



CORRECTED MINUTES
REGULAR MEETING
OF THE BOARD OF HARBOR COMMISSIONERS
MOSS LANDING HARBOR DISTRICT
7881 Sandholdt Road
MOSS LANDING, CA 95039
January 22, 2014, 7:00 p.m.

A. CLOSED SESSION

The Board adjourned to closed session at 6:00 p.m. to discuss the following:

1. Confer with real property negotiators pursuant to Government Code §54956.8 regarding Moss Landing Commercial Park (formerly National Refractories). Negotiating parties: General Manager and District Counsel.
2. Confer with real property negotiators pursuant to Government Code §54956.8 regarding APN 413.022.003 (NH Restaurant Pad). Negotiating parties: General Manager and District Counsel.
3. Confer with legal counsel and General Manager regarding one matter of litigation pursuant to Government Code § 54956.9(a): Cramer vs. MLHD, et al.
4. Confer with real property negotiators pursuant to Government Code §54956.8 regarding parcel(s) currently used for E & F Dock access easements (MBARI). Negotiating parties: General Manager and District Counsel.

B. OPEN SESSION CALL TO ORDER - PLEDGE OF ALLEGIANCE

The meeting was called to order at 7:10 p.m. After the Pledge of Allegiance, roll was called.

Commissioners present:

Russ Jeffries - President
Yohn Gideon – Vice President
Vince Ferrante – Secretary
Frank Gomes, Jr. – Commissioner
Tony Leonardini - Commissioner

Staff present:

Linda G. McIntyre – General Manager
Mike Rodriguez – District Counsel
Marie Della Maggiore, Executive Assistant
Wendy Cumming, CPA

C. PRESIDENT'S REMARKS

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

D. PUBLIC COMMENTS

No public comments.

E. ELECTION OF OFFICERS

1. ITEM - Nominations and election of the 2014 Board of Harbor Commissioners Officers. The General Manager will conduct the Election of Officers.

GM McIntyre gave the staff report on the election process and explained the new SB751 rules regarding the taking of roll call votes in public meetings.

A motion was made by Commissioner Ferrante and seconded by Commissioner Leonardini to re-elect the existing slate of officers for the 2014 Board of Harbor

Commissioners. The motion passed unanimously Commissioners Jeffries, Gideon, Ferrante, Gomes and Leonardini voting aye.

F. 2014 COMMITTEE APPOINTMENTS

2. President re-appointed members of the Board to the same Harbor District committees as last year. The 2014 committees and members are as follows:

1. Elkhorn Slough Advisory Committee – Leonardini/Alternate - Gomes
2. Liveaboard Committee – Chair Gideon/Vice Chair Jeffries
3. Harbor Improvement Committee – Chair Gideon/Vice Chair Gomes
4. Real Property Committee I – Chair Jeffries/Vice Chair Leonardini
5. Real Property Committee II – Chair Gomes/Vice Chair Gideon
6. Special Districts/LAFCO – Jeffries/Ferrante
7. Personnel Committee – Chair Ferrante/Vice Chair ~~Gideon~~ Jeffries
8. Finance Committee – Chair Ferrante/Vice Chair Gideon
9. Ad Hoc Budget Committee – Chair Gomes/Vice Chair Leonardini
10. Ad Hoc Ordinance Review Committee – Chair Leonardini/Vice Chair Gomes

G. MANAGER'S REPORTS

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

H. CONSENT CALENDAR

10. Approval of the December 18, 2013 Rescheduled Regular Meeting Minutes.

11. Approve payment to Board members Russ Jeffries and Vince Ferrante for attendance at the December 12, 2013 SAC meeting regarding desalination plant policies.

A motion was made by Commissioner Gomes and seconded by Commissioner Gideon. The motion passed unanimously Commissioners Jeffries, Gideon, Ferrante, Gomes and Leonardini voting aye.

I. TREASURER'S REPORT

12. Wendy Cumming, CPA gave the Financial Report for the month ending December 31, 2013. This report reflects the first half of the fiscal year. Ms. Cumming reported Marina Revenues below budget by \$30K but it is expected the approaching sport salmon season will reverse that. A decrease in accounts payable, mainly due to reduced professional expenses this period, shows a year-to-date operating loss of \$31K better than budget. She also noted depreciation costs were higher this year than previous. General Administrative costs remain right in line with budget.

A motion was made by Commissioner Ferrante and seconded by Commissioner Gomes to accept the month-ending December 31, 2013 financial report. The motion passed unanimously Commissioners Jeffries, Gideon, Ferrante, Gomes and Leonardini voting aye.

President Jeffries brought Item 22 forward on the agenda.

