

MINUTES
BOATING AND WATERWAYS COMMISSION MEETING
SAN DIEGO, CALIFORNIA
November 18, 2004

Pursuant to due and regular notice, the meeting of the Boating and Waterways Commission was called to order by Chairman Joseph P. Sharpe, on November 18, 2004, at 8:30 A.M., at 333 West Harbor Drive, Marriott Hotel, San Diego, California.

ROLL CALL

Commissioners Present: Joseph P. Sharpe, Chairman
 Warren E. Rupf, Vice Chairman
 Lenora S. Clark
 Jon S. Fleischman
 Charles P. "Bud" Johnson
 Robert Y. Nagata
 H.P. "Sandy" Purdon

Department of Boating and
Waterways Personnel Present: Raynor Tsuneyoshi, Director
 Joy Fisher, Staff Counsel
 Ron Flick, Ph.D, Oceanographer
 David Johnson, Acting Deputy Director
 Steve Watanabe, Acting Chief, Boating Facilities Division
 Harold Flood, Supervisor of Planning, Facilities Division
 Mary Just, Associate Governmental Program Analyst
 Margarita Sanchez, Administrative Assistant

APPROVAL OF MINUTES

MOTION: It was moved by Commissioner Purdon and seconded by Commissioner Johnson that the Boating and Waterways Commission minutes of the August 12, 2004, meeting be approved. The motion carried unanimously.

CHAIRMAN'S REPORT

Chairman Sharpe reported that the subcommittee that was formed to address the legislative questionnaire on the Boating and Waterways Commission had met twice and that much was accomplished. He stated the questionnaire was from Senator Liz Figueroa, Chair of the Joint

Committee on Boards, Commissions and Consumer Protection (JCBCCP). Chairman Sharpe thanked subcommittee members, Commissioner Rupf, Department staff, and Messrs. Boss, Macken, and Taylor for their contribution. He stated that a meeting with the JCBCCP had been scheduled for December, but was cancelled and that no new date has been scheduled. Chairman Sharpe indicated that he would like to have Mr. Boss and Mr. Macken attend any future meetings.

DIRECTOR'S REPORT

Mr. Tsuneyoshi mentioned that Mr. Douglas Parsons, Superintendent, City of Long Beach, is in the hospital and that we all wish him a speedy recovery. He thanked Commissioner Purdon for hosting a very nice reception and stated that the evening's view and hospitality were fantastic.

Mr. Tsuneyoshi updated the Commission on the California Performance Review. He indicated that seven public meetings were held around the state and that the Legislature will consider the reorganization plan in 2005.

Mr. Tsuneyoshi mentioned that in reporting to Senator Liz Figueroa's questionnaire on the Boating and Waterways Commission, it was discovered that the Department will mark its 50th anniversary on September 11, 2007. He added the Department will look into ways to mark this event.

Mr. Tsuneyoshi reported that the National Transportation Safety Board is recommending that the Coast Guard impose a mandatory use of life jackets, but that about half of the boating law administrators and the National Marine Manufacturers Association oppose this.

Mr. Tsuneyoshi also mentioned that the Department has teamed up with the Department of Water Resources, Fish and Game, and Parks and Recreation to support the "Catch a Special Thrill Foundation," known as CAST. He said CAST provides quality recreational opportunities for disabled and disadvantaged children and increases the awareness of all participants of the capabilities of children with disabilities.

LEGISLATIVE REPORT

Mr. Johnson reviewed the Legislative Report and gave the Commission an update of legislative matters concerning the Department. Copies of the Legislative Report were available to the public and Mr. Johnson was available to answer questions from the Commission Members.

Mr. Johnson informed the new members of the Commission that the Legislative sessions are two year sessions and that bills introduced in 2005 will not be dead until the end of 2006. He added that the Legislature usually meets between January and August. Mr. Johnson indicated that the Resources Agency has asked that Commissions not take positions on bills, but he noted from time to time the Boating and Waterways Commission has taken a stand on a few bills, such as, SB 1043 from 2003 and 2004.

