



CITY OF MORRO BAY HARBOR ADVISORY BOARD A G E N D A

The City of Morro Bay is dedicated to the preservation and enhancement of the quality of life. The City shall be committed to this purpose and will provide a level of municipal service and safety consistent with and responsive to the needs of the public.

**Regular Meeting - Thursday, June 4, 2015
Veteran's Memorial Building - 6:00 P.M.
209 Surf Street, Morro Bay, CA**

Bill Luffee, Chair	Marine Oriented Business
Dana McClish, Vice Chair	Recreational Boating
Alan Alward	Morro Bay Commercial Fishermen's Organization
Gene Doughty	South Bay/Los Osos
Neal Maloney	Waterfront Leaseholders
Lynn Meissen	Member at Large
Ron Reisner	Member at Large
Tom Hafer	Alternate to Alan Alward (MBCFO)
Joe Conchelos	Alternate to Alan Alward (MBCFO)

ESTABLISH QUORUM AND CALL TO ORDER

MOMENT OF SILENCE

PLEDGE OF ALLEGIANCE

CHAIR AND ADVISORY BOARD MEMBER ANNOUNCEMENTS & PRESENTATIONS

PUBLIC COMMENT PERIOD

Members of the audience wishing to address the Board on City business matters other than scheduled items may do so at this time. To increase the effectiveness of the Public Comment Period, the following rules shall be followed:

- When recognized by the Chair, please come forward to the podium and state your name and address for the record. Board meetings are audio and video recorded and this information is voluntary and desired for the preparation of minutes.
- Comments are to be limited to three minutes.
- All remarks shall be addressed to the Board, as a whole, and not to any individual member thereof.
- The Board respectfully requests that you refrain from making slanderous, profane or personal remarks against any elected official, Board member and/or staff.
- Please refrain from public displays or outbursts such as unsolicited applause, comments or cheering.
- Any disruptive activities that substantially interfere with the ability of the Board to carry out its meeting will not be permitted and offenders will be requested to leave the meeting.
- Your participation in Board meetings is welcome and your courtesy will be appreciated.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Harbor Department's Office Assistant at (805) 772-6254. Notification 24 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

CONSENT CALENDAR

A-1 Approval of Minutes from Special Harbor Advisory Board meeting held on April 22, 2015

Staff Recommendation: Approve minutes.

A-2 Approval of Minutes from Harbor Advisory Board meeting held on May 7, 2015

Staff Recommendation: Approve minutes.

A. PUBLIC HEARINGS, REPORTS, AND APPEARANCES

B-1 Harbor Department Status Report

Staff Recommendation: Receive and file.

B. UNFINISHED BUSINESS

C-1 Update from the Marine Services Facility/Boatyard Ad-Hoc Committee on Committee's Recent Activities, Findings and Recommendations

Staff Recommendation: Receive and file.

C-2 Update from the Capital Improvement Planning Ad-Hoc Committee on Committee's Recent Activities

Staff Recommendation: Receive and file.

C-3 Continued Discussion and Recommendations on Harbor Department Master Fee Schedule

Staff Recommendation: Consider the various Harbor Department fees for services and use of City facilities for fee recommendations to the department and City Council. Staff is recommending the fee schedule as proposed in the attached Harbor Department Master Fee Analysis spreadsheet.

C. NEW BUSINESS

D-1 Request by Brian Williamson for a Waiver of Requirement to Qualify for a Commercial Fishing Slip

Staff Recommendation: Consider request and make recommendations to Harbor Director

D-2 Cancellation of the July 2, 2015 Harbor Advisory Board Meeting

Staff Recommendation: Cancel the July 2, 2015 Harbor Advisory Board Meeting

D. DECLARATION OF FUTURE AGENDA ITEMS

E. ADJOURNMENT

This agenda is subject to amendment up to 72 hours prior to the date and time set for the meeting. Please refer to the agenda posted at the Morro Bay Harbor Department, 1275 Embarcadero, for any revisions or call the department at 772-6254 for further information.

Materials related to an item on this Agenda are available for public inspection during normal business hours at the Harbor Department and at Mill's/ASAP, 495 Morro Bay Boulevard, or online at www.morro-bay.ca.us. Materials related to an item on this Agenda submitted to the Board after publication of the Agenda packet are available for inspection at the Harbor Department during normal business hours or at the scheduled meeting.



AGENDA NO: A-1

MEETING DATE: May 7, 2015

CITY OF MORRO BAY

SPECIAL HARBOR ADVISORY BOARD

SYNOPSIS MINUTES

The special meeting of the City of Morro Bay Harbor Advisory Board was held Wednesday, April 22, 2015 at 6:00 PM in the Veteran's Hall, 209 Surf ST, Morro Bay, California.

ESTABLISH QUORUM AND CALL TO ORDER

Present: Members: Alan Alward (MBCFO Rep)
 Gene Doughty
 Bill Luffee
 Dana McClish
 Lynn Meissen
 Ron Reisner
 Absent: Neal Maloney
 Staff: Eric Endersby, Harbor Director
 Polly Curtis, Office Assistant

MOMENT OF SILENCE

PLEDGE OF ALLEGIANCE

1. **SPECIAL MEETING AGENDA ITEM**
Marine Services Facility/Boatyard Ad-Hoc Committee and Harbor Advisory Board
Review of Morro Bay Boatyard and Haulout Facility Market Demand Analysis
Public Review Draft Document and Recommendations/Comments on Draft
Document

Chair Luffee introduced Mr. Henry Pontarelli of Lisa Wise Consulting (LWC) and asked him to present his findings to the Harbor Advisory Board.

Mr. Pontarelli thanked the City and the Board for the opportunity to present the findings on the *Morro Bay Boatyard and Haulout Facility Market Demand Analysis Public Review Draft*. He said support funding have been a joint effort of the City, the Morro Bay Commercial Fishermen's Organization through the Joint Fisheries/Cable Liaison Committee, and general support has come from the Morro Bay Yacht Club, the recreational boating community and environmental agencies such as the Morro Bay National Estuary Program.

