



Special Public Budget Session of February 12, 2019

**Santa Cruz Port Commission
MINUTES**

Commissioners Present:

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

SPECIAL PUBLIC BUDGET SESSION – 7:00 PM

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

1. Pledge of Allegiance
2. Oral Communication

Slip renter Thomas Whieldon expressed his appreciation for the efforts the District has put forth to explore funding options for a replacement patrol vessel.

3. Review of Draft FY20 Budget and 5-Year Capital Improvement Plan (FY20 – FY24)

Discussion: Port Director Olin presented the FY20 Draft Budget and highlighted the following:

- FY19 revenues are projected to exceed budget by approximately \$299,000 due to increased revenue in the following categories:
 - Fuel revenue
 - Parking-related revenue
 - Tenant utilities and concession rents
 - Visitor berthing
- Unanticipated revenue exceeds \$225,000 (USACE, PG&E, CalOES/FEMA)
- Expenses are projected to be approximately \$270,000 below budget due to the following:
 - Overall expense savings in Dredge Services and Supplies (lower maintenance costs for *Twin Lakes*)
 - Savings in Administrative programs' labor costs
 - Savings in Environmental Permitting due to modified permit, which requires two dredge monitors instead of three.

Port Director Olin stated that the budget approach for FY20 focuses on the following:

- Meet Reserve Policy goals and objectives
- Fund priority Capital Improvement Projects (concession lot parking equipment, dredge yard hazmat shed, lift station control panels, etc.)
- Fund priority capital outlay (water taxi, patrol vehicle, maintenance vehicles, boatyard filtration system media tank, *Odd Job* hull)
- Develop spending and operating plan for FY20 to maintain services
- Conservative revenue projections and ensure cost recovery where practicable
- Maintain flexibility to allow response to changing and competing priorities

Port Director Olin reviewed the FY20 Salary and Benefit Costs and highlighted the following:

- Salary and Benefit increases are primarily due to labor contract salary increases, merit and minimum wage increases, increases to part-time/temporary staffing, and CalPERS' pension costs.
- Employer pension expense is approximately \$479,000, representing approximately 13% of Salaries and Budgets.
- Customer Service Representative is budgeted in the Administration Department, but labor has been allocated to Operations Department (Marina Management);

Port Director Olin reviewed the FY20 Dredge Operations budget. She stated that a \$145,956 contribution will increase available funding in the Dredge Intermediate Fund to \$259,000. She stated that this funding will be utilized for the following expenditures:

- Spare jet pump, generator replacement and check valve for *Twin Lakes*.
- Complete deck and A-Frame replacement on *Dauntless*
- Cutter head and trunnion rebuild on *Squirt*.
- \$81,000 in ancillary equipment (anchors, pipe and valves)

Port Director Olin reviewed projected FY19 revenues and expenses for the boatyard. She stated that though the boatyard is projected to be marginally profitable in FY19, some boatyard expenditures are captured in other programs. Additionally, she highlighted that interdepartmental services provided by the boatyard totaled approximately \$105,000.

Port Director Olin reviewed projected FY19 revenues and expenses for the fuel service operation. She stated that the fuel service operation is on track for a modest profit in FY19.

Port Director Olin reviewed the Port District's fund balances and current financial position, noting that the amount of cash on hand, available for operations, emergencies, and improvements is approximately \$4,644,704.

Port Director Olin reviewed recommended FY20 Capital Improvement Projects (CIP) funding:

- Dock Upgrades Project - \$65,000
- Boatyard Marine Ways Inspection - \$40,000
- X/J Kayak Storage - \$20,000
- Minor Building Restoration Projects - \$100,000
- Restroom Building Rehabilitation - \$15,000
- Harbor Roads and Parking Lots Pavement Management - \$50,000
- Concession Lot Automation Project - \$65,000
- Dredge Yard Hazmat Shed - \$15,538
- Sanitary Sewer Lift Station Upgrades - \$100,000
- South Harbor Seawall and Revetment Project - \$75,000
- Harbor Wide Sign Study - \$5,000
- Harbor Wide Refuse and Recycling Study - \$10,000
- Harbor Security Infrastructure Upgrades - \$30,000

Port Director Olin stated that in addition to a reallocation of prior year CIP funding in the amount of \$100,538, a proposed contribution of \$500,000 is anticipated for FY20. She stated that the CIP list is extensive and staff does not anticipate completing every project within this budget year.

Port Director Olin stated that there are three new projects funded in FY20:

- Boatyard Marine Ways Inspection
- Dredge Yard Hazmat Shed
- X/J Kayak Storage

The Commission reviewed and discussed the proposed FY20 CIP budget.

Vice-chairman Reed expressed support for allocating future funds to the Arana Gulch Grade Control Structure Feasibility Study. Port Director Olin stated that this project can be assigned funding in a future budget year.

Port Director Olin stated that in July 2018, the Policy & Operations Committee reviewed the District's current partnership fee structure and made a recommendation to consider any proposed changes during the FY20 budget process.

Port Director Olin reviewed the option for a sliding scale for partnership fees. She stated that an approximate \$11,000 revenue loss will result, if the proposed sliding scale is adopted. Vice-chairman Reed expressed his

support for revising the partnership fee structure. There was consensus among the Commission to revise the partnership fee structure for a three year term, to be reviewed with the FY23 budget.

The Commission discussed the proposed contribution to the Reserve Fund, Capital Improvement Fund, Election Fund, PEMHCA Fund and Dredge Intermediate Fund.

In response to a concern expressed by Chairman Smith, Port Director Olin stated that approximately \$876,000 in unallocated funding is available in the CIP to cover shortfalls that may arise for larger-scale projects, like the Aldo's Seawall Replacement Project.

Port Director Olin stated that the draft FY20 budget does not include a proposed slip rent increase. Port Director Olin stated that a 1% increase to slip fees equates to approximately \$43,000 in additional revenue. She noted that this figure does not include dry storage slip rent in the calculation, or other impacted fees, which increases the calculation to approximately \$48,000. A discussion ensued about the implementation of a slip fee increase.

Commissioner Goddard stated that the Port District's strong financial position is due to diligent planning and oversight through the years. He stated that imposing a slip rent increase will ensure that the District continues to keep pace with rising expenses. He expressed support for a gradual increase over time and proposed a 2.25% slip rent increase be applied in FY20.

Chairman Smith agreed, but noted that a higher increase of 3% may be warranted to account for uncertainties that may arise with future capital improvement projects.

Commissioner Gertler expressed support for increasing slip rent by 2.5% to 3%. He asked for additional information on the reasons why a rate differential between the north and south harbor existed in prior years. Port Director Olin stated that the rate differential was due primarily to the vacancy factor that existed in the north harbor. Commissioner Gertler suggested that if a slip rent increase of more than 3% is proposed, that the Commission consider imposing a rate differential for north and south harbor slips.

Vice-chairman Reed expressed his belief that a rate increase of 2.5% is adequate, given the current condition and financial position of the District.

There was consensus among the Commission to direct staff to include a 2.5% slip rent increase in the FY20 draft budget and perform outreach to slip renters regarding future projects and improvements that will be funded by the increase.

Port Director Olin stated that the final budget will be presented for approval at the Commission's February 26, 2019, meeting.

MOTION: Motion made by Commissioner Goddard, seconded by Vice-chairman Reed to direct staff to incorporate the following items in the draft FY20 budget for review and action at the regular public session on February 26, 2019:

- a 2.5% slip rent increase
- a sliding scale for partnership fees (three year term, to be reviewed with the FY23 budget)
- Add the following projects to the CIP for future funding:
 - o West Side Master Plan Project
 - o Arana Gulch Grade Control Structure;

Staff was directed to perform public outreach to slip renters regarding the 2.5% slip rent increase and change to the partnership fee structure.

- *Motion carried unanimously*

Chairman Smith adjourned the special public budget session at approximately 8:54 pm.

Dennis Smith, Chairman



Special Closed & Regular Public Session of February 26, 2019

**Santa Cruz Port Commission
MINUTES**

Commissioners Present:

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

SPECIAL PUBLIC SESSION – 6:00 PM

Chairman Smith brought the special public session to order at 6:00 PM at the Santa Cruz Harbor Office, 135 Fifth 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 6:00 PM, Chairman Smith announced the Commission will meet in closed session to discuss agenda item 3.

SPECIAL CLOSED SESSION

3. Conference with Real Property Negotiators
Agency Designated Representative: M. Olin
Negotiating Parties: 616 Atlantic Avenue (Aldo's Restaurant)
Under Negotiation: Lease

SPECIAL PUBLIC SESSION

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

Chairman Smith announced that the Commission took no reportable action in closed session on item 3. Chairman Smith adjourned the special open session following the closed meeting at 6:55 PM.

REGULAR PUBLIC SESSION – 7:00 PM

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

5. Pledge of Allegiance

6. Oral Communication

Harbor user Norman Heaney requested that the Commission consider his request to allow Distinguished Veterans the ability to launch for free at Santa Cruz Harbor, utilizing a California State Parks pass, as outlined in his written correspondence to the District (item 19 (e)).

Commissioner Goddard stated that he attended the Santa Cruz Yacht Club's monthly board meeting and provided information relative to upcoming harbor activities and projects.

CONSENT AGENDA

7. Approval of Minutes

a) Regular Public Session of January 22, 2019

MOTION: Motion made by Commissioner Goddard, seconded by Commissioner Gertler to approve the consent agenda.
- *Motion carried unanimously.*

REGULAR AGENDA

8. Review / Approval of FY20 Budget and 5-Year Capital Improvement Program

Discussion: Port Director Olin reviewed the proposed FY20 budget, and highlighted the following:

- 2.5% increase applied to slip fees (generating approximately \$43,000 per 1%)
- Sliding scale for partnership fees incorporated into the budget (three year term, to be reviewed with the FY23 budget), reducing revenue from this line item.
- \$193,000 Capital Outlay for the following:
 - Water Taxi
 - Harbor Patrol Vehicle
 - Maintenance Vehicles
 - Boatyard Filtration System Media Tank
 - Odd Job Hull
- \$500,000 CIP budget for FY20, with the addition of the following projects for FY20:
 - Boatyard Marine Ways Inspection
 - Dredge Yard Hazmat Shed
 - X/J Kayak Storage

Port Director Olin stated that future funding for the following projects has been allocated in the CIP:

- Harbor WIFI System (FY21)

- West Side Master Plan (FY21)
- Arana Gulch Grade Control Structure (FY22)

Commissioner Goddard thanked staff for the budget presentation and noted that allocating funding for the development of the West Side Master Plan will be beneficial. Additionally, he stated that the District's Debt Service Ratio appears to be favorable.

Commissioner Cardoso asked for additional information on the capital outlay item relative to the purchase of two additional maintenance vehicles. She expressed support for reducing funding from \$50,000 to \$20,000 for both vehicles.

Commissioner Cardoso stated that she is not supportive of a 2.5% slip rent increase. No alternate proposal was provided. Chairman Smith asked for additional clarification from Commissioner Cardoso, noting that in prior correspondence to the District, Commissioner Cardoso expressed support for increasing slip rent by 7-9% to address funding shortfalls for a replacement patrol vessel. Commissioner Cardoso reaffirmed her position.

MOTION: Motion made by Vice-chairman Reed, seconded by Commissioner Goddard to approve the FY20 Budget and Capital Improvement Plan.
 - *Motion carried. Commissioners Smith, Reed, Gertler and Goddard voting YES. Commissioner Cardoso voting NO.*

9. Approval of Policies and Fee Schedule for Electronic Access to Dock Gates, Restrooms, and Shower Facilities

Discussion: Port Director Olin stated that the Policy and Operations Committee met on February 15, 2019, to develop policies and the fee schedule for electronic access to dock gates, restrooms, and shower facilities. Administrative Services Manager MacLaurie reviewed the proposed recommendations, as outlined in the staff report.

Facilities Maintenance and Engineering Manager Kerkes reviewed features and functionalities of the system, highlighting the following:

- Each electronic lock will be equipped with a battery backup system, which will allow continued access to the docks, restrooms, and shower facilities in the event of a power failure.
- An optional sensor system can be installed on each dock gate to alert staff of a gate left ajar. The timing for receiving an alert can be customized and set to any duration.

A discussion ensued regarding user access rights for Santa Cruz Yacht Club members. Commissioner Goddard recommended that staff work with the Santa Cruz Yacht Club to establish access rights for this active user group.

MOTION: Motion made by Commissioner Goddard, seconded by Vice-chairman Reed to adopt the recommendations of the Policy and Operations Committee regarding user access and fees associated with electronic key access to dock gates, restrooms, and shower facilities; and directing staff to work with the Santa Cruz Yacht Club to review access rights for the user group.
- *Motion carried unanimously.*

10. Approval of Resolution 19-02 – Supporting the County of Santa Cruz’ Development and Community Engagement Process for the 7th Avenue and Brommer Street Visitor Accommodation Site.

Discussion: Commissioner Goddard stated that Resolution 19-02 was drafted to memorialize the Port District’s support for the public process undertaken by the County of Santa Cruz for the development of the vacant parcel at 7th Avenue and Brommer Street. He stated that although the Port District’s response to the County’s Request for Proposal was not selected, it remains in the District’s best interests to work with the County during the development process.

Vice-chairman Reed expressed support for Resolution 19-02, stating that it will be beneficial for the District to support the County’s process for the development of the parcel. Chairman Smith agreed.

Commissioner Goddard requested copies of Resolution 19-02 be distributed to each County Supervisor and the Clerk of the Board for inclusion on the Board of Supervisors’ agenda as written correspondence. Vice-chairman Reed agreed and requested a copy also be distributed to the County Administrative Officer.

Commissioner Cardoso stated that it is her belief that the County should deed the property to the Port District to support continued use of the vacant lot for overflow trailer parking. She stated that she has obtained 1,150 signatures from neighbors and community members who oppose the proposed development of the vacant parcel.

Commissioner Goddard stated that realities of the current situation must be understood. He stated that the County has entered into a binding contract with the successful proposer, and has oversight of the parcel for a six-year period. He reaffirmed support for the resolution and stated that it will be imperative for the Port District to work with the County during this development process.

In response to a comment made by slip renter Thomas Whieldon, Commissioner Goddard stated that the public process for the development of the parcel must be respected.

MOTION: Motion made by Commissioner Goddard, seconded by Vice-chairman Reed to approve Resolution 19-02 supporting the County of Santa Cruz’

development and community engagement process for the 7th Avenue and Brommer Street Visitor Accommodation Site.

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

11. Approval of Cash / Payroll Disbursements – January 2019

MOTION: Motion made by Commissioner Goddard, seconded by Commissioner Gertler to approve the Cash / Payroll Disbursements for January 2019, in the amount of \$1,031,687.85

- *Motion carried unanimously.*

INFORMATION

12. Port Director's Report

California Marine Affairs and Navigation Conference (CMANC)

Port Director Olin stated that she and Chairman Smith are scheduled to attend the annual CMANC conference in Washington DC (March 3 – 7, 2019).

PG&E Project Update

The Port District received a bankruptcy notification from PG&E, which will freeze remaining funds owed to the District under the temporary construction easement. Remaining funds owed are estimated at approximately \$25,000.

O'Neill Charter Application

Staff has met with representative from O'Neill Yacht Charters, regarding their pending charter permit application. Staff anticipates presenting this item to the Commission at its regular public session in March.

Vessel Collision with *Twin Lakes*

A repair estimate of \$5,500 has been received for railing damage to *Twin Lakes*. The damage was sustained after a vessel collided with *Twin Lakes* in the entrance channel. A claim has been filed with the vessel owner's insurer.

Aldo's Seawall Project

The Request for Proposals for the Aldo's Seawall Replacement Project will be bid this week.

Dredge Consulting / Training

The Port District's dredge consultant, Ancil Taylor was on site earlier in the month to perform crew training and analyze production figures.

CMIA Vice-chairman

Port Director Olin has been elected Vice-chairman of the CMIA.

Termite Treatment – 493 Lake Avenue

Termite treatment has been scheduled for 493 Lake Avenue.

13. Harbormaster's Report

Commissioner Goddard commended Harbor Patrol and USCG for their rescue efforts on December 31, 2018, which resulted in two lives being saved. Commissioner Goddard requested that a letter of appreciation be sent to USCG on the harbor's behalf.

Slip renter Curtis Gandy asked for additional information on the proper procedures for reporting possible crimes in progress. Chairman Smith stated that dialing 9-1-1 is the preferred reporting method and will ensure proper resources are dispatched.

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

In response to a question posed by Chairman Smith, FME Kerkes stated that the two maintenance vehicles proposed for replacement in the FY20 budget currently suffer from severe rot of both the frames and bushings. He stated that these vehicles are often used for out of town travel (parts delivery and pickup in the Bay Area) and need to be in optimal working order.

15. Sea Scouts' Bi-Annual Report

16. Review of Delinquent Accounts *(There was no discussion on this agenda item)*

17. Review of Financial Reports *(There was no discussion on this agenda item)*

a) Comparative Seasonal Revenue Graphs

18. Crime / Incident / Citation Report – January 2019 *(There was no discussion on this agenda item)*

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

a) Letter from H. Hermansky, MBSTP, to Harbormaster Marshall

b) Letter from E. Driscoll, County of Santa Cruz, to Port Commission

c) Special District Risk Management Authority Notification of Nominations – 2019 Election

d) California Special Districts Association Call for Nominations

e) Letter from N. Heaney, to Port Commission

f) Letter from Port Director Olin, to N. Heaney

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

Chairman Smith adjourned the regular public session at 8:30 pm.



TO: Port Commission

FROM: Marian Olin, Port Director

DATE: March 19, 2019

SUBJECT: Additional Services Contract for Engineering, Design and Permitting of Seawall Replacement at Aldo's Restaurant – Santa Cruz Harbor (NTE \$15,515)

Recommendation: *Authorize a contract amendment with Mesiti-Miller Engineering for engineering, design and permitting of the seawall at Aldo's Restaurant in an amount not to exceed \$15,515.*

BACKGROUND

In April 2017, the Commission approved a contract with Mesiti-Miller Engineering (MME) for engineering design and permitting of a sheetpile seawall with tiebacks at Aldo's Restaurant in the amount of \$220,135.

In November 2018, the Commission authorized a \$17,500 contract amendment to cover additional unanticipated services, including property boundary survey work and the permit process.

Permitting has been extremely time consuming for Mesiti-Miller Engineering (MME), and their subcontractor EcoSystems West. EcoSystems West had submitted a request for additional services to MME in September 2018, in the amount of \$17,915. It is my understanding that MME did not include EcoSystems West's request in MME's previous \$17,500 request for additional services, which was primarily for MME's efforts and Ifland Engineering's survey work.

ANALYSIS

This issue came to light after EcoSystems West submitted a bill to MME for their services. The invoice has not been paid by MME because the contract amendment did not have prior authorization.