Mr. Johnson reported briefly on the following bills: AB 2222 (Koretz), Carbon Monoxide, Vessels; AB 2566 (Nakano), Motorboat Noise Level; AB 2636 (Strickland), Boating and Waterways

Commission, Specified Member; AB 2665 (Leslie), Boating Funds, Limits of Use-Private Loan Program Conditions; SB 136 (Figueroa), Professions and Commissions; SB 1100 (Senate Committee on Budget and Fiscal Review).

Commissioner Purdon asked if AB 2222 has addressed the issue of standing on the swim step while the engine is running and being docked. Mr. Johnson responded he was not sure of the language of the bill but that he will review it and send the Commission an answer.

CONSIDERATION OF PUBLIC GRANTS

Mr. Flood presented to the Commission for its advice and consent the following request for public grants.

Pepper Park Boat Launching Facility

Request for a Department of Boating and Waterways phase I grant of \$103,000 to the San Diego Unified Port District (Port) to make improvements to the Pepper Park Boat Launching Facility. The phase I funding would be for the planning and engineering phase of this project. The total amount of the grant would be \$793,000.

The Pepper Park Boat Launching Facility is located within the city of National City, along the north bank of the Sweetwater Flood Control Channel.

Mr. Flood indicated the proposed project would entail the following: 1) demolition of the existing launch ramp and construction of a new eight-lane boat launching ramp (the Port will fund four lanes), 2) installation of two new pile-guided boarding floats, 3) slurry sealing and restriping of the parking area, 4) renovation of the restroom for ADA requirements, and 5) addition of signage.

Ms. Maryanne Kind, Grants Coordinator and Mr. Raul Varela, Manager, Maritime Engineering and Construction, were available to answer questions from the Commission.

Mr. Flood stated that staff recommended that the Commission consent to the project.

Commissioner Purdon asked if the Port has the option of not installing the four lanes that they are responsible for. Mr. Flood responded yes, and that the four lanes will be removed from the project if no funding is available to the Port. Mr. Varela added that the Port is going to the Board to secure additional funding for this project.

Commissioner Purdon asked if the \$164,000 for the boat launching ramp is already in the Port's capitol improvement project. Mr. Varela responded no, but that the Port's capitol improvement project will be approved by the San Diego Unified Port District Board of Port Commissioners (Board) on November 30th and will at that time request the additional funding.

After discussion, Commissioner Purdon motioned that the Boating and Waterways' funding to the Port be contingent upon \$164,000 that the Port will approve on November 30th with their capitol improvement project.

MOTION: It was moved by Commissioner Purdon and seconded by Commissioner Fleischman that the Commission consent to the phase I grant of \$103,000 to the San Diego Unified Port District to make improvements to the Pepper Park Boat Launching Facility and is contingent upon the San Diego Unified Port District to obtain \$164,000 capitol improvement project approval from the Board on November 30, 2004.

Commissioner Rupf asked that the amount be amended to \$205,000 instead of \$164,000. Mr. Flood responded that the \$205,000 listed in the Feasibility Report includes other contingencies and might not be necessary. Mr. Flood also pointed out that the Department normally does not require that the grant recipients put in money of their own into the projects.

Commissioner Purdon suggested that the motion be reworded to state a minimum of \$164,000 to a maximum of \$205,000, depending upon what the contingencies are. Mr. Flood suggested rewording the motion to a condition that the four lanes get constructed, which might be less expensive by the Port, and so that no dollar amount is stated.

Mr. Varela stated that the action at this time is just for design and it may take nine to twelve months to obtain the proper permits. He asked if the Commission would provide the grant funding to start the design phase and at another Commission meeting the Commission can either approve or deny funds for construction. Mr. Varela added that he anticipates having proper funding to provide the Port's share for the four lanes by that time if not sooner. Mr. Flood clarified that the Port would like the Commission to consent to the phase I funding of \$103,000 without the Port guaranteeing any funds so they can get started on the project and when this project comes before the Commission next year for construction funds, then the Commission can put the condition on the Port to come up with whatever funds are required to add the additional four lanes.

Mr. Flood added that the Department's contract with the Port requires that the project be completed or the money will be returned to the Department.

