



Special & Regular Public Session of October 25, 2016

**Santa Cruz Port Commission
MINUTES**

Commission Members Present:

Toby Goddard Chairman
Reed Geisreiter Commissioner
Stephen Reed Commissioner
Bill Lee Commissioner

Commission Members Absent:

Dennis Smith Vice-Commissioner

SPECIAL PUBLIC SESSION – 5:00 PM

1. Oral Communication (*There was no discussion during Oral Communication.*)
2. Presentation by CF Bean Consulting – Operation and Maintenance Protocols and Standards for Twin Lakes

Ancil Taylor and Chris Watters of CF Bean Consulting gave a presentation on operation and maintenance protocols and standards for the Port District's new dredge *Twin Lakes*. Watters explained that an Excel database categorizes and contains copies of maintenance documents, manuals and drawings for *Twin Lakes*' various systems. The database is intended to provide a resource for the crew in performing timely maintenance. Watters explained that documentation of maintenance performed is the responsibility of the crew.

Watters reviewed goals of the operation and maintenance program for *Twin Lakes*:

- Safety of personnel
- Protection of the environment
- Equipment availability and reliability
- Asset preservation

Watters stated that the steps needed to implement the maintenance program include:

- Development of a mission / vision statement (example provided)
- Developing and adhering to a maintenance program which includes recordkeeping
- Implementation of health, safety and environmental management systems
- Developing a system of accountability
- Senior management must embrace the program.

Watters reviewed the maintenance database program, explaining that it was designed to be comprehensive, searchable, organized and easy-to-use. He stated the database can be expanded as needed. He cautioned that the database is subject to corruption if altered.

After reviewing the database, Watters reported that he, Ancil Taylor and David White, all of CF Bean will be in Santa Cruz November 7-10 for on-site personnel development.

Ancil Taylor stated it is very important the existing crew improve safety practices, and he stressed the importance of management oversight of this critical operational element. Taylor cited examples of safety violations he has witnessed which give him cause for concern, such as forgetting to wear a PFD, and not wearing gloves while working with wire rope.

The maintenance database program was discussed further. Taylor stated that the crew will need to create a one or two page checklist from the information contained in the database for use on a daily / weekly / monthly basis, and maintain records of maintenance performed.

Watters explained that maintenance intervals are based on manufacturer recommendations, and clarified that the crew needs to perform maintenance on the interval that comes first (i.e., annually or when hour limits are reached).

Responding to a question from Commissioner Geisreiter, Watters and Taylor confirmed that the database is not proprietary and can be maintained and updated by Port District staff.

A discussion ensued about how to ensure that the crew does not miss important maintenance items. Watters confirmed that the database system is designed for operator search purposes. He reiterated it will be important for the crew to develop a daily maintenance check list customized for *Twin Lakes* for inspection purposes that include daily, weekly and monthly maintenance items. Taylor suggested that they work with the dredge Supervisor to customize a maintenance checklist form and audit forms. Watters stated that the dredge Supervisor is responsible for signing off that the daily, weekly and monthly tasks are performed. He stated this is important for keeping the equipment serviceable longer and to improve safety. Chairman Goddard commented that he is a fan of a checklist-style form, which is easier to see.

Watters and Taylor discussed the importance of creating a culture of excellence, which involves everyone from the dredge crew to management.

Taylor stressed that in 15 years, *Twin Lakes* can and should look like she does now. He commented that the condition of the dredge *Seabright* was the worst he has seen in 40 years in the dredging business, and while she got that way a long time ago, he wants to ensure that the current crew does not make the same mistakes with *Twin Lakes*. Taylor stressed the importance of having one person responsible for cleaning every footprint and oil drip, and painting each chip on a daily basis. Taylor stressed that if this is done, then when a drip is discovered the crew will know when it occurred, and the District will reap the benefits in terms of a longer asset life, and safety and reliability of the equipment. Port Director Ekers stated that Taylor is recommending the addition of an entry level "crumb boss" type position, which could evolve into an apprenticeship.

Dredge crew member Rory Stipanovich pointed out that maintenance activities require adequate time and planning. Dredge crew member Chris Sengezer stated that adding an extra person is a great idea. Stipanovich agreed, and added that he has seen a maintenance planning document prepared in the past which had estimated work hours assigned to each task – he stated that this type of planning is needed.

Commissioner Reed expressed his support of doing what's needed to protect this District asset, noting that paint chips can quickly equal rust, so being on top of clean-up and minor repairs prevents bigger problems in the future.