MME intended to work with EcoSystems West on the amount requested, but no further discussions or negotiations ensued. EcoSystems West has since reduced their original additional services request from \$17,915 to \$15,515.

There is no dispute that the Incidental Harassment Authorization permitting was difficult and required research by MME and EcoSystems West in excess of what was anticipated in their original cost estimates for the project. Staff recommends approval of the contract amendment.

If approved, this request for additional services will close out the Engineering, Design and Permitting contract with MME for Aldo's Seawall Replacement Project. A new contract with MME for

Construction Administration Services for the Aldo's Seawall Replacement Project is presented as a separate item on tonight's agenda.

IMPACT ON PORT DISTRICT RESOURCES

The Port District has adequate funding in the Capital Improvement Plan for the Aldo's Seawall Replacement Project (F027) to fund this contract amendment. The fund balance for the Aldo's Seawall Replacement Project had \$2,159,523 as of February 28, 2019.

- ATTACHMENT A - MME Contract Amendment #3
B - EcoSystems West Consulting Group Request for Amendment to the Aldo's Seawall Scope of Work and Cost Estimate



March 19, 2019

Marian Olin, Port Director
Santa Cruz Port District
135 5th Avenue
Santa Cruz, CA 95062

Re: Design and Permitting of Seawall Replacement
Aldo's Restaurant - Santa Cruz Harbor
Contract Amendment No: 3
Purpose: Additional Design/Permitting Phase Services
MME Project No: 17138

Dear Ms. Olin,

As you requested, we are pleased to submit this amendment to our existing agreement for the following additional services from our sub-consultant EcoSystems West Consulting Group in support of the above referenced project:

1. Additional meetings and coordination to assist with research and permitting services for the Incidental Harassment Permit and Coastal Commission Permit. (A detailed break-down is provided).

The estimated cost of the additional design/permitting phase services will be **\$15,515** including reimbursable expenses. Invoices for these additional services will reference our project number 17138-S5.

All provisions of our original agreement are considered to be in full force and effect with respect to these additional services. Please confirm your authorization to proceed with your standard agreement referencing this document for understanding, scope and fee.

We thank you for the opportunity to be of continued service on this project.

Respectfully yours,

Dale Hendsbee, S.E.
Principal

cc: Addressee
Contract file

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AMENDED SCOPE OF WORK

Subtask 1.2-A. Request Technical Assistance from Resource Agencies

Geotech studies determined that impact hammer pile driving would be necessary to sufficiently embed sheet piles into bedrock. Based on recent science on impacts of pile driving noise on fish and marine mammals and subsequent new permitting requirements from NOAA Fisheries and USFWS, seek technical assistance to determine project-specific permitting path.

Task 2-A. Prepare Complete Coastal Development Permit Application

Although the Coastal Commission may determine that the project qualifies for an exemption, at the request of Coastal Commission Planner, Sarah Carvill, prepare and submit a complete Coastal Development Permit application package.

Task 3. Prepare Bio-acoustic Evaluation

Using recommended reference documents, NOAA Fisheries user spreadsheets, and recommended calculations, prepare a bio-acoustic evaluation of the impacts of pile driving on marine mammals in the vicinity of the harbor. Include marine mammals within the Monterey Bay that may be affected by the noise levels. Incorporate this analysis into the Biotic Assessment letter report and permit applications, where relevant (ACOE and CDFW).

Task 4. Port Commission Presentation

Prepare and present biological resources and permitting summary at Port Commission Meeting, focusing on new permitting requirements for marine mammals.

Task 5. Prepare an Incidental Harassment Authorization (IHA) Application

Based on the results of bio-acoustic evaluation and technical assistance from NOAA Fisheries and USFWS, prepare an IHA application.

Task 6. Permitting Follow-Up

Provide on-going weekly permit application follow-up with agencies to ensure sufficient and correct information has been provided, to guide permitting toward feasible and timely project conditions, and meet project permitting deadlines. Answer all agency questions and revise documentation as needed (e.g. remove bubble curtain from documentation and add additional information to applications regarding project noise and in-water activities).

EcoSystems West Consulting Group - September 2018				
Cost Estimate to Provide Biological Consulting Services				
Aldo's Seawall Replacement Project				
A	J. Davilla	E. McGinty	B. Davilla	Graphics
Task 1 - Biotic Assessment and Wetland Delineation				
Subtask 1.1				
Literature and Data Base Review	4	4	2	
Subtask 1.2				
Informal Consultation with Resource Agencies	6	6	2	
Subtask 1.3				
Jurisdictional Wetland Determination	4			
Biotic Assessment and Habitat Characterization	4	8		
Subtask 1.4				
Biotic Assessment Report	6	16	1	4
Subtask 1.5				
Wetland Delineation Report	24			
Task 2				
USACE Nationwide Permit (NWP) Application	24		1	4
Section 401 Water Quality Certification Application	24			
CDFW Lake and Streambed Alteration Notification	8	8	1	2
NOAA Fisheries Consultation		8		
Coastal Development Permit		8		
Total Hours	104	58	7	10
Rate	\$110.00	\$100.00	\$135.00	\$95.000
Subtotal	\$11,440.00	\$5,800.00	\$945.00	\$950.00
TOTAL				\$19,135.00
Cost Estimate Amendment				
Subtask 1.2-A				
Request Technical Assistance from Resource Agencies		10	4	
Task 2-A				
Prepare Complete Coastal Development Permit Application		16		
Task 3				
Prepare a Bio-acoustic Evaluation		20	2	8
Incorporate into BA Letter Report/Permit Apps (ACOE/CDFW)		12		
Task 4				
Port Commission Presentation		8	1	
Task 5				
Prepare Incidental Harassment Authorization Application		24	2	
Task 6				
Permitting Follow-up		40	4	
Total Hours	0	130	13	8
Rate	\$110.00	\$100.00	\$135.00	\$95.000
Subtotal	\$0.00	\$13,000.00	\$1,755.00	\$760.00
TOTAL				\$15,515.00



March 13, 2019

Dale Hendsbee, S.E., LEED AP, Principal
MME Civil + Structural Engineering
224 Walnut Avenue, Suite B
Santa Cruz, CA 95060
831.426.3186 x103
dale@m-me.com, www.m-me.com

Subject: 3rd Request for Amendment to the Aldo's Seawall Scope of Work and Cost Estimate

Dear Mr. Hendsbee,

In light of a misunderstanding regarding our request for an amendment to the Aldo's Seawall Scope of Work and Cost Estimate, EcoSystems West has prepared this summary of correspondence and are resubmitting our request.

The request for a scope amendment was provided to you in an email dated September 18, 2019 and revised in an email dated September 25, 2019. Recently it came to our attention that the scope amendment was not processed as we had presumed.

We apologize for our part in this misunderstanding, in that we neglected to obtain written documentation of our presumed agreement, whereby any inconsistencies in understanding would have been brought to light. We acknowledge that both MME and EcoSystems West were responding to demanding timelines at the time of this correspondence, in our combined efforts to keep the Aldo's Seawall Replacement Project on track.

Our hope is to provide clarification regarding communications between EcoSystems West and MME on the topic of our requested scope amendment, to provide this request to MME again now, come to a written agreement as to its prosecution, and to continue a positive working relationship going forward.

Our description of the work to be performed under the amended scope is provided in Attachment A. This document is unchanged from an attachment to the September 18 email request for scope amendment. These tasks were not included in the original scope of work but were determined to be necessary after obtaining a detailed project description and plans and after preliminary consultation with permitting agencies. In our original cost estimate, we provided an assumption regarding the level of effort required for permitting as well as a caveat as to the possibility of additional permits and consultation being required. The request for an amendment is based primarily on out of scope permitting requirements. The cost estimate for the scope amendment is provided in Attachment B. This includes our original cost estimate for the Aldo's Seawall Replacement Project as well as our September 25 request for an amendment, itemized by task. This document is revised from our September 18 request and unchanged from an attachment to the September 25 email. Table 1 documents communications regarding our request for an amended scope of work.

Per our agreement with Santa Cruz Port Director, Marian Olin, inclusion of Phase II (Aldo's Restaurant) in the coastal development permit application will be contracted directly with her.

We appreciate your attention to this matter. Thank you.

Erin McGinty

Cc: Marian Olin

Attachment A: Amended Scope of Work
Attachment B: Amended Cost Estimate

Table 1. Communications regarding EcoSystems West's request for an amendment to our scope of work and cost estimate for the Aldo's Seawall Replacement Project.

Date	Method of Communication	Between	Notes
9-5-18	Phone	EM/DH	Conversation regarding EW's performance of out of scope work and our request for a scope and cost estimate amendment
9-5-18	Email	BD via EM/DH	Verification of assumptions made during original scope of work and cost estimate – after informal consultation with agency representatives, additional permits and consultation may be required. (Originally provided to Phil Doody with original scope of work and cost estimate in an email from Bill Davilla dated April 14, 2017).
9-14-19	Email	DH/EM	Verification that Marian would review a budget increase and present the request to the Harbor Commission for approval
9-18-18	Email	EM/DH	Request for amended scope of work and cost estimate
9-25-18	Email	DH/EM	Concern about the amount of the requested budget amendment
9-25-18	Phone	EM/DH	Reiteration that tasks in amended scope were not included in original scope of work, that these items would be considered "out of scope", that an assumption regarding the level of permitting effort had been provided in our original scope and cost estimate along with a caveat that additional permits and formal consultation could be required (see email from 9-5-18 above).
9-25-18	Email	EM/DH	Follow-up on subject matter of phone call from 9-25-18.
9-25-18	Email	EM/DH	Revised request for amended scope or work and cost estimate (reduced \$2400)
11-28-18	In Person	MO/EM	Marian verified that the Harbor Commission had approved the amended budget. We presumed this referred to our request for an amendment to our scope of work and cost estimate.

Attachment A (Submitted September 18, 2019)

AMENDED SCOPE OF WORK

Subtask 1.2-A. Request Technical Assistance from Resource Agencies

Geotech studies determined that impact hammer pile driving would be necessary to sufficiently embed sheet piles into bedrock. Based on recent science on impacts of pile driving noise on fish and marine mammals and subsequent new permitting requirements from NOAA Fisheries and USFWS, seek technical assistance to determine project-specific permitting path.

Task 2-A. Prepare Complete Coastal Development Permit Application

Although the Coastal Commission may determine that the project qualifies for an exemption, at the request of Coastal Commission Planner, Sarah Carvill, prepare and submit a complete Coastal Development Permit application package.

Task 3. Prepare Bio-acoustic Evaluation

Using recommended reference documents, NOAA Fisheries user spreadsheets, and recommended calculations, prepare a bio-acoustic evaluation of the impacts of pile driving on marine mammals in the vicinity of the harbor. Include marine mammals within the Monterey Bay that may be affected by the noise levels. Incorporate this analysis into the Biotic Assessment letter report and permit applications, where relevant (ACOE and CDFW).

Task 4. Port Commission Presentation

Prepare and present biological resources and permitting summary at Port Commission Meeting, focusing on new permitting requirements for marine mammals.

Task 5. Prepare an Incidental Harassment Authorization (IHA) Application

Based on the results of bio-acoustic evaluation and technical assistance from NOAA Fisheries and USFWS, prepare an IHA application.

Task 6. Permitting Follow-Up

Provide on-going weekly permit application follow-up with agencies to ensure sufficient and correct information has been provided, to guide permitting toward feasible and timely project conditions, and meet project permitting deadlines. Answer all agency questions and revise documentation as needed (e.g. remove bubble curtain from documentation and add additional information to applications regarding project noise and in-water activities).

Attachment B (Submitted September 18, 2018 and revised September 25, 2018)

EcoSystems West Consulting Group - September 2018				
Cost Estimate to Provide Biological Consulting Services				
Aldo's Seawall Replacement Project				
A	J. Davilla	E. McGinty	B. Davilla	Graphics
Task 1 - Biotic Assessment and Wetland Delineation				
Subtask 1.1				
Literature and Data Base Review	4	4	2	
Subtask 1.2				
Informal Consultation with Resource Agencies	6	6	2	
Subtask 1.3				
Jurisdictional Wetland Determination	4			
Biotic Assessment and Habitat Characterization	4	8		
Subtask 1.4				
Biotic Assessment Report	6	16	1	4
Subtask 1.5				
Wetland Delineation Report	24			
Task 2				
USACE Nationwide Permit (NWP) Application	24		1	4
Section 401 Water Quality Certification Application	24			
CDFW Lake and Streambed Alteration Notification	8	8	1	2
NOAA Fisheries Consultation		8		
Coastal Development Permit		8		
Total Hours	104	58	7	10
Rate	\$110.00	\$100.00	\$135.00	\$95.000
Subtotal	\$11,440.00	\$5,800.00	\$945.00	\$950.00
TOTAL				\$19,135.00
Cost Estimate Amendment				
Subtask 1.2-A				
Request Technical Assistance from Resource Agencies		10	4	
Task 2-A				
Prepare Complete Coastal Development Permit Application		16		
Task 3				
Prepare a Bio-acoustic Evaluation		20	2	8
Incorporate into BA Letter Report/Permit Apps (ACOE/CDFW)		12		
Task 4				
Port Commission Presentation		8	1	
Task 5				
Prepare Incidental Harassment Authorization Application		24	2	
Task 6				
Permitting Follow-up		40	4	
Total Hours	0	130	13	8
Rate	\$110.00	\$100.00	\$135.00	\$95.000
Subtotal	\$0.00	\$13,000.00	\$1,755.00	\$760.00
TOTAL				\$15,515.00



TO: Port Commission
FROM: Marian Olin, Port Director
DATE: March 18, 2019
SUBJECT: Award of Contract for Aldo's Seawall Replacement Construction Administration Services (NTE \$90,000)

Recommendation: *Authorize the Port Director to execute a contract with Mesiti-Miller Engineering for Aldo's Seawall Replacement Project construction administration services in the amount of \$75,000, plus a 20% contingency, for a total authorized amount not-to-exceed \$90,000.*

BACKGROUND

In August 2015, the Commission approved a lease addendum for Aldo's Restaurant (Aldo's) that provided for temporary repairs of the seawall, a monitoring system, preliminary engineering and conceptual design of a replacement seawall. In FY16, the temporary repairs and a monitoring system were funded and installed.

In FY 17, the temporary repairs failed and a sinkhole formed in the public access area of the restaurant. On June 26, 2016, Aldo's Restaurant ceased operation at their 616 Atlantic Avenue location.

In July 2016, the Commission awarded a contract to Mesiti-Miller Engineering (MME) for preliminary engineering and conceptual design of the seawall at Aldo's Restaurant. MME studied several design options. A sheet pile seawall with tie-backs was selected, to be driven in front of the existing seawall.

In December 2016, Aldo's began operating out of a temporary location on the lawn at Mariner Park.

In March 2017, MME was awarded a design, engineering and permitting contract to develop design drawings for the engineering plans and specifications for the seawall replacement, prepare construction documents and obtain permits. MME presented the 100% design plans for the seawall replacement to the Commission at their meeting on June 26, 2018, and reviewed the engineer's cost estimate.

The CA Department of Fish and Wildlife and CA Regional Water Quality Control Board permits have been issued, and the Incidental Harassment Authorization has been published and is currently being advertised on the federal register for a 30-day period. Two permits pend issuance:

- California Coastal Commission Coastal Development Permit (CDP): Expected to be presented at the Coastal Commission's April Hearing.
- U.S. Army Corps of Engineers: Project Manager Frances Malamud-Roam has indicated that the Corps' permit pends issuance of the CDP and final issuance of the Incidental

Harassment Authorization (IHA). The IHA is expected to be finalized pursuant to publication on the federal register for 30 days. Ms. Malamud-Roam indicated she is confirming with her supervisor whether it is possible for the Corps to issue a provisional permit, pending issuance of the above permits, though that remains unresolved at this writing.

On February 28, 2019, the Aldo's Seawall Replacement Project was put out to public bid. Bids are due April 10, 2019. Staff hopes to award the construction contract at the Commission's regular public meeting on April 23, 2019.

Accordingly, a new contract for Construction Administration has been submitted by MME for the Seawall Replacement Project (Attachment A).

ANALYSIS

The Port District needs to retain the services of a licensed engineer to provide bidding and construction support services for the seawall replacement construction project, including inspections, review of submittals and proposed change orders. The \$75,000 proposed contract amount was anticipated in the Engineer's Cost estimate presented to the Commission on June 27, 2018 (Attachment B).

Port District counsel Barbara Choi reviewed our standard long-form contract and made some updates. The draft contract is appended at Attachment C.

Staff recommends award of the contract with a 20% contingency, bringing the total authorized amount to \$90,000.

IMPACT ON PORT DISTRICT RESOURCES

The Port District has adequate funding in the Capital Improvement Plan for the Aldo's Seawall Replacement Project (F027) to fund this construction administration contract.

The Seawall Replacement Project had \$2,159,523 in funding as of February 28, 2019. The funds are derived from a combination of bank financing (obtained in September 2018), and various District budget allocations. The allocated funding is deemed adequate based on the engineering estimate for this project, though actual construction costs will not be known until bids are submitted.

- ATTACHMENTS –
- A. Mesiti-Miller Engineering Seawall Replacement Project Proposal for Construction Administration Services
 - B. Aldo's Seawall Replacement Project Engineering Cost Estimate
 - C. Draft Agreement for Services between Santa Cruz Port District and Mesiti-Miller Engineering



February 26, 2019

Marian Olin, Port Director
Santa Cruz Port District
135 5th Avenue
Santa Cruz, CA 95062

Re: Seawall Replacement Project
Aldo's Restaurant – Santa Cruz Harbor
Purpose: Construction Administration Services
MME Project No: 17138-C1

Dear Ms. Olin,

Thank you for asking MME to provide your construction administration services for the Seawall Replacement Project at Aldo's Restaurant, accordingly we have prepared the following proposal for your review. We are able to provide the level of service that the Port District determines is adequate for construction support. These services are therefore anticipated to be provided as time and materials on an as-needed basis. The following list contains typical tasks we are often requested to provide during bidding and construction.

Bidding Support

1. Attend an on-site, pre-bid meeting with interested bidders. Review bidder's questions and assist with the preparation of a Bid Addendum, if required.
2. Attend bid opening. Review and analyze the bids. Meet with you to review the results of bids.
3. Provide the administrative support necessary for us to perform these services.

Construction Support

1. Participate in correspondence with you, the Contractor, and other members of the design team as may be required to accomplish the tasks identified during this phase.
2. Participate in a pre-construction meeting to answer questions about design intent or about interpretation of the documents prior to work at the site.
3. Assist in establishing clear lines and procedures for all communications.
4. Assist in obtaining proposals from independent engineering testing laboratories for strength evaluation procedures for items and materials on the Statement of Special Inspections. Review the final testing program with the laboratory selected.
5. Attend site construction meetings and prepare notes as requested.
6. Review requests for change orders, if they arise.