MOTION: It was moved by Commissioner Purdon and seconded by Commissioner Fleischman that the Commission consent to the phase I grant of \$103,000 to the San Diego Unified Port District to make improvements to the Pepper Park Boat Launching Facility, with the condition that the San Diego Unified Port District be a full partner with a minimum amount of \$164,000 and a maximum amount of \$205,000. The motion carried unanimously.

Shelter Island Boat Launching Facility

Request for a Department of Boating and Waterways phase I grant of \$200,000 to the San Diego Unified Port District (Port) to make improvements to the Shelter Island Boat Launching Facility. The phase I funding would be for the planning and engineering phase for this project. The total amount of the grant would be \$1,675,000. The Shelter Island Boat Launching Facility is located along the northern shore of San Diego Bay on a small peninsula connected to Point Loma.

Mr. Flood indicated the proposed project would entail the following: 1) earthwork, 2) dewater site, 3) demolish existing launch ramp and construct new eight-lane boat launching ramp, 4) install new boarding floats, 5) reconfigure/repave maneuvering area, 6) reconfigure/repave turnaround, 7) construct a PWC launch ramp, and 8) add signage.

Ms. Maryanne Kind, Grants Coordinator and Mr. Raul Varela, Manager, Maritime Engineering and Construction, were available to answer questions from the Commission.

Mr. Flood indicated that staff recommended that the Commission consent to the project.

Commissioner Johnson asked if the 65 feet of breakwater and wave action will be considered in the design of the boat launching facility. Mr. Varela responded that it would be considered.

MOTION: It was moved by Commissioner Johnson and seconded by Commissioner Purdon that the Commission consent to the phase I grant of \$200,000 to the San Diego Unified Port District to make improvements to the Shelter Island Boat Launching Facility. The motion carried unanimously.

Mr. Varela thanked the Commission.

Dana Point Harbor Boat Launching Facility

Request for a Department of Boating and Waterways phase I grant of \$200,000 to the County of Orange to make improvements to the Dana Point Harbor Boat Launching Facility. The phase I funding would be for the planning and engineering phase for this project. The total amount of grant would be \$2,541,000. Dana Point Harbor is located in the City of Dana Point, along the southern shoreline of Orange County.

Mr. Flood indicated the proposed project would entail the following: 1) demolition and reconstruction of the eight-lane boat launching ramp, 2) construction of a new ramp apron, 3) installation of three new boarding floats, 4) construction of a boat washdown area, 5) rehabilitation/reinforcement of the south wharf wall, 6) installation of slope protection, 7) reinforcement of the cut-off wall on the north side of the ramp, 8) installation of drainage, 9) installation of lighting, and 10) installation of signs.

Mr. Paul Laurence, Manager, Dana Point Harbor Administration, Mr. Mark Browning, Program Manager, and Mr. Tom Townsend, Grants Officer were available to answer any questions from the Commission.

Mr. Flood indicated that staff recommended that the Commission consent to the project.

Mr. Flood reported that Commissioner Fleishman had visited the proposed project site.

Commissioner Fleishman informed the Commission that he has no conflict of interest with this project. He stated for the record that his employer is the County of Orange and that he is employed by the Sheriff's Department in Orange County.

Commissioner Fleishman reported that the boat launching facility is in a significant state of deterioration and recommends approval.

Commission Purdon asked what would the \$200,000 grant pay for. Mr. Flood responded the funds would help the County of Orange get started with the planning and engineering phase of the project. Commissioner Purdon asked how the remaining \$2,300,000 will be obtained. Mr. Flood responded that some or all of the money would be put into the 2005/06 budget for construction and any remainder monies would be carried over to the 2006/07 budget.

MOTION: It was moved by Commissioner Johnson and seconded by Commissioner Rupf that the Commission consent to the phase I grant of \$200,000 to the County of Orange to make improvements to the Dana Point Harbor Boat Launching Facility. The motion carried unanimously.

CONSIDERATION OF PUBLIC LOAN

Mr. Flood presented to the Commission for its advice and consent the following requests for public loans.

Dana Point Harbor Marina

Request for a Department of Boating and Waterways phase I public loan of \$1,500,000 to the County of Orange (County) to improve the Dana Point Harbor Marina. The total amount of loan would be \$15,000,000. The County proposes to fund the improvements in three stages of approximately \$15,000,000 over six to ten years. Dana Point Harbor is located in the City of Dana Point along the southern shoreline of Orange County.