Mr. Pontarelli said the main purpose of the Market Demand Analysis is to provide data for decision makers in the City on the needs of a Boatyard/Haulout Facility. He presented the project goals, the background, the methodology and approach, the key findings of the survey, interviews, and case studies. He also presented the recommendations by LWC for the City to consider the next steps. He concluded by thanking the Board and saying LWC is happy to work with the City in the future.

Chair Luffee asked Mr. Endersby if the Draft document can be made available to the public online, and Mr. Endersby said the document is already published on the City website for the public to review.

PUBLIC COMMENT:

Comments on the necessity of building a boatyard/haulout facility in Morro Bay were made by the following people:

Mr. Jim Phillips
Ms. Pandora Nash-Carter
Sioux Strebin
Mike Multari
Gerry Luhr
Todd Hansen
Stanley Craig
Andy Killian
John Bodine
Wayne Moody
Jeremiah O'Brien
Lori French
Tony Gomez
Ellery Strebin
John Michener
Tom Hafer
Brian Monroe
Ken Twist

Peter Behman voiced opposition to locating the future boatyard in the "triangle lot" due to noise, odor, and disruption to businesses on Front Street.

Further discussion by the Board.

Mr. Endersby said an alternative that may help move this forward to the next step, would be to recommend that the City identify a site for a future boatyard/haulout and make a commitment for that site; then hire a consultant to perform a site analysis.

MOTION: Ms. Meissen moved that the Marine Services Facility/Boatyard Ad-Hoc Committee proceed as rapidly as possible with developing site analysis on a boatyard/haulout/storage facility in Morro Bay. The Motion was seconded by Mr. Doughty, but a vote was not taken.

Discussion by the Board.

AMENDED MOTION: Ms. Meissen moved that the Marine Services Facility/Boatyard Ad-Hoc Committee proceed as rapidly as possible with developing site criteria on a boatyard/haulout/storage facility in Morro Bay. The Motion was seconded by Mr. Doughty and carried unanimously, with a vote of 6-0.

Mr. McClish said the first priority of the Ad-Hoc Committee will be to determine a location for a future boatyard/haulout in Morro Bay. He thanked the public for their comments, saying their input on the need of a boatyard in Morro Bay is very important to the Ad-Hoc Committee and the Board, and he hopes the community will continue to support this.

F. ADJOURNMENT

This meeting was adjourned at 8:00 PM.
Submitted by,

Polly Curtis
Harbor Department



AGENDA NO: A-2

MEETING DATE: June 4, 2015

CITY OF MORRO BAY

HARBOR ADVISORY BOARD

SYNOPSIS MINUTES

The regular meeting of the City of Morro Bay Harbor Advisory Board was held Thursday, May 7, 2015 at 6:00 PM in the Veteran's Hall, 209 Surf ST, Morro Bay, California.

ESTABLISH QUORUM AND CALL TO ORDER

Present: Members: Alan Alward (MBCFO Rep)
 Gene Doughty
 Bill Luffee
 Neal Maloney
 Dana McClish
 Lynn Meissen
 Ron Reisner
 Eric Endersby, Harbor Director
 David Buckingham, City Manager
 Polly Curtis, Office Assistant

MOMENT OF SILENCE

PLEDGE OF ALLEGIANCE

CHAIR AND ADVISORY BOARD MEMBER ANNOUNCEMENTS & PRESENTATIONS

<https://youtu.be/pSs0oEsFmeQ?t=2m46s>

Mr. McClish said the Morro Bay Yacht Club fundraiser for the Youth Sailing Foundation will hold their annual Marine Swap Meet Saturday from 9:00-1:00.

Chair Luffee recommended that Agenda Item D-2 move forward, and that Agenda Item D-1 follow D-2, and that both Items be heard before C-1, Unfinished Business.

PUBLIC COMMENT

None.

A. CONSENT CALENDAR

<https://youtu.be/pSs0oEsFmeQ?t=4m14s>

A-1 MINUTES

Ms. Meissen moved the April 2, 2015 Harbor Advisory Board minutes be approved as submitted. The Motion was seconded by Mr. Alward, and carried unanimously.

Ms. Meissen clarified that in her announcement at the April 2, 2015 Harbor Advisory Board meeting the Yacht Club race marker is made of plastic, not metal.

B. PUBLIC HEARINGS

<https://youtu.be/pSs0oEsFmeQ?t=5m29s>

B-1 Harbor Department Status Report

Mr. Endersby briefed the Board on the following topics:

Dredge Yaquina

Lifeguard Academy

Fishing Season

Friends of the Harbor Department

Recent City Council Action

Recent Events

Department Training

Upcoming Events:

16 May National Safe Boating Week, Safe Boating Expo at MB Yacht Club

B-2 Presentation by U.S. Coast Guard Auxiliary Flotilla Commander 7-61 on the Role of the Auxiliary and Recreational Boating Safety

U.S. Coast Guard Auxiliary 7-61 Commander Dave Smith made a presentation to the Board on the role and function of the local Auxiliary and the opportunities for becoming a volunteer. He said people are welcome to join the Auxiliary by attending the fellowship meetings on the first Wednesday of every month at 6:30 PM in the Morro Bay Community Center, or by talking with Auxiliary members at the upcoming Expo.

Commander Smith announced the Safe Boating Week Expo will be held on Saturday, May 16th from 9:00-1:00 at the Morro Bay Yacht Club. The Coast Guard boat, the County Sheriff's new boat, and the Harbor Patrol boat #3864 will be at the Expo. Boaters will be able to have a free vessel safety check, along with a barbecue courtesy of Friends of the Harbor Department.

Commander Smith said his contact phone is 805-300-1058, email cgauxdave@yahoo.com.

C. UNFINISHED BUSINESS

C-1 Update from the Marine Services Facility/Boatyard Ad-Hoc Committee on Committee's Recent Activities, Findings and Recommendations

<https://youtu.be/pSs0oEsFmeQ?t=3h1m22s>

Mr. Reisner, Ad-Hoc Committee Chair, reviewed the recent findings for the Board.