7. Review requests for substitutions, if they arise.
8. Prepare and issue bulletins in response to RFI's during construction, if needed, for clarification of our drawings or specifications.
9. Review submittals and shop drawings, submitted through and checked by the General Contractor, for general compliance with the intent and requirements of our Construction Documents.
10. Visit the construction site to observe the progress of construction and its general conformance to our Construction Documents and prepare and deliver Site Observation Logs.
11. Review laboratory test reports for engineering items detailed on our drawings or called out in our specification for conformance to the Construction Documents. Notify you regarding reports indicating non-conforming items.
12. Prepare a final punch list of our items not yet satisfactorily completed and make one visit to the project site to verify completion of those items.
13. Issue letter of final acceptance based on our site observations.
14. Provide the administrative support necessary for us to perform these services.

Compensation for all services rendered in connection with this project are based on time and expenses charged in accordance with our Standard Billing Rates. Based on information available to us at this time, it is our opinion the cost of our bidding and construction support services noted above can be estimated as follows:

The fee is based on the bidding and construction schedule of 1 month for bidding and construction schedule of 80 working days (16 weeks / 4 months). This level of support plus the tasks listed above is typically in an average of \$15,000 per month. For an estimated duration of 5 months our total fee would be in the range of **\$75,000**.

This proposal assumes we are able to negotiate an agreement with mutually acceptable terms and conditions. If you would like us to proceed with the work, we can utilize our Standard Provisions of Contract or you can send us your standard agreement referencing this document for understanding, scope and fee for review.

We thank you for the opportunity to prepare this proposal. Should you have any questions please call me. We look forward to working together with you.

Respectfully yours,

Dale Hendsbee, S.E.
Principal



Schedule of Standard Billing Rates

Effective through December, 2019

Office Personnel

Engineer I	\$ 113 / hour
Engineer II	\$ 130 / hour
Engineer III	\$ 150 / hour
Engineer IV	\$ 175 / hour
Engineer V	\$ 195 / hour
Principal Engineer	\$ 205 / hour
Expert Witness Services	\$ 340 / hour
Deposition, court appearance and preparation	
Administrative Assistant	\$ 84 / hour
CAD Technician I	\$ 83 / hour
CAD Technician II	\$ 105 / hour
Field Technician I	\$ 100 / hour
Field Technician II	\$ 125 / hour
Minimum Consultation Fee	\$ 750

Reimbursable Expenses

Sub-Consultants	Direct Billing x 1.10
Outside Services	Direct Cost x 1.15
Printing, delivery, equipment rental and other direct project expenses	
In-House Services	
Photocopies	\$ 0.10 sheet
Plotting -internal check plots on bond	\$ 2.00 sheet
-final plots on bond	\$ 10.00 sheet
Travel	
Automobile mileage	\$ 0.58 mile
Airfare, Car Rental, etc.	Direct Cost x 1.15
Per Diem Allowance (varies by location)	\$ 150/day



Cost Estimate for Aldo's Seawall Replacement

ITEM	DESCRIPTION	QUANTITY	UNITS	UNIT PRICE	EXTENSION
Sheet Pile Wall					
1	Mobilization/Demobilization Demo and Exc. Equip	1	LS	\$125,000	\$125,000
2	Cap Utilities (Aldos Restaurant)	1	LS	\$10,000	\$10,000
3	Grout Sinkholes	1	LS	\$16,000	\$16,000
4	Building Demolition	1800	SF	\$12	\$21,600
5	Demolish and Remove Aldo's Deck	1500	SF	\$10	\$15,000
6	Demolish and Remove Wharf Section	1	LS	\$15,000	\$15,000
7	Remove Wharf Pilings	4	EA	\$2,000	\$8,000
8	Pre-drill for Sheet piles	1	LS	\$50,000	\$50,000
9	Furnish and Install Sheet Piles	4400	SF	\$225	\$990,000
10	Furnish and Install Tiebacks	17	EA	\$12,000	\$204,000
11	Install Concrete Pile Cap & Closures	50	CY	\$900	\$45,000
12	Install Stone Backfill (crushed rock)	280	TNS	\$100	\$28,000
13	Remove and Reinstall Rip-Rap	1	LS	\$50,000	\$50,000
14	Wharf Reconstruction	540	SF	\$100	\$54,000
15	Railing & Guards	150	LF	\$400	\$60,000
16	Reinstall Concrete Stair and Gangway	1	LS	\$25,000	\$25,000
17	Landscaping	1	LS	\$10,000	\$10,000
18	Site Grading	1	LS	\$15,000	\$15,000
19	Storm Drain / Utilities	1	LS	\$20,000	\$20,000
20	Allocation for Miscellaneous Work	1	LS	\$25,000	\$25,000
SUB-TOTAL:					\$1,786,600
PLANS, PERMITS, CONSTRUCTION ADMINISTRATION					
21	Monitoring and Inspection Allowance	1	LS	\$50,000	\$50,000
22	Construction Administration Allowance	1	LS	\$75,000	\$75,000
SUB-TOTAL:					\$125,000
CONTINGENCIES (10%):					\$191,160
BUDGET:					\$2,102,760

**AGREEMENT FOR SERVICES
BETWEEN THE SANTA CRUZ PORT DISTRICT
AND
MESITI-MILLER ENGINEERING, INC.**

THIS AGREEMENT is made and entered into at Santa Cruz, California, this 27th day of March, 2019 (the "effective date"), by and between the SANTA CRUZ PORT DISTRICT, an independent special district government organized as a political subdivision of the State of California, hereinafter referred to as "DISTRICT", and MESITI-MILLER ENGINEERING, INC., hereinafter referred to as "CONSULTANT."

WITNESSETH:

WHEREAS, DISTRICT desires to retain CONSULTANT to provide certain professional services for DISTRICT in connection with that certain project called:

"Santa Cruz Harbor Aldo's Seawall Replacement Project"

WHEREAS, CONSULTANT is licensed to perform said services and desires to and does hereby undertake to perform said services.

NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL COVENANTS, PROMISES AND CONDITIONS of each of the parties hereto, it is hereby agreed as follows:

I. SCOPE OF WORK

In consideration of the payment by DISTRICT to CONSULTANT, as hereinafter provided, CONSULTANT agrees to perform all the services as set forth in Exhibit "A", SCOPE OF WORK.

II. SCHEDULE FOR WORK

CONSULTANT's proposed schedule for the various services required pursuant to this contract will be as set forth in Exhibit "B", SCHEDULE FOR WORK. DISTRICT will be kept informed as to the progress of work by written reports, to be submitted monthly or as otherwise required in Exhibit "B". Neither party shall hold the other responsible for damages or

delay in performance caused by acts of God, strikes, lockouts, accidents or other events beyond the control of the other, or the other's employees and agents.

CONSULTANT shall commence work immediately upon receipt of a "Notice to Proceed" from DISTRICT. The "Notice to Proceed" date shall be considered the "effective date" of the Agreement, as used herein, except as otherwise specifically defined. CONSULTANT shall complete all the work and deliver to DISTRICT all project related files, records, and materials within one month after completion of all of CONSULTANT's activities required under this Agreement.

III. COMPENSATION AND PAYMENT

A. DISTRICT shall pay CONSULTANT an all inclusive fee that shall not exceed the amount as detailed in Exhibit "C", COMPENSATION AND PAYMENT. This compensation shall be based on the rates shown on Exhibit "C". All payments, including fixed hourly rates, shall be inclusive of all indirect and direct charges to the Project incurred by CONSULTANT.

B. CONSULTANT's fee for the services as set forth herein shall be considered as full compensation for all indirect and direct personnel, materials, supplies and equipment, and services incurred by CONSULTANT and used in carrying out or completing the work.

C. Payments shall be monthly for the invoice amount or such other amount as approved by DISTRICT. As each payment is due, a statement describing the services performed shall be submitted to DISTRICT by the CONSULTANT. This statement shall include, at a minimum, the title(s) of personnel performing work, hours spent, payment rate, and a listing of all reimbursable costs. DISTRICT shall have the discretion to approve the invoice and the work completed statement. Payment shall be for the invoice amount or such other amount as approved by DISTRICT.

D. Payments of any undisputed invoices are due within 30 days of receipt of written invoices. DISTRICT shall have the right to receive, upon request, documentation substantiating charges billed to DISTRICT. DISTRICT shall have the right to perform an audit of the CONSULTANT's relevant records pertaining to the charges.

IV. EQUAL EMPLOYMENT OPPORTUNITY

A. CONSULTANT, with regard to the work performed by it under this Agreement shall not discriminate on the grounds of race, religion, color, national origin, sex (including pregnancy, gender identity, and sexual orientation), disability or genetic information or age in the retention of sub-consultants, including procurement of materials and leases of equipment.

B. CONSULTANT shall take affirmative action to insure that applicants for employment, and employees, are treated during employment, without regard to their race, color, religion, age, sex (including pregnancy, gender identity, and sexual orientation), national origin, disability or genetic information. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment advertising; layoff or termination; rates of pay or other forms of compensation and selection for training including apprenticeship.

C. CONSULTANT shall post in prominent places, available to employees and applicants for employment, notices setting forth the provisions of this non-discrimination clause.

D. CONSULTANT shall state that all qualified applications will receive consideration for employment without regard to race, color, religion, age, sex (including pregnancy, gender identity, and sexual orientation), national origin, disability or genetic information.

E. CONSULTANT shall comply with Title VII of the Civil Rights Act of 1964 and shall provide such reports as may be required to carry out the intent of this section.

F. CONSULTANT shall incorporate the foregoing requirements of this section in CONSULTANT's agreement with all sub-consultants.

V. PROSECUTION OF WORK

CONSULTANT will prosecute the work diligently and continuously and will use best efforts to complete the work in accordance with the schedule of work approved by the

DISTRICT. All activities of CONSULTANT, its employees, subcontractors and/or agents will be carried out in compliance with all applicable federal, state and local laws.

VI. ASSIGNMENT OF AGREEMENT AND TRANSFER OF INTEREST

A. CONSULTANT shall not assign this Agreement, and shall not transfer any interest in the same (whether by assignment or novation), without prior written consent of the DISTRICT thereto.

B. In the event there is a change of more than 30% of the stock ownership or ownership in CONSULTANT from the date of this Agreement is executed, then DISTRICT shall be notified prior to the date of said change of stock ownership or interest and DISTRICT shall have the right, in event of such change in stock ownership or interest, to terminate this Agreement upon notice to CONSULTANT. In the event DISTRICT is not notified of any such change in stock ownership or interest, then upon knowledge of same, it shall be deemed that DISTRICT has terminated this Agreement.

VII. INDEPENDENT WORK CONTROL

It is expressly agreed that in the performance of the service necessary for compliance with this Agreement, CONSULTANT shall be and is an independent contractor and is not an agent or employee of DISTRICT. CONSULTANT has and shall retain the right to exercise full control and supervision of the services and full control over the employment, direction, compensation and discharge of all persons assisting CONSULTANT in the performance of CONSULTANT's services hereunder. CONSULTANT shall be solely responsible for its own acts and those of its subordinates and employees.

VIII. CONSULTANT QUALIFICATIONS

CONSULTANT warrants that CONSULTANT, its employees, subcontractors and/or agents (if any) has/have complied with any and all federal, state, and local licensing requirements.

It is expressly understood that CONSULTANT is licensed and skilled in the professional calling necessary to perform the work agreed to be done by it under this Agreement and DISTRICT relies upon the skill of CONSULTANT to do and perform said work in a skillful

manner usual to the profession. The acceptance of CONSULTANT's work by DISTRICT does not operate as a release of CONSULTANT from said understanding.

This Agreement is entered into by DISTRICT with the express understanding and agreement that the work will be performed by and/or under the direct supervision of the following persons with the duties as follows:

Dale Hendesbee, Structural Engineer (S.E.) and Principal

CONSULTANT shall not reassign the work to other persons without the prior written approval of DISTRICT.

IX. NOTICES

All notices hereby required under this Agreement shall be in writing and delivered in person or sent by priority mail, or another form of expedited mail service with tracking, postage prepaid. Notices required to be given to DISTRICT shall be addressed as follows:

**Marian Olin
Port Director
Santa Cruz Port District
135 5th Avenue
Santa Cruz, CA 95062
(831) 475-6161, ext. 21**

Notices required to be given to CONSULTANT shall be addressed as follows:

**Mesiti-Miller Engineering, Inc.
Attn: Dale Hendesbee
224 Walnut Avenue, Suite B
Santa Cruz, CA 95060
(831) 426-3186**

Provided that any party may change such address by notice, in writing, to the other party and thereafter notices shall be addressed and transmitted to the new address.

X. INDEMNIFICATION

For General Services: To the fullest extent permitted by law and except as otherwise expressly stated herein, CONSULTANT agrees to indemnify, defend, and hold harmless the DISTRICT, its officials, officers, agents, volunteers and employees (collectively, the "DISTRICT PARTIES"), from and against any and all claims, demands, actions, liabilities, damages, judgments, or expenses (including attorneys' fees and costs) arising from the acts or omissions of CONSULTANT, its officers, employees, agents and subcontractors (collectively, the "CONSULTANT PARTIES") in any way related to CONSULTANT PARTIES' obligations or the performance of services under this Agreement, except for design professional services as defined in Civil Code section 2782.8, and except where caused by the sole or active negligence, or willful misconduct of the DISTRICT PARTIES.

For Design Professional Services under Civil Code §2782.8: To the fullest extent permitted by law, CONSULTANT agrees to indemnify, defend, and hold harmless DISTRICT PARTIES from and against any and all claims, demands, actions, liabilities, damages, or expenses (including attorneys' fees and costs) arising from the negligence, recklessness, or willful misconduct of the CONSULTANT PARTIES in any way related to CONSULTANT PARTIES' obligations or the performance under this Agreement for design professional services as defined in Civil Code §2782.8, except where caused by the sole or active negligence, or willful misconduct of the DISTRICT PARTIES. The costs to defend charged to the CONSULTANT relating to the design professional services shall not exceed CONSULTANT PARTIES' proportionate percentage of fault per Civil Code §2782.8.

XI. INSURANCE

CONSULTANT shall not commence work under this Agreement until all insurance required as set forth in Exhibit "D", INSURANCE REQUIREMENTS has been obtained and such insurance has been approved by the DISTRICT, with certificates of insurance evidencing the required coverage. CONSULTANT will insure DISTRICT against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder and the results of that work by CONSULTANT, its employees or subcontractors.

XII. RESPONSIBILITY AND LIABILITY FOR SUB-CONSULTANTS AND/OR SUBCONTRACTORS

Approval of or by DISTRICT shall not constitute nor be deemed a release of responsibility and liability of CONSULTANT or its sub-consultants and/or subcontractors for the accuracy and competency of the designs, working drawings, specifications or other documents and work, nor shall its approval be deemed to be an assumption of such responsibility by DISTRICT for any defect in the designs, working drawings, specifications or other documents prepared by CONSULTANT or its sub-consultants and/or subcontractors.

XIII. OWNERSHIP OF WORK PRODUCT

The work, or any portion of the work by CONSULTANT in performing this Agreement shall become the property of the DISTRICT. CONSULTANT shall be permitted to retain copies or such work for information and reference in connection with the DISTRICT's use. All materials and work product, whether finished or unfinished, shall be delivered to DISTRICT upon completion of contract services or termination of this Agreement for any reason. CONSULTANT agrees that all copyrights which arise from creation of project-related documents and materials pursuant to this Agreement shall be vested in the DISTRICT and CONSULTANT waives and relinquishes all claims to copyright or other intellectual property rights in favor of the DISTRICT. Any work product related to this Agreement shall be confidential, not to be used by the CONSULTANT on other projects or disclosed to any third party, except by agreement in writing by the DISTRICT.

XIV. REPRESENTATION OF WORK

Any and all representations of CONSULTANT, in connection with the work performed or the information supplied, shall not apply to any other project or site, except the project described in Exhibit "A" or as otherwise specified in Exhibit "A".

XV. TERMINATION OF AGREEMENT

A. DISTRICT may give thirty (30) days written notice to CONSULTANT, terminating this contract in whole or in part at any time, either for DISTRICT's convenience or because of the failure of CONSULTANT to fulfill its contractual obligations. Upon receipt of such notice, CONSULTANT shall:

1. Immediately take action not to incur any additional obligations, costs or expenses, except as may be reasonably necessary to terminate its activities (unless the notice directs otherwise); and

2. Deliver to the DISTRICT all data, drawings, specifications, reports, estimates, summaries, and such other information and materials as may have been accumulated or produced by CONSULTANT in performing work under this Agreement, whether completed or in process.

B. DISTRICT reserves the right to obtain services elsewhere, and the defaulting CONSULTANT will be liable for the difference between the prices set forth in the terminated Agreement and the actual cost to the DISTRICT.

C. In no event will the DISTRICT be liable for any loss of profits on the resulting agreement or portion thereof so terminated.

D. Termination of the Agreement pursuant to this paragraph may not relieve the CONSULTANT of any liability to the DISTRICT for damages sustained by the DISTRICT because of any breach of Agreement by CONSULTANT, and DISTRICT may withhold any payments to CONSULTANT for the purpose of set off until such time as the exact amount of damages due the DISTRICT from CONSULTANT is determined.

E. The rights and remedies of the parties provided in this section are in addition to any other rights and remedies provided by law or under this Agreement.

XVI. INSPECTION OF WORK

It is CONSULTANT's obligation to make the work product available for DISTRICT's inspections and periodic reviews, during normal business hours and upon advance request by DISTRICT.

XVII. BREACH OF AGREEMENT

A. This Agreement is governed by applicable federal and state statutes and regulations. Any material deviation by CONSULTANT for any reason from the requirements thereof, or from any other provision of this Agreement, shall constitute a breach of this Agreement and may be cause for termination at the election of the DISTRICT.

B. The DISTRICT reserves the right to waive any and all breaches of this Agreement, and any such waiver shall not be deemed a waiver of any previous or subsequent breaches. In the event the DISTRICT chooses to waive a particular breach of this Agreement, it may be conditioned on the payment by CONSULTANT of actual damages to the DISTRICT, occasioned by such breach of Agreement.

XVIII. SEVERABILITY

The provisions of this Agreement are severable. If any portion of this Agreement is held invalid by a court of competent jurisdiction, the remainder of the Agreement shall remain in full force and effect unless amended or modified by the mutual consent of the parties.

XIX. CAPTIONS

The captions of this Agreement are for convenience and reference only and shall not define, explain, modify, limit, exemplify, or aid in the interpretation, construction, or meaning of any provisions of this Agreement.

XX. LITIGATION OR ARBITRATION

In the event that suit or arbitration is brought to enforce the terms of this contract, the prevailing party shall be entitled to litigation costs and reasonable attorneys' fees.

XXI. TERM OF AGREEMENT

This Agreement shall remain in effect for the period of **March 27, 2019, through December 31, 2020**, unless extended, amended, or terminated in writing by in writing by DISTRICT.