Mr. Flood reported the proposed project would cover the following: 1) demolition and reconstruction of 240 berths in the East Marina, 2) demolition and reconstruction of 500 berths in the West Marina, 3) installation of gangways in both marinas, 4) fortification of the bulkhead, 5) replacement of dock utilities, 6) reconfiguration of a parking area, and 7) construction of a new harbormaster office/public restroom building.

Mr. Paul Laurence, Manager, Dana Point Harbor Administration, Mr. Mark Browning, Program Manager, Mr. Tom Townsend, Grants Officer, and Mr. Kevin Thomas, Director of Harbors Beaches and Parks, Orange County, were available to answer any questions from the Commission.

Mr. Flood indicated that staff recommended that the Commission consent to the project.

Mr. Flood reported that Commissioner Fleishman had visited the proposed project site.

Commissioner Fleishman recommended approval of the proposed project.

Commissioner Purdon asked what the plan is for the County to bring the slip rates up to market rate. Mr. Thomas responded that two independent market studies have been done, one internal by the operator and one external by a consultant doing the Environmental Impact Report (EIR). He stated that they intend to bring the rates up to market. Mr. Thomas added that prior to the County taking over the landlordship of the harbors, the rates structure was that every three years there would be an increase not to exceed 4% and to be followed in the fourth year by a market study. He stated that the County will be researching the possibility of a different sort of structure in terms of how and when the County increases the rates in order to stay at market rate.

Commissioner Purdon asked if the County has a Consumer Price Index (CPI). Mr. Thomas responded that the rates currently based on CPI every three years, not to exceed 4% and after that, the rates are at market rates. Mr. Flood added that the contract requires that the County raise the rates by the CPI annually.

Commissioner Rupf asked that it would be helpful if time could be spent discussing the impact of future loans if the Commission approves the two first phase loans before them. Mr. Flood responded that the impact would depend on the Department's funding. He added that in the past, there has been funding between \$20,000,000 and \$70,000,000 per year for construction projects and funding would depend upon the Motor Vehicle Fuel Accounts' fund, repayment of existing loans and what the legislature approves. Mr. Flood reported that the Department will not know until January what the 2005/06 budget is and that large projects do hamper what the Department can do with regards to future projects. He said these proposed projects are one of three projects, the other two projects the Commission will not see for a year or two.

Commissioner Johnson stated that the existing facility needs improvement and recommends approval.

MOTION: It was moved Commissioner Johnson and seconded by Commissioner Clark that the Commission consent to the phase I public loan of \$1,500,000 to the County of Orange to improve the Dana Point Harbor Marina. The motion carried unanimously.

Mr. Thomas thanked the Commission.

San Francisco Marina West Harbor

Request for a Department of Boating and Waterways phase I public loan of \$1,500,000 to the City and County of San Francisco to improve the West Harbor at the San Francisco Marina. The total amount of loan would be \$16,500,000. The San Francisco Marina is located on the northern waterfront of the City of San Francisco Marina in the Marina District.

Mr. Flood indicated that the proposed project would entail the following: 1) demolish existing berths and construct reconfigured berths in the West Harbor, 2) upgrade electrical and water dock utilities, 3) install new barrier-free access gangways with security gates, 4) construct a new breakwater, 5) replace revetment, 6) remove mole, 7) dredge, and 8) improve buildings.

Mr. Brad Gross, Manager of Marina Operations was available to answer questions from the Commission.

Mr. Flood indicated that Commissioner Clark visited the proposed project site.

Mr. Flood indicated that staff recommended that the Commission consent to the project.

Commissioner Clark reported that the marina is in much need of repair and for the safety and enjoyment of the recreational boaters in the Bay, she recommends approval.

Mr. Gross apologized for the condition of the marina and reported that it had been many years in deferred maintenance. He stated that this project has been underway for about 15 years and is now in the EIR phase of the project.

Commissioner Purdon asked what the occupancy rate is and asked about the rate amount. Mr. Gross replied the occupancy rate is about 97 percent occupancy with a 500 person waiting list that has been frozen for two years. He stated the rates are low, and that a marked survey and audit was done which showed the rates should be increased, but the facility is inferior and may not warrant the increased in rates at this time. Mr. Gross added that a fee increase proposal is coming before the San Francisco Commission in January 2005.

