



Special Closed and Regular Public Session of September 22, 2020

**Santa Cruz Port Commission  
MINUTES**

*Commission Members Present (via teleconference):*

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

**SPECIAL PUBLIC SESSION – 4:30 PM**

Chairman Reed convened the special public session at 4:30 PM via teleconference at the Santa Cruz Harbor Conference Room, 135 5<sup>th</sup> Avenue, Santa Cruz, CA 95062.

1. Oral Communication
2. Announcement of Closed Session Pursuant to Government Code (Ralph M. Brown Act) Section 54956.8

At 4:30 PM, Chairman Reed announced the Commission will meet in closed session to discuss agenda items 3 and 4.

**SPECIAL CLOSED SESSION**

3. Conference with Real Property Negotiators  
Agency Designated Representative: M. Olin  
Negotiating Parties: Verizon  
Under Negotiation: Lease
4. Conference with Real Property Negotiators  
Agency Designated Representative: M. Olin  
Negotiating Parties: Santa Cruz County Redevelopment Successor Agency  
Property: 7<sup>th</sup> and Brommer – 3 Parcels on Southwest Corner  
Under Negotiation: Potential Acquisition

**SPECIAL PUBLIC SESSION**

5. Action and Vote Disclosure after Closed Session Pursuant to Government Code (Ralph M. Brown Act) Section 54957.1

Chairman Reed announced that the Commission took no reportable action in closed session on items 3 and 4.

Chairman Reed adjourned the special open session following the closed meeting at 6:51 PM.

## **REGULAR PUBLIC SESSION – 7:00 PM**

Chairman Reed convened the regular public session at 7:00 PM via teleconference at the Santa Cruz Harbor Conference Room, 135 5<sup>th</sup> Avenue, Santa Cruz, CA 95062.

6. Pledge of Allegiance
7. Oral Communication

Chairman Reed stated that the Commission took no reportable action in closed session on agenda items 3 and 4.

Commissioner Smith stated that while he is supportive of the District's emergency response efforts related to the CZU Lightning Complex fire, financial impacts and revenue losses to the RV Park remain unknown. He stated that it is his opinion that future consideration of emergency response measures should be more deliberative.

## **CONSENT AGENDA**

8. Approval of Minutes
  - a) Regular Public Session of August 25, 2020
  - b) Special Emergency Meeting of August 25, 2020

MOTION: Motion made by Commissioner Smith, seconded by Commissioner Geisreiter to approve the consent agenda item 8.

- *Motion carried unanimously by roll call.*
  - *Reed: YES*
  - *Goddard: YES*
  - *Smith: YES*
  - *Gertler: YES*
  - *Geisreiter: YES*

## **REGULAR AGENDA**

9. Approval of Vessel Insurance Policy Enforcement Measures

Discussion: Port Director Olin stated the Policy and Operations Committee met on September 10, 2020, to discuss the implementation of enforcement measures for the Port District's vessel insurance policy which went into effect January 1, 2019.

Port Director Olin stated that since the policy was adopted, staff has worked to familiarize individuals with the provisions of the policy and has been successful in achieving compliance from most slip renters. To achieve full compliance, progressive enforcement mechanisms are needed.

Harbormaster Anderson highlighted the following progressive enforcement measures proposed for implementation:

- Effective January 1, 2021 (and each year thereafter), slip renters would be required to present their insurance declaration page

(demonstrating minimum policy requirements) in order to pick up annual parking stickers. Insurance cards or binders would not be accepted, as they do not contain the necessary policy information.

- Effective April 1, 2021, impose a monthly uninsured vessel fee of \$75 on slip licensees who do not have a current insurance certificate on file with the District. For those slip renters with expired certificates, the penalty would be assessed 60 days after policy expiration. The penalty would be applied for no more than 12 months before initiating the slip revocation process (see Measure 3). For slip licensees with commercial fishing vessels, the Harbormaster would have discretion to extend the penalty period beyond 12 months, on a case-by-case basis.
- Effective April 1, 2022, utilize the slip revocation process after reasonable efforts have been made to gain compliance.

In response to a question posed by Commissioner Gertler regarding “uninsurable” vessels, Harbormaster Anderson stated that almost any vessel can be insured, but at a cost.

There was consensus among the Commission to support the proposed enforcement measures. Commissioner Smith emphasized the importance of providing ample notification and outreach to marina customers.

Vice-chairman Goddard agreed, noting the Policy and Operations Committee meeting discussion stressed the importance of outreach, which will minimize frustration for customers.

**MOTION:** Motion made by Commissioner Smith, seconded by Vice-chairman Goddard to adopt the recommendations of the Policy and Operations Committee amending the vessel insurance policy to include enforcement measures.

- *Motion carried unanimously by roll call.*

- *Reed:* YES
- *Goddard:* YES
- *Smith:* YES
- *Gertler:* YES
- *Geisreiter:* YES

10. Approval of Sole Source Acquisition for Replacement Water Taxi Vessel (\$80,000)

**Discussion:** Port Director Olin stated that in April 2020, the Port District received the Coast Guard’s determination that the water taxi program was not subject to requirements of 46 CFR Subchapter T for Small Passenger Vessels and water taxi service could resume normal operations. She stated that despite the determination, operations did not resume because the District’s current water taxi vessel is 53-years old and has reached the end of its service life. She stated that Harbormaster Anderson has done extensive research to identify a suitable replacement vessel.

Harbormaster Anderson stated that there are very few manufacturers of commercial-grade pontoon boats that would be suitable for the District’s water taxi operation. He stated that after extensive research, staff has determined Fiesta Marine Products is a suitable manufacturer for this specialized vessel. He noted that the City of Santa Cruz did similar research

for their Loch Lomond vessel and came to the same conclusion. A sole source acquisition is recommended.

Harbormaster Anderson stated that the quote provided by Fiesta Marine, including tax and shipping, exceeds budget by \$5,000. Rather than sacrificing the integrity of the vessel to meet the \$75,000 budget, staff is requesting an additional \$5,000 in funding to ensure delivery of a fully functional and safe vessel.

A brief discussion ensued regarding vessel specifications and alternative shipping options. Harbormaster Anderson stated that staff would continue to research the most cost-effective shipping options during the 3-4 month construction process of the new vessel.

Commissioner Geisreiter expressed support for sole source acquisition of the new vessel. Chairman Reed agreed.

MOTION: Motion made by Vice-chairman Goddard, seconded by Commissioner Smith to approve the sole source acquisition of a replacement water taxi vessel from Fiesta Marine Products; authorize the Port Director to execute the contract; and allocate \$5,000 in additional project funding from unreserved cash for a total not-to-exceed purchase of \$80,000.

- *Motion carried unanimously by roll call.*

- *Reed: YES*
- *Goddard: YES*
- *Smith: YES*
- *Gertler: YES*
- *Geisreiter: YES*

11. Approval of Amendment to Port Commission Policies / Procedures Manual Adding Section 2130, Roles and Responsibilities of the Port Commission in Human-Resources

Discussion: Port Director Olin stated the Policy and Operations Committee met on September 10, 2020, to review a proposed new section for the Port Commission Policies and Procedures Manual, which defines the primary roles and responsibilities of the Commission in human resource-related matters.

Port Director Olin stated that Port District Counsel Tim Davis reviewed the proposed policy and is supportive of its adoption. Counsel Davis noted it does not expand or change any policies in the District's current personnel handbook, which is important.

Commissioner Smith thanked the committee for their thorough review and expressed support for the amendment.

MOTION: Motion made by Vice-chairman Goddard, seconded by Chairman Reed to approve amendment, adding Section 2130, Roles and Responsibilities of the Port Commission in Human Resources, to the Port Commission Policies/Procedures Manual.

- *Motion carried unanimously by roll call.*

- *Reed: YES*
- *Goddard: YES*

- *Smith: YES*
- *Gertler: YES*
- *Geisreiter: YES*

12. Acceptance of Final FY20 Audited Financial Statement

Discussion: Port Director Olin presented the final FY20 audited financial statement, noting one minor change to Note 8 based on input received from the Commission during a review of the draft audit in August. She stated that Note 8 was amended to clarify that docks (berths) are available for slip licensing as a means of revenue generation and not held for District use.

Port Director Olin summarized the FY20 audit by reporting revenue was 6.5% higher than FY19, and expenses (net of non-cash items like depreciation) were 5% higher than FY19. In terms of the budget, she reported that year-end revenue exceeded budget projections by 6% and expenses overall were 10% lower than budget.

Port Director Olin reported that there was a decrease in net cash flow FY19-20, primarily related to loan and capital improvement expenditures on large infrastructure projects. She reported that the District's net position increased 3%, or \$860,637 over FY19.

Port Director Olin reported that the District's debt service ratio based on audit results will be presented to the Commission next month.

MOTION: Motion made by Commissioner Gertler, seconded by Commissioner Smith to accept the FY20 audited financial statement.

- *Motion carried unanimously by roll call.*
  - *Reed: YES*
  - *Goddard: YES*
  - *Smith: YES*
  - *Gertler: YES*
  - *Geisreiter: YES*

13. Approval of Cash / Payroll Disbursements – August 2020

Discussion: In response to questions posed by the Commission, staff provided additional information on the following warrants:

- Warrant # 53883 – 413 Lake Avenue Flooring Deposit  
Budgeted FY21 expense, to replace worn/damaged flooring for Kayak Connection, Suite 101/102.

MOTION: Motion made by Chairman Reed, seconded by Commissioner Gertler to approve the cash and payroll disbursements for August 2020, in an amount of \$661,446.36.

- *Motion carried unanimously by roll call.*
  - *Reed: YES*
  - *Goddard: YES*
  - *Smith: YES*
  - *Gertler: YES*
  - *Geisreiter: YES*

14. Port Director's Report

FEMA Disaster Assistance Grant

Port Director Olin stated that the District's application for the FEMA Disaster Assistance Grant has been submitted, and noted that all COVID-19 related expenses to date may not be reimbursable. She stated that beginning September 30, 2020, the District will suspend additional sanitization services (\$200/day) and remove the hand-washing station located at the Boatyard (fishery restroom may be utilized).

Aldo's Seawall Replacement Project

Port Director Olin stated that the Coastal Commission has authorized a time extension for submittal of final restaurant building plans for the Aldo's Seawall and Restaurant Replacement Project (CDP 3-18-0841) to December 31, 2022.

CZU Lightning Complex Fire Emergency Response

Port Director Olin provided the following updates regarding the Port District's CZU Lightning Complex fire emergency response:

- Demand for RV space by evacuees is not as high or sustained as originally anticipated
- RV host has canceled 87 reservations through the first week of October, totaling 352 visitor nights at \$52/night (\$18,304)
- 11 slip licensees have reported living aboard their vessel during the evacuation (18 individuals in total) – all have returned home
- Santa Cruz County Emergency Operations Center (EOC) has closed all shelter locations except for the Santa Cruz County Fairgrounds and one hotel.

Santa Cruz Yacht Club Paving Project

Port Director Olin stated that the Santa Cruz Yacht Club (SCYC) will be repaving their dry storage yard on October 5, 2020. She stated that SCYC has agreed to repair a portion of pavement near the boat rinse area, which is located outside the yard. SCYC board members have questioned whether the club should bear the full cost of that repair. Port Director Olin stated that a resolution is currently being negotiated.

Twin Lakes Hull Survey

Port Director Olin stated that the Port District's dredge consultant, Ancil Taylor, has recommended that *Twin Lakes* be hauled next summer (5-year schedule). Port Director Olin stated that haul and transport costs will be significant, but noted that major hull repairs are not anticipated.

Commissioner Smith questioned whether an ultrasound of the hull could be performed in lieu of a costly survey haul. Facilities Maintenance and Engineering Manager Kerkes stated that in an effort to protect the District's investment, he is supportive of proceeding with the haulout.

USACE Reimbursement - Dredging

Port Director Olin stated that the Port District has received reimbursement from the U.S. Army Corps of Engineers (Corps) for Quarters 1 and 2, totaling \$192,500. She stated that quarters 3 and 4 will be billed on January 2, 2021.

15. Harbormaster's Report

In response to a question posed by Vice-chairman Goddard, Harbormaster Anderson stated that Harbor Patrol has seen an increase in boating activity this year during the COVID-19 pandemic. He stated that Harbor Patrol will continue to monitor the main channel and educate boaters using human-powered watercraft on vessel traffic protocols within the harbor.

16. Facilities Maintenance & Engineering Manager's (FME) Report

FME Kerkes thanked the Port Commission for their role in making the Santa Cruz Harbor RV Park available to CZU Lightning Complex fire evacuees.

In response to a question posed by Chairman Reed, FME Kerkes stated that the Boatyard Marine Ways lumber has been ordered, and delivery is anticipated next week. He stated that project completion will take approximately 2-3 days.

17. Bi-Annual Slip Vacancy Report / Waiting List Statistics (*There was no discussion on this agenda item*)

18. Financial Reports (*There was no discussion on this agenda item*)

a) Comparative Seasonal Revenue Graphs

19. Delinquent Account Reporting (*There was no discussion on this agenda item*)

20. Harbor Patrol Incident Response Report – June 2020 (*There was no discussion on this agenda item*)

21. Written Correspondence (*There was no discussion on this agenda item*)

a) Letter from Chairman Reed to Monterey Bay National Marine Sanctuary

b) Letter from Tess Fitzgerald to Port Commission

22. Port Commission Review Calendar / Follow-Up Items (*There was no discussion on this agenda item*)

Chairman Reed adjourned the regular public session at 8:17 PM.

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Stephen Reed, Chairman



TO: Port Commission  
FROM: Port Director, Marian Olin  
DATE: October 13, 2020  
SUBJECT: Approval of Month-to-Month Rental Agreement for 333 Lake Avenue, Suite H  
(Tenant: Pescavore)

**Recommendation: Approve the month-to-month rental agreement.**

## **BACKGROUND**

The Port District solicited bids for the office space located at 333 Lake Avenue, Suite H, after the previous tenant provided notice and vacated the space in August 2020.

The prospective tenant, Matt Owens, is the co-founder and CEO of Healthy Oceans Seafood Co., Inc. dba Pescavore. Pescavore is a local, sustainable, wild-caught seafood company that has a production facility currently being constructed on 17<sup>th</sup> Avenue. Mr. Owens plans to utilize Suite H as an office space, separate from the production facility.

Mr. Owens is prepared to take over the premises beginning November 1, 2020, with terms as outlined below.

## **ANALYSIS**

Terms of lease: Month-to-Month  
Tenant: Healthy Oceans Seafood Co., Inc. dba Pescavore (Matt Owens)  
Space: 333 Lake Avenue, Suite H (210 SF)  
Rent: \$715/mo. (\$3.40/SF) – Adjusted annually by CPI  
Use: Office Space  
Insurance: \$1 million with Santa Cruz Port District named as additional insured

## **IMPACT ON PORT DISTRICT RESOURCES**

Approval of this lease will generate approximately \$8,580 per year in concession income.

ATTACHMENTS: A. Rental Agreement – 333 Lake Avenue, Suite H  
B. Premise Map



**SANTA CRUZ PORT DISTRICT  
RENTAL AGREEMENT**

THIS AGREEMENT is made and entered into as of the Agreement date in Section 1, by and between the SANTA CRUZ PORT DISTRICT COMMISSION, a political subdivision, 135 5th Avenue, Santa Cruz, California, 95062, hereafter referred to as "Landlord," and Tenant indicated in Section 1, hereafter referred to as "Tenant."

RECITALS:

A. Landlord is the owner of that certain real property described in Section 1 and located in the City and County of Santa Cruz, State of California, as more particularly described in Exhibit A attached hereto and incorporated herein by this reference (the "Property").

B. Landlord desires to rent to Tenant and Tenant wishes to rent from Landlord the land and improvements as indicated in Exhibit A and described in Section 1 (the "Premises").

NOW, THEREFORE, in furtherance of the foregoing, and in consideration of the mutual covenants contained herein, Landlord and Tenant hereby agree as follows:

1. Rental of Premises. Landlord hereby rents the Premises to Tenant, and Tenant rents the Premises from Landlord, for the term, at the rental, and upon the other terms and conditions summarized in this Section and more fully described in subsequent sections:

Agreement Date: 9/25/2020 Term: Month to Month  
 Tenant: Healthy Oceans Seafood Co. Inc., dba Pescavore (Matt Owens)  
 Property: 333 Lake Avenue, Suite H  
 Premises: Office Space

	<i>Fixed Minimum</i>	<i>Time Period</i>	<i>Percentage Rent</i>	<i>Based On</i>
Rent:	<u>\$715.00</u>	<u>per month</u>	<u>N/A</u>	<u>N/A</u>

Rent Payable:	<u>Monthly</u>	on:	<u>the 1<sup>st</sup></u>	starting:	<u>November 1, 2020</u>
Rent Adjusted:	<u>annually</u>	on:	<u>April 1</u>	based on:	<u>SF Bay Area CPI</u>
Deposit:	<u>\$715.00</u>	paid:	<u></u>		
Use:	<u>Office Space</u>				

Tenant Insurance Requirements: Casualty N/A Liability \$1 million

Notice of Rent Adjustment: 30 days Notice of Termination: 30 days

Notice Addresses:	<i>Landlord</i>	<i>Tenant</i>
	<u>Santa Cruz Port District</u>	<u>Pescavore</u>
	<u>Attn: Port Director</u>	<u>Matt Owens</u>
	<u>135 5<sup>th</sup> Avenue</u>	<u>144 Campbell Street</u>
	<u>Santa Cruz, CA 95062</u>	<u>Santa Cruz, CA 95062</u>

2. Term. The term of this agreement shall be month-to-month, commencing as of the date indicated in Section 1.

3. Notice of Termination. Landlord or Tenant may terminate this agreement with advance written notice to the other party. Such written notice must be given on the first day of the calendar month and shall be in advance of its effective date by the number of days indicated in Section 1.

4. Rent.

(a) Fixed Minimum Rent. As described in Section 1, Tenant shall pay to Landlord a fixed amount of rent ("Fixed Minimum Rent") which shall be subject to periodic adjustment as described in subparagraph 4(b).

(b) Adjustment of Fixed Minimum Rent. Landlord shall notify Tenant if rent is to be adjusted as indicated in Section 1. Any adjustment shall be effective as indicated in Section 1.

(c) Payment of Fixed Minimum Rent. Fixed Minimum Rent shall be payable as indicated in Section 1, in advance, without notice, offset, or abatement. All rent and other sums payable by Tenant hereunder shall be paid to Landlord in currency of the United States of America (or by personal check unless Landlord otherwise notifies Tenant) at Landlord's address set forth in Paragraph 23 hereof, or at such other place as Landlord may from time to time designate in writing.

(d) Deposit. Tenant shall also pay the amount indicated in Section 1, to be held as security deposit.

5. Use.

(a) Permitted Uses. Tenant shall use the Premises solely for the use indicated in Section 1 and for no other uses whatsoever. Tenant acknowledges that Landlord has made no warranties or representations to Tenant regarding the suitability of the Premises for Tenant's intended use, and Tenant waives all claims against Landlord regarding the suitability of the Premises for Tenant's intended uses. Landlord reserves the right to fix and determine rates charged (per Section 72 H&N).

(b) Roof. Tenant shall have no right to use any portion of the roof of the Building for any purpose.

(c) Continuous Use. Tenant shall continuously and uninterruptedly during the Agreement term, occupy and use the Premises for the purposes permitted under this Agreement.

(d) Hazardous Materials. No goods, merchandise, or materials shall be kept, stored, or sold in such a manner as to create any unusual hazard on the Premises; and no offensive or dangerous trade, business, or occupation shall be conducted thereon, and nothing shall be done on the Premises which will cause an increase in the rate of or cause a suspension or cancellation of the insurance upon the Premises or upon adjacent properties or improvements thereon.

No machinery or apparatus shall be used or operated on the Premises, which will in any way injure the Premises, or adjacent properties or improvements thereon.

