



Special Closed & Regular Public Session of April 24, 2018

**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 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 5:01 PM, Chairman Smith announced the Commission will meet in closed session to discuss agenda items 3 and 4.

SPECIAL CLOSED SESSION

3. Conference with Real Property Negotiators
Agency Designated Representative: M. Olin
Negotiating Parties: PG&E
Under Negotiation: Easements and Quit Claim
4. Conference with Real Property Negotiators
Agency Designated Representative: M. Olin
Negotiating Parties: 2222 East Cliff Drive (O'Neill Sea Odyssey)
Under Negotiation: Lease

SPECIAL PUBLIC SESSION

5. 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 items 3 and 4.

Chairman Smith adjourned the special open session following the closed meeting at 6:40 PM.

REGULAR PUBLIC SESSION – 7:00 PM

Chairman Smith brought the regular public session to order at 7:02 PM at the Santa Cruz Harbor Public Meeting Room, 365 A Lake Avenue, Santa Cruz, CA 95062.

6. Pledge of Allegiance
7. Oral Communication

Slip renter Greg Cotten requested that the Commission review the existing vessel use policy and how it is implemented. Commissioner Reed suggested that the vessel use policy should be reexamined and crafted to support vessel partnerships and increase the number of boaters in the community. Port Director Olin stated that review of the vessel use policy is on the Commission's list of upcoming topics for discussion. Commissioner Goddard suggested that Mr. Cotten provide a written copy of his request to staff.

In response to a statement made by slip renter Niels Kisling at the regular public session of March 27, 2018, in which he accused slip renter Skip Ely of inappropriately acquiring additional parking stickers through his relationship with Commissioner Geisreiter, Harbormaster Marshall stated that staff researched the allegation and found that Commissioner Geisreiter never received more than his two allotted parking stickers. Additionally, staff researched the parking distribution records for Mr. Ely, which show that Mr. Ely purchased additional parking stickers in accordance with Port District policies. Harbormaster Marshall stated that Mr. Kisling's allegation is unsubstantiated.

Slip renter Rob Nichols encouraged the Commission to consider installing additional dock ladders throughout the harbor to increase safety.

CONSENT AGENDA

8. Approval of Minutes
 - a) Special Closed & Regular Public Session of March 27, 2018
9. Approval of O'Neill Sea Odyssey Sublease – 2222 East Cliff Drive, Suite 208 (Tenant: Dr. Donald Markle)
10. General Election of November 2018
 - a) Approval of Resolution 18-04 – Serving Notice to County Clerk of Elective Office to be Filled and Transmittal of Map and Boundaries
 - b) Approval of Resolution 18-05 – Ordering an Election, and Requesting Consolidation of the Election
 - c) Administrative Calendar

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

REGULAR AGENDA

11. Presentation by Monterey Bay Fisheries Trust

Discussion: Port Director Olin introduced Sherry Flumerfelt, Executive Director of Monterey Bay Fisheries Trust (MBFT), and Steve Scheiblauber, Chair of MBFT's Board of Directors. Port Director Olin stated that Commissioner Geisreiter has agreed to serve as a volunteer advisor for MBFT.

Ms. Flumerfelt gave a presentation about MBFT's organization, mission, programs and strategies. Ms. Flumerfelt introduced MBFT's new Marketing and Supply Chain Manager, Roger Burleigh.

Ms. Flumerfelt fielded questions from the Commission about MBFT's scope, current initiatives, marketing strategies and partnerships. She highlighted the following:

- MBFT is a small, non-profit organization with a mission is to advance the social, economic and environmental sustainability of Monterey Bay fisheries;
- MBFT's new, "Fish Hub" initiative helps support the viability, longevity and growth of sustainable commercial fishing and seafood businesses in Monterey Bay;
- MBFT hopes to expand its influence and create partnerships with more fishermen and businesses in the Santa Cruz area.

The Commission expressed their appreciation for MBFT's efforts and thanked Ms. Flumerfelt for her contribution.

Commissioner Goddard thanked Commissioner Geisreiter for volunteering as an advisor for MBFT.

12. Update on the Electronic gate and Restroom Key Installation – Review of Project Scope, Costs, and Schedule

Discussion: Facilities Maintenance and Engineering Manager (FME) Kerkes provided an update on the Harbor Security Upgrades Project.

FME Kerkes stated that Phase I of the Harbor Security Upgrades Project provided electronic access to all shower facilities. He stated that Phase II of the project will provide electronic access to all gates and restroom facilities. FME Kerkes stated that although the current system has proven to be reliable for the shower facilities, the vendor, ALX Technology, has indicated that they are not interested in pursuing or assisting the District with Phase II of the project.

FME Kerkes stated that he is now working with Erik Ruffison, the District's current marina management software provider, in an effort to move Phase II of the project forward, and develop a Request for Proposals for the project.

FME Kerkes stated that prior to moving Phase II of the project forward, staff will need direction from the Commission on whether to retrofit current dock gates or fabricate new dock gates to support the technology required for electronic access.

OPTION 1 – DOCK GATE RETROFIT

- Staff proposes to retrofit existing dock gates (made of galvanized steel with cyclone fence extensions), with the lock box needed for electronic card readers;
- Staff estimates that approximately 8 hours per dock gate will be required for the retrofit;
- Staff acknowledges that a retrofit of all dock gates is cumbersome and does not increase dock gate uniformity and security.

OPTION 2 – FABRICATION OF NEW DOCK GATES

- Staff proposes to fabricate new dock gates out of ¼" thick aluminum with hydraulic closing mechanisms that will support the technology needed for electronic card readers;
- Staff proposes to increase the height of each gate by 14" for added security;
- Staff estimates approximately 10 hours per dock gate for fabrication;
- Gates would initially be fitted with a key lock and later be retrofitted to an electronic locking mechanism.

Port Director Olin stated that the Capital Improvement Plan (CIP) includes approximately \$127,166 in funding for the Harbor Security Upgrade Project, and approximately \$83,841 available for fabrication of new dock gates (additional \$50,000 anticipated in FY20).

A discussion ensued regarding the electronic card readers and the fabrication of new dock gates.

Chairman Smith asked if the proposed card readers are battery operated. FME Kerkes confirmed that the card readers are battery operated, with a minimum life of one year. He stated that staff will perform routine service checks on the card readers to ensure operability.

Chairman Smith asked if all the dock gates will be standardized when staff fabricates new dock gates. FME Kerkes stated that the dock gates will be

standardized, but dock gates on the south-west side of the harbor will require some customization as each is unique.

Commissioner Goddard expressed concern about discontinuing use of the ALX technology used for the shower facilities, noting that the equipment has been paid for and has proven to be reliable. Port Director Olin agreed, but stated that expanding the ALX system is not an option.

There was consensus among the Commission to direct staff to fabricate new aluminum dock gates as part of Phase II of the Harbor Security Upgrades Project.

FME Kerkes stated that staff has compiled information necessary to solicit a request for proposals for Phase II of the project and that the project will be placed out to bid in the near future.

The Commission thanked FME Kerkes and staff for continuing to move forward with this project.

13. Approval of Long-Term Lease – 2222 East Cliff Drive, Suites 140 & 150
(Tenant: Intero Real Estate)

Discussion: Port Director Olin recommended approval of a long-term lease agreement for Debra Frey (dba Intero Real Estate), at 2222 East Cliff Drive, Suites 140 and 150.

Port Director Olin stated that the lease language strengthens triple net provisions. Additionally, she reported that Ms. Frey takes no issue with signing the personal guarantee.

MOTION: Motion made by Commissioner Geisreiter, seconded by Commissioner Goddard to award a five-year lease with one five-year option to Debra Frey (dba Intero Real Estate), at 2222 East Cliff Drive, Suites 140 & 150.
- *Motion carried unanimously.*

14. Approval of FY19 Fee Schedule

Discussion: Port Director Olin summarized changes to the FY19 Fee Schedule:

- Implementation of winter end-tie berthing program (October – March)
- Adjustment of hourly staff services rates to be commensurate with 2018 salaries
- Introduction of \$150 encroachment permit fee

Commissioner Goddard questioned if the winter-end tie berthing program should begin later in the year, noting the high number of cruising vessels that typically arrive in October. Administrative Services Manager Mac Laurie stated

that the large cruising groups requiring end-tie space often coordinate with staff prior to arrival in order to arrange berthing assignments. She stated that the cruising groups usually utilize one or two end-ties, and availability is typically not an issue.

MOTION: Motion made by Vice-Chairman Reed, seconded by Commissioner Goddard to approve the FY19 fee schedule and authorize the Port Director to waive or adjust fees as deemed appropriate.
- *Motion carried unanimously.*

15. Approval of the FY19 Boatyard Fee Schedule

Discussion: Port Director Olin summarized changes to the FY19 Boatyard Fee Schedule:

- Increase the boatyard contractor application fee (\$100 to \$250)
- Increase the boatyard contractor annual registration fee (\$20 to \$100)

In response to a question posed by Chairman Smith, Port Director Olin confirmed that the proposed contractor application fee of \$250 will only apply to new applicants, and that all registered contractors will pay the proposed \$100 on an annual basis.

Commissioner Goddard commented that a \$250 application fee seems high. Port Director Olin explained that the proposed application fee (\$250) is in line with other application fees assessed by the District (i.e. liveaboard, charters).

MOTION: Motion made by Commissioner Gertler, seconded by Commissioner Geisreiter to approve the FY19 Boatyard fee schedule and authorize the Port Director to waive or adjust fees as deemed appropriate.
- *Motion carried unanimously.*

16. Approval of Cash / Payroll Disbursements – March 2018

Discussion: Commissioner Goddard noted that there is an increase in electronic funds transfer (EFT) payments. Accounting Technician Mark Eldridge confirmed that internal accounting methods have separated individual EFT payments that were previously combined in the report.

MOTION: Motion made by Commissioner Geisreiter, seconded by Commissioner Gertler to approve the Cash / Payroll Disbursements for March 2018, in the amount of \$488,381.29.
- *Motion carried unanimously.*

INFORMATION

17. Port Director's Report

Special Public Meeting - Vessel Insurance Policy

Port Director Olin stated that a third special public meeting will be held on Thursday, April 26, 2018, at 3:00 PM, to review the proposed vessel insurance policy and discuss implementation timeline and enforcement strategies. She stated that the committee's recommendations will be brought to the full Port Commission for consideration at a future public meeting.

Twin Lakes Beachfront Improvement Project

Port Director Olin stated that construction is ongoing, with recent work focusing on the coastal protection structure and roundabout at the intersection of 5th Avenue and East Cliff Drive. She stated that the Port District is working with the County to re-route traffic in an out of the concession parking lot while construction of the roundabout is underway.

Port Director Olin stated that the County hopes to complete construction of the coastal protection structure and return sandy beach areas to public use by Memorial Day weekend, weather permitting.

345 Lake Avenue, Suites F and G

Port Director Olin stated that the Coastal Watershed Council has provided the Port District with 30-days' notice of termination of lease at 345 Lake Avenue, Suites F and G.

Port District Insurance

Port Director Olin stated that the Port District realized a 7% insurance savings in FY19, and has utilized some of the savings to purchase a new Cyber Liability policy, which offers protection from security breach-related claims.

Aldo's Seawall Project

Port Director Olin stated that she approved Mesiti-Miller Engineering's (MME) request to extend the submission date for 100% plans from April 30, 2018, to May 21, 2018. She stated that Project Engineer, Dale Hendsbee, will provide a project update at the regular public session in June 2018.

U.S. Army Corps of Engineers Work Plan

Port Director Olin stated that the U.S. Army Corps of Engineers' FY 18 Work Plan will be published by May 23, 2018.

303(d) Listing – Impaired Waterway

Port Director Olin stated that the U.S. Environmental Protection Agency (EPA) approved the 303(d) Listing of Impaired Waterways on April 6, 2018, which lists Santa Cruz Harbor for arsenic, copper, dieldren, dissolved oxygen, and PCB's. Port Director Olin stated that results are based on a very small sample size taken in 2004.

She stated that the EPA's next step is to determine a Total Daily Max Limit (TDML), which is anticipated to be completed in 2027. She stated that Santa Cruz Harbor is a low priority site and the TMDL timeline is likely to be extended.

White Paper Study of Dredged Volumes

Port Director Olin stated that the Port District is working with the engineering firm, Moffatt & Nichol, to evaluate differences between historic volume records and data collected by the District's new density meter. Preliminary findings confirm that the density meter is reporting lower, inconsistent volumes. She stated that the final report will be completed in mid- to late-May.

18. Harbormaster's Report

Commissioner Goddard acknowledged the Travelift inspection. Chairman Smith asked how often the Travelift's cables are replaced. Harbormaster Marshall stated that the cables are replaced as needed, explaining that the Boatyard Supervisor conducts monthly inspections and the manufacturer completes an annual inspection.

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

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

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

a) Comparative Seasonal Revenue Graphs

22. Crime / Incident / Citation Report – March 2018. *(There was no discussion on this agenda item)*

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

a) Letter from Port Commission to Pacific Fisheries Management Council

b) Letter from T. O'Neill to Port Commission

24. 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.

Dennis Smith, Chairman

Santa Cruz Port District
135 5th Avenue
Santa Cruz, CA 95062
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PORT COMMISSIONERS:
Toby Goddard
Dennis Smith
Reed Geisreiter
Stephen Reed
Darren Gertler

TO: Port Commission
FROM: Emma Olin, Administrative Assistant
DATE: May 7, 2018
SUBJECT: Approval of Sublease Agreement – 2222 E. Cliff Drive, Suite 212
(Tenant: Public Consulting Group)

Recommendation: *Approve O'Neill Sea Odyssey sublease agreement.*

BACKGROUND

The Public Consulting Group currently subleases Suite 212 at 2222 East Cliff Drive. The tenant seeks to extend the lease term through November 31, 2020.

ANALYSIS

The terms of the lease agreement are below:

Suite 212

Tenant: Public Consulting Group
Term: December 1, 2018 – November 31, 2020
Rent: \$1,144.80 / month (\$4.24 SF)
Area: 270 SF
Use: Office – Office Space
Insurance: \$1 million, with Santa Cruz Port District named as additional insured

IMPACT ON PORT DISTRICT RESOURCES

There is no impact on Port District resources associated with the subleases.

ATTACHMENTS: A – Lease for Suite 212

FIRST AMENDMENT TO LEASE

This First Amendment to Lease ("First Amendment"), dated for reference purposes only as March 20, 2018, is made by and between O'Neill Sea Odyssey, a California nonprofit corporation ("Landlord") and Public Consulting Group ("Tenant").

RECITALS

- A. Landlord and Tenant entered into that certain Lease dated December 1, 2016 ("Lease"), for certain Premises consisting of 270± square feet and commonly known as 2222 East Cliff Drive, Suite 212, Santa Cruz, California ("Premises").
- B. The capitalized terms used and not otherwise defined herein shall have the same meanings and definitions as set forth in the Lease.

AMENDMENT PROVISIONS

1. **Term.** The Lease Term for the Premises shall be modified to continue in force from December 1, 2018, until it expires on November 31, 2020 ("New Term"). Tenant shall have a right to renew the Lease Term, according to the terms and conditions stated in Section 4 of the Lease, at the end of the New Term.

2. **Base Rent.**

<u>Months</u>	<u>Rental/MO/NNN</u>
New Term	\$1,144.80/mo.

3. **General:**

3.1 **Effect of Amendment; Ratification.** Except as otherwise modified by this First Amendment, the Lease shall remain unmodified and in full force and effect. In the event of any conflict or inconsistency between the terms and conditions of the Lease and the terms and conditions of this First Amendment, the terms and conditions of this Second Amendment shall prevail.

3.2 **Attorney's Fees.** The provisions of the Lease respecting payment of attorney's fees shall also apply to this First Amendment.

3.3 **Counterparts.** If this First Amendment is executed in counterparts, each counterpart shall be deemed an original.

3.4 **Authority to Execute Amendment.** Each individual executing this First Amendment on behalf of a partnership or corporation represents that he or she is duly authorized to execute and deliver this First Amendment on behalf of the partnership and/or corporation and that this First Amendment is binding upon the corporation or partnership in accordance with its terms.

3.5 Governing Laws. This First Amendment and any enforcement of the agreements and modifications set forth above shall be governed by and construed in accordance with the laws of the State of California.

4. Tenant Improvements: Landlord shall not be required to provide any Tenant Improvements to the Premises during the New Term or any subsequent Extension Terms.

IN WITNESS WHEREOF, the parties hereto have executed this First Amendment as of the date and year first above written.

LANDLORD:
O'Neill Sea Odyssey,
a California nonprofit corporation

By:



DATED: March 20, 2018

Its Executive Director

TENANT:
Public Consulting Group, Inc.

DATED: 4/25, 2018



SANTA CRUZ PORT DISTRICT
By:

DATED: _____, 2018

Its: _____

Santa Cruz Port District
135 5th Avenue
Santa Cruz, CA 95062
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PORT COMMISSIONERS:
Toby Goddard
Dennis Smith
Reed Geisreiter
Stephen Reed
Darren Gertler

TO: Port Commission
FROM: Emma Olin, Administrative Assistant
DATE: May 11, 2018
SUBJECT: Approval of Sublease Agreement – 2222 E. Cliff Drive, Suite 234
(Tenant: Surfrider Foundation)

Recommendation: *Approve O’Neill Sea Odyssey sublease agreement.*

BACKGROUND

The Surfrider Foundation currently subleases Suite 234 at 2222 East Cliff Drive. The tenant seeks to extend the lease term through July 31, 2019.

ANALYSIS

The terms of the lease agreement are below:

Suite 234

Tenant: Surfrider Foundation
Term: August 1, 2018 – July 31, 2019
Rent: \$1,080 / month (\$2.50 SF)
Area: 432 SF
Use: Office – Office Space
Insurance: \$1 million, with Santa Cruz Port District named as additional insured

IMPACT ON PORT DISTRICT RESOURCES

There is no impact on Port District resources associated with the subleases.

ATTACHMENTS: A – Lease for Suite 234

TWELFTH AMENDMENT TO LEASE

This Twelfth Amendment to Lease ("Twelfth Amendment"), dated for reference purposes only as March 7, 2018, is made by and between O'Neill Sea Odyssey, a California nonprofit corporation ("Landlord") and Surfrider Foundation, a California nonprofit corporation. ("Tenant").

RECITALS

- A. Landlord and Tenant entered into that certain Lease dated April 15, 2004 ("Lease"), for certain Premises consisting of 432± square feet and commonly known as 2222 East Cliff Drive, Suite 234, Santa Cruz, California ("Premises"). The parties thereafter entered into a First Amendment of Lease dated April 30, 2007 ("First Amendment") a Second Amendment to Lease dated June 27, 2008 ("Second Amendment") a Third Amendment dated June 2, 2009 ("Third Amendment") a Fourth Amendment dated June 2, 2010 ("Fourth Amendment"), a Fifth Amendment ("Fifth Amendment") dated June 15, 2011 a Sixth Amendment ("Sixth Amendment") dated April 26, 2012, a Seventh Amendment ("Seventh Amendment") dated May 31, 2013, an Eight Amendment ("Eighth Amendment") dated April 3, 2014, a Ninth Amendment ("Ninth Amendment") dated March 30, 2015, Tenth Amendment ("Tenth Amendment") dated April 18, 2016 and an Eleventh Amendment ("Eleventh Amendment") on April 18, 2017.
- B. The parties wish to further amend the Lease as set forth in this Twelfth Amendment.
- C. The capitalized terms used and not otherwise defined herein shall have the same meanings and definitions as set forth in the Lease.

AMENDMENT PROVISIONS

1. **Term.** The Lease Term for the Premises shall be modified to continue in force from August 1, 2018, until it expires on July 31, 2019 ("New Term").

2. **Base Rent.**

<u>Months</u>	<u>Rental Rate/SF/MO/NNN</u>
New Term	\$2.50/sq. ft. = \$1,080/mo.

3. **General:**

3.1 **Effect of Amendment; Ratification.** Except as otherwise modified by this Twelfth Amendment, the Lease shall remain unmodified and in full force and effect. In the event of any conflict or inconsistency between the terms and conditions of the Lease and the terms and conditions of this Twelfth Amendment, the terms and conditions of this Twelfth Amendment shall prevail.

3.2 **Attorney's Fees.** The provisions of the Lease respecting payment of attorney's fees shall also apply to this Twelfth Amendment.

3.3 **Counterparts.** If this Twelfth Amendment is executed in counterparts, each counterpart shall be deemed an original.

3.4 **Authority to Execute Amendment.** Each individual executing this Twelfth Amendment on behalf of a partnership or corporation represents that he or she is duly authorized to execute and deliver this Twelfth Amendment on behalf of the partnership and/or corporation and that this Twelfth Amendment is binding upon the corporation or partnership in accordance with its terms.

3.5 **Governing Laws.** This Twelfth Amendment and any enforcement of the agreements and modifications set forth above shall be governed by and construed in accordance with the laws of the State of California.

4. **Tenant Improvements:** Landlord shall not be required to provide any Tenant Improvements to the Premises during the New Term or any subsequent Extension Terms.

IN WITNESS WHEREOF, the parties hereto have executed this Twelfth Amendment as of the date and year first above written.

LANDLORD:
O'Neill Sea Odyssey,
a California nonprofit corporation

By:

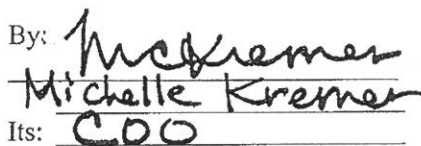


DATED: March 7, 2018

Dan Haifley
Its: Executive Director

TENANT:
Surfrider Foundation,
a California nonprofit corporation

By:



Michelle Kremer
Its: COO

DATED: 5/8, 2018

SANTA CRUZ PORT DISTRICT
By:

DATED: _____, 2018

Its: _____

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PORT COMMISSIONERS:
Toby Goddard
Dennis Smith
Reed Geisreiter
Stephen Reed
Darren Gertler

TO: Port Commission
FROM: Marian Olin, Port Director
DATE: May 4, 2018
SUBJECT: Approval of Month-to-Month Rental at Santa Cruz Harbor Boatyard
(Tenant: Joe and Raina Stoops)

Recommendation: Approve month-to-month rental in Boatyard building.

Joe and Raina Stoops have requested to rent storage space in the Boatyard for storage of merchandise, tools and supplies. The storage unit measures approximately 8' by 3' (24 SF) and is located in the back bay of the Boatyard building. The space is only accessible during Boatyard operating hours, and access is only granted when Boatyard personnel are present. The Stoops are amenable to this arrangement.

Staff recommends approval of the rental agreement, outlined below.

Tenant:	Joe and Raina Stoops
Term:	Month-to-Month
Rent:	\$39.60/month (\$1.65/SF)
Use:	Storage
Space:	Storage Shed, 8' x 3' (24 sq. ft.)
Security Deposit	Equivalent to one months' rent (\$39.60)
Insurance:	\$1 million, with Santa Cruz Port District named as additional insured

ATTACHMENTS: A – Rental Agreement – Joe and Raina Stoops

**SANTA CRUZ PORT DISTRICT
RENTAL AGREEMENT**

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

RECITALS:

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

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

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

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

Agreement Date: May 1, 2018 Term: Month-to-Month

Tenant: Joe and Raina Stoops

Property: Santa Cruz Harbor Boatyard – 495 Lake Avenue, Santa Cruz CA 95062

Premises: Storage Shed (8' x 3', 24 SF)

<i>Fixed Minimum</i>	<i>Time Period</i>	<i>Percentage Rent</i>	<i>Based On</i>
Rent: \$ <u>39.60</u>	<u>per month</u>	<u>N/A</u>	<u>N/A</u>

Rent Payable monthly on the 1st starting May 1, 2018

Rent Adjusted annually on April 1 based on SF Bay Area CPI

Deposit \$39.60 paid _____

Use: Storage of tools and supplies. No hazardous materials may be stored. No work to be performed inside the premises. Access is limited to Boatyard hours of operation and no after-hours access will be permitted. Tenant shall ensure that landlord has full access to storage room and utilities therein at all times. Locks shall not be installed or changed without prior approval by landlord. No items for resale shall be stored. Storage is limited to 10 gallons or less total liquids.

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

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

Notice Addresses:	Landlord: <u>Santa Cruz Port District</u>	Tenant: <u>Joe and Raina Stoops</u>
	<u>Attn: Port Director</u>	<u>340 Hallson Lane</u>
	<u>135 5th Avenue</u>	<u>Ben Lomond, CA 95005</u>
	<u>Santa Cruz, CA 95062</u>	

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

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

4. Rent.

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

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

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

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

5. Use.

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

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

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

(d) Hazardous Materials. No goods, merchandise, or materials shall be kept, stored, or sold in such a manner as to create any unusual hazard on the Premises; and no offensive or dangerous trade, business, or occupation shall be conducted thereon, and nothing shall be done on the

Premises which will cause an increase in the rate of or cause a suspension or cancellation of the insurance upon the Premises or upon adjacent properties or improvements thereon.

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

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

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

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

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

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

7. Construction of Improvements.

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

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

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

8. Taxes and Assessments.

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

(b) Substitute Taxes. If at any time during the agreement, under the laws of the United States of America, the State of California, or any political subdivision thereof in which the Premises are located, a tax on rent or other charge by whatever name called, is levied, assessed, or imposed against

Landlord, or against the rent payable hereunder to Landlord, as a substitute in whole or in part for any of the taxes described in Paragraph 8(a), Tenant, to the extent such substitute tax or other charge relieves Tenant from the payment of taxes provided for herein, shall pay such tax or other charge in the manner provided in this Paragraph 8.

9. Insurance.

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

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

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

(d) Other Insurance. Tenant shall procure, at its sole cost and expense, and shall keep in force, such other insurance in amounts from time to time reasonably required by Landlord against

other insurable risks if at the time they are commonly insured against for business operations similar to that of Tenant.

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

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

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

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

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

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

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

(i) Landlord's Remedies. In case of failure on the part of Tenant to procure or to maintain in effect any insurance which Tenant is required to carry as provided in this Paragraph 9, Landlord may at its discretion, and in addition to any other remedies it may have upon failure of Tenant

to procure or to maintain in effect any insurance which Tenant is required to carry as provided in this Paragraph 9, procure or renew such insurance and pay any and all premiums therefore and all monies so paid by Landlord shall be repaid by Tenant to Landlord upon demand.

10. Indemnification.

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

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

11. Maintenance and Repairs.

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

(b) Outside Areas. Tenant acknowledges that the cleanliness and neat and attractive appearance of the interior and exterior of the Building and all other areas of the Premises are a material concern of Landlord. Accordingly, Tenant shall continuously exercise diligence throughout the

agreement term in keeping the Premises and the Outside Area in a neat, clean, sanitary, and attractive condition. Tenant shall arrange for regular and prompt disposal of garbage generated by Tenant's operations on the Premises, and shall not permit garbage or refuse to accumulate in or around the Premises. Tenant shall not cause or permit offensive odors to emanate from the Premises.

