



# **VENTURA PORT DISTRICT**

## **BOARD OF PORT COMMISSIONERS**

Chris Stephens, Chairman  
Michael Blumenberg, Vice Chairman  
Brian Brennan, Secretary  
Jackie Gardina, Commissioner  
Everard Ashworth, Commissioner

Brian D. Pendleton, General Manager  
Todd Mitchell, Business Operations Manager  
Andy Turner, Legal Counsel  
Jessica Rauch, Clerk of the Board

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### **PORT COMMISSION AGENDA**

**REGULAR MEETING**  
**WEDNESDAY, APRIL 21, 2021**

**TELECONFERENCE**  
**5 TELECONFERENCE LOCATIONS**

**VENTURA PORT DISTRICT OFFICE**  
**1603 ANCHORS WAY DRIVE**  
**VENTURA, CA 93001**

**CLOSED SESSION – 5:30PM**

**REGULAR MEETING – 7:00PM**

**IN ACCORDANCE WITH THE CALIFORNIA GOVERNOR'S EXECUTIVE STAY AT HOME ORDER AND THE COUNTY OF VENTURA HEALTH OFFICER DECLARED LOCAL HEALTH EMERGENCY AND BE WELL AT HOME ORDER RESULTING FROM THE NOVEL CORONAVIRUS, THE VENTURA PORT DISTRICT ADMINISTRATION BUILDING IS CLOSED TO THE PUBLIC. THIS MEETING IS BEING HELD IN ACCORDANCE WITH THE STATE EMERGENCY SERVICES ACT, THE GOVERNOR'S EMERGENCY DECLARATION, AND THE GOVERNOR'S EXECUTIVE ORDER NO. 25-20 ISSUED ON MARCH 12, 2020 TO ALLOW ATTENDANCE BY MEMBERS OF THE PORT COMMISSION BY TELECONFERENCE IN FULL COMPLIANCE WITH THE BROWN ACT.**

## **PUBLIC PARTICIPATION OPTIONS**

### **WATCH THE MEETING LIVE**

Join a Zoom meeting LIVE:

<https://us02web.zoom.us/j/87336568852>

Webinar ID: 873 3656 8852

1-669-900-6833

1-877-853-5257

### **SUBMIT PUBLIC COMMENT VIA EMAIL**

If you do not wish to speak live but would like to submit a written comment on a specific agenda item, please do so via email by 4:00PM on the day of the meeting. Please submit your comment to the Clerk of the Board at [jrauch@venturaharbor.com](mailto:jrauch@venturaharbor.com).

When sending an email, please indicate in the subject line, the agenda item number (i.e. General Public Comment or Consent Item A). Written comments should be no more than 1000 characters in length. Written comments will be distributed to the Commissioners and will be posted as a supplemental packet on the District's website at <https://venturaharbor.com/board-meetings-minutes/>.

### **PROVIDE PUBLIC COMMENT LIVE AT THE MEETING USING ZOOM**

To speak on a specific agenda item during the live Zoom meeting, please fill out the Public Comment Slip and email the Clerk of the Board at [jrauch@venturaharbor.com](mailto:jrauch@venturaharbor.com) by 4:00PM on the day of the meeting so you can participate appropriately. You can use one (1) comment slip for multiple items.

If you decide to speak during the meeting and did not fill out a Public Comment slip, attendees can dial \*9 if on the phone or use the 'raise hand' function in Zoom.

<b>CLOSED SESSION – 5:30PM</b>
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**CALL TO ORDER:** *By Chairman Chris Stephens.*

**ROLL CALL:** *By the Clerk of the Board.*

### **PUBLIC COMMUNICATIONS (3 minutes)**

*The Public Communications period is set aside to allow public testimony on items only on the Closed Session Agenda. Each person may address the Commission for up to three minutes or at the discretion of the Chair. Attendees can dial \*9 or use the 'raise hand' function in Zoom if they would like to speak during public comment periods.*



<b>CONVENE IN CLOSED SESSION – 5:35PM</b>
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**CLOSED SESSION AGENDA**

**1. Conference with Real Property Negotiators - Per Government Code Section 54956.8:**

- |    |                      |                                                                                                         |
|----|----------------------|---------------------------------------------------------------------------------------------------------|
| a) | Property:            | <b>1575 Spinnaker Drive #107B</b>                                                                       |
|    | Negotiating Parties: | Brian D. Pendleton, Todd Mitchell, Andy Turner<br>Tina O'Brien dba Mermaid Gallery                      |
|    | Under Negotiation:   | <b>Terms of Retail Lease Option</b>                                                                     |
|    |                      |                                                                                                         |
| b) | Property:            | <b>1567 Spinnaker Drive #104</b>                                                                        |
|    | Negotiating Parties: | Brian D. Pendleton, Todd Mitchell, Andy Turner<br>Ricardo Magana                                        |
|    | Under Negotiation:   | <b>Terms of Lease Assignment</b>                                                                        |
|    |                      |                                                                                                         |
| c) | Property:            | <b>1575 Spinnaker Drive #107A</b>                                                                       |
|    | Negotiating Parties: | Brian D. Pendleton, Todd Mitchell, Andy Turner<br>Tuesday Spagnuolo & Vince Spagnuolo DBA Lost in Socks |
|    | Under Negotiation:   | <b>Terms of New Retail Lease Agreement</b>                                                              |

**2. Public Employee Performance Evaluation per Government Code Section 54957(b)(1):**

- a) Brian D. Pendleton, General Manager - Annual Review

**ADJOURNMENT**

<b>OPEN SESSION – 7:00PM</b>
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**CALL TO ORDER:** *By Chairman Chris Stephens.*

**PLEDGE OF ALLEGIANCE:** *By Chairman Chris Stephens.*

**ROLL CALL:** *By the Clerk of the Board.*

**ADOPTION OF AGENDA (3 minutes)**

*Consider and approve, by majority vote, minor revisions to agenda items and/or attachments and any item added to or removed/continued from the Port Commission's agenda. Administrative Reports relating to this agenda and materials related to an item on this agenda submitted after distribution of the agenda packet are available for public review at the Port District's office located at 1603 Anchors Way Drive, Ventura, CA during business hours as well as on the District's website - [www.venturaharbor.com](http://www.venturaharbor.com).*

**APPROVAL OF MINUTES (3 minutes)**

*The Minutes of the April 7, 2021 Regular Meeting will be considered for approval.*

**PUBLIC COMMUNICATIONS (3 minutes)**

*The Public Communications period is set aside to allow public testimony on items not on today's agenda. Each person may address the Commission for up to three minutes or at the discretion of the Chair. Attendees can dial \*9 or use the 'raise hand' function in Zoom if they would like to speak during public comment periods.*

**CLOSED SESSION REPORT (3 minutes)**

*Closed Sessions are not open to the public pursuant to the Brown Act. Any reportable actions taken by the Commission during Closed Session will be announced at this time.*

**BOARD COMMUNICATIONS (5 minutes)**

*Port Commissioner's may present brief reports on port issues, such as seminars, meetings and literature that would be of interest to the public and/or Commission, as a whole. Port Commissioner's must provide a brief summary and disclose any discussions he or she may have had with any Port District Tenants related to Port District business.*

**STAFF AND GENERAL MANAGER REPORTS (5 minutes)**

*Ventura Port District Staff and General Manager will give the Commission updates on important topics or items of general interest if needed.*

**LEGAL COUNSEL REPORT (5 minutes)**

*Legal Counsel will report on progress of District assignments and any legislative or judicial matters.*

**CONSENT AGENDA: (5 minutes)**

*Matters appearing on the Consent Calendar are expected to be non-controversial and will be acted upon by the Board at one time, without discussion, unless a member of the Board or the public requests an opportunity to address any given item. Approval by the Board of Consent Items means that the recommendation is approved along with the terms set forth in the applicable staff reports.*

**A) Approval of New Retail Lease Agreement for Ghassan Trad and Wafaa Alwarda dba Harbor Market & Liquor**

Recommended Action: Roll Call Vote.

That the Board of Port Commissioners approve a new Retail Lease Agreement between the Ventura Port District dba Ventura Harbor Village and Ghassan Trad & Wafaa Alwarda dba Harbor Market & Liquor for the premises located at 1559 Spinnaker Drive #104, consisting of 1,373 square feet for a five-year term with a four-year option.

**STANDARD AGENDA:**

**1) Adoption of Resolution No. 3412 Approving a Conveyance Agreement and an Installment Purchase Contract to Refinance the 2008 and 2009 Certificates of Participation as amended February 1, 2016**

Recommended Action: Roll Call Vote.

That the Board of Port Commissioners adopt Resolution No. 3412, approving a Conveyance Agreement and an Installment Purchase Contract, making certain determinations relating thereto: and authorizing certain other actions in connection therewith, to refinance the 2008 & 2009 Certificates of Participation.

**2) Coastal Marine Biolabs Current Activities Update**

Recommended Action: Informational.

That the Board of Port Commissioners receive an update from Coastal Marine Biolabs on their current activities.

**3) Approval of 2021 Lifeguard Service Contract**

Recommended Action: Roll Call Vote.

That the Board of Port Commissioners authorize the General Manager to enter into a contract with State Parks to provide Lifeguard Services from mid-May 2021 through Labor Day 2021 at Harbor Cove and Surfers Knoll beaches for \$136,802.37.

**4) Approval of a Professional Services Agreement with Photo-Scan of Los Angeles, Inc. for Security System Monitoring and Service**

Recommended Action: Roll Call Vote.

That the Board of Port Commissioners approve a Professional Services Agreement with Photo-Scan of Los Angeles, Inc. in the amount of up to \$50,000 for upgrades and maintenance of the District's door lock and camera security systems.

**5) Ventura Port District Operations Update as it Relates to COVID-19**

Recommended Action: Informational. (Verbal Report)

That the Board of Port Commissioners receive an update on:

- a) The COVID-19 Ventura Harbor Rental Abatement and Deferment Program; and,
- b) Status of Ventura Port District operations.

**ADJOURNMENT**

*This agenda was posted on Friday, April 16, 2021 by 5:00 p.m. at the Port District Office and online at [www.venturaharbor.com](http://www.venturaharbor.com) - Port District Business - Meetings and Agendas.*

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*In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Ventura Port District at (805) 642-8538 or the California Relay Service at 711 or (800) 855-7100. Notification 72 hours prior to the meeting will enable the District to make reasonable arrangements to ensure accessibility. (28 CFR 35.102.35.104 ADA Title II)*



VENTURA  
PORT DISTRICT  
*Established 1952*

# BOARD OF PORT COMMISSIONERS

## APRIL 21, 2021

### APPROVAL OF MINUTES

### APRIL 7, 2021 REGULAR MEETING

# VENTURA PORT DISTRICT

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## BOARD OF PORT COMMISSIONERS MINUTES OF APRIL 7, 2021

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### **CLOSED SESSION**

#### **CALL TO ORDER:**

The Ventura Board of Port Commissioners Regular Closed Session Meeting was called to order by Chairman Chris Stephens at 6:00PM at the Ventura Port District Administration Office, 1603 Anchors Way Drive, Ventura, CA 93001 and via Zoom meeting.

#### **ROLL CALL:**

##### **Commissioners Present:**

Chris Stephens, Chairman  
Michael Blumenberg, Vice Chairman  
Brian Brennan, Secretary via teleconference  
Jackie Gardina via teleconference  
Everard Ashworth via teleconference

##### **Commissioners Absent:**

None.

##### **Port District Staff:**

Brian Pendleton, General Manager  
Todd Mitchell, Business Operations Manager  
Jessica Rauch, Clerk of the Board

##### **Legal Counsel:**

Andy Turner via teleconference  
David Yoshida via teleconference

**PUBLIC COMMUNICATIONS:** None.

**CONVENED TO CLOSED SESSION AT 6:03PM.**

**ADJOURNMENT:** Closed Session was adjourned at 6:55PM.

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### **OPEN SESSION**

#### **ADMINISTRATIVE AGENDA:**

##### **CALL TO ORDER:**

The Ventura Board of Port Commissioners Regular Open Session Meeting was called to order by Chairman Chris Stephens at 7:00PM at the Ventura Port District Administration Office, 1603 Anchors Way Drive, Ventura, CA 93001 and via Zoom Meeting.

**PLEDGE OF ALLEGIANCE:** By Vice-Chairman Blumenberg.

**ROLL CALL:**

**Commissioners Present:**

Chris Stephens, Chairman  
Michael Blumenberg, Vice Chairman  
Brian Brennan, Secretary via teleconference  
Jackie Gardina via teleconference  
Everard Ashworth via teleconference

**Commissioners Absent:**

None.

**Port District Staff:**

Brian Pendleton, General Manager  
Todd Mitchell, Business Operations Manager  
Jessica Rauch, Clerk of the Board  
John Higgins, Harbormaster via teleconference  
Joe Gonzalez, Capital Improvements Manager via teleconference  
Gloria Adkins, Accounting Manager via teleconference

**Legal Counsel:**

Andy Turner via teleconference

**ADOPTION OF AGENDA**

**ACTION:** Commissioner Brennan moved to adopt the April 7, 2021 agenda.

Commissioner Gardina seconded. The vote was as follows:

**AYES:** Commissioner Stephens, Brennan, Gardina, Ashworth, Blumenberg

**NOES:** None.

**Motion carried 5-0.**

**APPROVAL OF MINUTES**

The Minutes of the March 17, 2021 Regular Meeting were considered as follows:

**ACTION:** Commissioner Gardina moved to approve the minutes of the March 17, 2021 Regular Meeting as revised:

**PAGE 5**

**Standard Item 3) Ventura Shellfish Enterprise Next Steps**

**PUBLIC COMMENT:** Linda Krop, Chief Counsel for the Environmental Defense Center ~~agrees with staff's recommendations.~~ stated that she is in support of 1) the staff recommendation to withdraw applications for the VSE project; 2) the continued stakeholder outreach and meetings; and 3) continued conversations with state agencies. Sam Sadove stated that he has supported the concept of the shellfish project and also supports staff recommendations. However, there continues to a number of issues that include 1) NOAA not having jurisdiction over

aquaculture, 2) the LAFCo issue and 3) recouping of costs. Rae Fuhrman, CEO and Founder of Stingray Sensing is working to develop a low-cost monitoring system for bivalve and seaweed farms, which may help in aquaculture permitting. Closed at 7:57PM.

**Commissioner Brennan seconded. The vote was as follows:**

**AYES: Commissioner Stephens, Brennan, Gardina, Ashworth, Blumenberg**  
**NOES: None.**

**Motion carried 5-0.**

**PUBLIC COMMUNICATIONS:** Lynn Mikelatos, owner of the Greek & Margarita Villa is concerned about the money still being spent on the VSE project.

**CLOSED SESSION REPORT:** Mr. Turner stated that the Board met in closed session; discussed and reviewed all items on the closed session agenda. The Board gave direction to staff as how to proceed. No action was taken that is reportable under The Brown Act.

**BOARD COMMUNICATIONS:** Vice-Chairman Blumenberg took a tour of the Harbortown Point Timeshare last Friday.

**STAFF AND GENERAL MANAGER REPORTS:** Mr. Pendleton gave an update on the Ventura Isle Marina dock replacement and Fisherman's Storage projects.

**LEGAL COUNSEL REPORT:** None.

**CONSENT AGENDA:**

**A) Termination of Current Office Lease Agreement with Annette Cortez dba idobooks4u**

**Recommended Action: Roll Call Vote.**

That the Board of Port Commissioners approve a termination of an Office Lease Agreement, dated August 1, 2019, between the Ventura Port District dba Ventura Harbor Village and Annette Cortez dba idobooks4u for the premises located at 1583 Spinnaker Drive #212, consisting of approximately 374 square feet.

**PUBLIC COMMENT:** None.

**ACTION:** Commissioner Brennan moved to approve a termination of an Office Lease Agreement, dated August 1, 2019, between the Ventura Port District dba Ventura Harbor Village and Annette Cortez dba idobooks4u for the premises located at 1583 Spinnaker Drive #212, consisting of approximately 374 square feet.

**Vice-Chairman Blumenberg seconded. The vote was as follows:**

**AYES: Commissioner Stephens, Brennan, Gardina, Ashworth, Blumenberg**  
**NOES: None.**

**Motion carried 5-0.**

**B) Approval of New Office Lease Agreement for Randy Patrick dba Mindful Wealth Planners LLC**

Recommended Action: Roll Call Vote.

That the Board of Port Commissioners approve a new Office Lease Agreement between the Ventura Port District dba Ventura Harbor Village and Randy Patrick dba Mindful Wealth Planners LLC for space located at 1583 Spinnaker Drive #212 consisting of approximately 374 square feet for a four (4) year term with two (2) options each for two (2) additional years.

PUBLIC COMMENT: None.

**ACTION:** Commissioner Brennan moved to approve a new Office Lease Agreement between the Ventura Port District dba Ventura Harbor Village and Randy Patrick dba Mindful Wealth Planners LLC for space located at 1583 Spinnaker Drive #212 consisting of approximately 374 square feet for a four (4) year term with two (2) options each for two (2) additional years.

Vice-Chairman Blumenberg seconded. The vote was as follows:

**AYES:** Commissioner Stephens, Brennan, Gardina, Ashworth, Blumenberg  
**NOES:** None.

Motion carried 5-0.

**STANDARD AGENDA:**

**1) Adoption of Resolution No. 3411 Extending Thanks and Gratitude to Manson Construction Company**

Recommended Action: Roll Call Vote.

That the Board of Port Commissioners adopt Resolution No. 3411 extending thanks and gratitude to Manson Construction Company for their responsiveness and timely work of the inner harbor dredging.

Report by Brian D. Pendleton, General Manager.

PUBLIC COMMENT: Lynn Mikelatos, owner of The Greek and Margarita Villa asked if the inner harbor dredging work costs is split between the City and Port District. Mr. Pendleton responded that there is cost sharing between the City and Port District. Closed at 7:16PM.

**ACTION:** Commissioner Ashworth moved to adopt Resolution No. 3411 extending thanks and gratitude to Manson Construction Company for their responsiveness and timely work of the inner harbor dredging.

Vice-Chairman Blumenberg seconded. The vote was as follows:

**AYES:** Commissioner Stephens, Brennan, Gardina, Ashworth, Blumenberg  
**NOES:** None.

Motion carried 5-0.



**2) Approval of First Amendment to a Professional Services Agreement with Rincon Consultants, Inc. for Dredging Support Services**

Recommended Action: Roll Call Vote.

That the Board of Port Commissioners approve the First Amendment to a Professional Services Agreement with Rincon Consultants, Inc. in the amount of \$25,000 for maintenance dredging environmental consulting and monitoring services.

Report by Todd Mitchell, Business Operations Manager.

PUBLIC COMMENT: Lynn Mikelatos, owner of The Greek and Margarita Villa asked if Richard Parsons is still managing dredging. Chairman Stephens responded that he left last year. Closed at 7:21PM.

**ACTION:** Commissioner Brennan moved to approve the First Amendment to a Professional Services Agreement with Rincon Consultants, Inc. in the amount of \$25,000 for maintenance dredging environmental consulting and monitoring services.

Commissioner Ashworth seconded. The vote was as follows:

**AYES:** Commissioner Stephens, Brennan, Gardina, Ashworth, Blumenberg

**NOES:** None.

**Motion carried 5-0.**

**3) Approval of First Amendment to a Professional Services Agreement with Dudek for Environmental and Administrative Support Consulting Services related to the Ventura Shellfish Enterprise Project**

Recommended Action: Roll Call Vote.

That the Board of Port Commissioners approve the First Amendment to a Professional Services Agreement with Dudek in the additional amount of \$30,000 for FY20-21 in support of the 2018 CA Sea Grant tasks and implementation of Board direction on March 17, 2021 associated with the Ventura Shellfish Enterprise project.

Report by Brian D. Pendleton, General Manager.

PUBLIC COMMENT: Lynn Mikelatos, owner of The Greek and Margarita Villa asked what the possibility of this project landing in Ventura and how much of the grant funding has been spent. Michael Wagner, owner of Andria's Seafood, disagreed with spending these funds. Closed at 7:31PM.

**ACTION:** Commissioner Ashworth moved to approve the First Amendment to a Professional Services Agreement with Dudek in the additional amount of \$30,000 for FY20-21 in support of the 2018 CA Sea Grant tasks and implementation of Board direction on March 17, 2021 associated with the Ventura Shellfish Enterprise project.

Commissioner Brennan seconded. The vote was as follows:

**AYES:** Commissioner Stephens, Brennan, Gardina, Ashworth, Blumenberg

**NOES:** None.

**Motion carried 5-0.**

**4) Approval of First Amendment to a Professional Services Agreement with K&L Gates for Legal Consulting Services related to the Ventura Shellfish Enterprise Project**

Recommended Action: Roll Call Vote.

That the Board of Port Commissioners approve the First Amendment to a Professional Services Agreement with K&L Gates LLP in the additional amount of \$35,000 for FY2020-2021 in support of the 2018 CA Sea Grant tasks and implementation of Board direction on March 17, 2021 associated with the Ventura Shellfish Enterprise project.

Report by Brian D. Pendleton, General Manager.

PUBLIC COMMENT: None. Closed at 7:44PM.

**ACTION:** Vice-Chairman Blumenberg moved to approve the First Amendment to a Professional Services Agreement with K&L Gates LLP in the additional amount of \$35,000 for FY2020-2021 in support of the 2018 CA Sea Grant tasks and implementation of Board direction on March 17, 2021 associated with the Ventura Shellfish Enterprise project.

Commissioner Brennan seconded. The vote was as follows:

**AYES:** Commissioner Stephens, Brennan, Gardina, Ashworth, Blumenberg

**NOES:** None.

**Motion carried 5-0.**

**5) Ventura Port District Operations Update as it Relates to COVID-19**

Recommended Action: Informational. (Verbal Report)

That the Board of Port Commissioners receive an update on:

- a) The COVID-19 Ventura Harbor Rental Abatement and Deferment Program; and,
- b) Status of Ventura Port District operations.

Report by Brian D. Pendleton, General Manager.

PUBLIC COMMENT: None.

**ACTION:** The Board of Port Commissioners received an update on COVID-19 related items.

**ADJOURNMENT:** The meeting was adjourned at 7:52PM.

The next meeting is Wednesday, April 21, 2021.

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Brian Brennan, Secretary



# BOARD OF PORT COMMISSIONERS

APRIL 21, 2021

## DEPARTMENTAL STAFF REPORTS

MARCH 2021

&

LONG TERM GOALS

5-YEAR OBJECTIVES

INDEX

**Ventura Port District - Long Term Goals 5-Year Objectives**

<b>Long Term Goals</b>				
<b>#</b>	<b>Category</b>		<b>Sub #</b>	<b>Intent/Strategy</b>
1	Safety & Navigation	Maintain and enhance a safe and navigable harbor	a	Securing funding for dredging the Harbor entrance through the Army Corps of Engineers in coordination with agencies and our elected officials;
			b	Dredging the Inner Harbor and preserving infrastructure;
			c	Providing superior Harbor Patrol, Maintenance, and related District services;
			d	Preserving and enhancing infrastructure, equipment and facilities for a modernized, efficient and safe working harbor.
2	Commercial & Recreational Boating & Fishing	Support and promote commercial and recreational boating and fishing.		
3	Economic Vitality	Increase economic development, vitality, and diversity of the District through effective leasing and marketing strategies.		
4	Sustainability	Promote sustainable use of our natural environment through business practices and programs designed in concert with our tenants, educators, agencies, and interest groups.		
5	Relationships	Build respectful, productive, and mutually beneficial business relationships with our tenants, public agencies, elected officials and the community.		
6	Public Service	Provide exceptional public service and transparency at all levels within the organization through effective leadership, training, mentoring, and oversight. This promotes accountability, increased public trust, and a more efficient, effective and public focused organization.		

<b>5 Year Objectives</b>				
<b>#</b>	<b>Category</b>	<b>Objective</b>	<b>Sub #</b>	<b>Intent/Strategy</b>
D	Harbor Dredging	Ensure that annual dredging occurs at the federal Harbor entrance and as needed in the inner Harbor	1	Support and advocate for congressional funding to the Army Corps of Engineers in support of the Harbor's annual dredging program
			2	Provide an on-going leadership role and active participation with California Marine Affairs and Navigation Conference (CMANC) and other relevant organizations in support of federal and state assistance
			3	Ventura Port District Dredging
E	Public and Civic Engagement Plan	Strengthen communication and further develop close working relationships with stakeholders, business partners, and civic leaders	1	Collaborate with business partners and stakeholders through increased engagement, communication, and participation.
			2	Collaborate with City, regional, state, and federal agency officials in pursuit of mutually beneficial projects, programs
			3	Public and Civic Engagement Planning
F	Commercial Fishing	Support current commercial fishing industry central to Ventura's premier working waterfront through: stakeholder engagement, diversification, and infrastructure improvements	1	Reactivate Ventura's commercial fishing association and/or establish fishermen working group as part of improved stakeholder engagement
			2	Continue improvements of Commercial Fishing Industry service offerings by District
			3	VSE Project Grant utilization
			4	Complete permitting, regulatory, and legislative approvals for VSE project
			5	VSE Subleasing
M	Master Tenants & Parcels 5+8	Collaborate with existing and future Master Tenants to maintain, improve, and develop the Harbor	1	Engagement and support of Master Tenants for successful business operations at the Harbor
			2	Evaluate opportunities for Parcels 5 and 8
P	National/State Parks Collaboration	Maintain Channel Islands National Park Service (NPS) presence at Harbor	1	Coordinate with NPS Superintendent and General Services Administration (GSA) to secure long-term leases for NPS personnel currently located at 1441 and 1691 Spinnaker Dr. (Harbor Village)
		Draw upon Ventura Harbor area Nat'l. & State parks and wetland areas to enhance ecotourism	2	Coordinate with National & California State Parks to develop destination-based ecotourism offerings
T	Village Parking & Traffic	Continue to increase and/or maximize visitor parking and traffic circulation during busy periods	1	Evaluate pedestrian, bicycling, transit networks and parking within and around the Harbor
			2	Pursue needed improvements and management plans
			3	Evaluate pedestrian, bicycling, transit networks and pursue needed improvements, enforcement strategies in partnership with the City
V	Harbor Village	Maintain and improve Harbor Village infrastructure and enhance the overall visitor experience	1	Complete Harbor Village refresh programs
			2	Leasing/Property Management Action Plan
			3	Marketing Action Plan

# DEPARTMENTAL STAFF REPORTS

## CAPITAL PROJECTS

### LONG-TERM GOALS:

#### Goal 1: Safety & Navigation

Maintain and enhance a safe and navigable harbor

c: Providing superior Harbor Patrol, Maintenance, and related District services.

d: Preserving and enhancing infrastructure, equipment, and facilities for a modernized, efficient and safe working harbor.

