onshore crane.

15. Bi-Annual Slip Vacancy Report / Waiting List Statistics *(There was no discussion on this agenda item)*
16. Financial Reports *(There was no discussion on this agenda item)*
  - a) Comparative Seasonal Revenue Graphs
17. Review of Delinquent Accounts *(There was no discussion on this agenda item)*
18. Crime/Incident/Citation Report – February 2019 *(There was no discussion on this agenda item)*
19. Written Correspondence *(There was no discussion on this agenda item)*
  - a) Letter from Port Director Olin, to C. Palacios, County Administrative Officer
20. Port Commission Review Calendar / Follow-Up Items *(There was no discussion on this agenda item)*

Chairman Smith adjourned the regular public session at 10:00 PM



---

Dennis Smith, Chairman