

**MINUTES**  
**BOATING AND WATERWAYS COMMISSION MEETING**  
**SACRAMENTO, CALIFORNIA**  
**November 14, 2003**

Pursuant to due and regular notice, the meeting of the Boating and Waterways Commission was called to order by Chairman, Michael L. Beatie, on November 14, 2003, at 8:30 A.M., at the Doubletree Hotel, 2001 Point West Way, Sacramento, California.

**ROLL CALL**

Commissioners Present:           Michael L. Beatie, Chairman  
  Frederic A. Heim, Vice Chairman  
  Pius Lee  
  Robert Y. Nagata  
  Warren E. Rupf  
  Joseph P. Sharpe

Department of Boating and  
Waterways Personnel Present:   Raynor Tsuneyoshi, Director  
  Joy Fisher, Staff Counsel  
  David Johnson, Acting Deputy Director  
  Steve Watanabe, Acting Chief Boating Facilities Division  
  Dolores Farrell, Chief, Boating Operations Division  
  Harold Flood, Supervisor of Planning, Facilities Division  
  April Moses, Associate Governmental Program Analyst  
  Margarita Sanchez, Administrative Assistant

**APPROVAL OF MINUTES**

**MOTION:**   It was moved by Commissioner Sharpe and seconded by  
                  Commissioner Heim that the minutes of the September 11,  
                  2003, meeting be approved as distributed. The motion carried  
                  unanimously.

**CHAIRMAN'S REPORT**

Chairman Beatie introduced and welcomed Mr. Pius Lee as a new member of the Boating and Waterways Commission and indicated the appointment of Commissioner Lee would require Senate confirmation.

Chairman Beatie indicated he was reappointed to the San Francisco Bay Harbor Safety Committee (Safety Committee). He reported to the Safety Committee of the possibility of a merger of the Department of Boating and Waterways and another State department. Chairman Beatie indicated the Safety Committee would like to write a letter of support of the Department of Boating and Waterways and he asked for approval from the Boating and Waterways Commission.

**MOTION:** It was moved by Commissioner Sharpe and seconded by Commissioner Lee to approve Chairman Beatie's request to write a letter of support of the Department of Boating and Waterways on behalf of the San Francisco Bay Harbor Safety Committee. The motion carried unanimously.

In addition, Chairman Beatie thanked the Department of Boating and Waterways' staff for assisting him with a reply to a letter he received from a college student. He indicated the student was surprised in the efficiency of the Department in replying.

## **DIRECTOR'S REPORT**

Mr. Raynor Tsuneyoshi welcomed Commissioner Lee. He reported on the following:

- Arnold Schwarzenegger will officially take office on Monday, November 17, 2003.
- Governor Gray Davis appointed Mary D. Nichols to the California Coastal Commission.
- The Legislature denied a request to fund the Resources Agency for the full 2003-04 fiscal year.
- He attended a National Boating Safety Advisory Council meeting in November.
- The Coast Guard is considering a rulemaking to make wearing of life jackets mandatory, although nothing is planned in the immediate future.
- The Department's Statewide Boating Needs Assessment has been released and is available on our Website.
- The Aquatic Weed Control Program ended treatment in the Sacramento-San Joaquin Delta on October 15, but an infestation of both water hyacinth and *Egeria densa* has been discovered in the Sacramento Rive near Redding, which has been controlled through hand-picking.
- The Aquatic Center at California State University at Sacramento has won the National Safe Boating Council's Western Region Boating Education Advancement Award.

## **LEGISLATIVE REPORT**

Mr. David 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 reported that the Legislature has been out of session, but would meet for a special session. He reported on the following:

- AB 694 (Levine), Use Tax, Vessels, Vehicles, did not pass the Legislature and is on the Senate's inactive file, but he indicated any bill not passed in 2003 could be reconsidered in January.
- AB 928 (Pacheco), Vessel Theft, was passed by the Legislature and was approved by the Governor on September 17, 2003.
- AB 1014 (Canciamilla), Pre-Abandoned Vessels, DBW Study, was approved by the Governor on September 12, 2003. This bill requires the Department of Boating and Waterways do a study on the pros and cons of a turn in program of older vessels.
- AB 1555 (Nakano), Motorboat Noise, new SAE Standards was passed by the Legislature and signed by the Governor on September 24, 2003. This bill will not go into effect until January 1, 2005.