#### Goal 3: Economic Vitality

Increase economic development, vitality, and diversity of the District through effective leasing and marketing strategies

#### Goal 4: Sustainability

Promote sustainable use of our natural environment through business practices and programs designed in concert with our tenants, educators, agencies, and interest groups

#### Goal 5: Relationships

Build respectful, productive, and mutually beneficial business relationships with our tenants, public agencies, elected officials, and the community.

#### Goal 6: Public Service

Provide exceptional public service and transparency at all levels within the organization through effective leadership, training, mentoring, and oversight. This promotes accountability, increased public trust, and a more efficient, effective, and public focused organization.

### 5-YEAR OBJECTIVES:

#### Objective E: Public and Civic Engagement Plan

Strengthen communication and further develop close working relationships with stakeholders, business partners, and civic leaders

1: Collaborate with business partners and stakeholders through increased engagement, communication, and participation.

#### Objective F: Commercial Fishing

Support current commercial fishing industry central to Ventura's premier working waterfront through: stakeholder engagement, diversification, and infrastructure improvements

2: Continue improvements of Commercial Fishing Industry service offerings by District

#### Objective V: Harbor Village

Maintain and improve Harbor Village infrastructure and enhance the overall visitor experience.

1: Complete Harbor Village refresh programs

**VENTURA PORT DISTRICT**  
**DEPARTMENTAL STAFF REPORT**

Meeting Date: April 21, 2021

TO: Board of Port Commissioners  
FROM: Todd Mitchell, Business Operations Manager  
Joe A. Gonzalez, Capital Projects Manager  
SUBJECT: March 2021 Capital Projects Report

***CALIFORNIA COASTAL CONSERVANCY FISHERIES GRANT***

**Status: Ongoing**

**Budget: On Budget**

On September 29, 2020, the District received grant documentation from the California Coastal Conservancy for a \$318,600 Fisheries Grant which was accepted by the Board at its October 7<sup>th</sup> meeting. The final grant award contract makes relevant costs incurred by the District after May 1, 2020 reimbursable up to \$316,800. The grant is being used to fund two projects: 1) the modernization of the Fishermen's Storage Yard and, 2) the procurement and installation of a second derrick crane for the fish pier. Staff has submitted a draft Work Program to the Conservancy and is awaiting approval which will be followed by an updated budget proposal.

**1) Modernization of the Fishermen's Storage Yard**

Per the District's procurement policy, a notice inviting bids was published for the repaving of the fishmen's storage yard. The Board awarded this project to Staples Construction Company, Inc. at the January 6<sup>th</sup> meeting. Similarly, the District held a public bid to secure the 26 storage containers for the project and Container Alliance was awarded the procurement at the December 16<sup>th</sup> Board meeting.

Phase one included repaving along the south fence has been completed and we are now thru mid-phase two. Container Alliance has delivered all twenty-six containers into the fishermen's yard; all containers have been set in place and leveled. All twenty-six containers are ready for usage. Fisherman's yard management has started to transfer equipment into the new containers. Once all existing containers (old) are completely emptied, they will be hauled out. District staff and fishing storage management are very pleased with the new containers. Staff continues to work closely with the fishing storage management team, contractors & sub-contractors to continue with a smooth project to be completed before June 30, 2021.





New containers set in place



## 2) Procurement and Installation of a Second Derrick Crane

The unassembled crane has been delivered to the District and is being stored at the Boatyard while the fish pier is being prepped for installation. Staff is currently working on the mounting procedures, design, and base fabrication with contractors and engineers. The installation of the crane has started and there was a small change of the location of the crane base. This small issue did not interfere with the scope of work or scheduling, and the project continues to move forward.



## 1559 ADA RESTROOMS UPGRADE

**Status:** Ongoing

**Budget:** On Budget

On December 16<sup>th</sup>, the Board awarded the Ventura Harbor Village ADA Restroom Remodel Contract for 1559 Spinnaker Drive to Tomar Construction Inc. Staff is closely working with Tomar Construction on our final walk thru punch list. All three restrooms have passed the City's inspection and will be open to the public once Tomar completes the final punch list, and a CASp inspection report (ADA) is performed by a third party.

As of today, staff is please with Tomar Construction's performance and communication to staff.

Before



After



**ADDITIONAL PROJECTS:**

- 1591 Suite 112 ADA entry upgrades
- VHV trash enclosures project
- 1591 Suite 201 (TI's)
- 1583 Suite 212 (TI's)

Status: Waiting on the City for plans approval  
Status: Under building and safety review  
Status: Completed  
Status: Started



# DEPARTMENTAL STAFF REPORTS

## DREDGING

### LONG-TERM GOALS:

#### Goal 1: Safety & Navigation

Maintain and enhance a safe and navigable harbor

- a: Securing funding for dredging the Harbor entrance through the Army Corps of Engineers in coordination with agencies and our elected officials
- b: Dredging the inner harbor and preserving infrastructure

#### Goal 2: Commercial & Recreational Boating & Fishing

Support and promote commercial and recreational boating and fishing

#### Goal 5: Relationships

Build respectful, productive, and mutually beneficial business relationships with our tenants, public agencies, elected officials, and the community.

### 5-YEAR OBJECTIVES:

#### Objective D: Harbor Dredging

Ensure that annual dredging occurs at the federal Harbor entrance and as needed in the inner harbor

- 1: Support and advocate for congressional funding to the Army Corps of Engineers in support of the Harbor's annual dredging program
- 2: Provide on-going leadership role and active participation with California Marine Affairs and Navigation Conference (CMANC) and other relevant organizations in support of federal and state assistance.
- 3: Ventura Port District Dredging

**VENTURA PORT DISTRICT  
DEPARTMENTAL STAFF REPORT**

Meeting Date: April 21, 2021

TO: Board of Port Commissioners  
FROM: Brian D. Pendleton, General Manager  
Todd Mitchell, Business Operations Manager  
SUBJECT: March 2021 Dredging Report

**VENTURA HARBOR ENTRANCE CHANNEL DREDGING**

On March 3<sup>rd</sup>, the H.R. Morris completed dredging the full 600,000 cubic yards of material that was budgeted by the US Army Corps of Engineers (Corps). The program was successful, and the sand trap and entrance channel are in excellent condition for the coming year. South Jetty Beach and Surfer's Knoll beach were well nourished; however, the beaches are not as wide as in years past.

**INNER HARBOR DREDGING – WAIVER OF PERMIT CONDITIONS FOR 2021**

Since the Santa Clara River mouth remained closed throughout the federal dredging and the river was flowing below 100 cubic feet per second, the permits that the Ventura Port District and City of Ventura hold with the USACE, Los Angeles Regional Water Quality Control Board (LARWQB), and the California Coastal Commission (CCC) had unsatisfied conditions. Therefore, the regulatory agencies could authorize the dredging of the Stub Channel under the existing permits.



*Surfer's Knoll beach suffered significant erosion this winter. Santa Clara River mouth (red arrow) remains closed. Image taken by Harbor Patrol on January 14, 2021.*

Because a change in the river conditions seemed very unlikely, through much of February and early March, District staff worked with Rincon Consultants to seek a permit waiver from the agencies. Staff and Rincon met with USACE, LARWQB, and CCC to discuss possible options to waive the permit conditions. It was determined that LARWQB and CCC did not have the discretionary authority to provide a waiver for the conditions in the District's and City's permits with those agencies. Only an emergency waiver would be a suitable course of action.

Rincon, staff and City of Ventura staff continued to work with the agencies to establish the basis for the emergency and the Board declared a state of emergency relative to the Stub Channel conditions via Resolution No. 3409 at the March 3, 2021 Board Meeting in order to address navigation and safety concerns within Ventura Harbor within the Stub Channel located at the

confluence of the Ventura Harbor and the Arundell Barranca. This is immediately adjacent to the Ventura Harbor Patrol Offices and Marina Park.

After obtaining a Regional General Permit (RGP) 63 Emergency Permit to conduct emergency dredging of the Ventura Harbor Stub Channel from the Corps on March 5<sup>th</sup>, the District and City filed applications for an Emergency Coastal Development Permit with the CCC and a Notice of Intent with the Waterboard. The District and City were cleared to have the work performed and a Notice to Proceed was provided to Manson Construction on March 8<sup>th</sup> and dredging subsequently commenced.



*Manson Construction's Cutter-head Dredge, the HR Morris, dredging at the confluence of the Ventura Keys Stub Channel (right) and the Arundell Barranca (left).*

In the early afternoon of March 10, Manson Construction completed the necessary dredging in the Stub Channel and the conditions of the channel have now been restored to provide safe passage for vessels and personal watercraft from Ventura Harbor into the Ventura Keys. Given historical rate of infill of the Stub Channel from the Arundell Barranca, staff estimates that the channel should be in good navigable conditions for at least two years. However, Staff and the City will continue to pursue long-term permit amendments (per below).

#### **INNER HARBOR DREDGING – PERMIT AMENDMENTS (Long Term)**

Both the Ventura Port District and the City of Ventura seek to amend the permits which allow the agencies to perform inner harbor maintenance dredging. The amendment would allow placement of inner harbor dredge material south of the harbor entrance below the high-tide line even when

the Santa Clara river mouth is closed. Rincon Consultants and Jon Moore have provided analyses and reports to support such an amendment.

During the process of seeking a one-time waiver, the activities of advancing permit amendments have been deferred. However, these actions and the dialogue with the agencies continues to provide context and background of why the permit amendments are necessary.

The next actions planned are to meet with the LARWQB to discuss the 2021 permit renewal and the possibility of introducing the amendment language into the renewal application.

## **POLITICAL ACTIVITIES**

Each year, the Port District works to ensure that the US Army Corps of Engineers receives funding to perform the dredging of the Ventura Harbor entrance channel and sand trap in the amount of approximately \$5.8 million. Ideally, Ventura Harbor is specifically named in the President's Budget when released in early February each year. There are approximately 1,100 Federal Navigation Projects in the US and Ventura Port District competes each year to be included for funding.

In the event that the harbor is not named in the President's Budget, it is imperative that funding be made available by Congress through the annual appropriations process. The timing of the federal appropriations process starts at the same time every year, but the conclusion of this effort is unpredictable and often passes several months into a new federal fiscal year (or at the end of the calendar year). This can create challenges as the dredging window for work at Ventura Harbor is within the first quarter of the calendar year.

During the beginning of a new President's term, the new Administration typically has not had adequate time to develop a full President's Budget. Instead, the Administration is anticipated to provide what is termed a "skinny budget" – this year in early April, which typically includes only a high-level look into the US Army Corps of Engineers funding for the Fiscal Year (Oct 1 through Sept 30). Project-level detail for the Corps is not expected to be released until May which will be the first time the District would know whether or not it has been included in the President's Budget for Fiscal Year 2022 (Oct 1, 2021 through September 30, 2022).

In addition, the US House of Representatives has decided to allow for earmarks to be requested in the FY22 appropriations process. Now called "Community Project Funding", each Congressional District may request no more than ten projects within the entire District in any given Fiscal Year. The Senate has not yet decided whether or not they will follow the House's lead with respect to earmarks.

Therefore, with the assistance of our federal advocate, the District prepared and submitted an FY22 funding letter request as well as an FY22 Energy and Water Community Project Request Form to Congresswoman Brownley in pursuit of securing funds for the Corps to perform harbor entrance dredging in early 2022 in the event that the Port District is not included in the President's Budget. If Ventura Harbor is included in the President's Budget, the request will be re-evaluated. In addition, in accordance with current Senate rules, the District submitted a programmatic request to both Senators Feinstein and Padilla to support robust funding for the Corps' Operation and Maintenance budget. Our federal advocate is closely monitoring the changes to the FY22 appropriations process and we will continue to make adjustments as appropriate.



# DEPARTMENTAL STAFF REPORTS

## FACILITIES

### **LONG-TERM GOALS:**

#### Goal 1: Safety & Navigation

Maintain and enhance a safe and navigable harbor

c: Providing superior Harbor Patrol, Maintenance, and related District services.

d: Preserving and enhancing infrastructure, equipment, and facilities for a modernized, efficient and safe working harbor.

#### Goal 3: Economic Vitality

Increase economic development, vitality, and diversity of the District through effective leasing and marketing strategies

#### Goal 4: Sustainability

Promote sustainable use of our natural environment through business practices and programs designed in concert with our tenants, educators, agencies, and interest groups

#### Goal 5: Relationships

Build respectful, productive, and mutually beneficial business relationships with our tenants, public agencies, elected officials, and the community.

#### Goal 6: Public Service

Provide exceptional public service and transparency at all levels within the organization through effective leadership, training, mentoring, and oversight. This promotes accountability, increased public trust, and a more efficient, effective, and public focused organization.

### **5-YEAR OBJECTIVES:**

#### Objective E: Public and Civic Engagement Plan

Strengthen communication and further develop close working relationships with stakeholders, business partners, and civic leaders

1: Collaborate with business partners and stakeholders through increased engagement, communication, and participation.

#### Objective F: Commercial Fishing

Support current commercial fishing industry central to Ventura's premier working waterfront through: stakeholder engagement, diversification, and infrastructure improvements

2: Continue improvements of Commercial Fishing Industry service offerings by District

#### Objective V: Harbor Village

Maintain and improve Harbor Village infrastructure and enhance the overall visitor experience.

1: Complete Harbor Village refresh programs

**VENTURA PORT DISTRICT  
DEPARTMENTAL STAFF REPORT**

Meeting Date: April 21, 2021

TO: Board of Port Commissioners  
FROM: Todd Mitchell, Business Operations Manager  
Sergio Gonzalez, Maintenance Supervisor  
SUBJECT: March 2021 Facilities Report

**MAINTENANCE ACTIVITIES**

**COVID-19 MAINTENANCE RESPONSE /UPDATE**

**Status: Ongoing**

**Budget: Over normal operating budget**

The Maintenance Department continues increasing janitorial services throughout the District with a concentration on high-touch surfaces, including restrooms, door handles, etc. in response to the COVID-19 pandemic. Maintenance staff continues to work with shifts staggered to minimize overlap in arrival and departure times. Staff has been provided reusable washable face coverings and surgical masks, nitrile gloves and disinfectant wipes upon request. Staff has continued to self-screen and log all data entry. Morale remains good and Village facilities are kept at a high standard of cleanliness.

All restrooms throughout the Village are open. Hours were reduced based on restaurant hours and to discourage issues with vandalism and theft. As of April 1, 2021, we have opened all the public restrooms at the Village other than the ones being remodeled at 1559. Open restroom hours have been adjusted to close at 11:00 pm.

**VHV HOIST # 2 INSTALATION**

**Status: ONGOING**

**Budget: Budgeted**

Upon the arrival of the hoist and approval of the initial inspection and with the guidance of Electrical Tech John Collins working with the contracted installers, the preparation and installation of the hoist has begun on the VHV fish pier. Mounting bolts core holes have been drilled through the fish pier deck and the main concrete base has been poured. 30-day cure time must be allowed before proceeding with project.

Prepping for drilling



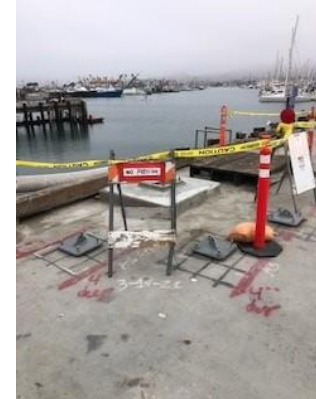
Prepping base mold



Finished base mold



Footing and base



## **VENTURA HARBOR VILLAGE ROOF DAMAGE FROM WIND EVENT**

**Status: Completed**

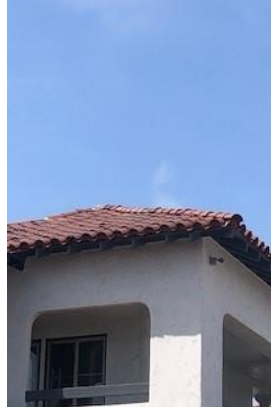
**Budget: Not Budgeted/Insurance Claim Pending**

An insurance claim was initiated with Sedgwick Insurance following roofing damage sustained to several Village buildings during the January 19, 2021 wind event. After confirmation of claim approval from our insurance provider, a service contract was initiated and roofing repairs have been completed.

1583 roof damage



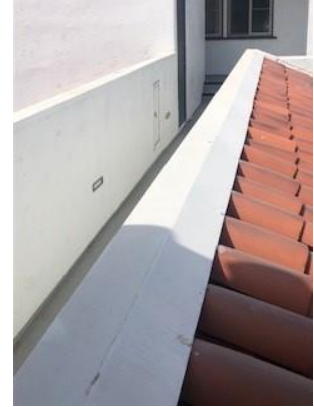
1583 roof repaired



1583 flashing damage



1583 flashing replaced



## **VHV 1559 Brophy's Roof Damage**

**Status: Ongoing**

**Budget: Not Budgeted/ Pending Brophy's Insurance Claim**

During the January 19, 2021 wind event, damage was caused to the building 1559 tile roof when Brophy's second floor patio awning became dislodged and landed on the north facing side of the roof. With coordination with Brophy's management, arrangements were made by the Port District to complete necessary roofing repairs. The cost of repairs will be reimbursed by Brophy's insurance company.

Damage on 01/19/21



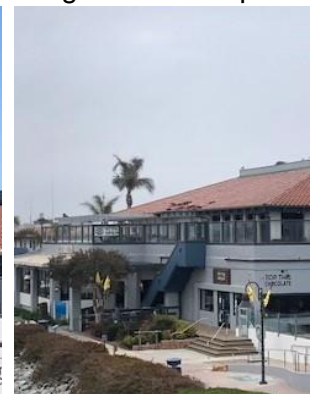
Awning removed



Inception of demo



Progression of repair



## **VHV 1559 PROMENADE SIDE STAIRCASE REPAIR**

**Status: Completed**

**Budget: Budgeted**

A gap was discovered during a rain event on the 1559 second floor staircase (water side). The void was sealed and properly waterproofed to prevent runoff under the staircase.

Top side staircase gap



Top side repaired



Bottom side gap



Bottom side repaired



## **CAPITAL PROJECT MANAGER/ PROPERTY MANAGER:**

Assisted Capital Projects Manager, Business Operations Manager, and Property Manager with pending tenant improvement projects at VHV 1575 suite #207/208 and VHV 1591 suite #207. Assisted Capital Projects Manager in the improvement project concerning the VHV 1559 restrooms.

## **MARINA/MARKETING DEPARTMENTS:**

The Maintenance Department continues to perform monthly inspections on all gangways, docks, fire extinguishers and fire boxes. Also provided assistance to Marketing Department with banner placement and COVID-19 related signage.

## **HARBOR PATROL:**

Assist in the everyday operations by performing preventive maintenance and on the spot repairs of equipment, vehicles, and vessels.

## **FACILITIES:**

Staff continues to perform everyday maintenance and on the spot repairs throughout the Ventura Harbor Village and other VPD properties.



# DEPARTMENTAL STAFF REPORTS

## FEDERAL

### **LONG-TERM GOALS:**

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### **5-YEAR OBJECTIVES:**

#### Objective D: Harbor Dredging

Ensure that annual dredging occurs at the federal Harbor entrance and as needed in the inner harbor

- 1: Support and advocate for congressional funding to the Army Corps of Engineers in support of the Harbor's annual dredging program
2. Provide on-going leadership role and active participation with California Marine Affairs and Navigation Conference (CMANC) and other relevant organizations in support of federal and state assistance
- 3: Ventura Port District Dredging

## Congress Passes the American Rescue Plan

Earlier this month, Congress passed, and President Biden signed into law another COVID-19 relief package entitled the “American Rescue Plan” (ARP). The following was included in the \$1.9 trillion bill:

- **\$350 billion for state and local governments**, of which \$130.2 billion for cities and counties divided evenly (\$65.1 billion for cities and \$65.1 billion for counties)
  - Funding will be distributed in 2 parts: 50% of the funding will be distributed starting 60 days after the bill is signed into law, and the other 50% one year after the initial funding was distributed.
  - Among other things, funding can be used for revenue replacement as a result of COVID-19 as well as for necessary investments in water, sewer, and broadband infrastructure.
  - State and local governments are allowed to transfer to a private nonprofit organization, a public benefit corporation involved in the transportation of passengers or cargo or a special-purpose unit of state or local government.
- **Extends the Families First Coronavirus Response Act paid sick time** and paid family leave credits from March 31, 2021 to September 30, 2021 and allows state and local governments to access the paid sick time and paid family leave credits
- **\$25 billion for Emergency Rental Assistance** (which also allows for payment of utility bills)
- **\$500 million for the Low-Income Household Drinking Water and Wastewater Emergency Assistance Program** that would remain available through September 30, 2023

The US Department of the Treasury has 60-days to provide guidance on provisions within ARP.

## Legislation Introduced to Protect Critical Infrastructure

Rep. John Katko (R-NY) has introduced the “DHS Industrial Control Systems Enhancement Act of 2021”. This bill would solidify the Cybersecurity & Infrastructure Security Agency’s (CISA) lead role in protecting our nation’s critical infrastructure, particularly industrial control systems (ICS), from cyber threats by amending the Homeland Security Act to require the Director of CISA to maintain capabilities to detect and mitigate threats and vulnerabilities

affecting automated control of critical infrastructure. This includes maintaining cross-sector incident response capabilities to respond to cybersecurity incidents and providing cybersecurity technical assistance to stakeholders. The bill would also direct CISA Director is required to collect, coordinate, and provide vulnerability information to the industrial control systems community.

## EPA Seeks Additional Comments on Lead and Copper Rule

In December 2020, the Trump Administration EPA released its final rule updating the current Lead and Copper Rule (LCR). Earlier this month, EPA announced that it will be taking two separate actions extending the effective date of the final rule to seek additional input and public comment. The first action is a final rule that announces an extension of the effective date for the revised LCR from March 16, 2021 until June 17, 2021. The second action proposes to extend the effective date until December 16, 2021 and proposes a corresponding extension of the revised LCR's compliance deadline to September 16, 2024.

## Build Green Infrastructure Act Introduced

Earlier this month, Senator Elizabeth Warren (D-MA) and Rep. Alexandria Ocasio-Cortez (D-NY) introduced the BUILD GREEN Infrastructure and Jobs Act, S. 874, a \$500 billion proposal to shift transportation away from fossil fuels by making the U.S. carbon neutral by 2050. It includes a minimum of \$150 billion over 10 years for EV infrastructure and to replace and electrify the nation's public bus fleet and commuter rail lines – many of which run on diesel. The rest of the money in the bill will be available for EV charging equipment and infrastructure projects such as highways and bridges so long as they install EV charges along the routes. There would be an 85% federal share in funding and the Secretary of Transportation would have the ability to waive the local match on select projects.

## A Look Ahead: Will Washington Finally Have Infrastructure Week?

Now that Congress has completed work on the American Rescue Plan Act in response to the COVID-19 pandemic, focus is now shifting to the President's next big priority—infrastructure. This week, President Biden released his American Jobs Plan focused on investing in our nation's physical and human infrastructure. President Biden has touted this plan as a once in a generation proposal. It will not be up to Congress to turn the Administration's infrastructure framework into a legislative proposal. Speaker Pelosi (D-CA) has indicated her intent to move the infrastructure package through Congress by July 4<sup>th</sup>. Highlights of the American Rescue Plan include:

- **Transportation:** \$621 billion for surface transportation infrastructure
- **Resiliency:** \$50 billion to improve infrastructure resiliency
- **Clean Drinking Water Infrastructure, Electric Grid and High-Speed Broadband Infrastructure:** \$111 billion
- **Broadband:** \$100 billion for broadband deployment

- **Power:** \$100 billion to create a more resilient grid and lower energy costs.
- **Homes and Commercial Buildings:** \$213 billion to produce, preserve and retrofit affordable and sustainable housing

The Administration is asking that the proposal be paid for by reversing many of the 2017 tax cuts—primarily tax cuts to corporations.

## Federal Agency Regulatory Announcements

**EPA Issues ANPR on Wastewater Discharges from PFAS Formulators and Manufacturers:** The EPA has issued an Advanced Notice of Proposed Rulemaking (ANPR) regarding wastewater discharges from PFAS formulators and manufacturers. A link to the ANPR can be found [HERE](#) and comments are due by May 17, 2021.

**EPA Seeks Nominations for Local Government Advisory Committee.** The EPA is seeking nominations to serve on its Local Government Advisory Committee (LGAC), which advises the EPA on critical environmental issues impacting local governments. The agency is also accepting nominations for LGAC's Small Communities Advisory Subcommittee (SCAS). Applications are due April 16, 2021.

**EPA Relaunches Climate Change Website:** The EPA has relaunched its climate change website. The website will include greenhouse gas emissions data, climate change impacts, scientific reports, and existing climate programs within EPA and across the federal government.

