



MINUTES
REGULAR MEETING
OF THE BOARD OF HARBOR COMMISSIONERS
MOSS LANDING HARBOR DISTRICT
7881 Sandholdt Road
MOSS LANDING, CA 95039
October 28, 2015 7:00 P.M.

A. CLOSED SESSION

The Board adjourned to closed session at 5:30 p.m. to discuss the following:

1. Confer with real property negotiators pursuant to Government Code §54956.8 regarding Moss Landing Commercial Park. Negotiating parties: General Manager and District Counsel.
2. Confer with legal counsel and General Manager regarding two (2) matters of litigation pursuant to Government Code § 54956.9(a): 1. Catalano vs. MLHD and 2. Deyerle vs. MLH.
3. Confer with legal counsel and General Manager regarding one (1) matter of significant exposure to litigation pursuant to Government Code §54956.9(d)(2). (EE)
4. Confer with real property negotiators pursuant to Government Code §54956.8 regarding APN 413.022.003 (NH Restaurant). Negotiating parties: General Manager and District Counsel.

B. OPEN SESSION CALL TO ORDER - PLEDGE OF ALLEGIANCE

The meeting was called to order at 7:22 p.m. After the Pledge of Allegiance, roll was called.

Commissioners present:

Russ Jeffries – President
Tony Leonardini – Vice President
Vince Ferrante – Secretary
Andrew Amaral – Commissioner
Peggy Shirrel - Commissioner

Staff present:

Linda G. McIntyre – General Manager
Mike Rodriguez – District Counsel
Tom Razzeca – Assistant General Manager
Marie Della Maggiore – Executive Assistant

C. PRESIDENT'S REMARKS

President Jeffries reported that the Board met in closed session; no reportable action was taken and direction was given to the General Manager and District Counsel.

D. PUBLIC COMMENTS

David Balch gave the Board a status update on the Peoples Moss Landing Desal Project. He said meetings and a teleconference had taken place in September and October and that they had engaged the Monterey Bay National Marine Sanctuary as the lead agency for NEPA.

E. SPECIAL PRESENTATION OF ANNUAL AUDITED FINANCIAL STATEMENT

1. Consider accepting the FYE June 30, 2015 Audited Financial Statement.
 - a. Staff report - Written report.
 - b. Public comment - Mr. Ryan Jolley of the firm Bryant L. Jolley CPA's presented the highlights of the FYE June 30, 2015 audited financial statement. He said there were no deficiencies or material weaknesses within any of the internal financial controls and no exceptions to accounting policies. He noted that he was pleased to see the debt consolidation that took place through Umpqua Bank and that overall it was a good year in revenues. He added the additional election costs and expenses stayed in line with the budget.
 - c. Board discussion - No additional discussion. The Board said they were always pleased to see a clean audit and thanked staff and Mr. Jolley.

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d. Board action - A motion was made by Commissioner Shirrel and seconded by Commissioner Ferrante to accept the FYE June 30, 2015 audited financial statement. The motion passed unanimously on a roll call vote.

F. CONSENT CALENDAR

2. A motion was made by Commissioner Ferrante and seconded by Commissioner Leonardini to approve the September 16, 2015 Rescheduled Regular Meeting Minutes. The motion passed unanimously on a roll call vote.

G. FINANCIAL REPORT

3. GM McIntyre gave the highlights of the financial report for the month ending September 30, 2015:

- Marina Revenues are higher than budgeted by \$8k. Most of the higher than budget revenue is from South Harbor Parking, which is over by \$23k, offset by lower than budgeted berthing income of \$15k.
- Marina Expenses are lower than budgeted by \$48k. The variance is a largely due to a combination of repairs and maintenance costs, utilities, and personnel expenses under budget by \$10k, \$22k, and \$18k. I think almost all of these expenses will be incurred later this year, but for right now they are running lower than budgeted.
- Marina operations shows a year to date profit of \$50k, which is higher than budgeted by \$57k.
- Lease and other operating revenue is still in line with budget, just slightly over by \$3k.
- Lease and other operating expenses are under budget by \$10k, which is from lower than budget monthly stipend and interest expense.
- Lease and other operations shows a year to date profit of \$91k, which is higher than budget by \$14k.
- Overall for the three month period combined operations show a profit of \$141k, higher than budget by \$71k.

A motion was made by Commissioner Leonardini and seconded by Commissioner Shirrel to accept the month ending September 30, 2015 financial report. The motion passed unanimously on a roll call vote.