Mr. Johnson stated that SB 1043 (Senate Budget and Fiscal Review Committee) which would transfer \$900,000 from the Harbors and Watercraft Revolving Fund to the Department of Parks and Recreation for allocation to the County of Los Angeles for the operation and maintenance of State recreation facilities at Castaic Lake. He indicated every boating organization except the Southern California Marine Association is opposing SB 1043. Los Angeles County has announced that it will cease operation of the Castaic Lake recreation facilities around January 2004, due to a lack of State money for the implementation of State laws.

Mr. Johnson reported that the Resources Agency and the County of Los Angeles have convened a working group of people to discuss and negotiate the issues at the Lake. The transfer of \$900,000 from the Harbors and Watercraft Revolving Fund in SB 1043 would keep Castaic Lake operating for about six months. He indicated SB 1043 would be considered again in January 2004.

Commissioner Rupf commented that the bill does not clearly state how many representatives would be included in the task force. Mr. Johnson replied it would include eight representatives.

## **CONSIDERATION OF PUBLIC GRANTS**

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

### **Fair Oaks Boat Launching Facility**

Request for a Department of Boating and Waterways grant of \$572,000 to the Sacramento County Department of Regional Parks, Recreation and Open Space to make improvements to the Fair Oaks Boat Launching Facility on the American River.

The Fair Oaks Boat Launching Facility is located in Sacramento County. The boating launch ramp is 1/4-mile east of Sunrise Bridge, and 1 1/2 miles north of Highway 50.

Mr. Flood reviewed the project and explained that the proposed project would entail the following: (1) removal of existing boat launching ramp, (2) fill and stabilize ramp area and banks, (3) construct

a steel reinforced, single lane, concrete boat launching ramp, (4) construct turn-around area, (5) steel sheet piling to dewater and serve as ramp footing with excess above finish grade to cut slope grade, (6) pave, curb, post-and-cable, stripe and sign the existing gravel parking area with 22 single and 36 vehicle/trailer parking area with aisle ways, (7) construct a raised concrete boat tie-up walkway, with side fender rub strips and galvanized steel ties, (8) construct a raft access walkway, (9) construct a rendezvous area (including a concrete plaza, seating walls, three picnic tables and shade tree landscaping), (10) grade and construct realignment of bike trail, (11) construct a two-unit restroom, and (12) landscaping, irrigation, and project signs. He also indicated the County of Sacramento would take care of any permits required by the County.

Mr. Gary Kukkola, Deputy Director, American River Parkway and Mr. Guy Kolling, Associate Landscape Architect, Sacramento County Regional Parks, were available to answer questions from the Commission.

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

Chairman Beatie indicated he visited the site and that of all the sites that he has visited in the past, for proposed projects, this launching facility was in the worst shape of all. Chairman Beatie recommended approval.

Commission Nagata asked that in the last three recent grants the cost benefit ratios have increased and if the grants are being calculated differently. Mr. Flood responded that a new calculation method is being used, so consequently, the user day value went from \$9.00 to about \$18.00. He indicated Mr. Ted Rust of Planning and Applied Economics had given a presentation on this new method to the Commission earlier in the year.

**MOTION:** It was moved by Commissioner Sharpe and seconded by Commissioner Rupf that the Commission consent to the grant of \$572,000 to the Sacramento County Department of Regional Parks, Recreation and Open Space to make improvements to the Fair Oaks Boat Launching Facility. The motion carried unanimously.

### **Lake Elsinore Boat Launching Facility**

Request for a Department of Boating and Waterways Phase I grant of \$817,000 to the City of Lake Elsinore to make improvements to the Lake Elsinore Boat Launching Facility on Lake Elsinore. The total grant amount would be \$3,000,000.

Lake Elsinore Boat Launching Facility is located about 75 miles southeast of downtown Los Angeles, about 22 miles south of the City of Riverside, and about 80 miles north of the City of San Diego.