**FAA Delays Two Drone Rules.** In accordance with the memorandum of January 20, 2021, from the Assistant to the President and Chief of Staff, titled "Regulatory Freeze Pending Review," the FAA has delayed the effective date of both the Operation of Small Unmanned Aircraft Systems Over People rule and the Remote Identification of Unmanned Aircraft rule.

# DEPARTMENTAL STAFF REPORTS

## HARBOR PATROL

### **LONG-TERM GOALS:**

#### Goal 1: Safety & Navigation

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c: Providing superior Harbor Patrol, Maintenance, and related District services.

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### **5-YEAR OBJECTIVES:**

#### Objective E: Public and Civic Engagement Plan

Strengthen communication and further develop close working relationships with stakeholders, business partners, and civic leaders

1: Collaborate with business partners and stakeholders through increased engagement, communication, and participation.

**VENTURA PORT DISTRICT  
DEPARTMENTAL STAFF REPORT**

Meeting Date: April 21, 2021

TO: Board of Port Commissioners  
FROM: Brian D. Pendleton, General Manager  
John Higgins, Harbormaster  
SUBJECT: March 2021 Harbormaster/Harbor Patrol Report

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**PUBLIC SAFETY**

**Overview:**

The Harbor is seeing a steady increase in the already above-average number of visitors daily and nightly. Our small staff is often challenged with how to best maintain our mission of providing a safe and navigable harbor. Daily, our team spends the mornings forecasting the weather and then planning their day accordingly. Some days, due to the crowds, we may spend most of the shift in the truck going from call to call. Others may be spent entirely in the boat and orchestrating the movement of all the different types of boating traffic.



With COVID numbers on the decrease and the weather warming, we see that numerous signs point to a stay local and support local mentality. Traveling within California and supporting California has become the theme of Visit California and many other groups. With all our offerings, including the Channel Islands destination, we expect this to be the busiest summer to date.

**COVID-19**

**Community Overview:**

Ventura County is now in the Orange Tier, which has opened most businesses. The County Health Officer on April 7<sup>th</sup> allowed for all charter operations to return to 100% occupancy. Early on the morning of the 8<sup>th</sup>, all dive, sportfishing, and passenger vessel companies were notified of the change. If the positive trend continues, the next significant date will be June 15<sup>th</sup>, where if the cases remain low, the color-coded tiers will be eliminated. Social distancing, good hygiene, and mask-wearing will still be encouraged.

Vaccination appointments continue to be available at both private and Government locations. As of April 15<sup>th</sup>, all age groups over 16 will be allowed to receive the vaccinations. Appointments at Government-run locations can be found at the [www.venturarecovers.org](http://www.venturarecovers.org), and private appointments can be found both at [www.vaccinefinder.org/search/](http://www.vaccinefinder.org/search/) and <https://myturn.ca.gov/>.

Ventura County websites - [www.vcemergency.com](http://www.vcemergency.com) and [www.venturarecovers.org](http://www.venturarecovers.org)  
California Website - [www.covid19.ca.gov](http://www.covid19.ca.gov)

**COVID-19 Vaccinations:**

The entire Port District staff have had the opportunity to get the first and second vaccination. Any remaining team who elected not to participate may now seek out the vaccinations from the web-sites located in the paragraph above.



## **BEACHES**

### **Harbor Cove:**

With the recent hot weather and spring break, Harbor Cove has seen substantial numbers daily. Maintenance Staff and Harbor Patrol have increased their presence in these areas to ensure the public has a safe and enjoyable experience. Harbor Patrol continues to provide the beach wheelchair, and it has already been used several times in the past two weeks.



Beach grooming will begin on the week of April 12<sup>th</sup>, and I have coordinated with the City to deploy the beach access mat the following Monday. These final efforts before the peak of the season help to provide a clean flat beach.

We have seen a significant increase in swimmers over the past couple of years. As a result, we are preparing to deploy the swim lines early. Like last year, we will set up the course buoys to mirror pool lengths and allow for more accurate distance calculations.

### **South Beach:**

With continued winds and high tides, we have already seen some erosion of the newly replenished beach area. Fortunately, the summer beach profile should bring back some of the sand that is currently sitting offshore.



Spring break and warmer weather are also contributing to higher-than-average visitors. Harbor Patrol Staff and Maintenance are working hard to meet these larger crowds' demands and ensure their safety. The electronic sign on Spinnaker is showing No Lifeguards to provide that extra level of warning to the visitors.

### **Navigational Aids:**

The Manson Crane barge and remaining assets departed the Harbor on April 5<sup>th</sup>. We coordinated with the US Coast Guard to place all buoys back on station.

We also placed two five mph buoys back within the Harbor after doing some routine maintenance. Two additional buoys are scheduled to be deployed before summer.



### **OXNARD COLLEGE LIFEGUARD ACADEMY:**



Harbor Patrol hosted two weekends of Oxnard Colleges Lifeguard Academy. This is the fourth year of the program, and over 60 recruits have graduated from the program. Many have obtained jobs in public safety fields.

Some of the items taught during this course included first aid, victim rescues, rescue tools, beach and ocean hazards, deckhand work, weather forecasting, public speaking, marine hazards, and conditioning.

We look forward to continuing our support of the program and will look to it for future recruits should we ever decide to start a Port District Lifeguard Service.



### **SURRENDERED AND ABANDONED VESSEL EXCHANGE (SAVE) GRANT:**

Several disposals have been delayed due to the prioritizing of a 55' wood hulled vessel that was essentially abandoned at Ventura West Marina. This boat is in poor condition, and the owner could not afford to make the repairs. With damage to the hull experienced in an earlier wind event, there is a concern that it could fail, and the vessel sink in its slip. After speaking with the Marina Manager, all other disposals were put on hold. Bids have been sent out to boatyards in both Channel Islands and Ventura Harbor.



I am actively applying for the next round of grants with the hopes of being able to catch up with the growing list of vessel owners who want to participate in the program. If I do not receive additional grant monies, I will work with the boaters to see if other Harbors can help.



## **CITY FIRE & POLICE:**

### **Fire Training:**

We have co-hosted a training with the Fire Department on the new Portside Facility and Marina. The training specifically identified utilities, critical water sources, and addresses to the facility. This information was captured and passed on to a consultant working on an updated tactical map for first responders.



### **Police Training:**



We have also provided a location for Ventura Police Department's Motorcycle Unit to train future officers. The site on Schooner and Harbor is typically unused during the week. For the past few weeks cones have been put out, and new Officers are learning to operate the motorcycles in a closed location safely.

## **MUTUAL AID RESPONSE:**

On April 6<sup>th</sup>, the Ventura Police Department pursued a suspect in the Ventura Keys. A perimeter was set up, and a search of nearby residences was initiated.

As with calls near the water, the Harbor Patrol assisted by providing a vessel to cover the waterside area. An undercover Police Officer boarded the boat while a K-9 search team went from residence to residence.

The suspect was located in the water between the boat and a dock. With nowhere else to go, the suspect gave up and was arrested by Officers on the dock.

The Police Department appreciated the Harbor Patrol support as well as the neighborhood residents.



## **VENTURA HARBOR PATROL BLOTTER:**

Summaries of some more notable calls for service can be found in our bi-weekly blotter. You can request to be included in the email distribution list by emailing: [harbormaster@venturaharbor.com](mailto:harbormaster@venturaharbor.com) or find it online: <https://venturabreeze.com/category/harbor-patrol-blotter/>

## 911 CALLS DISPATCHED ( 21 CALLS RECEIVED 3/16-4/12)

Incident	Case Numbers	Units	Priority	Problem	Agency	Address	City	Response Date
<a href="#">21-0022946</a>		HAR81, ME2, MED472	M3	CARDIAC/RESP ARREST/DEATH HIGH	Ventura County Fire Department	1215 Anchors Way	Ventura	3/16/2021 3:03:24 AM
<a href="#">21-0023340</a>		HAR81, ME2, MED663	M5	FALL	Ventura County Fire Department	1215 Anchors Way	Ventura	3/17/2021 1:14:37 PM
<a href="#">21-0023477</a>		B14, B2, BOAT17, CSTGRD1, EMS48, HAR81, LIFE002, ME101, ME2, MED471, MT5, OR1	F5	OCEAN RESCUE LOW	Ventura County Fire Department	34°14'52" / 119°18'5"	Ventura	3/17/2021 8:09:22 PM
<a href="#">21-0023753</a>		HAR81, ME2, MED474	M5	STROKE (CVA)	Ventura County Fire Department	1215 Anchors Way	Ventura	3/18/2021 9:32:08 PM
<a href="#">21-0023642</a>		B22, B7, BOAT17, CSTGRD1, EMS48, HAR81, LIFE002, ME1, MED492, MT5, OR1	F5	OCEAN RESCUE LOW	Ventura County Fire Department	1-199 Shoreline Dr	Ventura	3/19/2021 3:43:05 PM
<a href="#">21-0024418</a>		B3, BOAT1, HAR81, ME2, MED473, MT5	M5	DROWNING/DIVING/SCUBA NON EMD	Ventura County Fire Department	1458 Greenock Ln	Ventura	3/21/2021 2:00:08 PM
<a href="#">21-0024632</a>		HAR81, ME2	F7	FIRE ALARM	Ventura County Fire Department	850 Puerto Pl	Ventura	3/22/2021 7:11:01 AM
<a href="#">21-0024637</a>		HAR81, ME101, MED663, MT5	M5	CHEST PAIN NON TRAUMA	Ventura County Fire Department	1215 Anchors Way	Ventura	3/22/2021 7:25:46 AM
<a href="#">21-0025131</a>		HAR81, ME2, MED471	M7	FALL NO CODE	Ventura County Fire Department	1215 Anchors Way	Ventura	3/23/2021 10:57:12 PM
<a href="#">21-0026313</a>		HAR81, ME2, MED473	M5	ASSAULT NON EMD	Ventura County Fire Department	1860 Spinnaker Dr	Ventura	3/28/2021 1:45:35 PM
<a href="#">21-0027266</a>		B23, B7, BOAT17, CSTGRD1, EMS48, HAR81, LIFE002, ME1, ME2, MED492, OR1	F5	OCEAN RESCUE LOW	Ventura County Fire Department	600 E Harbor Blvd	Ventura	3/31/2021 4:02:19 PM
<a href="#">21-0027929</a>		HAR81, ME2, MED473	M3	FALL HIGH	Ventura County Fire Department	1575 SPINNAKER DR	Ventura	4/2/2021 5:51:08 PM
<a href="#">21-0028526</a>		HAR81, ME2, MED471	M5	FALL	Ventura County Fire Department	1215 Anchors Way	Ventura	4/4/2021 6:49:39 PM
<a href="#">21-0028640</a>		HAR81, ME2, MED473	M3	BREATHING PROBLEMS HIGH	Ventura County Fire Department	1215 Anchors Way	Ventura	4/5/2021 6:58:05 AM
<a href="#">21-0028241</a>		HAR81, ME2, MED473	M5	FALL	Ventura County Fire Department	1215 Anchors Way	Ventura	4/7/2021 7:09:22 AM
<a href="#">21-0029411</a>		HAR81, MED471, MED492, MT5	M5	MEDICAL ALARM	Ventura County Fire Department	1215 Anchors Way	Ventura	4/7/2021 4:31:11 PM
<a href="#">21-0029696</a>		HAR81, ME2, MED471	M5	UNKNOWN PROBLEM NON EMD	Ventura County Fire Department	1860 Spinnaker Dr	Ventura	4/8/2021 4:17:57 PM
<a href="#">21-0029766</a>		HAR81, ME2	F7	PUBLIC SERVICE	Ventura County Fire Department	1587 Spinnaker Dr	Ventura	4/8/2021 9:33:32 PM
<a href="#">21-0030126</a>		HAR81, ME102, MED471	M3	CONVULSIONS/SEIZURES HIGH	Ventura County Fire Department	1050 Schooner Dr	Ventura	4/10/2021 4:10:48 AM
<a href="#">21-0030134</a>		HAR81, ME102, MED471, MED473	M5	CONVULSIONS/SEIZURES	Ventura County Fire Department	1050 Schooner Dr	Ventura	4/10/2021 6:26:31 AM
<a href="#">21-0030638</a>		MED474	M5	HEART PROBLEM	Ventura County Fire Department	1215 Anchors Way	Ventura	4/12/2021 3:50:31 PM

# DEPARTMENTAL STAFF REPORTS

## MARINA

### **LONG-TERM GOALS:**

#### Goal 1: Safety & Navigation

Maintain and enhance a safe and navigable harbor

c: Providing superior Harbor Patrol, Maintenance, and related District services.

d: Preserving and enhancing infrastructure, equipment, and facilities for a modernized, efficient, and safe working harbor.

#### Goal 2: Commercial & Recreational Boating & Fishing

Support and promote commercial and recreational boating and fishing.

#### Goal 5: Relationships

Build respectful, productive, and mutually beneficial business relationships with our tenants, public agencies, elected officials, and the community.

#### Goal 6: Public Service

Provide exceptional public service and transparency at all levels within the organization through effective leadership, training, mentoring, and oversight. This promotes accountability, increased public trust, and a more efficient, effective, and public focused organization.

### **5-YEAR OBJECTIVES:**

#### Objective E: Public and Civic Engagement Plan

Strengthen communication and further develop close working relationships with stakeholders, business partners, and civic leaders

1: Collaborate with business partners and stakeholders through increased engagement, communication, and participation.

#### Objective F: Commercial Fishing

Support current commercial fishing industry central to Ventura's premier working waterfront through: stakeholder engagement, diversification, and infrastructure improvements.

2: Continue improvements of Commercial Fishing Industry service offerings by District



**VENTURA PORT DISTRICT  
DEPARTMENTAL STAFF REPORT**

Meeting Date: April 21, 2021

TO: Board of Port Commissioners  
FROM: Todd Mitchell, Business Operations Manager  
Dave Werneburg, Marina Manager / Commercial Fisheries  
SUBJECT: March 2021 Marina Report

**MARINA DEPARTMENT ACTIVITIES**

**California Market Squid Harvest – Ventura Harbor**

- **1,384,247 lbs (700 tons) of squid harvested in local waters in March**
- 19 – 20 YTD (Starting April 1, 2019): 581 landings, 9,262,965 lbs. / 4,631 tons
- California Squid Season Limit: 118,000 tons

**COMMERCIAL FISHING**

**Market Squid Season**

The 2020-2021 Squid Season officially ended as of March 31<sup>st</sup>. We harvested nearly 700 tons of squid in our local waters during the last month of the season. The quality was very good to exceptional both in size and health. The 2021-2022 Season opened the next day on April 1<sup>st</sup>.



**Net Time:**

Each vessel has a compliment of nets and traps depending on what they are fishing for. There are nets for squid, mackerel, sardines, anchovey, etc. Crab traps of varying sizes. Nets can easily cost upwards of \$100,000 per net. A typical squid seiner may have 2-3 types of squid nets. Deep water nets, shallow water nets and just a backup net when one gets a rip or tear. Nets can fail for any number of reasons. A heavy load of fish can burst a fatigued net or nets can get entangled

on rocks or other under water debris (sunken vessels, etc.); nets can get caught up in a vessels propellers in rough seas. There are no “apps” for repairing nets.



If you're a fisherman, you better know how to use crochet needles, Big Crochet Needles! Net repairs today are done the same way as 200+ years ago, painstakingly slow by hand. Every stitch and loop counts. Net repairs can be 1-2 days or take as long as two weeks. We typically allow a vessel to work on a net for up to 4 days at the Fish Pier. More complex repairs or those requiring extensive repairs are referred to “Fast Eddie” out of San Pedro. He might bring a crew of 8-10 up to Ventura or might take the net down to his work yard in San Pedro. Turn around time is of the essence if a vessel does not have a backup net.



# DEPARTMENTAL STAFF REPORTS

## MARKETING

### **LONG-TERM GOALS:**

#### Goal 3: Economic Vitality

Increase economic development, vitality, and diversity of the District through effective leasing and marketing strategies.

#### Goal 5: Relationships

Build respectful, productive, and mutually beneficial business relationships with our tenants, public agencies, elected officials, and the community.

#### Goal 5: Public Service

Provide exceptional public service and transparency at all levels within the organization through effective leadership, training, mentoring, and oversight. This promotes accountability, increased public trust, and a more efficient, effective, and public focused organization.

### **5-YEAR OBJECTIVES:**

#### Objective E: Public and Civic Engagement Plan

Strengthen communication and further develop close working relationships with stakeholders, business partners, and civic leaders

- 1: Collaborate with business partners and stakeholders through increased engagement, communication, and participation.

#### Objective V: Harbor Village

Maintain and improve Harbor Village infrastructure and enhance the overall visitor experience

- 3: Marketing Action Plan



# MARCH MARKETING REPORT

## Enhance Visitor Experiences

### MERMAID MONTH MAKES A SAFE SPLASH

Mermaid Month 2021 was reimagined with a promotional focus on tenant offerings and activities the public could enjoy at their leisure & from a safe distance:



#### CHALK ART DEMO

Southern California native, Lyssa Ashley, created a stunning chalk piece on the Village promenade. Extra precautions were taken to protect the temporary drawing from the rain and the artwork lasted all month for visitors to enjoy!



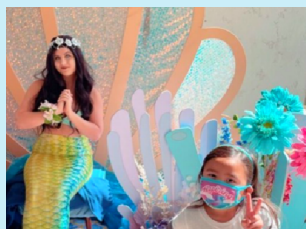
#### PHOTO OP INSTALLATION

Marketing Coordinator collaborated with stylist, Michelle Rogers, to curate an "instagram-able" Mermaid backdrop on display all of March. Several visitors shared their photos + videos on social media, creating buzz and extending the reach of the Harbor Mermaid experience.



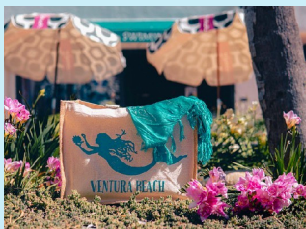
#### SEA-INSPIRED SCAVENGER HUNT

Partnered with Mermaid Gallery to make Scavenger Hunts & prizes accessible all month long. Guests explored the Village to answer questions and locate landmarks. Once complete, Mermaid Gallery would hand off a prize. An estimated 900- 1k participated!



#### LIVE MERMAID + BUBBLE EXPERIENCE

Mermaid Christen made an appearance on March 20th + bubble machines were brought in to create a magical & experiential shopping atmosphere. Guests were encouraged to donate cans of tuna (a mermaids favorite) for VC Food Share - feeding local families in need.



#### PHOTOSHOOT FOR MERMAID MERCHANDISE

Coordinated a photoshoot for all new mermaid merchandise carried at Village businesses. Images by photographer Brendan Daly provided new content for Ventura Harbor social channels to promote various Mermaid Month special offers.



#### "MERMAID MEAL" FRESH SEAFOOD CONTEST

Partnered with Wild Local Seafood to amplify sustainable seafood messaging. Followers shared their favorite recipes for a chance to win \$50 gift cert.

**285**

Engaged

**20**

Entered

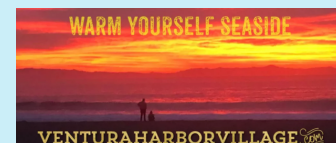
**11k**

Reached

**14k**

Impressions

### WARM YOURSELF SEASIDE PROMO



Early/mid March brought cold winds and rain, however, messaging suggested that despite the chilly weather, visitors have variety of ways to warm up seaside with Ventura Harbor restaurants, retailers, and activities. Marketing compiled and promoted '20 Ways to Warm Up' listing everything from steaming clam chowder and flaming cheese to new cozy clothing and comforting indoor pampering services.

### FILM & SPECIAL EVENT REVENUE

**March Revenue = \$2,200**

9 Beach Weddings booked & responded to over 27 wedding inquiries in March.

+ Reba McEntire filmed a music video at Surfers Knoll.



# MARCH MARKETING REPORT

## Engage Customers via Paid Media

### DATA DRIVEN DECISIONS

Demographic data is derived from website & social media platform analytics, and campaign performance. The regional drive market influenced strategic marketing messages. The top demographics for **March 2021** are:

Ages

AGES 25 - 54

Markets

**LOS ANGELES**  
VENTURA COUNTY  
SANTA CLARITA  
BAKERSFIELD  
SAN FRANCISCO

Interests

PATIO DINING  
EVENTS CALENDAR  
MERMAID MONTH  
VENTURA BOAT RENTALS  
SUGAR LAB BAKE SHOP  
LIVE WEB CAM  
COVID MESSAGING

#### PLEASE NOTE:

Info on this page is a summary of top results and highlights for the month, it is not reflective of all demographic data/ads for Ventura Harbor overall.

### PAID SOCIAL ADS

- Mermaid Month:**  
36,620 Reach | 2,233 Link Clicks | \$150
- Mermaid Month (carousel ad):**  
35,337 Reach | 1,234 Link Clicks | \$150
- Fun in the Sun Spring Break (video ad):**  
31,482 Reach | 1,012 Link Clicks | \$200
- Warm Yourself Seaside Cont. (carousel):**  
28,839 Reach | 391 Link Clicks | \$85
- \$500 spend on **boosted posts** for March social media content



### LEVERAGING INFLUENCERS

Trendi Eats launched Part 4 of a Harbor series in March. This clip featured comfort foods to **Warm Yourself Seaside** (part 1).

@TRENDIEATS PART 4

**f** 246,381 Reach  
24,621 Engagements

**i** 30,905 Reach  
36,378 Impressions



**Google ADS** 1050 click thrus  
18,229 impressions  
\$775 Spend

Full Page  
Ventura  
Ad

### VENTURA HARBOR CONGRATULATES THE LOG ON **50 YEARS**



### LOCAL DIGITAL AD INSIGHTS

VCstar.com: 49k Impressions | 274 Clicks

VCReporter.com: 9k Impressions | 15 Clicks

VCReporter Eblasts: 4k opens | 424 Clicks



# MARCH MARKETING REPORT

## Social Media & Content Development

### RECOVERY MESSAGING

In March, social disseminated promo and safe opportunities for public to partake in Mermaid Month, Saint Patrick's Day, and Spring Break spent seaside in Ventura Harbor.

#### INSTAGRAM

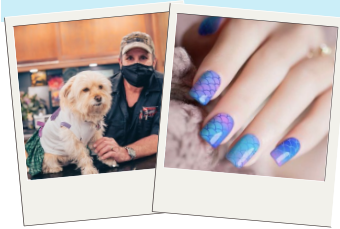
23,124 Followers (↑4%)  
564,121 Engagements (↓19%)  
14,563 Impressions (↓29%)

#### FACEBOOK

28,166 Followers (↑2%)  
64,035 Engagements (↑22%)  
1,038,317 Impressions (↑12%)

#### TWITTER

5,574 Followers (↑1%)  
309 Engagements (↓13%)  
13,315 Impressions (↑37%)



#### SAMPLE SOCIAL TOPICS INCLUDE:

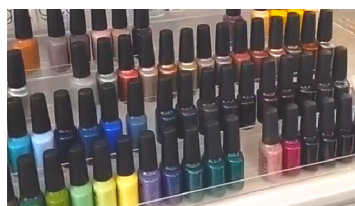
Mermaid Month specials and offerings from various Harbor businesses, seaside sunsets and waterfront views, harbor eats + treats + activities, plus the sample Twitter topics below:



Sportfishing season begins - Ventura Harbor Sportfishing



Ventura Shellfish Enterprise Project Zoom Update

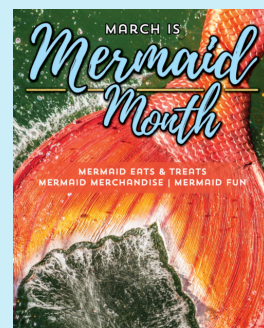


Reshare of Frenchies Virtual Chamber Ribbon Cutting

### BLOGS & E-NEWSLETTERS

sent to 9k+ subscribers

March is Mermaid Month  
1,623 opens | 179 clicks



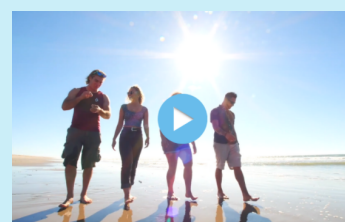
SEA-ing Green for St. Paddy's  
1,536 opens | 86 clicks



Shell-a-brate Mermaid Month  
1,441 opens | 100 clicks



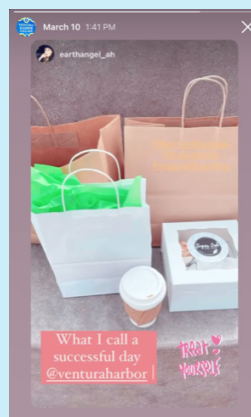
Spring Break Fun in the Sun  
1,394 opens | 118 clicks



### SOCIAL MEDIA STORIES IN MARCH

Total posts & re-shares: 183 stories

Sample topics: Mermaid Month offers, Saint Patrick's Day offers, visitor posts, retail sales & announcements from various Harbor businesses who tag @venturaharbor.



# MARCH MARKETING REPORT

## Earned Media + Tourism

### PR + PRESS

Somerville Associates: distributed **Mermaid Month Press Release** to over 1,500 media outlets, resulting in coverage in a variety of print and online publications:

VENTURA

#### Ventura Harbor Village's Mermaid Month Is Now Ashore

Here's a tail to tell: The water-close district will celebrate the ocean icons all month, with an at-home way to participate.