XXII. ENTIRE AGREEMENT

This document and its attachments constitute the sole Agreement of the parties hereto relating to said project and states the rights, duties, and obligations of each party as of the document's date. Any prior Agreement, promises, negotiations, or representations between parties not expressly stated in this document are not binding. All modifications, amendments, or waivers of the terms of this Agreement must be in writing and signed by the appropriate representatives of the parties to this Agreement.

XXIII. COUNTERPARTS

The parties may execute this Agreement in two or more counterparts, which shall, in the aggregate, be deemed an original but all of which, together, shall constitute one and the same instrument. A scanned, electronic, facsimile or other copy of a party's signature shall be accepted and valid as an original.

XXIV. WARRANTY OF AUTHORITY

The signatories to this Agreement warrant and represent that each is authorized to execute this Agreement and that their respective signatures serve to legally obligate their respective representatives, agents, successors and assigns to comply with the provisions of this Agreement.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first above written.

“DISTRICT”

Santa Cruz Port District

By _____
Marian Olin

Title _____ Port Director

ATTEST:

Clerk, Santa Cruz Port District

“CONSULTANT”

MESITI-MILLER ENGINEERING, INC.

By _____
(Print Name)

Title _____

Approved as to Form:

Barbara H. Choi, District Counsel

EXHIBIT 'A'
Scope of Services

Santa Cruz Harbor Aldo's Seawall Replacement Project
Construction Administration Services

The attached proposal by Mesity-Miller Engineering dated February 26, 2019, outlines the bidding and construction support services to be provided under this AGREEMENT.



February 26, 2019

Marian Olin, Port Director
Santa Cruz Port District
135 5th Avenue
Santa Cruz, CA 95062

Re: Seawall Replacement Project
Aldo's Restaurant – Santa Cruz Harbor
Purpose: Construction Administration Services
MME Project No: 17138-C1

Dear Ms. Olin,

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3. Provide the administrative support necessary for us to perform these services.

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1. Participate in correspondence with you, the Contractor, and other members of the design team as may be required to accomplish the tasks identified during this phase.
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7. Review requests for substitutions, if they arise.
8. Prepare and issue bulletins in response to RFI's during construction, if needed, for clarification of our drawings or specifications.
9. Review submittals and shop drawings, submitted through and checked by the General Contractor, for general compliance with the intent and requirements of our Construction Documents.
10. Visit the construction site to observe the progress of construction and its general conformance to our Construction Documents and prepare and deliver Site Observation Logs.
11. Review laboratory test reports for engineering items detailed on our drawings or called out in our specification for conformance to the Construction Documents. Notify you regarding reports indicating non-conforming items.
12. Prepare a final punch list of our items not yet satisfactorily completed and make one visit to the project site to verify completion of those items.
13. Issue letter of final acceptance based on our site observations.
14. Provide the administrative support necessary for us to perform these services.

Compensation for all services rendered in connection with this project are based on time and expenses charged in accordance with our Standard Billing Rates. Based on information available to us at this time, it is our opinion the cost of our bidding and construction support services noted above can be estimated as follows:

The fee is based on the bidding and construction schedule of 1 month for bidding and construction schedule of 80 working days (16 weeks / 4 months). This level of support plus the tasks listed above is typically in an average of \$15,000 per month. For an estimated duration of 5 months our total fee would be in the range of **\$75,000**.

This proposal assumes we are able to negotiate an agreement with mutually acceptable terms and conditions. If you would like us to proceed with the work, we can utilize our Standard Provisions of Contract or you can send us your standard agreement referencing this document for understanding, scope and fee for review.

We thank you for the opportunity to prepare this proposal. Should you have any questions please call me. We look forward to working together with you.

Respectfully yours,

Dale Hendsbee, S.E.
Principal



Schedule of Standard Billing Rates

Effective through December, 2019

Office Personnel

Engineer I	\$ 113 / hour
Engineer II	\$ 130 / hour
Engineer III	\$ 150 / hour
Engineer IV	\$ 175 / hour
Engineer V	\$ 195 / hour
Principal Engineer	\$ 205 / hour
Expert Witness Services	\$ 340 / hour
Deposition, court appearance and preparation	
Administrative Assistant	\$ 84 / hour
CAD Technician I	\$ 83 / hour
CAD Technician II	\$ 105 / hour
Field Technician I	\$ 100 / hour
Field Technician II	\$ 125 / hour
Minimum Consultation Fee	\$ 750

Reimbursable Expenses

Sub-Consultants	Direct Billing x 1.10
Outside Services	Direct Cost x 1.15
Printing, delivery, equipment rental and other direct project expenses	
In-House Services	
Photocopies	\$ 0.10 sheet
Plotting -internal check plots on bond	\$ 2.00 sheet
-final plots on bond	\$ 10.00 sheet
Travel	
Automobile mileage	\$ 0.58 mile
Airfare, Car Rental, etc.	Direct Cost x 1.15
Per Diem Allowance (varies by location)	\$ 150/day

EXHIBIT 'B'
Schedule

The work covered under this Agreement shall continue through December 31, 2020, unless extended or amended in writing.

Mesiti-Miller Engineering shall be compensated for bidding and support services provided pursuant to February 26, 2019.

Mesiti-Miller Engineering shall be compensated for construction support services as detailed in the proposal for services dated February 26, 2019 (Exhibit A).

EXHIBIT 'C'
Compensation and Payment

Compensation for all services rendered in connection with this AGREEMENT are based on time and expenses charged in accordance with Mesiti-Miller Engineering's Standard Billing Rates appended to the proposal dated February 26, 2019 (Exhibit A), and shall not exceed \$75,000.

The fee is based on a bidding and construction schedule of months: one (1) month for bidding (20 working days); and, four (4) months for construction support (80 working days). If services provided under this AGREEMENT extend beyond the anticipated schedule, Mesiti-Miller shall provide not less than 30 days' notice to Santa Cruz Port District of the need to engage in negotiations on a contract modification with mutually acceptable terms and conditions.

EXHIBIT 'D'
Insurance Requirements

A. CERTIFICATE REQUIREMENTS

The DISTRICT will be issued a Certificate of Insurance (a Memorandum of Understanding will not be accepted) with the following minimum requirements:

- Certificate(s) will show current policy number(s) and effective dates,
- Coverage and policy limits will meet, or exceed, requirements below,
- The Certificate Holder will be Santa Cruz Port District, 135 5th Ave., Santa Cruz, CA 95062
- Certificate will be signed by an authorized representative,
- An endorsement will be provided to show the Santa Cruz Port District, its officers, officials, and employees as additional insureds.

B. MINIMUM SCOPE AND LIMITS OF INSURANCE

CONSULTANT ("Consultant") acknowledges that the insurance coverage and policy limits set forth in this section constitute the minimum amount of coverage required. DISTRICT will be entitled to coverage for the highest limits maintained by Consultant. Coverage will be at least as broad as:

• **COMMERCIAL GENERAL LIABILITY (CGL): \$1,000,000 PER OCCURRENCE**

Proof of coverage for \$1 Million per occurrence including products and completed operations, property damage, bodily injury, personal and advertising injury will be provided on Insurance Services Office (ISO) Form CG 00 01 covering CGL. If a general aggregate limit applies, either the general aggregate limit will apply separately to this project/location or the general aggregate limit will be at least twice the required occurrence limit.

• **PROFESSIONAL LIABILITY (ERRORS AND OMISSIONS): \$2,000,000 PER OCCURRENCE OR CLAIM, \$2,000,000 AGGREGATE.**

Consultant will maintain insurance appropriate to Consultant's profession; with limit no less than \$2,000,000 per occurrence or claim, \$2,000,000 aggregate. Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after date of completion of the services under this Agreement. If coverage is canceled or non-renewed and not replaced with another claims-made policy form with a Retroactive Date prior to the contract effective date or start of work date, Consultant must purchase "extended reporting" coverage for a minimum of five (5) years after completion of contract work.

• **AUTOMOBILE LIABILITY:**

Proof of coverage for \$1,000,000 provided on ISO Form Number CA 00 01 covering any auto (Code 1), or if CONSULTANT has no owned autos, hired, (Code 8) and non-owned autos (Code 9), per accident for bodily injury and property damage.

• **WORKERS' COMPENSATION AS REQUIRED BY THE STATE OF CALIFORNIA, WITH STATUTORY LIMITS, AND EMPLOYER'S LIABILITY INSURANCE: \$1,000,000 per accident for bodily injury or disease. Must include a waiver of subrogation.**

C. OTHER INSURANCE PROVISIONS

The insurance policies are to contain, or be endorsed to contain, the following provisions:

• ADDITIONAL INSURED STATUS

The Santa Cruz Port District, its officers, officials, and employees are to be covered as additional insureds on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of Consultant including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage will be provided in the form of an endorsement to Consultant's insurance at least as broad as ISO Form CG 20 10 11 85, or if not available, through the addition of both CG 20 10 and CG 20 37 (if a later edition is used).

• PRIMARY COVERAGE

For any claims related to this agreement, Consultant's insurance coverage will be primary insurance as respects the Port District, its officers, officials, and employees. Any insurance or self-insurance maintained by the Port District, its officers, officials, and employees will be excess of Consultant's insurance and will not contribute with it.

• NOTICE OF CANCELLATION

Each insurance policy required above shall state that the coverage shall not be canceled, except with notice to the Port District.

• WAIVER OF SUBROGATION

Consultant hereby grants to the Port District a waiver of any right to subrogation which any insurer of said Consultant may acquire against the Port District by virtue of the payment of any loss, including attorney's fees under such insurance. Consultant agrees to obtain any endorsement that may be necessary to effect this waiver of subrogation, but this provision applies regardless of whether or not the Port District has received a waiver of subrogation endorsement from the insurer. The Worker's Compensation policy will be endorsed with a waiver of subrogation in favor of the Port District for all work performed by the Consultant and its employees.

• DEDUCTIBLES AND SELF-INSURED RETENTIONS

Port District may require that Consultant declare any deductibles or self-insured retentions and that such be approved by the Port District. Port District may require Consultant to purchase coverage with a lower retention or provide proof of ability to pay losses and related expenses. The policy language shall provide, or be endorsed to provide, that the self-insured retention may be satisfied by either the named insured or the Port District.

• ACCEPTABILITY OF INSURERS

Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII, unless otherwise acceptable to the Port District.

• CLAIMS MADE POLICIES

If any of the required policies provide coverage on a claims-made basis:

1. The Retroactive Date must be shown and must be before the date of the contract or the beginning of contract work.
2. Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of the contract of work.
3. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a Retroactive Date prior to the contract effective date, the Consultant must purchase "extended reporting" coverage for a minimum of five (5) years after completion of contract work.

- VERIFICATION OF COVERAGE

Consultant will furnish the Port District with original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause. All certificates and endorsements are to be received and approved by the Port District before work commences. However, failure to obtain the required documents prior to the work beginning will not waive the Consultant's obligation to provide them. The Port District reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.

D. SUBCONTRACTORS

Consultant shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein, and Contractor shall ensure that Port District is an additional insured on insurance required from subcontractors.



TO: Port Commission
FROM: Marian Olin, Port Director
DATE: March 19, 2019
SUBJECT: Consideration of 99-Pak Charter Operation to Replace the *Team O'Neill* 49-pak Charter Operation

Recommendation: *Approve 99-pak charter operation to replace Team O'Neill 49-pak charter operation, with conditions.*

BACKGROUND

Team O'Neill, LLC, has been working with a Portland, Oregon-based boat builder for a number of years on a new catamaran to replace the current O'Neill cat, *Team O'Neill*. The *Team O'Neill* cat is currently utilized by O'Neill Sea Odyssey for its marine education program, and by O'Neill Yacht Charters for its commercial charter operation.

In a letter to Port Director Ekers dated May 18, 2016 (Attachment D), vessel captain Tim O'Neill informed Port Director Ekers of their plans to bring a new catamaran to Santa Cruz Harbor. At the time, because *Team O'Neill* was used primarily for O'Neill Sea Odyssey classes, Team O'Neill, LLC felt that another vessel was needed for chartering. No action was taken on the request by staff or the Port Commission. O'Neill continued to work with their boat builder on construction of a new vessel.

Harbor staff met with O'Neill representatives Tim O'Neill and Carl Keehn in December 2017, and discussed the application process for obtaining approval for a new charter operation. O'Neill representatives estimated that the vessel would be ready by July 2019. O'Neill representatives were advised to submit their charter application within 6 months.

In written correspondence to the Santa Cruz Port District Commission dated April 4, 2018, Tim O'Neill updated the Commission on their plans to replace the *Team O'Neill* catamaran, with a similarly sized catamaran with a Coast Guard passenger rating of 99 (Attachment C). The letter outlined Team O'Neill LLC's intent to sell the O'Neill Power Cat (which was temporarily berthed at the F1 end-tie), and the *Team O'Neill* cat. The letter acknowledged the charter application and review process that were required for the new vessel.

Staff remained in contact with O'Neill representatives throughout 2018, following up on the status of the charter application submission, and met with O'Neill attorney Mark Massara on October 10, 2018.

In November 2018, Tim O'Neill brought the newly constructed vessel to Santa Cruz for a layover while in transit to Mexico, giving staff and Port Commissioners an opportunity to tour the new vessel.

On November 29, 2018, Team O’Neill LTD submitted their charter application along with a \$250 application fee, and \$2,500 deposit to offset staff time in considering the new charter proposal. Any balance remaining at the end of this process will be refunded to Team O’Neill LLC. Staff has worked with Team O’Neill representatives since that time to refine their charter application and address key issues surrounding customer parking and fees. The application has gone through two revisions, with the most recent submitted on March 7, 2019.

Staff recommends approval of the 99-pak charter application dated March 7, 2019, with additional conditions (outlined under “Recommended Conditions” below).

ANALYSIS

Operating Plan

The charter’s operating and safety plan included in the charter application is appended as Attachment A.

Though the basic operating plan is proposed to be the same as the *Team O’Neill* cat, the increased passenger capacity makes parking a key issue. The availability of visitor parking in the southeast harbor area is already limited (see Attachment B). In response, Team O’Neill LLC is proposing to operate a customer shuttle for O’Neill Yacht Charters’ customers from remote parking areas for weekend charters during the peak season (April to October) and non-peak season (November to March). The Port District proposes to provide free parking for the O’Neill shuttle, and O’Neill customers will pay standard visitor parking rates. O’Neill has the option to pre-purchase harbor parking passes and sell them to their customers, simplifying the parking process for their customers. The shuttle must operate on public surface streets.

No changes are proposed to the parking management or operational plan for O’Neill Sea Odyssey. Classes are scheduled during non-peak times and student transport is accomplished primarily via school buses.

Charter and Berthing Fees

Team O’Neill’s charter fee is currently \$5,831 per year (\$119 x 49-pak rating). The charter fee is discounted based on the percentage of use by the O’Neill Sea Odyssey’s marine education program. That discount has declined over time and is currently 64% charter and 36% foundation use, reducing the annual charter fee to approximately \$3,732 per year at the current use factor. *Team O’Neill’s* berthing fees are discounted by the same foundation use factor. Due to the vessel’s width, berthing fees are charged at 1.3x the single side tie rate.

The Port Commission amended the charter fee in 2018, implementing a 3-tiered rate schedule for new and modified charter operations based on the charter vessels’ passenger (pak) rating. The Commission grandfathered in the prior rate structure for existing charters. *Team O’Neill’s* charter operation remained the same following adoption of the new fee, so no changes to their charter fee were applicable. The current charter fee rate structure is shown in the table below:

Charter Fee	Annual Fee
Small (6-pak)	\$119 x passenger capacity
Medium (7-48 pak)	\$119 x 2 x passenger capacity
Large (49 pak +)	\$2 per passenger (base fee may apply)

Fees for O'Neill's new charter vessel and O'Neill Yacht Charters' customers are proposed at \$2 per passenger. A base fee is not proposed. The \$2 per passenger fee would not apply to O'Neill Sea Odyssey's (OSO) student passengers or chaperones, effectively leaving the charter fee discount in place for OSO's use of the vessel, in recognition of the public service offered by this marine education foundation.¹

No changes are presently proposed to the berthing discount granted in recognition of the public services offered by this marine education foundation, which reduces berthing fees based on the percentage of vessel use by O'Neill Sea Odyssey.

Berthing

Since 1966, O'Neill has occupied multiple berths in various harbor locations for brokerage, sailing lessons and charter services. In 2004, the Port Commission affirmed that the F1 end-tie continue to be assigned to *Team O'Neill* for as long as it continues to provide charters for the OSO marine education program. *Team O'Neill* currently occupies the L1 end-tie in lieu of F1.

O'Neill's Power Cat previously occupied the F1 end-tie on a temporary basis, and paid a berthing rate of 1.5x the single side tie rate due to the vessel's width. This temporary berthing assignment and fee structure is thought to have been approved to boost revenue during a downturn, but is not well documented. The Power Cat has been sold and is no longer in the harbor. O'Neill retained the end-tie, with the intention of subletting it, to ensure they would have berthing for *Team O'Neill* to ready it for sale after arrival of the new vessel.

Recommended Conditions

Parking

O'Neill is proposing to operate a customer shuttle on weekends, year round. Staff recommends O'Neill also be required to operate the remote parking shuttle on holidays and mid-week for O'Neill Yacht Charters' group bookings of 20 passengers or more, that have not made arrangements for bus transport to the harbor.

The Commission may wish to reserve the right to review the shuttle service in the future, for the purpose of determining whether offering expanded weekday service is warranted. This review would be limited to the shuttle service schedule.

¹ The existing charter fee and slip rent discounts are not being reviewed as part of this charter application. The discounts were originally requested by O'Neill Sea Odyssey in June 2007. The proposal was reviewed by the Policy Committee and approved by the Commission on July 24, 2007. The discount was initially 90%, but has decreased over time as the charter business has grown. Per Commission direction, the discounts are reviewed and re-set on an annual basis. At the time, the Commission required Team O'Neill, LTD / O'Neill Sea Odyssey to provide documentation of the contractual agreement between the two entities to ensure OSO is the beneficiary of the discounts.

Single Charter Operation

Staff recommends no concurrent charter operation be allowed. The *Team O’Neill* cat must cease charter operations when the new vessel goes into service.

Berthing

After arrival of the new vessel, allow the *Team O’Neill* cat to temporarily occupy the F1 end-tie while it is prepared for sale at the current berthing rate of 1.5x the single side tie rate. The Commission may wish to set a time limit of 6 months to one-year for temporary occupancy of this space, after which time the rate would revert to the standard visitor berthing rate. O’Neill has rights (one slip license) to only one south harbor end-tie (*Team O’Neill* currently occupies the L1 end-tie in lieu of F1).