Mr. Flood reviewed the project and explained that the proposed project would entail the following: (1) six-lane boat launching ramp, (2) three boarding floats, (3) 288 vehicle/trailer parking area,

(4) service area with six employee and four barrier-free access parking spaces, (5) launch ramp apron and staging area, (6) four-unit, barrier-free access restroom building, (7) boat wash-down area, (8) fish-cleaning station, (9) sanitation pumpout system, (10) landscaping and, (11) picnic area and restroom lighting.

Mr. Pat Kilroy, Director, Lake and Aquatic Resources, City of Lake Elsinore, Mr. Ron Noble, President of Noble Consultants, Inc., and Mr. Chet Roberts, Concessionaire, were available to answer questions from the Commission.

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

Commissioner Nagata reported he visited the site and recommends approval. He indicated the City of Lake Elsinore was contributing about a fourth of the cost and paying for the landscaping.

Commissioner Heim inquired about the stability of the water levels in the Lake. Mr. Pat Kilroy responded that improvements have been made in the last several years to stabilize the Lake.

Commissioner Lee asked if the City would pay for additional costs over \$3,000,000. Mr. Flood responded that the City has agreed to pay for everything above \$3,000,000.

**MOTION:** It was moved by Commissioner Nagata and seconded by Commissioner Heim that the Commission consent to the Phase I grant of \$817,000 to the City of Lake Elsinore to make improvements to the Lake Elsinore Boat Launching Facility on Lake Elsinore. The motion carried unanimously.

### **San Leandro Marina Boat Launching Facility**

Request for a Department of Boating and Waterways Phase I grant of \$184,000 to the City of San Leandro to make improvements to the San Leandro Marina Boat Launching Facility on the San Francisco Bay. The total grant amount would be \$1,816,000.

The San Leandro Marina Boat Launching Facility is located along the east side of the central San Francisco Bay within the City of San Leandro.

Mr. Flood reviewed the project and explained that the proposed project would entail the following: (1) demolition and removal of existing pier and parking area to allow construction of new boat launching ramp and parking area, (2) construction of two-lane concrete boat launching ramp, (3) installation of two concrete boarding floats, (4) construction of 65 vehicle/trailer parking area, (5) construction of a two unit restroom, (6) construction of maneuvering area, ready lane, and wash down area, (7) construction of two concrete brows, (8) installation of four concrete piles, and (9) utilities. He indicated the City of San Leandro would take care of any permits required by the City.

Mr. John O'Driscoll, City of San Leandro and Mr. Ken Johnson, Concept Marine, were available to answer questions from the Commission.

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

Commissioner Beatie reported he visited the very busy and popular site and he recommends approval.

Commissioner Nagata inquired on the cost of the restroom. Mr. Ken Johnson responded that restrooms vary in price from \$50,000 to \$500,000 depending on what type of structure is used and what currently exists at the site. He indicated the restroom would not be prefabricated and would be built from scratch and that local requirements, and the ADA also add to the cost.

**MOTION:** It was moved by Commissioner Sharpe and seconded by Commissioner Lee that the Commission consent to the Phase I grant of \$184,000 to the City of San Leandro to make improvements to the San Leandro Marina Boat Launching Facility on the San Francisco Bay. The motion carried unanimously.

Chairman Beatie called for a break at 9:10 A.M.; the meeting resumed at 9:25 A.M.

## **CONSIDERATION OF PUBLIC LOANS**

### **Alamitos Bay Marina-Basin 1**

Request for a Department of Boating and Waterways Phase I loan of \$1,250,000 to the City of Long Beach to rebuild the Alamitos Bay Marina-Basin 1. Total loan amount would be \$12,105,000.

Alamitos Bay lies in the southeastern portion of the City of Long Beach. The Basin 1 Marina is the first of eight basins constructed at the Alamitos Bay location.

Mr. Flood reviewed the project and explained that the proposed project would rebuild the marina and entails the following: (1) demolition of existing berths and construction of 162 new berths, (2) installation of concrete piles, (3) installation of dockside utilities, (4) dredging, (5) construction of restrooms, each with shower facilities, (6) gangways, and (7) construction and/or repaving of parking areas.