MOTION: Mr. Reisner moved that the Harbor Advisory Board accept the Ad-Hoc Committee's draft site criteria for a Morro Bay boatyard and haulout facility. Further, that the Harbor Advisory Board recommend to the City Council that in the very near future the City apply those site criteria to identifying and committing planning activities to a Morro Bay boatyard site, the most likely of which, after looking over the alternatives, is the "Triangle Lot" immediately to the south of the Dynegy power plant and immediately north of the existing paved city lot on the east side of Embarcadero. The Motion was seconded by Mr. McClish and carried unanimously.

Discussion by City Manager and Board about the future use of the "Triangle Lot."

C-2 Update from the Capital Improvement Planning Ad-Hoc Committee on Committee's Recent Activities, Including Review and Concurrence with the Harbor Department's 5-Year Capital Replacement Schedule, 5-Year Capital Major Maintenance and Repair Schedule, and 5-Year Capital Equipment Schedule

<https://youtu.be/pSs0oEsFmeQ?t=3h15m38s>

Mr. Endersby said the Ad-Hoc Committee has reviewed the Harbor Department's five-year schedules for Capital Improvement. He thanked the Committee for helping to make the numbers readable and understandable, saying this will be a good forecasting tool. Mr. Reisner said this spreadsheet can be extended to ten years, and will continue to be refined. Mr. Maloney asked if the spreadsheet could show bottom-line totals as well.

Discussion by the Board and Mr. Endersby on Capital Improvement numbers.

D. NEW BUSINESS

D-1 Central Coast Maritime Museum "Phase I" Project Consideration and Input to Staff for Museum Proposal in the Front Street Parking Lot Area <https://youtu.be/pSs0oEsFmeQ?t=2h35m5s>

Mr. Endersby and Mr. Buckingham reviewed the proposed placement of the Maritime Museum in the Front Street parking lot area, and the improvement of the dual-driveway situation.

Mr. Larry Newland, Director of the Central Coast Maritime Museum Association (CCMMA), presented the conceptual site plan for the Maritime Museum and Interpretive Area to the Board. He described many of the planned exhibits, and said he highly approves of Morro Bay placing a boatyard next to the Museum, saying boatyards are always a tourist draw.

Discussion by the Board and Mr. Newland. Website: www.morrobaymaritime.org

MOTION: Mr. McClish moved that the Harbor Advisory Board recommend that City Council accept the proposal by Central Coast Maritime Museum Association for placement in the Front Street parking lot area as proposed. The Motion was seconded by Ms. Meissen and carried unanimously.

D-2 Discussion and Recommendations on Harbor Department Master Fee Schedule with Regard to Subsidy Levels and Cost Recovery <https://youtu.be/pSs0oEsFmeQ?t=30m40s>

City Manager Buckingham reviewed in detail the recent City-wide Master Fee Schedule process, requesting the Board's input concerning specific fees for services and how much it costs the Harbor to provide those services.

Mr. Endersby said Mr. Maloney would be stepping down for the discussion on slip fees, as he does rent slip space from the Harbor Department. He said looking at levels of cost recovery, the Board could take action on each specific category as it is presented separately: Slip Fees, T-Pier Fees, Private Mooring Agreement Fees, City-Owned Mooring Rental Fees, Liveaboard Fees, Vessel Assistance, Launch Ramp Parking, and Lease Administration.

The Board concurred that each fee category will be presented individually, then public comment will be taken, followed by Board action on each item separately.

SLIP FEES

Mr. Maloney stepped down from the Board. Discussion by Mr. Endersby, Mr. Buckingham, and the Board on slip fees and cost recovery.

Public Comment made by Mr. Rick Grantham, Mr. Stan House, Mr. Randy Kann, Ms. Andrea Lueker, Ms. Susan Stewart, Mr. Owen Hackleman, Mr. Craig Barbre, Ms. Lori French, and Mr. Wayne Moody who all spoke in opposition to raising commercial fishing slip rates.

Further discussion by the Board and Mr. Buckingham.

MOTION: Chair Luffee moved that the commercial fishing slip fees remain as they currently are with no increase but to bring back further discussion on utility cost recovery at a future meeting. The Motion was seconded by Mr. Doughty, and passed with a vote of 5 in favor, 0 opposed, and 1 abstain, with Mr. Reisner abstaining. Mr. Maloney had stepped down for this item.

T-PIER FEES

Review by Mr. Endersby and discussion by the Board on T-Pier fees, electric fees, and possible water metering.

Public Comment made by Mr. Joseph Conchelos and Mr. Ed Sylvester.

Further discussion by the Board, Mr. Endersby and Mr. Buckingham. No action taken by the Board.

MOORING FEES, LIVEBOARD FEES AND VESSEL ASSIST

Discussion by the Board, Mr. Endersby, and Mr. Buckingham.

Public Comment made by Ms. Denise Jacobson, Mr. Wayne Moody, Mr. Joseph Conchelos, Mr. Drew Jacobson, and Mr. Ed Sylvester in opposition to raising fees.

Further discussion by the Board on vessel assist fees, and revenue from launch ramp parking and a future boat storage facility. No action taken by the Board.

LEASE ADMINISTRATION

Mr. Buckingham and Mr. Endersby reviewed the Lease Administration fees for the Board. Discussion by the Board.

MOTION: Mr. Reisner moved that the Harbor Advisory Board recommend to City Council that the current fees for Lease Administration be increased by fifty percent. The Motion was seconded by Mr. Luffee, and passed with a vote of 4 to 3 with Mr. Reisner, Mr. McClish, Mr. Luffee, and Ms. Meissen in favor, and Mr. Maloney, Mr. Doughty, and Mr. Alward opposed.

The Board agreed by consensus to table this Agenda Item D-2 for further review.

E. DECLARATION OF FUTURE AGENDA ITEMS

<https://youtu.be/pSs0oEsFmeQ?t=3h28m7s>

Future:

- Best Management Practices, HAB Review
- Coast Guard Building Location Plans
- Morro Bay Fish Quota Share and Trawl Permits
- Annual Review of All Waterfront Lease Sites
- Water Lease Site Improvements Including Dock Configurations
- Inspecting Marine Sanitation Devices on All Vessels in Morro Bay Harbor
- Planning for Power Plant Property
- Sea Lion Abatement in Morro Bay

F. ADJOURNMENT

This meeting was adjourned at 9:33 PM.