Commissioner Geisreiter expressed his belief that the District can maintain a culture of excellence that includes safety of the crew, equipment and environment; longevity and reliability of the dredge and its system components and increased productivity.

Port Director Ekers stated that the dredge crew current has 5 FTE's, with funding for one extra part-time position through this season.

Commissioner Reed stated he would like to agendize funding for an additional "crumb boss"-type position for the dredge crew.

Commissioner Lee stressed the importance of the new position actually performing the clean-up and routine maintenance tasks, versus other tasks which may be more fun.

Chairman Goddard suggested instituting outside inspections of *Twin Lakes* on a regular basis. Taylor commented he is available to perform inspections as needed. Stipanovich and Sengezer agreed that inspections would be beneficial and increase accountability. Watters commented that a high level of maintenance will demonstrate to the public that the District has a professional crew maintaining the harbor, which is good for stakeholders.

Taylor stated that the District has a good, conscientious crew who cares, which is not always the case.

Chairman Goddard adjourned the special public session at 6:40 pm.

REGULAR PUBLIC SESSION – 7:00 PM

Chairman Goddard brought the regular public session to order at 7:01 PM at the Harbor Public Meeting Room, 365 A Lake Avenue, Santa Cruz, CA 95062.

3. Pledge of Allegiance
4. Oral Communication

Discussion: Slip renter Niels Kisling announced that on July 15, 2016, he was found guilty of penal code 537A by the District's Attorney's Office. Kisling stated that he attended the meeting to pay the ordered restitution to the Santa Cruz Port District. Kisling presented the Port District with a payment of \$350.00 on October 25, 2016.

CONSENT AGENDA

5. Approval of Minutes
 - a) Special Closed and Regular Public Session of September 27, 2016.
6. Approval of Amendment to Month-to-Month Lease – 495 Lake Avenue Santa Cruz Harbor Boatyard (Tenant: R. Villalba)
7. Approval of Month-to-Month Lease – 333 Lake Avenue, Suite D/G (Tenant: Clean Oceans International)

MOTION: Motion made by Commissioner Geisreiter, seconded by Commissioner Lee to approve the consent agenda.
- Motion carried unanimously. Commissioner Smith ABSENT.

REGULAR AGENDA

8. Port District Priorities 2016-17

Discussion: Chairman Goddard noted that the 2016-17 priorities are not a complete list of everything the Port District does throughout the year. He stated that this list does not show the day-to-day operations of the harbor, but is rather a list of Commission identified priorities that is reviewed and updated annually.

In addition to adding parking spaces where practicable, Commissioner Reed stated that he is supportive of creating additional storage space for SUPs and kayaks where feasible. Chairman Goddard agreed, but note that he does not see funding allocated in the CIP for parking. He stated that the harbor may need to reassign funding to make this a priority.

Commissioner Reed asked if “continuous growth on capital reserves” is the correct terminology. Chairman Goddard stated that the harbor has historically used that terminology. Commissioner Geisreiter suggested adding a proviso to make the terminology more specific.

Commissioner Reed expressed his belief that the Port District should seek grant funding for the Santa Cruz Harbor Boatyard reconfiguration during and after the Murray Street Bridge Project.

Commissioner Geisreiter noted that there are no tsunami recovery projects on the Port District Priorities for 2016-17 because harbor tsunami recovery has been accomplished. He thanked all harbor staff for their hard work and dedication to the tsunami recovery.

Commissioner Geisreiter asked if the Port District has received the final retention payment from Federal Emergency Management Agency (FEMA).

Administrative Services Manager Marian Olin stated that all projects are closed out and expenditures have been approved. The harbor should expect to receive payment sometime this fiscal year. Accounting Technician Mike Scott reported the amount is in the \$1.3 million range.

Commissioner Geisreiter stated the agreement with the U.S. Army Corps of Engineers is accomplished. The Port District is starting to receive federal reimbursement for dredging the entrance channel. Port Director Ekers suggested adding "continue pursuing on an annual basis, USACE funding." Commissioner Geisreiter stated that the Corps' funding always be on the priority list. Commissioner Lee suggested adding it to the dredge program as 'Item E.'

Chairman Goddard suggested that in updating the harbor's personnel manual that the California Special Districts Association (CSDA) handbook be reviewed as a guide.

MOTION: Motion made by Commissioner Geisreiter, seconded by Commissioner Reed to approve the Port District's priorities, with the following amendments:

- Language change on "capital reserves" to make more specific and consistent with reserve policy
- Seek grant funding opportunities for Boatyard modernization project
- Create additional storage for SUPs/kayaks, as practicable
- Add 'Item E' to the Dredging Program to ensure seeking funding reimbursement from the USACE is a continuing priority

- Motion carried unanimously. Commissioner Smith ABSENT.