Mr. Douglas Parsons, Superintendent of Marina Operations, City of Long Beach, was available to answer questions from the Commission.

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

Commissioner Nagata reported he visited the site, which is in need of refurbishment, and recommends approval. He noted that the Department has a policy of collateral being a stream of interest with the rents, which are assigned to the Department. Commissioner Nagata stated every time he has been involved with a foreclosure the reason is because the rents have diminished

substantially and consequently they are not paying and when one tries to claim an assignment of rents no one wants to pay. Commissioner Nagata recommends that the percentages used and the collaterals recommended by the Department be studied and looked into, especially since we do not require any capital. He further stated the 10 percent margin is very thin.

Mr. Flood responded that with the City of Long Beach, a revenue stream was requested as collateral. He stated the revenue stream included the revenue at the marina and also from their tidelands account and it includes all of their revenues from all of their marinas and all of their marine based activities. He indicated typically when the Department takes a revenue stream as collateral for any marina, the Department will get an assignment of the rents at the marina, but when accepting 125 percent of annual debt service as collateral, the Department is looking for long-term leases and requests them to supply the Department with copies of their long-term leases and past payment histories of the long-term leases. Mr. Flood stated the Department is trying to get long-term revenues from the entire area and any other assets they might have. Mr. Flood further noted that the Department tries to get a deed of trust whenever possible, but most cities cannot provide a deed of trust on their properties.

Ms. Joy Fisher indicated that she reviews the kinds of collateral that the Department is able to accept and that sometimes the Department asks for a letter of credit. She indicated she has been recommending that whenever possible the Department ask for letters of credit.

Commissioner Rupf commented he agrees with Commissioner Nagata and that we are in danger of being forced to get into the marina business if all we have for collateral is leases.

Mr. Tsuneyoshi reported the Department is reviewing the contracts on a regular basis.

**MOTION:** It was moved by Commissioner Sharpe and seconded by Commissioner Nagata that the Commission consent to the Phase I loan of \$1,250,000 to the City of Long Beach to rebuild the Alamitos Bay Marina-Basin 1. The motion carried unanimously.

### **Sacramento Marina**

Request for a Department of Boating and Waterways Phase I loan of \$850,000 to the City of Sacramento to make improvements to the south basin of the Sacramento Marina. Total loan amount would be \$6,200,000.

The Sacramento Marina is located two miles from downtown Sacramento in Miller Park, on the east bank of the Sacramento River. This facility consists of the North and South Basins.

Mr. Flood reviewed the project and explained that the proposed project would entail the following: (1) demolition of existing berths (except 30 existing concrete berths which will be extended) and construction of a reconfigured system containing 171 slips, (2) berth covers, including a portion of the north basin (3) installation of gangways, (4) construction of a new restroom, (5) replacement of all utilities, (6) dredging, and (7) addition of a fuel dispenser.

Ms. Barbara Bonebrake, Director, City of Sacramento and Ms. Michelle Heppner, Interim Marina Manager, were available to answer any questions from the Commission.

Mr. Flood reported that in this project, revenues as collateral was being suggested but was not feasible, so a letter of credit is being considered at this time. He also indicated that the projections indicate that loan payments would not be made for a couple of years, due to construction phasing. But an account, if approved, would be set aside that can be used to make payments for the first four or five years.

Chairman Beatie reported he had toured the site and strongly recommends approval.

Commissioner Heim asked if the existing wooden pilings are wrapped or have problems with worms. Mr. Richard Dornhelm of Moffat and Nichol Engineers, responded that since the pilings are in fresh water, there are no infestations or damages that you normally see in the bay and that all of the old timber pilings will be replaced with concrete pilings

Commissioner Nagata asked if the collateral was a revocable letter of credit, and that the Feasibility Report states and/or a lease back. Mr. Flood responded that the Department is considering two different options and that the City of Sacramento is looking into the cost of a letter of credit. The other option considered is the lease/lease back situation where the Department can lease the Marina from the City of Sacramento and then lease it back to them, and if they cannot make payments, an operator can be obtained to manage and repay the Department.