Submitted by,

Polly Curtis
Harbor Department



AGENDA NO: B-1

MEETING DATE: June 4, 2015

Staff Report

TO: Harbor Advisory Board

DATE: May 28, 2015

FROM: Eric Endersby, Harbor Director

SUBJECT: Harbor Department Status Report

RECOMMENDATION

Receive and file.

DISCUSSION

A verbal report will be given on the following topics:

Dredging

Lifeguard season

Fishing seasons

Atascadero High School Career Day

Safe Boating Day at the MB Yacht Club

Fire fighting breathing apparatus fit testing for Harbor Patrol personnel

Harbor Patrol and Lifeguard training

Hazmat response training

Recent City Council actions

Recent events

Upcoming events

Prepared By: EE

Dept. Review: EE



AGENDA NO: C-1

MEETING DATE: June 4, 2015

Staff Report

TO: Harbor Advisory Board

DATE: May 28, 2015

FROM: Eric Endersby, Harbor Director

SUBJECT: Update from the Marine Services Facility/Boatyard Ad-Hoc Committee on Committee's Recent Activities, Findings and Recommendations

RECOMMENDATION

Receive and file.

DISCUSSION

The Marine Services Facility/Boatyard Ad-Hoc Committee will be presenting an oral update on their activities. This is a standing committee report agenda item.

Prepared By: EE

Dept. Review: EE

**ADDENDUM TO HARBOR ADVISORY BOARD'S JUNE 4, 2015 AGENDA
ITEM NUMBER C-1 REGARDING MARINE SERVICES
FACILITY/BOATYARD AD-HOC COMMITTEE REPORT**

AD-HOC COMMITTEE REPORT NOW AVAILABLE

Harbor Advisory Board – Marine Facilities Ad Hoc Committee Report – June 1, 2015

The Harbor Advisory Board's Marine Facilities Ad Hoc Committee met during May, 2015, and individual Committee members executing Committee related tasks. These activities are summarized below:

- On May 15, 2015 Committee members Dana McClish, Alan Alward, and Ron Reisner met with City of Morro Bay Community Development Manager Scot Graham. The purpose of the meeting was to discuss with City the history of boatyard and haulout facility planning, to include various boatyard and haulout facility sites, and to specifically discuss potential utilization of the "Triangle Lot" property for a Morro Bay boatyard.

Mr. Graham acknowledged the various historic studies. Additionally, Mr. Graham shared with us the City's likely intention of using significant portions of the Triangle Lot for "off-set" parking, which would be needed to bring City plans for the downtown portion of the Embarcadero to fruition.

We discussed with Mr. Graham the probable space requirements of a boatyard, as well as the site access needs relative to moving boats from a nearby haulout location to and from the yard. Mr. Graham acknowledged the pathway requirements for moving boats in and out of the Triangle Lot location. Additionally, Mr. Graham reiterated the City's current planning to use southern portions of the Triangle Lot for parking, and noted the planned use of a small portion of the lot along the south property line for elements of the Maritime Museum.

Mr. McClish pointed out that if the City owns the property immediately adjacent to the West wall of the Triangle Lot, there may be considerable opportunity for angled street parking along that side of Embarcadero.

Recommendation: Continue to monitor the City's intentions regarding the Triangle Lot, and continue to press the City relative to consciously making a commitment to siting a haulout facility and boatyard facility on as feasible as possible City property, or declare that no such sites are available. Further, that the HAB authorize the Committee to speak directly with the City Council and the City Manager regarding utilizing the Triangle Lot for a boatyard.

- We discussed with Mr. Graham the metal building on Dynergy property, immediately adjacent to the Triangle Lot's north property line. This building may be ideal for boatyard utilization. Mr. Graham replied he was familiar with the building, and in fact there is a pending demolition plan submitted by Dynergy. We encourage Mr. Graham to energize the City to immediately open dialog with Dynergy concerning that building, prior to it being demolished. We pointed out the building may represent a significant opportunity for the City, and if acquired and moved across the property line, represents a significant needed element of a boatyard. We also pointed out that if the City was unable to purchase the building, but dialog between the City and Dynergy indicated the building could be purchased, private parties may be interested.

Recommendation: Obtain from the City definitive information regarding the availability of the subject Dynergy building.



AGENDA NO: C-2

MEETING DATE: June 4, 2015

Staff Report

TO: Harbor Advisory Board

DATE: May 29, 2015

FROM: Eric Endersby, Harbor Director

SUBJECT: Update from the Capital Improvement Planning Ad-Hoc Committee on Committee's Recent Activities

RECOMMENDATION

Receive and file.

DISCUSSION

The Capital Improvement Planning Ad-Hoc Committee will be presenting an oral update on their activities, if any. This is a standing committee report agenda item.

Prepared By: EE

Dept. Review: EE



AGENDA NO: C-3

MEETING DATE: June 4, 2015

Staff Report

TO: Harbor Advisory Board

DATE: May 28, 2015

FROM: Eric Endersby, Harbor Director

SUBJECT: Continued Discussion and Recommendations on Harbor Department Master Fee Schedule

RECOMMENDATION

Consider the various Harbor Department fees for services and use of City facilities for fee recommendations to the department and City Council. Staff is recommending the fee schedule as proposed in the attached Harbor Department Master Fee Analysis spreadsheet.

FISCAL IMPACT

Positive fiscal impact if greater cost recovery is implemented from current fee levels.

BACKGROUND

At the May 7, 2015 Harbor Advisory Board meeting, agenda item D-2 was discussion and recommendation on the Harbor Department Master Fee Schedule. Of primary discussion at that meeting was the current commercial fishing vessel slip fees and the degree of cost recovery of those fees.

On May 7 the Board passed motions to recommend: not raising the commercial fishing slip fees from current levels - but to bring back further analysis on utility recovery, and to increase lease administration fees by 50%. No other motions were passed.

The Board concurred to continue the item to a future meeting and requested staff to bring back an analysis on a more global scale with total revenues based on overall fee levels rather than on a fee-by-fee basis. The staff report for the Master Fee agenda item from the May 7 meeting is attached to this staff report for reference.