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

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

13. Assignment and Subletting.

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

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

14. Damage or Destruction.

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

(b) Partial Damage-Uninsured. Subject to the provisions of Paragraphs 15(c) and 15(d), if at any time during the term hereof the Premises or any improvements are damaged, such damage involves damage to the Building to the extent of less than eighty percent (80%) of the then

replacement value thereof (excluding excavations and foundations of the building), and the insurance proceeds received by Landlord are not sufficient to repair such damage, or such damage was caused by an act or casualty not covered under an insurance policy, Landlord may at Landlord's option either (a) repair such damage as soon as reasonably possible at Landlord's expense, in which event this continue in full force and effect, or (b) give written notice to Tenant within thirty (30) days after the date of the occurrence of such damage of Landlord's intention to cancel and terminate this agreement as of the date of the occurrence of such damage.

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

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

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

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

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

(h) Notice of Damage. Tenant shall notify Landlord within five (5) days after the occurrence thereof of any damage to all or any portion of the Premises. In no event shall Landlord have any obligation to repair or restore the Premises pursuant to this Paragraph 14 until a reasonable period of time after Landlord's receipt of notice from Tenant of the nature and scope of any damage to

the Premises, and a reasonable period of time to collect insurance proceeds arising from such damage (unless such damage is clearly not covered by insurance then in effect covering the Premises).

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

15. Eminent Domain.

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

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

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

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

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

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

(a) Tenant Default

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

pay when due if Landlord has already delivered two notices of overdue payments within the immediately preceding twelve (12) month period;

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

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

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

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

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

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

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

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

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

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

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

17. Attorneys' Fees. If any action at law or in equity shall be brought to recover any rent under this Lease, or for or on account of any breach of or to enforce or interpret any of the terms, covenants, agreements, or conditions of this agreement or for the recovery of the possession of the Premises, the prevailing party shall be entitled to recover from the other party, as a part of the prevailing party's costs, reasonable attorneys' fees, the amount of which shall be fixed by the court and shall be made a part of any judgement rendered. "Prevailing party" within the meaning of this paragraph shall include, without limitation, a party who brings an action against the other party after the other party's breach or default, if such action is settled or dismissed upon the payment by the other party of the sums allegedly due or performance of the covenants allegedly breached or the plaintiff obtains substantially the relief sought by it in the action.

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

19. Subordination.

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

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

20. Landlord's Right to Reenter.

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

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

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

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

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

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

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

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

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

29. General.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

"LANDLORD"

SANTA CRUZ PORT DISTRICT
COMMISSION,
a political subdivision

ATTEST:

Marian Olin
Port Director

By _____

"TENANT"

By _____



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
Reed Geisreiter
Stephen Reed
Darren Gertler

TO: Port Commission
FROM: Holland Mac Laurie, Administrative Services Manager
DATE: May 17, 2018
SUBJECT: Approval of Nexus Wealth Advisors' Sublease Agreement – 365 B Lake Avenue
(Tenant: S. Allen)

Recommendation: *Approve sublease agreement.*

BACKGROUND

Steve Allen of Cerus Pacific Group, Inc., a high-end construction management firm, is requesting to sublease office space at 365 B Lake Avenue, commencing June 1, 2018. The subleased area will include exclusive use of the enclosed office space, described as the "South Office," and non-exclusive use of the adjacent reception area.

ANALYSIS

The terms of the sublease agreement are below:

Tenant: Steve Allen
Term: Month-to-Month, commencing June 1, 2018
Rent: \$1,750 / month
Area: South Office Space
Use: Office Space
Insurance: \$1 million, with Santa Cruz Port District named as additional insured

IMPACT ON PORT DISTRICT RESOURCES

The master lease agreement for Nexus Wealth Advisors' states that if the tenant (Nexus Wealth Advisors') subleases any portion of the premises for any amount in excess of base rent, the Port District is entitled to collect no less than 50% of the amount in excess of the base rent. There is no impact on Port District resources associated with the sublease.

ATTACHMENTS: A – Sublease Agreement

**365-B LAKE AVENUE
SUBLEASE AGREEMENT**

Parties. This sublease dated May 15, 2018 is made by and between Nexus Wealth Advisors LLC (“Sublessor”) and Steve Allen dba Cerus Pacific Group, Inc. (“Sublessee”).

Premises. Sublessor hereby subleases to Sublessee and Sublessee hereby Subleases from Sublessor for the term, at the rental rate specified, and upon all terms and conditions set forth herein, that certain real property, generally described as the “South Office and Adjacent Reception Area” located at 365-B Lake Avenue Santa Cruz in the County of Santa Cruz in the State of California (“Premises”).

Term and Cancellation.

- a. Term. The term of this Sublease shall commence June 1, 2018 and terminate May 30, 2019, at which time the lease shall convert to month-to-month requiring a 30 day written notice of termination.
- b. Delivery and Condition of Premises. Sublessee hereby acknowledges delivery of the Premises and agrees to sublease the Premises in “as-is” condition.

Base Rent. Sublessee shall pay to Sublessor as rent for the Premises in advance on the 1st day of each calendar month as follows:

Base rent \$1,750.00 per month

Base rent to be adjusted in accordance with the Master Lease effective April 1 each year or any other rent adjustments made to the Master Lease.

Base rent to include exclusive use of the enclosed office space described above and non-exclusive use of common areas including: bathrooms, entryway and kitchen area. Base rent includes Master Lease-related property taxes, electrical, gas, and water utilities.

Payment of rent to be made payable to Nexus Wealth Advisors LLC, 365-B Lake Avenue, Santa Cruz, CA 95062 or at such other place that Sublessor may from time to time designate in writing.

Rent shall be due on the first of each month. If rent is not received in full by the 6th of the month due, a \$50 late fee shall be added along with interest compounded and accrued at the maximum permissible by law.

Security Deposit. A security deposit of \$1,750.00 is due upon the execution of this Sublease.

Additional Terms.

Sublessor and Sublessee acknowledge that the following terms are agreed upon and incorporated into this Sublease agreement:

Sublessee acknowledges that Sublessor may be making tenant improvements to the interior of the building at some point in the future and agrees to provide access for purposes of planning and design. Access to be arranged by appointment with no less than 24 hours advance notice.

Sublessee shall obtain insurance as indicated and required in the Master Lease or as otherwise required and have the Master Lessor and Sublessor specified as covered insureds on the policy(ies).

Use. The Premises shall be occupied and utilized for general professional office purposes only.

Master Lease and Master Sublease. Sublessor is subject to the terms of a master lease, herein after referred to as the "Master Lease" wherein the Santa Cruz Port District Commission is the Lessor ("Master Lessor") and Nexus Wealth Advisors is the Lessee ("Lessee").

- a. This Sublease is and shall be at all times subject and subordinate to the terms of the Master Lease.
- b. The terms, conditions and respective obligations of Sublessor and Sublessee to each other under this Sublease shall be construed in accordance with the terms of the Master Lease.
- c. During the term of this Sublease and for all periods subsequent for obligations that have arisen prior to termination of this Sublease, Sublessee does hereby expressly assume and agree to perform and comply with, for the benefit of Sublessor and Master Lessor, each and every obligation of Sublessor under the Master Lease.
- d. Sublessor has provided to Sublessee copy of Master Lease dated December 1, 2016.
- e. If/when the Master Lease is amended or replaced with a new Master Lease, a copy shall be provided to Sublessee.

Assignment of Sublease and Default.

- a. Sublessor hereby irrevocably authorizes and directs Sublessee, upon receipt of written notice from Master Lessor stating that a default exists by Sublessor in performance of its obligations under the Master Lease, to pay Master Lessor the Base Rent due and to become due under the Sublease. Sublessor agrees that Sublessee shall have the right to rely upon any such statement and request from Master Lessor, and that Sublessee shall pay such Base Rent to Master Lessor without any obligation or right to inquire as to whether such default exists and notwithstanding any notice from or claim from Sublessor to the contrary and Sublessor shall have no right or claim against Sublessee for any such Base Rent payments so paid by Sublessee.
- b. No changes or modifications shall be made to this Sublease without the consent of Master Lessor.

DISPUTE RESOLUTION:

A. **MEDIATION:** Sublessor and Sublessee agree to mediate any dispute or claim arising between them out of this agreement, or any resulting transaction, before resorting to arbitration or court action, subject to paragraph B(2) below. Paragraphs B(2) and (3) apply whether or not the arbitration provision is initiated. Mediation fees, if any, shall be divided equally among the parties involved. If for any dispute or claim to which this paragraph applies, any party commences an

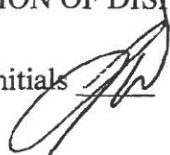
action without first attempting to resolve the matter through mediation, or refuses to mediate after a request has been made, then that party shall not be entitled to recover attorney fees, even if they would otherwise be available to that party in any such action. THIS MEDIATION PROVISION APPLIES WHETHER OR NOT THE ARBITRATION PROVISION IS INITIALED.

B. ARBITRATION OF DISPUTES: (1) Sublessor and Sublessee agree that any dispute or claim in Law or equity arising between them out of this agreement or any resulting transaction, which is not settled through mediation, shall be decided by neutral, binding arbitration, including and subject to paragraphs 34B(2) and (3) below. The arbitrator shall be a retired judge or justice, or an attorney with at least 5 years of real estate transactional law experience, unless the parties mutually agree to a different arbitrator, who shall render an award in accordance with substantive California Law. In all other respects, the arbitration shall be conducted in accordance with Part III, Title 9 of the California Code of Civil Procedure. Judgment upon the award of the arbitrator(s) may be entered in any court having jurisdiction. The parties shall have the right to discovery in accordance with Code of Civil Procedure §1283.05.

(2) EXCLUSIONS FROM MEDIATION AND ARBITRATION: The following matters are excluded from Mediation and Arbitration hereunder: (i) a judicial or non-judicial foreclosure or other action or proceeding to enforce a deed of trust, mortgage, or installment land sale contract as defined in Civil Code §2985; (ii) an unlawful detainer action; (iii) the filing or enforcement of a mechanic's lien; (iv) any matter that is within the jurisdiction of a probate, small claims, or bankruptcy court; and (v) an action for bodily injury or wrongful death, or for latent or patent defects to which Code of Civil Procedure §337.1 or §337.15 applies. The filing of a court action to enable the recording of a notice of pending action, for order of attachment, receivership, injunction, or other provisional remedies, shall not constitute a violation of the mediation and arbitration provisions.

"NOTICE: BY INITIALING IN THE SPACE BELOW YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION DECIDED BY NEUTRAL ARBITRATION AS PROVIDED BY CALIFORNIA LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR JURY TRIAL. BY INITIALING IN THE SPACE BELOW YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS THOSE RIGHTS ARE SPECIFICALLY INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY." "WE HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION TO NEUTRAL ARBITRATION."

Sublessor's Initials



Sublessee's Initials



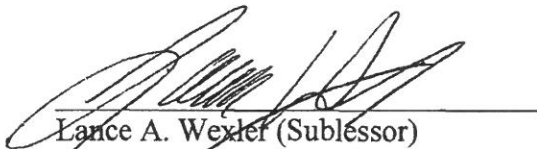
Attorney's Fees. If any party named herein brings an action to enforce the terms hereof or to declare rights hereunder, the prevailing party in any such action, on trial and appeals shall be entitled to his reasonable attorney's fees to be paid by the losing party as fixed by the Court.

Executed at: 365-B Lake Avenue, Santa Cruz, CA 95062



Steve Allen, President (Sublessee)
Cerus Pacific Group, Inc.

5/15/18
Date



Lance A. Wexler (Sublessor)
Nexus Wealth Advisors, LLC

5/15/2018
Date

Marian Olin (Port Director/Master Lessor)

Date



TO: Port Commission

FROM: Marian Olin, Port Director

DATE: May 3, 2018

SUBJECT: Award Contract for 2018-19 Sediment Sampling and Analysis Plan Services

Recommendation: *Award contract to Red Hills Environmental in the amount of \$41,200, plus a 10% contingency (\$4,120), for a total contract amount of \$45,320.*

BACKGROUND

Each year, prior to commencing dredging for the season, the Port District is required to prepare and submit a sediment Sampling and Analysis Plan (SAP) to regulators for review and approval. The plan describes the sediment sampling and testing proposed for each area to be dredged.

Maintenance dredging of the federal entrance channel occurs each year. Permits require physical testing of the entrance material every other year. Sampling was last performed in 2017, so no physical analysis is required in 2018.

For the inner harbor, staff assesses dredging needs and performs bathymetric surveys. If it is confirmed that an area is less than design depth, it may be proposed for maintenance dredging. Sediment sample locations and a proposed testing plan are then submitted to regulators. Once regulators approve the sampling and analysis plan, sediment samples are collected and undergo required testing. In addition to physical testing, inner-harbor material that is less than 80% sand also requires chemical and biological testing.

Sediment test results and physical characteristics are analyzed in relation to permits, and a dredging plan is developed. The dredge plan and test results are submitted to the regulatory agencies for authorization to commence dredging operations for the season.

ANALYSIS

The Port District issued a Request for Proposal (RFP) for sediment sampling and analysis plan services and development of a dredging plan for 2018-19, on an informal basis in accordance with the procedures contained in the California Public Contract Code.

Inner-harbor sediment test results are valid for up to 3 years if there are no significant changes in depth. Firms responding to the Port District's Request for Proposals were also required to analyze bathymetric surveys to determine whether re-sampling and re-testing of inner-harbor material is necessary for areas tested last year, but not dredged in 2017-18.

Red Hills Environmental, LLC (RHE) was the only firm to submit a proposal in response to the RFP. RHE will perform a comprehensive review and comparison of current bathymetric survey with prior year's bathymetric survey, and also complete an analysis of test data completed within the prior three year period to determine if physical, chemical, and biological sampling and analysis will be required.

The total cost for the project will range from \$13,600 to \$41,200, depending on sediment testing requirements. A cost estimate is below:

SCENARIO 1	No Testing Required	\$13,600
SCENARIO 2	Tier II Testing Required (Physical & Chemical)	\$19,400
SCENARIO 3	Tier III Testing Required (Physical, Chemical, & Biological)	\$41,200

RHE and their testing subcontractors have performed sediment sampling services for the Port District for a number of years. The quality of their work has been satisfactory to regulators, and they are familiar with Santa Cruz Harbor’s permitting requirements and will provide consistency in the methodology and approach to completing this work.

Staff recommends award of contract to RHE in an amount not to exceed \$41,200. RHE has delivered services under budget for the past three dredge seasons; however, a 10% contingency is recommended in case additional testing is required by regulators, bringing the total not-to-exceed contract to \$45,320.

IMPACT ON DISTRICT RESOURCES

Adequate funding for Sampling and Analysis Plan services is included in the FY 19 Environmental and Permitting budget.

ATTACHMENTS: A. Proposal and Agreement



**SANTA CRUZ PORT DISTRICT
REQUEST FOR PROPOSAL
MAY 2, 2018
FOR:**

**DREDGING SAMPLING AND ANALYSES PLAN 2018-19
BATHYMETRIC DATA REVIEW
PRELIMINARY DATA SUMMARY REPORT
SAMPLING AND ANALYSES REPORT (SAR) AND
2018 & 2019 DREDGING PLAN**

**PREPARED BY:
RED HILLS ENVIRONMENTAL, LLC
18150 GLORIA COURT
LOS GATOS, CALIFORNIA 95033
(408) 455 9300
KRCIK@VERIZON.NET**

MAY 8, 2018


LETTER OF INTEREST

Red Hills Environmental LLC (RHE) is an engineering and geologic consulting firm that provides a wide range of professional and technical services. We are headquartered in the Santa Cruz Mountains, California and Portland, Oregon. RHE personnel have serviced clients throughout the western United States including Alaska since the early 1980's. We are highly networked with regulators and other environmental professionals, which allow us to accurately predict the course of the project as well as provide a wide range of technical services.

Additional RHE Information is provided below.

- RHE has prepared and performed the Santa Cruz Port District (SCPD) Sampling and Analyses Plan (SAP), SAP Field Testing, and Sampling and Analyses Report (SAR)/Dredge Plan from 2005 through 2017.
- RHE intricately knows the program and the current Santa Cruz Harbor conditions as well as historic conditions.
- RHE has an effective relationship with harbor personnel and regulators (ex. Brian Ross, EPA & Debra O'Leary USACE) and is well informed of the regulatory requirements and has been successful every year with few regulatory comments to obtain regulatory approval of each years SAP and SAR/Dredge Plan.
- RHE has performed work on budget or under budget.
- RHE has tentatively scheduled field work and has notified the subcontractors so if awarded the contract can expedite the project likely ahead of schedule.
- RHE has successfully performed various SCPD FEMA Project sediment evaluations due to severe storms and the 2010 Tsunami.
- RHE is well informed of the potential that Brian Ross of the USEPA may require "high resolution" PCB congener testing. RHE performed this testing earlier this year for sediment samples collected at the City of Monterey Harbor; therefore, will be able to efficiently perform the testing this year if required. RHE has had various correspondences with Mr. Brian Ross regarding the specifics of the analyses and reporting requirements.

Specific company information as requested in the Santa Cruz Port Districts May 5, 2017 Request for Proposal (RFP) is provided below:

FIRM NAME	Red Hills Environmental, LLC
ADDRESS	18150 Gloria Court, Los Gatos, CA 95033
TELEPHONE NUMBER (24 Hr.)	(408) 455-9300
E-MAIL ADDRESS	krcik@verizon.net
SIGNATURE STEVE KRCIK	

FIRM ORGANIZATION

RHE personnel have been servicing clients throughout the western United States including Alaska since the early 1980's. Red Hills Environmental Inc. was incorporated in 2003 and has been in business as a Limited Liability Company since 2010.

RHE insurance coverage certificate is attached and includes commercial general, professional, pollution, and automobile liability as summarized below.

SUMMARY OF INSURANCE

CARRIER GENERAL LIABILITY PROFESSIONAL POLLUTION AUTOMOBILE LIABILITY	San Jose Insurance Agency Inc. Atlantic-Pacific Ins. Brokers 1725 S. Bascom Ave. Ste. 206 Campbell, CA 95008 San Jose Insurance Agency 408 371 3700
POLICY NUMBER	G24321046
GENERAL AGGREGATE LIMIT	\$1,000,000
PERSONAL & ADVERTISING INJURY	\$1,000,000
OCCURRENCE	\$1,000,000
AUTOMOBILE	\$1,000,000
ADDITIONAL INSURANCE AVAILABLE SUBCONTRACTORS SELF INSURED	

PROJECT TEAM

TEAM MEMBER	SERVICE	EXPERIENCE
<p>RED HILLS ENVIRONMENTAL STEVE KRICK DIRECTOR (408) 455-9300</p>	<p>PROJECT MANAGEMENT SAP PREPARATION SAP FIELD SUPERVISION AND SAMPLING LAB DATA COMPILATION SCPD LIAISON FINAL DREDGE PLAN AND SAP REPORT PREPARATION</p>	<p>SINCE ABOUT 2005, RHE HAS SUCCESSFULLY PREPARED & IMPLEMENTED THE SCPD SAP, FIELD TESTING, AND SAR INCLUDING DREDGE VOLUME CALCULATIONS & DREDGE QUADRANT CALCULATIONS IN ACCORDANCE TO GRAIN SIZE CRITERIA AND PERMIT RESTRICTIONS.</p> <p>RHE AS SUCCESSFULLY CONSULTED ON SCPD FEMA CLAIMS INCLUDING THE 2006 AND 2010 FLOOD AND TSUNAMI RELATED CLAIMS AND VARIOUS OTHER PROJECTS WITH THE SCPD INCLUDING STORM SEDIMENT CALCULATIONS IN THE NORTH HARBOR IN JANUARY 2017.</p> <p>RHE IS WELL INFORMED OF THE POTENTIAL FOR PCB CONGENER ANALYSES THAT MAY BE REQUIRED. RHE PERFORMED THESE ANALYSES THIS YEAR FOR MONTEREY HARBOR IN THEIR SAP AS REQUIRED BY MR. BRIAN ROSS OF THE USEPA.</p> <p>REFERENCES: MONTEREY HARBOR STEVEN SCHLEIBLAUER & BRIAN NELSON; FORMER SCPD PORT DIRECTORS BRIAN FOSS, LISA ETERS</p>

TEAM MEMBER	SERVICE	EXPERIENCE
<p>TEG OCEANOGRAPHIC SERVICES MARK MERTZ DIRECTOR (831) 684-2749</p>	<p>VIBRACORE BARGE OPERATOR</p>	<p>SINCE 1998, TEG HAS BEEN A FULLY LICENSED AND INSURED COMPANY WHO HAS SUCCESSFULLY PROVIDED SPECIALIZED MARINE SCIENTIFIC SURVEY SERVICES TO INDUSTRY, GOVERNMENT AGENCIES, CONSULTING FIRMS, PORTS AND HARBORS, US NAVY, USGS, USCG, USACE</p> <p>SINCE APPROXIMATELY 2005, TEG HAS SUCCESSFULLY PROVIDED AND OPERATED VIBRACORE BARGE EQUIPMENT DURING IMPLEMENTATION OF THE YEARLY SCPD SAP</p>
<p>PACIFIC ECORISK JEFFREY COTSIFAS PRESIDENT (707) 207 7760</p>	<p>BIOLOGICAL TESTING</p>	<p>SINCE 1994, PACIFIC ECORISK HAS BEEN A FULLY LICENSED, INSURED, AND STATE CERTIFIED COMPANY WHO HAS SUCCESSFULLY PROVIDED ENVIRONMENTAL TOXICOLOGY, AQUATIC BIOLOGY, AND ENVIRONMENTAL CHEMISTRY SERVICES TO A VARIETY OF CLIENTS INCLUDING USACE – SF; THE PORTS OF OAKLAND, SAN DIEGO, SAN FRANCISCO, AND REDWOOD CITY; AND THE EMERYVILLE, EMERY COVE AND SAN RAFAEL HARBORS</p> <p>SINCE 2011, PACIFIC ECORISK HAS SUCCESSFULLY PROVIDED BIOLOGICAL TESTING DURING IMPLEMENTATION OF THE YEARLY SCPD.</p>

TEAM MEMBER	SERVICE	EXPERIENCE
<p>CALSCIENCE ENVIRONMENTAL LABORATORIES, INC. CARLA HOLLOWELL PROJECT MANAGER (714) 895 5494</p>	<p>CHEMICAL TESTING & PHYSICAL</p>	<p>SINCE 1986, CALSCIENCE HAS BEEN A FULLY LICENSED, INSURED, AND STATE CERTIFIED COMPANY WHO HAS SUCCESSFULLY PROVIDED QUALITY ANALYTICAL SERVICES TO CONSULTANTS, PRIVATE INDUSTRY AND GOVERNMENT AGENCIES. CALSCIENCE IS ARE A FULL-SERVICE ENVIRONMENTAL TESTING COMPANY, OFFERING ANALYSIS OF GROUNDWATER, STORM WATER, SOIL, HAZARDOUS WASTE, MARINE SEDIMENT, AND VAPOR/AMBIENT AIR. CALSCIENCE MAINTAINS STATE-OF-THE-ART INSTRUMENTATION SYSTEMS FOR ALL OPERATIONS.</p> <p>SINCE 2011, CALSCIENCE SUCCESSFULLY PROVIDED CHEMICAL TESTING DURING IMPLEMENTATION OF THE YEARLY SCPD.</p>

TEAM MEMBER	SERVICE	EXPERIENCE
<p>COOPER TESTING LAB PROJECT MANAGER ROCHELLE ULATAN (650) 213 8436</p>	<p>PHYSICAL TESTING</p>	<p>SINCE 1987, COOPER TESTING LABS HAS BEEN A FULLY LICENSED, INSURED, AND STATE CERTIFIED INDEPENDENT GEOTECHNICAL LABORATORY WHO HAS SPECIALIZED IN GEOTECHNICAL, CORROSION, AND WATER TESTING FOR THE GEOTECHNICAL ENGINEERING, ENVIRONMENTAL ENGINEERING AND CONSTRUCTION INDUSTRIES. COOPER PERFORMS TESTS IN ACCORDANCE TO THE APPLICABLE REGULATORY STANDARDS INCLUDING ASTM AND USAGE TEST PROTOCOLS AND IS DEDICATED TO QUALITY CONTROL, OUTSIDE AUDITS, AND EQUIPMENT MAINTENANCE AND CALIBRATION.</p> <p>SINCE 2005, COOPER HAS SUCCESSFULLY PROVIDED THE PHYSICAL TESTING REQUIREMENTS FOR THE IMPLEMENTATION OF THE YEARLY SCPD SAP</p>

EXPERIENCE

REPRESENTATIVE REPORTS 1 AND 2

Red Hills Environmental, July 20, 2011; Santa Cruz Port District Sampling and Analyses Plan 2011-2012 Dredging Season

Red Hills Environmental, September 8, 2011; Santa Cruz Port District Sampling and Analyses Plan Results and Proposed 2011-2012 Dredging Plan

LOCATION	Santa Cruz Port District
BRIEF DESCRIPTION	Successfully prepared the SAP for the Santa Cruz Port Districts Inner Harbor including the Federal Navigation Channel (Harbor Entrance) and Inner Harbor Areas. SAP included evaluating and sampling tsunami related sediment including preparing pre and post tsunami historic bathymetric data compiled from the best available data
CLIENT NAME	Brian Foss/Marian Olin, Santa Cruz Port District
CONTACT INFORMATION	(831) 475 6161

REPRESENTATIVE REPORTS 3

Red Hills Environmental, February 28, 2017; Santa Cruz Port District North Harbor Storm Sediment Investigation – February 2017

LOCATION	Santa Cruz Port District
BRIEF DESCRIPTION	Successfully performed expedited bathymetric evaluation and sampling due to shoaling in the North Harbor. Calculated storm sediment volumes for recent storm events including fine grained and sand percentages.
CLIENT NAME	Lisa Ekers/Marian Olin, Santa Cruz Port District
CONTACT INFORMATION	(831) 475 6161

REPRESENTATIVE REPORT 4

Red Hills Environmental, June 8, 2018; Santa Cruz Port District Sampling and Analyses Plan 2017-2018 Dredging Season

LOCATION	Santa Cruz Port District
BRIEF DESCRIPTION	Successfully prepared the SAP on schedule and budget. Evaluated historic lab results and yearly bathymetric data to determine testing requirements. Regulatory liaison.

CLIENT NAME Santa Cruz Port District

CONTACT INFORMATION (831) 475 6161

REPRESENTATIVE REPORT 5

Red Hills Environmental, August 24, 2017; Santa Cruz Port District Sampling and Analyses Report and Proposed Dredging Plan 2017-2018.