9. Update on 5-Year Capital Improvement Projects (CIP)

Discussion: Port Director Ekers explained that the Port Commission reviews and approves the Capital Improvement Plan (CIP) annually as a part of the budget process. Harbor funds are allocated for specific projects with different fiscal timelines. The CIP does not represent all projects occurring throughout the year at the harbor.

Commissioner Goddard expressed concern about re-paving the boatyard because of the impacts that may occur from the Murray Street Bridge project. He questioned whether the project should be delayed. Commissioner Lee suggested that if the harbor was to re-pave the Boatyard some consideration should be given to reducing the deep V running through the yard. Port Director Ekers stated that an engineer evaluated the Boatyard's storm water drainage and recommended that the harbor pave with a slurry seal. Sealing the yard may help reduce pollutants from stormwater run-off.

Commissioner Geisreiter asked for an update on the Harbor Security Infrastructure Upgrades. Port Director Ekers stated that a Request For

Proposals (RFP) is being developed for the restroom and dock gate portion of the project. She stated that there will be electronic key fobs for all restrooms and gates in the harbor.

Port Director Ekers stated that restroom doors will be upgraded first, followed by dock gates.

Commissioner Reed asked if it will be necessary to have a parking attendant remain in the concession lot once the system has been automated. Port Director Ekers stated that the parking automation will be a significant change in the way that the concession lot is operated, so attendants will be necessary to help assist customers with the change. She stated that the harbor will continue to staff the concession lot for at least the first one or two years to ensure that the parking system is working for all customers.

Chairman Goddard reported no action is required on this item.

10. Review of Proposed Sale of Pacific Yachting and Sailing

Discussion: Marc Kraft, proprietor of Pacific Yachting and Sailing (PYS), stated that he is selling his business. Mr. Kraft asked the Commission if the 11 slips previously assigned to him can be reassigned to a potential buyer. Mr. Kraft stated that he does not currently have any offers for his business. Mr. Kraft stated that Jim Beauregard and the Seaside Co. have expressed interest in the business, but have not brought forth an offer.

Mr. Kraft stated that in the event the business sells, the business model will remain the same, with possible incorporation of vessels sales/brokerage.

The Commission agreed that Pacific Yachting and Sailing has done a great job over the years. Commissioners expressed their support of his business and recognized its positive value for the harbor.

Commissioner Reed stated that he understands the question being posed and believes Mr. Kraft's request is feasible. Commissioner Reed stated that Mr. Kraft and the Commission will need to work together on any transfer of the business, ensuring that District policies are followed, especially as they relate to the waitlist.

Commissioner Geisreiter stated that no decision can be made until there is a buyer. He stated that Mr. Kraft's request requires a qualitative decision be made, and that the Commission must evaluate the buyer and the proposal before the Commission can move forward with the reassignment of the slips. Chairman Goddard agreed. Chairman Goddard stated that the new operation must be "in kind" to PYS in order for the Commission to consider granting approval. He stated that the Commission must consider all the impacts and

interests related to the proposal before it can make a decision. Chairman Goddard stated that though the harbor ordinances assert that slips are public property and they cannot transfer with a business, he is willing to review Mr. Kraft's case.

Chris Reyes of the Seaside Company stated that they are interested in the business and Seaside Company representatives have had preliminary conversations with Mr. Kraft about purchasing the business. He stated if discussions reach a point where an offer can be made, they will provide a substantive proposal for Commission review.

Various members of the community expressed their support for Mr. Kraft and his endeavors. They stated that PYS benefits the harbor and the community.

The Port Commission agreed that no decision can be made until Mr. Kraft presents a detailed proposal to the Commission on the sale of his business. Mr. Kraft must have an offer and specific buyer before any decision can be deliberated.

11. Approval of FY17 Fee Schedule

Discussion: Port Director Ekers summarized changes to the FY17 Fee Schedule:

- Introduction of \$30 overnight vehicle fee (single vehicles)
- 2017 launch ramp discount for 2016 permit holders
- Reduction of shower key fob purchase price for visiting vessels (\$25 to \$10)

Commissioner Reed asked if there is a record of people who purchased launch permits in 2016. Port Director Ekers confirmed that staff will be able to identify previous permit holders for purposes of granting the discount.

A discussion ensued about the charter passenger capacity and if the \$119/rated passenger/year is based on Coast Guard ratings or vessel capacity. Administrative Services Manager Marian Olin stated that all fees in the past have been based on the Coast Guard approved figures, with limited exceptions.