Prepared By: EE

Dept. Review: EE

DISCUSSION

The Harbor Department Master Fee Analysis spreadsheet includes all Harbor fees broken down into Current, 100% Recovery and Proposed rates, with calculating percentages and total revenue projections. At current fee levels, staff estimates 87.3% cost recovery and \$342,103 in total revenue. At 100% estimated cost recovery, revenues are \$393,212. At currently proposed rates, estimated recovery is 92.3% with \$362,932 in revenue.

Regarding utility recovery, as noted in the May 7 staff report, estimated utility cost for the commercial fishing slips is \$0.51 per foot per month if the utility costs are evenly distributed across all slips. While sets of slips are metered, individual slips currently are not.

If utility cost recovery is implemented, the simplest method is to evenly distribute those costs across all slips and build them into the monthly slip fees. It should be noted, however, that this method estimates utility costs based on an historic or “look-back” basis of the previous year’s actual costs. This is essentially how the t-pier electric is done, however, there is a separate flat fee for electricity for those vessels actually using it.

A second method of utility cost recovery is to regularly bill users in arrears on actual costs incurred and distributed evenly over all users, based on the metered usage at each set of slips for the set of slips that meter services.

The third method of utility recovery is to install individual electric and water metering on all the slips. While this is the most accurate method to recover actual costs from actual users, it is also the most expensive to implement, monitor and maintain. A very rough estimate for installing electric metering on all commercial fishing slips is \$25,000 for materials and labor. For water metering, the only practical method is to install coin or token-operated metering units serving multiple slips, the rough cost estimate of which is \$10,000.

The Master Fee Analysis spreadsheet as-presented includes totalized revenue columns and analysis on percent of cost recovery for the various items. Staff is seeking Board and public input, discussion and recommendation on the various fees.

CONCLUSION

As currently presented under the existing fee structure, the Harbor Fund in sum total is estimated to generate approximately \$12,000 in excess revenue next year to “deposit” in the Harbor Accumulation Fund, which is the source of capital funding needs. Although a far cry from the financially dire situation a few years back, as currently projected and without a combination of new and/or enhanced revenue sources, including adequate cost recovery via our various fees, current revenues will not support the capital needs of the waterfront’s future.

Board input and recommendations will be brought back to the City Council at a future Council meeting for consideration in establishing and approving the 2015/2016 Master Fee Schedule.

ATTACHMENTS

1. Staff report from Master Fee item D-2 on the 5/7/15 Harbor Advisory Board agenda.
2. Harbor Department Master Fee Analysis spreadsheet.



AGENDA NO: D-2

MEETING DATE: May 7, 2015

Staff Report

TO: Harbor Advisory Board **DATE:** April 28, 2015

FROM: Eric Endersby, Harbor Director

SUBJECT: Discussion and Recommendations on Harbor Department Master Fee Schedule With Regard to Subsidy Levels and Cost Recovery

RECOMMENDATION

Consider the various Harbor Department fees for services and use of City facilities for fee cost recovery recommendations to the City Council.

FISCAL IMPACT

Positive fiscal impact if greater cost recovery is implemented from current levels.

BACKGROUND

At the April 14, 2015 City Council meeting, agenda item number D-2 was a discussion and direction on City-wide Master Fee rates as they relate to cost recovery and level of subsidy. A copy of that staff report is attached to this report for background and further information. At that meeting staff was seeking Council input and direction on the various fees for services charged by the City. Regarding Harbor fees, Council direction was to bring the item to the Harbor Advisory Board for input and recommendations to Council.

DISCUSSION

All City-provided services and facilities have associated costs including long-term capital replacement, ongoing maintenance and repair, utilities, insurance and administrative overhead. Harbor Department staff have estimated the actual costs of the department's various services and facilities for Harbor Advisory Board consideration and recommendation to Council on what level of cost recovery/subsidy the Board considers appropriate for various fees. As a general rule, less than full cost recovery of fees for services and facilities is predicated on some degree of public benefit derived from that service or facility.

Prepared By: EE

Dept. Review: EE

SLIP FEES

Currently there are three main rates for the City's 50 commercial fishing-assigned slips:

- \$4.15 per foot per month for qualified commercial fishermen in assigned slips.
- \$8.30 per foot per month for transient (commercial or recreational) subleases of vacant assigned slips when our fishermen are gone fishing.
- \$1.15 per foot per day up to seven days for transient subleases of vacant slips.

Current estimated average cost to provide the City's 50 commercial fishing slips over a 30-year amortized capital basis:

- \$5.48 per foot per month. This includes, on a per-month basis:
 - \$3.49 capital replacement and maintenance/repair
 - \$1.23 administrative overhead
 - \$0.25 insurance
 - \$0.40 electricity
 - \$0.11 water

Current California coastal commercial fishing vessel slip rate average for those harbors polled with discounted commercial rates (Santa Cruz, Monterey, Santa Barbara, Ventura – Harbor Village, Channel Islands – municipal, Oceanside):

- \$9.37 per foot per month.

Current recreational vessel slip average rate for above-polled harbors:

- \$11.20 per foot per month.

Current recreational vessel slip average rate in Morro Bay for those facilities polled (Morro Bay Marina, State Park Marina, Estero Landing, The Boatyard, Morro Bay Landing, Bay Front Marina, DeGarimore's Central Coast Fuel and Ice):

- \$13.36 per foot per month.

In addition, assigned commercial fishermen, when away from their slips for any calendar month, are eligible for a 75% "vacancy rate" discount from their regular slip rate. Although this results in a decrease in slip revenues from our assigned slip holders, by assigning these vacant slips to transient vessels at the higher transient rate, the net result is revenues sufficient to offset the vacancy loss.

Staff recommend the Board consider what degree of cost recovery is appropriate with the assigned commercial slip fees.

T-PIER FEES

The City operates two "t-piers" on an unassigned, first-come, first-served basis. Pier usage fees do not distinguish between commercial and recreational, and currently are:

- \$.25 per foot per month.
- \$2.35 per day for electrical use.