LOCATION Santa Cruz Port District

BRIEF DESCRIPTION Successfully performed all aspects of the contract on schedule and budget. Work included evaluating bathymetric data and testing requirements, PCB congener analyses and a daily dredge plan that included fine grained sediment dredging under the strict permit requirements. Regulatory liaison.

CLIENT NAME Marian Olin, Santa Cruz Port District

CONTACT INFORMATION (831) 475 6161

***NOTE: RHE AND RELATED REPORTS FROM APPROXIMATELY 2005 YEARLY THROUGH 2017 ARE ON FILE AT THE SCPD.**

SCOPE OF WORK AND SCHEDULE

The general scope of work of the project includes preparing the Sampling and Analysis Plan (SAP) for the Inner Harbor, the Federal Navigation Channel, and the Reference Samples; and if required implementing the SAP field work (field sampling and analyses including procuring all subcontractors previously listed under PROJECT TEAM in this document), preparing a SAP Report and Dredging Plan, and responding to any regulatory issues that may arise during their review process.

RHE is well informed of the yearly dredging requirements and criteria including the criteria that sampling and analyses results are valid for a 3-year period if there is no significant change in depth. RHE has performed a preliminary review of the bathymetric data.

The specific scope of work is presented below:

SAMPLING AND ANALYSES PLAN (SAP) PREPARATION

As the approved test results obtained in 2016 and 2017 are deemed representative for 3 years by the regulatory agencies, the SAP will further compare/evaluate the 2016 and 2017 bathymetric data and former testing results to determine any 2018 testing requirements. *RHE will pre discuss our findings with the EPA and DTSC (if necessary) prior to submitting the SAP to assure that our SAP will be approved by the regulatory community to ensure efficiency of the project.*

Further, the SAP will be prepared in accordance to specifications presented in the Inland Testing Manual (ITM) and the Dredged Material Management Office (DMMO) Guidelines for Implementing the Inland Testing Manual in the San Francisco Bay Region. The SAP will include a discussion of project description, project team and responsibilities, proposed scope of work including the proposed core ratios and the required Tier II (Physical and Chemical) and Tier III (Biological) testing regimes, proposed dredging methods, sediment sampling procedures, quality assurance and control procedures, reporting, and the SAP implementation schedule. The SAP will include a table presenting the proposed dredge volume calculations and a table presenting the list of Tier II (physical and chemical) testing parameters. Tier III (biological) testing parameters will be described in the specific sections that discuss the proposed dredge areas where they are required. Site maps will include a site location map and site maps presenting the proposed dredge areas, sediment sampling locations, storm drains, and dredging cross-sections.

SAP IMPLEMENTATION

SAP implementation (if required) will initially consist of selecting field dates that are compatible to the SCPD and make any other required notifications. RHE will then obtain approval from the SCPD to proceed and will notify the SCPD if any boats in the harbor need to be moved. Final

subcontractor scheduling will then be performed and pre-field tasks will be performed including calculating expected tides, core ratios, and preparing sampling equipment and materials.

Inner Harbor Sediment Collection. The Inner harbor sediment is typically collected using a bucket sampler or Vibracore sampling system. The Vibracore sampling system consists of a vibrating head and a 4-inch diameter aluminum coring tube. The 4-inch diameter aluminum coring tube is equipped with a stainless steel core catcher and a stainless steel cutting tip. Prior to use the Vibracore sampling system and sampling tools will be thoroughly cleaned. The Vibracore sampling system is then lowered overboard using a hydraulic winch attached to an onboard AFrame. The Vibracore sampling system vibrates down through the sediment to the calculated penetration depth or until refusal is encountered. The calculated penetration depth is determined by subtracting the depth to sediment adjusted to MLLW from the design dredge depth at each sampling location.

After the calculated penetration depth is reached or refusal is encountered, the power to the vibrating head is turned off and the coring tube is pulled out of the sediment and carefully placed onboard. Global Positioning System coordinates are recorded at this time and the inside of the coring tube is checked to determine if any of the sediment sample core was lost when the coring tube was pulled out of the sediment. The cutting tip and the core catcher are then removed from the coring tube and the sediment sample core is extruded into a clean polyethylene-lined tray. The sediment sample core is extruded by slightly raising one end of the coring tube and gently tapping the coring tube with a rubber mallet. The sediment sample core is then measured to determine the actual sediment sample core length. The sediment sample core is then split in half and inspected for any odors, visual stratification, debris, biological activity, oil sheen, or any other distinguishing characteristics.

A discrete sediment sample will then be collected from the entire length of the sediment sample core. In the case that different sediment textures are encountered, (ex. sands overlying silts), additional discrete sediment samples will be collected. The additional discrete sediment samples will be collected from the entire length of each sediment texture encountered.

The discrete sediment samples will be collected using clean stainless steel sampling tools. The discrete sediment samples will be placed into clean sample containers provided by the laboratory, secured, labeled, logged onto chainofcustody sheets, placed in iced coolers, and transported to the appropriate state certified laboratories for analyses. In the laboratory, the discrete sediment samples will be sub-sampled and composite samples will be prepared for analyses.

The Federal Navigation Channel (Harbor Entrance). Sediment samples (if required) will be collected using a stainless steel bucket sampler, lowered and retrieved using an electric winch. Five four-point composite samples will be prepared from samples collected along five transects. GPS coordinates will be recorded at each sample location. Immediately after sampling, the samples will be composited placed in new sample containers provided by the laboratory, stored in iced coolers, and transported to the appropriate laboratories, accompanied by chain of custody

documentation for analyses. Sampling equipment will be cleaned with Alconox prior to and between uses.

Reference Sample Collection. The reference sample (if required) will be collected using a stainless steel bucket sampler, lowered and retrieved using an electric winch. One four-point composite sample will be prepared from samples collected along a transect in the near shore environment outside of the harbor jetties where dredged sediments are proposed to be released. GPS coordinates will be recorded at each sample location. Immediately after sampling, the samples will be composited placed in new sample containers provided by the laboratory, stored in iced coolers, and transported to the appropriate laboratories, accompanied by chain of custody documentation for analyses. Sampling equipment will be cleaned with Alconox prior to and between uses.

PRELIMINARY COMPILATION OF SEDIMENT TESTING RESULTS

The preliminary compilation of sediment testing results (if required) will be prepared and submitted to the SCPD. This compilation will consist of a cover sheet, preliminary site maps depicting sample locations, and tables summarizing the physical and chemical test results and certified analytical reports, and the results of the biological analyses as they become available.

SAP REPORT AND DREDGING PLAN

A technical report will be prepared and submitted to the appropriate agencies documenting the results of the dredge materials evaluation.

This report will include:

Project Description
Regional Setting
Permit Summary
Scope of Work
SAP Results
Dredging Plan
Dredging Quadrant Tables (calculating fine grained sediment dredged per day)
Dredging Quadrant Map
Soil Sample Data Collection Table
Physical Analytical Data Table
Chemical Analytical Data Table and ESLs and ERMs

Site Location Map
Dredge Area Maps Showing Sample Core Locations
Dredge Area Cross-Sections
Sampling and Laboratory Procedures Attachment
Certified Analytical Reports, QA/QC Results, and Chain of Custody Documentation Attachment

SCHEDULE

RHE is prepared to expedite work if awarded the project by submitting the SAP ahead of the RFP Due Date and by proactive subcontractor scheduling in accordance to the schedule presented in the RFP with minor adjustment if awarded the contract. RHE has contacted subcontractors to tentatively schedule the work so that if awarded the contract the work can be expedited so the project can be completed ahead of schedule.

PRICE

The Cost Estimate General Scope of Work is attached.

RHE has reviewed the current bathymetric data and has developed a cost effective strategy to perform the 2018-2019 dredging and will call to discuss.

RED HILLS ENVIRONMENTAL LLC
 COST ESTIMATE
 DREDGING SAMPLING AND ANALYSES PLAN FOR 2018-19

DATE: May 8, 2018
 CLIENT: SANTA CRUZ PORT DISTRICT
 135 FIFTH AVENUE
 SANTA CRUZ, CA 95062

SCENARIO 1 - TESTING REQUIREMENTS - NO TESTING REQUIRED	\$13,600
Bathymetric Evaluation	\$800
Regulatory and SCPD Liaison	\$800
Sampling and Analyses Plan	\$6,000
Sampling and Analyses Report and Dredging Plan	\$6,000
SCENARIO 2 - TESTING REQUIREMENTS - TIER II (PHYSICAL/CHEMICAL) TESTING REQUIRED	\$19,400
Pre-Field Preparation	\$12,200
Sampling Vessel and Pipe Dredge Sampler (1 Day)	
Sample Collection	
Grain Size Analyses (Total 7; North Harbor 6 & Reference Sample 1)	
Chemical Analyses (Total 7; North Harbor 6 & Reference Sample 1, with PCB Congener Analyses)	
Sample Management	
Preliminary Data Report	\$1,200
Sampling and Analyses Report and Dredging Plan	\$6,000
SCENARIO 3 - TESTING REQUIREMENTS - TIER II (PHYSICAL/CHEMICAL) & TIER III (BIOLOGICAL) TESTING REQUIRED	\$41,200
Pre-Field Preparation	\$34,000
Vibracore Sampling Vessel (1 Day)	
Offshore Sampling Vessel (1 Day)	
Grain Size Analyses (Total 7; North Harbor 6 & Reference Sample 1)	
Chemical Analyses (Total 7; North Harbor 6 & Reference Sample 1, with PCB Congener Analyses)	
Biological Analyses (Total 2; North Harbor 1 & Reference Sample 1)	
Sample Management	
Preliminary Data Report	\$1,200
Sampling and Analyses Report and Dredging Plan	\$6,000
TOTAL COST RANGE	\$13,600 to \$41,200

Note: Costs include PCB Congener Analyses



TO: Port Commission
FROM: Holland Mac Laurie, Administrative Services Manager
DATE: May 3, 2018
SUBJECT: Introduce Ordinance Section 316 – Vessel Insurance

Recommendation: *Introduce Ordinance Section 316 – Vessel Insurance, and authorize legal advertisement of proposed ordinance language per Harbors and Navigation Code section 6309.2*

BACKGROUND

The Santa Cruz Port District does not currently require slip renters to maintain or provide proof of vessel liability insurance. The Policy-Operations Committee met on August 16, 2017, March 13, 2018, and again on April 26, 2018, to discuss this matter and receive stakeholder input.

The committee has formulated a recommendation on draft ordinance language, a draft policy, and policy administration tools for review and consideration by the full Commission.

ANALYSIS

DRAFT ORDINANCE LANGUAGE

The proposed draft ordinance language is intended to be general in nature, to allow flexibility of application. In the event future revisions to the vessel insurance requirements are warranted (i.e. change to type and/or amount of insurance), all changes can be addressed on a policy level, rather than requiring an ordinance modification.

SECTION 316 – Vessel Insurance

All vessels must be insured in accordance with Port District policies to retain slip license.

DRAFT POLICY

Commencing January 1, 2019, or upon acceptance of a slip assignment, all vessels (including recreational, commercial, and business use) must remain currently insured to retain slip license at Santa Cruz Harbor. Vessel insurance must, at a minimum, meet the following criteria:

(a) Commercial & Recreational Vessels (including business use)

1. Provide general Liability (Protection and Indemnity) vessel insurance coverage, including wreck removal and pollution coverage, with a minimum policy limit of \$300,000.
2. Vessel insurance policies shall name the Santa Cruz Port District (SCPD) as *Additional Insured*, if available from the underwriter. A Certificate of Insurance certifying coverage

limits shall suffice only if an endorsement naming SCPD as *Additional Insured* is unavailable from the underwriter.¹

3. Owners of transient vessels are requested, but not required, to provide proof of insurance for short-term berthing privileges. Owners of transient vessels requesting berthing beyond the two-week maximum may be required to provide proof of insurance as a condition of the extension, which requires Harbormaster approval.

(b) Additional Requirements

1. Subletters shall be required to provide proof of insurance for their vessels in accordance with this policy.
2. Insurance policies for vessels held in partnership must list the individual names of each vessel partner.

(c) Excluded Vessels

1. This vessel insurance policy is not applicable to:
 - a. Vessels occupying:
 - i. Dry Storage (Twin Fountains & North Harbor Dry Storage)
 - ii. Rack Storage
 - iii. Catamaran Storage
 - b. Launched Vessels
 - c. Human-Powered Watercraft

POLICY ADMINISTRATION PROPOSAL

Implementation:

It is recommended that insurance requirements should be effective for existing customers January 1, 2019, and immediately for new slip assignments.

Staff is prepared to perform the necessary outreach to inform existing slip renters of the upcoming policy change. Staff will work with individuals who may need additional time to comply with the new requirements on a case-by-case basis.

Administration / Enforcement:

The committee discussed several options for administering and enforcing the new insurance requirements. The committee discussed the feasibility and impacts associated with monitoring insurance policy expirations on an annual basis (as part of the parking sticker program) versus a monthly basis. While monitoring policy expirations on a monthly basis will require more frequent and direct oversight from staff, it will strengthen protections to the District, as well as slip renters, by ensuring that policies remain effective throughout the year.

¹ An additional insured endorsement provides the District with added protections, such as notification of a pending cancellation and the ability to streamline the claims process, in the event a claim is filed.

Staff is prepared to adapt current administrative procedures to include monitoring vessel insurance coverage as follows:

1. Receive, review, and enter policy information into marina management software.
2. Generate a monthly courtesy notice to slip renters who have upcoming expirations (e.g., on the monthly billing statements).
3. At the conclusion of the month, staff will reach out to individuals who have not yet provided updated insurance information and work on a case-by-case basis to bring them into compliance.
4. If after a reasonable amount of time has passed (typically 60 days after policy expiration or such time as determined by the Commission) and updated insurance information has not been received by the District, staff will commence the slip revocation process as a last resort to achieve compliance.

Transition Period

Staff plans to monitor vessel insurance coverage in accordance with the proposed policy, but recognizes that a transition period will exist following implementation. The transition period, which is estimated to last approximately six months to one year, will require staff to perform outreach and communicate with slip renters. During this transition period, staff will further develop the administrative procedures necessary to monitor and achieve compliance. As part of the committee's discussion, it was recommended that an annual insurance review be added to the Commission's review calendar. Additionally, an interim compliance report will be presented to the Commission in Fall 2019. Enforcement action will be delayed until after the interim Commission review is performed in Fall 2019.

OTHER TOPICS

Uninsurable Vessels

A number of vessel owners may be unable to obtain vessel insurance for various reasons (e.g., wooden boat, extremely old boat, etc.). Staff will learn more about the scope of this issue during the transition period and include quantitative data in its interim report to the Commission in Fall 2019. At that time, the Commission may deliberate whether action is warranted to:

- "Grandfather" in uninsurable vessels and allow them to stay in the harbor; or
- Assess a monthly fee to owners of uninsurable vessels (similar to the uninsured vessel fee charged at the boatyard).

Slip License Amendment

The committee discussed amending the District's current slip license agreement to reflect the changes relative to the insurance requirement. After a lengthy discussion, it was determined that a slip license amendment would not be necessary upon adoption of a new ordinance. The District's current slip license agreement does not reference each individual Port District Ordinance; however, each ordinance is fully enforceable and applicable to all licensees. The slip license agreement can be updated when reprinted in the future.

ADVERTISING

California Harbors and Navigation Code Section 6309.2 requires that before any ordinance may be adopted, the ordinance shall be published in its entirety on three separate occasions in a newspaper of general circulation published within the district. Additionally, a notice of the date on which the board will meet for the purpose of adopting the ordinance must be included. The general public shall be allowed to appear at the meeting and be heard on the proposed ordinance. The ordinance shall become effective 30 days from and after the date of final passage.

IMPACT ON PORT DISTRICT RESOURCES

Requiring vessel owners to maintain insurance coverage may reduce costs associated with future claims involving Port District infrastructure (i.e. damage to dock due to fire). The Port District does not anticipate significant cost savings will be achieved on its own insurance premiums by implementing this vessel insurance requirement.

- ATTACHMENTS:
- A – Proposed Ordinance Section 316 – Vessel Insurance
 - B – Staff Report to the Policy-Operations Committee dated August 5, 2017
 - C – Policy-Operations Committee Meeting minutes dated August 16, 2017
 - D – Staff Report to the Policy-Operations Committee dated February 23, 2018
 - E – Policy-Operations Committee Meeting minutes dated March 13, 2018
 - F – Staff Report to the Policy-Operations Committee dated April 23, 2018
 - G – Policy-Operations Committee Meeting minutes dated April 26, 2018
 - H – Insurance Requirements Survey dated July 13, 2017
 - I – Sample Insurance Document: “Boat Fact Finder”
 - J – Stakeholder Emails

ORDINANCE NO. 316

AN ORDINANCE OF THE SANTA CRUZ PORT DISTRICT ADDING SECTION 316 [VESSEL INSURANCE] TO ARTICLE III [BERTHING REGULATIONS] OF THE SANTA CRUZ PORT DISTRICT ORDINANCE CODE TO PROVIDE THAT VESSEL INSURANCE BE REQUIRED TO RETAIN A SLIP LICENSE

THE SANTA CRUZ PORT DISTRICT DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1

Section 316, Vessel Insurance, is hereby added to the ordinance code of the Santa Cruz Port District ("District") to provide as follows:

Section 316, All vessels must be insured in accordance with Port District policies to retain slip license.

SECTION 2

This ordinance shall take effect and be in force thirty (30) days from the date of its passage, and before the expiration of fifteen (15) days after its passage, it or a summary of it, shall be published once, with the names of the members of the Port Commission voting for and against the same in the Santa Cruz Sentinel, a newspaper of general circulation published in the County of Santa Cruz.



To: Port Commission Policy / Operations Committee
-Toby Goddard
-Dennis Smith

From: Holland Mac Laurie, Administrative Services Manager

Date: August 5, 2017

Subject: Review of Port District's Vessel Insurance Policy

Recommendation: *Review information relative to vessel insurance requirements.*

BACKGROUND

The Santa Cruz Port District does not currently require slip renters or transient vessels to maintain or provide proof of vessel liability insurance. The policy committee last considered this topic in August 2005. While the committee felt it was important for slip renters to carry liability insurance, they did not recommend it be required. However, after a vessel fire occurred on U-Dock earlier in the year, there was consensus among the Commission to review the District's current policy and determine if a change is necessary.

The District currently relies on its slip license agreement to protect against any and all claims. The slip license agreement states the following:

"Any person using the facilities within the limits of Port District property or maritime facility shall assume all risk of damage or loss to his property and the District assumes no risk on account of fire, theft, act of God, or damages of any kind to vessels within the harbor, waterway or maritime facilities"

To aid in the committee's discussion, staff conducted an "insurance" survey of 29 California harbors, spanning from Crescent City to Dana Point, and has compiled that data for review. The survey results (Attachment A) outline each harbor's vessel insurance requirement (including minimum insurance levels) and enforcement policies. Of the 29 harbors surveyed, 23 require vessels to maintain liability insurance. Of the 6 harbors that do not require vessel insurance, 3 (City of Eureka Marina, Humboldt Bay Harbor, and Morro Bay Harbor) are actively discussing policy updates to include a vessel liability insurance requirement.

ANALYSIS

Policy considerations for the committee to discuss are presented below.

Required Type of Insurance:

LIABILITY INSURANCE (PROTECTION & INDEMNITY or P&I)

- Provides maximum coverage to the District.

- Covered liability claims include bodily injury, property damage, and personal injury. Wreck removal and pollution (fuel spill) are standard policy inclusions.
- Recommended minimum coverage amount is \$500,000. A \$300,000 policy may be adequate, but is not likely to cover all costs in the event of a vessel fire.
- Premium costs are typically calculated at the following rate:
 - Sailboats: 1.25% of hull value.
 - Powerboats: 1-2% of hull value (higher rate due to ancillary equipment).
 - No additional costs are incurred to list the District as additional insured.
- Prior to issuance of a liability insurance policy, a survey is required for vessels measuring 27' or greater.
 - Surveys costs are estimated at approximately \$14-\$20/ft.
 - Surveys are used to determine the condition and value of the vessel.
 - Depending on the insurance provider, vessels that are less than 10 years old may not be required to have a survey performed.

HULL & MACHINERY (H&M)

- Provides no coverage to the District.
- Covered H&M claims only protect a vessel against physical damage (bodily injury, property damage, personal injury, wreck removal, and pollution (fuel spill) are NOT included).

HOMEOWNERS' INSURANCE POLICY (UMBRELLA COVERAGE)

- Provides some coverage to the District.
- Individual homeowners' insurance policy may provide coverage for vessels measuring 26' or less.
- Wreck removal and pollution (fuel spill) are typically not included in this type of policy.

Required Amount of Insurance:

The recommended minimum coverage amount under a P&I liability policy is \$500,000. Harbors are trending towards a higher policy limit of \$500,000 to protect against and cover claims associated with vessel fires. Of the 23 surveyed harbors that require vessel insurance, 14 require a minimum policy of \$300,000, while 7 require a higher amount of \$500,000. Staff noted that several harbors will be increasing their minimum limit from \$300,000 to \$500,000 in the near future.

The committee may wish to consider a tiered structure, in which commercial fishing vessels are required to carry a higher policy amount (ex: \$1 million). Due to the nature of their work, commercial fishing vessels (as a group), typically have the highest number of claims and most injury. Salvage costs and the potential for environmental damage are also increased with older, wooden, commercial boats.

Obtaining vessel insurance for a commercial fishing vessel is often times very difficult because of the age and type of boat. Co-op insurance policies, which provide liability insurance, are available to commercial vessel owners, but require a "buy-in" and require all participating members to interact cordially. Pillar Point Harbor excludes the commercial fishing fleet from having to provide proof of insurance.

Who will be Required to Provide Proof of Insurance?

- Slip Renters / Dry Storage Renters Only (exempt hand-powered vessels)
- Transient Vessels Only (see note below regarding Harbor of Refuge)
- Slip Renters and Transient Vessels
- Consider any Exclusions (ex: Commercial Vessels, Transient Vessels)

Harbor of Safe Refuge

The Santa Cruz Harbor is designated as a federal and state harbor of safe refuge. The California Harbors and Navigation Code Section 70.5 states that “...*No small craft harbor of refuge shall exclude, consistent with the intent of Section 40, the use of that harbor by a commercial boat, or any vessel in need of a safe harbor for refuge purposes. Each vessel entering and using a harbor of safe refuge pursuant to this section shall pay the published fees for services rendered while in the harbor and shall comply with all other applicable local, state, and federal laws while in the harbor and while using any facilities in the harbor.*”

Policy for Tracking & Enforcing Vessel Insurance

Vessel insurance policies are valid for one year from the date of purchase. Because individual policies are not on the same recurring cycle, like vessel registration, considerable staff time will be needed to monitor, track, and enforce individual policy expiration dates to ensure coverage does not lapse. Staff believes that adequate time is available to perform these duties.

The District’s current marina management software program provides a tracking mechanism for insurance information, so staff can monitor expiring policies on a monthly basis, sending courtesy reminders, as needed.

In the event coverage does lapse, enforcement measures will need to be discussed. For example:

- Extend a 7-day grace period to correct the lapse in coverage.
- Impose a daily fee (ex: \$5/day) until current proof of insurance is provided. Payment of the uninsured vessel fee does not extend coverage to an individual under the Port District’s policy.
- Initiate slip revocation process (slip license modification or adoption of ordinance will be required).

Additional Topics for Discussion

- Amend the District’s current slip license agreement to reflect changes relative to the insurance requirement.
- Adopt an ordinance relative to vessel insurance requirements.
- What should be done for vessels that are unable to obtain insurance (ex: wooden boats, extremely old boats, commercial fishing boats, etc.).

ATTACHMENTS: A. Survey of California Harbors' Insurance Requirements - July 13, 2017
 B. Sample Policy – Brickyard Cove Marina
 C. Sample Policy – San Francisco Marina Small Craft Harbor



Special Public Session of August 16, 2017

Santa Cruz Port Commission
Policy-Operations Committee Meeting
MINUTES

Committee Members Present:

Toby Goddard
Dennis Smith

Staff Present:

Marian Olin, Port Director
Holland Mac Laurie, Admin. Services Manager
Latisha Marshall, Harbormaster
Blake Anderson, Senior Deputy Harbormaster
Emma Olin, Admin. Assistant I

Committee-Chair Goddard called the special public session to order at 9:00 AM at the Harbor Public Meeting Room, 365A Lake Avenue, Santa Cruz, CA.

1. Oral Communication

Discussion: Slip renter Richard Bartlett expressed his concern about pigeons nesting under the brow piers in the area of X-dock.

Commissioner Steve Reed announced that he is in attendance as a member of the public.

2. Review of Vessel Insurance Policy

Discussion: The Policy Committee reviewed the harbor's vessel insurance policy. Committee-Chair Goddard noted that the vessel fire on U-Dock earlier in the year prompted the Commission to review the District's current policy and determine if a change is necessary.

Attendees included insurance industry representatives, who were available to help answer technical questions about vessel insurance.

Port Director Olin requested that the Commission discuss and consider policy recommendations for the following:

- Who will be required to carry insurance
- What type of insurance will be required
- Required amount of insurance
- Policy tracking and enforcement issue
- Timeline for adoption

A discussion ensued regarding different types of vessel insurance policies.

Port Director Olin stated that of the 29 harbors surveyed, 23 require vessel owners to maintain liability insurance. She noted that of the 6 harbors that do not require vessel insurance, 3 are actively discussing policy updates to include a vessel insurance requirement.

In response to a question posed by Committee-Chair Goddard, insurance industry representative Mr. Chris Deaver stated that the cost of insurance does not increase if the harbor is listed as additional insured.

Commissioner Smith stated that he is supportive of the development of a policy that would require slip renters to maintain and provide proof of liability insurance for their vessels. Committee-Chair Goddard agreed. He suggested that a special public meeting be held to receive public input from harbor users prior to adoption of a new policy.

Mr. Deaver recommended a minimum liability coverage amount of \$500,000. Mr. Deaver stated that that a \$300,000 policy may be adequate but is not likely to cover all costs in the event of a vessel fire.

Port Director Olin confirmed that harbors are trending toward higher policy limit of \$500,000, according to the survey.

Commissioner Smith asked if the Port District would realize a cost savings if the harbor has a minimum requirement that vessel owners carry \$300,000 or \$500,000 in liability insurance. Port Director Olin stated that she will follow up with the District's insurer.

A discussion ensued regarding different types of harbor users and who may be required to provide proof of insurance. Specifically, Committee-Chair Goddard questioned if dry storage renters and daily launchers would be required to provide proof of liability insurance.

In response to a question posed by Committee-Chair Goddard, Senior Deputy Harbormaster Anderson stated that dry storage slip renters sign a different Slip License Agreement (SLA) than wet slip renters. He noted that dry storage slip renters utilize a daily launch ramp pass.

Committee-Chair Goddard stated that it would difficult to track insurance of the daily launchers. Port Director Olin agreed.

Audience member Steve Reed asked if it would be possible to include a surcharge in the daily launch fee that would protect the harbor. Committee-Chair Goddard requested that Port Director Olin research more about an additional charge for daily launchers.