Coverage of the Self Care at Harbor Village and Dredging in **The Breeze** - pitched by VPD marketing:

Ventura BREEZE

#### News & Notes

One year of self care in the wake of the pandemic

Harbor Village features ten manicure stations and nine pedicure benches to enjoy with friends and family. Frenchies also hosts parties for brides and birthdays! Frenchies was founded on the principles of cleanliness and

Ventura BREEZE

#### City News

Dredging is required to ensure that vessel traffic can safely access the harbor

The Ventura Harbor entrance to receive strong sunnort from Ben

Sugar Lab moves to Ventura Harbor in **VC Reporter** - pitched by VPD marketing:



### RECOVERY MESSAGING

Ventura Harbor Marketing continues to attend webinars + meetings with updates on tourism impacts including a **LA Conference & Tourism Covid Update**, **Cal Travel Tourism** Workshops on recovery, a **Travel & Tourism Marketing Association** meeting on re-opening California, and **Central Coast Tourism** meetings. Marketing Manager and Coordinator serve on Central Coast Tourism committees to assist with new website design/content development to highlight the region and share Ventura Harbor & the Channel Islands as Central Coast key points of interest.

### VISIT VENTURA PARTNERSHIP

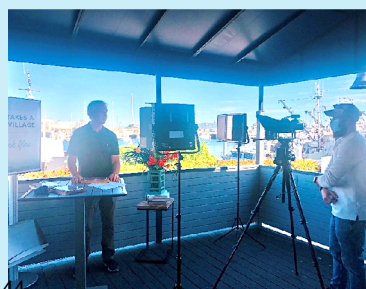
Ventura Harbor invited Visit Ventura team to partake in the new swan boats to generate **new content** to share with incoming visitors. Plus, we partnered for a **Co-Op Paid Blog** on Fitness which was shared on the Visit Ventura website and social, resulting in:

<b>808</b> Readers	<b>14.8k</b> Reach	<b>34.7k</b> Impressions
-----------------------	-----------------------	-----------------------------



### VIRTUAL VILLAGE TENANT CELEBRATION

The General Manger hosted the 2nd Annual Tenant Recognition Reception in early March as a virtual event. Marketing designed **creative solutions to celebrate & recap 2020** by providing Village business owners gift boxes, food/beverage items, floral arrangements, and produced a short video **with the assistance of the Board Chairman and Vice-Chairman**, to present lease achievements of 5-year milestones. Please see following page for a listing of those Village tenants recognized. Thank you to ALL Village tenants for providing an outstanding seaside attraction in 2020!





# virtual village tenant celebration

MILESTONES IN 2020 | PLAQUE RECIPIENT RECAP

25 years



HATS UNLIMITED

15 years



HARBOR VILLAGE GALLERY & GIFTS

15 years



VENTURA BOAT RENTALS / JUST 4 DREAMERS

10 years



SILHOUETTES BY THE BEACH SALON

10 years



VENTURA POTTERY GALLERY

5 years



WILD LOCAL SEAFOOD

New Business



FRENCHIES MODERN NAIL CARE

New Business



HAIR EXTENSIONS BY SHIRLEY

New Business



SUGAR LAB BAKE SHOP

# DEPARTMENTAL STAFF REPORTS

## PROPERTY

### **LONG-TERM GOALS:**

#### Goal 3: Economic Vitality

Increase economic development, vitality, and diversity of the District through effective leasing and marketing strategies.

#### Goal 5: Relationships

Build respectful, productive, and mutually beneficial business relationships with our tenants, public agencies, elected officials, and the community.

#### Goal 5: Public Service

Provide exceptional public service and transparency at all levels within the organization through effective leadership, training, mentoring, and oversight. This promotes accountability, increased public trust, and a more efficient, effective, and public focused organization.

### **5-YEAR OBJECTIVES:**

#### Objective E: Public and Civic Engagement Plan

Strengthen communication and further develop close working relationships with stakeholders, business partners, and civic leaders

- 1: Collaborate with business partners and stakeholders through increased engagement, communication, and participation.

#### Objective V: Harbor Village

Maintain and improve Harbor Village infrastructure and enhance the overall visitor experience

- 1: Complete Harbor Village refresh programs
- 2: Leasing/Property Management Action Plan

**VENTURA PORT DISTRICT**  
**DEPARTMENTAL STAFF REPORT**

Meeting Date: April 21, 2021

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TO: Board of Port Commissioners  
FROM: Brian D. Pendleton, General Manager  
Todd Mitchell, Business Operations Manager  
SUBJECT: March 2021 Property and Leasing Report

---

**CURRENT TENANT REPORT**

- 1) Harbor Businesses seeking COVID-19 Ventura Harbor Rental Abatement and Deferment Program, Resolution No. 3410
  - Program extended for eligible tenants until June 30, 2021
  - Repayment schedule changed as per Resolution
  - Staff continues to work with tenants on their qualification
- 2) Ideal Women's Health (Dr. Srisawai Pattamakom) – 1591 Spinnaker #201
  - Suite construction finishing in early April well in advance of the May 1 move-in date.
- 3) Mindful Wealth Management (Randy Patrick) – 1583 Spinnaker #212
  - Suite returned to District possession on March 31. Construction commencing in early April with tenant move in scheduled for early to mid-May
- 4) Harbor Market & Liquor (Ghassan Trad & Wafaa Alwarda) 1559 Spinnaker #104
  - Staff have negotiated a long-term lease with this existing tenant which includes signage upgrades this summer and interior upgrades in early 2022
- 5) Month-To-Month Tenants
  - Staff will be working with tenants currently on month-to-month lease terms to secure long-term leases in the coming months, consistent with the District's Leasing Strategy.

**CURRENT AVAILABILITY REPORT**

- 1) 1591 Spinnaker Drive #114 & 115.
  - This space is being advertised on our leasing outreach programs listed below with active showings taking place.
  - The space has garnered new interest since recent renovations were completed.
  - Staff anticipates receiving multiple competitive proposals in April.
- 2) 1567 Spinnaker Drive #100
  - District has received City of Ventura planning permit to buildout the space
    - Staff is waiting on prospective tenant to submit to District their financial projections, to review and discuss their proposal, layout, and timelines.

**LEASING OUTREACH**

- 1) Leasing Outreach – Ongoing exposure with our ads online via LoopNet/CoStar which covers the following:
  - Listed on Ventura Harbor Village and Ventura Harbor websites, along with window leasing signage on available properties
  - Top three commercial real estate marketplaces:
    - LoopNet, City Feet, and Showcase;
    - Email Networking blasts from interested parties
    - 150 plus online newspaper websites including Wall Street Journal
    - 24 Million visitors to these sites /200,000 real estate professionals use CoStar

## OCCUPANCY LEVELS AT HARBOR VILLAGE

March 2021

CATEGORY	TOTAL	Harbor	Harbor	Harbor	Harbor	City *	City *
	Square	Vacancy	Vacancy	Available	Available	Vacancy	Available
	Footage	Sq Ft	%	Sq Ft	%	%	%
Office	19,759	0	0%	1,299	7%	19%	22%
Retail	19,409	0	0%	12,349	64%	52%	69%
Restaurant	31,983	1,537	5%	3,927	12%	9%	12%
> Harbor Vacancy --- No tenant or lease							
Office ----		N/A					
Retail ---		N/A					
Restaurant ---		1591 #114/#115 - Blackbeard's					
> Harbor Available --- Tenant on MTM lease, including Harbor Vacancy numbers							
Office ----		1559 - Anacapa Consulting, Power Processing					
		1575 - Custom Embroidery					
Retail ---		1559 - Comedy Club, HV Gallery & Gifts					
		1567 - Carousel, Treasure Cove, Potter's Guild					
		1575 - Lost In Socks					
		1583 - Lemon & Lei					
Restaurant ---		1575 - 805 Bar/Copa Cubana					
		1591 #114/#115 - Blackbeard's					
* City --- Based on comparable square footage within Ventura 93001 area							
** Occupancy Levels for Office -- tend to be lower due to shorter lease terms							
*** City Restaurant vacancy/available as reported by CoStar Program							
**** Definition of available includes MTM status but the District is not taking action to replace tenants on MTM during the pandemic.							

## SALES REPORTS

The attached summary of sales for three Harbor Village business categories: restaurants, retail, and charters. The reports compare the monthly sales for 2020 and 2021. They also include year-to-date comparisons. The year-to-date overall sales for Harbor Village Tenants through the month of February were down 22.46% from the same time last year largely due to the impacts of COVID-19 related closures.

## ATTACHMENTS:

Attachment 1 – February 2021 Sales Report



# ATTACHMENT 1

## Ventura Harbor Village Tenant Sales Summary

Month of  
February

	<u>February-2021</u>	<u>February-2020</u>	<u>% Change</u>
Restaurants	\$ 1,252,637	\$ 1,337,475	-6.34%
Retail	\$ 337,270	\$ 311,652	8.22%
Charters	\$ 172,516	\$ 320,929	-46.24%
Total	\$ 1,762,423	\$ 1,970,056	-10.54%

Year-to-date through February 2021

	<u>Jan - Feb 2021</u>	<u>Jan - Feb 2020</u>	<u>% Change</u>
Restaurants	\$ 2,015,719	\$ 2,439,299	-17.36%
Retail	\$ 558,849	\$ 593,861	-5.90%
Charters	\$ 222,378	\$ 573,777	-61.24%
Total	\$ 2,796,946	\$ 3,606,937	-22.46%



BOARD OF PORT COMMISSIONERS

APRIL 21, 2021

CONSENT AGENDA ITEM A

APPROVAL OF NEW RETAIL LEASE  
AGREEMENT FOR GHASSAN TRAD  
AND WAFAA ALWARDA DBA HARBOR  
MARKET & LIQUOR

**VENTURA PORT DISTRICT  
BOARD COMMUNICATION**

**CONSENT AGENDA ITEM A**  
Meeting Date: April 21, 2021

---

TO: Board of Port Commissioners  
FROM: Brian D. Pendleton, General Manager  
Todd Mitchell, Business Operations Manager  
SUBJECT: Approval of New Retail Lease Agreement for Ghassan Trad & Wafaa Alwarda  
dba Harbor Market & Liquor at 1559 Spinnaker Drive #104

---

**RECOMMENDATION:**

That the Board of Port Commissioners approve a new Retail Lease Agreement between the Ventura Port District dba Ventura Harbor Village and Ghassan Trad & Wafaa Alwarda dba Harbor Market & Liquor for the premises located at 1559 Spinnaker Drive #104, consisting of 1,373 square feet for a five-year term with a four-year option.

**SUMMARY:**

Staff has negotiated a lease renewal with Ghassan Trad & Wafaa Alwarda dba Harbor Market & Liquor for a retail space at 1559 Spinnaker Drive #104.

**LONG-TERM GOALS:**

- Goal 3: Economic Vitality
  - Increase economic development, vitality, and diversity of the District through effective leasing and marketing strategies.

**5-YEAR OBJECTIVES:**

- Objective V: Harbor Village
  - Maintain and improve Harbor Village infrastructure and enhance the overall visitor experience
    - 2: Leasing/Property Management Action Plan

**BACKGROUND:**

Mr. Ghassan Trad has operated the Harbor Market & Liquor retail space at Ventura Harbor Village for five-years as of this next month. The business has grown in sales volume under Mr. Trad's management, and it is their intent to make investments in renovations in the coming year to update the visitor experience including new walk-in refrigerators, exterior signage, interior shelving, lighting, and paint. The District will be making some complimentary investments in assisting with compliance with the new District sign program as well as providing new flooring at the time of the shelving replacement. With this lease, the District continues to implement established leasing goals of tenant retention, long-term leases at market rates, and implementing the District's new sign program.

Mr. Trad and Ms. Alwarda are very excited to continue their tenancy at Ventura Harbor Village.

**FISCAL IMPACT:**

This new lease reflects current market rental rates for retailers in the complex. There will be step increases annually in base rent, with CPI increase for the option years. Tenant will continue to pay CAM, Promotional, and Percentage Rent in the new lease. District contribution to tenant improvements will be in design support for new signage and cost of new flooring at the time new shelving is installed.



# BOARD OF PORT COMMISSIONERS

APRIL 21, 2021

## STANDARD AGENDA ITEM 1

ADOPTION OF RESOLUTION No. 3412  
APPROVING A CONVEYANCE AGREEMENT AND  
AN INSTALLMENT PURCHASE CONTRACT TO  
REFINANCE THE 2008 AND 2009  
CERTIFICATES OF PARTICIPATION AS  
AMENDED FEBRUARY 1, 2016

**VENTURA PORT DISTRICT  
BOARD COMMUNICATION**

**STANDARD AGENDA ITEM 1**  
Meeting Date: April 21, 2021

---

TO: Board of Port Commissioners  
FROM: Brian B. Pendleton, General Manager  
Todd Mitchell, Business Operations Manager  
Gloria Adkins, Accounting Manager  
SUBJECT: Adoption of Resolution No. 3412 Approving a Conveyance Agreement and an Installment Purchase Contract to Refinance the 2008 and 2009 Certificates of Participation as amended February 1, 2016

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**RECOMMENDATION:**

That the Board of Port Commissioners adopt Resolution No. 3412, approving a Conveyance Agreement and an Installment Purchase Contract, making certain determinations relating thereto: and authorizing certain other actions in connection therewith, to refinance the 2008 & 2009 Certificates of Participation.

**SUMMARY:**

District staff is recommending taking advantage of a savings opportunity to reduce the current interest rate on its 2008 and 2009 Certificates of Participation (COP's) from 3.2% to 1.95% through a refinancing using a Conveyance Agreement and an Installment Purchase Contract.

**LONG-TERM GOALS:**

- Goal 6: Public Service
  - Provide exceptional public service and transparency at all levels within the organization through effective leadership, training, mentoring, and oversight. This promotes accountability, increased public trust, and more efficient, effective and public focused organization.

**5-YEAR OBJECTIVES:**

- Objective E: Public and Civic Engagement Plan
  - Strengthen communication and further develop close working relationships with stakeholders, business partners, and civic leaders
    - 1: Collaborate with business partners and stakeholders through increased engagement, communication, and participation.

**BACKGROUND:**

In 2008 and 2009, Brandis Tallman LLC ("BTLLC"), as Placement Agent, assisted the District in refinancing its 1998 COP's to a lower interest rate 4.43% and 4.8%, respectively.

In 2016, BTLLC again assisted the General Manager as Placement Agent to reset the rates for the 2008 and 2009 COP's to 3.2% on the February 1, 2016 pre-payment date. The 2016 First Amendment Installment Agreement included pre-payment terms so that a pre-payment would be possible February 1, 2021 through January 31, 2024 at a 1% premium, and on February 1, 2024 and thereafter at a 0% premium.

The first pre-payment date of February 1, 2021 has given the District the opportunity to refinance the 2008 and 2009 COP's again to take advantage of current reduced interest rates. Oppenheimer & Co, Inc. (OPCO), previously Brandis Tallman, LLC, is again assisting the District as Placement Agent to refinance the 2016 First Amendment Installment Purchase Agreement for the 2008 and 2009 COP's.

On March 18, 2021, with the assistance of OPCO, the District was able to lock in a refinancing interest rate of 1.95%. The financing team is working with City National Bank, the current holder of the 2016 First Amendment Installment Agreement. CN Financing Inc. (City National Bank) has agreed to waive the pre-payment fee of \$56,555 associated with this current refinancing. Attachment 2 is a memo from the District's legal counsel highlighting the manner in which the refinancing transaction is structured.

Refinancing of the 2008 and 2009 COP's reduces the interest rates and generates total savings of approximately \$182,951. Net present value savings are about \$172,221 or 3.05% of the prior COPs. A summary of the financing is available as Attachment 3. The current balance of the COPs is \$5,699,739 and the maturity date is August 1, 2027. This refinancing will be non-callable given the maturity date is only a little more than 6 years away. The new loan balance will be \$5,756,000 which includes accrued interest and cost of issuance fees.

**FISCAL IMPACT:**

The cost of issuance for this refinancing is \$56,261 which includes the placement agent and special counsel fees. Based on the interest rate that was locked-in on March 18th, the Ventura Port District would save an estimated \$182,951 in total interest rate savings. The estimated net present value savings are 3.05% of the prior COPs. The benchmark for municipalities to move forward on a rate reset or refinancing is 3% net present value savings.

**ATTACHMENTS:**

- Attachment 1 – Resolution No. 3412
- Attachment 2 – Legal Counsel Memo on Refunding
- Attachment 3 – Summary of Financing
- Attachment 4 – Conveyance Agreement
- Attachment 5 – Installment Purchase Contract





**RESOLUTION NO. 3412**

**RESOLUTION OF THE BOARD OF PORT COMMISSIONERS  
OF THE VENTURA PORT DISTRICT APPROVING A  
CONVEYANCE AGREEMENT AND AN INSTALLMENT  
PURCHASE CONTRACT, MAKING CERTAIN  
DETERMINATIONS RELATING THERETO; AND AUTHORIZING  
CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH**

**WHEREAS**, the Ventura Port District (the "District") is a California port district duly organized and validly existing under the Constitution and the laws of the State of California; and

**WHEREAS**, the District is authorized to sell and purchase its property to finance and refinance public capital improvements, including those improvements constituting the Harbor Enterprise (as defined in the Installment Purchase Contract); and

**WHEREAS**, the District has previously entered into an Installment Purchase Agreement, dated as of June 1, 2008, as amended by that First Amendment to Installment Purchase Agreement dated February 1, 2016 (collectively, the "2008 Installment Purchase Agreement"), with the Municipal Finance Corporation (the "Corporation"); and

**WHEREAS**, the District has also previously entered into an Installment Purchase Agreement, dated as of March 1, 2009, as amended by that First Amendment to Installment Purchase Agreement dated February 1, 2016 (collectively, the "2009 Installment Purchase Agreement"), with the Corporation; and

**WHEREAS**, in order to refinance the District's obligations under the 2008 Installment Purchase Agreement and the 2009 Installment Purchase Agreement, the District desires to enter into a Conveyance Agreement, dated as of April 1, 2021 (the "Conveyance Agreement") between the District and CN Financing, Inc., duly organized and validly existing under the State of California (the "Lender"), pursuant to which the District will sell a portion of the Harbor Enterprise to the Lender in return for certain funds, which the District will use to refinance the District's obligations under the 2008 Installment Purchase Agreement and the 2009 Installment Purchase Agreement; and

**WHEREAS**, the District has determined to enter into an Installment Purchase Contract, between the District and the Lender, pursuant to which the District will repurchase from the Lender the portion of the Harbor Enterprise conveyed to the Lender pursuant to the Conveyance Agreement; and

**WHEREAS**, under and pursuant to such Installment Purchase Contract, the District will be obligated to make certain installment payments to the Lender; and

**WHEREAS**, the District desires to appoint Oppenheimer & Co. Inc., as placement agent, and Kutak Rock LLP, as special counsel ("Special Counsel"), in connection with the refinancing of the District's obligations under the 2008 Installment Purchase Agreement and the 2009 Installment Purchase Agreement; and

**WHEREAS**, pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), under certain circumstances, certain obligations the interest on which is exempt from federal income tax under Section 103 of the Code may be designated by the issuer thereof as "qualified tax-exempt obligations," thereby allowing certain financial institutions that are holders of such qualified tax exempt obligations to deduct for federal income tax purposes a portion of such institution's interest expense that is allocable to such qualified tax-exempt obligations, all as determined in accordance with Sections 265 and 291 of the Code; and

**WHEREAS**, the District wishes to designate the Installment Purchase Contract as a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3) of the Code; and

**WHEREAS**, Senate Bill 450 (Chapter 625 of the 2017-2018 Session of the California Legislature) ("SB 450") requires that the Board of Port Commissioners of the District (the "Board") obtain from an underwriter, municipal advisor or private lender and disclose, prior to authorization of the issuance of bonds, including debt instruments such as the Installment Purchase Contract, with a term of greater than 13 months, good faith estimates of the following information in a meeting open to the public: (a) the true interest cost of the Installment Purchase Contract; (b) the sum of all fees and charges paid to third parties with respect to the Installment Purchase Contract; (c) the amount of proceeds of the Installment Purchase Contract expected to be received net of the fees and charges paid to third parties and any reserves or capitalized interest paid or funded with proceeds of the Installment Purchase Contract; and (d) the sum total of all debt service payments on the Installment Purchase Contract calculated to the final maturity of the Installment Purchase Contract plus the fees and charges paid to third parties not paid with the proceeds of the Installment Purchase Contract; and

**WHEREAS**, in compliance with SB 450, the Board obtained the required good faith estimates and such estimates are disclosed and set forth on Exhibit A attached hereto; and

**WHEREAS**, there have been presented at this meeting forms of the Conveyance Agreement and the Installment Purchase Contract.

**NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED BY THE VENTURA PORT DISTRICT AS FOLLOWS:**

SECTION 1. Approval of Conveyance Agreement. The form of Conveyance Agreement, currently dated as of April 1, 2021 (the "Conveyance Agreement"), between the District and the Lender, as presented to the District at this meeting, is hereby approved. The Chairman of the Board of Port Commissioners, the General Manager, and the District Secretary or any other officers duly designated by the District (each, an "Officer" and collectively, the "Officers") are hereby authorized and directed, for and on behalf of the District, to execute, acknowledge and deliver the Conveyance Agreement, in substantially the form presented to the District at this meeting, with such changes therein as such Officers may require or approve, with

## ATTACHMENT 1

the advice and approval of counsel to the District and Special Counsel, such approval to be conclusively evidenced by the execution and delivery thereof.

SECTION 2. Approval of Installment Purchase Contract. The form of Installment Purchase Contract, currently dated as of April 1, 2021 (the "Installment Purchase Contract"), between the District and the Lender, as presented to the District at this meeting, is hereby approved. The Officers are hereby authorized and directed, for and on behalf of the District, to execute, acknowledge and deliver the Installment Purchase Contract, in substantially the form presented to the District at this meeting, with such changes therein as such Officers may require or approve, with the advice and approval of counsel to the District and Special Counsel, such approval to be conclusively evidenced by the execution and delivery thereof. In connection therewith, the District approves the execution and delivery of the Installment Purchase Contract so long as the maturity does not exceed August 1, 2027, the interest rate with respect to the Installment Payments does not exceed 1.950%, and the principal amount does not exceed \$5,761,000.

SECTION 3. Bank Qualified. The Installment Payments due under the Installment Purchase Contract are hereby designated as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code. The Board hereby finds and determines that the aggregate face amount of all tax-exempt obligations (other than private activity bonds) issued by the District (and all subordinate entities thereof) during calendar year 2021 is not expected to exceed \$10,000,000.

SECTION 4. Professional Services. The Board hereby appoints the firm of Oppenheimer & Co. Inc., as placement agent and the firm of Kutak Rock LLP, as special counsel, in connection with the proposed transactions described herein. The Board hereby authorizes and directs the General Manager to execute and deliver professional services agreements with said firms for their services, provided that any and all compensation to such firms under the agreements is payable solely from the proceeds derived from the transactions described herein.

SECTION 5. Other Acts. The Officers and staff of the District are hereby authorized and directed, jointly and severally, to do any and all things, to execute and deliver any and all documents, including but not limited to an escrow agreement or other agreements related or necessary to effect the refinancing of the District's obligations under the 2008 Installment Purchase Agreement and the 2009 Installment Purchase Agreement, which in consultation with District Counsel and Special Counsel, they may deem necessary or advisable in order to effectuate the purposes of this Resolution, and any and all such actions previously taken by such Officers or staff members are hereby ratified and confirmed.

SECTION 6. Effective Date. This Resolution shall take effect upon adoption.

ATTACHMENT 1

**PASSED, ADOPTED AND APPROVED** at a regular Board meeting of the Board of Port Commissioners of the Ventura Port District held on April 21, 2021, by the following roll call vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

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Chris Stephens, Chairman

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Brian Brennan, Secretary

**EXHIBIT A**

**GOOD FAITH ESTIMATES**

The following information is provided in compliance with Senate Bill 450 (Chapter 625 of the 2017-2018 Session of the California Legislature) with respect to the Installment Purchase Contract:

- (a) True Interest Cost of the Installment Purchase Contract: 1.95%.
- (b) Finance Charge of the Installment Purchase Contract: \$56,261.43.
- (c) Amount of Proceeds to be received by the District: \$5,699,738.57.
- (d) Total Payment Amount: \$6,127,767.06.



## MEMORANDUM

To: Board of Port Commissioners - Ventura Port District

From: Andy Turner and James Ciampa, General Counsel

Date: April 21, 2021

Re: 2021 Refinancing of Certificates of Participation

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The District is in the process of refinancing its 2008 and 2009 Certificates of Participation (the “COPs”) through a rate reset. That refinancing is being accomplished through a Conveyance Agreement and an Installment Purchase Contract between the District and CN Financing, Inc. The transaction is structured in a manner where the District sells the portion of the Harbor Enterprise related to the COPs to CN Financing, and in exchange for that sale the District receives the funds that will be used to pay off the existing COPs. Then, the District buys back the same portion of the Harbor Enterprise from CN Financing in exchange for the District’s agreement to pay back that purchase price over time, under the terms set forth in the Installment Purchase Contract. The Conveyance Agreement memorializes the purchase and sale, while the Installment Purchase Contract addresses the issues concerning the District’s repayment obligations.

The staff report on this item discusses the financial issues concerning the proposed refinancing. This memorandum will summarize the most pertinent legal issues concerning the repayment terms in the Installment Purchase Contract.

- **Repayment Period** – the District will pay CN Financing back through semi-annual payments to be made on February 1 and August 1 of each year, commencing on August 1, 2021 and ending on August 1, 2027. The final interest rate is 1.95% and new principal balance is \$5,756,000.00.
- **Tax-Exempt Obligation** – the refinancing is being accomplished as a tax-exempt transaction, so the interest CN Financing will receive is not subject to federal or state income tax. The District will undertake certain covenants (such as the limitation on the use of the proceeds for private activity purposes) to ensure the refinancing remains tax-exempt.