Due to the piers' transient unassigned basis, it is impossible to quantify a vessel per-month basis of cost, therefore, annual cost versus overall pier revenues will be used. In addition, since the two piers are capitalized on a very different basis (the South T-Pier was rebuilt after a fire destroyed it in the early 1990's at full cost to the City with a \$2M loan, while the North T-Pier is "original" with no City capital acquisition costs and major maintenance and repair episodes occurring every 20 years), the average annual cost for the two piers (not including electricity) is:

- \$62,706

3-year per-pier average annual revenue from the two t-piers:

- \$63,000

For electrical use, on the North T-Pier in 2013/2014 we collected approximately \$4,480 in daily use fees, while we were billed \$4,868 from PG&E. On the South T-Pier we collected approximately \$6,310 while we were billed \$6,982 from PG&E. Therefore, on both piers there is an approximate 9% shortfall of revenue to expense for electricity.

Staff recommend the Board consider what degree of cost recovery is appropriate with the t-pier tie-up and electrical fees.

PRIVATE MOORING AGREEMENT FEES

Of the approximate 125 moorings in Morro Bay, 25 are leased in a block by Morro Bay Marina, and 25 are leased in a block by the Morro Bay Yacht Club. As such, both blocks have a set lease rate that was based on the current mooring agreement fees at the time of negotiation.

Of the remaining approximately 70 moorings under private ownership, all have full cost recovery with their \$81.10 monthly rate.

CITY-OWNED MOORING RENTAL FEES

The City's 6 moorings are currently at 100% cost recovery and at a near-market rate of \$215 per month. Current Morro Bay market rate is approximately \$260/month.

Staff recommend the Board consider whether our City-owned moorings be at or very near a full-market rate.

LIVEABOARD FEES

All liveaboards must be permitted per Morro Bay Municipal Code Section 15.40. Four fees currently exist for liveaboard permitting:

- \$120 biennial permit fee.
- \$69 vessel biennial permit inspection fee if done by Harbor Patrol (there is no City inspection fee if the liveaboard has an approved marine surveyor conduct their inspection).
- \$15.75 monthly service fee for vessels on moorings.
- \$32.45 for vessels in assigned City commercial fishing vessel slips

Current estimated costs associated with administering the liveaboard ordinance on a biennial basis are:

- \$160 administrative overhead for permit management.
- \$80 administrative overhead for permit vessel inspection.
- \$378 service fee for vessels on moorings (no change from current but billed on a biennial basis). The service fees are predicated on liveaboard use and impact on the City's vessel sewage pumpout, water and electrical usage and publicly provided trash services.
- \$778 service fee for vessels in assigned City commercial fishing vessel slips (no change from current but billed on a biennial basis).

Staff recommend the Board consider what degree of cost recovery is appropriate for liveaboard fees.

VESSEL ASSISTANCE

Emergency vessel assistance is not charged, except in very rare cases of willful negligence. Non-emergency vessel assistance is provided free of charge once to any given boater in any six month period. Second and subsequent vessel assistance fees are at a full cost-recovery basis billable on current hourly rates for personnel and equipment.

Staff recommend the Board consider whether the first non-emergency vessel assistance request for any given boater be at a full recovery basis or remain on a courtesy basis as is current policy.

LAUNCH RAMP PARKING

The current launch ramp parking fees are:

- \$1 per hour, or,
- \$5 maximum per day.

Current estimated annual costs for administration of the pay parking program are \$16,065 and consist of:

- \$13,565 administrative overhead.
- \$2,500 contract services and maintenance.

Current annual revenues (expected to increase with a longer recreational fishing season implemented this year) are:

- \$25,000

Current rates, although due for a modest increase, allow for full recovery of all personnel, contractual and basic maintenance costs, with a modest overage for capital and major maintenance fund accumulation.

LEASE ADMINISTRATION

Three fees currently exist for lease administration, they are:

- \$1,000 for Master Lease approval.

- \$500 for Council-approved lease actions (subleases, assignments and assumptions, deeds of trust).
- \$175 for administratively-approved lease actions.

Current estimated costs for lease administration are:

- \$2,000 for Master Lease approval. Based on current administrative overhead costs, this equates to a very conservative 25 hours of staff time on Master Lease approval from initial direction through negotiation and final approval.
- \$640 for Council-approved lease actions. Based on current costs this equates to 8 hours of staff time on these actions.
- \$240 for administratively-approved lease actions. Based on current costs this equates to 3 hours of staff time on these actions.

Staff recommend the Board consider what degree of cost recovery is appropriate for lease administration fees.

CONCLUSION

Staff is seeking Harbor Advisory Board consideration and recommendations on appropriate levels of cost recovery for the various Harbor Department fees for services and facilities, taking into account, among other things the degree of public benefit derived from said services and facilities. Board input and recommendations will be brought back to the City Council at a future Council meeting for consideration in establishing and approving the 2015/2016 Master Fee Schedule.