There was consensus among the Committee to exclude dry storage slip renters and human-powered vessels from the proposed insurance requirement. Port Director Olin stated that it is often challenging for commercial fishing vessels to obtain vessel insurance because of the age and type of the boat. She noted that Pillar Point Harbor excludes the commercial fishing fleet from having to provide proof of insurance.

A discussion ensued about staff's ability to monitor, track and enforce individual insurance policies. Administrative Services Manager Mac Laurie stated that the District's current marina management software program provides a tracking mechanism for insurance expiration, so staff can monitor expiring policies on a monthly basis and send courtesy reminders, as needed.

Administrative Services Manager Mac Laurie stated that if the harbor is listed as additional insured, then the insurance company will automatically forward a copy of updated insurance to the District.

The Policy Committee developed the following recommendations:

- Develop a policy that would require slip renters to maintain and provide proof of liability insurance with endorsement(s) for wreck removal and pollution for their vessels (minimum coverage amount \$300,000), naming Santa Cruz Port District as additional insured;
 - Policy would apply to slip renters, commercial and business operators. Visitors will be asked to verify coverage, but are not required to provide proof. Excluded: dry storage, launchers, and human-powered craft.
- Schedule a special public meeting to receive public input from slip renters and harbor users;
- Direct staff to consult the District's insurer to see if premium savings may result from policy adoption;
- Direct staff to research if a surcharge that covers the District can be added to the daily launch fee.

The Committee acknowledged vessel surveys may be required.

3. Review of Charter Operation Policy

Discussion: The Policy Committee reviewed the harbor's charter operation policy.

Commissioner Smith stated that he advocated for a discussion of the harbor's charter operation policy, noting that impacted parking and competition are his primary concerns.

A discussion ensued regarding charters and their impact on parking in the harbor.

Senior Deputy Harbormaster Anderson stated that it is in the interest of the charter business to develop a parking solution for their customers (i.e. encouraging customers to carpool, offering shuttle buses, operating at off-peak times).

Committee-Chair Goddard stated that it is his belief that the Commission is not responsible to protect competition among harbor businesses. Port Director Olin agreed.

Port Director Olin stated that the impacts of mid-sized charters (passenger rating of greater than 6, but less than 49) are not recognized in the current fee schedule. She recommends a new mid-sized charter fee ($\$119 \times 2 \times$ passenger rating). She stated that a fixed rate makes it easier on charter businesses and staff (as opposed to auditing individual passengers).

Port Director Olin stated that no fee changes are recommended for existing charter operations.

There was consensus among the Committee to develop a recommendation for a new mid-sized charter fee ($\$119 \times 2 \times$ passenger rating).

Port Director Olin stated that staff anticipates bringing a revised fee schedule before the Commission at its regular public session in September for approval.

Committee-Chair Goddard adjourned the special public committee meeting at 11:07 AM.



Marian Olin, Port Director

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
Reed Geisreiter
Stephen Reed
Darren Gertler

TO: Port Commission
FROM: Latisha Marshall, Harbormaster
DATE: February 23, 2018
SUBJECT: Public Workshop to Review Proposed Vessel Insurance Standards

Recommendation: *Develop recommendation on vessel insurance standards for consideration by the Port Commission.*

BACKGROUND

The Santa Cruz Port District does not currently require slip renters to maintain or provide proof of vessel liability insurance. The Policy - Operations Committee held a special public meeting on August 16, 2017, to discuss this matter. A survey of the vessel insurance requirements of other harbors was reviewed and several options were considered. The committee recommendations are incorporated into the "Analysis" section of this report. The committee also recommended a second public meeting be conducted for the purpose of soliciting public input to assist the committee in further refining recommended standards.

ANALYSIS

Committee Recommendations:

Type and Amount of Insurance: A minimum of \$300,000 liability insurance naming the Santa Cruz Port District as an additional insured. Wreck removal and pollution endorsements should be included in the policy.

The committee recognized that while many harbors are currently trending toward a higher, \$500,000 coverage limit, the \$300,000 limit is a recommended starting point. The committee acknowledged that the Commission may wish to increase the coverage limit to \$500,000 at some point in the future.

Insurance Requirements and Exemptions: All slip renters including all commercial and business use vessels will be required to submit proof of insurance on or before January 1, 2019. All new slip renters will be required to submit proof of insurance at the time of signing a slip license agreement immediately following the adoption of the mandatory insurance requirement.

Dry storage, launchers, human powered vessels should be exempt from showing proof of insurance. Staff will request proof of insurance from visitor vessels; however, providing proof of insurance will not be mandatory.

Implementation: The timeline for implementation was not addressed by the Committee. See 'Staff Recommendations' below.

Administration / Enforcement: Options for administering / enforcing new insurance requirements were discussed by the committee; however, no firm recommendations were developed. See 'Staff Recommendations' below.

Staff Recommendations:

Implementation: It is recommended that insurance requirements should be effective January 1, 2019, or upon acceptance of a new slip assignment.

Administrative / Enforcement: When the insured generates a request to the insurer to name the Port District as additional insured, a certificate of insurance will be generated and mailed to the Port District. As long as insurance is maintained, the certificate will continue to be automatically generated and forwarded to the additional insured (i.e., the Port District). A dedicated email address can be established for this purpose. It is also expected that insurance certificates will be mailed, faxed and hand delivered. Insurance documents will be placed in a central repository, and entered into MarinaWare by the Harbormaster or designated Deputy Harbormaster staff. MarinaWare has the capability to store vessel insurance information and generate monthly reports based on policy expiration dates.

An amendment to the slip license agreement should be implemented. Staff also recommends development and adoption of a new Port District Ordinance in order to assist staff in the enforcement of the new insurance standards.

To monitor and enforce this new policy, a monthly report will be generated and a courtesy notice will be sent to slip renters who have upcoming expirations. At the conclusion of the month, slip renters who are not in compliance will be issued a citation and given 15 days (or such time determined by the committee) to purchase the necessary insurance. If proof of insurance is still not provided, the slip revocation process would commence.

Other Topics:

Visitor Berthing: As noted above, visiting vessels staying for two weeks or less will be requested, but not required, to provide proof of insurance. Visitors requesting berthing beyond the two week maximum may be required to provide proof of insurance as a condition of the extension, which requires Harbormaster approval.

Subletters: All subletters will be required to provide proof of insurance.

Partnerships: All partners must be listed on the insurance policy.

Discussion Topics:

- ❖ Proposed timeline for grace period (15 days is recommended). If grace period is extended to 30 days, instead of 15, the total enforcement timeline extends from 75 days to 90 days.
- ❖ Level of enforcement and proposed enforcement timeline (recommended: courtesy notice, citation, revocation)

- ❖ Uninsurability Issues: If a vessel is uninsurable, what action shall be taken or what fee should be assessed (similar to uninsured vessel policy at the boatyard)? Should vessels be “grandfathered” and allowed to stay if uninsurable?
- ❖ Timeline for adoption of ordinance: Staff will present a proposed ordinance to the full Port Commission for consideration and approval. Newly adopted ordinances become effective 30 days after the date of final passage.

Summary:

Recommended Items For Inclusion In Proposal To Full Commission

- A minimum of \$300,000 liability insurance naming the Santa Cruz Port District as an additional insured. Wreck removal and pollution endorsements should be included in the policy.
- Applicable to all slip renters (including commercial and business use vessels).
- Not applicable to dry storage renters, launchers, human powered vessels.
- Visiting vessels staying for two weeks or less will be requested, but not required, to provide proof of insurance. Visitors requesting berthing beyond the two week maximum may be required to provide proof of insurance as a condition of the extension, which requires Harbormaster approval.
- All sublettors will be required to provide proof of insurance.
- All vessel partners will be required to be listed on the policy.
- Level of enforcement will include:
 - Courtesy Notice
 - Citation (with 15 day grace period)
 - Revocation Notice
- Implementation date: 1/1/19 or upon acceptance of a new slip license agreement.

ATTACHMENTS: A - Staff Report to the Policy-Operations Committee dated August 5, 2017
 B - Policy-Operations Committee Meeting minutes dated August 16, 2017
 C - Insurance Requirements Survey dated July 13, 2017
 D - Sample Insurance Document: “Boat Fact Finder”



Special Public Session of March 13, 2018

Santa Cruz Port Commission
Policy-Operations Committee Meeting
MINUTES

Committee Members Present:

Dennis Smith
Toby Goddard

Staff Present:

Marian Olin, Port Director
Holland Mac Laurie, Admin. Services Manager
Latisha Marshall, Harbormaster
Emma Olin, Admin. Assistant I

Committee-Chair Smith called the special public session to order at 5:36 PM at Hotel Paradox, 611 Ocean Street, Santa Cruz, CA.

1. Oral Communication (*There was no discussion on this agenda item*)
2. Public Workshop to Review Proposed Vessel Insurance Standards

Discussion: The Policy-Operations Committee met to receive public input and discuss the development and implementation of a new Port District vessel insurance policy.

Port Director Olin stated that the committee's recommendations will be brought to the full Port Commission for consideration and deliberation at a future meeting.

Committee-Chair Smith stated that the vessel fire on U-Dock in January 2017, prompted the Commission to review the District's current policy and determine if a change is necessary. He stated that the Policy-Operations Committee held a special public meeting in August 2017, and developed the following preliminary policy recommendations:

- A minimum requirement of \$300,000 vessel liability insurance, naming the Santa Cruz Port District as an additional insured (including wreck removal and pollution endorsements);
- Applicable to all slip renters (including commercial and business use vessels);
- Not applicable to dry storage renters, launchers, human powered vessels.

Harbormaster Marshall and Administrative Services Manager Mac Laurie reviewed the committee's preliminary recommendations and presented additional policy inclusions for consideration:

- POLICY IMPLEMENTATION:
 - Existing Customers: January 1, 2019
 - New Slip Licensees: Implement upon policy adoption
- NEW INCLUSIONS:
 - Require subletters to carry insurance
 - Require that all vessel partners be listed on the policy
 - Request visiting vessels to provide proof of insurance (proof of insurance will not be required, unless Harbormaster grants extension of visitor berthing for more than 2 weeks)
- ENFORCEMENT:
 - Courtesy Notice
 - Citation (with 15 day grace period)
 - Revocation Notices
- ADOPTION:
 - Amendment to slip license agreement
 - Development of new Port District Ordinance

Administrative Services Manager Mac Laurie stated that the District's current marina management software program provides a tracking mechanism for insurance policy expiration. She stated that the Harbormaster, or designated Deputy Harbormaster staff, can generate monthly reports based on policy expiration dates and send courtesy reminders to slip renters who have upcoming expirations. She stated that insurance policy expiration dates could be included on monthly statements sent to slip renters.

The committee thanked staff for their time and effort in preparing tonight's presentation, and requested public input from attendees. A discussion ensued about the development and implementation of the proposed vessel insurance policy.


Attendees spoke in support of the proposed vessel insurance policy. Stakeholder comments included:

- Support for minimum requirement of \$300,000 in liability insurance
- Feasibility of obtaining additional endorsements for wreck removal and pollution
- Concerns about the number of uninsurable vessels in the harbor (i.e. home-made, wooden and multi-hull vessels), and how the District will handle the issue of uninsurability
- Concerns regarding strict policy enforcement during implementation/transition period
- Establish a transition and outreach period to inform slip renters of policy implementation

- Promote a boatyard special to facilitate haulouts for insurance survey requirements

Commissioner Goddard thanked attendees for their participation. He stated that the ideas and input received was valuable. Committee-Chair Smith agreed, and suggested that another special public meeting be held for the purpose of refining the policy's implementation timeline and enforcement strategies. Port Director Olin agreed.

Committee-Chair Smith adjourned the special public committee meeting at 6:40 PM.



Marian Olin, Port Director



TO: Port Commission
FROM: Holland Mac Laurie, Administrative Services Manager
DATE: April 23, 2018
SUBJECT: Review Proposed Vessel Insurance Standards

Recommendation: *Develop recommendation on vessel insurance standards for consideration by the Port Commission.*

BACKGROUND

The Santa Cruz Port District does not currently require slip renters to maintain or provide proof of vessel liability insurance. The Policy-Operations Committee met on August 16, 2017, and again on March 13, 2018, to discuss this matter and receive stakeholder input.

The committee recommended that a third public meeting be conducted to further discuss and refine its recommendation to the full Commission. Staff has prepared draft ordinance language, a draft policy, and a revised policy administration proposal for review and consideration by the committee.

ANALYSIS

DRAFT ORDINANCE LANGUAGE

The proposed draft ordinance language is intended to be general in nature, to allow flexibility of application. In the event future revisions to the vessel insurance requirements are warranted (i.e. change to type and/or amount of insurance), all changes can be addressed on a policy level, rather than requiring an ordinance modification.

SECTION 316 – Vessel Insurance

In accordance with policies set forth by the District, all vessels must remain currently insured to retain slip license.

DRAFT POLICY

Commencing January 1, 2019, or upon acceptance of a slip assignment, all vessels (including recreational, commercial, and business use) must remain currently insured to retain slip license at Santa Cruz Harbor. Vessel insurance must, at a minimum, meet the following criteria:

(a) Commercial & Recreational Vessels (including business use)

1. Provide general Liability (Protection and Indemnity) vessel insurance coverage, including wreck removal and pollution coverage, with a minimum policy limit of \$300,000.
2. Vessel insurance policies shall name the Santa Cruz Port District (SCPD) as *Additional Insured*, if available from the underwriter. A Certificate of Insurance certifying coverage

limits shall suffice only if an endorsement naming SCPD as *Additional Insured* is unavailable from the underwriter..

3. Owners of transient vessels are requested, but not required, to provide proof of insurance for short-term berthing privileges. Owners of transient vessels requesting berthing beyond the two-week maximum may be required to provide proof of insurance as a condition of the extension, which requires Harbormaster approval.

(b) Additional Requirements

1. Subletters shall be required to provide proof of insurance for their vessels in accordance with this policy.
2. Insurance policies for vessels held in partnership must list the individual names of each vessel partner.

(c) Excluded Vessels

1. This vessel insurance policy is not applicable to:
 - a. Vessels occupying:
 - i. Dry Storage (Twin Fountains & North Harbor Dry Storage)
 - ii. Rack Storage
 - iii. Catamaran Storage
 - b. Launched Vessels
 - c. Human-Powered Watercraft

POLICY ADMINISTRATION PROPOSAL

Implementation:

It is recommended that insurance requirements should be effective for existing customers January 1, 2019, and immediately for new slip assignments.

Staff is prepared to perform the necessary outreach to inform existing slip renters of the upcoming policy change. Staff will work with individuals who may need additional time to comply with the new requirements on a case-by-case basis.

Administration / Enforcement:

Options for administering / enforcing new insurance requirements were discussed by the committee; however, no firm recommendations were developed. Staff recommends adapting current administrative procedures to include monitoring vessel insurance coverage:

1. Generate a monthly courtesy notice to slip renters who have upcoming expirations (e.g., on the monthly billing statements).
2. At the conclusion of the month, staff will reach out to individuals who have not yet provided updated insurance information and work on a case-by-case basis to bring them into compliance.
3. If after a reasonable amount of time has passed (typically 60 days after policy expiration or such time as determined by the committee) and updated insurance information has not been received by the District, staff will commence the slip revocation process as a last resort to achieve compliance.

Transition Period

Staff plans to monitor vessel insurance coverage in accordance with the proposed policy, but recognizes that a transition period will exist following implementation. The transition period, which is estimated to last approximately six months to one year, will require staff to perform outreach and communicate with slip renters. During this transition period, staff will further develop the administrative procedures necessary to monitor and achieve compliance. As part of the committee's recommendation, an annual insurance review can be added to the Commission's review calendar. Additionally, staff recommends an interim compliance report be presented to the Commission in Fall 2019.

Staff recommends that enforcement action be delayed until after the interim Commission review in Fall 2019.

OTHER TOPICS:

Discussion topics:

- ❖ Level of enforcement and proposed enforcement timeline?
- ❖ Insurance "type" issues
- ❖ Issues with naming SCPD *Additional Insured*
- ❖ Uninsurability Issues: If a vessel is uninsurable, what action shall be taken or what fee should be assessed (similar to uninsured vessel policy at the boatyard)? Should vessels be "grandfathered" and allowed to stay if uninsurable? What about unattended electrical use for uninsured vessels?
- ❖ Timeline for adoption of ordinance: Newly adopted ordinances become effective 30 days after the date of final passage.
- ❖ Is slip license amendment necessary, if an ordinance is adopted?

ATTACHMENTS: A – Staff Report to the Policy-Operations Committee dated August 5, 2017
B – Policy-Operations Committee Meeting minutes dated August 16, 2017
C – Staff Report to the Policy-Operations Committee dated February 23, 2018
D – Policy-Operations Committee Meeting minutes dated March 13, 2018
E – Insurance Requirements Survey dated July 13, 2017
F – Sample Insurance Document: "Boat Fact Finder"
G – Stakeholder Emails



Special Public Session of April 26, 2018

Santa Cruz Port Commission
Policy-Operations Committee Meeting
MINUTES

Committee Members Present:

Dennis Smith
Toby Goddard

Staff Present:

Marian Olin, Port Director
Holland Mac Laurie, Admin. Services Manager
Latisha Marshall, Harbormaster
Emma Olin, Admin. Assistant I

Committee-Chair Smith called the special public session to order at 3:02 PM at the Santa Cruz Harbor Public Meeting Room, 365 A Lake Avenue, Santa Cruz, CA 95062.

1. Oral Communication (*There was no discussion on this agenda item*)
2. Review Proposed Vessel Insurance Standards

Discussion: The Policy-Operations Committee met to discuss and refine a vessel insurance policy recommendation to present to the full Commission for consideration.

Committee-Chair Smith stated that the Policy-Operations Committee held a special public meeting on August 16, 2017, and again on March 13, 2018, to discuss the development of a vessel insurance policy and receive stakeholder input.

Port Director Olin stated that staff has prepared draft ordinance language, a draft policy, and a revised policy administration proposal for review and consideration by the committee.

Commissioner Goddard suggested that the proposed draft ordinance language be modified to say, "all vessels must be insured in accordance with Port District policies to retain a slip license." Committee-Chair Smith agreed, stating that he is supportive of Commissioner Goddard's revision to the ordinance language.

Commissioner Goddard stated that he is supportive of the draft policy and administration proposal as presented. He stated that the draft policy reflects public interest and incorporates ideas and feedback received from stakeholders. Committee-Chair Smith agreed.

Administrative Services Manager Mac Laurie stated that the draft policy is intended to be general in nature, to allow flexibility of application. She stated that in the event future revisions to the vessel insurance requirements are warranted (i.e. change to the type and/or amount of insurance), all changes

can be addressed on a policy level, rather than requiring an ordinance modification.

Port Director Olin stated that staff recognizes that a transition period will exist following policy implementation. During this transition period, which is estimated to last approximately six months to one year, staff will further develop the administrative procedures necessary to monitor and achieve compliance. She stated that staff recommends an interim compliance report be presented in fall 2019, and that enforcement action be delayed until after the interim Commission review in fall 2019.

Commissioner Goddard expressed concern about the administrative burden associated with monitoring policy expirations on a monthly basis, rather than annually. Committee-Chair Smith agreed and stated that an interim compliance report will give staff the opportunity to evaluate best practices and determine if any administrative changes are necessary.

Administrative Services Manager Mac Laurie stated that the current marina management software program provides a tracking mechanism for insurance information, so staff will have the ability to monitor expiring policies on a monthly basis and send courtesy reminders, as needed.

A discussion ensued regarding a modification to the slip license agreement (SLA), if the proposed policy is approved. Administrative Services Manager Mac Laurie stated that an amendment to the SLA may not be required, as the SLA does not comprehensively list all Port District ordinances, yet each ordinance is still fully enforceable. Committee-Chair Smith suggested that ordinance booklets be distributed upon signing a new SLA.

Port Director Olin stated that the committee's recommendations will be brought to the full Commission for consideration at the regular public session of May 22, 2018.

A discussion ensued regarding the additional insured endorsements requirement. Committee-Chair Smith invited insurance industry representatives to attend the regular public session of May 22, 2018, to help answer questions relative to vessel insurance and additional insured endorsements.

Committee-Chair Smith adjourned the special public committee meeting at 4:13 PM.



Marian Olin, Port Director

Survey of California Harbors' Insurance Requirements - July 13, 2017

Facility	Public/Private?	Insurance Required?	Type/Amount?	Facility Additional Insured?	Exemptions?	Visitor Insurance Required?	Enforcement	Additional Notes
Alameda Marina	Private	Yes	Liability Insurance (\$250,000)	Yes	No	N/A	Contact	Would not evict if insurance is only issue.
Ballena Isle Marina	Private	Yes	Liability Insurance (\$300,000)	Yes	No	Yes	30-day notice & eviction	Most comply with insurance req's after contact.
Berkeley Marina	Public	Yes	Liability Insurance (\$300,000)	Yes	No	Yes	Notice & eviction	Liability must include wreckage removal & spills.
City of Petaluma Marina	Public	Yes	Liability Insurance (\$300,000)	Yes	No	Yes		
Clipper Yacht Harbor	Private	Yes	Liability Insurance (\$500,000)	Yes	No	Yes	Contact	Rare for vessels not to comply, but eviction would be likely.
Crescent City Harbor	Public	Yes	Liability Insurance (\$300,000; Commercial \$1 million)	Yes	Yes (visitors)	No	Contact	Discussion of assessing additional fee on account if insurance coverage lapses.
Dana Point Marina	Hybrid	Yes	Liability Insurance (\$300,000; Commercial \$1 million)	Yes	No	Yes	30-day notice & eviction	Most comply with insurance req's after contact.
Emery Cove Yacht Harbor	Private	Yes	Liability Insurance (\$300,000)	Yes	No	Yes	30-day notice & eviction	Most comply with insurance req's after contact.
Emeryville Marina	Private	Yes	Liability Insurance (\$300,000)	Yes	No	Yes	30-day notice & eviction	Most comply with insurance req's after contact.
Fortman Marina	Private	Yes	Liability Insurance (<36' \$300,000; >36' \$500,000)	Yes	No	Yes	30-day notice & eviction	Rare for vessels not to comply, but eviction would be likely.
Grand Marina	Private	Yes	Liability Insurance (\$300,000; Liveaboard \$1 million)	Yes	No	Yes	30-day notice & eviction	Most comply with insurance req's after contact.
Marina Bay Yacht Harbor	Hybrid	Yes	Liability Insurance (\$500,000)	Yes	No	Yes	30-day notice & eviction	Most comply with insurance req's after contact.
Marina Village Yacht Harbor	Private	Yes	Liability Insurance (\$500,000)	Yes	No	Yes	Contact	Commercial vessels must have liability insurance (\$1 million + pollution) by 2018.
Monterey Harbor	Public	Yes	Liability Insurance (Commercial \$1 million)	Yes	Yes (recreational & visitors)	No	Contact	Facility currently discussing insurance req's. Will most likely require insurance of <u>all</u> vessels in the future.

ATTACHMENT H

Facility	Public/Private?	Insurance Required?	Type/Amount?	Facility Additional Insured?	Exemptions?	Visitor Insurance Required?	Enforcement	Additional Notes
Oakland Yacht Club	Private	Yes	Liability Insurance (\$300,000)	Yes	No	Yes	30-day notice & turn off electronic gate key	
Pillar Point Harbor	Public	Yes	Liability Insurance (\$300,000)	Yes	Yes (commercial & visitors)	No	Contact	Most comply with insurance req's after contact.
Port of Redwood City	Public	Yes	Liability Insurance (\$500,000)	Yes	Yes (visitors)	No	Contact	Most comply with insurance req's after contact.
Port of San Luis Harbor	Public	Yes	Liability Insurance (\$300,000)	No	Yes (all permanent moorings)	Yes	Proof to Register	Only seasonal visitors are required to have insurance.
San Francisco Marina	Public	Yes	Liability Insurance (\$500,000)	Yes	Yes (visitors)	No	7-day period to comply; if not, berthing license terminated	Liability must include fuel spills & hull coverage.
San Leandro Marina	Public	Yes	Liability Insurance (\$300,000)	Yes	No	Yes	30-day notice & lien process	Most comply with insurance req's after contact
Sausalito Yacht Harbor	Private	Yes	Liability Insurance (\$500,000)	Yes	No	Yes	Contact	Liability insurance must include pollution. Most comply with insurance req's after contact.
South Beach Marina	Public	Yes	Liability Insurance (\$500,000)	Yes	No	Yes	Notice & hold annual parking permits if insurance not up-to-date	
Ventura Port District	Public	Yes	Liability Insurance (\$300,000)	Yes	No	Yes	30-day notice & eviction	Commercial vessels must have liability insurance (\$1 million + pollution) by 2018.
City of Eureka Marina	Public	No	N/A	N/A	N/A	N/A	N/A	2 claims have been made against facility (both unsuccessful). Most likely require insurance in future.
Humboldt Bay Harbor	Public	No	N/A	N/A	N/A	N/A	N/A	Facility currently discussing insurance req's. Will most likely require insurance in the future.
Morro Bay Harbor	Public	No	N/A	N/A	N/A	N/A	N/A	Facility currently discussing insurance req's. Will most likely require insurance in the future.
Moss Landing Harbor	Public	No	N/A	N/A	N/A	N/A	N/A	
Noyo Harbor District	Public	No	N/A	N/A	N/A	N/A	N/A	
Santa Barbara Harbor	Public	No	N/A	N/A	N/A	N/A	N/A	Slip renters sign release of liability as part of berthing agreement.



FARMERS

BOAT FACT FINDER

Name Address Phone

Single/ Married
DOB
SS #
DL# Driving record
Years of boating exp
Boat Partner (need same as above)
Area boat is used Mooring zip code In water or out of water

Boats Make: Year Model Size feet

Hull VIN# Motor Value

Engine Make: Year horsepower Model Single or Twin
Serial # Outboard Value

Kicker

Trailer Make: Year Model
Serial Number

Boat Value Stated or ACV

Liability

Liability Uninsured Boater

Personal Property (not bolted to Boat) VALUE

Towing

Licenses, classes

Deductible

STAKEHOLDER EMAILS

Marian Olin

From: Bill Lee <wizard@fastisfun.com>
Sent: Wednesday, March 14, 2018 3:03 PM
To: Toby Goddard; Dennis Smith (dsmith.harbor@gmail.com)
Cc: Marian Olin; Holland MacLaurie; Latisha Marshall
Subject: Insurance

Hi All:

That was a great Policy Committee meeting last evening and a very precise presentation by staff too.

It was interesting that no one opposed required insurance, either on general principles, or because they were a boat owner and had low confidence of being able to get it insured.