Audit

Charter vessel ridership manifests shall be maintained by O’Neill for a period of four years and shall be auditable by Port District. Charter vessel ridership manifests shall include a complete recordation of all foundation use, donated or complimentary tickets which are not subject to the Per Passenger Charter Fee. O’Neill shall allow Port District audit access from time-to-time, to all books and accounting records relating to sales and gross income, for purposes of verifying the Per Passenger Charter Fee due.

IMPACT ON PORT DISTRICT RESOURCES

The annual foundation use report for Team O’Neill for the period July 1, 2017, to June 30, 2018, indicates that O’Neill Yacht Charters performed 363 for-profit charters for the year. The report does not currently include the number of passengers aboard.

O’Neill’s charter application estimates that the Port District’s charter fee is likely to quadruple. At the discounted charter rate, this represents approximately \$14,928 in charter revenue per year, and at the full charter rate, this represents approximately \$23,324 in charter revenue per year. Assuming 363 charters per year remains the average, this represents approximately 20 – 32 passengers per voyage. Higher numbers are possible, but are unlikely to represent a sustained ongoing average.

Ridership Scenarios Based on 363 Charters/Year	Annual Charter Revenue
Average 15 guests per charter	\$ 10,890
Average 30 guests per charter	\$ 21,780
Average 60 guests per charter	\$ 43,560
Average 75 guests per charter	\$ 54,450

The above estimates do not include revenue generated by marina berthing fees or parking.

- ATTACHMENT:
- A. O’Neill Yacht Charters Charter Application dated March 7, 2019
 - B. Southeast Harbor Parking Analysis
 - C. Letter from Tim O’Neill to SC Port District dated April 4, 2018
 - D. Letter from Tim O’Neill to SC Port District dated May 18, 2016

TEAM O'NEILL LTD

PO Box 6300
Santa Cruz, CA 95063
(831) 818-3645
sallingsantacruz@gmail.com



Marian Olin
Port Director
Santa Cruz Harbor
135 5th Avenue
Santa Cruz CA 95062

March 7, 2019

Re: Team O'Neill LTD Boat Replacement Charter Permit Application

Dear Director Olin,

Pursuant to our recent discussions and your request, please find attached a revised and updated Charter Permit Application on behalf of Team O'Neill LTD ("Team O'Neill") for replacement of our existing boat used by O'Neill Sea Odyssey ("OSO") and O'Neill Yacht Charters ("OYC").

Along with this cover letter, attached you'll find updated Plans for Operations, Safety, and Parking.

As discussed, while Team O'Neill does not plan any significant alteration to existing operations or programs, we are updating our application to specifically address Port District staff recommendations regarding Charter Fees and Parking. We remain focused on providing high quality, low cost family oriented public access and educational opportunities to the Monterey Bay. The plans, as updated, remain consistent with our commitment to our shared goal of the Santa Cruz Harbor being the gateway to the National Marine Sanctuary.

On behalf of Team O'Neill, OSO, OYC and the entire O'Neill family, we look forward to working with you to complete this application. Thank you again for your assistance.

Sincerely,

Tim O'Neill, President
Team O'Neill LTD

BUSINESS USE OF SLIP / CHARTER PERMIT APPLICATION

CONTACT & BUSINESS INFORMATION

Applicant Name:

Home Address:

Email Address:

Phone Number:

Assigned Slip #: Slip Assigned through Port District Waiting List? YES NO

Vessel Pak Rating: Vessel Type: Vessel Size:

Vessel Draw: Operating Schedule:

THE FOLLOWING INFORMATION MUST BE SUBMITTED AS PART OF THE APPLICATION PROCESS. THE INFORMATION WILL ASSIST IN THE APPROVAL PROCESS. ADDITIONAL INFORMATION MAY BE SUBMITTED, IF DESIRED.

PROPOSED OPERATING PLAN

Include days, times, and seasons of planned operation. Please note that any changes to the operating plan, including changes to the vessel's pak rating or size, will require additional Port Commission approval.

PROPOSED PARKING PLAN

Parking within the harbor is limited. Please address how parking will be utilized and any steps you will take to minimize parking impacts.

SAFETY PLAN

A comprehensive safety plan, outlining courses, certifications, licensing of each qualified vessel operator and/or skipper.

INSURANCE REQUIREMENTS

Liability insurance, in the amount of \$1 million, naming the Santa Cruz Port District as additional insured, must be provided.

SIGNATURE

Owner hereby agrees that, to the full extent permitted by law, Port District shall not be liable or responsible for any claims, demands, damages, debts, liabilities, obligations, costs, expenses, liens, actions or causes of action of any kind whatsoever, resulting (1) from any collision with any of the dredging equipment or any other boat, (2) from any collision or contact with the bottom of the Harbor or any obstructions on the bottom of the Harbor, (3) from any collision or contact with the jetties or surrounding beaches, or (4) from, or in any way relating to, the dredging operations or the lack of dredging operations, including, but not limited to, the closure of the Harbor entrance for any reason or under any circumstances

NAME: SIGNATURE:

SIGNATURE: DATE:

PRIMARY BANKING INSTITUTION:

FOR PORT DISTRICT USE

Application Fee: Insurance Req't (Date Submitted):

Received Date: Other Special Conditions:

Approval Date:

Team O'Neill Operating Plan

Team O'Neill LTD ("Team O"), on behalf of O'Neill Sea Odyssey ("OSO") and O'Neill Yacht Charters ("OYC"), makes this Business Use of Slip / Charter Permit Application in order to continue our decades long efforts to provide public educational visitation opportunities and access to the world famous Monterey Bay National Marine Sanctuary ("Sanctuary"), and to facilitate our collaboration with the Santa Cruz Port District in our mutual goal of making Santa Cruz the internationally known and identified point of departure for Sanctuary visits.

OSO was established in 1996 and has to date provided marine education and Sanctuary visits to over 100,000 children at no cost to participants whatsoever.

OYC was established in 1993 and today provides seasonal family oriented public recreation opportunities to local residents and visitors from around the world.

Founder Jack O'Neill's goal in building a specially designed and custom-built new boat is that Team O be able to continue to provide these unique services and opportunities for decades to come.

With this application Team O attempts to honor Jack's legacy and requests that the new *Team O'Neill* be docked at L Dock in the location of the existing boat. At that point, the existing boat would be relocated to F Dock to be prepared for sale.

The Operating Plan for the new boat is exactly the same as our existing operations. This includes our goal of continuing to provide lower cost family oriented visits to and education of the Monterey Bay and the Sanctuary's coastal and ocean resources.

Based upon our discussions with Port District officials, Team O proposes to incorporate the established Charter Fee Schedule consistent with our goal to maintain our existing operations with the new vessel, so that rather than adhere to our former charter fee agreement Team O will now remit to the Port District a fee of two (2) dollars per passenger for all OYC charter passengers.¹

This will significantly benefit the Port District in at least two ways. First, our former Charter Fee agreement did not include the two-dollar fee. Second, the old boat COI was 49, and the new boat COI is 99. Based on our past charter business, and it's limited capacity, fees to the Port District will at a minimum more than quadruple annually per the new proposal.

We look forward to continuing to work with the Port District and appreciate that without your support over these many years, Team O could not provide the educational and public recreation opportunities that we are so fortunate to be able to offer today. Our hope is that we can continue together our efforts to make the Santa Cruz Harbor the world's gateway to the spectacular Monterey Bay National Marine Sanctuary.

¹ Consistent with current practice, for those passengers not paying any fees, including charitable giving guests, infants and toddlers (0-4 years old), no Charter Fee would be collected.

Team O'Neill Safety Plan

Team O's current vessel, *Team O'Neill*, has always maintained a high standard of excellence in safety, above and beyond what is required by the U.S. Coast Guard. These high standards apply not only to our vessel, but our captains and crew as well. With the new *Team O'Neill*, we will continue to hold ourselves to these high standards to meet and exceed U.S. Coast Guard requirements.

Captains & Crew

All Captains for Team O are required to hold and maintain an active 100-ton Master's Captains License, as well as first aid and CPR certifications.

All crew members are required to maintain active first aid and CPR certifications, and successfully complete man-overboard drills and sail trainings as required by the U.S. Coast Guard. They are also extensively trained beyond the minimum number of hours required by the U.S. Coast Guard, to meet Team O'Neill's high standards of onboard operations.

New Team O'Neill vessel

This vessel was designed and custom-built with passenger safety being the chief priority, and we've accomplished this in several ways. The following are a few examples:

- The deck was specifically designed to be flush, with nothing obstructing or protruding that would create a hazard for our passengers transiting the boat.
- For added safety and comfort, additional handrails and railings were installed, as well as extra wide stairwells and walkways.
- Two restrooms are available and easily accessible from both the bow and stern.
- In the instance of evening sails, LED lighting is installed along the perimeter of the boat and along all stairwells.

U.S. Coast Guard Requirements and Inspections

OYC and OSO comply with all U.S. Coast Guard requirements for children wearing life vests aboard. Moreover, OSO maintains the requirement that all students participating in the program, regardless of height and weight, wear a life vest from the time they leave the OSO building to the time they return the OSO building after their onboard lessons. They are not permitted to remove it at any point while onboard the boat.

Additionally, the U.S. Coast Guard annually inspects the *Team O'Neill* for safety compliance, including but not limited to life vest availability and fire fighting equipment, training, and capability. On the water and dry dock inspections are conducted by the U.S. Coast Guard regularly in compliance with their requirements, as well.

Team O'Neill Schedule & Parking Plan

Team O has always been and continues to be committed to reducing parking impacts in the harbor wherever possible. We are sensitive to the harbor's existing parking capacity, its various users, and to solutions that maximize our passengers' enjoyment and experience while visiting the harbor. Team O is dedicated to exploring solutions that will benefit not only our passengers, but also positively impact parking in the harbor and the Southeast lot in particular.

To this end, we have thoroughly analyzed and updated our proposal for parking and examined our seasonal schedule for OSO and OYC based both on projections and past bookings. The results of our analysis show that with the conditions below, any impacts from OYC sails specifically can be significantly reduced and managed to eliminate any adverse consequences.

O'NEILL YACHT CHARTERS (OYC)

Based on our research of numerous possible strategies and alternatives, OYC proposes the following to mitigate parking impacts that may arise throughout our sailing season:

- OYC will purchase and operate a shuttle that will run on weekends to help transport passengers to check-in at L Dock.
- OYC will continue to encourage passengers to use a variety of transportation alternatives for all sails, including being dropped off before and picked up after their sail and utilizing the water taxi when available.

OYC Non-Peak Hours of Operation (November – March)

Estimated Schedule

- Monday – Friday: Afternoon private sails (1/day)
- Saturday – Sunday: Morning/afternoon private sails (1-2/day)

Passengers:

- Public sails: 0 (Public sails not offered during this time of the year)
- Private sails: Up to 99

Parking:

- Private sail passengers will be encouraged to arrive to the harbor via carpool, on-demand transport service, walking, biking.
- A shuttle operated by OYC will be made available for weekend charters.

OYC Peak Hours of Operation (April – October)

Estimated Schedule

- Monday – Friday: Afternoon/evening public or private sails (1-3/day)
- Saturday – Sunday: Morning/afternoon/evening public or private sails (1-4/day)

Passengers:

- Public and private sails: Up to 99

Parking:

- Public and private sail passengers will be encouraged to arrive to the harbor via carpool, on-demand transport service, walking, biking.
- A shuttle operated by OYC will be made available for weekend charters.

O'NEILL SEA ODYSSEY (OSO)

Pursuant to existing practice, OSO will continue to schedule classes during non-peak times and transport students to the harbor on school buses. Per OSO's past practice and in coordination with Port Staff, OSO's exceedingly significant public benefits are achieved with virtually no parking impact whatsoever.

OSO Seasonal Hours of Operation (March - June; September - December)

Estimated Schedule

- Monday through Friday
- 9 AM - 2 PM (2 onboard classes/day)

Passengers:

- On board classes: up to 40

Parking:

- Students and chaperones arrive and depart together on school bus' parked in the Southeast lot during their classes.

**Santa Cruz Harbor
Southeast Harbor Parking Analysis**

Concession Lot	148	
SE Parking	<u>267</u>	
	415	
Less:		
Concession	-148	
Trailer Rig	-43	
Slip Renter*	-78	Parking ratio req't .6 per berth = 147 spaces
Short-Term	-6	
ADA	-4	
Harbor Patrol	-2	
Boatyard	-9	
"C" Permit	<u>-16</u>	
Remaining Visitor/Slip Renter Parking	109	

*Note: Slip renter parking requirement based on .6 per slip ratio = 147.
 Only 78 of the 147 requirement are dedicated slip renter spaces in SE harbor because slip renters can park in visitor parking spaces. If the full allotment is dedicated to slip renter parking, available visitor parking is **reduced to 40 spaces.**

Team O'Neill LLC
1071 41st Ave.
Santa Cruz, CA 95062

April 4, 2018

Santa Cruz Port District Commissioners
135 5th Avenue
Santa Cruz, CA 95062

Re: Catamaran Update

Dear Commissioners,

As you probably know, for the last three years we have been working on a replacement for our Team O'Neill Catamaran. We will be requesting to replace our vessel at the Harbor for O'Neill Sea Odyssey and O'Neill Charters.

The new boat is currently being built by Schooner Boat Works in Portland, and we are obtaining our U.S. Coast Guard Approval for 99 passengers. The new boat is the same size as our current catamaran and should be ready to begin operations July 2019. We have preliminarily met with harbor staff and understand that a charter application and business plan for the replacement vessel will be required, and that a Port Commission review process will follow.

We are selling the O'Neill Power Cat currently berthed at F02. When the time comes to sell the Team O'Neill catamaran, we will work with harbor staff to move it to slip F02. In the meantime, we intend to sublet slip F02 after the Power Cat sells.

We wanted to keep you updated on the progress. Please let me know if we need to do anything further in order to have a smooth transition with our new boat.

Thanks for all your help.

Sincerely,



Tim O'Neill

Captain

Team O'Neill LLC
1071 41st Ave.
Santa Cruz, CA 95062

May 18, 2016

Lisa Ekers
Port Director
Santa Cruz Port District
135 Fifth Avenue
Santa Cruz, CA 95062

Dear Lisa,

As you may be aware, for the last few years we have been working with Melvin/Morelli of Newport designing a new catamaran. The vessel is in its final stages of obtaining Coast Guard approval. Once we receive that, we will begin construction of the boat.

Since the Team O'Neill Catamaran is primarily used for O'Neill Sea Odyssey classes we have had to turn down many charters and feel that we need to have another vessel for charters.


The vessel will take approximately 18 months to complete and we are requesting that the Port District convert the current slip for the O'Neill Power Cat to a charter slip for our new catamaran.

The new boat will be used for charters, thus changing the revenue to the Port District from a pleasure slip to a charter slip.

Can you please let me know the steps we need to take to convert the existing slip from pleasure to a charter boat slip per the Santa Cruz Harbor Ordinances 302 2(e)?

Thank you for your help.

Sincerely,


Tim O'Neill

Captain

Santa Cruz Port District
135 5th Avenue
Santa Cruz, CA 95062
831.475.6161
831.475.9558 Fax
www.santacruzharbor.org



PORT COMMISSIONERS:
Toby Goddard
Dennis Smith
Stephen Reed
Darren Gertler
Neli Cardoso

TO: Port Commission
FROM: Latisha Marshall, Harbormaster
DATE: March 19, 2019
SUBJECT: Consideration of Application for 6-Pak Charter Operation (R. Adams)

Recommendation: *Approve six-pak charter permit for Ray Adams (Slip X-12)*

BACKGROUND

Ray Adams received a north harbor 35' slip in October 2018, through the regular waiting list. Shortly thereafter, he placed his vessel, a recently restored 1981 Bertram, in the slip.

Mr. Adams earned his USCG Masters License (50 ton) in 2013, and was captaining for another local charter up until November 2018, when he left to pursue his own charter operation. Mr. Adams has paid his \$250.00 application fee, and has submitted his charter application and operational plan, which is appended to this report (Attachment A).

Rather than operate from his X-Dock slip, Mr. Adams originally expressed interest in operating out of a commercial south harbor 30' slip on R or S-Dock. Staff informed Mr. Adams that his request could not be accommodated at that location due to the number of already approved charters in the area. Mr. Adams is now requesting Port Commission approval to operate a charter from his north harbor X-Dock slip.

ANALYSIS

In his Charter Permit Application, Mr. Adams indicates that he will be in operation from April until December, mirroring the local fishing season(s). He estimates that, based on demand, he will be running a total of 100 charters per year.

There are currently two approved charters operating on the north-east side of the harbor; *Go Fish Santa Cruz* in X-07 and *Waypoint Sport Fishing* in X-71. There is more than enough parking available in that area to satisfy the needs of multiple 6-pak operators.

Mr. Adams stated that he will retain all necessary USCG/CA Dept. of Fish and Wildlife licenses, abide by all Port District regulations, and maintain a safe, clean and professional operation.

IMPACT ON PORT DISTRICT RESOURCES

Impacts associated with approval are minimal. Ample visitor parking exists year round in the X-Dock area. Approval of the six-pak charters will generate \$714/year in additional fees to the Port District, plus associated parking revenues.

ATTACHMENT: A. Charter Permit Application and Operational Plan

BUSINESS USE OF SLIP / CHARTER PERMIT APPLICATION

CONTACT & BUSINESS INFORMATION

Applicant Name: Raymond Adams
Home Address: 230 Sund Ave - Ben Lomond, CA 95005
Email Address: rayadams59@gmail.com
Phone Number: 408-497-4170
Assigned Slip #: X 12 Slip Assigned through Port District Waiting List? YES NO
Vessel Pak Rating: 6 pak Vessel Type: Sportfisher Vessel Size: 28'
Vessel Draw: 2'6" Operating Schedule:

THE FOLLOWING INFORMATION MUST BE SUBMITTED AS PART OF THE APPLICATION PROCESS. THE INFORMATION WILL ASSIST IN THE APPROVAL PROCESS. ADDITIONAL INFORMATION MAY BE SUBMITTED, IF DESIRED.

PROPOSED OPERATING PLAN

Include days, times, and seasons of planned operation. Please note that any changes to the operating plan, including changes to the vessel's pak rating or size, will require additional Port Commission approval.

PROPOSED PARKING PLAN

Parking within the harbor is limited. Please address how parking will be utilized and any steps you will take to minimize parking impacts.

SAFETY PLAN

A comprehensive safety plan, outlining courses, certifications, licensing of each qualified vessel operator and/or skipper.

INSURANCE REQUIREMENTS

Liability insurance, in the amount of \$1 million, naming the Santa Cruz Port District as additional insured, must be provided.