## ATTACHMENT 2

- **District Accounts** – the Installment Purchase Contract requires the District to establish various internal funds through which the District's revenues will flow to provide the repayments. The District's revenues will initially be held in a Revenue Fund and then move into a Debt Service Fund and Debt Service Account. Monies will be paid from the Debt Service Account to make the semi-annual installment payments.
- **Priority of Use of Revenues** – the Installment Purchase Contract requires the District's revenues be used in the following order of priority: (1) to pay the District's maintenance and operation costs; (2) to pay the installment payments on the refinanced loan; (3) to fund any debt service reserves on any other District obligations; and (4) to pay any other District expenditures (note that the District's typical expenditures will be paid under the first priority of the maintenance and operation costs).
- **Security for District Obligations** – the District's payment obligations are secured by its incoming revenue stream and those obligations are not a debt or pledge of the District's general credit.
- **Other Debt Obligations** – the District can issue more debt after the refinancing, but that debt either must be subordinate to the refinancing or on parity (i.e., equal priority) with the refinancing. If the subsequent debt is to be on parity with the refinancing obligation, then certain tests must be met, including that the District has net revenues that are at least 115% of the combined debt service of the refinancing and the contemplated parity debt.
- **Revenue - Debt Coverage Ratio** – the District agrees that its net revenues will be at least 115% of its debt service obligations for each fiscal year.
- **Use of Insurance Proceeds** – the Installment Purchase Contract includes a provision under which the District agrees to use any insurance proceeds to repair or replace any damaged or destroyed portions of the Harbor facilities.
- **Financial Reporting** – there are ongoing financial reporting requirements. For instance, the District must provide the lender with a copy of its annual audit report and annual budget.
- **Prepayment** – the refinancing obligations are not subject to voluntary prepayment. However, there can be a prepayment in the event of a natural disaster or if District property is taken under eminent domain.

**RECOMMENDATION:** We have reviewed the transaction documents and found them to be very fair with respect to the obligations the District would undertake. We offered very minor revisions that have been addressed in revised drafts of the documents. Our recommendation is that the Board approve the documents and the refinancing transaction.

**VENTURA PORT DISTRICT**  
**2021 Refunding of 2016 Rate Reset**  
**Summary of Financing**  
**March 18, 2021**

**City National Bank**  
**(Not Callable)**

Anticipated Closing Date	4/29/2021
Cost of Defeasance (1)	5,699,739
Cost of Issuance (2)	56,261
Par Amount	5,756,000
Interest Rate	1.95%
All-In True Interest Cost	2.26%
Final Maturity	8/1/2027

**SAVINGS FROM REFUNDING**

Existing Average FY Debt Service	901,531
New Average FY Debt Service	875,395
Average FY Savings	26,136
Total Savings	182,951
Net Present Value Savings / %	172,221 / 3.05%

(1) City National Bank would wave the prepayment fee, estimated at \$56,555.

(2) Includes placement agent, lender's legal fee, bond counsel, and rounding/miscellaneous.

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**CONVEYANCE AGREEMENT**

**between the**

**VENTURA PORT DISTRICT**

**and**

**CN FINANCING, INC.**

**Dated as of April 1, 2021**

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## CONVEYANCE AGREEMENT

THIS CONVEYANCE AGREEMENT, dated as of April 1, 2021 (as amended and supplemented hereafter, the “Conveyance Agreement”), between the VENTURA PORT DISTRICT, a California port district (the “District”) duly organized and validly existing under the laws of the State of California, and CN FINANCING, INC., a corporation organized and existing under the laws of the State of California (including its successors and permitted assigns hereunder, the “Lender”);

### R E C I T A L S:

WHEREAS, in order to undertake the refinancing of certain installment payments (the “2008 Installment Payments”) evidenced by certain certificates of participation representing proportionate interests in such installment payments (the “2008 Certificates”) made by the District to the Municipal Finance Corporation (the “Corporation”) pursuant to an Installment Purchase Agreement, dated as of June 1, 2008, as amended by the First Amendment to Installment Purchase Agreement, dated as of February 1, 2016, between the District and the Corporation for the purpose of refinancing the acquisition and construction of certain improvements, betterments, renovations and expansions of facilities within its Harbor Enterprise; and

WHEREAS, in order to undertake the refinancing of certain installment payments (the “2009 Installment Payments”) evidenced by certain certificates of participation representing proportionate interests in such installment payments (the “2009 Certificates”) made by the District to the Corporation pursuant to an Installment Purchase Agreement, dated as of March 1, 2009, as amended by the First Amendment to Installment Purchase Agreement (2009 Certificates), dated as of February 1, 2016, between the District and the Corporation for the purpose of refinancing the acquisition and construction of certain improvements, betterments, renovations and expansions of facilities within its Harbor Enterprise; and

WHEREAS, the Lender has agreed to assist the District in refinancing (i) the 2008 Installment Payments and related 2008 Certificates and (ii) the 2009 Installment Payments and related 2009 Certificates in consideration for installment purchase payments to be made by the District, as purchaser of a portion of the Harbor Enterprise (as defined in the Installment Purchase Contract), to the Lender, as seller, pursuant to that certain installment purchase contract dated as of April 1, 2021 (the “Installment Purchase Contract”); and

NOW, THEREFORE, in consideration of receipt of the amount of \$[\_\_\_\_\_] by the District from the Lender as the purchase price of a portion of the Harbor Enterprise, and of the foregoing and the mutual covenants and conditions contained herein, the parties hereto agree as follows:

Section 1. The District hereby sells, conveys and transfers to the Lender all of its right, title and interest in each property interest component of the Harbor Enterprise representing a portion of the Harbor Enterprise, as defined in the Installment Purchase Contract, in connection with the (i) the 2008 Installment Payments and related 2008 Certificates and (ii) the 2009

ATTACHMENT 4

Installment Payments and related 2009 Certificates being prepaid, but only to the extent the components of the Harbor Enterprise may be legally transferred by the District, and the Lender hereby purchases, acquires and accepts from the District all of the District's right, title and interest in and to such portion of the Harbor Enterprise, subject to the obligation of the Lender to resell such portion of the Harbor Enterprise to the District pursuant to the Installment Purchase Contract.

Section 2. The District hereby agrees to cooperate and provide further assurances to the Lender in order to accomplish the purposes of this Conveyance Agreement. The District hereby agrees to indemnify and hold the Lender harmless against any and all claims, losses, costs or damages as a result of the District's conveyance of a portion of the Harbor Enterprise to the Lender as provided herein, except to the extent such claims, losses, costs or damages result from the willful misconduct or negligence of the Lender, its officers and employees.

IN WITNESS WHEREOF, the parties hereto have executed this Conveyance Agreement by their officers as of the date first above written.

**VENTURA PORT DISTRICT**

By: \_\_\_\_\_  
General Manager

**CN FINANCING, INC.**

By: \_\_\_\_\_  
Authorized Officer

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**INSTALLMENT PURCHASE CONTRACT**

**between the**  
**VENTURA PORT DISTRICT**  
**and**  
**CN FINANCING, INC.**

**Dated as of April 1, 2021**

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**TABLE OF CONTENTS**

	<u>Page</u>
ARTICLE I DEFINITIONS .....	2
Section 1.01. Definitions. ....	2
ARTICLE II SALE AND PURCHASE OF A PORTION OF THE HARBOR ENTERPRISE; REFINANCING PROJECT .....	7
Section 2.01. Sale and Purchase of a Portion of the Harbor Enterprise; Refinancing Project. ....	7
Section 2.02. Indemnification and Expenses of the Lender. ....	8
Section 2.03. Lender not Liable. ....	9
Section 2.04. Disclaimer of the Lender. ....	9
ARTICLE III INSTALLMENT PAYMENTS, REVENUES AND ACCOUNTS.....	9
Section 3.01. Payment of the Installment Payments. ....	9
Section 3.02. Interest Component of the Installment Payments.....	10
Section 3.03. Establishment of Accounts. ....	10
Section 3.04. Pledge of Net Revenues and Other Funds; Debt Service Fund. ....	10
Section 3.05. Receipt and Deposit of Gross Revenues. ....	11
Section 3.06. Establishment and Maintenance of Accounts for Gross Revenues; Use and Withdrawal of Gross Revenues. ....	11
Section 3.07. [Reserved.].....	12
Section 3.08. Investment of Funds. ....	12
ARTICLE IV PARITY OBLIGATIONS .....	13
Section 4.01. Parity Obligations.....	13
ARTICLE V REPRESENTATIONS, COVENANTS AND WARRANTIES .....	14
Section 5.01. Compliance with Installment Purchase Contract. ....	14
Section 5.02. Observance of Laws and Regulations. ....	14
Section 5.03. Prosecution and Defense of Suits.....	14
Section 5.04. Accounting Records and Statements.....	15
Section 5.05. Further Assurances.....	15
Section 5.06. Against Encumbrances.....	15
Section 5.07. Against Sale or Other Disposition of Property. ....	15
Section 5.08. Against Competitive Facilities.....	16
Section 5.09. Tax Covenants.....	16
Section 5.10. Maintenance and Operation of the Harbor Enterprise; Budgets. ....	16
Section 5.11. Payment of Claims. ....	17
Section 5.12. Compliance with Contracts. ....	17
Section 5.13. Insurance. ....	17
Section 5.14. Books and Accounts; Financial Statements. ....	18
Section 5.15. Payment of Taxes and Compliance with Governmental Regulations. ....	18



## ATTACHMENT 5

Section 5.16. Amount of Rates and Charges.....	18
Section 5.17. Collection of Rates and Charges.....	19
Section 5.18. Eminent Domain Proceeds.....	19
Section 5.19. Release and Indemnification Covenants.....	19
Section 5.20. Further Representations, Covenants and Warranties of the District.....	20
Section 5.21. Representations, Covenants and Warranties of the Lender.....	21
ARTICLE VI PREPAYMENT OF INSTALLMENT PAYMENTS.....	22
Section 6.01. Prepayment.....	22
Section 6.02. Method of Prepayment.....	22
Section 6.03. Security Deposit.....	22
ARTICLE VII EVENTS OF DEFAULT AND REMEDIES.....	23
Section 7.01. Events of Default and Events of Mandatory Acceleration; Acceleration of Maturities.....	23
Section 7.02. Application of Funds Upon Default.....	24
Section 7.03. Other Remedies of the Lender.....	25
Section 7.04. Non-Waiver.....	25
Section 7.05. Remedies Not Exclusive.....	26
ARTICLE VIII MISCELLANEOUS.....	26
Section 8.01. Liability of District Limited.....	26
Section 8.02. Benefits of Installment Purchase Contract Limited to Parties.....	26
Section 8.03. Successor Is Deemed Included In All References to Predecessor.....	26
Section 8.04. Waiver of Personal Liability.....	26
Section 8.05. Article and Section Headings, Gender and References.....	27
Section 8.06. Partial Invalidity.....	27
Section 8.07. Assignment.....	27
Section 8.08. California Law.....	27
Section 8.09. Notices.....	27
Section 8.10. Judicial Reference.....	28
Section 8.11. Effective Date.....	28
Section 8.12. Execution in Counterparts.....	28
Section 8.13. Amendments.....	29
Section 8.14. Servicing; Appointment of Servicer.....	30
EXHIBIT A – INSTALLMENT PAYMENT SCHEDULE	

**INSTALLMENT PURCHASE CONTRACT**

This INSTALLMENT PURCHASE CONTRACT, dated as of April 1, 2021 (as amended and supplemented hereafter, the “Installment Purchase Contract”), between the VENTURA PORT DISTRICT, a California port district (the “District”) duly organized and validly existing under the laws of the State of California, and CN FINANCING, INC. a corporation organized and existing under the laws of the State of California (including its successors and permitted assigns hereunder, the “Lender”);

**WITNESSETH:**

WHEREAS, the District is authorized under the Constitution and the laws of the State of California, to purchase, or lease, or otherwise acquire, hold and enjoy, and lease or dispose of, real and personal property of every kind within or without the District through the execution of installment purchase contracts; and

WHEREAS, in order to undertake the refinancing of certain installment payments (the “2008 Installment Payments”) evidenced by certain certificates of participation representing proportionate interests in such installment payments (the “2008 Certificates”) made by the District to the Municipal Finance Corporation (the “Corporation”) pursuant to an Installment Purchase Agreement, dated as of June 1, 2008 (the “Original 2008 Installment Purchase Agreement”), as amended by the First Amendment to Installment Purchase Agreement, dated as of February 1, 2016 (the “2008 First Amendment” and, together with the Original 2008 Installment Purchase Agreement, the “2008 Installment Purchase Agreement”), between the District and the Corporation for the purpose of refinancing the acquisition and construction of certain improvements, betterments, renovations and expansions of facilities within its Harbor Enterprise (the “2008 Project”); and

WHEREAS, in order to undertake the refinancing of certain installment payments (the “2009 Installment Payments”) evidenced by certain certificates of participation representing proportionate interests in such installment payments (the “2009 Certificates”) made by the District to the Corporation pursuant to an Installment Purchase Agreement, dated as of March 1, 2009 (the “Original 2009 Installment Purchase Agreement”), as amended by the First Amendment to Installment Purchase Agreement (2009 Certificates), dated as of February 1, 2016 (the “2009 First Amendment” and, together with the Original 2009 Installment Purchase Agreement, the “2009 Installment Purchase Agreement”), between the District and the Corporation for the purpose of refinancing the acquisition and construction of certain improvements, betterments, renovations and expansions of facilities within its Harbor Enterprise (the “2009 Project” and together with the 2008 Project, the “Refinancing Project”); and

WHEREAS, the Lender has agreed to assist the District in refinancing (i) the 2008 Installment Payments and related 2008 Certificates and (ii) the 2009 Installment Payments and related 2009 Certificates; and

WHEREAS, the District has entered into a Conveyance Agreement, dated as of April 1, 2021, pursuant to which the District has sold a portion of the Harbor Enterprise (as defined herein)

to the Lender, but only to the extent the components of such portion of the Harbor Enterprise could be legally transferred by the District; and

WHEREAS, the District proposes to purchase a portion of the Harbor Enterprise pursuant to this Installment Purchase Contract; and

WHEREAS, the District has determined that it is in the best interests of the District, and it is necessary and proper for District purposes, that the District acquire a portion of the Harbor Enterprise from the Lender in the manner described herein for the purposes of refinancing (i) the 2008 Installment Payments and related 2008 Certificates and (i) the 2009 Installment Payments and related 2009 Certificates as described herein, and that the District pay the Lender for the costs of acquiring a portion of the Harbor Enterprise in the manner described herein; and

WHEREAS, all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and entering into of this Installment Purchase Contract do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the parties hereto are now duly authorized to execute and enter into this Installment Purchase Contract;

NOW, THEREFORE, IN CONSIDERATION OF THE PROMISES AND OF THE MUTUAL AGREEMENTS AND COVENANTS CONTAINED HEREIN AND FOR OTHER VALUABLE CONSIDERATION, THE PARTIES HERETO DO HEREBY AGREE AS FOLLOWS:

## ARTICLE I DEFINITIONS

### Section 1.01. Definitions.

Unless the context otherwise requires, the terms defined in this Section 1.01 shall for all purposes hereof, and of any amendment hereof, and of any opinion or report or other document mentioned herein or therein have the meanings defined herein, the following definitions to be equally applicable to both the singular and plural forms of any of the terms defined herein.

“Bonds” means all revenue bonds or notes of the District authorized, executed, issued and delivered by the District, the payments of which are secured by a pledge of and lien on Net Revenues on a parity with the Installment Payments, the Series 2016 Installment Payments and the Series 2018 Installment Payments.

“Business Day” means any day other than a Saturday, Sunday or legal holiday or a day on which banks are authorized to be closed for business in California and New York.

“Capital Improvement Reserve Fund” means that certain fund of the District by such name.

“Closing Date” means April [\_\_\_], 2021.

## ATTACHMENT 5

“Code” means the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder.

“Contract” means this Installment Purchase Contract and any amendments and supplements hereto, and all contracts, agreements or debt obligations of the District authorized and executed by the District, the installment payments or other payments under which are secured by a pledge of and lien on Net Revenues on a parity with the Installment Payments, the Series 2016 Installment Payments and the Series 2018 Installment Payments.

“Conveyance Agreement” means that Conveyance Agreement, dated as of April 1, 2021, between the District and the Lender, as amended and supplemented.

“Debt Service” means, for any Fiscal Year, the sum of (1) the Installment Payments (except to the extent that interest has been fully capitalized and is invested in Federal Securities which mature at times and in such amounts as are necessary to pay the interest to which such amounts are pledged) required to be paid hereunder during such Fiscal Year, (2) the interest falling due during such Fiscal Year on all Parity Obligations (which are outstanding under the documents or agreements pursuant to which they were issued), assuming that all outstanding serial Parity Obligations are retired as scheduled and that all outstanding term Parity Obligations are redeemed from sinking fund payments as scheduled (except to the extent that such interest has been fully capitalized and is invested in Federal Securities which mature at times and in such amounts as are necessary to pay the interest to which such amounts are pledged), (3) the principal amount of all serial Parity Obligations (which are outstanding under the documents or agreements pursuant to which they were issued) falling due by their terms during such Fiscal Year, and (4) the minimum amount of term Parity Obligations (which are outstanding under the documents or agreements pursuant to which they were issued) required to be paid or called and redeemed during such Fiscal Year, together with the redemption premiums, if any, thereon; provided that, whenever interest as described herein accrues at other than a fixed rate, such interest shall be assumed to be a rate equal to the greater of (i) the actual rate on the date of calculation, or if the Parity Obligations are not yet outstanding, the initial rate (if established and binding), (ii) if the Parity Obligations have been outstanding for at least twelve months, the average rate over the twelve months immediately preceding the date of calculation, and (iii) (x) if interest on the Parity Obligations is excludable from gross income under the applicable provisions of the Code, the most recently published The Bond Buyer Bond Revenue Index (or comparable index if no longer published) plus fifty (50) basis points, or (y) if interest is not so excludable, the interest rate on direct U.S. Treasury Obligations with comparable maturities, plus fifty (50) basis points.

“Debt Service Fund” means the fund established in Section 3.04 hereof.

“Debt Service Payments” means the payments of Debt Service.

“Default Rate” means [\_\_\_\_]% per annum or [\_\_\_\_]% per annum if the Gross Up Rate is in effect.

“Delivery Costs” means all items of expense directly or indirectly payable by or reimbursable to the District or the Lender relating to the refinancing of (i) the 2008 Installment Payments and related 2008 Certificates and (ii) the 2009 Installment Payments and related 2009

Certificates, including but not limited to filing costs, settlement costs, printing costs, reproduction and binding costs, initial fees and charges of the Lender and its counsel, financing discounts, legal fees and charges, financial and other professional consultant fees, and charges and fees in connection with the foregoing, including fees of the California Debt and Investment Advisory Commission.

“Determination of Taxability” means any determination, decision or decree by the Commissioner of Internal Revenue, or any District Director of Internal Revenue, or any court of competent jurisdiction, to the effect that an Event of Taxability shall have occurred; provided, however, that the District shall have the opportunity to take such remedial action necessary to restore the tax-exempt status of the interest component of Installment Payments under this Installment Purchase Contract specifically afforded to it in such determination, decision or decree so long as such remedial action is promptly commenced by the District and in no event later than thirty (30) days after receipt of such determination, decision or decree. A Determination of Taxability also shall be deemed to have occurred on the date when the District files any statement, supplemental statement, or other tax schedule, return or document, which discloses that an Event of Taxability shall have occurred.

“Dredging Reserve” means that certain fund of the District by such name.

“Due Date” means the date three (3) Business Days prior to an Interest Payment Date.

“Event of Default” means an event of default described in Section 7.01.

“Event of Taxability” means, with respect to the Installment Purchase Contract: (a) the application of the proceeds of the purchase price of a portion of the Harbor Enterprise pursuant to the Conveyance Agreement in such manner that the Installment Purchase Contract becomes an “arbitrage bond” within the meaning of Code Sections 103(b)(2) and 148, and with the result that interest component of the Installment Payments is or becomes includable in a recipient’s gross income (as defined in Code Section 61); or (b) if as the result of any act, failure to act or use of the proceeds of the purchase price of a portion of the Harbor Enterprise pursuant to the Conveyance Agreement or any misrepresentation or inaccuracy in any of the representations, warranties or covenants contained in the Installment Purchase Contract by the District the interest component of Installment Payments is or becomes includable in a recipient’s gross income (as defined in Code Section 61); and (c) with respect to (a) and (b), the District does not undertake any remedial action afforded to it by the Internal Revenue Service.

“Federal Securities” means direct obligations of (including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States), or obligations the timely payment of the principal of and interest on which are fully and unconditionally guaranteed by, the United States of America.

“Finance Officer” means the General Manager of the District.

“Fiscal Year” means the twelve-calendar month period terminating on June 30 of each year, or any other annual accounting period hereafter selected and designated by the District as its Fiscal Year in accordance with applicable law.

“Fisheries Complex Reserve Fund” means that certain fund of the District of such name.

“Generally Accepted Accounting Principles” means the uniform accounting and reporting procedures prescribed by the California State Controller or his successor for port districts in the State of California, or failing the prescription of such procedures means generally accepted accounting principles as presented and recommended by the American Institute of Certified Public Accountants or its successor, or by the National Council on Governmental Accounting or its successor, or by any other generally accepted authority on such principles.

“Governmental Loan” means a loan or similar arrangement from the State or the United States of America, acting through any of its agencies, to finance improvements to the Harbor Enterprise, and the obligation of the District to make payments to the State or the United States of America under the loan agreement memorializing said loan on a parity basis with the payment of Installment Payments.

“Gross Revenues” means all *ad valorem* taxes on real property received by the District, all income, rents, rates, fees, charges and other moneys derived from the ownership or operation of the Harbor Enterprise, including, without limiting the generality of the foregoing, the earnings on and income derived from the investment of such income including earnings and income on rents, rates, fees, charges, or other moneys, including unrestricted District reserves and all rental income derived from the lease of the Ventura Harbor Village property; and excluding (A) all income, rents, rates, fees, changes or other moneys derived by the District from operations not related to the Harbor Enterprise, and (B) any proceeds of taxes or assessments restricted by law to be used by the District to pay bonds, notes or other indebtedness hereafter issued or which are otherwise not legally available for payment of Installment Payments; and (C) the Capital Improvement Reserve Fund, the Dredging Reserve Fund and the Fisheries Complex Reserve Fund and interest earnings on and derived from the investment of such funds; and (D) grants, loans, bequests, gifts and devises to the District, any restriction with respect to which are not incompatible with their being used to pay debt service on the Installment Payments.

“Gross Up Rate” means [\_\_\_\_]% per annum.

“Harbor Enterprise” means the whole and each and every part of the 274-acre multiple use recreational and commercial fishing small craft harbor known as the Ventura Harbor, including the Ventura Harbor Village and all other parcels of land existing on the date hereof, and including all additions, betterments, extensions and improvements thereto or any part thereof hereafter acquired or constructed.

“Independent Certified Public Accountant” means any firm of certified public accountants appointed by the District, each of whom is independent pursuant to Statement on Auditing Standards No. 1 of the American Institute of Certified Public Accountants.

“Installment Payments” means the installment payments of principal and interest scheduled to be paid by the District under this Installment Purchase Contract.

## ATTACHMENT 5

“Interest Payment Date” means each February 1 and August 1, commencing August 1, 2021.

“Maintenance and Operation Costs” means (a) costs spent or incurred for maintenance and operation of the Harbor Enterprise calculated in accordance with generally accepted accounting principles, including (among other things) the reasonable expenses of management and repair and other expenses necessary to maintain and preserve the Harbor Enterprise in good repair and working order, dredging expenses and replenishment of the Dredging Reserve Fund for dredging expenses paid from such fund, harbor patrol expenses, and administrative costs of the District that are charged directly or apportioned to the Harbor Enterprise, including but not limited to salaries and wages of employees, overhead, insurance, taxes (if any), fees of auditors, accountants, attorneys, consultants or engineers and insurance premiums; and (b) all other reasonable and necessary costs of the District or charges (other than debt service payments) required to be paid by it to comply with the terms hereof or any Contract or of any resolution or indenture authorizing the issuance of any Bonds or of such Bonds, but excluding in all cases depreciation, replacement and obsolescence charges or reserves therefor and amortization of intangibles or other bookkeeping entries of a similar nature and capital improvements for the betterment of the Harbor Enterprise requiring amortization pursuant to the Internal Revenue Code.

“Maximum Annual Debt Service” means the largest annual Debt Service due hereunder and on any Parity Obligations during the period from the date of such determination through the final Interest Payment Date hereunder or maturity date of such Parity Obligations.

“Net Proceeds” means, when used with respect to any insurance or condemnation award, the proceeds from such insurance or condemnation award remaining after payment of all reasonable expenses (including attorneys’ fees) incurred in the collection of such proceeds.

“Net Revenues” means, for any period, all of the Gross Revenues during such period less all of the Maintenance and Operation Costs during such period.

“Outstanding” (i) when used as of any particular time with reference to this Installment Purchase Contract, means all Installment Payments except Installment Payments paid or deemed to have been paid within the meaning of Article VI, and (ii) when used as of any particular time with reference to any Parity Obligations, means all debt service payments due and owing on such Parity Obligations, except debt service payments paid or deemed to have been paid pursuant to the terms of such Parity Obligation.

“Parity Obligations” means all bonds, notes, loan agreements, installment sale agreements, leases or other obligations of the District, payable from and secured by a pledge of and lien upon any of the Net Revenues incurred on a parity with the payment of the Installment Payments pursuant to Section 4.01. Such Parity Obligations, include but are not limited to the Series 2016 Installment Payments and the Series 2018 Installment Payments.



## ATTACHMENT 5

"Project" means any additions, betterments, extensions or improvements to the Harbor Enterprise designated by the Board of the District as a Project, the acquisition and construction of which is to be paid for by the proceeds of any Parity Obligation.

"Qualified Investments" means any investment that is a legal investment under the laws of the State for the moneys proposed to be invested therein.

"Refinancing Project" means, collectively, the 2008 Project and the 2009 Project.

"Revenue Fund" means the fund maintained by the District into which it deposits Gross Revenues.