Several thoughts:

- 1) While a start date of Jan of 2019 is proposed, I suggest that prior to that, insurance and naming the district as additional insured be "Recommended" Both to get people started and to give the staff a head start on the process.
- 2) While the District does not want to offer a "suggested" list of insurers, I bet we could generate a list of all insurers who are covering boats in the harbor. That way people would at least have a better place to start that the yellow pages.
- 3) Homeowners insurance will often cover boats under 27' and this should be publicized as a place to look. Of course with a note that wreck removal and fuel spill coverage needs to be included.
- 4) While there are several ways boats can come to grief, fire is the big one we are concerned about both for our docks and spreading to other boats. Plug in electrical is one of the biggest fire risks, especially on unattended boats. Hence, I suggest full time unattended not be allowed, for uninsured boats, even in the short term
- 5) It was interesting to note that some harbors require surveys and this should be considered. It can be an additional check on electrical and plumbing condition. It could certainly be considered for new applications. Most people who have just bought a boat, or have insurance probably already have a survey.
- 6) "Port Risk Only" This is a version of insurance that insures the boat at the dock, but not use. It is slightly less expensive and can be used if an owner knows he won't use his boat for awhile, or until defects are corrected. This is something for people to be aware of if a survey shows time consuming repairs are required.
- 7) As long as slip licensees put in a good faith effort to get insurance, I bet the list of truly insurable boats is pretty short. For those, the concept of a "non insured" fee that goes into a fund for future dock repairs caused by uninsured boats (or to reimburse the last incident) makes sense. The fee should probably vary with slip size and exceed what insurance would likely cost.

Again, great meeting . . .

Bill

Bill Lee

Yachtfinders/Windseakers

www.yachtfinders.biz

wizard@fastisfun.com

Office 831 476 9639 forwards to cell

Cell 831 345 5542

Home 831 476 7702 no machine

Fax 831 536 1678

Skype wizyacht Logged in as needed for scheduled calls

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Marian Olin

From: C. Robert Warfield Jr. <bobsantacruz@sbcglobal.net>
Sent: Tuesday, April 10, 2018 3:06 PM
To: Marian Olin
Subject: Fw: Yacht Insurance Where Excess Liability Insurance Is Also In Force
Attachments: img012.jpg; img010.jpg

On Tuesday, April 10, 2018 2:45 PM, C. Robert Warfield Jr. <bobsantacruz@sbcglobal.net> wrote:

Hello Ms. Olin,

I have followed the Harbor's stake holders process regarding the proposed requirement that lessees maintain liability insurance of \$300,000 +, and I attended the March 13th meeting at the Paradox.

First, I agree that it is reasonable that the Harbor require boat owners maintain liability insurance of at least that amount. In my case I have a yacht policy on my J 42 (B10) with liability a limit of \$300,000 and a separate excess liability policies (umbrella) well in excess of \$1,000,000 covering the J 42, my residence, my auto, and assorted other boats. The yacht policy includes coverage for bodily injury, property damage and pollution damage an insured becomes legally obligated to pay, including for removal and destruction of the yacht.

After discussing the Harbor's proposal to require that it be named as an Additional Insured on the yacht policy with the underwriting representatives of Amica Mutual Ins, which provides all my policies on the a fore mentioned risks, I was told they could not name the Harbor as an additional insured. They will provide, however, a Certificate of Insurance certifying they provide \$300,000 in liability coverage on this particular boat and certifying " in the event of any material change or cancellation of said policy, Amica will not give less than 10 days written notice, by regular mail, to" the Harbor.

Were I to be responsible for a loss such as occurred last year in the upper harbor, these policies would cover the costs the Harbor incurs for cleanup, wreck removal and disposal, as well as damage to the Harbor's property and other vessels. The protection afforded by these additional layers of insurance is far greater than than could be had with a yacht policy, even with a \$1,000,000 liability limit, and the cost is about a tenth of what the \$1,000,000 policy would be, based on my discussions with the agent for other marine carriers.

It is my understanding that there are quite a number of boats in the harbor, including many in the commercial fishing fleet, which are not insurable at any price, and that the Harbor is considering waiving the liability requirements in some instances for some of them. Since the goal seems to be protecting all of the harbor users, including The Port District, it is hardly fair to penalize those who are trying to be responsible and meet the

shared goals by rigidly requiring the Additional Insured endorsement when there are other ways to meet these goals. I respectfully urge you to consider additional ways to accomplish this since I know there are a number of tenants who are in a situation similar to mine.

As an aside, if maximum stake holder input is sought, it would be better to conduct the meeting in the evening rather than at 3p.m. when many will be unavailable. Additional special notices of this meeting would be helpful.

I would be happy discuss this further with you in person, on the phone, etc. Thank you for your consideration.

Bob Warfield
831 423-4985
831 239-2135 cell.

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Lincoln, Rhode Island

Certificate of Insurance

This is to certify that Amica has issued to:

Name of Insured C. ROBERT WARFIELD
Address 1402 KING ST
SANTA CRUZ CA 95060

a policy of liability insurance which provides, subject to the provisions, conditions and limitations contained therein, and during its effective period, coverage as described below:

Policy No. 5904042008 Effective Date April 3, 2018 Expiration Date April 3, 2019

Description of Insured watercraft

Year	Length	H.P.	Description
2001	42'00"		BOAT 42 HULL # TSP-4205G2601

COVERAGE

LIMIT OF LIABILITY

Liability: (Bodily Injury and Property Damage) \$300,000 Each occurrence

The above policy contains a clause extending the coverage of the policy, subject to the policy terms, to any person while using the watercraft and any person or organization legally responsible for the use thereof, provided that the actual use is with the permission of the named insured.

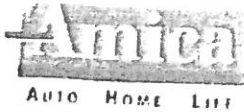
In the event of any material change or cancellation of said policy, Amica will not give less than 10 days written notice, by regular mail, to:

*Empire XYZ
123 Main St
New York NY* } for S.C. Part Dist

at whose request this certificate is given. This Certificate of Insurance neither affirmatively nor negatively amends, extends or alters the coverage afforded by the Policy listed above.

Dated March 14, 2018

Authorized Representative



Sales and Client Services
Amica Scan Center
PO Box 6700
Providence, RI 02940-6700

Toll Free: 1-800-242-6422
Fax: 1-866-638-9601

PROVIDENCE, RI

March 14, 2018

RE: C. ROBERT WARFIELD

Ocean Marine Policy: 5904042008

As requested by our insured, we are issuing the enclosed Certificate of Insurance.

This Certificate of Insurance neither affirmatively nor negatively amends, extends or alters the coverage afforded by the policy listed above.

Please contact us if we can assist further.

AMICA MUTUAL INSURANCE COMPANY



Marian Olin

From: Douglas Mahone <doug@dmahone.com>
Sent: Tuesday, April 10, 2018 4:31 PM
To: C. Robert Warfield Jr.; Marian Olin
Subject: RE: Yacht Insurance Where Excess Liability Insurance Is Also In Force

I am in exactly the same insurance situation as Mr. Warfield describes, and I wholly support his recommendations.

Douglas Mahone
Avatar, slip FF28
doug@dmahone.com
(916) 541-6607 (m)

----- Original message -----

From: "C. Robert Warfield Jr." <bobsantacruz@sbeglobal.net>
Date: 4/10/18 2:48 PM (GMT-08:00)
To: Marian Olin <molin@santacruzharbor.org>
Subject: Yacht Insurance Where Excess Liability Insurance Is Also In Force

Hello Ms. Olin,

I have followed the Harbor's stake holders process regarding the proposed requirement that lessees maintain liability insurance of \$300,000 +, and I attended the March 13th meeting at the Paradox.

First, I agree that it is reasonable that the Harbor require boat owners maintain liability insurance of at least that amount. In my case I have a yacht policy on my J 42 (B10) with liability a limit of \$300,000 and a separate excess liability policies (umbrella) well in excess of \$1,000,000 covering the J 42, my residence, my auto, and assorted other boats. The yacht policy includes coverage for bodily injury, property damage and pollution damage an insured becomes legally obligated to pay, including for removal and destruction of the yacht.

After discussing the Harbor's proposal to require that it be named as an Additional Insured on the yacht policy with the underwriting representatives of Amica Mutual Ins, which provides all my policies on the a fore mentioned risks, I was told they could not name the Harbor as an additional insured. They will provide, however, a Certificate of Insurance certifying they provide \$300,000 in liability coverage on this particular boat and certifying " in the event of any material change or cancellation of said policy, Amica will not give less than 10 days written notice, by regular mail, to" the Harbor.

Were I to be responsible for a loss such as occurred last year in the upper harbor, these policies would cover the costs the Harbor incurs for cleanup, wreck removal and disposal, as well as damage to the Harbor's property and other vessels. The protection afforded by

These additional layers of insurance is far greater than than could be had with a yacht policy, even with a \$1,000,000 liability limit, and the cost is about a tenth of what the \$1,000,000 policy would be, based on my discussions with the agent for other marine carriers.

It is my understanding that there are quite a number of boats in the harbor, including many in the commercial fishing fleet, which are not insurable at any price, and that the Harbor is considering waiving the liability requirements in some instances for some of them. Since the goal seems to be protecting all of the harbor users, including The Port District, it is hardly fair to penalize those who are trying to be responsible and meet the shared goals by rigidly requiring the Additional Insured endorsement when there are other ways to meet these goals. I respectfully urge you to consider additional ways to accomplish this since I know there are a number of tenants who are in a situation similar to mine.

As an aside, if maximum stake holder input is sought, it would be better to conduct the meeting in the evening rather than at 3p.m. when many will be unavailable. Additional special notices of this meeting would be helpful.

I would be happy discuss this further with you in person, on the phone, etc. Thank you for your consideration.

Bob Warfield
831 423-4985
831 239-2135 cell.

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

From: David Hoyle <provacdave@gmail.com>
Sent: Monday, April 23, 2018 9:07 PM
To: SCPD
Subject: Re: Public Policy Committee Meeting

I maintain full liability on my boat. I would sure like to know that all my boat neighbors do the same! And if you do not, I would consider the SC Harbor negligent and liable on not requiring this of all Boat skip renters.

Sincerely,

Mas Agua II, G56.
David Hoyle
831-818-4018



TO: Port Commission

FROM: Marian Olin, Port Director

DATE: May 17, 2018

SUBJECT: Approval of Easements for PG&E's Gas Pipeline Replacement Project
R-964 DFM-1818-01 0.59MI MP 0.17-0.48 (APN 011-181-03)

Recommendation *Approve PG&E easements:*

- 1. Proposed Easement LD 2311-01-2854**
- 2. Confirmation Easement LD 2311-01-2856**
- 3. Quitclaim Easement LD 2311-01-2855**

BACKGROUND

PG&E has been in the process of developing plans, permits and easement documents needed for replacement of a portion of their gas pipeline in the north harbor area. Staff and District counsel Bill McClure have been working with PG&E since May 2017, reviewing historical documents, proposals, plans and legal documents as the project has evolved.

PG&E was initially proposing to replace the entire gas pipeline which runs underneath the north harbor. Staff enlisted the help of the engineering firm TranSystems to review the re-routing options provided by PG&E and provide feedback on preferences.

After further review, PG&E has determined it is not necessary to replace the entire gas pipeline that crosses the harbor, as it is a newer vintage than initially anticipated. Prior to construction of the north harbor, which was completed in 1973, the Port District requested that PG&E relocate the gas pipeline which traversed the lagoon on a diagonal from a position farther south than its current location in the north harbor.

A new east-west pipeline was placed, crossing the harbor from a position north of the G-2 gate. The underwater gas pipeline will remain in place.

The landside portion of the gas pipeline west of the underwater crossing is an older vintage pipe that needs to be replaced. It runs underneath the west side access road between G-2 and G-1 gates and west up the embankment into the neighborhood underneath a residential area. PG&E proposes to fill that portion of the pipe with slurry and abandon it. PG&E would continue to have responsibility under easement with the Port District for this abandoned section of pipe.

PG&E proposes to connect new pipe to the existing underwater pipeline and shift the easement north, running under the west side access road from approximately the G-2 gate to north of the G-3 gate, then west up the embankment and along the southern boundary of Frederick Street Park, a less populated area.

See Attachment A, Proposed Alignment and Easements.

There is other tree removal work being done by PG&E on the harbor's east side which is also related to the gas pipeline but not the easements that are currently under review. Staff is working with PG&E to coordinate that work.

ANALYSIS

The following is a summary of the easements proposed by PG&E:

1. Permanent Easement LD 2311-01-2854

PG&E has accepted the Port District's counter offer and will pay \$94,271.00 for a new permanent easement for a new landside pipeline on the harbor's west side (See Attachment B – Offer of Compensation and Attachment C – Easement Deed).

At the Port District's request, PG&E obtained an appraisal from a 3rd party appraiser, Associated Right of Way Services, Inc. (ARWS), for the purposes of valuing the property rights to be acquired by PG&E. The proposed pipeline easement was valued at \$64,803 with a diminution in fee value set at 25%. Staff countered PG&E's offer as follows:

- a. Reset the diminution in fee value to 35% versus 25%, increasing the value of the easement to \$90,723 (from \$64,900).
- b. Request PG&E reimbursement of legal fees (\$550).
- c. Request PG&E reimbursement of staff time (\$2,998).

2. Confirmation Easement LD 2311-01-2856

PG&E is requesting to confirm an old easement which was agreed to, but never recorded for the existing gas pipeline (Attachment D – Easement);

3. Confirm Quitclaim Easement LD 2311-01-2855

PG&E is requesting to confirm a quitclaim easement that was never recorded for the former gas pipeline that was removed prior to construction of the north harbor (Attachment E – Easement Quitclaim Deed). PG&E is returning rights to the Port District that were previously granted and no longer needed.

District Counsel Bill McClure has reviewed and had input on the easement documents.

A temporary construction easement for installation of the new pipeline on the harbor's west side is also needed. The temporary construction easement is expected to be presented to the Commission for approval at the regular June meeting.

IMPACT ON PORT DISTRICT RESOURCES

The \$94,271 in compensation for the permanent easement is unanticipated revenue in the FY19 budget. The Commission may wish to consider allocating this unanticipated revenue into a reserve fund or a capital improvement project at a future date.

- ATTACHMENTS:
- A. Proposed Alignment and Easements
 - B. PG&E Offer of Compensation dated 05/16/18
 - C. Permanent Easement Deed
 - D. Confirmation Easement
 - E. Quitclaim Easement



PROJECT: 170412

PROPOSED ALIGNMENT AND EASEMENTS SANTA CRUZ, CA

VACINITY MAP

PG&E R-964 PIPELINE

PROJ. MGR: [Blank]

DRAFTED BY: [Blank]

DATE: 03/28/2018

SCALE: 1"=60'

NO.: 170412

SHEET: 1 OF 1

PROJECT: 170412

INTERNATIONAL PROJECT SERVICES

INTERNATIONAL

www.ipsinc.com

(800) 371-5800



P. Lauren Ruby – Right of Way Agent
Pacific Gas and Electric Company

lauren.ruby@pge.com | O: 415.973.9630 | C: 415.635.4471

May 16, 2018

Via Email and USPS Mail

Santa Cruz Port District
Attn: Marian Olin – Port Director, Santa Cruz Harbor
135 Fifth Avenue
Santa Cruz, CA 95062
Phone: (831) 475-6161, ext. 21
Email: MOlin@santacruzharbor.org

**RE: PG&E's R-964 DFM-1818-01 0.59MI MP 0.17-0.48 – Pipeline Replacement Project
Santa Cruz County Assessor's Parcel Number 011-181-03**

Dear Marian:

Thank you for your letter, dated April 26, 2018, countering PG&E's offer of compensation for one permanent easement on the Port District's property at Santa Cruz County Assessor's Parcel Number 011-181-03. As you know, PG&E offered compensation of **\$64,900.00** for the permanent easement, based on an appraisal from an independent, licensed appraiser, pursuant to California Government Code Section 7267.2. I have spoken with the project team about the Port District's counteroffer of **\$94,271.00** (comprised of a counter of \$90,723.00 for the easement itself as well as \$550.00 in legal fees and \$2,998.72 in staff time). While PG&E continues to stand by the appraiser's valuation of the easement, in an effort to meet our project schedule, PG&E is willing to settle for a payment of **\$94,271.00** for the proposed permanent easement, if the easement can be executed in the next 30 days without the proposed Special Condition.

As noted, the Port District included a "Special Condition" in its counter: "*PG&E to provide not less than 48" of separation between its gas pipeline and other utility lines traversing the same area.*" As we have discussed, the project design calls for a horizontal clearance of 3 feet to 4 feet from other utility lines and a vertical clearance of 2 feet at the point where the PG&E pipe will cross the City's water main, which means PG&E will not meet the Special Condition proposed. However, the project design for R-964 is more conservative than what is required by regulation. The current federal minimum for gas transmission clearance is 12 inches (*49 CFR 192.325 – "(a) Each transmission line must be installed with at least 12 inches (305 millimeters) of clearance from any other underground structure not associated with the transmission line. If this clearance cannot be attained, the transmission line must be protected from damage that might result from the proximity of the other structure."*). PG&E's current clearance requirement is slightly more stringent ("*Minimum clearance between transmission lines and any other underground structure must be minimum 12 [inches].*") Both standards are met here. As discussed, PG&E has also submitted the R-964 design to the City of Santa Cruz for approval. Upon construction, if conditions are different than those anticipated by the design,

PG&E's Gas Transmission Pipeline Replacement Project – Lands of the Santa Cruz Port District
May 16, 2018
Page 2

PG&E will adjust the layout accordingly to ensure it continues to meet Federal and State regulations. The City will also approve the final layout before the close of the project.

Please do not hesitate to give me a call to discuss this letter. I look forward to hearing your response and am here for any questions as they may arise.

Sincerely,

A handwritten signature in blue ink, appearing to read "L Ruby". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Lauren Ruby
Right of Way Agent

Cc: Bill McClure (wlm@jsmf.com)

RECORDING REQUESTED BY AND RETURN TO:

PACIFIC GAS AND ELECTRIC COMPANY
245 Market Street, N10A, Room 1015
P.O. Box 770000
San Francisco, California 94177

Location: City/Uninc _____

Recording Fee \$ _____

Document Transfer Tax \$ _____

This is a conveyance where the consideration and Value is less than \$100.00 (R&T 11911).

Computed on Full Value of Property Conveyed, or

Computed on Full Value Less Liens & Encumbrances Remaining at Time of Sale

Signature of declarant or agent determining tax

(SPACE ABOVE FOR RECORDER'S USE ONLY)

LD 2311-01-2854

EASEMENT DEED

2017326 (- -) 12 17 2
(R-964) DFM 1818-01

SANTA CRUZ PORT DISTRICT, a political subdivision,

hereinafter called Grantor, in consideration of value paid by PACIFIC GAS AND ELECTRIC COMPANY, a California corporation, hereinafter called Grantee, the receipt whereof is hereby acknowledged, hereby grants to Grantee the right at any time, and from time to time, to excavate for, install, reconstruct, replace (of the initial or any other size), maintain and use such pipe lines as Grantee shall from time to time elect for conveying gas, with necessary and proper valves and other appliances and fittings, and devices for controlling electrolysis for use in connection with said pipe lines, and such underground wires, cables, conduits, and above ground appliances, fixtures and appurtenances, as Grantee shall from time to time elect for communication purposes, together with the rights to energize same and adequate protection therefor, and also a right of way, on, over, under and across the hereinafter described easement area lying within Grantor's lands which are situate in the City of Santa Cruz, County of Santa Cruz, State of California, and are described as follows:

(APN 011-181-03)

The parcel of land described and designated LANDS in EXHIBIT "A" attached hereto and made a part hereof.

The aforesaid easement area is described as follows:

The parcel of land described and designated EASEMENT in said EXHIBIT "A" and shown upon EXHIBIT "B" attached hereto and made a part hereof.

Grantor further grants to Grantee:

(a) the right, from time to time, to trim or to cut down without Grantee paying compensation for any and all trees, roots, shrubs, brush, vines and other vegetation,[crops] and to remove any associated supporting structures now or hereafter within the easement area.

(b) the right of ingress to and egress from the easement area over and across said lands by means of roads and lanes thereon, if such there be, otherwise by such route or routes as shall occasion the least practicable damage and inconvenience to Grantor, provided Grantee shall provide reasonable compensation for damage caused by its exercising of this right and that such right of ingress and egress shall not extend to any portion of said lands which is isolated from the easement area by any public road or highway, now crossing or hereafter crossing said lands;

(c) the right to use such portion of said lands contiguous to the easement area as may be reasonably necessary in connection with the construction, reconstruction, installation, inspection, maintenance, repair, replacement and removal of the facilities;

(d) the right to install, maintain and use gates in all fences which now cross or shall hereafter cross the easement area; and

(e) the right to mark the location of the easement area and pipe lines by suitable markers set in the ground; provided that the markers shall be placed in fences or other locations which will not interfere with any reasonable use Grantor shall make of the easement area.

Grantee hereby covenants and agrees:

(a) not to fence the easement area;

(b) to promptly backfill any excavations made by it on the easement area and repair any damage it shall do to Grantor's private roads or lanes on said lands;

(c) in the event Grantee shall make any excavation on said lands pursuant to this grant, Grantee shall restore said lands and improvements as nearly as practicable to their condition prior to such excavation including, without limiting the generality of the foregoing, pavement, sidewalks, lawns and shrubs; and

(d) to indemnify Grantor against any loss and damage, including but not limited to any violation of air quality laws, which shall be caused by any wrongful or negligent act or omission of Grantee or of its agents or employees in the course of their employment, provided, however,

that this indemnity shall not extend to that portion of such loss or damage that shall have been caused by Grantor's comparative negligence or willful misconduct.

Grantor reserves the right to use the easement area for purposes which will not interfere with Grantee's full enjoyment of the rights hereby granted; provided, however, Grantor shall not plant any trees, shrubs, brush, vines and other vegetation within the easement area. Grantor may plant and maintain ground covers, grasses, flowers, and low-growing plants [crops] that grow unsupported to a maximum of four feet (4') in height at maturity within the easement area.

Grantor shall not erect, place or construct, nor permit to be erected, placed or constructed, any building or other structure, or store fluid or flammable substances; drill or operate any well, construct any reservoir or other obstruction within the easement area; or diminish or substantially add to the ground cover within the easement area, or construct any fences that will interfere with the maintenance and operation of said facilities.

Grantor shall not convey any rights to a third party or commence any construction within the easement area without the written approval by Grantee's Land Management Manager, which approval shall not be unreasonably withheld. For all purposes not expressly restricted herein, Grantor shall submit copies of plans for Grantee's approval for any new construction (surface or subsurface) within the easement a minimum of thirty (30) days prior to requested use. New construction shall not commence until such time that Grantee approves the plans.

Grantee shall have the right to assign this easement.

Grantee hereby covenants and agrees that any above-ground facilities will be installed in such a way as to not preclude the current use of the land as a roadway.

The provisions hereof shall inure to the benefit of and bind the successors and assigns of the respective parties hereto, and all covenants shall apply to and run with the land.

Dated _____, 20_____.

SANTA CRUZ PORT DISTRICT

BY _____

BY _____

R-964
APN: 011-181-03
SANTA CRUZ PORT DISTRICT
LD 2311-01-2854

EXHIBIT "A"

LANDS:

ALL THOSE CERTAIN PARCELS OF LAND AS FOLLOWS:

THE PARCEL CONVEYED IN THE GRANT DEED FROM THE SANTA CRUZ LAND TITLE COMPANY TO SANTA CRUZ PORT DISTRICT DATED FEBRUARY 2, 1968 AND RECORDED ON JUNE 14, 1968 IN BOOK 1887 AT PAGE 96

THE PARCEL CONVEYED IN THE GRANT DEED FROM WALTER B. KING AND LOIS E. KING TO SANTA CRUZ PORT DISTRICT DATED DECEMBER 27, 1967 AND RECORDED ON OCTOBER 4, 1968 IN BOOK 1908 AT PAGE 300

THE PARCEL CONVEYED IN THE GRANT DEED FROM SANTA CRUZ CONGREGATION OF JEHOVAH'S WITNESSES TO SANTA CRUZ PORT DISTRICT DATED OCTOBER 23, 1967 AND RECORDED ON OCTOBER 4, 1968 IN BOOK 1908 AT PAGE 297

THE PARCEL CONVEYED IN THE GRANT DEED FROM EUGENE F. BURTON TO SANTA CRUZ PORT DISTRICT DATED OCTOBER 23, 1967 AND RECORDED ON MARCH 31, 1968 IN BOOK 1884 AT PAGE 431

THE PARCEL DESCRIBED IN THE FINAL ORDER OF CONDEMNATION, WHEREIN SANTA CRUZ PORT DISTRICT IS PLAINTIFF, DATED JULY 14, 1969 AND RECORDED ON JULY 14, 1969 IN BOOK 1962 AT PAGE 695

ALL BEING SANTA CRUZ COUNTY RECORDS.

PIPELINE EASEMENT:

A STRIP OF LAND THE UNIFORM WIDTH OF 20.00 FEET ON AND ACROSS THAT PORTION OF SAID LANDS (1887 OR 96), BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A FOUND HALF INCH IRON PIPE, BEING A POINT ON THE WESTERLY LINE OF SAID LANDS (1887 OR 96), SAID POINT ALSO BEING THE SOUTHEAST CORNER OF LANDS CONVEYED IN THE GRANT DEED DATED AUGUST 18, 1974 AND RECORDED ON AUGUST 29, 1974 IN BOOK 2438 AT PAGE 564 SANTA CRUZ COUNTY RECORDS, FROM WHICH POINT A FOUND HALF INCH IRON PIPE, ALSO BEING A POINT ON THE WESTERLY LINE OF SAID LANDS (1887 OR 96) BEARS NORTH 11°14'20" EAST AS PER RECORD OF SURVEY RECORDED IN BOOK 60 OF MAPS AT PAGE 8 SANTA CRUZ COUNTY RECORDS, A DISTANCE OF 148.67 FEET; THENCE NORTH 11°14'20" EAST ALONG THE WESTERLY LINE OF SAID LANDS (1887 OR 96), A DISTANCE OF 21.43 FEET;

THENCE (1) LEAVING SAID WESTERLY LINE NORTH 80°13'18" EAST, A DISTANCE OF 43.46 FEET;

THENCE (2) SOUTH 76°37'19" EAST, A DISTANCE OF 17.48 FEET;

- THENCE (3) SOUTH 12°32'16" WEST, A DISTANCE OF 152.15 FEET;
- THENCE (4) SOUTH 25°16'02" WEST, A DISTANCE OF 179.81 FEET;
- THENCE (5) NORTH 64°43'58" WEST, A DISTANCE OF 20.00 FEET;
- THENCE (6) NORTH 25°16'02" EAST, A DISTANCE OF 177.58 FEET;
- THENCE (7) NORTH 12°32'16" EAST, A DISTANCE OF 127.52 FEET;
- THENCE (8) SOUTH 80°13'19" WEST, A DISTANCE OF 40.20 FEET TO THE POINT OF BEGINNING.