Commissioner Purdon asked if the cash flow goes into a general fund. Mr. Gross replied that it does not. He stated that a reserve account of about \$1,300,000 has been established which will be part of the process for repaying the loan and that all money generated in the marina stays in the marina fund. Mr. Gross indicated and that the City of San Francisco cannot obtain monies from this fund.

Commissioner Nagata asked for an explanation of the fund. Mr. Gross responded that it is like a savings account, any additional revenues made in a year goes into this protected fund. The money is then used for capital projects and for emergencies. Commissioner Nagata asked if the Department has a say on how the collateral is spent. Mr. Flood responded that the Department does have a say.

Mr. Gross stated that many other generated revenues would go into the reserve account.

MOTION: It was moved by Commissioner Purdon and seconded by Commissioner Johnson that the Commission consent to the phase I loan of \$1,500,000 to the City and the County of San Francisco to make improvements to the West Harbor at the San Francisco Marina. The motion carried unanimously.

Mr. Gross thanked the Commission.

OLD BUSINESS

Martinez

Mr. Mark Ross and Ms. Jo Ann Tool, representing the city of Martinez, and Mr. Tom Hogan, of Almar Pacific, gave an update on the Martinez Marina.

Mr. Ross reported that they are in negotiation with Almar Pacific at this time and a timeline was given to Department staff.

Mr. Hogan explained the Martinez Marina timeline to the Commission.

Mr. Flood stated the timeline is on schedule as promised at the previous Commission meeting.

NEW BUSINESS

Election of Officers for 2005

MOTION: It was moved by Commissioner Purdon and seconded by Commissioner Johnson that the Commission renominate Commissioner Sharpe to serve an additional year as Chairman of the Boating and Waterways Commission. The motion carried unanimously.

MOTION: It was moved by Commissioner Fleischman and seconded by Commissioner Clark that the Commission renominate Commissioner Rupf to serve an additional year as Vice Chairman of the Boating and Waterways Commission. The motion carried unanimously.

Department of Boating and Waterways Update

Mr. Watanabe recapped the Commission field trip of November 17, 2005 and gave an update on some of the Department of Boating and Waterways completed projects.

Mr. Flick gave a presentation on studies and projects that he is involved in at the Scripps Institution of Oceanography in San Diego.

PUBLIC COMMENT

Mr. Johnson introduced Mr. Harry Monahan, Government Relations Manager of Southern California Marine Association.

COMMISSIONER ANNOUNCEMENTS

Mr. Johnson announced that the Commission will in the future meet in various locations throughout the state. He said the meetings will be held on two days, one day for a field trip and the other for the meeting. Mr. Johnson indicated that the next meeting will be held in Napa and suggested that the dates be January 5 and 6, 2005.

Commissioner Purdon suggested that the dates be moved to January 6th and 7th. Commissioner Fleishman agreed with the dates proposed by Commissioner Purdon and suggested that all future meetings be held on Thursdays and Fridays.

It was agreed by the Commission that the next Commission meeting will be January 6, 2005, with a field trip on January 5, 2005.

Commissioner Rupf suggested that at Commission meetings when there are no field trips, staff could inform the Commission on the history, process, policy and actions of the Boating and Waterways Commission.

Commissioner Rupf thanked Mr. Flick for his excellent presentation and thanked staff for arranging the meeting and field trip. He added that the Department should continue to hold the Commission meetings in places where it is more convenient for boaters. He suggested that the Commissioners give Chairman Sharpe a list of meeting places where they would like to have the Commission meetings held.

Commissioner Fleishman asked if the Commission could be notified of events, such as dedications, that the Director attends, so that if a Commissioner is in the area they may attend or observe. Mr. Johnson indicated that an e-mail could be sent to all Commissioners in the future when there is an event of interest.

Commissioner Fleishman asked that information on market rates in private and public marinas be included in the Feasibility Reports.

ADJOURNMENT

The Chair adjourned the meeting at 11:18 A.M.

Raynor Tsuneyoshi, Secretary

Attachment