"Series 2016 Installment Payments" means the Installment Payments scheduled to be paid by the District under and pursuant to the Installment Purchase Agreement, dated as of March 1, 2016, by and between the District and the Corporation.

"Series 2018 Installment Payments" means, collectively, the Series A Installment Payments and Series B Installment Payments scheduled to be paid by the District under and pursuant to the Installment Purchase Agreement, dated as of August 1, 2018, by and between the District and the Corporation.

"2008 Installment Purchase Agreement" means the Installment Purchase Agreement, dated as of June 1, 2008, by and between the District and the Corporation, as amended by that First Amendment to Installment Purchase Agreement dated February 1, 2016.

"2008 Project" means the additions, betterments, extensions and improvements to the Harbor Enterprise refinanced by the 2008 Installment Purchase Agreement and 2008 Certificates.

"2009 Installment Purchase Agreement" means the Installment Purchase Agreement, dated as of March 1, 2009, by and between the District and the Corporation, as amended by that First Amendment to Installment Purchase Agreement dated February 1, 2016.

"2009 Project" means the additions, betterments, extensions and improvements to the Harbor Enterprise refinanced by the 2009 Installment Purchase Agreement and 2009 Certificates.

## ARTICLE II SALE AND PURCHASE OF A PORTION OF THE HARBOR ENTERPRISE; REFINANCING PROJECT

### Section 2.01. Sale and Purchase of a Portion of the Harbor Enterprise; Refinancing Project.

The Lender agrees to use or permit the use of the proceeds received by the District pursuant to the Conveyance Agreement for the purpose of refinancing the Refinancing Project. The District hereby covenants to use the proceeds received from the Lender pursuant to the Conveyance Agreement for refinancing the Refinancing Project. To provide moneys for the

refinancing of the Refinancing Project, the Lender agrees to sell and hereby sells its rights to the portion of the Harbor Enterprise obtained by the Lender pursuant to the Conveyance Agreement to the District, and the District agrees to purchase and hereby purchases such portion of the Harbor Enterprise from the Lender.

The Lender, upon the effective date hereof, agrees to deposit with the District or credit to the account of the District with the Lender the aggregate amount of \$[\_\_\_\_\_] to be used solely to refinance (i) the 2008 Installment Payments and related 2008 Certificates and (ii) the 2009 Installment Payments and related 2009 Certificates. The Lender further agrees to pay all Delivery Costs, on behalf of the District, on the Closing Date in the amount of \$[\_\_\_\_\_].

In the event the money so deposited as first above provided is insufficient to refinance (i) the 2008 Installment Payments and related 2008 Certificates and (ii) the 2009 Installment Payments and related 2009 Certificates, the Lender shall have no obligation whatsoever to use or provide any additional funds for the purposes described in this Article II.

In the event the Lender fails to observe or perform any agreement, condition, covenant or term contained herein required to be observed or performed by it, the District may institute such action or proceeding against the Lender as the District may deem necessary to compel the observance or performance of such agreement, condition, covenant or term, or to recover damages for the nonobservance or nonperformance thereof; provided, however, that the District shall have no right to terminate this Installment Purchase Contract as a remedy to such failures. The District may, at its own cost and expense and in its own name or in the name of the Lender, prosecute or defend any action or proceeding or take any other action involving third persons which the District deems reasonably necessary in order to protect or secure its rights hereunder, and in such event the Lender agrees to cooperate fully with the District and to take all action necessary to effect the substitution of the District for the Lender in any action or proceeding if the District shall so request.

Upon the Closing Date, all of the Lender's remaining interest in the Harbor Enterprise, if any, shall be transferred to and vest in the District, without the necessity of any additional document or transfer.

#### Section 2.02. Indemnification and Expenses of the Lender.

In addition to the provisions of Section 5.19 hereof, to the extent permitted by law, the District does hereby assume liability for, and agrees to defend, indemnify, protect, save and keep harmless the Lender and its directors, officers and employees and its successors and assigns from and against any and all liabilities, obligations, losses, damages (including consequential damages incurred by others), taxes and impositions, penalties, fines, claims, actions, suits, costs and expenses and disbursements (including legal fees and expenses) of whatsoever kind and nature imposed on, asserted against or incurred or suffered by the Lender or its directors, officers or employees or its successors and assigns in any way relating to or arising out of the purchase of a portion of the Harbor Enterprise or the Refinancing Project or the District's use thereof, the execution and delivery or performance hereof or the assignment hereof (except with respect to any representations and warranties made by the Lender therewith) or any other agreements related thereto, or the enforcement of any of the terms thereof ; except to the extent such liabilities,

obligations, losses, damages, taxes and impositions, penalties, fines, claims, actions, suits, costs and expenses and disbursements result from the willful misconduct or negligence of Lender, its officers and employees.

Section 2.03. Lender not Liable.

The Lender and its directors, officers and employees shall not be liable to the District or to any other party whomsoever for any death, injury or damage that may result to any person or property by or from any cause whatsoever in, on, or about or relating to the Harbor Enterprise or the Refinancing Project, and in no event shall the Lender be liable for any incidental, indirect, special or consequential damage in connection herewith or arising hereunder.

Section 2.04. Disclaimer of the Lender.

The District acknowledges and agrees that the Lender makes no representation or warranty, express or implied, as to the Harbor Enterprise or the Refinancing Project, except as expressly set forth in this Installment Purchase Contract. The District acknowledges that all risks relating to the Harbor Enterprise or the Refinancing Project or the transactions contemplated hereby or by the Conveyance Agreement, are to be borne by the District, and the benefits of any and all implied warranties and representations of the Lender are hereby waived by the District.

ARTICLE III  
INSTALLMENT PAYMENTS, REVENUES AND ACCOUNTS

Section 3.01. Payment of the Installment Payments.

In consideration for the assistance of the Lender in refinancing the Refinancing Project, the District agrees to make the Installment Payments set forth in Exhibit A. The total principal amount of the Installment Payments owed and to be paid by the District to the Lender hereunder is \$[\_\_\_\_], plus interest thereon, calculated at the rate of [\_\_\_\_]% per annum. The Installment Payments shall, subject to any rights of prepayment of the District provided in Article VI, be due in installments in the amounts and on the dates described in Exhibit A attached hereto.

Each Installment Payment shall be payable to the Lender in accordance with the terms hereof and at the times required by this Section 3.01 in lawful money of the United States of America. In the event the District fails to make any of the payments required to be made by it under this Section 3.01, such payment shall continue as an obligation of the District until such amount shall have been fully paid and the District agrees to pay the same with the stated interest thereon at the rate set forth in the preceding paragraph.

Subject to Section 8.01 hereof, the obligation of the District to make the Installment Payments is absolute and unconditional, and until such time as all Installment Payments shall have been fully paid (or provision for the payment thereof shall have been made pursuant to Article VI hereof), the District will not, under any circumstances, discontinue, abate or suspend any Installment Payments required to be made by it under this Section 3.01 when due, whether or not the Harbor Enterprise or any part thereof is operating or operable or has been completed, or whether or not the Harbor Enterprise is condemned, damaged, destroyed or seized or its use is

suspended, interfered with, reduced or curtailed or terminated in whole or in part, and such payments shall not be subject to reduction whether by offset, counterclaim, defense, recoupment, abatement, suspension, deferment or otherwise and shall not be conditional upon the performance or nonperformance by any party of any agreement or covenant contained herein for any cause whatsoever.

Section 3.02. Interest Component of the Installment Payments.

The Installment Payments shall bear interest from the Closing Date until the payment of the principal thereof and the prepayment premiums, if any, thereon, shall have been made or provided for in accordance with the provisions of Article VI hereof, whether at maturity, upon prepayment or otherwise. Interest accrued on the Installment Payments from the Closing Date and from each Interest Payment Date to, but not including, the next succeeding Interest Payment Date shall be paid on each such succeeding Interest Payment Date and shall be computed on the basis of a year of 360 days and twelve 30-day months. In the event of an Event of Default hereunder, the interest component of the portion of the Installment Payment shall be calculated based on the Default Rate.

Upon the occurrence of a Determination of Taxability with respect to this Installment Purchase Contract, the District shall pay to the Lender, within thirty (30) days after the Lender notifies the District of such determination, the amount which, with respect to Installment Payments previously paid by the District to the Lender, results from the application of the Gross Up Rate thereto equal to the difference between the interest component of such Installment Payments calculated at the interest rate provided in this Installment Purchase Contract and the interest component of the Installment Payments calculated at the Gross Up Rate. The Installment Payments shall bear interest at the Gross Up Rate upon the occurrence of a Determination of Taxability.

Section 3.03. Establishment of Accounts.

The funds and accounts and flow of funds set forth in this Article III are hereby established and shall control to the extent inconsistent with any other terms of this Installment Purchase Contract.

Section 3.04. Pledge of Net Revenues and Other Funds; Debt Service Fund.

The District hereby irrevocably pledges all of the Net Revenues and all amounts on deposit in the Revenue Fund to the punctual payment of the Installment Payments and such Net Revenues, except as otherwise permitted herein, shall not be used for any other purpose while any of the Installment Payments are due hereunder. This pledge shall constitute a first lien on the Net Revenues for the payment of the Installment Payments and payments of all Parity Obligations in accordance with the terms hereof and thereof.

All Installment Payments shall be transferred by the District from the Revenue Fund to the Debt Service Fund, which fund the District hereby agrees to establish and maintain so long as any Installment Payments are due hereunder, on the applicable Due Date. Such payments shall be held in trust by the District under the terms hereof.

Within the Debt Service Fund the District shall establish a Debt Service Account and a Redemption Account. Installment Payments made by the District shall be deposited in the Debt Service Account. Such payments shall be net of amounts already on deposit therein that are in excess of the amount required to accumulate therein pursuant to Section 3.01. The District shall transfer the money contained in the Debt Service Account and the Redemption Account at the following respective times in the following respective accounts in the following order of priority in the manner hereinafter provided, each of which accounts the District hereby agrees to establish and maintain so long as any Installment Payments are due hereunder, and the money in each of such accounts shall be disbursed only for the purposes and uses hereinafter authorized:

(a) Debt Service Account. All moneys in the Debt Service Account shall be used and withdrawn by the District solely for the purpose of paying Installment Payments and principal of and interest on any Parity Obligations on each Interest Payment Date or mandatory redemption dates, as applicable. The District shall be entitled to receive as a credit against Installment Payments an amount equal to the amount of any balance contained in the Debt Service Account prior to the Due Date for such Installment Payments (excluding money designated or necessary for the payment of Parity Obligations).

(b) Redemption Account. The District shall deposit in the Redemption Account moneys to accomplish any prepayment pursuant to Section 6.01. All money in the Redemption Account shall be used and withdrawn by the District solely for the purpose of paying the Installment Payment to be prepaid on their respective prepayment dates.

Section 3.05. Receipt and Deposit of Gross Revenues.

The District covenants and agrees that all Gross Revenues, when and as received, will be received and held by the District in trust hereunder and will be deposited by the District with the Finance Officer in the Revenue Fund and will be accounted for through and held in trust in the Revenue Fund; provided, that the District may withdraw such amounts in the Revenue Fund as may be necessary to make refunds for amounts paid in advance for services provided by the Harbor Enterprise, which such service was not thereafter made available or provided. All Net Revenues, whether held by the District as trustee or deposited with the Finance Officer, shall nevertheless be disbursed, allocated and applied solely to the uses and purposes hereinafter in this Article III set forth, and shall be accounted for separately and apart from all other money, funds, accounts or other resources of the District.

Section 3.06. Establishment and Maintenance of Accounts for Gross Revenues; Use and Withdrawal of Gross Revenues.

The District covenants and agrees that all Gross Revenues, when and as received, will be received and held by the District in trust for the benefit of the Lender and payments with respect to Parity Obligations, and will be deposited by the District in the Revenue Fund (which the District hereby covenants and agrees to maintain so long as any Installment Payments are due hereunder) and will be accounted for and held in trust for the benefit of the Lender and for payments with respect to Parity Obligations. All Gross Revenues shall be disbursed, allocated and applied solely to the uses and purposes set forth in this Article III.

All Gross Revenues in the Revenue Fund shall be set aside by the District or deposited by the District with the purchasers, trustee or fiscal agent with respect to Parity Obligations, as the case may be, as follows and in the following order of priority:

(1) Maintenance and Operation Costs of the Harbor Enterprise. In order to carry out and effectuate the pledge and lien contained herein, the District agrees and covenants to pay all Maintenance and Operation Costs of the Harbor Enterprise (including amounts reasonably required to be set aside in contingency reserves for Maintenance and Operation Costs of the Harbor Enterprise, the payment of which is not then immediately required) from the Revenue Fund as they become due and payable.

(2) Debt Service Funds. Installment Payments payable pursuant to Section 3.01 hereof and all other payments relating to principal and interest on or with respect to Parity Obligations, shall be paid in accordance with the terms hereof and of such Parity Obligations, without preference or priority, and in the event of any insufficiency of such moneys, ratably without any discrimination or preference.

(3) Reserve Funds. Payments required with respect to Parity Obligations, payments to replenish debt service reserve funds, if any, established for such Parity Obligations shall be made in accordance with the terms hereof and such Parity Obligations, without preference or priority, and in the event of any insufficiency of such moneys, ratably without any discrimination or preference.

(4) General Expenditures. All Gross Revenues not required to be withdrawn pursuant to the provisions of (1) through (3) above shall be used for expenditure for any lawful purpose of the District, including payment of any rebate requirement or of any obligation subordinate to the payment of all amounts due hereunder or under Parity Obligations.

Although all Parity Obligations are secured equally and ratably by applicable Net Revenues, moneys with respect to obligations other than the Installment Payments may be held by trustees under documents and agreements other than this Installment Purchase Contract. The District shall make such transfers from the Revenue Fund necessary to effectuate such obligations' parity claim on such Net Revenues contemplated hereby.

Section 3.07. [Reserved.]

Section 3.08. Investment of Funds.

Amounts on deposit in any fund or account created pursuant to this Installment Purchase Contract shall be invested in Qualified Investments which will, as nearly as practicable, mature on or before the dates when such money is anticipated to be needed for disbursement hereunder. The Lender and any affiliates may act as sponsor, advisor, principal or agent in the acquisition or disposition of any such investment. Interest or profit received on such investments shall be deposited to the Debt Service Fund. In computing the amount in any fund or account, Qualified Investments shall be valued at market value, exclusive of accrued interest.



If at any time after investment therein a Qualified Investment ceases to meet the criteria set forth in the definition of Qualified Investments and such obligation, aggregated with other non-conforming investments, exceeds five percent (5%) of invested funds, such Qualified Investment shall be sold or liquidated.

ARTICLE IV  
PARITY OBLIGATIONS

Section 4.01. Parity Obligations.

(a) So long as any Installment Payments are due hereunder, the District shall not issue or incur any obligations payable from Net Revenues or the Revenue Fund senior or superior to the Installment Payments. The District may at any time issue Parity Obligations payable from Net Revenues on a parity with the Installment Payments and any other Parity Obligations to provide financing for the Harbor Enterprise in such principal amount as shall be determined by the District.

Except for obligations incurred to prepay or post a security deposit for the Installment Payments hereunder or with respect to Parity Obligations, the District may not issue or incur any Parity Obligations unless:

- (a) The Net Revenues for the most recent audited Fiscal Year preceding the date of adoption of the Board of Port Commissioners of the District of the resolution authorizing the execution of such Parity Obligation, as evidenced by both a calculation prepared by the District and a special report prepared by an Independent Certified Public Accountant of such calculation on file with the District, shall have produced a sum equal to at least one hundred fifteen percent (115%) of the Debt Service for such Fiscal Year; and
- (b) The Net Revenues for the most recent audited Fiscal Year preceding the date of the execution of such Parity Obligation, including adjustments to give effect to increases or decreases in rates and charges for the Harbor Enterprise approved and in effect as of the date of calculation, as evidenced by a calculation prepared by the District, shall have produced a sum equal to at least one hundred fifteen percent (115%) of the Debt Service for such Fiscal Year plus the Debt Service which would have accrued had such Parity Obligation been executed at the beginning of such Fiscal Year; and
- (c) The estimated Net Revenues for the then current Fiscal Year and for each Fiscal Year thereafter to and including the first complete Fiscal Year after the latest date of operation of any uncompleted Project, as evidenced by a certificate on file with the District, plus (after giving effect to the completion of all uncompleted Projects) an allowance for estimated Net Revenues for each of such Fiscal Years arising from any increase in the rates and charges estimated to be fixed and prescribed in the Harbor Enterprise and which are economically feasible and reasonably considered necessary based on projected operations for such period, as evidenced by a certificate on file with the District, shall produce a sum equal to at least one hundred fifteen percent (115%) of the estimated Debt Service for each of such Fiscal Years, after giving

effect to the execution of all Parity Obligations estimated to be required to be executed or issued to pay the costs of completing all uncompleted Projects, assuming that all such Contracts have maturities, interest rates and proportionate principal repayment provisions similar to the Contract last executed or then being executed for the purpose of acquiring and constructing any of such uncompleted Projects.

(d) No Event of Default shall have occurred and be continuing.

Notwithstanding the above, the District may incur debt payable from Net Revenues (i) to cause a defeasance of this Installment Purchase Contract pursuant to Article VI hereof or a defeasance of any outstanding Parity Obligations, or (ii) which is payable on a basis which is subordinate to the payment of the Installment Payments.

If interest on any Parity Obligation is reasonably anticipated to be reimbursed to or on behalf of the District by the United States of America pursuant to Section 54AA of the Internal Revenue Code of 1986, as amended (Section 1531 of Title I of Division B of the American Recovery and Reinvestment Act of 2009), or any future similar program, then interest payments with respect to such Parity Obligations shall be excluded by the amount of such interest reasonably anticipated to be paid or reimbursed by the United States of America, and such reimbursements will not be included as Gross Revenues for purposes of the coverage calculations required in subsection (a)(2) above.

## ARTICLE V REPRESENTATIONS, COVENANTS AND WARRANTIES

### Section 5.01. Compliance with Installment Purchase Contract.

The District will not suffer or permit any material default by it to occur hereunder, but will faithfully comply with, keep, observe and perform all the agreements, conditions, covenants and terms hereof required to be complied with, kept, observed and performed by it.

### Section 5.02. Observance of Laws and Regulations.

The District will faithfully comply with, keep, observe and perform all valid and lawful obligations or regulations now or hereafter imposed on it by contract, or prescribed by any law of the United States of America or of the State of California, or by any officer, board or commission having jurisdiction or control, as a condition of the continued enjoyment of each and every franchise, right or privilege now owned or hereafter acquired by it, including their right to exist and carry on their respective businesses, to the end that such franchises, rights and privileges shall be maintained and preserved and shall not become abandoned, forfeited or in any manner impaired.

### Section 5.03. Prosecution and Defense of Suits.

The District will promptly, upon request of the Lender, take such action from time to time as may be necessary or proper to remedy or cure any cloud upon or defect in the title to the Harbor Enterprise or any part thereof, whether now existing or hereafter developing, will prosecute

all actions, suits or other proceedings as may be appropriate for such purpose and will indemnify and save the Lender harmless from all cost, damage, expense or loss, including reasonable attorneys' fees, which they or any of them may incur by reason of any such cloud, defect, action, suit or other proceeding.

Section 5.04. Accounting Records and Statements.

The District will keep proper accounting records in which complete and correct entries shall be made of all transactions made by the District relating to the receipt, deposit and disbursement of the Gross Revenues and Net Revenues, and such accounting records shall be available for inspection by the Lender or its agent duly authorized in writing on any Business Day upon reasonable notice at reasonable hours and under reasonable conditions prescribed by the District.

Section 5.05. Further Assurances.

Whenever and so often as requested to do so by the Lender, the District will promptly execute and deliver or cause to be executed and delivered all such other and further assurances, documents or instruments and promptly do or cause to be done all such other and further things as may be necessary or reasonably required in order to further and more fully vest in the Lender all advantages, benefits, interests, powers, privileges and rights conferred or intended to be conferred upon them by this Installment Purchase Contract.

Section 5.06. Against Encumbrances.

The District hereby represents that there is no pledge of or lien on Net Revenues senior to the pledge and lien securing the Installment Payments. The District will not make any pledge of or place any lien on the Net Revenues, provided that the District may at any time, or from time to time, pledge or encumber the Net Revenues in connection with the issuance or execution of Parity Obligations in accordance with section 4.01 or other obligations permitted hereby, or subordinate to the pledge of Net Revenues herein.

Section 5.07. Against Sale or Other Disposition of Property.

The District will not sell, lease, encumber or otherwise dispose of the Harbor Enterprise or any part thereof in excess of one-half of one percent of the book value of the Harbor Enterprise in any Fiscal Year, unless a Finance Officer certifies that such sale, lease, encumbrance or disposition will not materially adversely affect the operation of the Harbor Enterprise or the Net Revenues; provided however, any real or personal property which has become non-operative or which is not needed for the efficient and proper operation of the Harbor Enterprise, or any material or equipment which has become worn out, may be sold or exchanged at not less than the fair market value thereof and the proceeds (if any) of such sale or exchange shall be deposited in the Revenue Fund.

The District will not enter into any agreement or lease which would impair the ability of the District to meet the covenant set forth in Section 5.16 hereof or which would otherwise impair the rights of the Lender or the operation of the Harbor Enterprise.

Section 5.08. Against Competitive Facilities.

Except for any harbor system existing as of the date hereof, the District will not, to the extent permitted by law, acquire, maintain or operate and will not, to the extent permitted by law and within the scope of its powers, permit any other public or private agency, authority, city or political subdivision or any person whomsoever to acquire, maintain or operate within the District any harbor system competitive with the Harbor Enterprise; provided, however, that the District may, with the prior written consent of the Lender, assign all or a portion of the Harbor Enterprise to another entity upon delivery to the Lender of an opinion of nationally recognized bond counsel that such assignment will not adversely affect the tax-exempt status of the Installment Payments, and provided such entity assumes the obligations of the District hereunder.

Section 5.09. Tax Covenants.

The District shall not take any action or permit to be taken any action within its control which would cause or which, with the passage of time if not cured would cause, the interest with respect to the Installment Payments to become includable in gross income for federal income tax purposes. To that end, the District hereby makes the following specific covenants:

(a) The District hereby covenants that it shall not make or permit any use of the proceeds of the Installment Payments that may cause the Installment Purchase Contract to be “arbitrage bonds” within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended.

(b) The District covenants that the proceeds of the Installment Purchase Contract will not be used as to cause the proceeds of the Installment Purchase Contract to satisfy the private business tests of Section 141(b) of the Code or the private loan financing test of Section 141(c) of the Code.

(c) The District hereby designates this Installment Purchase Contract as a “qualified tax-exempt obligation” under Section 265(b)(3) of the Tax Code.

(d) The District covenants not to take any action or permit or suffer any action to be taken if the result of the same would be to cause the Installment Purchase Contract to be “federally guaranteed” within the meaning of Section 149(b) of the Code.

In furtherance of the covenants stated in this Section, the District shall comply with the requirements of the Tax Certificate executed in connection with this Installment Purchase Contract.

Section 5.10. Maintenance and Operation of the Harbor Enterprise; Budgets.

The District will maintain and preserve the Harbor Enterprise in good repair and working order at all times and will operate the Harbor Enterprise in an efficient and economical manner. The District will pay all Maintenance and Operation Costs of the Harbor Enterprise as they become due and payable.

Section 5.11. Payment of Claims.

The District will pay and discharge any and all lawful claims for labor, materials or supplies which, if unpaid, might become a lien on the Net Revenues or any part thereof or on any funds in the control of the District prior or superior to the lien of the Installment Payments or which might impair the security of the Installment Purchase Contract; provided the District shall not be obligated to make such payment so long as the District contests such payment in good faith.

Section 5.12. Compliance with Contracts.

The District will comply with, keep, observe and perform all agreements, conditions, covenants and terms, expressed or implied, required to be performed by it contained in all contracts for the use of the Harbor Enterprise and all other contracts affecting or involving the Harbor Enterprise to the extent that the District is a party thereto.

Section 5.13. Insurance.

(a) The District will procure and maintain insurance on the Harbor Enterprise with commercial insurers or through participation in a joint powers insurance authority, in such amounts, with such deductibles and against such risks (including accident to or destruction of the Harbor Enterprise) as are usually insurable in accordance with industry standards with respect to similar enterprises and consistent with the District's current coverage.

In the event of any damage to or destruction of the Harbor Enterprise caused by the perils covered by such insurance, the proceeds of such insurance shall be applied to the repair, reconstruction or replacement of the damaged or destroyed portion of the Harbor Enterprise. The District shall cause such repair, reconstruction or replacement to begin promptly after such damage or destruction shall occur and to continue and to be properly completed as expeditiously as possible, and shall pay out of the proceeds of such insurance all costs and expenses in connection with such repair, reconstruction or replacement so that the same shall be completed and the Harbor Enterprise shall be free and clear of all liens and claims. If the proceeds received by reason of any such loss shall exceed the costs of such repair, reconstruction or replacement, the excess shall be applied to the prepayment of Installment Payments as provided in Section 6.01.

Alternatively, if the proceeds of such insurance are sufficient to enable the District to retire all outstanding Parity Obligations and the Installment Payments and all other amounts due hereunder, the District may elect not to repair, reconstruct or replace the damaged or destroyed portion of the Harbor Enterprise, and thereupon such proceeds shall be applied to the prepayment of Installment Payments as provided in Section 6.01 and to the payment of all other amounts due hereunder, and as otherwise required by the documents pursuant to which such Parity Obligations were issued.

(b) The District will procure and maintain commercial general liability insurance covering claims against the District for bodily injury or death, or damage to property, occasioned by reason of the ownership or operation of the Harbor Enterprise, such insurance to afford protection in such amounts and against such risks as are usually covered in connection with similar enterprises.