Tenant shall indemnify Landlord from any damages suffered by Landlord, including, without limitation, cleanup costs, as a result of the generation, use, storage, transport, or release of hazardous materials by Tenant in, on, or about the Premises or the Property. For the purpose of this Agreement, the term "hazardous materials" shall mean (A) those substances listed in Title 22 section 66680 of the California Administrative Code, (B) substances within the criteria set forth in Title 22 sections 66693 through 66723 of the California Administrative Code, (C) substances which, at any time during the term hereof, are added to the list described in paragraph (A) above or which are within any future criteria described in subparagraph (B) above, (D) petroleum and all byproducts and distillates thereof, and (E) asbestos. Prior to bringing or allowing any hazardous materials to be brought onto the Premise or Property, Tenant shall notify Landlord as to the identity of said materials and the safeguards to be used in connection therewith. Landlord shall be entitled, in its sole discretion, to refuse to allow hazardous materials to be brought onto the Premises or Property. Landlord's consent to the introduction of any hazardous material onto the Property (i) shall not release Tenant from its duty to indemnify Landlord for any damages resulting from such materials, (ii) shall not be deemed to waive Landlord's right to disapprove of any subsequent introductions of hazardous materials onto the Property whether of the same or of a different nature than the material to which Landlord consented, and (iii) may be revoked at any time, in Landlord's sole discretion, whereupon Tenant shall remove such materials from the Property within five (5) days of receipt of Landlord's demand for removal. In all events, if any hazardous materials become located upon the Property for any reason other than as consented to by Landlord in accordance with the foregoing procedure; Tenant shall immediately notify Landlord as to the same.

(e) Effect on Navigable Waters. Under federal law, no construction, installation, dredging, filling, or other activity, which would have an effect on navigation, may be conducted in or adjoining navigable waters without a permit therefore first being issued by the Secretary of the Army. The Port Director determines whether any proposed facility of Tenant may be construed to have an effect on navigation. In the event the Port Director so determines, Tenant shall prepare at its expense a permit application for submittal by Landlord in Landlord's name to the Corps of Engineers, United States Army. The permit application shall be prepared in strict conformity with regulations published by the United States Army.

(f) Non-permitted Uses. Tenant shall not permit the Premises to be used for any purpose not described in Paragraph 5(a) or for any unlawful purpose; and Tenant shall not perform, permit, or suffer any act of omission or commission upon or about the Premises which would result in a nuisance or a violation of the laws and ordinances of the United States, State of California, or City of Santa Cruz, as the same may be now or hereafter in force and effect. Without limiting the generality of the foregoing, Tenant specifically agrees not to cause or permit generation of unreasonable levels of noise from other sources, which might disturb liveaboard slip licensees, or residential neighbors of the Port District from 9:00 pm until 6:00 am each day during the lease term. Tenant further specifically agrees to prevent emission from the Premises into the air of any smoke or other noxious substances, or any odors reasonably deemed offensive to personnel of Landlord, liveaboard slip licensees or residential neighbors of the Port District.

(g) Compliance with Laws. Tenant shall abide by all applicable rules, codes, regulations, resolutions, ordinances and statutes of Landlord, the City of Santa Cruz, County of Santa Cruz, California Coastal Commission, State of California, or other governmental body where applicable, respecting the use, operation, maintenance, repair or improvement of the Premises and equipment therein, and shall pay for any and all licenses or permits required in connection with the use, operation, maintenance, repair, or improvement of the Premises.

6. Ownership of Improvements. All structures, buildings, improvements, additions, and fixtures now existing or hereafter constructed, erected, or installed in or upon the Premises, and all alterations and additions thereto, shall be deemed a part of the Premises and title thereto shall be deemed vested in and remain in Landlord during the agreement term, and upon expiration or sooner termination of the agreement term shall remain upon and be surrendered with the Premises as part thereof.

7. Construction of Improvements.

(a) No Landlord Improvements. Landlord shall not be obligated to install or construct any improvements, additions, or alterations (collectively called "improvements") on the Premises during the agreement term.

(b) Tenant Improvements. Tenant may, at Tenant's expense, construct certain new additions and improvements to the Premises required in connection with the conduct of Tenant's business; provided, (a) that Tenant shall obtain, at Tenant's expense, all necessary plans and specifications for the construction of said additions and improvements, (2) that Tenant's plans and specifications shall be subject to review and prior written approval by Landlord, and (3) that Tenant shall be responsible for obtaining, at Tenant's expense, all necessary governmental permits and approvals for construction of any new additions or improvements to the Premises.

(c) Liens. Tenant shall keep the Premises free from any liens arising out of any work performed, materials furnished, or obligations incurred by Tenant. Tenant shall indemnify and hold Landlord harmless against liability, loss, damage, cost, and all other expenses (including but without limitation, attorneys' fees) arising out of claims of lien for work performed or materials or supplies furnished at the request of Tenant or persons claiming under Tenant.

8. Taxes and Assessments.

(a) Payable by Tenant. Tenant shall pay directly to the taxing authority during each year or partial year during the term hereof, all real and personal property taxes, general and special assessments, use and possessory taxes, environmental protection charges, and other charges of every kind or description whatsoever, foreseen or unforeseen, levied on or assessed against the Premises, improvements or personal property therein, the leasehold estate or any personal property therein, the leasehold estate or any subleasehold estate permitted by Landlord. Tenant shall pay each installment of such taxes and assessments prior to the date such installment becomes delinquent. The taxes and assessments to be paid by Tenant hereunder shall be prorated at the end of the agreement term, in order that Tenant will pay only the proportionate part of said taxes and assessments attributable to the period of the agreement term, based on the ratio of the unit's square feet to the building's total square feet.

(b) Substitute Taxes. If at any time during the agreement, under the laws of the United States of America, the State of California, or any political subdivision thereof in which the Premises are located, a tax on rent or other charge by whatever name called, is levied, assessed, or imposed against Landlord, or against the rent payable hereunder to Landlord, as a substitute in whole or in part for any of the taxes described in Paragraph 8(a), Tenant, to the extent such substitute tax or other charge relieves Tenant from the payment of taxes provided for herein, shall pay such tax or other charge in the manner provided in this Paragraph 8.

9. Insurance.

(a) Casualty Insurance. If indicated in Section 1, Landlord shall, at Tenant's expense, procure and maintain in full force and effect at all times during the term of this agreement, fire, and extended coverage insurance satisfactory to Landlord covering the Premises and all improvements therein in an amount not less than ninety percent (90%) of the actual replacement cost thereof. The insurance provided for in this Paragraph 9(a) shall, in Landlord's sole discretion, provide protection against all perils included within the classification of fire, extended coverage, vandalism, malicious mischief, special extended perils (all risk), including earthquake, and loss of rents covering Fixed Minimum Rent for a period of up to twelve (12) months, and shall contain an inflation endorsement. Insurance proceeds thereunder shall be payable to Landlord. Landlord shall have no obligation to insure against loss by Tenant to Tenant's leasehold improvements, fixtures, furniture, or other personal property in or about the Premises occurring from any cause whatsoever and Tenant shall have no interest in the proceeds of any insurance carried by Landlord. Landlord shall be entitled to carry any such insurance in the form of a blanket policy covering property in addition to the Premises. Tenant shall reimburse Landlord upon demand for its share of the cost to Landlord of any insurance policy or policies, which Landlord may carry on the Premises in accordance with this paragraph. Such costs shall include both premiums and deductibles. Tenant's share of the cost of such insurance shall be a prorated share based upon the portion of the building square footage contained within the Premises, or if in Landlord's reasonable judgment the foregoing square footage based apportionment does not fairly apportion the insurance costs related to the building, Landlord may adjust such insurance costs as appropriate to reflect any disparity in risk level or other factors which may affect the relative cost of insurance between and among all tenants of the building; as to any blanket policy of insurance covering properties other than the building, the portion of insurance costs allocable to the building shall be as equitably determined by Landlord. The premiums for such insurance of Landlord shall be prorated as of the expiration of the agreement term so that Tenant pays only for insurance coverage attributable to the agreement term.

(b) Liability Insurance. Tenant, at Tenant's sole expense, shall provide and keep in force at all times during the term of this agreement for the benefit of Landlord and Tenant general liability insurance policies with an insurance company reasonably satisfactory to Landlord, protecting Landlord and Tenant against any and all liability occasioned by any occurrence in, on, about, or related to the Premises in an amount not less than the amount indicated in Section 1, single combined limit for personal injury and property damage. Tenant shall cause Landlord to be named as an additional insured under such policy.

(c) Workers' Compensation Insurance. Tenant shall procure, at its own expense, and shall keep in force during the agreement term, adequate insurance against liability arising on account of injuries or death to workers or employees on the Premises. Such workers' compensation insurance shall be in amounts at least equal to the maximum liability of Tenant, its agents, and contractors under the Workers' Compensation Insurance and Safety Act of the State of California or other applicable laws.

(d) Other Insurance. Tenant shall procure, at its sole cost and expense, and shall keep in force, such other insurance in amounts from time to time reasonably required by Landlord against other insurable risks if at the time they are commonly insured against for business operations similar to that of Tenant.

(e) Written Notice of Cancellation or Reduction. Each policy of insurance, which Tenant is required to procure and maintain in effect, shall contain the following clause:

*"It is agreed that this policy shall not be cancelled nor the coverage reduced until thirty (30) days after the Port Director of Santa Cruz Port District shall have received written notice of such cancellation or reduction. The notice shall be sent by certified or registered mail and shall be deemed effective the date delivered to said Port Director, as evidenced by properly validated return receipt."*

(f) Waiver of Subrogation. Tenant and Landlord each hereby waives any and all rights of recovery against the other, and against the officers, employees, agents and representatives of the other, for loss of or damage to such waiving party or its property or the property of others under its control, where such loss or damage is insured against under any insurance policy in force at the time of such loss or damage to the extent of the insurance proceeds actually paid in connection therewith. Tenant and Landlord shall, upon obtaining any of the policies of insurance required or desired hereunder, give notice to the insurance carrier or carriers that the foregoing mutual waiver of rights of recovery is contained in this agreement, and shall each use their best efforts to cause the insurer for each such policy to waive in writing any rights of subrogation it may have against the other party.

(g) Submittal of Policies. Tenant agrees to deposit with Landlord, at or before the times at which the insurance policies necessary to satisfy the insurance provisions of this agreement are required to be in effect, a copy of each such policy or policies required hereunder and to keep such insurance in effect and the policy or policies therefore on deposit with Landlord during the entire term of this agreement.

(h) Review of Coverage. Landlord shall retain the right at any time to review the coverage, form, and amount of the insurance required hereby. If, in the opinion of Landlord, the insurance provisions in this agreement do not provide adequate protection for Landlord and for members of the public using the Premises, Landlord may require Tenant to obtain (or may obtain at Tenant's expense) insurance sufficient in coverage, form and amount to provide adequate protection. Landlord's requirements shall be reasonable but shall be designed to assure protection from and against the kind and extent of the risks, which exist at the time a change in insurance is required.

Landlord shall give Tenant written notice of changes in the insurance requirement and Tenant shall deposit copies of acceptable insurance policies with Landlord incorporating such changes within sixty (60) days following receipt of such notice.

The procuring of such required policy or policies of insurance shall not be construed to limit Tenant's liability hereunder nor to fulfill the indemnification provisions and requirements of this agreement. Notwithstanding said policy or policies or insurance, Tenant shall be obligated for the full and total amount of any damage, injury, or loss caused by Tenant's negligence or neglect connected with this agreement or with use or occupancy of the Premises.

(i) Landlord's Remedies. In case of failure on the part of Tenant to procure or to maintain in effect any insurance which Tenant is required to carry as provided in this Paragraph 9, Landlord may at its discretion, and in addition to any other remedies it may have upon failure of Tenant to procure or to maintain in effect any insurance which Tenant is required to carry as provided in this Paragraph 9, procure or renew such insurance and pay any and all premiums therefore and all monies so paid by Landlord shall be repaid by Tenant to Landlord upon demand.

10. Indemnification.

(a) Tenant's Hold Harmless. Tenant hereby indemnifies Landlord against and holds Landlord harmless from any and all claims, damage, cost, liability, or expense, including but not limited to attorneys' fees and costs of suit, resulting from or arising out of Tenant's use of the Premises, Tenant's default in the performance of any obligation of Tenant under this agreement, any act or failure to act of Tenant or any employees, agents, contractors, customers, or other invitees of Tenant occurring in or about the Premises, or construction of any improvements by Tenant in the Premises. Such indemnification specifically includes without limitation any damage to property or injury or death to any person arising from the use of the Premises by Tenant or from the failure of Tenant to keep the Premises in good condition, order, and repair. Tenant expressly agrees to exercise due care in the handling of fuel or any other flammable materials in, on, or around the Premises. Tenant shall maintain on the Premises adequate firefighting equipment, which shall remain under the use, control, maintenance, and repair of Tenant.

(b) Tenant's Waiver of Claims. Tenant hereby waives all claims against Landlord for damage to any property, goods, wares, or merchandise of Tenant stored in, upon, or about the Premises, and for injury to persons in, upon, or about the Premises from any cause whatsoever arising at any time, except as may be caused by the active negligence or willful misconduct of Landlord. Landlord shall not be liable to Tenant for any damage caused by any act or negligence of any person, other than Landlord's personnel, in, upon, or about the Premises, whether a customer of Tenant or otherwise. Tenant expressly waives any claims against Landlord for damage to Tenant's business on the Premises or loss of goodwill or any other damage to Tenant arising from complete or partial closure of the Santa Cruz Harbor at any time and from time to time, whether such closure shall result from inclement weather, excess deposits of sand in the harbor, or any other reason whatsoever. Landlord shall have no obligation or responsibility to dredge the entrance channel of the Santa Cruz Harbor.

11. Maintenance and Repairs.

(a) Tenant's Obligations. Subject to Paragraph 15 below relating to damage and destruction, and subject to Landlord's maintenance responsibilities set forth in Paragraph 11(c) below, through the term of this agreement Tenant shall, at Tenant's sole cost and expense, maintain the Premises and every part thereof, and all fixtures, machinery and equipment located in or on the Premises and utilized in the conduct of Tenant's business in first class condition, order and repair, and in accordance with all applicable laws, rules, ordinances, orders and regulations of (1) municipal, county, state, federal, and other governmental agencies and bodies having or claiming jurisdiction of the Premises and all their respective departments, bureaus, and officials; and (2) all insurance companies insuring all or any part of the Premises or improves or both. For purposes of this paragraph, the obligation to repair includes the obligation to replace as and when reasonably necessary. Tenant hereby waives such rights as it may have under California Civil Code Sections 1941 and 1942 and any similar or successor laws that permit a tenant to perform repairs and offset the cost thereof against rent.

(b) Outside Areas. Tenant acknowledges that the cleanliness and neat and attractive appearance of the interior and exterior of the Building and all other areas of the Premises are a material concern of Landlord. Accordingly, Tenant shall continuously exercise diligence throughout the agreement term in keeping the Premises and the Outside Area in a neat, clean, sanitary, and attractive condition. Tenant shall arrange for regular and prompt disposal of garbage generated by Tenant's operations on the Premises, and shall not permit garbage or refuse to accumulate in or around the Premises. Tenant shall not cause or permit offensive odors to emanate from the Premises.

(c) Landlord's Obligations. Notwithstanding anything to the contrary contained in this Paragraph 11, and subject to the provisions of Paragraph 15 below relating to damage and destruction, Landlord shall maintain in good condition, order and repair the parking area upon the Property, the heating, ventilation and air conditioning equipment, if any, servicing the Premises, and the structural portions of the Building, including the roof, walls and foundation of the Building, except to the extent any such maintenance is necessitated by damages due to the negligence or greater culpability of Tenant, its agents, employees or invitees. Landlord shall have no obligation to maintain or repair under this Paragraph 11(c) until a reasonable period of time after receipt by Landlord of notice from Tenant of the need therefore, specifying the nature of the maintenance or repair needed.

12. Utilities. Tenant shall pay promptly as the same become due and payable its pro rata share of all bills and costs for water, gas, electricity, refuse pickup, sewer service charges, and any other utilities or services supplied to the Premises as indicated in Section 1. Tenant shall pay its pro rata share of utilities within five (5) days of receiving notice from Landlord as to the amount thereof. The parties hereby agree that Tenant's pro rata share of said utility costs shall be reasonably calculated by Landlord and conveyed to Tenant. In no event shall Landlord be liable to Tenant for any interruption or failure of any utility services to the Premises.

13. Assignment and Subletting.

(a) Landlord's Consent Required. Tenant shall not assign, sublease, mortgage, pledge, hypothecate, encumber, or transfer the Premises or any part thereof, or this agreement or any rights or obligations hereunder without Landlord's written consent.

(b) Incorporation of Terms. Should Landlord consent to any Transfer such consent shall not constitute a waiver of any of the terms, covenants, or conditions of this agreement. Such terms, covenants, or conditions shall apply to each and every transfer hereunder and shall be severally binding upon each and every encumbrancer, assignee, transferee, subtenant, or other successor in interest of tenant. Any document to mortgage, pledge, hypothecate, encumber, transfer, sublet, or assign the Premises or any part thereof shall incorporate directly or by reference all the provisions of this agreement.

14. Damage or Destruction.

(a) Partial Damage-Insured. Subject to the provisions of Paragraphs 15(c) and 15(d), if the Premises or any improvements therein are damaged, such damage involves damage to the building to the extent of less than eighty percent (80%) of the then replacement value thereof (excluding excavations and foundations of the building), such damage was caused by an act or casualty covered under an insurance policy provided for in Paragraph 9, and the proceeds of such insurance received by Landlord are sufficient to repair the damage, Landlord shall at Landlord's expense repair such damage as soon as reasonably possible and this agreement shall continue in full force and effect.

(b) Partial Damage-Uninsured. Subject to the provisions of Paragraphs 15(c) and 15(d), if at any time during the term hereof the Premises or any improvements are damaged, such damage involves damage to the Building to the extent of less than eighty percent (80%) of the then replacement value thereof (excluding excavations and foundations of the building), and the insurance proceeds received by Landlord are not sufficient to repair such damage, or such damage was caused by an act or casualty not covered under an insurance policy, Landlord may at Landlord's option either (a) repair such damage as soon as reasonably possible at Landlord's expense, in which event this continue in full



force and effect, or (b) give written notice to Tenant within thirty (30) days after the date of the occurrence of such damage of Landlord's intention to cancel and terminate this agreement as of the date of the occurrence of such damage.

(c) Total Destruction. If at any time during the term hereof either the Premises or the improvements contained therein are damaged from any cause, whether or not covered by the insurance provided for in Paragraph 9, and such damage involves damage to the Building to the extent of eighty percent (80%) or more of the replacement value thereof (excluding excavations and foundations of the Building), including any total destruction required by any authorized public authority, this Lease shall at the option of Landlord terminate as of the date of such total destruction. Landlord shall exercise its right to terminate this agreement by delivery of notice to Tenant within thirty (30) days after the date that Tenant notifies Landlord of the occurrence of such damage. In the event Landlord does not elect to terminate this agreement, Landlord shall at Landlord's expense repair such damage as soon as reasonably possible, and this Lease shall continue in full force and effect.

(d) Damage Near End of Term. If the Premises or the improvements therein are destroyed or damaged in whole or part during the last six (6) months of the term of this agreement, Landlord may at Landlord's option cancel and terminate this agreement as of the date of occurrence of such damage by giving written notice to Tenant of Landlord's election to do so within thirty (30) days after the date of occurrence of such damage.

(e) Abatement of Rent. Notwithstanding anything to the contrary contained elsewhere in this Lease, if the Premises are partially damaged and Landlord repairs or restores them pursuant to the provisions of this agreement Paragraph 14, the Fixed Minimum Rent payable hereunder for the period commencing on the occurrence of such damage and ending upon completion of such repair or restoration shall be abated in proportion to the degree to which Tenant's use of the Premises is impaired during the period of repair; provided that, nothing herein shall be construed to preclude Landlord from being entitled to collect the full amount of any rental loss insurance proceeds if such rental loss insurance is then carried with respect to the Premises. Except for abatement of rent, if any, Tenant shall have no claim against Landlord for any damage suffered by reason of any such damage, destruction, repair, or restoration.

(f) Waiver. Tenant waives the provisions of California Civil Code Sections 1932(2) and 1933(4), and any similar or successor statutes relating to termination of agreement when the agreement term is substantially or entirely destroyed, and agrees that such event shall be governed by the terms of this agreement.

(g) Tenant's Property. Landlord's obligation to rebuild or restore shall not include restoration of Tenant's equipment, merchandise, or any improvements, alterations or additions made by Tenant to the Premises.