CONTAINS 7,406 SQUARE FEET MORE OR LESS



THE FOREGOING DESCRIPTION IS BASED ON A SURVEY MADE BY OR UNDER THE DIRECTION OF JEFFREY G. ZAMBO IN OCTOBER 2017. THE BASIS OF BEARING USED IS BASED ON A COURSE IN THE WESTERLY BOUNDARY LINE OF SAID LANDS WHICH COURSE ACCORDING TO THE RECORD OF SURVEY MAP FILED FOR RECORD APRIL 24, 1974 IN BOOK 60 OF MAPS AT PAGE 8, SANTA CRUZ COUNTY RECORDS, HAS A BEARING OF SOUTH 11°14'20" WEST AND A DISTANCE OF 148.40 FEET (148.67 FEET MEASURED).



ROLLAND J. VAN DE VALK PLS 7214 DATE 01/18/2018



LEGEND:

-  20' EASEMENT = 7,406 SQUARE FEET
-  FOUND MONUMENT AS DESCRIBED

PARK LANDS - CITY OF SANTA CRUZ
 2438 - O.R. - 564
 APN: 011-141-17

SECTION 17 & 18 T.11S., R.1W., M.D.M.

FOUND 1/2" IRON PIPE
 TAGGED ILLEGIBLE

COINCIDENT BOUNDARY LINE
 (1887 O.R. 96) & (2438 O.R.564)

LINE TABLE		
LINE	BEARING	LENGTH
L1	N11°14'20"E	21.43'
L2	N80°13'18"E	43.46'
L3	S76°37'19"E	17.48'
L4	N64°43'58"W	20.00'
L5	S80°13'19"W	40.20'

POINT OF BEGINNING
 FOUND 1/2" IRON
 PIPE TAGGED ILLEGIBLE
 SOUTHEAST CORNER OF LAND
 CONVEYED IN GRANT DEED
 2438 O.R. 564

TRACT No. 1090
 YACHT HARBOR COVE
 RECORDED IN VOLUME 73 OF
 MAPS, PAGE 4, SANTA
 CRUZ COUNTY RECORDS

EAST BOUNDARY LINE TRACT 1090 &
 WESTERLY BOUNDARY OF 1886 OR 96

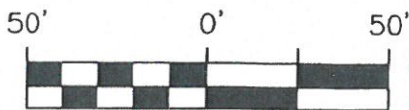
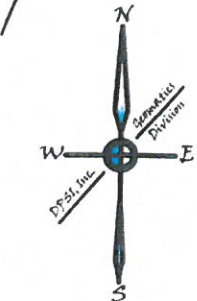
SANTA CRUZ PORT DISTRICT
 1887 - O.R. - 96
 APN: 011-181-03



REGULATOR EASEMENT
 PER SEPARATE DOCUMENT

CENTERLINE 20' EASEMENT

CONFIRMATION EASEMENT
 PER SEPARATE DOCUMENT



SCALE: 1"=50'

EXHIBIT "B"
 PG&E R-964 PIPELINE EASEMENT
 SANTA CRUZ, CALIFORNIA



PROJ. MGR: MV	DRAFTED BY: MV	DWG NO.	SHEET
LAND DOCUMENT 2311-01-2854		L-10090	1
DATE: 04/19/2018	SCALE: 1"=50'		

PROJECT: 178412

Attach to LD 2311-01-2854
The Area and Division: 3, Central Coast
Land Service Office: San Ramon - Bishop Ranch
Line of Business: 52
Business Doc Type: Easement
Operating Department: Gas Transmission, 52
USGS location: T. 11 S., R. 1 W., SEC 18, M.D.M. (23.11.01.18)
FERC License Number(s): N/A
PG&E Drawing Number(s): L-10090
PLAT NO.: 3675-D05
LD of any affected documents: N/A
LD of any Cross-referenced documents: N/A
TYPE OF INTEREST: 6, 52, 45, 5
SBE Parcel Number: N/A
Order # or PM #: 74009543
JCN: N/A
County: Santa Cruz
Utility Notice Numbers: N/A
851 Approval Application No. N/A Decision N/A
Prepared By: M8C6
Checked By: T1K1
Approved By:
Revised By:

RECORDING REQUESTED BY AND RETURN TO:

PACIFIC GAS AND ELECTRIC COMPANY
245 Market Street, N10A, Room 1015
P.O. Box 770000
San Francisco, California 94177

Location: City/Uninc _____
Recording Fee \$ _____
Document Transfer Tax \$ _____
 This is a conveyance where the consideration and Value is less than \$100.00 (R&T 11911).
 Computed on Full Value of Property Conveyed, or
 Computed on Full Value Less Liens & Encumbrances Remaining at Time of Sale

Signature of declarant or agent determining tax

(SPACE ABOVE FOR RECORDER'S USE ONLY)

LD# 2311-01-2856

EASEMENT

2018004 (- -) 01 18 1
R-964 DFM 1818-01

SANTA CRUZ PORT DISTRICT, a political subdivision

hereinafter called Grantor, hereby confirms in PACIFIC GAS AND ELECTRIC COMPANY, a California corporation, hereinafter called Grantee, all necessary rights for Grantee's existing gas pipe lines, valves, meters and other devices and appurtenances, and the right for Grantee from time to time to construct, reconstruct, install, inspect, maintain, replace, remove, and use facilities of the type hereinafter specified, together with a right of way therefor, within a strip and parcel of land as hereinafter set forth, and also ingress thereto and egress therefrom, over and across the lands situate in the City of Santa Cruz, County of Santa Cruz, State of California, Pursuant to that certain Santa Cruz Port District Resolution No. 68-6 and described as follows:

(APN 011-181-03)

The parcel of land described and designated LANDS in EXHIBIT "A" attached hereto and made a part hereof.

The aforesaid easement areas are described as follows:

Those certain parcels of land described in Exhibit "A" and designated Parcel "1" Pipeline Easement and Parcel "2" Regulator Easement attached hereto and made a part hereof.

Said facilities shall consist of:

Pipeline Easement

Such pipe lines as Grantee shall from time to time elect for conveying gas, with necessary and proper valves and other appliances and fittings, and devices for controlling electrolysis for use in connection with said pipe lines, and such underground wires, cables, conduits, and above ground appliances, fixtures and appurtenances, as Grantee shall from time to time elect for communication purposes, together with the rights to energize same and adequate protection therefor.

Regulator Easement

Such valves and other devices and equipment as Grantee shall from time to time deem necessary for metering, regulating and discharging gas into the atmosphere.

Grantor acknowledges Grantees's right to trim and to cut down and clear away or otherwise control any trees or brush within said strip or parcel of land or along said route, as hereinbefore set forth, whenever considered necessary for the complete enjoyment of the rights hereby confirmed.

Grantee hereby covenants and agrees:

(a) in the event Grantee shall make any excavation on said lands pursuant to this grant, Grantee shall restore said lands and improvements as nearly as practicable to their condition prior to such excavation including, without limiting the generality of the foregoing, pavement, sidewalks, lawns and shrubs; and

(b) to indemnify Grantor against any loss and damage, including but not limited to any violation of air quality laws, which shall be caused by any wrongful or negligent act or omission of Grantee or of its agents or employees in the course of their employment, provided, however, that this indemnity shall not extend to that portion of such loss or damage that shall have been caused by Grantor's comparative negligence or willful misconduct.

The provisions hereof shall inure to the benefit of and bind the successors and assigns of the respective parties hereto.

Dated _____, 20_____.

BY _____

Print Name _____

Title _____

R-964
APN: 011-181-03
SANTA CRUZ PORT DISTRICT
LD 2311-01-2856
CONFIRMATION EASEMENT

EXHIBIT "A"

LANDS:

ALL THOSE CERTAIN PARCELS OF LAND AS FOLLOWS:

THE PARCEL CONVEYED IN THE GRANT DEED FROM THE SANTA CRUZ LAND TITLE COMPANY TO SANTA CRUZ PORT DISTRICT DATED FEBRUARY 2, 1968 AND RECORDED ON JUNE 14, 1968 IN BOOK 1887 AT PAGE 96

THE PARCEL CONVEYED IN THE GRANT DEED FROM WALTER B. KING AND LOIS E. KING TO SANTA CRUZ PORT DISTRICT DATED DECEMBER 27, 1967 AND RECORDED ON OCTOBER 4, 1968 IN BOOK 1908 AT PAGE 300

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ALL BEING SANTA CRUZ COUNTY RECORDS.

PARCEL "1" PIPELINE EASEMENT:

A STRIP OF LAND THE UNIFORM WIDTH OF 20.00 FEET ON AND ACROSS THAT PORTION OF SAID LANDS (1887 OR 96), THE CENTERLINE OF WHICH BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT A FOUND ONE AND A HALF INCH IRON PIPE, BEING A POINT ON THE WESTERLY LINE OF SAID LANDS (1887 OR 96), THENCE SOUTH 24° 23'13" WEST ALONG THE WEST LINE OF SAID LANDS (1887 OR 96), A DISTANCE OF 363.85 FEET TO AN ANGLE POINT IN THE WEST LINE OF SAID LANDS (1887 OR 96) FROM WHICH A FOUND HALF INCH IRON PIPE BEARS SOUTH 12°30' EAST, A DISTANCE OF 2.7 FEET; THENCE SOUTH 48°06'54" WEST ALONG THE WEST LINE OF SAID LANDS (1887 OR 96), A DISTANCE OF 200.97 FEET TO THE SOUTHWEST CORNER OF SAID LANDS (1887 OR 96) AND A POINT IN THE NORTHERLY LINE OF THAT CERTAIN STRIP OF LAND DESCRIBED IN THE DEED FROM FRANS AND MARY ERKELENS TO PACIFIC GAS AND ELECTRIC CO. DATED SEPTEMBER 20, 1957 AND RECORDED OCTOBER 30, 1957 IN BOOK 1155 AT PAGE 464, SANTA CRUZ COUNTY RECORDS;

THENCE NORTH 89°58'05" EAST ALONG THE SOUTH LINE OF SAID LANDS (1887 OR 96) AND THE NORTHERLY LINE OF SAID STRIP OF LAND (1155 OR 464), A DISTANCE OF 72.95 FEET TO THE POINT OF BEGINNING.

THENCE (1) NORTH 45°40'42" EAST, A DISTANCE OF 141.34 FEET;

THENCE (2) NORTH 28°48'12" EAST, A DISTANCE OF 130.58 FEET TO A POINT HEREINAFTER REFERRED TO POINT "A";

THENCE (3) SOUTH 64°03'28" EAST, A DISTANCE OF 163.07 FEET TO A POINT IN THE EASTERLY LINE OF SAID LANDS (1887 OR 96);

CONTAINS 8,700 SQUARE FEET MORE OR LESS

THE SIDELINES OF SAID 20.00 FOOT STRIP OF LAND TO BE LENGTHENED OR SHORTENED SO AS TO TERMINATE ON THE SOUTHERLY AND EASTERLY LINE OF SAID LANDS (1887 OR 96).

TOGETHER WITH:

PARCEL "2" REGULATOR EASEMENT:

A PORTION OF LAND ON AND ACROSS THAT PORTION OF SAID LANDS (1887 OR 96), BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE HEREINABOVE POINT "A";

THENCE (1) ALONG THE CENTERLINE OF ABOVE DESCRIBED PARCEL "1" SOUTH 28°48'12" WEST, A DISTANCE OF 33.00 FEET;

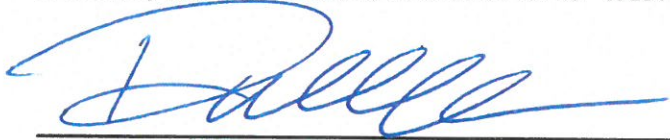
THENCE (2) NORTH 61°11'48" WEST, A DISTANCE OF 20.00 FEET;

THENCE (3) NORTH 28°48'12" EAST, A DISTANCE OF 33.00 FEET;

THENCE (4) SOUTH 61°11'48" EAST, A DISTANCE OF 20.00 FEET; TO THE POINT OF BEGINNING.

CONTAINS 660 SQUARE FEET MORE OR LESS

THE FOREGOING DESCRIPTION IS BASED ON A SURVEY MADE BY OR UNDER THE DIRECTION OF JEFFREY G. ZAMBO IN OCTOBER 2017. THE BASIS OF BEARING USED IS BASED ON A COURSE IN THE EASTERLY BOUNDARY LINE OF SAID TRACT 1090 WHICH COURSE ACCORDING TO THE TRACT MAP FILED FOR RECORDING OCTOBER 21, 1983 IN VOLUME 73 OF MAPS AT PAGE 4, SANTA CRUZ COUNTY RECORDS, HAS A BEARING OF SOUTH 24°23'13" WEST AND A DISTANCE OF 363.85 FEET.



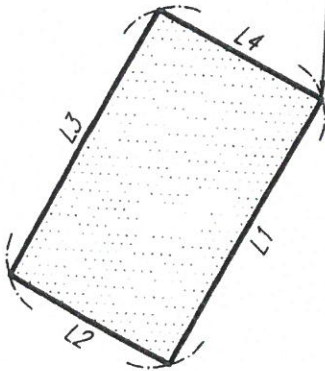
ROLLAND J. VAN DE VALK PLS 7214 DATE 04-19-2018



SECTION 17 & 18 T.11S., R.1W., M.D.M.

POINT OF COMMENCEMENT FOUND 1-1/2" IRON PIPE OPEN WITH NO MARKINGS PER TRACT MAP 1090 V.73 MAPS PG. 4

POINT "A" POINT OF BEGINNING PARCEL "2"



DETAIL
PARCEL "2"

EAST BOUNDARY LINE TRACT 1090 & WESTERLY BOUNDARY OF 1887 OR 96

TRACT No. 1090 YACHT HARBOR COVE RECORDED IN VOLUME 73 OF MAPS, PAGE 4, SANTA CRUZ COUNTY RECORDS

SOUTHEAST CORNER TRACT No. 1090 & SOUTHWEST CORNER 1887 O.R. 96
S48°06'54"W 200.97'

FOUND 1/2" IRON PIPE RCE 16073 PER TRACT MAP 1090 V.73 MAPS PG. 4
N45°40'42"E 141.34'

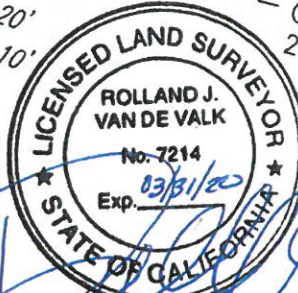
72.95' N89°58'05"E
EXISTING PG&E EASEMENT 1155 O.R. 464

POINT OF BEGINNING PARCEL "1"

CENTERLINE 20' EASEMENT

SANTA CRUZ PORT DISTRICT
1887 - O.R. - 96
APN: 011-181-03

EASTERLY BOUNDARY LINE 1887 O.R. 96
SANTA CRUZ PORT DISTRICT
1887 - O.R. - 96
APN: 011-181-02



LINE TABLE		
LINE	BEARING	LENGTH
L1	S28°48'12"W	33.00'
L2	N61°11'48"W	20.00'
L3	N28°48'12"E	33.00'
L4	S61°11'48"E	20.00'

SEE DETAIL FOR PARCEL "2"
PIPELINE EASEMENT PER SEPARATE DOCUMENT

564°03'28"E 163.07'
POINT "A"
CENTERLINE 20' EASEMENT

SANTA CRUZ PORT DISTRICT
1904 - O.R. - 562
APN: 011-181-03

QUITCLAIM PER SEPARATE DOCUMENT

LEGEND:

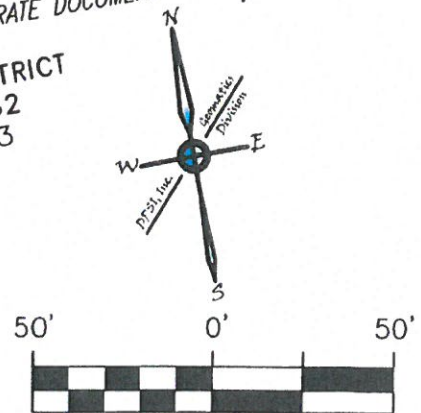
- PARCEL "1" 20' EASEMENT = 8,700 SQUARE FEET
- PARCEL "2" REGULATOR EASEMENT = 660 SQUARE FEET
- FOUND MONUMENT AS DESCRIBED

EXHIBIT "B"
CONFIRMATION OF 16" PIPELINE EASEMENT
SANTA CRUZ, CALIFORNIA



PROJ. MGR: MV	DRAFTED BY: MV	DWG NO.	SHEET
LAND DOCUMENT 2311-01-2856		L-10099	1
DATE: 04/19/2018	SCALE: 1"=50'		

PROJECT: 178412



SCALE: 1"=50'

RECORDING REQUESTED BY AND RETURN TO:

PACIFIC GAS AND ELECTRIC COMPANY
245 Market Street, N10A, Room 1015
P.O. Box 770000
San Francisco, California 94177

Location: City/Uninc _____

Recording Fee \$ _____

Document Transfer Tax \$ _____

This is a conveyance where the consideration and Value is less than \$100.00 (R&T 11911).

Computed on Full Value of Property Conveyed, or

Computed on Full Value Less Liens & Encumbrances Remaining at Time of Sale

Signature of declarant or agent determining tax

(SPACE ABOVE FOR RECORDER'S USE ONLY)

LD# 2311-01-2855

EASEMENT QUITCLAIM DEED

2018003 (- -) 01 18 1
R-964 DFM 1818-01

PACIFIC GAS AND ELECTRIC COMPANY, a California corporation, hereinafter called PG&E, hereby quitclaims to The Santa Cruz Port District, a political subdivision the real property, situate in the City of Santa Cruz, County of Santa Cruz State of California, State of California, described as follows:

A portion of those certain easement and rights granted to PACIFIC GAS AND ELECTRIC COMPANY, a California Corporation by FRANS ERKELENS and MARY ERKELENS in the deed dated September 20, 1957 and recorded October 30, 1957 in Book 1155 of Official Records at page 464, Santa Cruz County Records, more particularly described in EXHIBIT "A" and shown upon EXHIBIT "B" attached hereto and made a part hereof.

(APN 011-181-03)

The real property hereby quitclaimed is no longer necessary or useful to PG&E in the performance by it of its duties to the public.

Dated _____, 20____.

PACIFIC GAS AND ELECTRIC COMPANY,
a California corporation,

By _____

Print Name _____

Title _____

R-964
APN: 011-181-03
SANTA CRUZ PORT DISTRICT
LD 2311-01-2855
QUITCLAIM

EXHIBIT "A"

REAL PROPERTY SITUATE IN THE CITY OF SANTA CRUZ, COUNTY OF SANTA CRUZ, STATE OF CALIFORNIA MORE PARTICULARLY DESCRIBED AS FOLLOWS:
BEING A PORTION OF THAT CERTAIN EASEMENT CONVEYED IN THE DEED FROM FRANS AND MARY ERKELENS TO PACIFIC GAS AND ELECTRIC COMPANY DATED SEPTEMBER 20, 1957 AND RECORDED OCTOBER 30, 1957 IN BOOK 1155 AT PAGE 464 SANTA CRUZ COUNTY RECORDS MORE PARTICULARLY DESCRIBED AS FOLLOWS:

A STRIP OF LAND THE UNIFORM WIDTH OF 20.00 FEET LYING CONTIGUOUS TO AND SOUTHERLY OF THE NORTHERLY LINE OF THE PARCEL CONVEYED IN GRANT DEED FROM ANTHONY A. LIPPI AND CAROL LIPPI TO SANTA CRUZ PORT DISTRICT DATED OCTOBER 23, 1967 AND RECORDED SEPTEMBER 17, 1968 IN BOOK 1904 AT PAGE 562, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT A FOUND ONE AND A HALF INCH IRON PIPE, BEING AN ANGLE POINT ON THE EASTERLY LINE OF LOT 19 OF TRACT NUMBER 1090 RECORDED OCTOBER 21, 1983 IN VOLUME 73 OF MAPS, PAGE 4, SANTA CRUZ COUNTY RECORDS. THENCE SOUTH 24° 23'13" WEST ALONG THE EAST LINE OF SAID TRACT, A DISTANCE OF 363.85 FEET TO AN ANGLE POINT IN THE EAST LINE OF SAID TRACT FROM WHICH A FOUND HALF INCH IRON PIPE BEARS SOUTH 12°30' EAST, A DISTANCE OF 2.7 FEET; THENCE SOUTH 48°06'54" WEST ALONG THE EAST LINE OF SAID TRACT, A DISTANCE OF 200.97 FEET TO THE SOUTHEAST CORNER OF SAID TRACT ALSO BEING A POINT IN THE NORTHERLY LINE OF SAID EASEMENT DATED SEPTEMBER 20, 1957 (1155 OR 464); THENCE NORTH 89°58'05" EAST ALONG THE NORTH LINE OF SAID LANDS (1904 OR 562) AND THE NORTHERLY LINE OF SAID EASEMENT DATED SEPTEMBER 20, 1957 (1155 OR 464) , A DISTANCE 87.27 FEET TO THE POINT OF BEGINNING.

- THENCE (1) NORTH 89°58'05" EAST ALONG LAST SAID LINES, A DISTANCE OF 236.86 FEET TO A POINT IN THE EAST LINE OF SAID LANDS (1904 OR 562);
- THENCE (2) SOUTH 22°46'31" WEST ALONG THE EAST LINE OF SAID LANDS (1904 OR 562), A DISTANCE OF 21.70 FEET TO A POINT IN THE SOUTHERLY LINE OF SAID EASEMENT DATED SEPTEMBER 20, 1957 (1155 OR 464);
- THENCE (3) ALONG LAST SAID LINE SOUTH 89°58'05" WEST PARALLEL WITH THE NORTH LINE OF SAID LANDS (1904 OR 562), A DISTANCE OF 248.95 FEET;
- THENCE (4) NORTH 45°40'42" EAST, A DISTANCE OF 28.64 FEET TO THE POINT OF BEGINNING.

CONTAINS 4,858 SQUARE FEET MORE OR LESS

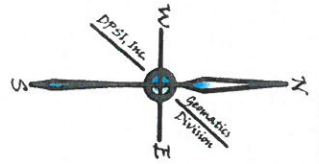
THE FOREGOING DESCRIPTION IS BASED ON A SURVEY MADE BY OR UNDER THE DIRECTION OF JEFFREY G. ZAMBO IN OCTOBER 2017. THE BASIS OF BEARING USED IS BASED ON A COURSE IN THE EASTERLY BOUNDARY LINE OF SAID TRACT 1090 WHICH COURSE ACCORDING TO THE TRACT MAP FILED FOR RECORDING OCTOBER 21, 1983 IN VOLUME 73 OF MAPS AT PAGE 4, SANTA CRUZ COUNTY RECORDS, HAS A BEARING OF SOUTH 24°23'13" WEST AND A DISTANCE OF 363.85 FEET.



ROLLAND VAN DE VALK PLS 7214

DATE 01-18-2018





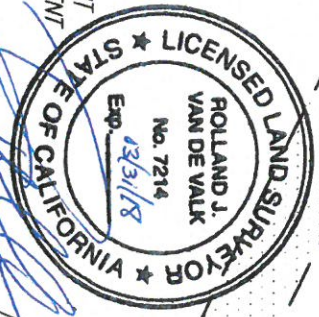
LINE TABLE		
LINE	BEARING	LENGTH
L1	S22°46'31"W	21.70'
L2	N45°40'42"E	28.64'



TRACT No. 1090
YACHT HARBOR COVE OF
RECORDED IN VOLUME 73 OF
MAPS, PAGE 4, SANTA
CRUZ COUNTY RECORDS

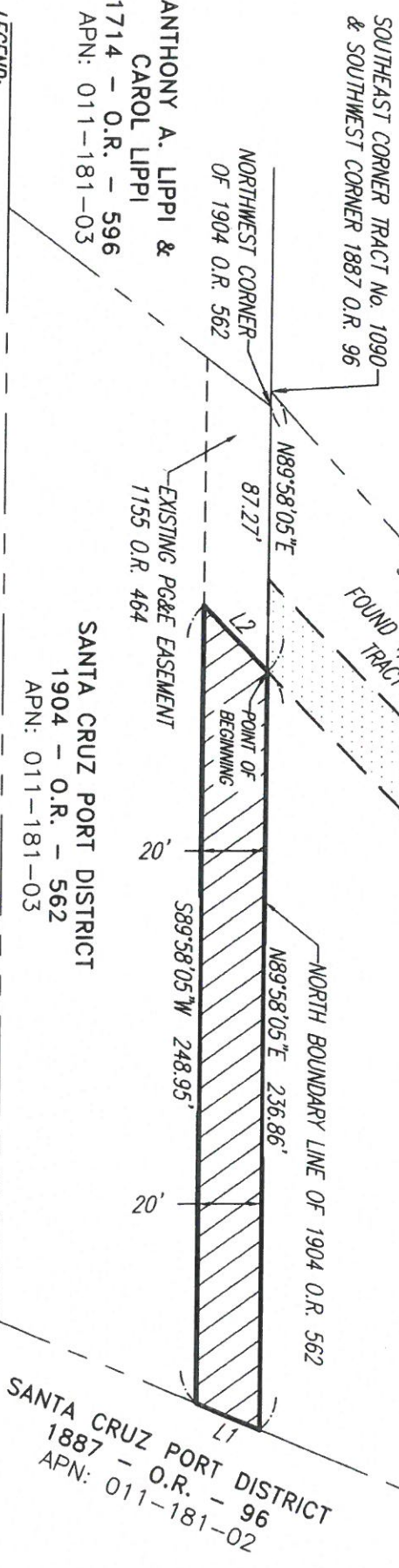
POINT OF COMMENCEMENT FOUND
1-1/2" IRON PIPE OPEN WITH NO
MARKINGS PER TRACT MAP 1090
V.73 MAPS PG. 4

SECTION 17 & 18 T.11S., R.1W., M.D.M.