(c) The District will procure and maintain workers' compensation insurance against liability for compensation under the Workers' Compensation Insurance and Safety Act of California, or any act hereafter enacted as an amendment or supplement or in lieu thereof, such insurance to cover all persons employed in connection with the Harbor Enterprise.

(d) In lieu of obtaining insurance coverage as required by this Section, such coverage may be maintained by the District in the form of self-insurance so long as the District certifies that (i) the District has segregated amounts in a special insurance reserve meeting the requirements of this Section; (ii) an Insurance Consultant certifies annually, on or before December 1 of each year in which self-insurance is maintained, in writing that the District's general insurance reserves are actuarially sound and are adequate to provide the necessary coverage; and (iii) such reserves are held in a separate trust fund by an independent trustee. The District shall pay or cause to be paid when due the premiums for all insurance policies required hereby.

Section 5.14. Books and Accounts; Financial Statements.

The District shall keep proper books of record and accounts of the Harbor Enterprise, separate from all other records and accounts, in which complete and correct entries shall be made of all transactions relating to the Harbor Enterprise. Said books shall, upon prior request, be subject to the inspection by the Lender, or its representatives authorized in writing, upon not less than five (5) Business Days' prior notice to the District.

The District shall cause the books and accounts of the Harbor Enterprise, which shall include a statement of revenues and expenditures and changes in fund balances, a balance sheet and a statement of cash flow, to be audited annually by an independent certified public accountant or firm of certified public accountants, not more than two hundred and seventy (270) days after the close of each Fiscal Year. The District shall send a copy of such report and all related financial statements and notes to the Lender. Such audit may be part of an audit of the Harbor Enterprise. Upon request by the Lender, the District shall send to the Lender a copy of the annual budget of the Harbor Enterprise and any amendment or supplement thereto and any other financial information reasonably requested by the Lender.

Section 5.15. Payment of Taxes and Compliance with Governmental Regulations.

The District will pay and discharge all taxes, assessments and other governmental charges, if any, which may hereafter be lawfully imposed upon the Harbor Enterprise or any part thereof or upon the Net Revenues when the same shall become due. The District will duly observe and conform with all valid regulations and requirements of any governmental authority relative to the operation of the Harbor Enterprise or any part thereof, but the District shall not be required to make such payments, or to comply with any regulations or requirements, so long as the payment or validity or application thereof shall be contested in good faith.

Section 5.16. Amount of Rates and Charges.

The District shall fix, prescribe and collect rents and charges for the Harbor Enterprise which are sufficient to yield during each Fiscal Year Net Revenues which, together with



the existing cash and cash-equivalent balances in the Revenue Fund as of the beginning of such Fiscal Year, are at least equal to one hundred fifteen per cent (115%) of the Debt Service for such Fiscal Year. The District may make adjustments from time to time in such rents and charges and may make such classification thereof as it deems necessary, but shall not reduce the rents and charges then in effect unless the Net Revenues from such reduced rents and charges will at all times be sufficient to meet the requirements of this Section.

Section 5.17. Collection of Rates and Charges.

The District will have in effect at all times rules and regulations requiring all users of the Harbor Enterprise to pay the assessments, rates, fees and charges applicable to the Harbor Enterprise provided or made available to such users. Such rules and regulations shall also provide for the billing thereof and for a due date and a delinquency date for each bill.

Section 5.18. Eminent Domain Proceeds.

If all or any part of the Harbor Enterprise shall be taken by eminent domain proceedings, the Net Proceeds thereof shall be applied as follows:

(a) If (1) the District certifies (i) the estimated loss of annual Net Revenues, if any, suffered or to be suffered by the District by reason of such eminent domain proceedings, (ii) a general description of the additions, betterments, extensions or improvements to the Harbor Enterprise proposed to be acquired by the District from any Net Proceeds, and (iii) an estimate of the additional annual Net Revenues to be derived from such additions, betterments, extensions or improvements, and (2) on the basis of such certificate, determines that the estimated additional annual Net Revenues will sufficiently offset the estimated loss of annual Net Revenues resulting from such eminent domain proceedings so that the ability of the District to meet its obligations hereunder will not be substantially impaired (which determination shall be final and conclusive); then the District shall promptly proceed with the acquisition of such additions, betterments, extensions or improvements substantially in accordance with such certification and such Net Proceeds shall be applied for the payment of the costs of such acquisition, and any balance of such Net Proceeds not required by the District for such purpose shall be applied to prepay the Installment Payments, and any Parity Obligations, on a pro rata basis in the manner provided herein and in the instruments authorizing such Parity Obligations.

(b) If the foregoing conditions are not met, then such Net Proceeds shall be applied to prepay the Installment Payments, and any Parity Obligations, on a pro rata basis in the manner provided herein and in the instruments authorizing such Parity Obligations.

Section 5.19. Release and Indemnification Covenants.

To the extent permitted by law, the District shall and hereby agrees to indemnify and save the Lender, its officers, directors, agents, employees, successors or assigns harmless from and against all claims, losses and damages, including legal fees and expenses, arising out of (i) the use, maintenance, condition or management of, or from any work or thing done on, the Harbor Enterprise or the Project by the District, (ii) any breach or default on the part of the District in the performance of any of the District's obligations under the Installment Purchase Contract or the Conveyance Agreement, (iii) any act of negligence of the District or of any of its contractors,

servants, employees or licensees with respect to the Harbor Enterprise or the Project, (iv) any act of negligence of any assignee or sublessee of the District, or of any agents, contractors, servants, employees or licensees of the assignee or sublessee of the District with respect to the Harbor Enterprise or the Project or (v) any environmental claims or issues to the extent permitted by law. Indemnification for any tort mentioned in this Section shall exclude those arising from the willful misconduct or negligence hereunder or under the Conveyance Agreement by the Lender, its officers and employees.

To the extent permitted by law, the District further covenants and agrees to indemnify and save the Lender harmless against any claim, loss, expense, advance, and liabilities which it may incur arising out of or in the exercise and performance of their powers and duties hereunder and under the Conveyance Agreement, including the costs and expenses (including attorneys fees and disbursements) of defending against any claim of liability or enforcing any remedies, and which are not due to their negligence or willful misconduct. The District further covenants and agrees to advance to the Lender the amounts requested as the costs and expenses of such defense. Any and all special obligations of the District under this Section shall be and remain valid and binding special obligations of the District notwithstanding the payment in full of the Installment Payments and the termination of this Installment Purchase Contract.

Section 5.20. Further Representations, Covenants and Warranties of the District.

The District represents, covenants and warrants to the Lender as follows:

(a) The District is a duly organized and validly existing port district of the State of California.

(b) The Constitution and the laws of the State of California authorize the District to enter into the Installment Purchase Contract and the Conveyance Agreement and to enter into the transactions contemplated thereby and to carry out its obligations under each of the aforesaid agreements, and the District has duly authorized and executed each of the aforesaid agreements in accordance with the laws of the State of California.

(c) Neither the execution and delivery of the Installment Purchase Contract or the Conveyance Agreement nor the fulfillment of or compliance with the terms and conditions hereof or thereof, nor the consummation of the transactions contemplated hereby or thereby, conflicts with or results in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which the District is now a party or by which the District is bound, or constitutes a default under either of the foregoing, or results in the creation or imposition of any lien, charge or encumbrance whatsoever upon any of the property or assets of the District.

(d) The District has duly authorized and executed this Installment Purchase Contract and the Conveyance Agreement in accordance with the laws of the State of California.

(e) Subject to the applicable provisions of the California Constitution, the District is empowered to set rates and charges for services provided by the Harbor Enterprise provided to the users of the Harbor Enterprise without review or approval by any state or local governmental agency.

(f) This Installment Purchase Contract and the pledge of Net Revenues is a first lien and pledge on Net Revenues.

(g) The District acknowledges that (i) the Lender is acting solely for its own loan account and not as a fiduciary for the District or in the capacity of broker, dealer, placement agent, municipal securities underwriter or municipal advisor, (ii) the Lender has not provided, and will not provide, financial, legal (including securities law), tax, accounting or other advice to or on behalf of the District or with respect to this Installment Purchase Contract and the financing related thereto, and (iii) the Lender has expressed no view regarding the legal sufficiency of its representations for purposes of compliance with any legal requirements applicable to any other party, or the correctness of any legal interpretation made by counsel to any other party with respect to any such matters.

(h) The financial information concerning the District heretofore delivered to the Lender is complete and correct and fairly presents the financial condition of the District for the period(s) referred to and has been prepared in accordance with generally accepted accounting principles applied on a consistent basis throughout the period(s) involved. There are no liabilities (of the type required to be reflected on balance sheets prepared in accordance with generally accepted accounting principles), direct or indirect, fixed or contingent, of the District as of the date of such financial information which are not reflected therein. There has been no material adverse change in the financial condition or operations of the District since the date of such information (and to the District's knowledge no such material adverse change is pending or threatened), and the District has not guaranteed the obligations of, or made any investment in or loans to, any person except as disclosed in such information. The District has good and marketable title to all of its properties and assets related to the Project, and all of such properties and assets are free and clear of encumbrances, except as reflected in such financial information. To the best of the District's knowledge, no document furnished nor any representation, warranty or other written statement made to the Lender in connection with the negotiation, preparation or execution of this Installment Purchase Contract contains any untrue or misleading statement of a material fact.

Section 5.21. Representations, Covenants and Warranties of the Lender.

The Lender represents, covenants and warrants to the District as follows:

(a) The Lender is a corporation organized and existing under the laws of the State of California, existing and in good standing under and by virtue of the laws of the United States of America; has power to enter into the Installment Purchase Contract and the Conveyance Agreement; and to sell the same; and has duly authorized the execution and delivery of all of the aforesaid agreements.

(b) The Lender will not assign the Installment Purchase Contract or its right to receive Installment Payments from the District, or its duties and obligations under the Installment Purchase Contract to any other person, firm or corporation, except to affiliates of the Lender or to banks, insurance companies or other financial institutions or their affiliates, including participation arrangements with such entities; provided, no such assignment shall be made that would cause there to be more than 15 such assignees or any interest in the Installment Payments of less than \$100,000.

ARTICLE VI  
PREPAYMENT OF INSTALLMENT PAYMENTS

Section 6.01. Prepayment.

The District may or shall, as the case may be, prepay on any Interest Payment Date from the Net Proceeds of insurance or condemnation awards, as provided herein, all or any part, in integral multiples of \$1,000, of the principal amount of the unpaid Installment Payments, pro-rata among the remaining Installments Payments, at a prepayment price equal to the sum of the principal amount prepaid plus accrued and unpaid interest thereon to the date of prepayment, without premium.

In the event that the Installment Payments shall have been prepaid by the District pursuant to the paragraph above, the total amount of all future payments set forth in the schedules attached hereto as Exhibit A shall be reduced by the aggregate amount of such Installment Payment so prepaid, as agreed to by the Lender. The Lender shall file a revised schedule of Installment Payments with the District.

Notwithstanding any such prepayment, the District shall not be relieved of its obligations hereunder, including its obligations under Article III hereof, until the entire principal amount of the unpaid Installment Payments together with the interest accrued thereon, if any, and together with the ordinary and extraordinary fees, costs and expenses of the Lender, shall have been fully paid and the Installment Payments are no longer due hereunder (or provision for payment thereof shall have been made pursuant to Section 6.03 hereof).

Section 6.02. Method of Prepayment.

Before making any prepayment pursuant to Section 6.01, the District shall, give written notice to the Lender describing such event and specifying the date on which the prepayment will be made, which date shall be not less than thirty (30) days from the date such notice is given.

Section 6.03. Security Deposit.

Notwithstanding any other provision of this Installment Purchase Contract, the District may secure the payment of all or a portion of Installment Payments by a deposit with the Lender or, at the Lender's sole option, a bank or trust company acceptable to the Lender, as escrow holder under an escrow deposit and trust agreement, of either (i) cash in an amount which is sufficient to pay such unpaid Installment Payments, including the principal and interest components thereof, in accordance with the Installment Payment schedule set forth in Exhibit A attached hereto, or (ii) non-callable Federal Securities or pre-refunded non-callable municipal obligations rated "AAA" and "Aaa" by S&P and Moody's, respectively, together with cash if required, in such amount as will, without re-investment, in the opinion of an independent certified public accountant (which opinion shall be addressed to the Lender), together with interest to accrue thereon, be fully sufficient to pay such unpaid Installment Payments on their payment dates so that such Installment Payments shall be defeased; provided, that prior to any such deposit or defeasance, the District must provide an opinion of nationally recognized bond counsel addressed to the Lender to the effect that such deposit and defeasance will not cause the interest component of the Installment Payments to be included in gross income for federal income tax purposes. In

the event of any shortfall, the District shall deposit from legally available funds such amounts as is necessary to make up such shortfall.

In the event of a deposit pursuant to this Section 6.03, and provided that all other amounts payable by the District hereunder have been paid in full, all obligations of the District under this Installment Purchase Contract shall cease and terminate, excepting only the obligation of the District to make, or cause to be made, all Installment Payments from the deposit made by District pursuant to this Section 6.03 and the obligation to pay amounts due the Lender. Said deposit shall be deemed to be and shall constitute a special fund that may be used solely for the payment of Installment Payments in accordance with the provisions of this Installment Purchase Contract, and pending such application shall be held in trust and pledged to and for the sole benefit of the Lender and any assignee or transferee of the Lender. The District hereby grants to the Lender a first priority security interest in any amounts so deposited.

## ARTICLE VII EVENTS OF DEFAULT AND REMEDIES

### Section 7.01. Events of Default and Events of Mandatory Acceleration; Acceleration of Maturities.

If one or more of the following Events of Default shall happen:

- (a) default shall be made in the due and punctual payment by the District of any Installment Payment when and as the same shall become due and payable;
- (b) default shall be made by the District in the performance of any of the agreements or covenants contained herein required to be performed by it, and such default shall have continued for a period of thirty (30) days after the District shall have been given notice in writing of such default by the Lender;
- (c) any financial statement or certificate furnished to the Lender in connection with the execution of this Installment Purchase Contract, or any representation or warranty made by the District shall prove to be incorrect, false or misleading in any material respect when furnished or made;
- (d) the District shall file a petition seeking arrangement or reorganization under federal bankruptcy laws or any other applicable law of the United States of America or any state therein, or if a court of competent jurisdiction shall approve a petition filed with the consent of the District seeking arrangement or reorganization under the federal bankruptcy laws or any other applicable law of the United States of America or any state therein, or if under the provisions of any other law for the relief or aid of debtors any court of competent jurisdiction shall assume custody or control of the District or of the whole or any substantial part of its property; or
- (e) an event of default shall have occurred with respect to any Parity Obligations;

then and in each and every such case during the continuance of such Event of Default the Lender may, by notice in writing to the District declare the principal amount of the unpaid Installment

Payments, and the accrued interest thereon to be due and payable immediately, and upon any such declaration the same shall become immediately due and payable, anything contained herein to the contrary notwithstanding.

This provision, however, is subject to the condition that, except with respect to an Event of Default under subsection (d) above, if at any time after such principal amount of the unpaid Installment Payments and the accrued interest thereon shall have been so declared due and payable and before the acceleration date or the date of any judgment or decree for the payment of the money due shall have been obtained or entered, the District shall deposit with the Lender a sum sufficient to pay such unpaid principal amount of the Installment Payments due prior to such date and the accrued interest thereon, with any interest due on such overdue installments, and the reasonable expenses of the Lender, and any and all other defaults known to the Lender (other than in the payment of such principal amount of the unpaid Installment Payments and the accrued interest thereon due and payable solely by reason of such declaration) shall have been made good or cured to the satisfaction of the Lender or provision deemed by the Lender to be adequate shall have been made therefor, then and in every such case the Lender, by written notice to the District, may rescind and annul such declaration and its consequences; but no such rescission and annulment shall extend to or shall affect any subsequent default or shall impair or exhaust any right or power consequent thereon.

Section 7.02. Application of Funds Upon Default.

All moneys and investments in the funds and accounts held hereunder (other than the Rebate Fund, if any) upon the date of the declaration of an Event of Default as provided in Section 7.01 and all Gross Revenues thereafter received shall be applied as follows:

(a) Unless the principal of all Installment Payments shall have become or shall have been declared due and payable, all such moneys shall be applied:

First: To the payment to the persons entitled thereto of the interest portion of all Installments Payments, with interest on overdue installments, if lawful, in the order of the maturity of the installments of such interest, and, if the amount available shall not be sufficient to pay in full any particular installment of interest, then to the payment ratably according to the amounts due on such installment, to the persons entitled thereto without any discrimination or privilege; and

Second: To the payment to the persons entitled thereto of the unpaid principal of any of the Installment Payments which shall have become due, with interest at their rate from the respective dates upon which they became due, in the order of their due dates, and, if the amount available shall not be sufficient to pay in full Installment Payments due on any particular date, together with such interest, then to the payment ratably, according to the amount of principal and interest due on such date, to the persons entitled thereto without any discrimination or privilege.

(b) If all of the Installment Payments shall have become due or shall have been declared due and payable, all such moneys shall be applied to the payment of the Installment Payments, with interest on overdue interest and principal, as aforesaid, without



preference or priority over interest or of interest over principal or of any installment of interest over any other installment of interest, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or privilege.

Section 7.03. Other Remedies of the Lender.

The Lender may--

(a) by mandamus or other action or proceeding or suit at law or in equity enforce its rights against the District and compel the District to perform and carry out its duties under applicable law and the agreements and covenants contained herein required to be performed by it;

(b) by suit in equity enjoin any acts or things which are unlawful or violate the rights of the Lender;

(c) by suit in equity upon the happening of an Event of Default require the District and its board members, officers and employees to account as the trustee of an express trust; or

(d) by suit in equity, to seek the appointment of a receiver or other third party to operate the Harbor Enterprise and collect the Gross Revenues.

Section 7.04. Non-Waiver.

Nothing in this Article VII or in any other provision hereof shall affect or impair the obligation of the District, which is absolute and unconditional, to pay the Installment Payments to the Lender at the respective due dates or upon prepayment from the Gross Revenues, or, except as expressly provided herein, shall affect or impair the right of the Lender, which is also absolute and unconditional, to institute suit to enforce such payment by virtue of the contract embodied herein.

A waiver of any default or breach of duty or contract by the Lender shall not affect any subsequent default or breach of duty or contract or impair any rights or remedies on any such subsequent default or breach of duty or contract. No delay or omission by the Lender to exercise any right or remedy accruing upon any default or breach of duty or contract shall impair any such right or remedy or shall be construed to be a waiver of any such default or breach of duty or contract or an acquiescence therein, and every right or remedy conferred upon the Lender by applicable law or by this Article VII may be enforced and exercised from time to time and as often as shall be deemed expedient by the Lender.

If any action, proceeding or suit to enforce any right or exercise any remedy is abandoned or determined adversely to the Lender, the District and the Lender shall be restored to their former positions, rights and remedies as if such action, proceeding or suit had not been brought or taken.

Section 7.05. Remedies Not Exclusive.

No remedy herein conferred upon or reserved to the Lender is intended to be exclusive of any other remedy, and each such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing in law or in equity or by statute or otherwise and may be exercised without exhausting and without regard to any other remedy conferred by any other law.

ARTICLE VIII  
MISCELLANEOUS

Section 8.01. Liability of District Limited.

Notwithstanding anything contained herein, the District shall not be required to advance any moneys derived from any source of income other than the Net Revenues legally available therefor in the Revenue Fund, and the other funds provided herein for the payment of the Installment Payments or for the performance of any agreements or covenants contained herein required to be performed by it. The District may, however, but shall not be required to, advance moneys for any such purpose so long as such moneys are derived from a source legally available for such purpose and may be legally used by the District for such purpose.

The obligation of the District to make the Installment Payments and the other amounts due hereunder is a special obligation of the District payable solely from Net Revenues and does not constitute a debt or pledge of the faith and credit of the District or of the State of California or of any political subdivision thereof within the meaning of any constitutional or statutory debt limitation or restriction.

Section 8.02. Benefits of Installment Purchase Contract Limited to Parties.

Except as provided in Section 8.03, nothing contained herein, express or implied, is intended to give to any person other than the District or the Lender any right, remedy or claim under or pursuant hereto, and any agreement or covenant required herein to be performed by or on behalf of the District or the Lender shall be for the sole and exclusive benefit of the other party.

Section 8.03. Successor Is Deemed Included In All References to Predecessor.

Whenever the District or the Lender is named or referred to herein, such reference shall be deemed to include the successor to the powers, duties and functions that are presently vested in the District or the Lender, and all agreements and covenants required hereby to be performed by or on behalf of the District or the Lender shall bind and inure to the benefit of the respective successors thereof whether so expressed or not.

Section 8.04. Waiver of Personal Liability.

No board member, officer or employee of the District shall be individually or personally liable for the payment of the Installment Payments, but nothing contained herein shall

relieve any board member, officer or employee of the District from the performance of any official duty provided by any applicable provisions of law or hereby.

Section 8.05. Article and Section Headings, Gender and References.

The headings or titles of the several articles and sections hereof and the table of contents appended hereto shall be solely for convenience of reference and shall not affect the meaning, construction or effect hereof, and words of any gender shall be deemed and construed to include all genders. All references herein to “Articles,” “Sections” and other subdivisions or clauses are to the corresponding articles, sections, subdivisions or clauses hereof; and the words “hereby,” “herein,” “hereof,” “hereto,” “herewith,” “hereunder” and other words of similar import refer to this Installment Purchase Contract as a whole and not to any particular article, section, subdivision or clause hereof.

Section 8.06. Partial Invalidity.

If any one or more of the agreements or covenants or portions thereof contained herein required to be performed by or on the part of the District or the Lender shall be contrary to the law, then such agreement or agreements, such covenant or covenants or such portions thereof shall be null and void and shall be deemed separable from the remaining agreements and covenants or portions thereof and shall in no way affect the validity hereof. The District and the Lender hereby declare that they would have executed this Installment Purchase Contract, and each and every other article, section, paragraph, subdivision, sentence, clause and phrase hereof irrespective of the fact that any one or more articles, sections, paragraphs, subdivisions, sentences, clauses or phrases hereof or the application thereof to any person or circumstance may be held to be unconstitutional, unenforceable or invalid.

Section 8.07. Assignment.

This Installment Purchase Contract and any rights hereunder, and any participation of the Installment Payments by the Lender, may be assigned by the Lender with notice to the District’s, subject to the provisions of Section 5.21(b) hereof. The District may not assign any of its rights hereunder, except as otherwise provided in Section 5.08 hereof.

Section 8.08. California Law.

This Installment Purchase Contract shall be construed and governed in accordance with the laws of the State of California.

Section 8.09. Notices.

All written notices to be given hereunder shall be given by certified mail to the party entitled thereto at its address set forth below, or at such other address as such party may provide to the other party in writing from time to time namely:

ATTACHMENT 5

If to the District:

Ventura Port District  
1603 Anchors Way Drive  
Ventura, CA 93001  
Telephone: (805) 642-8538  
Attention: General Manager

If to the Lender:

CN Financing, Inc.  
555 South Flower Street, 21st Floor  
Los Angeles, California 90071  
Attn: Credit Management

Section 8.10 Judicial Reference.

TO THE EXTENT PERMITTED BY APPLICABLE LAWS, EACH OF THE PARTIES HERETO HEREBY WAIVES ITS RIGHT TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS INSTALLMENT PURCHASE CONTRACT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW OR STATUTORY CLAIMS. IF AND TO THE EXTENT THAT THE FOREGOING WAIVER OF THE RIGHT TO A JURY TRIAL IS UNENFORCEABLE FOR ANY REASON IN SUCH FORUM, EACH OF THE PARTIES HERETO HEREBY CONSENTS TO THE ADJUDICATION OF ALL CLAIMS PURSUANT TO JUDICIAL REFERENCE AS PROVIDED IN CALIFORNIA CODE OF CIVIL PROCEDURE SECTION 638, AND THE JUDICIAL REFEREE SHALL BE EMPOWERED TO HEAR AND DETERMINE ALL ISSUES IN SUCH REFERENCE, WHETHER FACT OR LAW. EACH OF THE PARTIES HERETO REPRESENTS THAT EACH HAS REVIEWED THIS WAIVER AND CONSENT AND EACH KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS AND CONSENTS TO JUDICIAL REFERENCE FOLLOWING CONSULTATION WITH LEGAL COUNSEL ON SUCH MATTERS. IN THE EVENT OF LITIGATION, A COPY OF THIS INSTALLMENT PURCHASE CONTRACT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT OR TO JUDICIAL REFERENCE UNDER CALIFORNIA CODE OF CIVIL PROCEDURE SECTION 638 AS PROVIDED HEREIN.

Section 8.11. Effective Date.

This Installment Purchase Contract shall become effective upon its execution and delivery, and shall terminate when all Installment Payments shall have been fully paid (or provision for the payment thereof shall have been made to the written satisfaction of the Lender pursuant to Article VI hereof); provided, that the obligation of the District to indemnify the Lender shall survive the termination of this Installment Purchase Contract.

Section 8.12. Execution in Counterparts.

This Installment Purchase Contract may be executed in several counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

Section 8.13. Amendments.

This Installment Purchase Contract may be amended in writing as may be mutually agreed by the District and the Lender. Any amendment made in violation of this Section 8.13 shall be a nullity and void.

Section 8.14. Servicing; Appointment of Servicer.

The Lender may engage a servicer, and collaterally assign some or all of its rights under this Installment Purchase Contract, to act on behalf of the Lender under this Installment Purchase Contract as the “Servicer”. The Lender may at any time and from time to time terminate or remove and replace any such Servicer. The Lender shall give written notice to the District of its appointment, termination, removal or replacement of any Servicer, and the parties may rely on any such notice until any subsequent notice is given. The Lender is under no obligation to appoint a Servicer and, if at any time a Servicer has not been designated by the Lender, any references to the “Servicer” herein shall refer to the Lender. Any opinion or certificate provide for herein that is directed to the Servicer shall also be directed to, and may be relied upon by, the Lender.