ATTACHMENTS

1. Staff report from Master Fee item D-2 on the 4/14/15 City Council agenda.

HARBOR DEPARTMENT MASTER FEE ANALYSIS

SEE NOTES

A	B	C	D	E	F	G	H	I
<u>FEE</u>	<u>Current Rate</u>	<u>100% Cost Recovery Est.</u>	<u>% Recovery Current Rate</u>	<u>Proposed Rate</u>	<u>% Recovery Proposed Rate</u>	<u>Proj. Revenue Current Rate</u>	<u>Proj. Revenue Proposed Rate</u>	<u>Proj. Revenue 100% Recovery Rate</u>
1. Commercial fishing slips - per foot per month	\$4.15	\$5.48	75.73%	\$4.65 (Note 1)	84.85%	\$87,400	\$97,930	\$115,410
2. Transient slips - per foot per month	\$8.30	\$8.30	100.00%	\$8.30	100.00%	\$31,500	\$31,500	\$31,500
3. Transient slips - per foot daily rate	\$1.15	\$1.15	100.00%	\$1.15	100.00%	\$3,500	\$3,500	\$3,500
4. Head float berth - monthly	\$185.00	\$185.00	100.00%	\$185.00	100.00%	\$6,600	\$6,600	\$6,600
5. T-Pier - per foot per day	\$0.25	\$0.30	83.33%	\$0.25	83.33%	\$64,000	\$64,000	\$76,800
6. T-Pier electrical - per day	\$2.35	\$2.58	91.09%	\$2.58	100.00%	\$11,000	\$12,077	\$12,077
7. City moorings - monthly	\$215.00	\$235.00 (Note 2)	91.49%	\$235.00	100.00%	\$25,800	\$28,200	\$28,200
8. Private moorings - monthly	\$81.10	\$81.10	100.00%	\$81.10	100.00%	\$61,200	\$61,200	\$61,200
9. Anchorage area after 5 days - per foot per day	\$0.20	\$0.20	100.00%	\$0.20	100.00%	\$4,500	\$4,500	\$4,500
10. Guest moorings - per foot per day	\$0.25	\$0.25	100.00%	\$0.25	100.00%	\$100	\$100	\$100
11. Temp moorage, large vessels/equipment - per day	\$165.00	\$165.00	100.00%	\$165.00	100.00%	\$165	\$165	\$165
12. Dry storage - daily	\$2.85 (Note 3)	\$2.85	100.00%	\$2.85	100.00%	\$1,000	\$1,000	\$1,000
13. T-Pier hoist - per use	\$13.00	\$14.00	92.86%	\$14.00	100.00%	\$1,170	\$1,260	\$1,260
14. Wharfage - per ton	\$0.90	\$0.90	100.00%	\$0.90	100.00%	\$1,900	\$1,900	\$1,900
15. Liveaboard permit administration	\$120.00	\$160.00	75.00%	\$160.00	100.00%	\$3,600	\$4,800	\$4,800
16. Liveaboard permit inspection	\$69.00	\$80.00	86.25%	\$80.00	100.00%	\$2,070	\$2,400	\$2,400
17. Liveaboard service fee (on moorings) - per month	\$15.75	\$15.75	100.00%	\$15.75	100.00%	\$2,835	\$2,835	\$2,835
18. Liveaboard service fee (in City slips) - per month	\$32.45	\$32.45	100.00%	\$32.45	100.00%	\$0	\$0	\$0
19. Lease administration - master lease approval	\$1,000.00	\$2,000.00	50.00%	\$2,000.00	100.00%	\$3,000	\$6,000	\$6,000
20. Lease administration - action requiring Council approval	\$500.00	\$640.00	78.13%	\$640.00	100.00%	\$1,500	\$1,920	\$1,920
21. Lease administration - action requiring Admin approval	\$175.00	\$240.00	72.92%	\$240.00	100.00%	\$1,750	\$2,400	\$2,400

22. Vessel assistance, one officer, one boat - per hour	\$183.00	\$194.00	94.33%	\$194.00	100.00%	\$1,098	\$1,164	\$1,164
23. Vessel assistance, each additional officer - per hour	\$69.00	\$80.00	86.25%	\$80.00	100.00%	\$415	\$481	\$481
24. Launch ramp parking - per hour (5 hr max)	\$1.00	\$1.00	100.00%	\$1.00	100.00%	\$300	\$300	\$300
25. Launch ramp parking - max per day	\$5.00	\$5.00	100.00%	\$5.00	100.00%	\$22,270	\$22,270	\$22,270
26. Launch ramp parking - annual permit	\$110.00	\$110.00	100.00%	\$110.00	100.00%	\$4,430	\$4,430	\$4,430
						Proj. Revenue Current Rate	Proj. Revenue Proposed Rate	Proj. Revenue 100% Recovery Rate
					TOTALS	\$343,103	\$362,932	\$393,212
						DIFFERENCE	\$19,829	\$30,280
					Total Revenue Percent of 100% Cost Recovery	87.3%	92.3%	100.0%

Note 0 These cost recovery estimates should be considered bare minimums to account for quantifiable and measurable costs associated with the various fees and services, and other costs incurred on a more global and non-specifically quantifiable scale exist, such as general harbor patrol or customer services, that cannot be quantified on a fee-by-fee basis.

Note 1 Includes additional \$0.50 for utility recovery

Note 2 Based on fair market rate recovery

Note 3 \$2.85 per day per each 170 square feet (one standard 8.5' x 20' parking space) used



AGENDA NO: D-1

MEETING DATE: June 4, 2015

Staff Report

TO: Harbor Advisory Board **DATE:** May 28, 2014

FROM: Eric Endersby, Harbor Director

SUBJECT: Request by Brian Williamson for a Waiver of Requirement to Qualify for a Commercial Fishing Slip

RECOMMENDATION

Consider request and make recommendation to Harbor Director.

FISCAL IMPACT

None - whether or not the waiver is granted the City will continue to collect revenue from the slip in question as there are eligible vessels on the slip waiting list.

BACKGROUND

The City Municipal Code reserves City slip assignments to “qualified” commercial fishing vessels as-defined. In order to qualify, fishermen must annually provide proof of a certain level of fishing effort based on their vessel’s size as evidenced by Fish & Wildlife fish landing receipts. Alternatively, slip holders may qualify by showing 90 days of “fishing effort” as evidenced by fuel receipts and/or fish landing receipts, as provided for in Resolution No. 23-91. Resolution No. 23-91 is attached to this staff report for reference.

Slip holders are allowed up to two (2) waivers from qualifying in any ten-year period. The City Council granted a blanket waiver to all fishermen in 1998, and in 2009 and 2010 fishermen were allowed to show proof of a current salmon permit to qualify as the salmon fishery those years was declared a Federal disaster. None of those Council-granted waivers count against the fisherman’s two waivers in a ten-year period.

Resolution No. 23-91 also provides for waiver-granting parameters and an appeal process to the Harbor Advisory Board for decisions by the Harbor Director to not grant waivers.

DISCUSSION

Brian Williamson, owner of the fishing vessel KT MARIE in City slip #23, exercised his first

Prepared By: EE

Dept. Review: EE

qualification waiver in 2013, and has one remaining in the current 10-year period.