(h) Notice of Damage. Tenant shall notify Landlord within five (5) days after the occurrence thereof of any damage to all or any portion of the Premises. In no event shall Landlord have any obligation to repair or restore the Premises pursuant to this Paragraph 14 until a reasonable period of time after Landlord's receipt of notice from Tenant of the nature and scope of any damage to the Premises, and a reasonable period of time to collect insurance proceeds arising from such damage (unless such damage is clearly not covered by insurance then in effect covering the Premises).

(i) Replacement Cost. The determination in good faith by Landlord of the estimated cost of repair of any damage, or of the replacement cost, shall be conclusive for purposes of this Paragraph 14.

15. Eminent Domain.

(a) Termination. In the event the whole or any part of the Premises is condemned in the lawful exercise of the power of eminent domain by any public entity, then this agreement shall terminate as to the part condemned on the date possession of that part is taken.

(b) Partial Taking Renders Economically Unfeasible. If only a part of the Premises is condemned, but such taking makes it economically unfeasible for Tenant to use the remainder of the Premises for the purposes contemplated by this agreement, then Tenant may, at its option, terminate this agreement as of the date possession of the condemned part is taken by giving written notice to Landlord of its intention within thirty (30) days following the date said possession is taken.

(c) Partial Taking with Business Continued. If only part of the Premises is condemned and this agreement terminated as set forth above, then this Lease shall, as to the condemned portion of the Premises, terminate as of the date possession of such portion is taken. The Fixed Minimum Rent shall thereupon be reduced in the same proportion that the area of the Premises taken bears to the initial total area of the Premises. Fixed Minimum Rent, as so reduced, shall continue to be subject to adjustment in accordance with Paragraph 4 hereof.

(d) Repairs. Tenant shall, at its sole cost and expense and in a prompt and expeditious manner, make all necessary repairs or alterations to the remainder of the Premises so as to make them reasonably suitable for Tenant's continued occupancy for those uses and purposes contemplated by this agreement.

(e) Compensation. All compensation awarded or paid upon the total or partial taking of the fee title to the Premises or part of the Premises, or for the taking of all or any portion of the Premises, shall belong to Landlord. The Building and other improvements made by Landlord on the Premises at Landlord's expense shall belong to Landlord. Landlord shall not be entitled to any compensation paid to Tenant for costs incurred by Tenant in removing its furniture, equipment, and trade fixtures from the condemned Premises.

16. Tenant Default. Tenant shall be deemed in default under this agreement upon occurrence of any of the following:

(a) Tenant Default

(1) Tenant fails to pay a monetary sum when due under this Lease (provided that Tenant shall not be deemed in default if Tenant pays such sum within ten (10) days after notice from Landlord that such sum is overdue; and provided further that, Tenant shall not be entitled to any such ten (10) day grace period or notice and shall be deemed in default immediately upon failure to so pay when due if Landlord has already delivered two notices of overdue payments within the immediately preceding twelve (12) month period;

(2) Tenant fails to perform any of its other obligations under this agreement provided that, if such failure is of the nature that it may be cured, Tenant shall not be deemed in default if Tenant cures such failure within twenty (20) days after notice from Landlord of such failure;

(3) Tenant's interest in the Premises or the Lease, or any part thereof, is assigned or transferred, either voluntarily or by operation of law (except as expressly permitted by other provisions of this agreement), including, without limitation, the filing of an action by or against Tenant, or by any member of Tenant if Tenant is a partnership or joint venture, under any insolvency or bankruptcy laws, or if Tenant makes a general assignment for the benefit of its creditors, or;

(4) Tenant vacates, abandons, or surrenders the Premises during the agreement term. In the event of a default by Tenant under this agreement, Landlord may pursue such remedies as it may have for such default under law or in equity, including but not limited to the remedies set forth below.

(b) Repossession. Landlord may repossess the Premises and remove all persons and property therefrom. If Landlord repossesses the Premises because of a breach of this Lease, this agreement shall terminate and Landlord may recover from Tenant:

(1) the worth at the time of award of the unpaid rent, which had been earned at the time of termination including interest at ten percent (10%) per annum;

(2) the worth at the time of award of the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided including interest at ten percent (10%) per annum;

(3) the worth at the time of award of the amount by which the unpaid rent for the balance of the term after the time of award exceeds the amount of such rental loss for the same period that Tenant proves could be reasonably avoided, computed by discounting such amount by the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus one percent (1%); and

(4) any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform its obligations under this agreement or which in the ordinary course of things would be likely to result therefrom.

(c) No repossession. If Landlord does not repossess the Premises, then this agreement shall continue in effect for so long as Landlord does not terminate Tenant's right to possession and Landlord may enforce all of its rights and remedies under this agreement, including the right to recover the rent and other sums due from Tenant hereunder. For the purposes of this Paragraph 16, the following do not constitute a termination of Tenant's right to possession:

(1) Acts of maintenance or preservation by Landlord or efforts by landlord to relent the Premises; or

(2) The appointment of a receiver by landlord to protect Landlord's interest under this agreement.

17. Attorneys' Fees. If any action at law or in equity shall be brought to recover any rent under this Lease, or for or on account of any breach of or to enforce or interpret any of the terms, covenants, agreements, or conditions of this agreement or for the recovery of the possession of the Premises, the prevailing party shall be entitled to recover from the other party, as a part of the

prevailing party's costs, reasonable attorneys' fees, the amount of which shall be fixed by the court and shall be made a part of any judgement rendered. "Prevailing party" within the meaning of this paragraph shall include, without limitation, a party who brings an action against the other party after the other party's breach or default, if such action is settled or dismissed upon the payment by the other party of the sums allegedly due or performance of the covenants allegedly breached or the plaintiff obtains substantially the relief sought by it in the action.

18. Removal of Property. Tenant hereby irrevocably appoints Landlord as agent and attorney in fact of Tenant to enter upon the Premises in the event of a default by Tenant in the payment of any rent herein reserved, or in the performance of any term, covenant, or condition herein contained to be kept or performed by Tenant, and to remove any and all furniture and personal property whatsoever situated upon the Premises, and to place such property in storage for the account of and at the expense of Tenant. In the event that Tenant shall not pay the cost of storing any such property after the property has been stored for a period of ninety (90) days or more, Landlord may sell any or all of such property, at public or private sale, in such manner and at such times and places as Landlord in its sole discretion may deem proper, without notice to Tenant or any demand upon Tenant for the payment of any part of such charge or the removal of any such property and shall apply the proceeds of such sale first to the costs and expenses of such sale, including reasonable attorneys' fees actually incurred; second, to the payment of the costs of any other sums of money which may then or thereafter be due to Landlord from Tenant under any of the terms hereof; and fourth, the balance, if any, to Tenant.

19. Subordination.

(a) Subordination of Lease. This agreement at Landlord's option shall be subordinate to any mortgage, deed of trust, or any other hypothecation for security now or hereafter placed upon all or any portion of the Premises and to any and all advances made on the security thereof and to all renewals, modifications, consolidations, replacements and extensions thereof. Notwithstanding such subordination, Tenant's right to quiet possession of the Premises shall not be disturbed if Tenant is not in default and so long as Tenant shall pay the rent, observe, and perform all of the provisions of this agreement unless this agreement is otherwise terminated pursuant to its terms. If any mortgagee or trustee shall elect to have this agreement prior to the lien of its mortgage or deed of trust, and shall give written notice thereof to Tenant, this agreement shall be deemed prior to such mortgage or deed of trust, whether this agreement is dated prior or subsequent to the date of said mortgage or deed of trust or the date of recording thereof.

(b) Execution of Documents. Tenant agrees to execute any documents required to effectuate such subordination or to make this agreement prior to the lien of any mortgage or deed of trust, as the case may be, and failing to do so within ten (10) days after written demand, does hereby make, constitute and irrevocably appoint Landlord as Tenant's attorney in fact and in Tenant's name, place and stead, to do so.

20. Landlord's Right to Reenter.

(a) Peaceable Surrender. Tenant agrees to yield and peaceably deliver possession of the Premises to Landlord on the date of termination of this agreement regardless of the reason for such termination. Upon giving written notice of termination to Tenant, Landlord shall have the right to reenter and take possession of the Premises on the date such termination becomes effective without further notice of any kind and without institution of summary or regular legal proceedings. Termination of the agreement and reentry of any Premises by Landlord shall in no way alter or diminish any obligation of Tenant under the Lease terms and shall not constitute an acceptance or surrender.

(b) Waiver of Redemption and Stipulated Damages. Tenant waives any and all right of redemption under any existing or future law or statute in the event of eviction from or dispossession of the Premises for any reason or in the event, Landlord reenters and takes possession of the Premises in a lawful manner.

21. Notices. All notices, statements, demands, requests, approvals or consents given hereunder by either party to the other party shall be in writing and shall be sufficiently given and served upon the other party if served personally or if sent by first class mail of the United States Postal Service, certified, return receipt requested, postage prepaid, and addressed to the parties as indicated in Section 1, or to such other address as any party may have furnished to the others as a place for the service of notice. Notices sent by mail shall be deemed served on the date actually received, as indicated on the return receipt.

23. No Commission. Landlord and Tenant each agree that Landlord and Tenant, respectively, have not had any dealings with any realtor, broker, or agent in connection with the execution of this agreement. Tenant shall pay the commission or compensation payable to any agent or broker employed by Tenant in connection with the execution of this agreement.

24. Waiver. The waiver by Landlord or Tenant of any breach of any term, covenant, or condition herein contained shall not be deemed to be a waiver of such term, covenant, or condition or any subsequent breach of the same or any other term, covenant, or condition herein contained. The subsequent acceptance of rent hereunder by Landlord shall not be deemed to be a waiver of any preceding breach by Tenant of any term, covenant, or condition of this agreement, other than the failure of Tenant to pay the particular rent so accepted, regardless of Landlord's knowledge of such preceding breach at the time of acceptance of such rent. Landlord's acceptance of partial payments of rent or any other sum due hereunder shall not be deemed a waiver of its right to recover the full amount of such payment and shall not be deemed an accord and satisfaction whether or not the amount due is disputed by the parties.

25. Holding Over. Any holding over after the expiration of the term with the consent of Landlord shall be construed to be a tenancy from month to month on the same terms and conditions specified herein so far as applicable.

26. Parking. Tenant acknowledges that all parking areas and all other common areas within the Santa Cruz Small Craft Harbor shall remain under the operation and control of Landlord. The manner in which such areas and facilities are operated and maintained shall be at the sole discretion of Landlord, and the use of such areas and facilities shall be subject to such rules and regulations as Landlord shall make from time to time. Landlord shall have the right to regulate access and parking and to install parking meters in such parking areas.

27. Non-Discrimination. Tenant agrees in the conduct of Tenant's business not to discriminate against any person or class of persons by reason of sex, race, creed, national origin, age, or physical condition. Tenant shall make its accommodations and services available to all persons on equal and reasonable terms.

28. Entry by Landlord. Landlord and its agents shall be entitled to enter into and upon the Premises at all reasonable times, upon reasonable notice (except in the case of an emergency, in which event no notice shall be required), for purposes of inspecting or making repairs, alterations or additions to all or any portion thereof, or any other part of the Building, including the erection and maintenance of such scaffolding, canopies, fences and props as may be required, or for the purpose of posting notices of non-responsibility for alterations, additions, or repairs, and during the one hundred eighty (180) day period prior to the expiration of this agreement to place upon the Premises any usual or ordinary "for rent" signs and exhibit the Premises to prospective tenants at reasonable hours, all without any abatement of rent and without liability to Tenant for any injury or inconvenience to or interference with Tenant's business, quiet enjoyment of the Premises, or any other loss occasioned thereby.

29. General.

(a) Entire Agreement. This agreement contains all of the terms, covenants, and conditions agreed to by Landlord and Tenant and it may not be modified orally or in any manner other than by an agreement in writing signed by all of the parties to this agreement or their respective successors in interest.

(b) Covenants and Conditions. Each term and each provision of this agreement performable by Tenant shall be construed to be both a covenant and a condition, all of which conditions shall be for the sole benefit of Landlord.

(c) Binding on Successors. The covenants and conditions hereof, subject to the provisions as to subletting and assignment, shall apply to and bind the heirs, successors, executors, administrators, sublessees, and assigns to the parties.

(d) Joint and Several Liability. All persons who have signed this agreement shall be jointly and severally liable hereunder.

(e) Gender. When the context of this agreement requires, the masculine gender includes the feminine, a corporation, or a partnership, and the singular number includes the plural.

(f) Captions. The captions of the numbered and lettered paragraphs of this agreement are for convenience only and are not a part of this agreement and do not in any way limit or amplify the terms and provisions of this agreement.

(g) Governing Law. This agreement shall be governed by and construed in accordance with the laws of the State of California.

(h) Time of Essence. Time is of the essence as to all of the provisions of this agreement.

(i) Partial Invalidity. If any term, covenant, condition, or provision of this agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the

provisions hereof shall remain in full force and effect and shall in no way be affected, impaired, or invalidated thereby.

(j) Relationship. Tenant shall not be an agent of Landlord for any purpose, and nothing in this agreement shall be deemed to create a partnership relationship between Tenant and Landlord.

(k) No Recordation. Tenant shall not record either this Agreement or a short form memorandum of this agreement.

(l) Calendar Days. All references herein to "days" shall mean calendar days unless otherwise stated.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the date first above written.

"LANDLORD"

SANTA CRUZ PORT DISTRICT  
COMMISSION,  
a political subdivision

By \_\_\_\_\_  
Marian Olin  
Port Director

"TENANT"


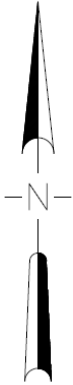
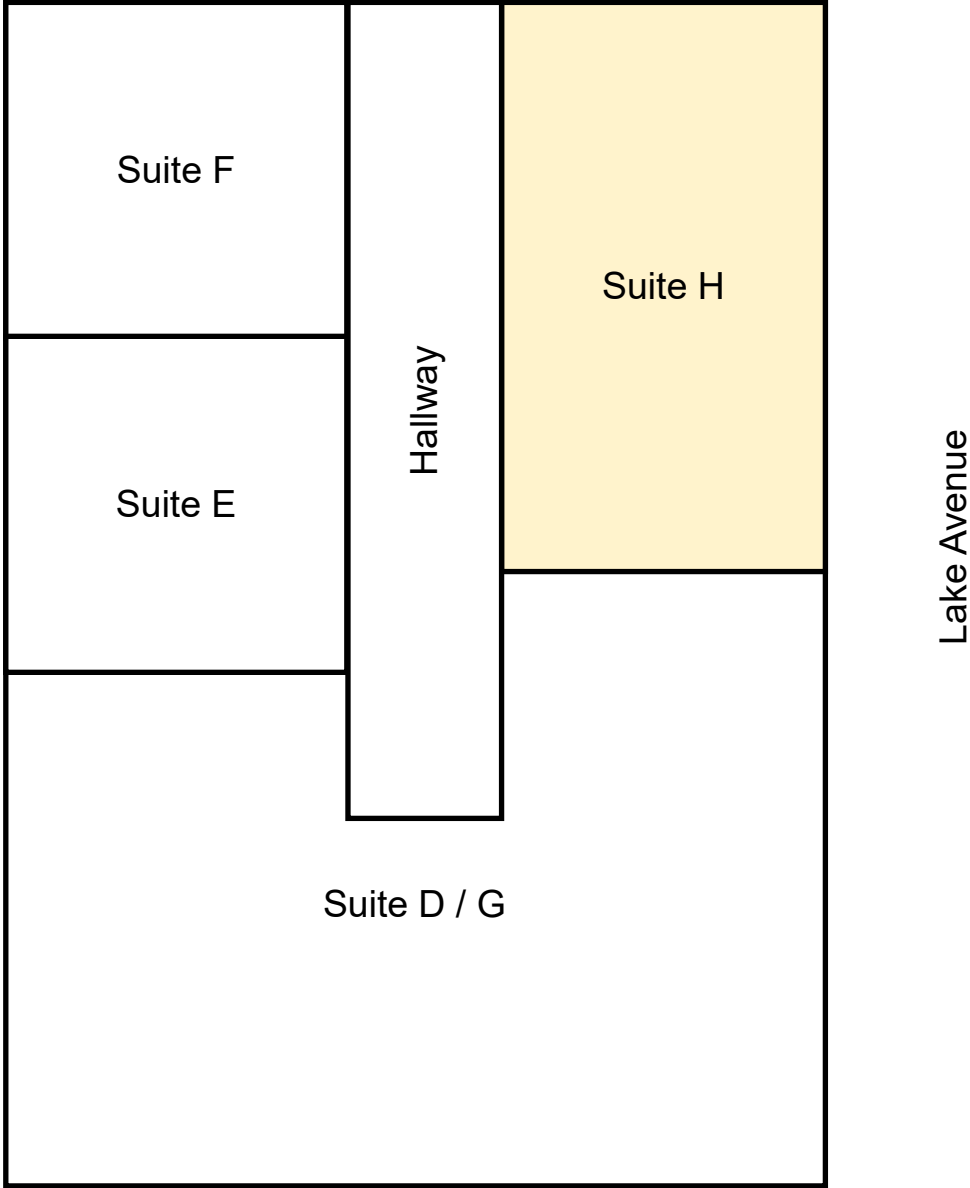
By  \_\_\_\_\_ Sept. 25, 2020  
Matt Owens  
CEO, Pescavore

EXHIBIT 'A'  
**333 Lake Avenue**  
2nd Floor



*NOT TO SCALE*



Santa Cruz Port District  
**Resolution 20-13**

October 27, 2020

On the motion of \_\_\_\_\_

Duly seconded by \_\_\_\_\_

A resolution authorizing the Port Director to execute documents accepting a Surrendered and Abandoned Vessel Exchange (SAVE) Grant from the State of California Division of Boating and Waterways.

WHEREAS, the State of California Division of Boating and Waterways funds a Surrendered and Abandoned Vessel Exchange Program and,

WHEREAS, the Division of Boating and Waterways has approved an application by the Santa Cruz Port District to fund a \$30,500 Surrendered and Abandoned Vessel Exchange for the purpose of reducing the number of abandoned vessels, and eliminating the vessel lien process for those that are turned in, reducing the overall cost to the Port District associated with storage and disposal of abandoned and derelict vessels; and,

WHEREAS, the terms of the contract expire on September 30, 2022; and,

WHEREAS, the Port District is required to fund a 10% matching contribution for participation in this grant program.

NOW, THEREFORE, BE IT RESOLVED that the Santa Cruz Port District Commission hereby authorizes the Port Director to execute contract documents for the Surrendered and Abandoned Vessel Exchange Program.

PASSED AND ADOPTED, by the Santa Cruz Port District Commission this 27<sup>th</sup> day of October 2020, by the following vote:

AYES: \_\_\_\_\_

NOES: \_\_\_\_\_

ABSENT: \_\_\_\_\_

Approved by:

\_\_\_\_\_  
Stephen Reed, Chairman



TO: Santa Cruz Port Commission  
FROM: Marian Olin, Port Director  
DATE: October 19, 2020  
SUBJECT: Consider Request for Public Benefit Discount for the Santa Cruz Yacht Club Junior Sailing Program

**Recommendation:** **Authorize a public benefit discount for the Santa Cruz Yacht Club Junior Sailing Program:**

- a. reduce slip rent for F20 by 100%;**
- b. confirm Port Commission award of slip F20 for small sailboat storage;**
- c. re-execute a slip license agreement with the Junior Sailing Program for slip F20;**
- d. obtain written assurance from the Junior Sailing Program of their separate non-profit status from Santa Cruz Yacht Club;**
- e. charge standard fees for storage of two trailers.**

## BACKGROUND

In November 2017, Ric Diola of the Santa Cruz Sailing Foundation requested consideration of a reduction or elimination of slip F20 fees on behalf of the Santa Cruz Yacht Club Junior Sailing Program. The F20 dock is used by the Junior Sailing Program for small sailboat storage. The request was put on the back burner in 2017, due to timing considerations and higher priority infrastructure projects.

In September 2020, Junior Sailing Program Liaison Vance Landis-Carey resubmitted the request. In her request, Ms. Landis-Carey states that the Junior Sailing Program has been hit hard by the COVID-19 pandemic. While Ms. Landis-Carey understands the timing is also challenging for the Port District, she recognizes that finding the right time is never easy and so they are again requesting consideration. The request is appended as Attachment A.