The Lender shall be solely responsible for providing the proceeds in accordance with Section 2.01. From and after the Closing Date, if the Lender has appointed a Servicer for the Lender under this Installment Purchase Contract, the District acknowledges and agree that the Servicer shall exercise all of the rights and remedies of the Lender under this Installment Purchase Contract, shall receive all reports, statements, notices and other communications from the District on behalf of the Lender required to be delivered to the Lender under this Installment Purchase Contract and shall be entitled to all of the protections afforded the Lender under this Installment Purchase Contract.

The Lender has initially engaged District National Bank as the Servicer, District National Bank has accepted such engagement, and the District acknowledges such appointment.

[Signatures on the following page]

ATTACHMENT 5

IN WITNESS WHEREOF, the parties hereto have executed and attested the Installment Purchase Contract by their officers thereunto duly authorized as of the day and year first written above.

**VENTURA PORT DISTRICT**

By: \_\_\_\_\_  
General Manager

ATTEST:

By \_\_\_\_\_  
Secretary

**CN FINANCING, INC.**

By: \_\_\_\_\_  
Authorized Officer



**EXHIBIT A****INSTALLMENT PAYMENT SCHEDULE**

1. The principal amount of payments to be made by the District hereunder is \$\_\_\_\_\_.
2. The installment payments of principal and interest are payable in the amounts and on the Installment Payment Dates as follows:

<b>Due Date</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
08/01/2021			
02/01/2022			
08/01/2022			
02/01/2023			
08/01/2023			
02/01/2024			
08/01/2024			
02/01/2025			
08/01/2025			
02/01/2026			
08/01/2026			
02/01/2027			
08/01/2027			
<b>Total</b>	\$	\$	\$



# BOARD OF PORT COMMISSIONERS

APRIL 21, 2021

## STANDARD AGENDA ITEM 2

COASTAL MARINE BIOLABS CURRENT  
ACTIVITIES UPDATE

**VENTURA PORT DISTRICT**  
**BOARD COMMUNICATION**

**STANDARD AGENDA ITEM 2**  
Meeting Date: April 21, 2021

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TO: Board of Port Commissioners  
FROM: Brian D. Pendleton, General Manager  
Linda Santschi, Ph.D. and Ralph Imondi, Ph.D.  
SUBJECT: Coastal Marine Biolabs Current Activities Update

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**RECOMMENDATION:**

That the Board of Port Commissioners receive an update from Coastal Marine Biolabs on their current activities.

**SUMMARY:**

Coastal Marine Biolabs (CMB) will give an update on the following:

- Recent educational activities;
- Organization's funding status; and
- Ongoing collaborations.

**LONG-TERM GOALS:**

- Goal 3: Relationships
  - Build respectful, productive, and mutually beneficial business relationships with our tenants, public agencies, elected officials and the community.

**5-YEAR OBJECTIVES:**

- Objective E: Public and Civic Engagement Plan
  - Strengthen communication and further develop close working relationships with stakeholders, business partners, and civic leaders.
    - 1: Collaborate with business partners and stakeholders through increased engagement, communication, and participation.

**BACKGROUND:**

CMB is a private, 501(c)(3), research-based science education organization that joined the Harbor in April 2007. They provide innovative field and laboratory-based learning experiences for high school students. Under the mentorship of CMB scientists, students use many of the key technological cornerstones of modern scientific discovery to explore contemporary questions that lie at the frontiers of scientific knowledge. They are currently located at 1559 Spinnaker Drive, Suite 101.

**FISCAL IMPACTS:**

None.

**ATTACHMENTS:**

None.



# BOARD OF PORT COMMISSIONERS

APRIL 21, 2021

## STANDARD AGENDA ITEM 3

APPROVAL OF 2021 LIFEGUARD SERVICES  
CONTRACT

**VENTURA PORT DISTRICT  
BOARD COMMUNICATION**

**STANDARD AGENDA ITEM 3**

Meeting Date: April 21, 2021

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TO: Board of Port Commissioners  
FROM: Brian Pendleton, General Manager  
John Higgins, Harbormaster  
SUBJECT: Approval of 2021 Lifeguard Services Contract

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**RECOMMENDATION:**

That the Board of Port Commissioners authorize the General Manager to enter into a contract with State Parks to provide Lifeguard Services from mid-May 2021 through Labor Day 2021 at Harbor Cove and Surfers Knoll beaches for \$136,802.37.

**SUMMARY:**

Ventura Harbor and its Beach have now become one of the more popular summer destinations in Ventura. The post dredging results in some of the best sand in the City. Visitors from Ventura, Los Angeles, & Kern Counties flock here to escape the inland heat, partake in the numerous healthy activities, and enjoy the Harbor Villages many amenities.

Placing public safety as a high priority, the Ventura Port District decided to take the lead on providing summer lifeguards at Harbor Cove Beach after the City of Ventura stopped services in 2011. The solution at that time was to contract with California State Parks. Since that time, and after a drowning on the unprotected South Beach in 2014, the services have modestly grown to meet the new demands of this higher population of visitors.

As in previous years, as the service has matured, the contract costs have increased each year. The 2021 contract cost represents a 48% increase in cost over 2020 (\$136,802.37 vs. \$92,330.33). Although there is some increase associated with escalation, the principle increases in cost are reflected in the number of work hours in this contract. The 2020 contract anticipated the use of 3,010 staff hours, however the 2021 contract is anticipated to include 4,160 work hours between May 1<sup>st</sup> and September 30<sup>th</sup> – an increase in 38%.

After several years of making necessary changes in staffing, Staff believes that the State Parks proposal best serves the interest in protecting the public. The increase in hours primarily will be used to allocate Staff better to provide adequate coverage to each beach area. These areas include the three towers and a staffed vehicle. Previously, the lifeguards have previously experienced difficulty providing support for rescues, medical calls, safety talks, and manpower to give necessary breaks due to the large beach crowds with only two towers and the staffed vehicle. The additional hours will support staffing an additional tower to improve coverage to the State Park's recommended levels.

In addition to being able to provide better public safety, Staff feels this investment in public safety is warranted through an increase in Property Taxes paid by the County to the District this year.

**LONG-TERM GOALS:**

- Goal 1: Maintain and Enhance a Safe and Navigable Harbor
  - C) Providing superior Harbor Patrol, Maintenance, and related District Services
- Goal 4: Sustainable Use
  - Promote sustainable use of our natural environment through business practices and programs designed in concert with our tenants, educators, agencies, and interest groups

- Goal 5: Relationships
  - Build respectful, productive, and mutually beneficial business relationships with our tenants, public agencies, elected officials and the community.
- Goal 6: Public Service
  - Provide exceptional public service and transparency at all levels within the organization through effective leadership, training, mentoring, and oversight. This promotes accountability, increased public trust, and a more efficient, effective and public focused organization.

#### **5-YEAR OBJECTIVES:**

- Objective E: Public and Civic Engagement Plan
  - Strengthen communication and further develop close working relationships with stakeholders, business partners, and civic leaders
    - 2: Collaborate with City, regional, state, and federal agency officials in pursuit of mutually beneficial projects, programs
- Objective P: National & State Parks Agency Collaboration
  - Draw upon Ventura Harbor area Nat'l. & State parks and wetland areas to enhance ecotourism
    - 2: Coordinate with National & California State Parks to develop destination-based ecotourism offerings

#### **BACKGROUND:**

Ventura Harbor is one of the few locations in Ventura County that provides a complete user experience. Our Harbor, beaches, merchants, restaurants, National Park Headquarters, sport fishing boats, dive boats, and Island Packers give the visitor tremendous value and entertainment in one intimate location. As Southern California history has shown, the beach is a proven valuable commodity and government agencies return on investments are strong. Local visitors and outside tourism are attracted to safe lifeguarded beaches and the result is a strong local economy, higher property values, and consistently higher sales taxes. Our investment in a complete lifeguard service for the first time brought us crowds mid-week and after the traditional summer months, which benefits our merchants and restaurants. We expect this trend to continue.

The crowds and environmental conditions have proven challenging (particularly in response to COVID-19), but with cooperation from the Harbor Patrol, the State Parks Lifeguards performed many rescues and prevented numerous serious incidents. The beach had historically high visitors and challenging conditions, but because of the District investment there were no drownings and most rescues were routine in nature. In fact, the Lifeguard service continues to provide better preventative care through education and has reduced the number of circumstances where first responders are also at risk.

The Harbor Patrol and State Lifeguards have grown a strong and effective partnership in providing public safety on land and water areas throughout the Ventura coastline. Both agencies participate in cross training and assist each other throughout the year on routine and emergency calls. District staff feels our partnership is a model for other small and budget constrained agencies, however costs continue to escalate.

#### **CONCLUSION:**

District Staff recommends entering into another contract with State Parks for \$136,802.37 as proposed. State Parks has done a fantastic job each year. Rescues continue to decrease with Preventative Lifeguarding and Public Education. The Harbormaster will continue to work with

State Parks to ensure that the highest level of service is provided while respecting the need to preserve Port District Funds.

Staff will also continue to work with the City of Ventura Fire and Recreation Departments to evaluate cost effective methods for service delivery, such as joint-service concepts. Staff will report back to the Commission should any significant opportunities present themselves.

**FISCAL IMPACT:**

The Lifeguard Contract for 2021 is estimated at \$136,802.37 (vs. \$92,330.33 in 2020) principally due to the increase in Lifeguard hours proposed. These additional hours represent a 38% increase in hours versus 2020 in order to staff an additional Lifeguard tower at the beach to provide more comprehensive public safety. This also incorporates a 5.5% increase in base hour rates for Lifeguard I and a 0% increase in salary for Lifeguard II. Several other cost factors are based on a fixed percentage of the labor costs.

**ATTACHMENT:**

Attachment 1 – California State Parks Lifeguard Proposal



# ATTACHMENT 1

## California State Parks

### Ocean Lifeguard Service Proposal For the Ventura Port District Area



#### **Background**

For over 60 years, California State Parks has been providing professional lifeguarding services along the entire California coastline. The California State Parks Lifeguard service is certified by the United States Lifesaving Association, and is recognized as one of the highest-ranking training academies in the world. The California State Parks Lifeguard service emphasizes the importance of lessening aquatic emergencies through prevention and education. Professional aquatic safety organizations worldwide accept this proactive approach as a proven method to prevent drowning.

The Ventura Port District has contracted with California State Parks for lifeguard services at Harbor Cove and Surfers Knoll for several years. These services have been provided in the mutual interest of regional aquatic safety and providing a cost effective public partnership. This partnership creates relief for the Ventura Port District as it eliminates the need to create an independent lifeguard program.

California State Parks Lifeguards also provide specially trained personnel for dive team, helicopter extraction, and near shore rescue-craft response for use in rapid deployment to the surf zone, as well as underwater searches. The depth of specialized skill and professionalism provided by the California State Parks lifeguard service is unparalleled anywhere in the contiguous United States.

### **Lifeguard Service Area**

This proposal covers three areas within the Ventura Port District:

Harbor Cove Tower / South Jetty Tower / Surfers Knoll Tower / Mobile Patrol Unit

Harbor Cove is a highly visited beach area within Ventura Harbor. It is near Ventura Harbor Village, a 100,000 square foot retail / restaurant complex, adjacent to the Channel Islands National Park Headquarters and Visitor Center. The Four Points Sheraton Harbor Resort and Holiday Inn Express are within walking distance. As the only still water beach in Ventura, this beach is used by tourists and residents alike.

Immediately south of Harbor Cove Beach, the South Jetty creates consistent dangerous rip currents. When combined with high surf events or other hazardous conditions this location can exhibit extremely dangerous conditions to all aquatic users.

Surfers Knoll Beach is a popular beach and surfing location adjacent to the Ventura Harbor Village entrance. Surfers Knoll is a popular location for outdoor recreation. The rock jetties in this area intensify the ocean currents and swells and make this stretch of coast more dangerous than others in the region.

### **Lifeguard Coverage Schedule**

The proposed schedule of lifeguard services would provide adequate coverage given historic and anticipated use patterns for the busy summer season.

The lifeguard coverage schedule below is based on providing a minimum level of lifeguard service for the those identified Port District properties. This schedule for pre-planned services was requested by the Ventura Port District.

Typical Seasonal Lifeguard shifts are 8 hours for tower shifts and 10 hours for mobile patrol shifts. The State reserves the right to shorten or lengthen these shifts to maximize public safety. To provide adequate coverage on weekends and holidays during peak use periods, both towers and mobile patrol unit may be staffed by two lifeguards.

### **Planned Lifeguard Service Hours**

PLANNED HOURS													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Vehicle Patrol	–	–	–	–	140	300	340	310	150	–	–	–	1,240
Surfers Knoll	–	–	–	–	112	240	272	248	120	–	–	–	992
South Jetty	–	–	–	–	48	160	272	208	48	–	–	–	736
Harbor Cove	–	–	–	–	112	328	328	304	120	–	–	–	1,192

Additionally, funds may be spent to replace and/or repair equipment used for providing service to the Ventura Port District; provide supplemental training to lifeguard staff to establish and maintain certifications for their respective job classifications; schedule additional shifts as necessary to cover high beach use/large surf events.

### **Lifeguard Service Budget**

<b>CALENDAR YEAR 2021 CONTRACT COST</b>				
	<b>LG Patrol - LG II</b>		<b>Surfers Knoll Tower (#1), New Jetty Tower (#2) &amp; South Jetty Tower (#3) - LG I</b>	
	<b>Hours</b>	<b>\$21.62/hr.</b>	<b>Hours</b>	<b>\$19.75/hr.</b>
<b>January</b>	<b>Winter Season</b>			
<b>February</b>				
<b>March</b>				
<b>April</b>				
<b>May</b>	140	\$3,026.80	112/48/112 (272)	\$5,372.00
<b>June</b>	300	\$6,486.00	240/160/328 (728)	\$14,378.00
<b>July</b>	340	\$7,350.80	272/272/328 (872)	\$17,222.00
<b>August</b>	310	\$6,702.20	248/208/304 (760)	\$15,010.00
<b>September</b>	150	\$3,243.00	120/48/120 (288)	\$5,688.00
<b>October</b>	<b>Winter Season</b>			
<b>November</b>				
<b>December</b>				
<b>SUBTOTAL</b>	<b>1,240</b>	<b>\$26,808.80</b>	<b>992 / 736 / 1,192 (2,920)</b>	<b>\$57,670.00</b>

<b>CALENDAR YEAR 2021 CONTRACT COST (Continued)</b>		
<b>Temp Help Subtotal</b>	<b>—</b>	<b>\$84,478.80</b>
<b>Temp Help Training Cost</b>	<b>\$3,558.28</b>	<b>\$88,037.08</b>
<b>Health/Leave Benefits (20%)</b>	<b>\$17,607.41</b>	<b>—</b>
<b>Temp Help Total</b>	<b>—</b>	<b>\$105,644.49</b>
<b>Supervising LG cost (10%)</b>	<b>\$10,564.45</b>	<b>—</b>
<b>Total Cost of Labor</b>	<b>—</b>	<b>\$116,208.94</b>
<b>Sacramento Contract Fee (16%)</b>	<b>\$18,593.43</b>	<b>—</b>
<b>Emergency Response Funds</b>	<b>\$2,000</b>	<b>—</b>
<b>Total Contract Cost:</b>	<b>—</b>	<b>\$136,802.37</b>

## **Lifeguard Budget Details**

**Temp Help Staffing Costs:** California State Parks will provide Seasonal Lifeguard I's and Lifeguard II's as the primary classification for meeting the lifeguard staffing requirements for this contract. Hourly costs for each classification range from Lifeguard I at \$19.75 per hour to Lifeguard II at \$21.62 per hour for the identified employees current active bargaining unit contract. For further contract information reference CSLEA Bargaining Unit 7 contract.

**Employee Training Cost:** This contract requires a minimum of 2 LG II's and 6 LG I's to complete the services outlined in the contract. California State Parks employees are departmentally required to complete the following trainings annually in order remain current as a lifeguard. The total annual cost to complete these required trainings is \$3,558.28.

1. Annual Public Safety First Aid (PSFA) – 20 hrs.
2. Annual Lifeguard Requalification Swim (ALRS) – 1 hr.
3. Beach Driving Recertification Course – 1 hr.

Course	Course Duration	LG I - \$19.75 6 employees	LG II - \$21.62 2 employees
<b>PSFA</b>	20 hrs.	\$2,370.00	\$864.80
<b>ALRS</b>	1 hr.	\$118.50	\$43.24
<b>Beach Driving Refresher</b>	1 hr.	\$118.50	\$43.24
<b>TOTALS</b>	<b>Training hours: 22</b>	<b>Training cost LG I: \$2,607.00</b>	<b>Training cost LG II: \$951.28</b>

**Health & Leave Benefits:** This is a flat 20% rate to cover vacation and sick leave benefits earned by Lifeguard I's and Lifeguard II's while working under this contract.

**Supervising State Park Peace Officer (Lifeguard):** This 10% cost will pay for supervision, daily operations oversight, scheduling, and other planning activities necessary to deploy the lifeguards services described in this contract.

**California DGS Contract Fee:** California State Administrative Manual requires all Service Contracts to include a 16% Contract Fee to support administrative costs in Sacramento to support this agreement. See attachment A.

**Emergency Response Funds:** The Ventura Port District may provide annual Emergency Response Funds not to exceed \$2,000.00 for off season emergencies, staff training, and purchase of equipment or other items needed to support contract services. Emergency Response Funds must be used by the end of the calander year and cannot be used for capital purchases.

Equipment Needs: Port District will provide California State Parks no later than May 1st the following equipment for its exclusive use for the term of this contract:

PORT DISTRICT PROVIDES	CA STATE PARKS PROVIDES
Use of a Port District 4x4 code 3 vehicle equipped with emergency lights, siren, and PA.	Portable radio and rescue equipment for the vehicle.
Responsible for the prompt repair of this equipment as well as normal maintenance needs.	Three department owned lifeguard towers to be utilized on the locations identified in this contract.
The Port District vehicle will be refueled using the Port District fuel card.	Lifeguard rescue and communication equipment

Associated Cost (not-included in contract cost): There are several associated contract cost that California State Parks absorbs that are not included in this contract cost. These items that allow the contract to function are as follows:

1. Employee Hiring Cost
  - a. California State Parks conducts annual lifeguard hiring in order to staff contracts with the required numbers of employees. Lifeguards who are successful in the hiring process attend a Lifeguard Training Program in Orange County. This training is approximately \$3,500.00 per new employee.
    - i. **80 hours of training**
    - ii. 60 regular time = \$20.00 per hour with benefits included (\$1,200.00)
    - iii. 20 Overtime = \$35.00 per hour with benefits included (\$700.00)
    - iv. 4 hours paperwork/hire = \$20.00 per hour with benefits included (\$80.00)
    - v. **Hotel cost**
    - vi. \$120.00 for 9 nights without tax = \$1,080.00
    - vii. **Per Diem Per 24 hours** = Roughly \$370.00
      1. \$7.00 Breakfast
      2. \$11.00 Lunch
      3. \$23.00 Dinner
      4. \$5.00 Incidentals
2. Annual Lifeguard Refresher Training (*Annual Rescue Skills Training per USLA*)
  - a. Employee required training every year. Course duration 16 hours.
    - i. LG I - \$316 every year per employee
    - ii. LG II - \$345.92 every year per employee

3. Information Security Online training
  - a. Employee required training every year. Course duration 10 hours.
    - i. LG I - \$197.50 every year per employee
    - ii. LG II - \$216.20 every year per employee
4. DPR Human Rights Training
  - a. Employee required training every 2 years. Course duration 4 hours.
    - i. LG I - \$79.50 every 2 years per employee
    - ii. LG II - \$86.48 every 2 years per employee
5. DPR Sexual Harassment Training
  - a. Employee required training for LG II's every 2 years. Course duration 2 hours.
    - i. LG II \$44.28 every 2 years per employee.
6. DGS Defensive Driver Certification
  - a. Employee required training every 4 years. Course duration is 2.5 hours.
    - i. LG I's - \$49.37 every 2 years per employee
    - ii. LG II's - \$54.05 every 2 years per employee
7. DPR Initial Beach Driving Certification Course
  - a. Employee training requirement to allow employees to operate vehicles on the beach. Course is required once and course duration is 4 hours.
    - i. LG I - \$79.00 per employee
    - ii. LG II - \$86.48 per employee
8. DPR Initial Rescue Water Craft (RWC) Operator Course
  - a. Required for employees to operate RWCs. Course is required once and course duration is 30 hours.
    - iii. LG I - \$592.50
    - iv. LG II - \$648.60
9. DPR Rescue Water Craft (RWC) Operator Refresher Course
  - a. Required for employees to operate RWCs. Course is required annually and course duration is 8 hours.
    - v. LG I - \$158.00
    - vi. LG II - \$172.96
10. Lifeguard Dispatch Operator
  - a. A Lifeguard Dispatcher is required to communicate between all lifeguard resources. This assignment is typically staffed by a LG II and utilized on weekends in May and September and every day of the week in June through August (Approximately 112 days)
    - i. \$24,214.40

### **Agreement Term**

The term of this agreement will be from Notice to Proceed to December 31, 2021. The contract amount shall not exceed \$136,802.37

**The state reserves the right to reduce pre-planned services outlined in this contract due to unforeseen emergencies and challenges, such as COVID 19, etc.**

DRAFT





# BOARD OF PORT COMMISSIONERS

APRIL 21, 2021

## STANDARD AGENDA ITEM 4

APPROVAL OF A PROFESSIONAL SERVICES  
AGREEMENT WITH PHOTO-SCAN OF LOS  
ANGELES, INC. FOR SECURITY SYSTEM  
MONITORING AND SERVICE

**VENTURA PORT DISTRICT  
BOARD COMMUNICATION**

**STANDARD AGENDA ITEM 4**  
Meeting Date: April 21, 2021

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TO: Board of Port Commissioners  
FROM: Brian D. Pendleton, General Manager  
Todd Mitchell, Business Operations Manager  
John Higgins, Harbormaster  
SUBJECT: Approval of a Professional Services Agreement with Photo-Scan of Los Angeles, Inc. for Security System Monitoring and Service

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**RECOMMENDATION:**

That the Board of Port Commissioners approve a Professional Services Agreement with Photo-Scan of Los Angeles, Inc. in the amount of up to \$50,000 for upgrades and maintenance of the District's door lock and camera security systems.

**SUMMARY:**

The proposed Professional Service Agreements (PSA) with Photo-Scan of Los Angeles, Inc. (PSLA) are to install and maintain upgrades to the District's security systems both at the headquarters building as well as in Ventura Harbor Village. The system will integrate the existing fob-controlled door lock systems and existing cameras with Avigilon Control Center software and hardware upgrades. The system will provide improved reliability and allow for expansion of system capabilities and, over time, upgraded cameras. The contract also includes the ability to call-out technicians for service and repairs, as needed.

The contract value is for not-to-exceed \$50,000 and the initial upgrade installation and first year of monitoring is proposed at \$35,521.44. Additional funds may be allocated to purchase some additional cameras, to replace any devices that are identified to require replacement, and/or to fund call-out repair services in the remainder of the fiscal year. The contract with PSLA requires a total 5-year commitment during which the monthly service fees are fixed.

**LONG-TERM GOALS:**

- Goal 1: Maintain and Enhance a Safe and Navigable Harbor
  - C) Providing superior Harbor Patrol, Maintenance, and related District Services
  - D) Preserving and enhancing infrastructure, equipment and facilities for a modernized, efficient and safe working harbor.
- Goal 6: Public Service
  - Provide exceptional public service and transparency at all levels within the organization through effective leadership, training, mentoring, and oversight. This promotes accountability, increased public trust, and a more efficient, effective and public focused organization.

**5-YEAR OBJECTIVES:**

- Objective V: Harbor Village
  - Maintain and improve Harbor Village infrastructure and enhance the overall visitor experience

**BACKGROUND:**

Ventura Port District uses a centralized security system to manage all door locks accessed by staff at all District operated facilities. This includes access to the headquarters building but also access to numerous other locations in all buildings in Ventura Harbor Village, including

maintenance rooms and restrooms. The system also controls access to the Fish Pier Crane and the Dry Storage yard.

Because of the number of facilities that have access controlled by this system, its reliability is of key importance. However, over the past few years, the service provider previously providing maintenance no longer services Ventura and the system has become unreliable without maintenance and support. In fact, since the previous vendor stopped providing service, the District has been unable to obtain regular service from a provider.

PSLA was identified by staff to provide a vastly improved level of management of the system as well as being able to incorporate management of our security cameras, which have also become unreliable due to lack of a service vendor. PSLA is based in Moorpark and has therefore been responsive in providing emergency call-out services over the past few months and have demonstrated their ability to provide the necessary support for our systems.

This contract includes the installation of system unification hardware for Access Control Management (ACM), configuration of ACM systems to allow software-controlled arming and disarming of doors and intrusion systems, installation of an enterprise server with RAID storage of data, web-based control systems, connection to all existing locks and cameras, capability for camera recording and analytics, and regular maintenance. Staff has selected the option where the equipment provided under this contract will be owned by PSLA due to the rate at which these types of assets depreciate and the very nominal monthly cost to lease in comparison to purchase (16 years of lease payments equal to the price of purchase).

**FISCAL IMPACTS:**

The contract includes the installation and set-up costs of \$32,521.44 plus monthly fees of \$889/month after installation. Complete integration is likely to take approximately two months, so it is unlikely monthly fees will be charged during this fiscal year. Additional cameras may be purchased depending on the assessed need during the system upgrade, however the contract shall not exceed \$50,000 during FY20-21.

**ATTACHMENTS:**

None.