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

**MOTION:** It was moved by Commissioner Sharpe and seconded by Commissioner Lee that the Commission consent to the Phase I loan of \$850,000 to the City of Sacramento to make improvements to the south basin of the Sacramento Marina. The motion carried unanimously.

## **OLD BUSINESS**

### **Pier 38**

Request for a loan deferment of one year by Pier 38 Maritime Recreation Center, Inc. (Pier 38 MRC) to the Department of Boating and Waterways.

Ms. Moses gave a brief history on Pier 38 MRC and reported that due to the decline in the economy after the September 11, 2001, terrorist activities, the restaurant tenant halted monthly payments and a payment deferment was granted. She also indicated that the restaurant partnership went into arbitration over the rights to operate a restaurant on the premises and in October 2003 the arbitrator ruled in favor of Pier 38 MRC.

Ms. Moses added that Mr. Carl Ernst, Principal Officer, of Pier 38 MRC, is in the process of searching for a new tenant for the restaurant, and also for a new partner. She indicated that the partnership with Mr. Michael Schwab has dissolved due to reasons beyond Pier 38 MRC's control.

Mr. Carl Ernst, Principal Officer was available to answer any questions from the Commission.

Ms. Moses indicated that staff recommended that the Commission consent to the one year payment deferment request from October 2003 to November 2004, but if a restaurant operator or a new partner are secured, then Pier 38 MRC will begin loan payments immediately.

Chairman Beatie asked about the third partner, which was introduced at the previous Commission meeting. Mr. Ernst responded the individual was a friend of the Schwab family and not a third partner.

Commissioner Rupf indicated that *Table 1* in the Feasibility Report shows that in the current year the net revenue is \$9,000 and that in 2004 the net revenue is about \$140,000. Ms. Moses responded that the figures in *Table 1* show the net amounts that are projected revenues for 2004 and 2005.

Commissioner Rupf made a motion to defer this agenda item to the next Commission meeting so that he may review the Feasibility Report.

Commissioner Heim asked about the dissolving of the partnership with Mr. Schwab. Mr. Ernst responded that there were some problems relative to the partnership beyond his control.

**MOTION:** It was moved by Commissioner Rupf and seconded by Commissioner Sharpe to defer the agenda item Pier 38 to the next Commission meeting. The motion carried unanimously.

### **Moss Landing**

Mr. Flood introduced Ms. Linda McIntyre, General Manager, of Moss Landing Harbor District. He indicated that Moss Landing is requesting a three-year extension for construction time.

Ms. McIntyre reported that the time is needed because work was halted for two years due to the Eel Grass beds. She indicated environmental reports and a monitoring and mitigation plan had to be done on the Eel Grass before any work could proceed. Ms. McIntyre also reported that the Coastal Commission wanted to delegate its authority to the County of Monterey, but the Coastal Commission's counsel wanted to research it more and did not issue the result until November 2001 or early 2002. She stated the results indicated that the Coastal Commission did not have the authority to delegate its power. She indicated that within the next three to four months they should be able to obtain the required permits from the Coastal Commission and in about a year from now they should be able to proceed.

Mr. Flood indicated that staff recommended that the Commission consent to the three-year extension for construction time.

Commissioner Heim asked if the Eel Grass is propagating and if it is similar to water hyacinth.

Ms. McIntyre responded that the Eel Grass situation is more of an endangered species issue and that the grass is reducing in size rather than growing such as water hyacinth.

**MOTION:** It was moved by Commissioner Lee and seconded by Commissioner Sharpe to approve the Moss Landing's request for a three-year extension for construction time. The motion carried unanimously.

## **NEW BUSINESS**

### **States Organization for Boating Access Update**

Mr. Steve Watanabe gave an update on the 2003 States Organization for Boating Access Conference he attended on September 27 through October 1, 2003, in Erie, Pennsylvania.

### **Election of Officer for 2004**

Chairman Beatie indicated he and Commissioner Heim's terms are ending and would welcome any letters of support of reappointment. He stated that he has been chairman for two years due to the passing of Commissioner Nelson.