The Junior Sailing Program began its occupancy of slip F20 after completion of the small boat hand-launch facility in 2000. The project included design and engineering, installation of the hand-launch ramp at FF-dock, realignment of F-dock (Stagnaro Fishing Charters' slip was angled), creation of the small boat dock in slip F20, and landside improvements (sidewalk, gutters, curbs, railing, asphalt, utilities, etc.). Port District forces did a portion of the work (installing the gangway and the dock realignment which created the small boat dock for the Junior Program), while other work was completed by contract.

The total project cost was approximately \$76,702, including engineering, force account labor, and a contract with Ralston Concrete. The project was partially funded by a grant from the California Department of Boating and Waterways (\$49,770), donor contributions for public amenities totaling approximately \$14,000, and District funds. Santa Cruz Yacht Club representatives believe the Junior Sailing Program or Foundation contributed funds to construct the sailboat storage area, but I

have been unable to confirm their financial participation, and for purposes of this request it is not critical to assessment of the program's public benefit.

Currently, the only consideration received by the Junior Sailing Program is temporary storage of two trailers on the harbor's west side, in the unpaved, vegetated Gimelli lot. I authorized temporary storage of the two trailers last September at no cost, until such time that the Port Commission could formally consider any recognition of the youth program's public service.

## **ANALYSIS**

The Junior Sailing Program has impressive community outreach and participation with a goal of teaching young people (ages 8-18) how to sail, which directly benefits the harbor.

Attachment B recaps other programs receiving a public benefit discount, including:

### **UCSC**

Under a lease, UCSC receives 50% off annual base rent (value \$10,971/year). UCSC pays market rent for 4 slips, but receives a 50% discount on 100 LF of dock space which accommodates a 253 SF office; 100 SF of kayak racks on FF-dock south of the bridge; 288 SF of rowing, rack and launch space on FF-dock north of the bridge.

### **Sea Scouts:**

Receives 100% slip rent discount for V-dock end-tie (value \$11,016/year for full V-dock end-tie use).

### **O'Neill Sea Odyssey ("OSO"):**

Receives 100% slip rent (and charter fee) discount for use of *Team O'Neill* charter vessel related to OSO foundation use (value \$4,277 for slip rent based on 30% foundation use. The amount fluctuates annually depending on use).

While staff is supportive of recognizing the Junior Sailing Program's public benefits in keeping with other programs, there are a few issues that should be addressed if a discount is authorized:

- Slip F20 was realigned specifically to accommodate the Junior Sailing Program, but there is no Port Commission action memorializing award of the slip and it was not obtained through the regular waiting list.
- There is a license agreement for slip F20 which dates back to the time of project completion (May 2000), but it is with Santa Cruz Yacht Club and not the Junior Sailing Program.
- Santa Cruz Yacht Club currently pays the monthly slip rent for F20. According to the request, the Junior Sailing Program is a non-profit 501c(7) corporation, overseen by the Santa Cruz Sailing Foundation charitable 501c(3).

Staff recommendation:

1. Authorize a public service discount for the Santa Cruz Yacht Club Junior Sailing Program:
  - a. reducing slip rent for F20 by 100%;
  - b. Confirm Port Commission award of slip F20 for small sailboat storage;
  - c. Re-execute a slip license agreement with the Junior Sailing Program for slip F20;
  - d. Obtain written assurance from the Junior Sailing Program of their separate non-profit status from Santa Cruz Yacht Club;
  - e. Charge standard fees for storage of two trailers (currently 2 x \$75/mo = \$150/mo)

While there are other options which can be considered, such as reducing the level of discount or reassessing existing public benefit discounts supported by the District, I believe it is reasonable to support a 100% slip rent discount until such time that another metric is established for all programs.

**IMPACT ON PORT DISTRICT RESOURCES**

A 100% public service discount will reduce slip rent paid to the Port District by \$6,451/year.

- ATTACHMENTS:
- A. Request by Santa Cruz Yacht Club Junior Sailing Program
  - B. Public Service Discounts Supported by Santa Cruz Port District



Santa Cruz Yacht Club  
244 FOURTH AVENUE • SANTA CRUZ, CALIFORNIA 95062

September 15, 2020

To: Marian Olin  
Port Director

From: Vance Landis-Carey  
Port District and Junior Sailing Program Liaison

Re: Public good/slip fee reduction consideration

Dear Ms. Olin,

I am writing to you as the Port District representative of the SCYC Board of Directors and the liaison with the Junior Sailing Program Board of Directors. The Junior Sailing Program operates independently from the Yacht Club, has its own board and a very specific mission to encourage youth sailing while teaching safety, seamanship, courtesy, good sportsmanship and community service.

We believe strongly that the future of sailing depends on inspiring and instructing our community youth, instilling in them a love of sailing, boats, the ocean, our beautiful Monterey Bay and last but certainly not least, the Santa Cruz Harbor.

The Junior Sailing Program is open to all children ages 8-18 and is a true service to our community youth. While the Santa Cruz Yacht Club encourages and celebrates the success of the Junior Sailing Program, the vast majority of junior sailors (86%) have no association with the yacht club. Attached is a list of current junior members for your review.

As a non-profit 501c(7) corporation, overseen by the Santa Cruz Sailing Foundation charitable 501c(3) we ask for your consideration of reduction or elimination of F20 slip fees similar to the status of other harbor public good non-profit organizations.

This request was initially made by Santa Cruz Sailing Foundation Chairperson, Ric Diola almost three years ago and is attached for your review. The Junior Sailing Program has been hit hard by the COVID-19 pandemic. Any financial consideration you provide would greatly assist the Junior Sailing Program in providing this continued community service.

Thank you for your consideration of this request.

Respectfully yours,

Vance Landis-Carey  
Junior Sailing Program



11/15/2017

To : Marian Olin  
Port Director

From: Ric Diola  
Chairman  
Santa Cruz Sailing Foundation

Subject : Slip Fees

The Santa Cruz Yacht Club has been paying since 2003 for the slip F20 that is shared with Velocity that used by Junior sailors to store their small sailboats. These Junior sailors are participants in youth sailing programs that have as its goal to teach our young people how to sail. For the high school students we have the Interscholastic Sailing Program (<https://www.hssailing.org>) for the younger kids we have program that sails out of Pinto Lake in Watsonville, and also Half Moon Bay. This years program has 108 youngsters that come from 11 High Schools, 7 Universities, and 34 elementary and middle schools. A key point is that the vast majority of the parents of these young sailors are NOT yacht club members. Support for this program is by the Santa Cruz Sailing Foundation, a Charitable 501c(3) Corporation.

in 2002 dock F20 was widened by donations to the Santa Cruz Sailing Foundation so that 12 FJ's could be stored between the dock and the seawall. The current port district fee for the slip is \$501 per month. Since the dock is used for a charitable trust purpose, it is requested that the slip fees be reduced to be in line with other harbor tenants with a charitable purpose. Thank you for your consideration.

Yours Truly

244 Fourth Avenue  
Santa Cruz, CA 95062

Fed ID #77-04-35662

**Board of Directors**

Ric Diola  
Chairman / Secretary  
Tom Akrop  
Treasurer  
Tom Halderman  
Jack Halterman  
Phillip Vandenberg  
Linda Moore  
James Ritchey

# NON-CHARTER / NON-BUSINESS USE DISCOUNTED SLIPS ANNUAL REPORT

# 2020

## DISCOUNTED SLIPS

Programs receiving public benefit discounts,

		Slips Originating From:		Revenue Calculation:		Discounts:		Adjusted Revenue (After Discounts):		
Operator	Pak Rating	Commission	Waiting List	Annual Slip Rent	Annual Base Rent	Public Benefit	Other	Annual Slip Rent	Annual Base Rent	Comments:
UCSC	N/A	4		16,447	21,942	50%	0	16,447	10,971	50% discount applied to "Annual Base Rent" only, not slips. 4 slips at market rate. Annual base rent includes 100 LF of FF dock with a 253 SF office and 100 SF of kayak racks, 1008 SF of landside fenced storage
O'Neill Sea Odyssey	49	1		4,277		100%	0	0	0	Assigned slip is F-1. Slip rent is discounted 100% for percentage of use by S O'Neill Sea Odyssey, currently 30%
Sea Scouts	N/A	1		11,016		100%	0	0		Slip rent discounted 100%. Annual slip rent revenue is estimated NH Wide 45' rate @ 60'
SCYC Junior Program	N/A	Unk		6,451		0%	0	6,451	0	Slip F20 dockside storage of 12 FJ's for Junior Program. Note: Storing 2 trailers at no cost in unpaved / unsecure Gimelli lot (value \$1,800/yr)
				<b>2020</b>		\$26,264	\$0	\$22,898	\$10,971	

**Santa Cruz Port District**  
**Quarterly Budget Report -- Impacts / Analysis of COVID-19**  
**For the Six Months Ending Wednesday, Sept 30, 2020**

ACCOUNT	FY21 YTD @ 9-30-20	FY 21 BUDGET	% BUDGET	BUDGET STUDY 1	% BUDGET STUDY 1	Notes	YTD 9/30/19	DIFFERENCE
<b>OPERATING INCOME</b>								
Slip Rent Permanent	\$ 2,351,034	\$ 4,579,964	51%	\$ 4,350,966	54%	<i>Improved occupancy. Revenue does not reflect \$159,993 due on all payment plans / delinquencies (last year delinquent accts were approximately \$98,644).</i>	\$ 2,255,794	\$ 95,239
Slip Rent Visitors	92,113	125,000	74%	78,125	118%	<i>Revenue meets budget expectations. FY20 revenue exceeded 100% of anticipated budget at this time last year</i>	101,988	(9,874)
Annual Slip Rent Discount	(891)	(1,000)	89%	(1,000)	89%		(1,061)	170
Tenant Concession Rent	737,518	1,866,320	40%	1,315,460	56%	<i>Continuing revenue reduction</i>	959,374	(221,856)
Misc. Tenant Rent (Sewer)	28,817	150,000	19%	127,500	23%		103,238	(74,421)
Launch Fees	122,106	100,000	122%	65,000	188%	<i>Revenue improved over FY20. Season closure and reopening created demand</i>	94,211	27,895
Liveaboard	36,700	76,000	48%	72,200	51%		37,100	(400)
Catamaran Storage	13,338	26,650	50%	25,318	53%		13,248	91
North Harbor Dry Storage	93,927	179,631	52%	170,649	55%	<i>Revenue meets budget expectations</i>	91,289	2,638
7th Ave Dry Storage	58,935	115,313	51%	109,547	54%	<i>Revenue meets budget expectations</i>	55,447	3,489
Waiting List	14,750	105,000	14%	105,000	14%		16,300	(1,550)
Slip Leave Option	750	2,500	30%	2,500	30%		500	250
Partnership Fees	14,745	27,250	54%	25,888	57%		13,600	1,145
Sublease Fees	14,957	25,113	60%	21,345	70%	<i>Revenue exceeds budget expectations</i>	10,054	4,902
Variable/Utility Fees	100,024	200,031	50%	190,029	53%	<i>Revenue meets budget expectations</i>	98,572	1,453
Late Fees	16,211	50,000	32%	18,750	86%	<i>Reflects late fee waivers</i>	24,962	(8,751)
Citations	44,923	92,500	49%	46,250	97%	<i>Increasing citation revenue loss over Q1</i>	57,216	(12,293)
Credit Card Convenience Charges	11,140	15,000	74%	13,500	83%		9,045	2,095
Parking - Concession Lot	230,453	800,000	29%	400,000	98%	<i>Some improvement in concession revenue over FY21 Q1. Overall, visitor parking down \$144,047 over FY20</i>	271,247	(40,794)
Parking - Launch Area	11,099		0%			<i>Increasing launch area revenue loss, though there is some improvement in launch parking over FY21 Q1</i>	37,845	(26,746)
Parking - Westside	55,761		0%			<i>Increasing westside parking revenue loss, though there is some improvement over FY21 Q1</i>	84,642	(28,882)
Meter Permits & Coin	93,585		0%			<i>Increasing visitor parking revenue loss, though there is some improvement over FY21 Q1</i>	141,211	(47,626)
Slip Renter Parking Permits	5,148	21,500	24%	13,975	37%		7,578	(2,430)
RV Parking	54,977	185,000	30%	92,500	59%	<i>Increasing RV revenue loss, though there is some improvement over FY21 Q1</i>	104,490	(49,513)
Fuel Sales Gasoline	168,020	285,000	59%	285,000	59%	<i>Some improvement in fuel sales over FY21 Q1. Lower revenue and expense, but higher profitability FY21 over FY20</i>	187,715	(19,695)



**Santa Cruz Port District**  
**Quarterly Budget Report -- Impacts / Analysis of COVID-19**  
**For the Six Months Ending Wednesday, Sept 30, 2020**

ACCOUNT	FY21 YTD @ 9-30-20	FY 21 BUDGET	% BUDGET	BUDGET STUDY 1	% BUDGET STUDY 1	Notes	YTD 9/30/19	DIFFERENCE
Fuel Sales Diesel	253,189	405,000	63%	405,000	63%	<i>Some improvement in fuel sales over FY21 Q1. Lower revenue and expense, but higher profitability FY21 over FY20</i>	308,699	(55,511)
Fuel Service Call Back Charges	10		0%				20	(10)
Wash Rack	560	6,250	9%	4,063	14%	<i>Continuing revenue reduction</i>	5,460	(4,900)
Boatyard Retail	7,517	10,500	72%	8,925	84%		7,606	(89)
Boatyard Labor		1,000	0%	850	0%		161	(161)
Boatyard Rental	1,540	2,500	62%	2,125	72%		2,000	(460)
Boatyard Misc.	15,709	25,000	63%	21,250	74%		15,584	125
Lay Days/Storage	54,337	100,000	54%	85,000	64%	<i>Assume primarily due to project impacts / Travellift repairs</i>	61,069	(6,733)
Vessel Haulout	72,461	124,000	58%	105,400	69%	" " "	79,784	(7,322)
Vessel Berthing	14,364	30,000	48%	28,500	50%		21,381	(7,017)
<b>OPERATING INCOME</b>	<b>\$ 4,789,826</b>	<b>\$ 9,731,022</b>	<b>49%</b>	<b>\$ 8,189,614</b>	<b>58%</b>	<i>Overall FY21 revenue down approx 9% over FY20, but within range of budget expectations. (Operating income in FY20 was 57% of budget.)</i>	<b>\$ 5,277,367</b>	<b>\$ (487,540)</b>
				<i>84% Budgeted</i>				

**Santa Cruz Port District**  
**Quarterly Budget Report -- Impacts / Analysis of COVID-19**  
**For the Six Months Ending Wednesday, Sept 30, 2020**

ACCOUNT	FY21 YTD @ 9-30-20	FY 21 BUDGET	% BUDGET	BUDGET STUDY 1	% BUDGET STUDY 1	Notes	YTD 9/30/19	DIFFERENCE
<b>EXPENSE SUMMARY BY PROGRAM</b>								
Administrative Services (110)	\$ 399,494	\$ 778,728	51%	\$ 750,042	53%	<i>Admin program includes \$61K in COVID-19</i>	\$ 370,042	\$ 29,452
Finance & Purchasing (120)	106,618	207,570	51%	205,570	52%		101,062	\$ 5,556
Property Management (130)	188,953	538,859	35%	533,355	35%		182,716	\$ 6,237
Environmental & Permitting (140)	53,664	195,610	27%	195,610	27%		94,579	\$ (40,915)
Port Commission Support (190)	23,712	80,350	30%	49,350	48%		25,317	\$ (1,605)
Harbor Patrol (210)	314,513	712,349	44%	666,149	47%		340,933	\$ (26,420)
Marina Management (220)	216,777	516,390	42%	511,565	42%		229,338	\$ (12,561)
Rescue Services (230)	32,617	119,260	27%	111,880	29%		65,388	\$ (32,771)
Parking Services (240)	127,495	371,526	34%	219,603	58%		196,963	\$ (69,468)
Events (250)	5,245	34,791	15%	20,591	25%		14,605	\$ (9,360)
Fuel Services (280)	265,148	590,261	45%	588,195	45%	<i>Lower expense and revenue but higher profitability FY21 over FY20</i>	392,942	\$ (127,794)
Docks, Piers, Marine Structures (310)	129,878	263,751	49%	255,501	51%			103,090
Utilities (320)	28,496	125,918	23%	123,918	23%		41,720	\$ (13,223)
Buildings (330)	163,174	389,156	42%	383,536	43%		151,991	\$ 11,183
Grounds (340)	333,662	837,988	40%	770,913	43%		386,472	\$ (52,810)
Aeration (350)	21,482	60,578	35%	55,578	39%		22,686	\$ (1,204)
Fishery Support (360)	1,164	19,460	6%	19,460	6%		2,142	\$ (978)
Capital Projects (390)	231,230	459,285	50%	459,285	50%		257,321	\$ (26,091)
Dredging Operations (400)	633,456	1,470,038	43%	1,445,038	44%		880,730	\$ (247,275)
Boatyard Operations (500)	133,550	292,540	46%	292,515	46%		141,208	\$ (7,658)
<b>OPERATING EXPENSES</b>	<b>\$ 3,410,329</b>	<b>\$ 8,064,408</b>	<b>42%</b>	<b>\$ 7,657,654</b>	<b>45%</b>	<i>Overall 15% reduction in expenditures over FY21</i>	<b>\$ 4,001,247</b>	<b>\$ (590,918)</b>
<b>OPERATING PROFIT</b>	<b>\$ 1,379,498</b>	<b>\$ 1,666,614</b>	<b>83%</b>	<b>\$ 531,960</b>	<b>259%</b>			<b>\$ 1,276,120</b>

**Santa Cruz Port District**  
**Quarterly Budget Report -- Impacts / Analysis of COVID-19**  
**For the Six Months Ending Wednesday, Sept 30, 2020**

ACCOUNT	FY21 YTD @ 9-30-20	FY 21 BUDGET	% BUDGET	BUDGET STUDY 1	% BUDGET STUDY 1	Notes	YTD 9/30/19	DIFFERENCE
<b>NON OPERATING INCOME/(EXPENSE)</b>								
Harbor Services Charge	\$ 5,310	\$ 10,000	53%	\$ 2,500	212%		\$ 3,395	\$ 1,915
Interest Income	33,355	180,000	19%	182,738	18%		79,034	(45,679)
Other Income	15,173	50,000	30%	25,000	61%	<i>Assume reduction partially due to front desk closure</i>	22,958	(7,785)
USACE Reimbursement	191,251	385,000	50%	385,000	50%		192,500	(1,249)
Grants - Federal			0%		0%		1,720	(1,720)
Grants - DBAW		30,000	0%	30,000	0%		21,471	(21,471)
County Rescue Contribution	26,249	50,000	52%	50,000	52%		24,985	1,264
Waste Oil Grant	6,994	12,000	58%	12,000	58%		3,582	3,412
Gain/(Loss) on Asset Disposal			0%				14,168	(14,168)
Cash Over/Under	(265)		0%		0%		339	(603)
Election Expense	(175)		0%					(175)
Principal Debt Payments	(641,849)	(1,285,274)	50%	(1,285,274)	50%		(619,291)	(22,558)
Capital Improvement Program	(284,454)	(590,000)	0%	-	0%		(1,517,817)	1,233,362
Capitalized Expenses / Dredge Int Fund	(202,286)	(468,091)	101%	(201,091)	101%		(169,408)	(32,878)
Depreciation	(840,009)	-	0%		0%	<i>Depreciation not budgeted / non-cash expense</i>	(849,106)	9,097
<b>NET INCOME/(LOSS)</b>	<b>\$ (311,208)</b>	<b>\$ 40,249</b>	<b>(-35%)</b>	<b>\$ (267,168)</b>	<b>116%</b>		<b>\$ (1,515,352)</b>	<b>\$ 1,204,145</b>
<b>FY21 Projected Reserve Fund Contribution</b>		\$ (127,410)		\$ -				

Santa Cruz Port District  
**Accounts Payable Monthly Check Register**  
September 2020