H. MANAGER'S REPORTS

4. Projects Status/Update - Written report, no additional comments.
5. Community Relations; Requests/Issues - Written report, no additional comments.
6. Summary of Permits Issued - Written report, no additional comments.
7. Meeting Announcements - Written report, no additional comments.
8. Assigned Liveaboard Report - Written report, no additional comments.
9. Slip Income Report - Written report, no additional comments.
10. Incident Report - Written report, no additional comments.

I. COMMITTEE REPORTS

11. Finance Committee – No meetings reported.
12. Elkhorn Slough Advisory Committee – No meetings reported.
13. Special Districts – President Jeffries reported that he and Commissioner Ferrante attended the Special Districts of Monterey County meeting on October 21, 2015 and said we should expect to receive a letter from that organization soliciting donations to support a budget shortfall due to new insurance requirements.
14. Liveaboard Committee – No meetings reported.
15. Harbor Improvement Committee – No meetings reported.
16. Real Property Committee I – No meetings reported.

17. Real Property Committee II – No meetings reported.
18. Meetings attended by Commissioners at District expense since the last regular meeting of the Board (AB 1234 requirements). - Commissioner Ferrante reported that he had attended the CSDA conference in Monterey. During the conference, a group of attendees visited Moss Landing Harbor and enjoyed a tour on the Elkhorn Slough Safari. Commissioner Ferrante is in line to be Vice President of CSDA in 2016.

J. NEW BUSINESS

19. ITEM – Consider proposed increase in water rates by Pajaro/Sunny Mesa Community Services District, provide staff with direction.
 - a. Staff report - GM McIntyre gave the staff report.
 - b. Public comment - No public comment.
 - c. Board discussion - Commissioner Shirrel commented that CPI should be enough of an increase for anything, individual or business. She suggested only absolutely necessary repairs or projects be brought to the area involved and the cost shared. Commissioner Leonardini suggested a Pajaro Sunny Mesa representative be asked to attend a Board meeting to answer questions and that a representative from MLHD attend the rate hearing on November 4. Commissioner Ferrante commented that a letter is good but a voice at the meeting would be better. He added that if the District raised rates that much we would have a full house of protestors. President Jeffries also said we should send a letter of protest and have someone attend the meetings to represent our 600 slip holders that will have to pay these increases. GM McIntyre commented that MRWPCA and Waste Management also had rate hikes that we protested and, in the case of MRWPCA, we were the only ones doing so. Commissioner Leonardini also commented that the growth of PSM and the addition of new users may be costing existing customers more money.
 - d. Board action - A motion was made by Commissioner Ferrante and seconded by Commissioner Leonardini to direct the GM to write a letter of opposition to the proposed rate hikes by PSM and give a copy of the letter to Commissioner Shirrel who will attend the hearing on November 4, 2015. The motion passed unanimously on a roll call vote.
20. ITEM – Consider adopting Resolution No. 15-09 canceling the November and December regular meetings of the Board of Harbor Commissioners and fixing a substitute date therefor.
 - a. Staff report - GM McIntyre gave the staff report.
 - b. Public comment - No public comment.
 - c. Board discussion - Short discussion of available dates.
 - d. Board action - A motion was made by Commissioner Shirrel and seconded by Commissioner Leonardini to cancel the regular November and December 2015 scheduled Board meetings and substitute the date of December 16, 2015. The motion passed unanimously on a roll call vote.
21. ITEM – Consider and provide direction to Staff concerning termination of the "Ground and Building Lease and Restaurant Operations Agreement-North Harbor Restaurant."
 - a. Staff report - Written report, no additional comments.
 - b. Public comment - No public comment.
 - c. Board discussion - No further discussion.
 - d. Board action - A motion was made by Commissioner Shirrel and seconded by Commissioner Leonardini to terminate the North Harbor Restaurant Lease between the MLHD and the Deyerle Brothers Seafood, Inc. The motion passed unanimously on a roll call vote.

K. COMMISSIONERS COMMENTS AND CONCERNS

Commissioner Leonardini commented that the County meeting on traffic studies is very important because they need to address the tide gate situation in North County. He said farmers are upset because the gates have not been repaired and salt water is coming in all the way up to the area

behind North County High School. President Jeffries added the tidal action through unrepaired gates is causing much more sediment deposits. He recommends writing a letter to the County and to the County Board of Supervisors demanding immediate repair. He believes the County may be stalling by waiting for a storm or emergency so that repairs can be made with emergency funds. He added that we need to put them on notice now and let them know how it is affecting the harbor. Both Commissioners Jeffries and Leonardini plan on attending the meeting.

L. ADJOURN MEETING

President Jeffries adjourned the meeting at 8:15 pm.

Respectfully submitted.

Vince Ferrante, Secretary
Board of Harbor Commissioners

ATTEST:

Linda G. McIntyre, Deputy Secretary
Board of Harbor Commissioners