CONFIRMATION EASEMENT
PER SEPARATE DOCUMENT

SANTA CRUZ PORT DISTRICT
1887 - O.R. - 96
APN: 011-181-03



LEGEND:
 PORTION OF 1155 O.R. 464 TO BE QUITCLAIMED
 = 4,858 SQUARE FEET
 = FOUND MONUMENT AS DESCRIBED

DPSI
 DIVERSIFIED PROJECT SERVICES
 INTERVENTIONAL
 1851 31st Street
 San Jose, CA 95131
 www.dpsinc.com
 PROJECT: 179412

EXHIBIT "B"		PC&E PIPELINE EASEMENT QUITCLAIM		SANTA CRUZ, CALIFORNIA	
PROJ. MGR: MV	DRAFTED BY: MV	DWG NO.	L-10098		
LAND DOCUMENT 2311-01-2855	DATE: 01/18/2018	SCALE: 1"=50'	SHEET 1		

Santa Cruz Port District
Accounts Payable Monthly Check Register
 April 2018

Date	No.	Vendor	Description	Amount
4/5/2018	49582	Ace Portable Services	Portable Toilet Rental	\$95.50
4/5/2018	49583	Amerigas	Fuel for Forklift	\$120.88
4/5/2018	49584	AT&T	Long Distance Telephone	\$302.83
4/5/2018	49585	Bay Building Janitorial, Inc.	Waste Oil Removal & Janitorial Services	\$2,850.00
4/5/2018	49586	Bay Plumbing Supply, Inc.	Plumbing Supplies	\$321.13
4/5/2018	49587	Bayside Oil II, Inc.	Waste Oil Removal	\$487.50
4/5/2018	49588	Big Creek	Materials for Decking Repairs (Concrete, Wheel Chock, Screws)	\$258.85
4/5/2018	49589	Blake Anderson	Quarterly Uniform Allowance	\$190.00
4/5/2018	49590	Blueprint Express of Santa Cruz	Printing	\$108.57
4/5/2018	49591	Bow Wow Pet Waste Products	Pet Waste Station Bags	\$261.53
4/5/2018	49592	Burke, Williams & Sorensen, LLP	Legal Consultation	\$1,220.00
4/5/2018	49593	Cale America, Inc.	Purchase of 2 Cale Parking Machines & Monthly Service	\$23,158.16
4/5/2018	49594	California State Disbursement Unit	Wage Garnishment (Payroll Deduction)	\$250.00
4/5/2018	49595	CHETT JESSEE	Security Deposit & Credit Balance Refund	\$412.94
4/5/2018	49596	Citi Cards	Breakroom Supplies	\$116.96
4/5/2018	49597	Comcast	Business Internet Service	\$387.68
4/5/2018	49598	Computer Technical Specialists, Inc.	Email Scanning & Backup Services	\$283.50
4/5/2018	49599	County of Santa Cruz Auditor	Citation Tax (February 2018)	\$1,492.50
4/5/2018	49600	County of Santa Cruz DPW	901 7th Avenue Lease	\$800.00
4/5/2018	49601	Crow's Nest Restaurant	1/2 Concession Lot Garbage & Compactor Lease (Tenant Reimbursable)	\$2,364.34
4/5/2018	49602	DARREL FORDE	Security Deposit & Key Deposit Refund	\$494.95
4/5/2018	49603	David Hill	Quarterly Uniform Allowance	\$190.00
4/5/2018	49604	DENNIS COSMAN	Credit Balance Refund	\$429.63
4/5/2018	49605	DJANGO DAWSON	Security Deposit Refund	\$323.90
4/5/2018	49606	Don Kinnamon	Quarterly Uniform Allowance	\$190.00
4/5/2018	49607	Fastenal Company	Bolts for Pipes	\$445.22
4/5/2018	49608	Flyers Energy, LLC	Fuel for <i>Squirt</i>	\$984.12
4/5/2018	49609	Garda CL West, Inc.	Deposit Courier Service	\$229.48
4/5/2018	49610	GP Crane & Hoist	Quarterly Crane Service	\$389.19

4/5/2018	49611	Henderson Marine Supply, Inc.	Dock Rub Rail	\$644.56
4/5/2018	49612	Home Depot Credit Services	J-Dock Shower Remodel Supplies, Materials for Tide Board at Murray Street Bridge, Tools	\$548.09
4/5/2018	49613	Hub Parking Technology	Concession Parking Lot Gate Repair	\$259.64
4/5/2018	49614	Independent Electric Supply, Inc.	Rod & Clamp for Toyo Pump	\$28.78
4/5/2018	49615	Jim Clark	Annual Backflow Testing	\$521.16
4/5/2018	49616	JOHN SMILEY	Key Deposit Refund	\$40.00
4/5/2018	49617	Jordan Rank	Quarterly Uniform Allowance	\$190.00
4/5/2018	49618	Keco Inc.	Hose for Pumpout Facility	\$278.13
4/5/2018	49619	Kevin King	Quarterly Uniform Allowance & Training Expense Reimbursement (U.S. Coast Guard Captain's Course)	\$1,708.27
4/5/2018	49620	Koby McCauley	Quarterly Uniform Allowance	\$190.00
4/5/2018	49621	Latisha Marshall	Quarterly Uniform Allowance	\$190.00
4/5/2018	49622	Lawson	Steel Fittings	\$228.29
4/5/2018	49623	Lockton Insurance Brokers, LLC	Underground Storage Tank Insurance	\$298.00
4/5/2018	49624	Marian Olin	Travel Expense Reimbursement (CMANC Conference)	\$61.89
4/5/2018	49625	Marina Ware	Quarterly MarinaWare Support	\$875.00
4/5/2018	49626	Marine Travelift, Inc.	Travelift Inspection & Wire Rope	\$1,335.00
4/5/2018	49627	Mark Eldridge	Mileage Expense Reimbursement (CalPERS Training) & 2018 Medical Expense Reimbursement	\$652.75
4/5/2018	49628	Mark Larsen DBA: Viking Window Cleaning	Harbor Office Window Cleaning	\$24.00
4/5/2018	49629	McCampbell Analytical, Inc.	Stormwater Testing	\$450.00
4/5/2018	49630	McMaster-Carr Supply Company	Signage	\$32.12
4/5/2018	49631	Microflex Corporation	Gloves	\$126.75
4/5/2018	49632	Mid County Auto Supply	Battery, Coolant, Fuel & Oil Filters	\$610.41
4/5/2018	49633	Mission Uniform Service	Uniform Cleaning	\$598.16
4/5/2018	49634	Operating Engineers Local Union No. 3	OE3 Union Dues (Payroll Deduction)	\$315.00
4/5/2018	49635	Pacific Gas & Electric Company	Utilities & Energy Efficient Loan	\$16,356.98
4/5/2018	49636	Palace Art & Office Supply	Office Supplies	\$247.54
4/5/2018	49637	PAUL SHANLEY	Key Deposit Refund (4 Keys)	\$160.00
4/5/2018	49638	PDM Steel Service Centers, Inc.	Steel for Buoys	\$937.38
4/5/2018	49639	Peninsula Diesel Inc.	Coolant & Manuals for Dredge	\$382.78
4/5/2018	49640	Public Sector Personnel Consultants	Classification and Compensation Study Update	\$1,500.00
4/5/2018	49641	Ramos Oil Inc.	Fuel for <i>Twin Lakes</i> (January & March)	\$52,247.24

4/5/2018	49642	RANDOLPH REPASS	Credit Balance Refund	\$2,396.30
4/5/2018	49643	RAY MIERTA	Credit Balance Refund	\$6.05
4/5/2018	49644	Santa Cruz Municipal Utilities	Utilities	\$7,474.24
4/5/2018	49645	Santa Cruz Sentinal	Legal Advertisement - 2222 East Cliff Drive Suites 140/150	\$204.80
4/5/2018	49646	SC Fuels	Oil for <i>Dauntless</i>	\$783.12
4/5/2018	49647	Sean Rothwell	Quarterly Uniform Allowance	\$190.00
4/5/2018	49648	Silke Communications	Portable Radios & Programming	\$1,553.70
4/5/2018	49649	Silver & Katz	Union Representation (Payroll Deduction)	\$242.00
4/5/2018	49650	Soil Control Lab	Water Testing	\$360.00
4/5/2018	49651	Staples	Office Supplies	\$876.05
4/5/2018	49652	Superior Alarm Company	Alarm Monitoring	\$207.00
4/5/2018	49653	Supply Works	Janitorial Supplies	\$682.02
4/5/2018	49654	Svensden's Boat Works	Boatyard Retail Items & Filter Bag	\$1,230.45
4/5/2018	49655	THORTON LAYNE	Security Deposit Refund	\$356.09
4/5/2018	49656	TOM CLARK	Security Deposit Refund	\$218.75
4/5/2018	49657	Triton Construction	Fuel Tank Maintenance	\$150.00
4/5/2018	49658	Uline	Hazmat Disposal Bins	\$127.47
4/5/2018	49659	Valero Marketing & Supply Company	Fuel for Fleet Vehicles	\$1,499.19
4/5/2018	49660	Verizon Wireless	Cell Phone & Tablet Service	\$314.51
4/5/2018	49661	West Marine Pro	Waterproof Phone Case for DHM & Supplies for <i>Almar</i>	\$78.70
4/18/2018	49662	A Sign ASAP!	Signage	\$327.00
4/18/2018	49663	AA Safe & Security Co.	Keys for Lock at 790 Mariner Park Way	\$19.19
4/19/2018	49664	AA Safe & Security Co.	Replacement Lock at 790 Mariner Park Way	\$17.99
4/18/2018	49665	Ace Portable Services	Portable Toilet Rental	\$95.90
4/18/2018	49666	American Textile & Supply, Inc.	Oil Absorbent Pads	\$3,185.29
4/18/2018	49667	Angie McGraw	Training Expense Reimbursement (Cabrillo College Customer Service Academy)	\$295.00
4/18/2018	49668	Arturo Acevedo	Training Expense Reimbursement (Pesticide Seminar)	\$25.53
4/18/2018	49669	AT&T	Telephone	\$3,141.10
4/18/2018	49670	Avaya Systems	Telephone System Lease	\$337.76
4/18/2018	49671	B AND B Small Engine	Landscape Trimmer Repair & Engine Starting Rope	\$60.16
4/18/2018	49672	BARRY YOUNG	Security Deposit & Key Deposit Refund	\$405.75
4/18/2018	49673	Bay Building Janitorial, Inc.	Janitorial & Waste Oil Station	\$2,850.00

4/18/2018	49674	Benjamin Thomas	Security Deposit & Credit Balance Refund	\$159.41
4/18/2018	49675	Bobby's Pit Stop, Inc.	Shuttle Van Inspection & Patrol Truck Maintenance	\$415.61
4/18/2018	49676	Bow Wow Pet Waste Products	Pet Waste Station Bags	\$261.53
4/18/2018	49677	BRIAN SCHRIER	Security Deposit Refund	\$113.58
4/18/2018	49678	Cale America, Inc.	Parking Machine Monthly Service (6 Machines)	\$652.00
4/18/2018	49679	California State Disbursement Unit	Wage Garnishment (Payroll Deduction)	\$250.00
4/18/2018	49680	Carpi Clay & Smith	Washington Representation	\$800.00
4/18/2018	49681	CARTER CASSEL	Security Deposit & Credit Balance Refund	\$152.44
4/18/2018	49682	Comcast	Business Internet Service	\$52.11
4/18/2018	49683	Compass Bank	Interest & Principal Non-Taxable Loan, Fee on Unused Credit Line	\$139,149.52
4/18/2018	49684	Complete Mailing Service	Statement Mailing & Postage	\$536.42
4/18/2018	49685	County of Santa Cruz DPW	Hazmat Disposal	\$303.00
4/18/2018	49686	Darco Printing & Paper	Printing	\$232.99
4/18/2018	49687	Data Ticket, Inc.	Citation Processing Fees	\$308.79
4/18/2018	49688	Don Kinnamon	Training Expense Reimbursement (CBSOA Annual Training Symposium)	\$1,022.29
4/18/2018	49689	Dredging Supply Company, Inc.	Spare Parts for Dredge	\$8,498.82
4/18/2018	49690	Duncan Parking Technologies, Inc.	Meter Keys	\$172.33
4/18/2018	49691	Elevator Service Company	Elevator Contract Service (\$218.40 Tenant Reimbursable)	\$420.00
4/18/2018	49692	Fastenal Company	Drill Set	\$283.38
4/18/2018	49693	FedEx Office	Shipping	\$25.61
4/18/2018	49694	Ferguson Enterprises, Inc.	Dredge Pipe & Hose Bibs	\$2,299.51
4/18/2018	49695	First Alarm Security & Patrol, Inc.	Security Patrol	\$4,644.72
4/18/2018	49696	Flyers Energy, LLC	Fuel for Beach Equipment	\$1,064.79
4/18/2018	49697	Garda CL West, Inc.	Excess Items Fee	\$2.00
4/18/2018	49698	Hose Shop	Filter Replacement Parts & Hydraulic Hose for Dozer	\$537.33
4/18/2018	49699	Independent Electric Supply, Inc.	Electrical Supplies, Lighting for Dumpster	\$28.10
4/18/2018	49700	Jeff Winham	Trash Collection & Compaction (February & March)	\$3,500.00
4/18/2018	49701	Jordan Rank	Training Expense Reimbursement (EMT Certification Renewal)	\$140.00
4/18/2018	49702	Jorgensen, Siegel, McClure & Flegel, LLP	Legal Consultation	\$1,068.50
4/18/2018	49703	KEVIN LARSON	Security Deposit Refund	\$200.04
4/18/2018	49704	Lockton Insurance Brokers, LLC	Umbrella, Commercial Property, General Liability, Cyber Liability Insurance	\$238,789.50
4/18/2018	49705	Long Distance Consolidated Billing	Long Distance Telephone	\$155.22

4/18/2018	49706	Marilyn Bemis	Accounting Services	\$1,803.75
4/18/2018	49707	Marine Lien Sale Service	Lien Sale Service	\$320.00
4/18/2018	49708	McMaster-Carr Supply Company	Numbering for Docks, Gauge for <i>Squirt</i>	\$174.86
4/18/2018	49709	Mesiti-Miller Engineering, Inc.	Consulting Services - Aldo's Seawall Design & Engineering Services	\$15,278.70
4/18/2018	49710	Mid County Auto Supply	Front Joint for Dredge Truck & Hydraulic Oil	\$407.62
4/18/2018	49711	MIKE SCHOENEMAN	Security Deposit Refund	\$98.70
4/18/2018	49712	Mission Uniform Service	Uniform Cleaning	\$176.18
4/18/2018	49713	Moffat & Nichol	Dredging Volumes White Paper Report	\$990.00
4/18/2018	49714	Operating Engineers Local Union No. 3	OE3 Union Dues (Payroll Deduction)	\$315.00
4/18/2018	49715	Pacific Crest Engineering, Inc.	Consulting Services - Boatyard and Maintenance Yard SWPPP	\$87.50
4/18/2018	49716	Pacific Gas & Electric Company	Utilities	\$283.66
4/18/2018	49717	Palace Art & Office Supply	Office Supplies	\$81.35
4/18/2018	49718	Peninsula Diesel Inc.	Rudder Repair on <i>Dauntless</i>	\$330.00
4/18/2018	49719	Peterson	C32 Warranty, C18 Warranty, Paint for CAT Equipment, Filters for <i>Twin Lakes</i>	\$37,888.61
4/18/2018	49720	RAJESH D POOJARY	Credit Balance Refund	\$17.00
4/18/2018	49721	RICHARD SERENI	Key Deposit Refund	\$20.00
4/18/2018	49722	ROBERT RENFER	Credit Balance Refund	\$10.50
4/18/2018	49723	Santa Cruz Municipal Utilities	Utilities	\$6,684.11
4/18/2018	49724	SC Fuels	Gasoline & Diesel for Fuel Dock	\$21,318.89
4/18/2018	49725	SKIP ALLAN	Security Deposit & Key Deposit Refund	\$315.88
4/18/2018	49726	Supply Works	Janitorial Supplies	\$524.27
4/18/2018	49727	Svendson's Boat Works	Boatyard Retail Items	\$199.80
4/18/2018	49728	Tanguy Leborgne	Security Deposit Refund	\$210.42
4/18/2018	49729	TERRELL, LINDA	Security Deposit Refund	\$107.50
4/18/2018	49730	UNUM Life Insurance Co. of America	Life, LTD & AD&D Insurance	\$1,086.52
4/18/2018	49731	US Relay	Monthly Webcam Service (2 Cameras)	\$484.00
4/19/2018	49732	Schuyler Rubber Co., Inc.	Railguard for <i>Dauntless</i>	\$14,654.00
4/23/2018	49733	California Department of Tax and Fee Administration	Underground Storage Tank Maintenance Fee	\$312.00
4/27/2018	49734	Santa Cruz Sheriff's Office	Civil Service Fee	\$40.00
4/5/2018	4714-47	Various Employees	3/16/18-3/31/18 Net Payroll Checks	\$21,074.43
4/18/2018	4734-47	Various Employees	4/1/18-4/15/18 Net Payroll Checks	\$22,764.19
4/1/2018	EFT	Transaction Express	ACH Processing Fees	\$262.96

4/2/2018	EFT	ChargeltPro	Front Desk Credit Card Fees	\$1,315.99
4/2/2018	EFT	CalPERS	Health Insurance Premiums	\$31,079.62
4/5/2018	EFT	Various Employees	Net Payroll Direct Deposit (3/16/18-3/31/18)	\$48,137.01
4/5/2018	EFT	PAYCHEX	Payroll Taxes	\$29,471.43
4/5/2018	EFT	Empower Retirement	457 Payments (Payroll Deduction)	\$2,269.11
4/5/2018	EFT	CalPERS	CalPERS Retirement	\$13,574.17
4/5/2018	EFT	PAYCHEX	Payroll Fees	\$371.15
4/5/2018	EFT	PAYCHEX	Time & Labor Online Fees	\$313.50
4/6/2018	EFT	Comerica Cardmember Services	Training Expense Reimbursement (C/MANOC Conference & CA Boating Congress), Marine Travelift Parts, Port Commission Meeting Refreshments, Office Supplies, Venue for Vessel Insurance Stakeholder Meeting, Range Ear Covers, Medical Supplies, Dredge Buoy Supplies, Pipe for North Harbor Dredging, Tide Board Supplies, Rain Gear	\$8,480.08
4/10/2018	EFT	Merchant Services	CALE Parking Machine Credit Card Fees	\$883.05
4/10/2018	EFT	Merchant Services	Boatyard Credit Card Fees	\$327.53
4/10/2018	EFT	Merchant Services	Online Billpay Credit Card Fees	\$84.77
4/10/2018	EFT	ChargeltPro	Front Desk Credit Card Gateway Fee	\$15.00
4/10/2018	EFT	Comerica Bank-Cost Center	Bank Service Charges	\$985.15
4/18/2018	EFT	CalPERS	CalPERS Retirement Unfunded Liability	\$15,209.73
4/18/2018	EFT	Various Employees	Net Payroll Direct Deposit (4/1/18-4/15/18)	\$49,807.28
4/15/2018	EFT	PAYCHEX	Payroll Taxes	\$30,885.15
4/20/2018	EFT	PAYCHEX	Payroll Fees	\$398.02
4/20/2018	EFT	Empower Retirement	457 Payments (Payroll Deduction)	\$2,283.85
4/20/2018	EFT	CalPERS	CalPERS Retirement	\$13,780.56
4/27/2018	EFT	California Department of Tax and Fee Administration	Q1 2018 Sales Tax Return	\$3,045.00
Total April 2018 Disbursements				\$958,187.48



00TO: Port Commission

FROM: Ad Hoc Committee Members
-- *Chairman Dennis Smith*
-- *Commissioner Steve Reed*

Port Director Marian Olin

DATE: May 17, 2018

SUBJECT: Update on Development of *Pappy* Park

INFORMATION

The FY 19 Capital Improvement Plan included \$20,000 in funding to create a public space where the Port District's vessel *Pappy* would be on permanent display. The original concept developed by staff was to relocate the outrigger storage from the southeast harbor landside area to the northernmost portion of X-dock in the north harbor. The space between 275 Lake Avenue and the O-dock restroom building would provide ample room for benches, landscaping in a pedestrian-friendly waterside location, visible from the harbor office, where it was envisioned that *Pappy*, formerly owned by Edward Larson, would be on static display. If attractively presented, *Pappy* would create a visitor-friendly harbor icon which will bring attention to the harbor's heritage, and provide a focal point for visitors and harbor users.

An ad hoc committee formed for the sole purpose of finding a suitable location and identifying design concepts for *Pappy* was announced by Chairman Smith at the Commission's special public meeting on May 9, 2018. Committee members are Chairman Smith and Commissioner Reed. The committee will work with staff to consider various location and development options for the park, and present their recommendations to the Port Commission for consideration.

The committee has done some preliminary work, developing priority criteria and looking at several sites. The committee's preliminary findings / research are summarized below:

Ad Hoc Committee Preliminary Criteria

- Permanent, public display of the vessel *Pappy*
- Consider whether *Pappy* should remain operable and be used from time-to-time for special harbor events. If *Pappy* continues to remain operable, the display site must accommodate logistical considerations for occasional movement / launching
- Ensure design of static cradle supporting *Pappy* has a fair hull form to ensure the hull is not strained and is evenly supported
- Security requirements to include highly visible and accessible location with lighting, video surveillance and anti-graffiti coating (if feasible)

- Location criteria:
 - Minimum parking disturbance
 - Visitor accessibility / visibility / signage
 - Security and safety
 - Impact on viewscape
 - Cost

Ad Hoc Committee Preliminary Site Options

Ad hoc committee members Smith and Reed walked the southeast harbor area and considered various sites. The committee wanted to preserve future development options for the site originally proposed by staff (between 275 Lake Avenue and the O-dock restroom), so that site is not currently listed as an option. Possible site options considered by the committee are described below and are generally depicted in Attachment A, Pappy Park Preliminary Site Options.

1. Sloped landscaped area between the concession and the launch ramp parking lots

This site, if properly graded and elevated, will attract viewers from the launch ramp and concession parking areas, and pedestrians visiting commercial areas, the beach, launch ramp and dock areas.

2. Same as Area 1, but shifted east

This site, located in the same general area as #1, above, is closer to and more visible from the 5th Avenue sidewalk and roadway.

3. East Side Information Kiosk in the concession parking lot

This site requires removal or remodel of the existing information kiosk (adjacent to the hot dog wagon). The committee considers this site to provide the best public viewing opportunity and is the most pedestrian-friendly of the three site options reviewed. It is considered to be an optimal location for security purposes. It has the advantage of being close to the launch ramp, in the event *Pappy* remains operable and is occasionally utilized for special events.

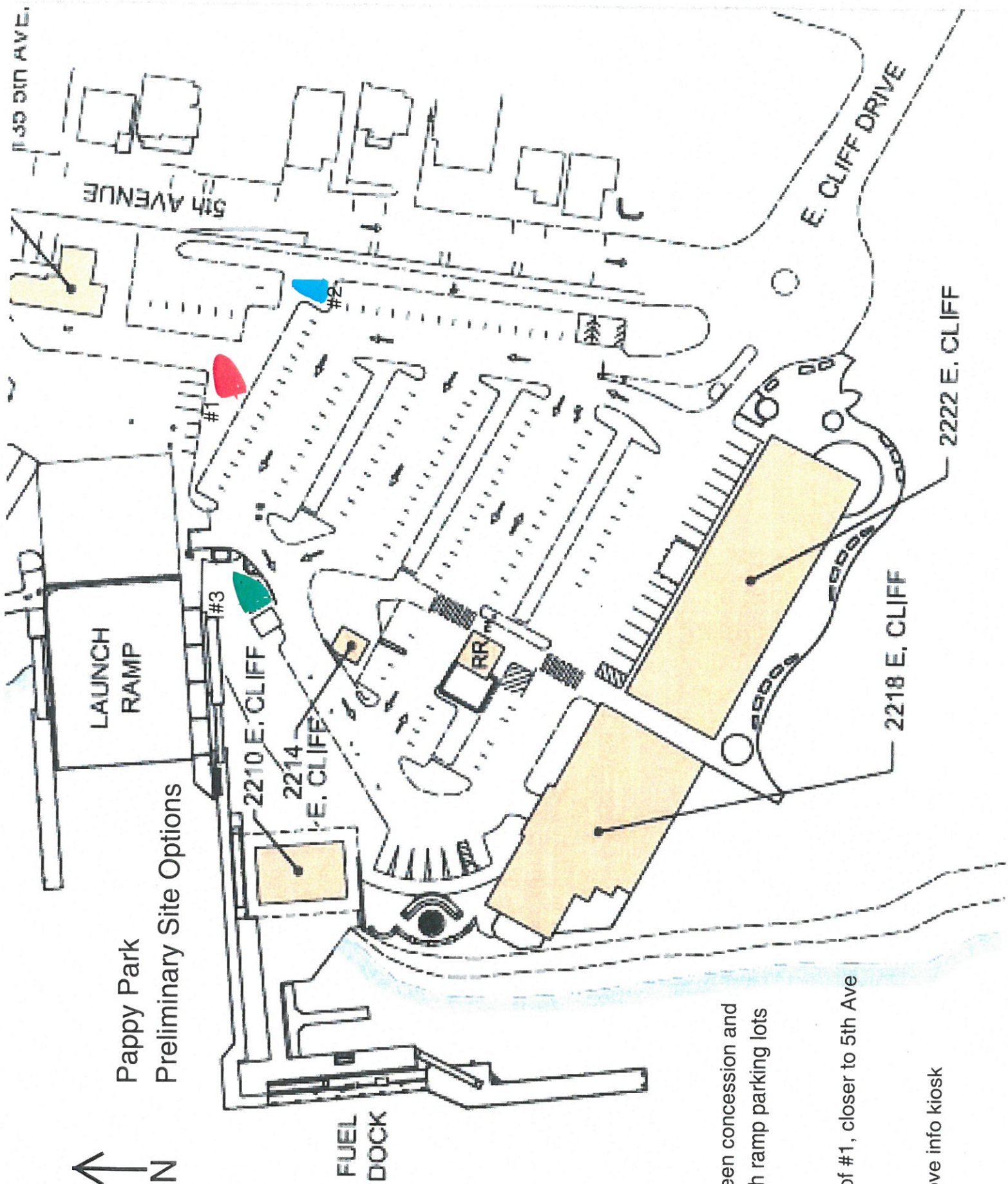
Next Steps

In the near term, consider options for displaying and supporting *Pappy*.

The ad hoc committee is seeking preliminary input from Commissioners, staff and the public.

Staff will provide input directly to the committee on site options and whether a static display is preferable to keeping *Pappy* operable.

The committee will weigh the input received and work to refine a recommendation and cost estimate for siting and developing *Pappy* Park for consideration by the full Commission at a future meeting. The committee is also considering options for augmenting the Port District's \$20,000 capital improvement plan budget, possibly through solicitation of private donations.



Pappy Park
Preliminary Site Options

- #1 Between concession and launch ramp parking lots
- #2 East of #1, closer to 5th Ave
- #3 Remove info kiosk



Harbormaster's Report
 Regular Public Session of May 22, 2018

Boatyard Report:

Service	April 18'	Mar 18'	Feb 18'
Haul outs	20	18	23
Hang in straps	10	11	4
Haul from water onto trailer	0	0	0
Splash	20	21	21
To/From Trailer	1	1	1
Crane Ops	1	4	3
Masts	0	0	0
Trailerred Boats (No Lift)	0	0	0

Harbor Activities/Events/News:

Staff hosted a harbor business roundtable meeting to discuss a variety of topics, including the Twin Lakes Beachfront Improvement Project, opening of salmon season, harbor business employee parking, water taxi operations and other upcoming events.

Recreational rockfish season opened to boat-based anglers on April 1, 2018, and recreational salmon season opened April 7, 2018. The launch ramp remains active.