Date	No.	Vendor	Description	Amount
9/4/2020	53889	AA Safe & Security Co.	Truck Tool Box Keys	\$ 59.27
9/4/2020	53890	Allied Universal	Security Patrol	\$ 931.77
9/4/2020	53891	APED	I-Dock Restroom Water Heater	\$ 141.69
9/4/2020	53892	A Sign ASAP!	Marine Flea Market Banner Patch (Event Cancelled)	\$ 43.60
9/4/2020	53893	AT&T	Telephone	\$ 335.45
9/4/2020	53894	Bartel Associates, LLC	Actuarial Consulting Services - OPEB Liability	\$ 3,847.00
9/4/2020	53895	Bay Plumbing Supply, Inc.	Washers, Pipe Wrap, ABS Pipe, Fittings, Cement	\$ 49.35
9/4/2020	53896	Bayside Oil II, Inc.	Hazardous Waste Disposal	\$ 185.00
9/4/2020	53897	Big Creek	Blades, Nuts, Screws, Plywood, Tyvek Wrap, Nails	\$ 1,076.24
9/4/2020	53898	Bow Wow Pet Waste Products	Pet Waste Station Bags	\$ 282.88
9/4/2020	53899	Cale America, Inc.	Monthly Parking Machine Service	\$ 832.00
9/4/2020	53900	Carpi & Clay	Washington Representation	\$ 800.00
9/4/2020	53901	Citi Cards	Breakroom Supplies	\$ 177.72
9/4/2020	53902	Comcast	Business Internet	\$ 155.06
9/4/2020	53903	Cooper, Burleigh	Security Deposit Refund	\$ 667.00
9/4/2020	53904	Darco Printing & Paper	Printing	\$ 205.50
9/4/2020	53905	Data Ticket, Inc.	Citation Processing (July)	\$ 475.05
9/4/2020	53906	Fastenal Company	Threaded Rod, <i>Twin Lakes</i> Christmas Tree Bolts	\$ 216.79
9/4/2020	53907	FedEx Office	Shipping	\$ 132.98
9/4/2020	53908	Grainger	Sledge Hammers, Paint Brushes, Paint Hood, Toilet Seat Cover Dispensers, Disposable Gloves, Utility Blades	\$ 397.94
9/4/2020	53909	Gsolutionz	Telephone System Maintenance	\$ 199.99
9/4/2020	53910	HD Supply Facilities Maintenance, Ltd.	Sign Posts, Breakroom Supplies, Disposal Bins	\$ 363.30
9/4/2020	53911	Home Depot Credit Services	Fan, Blades, Grinder, Plumbing Kit, Spray Sock Hood, Boatyard Ways Nails, Paint Trays, Bubble Wrap, Work Pencils, Bolts, Clips, Wet/Dry Vacuum, Steel Wool, Washers, Face Coverings, Weeding Tools, Drywall, Drywall Tools, Adhesive, Hammer Drill, Tile Trim, Buckets, Valve, Hose	\$ 1,984.89
9/4/2020	53912	Horizon Water and Environment, LLC	Consulting Services: Regional General Permit Application	\$ 3,488.75
9/4/2020	53913	Hose Shop	<i>Twin Lakes</i> Transmission Hose, Sleeve, Fittings	\$ 726.79
9/4/2020	53914	Hurst, Chris	Security Deposit Refund	\$ 256.25
9/4/2020	53915	Kelly-Moore Paint Company, Inc.	<i>Twin Lakes</i> Primer	\$ 831.90
9/4/2020	53916	Kitchell, Joseph	Security Deposit Refund	\$ 511.60
9/4/2020	53917	Large's Metal Fabrication, Inc.	Metal - <i>Twin Lakes</i> Water Intake Frame	\$ 42.51
9/4/2020	53918	Marine Lien Sale Service	Lien Sale Fees	\$ 160.00
9/4/2020	53919	Marquez, Paul	Security Deposit Refund	\$ 767.00
9/4/2020	53920	McDermott, Dick	Parking Space Rental - 497 Lake Avenue	\$ 150.00

Santa Cruz Port District  
**Accounts Payable Monthly Check Register**  
September 2020

Date	No.	Vendor	Description	Amount
9/4/2020	53921	McMaster-Carr Supply Company	Sanding Discs, Heat Shrink Tubing, Gaskets, <i>Twin Lakes</i> Nuts & Bolts, Trailer Bolt Sleeves, <i>Dauntless</i> Shafts, Padlocks, Binding Barrels & Screws, <i>Dauntless</i> Steering Indicator Linkage	\$ 1,466.68
9/4/2020	53922	McVay, Don	Credit Balance Refund	\$ 126.98
9/4/2020	53923	Mesiti-Miller Engineering, Inc.	Consulting Services: Aldo's Seawall Replacement Project, 7th & Brommer Property Assessment	\$ 13,478.50
9/4/2020	53924	Mid County Auto Supply	Filters, Oil, Rags	\$ 91.04
9/4/2020	53925	Mission Uniform Service	Uniform Service	\$ 309.10
9/4/2020	53926	Monterey Bay Marine	Dredge Skiff Repair & Maintenance	\$ 712.80
9/4/2020	53927	Murray, Max	Security Deposit Refund	\$ 591.70
9/4/2020	53928	Nicholas Henning	Refuse Collection	\$ 3,500.00
9/4/2020	53929	Pacific Gas & Electric Company	Utilities	\$ 16,479.29
9/4/2020	53930	Palace Art & Office Supply	Office Supplies, Clorox Wipes, Disinfectant	\$ 263.17
	53931	VOID		
9/4/2020	53932	PDM Steel Service Centers, Inc.	Sheet Metal	\$ 361.72
9/4/2020	53933	Praxair Distribution Inc.	Welding Supplies	\$ 236.83
9/4/2020	53934	Quadient, Inc.	Postage	\$ 500.00
9/4/2020	53935	Quadient Leasing USA, Inc.	Postage Meter Lease	\$ 178.92
9/4/2020	53936	Randazzo Enterprises, Inc.	Vessel Disposal (SAVE Grant Reimbursable)	\$ 7,488.14
9/4/2020	53937	Red Hills Environmental, LLC	2020-2021 Sampling and Analysis Plan Tier 1 Determination	\$ 15,000.00
9/4/2020	53938	San Lorenzo	Nail Pullers	\$ 61.38
9/4/2020	53939	SC Fuels	Fuel Dock Gas & Diesel	\$ 26,546.22
9/4/2020	53940	Scheidt & Bachmann	Concession Lot Communication Upgrade	\$ 250.00
9/4/2020	53941	Santa Cruz Municipal Utilities	Utilities	\$ 17,579.35
9/4/2020	53942	Shaw, Brett	Credit Balance Refund	\$ 89.90
9/4/2020	53943	Staples Credit Plan	Office Supplies	\$ 128.66
9/4/2020	53944	Svensden's Boat Works	<i>Twin Lakes</i> Snorkel Paint	\$ 167.13
9/4/2020	53945	The Home Depot Pro Institutional	Hand Soap	\$ 285.97
9/4/2020	53946	US Relay	Webcam Service	\$ 484.00
9/4/2020	53947	Verizon Wireless	Cell Phone & Tablet Service	\$ 315.92
9/4/2020	53948	Washington Chain & Supply, Inc.	Buoy Chain	\$ 1,017.53
9/4/2020	53949	West Coast Wire Rope	<i>Twin Lakes</i> Shackles, Wire Rope, Lubricant	\$ 19,321.10
9/4/2020	53950	West Marine Pro	Marine Power Receptacle, Boat Line & Snaps, <i>Almar</i> Tube Repair	\$ 391.59
9/4/2020	53951	AT&T Mobility	Tablet Service	\$ 235.00
9/4/2020	53952	Randazzo Enterprises, Inc.	Vessel Disposal (Commercial Vessel - Not SAVE Grant Reimbursable)	\$ 462.00

Santa Cruz Port District  
**Accounts Payable Monthly Check Register**  
September 2020

Date	No.	Vendor	Description	Amount
9/18/2020	53953	Ace Portable Services	Portable Toilet Rental, Boatyard Hand Washing Station	\$ 337.78
9/18/2020	53954	Allied Administrators for Delta Dental	Dental Insurance	\$ 5,623.15
9/18/2020	53955	Allied Universal	Security Patrol	\$ 682.08
9/18/2020	53956	AT&T	Telephone	\$ 775.81
9/18/2020	53957	Atchison Barisone Condotti & Kovacevich	Legal Consultation, Litigation, Audit Review	\$ 735.50
9/18/2020	53958	CIT	Copier Lease	\$ 323.09
9/18/2020	53959	Bay Building Janitorial, Inc.	COVID-19 Sanitation Services	\$ 6,200.00
9/18/2020	53960	Bay Plumbing Supply, Inc.	493 Lake Ave Restroom Faucet Cartridge, Concession Lot Restroom Split Ring Flange	\$ 314.14
9/18/2020	53961	Brass Key Locksmith, Inc.	Dredge Vehicle Keys	\$ 395.10
9/18/2020	53962	Burke, Williams & Sorensen, LLP	Legal Consultation: Audit Review	\$ 2,502.50
9/18/2020	53963	Byte Technology	Website Maintenance	\$ 332.50
9/18/2020	53964	Comcast	Business Internet & Cable	\$ 335.54
9/18/2020	53965	Complete Mailing Service	Statement Mailing & Postage	\$ 545.96
9/18/2020	53966	Computer Technical Specialists, Inc.	E-mail Scanning & Backup	\$ 731.65
9/18/2020	53967	Corr, Andrew	Key Deposit Refund	\$ 40.00
9/18/2020	53968	County of Santa Cruz Auditor	Citation Tax (June & July)	\$ 4,875.50
9/18/2020	53969	Crystal Springs Water Co.	Boatyard Drinking Water	\$ 29.25
9/18/2020	53970	Electro Specialties	Boatyard Retail Items	\$ 75.32
9/18/2020	53971	Fastenal Company	Drill Bit & Extractor Set	\$ 114.95
9/18/2020	53972	Garda CL West, Inc.	Deposit Courier Service	\$ 324.63
9/18/2020	53973	Grainger	Stop Signs, Hard Hat Inserts	\$ 196.54
9/18/2020	53974	HD Supply Facilities Maintenance, Ltd.	Foot Valve	\$ 82.82
9/18/2020	53975	Home Depot Credit Services	Water Heater, Hose Line, Painting Supplies, Tile Trim, Tile Blades, Mortar, Sponge, Grout, Grouting Tool, Signs, Bucket, Caulking, Underlayment, Electrical Box, Ring Valve, Epoxy, Pipe Fittings, Lights, Primer, Screws, Washers, Bits, Nails, Latex Gloves, Toilet Seats, ADA Grab Bars, Signage, Zinc Screws, Battery, Paint Trays, Brushes, Cement, Moisture Barrier	\$ 2,462.96
9/18/2020	53976	Hose Shop	<i>Twin Lakes</i> Christmas Tree Fittings	\$ 400.93
9/18/2020	53977	Hutchinson & Bloodgood LLP	Fiscal Year 2020 Audit Services	\$ 24,000.00
9/18/2020	53978	Jason Laine	Travel Expense Reimbursement: Crane Training	\$ 299.20
9/18/2020	53979	Jim Clark	Annual Backflow Testing	\$ 377.49
9/18/2020	53980	Jorgensen, Siegel, McClure & Flegel, LLP	Audit Review Services	\$ 137.50
9/18/2020	53981	Kelly-Moore Paint Company, Inc.	Dredge Primer	\$ 1,109.19
9/18/2020	53982	Lawson	Nuts, GFI Tester	\$ 619.40
9/18/2020	53983	Lighthouse Welding	<i>Twin Lakes</i> Christmas Tree Welding	\$ 1,272.50

Santa Cruz Port District  
**Accounts Payable Monthly Check Register**  
September 2020

Date	No.	Vendor	Description	Amount
9/18/2020	53984	Matheson Tri-Gas, Inc.	Welding Gas	\$ 335.11
9/18/2020	53985	Maxim Crane Works	Crane Repair - Outrigger Jacks	\$ 6,440.78
9/18/2020	53986	McMaster-Carr Supply Company	Screw-Pin Shackle, Hex Nuts	\$ 199.93
9/18/2020	53987	Mission Uniform Service	Uniform Service	\$ 285.67
9/18/2020	53988	Operating Engineers Local Union No. 3	Union Dues (Payroll Deduction)	\$ 325.00
9/18/2020	53989	Pacific Gas & Electric Company	Utilities	\$ 13,596.60
9/18/2020	53990	Paonessa, Ryan	Security Deposit Refund	\$ 120.92
9/18/2020	53991	Peace Officers Research Association of California	Association Dues (Payroll Deduction)	\$ 216.00
9/18/2020	53992	PORAC Legal Defense Fund	Association Dues (Payroll Deduction)	\$ 336.00
9/18/2020	53993	Praxair Distribution Inc.	Welding Gas	\$ 88.16
9/18/2020	53994	Riverside Lighting & Electric	Breakers, Lights, Fuses, Wire Stripper, Trim Screws, Conduit, PVC Cement	\$ 321.43
9/18/2020	53995	Robinson, Jerry	Security Deposit Refund	\$ 55.73
9/18/2020	53996	Rowe Machinery	<i>Twin Lakes</i> Bushings & Shaft Work	\$ 2,009.87
9/18/2020	53997	RR Donnelley	Parking Citation Books	\$ 2,864.13
9/18/2020	53998	Santa Cruz Electronics, Inc.	Back Gate Parking Switch	\$ 8.67
9/18/2020	53999	SC Fuels	<i>Twin Lakes</i> Jet Pump Oil, Fuel Dock Gas & Diesel	\$ 16,530.33
9/18/2020	54000	Santa Cruz Municipal Utilities	Utilities	\$ 4,869.41
9/18/2020	54001	Svensden's Boat Works	Boatyard Retail Items	\$ 315.08
9/18/2020	54002	Taber, Don	Security Deposit Refund	\$ 1,103.52
9/18/2020	54003	Tandoi, Steven	Travel Expense Reimbursement: Crane School	\$ 127.87
9/18/2020	54004	Triton Construction	Fuel Dock Pump Repair	\$ 1,123.21
9/18/2020	54005	U.S. Bank Equipment Finance	Copier Lease	\$ 151.32
9/18/2020	54006	WEX Bank	Fleet Fuel	\$ 1,852.04
9/18/2020	54007	West Marine Pro	Bottom Paint, PFDs, Acetone, Lettering Kit, Rags	\$ 1,120.71
9/18/2020	54008	FedEx Office	Shipping	\$ 33.67
9/18/2020	54009	Mid County Auto Supply	Truck Hitch Adapter, Tire Patch Kit, Shop Rags, Filters, Oil	\$ 356.23
9/18/2020	54010	FedEx Office	Shipping	\$ 72.08
9/18/2020	54011	Mid County Auto Supply	Tire Patch Kit	\$ 20.60
9/30/2020	54012	Employee #24	Vacation Payout	\$ 1,046.76
9/30/2020	54013	Fiesta Marine Products, Inc.	1st Installment: Water Taxi Replacement	\$ 18,500.00
9/30/2020	54014	Employee #52	Vacation Payout	\$ 1,314.26
9/4/2020	Various	Various Employees	8/16/20-8/31/20 Payroll	\$ 10,492.20
9/18/2020	Various	Various Employees	9/1/20-9/15/20 Payroll	\$ 9,731.23
9/1/2020	EFT	PAYCHEX	Time & Attendance Fees	\$ 109.25

Santa Cruz Port District  
**Accounts Payable Monthly Check Register**  
September 2020

Date	No.	Vendor	Description	Amount
9/1/2020	EFT	Merchant Services	Online Billpay Credit Card Fees	\$ 261.55
9/1/2020	EFT	Merchant Services	Parking Machine Credit Card Fees	\$ 5,153.35
9/1/2020	EFT	Merchant Services	Boatyard Credit Card Fees	\$ 395.89
9/1/2020	EFT	Gravity Payments	Front Desk Credit Card Fees	\$ 1,725.89
9/1/2020	EFT	ElectronicPayments	Fuel Dock Credit Card Fees	\$ 718.86
9/1/2020	EFT	Transaction Express	ACH Fees	\$ 411.57
9/4/2020	EFT	PAYCHEX	Payroll Service Fees	\$ 442.37
9/4/2020	EFT	PAYCHEX	8/16/20-8/31/20 Payroll Direct Deposit	\$ 59,013.13
9/4/2020	EFT	PAYCHEX	8/16/20-8/31/20 Payroll Taxes	\$ 29,628.47
9/8/2020	EFT	CalPERS	Health Insurance	\$ 38,369.63
9/8/2020	EFT	CalPERS	Annual GASB68 Reporting Fee	\$ 1,050.00
9/8/2020	EFT	CalPERS	Retirement Contributions (Employer & Employee)	\$ 7,855.40
9/8/2020	EFT	CalPERS	Retirement Contributions (Employer & Employee)	\$ 6,818.61
9/8/2020	EFT	CalPERS	Retirement Contributions (Employer & Employee)	\$ 573.99
9/8/2020	EFT	Comerica Commercial Card Services	Replacement Fuel Hose, 333 Lake Avenue Signage (\$712.85 Tenant Reimbursable), Concession Lot Parking Decals, Shipping, Office Space Advertising, Recruitment Advertising, H2S Sensor Calibration, GoToMeeting Subscription, Booster Pump Service Water Repair, Workplace App Subscription, Prosper Forms Subscription, Smartsheet Subscription, Crane School Deposit, Office Supplies, <i>Dauntless</i> Documentation, Annual California Hazardous Materials Manifest Filing, Maintenance Vehicle Winch & Cradle, Toilet Paper Dispenser, <i>Twin Lakes</i> Pipe Couplings, Rubber Roof Coating, Maintenance Vehicle Seat Covers & Floor Mats, Maintenance Vehicle Air Bags, De-Escalation of Force Training, Boatyard Retail Items, Metal Absorbing Sponges, Grinder Cutoff Wheels	\$ 12,402.06
9/9/2020	EFT	Empower Retirement	457 Payments (Payroll Deduction)	\$ 2,618.45
9/10/2020	EFT	Comerica Bank	Service Charges	\$ 1,349.52
9/10/2020	EFT	Gravity Payments	Front Desk Credit Card Gateway	\$ 17.64
9/17/2020	EFT	CalPERS	Unfunded Accrued Liability	\$ 25,304.62
9/17/2020	EFT	CalPERS	Unfunded Accrued Liability	\$ 2,541.93
9/17/2020	EFT	CalPERS	Unfunded Accrued Liability	\$ 524.14
9/17/2020	EFT	CalPERS	Retirement Contributions (Employer & Employee)	\$ 7,915.37
9/17/2020	EFT	CalPERS	Retirement Contributions (Employer & Employee)	\$ 6,829.99
9/17/2020	EFT	CalPERS	Retirement Contributions (Employer & Employee)	\$ 591.12
9/18/2020	EFT	Empower Retirement	457 Payments (Payroll Deduction)	\$ 2,571.12
9/18/2020	EFT	PAYCHEX	Payroll Service Fees	\$ 453.78
9/18/2020	EFT	PAYCHEX	9/1/20-9/15/20 Payroll DD	\$ 57,575.89



Santa Cruz Port District  
**Accounts Payable Monthly Check Register**  
September 2020

<b>Date</b>	<b>No.</b>	<b>Vendor</b>	<b>Description</b>	<b>Amount</b>
9/18/2020	EFT	PAYCHEX	9/1/20-9/15/20 Payroll Taxes	\$ 28,207.83
9/30/2020	EFT	Deluxe For Business	Accounts Payable Checks & Envelopes	\$ 1,110.27
9/30/2020	EFT	Windcave, Inc.	Concession Lot Credit Card Fees	\$ 726.28
<b>Total September 2020 Disbursements</b>				<b>\$ 604,101.36</b>



TO: Port Commission  
FROM: Blake Anderson, Harbormaster  
DATE: October 15, 2020  
SUBJECT: Harbormaster's Report

### SAVE Grant Award

The District was awarded a Surrendered and Abandoned Vessel Exchange (SAVE) Grant in the amount of \$30,500 on October 12, 2020. The grant allows the District to continue its work of removing and disposing of abandoned and unwanted vessels in an environmentally sound manner. The grant period runs through September 2022.

### Coast Guard Training - Half Moon Bay

Deputy Harbormaster staff participated in a training exercise hosted by Pillar Point Harbor Patrol (PPHP) and USCG Air Station San Francisco on September 19, 2020. The training included an overview of PPHP's operational functions, general area familiarization, and marina management challenges. Staff participated in air operations training and helicopter hoist evolutions aboard PPHP's patrol vessel. Evolutions included working with aircraft to simulate patient/victim extrication from both moving and stationary platforms.