SIGNATURE

Owner hereby agrees that, to the full extent permitted by law, Port District shall not be liable or responsible for any claims, demands, damages, debts, liabilities, obligations, costs, expenses, loss, actions or causes of action of any kind whatsoever, resulting (1) from any collision with any of the dredging equipment or any other boat, (2) from any collision or contact with the bottom of the Harbor or any obstructions on the bottom of the Harbor, (3) from any collision or contact with the jetties or surrounding beaches, or (4) from, or in any way relating to, the dredging operations or the lack of dredging operations, including, but not limited to, the closure of the Harbor entrance for any reason or under any circumstances

NAME: Raymond Adams SIGNATURE:

SIGNATURE: Raymond Adams DATE:

PRIMARY BANKING INSTITUTION: Bay Federal

FOR PORT DISTRICT USE

Application Fee: \$250.00 Insurance Req't (Date Submitted): YET TO BE DETERMINED.

Received Date: 1/23/19 Other Special Conditions:

Approval Date:

Proposed operating plan for a six pack charter

My intention is to be available to operate seven days a week from April thru and including December. The actual number of days running charters will be determined by demand. A realistic estimate of days running , based on working as a captain on other charter boats, is about 100. Most charters will be leaving the dock between six and seven am returning about twelve or one in the afternoon. During the summer months there will be some afternoon charters leaving around two and returning around five or six.

Parking

I propose to follow the recommendations of the existing six pack charters regarding parking. I will encourage carpooling by offering parking passes to those who do. I have noticed that the average number of vehicles for six fishermen is two.

Safety

I hold coast guard issued fifty ton masters license first issued in 2013 and currently good until 2023. I am enrolled in a random drug testing program. I maintain my first aid certification through the Red Cross here in Santa Cruz.

Santa Cruz Port District
135 5th Avenue
Santa Cruz, CA 95062
831.475.6161
831.475.9558 Fax
www.santacruzharbor.org



PORT COMMISSIONERS:
Toby Goddard
Dennis Smith
Stephen Reed
Darren Gertler
Neli Cardoso

TO: Port Commission
FROM: Marian Olin, Port Director
DATE: March 18, 2017
SUBJECT: 2019 Election of Special District Member and Alternate on LAFCO

Recommendation: *Provide direction to staff on casting the Port District's vote for a regular member on the Local Agency Formation Commission (LAFCO).*

BACKGROUND

LAFCO is conducting an election for an independent special district regular member, with a term ending May 6, 2023. The LAFCO election information is attached. The District's vote must be submitted to LAFCO, by no later than 4:30 pm on Friday, April 19, 2019.

ATTACHMENT: A. LAFCO Cover Letter and Election Material



March 4, 2019

Email: info@santacruzlafco.org
Website: www.santacruzlafco.org

Chair
Santa Cruz Port District
135 5th Ave.
Santa Cruz CA 95062

SUBJECT: ELECTION FOR SPECIAL DISTRICT REGULAR MEMBER ON LAFCO

Dear Board Chairperson:

First off, I would like to introduce myself - my name is Joe Serrano and I am the new Executive Officer for the Santa Cruz County Local Agency Formation Commission (LAFCO). My predecessor, Pat McCormick, will be retiring in May, 2019. Feel free to contact me or Pat if you have any questions during the transition period.

With that being said, the purpose of this letter is to solicit your district's vote for the regular member seat on LAFCO. The independent special districts in Santa Cruz County get three positions on the LAFCO board. The regular member seats are currently held by Jim Anderson (Felton Fire Protection District) with his term ending on May 2021, and Tom LaHue (Soquel Creek Water District) with his term ending on May 6, 2019. The alternate member seat is currently held by Rachel Lather (Soquel Creek Water District) with her term ending on May 1, 2021.

In preparation of Commissioner LaHue's expiring term of office, LAFCO staff will be conducting an election to fill the regular member seat on the LAFCO board.

Candidates

The two candidates running for LAFCO's special district regular member seat are:

- Edward Banks (Pajaro Valley Public Cemetery District); and
- Rachel Lather (Soquel Creek Water District)

Background information from the candidates is enclosed. As previously mentioned, Rachel Lather is currently LAFCO's special district alternate member. In the event that Ms. Lather is selected as the special district regular member, a separate election will be conducted to fill the alternate member seat.

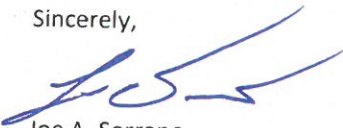
Election Process

The election will be conducted by mail. Each district gets one vote for each position, which shall be executed on the enclosed ballot by either the presiding officer of the district board, or by his or her designee. **The deadline to return the executed ballot to the LAFCO office will be no later than 4:30 p.m. on April 19, 2019.** Ballots can be mailed, hand-delivered, or emailed to the LAFCO office. If emailed, please follow-up by mailing the ballot with an original signature. LAFCO staff will open and tally the ballots at 4:30 p.m. in the LAFCO office. Anyone who wishes to observe the tally should come to the LAFCO office at that time.

The Independent Special District Selection Committee rules of procedure are posted on the Policies and Rules page of LAFCO's website: <https://www.santacruzlafco.org/wp-content/uploads/2018/01/801-B-Exhibit-B-District-Selection-Committee-Procedures-1-19-18.pdf>

Please contact Debra Means or me at the LAFCO office if you have any questions about the voting process.

Sincerely,


Joe A. Serrano
Executive Officer

Attachments: Candidates' Information
Ballot and Certification of Person Voting
Return Envelope

2019 BALLOT
for
SPECIAL DISTRICT
REGULAR MEMBER
on LAFCO

Please check the box to the left of the person you are voting for.
Vote ONLY for one nominee.

Edward Banks Pajaro Valley Public Cemetery District

Rachel Lather Soquel Creek Water District

- After voting, please hand deliver or mail the ballot back to LAFCO in the enclosed envelope. Emailed ballots are accepted, but they must be followed up by mailing the ballot with an original signature.
- Ballots will be counted at 4:30 p.m. on April 19, 2019.
- Any ballots received after that time will not be counted.

District Voting: Santa Cruz Port District

Signature of Board Chair or his/her designated representative

Printed Name

Date

LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY
NOMINATION FORM
SPECIAL DISTRICT REGULAR MEMBER
NOMINATION PERIOD CLOSSES FEBRUARY 22, 2019

INSTRUCTIONS:

If you are interested in serving as a special district member on LAFCO, please complete and sign the following application. The complete application can be mailed, hand delivered, or emailed (as pdf with signature) to:

Mailing address:

LAFCO
Room 318-D
701 Ocean Street
Santa Cruz CA 95060

Email: debra@santacruzlafco.org

Applications must be received in the LAFCO office no later than 4:30 p.m. on February 22, 2019.

Thank you for your interest in the Local Agency Formation Commission. In accordance with the Districts' rules, fire protection board members are ineligible for this position.

I am applying for the regular member position with a term beginning May 6, 2019.

NAME: EDWARD K. BANKS

MAILING ADDRESS: Street 775 M^KKENZIE AVE

City, Zip: WATSONVILLE, CA 95076

PHONE: Home/Cell: 831-722-4226 (H) Business: 831-724-1085

EMAIL: EDBANKS@KBKINSURANCE.COM

DISTRICT BOARD ON WHICH YOU SERVE: PARARO VALLEY PUBLIC CEMETERY DISTRICT

PREVIOUS BOARD, COMMISSION, OR COMMITTEE SERVED:

Organization	Term
<u>SANTA CRUZ COUNTY GRAND JURY</u>	<u>1985-86</u>
<u>SANTA CRUZ COUNTY PLANNING COMMISSION - ALTERNATE</u>	<u>MID. 1980'S</u>
<u>SANTA CRUZ CO HAZARDOUS MATERIALS ADVISORY COMM.</u>	<u>RECEIVED 2005 TO 4-1-2009</u>

JAN 15 2019

Edward K. Banks

Ed Banks, a native Californian, was born in San Francisco and grew up in La Selva Beach. He attended Aptos Elementary School and is a 1966 graduate of Watsonville High School. He received his A.A. degree from Cabrillo College in 1968 and Bachelor of Arts degree from Sonoma State University in 1970. His military commitment commenced as a Naval Reservist in November of 1970, being stationed at Flag Administrative Unit, Naval Air Station Barbers Point, Hawaii. His active duty assignment concluded in August of 1972, and ultimate honorable discharge in August of 1975.

Ed has been in the insurance profession since 1972, beginning with commercial underwriting assignments at the Hartford Insurance Company, San Francisco, and Fireman's Fund Insurance Company, San Jose. In 1977, he moved back to Watsonville to join the firm of Martin & Friend Insurance Agency. In April of 1996, he merged the agency with Kane-Hall-Palmtag Insurance to form KBK Insurance Agency.

Ed's community service has included serving on the following organizations' boards of directors: Insurance Brokers and Agents of the West, Independent Insurance Agents & Brokers of Watsonville (past president), Watsonville National Little League, Watsonville YMCA, Pajaro Valley Chamber of Commerce, Rotary Club of Watsonville (past President 1993-94), Monterey Bay Bank and Watsonville Firefighters' Association. He was a reserve lieutenant for the Watsonville Fire Department from 1981 to 2006. During his 25-year career with the fire department, he successfully completed courses of study in Fire Command Operations and Fire Cause Determination at the National Fire Academy, Emmitsburg, Maryland. He also served on the Santa Cruz County Grand Jury in 1985-86 as well as the Santa Cruz County Hazardous Materials Advisory Commission 2007-2009. In 2010, Ed attended the National Emergency Training Center, Emmitsburg, Maryland, receiving certificates of completion in Community Emergency Response Team Operations and Program Management.

Ed has volunteered as a Community Emergency Response Team (CERT) instructor for the City of Watsonville CERT program.

He is past president of the board of directors of the Cabrillo College Foundation. Ed also currently serves as a trustee of the Pajaro Valley Cemetery District as well as Area VII Trustee for Cabrillo Community College.

An avid San Francisco Giants' fan has taken "road trips" with his sons and Father-in-law. Ed also likes gardening, travel and an occasional round of golf with friends.

LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY
NOMINATION FORM
SPECIAL DISTRICT REGULAR MEMBER
NOMINATION PERIOD CLOSES FEBRUARY 22, 2019

INSTRUCTIONS:

If you are interested in serving as a special district member on LAFCO, please complete and sign the following application. The complete application can be mailed, hand delivered, or emailed (as pdf with signature) to:

Mailing address:

Email: debra@santacruzlafco.org

LAFCO
Room 318-D
701 Ocean Street
Santa Cruz CA 95060

Applications must be received in the LAFCO office no later than 4:30 p.m. on February 22, 2019.

Thank you for your interest in the Local Agency Formation Commission. In accordance with the Districts' rules, fire protection board members are ineligible for this position.

I am applying for the regular member position with a term beginning May 6, 2019.

NAME: Rachel Lather

MAILING ADDRESS: Street 410 Lock Drive

City, Zip: Aptos 95003

PHONE: Home/Cell: 831-588-1023 Business: 831-257-0423

EMAIL: rachellather@sbcglobal.net

DISTRICT BOARD ON WHICH YOU SERVE: Soquel Creek Water District

PREVIOUS BOARD, COMMISSION, OR COMMITTEE SERVED:

Organization

Term

LAFCO Alternate

2017 - 2021

RECEIVED

Nomination Form

Page 1 of 2

FEB 21 2019

Santa Cruz LAFCO

RACHÉL LATHER -STATEMENT OF INTEREST

I am interested in participating as a voting member of LAFCO because of my past experiences with LAFCO which sparked an interest in the process required by the State to provide/expand specific services to people within the County of Santa Cruz.

I started my career at the County of Santa Cruz in the Planning Department for almost 8 years and then as the Sanitation Engineer for Public Works for almost 16 years. As the Sanitation Engineer, I worked with communities throughout the County to provide sewer services and completed a few LAFCO applications in the process. I also was in charge of 5 County Service areas and am extremely knowledgeable about County Service Areas and how they are managed and formed. Currently I am a member of the Board of Directors for Soquel Creek Water District.

Because of my experience as an applicant and my interest in the LAFCO process, I asked to be nominated to be an Alternate for the Commission in 2017. I was selected by your Commission to be a LAFCO Alternate Commissioner and have had the honor of being able to vote at two Commission meetings. I have also attended one conference in order to learn more about the Commission. I continue to be interested in being on the LAFCO Board and believe that my experience with managing sewer services will be particularly valuable as our Commission reviews the Sewer Service Areas in the near future.

Santa Cruz Port District
Accounts Payable Monthly Check Register
February 2019

Date	Doc #	Vendor	Trx Description	Amount
2/1/2019	51177	Compass Bank	Non-Taxable Loan Principal & Interest	\$146,088.84
2/6/2019	51178	Adobe Systems Incorporated	Adobe License	\$463.14
2/6/2019	51179	Amerigas	Propane Gas	\$262.23
2/6/2019	51180	Applied Industrial Technologies, LLC	CAT Dozer Filter	\$125.72
2/6/2019	51181	AT&T	Telephone	\$770.10
2/6/2019	51182	AT&T Mobility	Tablet Service	\$235.50
2/6/2019	51183	B AND B Small Engine	Air Filters	\$40.07
2/6/2019	51184	Bay Building Janitorial, Inc.	Janitorial Services (January)	\$5,292.00
2/6/2019	51185	Bay Plumbing Supply, Inc.	Elbows, Couplings for Stock, Water Heater Supply Lines	\$308.64
2/6/2019	51186	Bayside Oil II, Inc.	Waste Oil Disposal	\$380.75
2/6/2019	51187	Big Creek	Blade & Drill Bit, Grounds Tools, Eye Bolts, Blade	\$199.31
2/6/2019	51188	Blueprint Express of Santa Cruz	Site Plans for County Inspection Report	\$20.63
2/6/2019	51189	Brass Key Locksmith, Inc.	Aluminum Gate Boxes	\$584.64
2/6/2019	51190	Burke, Williams & Sorensen, LLP	Legal Consultation	\$5,994.18
2/6/2019	51191	Capitola Pump Company, Inc.	(2) Sump Pumps for Dredge	\$672.75
2/6/2019	51192	Citi Cards	Hose Mender, Cooler, Amazon Prime Business Membership	\$243.93
2/6/2019	51193	Comcast	Business Internet	\$303.89
2/6/2019	51194	Computer Technical Specialists, Inc.	Twin Lakes Dredge Laptop	\$1,202.91
2/6/2019	51195	Cotta, Ty	Security Deposit Refund	\$348.90
2/6/2019	51196	County of Santa Cruz Auditor	Citation Tax (December)	\$1,360.50
2/6/2019	51197	Court Ordered Debt Collection	Wage Garnishment	\$613.87
2/6/2019	51198	Covello & Covello Photography	Commissioner Portraits	\$738.53
2/6/2019	51199	Crow's Nest Restaurant	1/2 Concession Lot Garbage (Tenant Reimbursable)	\$2,457.18
2/6/2019	51200	Data Ticket, Inc.	Citation Processing (December)	\$300.00
2/6/2019	51201	DISETH, PHILLIP	Key Deposit Refund	\$40.00
2/6/2019	51202	Environmental Logistics	Hazmat Supplies & Disposal	\$3,024.50
2/6/2019	51203	Fastenal Company	Cap Screws, Dock Gate Anchors	\$248.82
2/6/2019	51204	Ferguson Enterprises, Inc.	Backflow Repair Kits	\$449.08
2/6/2019	51205	Flyers Energy, LLC	Ancillary Equipment Fuel	\$953.76
2/6/2019	51206	Grainger	Rakes, Hoes, Brooms, Door Closer, Aerosol Duster, Batteries, Office Soap, Sanitizer, Wipes	\$1,295.04
2/6/2019	51207	Gsolutionz	Telephone System Maintenance	\$199.99
2/6/2019	51208	Henneuse, Don	Security Deposit Refund	\$404.50

Santa Cruz Port District
Accounts Payable Monthly Check Register
February 2019

Date	Doc #	Vendor	Trx Description	Amount
2/6/2019	51209	Home Depot Credit Services	<i>Twin Lakes</i> Tools, Anchor Sleeves, Hammer Bit, Barrier Chain, Power Washer Replacement Hose, Water Heater, Wiring Tools, Gate Lugnuts, <i>Twin Lakes</i> Cleaning Supplies	\$1,069.06
2/6/2019	51210	Hose Shop	Clamps, Couplings, Hose Kit, C-Dock Waterline Mender	\$221.73
2/6/2019	51211	Hub Parking Technology	Concession Lot Entry Gate Repair	\$928.20
2/6/2019	51212	JENNINGS, LEW	Security Deposit Refund	\$1,199.80
2/6/2019	51213	Lawson	Hydraulic Connector for Dredge	\$63.99
2/6/2019	51214	Lexipol LLC	Annual Lexipol Subscription	\$3,365.00
2/6/2019	51215	LLoyd's Tire Service	Tires for Maintenance Vehicle	\$994.33
2/6/2019	51216	LOGAN, DAVID	Key Deposit Refund	\$20.00
2/6/2019	51217	Lorenson, Arthur	Security Deposit Refund	\$325.94
2/6/2019	51218	Marine Recreation Association	CA Boating Congress Registration Fee	\$179.00
2/6/2019	51219	McCampbell Analytical, Inc.	SWPPP Testing	\$587.00
2/6/2019	51220	Mid County Auto Supply	Patrol Truck Tools, Fuel Stabilizer	\$91.22
2/6/2019	51221	Mission Uniform Service	Uniform Service	\$129.45
2/6/2019	51222	O'Farrell, Michael	Security Deposit Refund	\$236.30
2/6/2019	51223	Olive Springs Quarry, Inc.	Asphalt for Pavement Repairs	\$774.98
2/6/2019	51224	Pacific Gas & Electric Company	Utilities, Energy Efficient Loan	\$32,808.31
2/6/2019	51225	Peninsula Diesel Inc.	Marine Heat Exchanger for <i>Twin Lakes</i>	\$2,092.05
2/6/2019	51226	Peterson	Parts for CAT Dozer	\$323.03
2/6/2019	51227	RacorStore	<i>Dauntless</i> CCV Filter	\$148.62
2/6/2019	51228	Ramos Oil Inc.	<i>Twin Lakes</i> Fuel	\$26,308.92
2/6/2019	51229	Ronan Engineering Company	Density Meter Inspection	\$5,590.00
2/6/2019	51230	Santa Cruz Electronics, Inc.	Wiring Tool	\$4.29
2/6/2019	51231	Santa Cruz Municipal Utilities	Utilities	\$9,240.08
2/6/2019	51232	Santa Cruz Records Management, Inc.	Document Shredding	\$15.25
2/6/2019	51233	Silke Communications	Patrol Radio Replacement	\$676.07
2/6/2019	51234	Soil Control Lab	SWPPP Testing	\$366.00
2/6/2019	51235	Supply Works	Janitorial Supplies	\$648.88
2/6/2019	51236	Suttaby, Ian	Security Deposit Refund	\$351.12
2/6/2019	51237	Triton Construction	Fuel Pump Repairs, Monthly Fuel Operator Service	\$1,260.17
2/6/2019	51238	Valero Marketing & Supply Company	Fleet Fuel	\$1,966.49
2/6/2019	51239	Walsh, Patrick	Security Deposit Refund	\$294.32
2/6/2019	51240	West Coast Wire Rope	Shackles for Dredge	\$317.09