Santa Cruz Yacht Club hosted a Commodore's Regatta on April 14, 2018, to celebrate its 90th anniversary.

Staff and Chairman Smith met with U.S. Coast Guard Captain of the Port, Anthony Ceraolo. A variety of topics were discussed, including U.S. Department of Homeland Security grant opportunities, trainings and seasonal interactions between Harbor Patrol and Coast Guard Monterey.

Staff hosted a safety presentation for UCSC rowing students. The presentation was well received, and staff hopes to offer this training again in the future.

The Port District has been awarded nearly \$3,500 in judgments from two small claims court cases, related to "bad debt"/unpaid customer accounts.

Training/Conferences:

During the past month, harbor staff participated in the following training:

Latent Print Training:

Santa Cruz County Sheriff's Office provided a latent print training, including where to look for prints based on the type of crime and point of entry, how to apply dust, and how to recover prints.

Marine Electronics Navigation Training:

The Port District's SIMRAD Marine Electronics representative provided marine electronics navigation training. Topics presented included: chart plotting, radar, side-scan sonar, transducer performance, data archive, and other features associated with *Almar's* recent software upgrade.

California Boating Safety Officers Association Training Symposium:

One Deputy Harbormaster participated in the California Boating Safety Officers Association (CBSOA) 3-day training symposium. Topics presented included: Division of Boating and Waterways (DBW) updates, legislative updates, aerial drones, Cal OES-Side scan sonar, dive operations, and homeland security/terrorism in a maritime environment. U.S. Coast Guard, Cal OES, and DBW offered a variety of presentations and discussions.

Fuel Prices

Unleaded	\$4.35
Diesel	\$3.59
Commercial Diesel	\$3.49



Facilities and Engineering Manager's Report

Public Meeting of May 22, 2018

North Harbor Dredging

North harbor dredging has ended for the season. Crews made significant progress deepening the X-J Channel and are prepared to work hard and address the remainder of the shoaling next season.

North harbor dredging resumes October 1, 2018. Areas to be dredged next season are the X-J channel, the west J-Dock fairway and the area in between J-Dock and I Dock. Crews plan to utilize the Toyo pump more regularly next season.

Entrance Dredging

Entrance dredging ended for the season on April 30, 2018. Crews achieved good depths in the federal entrance channel and were able to address areas that have not been dredged in recent past seasons, such as the north-west side near AA-Dock and the fuel dock extension.

Crews plan to move *Twin Lakes* to her off-season mooring on May 31, 2018.

Dredging Demobilization

Crews have begun to demobilize the dredge operation and have successfully moved pipeline from harbor beach and the north harbor to its off-season storage area (near the west access wall).

Squirt has been towed to the boatyard and will be hauled out for routine repair and maintenance.

Maintenance Operations

Dock Gate Fabrication

Crews have begun to fabricate new dock gates. Crews have fabricated 16 gate wings to date, and are scheduled to begin installing the new gates at the harbor's south-east docks in early June. Crews have replaced the I-Dock gate with a newly fabricated aluminum gate.

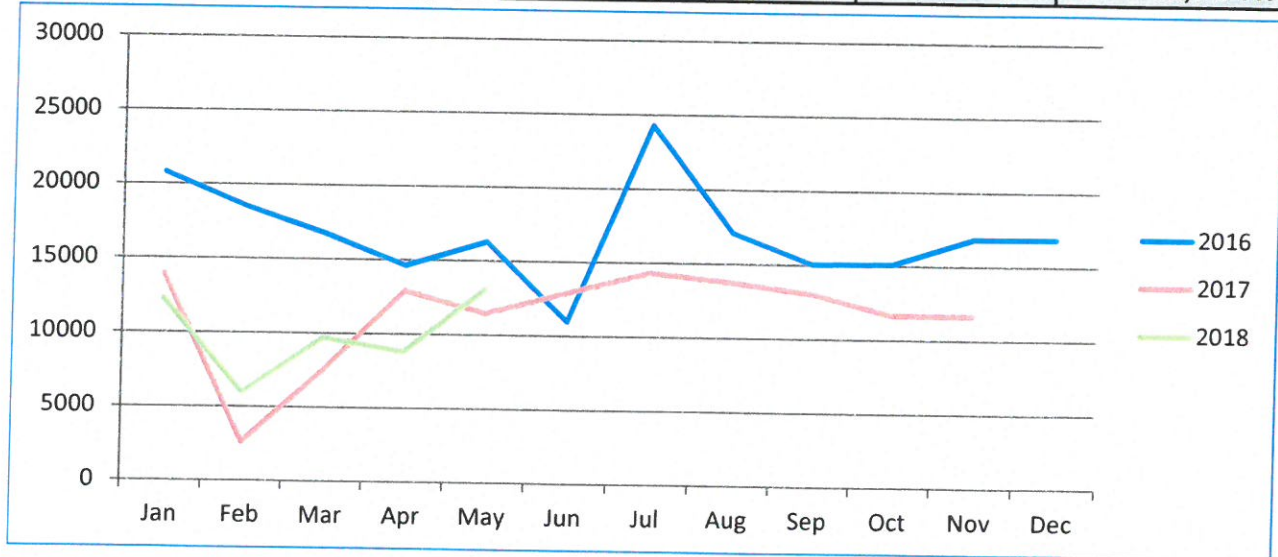
Weed-A-Thon

The maintenance crew worked together and weeded approximately 75% of the harbor and laid down ground cover.

Santa Cruz Port District
60 DAY DELINQUENT ACCOUNTS

The following accounts have balances 60 days delinquent as of May 16, 2018.

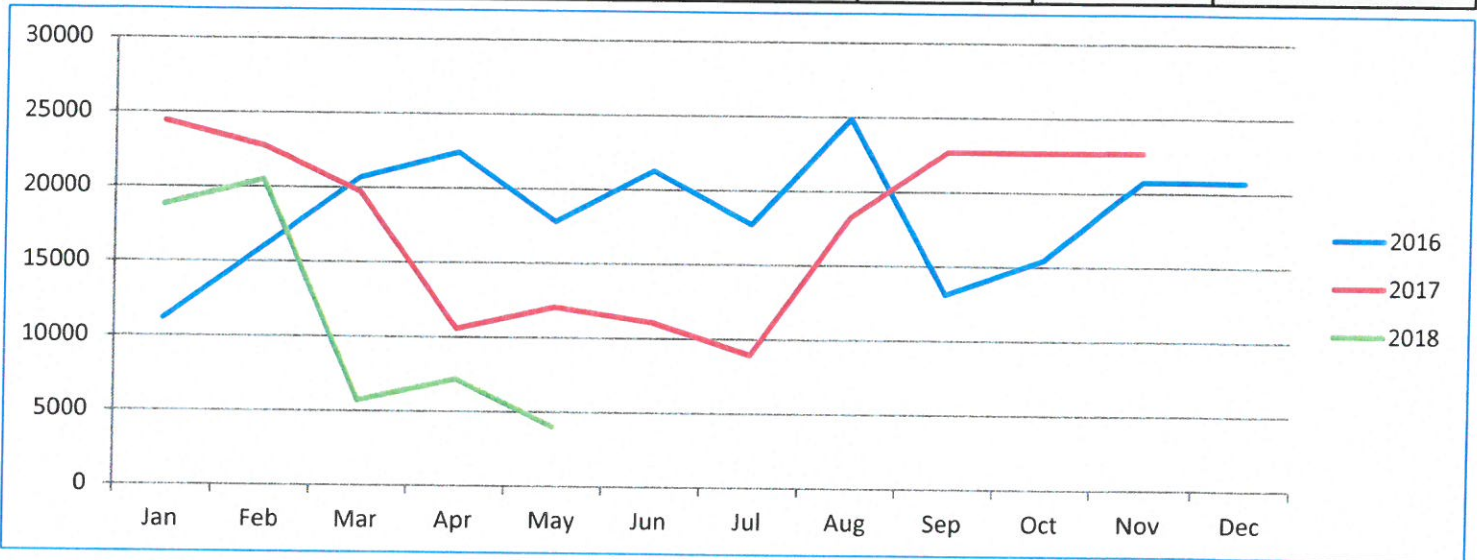
Account Number	Current Month	30 Day Balance	60 Day Balance	90 Day Balance	Total Balance
2210	1,278.66	1,271.06	1,074.11	0.00	3,623.83
57376	741.16	703.63	490.55	0.00	1,935.34
3161	503.17	499.25	462.00	0.00	1,464.42
55885	450.32	418.70	376.20	0.00	1,245.22
3529	451.67	448.15	114.52	0.00	1,014.34
2617	316.26	313.87	194.31	0.00	824.44
45853	412.08	383.89	22.40	0.00	818.37
47262	264.87	262.91	231.36	0.00	759.14
3094	257.23	257.10	10.79	0.00	525.12
2892	179.72	178.45	149.23	0.00	507.40
57131	79.89	139.13	27.26	0.00	246.28
56036	88.28	81.82	8.47	0.00	178.57
Total:	5,023.31	4,957.96	3,161.20	0.00	13,142.47



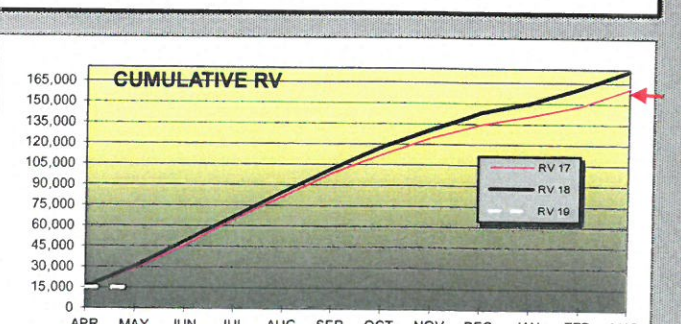
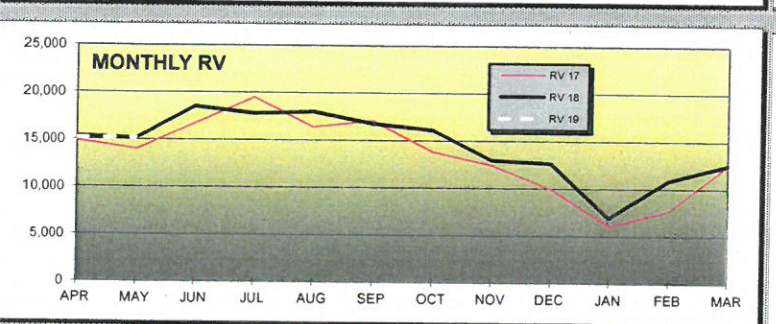
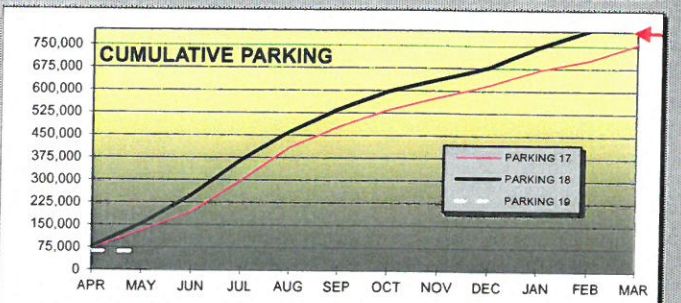
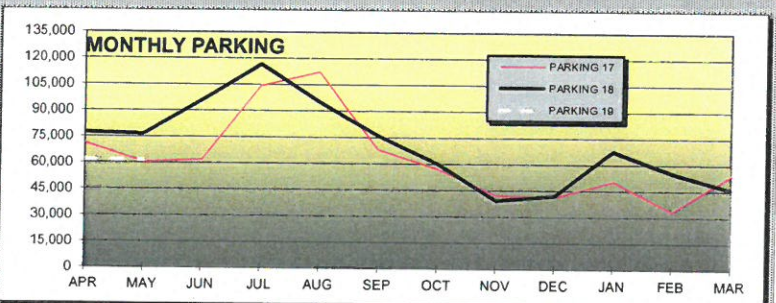
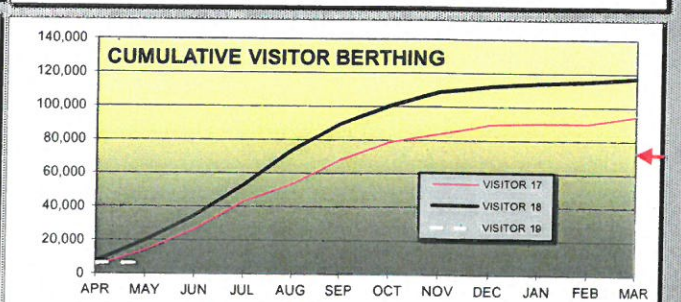
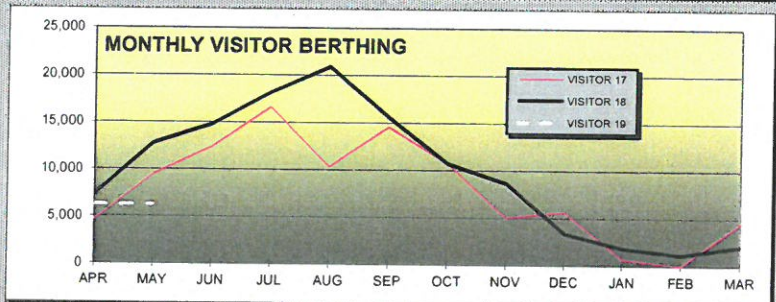
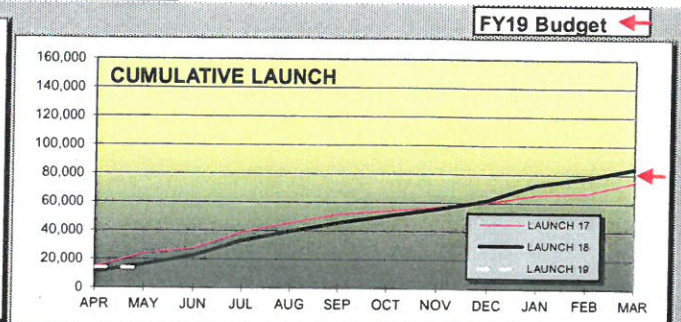
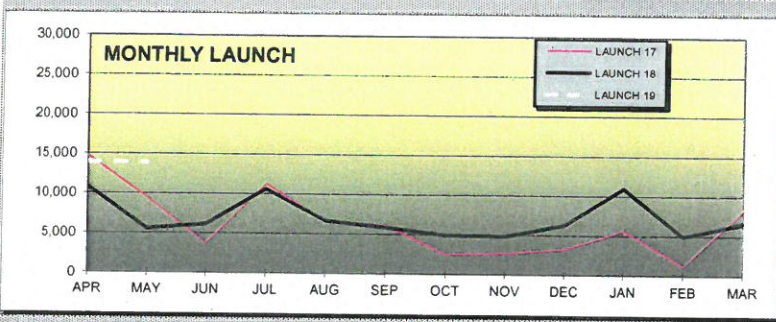
Santa Cruz Port District
90+ DAY DELINQUENT ACCOUNTS

The following accounts have balances 90 days delinquent or greater as of May 16, 2018.

Account Number	Current Month	30 Day Balance	60 Day Balance	90+ Day Balance	Total Balance	Commercial Slip	Action
55583	432.23	428.91	418.75	319.06	1,598.95		Revoke effective 5/31/18
45545	339.53	336.97	328.47	300.96	1,305.93		Revoke effective 5/31/18
56994	87.85	87.36	85.72	506.14	767.07		Revoked / Liened
48858	0.00	0.00	27.31	305.11	332.42		Revoke effective 5/31/18
TOTAL:	859.61	853.24	860.25	1,431.27	4,004.37		



SEASONAL INCOME



Santa Cruz Harbor
Commissioners Meeting

May 14, 2018

Re: Sea Scouts Ship 669

Harbor Commissioners:

With Jim Bosso's illness my brother in law, Ken Kohler and I have been asked to take over the Sea Scouts Ship Steeves. I have been involved with Boy Scouts for over 8 years and the last four as Scoutmaster for Troop 674. Ken has been involved with Boy Scouts and Sea Scouts for the past 12+ years. His two boys have earned the rank of Eagle Scout as my son has and his boys have been Sea Scouts with Jim Bosso.

We are planning on revitalizing the program. Currently we have 4 Scouts, 3 girls and 1 boy. They have continued to have meetings and trainings about once a month with a few volunteers. We have taken the Steeves out three times this past month after minor repairs. We are putting together a group of 10-15 men and women who have expressed interest over the past few months to get actively involved.

Although we are late in recruiting new Scouts we will start our program by the end of June. Our plan is to have a program where the ship will be out on the water 3 times a month with our Scouts and also advertising the Sea Scout program.

There is some maintenance that the Steeves needs and we are drawing up schedules to address them. We plan on hauling her out next year and will be fundraising for this and our activities for the Scouts.

We envision our Scouts to be more active in and around the harbor. Not only working and learning about the Steeves but getting involved and learning about everything related the Monterey Bay Sanctuary. We will be reaching out to the yacht club, to the local kayak and SUP vendors and others to get the Scouts on the water.

I have also reached out to the Air National Guard, Fish and Wildlife to get our Scouts interested in what these and other agencies do on the water. They seem more than happy to have the opportunity to show our Scouts what they do. I plan on contacting more agencies to get involved.

The Sea Scouts have enjoyed a good relationship with the harbor. We look at continuing that and building on it to where our Scouts help working the different events and become more active in and around the harbor.

We believe in the program and want to see more youths on the water enjoying all that Monterey Bay has to offer.

Thank you,

Kevin Melrose

Ken Kohler

TO: Port District Commission
FROM: Latisha Marshall, Harbormaster
DATE: May 4, 2018
SUBJECT: Crime/Incident/Citation Report April 2018

Crime Reports, Assists Outside Department and Incident Reports:

- 04/05/18 Harbor Patrol took an incident report after a car was burglarized in the area of 493 Lake Avenue. Harbor Patrol forwarded suspect information to local law enforcement agencies, and a county wide bulletin of the suspect's vehicle information was issued.
- 04/06/18 Harbor Patrol took an incident report after a tree branch fell on a vessel stored in the 7th and Brommer dry storage parking lot. Maintenance staff removed the branch. No injuries were reported.
- 04/13/18 Harbor Patrol responded to a report of a verbal altercation in the area of J-Dock. The subjects were warned and separated, and did not want to pursue the matter further.
- 04/14/18 Harbor Patrol took a stolen property report after a subject reported that his kayak was taken from the storage racks near A-Dock. The stolen property was entered into the national crime information center database. No suspect information available.
- 04/16/18 Harbor Patrol took a report of an abandoned vehicle in the area of 333 Lake Avenue.
- 04/17/18 Harbor Patrol took an accident report after a vessel's prop collided with submerged rip rap while exiting his slip on C-Dock. The vessel sustained damage to its rudder, keel, propeller, and propeller shaft and shaft tube. No injuries were reported.
- 04/20/18 Harbor Patrol took a stolen property report after a subject reported that his bicycle was taken from the racks in the area of 2222 East Cliff Drive. No suspect information available.
- 04/24/18 Harbor Patrol took an incident report after a subject reported that he lost his cellphone in the area of 493 Lake Avenue.

Search/Rescue/Recovery:

- 04/01/18 Harbor Patrol responded to a report of a cliff rescue in the area of West Cliff Drive and David Way. Prior to Harbor Patrol's arrival, the fire department cancelled the call.

- 04/04/18 Harbor Patrol responded to a report of a swimmer in distress in the area of West Cliff Drive and Columbia Street. Once on scene, it was discovered that the swimmer was not in distress. Harbor Patrol returned to the harbor without further incident.
- 04/04/18 Harbor Patrol responded to a report of a swimmer in distress in the area of Steamer Lane. Prior to Harbor Patrol's arrival, the swimmer self-rescued.
- 04/09/18 Harbor Patrol responded to a report of a vessel in distress in the area of Davenport Beach. Prior to Harbor Patrol's arrival, the fire department cancelled the call.
- 04/14/18 Harbor Patrol responded to a report of a vessel in distress in the area of Pleasure Point. Harbor Patrol towed the vessel back to the harbor without further incident. No injuries were reported.
- 04/30/18 Harbor Patrol responded to a report of a surfer in distress in the area of Natural Bridges State Beach. Once on scene, it was discovered that four surfers were in distress. Harbor Patrol assisted the victims on to the *Almar* patrol boat and transported them to the harbor without further incident. No injuries were reported.

March Parking Citations: 232

Congress of the United States
House of Representatives
Washington, DC 20515-0520

April 19, 2018

The Honorable Mick Mulvaney
Office of Management and Budget
Eisenhower Executive Office Building
1650 Pennsylvania Avenue, NW
Washington, DC 20503

Dear Director Mulvaney,

As you begin to evaluate considerations for the US Army Corps of Engineers (Corps) Fiscal Year 2018 (FY18) work plan, I am writing to request assistance in assigning \$449,000 in the operation and maintenance account for the Santa Cruz Harbor. These funds are critical to maintaining safe and navigable depths in Santa Cruz Harbor's federal channel.

The Santa Cruz Port District (SCPD) is a federal navigation project and harbor of refuge along the central coast of California. It requires annual dredging which the SCPD performs with their own dredge under a cost sharing agreement with the federal government. Pursuant to a 2015 Memorandum of Agreement (MOA) between the Harbor and the Assistant Secretary of the Army for Civil Works, the Corps is required to reimburse the Harbor for the federal cost share of dredging the federal channel. The federal cost share was set at \$385,000 per year in an Economic Update Report dated June 28, 2011, which covers roughly one third of the annual dredging costs performed by the Harbor. The \$449,000 request being made in the FY18 Corps work plan represents the \$385,000 federal cost share for FY18, plus a \$64,000 shortfall carried over from previous fiscal years (FY17 and FY16).

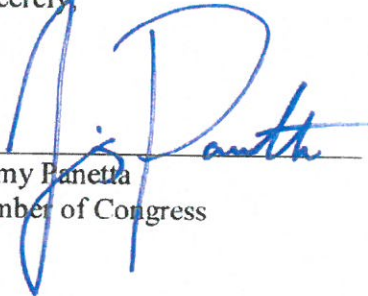
SCPD is the only small craft harbor of refuge that has agreed to share in the cost of performing the Corps' work of annual maintenance dredging. SPCD recently purchased a new \$5 million dredge, *Twin Lakes*, which was put into service in November 2016. SPCD is paying a significant portion of the dredging costs to maintain the federal channel. As the non-federal sponsor, they have performed dredging operations under MOA with the USACE since 1986, ensuring a safe and navigable entrance channel. Continued dredging operations can only occur with continued federal funding as agreed to in the MOA.

In addition to commercial operations such as commercial fishing, charter operations, contractors and educational programs, SCPD supports a presence by the U.S. Coast Guard (USCG). USCG maintains Station Small Santa Cruz on a seasonal basis through a mutual aid agreement, while SCPD provides first response search and rescue when USCG Station Santa Cruz is unmanned. SCPD's marine rescue unit responded to 158 search and rescue calls in 2016-17, functions that simply cannot be performed without a safe and navigable channel in place. Additionally, Santa

Cruz Harbor also provides berthing for the California Air National Guard and City of Santa Cruz's fire boat.

I recognize the many competing interests seeking limited funding in the Corps FY18 work plan, but I hope that the significant financial contributions being made by SCPD will be recognized. The local sponsor is committed to the safety and viability of the country's maritime interests, and reimbursement of these funds in the the FY18 work plan is critical to the continuation of this mission. Thank you for your attention to this modest, but important, request.

Sincerely,



Jimmy Panetta
Member of Congress



O'Neill Sea Odyssey provides a hands-on educational experience to encourage the protection and preservation of our living sea and communities

2222 East Cliff Drive #222

Santa Cruz, CA 95062

831.475.1561

831.462.9188 FAX

oneillseaodyssey.org

May 1, 2018

Dear Port Commission,

We'd like to offer a heartfelt thank you for your support, and to ask you to consider making a gift to O'Neill Sea Odyssey (OSO) for the upcoming 2018-2019 school year. Your gift will be matched dollar for dollar, up to \$20,350, by OSO's Board of Directors! We will serve our 100,000th student this summer using a living science classroom on Monterey Bay! Your gift will help to educate and inspire the next generation of ocean stewards.

O'Neill Sea Odyssey engages 4th - 6th grade youth with a hands-on science education field trip on a 65-foot catamaran on Monterey Bay and in a shore-side education center, in addition to ocean science curriculum provided for the classroom. It is free, and each class completes a community service project. We also fund bus transportation for lower income schools. *Our mission is to provide a hands-on educational experience to encourage the protection and preservation of our living sea and communities.*

Your support will help propel us into the future as we continue to educate the next generation of students. Many will be among those to help solve our world's environmental problems. Our 100,000th student campaign has been a remarkable way for our supporters to monitor, and support our progress. You can follow the campaign on Instagram, Facebook or Twitter, or on our campaign website at oso100k.org.

Your gift will make a lasting impression on the next generation and its impact will be doubled with our Board's match. Thank you so much for your support!

Sincerely,

Bridget O'Neill
Board of Directors' Chair

Dan Haifley
Executive Director

PS: You can provide a lasting gift to OSO's endowment fund at the Community Foundation of Santa Cruz County by naming OSO in your will, or by providing a gift of stock or real estate. To learn more about the tax benefits involved and its benefit to youth and the ocean, please contact dhaifley@oneillseaodyssey.org.

Port Commission Review Calendar 2018-19

2018

January-March

- ✓ Committee assignments for 2018
- ✓ Sea Scouts' bi-annual report
- ✓ Slip vacancy bi-annual report / waiting list statistics
- ✓ FY 19 Budget
- ✓ Review 5-year CIP
- ✓ Ethics Training Update
- ✓ Form 700 Filing (due by 03/31 each year)

April-June

- ✓ Intero lease exp. 5/31/18 (no option)
- ___ Dredge Report 2017-18
- ___ 2017 Vessel Use List Review

July-September

- ___ 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
- ___ Review / amend conflict of interest code

October-December

- ___ Annual review of business use of slips
- ___ Ethics training (Dec 2018)
- ___ Port Commission officers for 2019
- ___ Update on Murray Street Bridge Project
- ___ Biennial Update to Conflict of Interest Code

Committee Review Items (timeline not specified)

- ___ Review sublet fee structure, partnership fee structure, vessel use list and monthly end-tie rates (Business-Finance Committee)
- ___ Review of vessel use list policies (Policy/Operations Committee)
- Discuss insurance requirements for licensees (Policy/Operations Committee) review in process; future public workshop scheduled April 26, 2018

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

July-September

- ___ 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

Future Calendar

- ABC End-Tie review after Murray Street Bridge Retrofit
- March 2020 Marc Kraft PY&S sublease extension (2 years)

Updated 05/17/18

Progress/CommissionReviewCalendar-2018.doc

Key

- ___ Pending
- In process
- ✓ Done