### Basic Maritime Officers Course (BMOOC) Training

One Reserve Deputy Harbormaster completed a two-week Basic Maritime Officers Course in Long Beach, CA. The 80-hour POST certified course is for marine patrol officers that actively enforce California boating laws. This course covers boating terminology, boat handling skills, navigation, weather, boating law, trailering, launching, recovery, marlinespike, vessel stops, response to emergencies, and water survival. Travel expenses associated with the training are reimbursable to the District through the CA Division of Boating and Waterways Law Enforcement Training Program.

### Santa Cruz Yacht Club Dry Storage - Resurfacing and Paving Project

The Santa Cruz Yacht Club completed resurfacing the mast-up dry storage yard on October 9, 2020. Staff worked with representatives from the Yacht Club to organize storage for displaced boats while the project took place. Vessels were stored outside the yard in the southwest parking areas with minimal disruption to general parking availability. In addition to the resurfacing, a section of damaged asphalt was replaced between E-Dock and the main dry storage gate.



### Quarterly Fire/Lifeguard Training

Staff participated in a quarterly training with Central / Aptos Fire Department on September 23, 2020. Training included rescue swimmer boat orientation, equipment review, radio communications, victim retrieval, and operational guidelines for nearshore response.

### National Guard - Charter Event

Eight Santa Cruz Harbor-based charter vessels donated trips to members of the California National Guard on the evening of September 27, 2020. Our local charter fleet served over 100 members of the Guard as a “thank you” for serving in Santa Cruz County since March. Members served at local food banks throughout the COVID-19 crisis and were also involved in the CZU Lightning Complex fire response and evacuation shelter services. Their deployment ended on September 30, 2020.

### California Environmental Reporting System (CERS) Training

Staff participated in an annual Hazardous Waste training on September 14, 2020, hosted by ROI Safety Services. The training focused on compliance with the California Environmental Reporting System, which monitors the use and disposal of chemicals deemed hazardous by the State of California. The training included a walkthrough of waste generating facilities including the boatyard, the maintenance yard, and the dredge yard.

### Fisheries Report

The fisheries report consists of data from two sources: the Department of Fish and Wildlife (DFW) and the H&H Fresh Fish (resident fish buyer). The data from DFW is partially redacted in accordance with federal fisheries laws. Data is considered confidential when less than three separate vessels land species at any one port. For species landed by three or more separate vessels, the full data is made public and includes weight. For other data, the species landed is shown with no weight data.

#### **September 2020 – Total Port Landings (Including Resident Buyer):**

Species	Weight (lbs.)	Ex-Vessel (per lbs.)	Approx. Value
Chinook Salmon	271.40	\$9.00	\$2,442.60
CA Halibut	12,854.70	\$6.00	\$77,128.20
Vermillion Rockfish	246.40	\$2.00	\$492.80
Lingcod	491.70	\$3.00	\$1,475.10
Starry Flounder	214.25	\$2.00	\$428.50
Jack Mackerel	145.75	\$2.00	\$291.50
Canary Rockfish	43.05	\$2.00	\$45.05
Yellowtail Rockfish	178.60	\$2.00	\$357.2
Sablefish (Blackcod)	2,408.70	\$3.25	\$7,828.27
Petrale Sole	21.50	\$3.00	\$64.50
<b>Total Ex-Vessel:</b>			<b>\$90,553.72</b>

Species also landed\* - Albacore Tuna, Rockfish (various species), Pacific Pompano, Pacific Mackerel, Jacksmelt, White Croaker, Northern Anchovy, Rock Crab, Pomfret, Pacific Sardine, Soles

*\*weight data redacted by Fish and Wildlife pursuant to Fish and Game Code, Section 8022.*

#### **September 2020 – Resident Buyer Landings:**

Species	Weight (lbs.)	Ex-Vessel (per lbs.)	Approx. Value
Chinook Salmon	37.60	\$9.00	\$338.40
CA Halibut	5,412.45	\$6.00	\$32,474.70
Rockfish	2,068.60	\$2.00	\$4,137.2
Petrale Sole	10.30	\$3.00	\$30.9
Starry Flounder	159.70	\$2.00	\$319.4
Pacific Mackerel	40.35	\$2.00	\$80.7
Lingcod	184.10	\$3.00	\$552.3
Sablefish (Blackcod)	512.30	\$3.25	\$1,664.97
<b>Total Ex-Vessel:</b>			<b>\$39,598.57</b>

## Santa Cruz Port District

### Facilities and Engineering Manager's Report

Public Meeting of October 27, 2020

#### Dredging

##### Twin Lakes

The following are updates on the repairs needed prior to the start of entrance dredging:

- The AVR (Automatic Voltage Regulator) has been changed out on the stand by generator, but it did not correct the high voltage problem. Staff contacted Valley Power to troubleshoot, and when the technician arrived, the generator stalled and would not start. We are currently working on this and are hoping to get it resolved quickly. Staff is installing a temporary generator so we can run the navigation lights and the cathodic protection system.
- The VFD (Variable Frequency Drive) mainboard was replaced and is operational.
- A new wiring harness was installed on the Caterpillar C-19, and the engine was properly bonded to the hull. As of right now, the C-18 is running well with no pending issues.

##### North Harbor

North Harbor dredging commenced on October 1, 2020. The crew is currently digging the turning basin at J-dock and will then head north into the X/J channel. The crew is currently working a rotating overtime schedule to ensure 2-3 crewmembers are available to dredge on Fridays, which is a regularly scheduled day off.

##### Twin Lakes Move

*Twin Lakes* was moved from her off-season mooring to the entrance channel on October 15, 2020. Staff did a great job moving her to the mooring.

#### Maintenance

##### Boatyard Ways

Staff replaced two 8"x16" beams that support the boatyard ways and added two steel I-beams to strengthen the ways and preserve lifting capacity. Staff completed the project in three days.

##### Grounds

Weeding, pruning, and other grounds work will continue as time allows until it is complete.

##### Yards

Both the maintenance and dredge yards were cleaned and pressured washed for the second time in accordance with the District's Storm Water Pollution Prevention Plan. This tactic is proving to be successful in ensuring compliance with regulatory permits.

##### Water Leaks

Crews replaced the water lines on C-dock and I-dock. C-dock water line failed due to rubbing on the sand and the I-dock fire line failed due to a crimp fitting failure. Both lines were replaced and are in good working order.

## **Miscellaneous**

The McElroy fusion machine sold on public surplus for \$13,500. Funding will be allocated to the dredge intermediate fund.

The 1997 Dodge truck sold on public surplus for \$4,050.

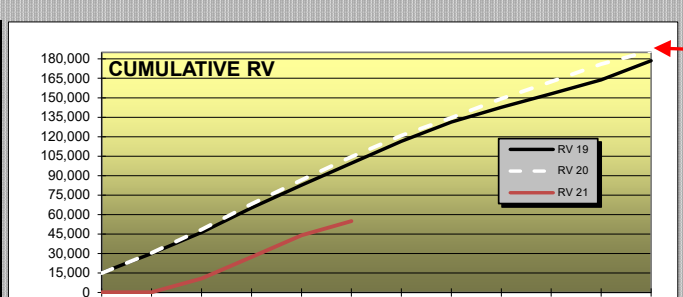
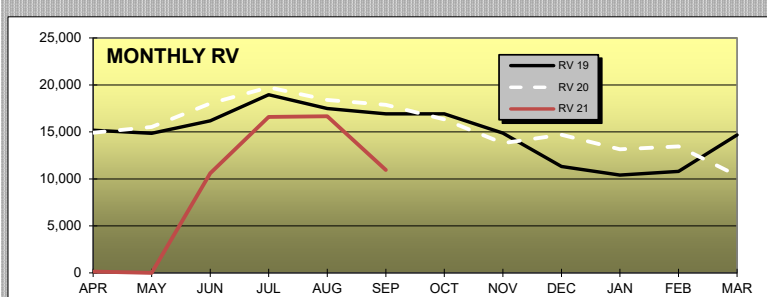
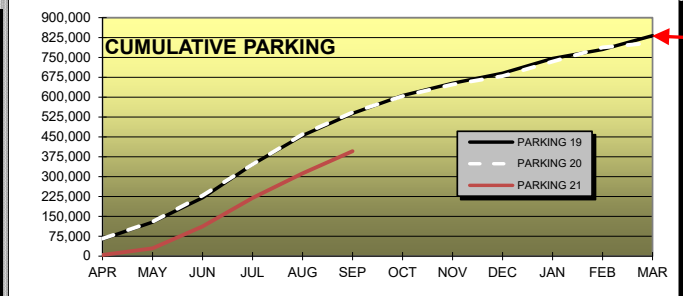
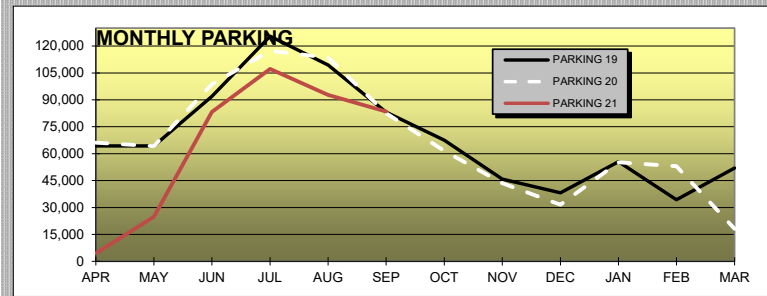
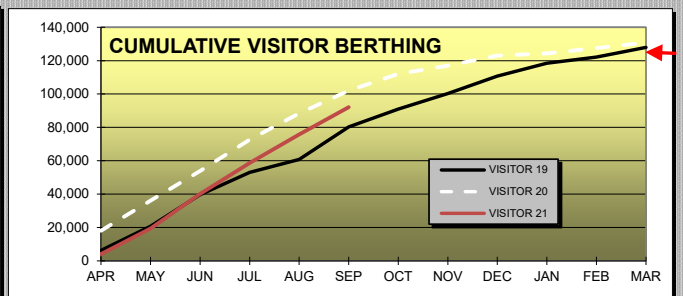
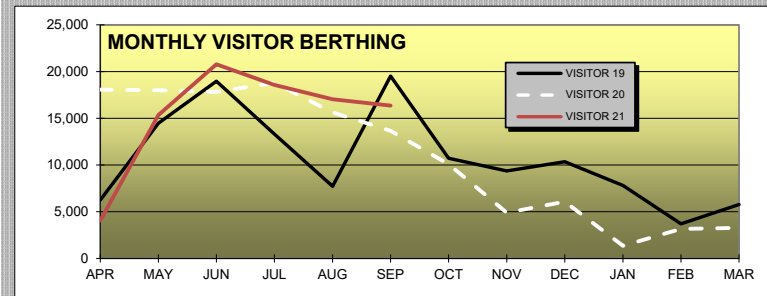
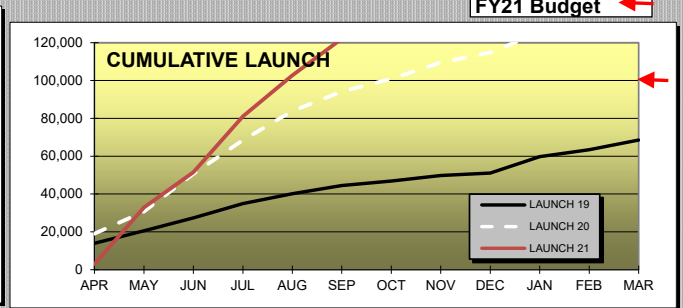
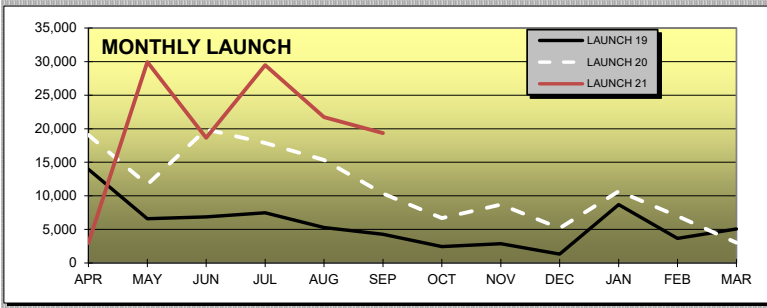
## **Upcoming Projects**

Federal entrance channel dredging will commence on November 2, 2020.

Work to rebuild the north side of the building at 333 Lake Avenue is scheduled to commence at the beginning of November.

Crews will be installing two more steel I-beams on the boatyard ways on November 10, 2020.

# SEASONAL INCOME





EMPLOYEE COUNT AT 9/30/20

**FTE%**  
**Regular Unrepresented**

ADMIN	Eldridge, Mark	100.0%		Accounting Technician II
ADMIN	Ghisletta, Renee	100.0%		Administrative Assistant I
ADMIN	MacLaurie, Holland	100.0%		Admin. Services Manager
ADMIN	Olin, Marian	100.0%		Port Director
FACILITIES	Acevedo, Arturo	100.0%		Maintenance Worker II
FACILITIES	Erevia, Vincent		var	Temporary Harbor Dredge Worker
FACILITIES	Goering, Bryce	100.0%		Harbor Dredge Worker I
FACILITIES	Gullo, Nicholas	100.0%		Supervising Maint. Worker
FACILITIES	Kerkes, Matt	100.0%		Facilities, Maint & Engineering Mgr
FACILITIES	Laine, Jason	100.0%		Harbor Dredge Worker II
FACILITIES	Lopez, Jorge	100.0%		Maintenance Worker II
FACILITIES	Marty, Randy	100.0%		Maintenance Worker III
FACILITIES	Ramos, Brenda	100.0%		Facilities Coordinator
FACILITIES	Rodriguez, Brian		var	Weekend Janitorial
FACILITIES	Simoni, Daniel	100.0%		Harbor Dredge Worker I
FACILITIES	Stipanovich, Rory	100.0%		Supervising Dredge Worker
FACILITIES	Tandoi, Steven	100.0%		Harbor Dredge Worker II
FACILITIES	Vera, Jose	100.0%		Maintenance Worker II
FACILITIES	Wagoner, Joshua	100.0%		Harbor Dredge Worker III
OPERATIONS	Agnew, John	100.0%		Deputy Harbormaster
OPERATIONS	Amundson, Greg		var	Reserve Deputy Harbormaster
OPERATIONS	Anderson, Blake	100.0%		Interim Harbormaster
OPERATIONS	Bravo, Taurean		var	Parking Control
OPERATIONS	Gitler, Mark		var	Operations Assistant & Dredge Monitor
OPERATIONS	Gottlieb, Landon	100.0%		Deputy Harbormaster
OPERATIONS	Hann, Alfred		var	Operations Assistant & Dredge Monitor
OPERATIONS	Hill, David	100.0%		Deputy Harbormaster
OPERATIONS	King, Kevin	100.0%		Deputy Harbormaster
OPERATIONS	Kinnamon, Don	100.0%		Senior Deputy Harbormaster
OPERATIONS	Kurrle, Madison		var	Parking Control
OPERATIONS	Loelhoeffel, Katrin		var	Operations Assistant
OPERATIONS	Melrose, Kevin	100.0%		Boatyard Crew
OPERATIONS	Melrose, Peter		var	Parking Control
OPERATIONS	Melrose, Richard		var	Operations Assistant
OPERATIONS	Rank, Jordan	100.0%		Deputy Harbormaster
OPERATIONS	Rothwell, Niki	100.0%		Customer Service Rep.
OPERATIONS	Rothwell, Sean	100.0%		Deputy Harbormaster
OPERATIONS	Stephenson, Ryan	100.0%		Boatyard Supervisor

**Total FTE's**            28



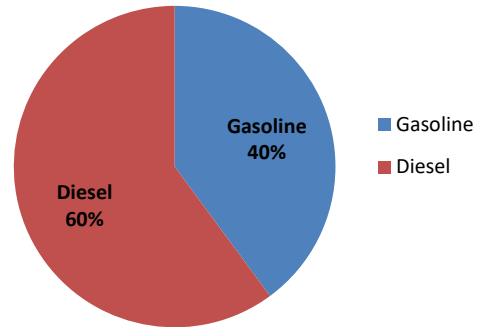
**Quarterly Budget Report as of September 30, 2020:**

**Please refer to agenda item 11.**

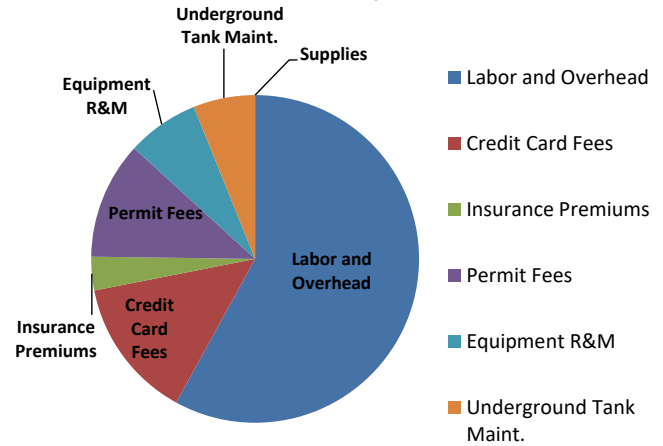
**Santa Cruz Port District  
Quarterly Fuel Dock Report  
For the Three Months Ended September 30, 2020**

	FY 2021		% of Budget
	QTD Jul - Sep	YTD Apr - Sep	
<b>Fuel Dock Revenue</b>			
Gasoline	\$90,614	\$168,020	59%
Diesel	\$128,856	\$253,189	63%
<b>Total Revenue</b>	<b>\$219,470</b>	<b>\$421,209</b>	<b>52%</b>
<b>Cost of Sales</b>			
Gasoline	\$68,635	\$118,787	49%
Diesel	\$49,682	\$117,170	40%
<b>Total Cost of Sales</b>	<b>\$118,317</b>	<b>\$235,957</b>	<b>50%</b>
<b>Gross Profit</b>	<b>\$101,153</b>	<b>\$185,251</b>	
<b>Operating Expenses</b>			
Labor and Overhead	\$8,879	\$16,929	58%
Credit Card Fees	\$2,453	\$4,061	54%
Insurance Premiums	\$484	\$967	24%
Permit Fees	\$0	\$3,380	89%
Equipment R&M	\$2,073	\$2,073	83%
Underground Tank Maint.	\$300	\$1,781	36%
Supplies	\$0	\$0	0%
<b>Total Operating Expenses</b>	<b>\$14,188</b>	<b>\$29,191</b>	<b>49%</b>
<b>Net Profit / (Loss)</b>	<b>\$86,965</b>	<b>\$156,061</b>	
<b>Profit Margin</b>	<b>40%</b>	<b>37%</b>	

**Fuel Dock Revenue**

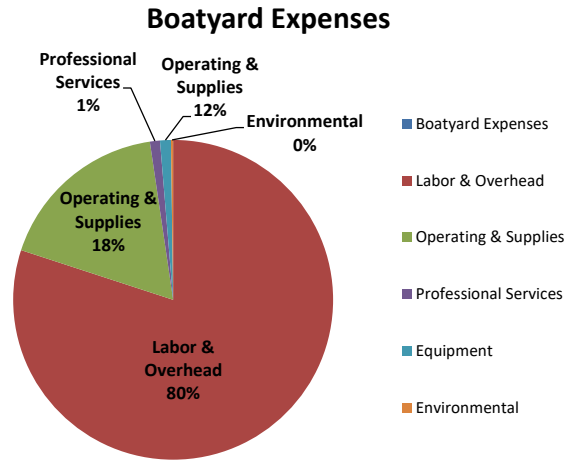
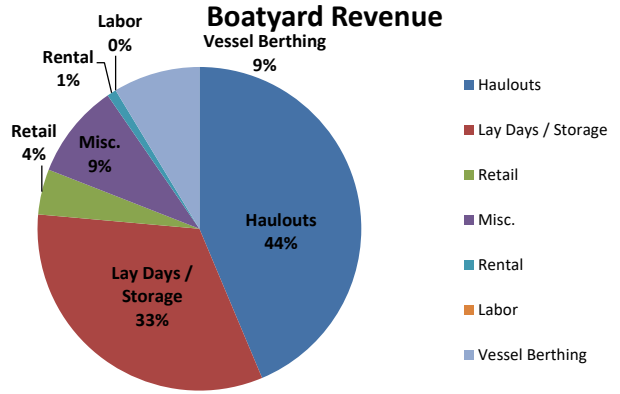