Santa Cruz Port District
Accounts Payable Monthly Check Register
February 2019

Date	Doc #	Vendor	Trx Description	Amount
2/6/2019	51241	West Marine Pro	Multitool, Radio Microphone, Foul Weather Gear for Dredge Crew, Power Adapter for <i>Almar</i> , Hose for Water Pump	\$347.67
2/6/2019	51242	Zee Medical Service Co.	First Aid Supplies for Maintenance & Harbor Office	\$224.57
2/7/2019	51243	Employee #269	Wage Garnishment Refund	\$17.37
2/7/2019	51244	Tesla Inc	Film Permit Deposit Refund	\$4,930.00
2/8/2019	51245-46	Don Kinnamon	Training Reimbursement	\$1,104.39
2/14/2019	51247	Nicholas Henning	Refuse Collection	\$2,250.00
2/21/2019	51248	A Sign ASAP!	Magnetic Signs	\$98.10
2/21/2019	51249	Allied Administrators for Delta Dental	Dental Insurance	\$2,531.53
2/21/2019	51250	AmeriDyn	Dynamics Support	\$12.50
2/21/2019	51251	Amerigas	Ancillary Equipment Fuel	\$239.59
2/21/2019	51252	AT&T	Telephone	\$1,216.37
2/21/2019	51253	CIT	Telephone System Lease	\$338.48
2/21/2019	51254	Bay Plumbing Supply, Inc.	Concession Lot Restroom Plumbing Supplies	\$15.96
2/21/2019	51255	Bellingham Marine Industries, Inc.	O-Dock Electrical Cable Replacement	\$7,481.25
2/21/2019	51256	Big Creek	Dock Eye-Bolts	\$25.90
2/21/2019	51257	Blueprint Express of Santa Cruz	Aldo's Seawall Blueprints	\$225.40
2/21/2019	51258	Bow Wow Pet Waste Products	Pet Waste Disposal Bags	\$261.53
2/21/2019	51259	Byte Technology	Website Hosting - 2 Years	\$405.00
2/21/2019	51260	Carpi & Clay	Washington Representation	\$800.00
2/21/2019	51261	Central Home Supply	Gravel for 7th & Brommer Dry Storage Yard	\$244.97
2/21/2019	51262	Comcast	Business Internet	\$16.36
2/21/2019	51263	Complete Mailing Service	Statement Mailing & Postage	\$668.82
2/21/2019	51264	Computer Technical Specialists, Inc.	Technical Services, Wireless Bridge, E-mail Scanning & Backup	\$1,070.84
2/21/2019	51265	CopWare, Inc.	Peace Officer Legal Sourcebook	\$85.00
2/21/2019	51266	Court Ordered Debt Collection	Wage Garnishment	\$585.13
2/21/2019	51267	Covello & Covello Photography	Commissioner Portrait Reprints	\$498.18
2/21/2019	51268	Crow's Nest Restaurant	1/2 Roof Repairs- 2218 East Cliff Drive	\$60.74
2/21/2019	51269	Elevator Service Company	493 Lake Ave Elevator Repairs, Monthly Elevator Service	\$1,006.25
2/21/2019	51270	Filtrexx	Storm Drain Filters	\$1,683.92
2/21/2019	51271	First Alarm Security & Patrol, Inc.	Security Patrol	\$4,725.84
2/21/2019	51272	Garda CL West, Inc.	Deposit Courier Service	\$261.05
2/21/2019	51273	Geo. H. Wilson, Inc.	Quarterly Boiler Maintenance - 2222 East Cliff	\$335.00
2/21/2019	51274	Grainger	Fuse Holder	\$127.43

Santa Cruz Port District
Accounts Payable Monthly Check Register
February 2019

Date	Doc #	Vendor	Trx Description	Amount
2/21/2019	51275	Julian, Michael	Security Deposit Refund	\$282.54
2/21/2019	51276	Kevin Melrose	Expense Reimbursement - Pressure Washer Repair	\$79.87
2/21/2019	51277	Knight, Suzanne	Parking Refund - Overpayment	\$9.25
2/21/2019	51278	Lawson	Drill Bits for Dredge, Trash Pump Replacement Parts	\$957.02
2/21/2019	51279	Marine Travelift, Inc.	Travelift Inspection & Training	\$1,570.00
2/21/2019	51280	Matheson Tri-Gas, Inc.	Welding Supplies	\$594.58
2/21/2019	51281	MBS Business Systems	Copier Machine Usage Charges	\$275.87
2/21/2019	51282	Mesiti-Miller Engineering, Inc.	Boatyard Marine Ways Preliminary Inspection	\$2,991.00
2/21/2019	51283	Mid County Auto Supply	Hand Cleaner, Rags	\$71.78
2/21/2019	51284	Mission Uniform Service	Uniform Service	\$330.51
2/21/2019	51285	Moffat & Nichol	Sea Level Rise Vulnerability Assessment (Progress Payment)	\$10,087.50
2/21/2019	51286	Monterey Bay Marine	Dredge Skiff Maintenance	\$176.02
2/21/2019	51287	Operating Engineers Local Union No. 3	OE3 Dues (Payroll Deduction)	\$256.00
2/21/2019	51288	Pacific Gas & Electric Company	Utilities	\$229.46
2/21/2019	51289	Palace Art & Office Supply	Office Supplies	\$235.24
2/21/2019	51290	Powars, James	Security Deposit Refund	\$106.60
2/21/2019	51291	K.B. Reed	Security Deposit Refund	\$150.88
2/21/2019	51292	Reynolds, John	Security Deposit Refund	\$79.28
2/21/2019	51293	San Lorenzo	Spring Hinges for Dock Gates	\$27.32
2/21/2019	51294	Santa Cruz Fire Equipment Company	Hazmat Fire Suppress System Check	\$162.90
2/21/2019	51295	Santa Cruz Municipal Utilities	Utilities	\$2,313.49
2/21/2019	51296	SC Fuels	Twin Lakes Engine Oil	\$816.72
2/21/2019	51297	Soil Control Lab	Storm Water Pollution Prevention Plan Testing	\$366.00
2/21/2019	51298	Supply Works	Janitorial Supplies	\$1,437.92
2/21/2019	51299	Tartaglino, Larry	Key Deposit Refund	\$20.00
2/21/2019	51300	U.S. Bank Equipment Finance	Copier Lease	\$151.61
2/21/2019	51301	US Relay	Webcam Service	\$484.00
2/21/2019	51302	Verizon Wireless	Cell Phone & Tablet Service	\$312.57
2/21/2019	51303	West Marine Pro	Restroom Supplies, Offshore Diamond Buoy Lights	\$99.45
2/5/2019	Various	Various Employees	1/16/19-1/31/19 Payroll	\$ 18,233.60
2/20/2019	Various	Various Employees	2/1/19-2/15/19 Payroll	\$ 20,146.03
2/1/2019	EFT	Merchant Services	Online Billpay ACH Fees	\$358.55
2/1/2019	EFT	ElectronicPayments	Fuel Dock Credit Card Fees	\$103.93

Santa Cruz Port District
Accounts Payable Monthly Check Register
February 2019

Date	Doc #	Vendor	Trx Description	Amount
2/1/2019	EFT	Merchant Services	Online Billpay Credit Card Fee	\$220.48
2/1/2019	EFT	Merchant Services	CALE Parking Machine Credit Card Fees	\$625.02
2/1/2019	EFT	Merchant Services	Boatyard Credit Card Fees	\$344.83
2/1/2019	EFT	ChargeltPro	Front Desk Credit Card Fees	\$2,186.17
2/4/2019	EFT	PAYCHEX	Payroll Fees	\$423.15
2/4/2019	EFT	ChargeltPro	Front Desk Credit Card Gateway Fee	\$15.00
2/5/2019	EFT	PAYCHEX	Time & Attendance Fees	\$109.25
2/5/2019	EFT	PAYCHEX	1/16/19-1/31/19 Payroll Direct Deposit	\$ 53,970.95
2/5/2019	EFT	PAYCHEX	1/16/19-1/31/19 Payroll Taxes	\$ 35,392.77
2/7/2019	EFT	Empower Retirement	457 Payments (Payroll Deduction)	\$2,623.15
2/7/2019	EFT	CalPERS	CalPERS Retirement (Partial Payroll Deduction)	\$6,429.45
2/7/2019	EFT	CalPERS	CalPERS Retirement (Partial Payroll Deduction)	\$696.56
2/7/2019	EFT	CalPERS	CalPERS Retirement (Partial Payroll Deduction)	\$7,238.18
2/7/2019	EFT	Comerica Cardmember Services	Aluminum for Dock Gates, Parking Hang Tags, Aluminum Tubes for Gates, Maintenance Vehicle Smog Check, O-Dock Restroom Repair, Annual Constant Contact Subscription, Cal OES Training Course, Power Washer for Boatyard, Travelift Replacement Parts, Boatyard Tools, Shipping, Commissioner Name Placards, Employee Recognition - Holiday Party	\$19,590.26
2/7/2019	EFT	California State Disbursement Unit	Wage Garnishment	\$250.00
2/11/2019	EFT	Comerica Bank	Bank Fees	\$977.03
2/20/2019	EFT	PAYCHEX	1/1/19-2/15/19 Payroll Direct Deposit	\$ 51,888.21
2/20/2019	EFT	PAYCHEX	2/1/19-2/15/19 Payroll Taxes	\$ 32,506.95
2/21/2019	EFT	Empower Retirement	457 Payments (Payroll Deduction)	\$2,609.95
2/21/2019	EFT	CalPERS	Health Insurance	\$31,883.71
2/21/2019	EFT	CalPERS	CalPERS Retirement (Partial Payroll Deduction)	\$6,338.38
2/21/2019	EFT	CalPERS	CalPERS Retirement (Partial Payroll Deduction)	\$646.43
2/21/2019	EFT	CalPERS	CalPERS Retirement (Partial Payroll Deduction)	\$7,274.24
2/21/2019	EFT	CalPERS	CalPERS Unfunded Accrued Liability	\$446.33
2/21/2019	EFT	CalPERS	CalPERS Unfunded Accrued Liability	\$296.54
2/21/2019	EFT	CalPERS	CalPERS Unfunded Accrued Liability	\$18,668.40
2/22/2019	EFT	California State Disbursement Unit	Wage Garnishment	\$250.00
Total February 2019 Disbursements				\$649,534.61

Harbormaster's Report –February, 2019

Boatyard Report - statistics:

	Dec	Jan	Feb
-Haul outs	14	12	13
-Hang in straps (surveys)	9	3	3
-Haul from water onto trailer	0	0	0
-Splash	16	12	11
-To/From trailer	3	0	0
-Crain Ops	3	1	0
-Masts	0	0	0
Trailerred boats (no lift)	0	2	1
Pressure Wash	0	1	0

Boatyard Report - Activities

In February there were six days that qualified as free lay days under the current Rainy Day boatyard promotion.

Harbor Activities/Events/News:

The Harbormaster and a group of Deputy Harbormasters met with the Moose boat representative from Vallejo. The group explored needs, equipment specs, vessel design and discussed deficits with our existing search and rescue vessel.

The month of February brought high winds and heavy rain. We are happy to report there was no major impact to Port District infrastructure during these events.

The Port District had funds remaining in the \$30,000 SAVE-2017 grant, which closed on March 1, 2019. The remaining funds were offered to Sacramento Police Department through the Department of Boating and Waterways SAVE grant "Funds Assist" program. This program benefits the Port District as 100% of the grant funding for this year will be utilized, ensuring future grant eligibility. The Port District has issued a payment to Sacramento P.D. for \$5,747.52 for boat disposal work done on the Sacramento River, but will receive the entire amount back from DBW in the form of grant reimbursement. This year the Port District will be asking for \$20,000 in grant funding for boat disposal.

Training/Conferences: During the past month, Harbor staff participated in the following training/conferences:

Boating and Waterways Commission Meeting: Staff attended this one day meeting. Topics included; Division of Boating and Waterways budget report, aquatic invasive plant control program, abandoned watercraft abatement and surrendered and abandoned vessel exchange grants. The FY 18/19 available funding was \$2,750,000 and 19 agencies received 100% of requested funds, including Santa Cruz Harbor.

Harbormasters and Port Captains board of directors meeting: Presentations included 2019 budget and goals, legislative report, and a summary of 2018 activities.

Critical Incident Response: Topic areas included; containment, taking control, radio discipline, and gathering information.

Firearm Emergency Protective Order: Training topics included; proper forms, routing of information, testifying in court.

Monterey Bay National Marine Sanctuary Law Enforcement Technical Advisory Committee: State Parks, Fish & Wildlife and Santa Cruz Harbor updates, and enforcement focus issues

Monterey Bay Maritime Search and Rescue Council Meeting. This meeting was held at the Office of Emergency Services in Salinas. The group reviewed significant search and rescue cases from the previous quarter and the Coast Guard discussed their Search and Rescue Optimal Planning System (SAROPS). Santa Cruz Harbor will host the next meeting in May.

Fuel Prices

Unleaded	\$4.10
Commercial Unleaded	\$3.88
Diesel	\$3.70
Commercial Diesel	\$3.60

Santa Cruz Port District

Facilities and Engineering Manager's Report

Public Meeting of March 26, 2019

Dredging

North Harbor Dredging

Crews moved *Squirt* back to the X-J Channel to complete dredging of coarse-grained material. *Squirt* will complete the season, which concludes on April 30, 2019, in the X-J channel.

Entrance Dredging

Crews continue to work longer days and plan to address the 6' bar that exists just outside the harbor entrance.

Maintenance

Gate Project

Crews completed the installation of the electronic access system earlier in the month. The system has been operating well so far.

Toyo Pump

Crews began digging with the Toyo submersible pump on the east side of the harbor channel to remove a sandbar that *Twin Lakes* is unable to reach. The Toyo will be used to dig south to Station 1500. The Toyo has been operating flawlessly and has yet to clog one time.

Public Pier

Crews are working to replace a failed beam on the public pier above the fuel dock. The beam is estimated to arrive on March 25, 2019 and the repair is scheduled to be complete at the end of the month.

Available Spaces and Waiting List Status 2019

Wait Size/Rate Type	A	B	C	D	E	F	F	L	M	N	O	P	Q	R	S	T	Total Spaces	% Vacant	# on Wait List	Approx. Years Wait	# Waiters vs. Total Slips	Total Offers - to 12/31/18	Slips Accepted - to 12/31/18	Average Offers per Accept
SH 2x																	0	250	0%	10	5	3	1	3.0
SH1.7x																	0	5	0%	7	5	2	1	2.0
SH 60																	0	11	0%	10	10	0	0	0.0
SH 50																	0	34	0%	30	18	9	1	9.0
SH 40																	0	90	0%	85	22	5	2	2.5
SH 30																1	149	2%	89	15+	25	9	2.8	
SH 24																2	84	0%	24	5	21	8	2.6	
MULTI																	0	22	0%	12	2	10	2	0.0
SH Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	2	0	395	1%					

Wait Size/Rate Type	A	B	C	D	E	F	F	L	M	N	O	P	Q	R	S	T	Total Spaces	% Vacant	
NH 45																	1	28	4%
NH 40																	0	18	0%
NH 35																	0	34	0%
NH 30																	24	190	13%
NH 25																	0	117	0%
NH 20																	1	69	1%
NH Total	0	0	1	0	0	0	0	1	0	0	0	0	0	0	0	0	26	456	6%

*1 vacancy, 4 used for displaced vessels, 14 unavailable due to shoaling
 **5 unavailable due to shoaling

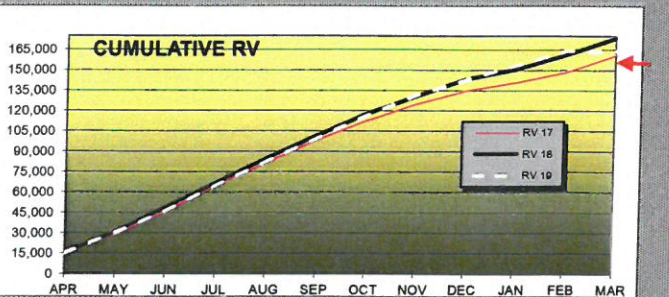
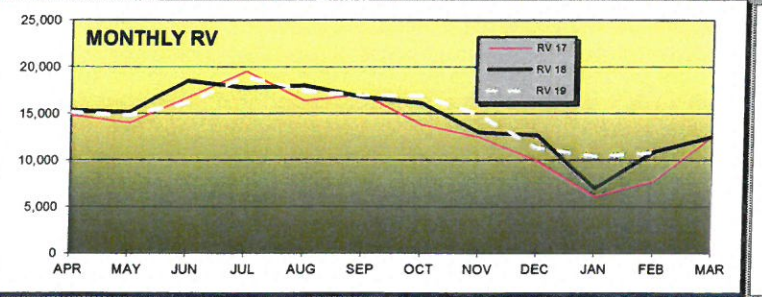
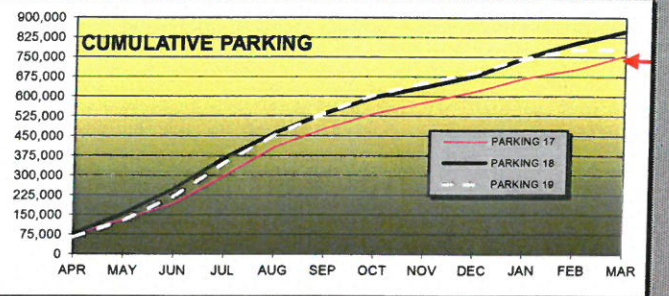
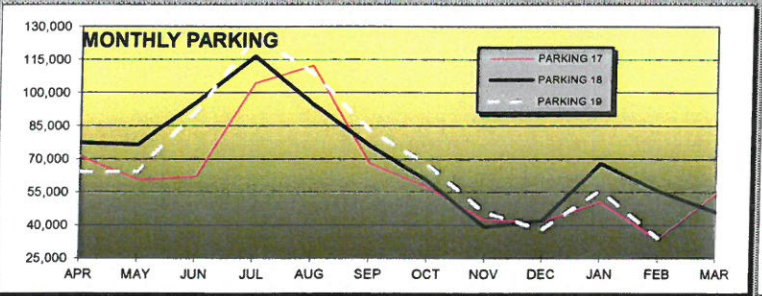
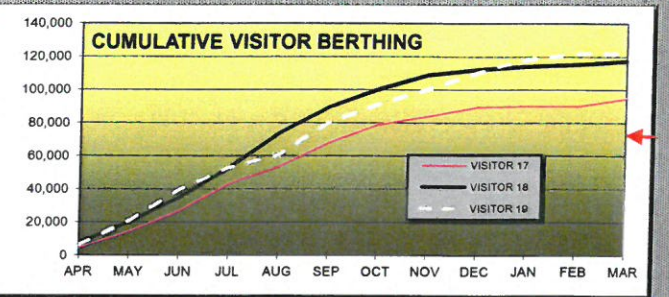
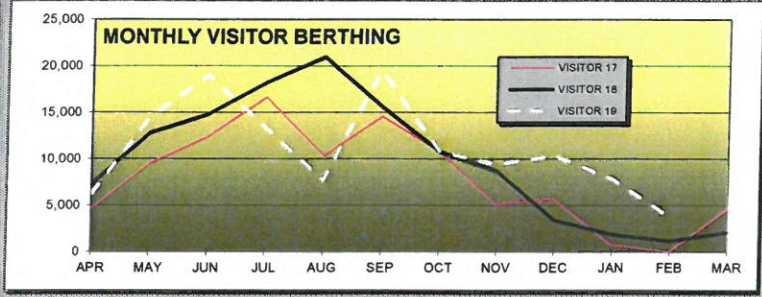
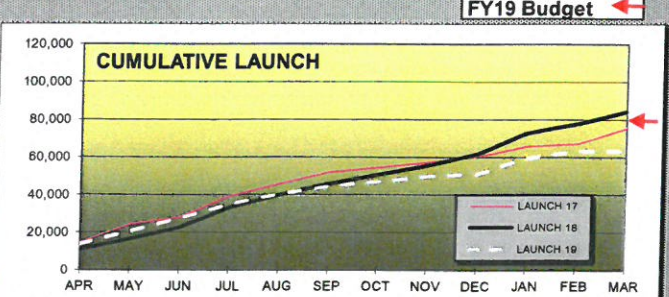
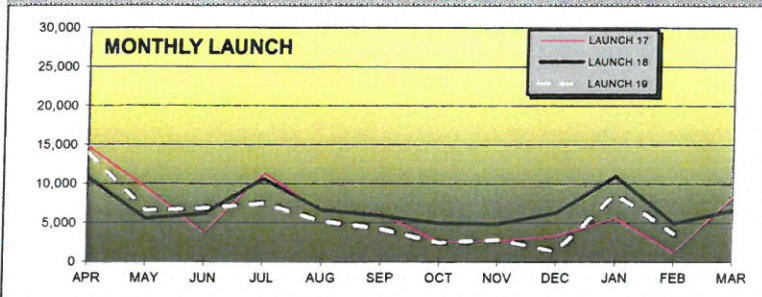
15	3	54%	12	6	2.0
24	5	133%	7	4	1.8
38	4	112%	21	13	1.6
28	1.5	15%	90	44	2.0
30	2	26%	27	14	1.9
8	<1	15%	30	15	2.0
575	Standby				
985	Total Wait List				