Chairman Beatie nominated Commissioner Heim as Chairman for the year 2004.

**MOTION:** It was moved by Chairman Beatie and seconded by Commissioner Sharpe that Commissioner Heim be the next Chairman of the Boating and Waterways Commission for the year 2004. The motion carried unanimously.

Commissioner Rupf nominated Commissioner Sharpe as Vice Chairman for the year 2004.

**MOTION:** It was moved by Commissioner Rupf and seconded by Commissioner Lee that Commissioner Sharpe be the next Vice Chairman of the Boating and Waterways Commission for the year 2004. The motion carried unanimously.

## **PUBLIC COMMENTS**

Ms. Linda McIntyre, General Manager, Moss Landing Harbor District, expressed her appreciation of the Department staff. She indicated that the Department should be an example for all agencies to follow, because the Department does not take any general fund monies and is self-sufficient. She

opposes the idea of a merger and will do what she can to maintain the Department as an independent agency.

Mr. Ted Warburton, President, California Association of Harbor Masters and Port Captains, thanked the Director and staff for attending his conference in San Francisco. He stated that many boating association groups are in support of the Department and that they would get the word out to the Transition Team.

He further stated he hopes to introduce Mr. Mick Kronman, as the new President of the California Association of Harbormasters and Port Captains at the next Commission meeting.

Mr. Tsuneyoshi thanked all the Department's constituents, especially Port Captains and Harbormasters for their support. He also recognized Chairman Beatie for serving as Chairman for two years with a lot of energy and enthusiasm.

Chairman Beatie stated he is in support of Commissioner Rupf's suggestion of having the Department of Boating and Waterways supply the Commissioners with an easy way to get to the meetings. He indicated a bag with supplies such as, a hat, shirt and a floatation device, would be a small gesture for the time the Commissioners spend on field trips and meeting.

Commissioner Rupf displayed a tote bag, which contained a magnetic ID card that can be worn over the neck or on a coat pocket; a personal floatation device; commissioner cap; commissioner shirt; folder with the Commissioners names and address; and, forms used at Commission meetings. He stated the bag would organize the commissioners especially if they have to attend many meetings and that the total cost of the supplies was \$201.08. He indicated he will keep the bag he has displayed and that Chairman Beatie has one, so the Department only needs to furnish four additional ones.

**MOTION:** It was moved by Commissioner Sharpe and seconded by Commissioner Rupf to have the Department supply the Commissioners with the supplies as described by Commissioner Rupf. The motion carried unanimously.

Mr. Tsuneyoshi stated that the Department will take the suggestion into consideration, but due to the current budget situation, the Department must be careful on how public funds are to be used. He further stated that if Commissioner Rupf would make the supplies available, the Department would look into it. Commissioner Rupf responded that he would make the supplies and staff available.

## **COMMISSIONER ANNOUNCEMENTS**

Mr. Johnson indicated the next meeting is scheduled for January 8, he then read the tentative scheduled for the year 2004. The proposed dates are as follows; March 4, May 6, July 29, September 16, November 18.

Mr. Tsuneyoshi noted that all meetings would be held in Sacramento per the policy issued by Agency.

Commissioner Rupf stated that there are benefits to our constituencies to take the Commissioner meetings to different geographical parts of the states and that we should again start visiting various parts of the state.

Ms. Joy Fisher stated that the matter of the Commissioner meetings was not on the Agenda so no votes can be taken. Mr. Rupf responded that no motion was taken.

Commission Lee mentioned that since legal counsel stated that no votes could be taking because an item is not on the Agenda, then the motion that was passed on the commissioner's bag was incorrect.

Mr. Rupf responded that the motion directed staff to explore and look into furnishing the Commissioners with the supplies.

After discussion, Chairman Beatie asked that agenda item of the commissioner bag be placed as an agenda item for the next Commission meeting.

## **ADJOURNMENT**

The chair adjourned the meeting at 10:28 A.M.

---

Raynor Tsuneyoshi, Secretary

Attachments