**Fuel Dock Expenses**



**Santa Cruz Port District  
Quarterly Boatyard Report  
For the Three Months Ended September 30, 2020**

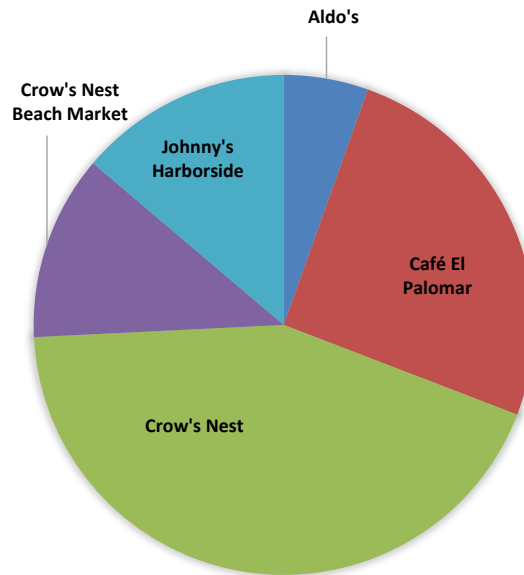
	QTD Jul - Sep	YTD Apr - Sep	% of Budget
<b>Boatyard Revenue</b>			
Haulouts	\$32,920	\$72,461	58%
Lay Days / Storage	\$26,200	\$54,337	54%
Retail	\$4,081	\$7,517	72%
Misc.	\$7,382	\$15,709	63%
Rental	\$595	\$1,540	62%
Labor	\$0	\$0	0%
Vessel Berthing	\$6,437	\$14,364	48%
<b>Total Revenue</b>	<b>\$77,614</b>	<b>\$165,928</b>	<b>57%</b>
<b>Boatyard Expenses</b>			
Labor & Overhead	\$53,931	\$103,337	49%
Operating & Supplies	\$11,217	\$22,782	40%
Professional Services	\$187	\$1,310	44%
Equipment	\$1,089	\$1,415	20%
Environmental	\$90	\$282	6%
Cost of Goods Sold	\$2,974	\$4,425	44%
<b>Total Operating Expenses</b>	<b>\$69,489</b>	<b>\$133,550</b>	<b>46%</b>
<b>Net Profit / (Loss)</b>	<b>\$8,125</b>	<b>\$32,377</b>	



**Santa Cruz Port District  
Quarterly Concession Rent Report  
For the Three Months Ended September 30, 2020**

	FY 2021	
	QTD Jul - Sep	YTD Apr - Sep
<b>Base Rent</b>		
Aldo's	5,622	11,244
Café El Palomar	41,199	82,398
Crow's Nest	-	37,698
Crow's Nest Beach Market	17,862	35,724
Johnny's Harborside	22,401	44,802
<b>Total Base Rent</b>	<b>87,084</b>	<b>211,866</b>
<b>% Rent</b>		
Aldo's	\$6,942	\$6,503
Café El Palomar	\$0	\$0
Crow's Nest	\$81,687	\$103,157
Crow's Nest Beach Market	\$3,178	\$3,178
Johnny's Harborside	\$0	\$0
<b>Total % Rent</b>	<b>\$91,807</b>	<b>\$112,838</b>
<b>Total Rent</b>		
Aldo's	\$12,564	\$17,747
Café El Palomar	\$41,199	\$82,398
Crow's Nest	\$81,687	\$140,855
Crow's Nest Beach Market	\$21,040	\$38,902
Johnny's Harborside	\$22,401	\$44,802
<b>Total Rent</b>	<b>\$178,891</b>	<b>\$324,704</b>

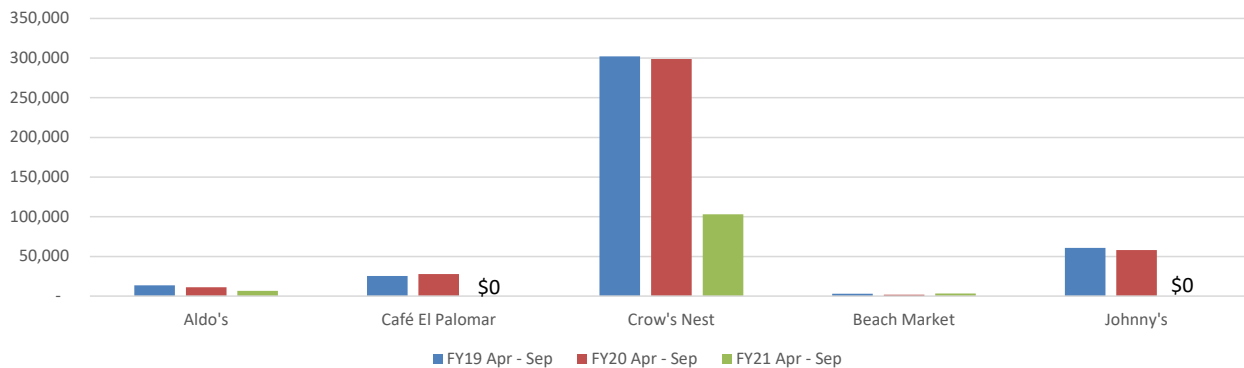
**TOTAL CONCESSION RENT YTD**



**YTD 3-Year Concession % Rent**

Tenant	FY19 Apr - Sep	FY20 Apr - Sep	FY21 Apr - Sep
Aldo's	13,702	11,287	6,503
Café El Palomar	25,285	27,741	-
Crow's Nest	302,170	298,733	103,157
Beach Market	2,930	1,658	3,178
Johnny's	60,828	58,022	-

**PERCENTAGE RENT YTD**



California State Treasurer  
**Fiona Ma, CPA**



Local Agency Investment Fund  
 P.O. Box 942809  
 Sacramento, CA 94209-0001  
 (916) 653-3001

October 19, 2020

[LAIF Home](#)  
[PMIA Average](#)  
[Monthly Yields](#)

SANTA CRUZ PORT DISTRICT

PORT DIRECTOR  
 135 5TH AVENUE  
 SANTA CRUZ, CA 95062

[Tran Type Definitions](#)

**Account Number:**

September 2020 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Web Confirm Number	Authorized Caller	Amount
9/16/2020	9/16/2020	RD	1654243	N/A	MARIAN OLIN	350,000.00
9/29/2020	9/28/2020	RD	1654953	N/A	MARIAN OLIN	300,000.00

**Account Summary**

Total Deposit:	650,000.00	Beginning Balance:	9,176,867.05
Total Withdrawal:	0.00	Ending Balance:	9,826,867.05



# PMIA/LAIF Performance Report as of 10/14/20



## PMIA Average Monthly Effective Yields<sup>(1)</sup>

Sep	0.685
Aug	0.784
Jul	0.920

## Quarterly Performance Quarter Ended 09/30/20

LAIF Apportionment Rate <sup>(2)</sup> :	0.84
LAIF Earnings Ratio <sup>(2)</sup> :	0.00002309407394024
LAIF Fair Value Factor <sup>(1)</sup> :	1.004114534
PMIA Daily <sup>(1)</sup> :	0.65%
PMIA Quarter to Date <sup>(1)</sup> :	0.80%
PMIA Average Life <sup>(1)</sup> :	169

## Pooled Money Investment Account Monthly Portfolio Composition <sup>(1)</sup> 09/30/20 \$109.2 billion

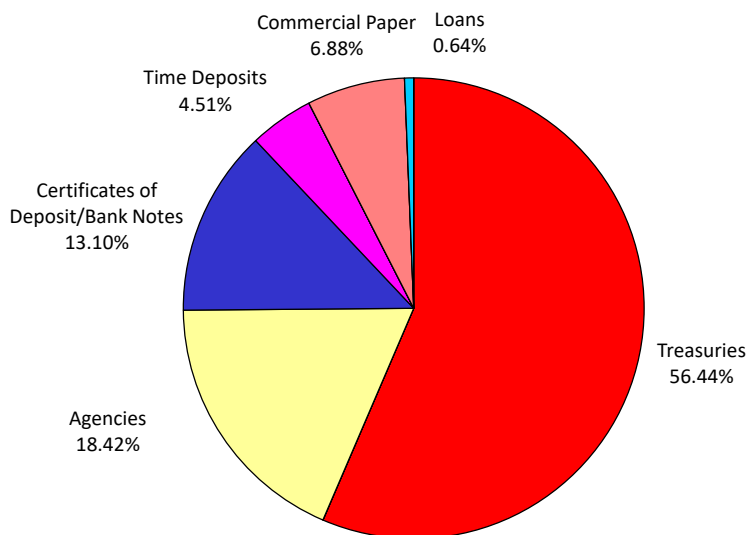


Chart does not include 0.01% of mortgages. Percentages may not total 100% due to rounding.

Daily rates are now available here. [View PMIA Daily Rates](#)

Notes: The apportionment rate includes interest earned on the CalPERS Supplemental Pension Payment pursuant to Government Code 20825 (c)(1) and interest earned on the Wildfire Fund loan pursuant to Public Utility Code 3288 (a).

Source:

<sup>(1)</sup> State of California, Office of the Treasurer

<sup>(2)</sup> State of California, Office of the Controller

**Santa Cruz Port District  
Debt Service Coverage Audited FY 20**

	2018 <i>Audited</i>	2019 <i>Audited</i>	2020 <i>Audited</i>
<b>Operating Revenues</b>			
Charges for berthing and services	\$ 7,181,501	\$ 7,372,983	\$ 7,920,084
Rent and concessions	\$ 1,889,238	\$ 1,838,345	\$ 1,893,576
<b>Total Operating Revenues</b>	<b>\$ 9,070,739</b>	<b>\$ 9,211,328</b>	<b>\$ 9,813,660</b>
<b>Operating Expenses</b>			
Depreciation and Amortization	\$ 1,824,754	\$ 1,830,080	\$ 1,954,934
CalPERS Unfunded Liability (Non-cash)	\$ 489,486	\$ 313,404	\$ 338,085
OPEB Liability (Non-cash)	-	\$ 70,313	\$ 67,186
Dredging Operations	\$ 1,234,002	\$ 1,232,182	\$ 1,369,670
Administrative Services	\$ 632,156	\$ 653,783	\$ 759,880
Grounds	\$ 633,063	\$ 750,251	\$ 727,772
Fuel Services	\$ 350,664	\$ 413,682	\$ 536,061
Harbor Patrol	\$ 627,790	\$ 641,569	\$ 683,549
Property Management	\$ 403,528	\$ 474,209	\$ 480,408
Marina Management	\$ 492,804	\$ 544,303	\$ 434,290
Buildings	\$ 259,087	\$ 322,642	\$ 323,550
Parking Services	\$ 360,565	\$ 357,156	\$ 341,396
Docks, Piers, Marine Structures	\$ 317,187	\$ 270,617	\$ 237,013
Debt issuance costs	-	-	-
Finance & Purchasing	\$ 165,863	\$ 170,690	\$ 181,208
Environmental & Permitting	\$ 131,817	\$ 143,423	\$ 174,318
Utilities	\$ 107,964	\$ 87,508	\$ 85,665
Aeration	\$ 44,900	\$ 36,840	\$ 38,467
Rescue Services	\$ 97,308	\$ 95,508	\$ 99,549
Boatyard Operations	\$ 221,938	\$ 254,419	\$ 274,979
Port Commission Support	\$ 48,164	\$ 45,923	\$ 52,156
Capital Projects	\$ 9,716	\$ 1,022	\$ 6,812
Events	\$ 32,313	\$ 30,682	\$ 30,440
Fishery Support	\$ 2,452	\$ 2,762	\$ 5,680
<b>Total Expenses</b>	<b>\$ 8,487,521</b>	<b>\$ 8,742,968</b>	<b>\$ 9,203,068</b>
<b>Non-Operating Revenue (Expenses)</b>			
County revenues for public services	\$ 36,228	\$ 12,493	\$ 49,985
Grants and Other Income	\$ 140,189	\$ 111,403	\$ 37,826
Dredging Reimbursement USACE	\$ 485,000	\$ 449,000	\$ 385,000
Interest Income	\$ 96,293	\$ 242,056	\$ 265,810
Interest Expense	\$ (444,310)	\$ (476,885)	\$ (491,385)
Other Income (Expenses)	\$ 44,912	\$ 188,516	\$ 2,809
<b>Total Non-Operating Income (Expenses)</b>	<b>\$ 358,312</b>	<b>\$ 526,583</b>	<b>\$ 250,045</b>
<b>Extraordinary Items</b>			
Losses related to tsunami damage, net of reimbursements	\$ -	\$ -	\$ -
OE3 Trust Fund withdrawal liability	-	-	-
Grants recognized in excess of current expenses related to tsunami damage	-	-	-
<b>Total Extraordinary Items</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Debt Service Coverage Calculation</b>			
(+) Gross Revenues	\$ 9,070,739	\$ 9,211,328	\$ 9,813,660
(-) Maintenance and operating expenses	\$ (8,487,521)	\$ (8,742,968)	\$ (9,203,068)
(+) Depreciation and Amortization	\$ 1,824,754	\$ 1,830,080	\$ 1,954,934
(+) CalPERS Unfunded Liability (Non-cash)	\$ 489,486	\$ 313,404	\$ 338,085
(+) OPEB Liability (Non-cash)	-	\$ 70,313	\$ 67,186
(=) Net Operating Income	\$ 2,897,458	\$ 2,682,157	\$ 2,970,797
(+) Interest Income	\$ 96,293	\$ 242,056	\$ 265,810
(+) Non-operating Income	\$ 44,912	\$ 188,516	\$ 2,809
(+) Grants	\$ 176,417	\$ 123,896	\$ 87,811
(+) Dredging Reimbursement USACE	\$ 485,000	\$ 449,000	\$ 385,000
(=) Net Revenues Available for Debt Service	\$ 3,700,080	\$ 3,685,625	\$ 3,712,227
(+) Current Portion Long Term Debt	\$ 1,048,837	\$ 1,254,451	\$ 1,299,163
(+) Interest Expense	\$ 444,310	\$ 476,885	\$ 491,385
(=) Total Debt Service	\$ 1,493,147	\$ 1,731,336	\$ 1,790,548
Debt Service Coverage Ratio (DSCR)	<b>2.48x</b>	<b>2.13x</b>	<b>2.07x</b>
Required DSCR	1.25x	1.25x	1.25x

Santa Cruz Port District (the "District") certifies to Compass Bank (the "Bank") that the above information, figures and calculations and an attached documentation are accurate, true and complete and that all material is correct to the best of their knowledge. They also certify that the above figures and calculations represent legally available resources to pay debt service and that the above figures and calculations accurately reflect the historical debt service coverage within the definition of "Net Revenues" as defined in the Loan Agreements dated September 1, 2013, and September 1, 2018, between District and Bank specifically as it relates to Grants and Other Income legally available for operations of the District and that the natural person executing this Certificate on District's behalf has authorization to execute this Certificate on District's behalf, and has the capacity and knowledge of the above.

Santa Cruz Port District:

By: Marian Olin

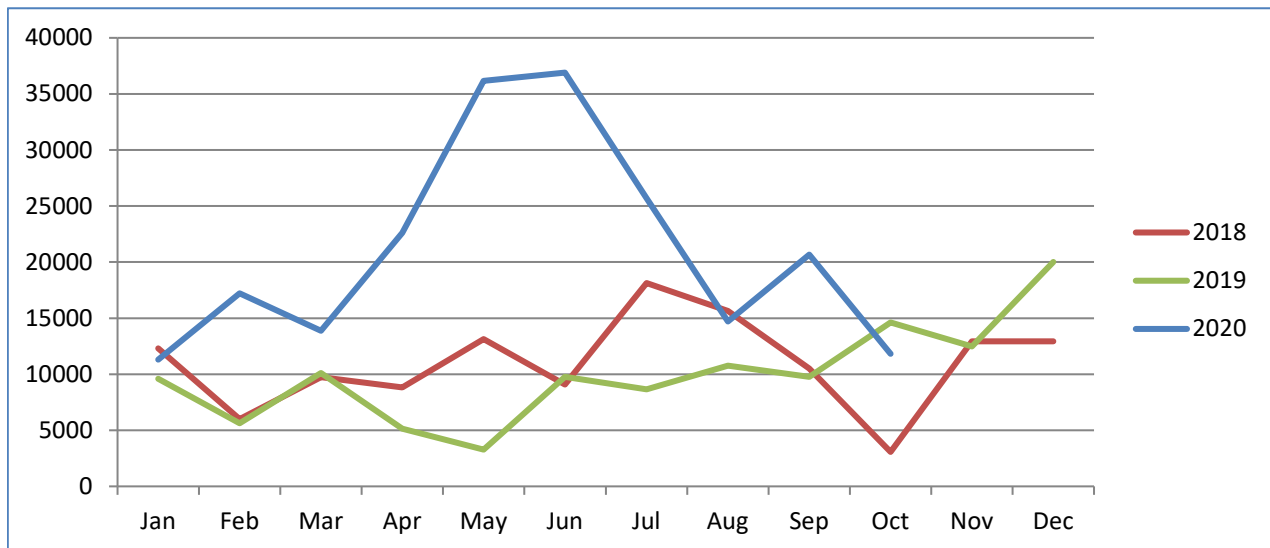
Its: Port Director

Date: September 23, 2020

Santa Cruz Port District  
**60 DAY DELINQUENT ACCOUNTS**

The following accounts have balances 60 days delinquent as of October 21, 2020

Account Number	Current Month	30 Day Balance	60 Day Balance	90 Day Balance	Total Balance
4134	803.49	712.60	697.00	0.00	2,213.09
57018	812.08	838.99	292.58	0.00	1,943.65
47248	434.83	406.47	417.80	0.00	1,259.10
48956	416.30	416.30	306.59	0.00	1,139.19
55462	339.20	311.62	325.36	0.00	976.18
46436	432.39	404.03	124.45	0.00	960.87
57459	270.42	243.41	266.40	0.00	780.23
57205	294.67	269.32	2.23	0.00	566.22
57117	151.03	124.99	148.96	0.00	424.98
58174	159.52	140.86	110.40	0.00	410.78
3094	150.32	124.29	64.70	0.00	339.31
58235	91.16	65.62	90.08	0.00	246.86
58757	88.00	62.49	86.97	0.00	237.46
48170	84.24	58.76	83.27	0.00	226.27
58228	25.29	0.29	60.00	0.00	85.58
<b>Total:</b>	<b>4,552.94</b>	<b>4,180.04</b>	<b>3,076.79</b>	<b>0.00</b>	<b>11,809.77</b>

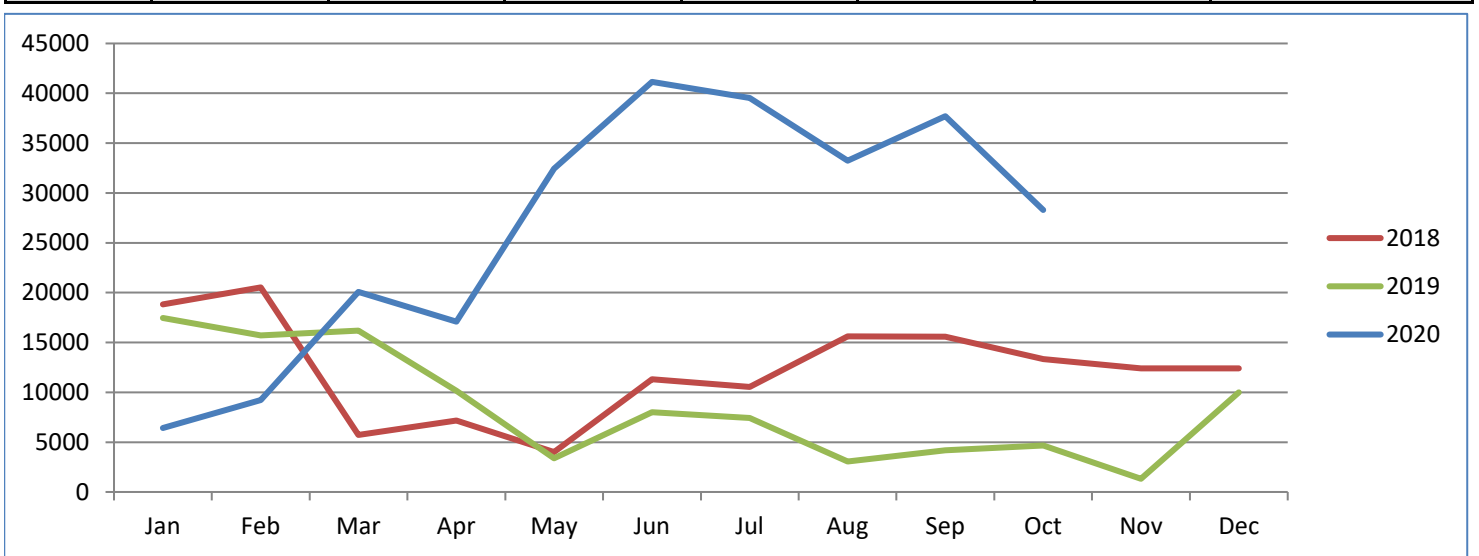




Santa Cruz Port District  
**90+ DAY DELINQUENT ACCOUNTS**

The following accounts have balances 90 days delinquent or greater as of October 21, 2020