22. ITEM – Consider approving Reimbursement Agreement for the People’s Moss Landing Desal Project (PMLDP) wherein PMLDP will reimburse MLHD for costs incurred as set forth in the Draft Agreement.

a. Staff report – GM McIntyre gave the staff report.

b. Public comment – Paul Hart, attorney for the PMLDP commented on changes they desired to the Reimbursement Agreement between the project proponent and the District, particularly reducing the deposit to \$50,000 and returning any unused deposit within 30 days of termination of the agreement. President Jeffries said not unless we have done no work at all that would expose us to litigation. Mr. Agha said he will cooperate with us and will accept the existing terms. Mr. Bob Massaro, also a member of the PMLDP, gave the Board an update of where they are in the Coastal Commission permitting process. Mr. Greg Birch, owner of the 3 major shopping centers in North County, supports the PMLDP as did Mr. Bill Hood, a Water Engineer for the State of California. Mr. Ed Mitchell reported on a Prunedale Preservation Alliance meeting held the prior evening. He commended the Board on behalf of the Alliance for moving quickly and for striving to protect the fiduciary health of the District and North County.

c. Board discussion – There was lengthy discussion of the terms and conditions of the agreement. Amendments were made to language in the agreement. Mr. Agha was asked to provide financial statements of the principal partners which he indicated he would provide before the next meeting. Mr. Hart agreed to provide a revised agreement for the Board’s approval.

d. Board action – Mr. Agha said since he agreed to all the terms couldn’t the Board approve the agreement tonight. President Jeffries said we need to see the agreement as revised and asked for the item to be continued to the February 26th meeting agenda. A motion was made Commissioner Jeffries and seconded by Commissioner Gideon to move forward with the reimbursement agreement and continue it to the next meeting. The motion passed unanimously Commissioners Jeffries, Gideon, Ferrante, Gomes and Leonardini voting aye.

President Jeffries called for a 10-minute break.

The open session reconvened at 8:06 p.m. President Jeffries brought Item 23 forward on the agenda.

23. ITEM - Approve purchase of 2 silt barriers (marine debris curtains) of approximately \$8,415.08 or approve spending up to \$80,000 to refloat & demolish a sunken vessel.

a. Staff report – GM McIntyre gave the staff report. She commented that the District is in litigation with the owner but whether or not we are able to recover any costs, the responsible thing to do is remove the vessel now. She went over sources of funding; i.e. \$30K DBW grant and receipt of over \$90K more in property tax revenues than were anticipated, as well as continuing with litigation to seek damages from vessel owner.

b. Public comment – No public comment.

c. Board discussion – Commissioner Gomes commented that a silt barrier is only a bandage to the problem and we are losing slip income as long as the vessel remains. Commissioner Leonardini said he is in favor of using this as an example to other boat owners of the costs of removing uninsured vessels. Commissioner Gideon was concerned about the number of irresponsible boat owners in the harbor to which GM McIntyre responded there was a few known but this was the worst case by far and that the District will continue to pursue every avenue and all remedies available to recoup costs. Commissioner Ferrante asked if there was any salvage value to which GM

McIntyre answered everything possible will be salvaged but there doesn't appear to be anything significant left on or of the vessel.

d. Board action – A motion was made by Commissioner Gomes and seconded by Commissioner Ferrante to approve an amount not to exceed \$80K for the removal and demolition of the sunken vessel the “*Loyal II*”. The motion passed unanimously Commissioners Jeffries, Gideon, Ferrante, Gomes and Leonardini voting aye.

J. COMMITTEE REPORTS

13. Finance Committee – No report.

14. Elkhorn Slough Advisory Committee – No report.

15. Special Districts/LAFCO – President Jeffries reported he and Commissioner Ferrante attended the January Special Districts of Monterey County meeting. The presentation was by Monterey County Auditor/Controller Michael Miller. They were told MLHD could expect approximately \$1,500 in Redevelopment Agency rebates.

16. Liveaboard Committee – No report.

17. Harbor Improvement Committee – No report.

18. Real Property Committee I – No meetings. President Jeffries reported he had attended the North Monterey County Land Use Committee meeting because the MLHD North Harbor Restaurant Project was on the Agenda. The Committee did approve it.

19. Real Property Committee II – No report.

20. Ad Hoc Budget Committee – Commissioner Gomes reported that he had met with GM McIntyre about the new State Lands requirement to segregate revenues received from granted lands use.

21. Meetings attended by Commissioners at District expense since the last regular meeting of the Board (Per AB 1234 requirements). – Nothing further reported.

L. COMMISSIONERS COMMENTS AND CONCERNS

Commissioner Gomes commented that removal of the “*Loyal II*” was a good opportunity to educate harbor tenants on the costs for which they ultimately end up paying. He believes it would be a good time to bring up the insurance and/or bond requirement issue and get feedback from tenants.

M. ADJOURNMENT

The meeting adjourned at 8:49 p.m.

Respectfully Submitted,

ATTEST:

Vince Ferrante, Secretary

Linda G. McIntyre, Deputy Secretary
Board of Harbor Commissioners