Discussion ensued about the \$30.00 overnight parking fee for single vehicles. Chairman Goddard suggested reducing the fee to \$20.00. Commissioner Reed and Commissioner Geisreiter were supportive of the staff recommendation. Commissioner Reed stated that most people needing overnight parking are not harbor users so the fee is justified. Commissioner Lee suggested reducing the fee to \$25.00.

A discussion ensued about the overnight fee for parking in the concession lot. It was explained that the lost ticket fee of \$40 would apply in that case. Port

Director Ekers stated that the concession lot lost ticket fee of \$40.00 will be added to the FY17 fee schedule.

After additional discussion there was consensus among the Commission to support a \$30 overnight parking fee for single vehicles.

MOTION: Motion made by Commissioner Reed, seconded by Commissioner Geisreiter, to approve the Port District's FY17 Fee Schedule.
- Motion carried unanimously. Commissioner Smith ABSENT.

12. Approval of Cash / Payroll Disbursements – September 2016

MOTION: Motion made by Commissioner Reed, seconded by Commissioner Geisreiter to approve the Port District's Approval of Cash / Payroll Disbursements.
-Motion carried unanimously. Commissioner Smith ABSENT.

INFORMATION

13. Port Director's Report

Aldo's Project

Aldo's is making progress. Pavers are being installed and work is being done on the garbage enclosure. They hope to open in two weeks.

Twin Lakes Beachfront Project

The Twin Lakes Beachfront Project is behind schedule. The monitoring tower will be moved by November 1, 2016. The discharge pipe will be moved prior to excavation work.

FY16 Invoice from Corps of Engineers

Port Director Ekers reported that she has submitted an invoice for the remaining funds in the FY 16 work plan (approximately \$28,500). The approximate quarterly amount due is \$96,000, so the Corps' funding is short \$164,000. Port Director Ekers is working with the Corps on a work plan to address the shortfall this year and fund the upcoming year. Future Corps' funding is potentially in jeopardy, depending on the outcome of the Presidential election.

Twin Lakes Dredge

Final costs for *Twin Lakes* total approximately \$4.9 million. Funding for the density gauge (\$8,000) may come out of the operating budget. Staff may appeal sales tax (\$360,000) and is researching how that can be done. David White of DSC Dredge is coming to the harbor on November 2, 2016, from Louisiana, to help the dredge crew mobilize *Twin Lakes* and get everything in place. The crew is working to finish installing the pipelines and make sure that everything is working properly.

14. Harbormaster's Report

Senior Deputy Harbormaster Anderson gave an update on the Port District's electrolysis testing program. He stated that nine docks have been tested, and one or two boats per dock

typically experience electrolysis issues. Senior Deputy Harbormaster Anderson stated that staff works with slip renters individually on issues, estimating that boat electrolysis issues are typically resolved within thirty days.

15. Facilities Maintenance & Engineering Manager's Report

Facilities Maintenance and Engineering Manager Matt Kerkes, stated that north harbor dredging should be complete by the end of next week. To date, the dredge crew has finished quadrants Q2D, Q2C and a portion of Q2B. Entrance dredging has not commenced, however, the dredge crew is working hard to get *Twin Lakes* ready for operation. FME Kerkes stated that Lighthouse Welding is completing work on the fendering system.

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

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

18. Crime / Incident / Citation Report – September 2016 *(There was no discussion on this agenda item)*

19. Annual Review of Business Use of Slip

Discussion: Chairman Goddard stated that the Commission reviews the Business Use of Slips report on an annual basis.

Chairman Goddard questioned whether all vessels on the list are actually operating as charters, citing *Marine Celine* as an example.

Commissioner Reed asked if this report captures all business use of slips in the harbor. Port Director Ekers stated that it shows all Commission approved businesses/charters, noting that staff is aware of several illegal/unapproved charters operating in the harbor. She stated that staff is addressing the issue.

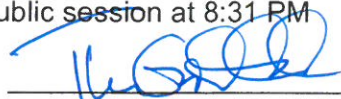
20. Sea Scouts Bi-Annual Report *(There was no discussion on this agenda item)*

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

22. Port Commission Review Calendar / Follow-Up Items

Discussion: Port Director Ekers stated that the Port District will host the second annual Haunted Harbor Trick-or-Treat Event on Saturday, October 29, 2016, from 4 – 7 PM.

Chairman Goddard adjourned the regular public session at 8:31 PM



Toby Goddard, Chairman