When staff were verifying the fish landing receipts Mr. Williamson provided to qualify to retain his slip for this year (2015), it was determined the receipts were not valid. Upon further investigation and with the assistance of Fish and Wildlife Wardens, it was determined the receipts were fraudulently created by Mr. Williamson, who subsequently admitted to having “faked” them in order to avoid using another slip qualification waiver.

Unable to provide valid receipts to qualify to retain his slip, Mr. Williamson requested his second waiver from qualifying. Due to the circumstances, the waiver was denied by the Harbor Director.

As per Resolution No. 23-91, Mr. Williamson is appealing the Harbor Director’s decision to the Harbor Advisory Board. A copy of his appeal letter is included with this staff report.

Fish and Wildlife’s case against Mr. Williamson for fraudulent use of legal fish landing documents is pending.

CONCLUSION

Mr. Williamson has been allowed to continue using his designated slip until his appeal is heard. The Harbor Director may carry out the appeal recommendation of the Harbor Advisory Board, or may schedule the appeal for City Council consideration.

ATTACHMENTS

1. Resolution 23-91
2. Mr. Williamson’s waiver denial appeal letter

RESOLUTION NO. 23-91

RESOLUTION ESTABLISHING PROCEDURE TO QUALIFY AS A
COMMERCIAL VESSEL FOR THE PURPOSE OF
LEASING CITY DOCKING FACILITIES

T H E C I T Y C O U N C I L
City of Morro Bay, California

WHEREAS, Morro Bay Municipal Code Section 15.04.150 defines vessels of a commercial nature; and

WHEREAS, Morro Bay Municipal Code Section 15.32.010 establishes the policy that the City shall rent or lease all City facilities at docks, wharfs and piers primarily to those vessels of a commercial nature; and

WHEREAS, City Council wishes to rescind Resolution No. 90-85 of the City of Morro Bay;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Morro Bay that Resolution No. 90-85 is rescinded in its entirety and replaced with the following. Any vessel attempting to qualify as a commercial vessel under the criteria of having fished ninety (90) days during the calendar year shall submit proof of having actually fished for ninety (90) calendar days in the following manner:

1. By fuel receipts clearly indicating the date of purchase and the owner's name and/or vessel's name and/or registration number of the vessel, or
2. By presenting Fish and Game tickets for the sale of fish which will be credited on the basis of one ticket for every two days' fishing credit, or
3. Any combination of the above proof of fishing statement, provided there is sufficient proof of separate incidents.

The Harbor Director, or his appointee, shall be responsible for evaluating the proof of fishing and making the determination as to whether or not this proof indicates that the vessel has been actively worked for ninety (90) days during the preceding calendar year.

A waiver from the requirement to qualify as a commercial vessel for a given calendar year may be granted by the Harbor Director upon filing of an official written request by the lessee. The Harbor Director shall evaluate the request and determine whether or not the waiver shall be approved. Not more than two (2) waivers shall be granted in any ten (10) year period.

Any person who wishes to appeal the decision of the Harbor Director regarding the waiver may do so to the Morro Bay Harbor Advisory Board by filing an official written statement with the Harbor Director not later than fifteen (15) days after the Harbor Director's determination. The Harbor Advisory Board shall review the appeal within thirty (30) days of the date of filing, and shall render a recommendation regarding the appeal within fifteen (15) days following close of the appeal hearing. The Harbor Director may administratively carry out the recommendation of the Harbor Advisory Board or may schedule the appeal for City Council consideration.

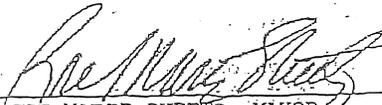
Any person who wishes to have the City Council review the hearing record of the Harbor Advisory Board recommendation regarding an appeal may do so by submitting a request to the Harbor Director within fifteen (15) days following receipt of the Harbor Advisory Board's findings.

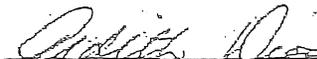
PASSED AND ADOPTED by the City Council of the City of Morro Bay at a regular meeting held thereof on the 25th day of February, 1991, by the following vote:

AYES: Baker, Luna, Mullen, Wuriu, Sheetz

NOES: None

ABSENT: None


ROSE MARIE SHEETZ, MAYOR


ARDITH DAVIS, CITY CLERK

RE: F/U K.T. MARIE

TO WHOM IT MAY CONCERN,
I AM WRITING THIS
LETTER TO REQUEST AN APPEAL PROCESS FOR
THE COMMERCIAL SLIP QUALIFICATION WAIVER
DENIAL FOR FISHING VESSEL K.T. MARIE
SLIP # 23. IT IS MY UNDERSTANDING
THAT APPEALS HAVE BEEN GRANTED IN
THE PAST FOR THE EXACT SAME
SET OF CIRCUMSTANCES. THIS PER
ERIC ENDERS BY.

I HAVE A WAIVER AVAILABLE BY
THE 2 WAIVERS IN TEN YEARS
RULE. I HAVE HAD F/U K.T. MARIE
MOORED IN MORNO BAY SINCE 2001 AND
IN A CITY SLIP SINCE 2004. THIS
SECOND WAIVER IF GRANTED WOULD BE
MY SECOND WAIVER EVER. YOUR
CONSIDERATION IS GREATLY APPRECIATED
IN THIS MATTER.

Sincerely
Brian Williamson



AGENDA NO: D-2

MEETING DATE: June 4, 2015

Staff Report

TO: Harbor Advisory Board

DATE: May 25, 2015

FROM: Eric Endersby, Harbor Director

SUBJECT: Cancellation of the July 2, 2015 Harbor Advisory Board Meeting

RECOMMENDATION:

Cancel the July 2, 2015 Harbor Advisory Board meeting.

FISCAL IMPACT:

None.

BACKGROUND:

The July Harbor Advisory Board meeting is traditionally cancelled due to the July 4 holiday as well as absenteeism of Board members and staff due to the summer season. This year the July meeting date falls on the 2nd.

DISCUSSION:

Canceling the July 2, 2015 Harbor Advisory Board meeting would be consistent with past practice, and expected given the busy time of the year in which it would normally occur.

Prepared By: EE

Dept. Review: EE