21	3	20%
1	<.5	2%
1	<1	1%
54	2.5	77%
52	3.5	173%
28	2.5	42%
16	<1	16%
2	0.5	2%

106	0%
41	2%
69	0%
70	0%
30	0%
66	0%
101	1%
82	1%

SEASONAL INCOME

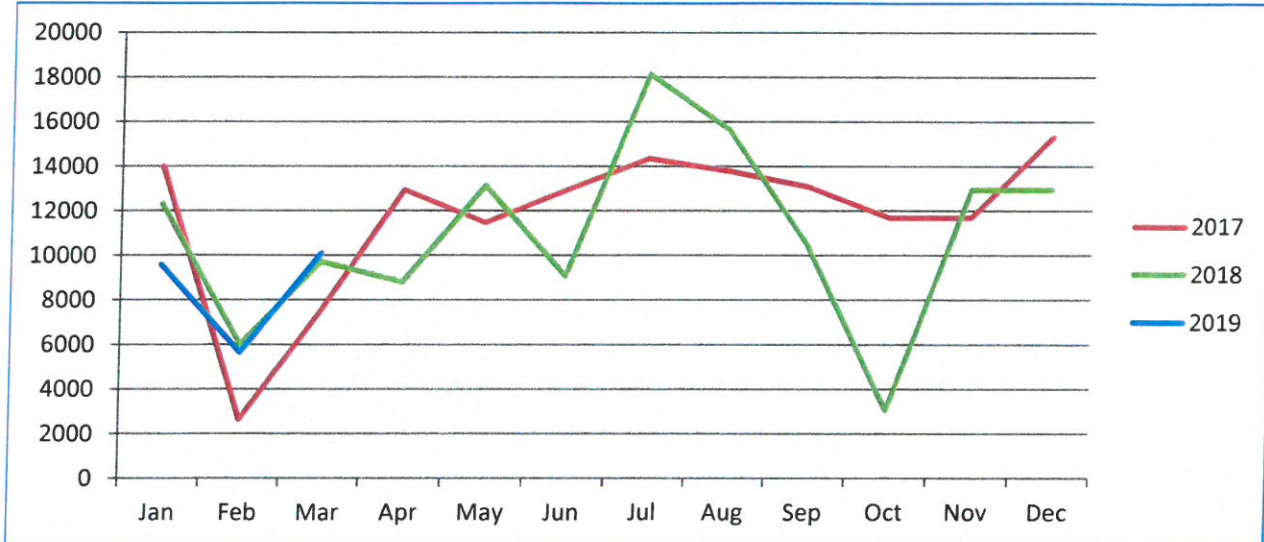
FY19 Budget ←



Santa Cruz Port District
60 DAY DELINQUENT ACCOUNTS

The following accounts have balances 60 days delinquent as of March 20, 2019

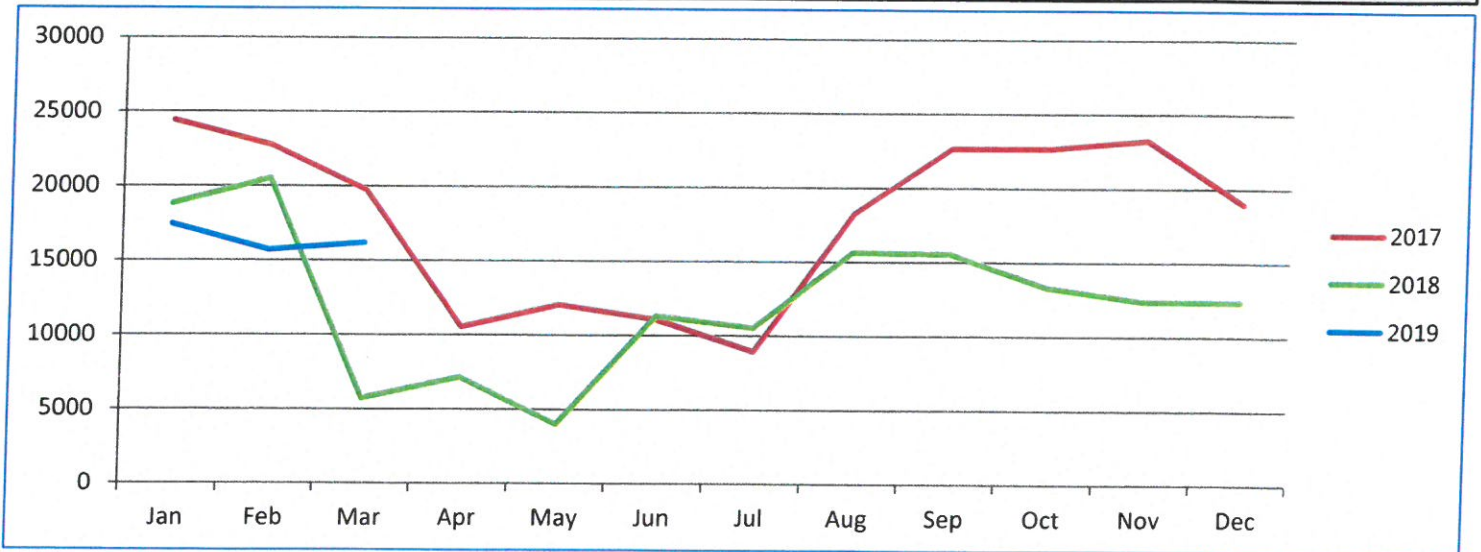
Account Number	Current Month	30 Day Balance	60 Day Balance	90 Day Balance	Total Balance
2210	1,281.48	1,305.07	135.00	0.00	2,721.55
19207	662.81	657.59	627.36	0.00	1,947.76
47377	415.38	412.19	418.70	0.00	1,246.27
3094	439.76	436.35	248.51	0.00	1,124.62
56356	357.69	354.14	392.65	0.00	1,104.48
57506	0.00	579.55	469.50	0.00	1,049.05
56573	144.96	143.97	117.99	0.00	406.92
57560	88.14	85.08	57.12	0.00	230.34
48170	81.38	80.92	55.46	0.00	217.76
55372	25.29	0.00	35.00	0.00	60.29
Total:	3,496.89	4,054.86	2,557.29	0.00	10,109.04



Santa Cruz Port District
90+ DAY DELINQUENT ACCOUNTS

The following accounts have balances 90 days delinquent or greater as of March 20, 2019

Account Number	Current Month	30 Day Balance	60 Day Balance	90+ Day Balance	Total Balance	Commercial Slip	Action
42228	695.27	753.10	747.18	517.47	2,713.02	X	Payment Plan
2906	583.73	543.65	674.10	487.98	2,289.46		Revoke 3/31/19
14099	39.21	39.21	39.21	1,965.65	2,083.28		Bad Debt
45545	0.00	0.00	100.00	1,598.90	1,698.90		Bad Debt
57096	265.20	262.46	360.54	745.14	1,633.34		Revoked 2/28/19
2862	0.00	0.00	0.00	1,406.49	1,406.49		Bad Debt
56218	31.68	31.68	31.68	983.40	1,078.44		Bad Debt
56783	0.00	0.00	100.00	861.20	961.20		Bad Debt
55737	31.34	0.00	272.62	553.28	857.24		Bad Debt
2617	28.13	28.13	28.13	601.11	685.50		Bad Debt
56276	0.00	0.00	44.39	280.61	325.00		Bad Debt
55583	0.00	30.00	0.00	82.92	112.92		Bad Debt
57023	0.00	0.00	0.00	24.00	24.00		Bad Debt
TOTAL:	1,674.56	1,688.23	2,397.85	10,108.15	15,868.79		





TO: Port District Commission
FROM: Latisha Marshall, Harbormaster
DATE: March 1, 2019
SUBJECT: Crime/Incident/Citation Report February 2019

Crime Reports, Assists Outside Department and Incident Reports:

- 2.13.19 Harbor Patrol took an incident report after a vessel on W-dock was reported to have been expelling smoke. Santa Cruz and Central Fire Departments also responded. It was discovered that a diesel heater was the source of the smoke. No other vessels or damage reported.
- 2.16.19 Harbor Patrol took an incident report after a visitor slipped and fell in the north harbor. The report was filed nine days after the event. The victim suffered from a minor abrasion.
- 2.27.19 Harbor Patrol took an incident report after a 15 foot vessel on G-Dock sank. There were no petrol products aboard or in the water. Maintenance and Harbor Patrol raised and pumped the vessel. The cause of the vessel sinking is unknown.

Search/Rescue/Recovery:

- 2.12.19 Harbor Patrol was dispatched to a suicidal subject on the cement ship who was threatening to jump into the water. After three hours, Harbor Patrol was forced to abort due to dangerous weather conditions. Rescue watercrafts were able to stay in the area until the person was secured.
- 2.18.19 Harbor Patrol was dispatched for a welfare check of two paddle boarders who were seen leaving the harbor, but were no longer visible from shore. After a short time, they were located about a mile off shore. The paddle boarders were struggling to get back to shore due to high winds and sea conditions. They were brought aboard the Almar and transported to the harbor without incident.
- 2.21.19 The Coast Guard was dispatched to a possible flare sighting off shore from the Santa Cruz Lighthouse. Coast Guard Monterey requested assistance from the Harbor Patrol and Sector San Francisco launched a rescue helicopter. After two hours of searching, Sector San Francisco cancelled the search. Nothing was found to indicate a vessel in distress.
- 2.24.19 Harbor Patrol was dispatched to four juveniles stuck on the rocks in the 1400 block of Wharf Road. A rescue swimmer was able to locate the juveniles and walked them to shore. No injuries reported.

2.25.19 Harbor Patrol and Coast Guard Monterey were requested to assist San Mateo County Sheriff's Office in contacting a suspicious vessel that was possibly associated with a dead body in the water near Pigeon Point. Eventually, Harbor Patrol located the vessel in the area of Davenport. Due to hazardous weather conditions it was safer for Coast Guard officers to board the Almar in order to contact and board the suspicious vessel. After interviewing the vessel crew both teams cleared without incident.

Parking citations: 118

Santa Cruz Port District
135 5th Avenue
Santa Cruz, CA 95062
831.475.6161
831.475.9558 Fax
www.santacruzharbor.org



PORT COMMISSIONERS:
Toby Goddard
Dennis Smith
Stephen Reed
Darren Gertler
Neli Cardoso

February 28, 2019

Carlos Palacios, County Administrative Officer
County of Santa Cruz
701 Ocean Street, 5th Floor
Santa Cruz, CA 95060

SUBJECT: County Funding Support for Santa Cruz Harbor Marine Rescue Service

Dear Mr. Palacios:

As you may be aware, over the past two months, the Santa Cruz Port District Commission and staff have been in contact with County Supervisors to discuss the County's support of Santa Cruz Harbor's marine rescue service. We are requesting \$50,000 in annual support, and a one-time contribution toward the cost of a replacement patrol vessel in the amount of \$250,000.

The County of Santa Cruz has provided annual monetary support of Santa Cruz Harbor's marine rescue service since the early-1990's. At that time, the Port District, the County and City of Santa Cruz entered into a Joint Administrative Agreement which resulted in the Port District's property tax funding being distributed 45% to the County, and 55% to the City of Santa Cruz. The County, in recognition of its responsibility for service and the public benefits of the Port District's existing marine rescue service program, began providing annual support to the Port District. That annual funding support has diminished over time from what was initially \$33,000 per year, to approximately \$24,000 currently.

The Santa Cruz Harbor Patrol vessel and crew support other maritime emergency agencies and are an integral part of the County of Santa Cruz' Coastal Incident Response Plan. Agencies supported by the Port District's marine rescue service include the U.S. Coast Guard, the County of Santa Cruz Sheriff's Department and other local law enforcement agencies, Santa Cruz County Office of Emergency Services, City of Santa Cruz Lifeguard Service / Marine Rescue Unit, State Parks lifeguards and rangers, Capitola City lifeguards, Santa Cruz County Fire marine rescue swimmers, Aptos-La Selva Fire Protection District marine rescue swimmers, CDF Fire, and others.

As noted in the County's Coastal Incident Response Plan, "The Santa Cruz Harbor Patrol has no jurisdictional responsibility in Santa Cruz County other than the Small Craft Harbor itself. The Harbor Patrol receives funding from Santa Cruz County to perform search and rescue missions within the three nautical mile line, which extends in Santa Cruz County to three nautical miles offshore including the Monterey Bay. If needed, the Harbor Patrol may extend beyond that boundary." Regardless of having no jurisdictional responsibility, the Santa Cruz Harbor Patrol performed 337 marine search and rescue missions from 2015 to 2018, and saved 217 lives.

The annual contribution from the County helps fund vessel operators and crew, training, lifesaving equipment, marine law enforcement response, and patrol vessel maintenance and fuel.

Additionally, it helps ensure that the Santa Cruz Port District, a public agency primarily supported by user fees, can continue to provide this important service to the public.

We are also requesting \$250,000 in one-time support toward the cost of a replacement patrol vessel estimated to cost \$550,000. The Santa Cruz Harbor Patrol vessel is now 20 years old, and needs to be replaced to ensure that the marine rescue program can continue.

If the County Sheriff Department or another local agency had to provide this marine rescue program, it would bear the full cost and responsibility for acquiring a patrol vessel and year-round crew available 24/7, ongoing crew training, acquiring and maintaining lifesaving equipment, vessel and equipment maintenance and replacement, fuel, berthing costs, dispatch, insurance, liability, and program administration. The Port District continues to provide this important public service, though the County's support for this program has diminished over time.

The Santa Cruz Port District Commission and staff believe the request is modest and reasonable and deserving of your support. The 45% increment of the Port District's property tax now received by the County is more than adequate to fund this one-time request and the increase to the annual contribution. Documents in support of our request are appended.

We appreciate your full consideration of our request, and look forward to maintaining a mutually beneficial relationship with the County of Santa Cruz into the future.

Sincerely,



Marian Olin
Port Director

cc: Supervisor Ryan Coonerty
Supervisor John Leopold
Supervisor Bruce McPherson
Supervisor Zach Friend
Supervisor Greg Caput
Sheriff Jim Hart

Enclosures:

1. Description of Santa Cruz Harbor Patrol's Marine Rescue Services program
2. County of Santa Cruz Coastal Incident Response Plan, 11/14/07
3. Santa Cruz Harbor Patrol's Marine Rescue Statistics from 2015-18
4. *Santa Cruz Sentinel* article, "Nonviolent Aptos pier standoff ends without incident," February 14, 2019
5. Patrol Vessel Replacement Prototype (Specifications and Features)
6. Back up information on the current distribution of Santa Cruz Port District's Property Tax

Port Commission Review Calendar 2019-20

2019

January-March

- ✓ Committee assignments for 2019
- ✓ Sea Scouts' bi-annual report
- ✓ Slip vacancy bi-annual report / waiting list statistics
- ✓ FY 20 Budget
- ✓ Review 5-year CIP
- Ethics Training Update
- Form 700 Filing (due by 03/31 each year)
- ✓ Bi-annual Anti-Harassment/Anti-Discrimination Training

April-June

- ___ Dredge Report 2018-19
- ___ Vessel Use List Review
- ___ Review of FY20 Fee Schedule

July-September

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

October-December

- ___ Annual review of business use of slips
- ___ Port Commission officers for 2020
- ___ Nexus Wealth Advisors lease exp. 11/30/19 (2) 3 year options
- ___ Bayside Marine lease exp. 01/31/20 (1) 2 year options

Committee Review Items (timeline not specified)

- Outside Contractors (Policy Committee)

2020

January-March

- ___ Committee assignments for 2020
- ___ Sea Scouts' bi-annual report
- ___ Slip vacancy bi-annual 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
- ___ Vessel Use List Review
- ___ Biannual Update to Conflict of Interest Code
- ___ Crow's Nest lease exp. 04/30/20 (Suite 130) 2 (5) year options

July-September

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

October-December

- ___ Annual review of business use of slips
- ___ Port Commission officers for 2020
- ___ Nexus Wealth Advisors lease exp. 11/30/19 (2) 3 year options
- ___ Bayside Marine lease exp. 01/31/20 (1) 2 year options

Future Calendar

- ABC End-Tie review after Murray Street Bridge Retrofit

Key

- ___ Pending
- In process
- ✓ Done

Updated 03/20/19
Progress/CommissionReviewCalendar-2019.doc