Account Number	Current Month	30 Day Balance	60 Day Balance	90+ Day Balance	Total Balance	Commercial Slip	Action
57751	-	61.30	464.13	2,737.32	3,262.75		Bad Debt
47487	894.53	831.11	887.38	2,565.38	5,178.40		Payment Plan
4076	1,313.36	1,313.36	1,332.31	2,067.70	6,026.73		Payment Plan
57413	695.69	695.69	695.69	1,682.09	3,769.16		Revoke
1057	622.99	593.22	617.33	1,659.38	3,492.92	X	Revoke
56146	31.24	6.24	31.24	959.95	1,028.67		Bad Debt
57328	30.92	5.92	-	796.42	833.26		Bad Debt
58547	28.59	3.59	28.59	456.14	516.91		Bad Debt
58585	28.18	3.18	28.18	406.30	465.84		Revoke
55293	441.72	441.72	406.72	122.28	1,412.44		Revoke
55153	25.80	0.80	25.80	121.50	173.90		Bad Debt
58287	-	1.94	84.73	112.10	198.77		Bad Debt
58191	-	391.12	447.91	91.38	930.41		Bad Debt
56573	25.24	0.24	25.24	53.77	104.49		Bad Debt
47207	297.18	269.96	292.75	25.00	884.89		Revoke
<b>TOTAL:</b>	<b>4,435.44</b>	<b>4,619.39</b>	<b>5,368.00</b>	<b>13,856.71</b>	<b>28,279.54</b>		





TO: Port Commission  
FROM: Sean Rothwell, Assistant Harbormaster  
DATE: October 10, 2020  
SUBJECT: Harbor Patrol Incident Response Report – September 2020

***Search and Rescue, Patrol Boat Response***

- 9/13/20 Harbor Patrol responded to a report of two paddleboarders in distress in the area of San Lorenzo Point. Upon arrival, the paddleboarders self-rescued and did not require assistance. Harbor Patrol returned to the harbor without incident.
- 9/17/20 Harbor Patrol responded to a flare sighting off shore, near the Santa Cruz Harbor. Harbor Patrol assisted the Coast Guard in a search of the area. No signs of boaters in distress were found. Harbor Patrol returned to the harbor without incident.
- 9/18/20 Harbor Patrol responded to a report of a kitesurfer in distress in the area of Its Beach. Upon arrival, the kitesurfer had self-rescued and returned to shore. Harbor Patrol returned to the harbor without incident.
- 9/19/20 Harbor Patrol responded to a report of a disabled catamaran in the area of Twin Lakes Beach. Upon arrival, State Parks' rescue watercraft had the vessel in tow. Harbor Patrol assumed the tow and brought the vessel safely to the fuel dock.
- 9/22/20 Harbor Patrol responded to a report of a swimmer in distress in the area of 36<sup>th</sup> Avenue. Prior to arrival, Central Fire reported that a Good Samaritan had assisted the victim to shore. Harbor Patrol returned to the harbor without incident.
- 9/23/20 Harbor Patrol responded to a report of a flare sighting in the area of Main Beach. Harbor Patrol assisted the Coast Guard in a search of the area. No signs of boaters in distress were found. Harbor Patrol returned to the harbor without incident.
- 9/24/20 Harbor Patrol responded to a report of a missing juvenile last seen in the water in the area of Cowell's Beach. Prior to arrival, Santa Cruz Fire located the juvenile and canceled the call. Harbor Patrol returned to the harbor without incident.
- 9/24/20 Harbor Patrol responded to a report of a swimmer in distress in the area of Pelton Avenue. Upon arrival, the victim had self-rescued and returned to shore. Harbor Patrol returned to the harbor without incident.
- 9/27/20 Harbor Patrol responded to a report of a capsized dinghy in the area of 26<sup>th</sup> Avenue. Upon arrival, two victims had been brought on board a bystander's vessel. Harbor Patrol arrived and transferred the victims to the patrol vessel and towed the dinghy back to the harbor without incident. No injuries reported.
- 9/28/20 Harbor Patrol responded to a report of a commercial vessel that ran aground in the area of 26<sup>th</sup> Avenue. Upon arrival, it was determined to be a salvage operation and

Tow Boat U.S. was called to assist. Tow Boat U.S. towed the vessel to the harbor and upon arrival, Harbor Patrol immediately began dewatering/stabilization efforts. The vessel was unable to be hauled at the boatyard due to repairs on the marine ways. Tow Boat U.S. was able to deploy airbags under the vessel to keep it afloat until a haulout could be performed.

9/30/20 Harbor Patrol responded to a report of a disabled vessel in the area of Blacks Point. Upon arrival, the operator was able to get the engine started and resume course. Harbor Patrol returned to the harbor without incident.

### ***Crime Reports, Assist Outside Department and Incident Reports***

9/2/20 Harbor Patrol took a crime report after a kayak was reported stolen from the AA Dock kayak rack. The cable lock was found cut and the kayak missing. No suspect information.

9/4/20 Harbor Patrol took an incident report after a pedestrian hit his head on a rowing shell that was stored on top of a parked vehicle in the launch ramp area. Harbor Patrol contacted the vehicle owner. No injuries reported.

9/5/20 Harbor Patrol took an accident report after a vessel collision occurred when a 34-foot commercial fishing vessel struck a 14-foot aluminum fishing vessel approximately 1-mile off shore of Natural Bridges State Beach. Minor injuries and moderate vessel damage reported. Harbor Patrol forwarded the case to the Coast Guard for further investigation.

9/16/20 Harbor Patrol took a crime report after a slip renter reported a possible identity theft case. Harbor Patrol forwarded the report to the IRS for further investigation. No suspect information.

***September Parking Citations: 305***



September 19, 2020

Santa Cruz Port Commission  
135 5th Avenue  
Santa Cruz, CA 95062


Dear Commissioners,

On behalf of the Board of Directors and staff of Big Brothers Big Sisters of Santa Cruz County, as well as the families we serve, I want to express our appreciation for the support provided by your staff during the 2020 Day on the Monterey Bay Regatta. We are grateful for their contributions before and during the event to ensure that all ran smoothly. This regatta, sponsored by the Santa Cruz Yacht Club, raised critical funds for the agency. I am pleased to share that Big Brothers Big Sisters raised over \$32,000 to support our mentoring services to youth in Santa Cruz County.

It has been said that youth with mentors “develop a sense of meaning in their lives and a belief that they can control their fate.” Repeat studies of “resilient youth”, who succeed despite the odds, show that a common and significant factor is that they have an adult outside their family that they could turn to for support and guidance. Big Brothers Big Sisters continues to develop the resiliency and potential of all children in its programs through 1:1 mentoring. By exposing children to new opportunities, the volunteer mentors show that options exist, no matter how difficult the children’s situation or life experience is currently.

The Day on the Monterey Bay Regatta always seems to bring out the best in all its participants and this year was no different. I was impressed by the boating community’s enthusiasm and generosity in making the event a success. We appreciate the Santa Cruz Port District’s support of the event, and of Big Brothers Big Sisters of Santa Cruz County.

Sincerely,

  
Aimee S. Mangan  
Executive Director

*Thank You  
we will!*

## Marian Olin

---

**From:** Kevinann <kevinann@kandus.com>  
**Sent:** Monday, September 21, 2020 3:48 PM  
**To:** Marian Olin  
**Subject:** CZU Refugees

Dear Mr Olin,

On behalf of the Kurek family in Boulder Creek, we would like to say thank you for opening up the RV park for those of us who have been evacuated and are still unable to move back into our homes. It is a breath of fresh air here and comforting to know that we are close to home for our back and forth trips.

Mark was extremely helpful when we checked in, guiding us perfectly into our spot and taking care of all the necessary paperwork. We would like you to know what a great job he did with empathy and understanding.

Again, we thank you providing us safe haven. Community Strong!

Sincerely,

Monty and Kevin Ann Kurek  
126 Crows Nest Drive  
Boulder Creek, CA 95006

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This email has been scanned by the Symantec Email Security.cloud service.  
For more information please visit <http://www.symanteccloud.com>

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EXECUTIVE DEPARTMENT  
STATE OF CALIFORNIA

EXECUTIVE ORDER N-82-20

**WHEREAS** the well-being of our communities and California's economic sustainability are interconnected with our natural and cultural resources; and

**WHEREAS** the State's long-term vitality is threatened by the loss of biodiversity - the variety and variability of plant and animal life in our State - and the impacts of climate change; and

**WHEREAS** California's natural and working lands – our forests, rangelands, farms, wetlands, coast, deserts, and urban greenspaces – sustain our economy, support our unique biodiversity, contribute to the global food supply, support outdoor heritage and provide clean water and air; and

**WHEREAS** since time immemorial, California Native Americans have stewarded, managed and lived interdependently with the lands that now make up the State of California; and

**WHEREAS** California is home to more species of plants and animals than any other state, and this biodiversity accounts for about one third of all species found in the nation; and

**WHEREAS** soils are home to more than a quarter of the world's biodiversity and California boasts more than 2,500 different soil types; and

**WHEREAS** California's rich biodiversity is increasingly threatened by loss of habitat, spread of invasive species, decreasing water supplies, and increasingly frequent and severe climate impacts; and

**WHEREAS** the climate change crisis is happening now, impacting California in unprecedented ways including intensifying wildfires, mud slides, floods and drought, sea level rise and extreme heat, that threaten our economy, communities, public safety, and cultural and natural resources; and

**WHEREAS** as we work to mitigate greenhouse gas emissions, we must also accelerate actions to enable the State to adapt and become more resilient to the impacts of climate change, including expanding nature-based solutions – the use of sustainable land management practices to tackle environmental, social and economic challenges; and

**WHEREAS** national, subnational and indigenous leaders across the globe are coming together to accelerate implementation of nature-based solutions to our climate and extinction crises, improve the way land is managed to absorb carbon pollution from the atmosphere, build resilience by protecting communities and natural places from climate-driven disasters, and restore healthy ecosystems; and

**WHEREAS** addressing the biodiversity crisis and accelerating nature-based solutions requires inclusive partnerships and collaboration among federal, state and local governments, California Native American tribes, local communities,

businesses, investors, labor, conservationists, outdoor enthusiasts, academia, land managers, and other stakeholders.

**NOW, THEREFORE, I, GAVIN NEWSOM**, Governor of the State of California, in accordance with the authority vested in me by the Constitution and statutes of the State of California do hereby issue the following Order to become effective immediately to combat the climate and biodiversity crises:

**IT IS HEREBY ORDERED THAT:**

1. To combat the biodiversity and climate crises, the California Natural Resources Agency, in consultation with the California Department of Food and Agriculture, the California Environmental Protection Agency and other state agencies, is directed to establish the California Biodiversity Collaborative (Collaborative) to bring together other governmental partners, California Native American tribes, experts, business and community leaders and other stakeholders from across California to protect and restore the State's biodiversity. State agencies will consult the Collaborative on efforts to:
  - a. Establish a baseline assessment of California's biodiversity that builds upon existing data and information, utilizes best available science and traditional ecological knowledge, and can be updated over time.
  - b. Analyze and project the impact of climate change and other stressors on California's biodiversity.
  - c. Inventory current biodiversity efforts across all sectors and land managers and highlight opportunities for additional action to preserve and enhance biodiversity.
  - d. Expand the communication and use of information, indicators and tools to monitor, track and protect California's biodiversity and natural resources.
  - e. Advance multi-benefit, voluntary and cooperative approaches that protect and restore biodiversity while stewarding natural and working lands, building climate resilience, and supporting economic sustainability.
  - f. Engage stakeholders across California's diverse communities, including academic and research institutions; local and federal governments; California Native American tribes; outdoor recreation and access groups; fishing and hunting organizations; farmers, ranchers and other private landowners and land managers; environmental advocates and investors; housing and land use developers; educators; philanthropy, and others.
2. To support the global effort to combat the biodiversity and climate crises, it is the goal of the State to conserve at least 30 percent of California's land and coastal waters by 2030. The California Natural Resources Agency and other relevant state agencies, in consultation with the Collaborative, are directed to develop and report strategies



to the Governor no later than February 1, 2022 to achieve this goal in a manner that:

- a. Safeguards our State's economic sustainability and food security.
  - b. Protects and restores biodiversity.
  - c. Enables enduring conservation measures on a broad range of landscapes, including natural areas and working lands, in partnership with land managers and natural resource user groups.
  - d. Builds climate resilience, reduces risk from extreme climate events and contributes to the State's effort to combat climate change.
  - e. Expands equitable outdoor access and recreation for all Californians.
3. To advance efforts to conserve biodiversity, the California Natural Resources Agency is directed to take the following actions within existing authority and resources:
- a. Strategically prioritize investments in cooperative, high-priority actions that promote biodiversity protection, habitat restoration, wildfire-resilient, sustainably managed landscapes and other conservation outcomes.
  - b. Implement actions to increase the pace and scale of environmental restoration and land management efforts by streamlining the State's process to approve and facilitate these projects.
  - c. Collaborate with federal and state research institutions to utilize innovative scientific observation technology and with tribal partners to incorporate tribal expertise and traditional ecological knowledge to better understand our biodiversity and threats it faces.
  - d. Participate in regional, national and international efforts to advance biodiversity protection and help to stem extinctions across the planet.
4. To advance efforts to conserve biodiversity, the California Department of Food and Agriculture is directed to take the following actions with existing authority and resources:
- a. Coordinate with other relevant state agencies and private partners to reinvigorate populations of pollinator insects across the State, which restore biodiversity and improve agricultural production.



- b. Implement strategic efforts to protect California's native plants and animals from invasive species and pests that threaten biodiversity and economic activities.
  - c. Enhance soil health and biodiversity through the Healthy Soils Initiative.
5. The California Natural Resources Agency, the California Department of Food and Agriculture, the California Environmental Protection Agency, the Governor's Office of Planning and Research, and other state agencies, shall use existing authorities and resources to identify and implement near- and long-term actions to accelerate natural removal of carbon and build climate resilience in our forests, wetlands, urban greenspaces, agricultural soils, and land conservation activities in ways that serve all communities and in particular low-income, disadvantaged and vulnerable communities.
6. Within one year of this Order, the California Natural Resources Agency, in consultation with the California Environmental Protection Agency, the California Department of Food and Agriculture, the California Air Resources Board, Governor's Office of Planning and Research, the California Strategic Growth Council and other state agencies, shall develop a Natural and Working Lands Climate Smart Strategy that serves as a framework to advances the State's carbon neutrality goal and builds climate resilience.

In developing this Strategy, agencies shall be guided by the following principles:

- a. Promote healthy lands that provide multiple benefits including improved air quality, reliable water supply, thriving communities, and economic sustainability.
  - b. Advance equity and opportunity for all regions of California.
  - c. Support pathways for sectors such as agriculture and forestry to participate in the transition to a carbon neutrality economy.
  - d. Inform policies through public feedback gathered through extensive outreach to and equitable engagement with stakeholders including, but not limited to, land managers, federal, tribal and local governments, communities, environmental justice leaders, businesses, investors, non-governmental organizations, scientists and universities.
  - e. Align policies, programs, and funding mechanisms across state government, while identifying opportunities to catalyze and accelerate private investment and actions that contribute to the State's carbon neutrality goal.
7. As part of the next Scoping Plan process, the California Air Resources Board, in coordination with relevant state agencies, shall take into consideration the Natural and Working Lands Climate Smart Strategy

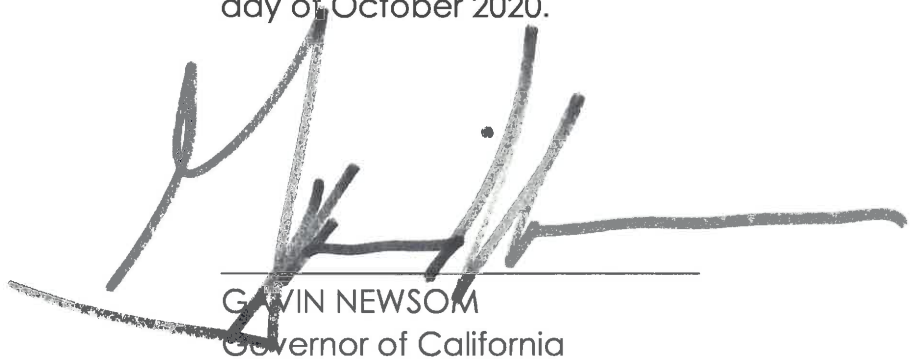
and science-based data to update the target for the natural and working lands sector in achieving the State's carbon neutrality goal.

8. The California Department of Food and Agriculture shall work with agricultural stakeholders to identify farmer- and rancher-led solutions to inform the next Scoping Plan process.

**IT IS FURTHER ORDERED** that as soon as hereafter possible, this Order be filed in the Office of the Secretary of State and that widespread publicity and notice be given to this Order.

This Order is not intended to, and does not, create any rights or benefits, substantive or procedural, enforceable of law or in equity, against the State of California, its agencies, departments, entities, officers, employees, or any other person.

**IN WITNESS WHEREOF** I have hereunto set my hand and caused the Great Seal of the State of California to be offered this 7th day of October 2020.



\_\_\_\_\_  
GAVIN NEWSOM  
Governor of California

**ATTEST:**

\_\_\_\_\_  
ALEX PADILLA  
Secretary of State

# Port Commission Review Calendar 2020-21

## 2020

### January-March

- ✓ Committee assignments for 2020
- ✓ Sea Scouts' biannual report
- ✓ Slip vacancy biannual report / waiting list statistics
- ✓ FY 21 Budget
- ✓ Review 5-year CIP
- ✓ Review of NH sublet fee structure (exp. 3/31/20)
- ✓ Ethics Training Update
- ✓ Form 700 Filing (due by 03/31 each year)

### April-June

- ✓ Dredge Report 2019-20
- ✓ Annual Vessel Use List Review
- ✓ Biennial Update to Conflict of Interest Code
- ✓ Crow's Nest lease exp. 04/30/20 (Suite 130)  
2 (5) year options to extend

### July-September

- ✓ Review of O'Neill Sea Odyssey slip rent reduction / charter fee. PC action of 07/07
- ✓ Sea Scouts' biannual report
- ✓ Vessel Insurance Policy Review
- ✓ Slip vacancy biannual report / waiting list statistics

### October-December

- Annual review of business use of slips
- Port Commission officers for 2021

### Committee Review Items *(timeline not specified)*

- ✓ Vessel Insurance Policy Enforcement (Policy Committee)
- ✓ Port Commission Policies and Procedures Manual Update: Human Resources Role

### Key

- Pending
- In process
- ✓ Done

## 2021

### January-March

- Committee assignments for 2021
- Sea Scouts' biannual report
- Slip vacancy biannual report / waiting list statistics
- FY 22 Budget
- Review 5-year CIP
- Ethics Training Update
- Form 700 Filing (due by 03/31 each year)
- Biennial Anti-Harassment/Anti-Discrimination Training

### April-June

- Dredge Report 2021-22
- Annual Vessel Use List Review

### July-September

- Review of O'Neill Sea Odyssey slip rent reduction / charter fee. PC action of 07/07
- Sea Scouts' biannual report
- Slip vacancy biannual report / waiting list statistics
- Johnny's Harborside Restaurant lease exp. 8/15/2021 *(no option to extend)*

### October-December

- Annual review of business use of slips
- Port Commission officers for 2022

### Future Calendar

- ABC End-Tie review after Murray Street Bridge Retrofit
- 7<sup>th</sup> and Brommer Property Assessment